PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

REPORT OF INDEPENDENT ACCOUNTANTS

DECEMBER 31, 2019 AND 2018

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
AUDIT REPORT OF INDEPENDENT ACCOUNTANTS
DECEMBER 31, 2019 AND 2018
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PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES

Declaration of Consolidated Financial Statements of Affiliated Enterprises

For the year ended December 31, 2019, pursuant to "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises," the company that is required to be included in the consolidated financial statements of affiliates, is the same as the company required to be included in the consolidated financial statements under International Financial Reporting Standards 10. And if relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies, it shall not be required to prepare consolidated financial statements of affiliates.

Hereby declare,

PRESIDENT CHAIN STORE CORP.

February 27, 2020

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Stockholders of President Chain Store Corp.

Opinion

We have audited the accompanying consolidated balance sheets of President Chain Store Corp. and its subsidiaries (the "Group") as of December 31, 2019 and 2018, and the related consolidated statements of comprehensive income, of changes in equity, and of cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other independent accountants (which are described in the *Other matters* section of our report), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of President Chain Store Corp. and its subsidiaries as of December 31, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended, in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and generally accepted auditing standards in the Republic of China (ROC GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Professional Ethics for Certified Public Accountants in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with this Code. Based on our audits and the reports of other independent accountants, we believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2019. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's consolidated financial statements for the year ended December 31, 2019 are stated as follows:

Completeness and accuracy of retail sales revenue

Description

Please refer to Notes 4(25) and 6(24) to the consolidated financial statements for the accounting policy and the details of accounting relating to this key audit matter.

Retail sales revenue is generated by point-of-sale (POS) terminals, which record the merchandise name, quantity, sales price and total sales amount of each transaction using pre-established merchandise master file data (including merchandise name, cost of inventory, retail price, sales promotions, etc.). After the daily closing process, each store manager uploads their sales information to the ERP (enterprise resource planning) system, which summarizes all sales and automatically generates sales revenue journal entries. Each store manager also prepares a daily cash report to record the sales information and payment methods (including cash, gift certificates, credit cards and electronic payment devices, etc.) and the cash deposited to the bank.

As retail sales revenue comprises numerous small amount transactions and highly relies on the POS and ERP systems, the process of summarizing and recording sales revenue by these systems is important with regard to the completeness and accuracy of the retail sales revenue, and thus has been identified as a key audit matter.

How our audit addressed the matter

Our key audit procedures performed in respect of the above included the following:

1. Inspected whether additions and changes to the merchandise master file data had been properly approved and supported by relevant documents;
2. Inspected whether approved additions and changes to the merchandise master file data had been correctly entered in the merchandise master file;
3. Inspected whether merchandise master file data had been periodically transferred to POS terminals in stores;
4. Inspected whether sales information in POS terminals was periodically and completely transferred to the ERP system and automatically generated sales revenue journal entries;
5. Inspected manual sales revenue journal entries and relevant documents;
6. Inspected daily cash reports and relevant documents; and
7. Inspected whether cash deposit amounts recorded in daily cash reports were in agreement with bank remittance amounts.

Cost-to-retail ratio of retail inventory method

Description

Please refer to Notes 4(12) and 6(4) to the consolidated financial statements for the accounting policy and the details of accounting relating to this key audit matter.

As there are various kinds of merchandise, the retail inventory method is used to estimate the cost of inventory and the cost of goods sold. The retail inventory method uses the ratio of the cost of goods purchased to the retail value of goods purchased (known as cost-to-retail ratio) to calculate the cost of inventory and the cost of goods sold. The calculation of the cost-to-retail ratio highly relies on the goods purchased both at cost and retail price, and thus has been identified as a key audit matter.

How our audit addressed the matter

Our key audit procedures performed in respect of the above included the following:

1. Interviewed management to understand the calculation of the cost-to-retail ratio under the retail inventory method, and inspected whether it had been consistently applied in the comparative periods of the financial statements;
2. Inspected whether additions and changes to the merchandise master file data (including merchandise name, cost of inventory, retail price, sales promotions, etc.) had been properly approved and the data correctly entered in the merchandise master file;
3. Inspected whether the cost and retail price of inventory purchased as per delivery receipts were in agreement with POS purchase records after acceptance of the inventory;
4. Inspected whether the POS records for the cost and retail price of inventory purchased were periodically and completely transferred to the ERP system and ascertain whether the records could not be changed manually; and
5. Calculated the cost-to-retail ratio to verify its accuracy.

Other matter – Using the work of other auditors

We did not audit the financial statements of certain consolidated subsidiaries, which reflect total assets of NT$17,667,481 thousand and NT$10,081,554 thousand, representing 9.1% and 7.9% of total consolidated assets as of December 31, 2019 and 2018, respectively, and total operating revenue of NT$32,407,436 thousand and NT$25,801,037 thousand, representing 12.7% and 10.5% of total consolidated operating revenue for the years then ended, respectively. Those financial statements were audited by other independent accountants whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included in the financial statements and the information on investees disclosed in Note 13 were based solely on the reports of other independent accountants.

Other matters – Parent company - only financial reports

We have audited and expressed an unmodified opinion with an explanatory paragraph on the parent company only financial statements of President Chain Store Corp. as of and for the years ended December 31, 2019 and 2018.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, and for such internal controls as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the financial reporting process of the Group.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ROC GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ROC GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
2. Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Group.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2019 and are, therefore, considered to be the key audit matters. We describe these matters in our auditor's report unless the law or regulations preclude public disclosure about the matter, or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Yi-Chang, Liang	Chien-Hung, Chou

For and on behalf of PricewaterhouseCoopers, Taiwan
27 February, 2020

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers, Taiwan cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2019 AMOUNT	%	December 31, 2018 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 45,445,395	23	$ 48,530,648	38
1110	Financial assets at fair value through profit or loss - current	6(2)	1,696,300	1	844,225	1
1170	Accounts receivable, net	6(3) and 7	5,808,480	3	5,264,573	4
1200	Other receivables		1,460,354	1	1,535,507	1
1220	Current income tax assets	6(30)	95	-	1,139	-
130X	Inventories, net	6(4)	15,659,112	8	15,121,657	12
1410	Prepayments		1,195,719	1	1,340,225	1
1470	Other current assets		2,968,350	1	3,004,894	2
11XX	**Total current assets**		74,233,805	38	75,642,868	59
	Non-current assets					
1510	Financial assets at fair value through profit or loss - non-current	6(2)	85,565	-	85,683	-
1517	Financial assets at fair value through other comprehensive income - non-current	6(5)	807,115	-	845,345	1
1550	Investments accounted for using equity method	6(6)	9,255,939	5	9,000,580	7
1600	Property, plant and equipment, net	6(7)(28) and 8	26,018,322	13	25,292,763	20
1755	Right of use assets	6(8) and 7	67,489,612	35	-	-
1760	Investment property, net	6(10)(32)	1,506,798	1	1,502,159	1
1780	Intangible assets	6(11)	10,171,442	5	10,393,880	8
1840	Deferred income tax assets	6(30)	1,860,217	1	1,727,043	1
1900	Other non-current assets	6(12) and 8	3,699,819	2	3,204,759	3
15XX	**Total non-current assets**		120,894,829	62	52,052,212	41
1XXX	**Total assets**		$ 195,128,634	100	$ 127,695,080	100

(Continued)

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2019 AMOUNT	%	December 31, 2018 AMOUNT	%
	Current Liabilities					
2100	Short-term borrowings	6(14) and 8	$ 6,014,658	3	$ 7,237,785	6
2130	Contract liabilities - current	6(24)	3,443,383	2	2,843,189	2
2150	Notes payable	7	1,214,702	1	1,866,610	2
2170	Accounts payable		20,897,055	11	20,673,579	16
2180	Accounts payable - related parties	7	2,690,640	1	2,475,104	2
2200	Other payables	6(15)	26,596,505	14	27,954,181	22
2230	Current income tax liabilities	6(30)	1,410,428	1	1,801,229	1
2280	Lease Liabilities - current	7	11,932,751	6	-	-
2300	Other current liabilities	6(16)	3,149,591	1	3,260,538	3
21XX	**Total current liabilities**		77,349,713	40	68,112,215	54
	Non-current liabilities					
2527	Contract liabilities - non-current	6(24)	448,248	-	234,421	-
2540	Long-term borrowings	6(17) and 8	508,112	-	847,040	1
2570	Deferred income tax liabilities	6(30)	5,580,529	3	5,386,839	4
2580	Lease Liabilities – non-current	7	56,894,287	29	-	-
2640	Net defined benefit liability - non-current	6(18)	4,751,607	3	4,732,549	4
2670	Other non-current liabilities	6(19)	4,368,820	2	4,356,989	3
25XX	**Total non-current liabilities**		72,551,603	37	15,557,838	12
2XXX	**Total liabilities**		149,901,316	77	83,670,053	66
	Equity attributable to owners of the parent					
	Share capital	6(20)				
3110	Share capital - common stock		10,396,223	5	10,396,223	8
	Capital surplus	6(21)				
3200	Capital surplus		46,884	-	45,059	-
	Retained earnings	6(22)				
3310	Legal reserve		13,314,081	7	12,293,442	10
3320	Special reserve		-	-	398,859	-
3350	Unappropriated retained earnings		12,845,880	7	12,064,862	9
	Other equity	6(23)				
3400	Other equity interest		(380,187)	-	53,605	-
31XX	**Equity attributable to owners of the parent**		36,222,881	19	35,252,050	27
36XX	**Non-controlling interest**		9,004,437	4	8,772,977	7
3XXX	**Total equity**		45,227,318	23	44,025,027	34
3X2X	**Total liabilities and equity**		$ 195,128,634	100	$ 127,695,080	100

The accompanying notes are an integral part of these consolidated financial statements.

Chairman: Lo, Chih-Hsien　　President: Huang, Jui-Tien　　Accounting Manager: Kuo, Ying-Chih

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

	Items	Notes	2019 AMOUNT	2019 %	2018 AMOUNT	2018 %
4000	**Operating revenue**	6(24) and 7	$ 256,058,888	100	$ 244,887,853	100
5000	**Operating costs**	6(4)(25) and 7	(168,210,468)	(66)	(160,811,161)	(66)
5900	**Gross profit**		87,848,420	34	84,076,692	34
	Operating expenses	6(25)(26)				
6100	Selling expenses		(65,434,377)	(25)	(62,536,030)	(25)
6200	General and administrative expenses		(9,355,509)	(4)	(8,688,758)	(4)
6450	Expected credit losses		(8,640)	-	(17,080)	-
6000	**Total operating expenses**		(74,798,526)	(29)	(71,241,868)	(29)
6900	**Operating profit**		13,049,894	5	12,834,824	5
	Non-operating income and expenses					
7010	Other income	6(27)	2,878,332	1	2,425,273	1
7020	Other gains and losses	6(28)	(29,037)	-	(137,186)	-
7050	Finance costs	6(29)	(1,216,000)	-	(144,662)	-
7060	Share of profit of associates and joint ventures accounted for using equity method	6(6)	480,998	-	424,098	-
7000	**Total non-operating income and expenses**		2,114,293	1	2,567,523	1
7900	**Profit before income tax**		15,164,187	6	15,402,347	6
7950	Income tax expense	6(30)	(3,052,078)	(1)	(3,658,069)	(1)
8000	**Profit for the year from continuing operations**		12,112,109	5	11,744,278	5
8200	**Profit for the year**		$ 12,112,109	5	$ 11,744,278	5

For the years ended December 31

(Continued)

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

	Items	Notes	2019 AMOUNT	2019 %	2018 AMOUNT	2018 %
	Other comprehensive income (loss)					
8311	Loss on remeasurement of defined benefit plan	6(18)	($ 10,060)	-	($ 156,420)	-
8316	Unrealized gain on valuation of equity instruments at fair value through other comprehensive income	6(5)	162,501	-	(143,849)	-
8320	Share of other comprehensive loss of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	6(23)	(1,965)	-	(5,526)	-
8349	Income tax related to the components of other comprehensive income that will not be reclassified to profit or loss	6(30)	867	-	79,842	-
8310	**Components of other comprehensive income (loss) that will not be reclassified to profit or loss**		151,343	-	(225,953)	-
8361	Financial statements translation differences of foreign operations		(505,816)	-	526,768	-
8367	Unrealized loss on valuation of bond instruments at fair value through other comprehensive income	6(5)	(783)	-	(1,537)	-
8370	Share of other comprehensive (loss) Income of associates and joint ventures accounted for using equity method, components of other comprehensive loss that will be reclassified to profit or loss	6(23)	(4,436)	-	3,233	-
8360	**Components of other comprehensive income (loss) that will be reclassified to profit or loss**		(511,035)	-	528,464	-
8300	**Total other comprehensive income (loss) for the year**		($ 359,692)	-	$ 302,511	-
8500	**Total comprehensive income for the year**		$ 11,752,417	5	$ 12,046,789	5
	Profit attributable to:					
8610	Owners of the parent		$ 10,542,860	4	$ 10,206,388	4
8620	Non-controlling interests		1,569,249	1	1,537,890	1
			$ 12,112,109	5	$ 11,744,278	5
	Comprehensive income attributable to:					
8710	Owners of the parent		$ 10,116,764	4	$ 10,631,150	4
8720	Non-controlling interests		1,635,653	1	1,415,639	1
			$ 11,752,417	5	$ 12,046,789	5
9750	**Basic earnings per share (in dollars)**	6(31)	$	10.14	$	9.82
9850	**Diluted earnings per share (in dollars)**	6(31)	$	10.12	$	9.79

For the years ended December 31

The accompanying notes are an integral part of these consolidated financial statements.

Chairman: Lo, Chih-Hsien President : Huang, Jui-Tien Accounting Manager: Kuo, Ying-Chih

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent										
				Retained earnings			Other equity interest					
	Notes	Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealized gain or loss on valuation of financial assets at fair value through other comprehensive Income	Equity directly related to non-current assets held for sale	Total	Non-controlling Interest	Total equity
For the year ended December 31, 2018												
Balance at January 1, 2018		$ 10,396,223	$ 43,875	$ 9,191,733	$ -	$ 31,381,290	($ 906,308)	$ -	$ 507,449	$ 50,614,262	$ 8,892,148	$ 59,506,410
Adjustments under new standards	6(23)	-	-	-	-	25,463	-	477,996	(507,449)	(3,990)	(5,203)	(9,193)
Adjustment beginning balance		10,396,223	43,875	9,191,733	-	31,406,753	(906,308)	477,996	-	50,610,272	8,886,945	59,497,217
Profit for the year		-	-	-	-	10,206,388	-	-	-	10,206,388	1,537,890	11,744,278
Other comprehensive income (loss) for the year	6(23)	-	-	-	-	(57,155)	626,479	(144,562)	-	424,762	(122,251)	302,511
Total comprehensive income (loss) for the year		-	-	-	-	10,149,233	626,479	(144,562)	-	10,631,150	1,415,639	12,046,789
Distribution of 2017 earnings	6(22)											
Legal reserve		-	-	3,101,709	-	(3,101,709)	-	-	-	-	-	-
Special reserve		-	-	-	398,859	(398,859)	-	-	-	-	-	-
Cash dividends		-	-	-	-	(25,990,556)	-	-	-	(25,990,556)	-	(25,990,556)
Non-controlling interest		-	-	-	-	-	-	-	-	-	(1,529,607)	(1,529,607)
Overdue unclaimed cash dividend transferred to capital surplus		-	536	-	-	-	-	-	-	536	-	536
Adjustment of capital surplus due to change in interests in associates		-	648	-	-	-	-	-	-	648	-	648
Balance at December 31, 2018		$ 10,396,223	$ 45,059	$ 12,293,442	$ 398,859	$ 12,064,862	($ 279,829)	$ 333,434	$ -	$ 35,252,050	$ 8,772,977	$ 44,025,027
For the year ended December 31, 2019												
Balance at January 1, 2019		$ 10,396,223	$ 45,059	$ 12,293,442	$ 398,859	$ 12,064,862	($ 279,829)	$ 333,434	$ -	$ 35,252,050	$ 8,772,977	$ 44,025,027
Profit for the year		-	-	-	-	10,542,860	-	-	-	10,542,860	1,569,249	12,112,109
Other comprehensive income (loss) for the year	6(23)	-	-	-	-	7,696	(590,079)	156,287	-	(426,096)	66,404	(359,692)
Total comprehensive income (loss) for the year		-	-	-	-	10,550,556	(590,079)	156,287	-	10,116,764	1,635,653	11,752,417
Distribution of 2018 earnings:	6(22)											
Legal reserve		-	-	1,020,639	-	(1,020,639)	-	-	-	-	-	-
Special reserve		-	-	-	(398,859)	398,859	-	-	-	-	-	-
Cash dividends		-	-	-	-	(9,148,676)	-	-	-	(9,148,676)	-	(9,148,676)
Non-controlling interest		-	-	-	-	-	-	-	-	-	(1,404,193)	(1,404,193)
Overdue unclaimed cash dividend transferred to capital surplus		-	1,235	-	-	-	-	-	-	1,235	-	1,235
Adjustment of capital surplus due to associates' adjustment of capital surplus		-	590	-	-	-	-	-	-	590	-	590
Disposal of financial instruments designated at fair value through other comprehensive income of associates		-	-	-	-	918	-	-	-	918	-	918
Balance at December 31, 2019		$ 10,396,223	$ 46,884	$ 13,314,081	$ -	$ 12,845,880	($ 869,908)	$ 489,721	$ -	$ 36,222,881	$ 9,004,437	$ 45,227,318

The accompanying notes are an integral part of these consolidated financial statements.

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

	Notes	For the years ended December 31 2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Consolidated profit before income tax for the year		$ 15,164,187	$ 15,402,347
Adjustments to reconcile profit before income tax to net cash provided by operating activities			
Income and expenses having no effect on cash flows			
Gain on valuation of financial assets at fair value through profit or loss	6(2)	(10,108)	(12,411)
Expected credit losses	12(2)	8,640	17,080
Depreciation on property, plant and equipment	6(7)(8)	18,177,202	5,993,847
Amortization		574,709	584,009
Depreciation on investment property	6(10)	17,031	16,956
Finance costs	6(29)	1,216,000	144,662
Share of profit of associates and joint ventures accounted for using equity method	6(6)	(480,998)	(424,098)
Gain on disposal of investments accounted for using the equity method	7	-	(59)
Loss on disposal of property, plant and equipment, net	6(28)	11,428	33,275
Gain from lease modification	6(28)	(58,910)	-
Interest income	6(27)	(793,898)	(699,385)
Dividend income	6(27)	(49,542)	(65,124)
Impairment loss on intangible assets	6(11)	-	819
Impairment loss on property, plant and equipment	6(7)	(13,618)	9,969
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Financial assets at fair value through profit or loss		(841,967)	728,211
Accounts receivable		(552,547)	(326,504)
Other receivables		63,609	122,931
Inventories		(537,455)	(1,734,535)
Prepayments		(125,934)	76,950
Other current assets		36,544	24,955
Net changes in liabilities relating to operating activities			
Contract liabilities - current		600,194	(1,092,169)
Accounts payable		439,012	1,977,720
Notes payable		(651,908)	(199,901)
Other payables		(60,331)	18,646
Advance receipts		3,025	1,678,593
Contract liabilities - non-current		213,827	(111,590)
Net defined benefit liabilities - non-current		8,998	157,749
Cash generated from operations		32,357,190	22,322,943
Interest received		805,390	697,286
Income tax paid		(3,380,452)	(6,194,372)
Interest paid		(1,216,183)	(144,711)
Dividends received		270,286	1,236,783
Net cash provided by operating activities		28,836,231	$ 17,917,929

(Continued)

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

	Notes	For the years ended December 31 2019	2018
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of investments accounted for using the equity method	6(6) and 7	$ -	$ 25,644,556
Acquisition of subsidiary	6(6)	-	(3,226,806)
Acquisition of property, plant and equipment	6(33)	(7,249,215)	(6,671,500)
Proceeds from disposal of property, plant and equipment		245,532	81,397
Return of capital from financial assets at fair value through profit or loss		118	-
Return of capital from financial assets at fair value through other comprehensive income		200,000	-
Guarantee deposits paid		(144,974)	(110,493)
Acquisition of intangible assets	6(11)	(209,602)	(196,984)
Other non-current assets		(533,389)	83,203
Net cash (used in) provided by investing activities		(7,691,530)	15,603,373
CASH FLOWS FROM FINANCING ACTIVITIES			
(Decrease) increase in short-term borrowings	6(34)	(1,223,127)	6,272,605
Decrease in short-term notes and bills payable	6(34)	-	(250,000)
Proceeds from long-term borrowings	6(34)	165,030	289,511
Repayment of long-term borrowings	6(34)	(624,174)	(473,646)
Payments of lease liabilities	6(8)(34)	(11,329,825)	-
Guarantee deposits received	6(34)	147,220	58,093
(Decrease) increase in other non-current liabilities	6(34)	(222,130)	223,176
Change in non-controlling interests		(94,763)	(23,138)
Payment of cash dividends - the Company	6(22)	(9,148,676)	(25,990,556)
Payment of cash dividends - subsidiaries		(1,309,430)	(1,506,469)
Net cash used in financing activities		(23,639,875)	(21,400,424)
Effect of foreign exchange rate changes on cash and cash equivalents		(590,079)	626,479
(Decrease) increase in cash and cash equivalents		(3,085,253)	12,747,357
Cash and cash equivalents at beginning of year		48,530,648	35,783,291
Cash and cash equivalents at end of year		$ 45,445,395	$ 48,530,648

The accompanying notes are an integral part of these consolidated financial statements.

Chairman: Lo, Chih-Hsien President : Huang, Jui-Tien Accounting Manager: Kuo, Ying-Chih

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

(1) President Chain Store Corporation (the "Company") was established on June 10, 1987. The main businesses of the Company and its subsidiaries (collectively referred herein as the "Group") are managing convenience stores, restaurants, drugstores, department stores, supermarkets and online shopping stores. Business areas include Taiwan, Mainland China, Philippines and Japan. The common shares of the Company have been listed on the Taiwan Stock Exchange since August 22, 1997. Details of the Group's main operating activities and segment information are provided in Notes 4 and 14.

(2) The Group's ultimate parent company is Uni-President Enterprises Corp., which holds 45.4% equity interest in the Company.

2. DATE OF AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were authorized for issuance by the Board of Directors on February 27, 2020.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS") as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by FSC effective from 2019 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 9, 'Prepayment features with negative compensation'	January 1, 2019
IFRS 16, 'Leases'	January 1, 2019
Amendments to IAS 19, 'Plan amendment, curtailment or settlement'	January 1, 2019
Amendments to IAS 28, 'Long-term interests in associates and joint ventures'	January 1, 2019
IFRIC 23, 'Uncertainty over income tax treatments'	January 1, 2019
Annual improvements to IFRSs 2015-2017 cycle	January 1, 2019

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

IFRS 16, 'Leases'

(a) IFRS 16, 'Leases', replaces IAS 17, 'Leases' and related interpretations and SICs. The standard requires lessees to recognize a 'right-of-use asset' and a lease liability (except for those leases with terms of 12 months or less and leases of low-value assets). The accounting stays the same for lessors, which is to classify their leases as either finance leases or operating leases and account for those two types of leases differently. IFRS 16 only requires enhanced disclosures to be provided by lessors.

(b) The Group has elected to apply IFRS 16 by not restating the comparative information (referred herein as the 'modified retrospective approach') when applying "IFRSs" effective in 2019 as endorsed by the FSC. Accordingly, the Group increased 'right-of-use asset' by $52,750,102, increased 'lease liability' by $52,938,613, decreased 'prepayments' by $270,440, decreased 'property, plant and equipment' by $396,233, decreased 'long-term prepaid rent' by $84,482 (recognized as 'other non-current assets'), and decreased 'other payables' by $939,666 with respect to the lease contracts of lessees on January 1, 2019.

(c) The Group has used the following practical expedients permitted by the standard at the date of initial application of IFRS 16:

   i. The use of a single discount rate to a portfolio of leases with reasonably similar characteristics.

   ii. The accounting for operating leases whose period will end before December 31, 2019 as short-term leases and accordingly, rent expense of $299,079 was recognized for the year ended December 31, 2019.

   iii. The exclusion of initial direct costs for the measurement of 'right-of-use asset'.

(d) The Group calculated the present value of lease liabilities by using the weighted average incremental borrowing interest rate range from 0.88% to 8.54%.

(e) The Group recognized lease liabilities which had previously been classified as 'operating leases' under the principles of IAS 17, 'Leases'. The reconciliation between operating lease commitments under IAS 17 measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate and lease liabilities recognized as of January 1, 2019 is as follows:

Operating lease commitments disclosed by applying IAS 17 as at December 31, 2018	$	69,815,079
Add: Lease payable recognized under finance lease by applying IAS 17 as at December 31, 2018		6,962
Adjustments relating to changes in the index or rate affecting variable lease payments		496,223
Less: Short-term leases	(	109,383)
Contracts reassessed as service agreements	(	132,797)
Leases not yet commenced to which the lessee is committed	(	14,328,676)
Total lease contracts amount recognized as lease liabilities by applying IFRS 16 on January 1, 2019	$	55,747,408
Incremental borrowing interest rate at the date of initial application		0.88%~8.54%
Lease liabilities recognized as at January 1, 2019 by applying IFRS 16	$	52,938,613

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2020 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1 and IAS 8, 'Disclosure Initiative-Definition of Material'	January 1, 2020
Amendments to IFRS 3, 'Definition of a business'	January 1, 2020
Amendments to IFRS 9, IAS 39 and IFRS 7, 'Interset rate benchmark reform'	January 1, 2020

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(3) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17 'Insurance contracts'	January 1, 2021
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2022

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting polices applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations as endorsed by the FSC (collectively referred herein as the "IFRSs").

(2) Basis of preparation

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

(a) Financial assets and financial liabilities at fair value through profit or loss.

(b) Financial assets and liabilities at fair value through other comprehensive income.

(c) Defined benefit liabilities recognized based on the net amount of pension fund assets less the present value of defined benefit obligations.

B. The preparation of financial statements, in conformity with IFRSs, requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. The basis for preparation of consolidated financial statements is as follows:

(a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(b) Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.

(e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. The subsidiaries included in the consolidated financial statements are as follows:

			Ownership (%)		
Name of investor	Name of subsidiary	Main business activities	December 31, 2019	December 31, 2018	Description
The Company	President Chain Store (BVI) Holdings Ltd.	Professional investment	100.00	100.00	
The Company	PCSC (China) Drugstore Limited	Professional investment	92.20	92.20	
The Company	Wisdom Distribution Service Corp.	Logistics and warehousing of publication	100.00	100.00	
The Company	President Drugstore Business Corp.	Sales of cosmetics, medicine and daily items	100.00	100.00	
The Company	Ren-Hui Investment Corp.	Professional investment	100.00	100.00	
The Company	Capital Marketing Consultant Corp.	Enterprise management consultancy	100.00	100.00	
The Company	President Lanyang Art Corporation	Art and cultural exhibition	100.00	100.00	
The Company	Cold Stone Creamery Taiwan Ltd.	Sales of ice cream	100.00	100.00	
The Company	President Chain Store Corporation Insurance Brokers Co., Ltd.	Life and property insurance	100.00	100.00	
The Company	21 Century Co., Ltd.	Operation of chain restaurants	100.00	100.00	
The Company	President Being Corp.	Sports and beauty business	100.00	100.00	
The Company	Uni-President Oven Bakery Corp.	Bread and pastry retailer	100.00	100.00	
The Company	President Chain Store Tokyo Marketing Corp.	Enterprise management consultancy	100.00	100.00	
The Company	ICASH Corp.	Electronic ticketing	100.00	100.00	
The Company	Uni-President Superior Commissary Corp.	Food manufacturing	90.00	90.00	
The Company	Q-ware Systems & Services Corp.	Information software service	86.76	86.76	

Name of investor	Name of subsidiary	Main business activities	Ownership (%) December 31, 2019	December 31, 2018	Description
The Company	President Information Corp.	Enterprise information management and consultancy	86.00	86.00	
The Company	Mech-President Corp.	Gas station and elevator installation	80.87	80.87	
The Company	President Pharmaceutical Corp.	Sales of various health care products, cosmetics, and pharmaceuticals	73.74	73.74	
The Company	President Collect Service Corp.	Collection agent	70.00	70.00	
The Company	Uni-President Department Store Corp.	Department stores	70.00	70.00	
The Company	President Transnet Corp.	Delivery service	70.00	70.00	
The Company	Uni-President Cold-Chain Corp.	Low-temperature logistics and warehousing	60.00	60.00	
The Company	Uni-Wonder Corp. (Formerly known as “President Starbucks Coffee Corp.”)	Coffee chain store	60.00	60.00	
The Company	Duskin Serve Taiwan Co., Ltd.	Cleaning instruments leasing and selling	51.00	51.00	
The Company	Afternoon Tea Taiwan Co., Ltd.	Operation of restaurants	-	51.00	(a)
The Company	Books.com. Co., Ltd.	Retail business without shop	50.03	50.03	
The Company	Retail Support International Corp.	Room-temperature logistics and warehousing	25.00	25.00	(b)
President Chain Store (BVI) Holdings Ltd.	President Chain Store (Labuan) Holdings Ltd.	Professional investment	100.00	100.00	
President Chain Store (BVI) Holdings Ltd.	President Chain Store (Hong Kong) Holdings Limited	Professional investment	100.00	100.00	
PCSC (China) Drugstore Limited	President Cosmed Chain Store (Shen Zhen) Co., Ltd.	Wholesale of merchandise	100.00	100.00	
Wisdom Distribution Service Corp.	President Logistics International Corp.	Trucking	20.00	20.00	
Wisdom Distribution Service Corp.	Vision Distribution Service Corp.	Publishing	-	60.00	(c)
Uni-President Cold-Chain Corp.	President Logistics International Corp.	Trucking	25.00	25.00	
Uni-President Cold-Chain Corp.	Uni-President Logistics (BVI) Holdings Limited	Professional investment	100.00	100.00	
Retail Support International Corp.	Retail Support Taiwan Corp.	Room-temperature logistics and warehousing	51.00	51.00	
Retail Support International Corp.	President Logistics International Corp.	Trucking	49.00	49.00	
Retail Support Taiwan Corp.	President Logistics International Corp.	Trucking	6.00	6.00	
President Logistics International Corp.	Chieh Shun Logistics International Corp.	Trucking	100.00	100.00	
Books.com. Co., Ltd.	Books.com. (BVI) Ltd.	Professional investment	100.00	100.00	
Books.com. (BVI) Ltd.	Bejing Bokelai Customer Co.	Enterprise information consulting, network technology development and services	100.00	100.00	
Mech-President Corp.	Tong Ching Corporation	Gas station	60.00	60.00	
President Pharmaceutical Corp.	President Pharmaceutical (Hong Kong) Holdings Limited	Sales of various health care products, cosmetics, and pharmaceuticals	100.00	100.00	
President Pharmaceutical (Hong Kong) Holdings Limited	President (Shanghai) Health Product Trading Company Ltd.	Sales of various health care products, cosmetics, and pharmaceuticals	100.00	100.00	

Name of investor	Name of subsidiary	Main business activities	Ownership (%) December 31, 2019	December 31, 2018	Description
President Chain Store (Labuan) Holdings Ltd.	Philippine Seven Corporation	Operation of chain store	52.22	52.22	
Philippine Seven Corporation	Convenience Distribution Inc.	Logistics and warehousing	100.00	100.00	
Philippine Seven Corporation	Store Sites Holding, Inc.	Professional investment	100.00	100.00	
President Chain Store (Hong Kong) Holdings Limited	PCSC (China) Drugstore Limited	Professional investment	7.80	7.80	
President Chain Store (Hong Kong) Holdings Limited	President Chain Store (Shanghai) Ltd.	Operation of chain store	100.00	100.00	
President Chain Store (Hong Kong) Holdings Limited	Shanghai President Logistics Co., Ltd.	Logistics and warehousing	100.00	100.00	
President Chain Store (Hong Kong) Holdings Limited	PCSC Restaurant (Cayman) Holdings Limited	Professional investment	-	100.00	(d)
President Chain Store (Hong Kong) Holdings Limited	Shan Dong President Yinzuo Commercial Limited	Supermarkets	40.00	40.00	
President Chain Store (Hong Kong) Holdings Limited	PCSC (Chengdu) Hypermarket Limited	Retail hypermarket	-	100.00	(e)
President Chain Store (Hong Kong) Holdings Limited	Shanghai Cold Stone Ice Cream Corporation	Sales of ice cream	100.00	100.00	
President Chain Store (Hong Kong) Holdings Limited	President Chain Store (Taizhou) Ltd.	Logistics and warehousing	100.00	100.00	
President Chain Store (Hong Kong) Holdings Limited	President Chain Store (Zhejiang) Ltd.	Operation of chain store	100.00	100.00	
President Chain Store (Hong Kong) Holdings Limited	Beauty Wonder (Zhejiang) Trading Co., Ltd.	Sales of cosmetics and medicine	100.00	100.00	
Shanghai President Logistics Co., Ltd.	Zhejiang Uni-Champion Logistics Development Co., Ltd.	Logistics and warehousing	50.00	50.00	
Shanghai President Logistics Co., Ltd.	President Logistics Shan Dong Co., Ltd.	Logistics and warehousing	100.00	100.00	
PCSC Restaurant (Cayman) Holdings Limited	Shanghai President Chain Store Corporation Trade Co., Ltd.	Trade of food and commodities	-	100.00	(f)
Uni-President Logistics (BVI) Holdings Limited	Zhejiang Uni-Champion Logistics Development Co., Ltd.	Logistics and warehousing	50.00	50.00	
Ren-Hui Investment Corp.	Ren Hui Holding Co., Ltd.	Professional investment	100.00	100.00	
Ren-Hui Holdings Co., Ltd.	Shan Dong President Yinzuo Commercial Limited .	Supermarkets	15.00	15.00	

(a) The Company liquidated the subsidiary, Afternoon Tea Taiwan Corp., Limited, and the process of cancellation of registration has been completed in February 2019.

(b) As the Company controls the financial and operating policies of Retail Support International Corp., the latter is included as a subsidiary in the consolidated financial statements.

(c) The Company liquidated the subsidiary, Vision Distribution Service Corp., and the process of cancellation of registration has been completed in February 2019.

(d) The Company liquidated the subsidiary, PCSC Restaurant (Cayman) Holdings Limited, and the process of cancellation of registration has been completed in September 2019

(e) The Company liquidated the subsidiary, PCSC (Chengdu) Hypermarket Limited, and the process of cancellation of registration has been completed in March 2019.

(f) The Company liquidated the subsidiary, Shanghai President Chain Store Corporation Trade Co., Ltd., and the process of cancellation of registration has been completed in May 2019.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Foreign currency translation

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan Dollars, which is the Company's functional currency.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within other gains and losses.

B. Translation of foreign operations

(a) The operating results and financial position of all the subsidiaries, associates and jointly arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

iii. All resulting exchange differences are recognized in other comprehensive income.

(b) When the foreign operation partially disposed of or sold is an associate or jointly arrangements exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, if the Group retains partial interest in the former foreign associate or jointly arrangements after losing significant influence over the former foreign associate, or losing joint control of the former jointly arrangements, such transactions should be accounted for as disposal of all interest in these foreign operations.

(c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Group retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(d) Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rates at the balance sheet date.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realized within 12 months from the balance sheet date;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than 12 months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(a) Liabilities that are expected to be paid off within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be paid off within 12 months from the balance sheet date;

(d) Liabilities for which the repayment date cannot be extended unconditionally to more than 12 months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations (including time deposits with contract period less than 12 months) are classified as cash equivalents.

(7) Financial assets at fair value through profit or loss

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortized cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognized using settlement date accounting.

C. At initial recognition, the Group measures the financial assets at fair value and recognizes the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognizes the gain or loss in profit or loss.

D. The Group recognizes the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(8) Financial assets at fair value through other comprehensive income

A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognize changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:

(a) The objective of the Group’s business model is achieved both by collecting contractual cash flows and selling financial assets; and

(b) The assets’ contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognized and derecognized using settlement date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:

(a) The changes in fair value of equity investments that were recognized in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognized as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(b) Except for the recognition of impairment loss, interest income and gain or loss on foreign exchange which are recognized in profit or loss, the changes in fair value of debt instruments are taken through other comprehensive income. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.

(9) Accounts and notes receivable

A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(10) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income and financial assets at amortized cost, at each reporting date, the Group recognizes the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognizes the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Group recognizes the impairment provision for lifetime ECLs.

(11) Leasing arrangements (Lessor)-operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognized in profit or loss on a straight-line basis over the lease term.

(12) Inventories

A. Inventories are initially recorded at cost. Cost of consolidated entities which manage convenience stores is determined using the retail inventory method while cost of other subsidiaries is determined in accordance with the type of business.

B. Ending inventories are stated at the lower of cost and net realizable value. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(13) Investments accounted for using equity method - associates

A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.

B. The Group's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognizes the Group's share of change in equity of the associate in "capital surplus" in proportion to its ownership.

D. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then "capital surplus" and "investments accounted for using the equity method" shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

F. Upon loss of significant influence over an associate, the Group remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognized in profit or loss.

G. When the Group disposes its investment in an associate and loses significant influence over this associate, the amount previously recognized in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

H. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, the amounts previously recognized as capital surplus in relation to the associate are transferred to profit or loss proportionately.

(14) Investment accounted for using the equity method - joint ventures

The Group accounts for its investment interests in joint ventures using the equity method. Unrealized profits and losses arising from transactions between the Group and joint ventures are eliminated to the extent of the Group's interest in the joint venture. However, when the transaction provides evidence of a reduction in the net realizable value of current assets or an impairment loss, all such losses shall be recognized immediately. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture together with any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture.

(15) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost.

B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are audited, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors", from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings	3~50 years
Transportation equipment	2~15 years
Operating equipment	2~16 years
Leasehold assets	1~20 years

(16) Leasing arrangements (lessee)－right-of-use assets/ lease liabilities (Effective from 2019)

A. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate.

Lease payments are comprised of the following:

(a) Fixed payments, less any lease incentives receivable;

(b) Variable lease payments that depend on an index or a rate; and

(c) Amounts expected to be payable by the lessee under residual value guarantees.

The Group subsequently measures the lease liability at amortized cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

(a) The amount of the initial measurement of lease liability;

(b) Any lease payments made at or before the commencement date;

(c) Any initial direct costs incurred by the lessee; and

(d) An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognized as an adjustment to the right-of-use asset.

(17) Leases (lessee) (Prior to 2019)

Payments made under an operating lease (net of any incentives received from lessor) are recognised in profit or loss on a straight-line basis over the lease term.

(18) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 10 to 50 years.

(19) Intangible assets

A. Computer software

Computer software is stated at cost and amortized on a straight-line basis over its estimated useful life of 1 to 15 years.

B. Goodwill

Goodwill arises in a business combination accounted for by applying the acquisition method.

C. License agreement and customer list and other intangible assets

License agreement and customer list acquired in business combination are recognized at fair value at the acquisition date. Other intangible assets are separately acquired trademarks and licenses which are stated at historical cost. The latter has a finite useful life and is amortized on a straight-line basis over it's estimated useful life.

(20) Impairment of non-financial assets

A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.

B. The recoverable amounts of goodwill are evaluated periodically. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognized in profit or loss shall not be reversed in the following years.

C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(21) Notes and accounts payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(22) Provisions

The Group's provisions are presented in "Other non-current liabilities". Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognized as interest expense. Provisions are not recognized for future operating losses.

(23) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognized as pension expense when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.

ii. Remeasurements arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.

iii. Past service costs are recognized immediately in profit or loss.

C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Group's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Group recognizes expense when it can no longer withdraw an offer of termination benefits or it recognizes related restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after balance sheet date shall be discounted to their present value.

D. Employees', directors' and supervisors' remuneration

Employees' remuneration and directors' and supervisors' remuneration are recognized as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is distributed by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(24) Income tax

A. The tax expense for the year comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

D. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognized and recognized deferred tax assets are reassessed.

E. A deferred tax asset shall be recognised for the carry forward of unused tax credits resulting from acquisitions of equipment or technology, research and development expenditures and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

(25) Revenue recognition

A. Sales of goods

(a) The Group operates a chain of retail stores. Revenue from the sale of goods is recognized when the Group sells a product to the customer.

(b) Payment of the transaction price is due immediately when the customer purchases the product. It is the Group's policy to sell its products to the end customer with a right of return. Therefore, a refund liability and a right to the returned goods (included in other current assets) are recognized for the products expected to be returned. Accumulated experience is used to estimate such returns using the expected value method. Because the number of products returned has been steady for years, it is highly probable that a significant reversal in the cumulative revenue recognized will not occur. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date.

(c) The Group operates a loyalty program where retail customers accumulate points for purchases made which entitle them to discount on future purchases. The points provide a material right to customers that they would not receive without entering into a contract. Therefore, the promise to provide points to the customer is a separate performance obligation. The transaction price is allocated to the product and the points on a relative stand-alone selling price basis. The stand-alone selling price per point is estimated on the basis of the discount granted when the points are redeemed and on the basis of the likelihood of redemption, based on past experience. The stand-alone selling price of the product sold is estimated on the basis of the retail price. A contract liability is recognized for the transaction price which is allocated to the points and revenue is recognized when the points are redeemed or expire.

B. Sales of services

The Group provides delivery services. Revenue from delivering services is recognized when the services have been provided.

C. Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(26) Business Combination

A. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the Group measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity's net assets in the event of liquidation at either fair value or the present ownership instruments' proportionate share in the recognized amounts of the acquiree's identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.

B. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred, non-controlling interest in the acquiree recognized and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognized directly in profit or loss on the acquisition date.

(27) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. The Group has no such assumptions and estimates which may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2019	December 31, 2018
Cash on hand and petty cash	$ 1,680,411	$ 1,958,556
Checking accounts and demand deposits	9,606,131	12,560,158
Cash equivalents		
Time deposits	26,620,058	25,867,905
Short-term financial instruments	7,538,795	8,144,029
	$ 45,445,395	$ 48,530,648

A. The Group transacts with a variety of financial institutions, all with high credit quality, to disperse credit risk, so it considers the probability of counterparty default as remote.

B. Information on time deposits provided as security for performance guarantees and reclassified as "Other non-current assets – guarantee deposits paid" is provided in Note 8.

(2) Financial assets at fair value through profit or loss

	December 31, 2019	December 31, 2018
Financial assets mandatorily measured at fair value through profit or loss		
Current items:		
Beneficiary certificates	$ 1,696,276	$ 844,170
Valuation adjustment	24	55
	$ 1,696,300	$ 844,225
Non-current items:		
Unlisted stocks	$ 275,285	$ 275,403
Valuation adjustment	(189,720)	(189,720)
	$ 85,565	$ 85,683

A. The Group recognized net profit of $10,108 and $12,411 in relation to financial assets at fair value through profit or loss for the years ended December 31, 2019 and 2018, respectively.

B. No financial assets at fair value through profit or loss of the Group were pledged to others.

C. Information relating to credit risk is provided in Note 12(2).

(3) Accounts receivable

	December 31, 2019	December 31, 2018
Accounts receivable	$ 5,864,309	$ 5,320,037
Less : Allowance for doubtful accounts	(55,829)	(55,464)
	$ 5,808,480	$ 5,264,573

A. The ageing analysis of accounts receivable that were past due but not impaired is as follows:

	December 31, 2019	December 31, 2018
Not past due	$ 5,508,376	$ 5,144,165
Up to 90 days	335,189	149,698
91 to 180 days	18,625	18,175
181 to 365 days	63	2,917
Over 365 days	2,056	5,082
	$ 5,864,309	$ 5,320,037

The above aging analysis was based on past due date.

B. As of December 31, 2019 and 2018, accounts receivable was all from contracts with customers. And as of January 1, 2018, the balance of receivables from contracts with customers amounted to $4,938,071.

C. Accounts receivable of the Group pledged to others is provided in Note 8

D. As at December 31, 2019, and 2018, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's accounts receivable were $5,808,480, and $5,264,573, respectively.

E. Information relating to credit risk is provided in Note 12(2).

(4) Inventories

	December 31, 2019		
	Cost	Allowance for valuation loss	Book value
Raw materials and work in process	$ 71,106	$ -	$ 71,106
Merchandise and finished goods	15,712,547	(124,541)	15,588,006
	$ 15,783,653	($ 124,541)	$ 15,659,112

	December 31, 2018		
	Cost	Allowance for valuation loss	Book value
Raw materials and work in process	$ 65,446	$ -	$ 65,446
Merchandise and finished goods	15,151,897	(95,686)	15,056,211
	$ 15,217,343	($ 95,686)	$ 15,121,657

The cost of inventories recognized as expense for the year:

	For the year ended December 31, 2019	For the year ended December 31, 2018
Cost of goods sold and service costs	$ 166,061,981	$ 158,799,134
Loss on valuation (Gain on reversal) of inventories	28,855	(40,105)
Spoilage	1,848,520	1,775,150
Others	271,112	276,982
	$ 168,210,468	$ 160,811,161

The Group reversed a previous inventory write-down because the Group sold and scrapped certain inventories which were previously provided with allowance during the year ended December 31, 2018.

(5) Financial assets at fair value through other comprehensive income - non-current

	December 31, 2019	December 31, 2018
Debt instruments		
Government bonds	$ -	$ 199,948
Valuation adjustment	-	783
	-	200,731
Equity instruments		
Listed stocks	265,606	265,606
Unlisted stocks	4,348	4,348
	269,954	269,954
Valuation adjustment	537,161	374,660
	807,115	644,614
	$ 807,115	$ 845,345

A. The Group has elected to classify the listed and unlisted stocks that are considered to be strategic investments and steady dividend income as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to $807,115, and $644,614 as at December 31, 2019 and 2018, respectively.

B. Amounts recognized in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	For the year ended December 31, 2019	For the year ended December 31, 2018
Equity instruments at fair value through other comprehensive income		
Fair value change recognized in other comprehensive income	$ 162,501	($ 143,849)
Debt instruments at fair value through other comprehensive income		
Fair value change recognized in other comprehensive income	($ 783)	($ 1,537)
Interest income recognized in profit or loss	$ 1,180	$ 2,359

C. As at December 31, 2019 and 2018, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Group was $807,115 and $845,345, respectively.

D. No financial assets at fair value through other comprehensive income of the Group were pledged to others.

E. Information relating to credit risk is provided in Note 12(2).

(6) Investments accounted for using the equity method

	December 31, 2019	December 31, 2018
Associates		
PresiCarre Corp.	$ 5,723,198	$ 5,518,380
President Fair Development Corp.	2,039,406	1,984,125
Uni-President Development Corp.	764,191	753,904
President International Development Corp.	459,696	461,328
Tung Ho Development Corp.	106,384	114,755
Uni-President Organics Corp.	41,430	38,862
President Technology Corp.	20,866	21,347
	9,155,171	8,892,701
Joint ventures		
Mister Donut Taiwan Co., Ltd.	$ 100,768	$ 107,879
	$ 9,255,939	$ 9,000,580

A. The investments in associates or joint ventures are not significant to the Group. The details of the Group's share of the operating results in the aforementioned investments are as follows:

(a) The Group's share of the operating results in all individually immaterial associates is summarized below:

	For the year ended December 31, 2019	For the year ended December 31, 2018
Profit for the year from continuing operations	$ 466,385	$ 401,980
Other comprehensive loss-net of tax	(5,632)	(3,646)
Total comprehensive income	$ 460,753	$ 398,334

(b) The Group's share of the operating results in all individually immaterial joint ventures is summarized below:

	For the year ended December 31, 2019	For the year ended December 31, 2018
Profit for the year from continuing operations	$ 14,613	$ 22,118
Other comprehensive (loss) income-net of tax	(769)	1,353
Total comprehensive income	$ 13,844	$ 23,471

B. In December 2017, the Group disposed 30% shares of its joint venture – President Coffee (Cayman) Holdings Ltd. for a cash consideration of $25,642,728 to Starbucks EMEA Holdings Ltd., which was collected in February, 2018.

C. The Group originally held 30% shares of its joint venture using the equity method—Uni-Wonder Corp. (formerly known as "President Starbucks Coffee Corp."). In December 2017, the Group acquired an additional 30% shares of Uni-Wonder Corp. for a cash consideration of $3,226,806 and obtained control over Uni-Wonder Corp. Relevant cash consideration was fully paid in February, 2018.

D. In August 2018, the Group disposed 0.02% shares of its investments accounted for using equity method —Grand Bills Finance Corp. to Kai Yu Investment Co., Ltd. Information about disposal proceeds and disposal gain or loss are provided in Note 7(3) f.

(7) Property, plant and equipment

A. The details of property, plant and equipment are as follows:

	2019						
	Land	Buildings	Transportation equipment	Operating equipment	Leasehold improvements	Others	Total
At January 1							
Cost	$ 2,273,117	$ 4,723,111	$ 6,612,878	$ 21,159,733	$ 18,345,784	$ 9,627,520	$ 62,742,143
Accumulated depreciation and impairment	(16,367)	(1,980,005)	(4,345,461)	(14,386,751)	(11,375,011)	(5,345,785)	(37,449,380)
	$ 2,256,750	$ 2,743,106	$ 2,267,417	$ 6,772,982	$ 6,970,773	$ 4,281,735	$ 25,292,763
Opening net book amount as of January 1	$ 2,256,750	$ 2,743,106	$ 2,267,417	$ 6,772,982	$ 6,970,773	$ 4,281,735	$ 25,292,763
Effect of adoption of IFRS 16	-	-	-	-	(387,770)	(8,463)	(396,233)
Adjusted beginning balance	$ 2,256,750	$ 2,743,106	$ 2,267,417	$ 6,772,982	$ 6,583,003	$ 4,273,272	$ 24,896,530
Additions	-	33,282	276,044	3,251,911	2,184,888	1,952,903	7,699,028
Disposals	-	-	(30,554)	(110,153)	(110,612)	(5,641)	(256,960)
Transfer	(18,757)	38,387	104,600	147,177	109,995	(423,497)	(42,095)
Depreciation charge	-	(204,422)	(521,706)	(2,242,940)	(1,977,765)	(1,352,854)	(6,299,687)
Reversal of impairment loss	-	-	-	2,653	10,965	-	13,618
Net exchange differences	296	(4,623)	(1,930)	(20,470)	14,045	20,570	7,888
Closing net book amount as of December 31	$ 2,238,289	$ 2,605,730	$ 2,093,871	$ 7,801,160	$ 6,814,519	$ 4,464,753	$ 26,018,322
At December 31							
Cost	$ 2,254,656	$ 4,788,540	$ 6,648,230	$ 22,280,204	$ 19,092,068	$ 10,972,281	$ 66,035,979
Accumulated depreciation and impairment	(16,367)	(2,182,810)	(4,554,359)	(14,479,044)	(12,277,549)	(6,507,528)	(40,017,657)
	$ 2,238,289	$ 2,605,730	$ 2,093,871	$ 7,801,160	$ 6,814,519	$ 4,464,753	$ 26,018,322

	2018						
	Land	Buildings	Transportation equipment	Operating equipment	Leasehold improvements	Others	Total
At January 1							
Cost	$ 2,273,584	$ 4,296,089	$ 6,343,845	$ 20,180,016	$ 17,259,683	$ 9,456,005	$ 59,809,222
Accumulated depreciation and impairment	(16,366)	(1,800,537)	(4,046,383)	(13,384,193)	(10,568,380)	(5,011,021)	(34,826,880)
	$ 2,257,218	$ 2,495,552	$ 2,297,462	$ 6,795,823	$ 6,691,303	$ 4,444,984	$ 24,982,342
Opening net book amount as of January 1	$ 2,257,218	$ 2,495,552	$ 2,297,462	$ 6,795,823	$ 6,691,303	$ 4,444,984	$ 24,982,342
Additions	-	213,509	419,098	2,054,370	2,081,912	1,745,644	6,514,533
Transfer	-	(38)	(21,894)	(36,914)	(42,875)	(12,951)	(114,672)
Reclassifications	-	228,361	134,272	242,063	25,430	(621,446)	8,680
Depreciation charge	-	(190,100)	(558,428)	(2,266,631)	(1,746,149)	(1,232,539)	(5,993,847)
(Impairment loss) reversal of impairment loss	-	-	-	(1,359)	(10,406)	1,796	(9,969)
Net exchange differences	(468)	(4,178)	(3,093)	(14,370)	(28,442)	(43,753)	(94,304)
Closing net book amount as of December 31	$ 2,256,750	$ 2,743,106	$ 2,267,417	$ 6,772,982	$ 6,970,773	$ 4,281,735	$ 25,292,763
At December 31							
Cost	$ 2,273,117	$ 4,723,111	$ 6,612,878	$ 21,159,733	$ 18,345,784	$ 9,627,520	$ 62,742,143
Accumulated depreciation and impairment	(16,367)	(1,980,005)	(4,345,461)	(14,386,751)	(11,375,011)	(5,345,785)	(37,449,380)
	$ 2,256,750	$ 2,743,106	$ 2,267,417	$ 6,772,982	$ 6,970,773	$ 4,281,735	$ 25,292,763

B. Information on (impairment loss) reversal of impairment loss on property, plant and equipment is provided in Note 6(13).

C. Information on property, plant and equipment pledged to others as collateral is provided in Note 8.

(8) Leasing arrangements－lessee

Effective from 2019

A. The Group leases various assets including land, buildings, transportation equipment, etc. Rental contracts are typically made for periods of 1 to 41 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	December 31, 2019	For the year ended December 31 2019
	Carrying amount	Depreciation charge
Land	$ 677,359	$ 137,324
Buildings	66,682,465	11,679,988
Machinery and equipment	72,211	39,389
Other equipment	57,577	20,814
	$ 67,489,612	$ 11,877,515

C. For the year ended December 31, 2019, the additions to right-of-use assets was $28,665,757.

D. The information on income and expense accounts relating to lease contracts is as follows:

	For the year ended December 31, 2019
Items affecting profit or loss	
Interest expense on lease liabilities	$ 1,090,750
Expense on short-term lease contracts	344,600
Expense on leases of low-value assets	64,297
Expense on variable lease payments	620,688
Gain on sublease of right-of-use assets	544,513

E. For the year ended December 31, 2019, the Group's total cash outflow for leases was $13,450,160.

F. Variable lease payments

(a) Some of the Group's lease contracts contain variable lease payment terms that are linked to sales generated from a store or department store counter. For the above-mentioned stores, up to 4.43% of lease payments are on the basis of variable payment terms and are accrued based on the sales amount. Variable payment terms are used for a variety of reasons. Various lease payments that depend on sales are recognized in profit or loss in the period in which the event or condition that triggers those payments occurs.

(b) A 1% increase in the aggregate sales amount of all stores with such variable lease contracts would increase total lease payments by approximately $6,207.

G. The Group's leases not yet commenced to which the lessee is committed are business premises for the lessees, and the lease liabilities undiscounted amount at December 31, 2019 is $2,597,780.

(9) Leasing arrangements – lessor

Effective from 2019

A. The Group leases various assets including land, buildings, machinery and equipment, etc. Rental contracts are typically made for periods of 1 and 35 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

B. Information on profit or loss in relation to lease contracts is as follows:

	For the year ended December 31, 2019	For theyear ended December 31, 2018
Rental revenue	$ 1,568,808	$ 1,552,490
Rental revenue from variable lease payments	$ 1,201,823	$ 1,212,481

C. The maturity analysis of the undiscounted lease payments in the operating leases is as follows:

	December 31, 2019
2020	$ 256,072
2021	206,455
2022	148,086
2023	90,464
2024	60,519
After 2025	158,193
Total	$ 919,789

(10) Investment property

	2019		
	Land	Buildings	Total
At January 1	$ 1,059,538	$ 442,621	$ 1,502,159
Depreciation charge	-	(17,031)	(17,031)
Transfer	18,757	2,913	21,670
At December 31	$ 1,078,295	$ 428,503	$ 1,506,798

	2018		
	Land	Buildings	Total
At January 1	$ 1,059,538	$ 459,577	$ 1,519,115
Depreciation charge	-	(16,956)	(16,956)
At December 31	$ 1,059,538	$ 442,621	$ 1,502,159

The fair value of the investment property held by the Group as at December 31, 2019 and 2018 ranged from $4,026,775 to $4,027,091, which was assessed based on recent settlement prices of similar and comparable properties, as well as the reports of independent appraisers.

(11) Intangible assets

	2019				
	Software	Goodwill	License agreement and customer list	Others	Total
At January 1					
Cost	$ 1,648,652	$ 2,204,284	$ 7,524,890	$ 469,957	$ 11,847,783
Accumulated amortization and impairment	(1,164,405)	-	(194,160)	(95,338)	(1,453,903)
	$ 484,247	$ 2,204,284	$ 7,330,730	$ 374,619	$ 10,393,880
Opening net book amount as of January 1	$ 484,247	$ 2,204,284	$ 7,330,730	$ 374,619	$ 10,393,880
Additions	184,912	-	-	24,690	209,602
Transfer	46,246	-	-	584	46,830
Amortization charge	(236,331)	-	(194,159)	(45,398)	(475,888)
Net exchange differences	(1,788)	(1,359)	-	165	(2,982)
Closing net book amount as of December 31	$ 477,286	$ 2,202,925	$ 7,136,571	$ 354,660	$ 10,171,442
At December 31					
Cost	$ 1,853,119	$ 2,202,925	$ 7,524,890	$ 493,171	$ 12,074,105
Accumulated amortization and impairment	(1,375,833)	-	(388,319)	(138,511)	(1 ,902,663)
	$ 477,286	$ 2,202,925	$ 7,136,571	$ 354,660	$ 10,171,442

	2018				
	Software	Goodwill	License agreement and customer list	Others	Total
At January 1					
Cost	$ 1,568,017	$ 2,202,519	$ 7,524,890	$ 405,998	$ 11,701,424
Accumulated amortization and impairment	(975,791)	-	-	(68,920)	(1,044,711)
	$ 592,226	$ 2,202,519	$ 7,524,890	$ 337,078	$ 10,656,713
Opening net book amount as of January 1	$ 592,226	$ 2,202,519	$ 7,524,890	$ 337,078	$ 10,656,713
Additions	126,471	-	-	70,513	196,984
Transfer	(303)	-	-	(1,117)	(1,420)
Amortization charge	(248,620)	-	(194,160)	(31,901)	(474,681)
Impairment loss	(819)	-	-	-	(819)
Net exchange differences	15,292	1,765	-	46	17,103
Closing net book amount as of December 31	$ 484,247	$ 2,204,284	$ 7,330,730	$ 374,619	$ 10,393,880
At December 31					
Cost	$ 1,648,652	$ 2,204,284	$ 7,524,890	$ 469,957	$ 11,847,783
Accumulated amortization and impairment	(1,164,405)	-	(194,160)	(95,338)	(1,453,903)
	$ 484,247	$ 2,204,284	$ 7,330,730	$ 374,619	$ 10,393,880

Amortization charge on intangible assets are recognized as operating expenses.

(12) Other non-current assets

	December 31, 2019	December 31, 2018
Guarantee deposits paid	$ 2,911,887	$ 2,766,913
Others	787,932	437,846
	$ 3,699,819	$ 3,204,759

(13) Impairment of non-financial assets

A. The Group recognized gain on reversal (impairment loss) for the years ended December 31, 2019 and 2018 was $13,618 and $10,788, respectively. Details of such gain (loss) are as follows:

	For the year ended December 31, 2019		For the year ended December 31, 2018	
	Recognized in profit or loss	Recognized in other comprehensive income	Recognized in profit or loss	Recognized in other comprehensive income
Gain on reversal (Impairment loss)				
Property, plant and equipment	$ 13,618	$ -	($ 9,969)	$ -
Intangible assets - Software	-	-	(819)	-
	$ 13,618	$ -	($ 10,788)	$ -

B. The Group performs impairment testing annually. The recoverable amount has been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by the management covering a five-year period. The recoverable amount calculated using the value-in-use exceeded their carrying amount,so goodwill was not impaires. The key assumptions used for value-in-use calculations are as follows:

(a) Discount rate: Estimated based on weighted average cost of funds. The discount rate for the years ended December 31, 2019 and 2018 were 7.43% to 12.68%.

(b) Future value growth rate: Refer to the past long-term average economic growth rate of mature economies and long-term price index growth rate and market competition. The future value growth rate for the years ended December 31, 2019 and 2018 were 0.5% to 1.0%.

Management determined budgeted gross margin and operating profit margin based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflected specific risks relating to the relevant operating segments.

(14) Short-term borrowings

Type of borrowings	December 31, 2019	Interest rate range	Collateral
Bank borrowings			
Credit loan	$ 6,014,658	0.65%~5.75%	None

Type of borrowings	December 31, 2018	Interest rate range	Collateral
Bank borrowings			
Credit loan	$ 7,237,785	0.65%~7.00%	None

There was no capitalisation of borrowing costs for the years ended December 31, 2019 and 2018. Relevant interest expense on borrowings is recognized as "finance costs".

(15) Other payables

	December 31, 2019	December 31, 2018
Store collections	$ 11,453,224	$ 12,750,758
Wages, salaries and bonus payable	5,206,353	5,033,232
Sales receipt on behalf of others	1,345,877	1,176,154
Incentive bonus payable to franchisees	1,158,473	1,047,674
Payables for acquisition of property, plant and equipment	1,364,370	914,557
Employees' compensation and remuneration for directors and supervisors	872,361	879,671
Payables for labor and health insurance	248,584	238,255
Rent payable	66,133	848,049
Others	4,881,130	5,065,831
	$ 26,596,505	$ 27,954,181

(16) Other current liabilities

	December 31, 2019	December 31, 2018
Advance receipts for gift certificates	$ 1,351,370	$ 1,338,984
Advance receipts of deposits in icash cards	1,298,919	1,199,455
Current portion of long-term liabilities	221,888	335,860
Others	277,414	386,239
	$ 3,149,591	$ 3,260,538

(17) Long-term borrowings

Type of borrowings	Interest rate range	Collateral	December 31, 2019
Long-term bank borrowings			
Credit loan	4.88%~5.32%	None	$ 292,288
Secured borrowings	1.67%~1.96%	Property, plant and equipment	437,712
			730,000
Less: Current portion			(221,888)
			$ 508,112

Type of borrowings	Interest rate range	Collateral	December 31, 2018
Long-term bank borrowings			
Credit loan	0.80%~6.298%	None	$ 741,157
Secured borrowings	1.75%~1.96%	Property, plant and equipment	441,743
			1,182,900
Less: Current portion			(335,860)
			$ 847,040

There was no capitalization of borrowing costs for the years ended December 31, 2019 and 2018. Relevant interest expense on borrowings is recognized as "finance costs".

(18) Pensions

A. The Company and its domestic subsidiaries operate a defined benefit pension plan, in accordance with the Labor Standards Law, which covers all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last six months prior to retirement. The Company and its domestic subsidiaries contributes monthly an amount equal to 2%-8% of employees' monthly salaries and wages to a retirement fund at the Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company and its domestic subsidiaries would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company and its domestic subsidiaries will make contributions for the deficit by next March. Also, the subsidiary, Philippine Seven Corporation has defined benefit pension plan.

(a) The amounts recognized in the balance sheet are as follows

	December 31, 2019	December 31, 2018
Present value of defined benefit obligations	($ 7,647,265)	($ 7,616,936)
Fair value of plan assets	2,895,658	2,884,387
Net defined benefit liability	($ 4,751,607)	($ 4,732,549)

(b) Movements in net defined benefit liabilities are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
2019			
Balance at January 1	($ 7,616,936)	$ 2,884,387	($ 4,732,549)
Current service cost	(78,190)	-	(78,190)
Interest (expense) income	(88,599)	33,872	(54,727)
Past service cost	(24,700)	-	(24,700)
	(7,808,425)	2,918,259	(4,890,166)
Remeasurements:			
Return on plan assets (not including the amount included in interest income or expense)	-	94,853	94,853
Change in demographic assumptions	(6,760)	-	(6,760)
Change in financial assumptions	(280,928)	-	(280,928)
Experience adjustments	182,775	-	182,775
	(104,913)	94,853	(10,060)
Pension fund contribution	-	130,510	130,510
Paid pension	266,073	(247,964)	18,109
	266,073	(117,454)	148,619
Balance at December 31	($ 7,647,265)	$ 2,895,658	($ 4,751,607)

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
2018			
Balance at January 1	($ 7,319,158)	$ 2,744,358	($ 4,574,800)
Current service cost	(91,136)	-	(91,136)
Interest (expense) income	(97,628)	36,958	(60,670)
Past service cost	(70)	-	(70)
	(7,507,992)	2,781,316	(4,726,676)
Remeasurements:			
Return on plan assets (not including the amount included in interest income or expense)	-	69,722	69,722
Change in demographic assumptions	(6,614)	-	(6,614)
Change in financial assumptions	(181,662)	-	(181,662)
Experience adjustments	(37,866)	-	(37,866)
	(226,142)	69,722	(156,420)
Pension fund contribution	-	148,001	148,001
Paid pension	117,198	(114,652)	2,546
	117,198	33,349	150,547
Balance at December 31	($ 7,616,936)	$ 2,884,387	($ 4,732,549)

(c) The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilization plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund" (Article 6: The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilization of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan asset fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2019 and 2018 is given in the Annual Labor Retirement Fund Utilization Report announced by the government.

(d) The principal actuarial assumptions used were as follows:

	For the year ended December 31, 2019	For the year ended December 31, 2018
Discount rate	0.75%~5.16 %	1.00%~7.53 %
Future salary increases	2.00%~5.50 %	2.00%~5.50 %

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2019				
Effect on present value of defined benefit obligation	($ 231,284)	$ 241,943	$ 236,311	($ 226,289)
December 31, 2018				
Effect on present value of defined benefit obligation	($ 234,734)	$ 245,789	$ 240,476	($ 230,362)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

(e) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2020 amounts to $136,250.

(f) As of December 31, 2019, the weighted average duration of the retirement plan is 9 to 24 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	$	174,007
1-2 year(s)		191,810
2-5 years		742,720
Over 5 years		14,161,200
	$	15,269,737

B. Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(a) The Company's mainland China subsidiaries have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC.) are based on certain percentage of employees' monthly salaries and wages. The contribution percentage for the years ended December 31, 2019 and 2018 was 14%~20% and 14%~22%, respectively. Other than the monthly contributions, the Group has no further obligations.

(b) The pension costs under the defined contribution pension plans of the Group for the years ended December 31, 2019 and 2018 were $954,914 and $929,308, respectively.

(19) Other non-current liabilities

	December 31, 2019		December 31, 2018	
Guarantee deposit received	$	3,560,485	$	3,413,265
Provision for decommissioning liability		508,707		421,966
Deferred income		17,285		71,060
Others		282,343		450,698
	$	4,368,820	$	4,356,989

(20) Share capital

As of December 31, 2019, the Company's authorized capital was $10,500,000, consisting of 1,050,000,000 shares of ordinary stock, and the paid-in capital was $10,396,223 with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected. The number of the Company's outstanding ordinary shares was both 1,039,622,255 shares as of December 31, 2019 and 2018.

(21) Capital surplus

In accordance with the Company Act of the Republic of China, any capital surplus arising from paid-in capital in excess of the par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the Securities and Exchange Law of the Republic of China requires that the amount of capital surplus to be capitalized, as above, should not exceed 10% of paid-in capital each year. Capital surpluses should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(22) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, must first be used to pay all taxes and offset prior years' operating losses, then 10% of the remaining amount is to be set aside as a legal reserve. After setting aside or reversing a special reserve, in accordance with related laws, the remaining amount is distributable for the given period. The appropriation of the total distributable amount (that is, the distributable amount for the period along with accumulated unappropriated earnings from prior years) should be proposed by the Board of Directors and voted on by the shareholders at the shareholders' meeting. The dividends and bonus to be distributed to shareholders may be 50%-100% of the total distributable amount, and 50%-100% of dividends are to be distributed as cash dividends, and the remaining undistributed amount to set aside as unappropriated retained earnings.

B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of the legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

C. In accordance with the regulations, the Company shall set aside a special reserve for the debit balance on other equity items at the balance sheet date before distributing earnings. When the debit balance on other equity items is reversed subsequently, the reversed amount should be included in the distributable earnings.

D. The appropriations for 2018 and 2017 as resolved by the shareholders on June 12, 2019 and June 12, 2018, respectively, are as follows:

	2018		2017	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	$ 1,020,639		$ 3,101,709	
Special reserve	(398,859)		398,859	
Cash dividends	9,148,676	$ 8.80	25,990,556	$ 25.00

E. The appropriations for 2019 as resolved by the Board of Directors on February 27, 2020 are as follows:

	2019	
	Amount	Dividends per share (in dollars)
Legal reserve	$ 1,055,147	
Special reserve	380,187	
Cash dividends	9,356,600	$ 9.00

F. See Note 6(26) for information on employees' compensation and directors' and supervisors' remuneration.

(23) Other equity items

	2019		
	Financial statements translation differences of foreign operations	Unrealized gains/(losses) on valuation of financial assets at fair value through other comprehensive income	Total
At January 1	($ 279,829)	$ 333,434	$ 53,605
Revaluation:			
–Group	-	161,718	161,718
–Associates	-	4,518	4,518
Revaluation-tax	-	(9,949)	(9,949)
Currency translation differences:			
–Group	(584,090)	-	(584,090)
–Associates	(5,989)	-	(5,989)
At December 31	($ 869,908)	$ 489,721	($ 380,187)

	2018			
	Financial statements translation differences of foreign operations	Unrealized gains/(losses) on valuation of financial assets at fair value through other comprehensive income	Unrealized gains/(losses) on available-for-sale financial assets	Total
At January 1	($ 906,308)	$ -	$ 507,449	($ 398,859)
Adjustments under new standards	-	477,996	(507,449)	(29,453)
Adjusted beginning balance	(906,308)	477,996	-	(428,312)
Revaluation:				
–Group	-	(145,386)	-	(145,386)
–Associates	-	(2,842)	-	(2,842)
Revaluation-tax	-	3,666	-	3,666
Currency translation differences:				
–Group	620,123	-	-	620,123
–Associates	6,356	-	-	6,356
At December 31	($ 279,829)	$ 333,434	$ -	$ 53,605

(24) Operating revenue

	For the year ended December 31, 2019	For the year ended December 31, 2018
Revenue from contracts with customers	$ 256,058,888	$ 244,887,853

A. Disaggregation of revenue from contracts with customers

The Group operates a chain of retail stores and derives revenue from the transfer of goods and services overtime and at a point in time. The operating revenue is categorized based on operating departments provided in Note 14(3) and goods or services recognition timing as follows:

For the year ended December 31, 2019	Convenience stores	Retail business group	Logistics business group	Others	Total
Timing of revenue recognition					
–At a point in time	$ 156,893,846	$ 62,610,361	$ 1,164,306	$ 19,622,849	$240,291,362
–Over time	522,698	13,399,123	936,045	909,660	15,767,526
	$ 157,416,544	$ 76,009,484	$ 2,100,351	$ 20,532,509	$256,058,888

For the year ended December 31, 2018	Convenience stores	Retail business group	Logistics business group	Others	Total
Timing of revenue recognition					
–At a point in time	$ 152,882,351	$ 58,123,410	$ 1,791,172	$ 19,146,737	$231,943,670
–Over time	530,400	11,335,903	230,899	846,981	12,944,183
	$ 153,412,751	$ 69,459,313	$ 2,022,071	$ 19,993,718	$244,887,853

B. Contract liabilities

(a) The Group has recognized the following revenue-related contract liabilities:

	December 31, 2019	December 31, 2018	January 1, 2018
Contract liabilities – advance receipts of gift certificates and gift cards	$ 1,786,894	$ 1,392,390	$ 2,104,769
Contract liabilities – members' deposits	793,115	764,782	1,246,600
Contract liabilities – franchise fee	444,470	230,812	231,312
Contract liabilities – customer loyalty programs	503,861	344,970	346,011
Contract liabilities –others	363,291	344,656	352,677
	$ 3,891,631	$ 3,077,610	$ 4,281,369

	December 31, 2019	December 31, 2018	January 1, 2018
Contract liabilities –current	$ 3,443,383	$ 2,843,189	$ 3,935,358
Contract liabilities –non-current	448,248	234,421	346,011
	$ 3,891,631	$ 3,077,610	$ 4,281,369

(b) Revenues recognized that were included in the contract liabilities balance at the beginning were $2,598,521 and $1,969,390 for the years ended December 31, 2019 and 2018, respectively.

(25) Expenses by nature

	For the year ended December 31, 2019	For the year ended December 31, 2018
Net cost of goods sold	$ 150,081,406	$ 143,437,684
Employee benefit expense	26,225,115	25,533,260
Incentive bonuses for franchisees	21,822,920	20,904,939
Depreciation and amortization	18,751,911	6,577,856
Utilities expense	4,559,080	4,230,128
Operating lease payments	1,029,585	12,433,194
Other costs and expenses	20,538,977	18,935,968
Total operating costs and operating expenses	$ 243,008,994	$ 232,053,029

(26) Employee benefit expense

	For the year ended December 31, 2019	For the year ended December 31, 2018
Wages and salaries	$ 21,598,372	$ 21,058,795
Labor and health insurance fees	2,010,371	1,952,864
Pension costs	1,112,531	1,081,184
Other personnel expenses	1,503,841	1,440,417
	$ 26,225,115	$ 25,533,260

A. According to the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' and supervisors' remuneration. The ratio shall not be lower than 2% for employees' compensation and shall not be higher than 2% for directors' and supervisors' remuneration.

B. For the years ended December 31, 2019 and 2018, employees' compensation was accrued at $567,096 and $576,995, respectively; while directors' and supervisors' remuneration was accrued at $189,465 and $192,772, respectively.

The employees' compensation and directors' and supervisors' remuneration were estimated and accrued based on 4.37% and 1.46% of profit of the current year distributable for the year ended December 31, 2019. The employees' compensation and directors' and supervisors' remuneration resolved by the Board of Directors were $567,096 and $189,465 and the employees' compensation will be distributed in the form of cash.

Employees' compensation and directors' and supervisors' remuneration for 2018 as resolved at the meeting of Board of Directors were in agreement with those amounts recognized in the 2018 financial statements.

Information about employees' compensation and directors' and supervisors' remuneration of the Company as resolved by the Board of Directors and shareholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(27) Other income

	For the year ended December 31, 2019	For the year ended December 31, 2018
Interest income	$ 793,898	$ 699,385
Grants income	649,919	606,034
Rental revenue	306,257	136,430
Dividend income	49,542	65,124
Others	1,078,716	918,300
	$ 2,878,332	$ 2,425,273

(28) Other gains and losses

	For the year ended December 31, 2019	For the year ended December 31, 2018
Gains from lease modification	$ 58,910	$ -
Loss on disposal of property, plant and equipment	(11,428)	(33,275)
(Loss) gain on disposal of investments	(3,402)	59
Gain on reversal (impairment loss)	13,618	(10,788)
Other	(86,735)	(93,182)
	($ 29,037)	($ 137,186)

(29) Finance cost

	For the year ended December 31, 2019	For the year ended December 31, 2018
Interest expense	$ 1,216,000	$ 144,662

(30) Income tax

A. Income tax expense

(a)Components of income tax expense:

	For the year ended December 31, 2019	For the year ended December 31, 2018
Current tax:		
Current tax on profits for the year	$ 3,132,151	$ 3,013,928
Tax on undistributed surplus earnings	20,212	135,159
(Over) under provision of prior year's income tax	(161,668)	13,108
Total current tax	$ 2,990,695	3,162,195
Deferred tax:		
Origination and reversal of temporary differences	61,383	(144,430)
Impact of change in tax rate	-	640,304
Total deferred tax	61,383	495,874
Income tax expense	$ 3,052,078	$ 3,658,069

(b)The income tax (charge)/credit relating to the components of other comprehensive income is as follows:

	For the year ended December 31, 2019	For the year ended December 31, 2018
Remeasurement of defined benefit obligations	($ 10,816)	($ 25,881)
Changes in fair value of financial assets at fair value through other comprehensive income	9,949	(6,984)
Impact of change in tax rate	-	(46,977)
	($ 867)	($ 79,842)

B. Reconciliation between income tax expense and accounting profit

	For the year ended December 31, 2019	For the year ended December 31, 2018
Tax calculated based on profit before tax and statutory tax rate	$ 3,843,762	$ 3,727,941
Expenses disallowed by tax regulation	(647,195)	(800,533)
Capital reduction plan to offset accumulated deficit by domestic subsidiaries	-	(8,302)
Tax on undistributed surplus earnings	20,212	135,159
(Over) under provision of prior year's income tax	(161,668)	13,108
Effect from investment tax credits	311	-
Effect from tax losses	(3,344)	(49,608)
Effect from changes in tax regulation	-	640,304
Income tax expense	$ 3,052,078	$ 3,658,069

The difference between the Group's accounting income and taxable income in 2019 and 2018 was mainly due to the dividend income, investment tax credits and the operating loss of subsidiaries.

C. Amounts of deferred tax assets or liabilities as a result of temporary differences and tax losses are as follows:

	2019			
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Deferred tax assets				
Allowance for doubtful accounts	$ 14,739	($ 637)	$ -	$ 14,102
Unrealized sales allowance	10,229	(1,760)	-	8,469
Loss on inventory market value decline	25,448	6,088	-	31,536
Unrealized expenses	511,276	204,766	-	716,042
Book-tax difference of pension	154,720	(6,111)	-	148,609
Remeasurements of the defined benefit plan	794,401	-	10,816	805,217
Tax losses	93,681	(57,404)	-	36,277
Others	122,549	(22,584)	-	99,965
	1,727,043	122,358	10,816	1,860,217
Deferred tax liabilities				
Unrealized gain	(1,496,065)	38,688	(9,949)	(1,467,326)
Foreign investment income	(3,890,774)	(222,429)	-	(4,113,203)
	(5,386,839)	(183,741)	(9,949)	(5,580,529)
	($ 3,659,796)	($ 61,383)	$ 867	($ 3,720,312)

	2018				
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	Effect from changes in tax regulation	December 31
Deferred tax assets					
Allowance for doubtful accounts	$ 13,261	($ 975)	$ -	$ 2,453	$ 14,739
Unrealized sales allowance	14,828	(7,382)	-	2,783	10,229
Loss on inventory market value decline	27,106	(4,454)	-	2,796	25,448
Unrealized expenses	403,819	62,319	-	45,138	511,276
Book-tax difference of pension	82,532	(238)	-	72,426	154,720
Remeasurements of the defined benefit plan	718,129	-	25,881	50,391	794,401
Tax losses	86,867	(8,515)	-	15,329	93,681
Others	62,642	23,461	-	36,446	122,549
	1,409,184	64,216	25,881	227,762	1,727,043
Deferred tax liabilities					
Unrealized gain	(1,308,068)	35,835	6,984	(230,816)	(1,496,065)
Foreign investment income	(3,344,880)	44,379	-	(590,273)	(3,890,774)
	(4,652,948)	80,214	6,984	(821,089)	(5,386,839)
	($ 3,243,764)	$ 144,430	$ 32,865	($ 593,327)	($ 3,659,796)

D. Expiration dates of unused taxable loss and amounts of unrecognized deferred tax assets are as follows:

December 31, 2019				
Year incurred	Amount filed/assessed	Unused amount	Unrecognized deferred tax assets	Usable until
2010~2019	$ 1,912,586	$ 1,912,586	$ 1,731,204	2020~2029

December 31, 2018				
Year incurred	Amount filed/assessed	Unused amount	Unrecognized deferred tax assets	Usable until
2009~2018	$ 2,620,037	$ 2,620,037	$ 2,151,633	2019~2028

E. The amounts of deductible temporary differences that were not recognized as deferred tax assets are as follows:

	For the year ended December 31, 2019	For the year ended December 31, 2018
Deductible temporary differences	$ 109,999	$ 116,691

F. The Company's income tax returns through 2017 have been assessed and approved by the Tax Authority.

G. Under the amendments to the Income Tax Act which was promulgated by the President of the Republic of China on February 7, 2018, the Company's applicable income tax rate was raised from 17% to 20% effective from January 1, 2018. The Group has assessed the impact of the change in income tax rate.

(31) Earnings per share

	For the year ended December 31, 2019		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 10,542,860	1,039,622	$ 10.14
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 10,542,860	1,039,622	
Assumed conversion of all dilutive potential ordinary shares			
Employees' bonus	-	2,169	
Shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 10,542,860	1,041,791	$ 10.12

	For the year ended December 31, 2018		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 10,206,388	1,039,622	$ 9.82
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 10,206,388	1,039,622	
Assumed conversion of all dilutive potential ordinary shares			
Employees' bonus	-	2,437	
Shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 10,206,388	1,042,059	$ 9.79

(32) Operating leases

Lessor

Prior to 2019

The Group leases its investment property and shopping centres to others under operating lease agreements on terms between two and ten years. The future aggregate minimum lease payments receivable under non-cancellable operating leases are as follows:

	December 31, 2018
Less than one year	$ 90,898
Over one year but less than five years	224,263
Over five years	6,195
	$ 321,356

Lessee

A. The Group leases business premises for its stores. The lease terms are between one and twenty years, and certain lease agreements are renewable at the end of the lease period. Rents are paid in accordance with the agreements. Some leases incur additional rent expenses based on the operating revenue of stores or changes in local price indices. Rental expense recognized in profit and loss for the years ended December 31, 2018 are as follows:

	For the year ended December 31, 2018
Rental expense	$ 11,594,263
Contingent rents	$ 838,931

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	December 31, 2018
Less than one year	$ 10,955,633
Over one year but less than five years	36,200,668
Over five years	22,658,778
	$ 69,815,079

B. The Group has sub-leased certain business premises to others. Sublease revenues recognized in profit and loss for the year ended December 31, 2018 are as follows:

	For the year ended December 31, 2018
Sublease revenues	$ 272,051
Contingent rents	$ 1,212,481

In accordance with non-cancellable sub-lease agreements as of December 31, 2018, sub-lease payments totalling $387,765 are expected to be collected between 2019 and 2028.

(33) Supplemental cash flow information

Investing activities with partial cash payments

	December 31, 2019	December 31, 2018
Purchase of property, plant and equipment	$ 7,699,028	$ 6,514,533
Add: Opening balance of payable on equipment	914,557	1,071,524
Less: Ending balance of payable on equipment	(1,364,370)	(914,557)
Cash paid during the year	$ 7,249,215	$ 6,671,500

(34) Changes in liabilities from financing activities

	2019					
	Short-term borrowings	Long-term borrowing	Lease liabilities	Guarantee deposits received	Other non-current liabilities	Liabilities from financing activities-gross
At January 1	$ 7,237,785	$ 847,040	$52,938,613	$ 3,413,265	$ 943,724	$ 65,380,427
Changes in cash flow from financing activities	(1,223,127)	(459,144)	(11,329,825)	147,220	(222,130)	(13,087,006)
Interest paid (Note)	-	-	(1,090,750)	-	-	(1,090,750)
Impact of changes in foreign exchange rate	-	6,244	(15,592)	-	-	(9,348)
Changes in other non-cash items	-	113,972	28,324,592	-	86,741	28,525,305
At December 31	$ 6,014,658	$ 508,112	$68,827,038	$ 3,560,485	$ 808,335	$ 79,718,628

Note: Presented in cash flows from operating activities.

	2018					
	Short-term borrowings	Short-term notes and bills payable	Long-term borrowings	Guarantee deposits received	Other non-current liabilities	Liabilities from financing activities-gross
At January 1	$ 965,180	$ 250,000	$ 1,105,451	$ 3,355,172	$ 1,066,559	$ 6,742,362
Changes in cash flow from financing activities	6,272,605	(250,000)	(184,135)	58,093	223,176	6,119,739
Impact of changes in foreign exchange rate	-	-	(12,170)	-	-	(12,170)
Changes in other non-cash items	-	-	(62,106)	-	(346,011)	(408,117)
At December 31	$ 7,237,785	$ -	$ 847,040	$ 3,413,265	$ 943,724	$ 12,441,814

7. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party

The Company's parent company and the Group's ultimate parent company is Uni-President Enterprises Corp. which holds a 45.4% equity interest in the Company as of December 31, 2019.

(2) Names of related parties and relationship

Names of related parties	Relationship with the Group
Uni-President Enterprises Corp.	Ultimate parent company
Mister Donut Taiwan Co., Ltd.	Investees of the Company accounted for using the equity method
Presicarre Corp.	〃
Uni-President Organics Corp.	〃
President Technology Corp.	〃
President Fair Development Corp.	〃
Uni-President Development Corp.	〃
Presco Netmarketing Inc.	Subsidiaries of ultimate parent company
Uni-President (Kunshan) Trading Co., Ltd.	〃
Tait Marketing & Distribution Co., Ltd.	〃
Tung Ang Enterprises Corp.	〃
Lien-Bo Enterprises Corp	〃
President Packaging Corp.	〃
President Tokyo Corp.	〃
Shanghai Songjiang President Enterprises Co., Ltd.	〃
Kai Ya Food Co., Ltd.	Sub-subsidiary of ultimate parent company
Zhenzhou President Enterprises Co., Ltd.	Subsidiary of ultimate parent company's sub-subsidiary
Kuang Chuan Dairy Corp.	Investees of ultimate parent company accounted for using the equity method
Wei Lih Food Industrial Co., Ltd.	〃
Prince Housing & Development Corp.	Investees of ultimate parent company accounted for

Names of related parties	Relationship with the Group
	using the equity method
Wei Kuon Co., Ltd.	Subsidiaries of investee of ultimate parent company accounted for using the equity method
Tung Chan Enterprises Corp.	Investees of subsidiaries of ultimate parent company accounted for using the equity method
Kang Na Hsiung Enterprises Co., Ltd.	〃
Koasa Yamako Corp.	The Company is a director of Koasa Yamako Corp.

(3) Significant related party transactions and balances

A. Operating revenue

	For the year ended December 31, 2019	For the year ended December 31, 2018
Sales of goods		
Ultimate parent company	$ 580,342	$ 578,394
Associates	140,979	146,634
Sister companies	278,874	302,624
Other related parties	74,030	71,926
Sales of services		
Ultimate parent company	12,417	11,421
Associates	55,905	39,491
Sister companies	14,376	12,048
Other related parties	5,265	4,909
	$ 1,162,188	$ 1,167,447

Goods are sold based on the price lists in force and terms that would be available to third parties.

B. Purchases

	For the year ended December 31, 2019	For the year ended December 31, 2018
Ultimate parent company	$ 16,338,812	$ 15,352,392
Associates	252,638	286,086
Sister companies	4,433,169	3,927,299
Other related parties	2,427,687	2,139,641
	$ 23,452,306	$ 21,705,418

Goods are purchased from related parties on normal commercial terms and conditions.

C. Receivables from related parties

	December 31, 2019	December 31, 2018
Ultimate parent company	$ 245,123	$ 201,321
Associates	64,598	73,101
Sister companies	81,774	85,384
Other related parties	4,289	4,722
	$ 395,784	$ 364,528

Receivables from related parties mainly arise from sales transactions. Receivables are unsecured in nature and bear no interest. There are no provisions for receivables from related parties.

D. Payables to related parties

	December 31, 2019	December 31, 2018
Ultimate parent company	$ 1,765,350	$ 1,631,289
Associates	65,907	63,739
Sister companies	583,883	442,907
Other related parties	348,524	370,822
	$ 2,763,664	$ 2,508,757

Payables to related parties mainly arise from purchase transactions. Payables bear no interest.

E. Leasing arrangements－lessee

(a) The Group holds various lease agreements with related parties based on the market price. The leases were paid on a monthly basis.

(b) Acquisition of right of use assets

	For the year ended December 31, 2019
Ultimate parent company	$ 112,002
Associates	12,157
Sister companies	12,398
Other related parties	513,952
	$ 650,509

On January 1, 2019 (the date of initial application of IFRS 16), the Group increased right-of-use assets by $1,401,225.

(c) Rent expense

	For the year ended December 31, 2019
Ultimate parent company	$ 13,434
Associates	70,200
Sister companies	15,203
Other related parties	1,488
	$ 100,325

(d) Lease liabilities

	December 31, 2019
Ultimate parent company	$ 128,016
Associates	546,049
Sister companies	294,591
Other related parties	524,690
	$ 1,493,346

F. Property transactions

(a) Acquisition of property, plant and equipment:

	Accounts	For the year ended December 31, 2019
Associates	Property, plant and equipment	$ 67,113

	Accounts	For the year ended December 31, 2018
Associates	Property, plant and equipment	$ 38,384

(b) Disposal of financial assets:

				For the year ended December 31, 2018	
	Accounts	No. of shares	Objects	Proceeds	Gain
Sister company	Investments accounted for using equity method	108,160	Grand Bills Finance Corp.	$ 1,828	$ 59

(4) Key management compensation

	For the year ended December 31, 2019	For the year ended December 31, 2018
Other short-term employee benefits	$ 705,741	$ 675,400

8. PLEDGED ASSETS

The Group's assets pledged as collateral are as follows:

	Book value		
Pledged asset	December 31, 2019	December 31, 2018	Purpose
Accounts receivable	$ -	$ 20,000	Performance guarantee
Land	128,643	128,643	Long-term and short-term borrowings and guarantee facilities
Buildings	42,130	50,230	Long-term and short-term borrowings and guarantee facilities
Transportation equipment	591,493	586,353	Long-term borrowings and long-term installment payable
Pledged time deposits (Recognized as "Other non-current assets - guarantee deposits paid ")	61,925	56,495	Performance guarantee
	$ 824,191	$ 841,721	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

None.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital management

The Group's objectives in this area are to retain the confidence of investors and the market, to fund future capital expenditures and stable dividend flows for ordinary shares, and to maintain the most appropriate capital structure to maximize the equity interest of shareholders.

(2) Financial instruments

A. Financial instruments by category

	December 31, 2019	December 31, 2018
Financial assets		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	$ 1,781,865	$ 929,908
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	$ 807,115	$ 644,614
Qualifying equity instrument	-	200,731
	807,115	845,345
Financial assets at amortized cost		
Cash and cash equivalents	$ 45,445,395	$ 48,530,648
Accounts receivable, net	5,808,480	5,264,573
Other receivables	1,460,354	1,535,507
Other current assets (Note)	2,172,863	1,954,776
Guarantee deposits paid	2,911,887	2,766,913
Other non-current assets (Note)	40,351	36,086
	57,839,330	60,088,503
	$ 60,428,310	$ 61,863,756
Financial liabilities		
Financial liabilities at amortized cost		
Short-term borrowings	$ 6,014,658	$ 7,237,785
Notes payable	1,214,702	1,866,610
Accounts payable	23,587,695	23,148,683
Other payables	26,596,505	27,954,181
Long-term borrowings (including current portion)	730,000	1,182,900
Guarantee deposits received	3,560,485	3,413,265
	61,704,045	64,803,424
Lease liabilities	$ 68,827,038	$ -
	$ 130,531,083	$ 64,803,424

Note:The Group's trust account for advance receipts of gift certificates and deposits.

B. Risk management policies

(a) The Group's risk management and hedging policies mainly focus on hedging business risk. The Group also establishes hedge positions when trading derivative financial instruments. The choice of instruments should hedge risks relating to interest expense, assets or liabilities arising from business operations.

(b) For managing derivative instruments, the treasury department is responsible for managing trading positions of derivative instruments and assesses market values periodically. If transactions and gains (losses) are abnormal, the treasury will respond accordingly and report to the Board of Directors immediately.

(c) There is no related transaction about derivative financial instruments that are used to hedge certain exchange rate risk.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

I. The Group operates internationally and is exposed to foreign exchange risk arising from of the Company and its subsidiaries used in various functional currency, the transactions primarily with respect to the USD and RMB. Exchange risk arises from future commercial transactions and recognized assets and liabilities.

II. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currencies.

III. The Company's and certain subsidiaries' functional currency is New Taiwan dollar (NTD), and for other certain subsidiaries, the functional currency is Renminbi (RMB). The details of assets and liabilities denominated in foreign currencies whose values would be materially affected by exchange rate fluctuations are as follows:

	December 31, 2019			December 31, 2018		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)						
Financial assets						
Monetary items						
USD : NTD	$ 792	29.9800	$ 23,744	$ 739	30.7150	$ 22,698
RMB : NTD	900	4.3055	3,875	1,742	4.4654	7,779
JPY : NTD	43,340	0.2760	11,962	8,522	0.2782	2,371
HKD : NTD	766	3.8478	2,947	-	-	-
EUR : NTD	273	33.5900	9,170	-	-	-
Non-monetary items						
JPY : NTD	$ 907,500	0.2760	$ 250,470	$ 721,500	0.2782	$ 200,721
Financial liabilities						
Monetary items						
USD : NTD	$ 3,610	29.9800	$ 108,228	$ 3,745	30.7150	$ 115,028
JPY : NTD	52,532	0.2760	14,499	80,786	0.2782	22,475
RMB : NTD	996	4.3055	4,288	1,152	4.4654	5,144

IV. Total exchange gain, including realized and unrealized arising from significant foreign exchange variations on monetary items held by the Group amounted to $5,005 and $57,437 for the years ended December 31, 2019 and 2018, respectively.

V. Analysis of foreign currency market risk arising from significant foreign exchange variation. Foreign exchange risk with respect to USD primarily arises from the exchange gain or loss resulting from foreign currency translation of cash and cash equivalents, accounts receivable and accounts payable denominated in USD. As of December 31, 2019 and 2018, if the NTD:USD exchange rate appreciates/depreciates by 5% with all other factors remaining constant, the Group's profit for the years ended December 31, 2019 and 2018 would increase/decrease by $4,224 and $4,616, respectively. Foreign exchange risk with respect to JPY primarily arises from the exchange gain or loss resulting from foreign currency translation of cash and cash equivalents, accounts receivable, financial assets at fair value through other comprehensive income - non-current and accounts payable denominated in JPY. If the NTD:JPY exchange rate appreciates/depreciates by 5%, with all other factors remaining constant, the Group's comprehensive income for the years ended December 31, 2019 and 2018 would increase/decrease by $12,397 and $9,031, respectively.

<u>Price risk</u>

I. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

II. The Group's investments in equity securities comprise shares and open-ended funds issued by the domestic companies. The prices of equity securities would change due to change of the future value of investee companies. If the prices of these equity securities increase / decrease by 5%, and open-ended funds increase / decrease by 0.25%, with all other variables held constant, the post-tax profit for the years ended December 31, 2019 and 2018 would have increased/decreased by $8,519 and $6,395, respectively, as a result of gains/losses on equity securities and open-ended funds classified as at fair value through profit or loss. Other components of equity would have increased/decreased by $40,356 and $32,231, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

<u>Cash flow and fair value interest rate risk</u>

I. The Group's interest rate risk arises from short-term borrowings and long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk, which are partially offset by cash and cash equivalents held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. For the years ended December 31, 2019 and 2018, the Group's borrowings at variable rate were mainly denominated in New Taiwan dollars and Philippine Peso.

II. If the borrowing interest rate had increased/decreased by 0.25% with all other variables held constant, profit, net of tax for the years ended December 31, 2019 and 2018 would have increased/decreased by $1,825 and $2,332, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(b) <u>Credit risk</u>

I. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at fair value through other comprehensive income.

II. The Group manages their credit risk taking into consideration the entire group's concern. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

III. The Group adopts management of credit risk, whereby the default occurs when the contract payments are past due over a certain number of days.

IV. The Group assess whether there has been a significant increase in credit risk on that instrument since initial recognition if the contract payments were past due over certain number of days based on the terms.

V. The Group operates a chain of retail stores, thus the ratio of accounts receivable to total asset is low and the probability that accounts receivable cannot be received is low. The Group classifies customers' accounts receivable in accordance with credit rating of customer. The Group applies the simplified approach to estimate expected credit loss to assess the default possibility of accounts receivable. Movements in relation to the group applying the simplified approach to provide loss allowance for accounts receivable are as follows:

	2019
	Accounts receivable
At January 1	$ 55,464
Provision for impairment	8,640
Reversal of impairment	(3,978)
Write-offs	(1,974)
Effect of foreign exchange	(2,323)
At December 31	$ 55,829

	2018
	Accounts receivable
At January 1_IAS 39	$ 48,471
Adjustments under new standards	10,889
At January 1_IFRS 9	59,360
Provision for impairment	17,080
Reversal of impairment	3,873
Write-offs	(21,509)
Effect of foreign exchange	(3,340)
At December 31	$ 55,464

VI. The Group's investment in debt instrument is the government bond, which was issued by R.O.C, the risk of expected credit loss is low. The Group has no unrecognized allowance for investment in debt instrument at fair value through other comprehensive income for the years ended December 31, 2019 and 2018.

VII. The Group has no written-off financial assets that are still under recourse procedures on December 31, 2019 and 2018.

(c) Liquidity risk

I. Cash flow forecasting is performed by the operating entities of the Group and aggregated by the Group's finance department. It monitors rolling forecasts of liquidity requirements to ensure the Group has sufficient cash to meet operational needs, while maintaining sufficient headroom on its undrawn committed borrowing facilities, at all times, so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, and compliance with internal balance sheet ratio targets.

II. The Group invests surplus cash in interest bearing current accounts, time deposits, money market fund and marketable securities, and chooses instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the aforementioned forecasting. The Group held money market funds of $1,696,300 and $844,225 as at December 31, 2019 and 2018, respectively, which are expected to readily generate cash inflows for the purpose of managing liquidity risk.

III. The Group has undrawn borrowing facilities of $12,597,913 and $14,006,462 as of December 31, 2019 and 2018, respectively.

IV. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. Except for notes payable, accounts payable and other payables, whose contractual undiscounted cash flows are about book value, maturing within one-year, the amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

December 31, 2019	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Over 3 years
Short-term borrowings	$ 6,020,015	$ -	$ -	$ -
Lease liabilities	12,331,925	12,256,464	10,678,168	37,312,481
Long-term borrowings (including current portion)	244,733	122,071	99,136	316,524

Non-derivative financial liabilities:

December 31, 2018	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Over 3 years
Short-term borrowings	$ 7,286,725	$ -	$ -	$ -
Long-term borrowings (including current portion)	372,094	264,270	189,983	407,867

V. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value information

A. The different levels of the inputs used in valuation techniques to measure the fair value of financial and non-financial instruments are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks, beneficiary certificates and on-the-run Taiwan central government bonds is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in equity investments without an active market is included in Level 3.

B. Fair value information of the Group's investment property at cost is provided in Note 6(10).

C. Financial instruments not measured at fair value

(a) Except for those listed in the table below, the carrying amounts of cash and cash equivalents, accounts receivable, other receivables, short-term borrowings, notes payable, accounts payable, other payables and long-term borrowings are approximate to their fair values.

	December 31, 2019			
		Fair value		
	Book value	Level 1	Level 2	Level 3
Financial assets:				
Guarantee deposit paid	$ 2,911,887	$ -	$ -	$ 2,887,439
Financial liabilities:				
Guarantee deposit received	$ 3,560,485	$ -	$ -	$ 3,530,355

	December 31, 2018			
		Fair value		
	Book value	Level 1	Level 2	Level 3
Financial assets:				
Guarantee deposit paid	$ 2,766,913	$ -	$ -	$ 2,748,262
Financial liabilities:				
Guarantee deposit received	$ 3,413,265	$ -	$ -	$ 3,384,951

(b) Guarantee deposits paid/received are measured at fair value, which is calculated based on the discounted future cash flow.

D. The related information for financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities is as follows:

(a) Classification according to the nature of assets and liabilities, relevant information is as follows:

December 31, 2019	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Beneficiary certificates	$ 1,696,300	$ -	$ -	$ 1,696,300
Equity securities	-	-	85,565	85,565
	1,696,300	-	85,565	1,781,865
Financial assets at fair value through other comprehensive income				
Equity securities	802,767	-	4,348	807,115
	802,767	-	4,348	807,115
	$ 2,499,067	$ -	$ 89,913	$ 2,588,980

December 31, 2018	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Beneficiary certificates	$ 844,225	$ -	$ -	$ 844,225
Equity securities	-	-	85,683	85,683
	844,225	-	85,683	929,908
Financial assets at fair value through other comprehensive income				
Equity securities	640,266	-	4,348	644,614
Debt securities	200,731	-	-	200,731
	840,997	-	4,348	845,345
	$ 1,685,222	$ -	$ 90,031	$ 1,775,253

(b) The methods and assumptions the Group used to measure fair value are as follows:

I. The instruments the Group uses market quoted prices as their fair values (that is, Level 1) are listed below:

	Listed shares	Open-ended fund	Government bond
Market quoted price	Closing price	Net asset value	Closing price

II. Except for financial instruments with active markets, the fair value of other financial instruments is measured using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, by discounted cash flow method or other valuation methods, including calculations by applying models using market information available at the consolidated balance sheet date.

E. For the years ended December 31, 2019 and 2018, there was no transfer between Level 1 and Level 2.

F. For the years ended December 31, 2019 and 2018, there was no significant transfer in or out of Level 3.

G. The Group is in charge of valuation procedures for fair value measurements being categorized within Level 3, which to verify the independent fair value of financial instruments. Such assessments are to ensure the valuation results are reasonable by applying independent information to compare the results to current market conditions, confirming the information resources are independent, reliable and in line with other resources, and represented as the exercisable price, and frequently making any other necessary adjustments to the fair value. Investment property is assessed by independent appraisers or based on recent closing prices of similar property in the neighbouring area.

H. The qualitative information on significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement are provided below:

		Fair value at December 31, 2019	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:						
Unlisted shares	$	89,913	Market comparable companies	Price to book ratio multiplier	2.94	The higher the multiplier, the higher the fair value
			Net asset value	Net asset value	-	The higher the net asset value, the higher the fair value

		Fair value at December 31, 2018	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:						
Unlisted shares	$	90,031	Market comparable companies	Price to book ratio multiplier	2.61	The higher the multiplier, the higher the fair value
			Net asset value	Net asset value	-	The higher the net asset value, the higher the fair value

I. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, the use of different valuation models or assumptions may result in different measurements. If net assets from financial assets and liabilities categorized within Level 3 had increased or decreased by 1%, other comprehensive income would not have been significantly impacted as of December 31, 2019 and 2018.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

A. Loans to others: None.

B. Provision of endorsements and guarantees to others: None.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to Table 1.

D. Acquisition or sale of the same security with the accumulated cost reaching $300 million or 20% of the Company’s paid-in capital: Please refer to Table 2.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching $300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: Please refer to Table 3.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: Please refer to Table 4.

I. Trading in derivative instruments undertaken during the reporting periods: None.

J. Significant inter-company transactions during the reporting periods: Please refer to Table 5.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to Table 6.

(3) Information on investments in Mainland China

A. Basic information: Please refer to Table 7.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

14. SEGMENT INFORMATION

(1) General information

Management has determined the reportable operating segments based on reports reviewed by the chief operating decision-maker and used to make strategic decisions.

There was no material change in the basis for formation of entities and division of segments in the Group or in the measurement basis for segment information during the year.

The Chief Operating Decision-Maker considers the business from industry and geographic perspectives. By industry, the Group focuses on convenience stores, retail business groups, logistics business groups and others. Geographically, the Group focuses on Taiwan and Mainland China where most of its business premises are located. As the operation of convenience stores in Taiwan is the focus of the Group, it is classified as a single operating segment. The whole of Mainland China is considered the same operating segment.

The revenue of the Group's reportable segments is derived from the operations of convenience stores, retail business group and logistics business group. Other operating segments include a restaurant-related business group, supporting business group and China business. The supporting business group mainly provides services relating to the Group's business, such as system maintenance and development and food manufacturing and supply.

(2) Measurement of segment information

The Chief Operating Decision-Maker evaluates the performance of the operating segments based on operating revenue and profit before income tax, which are the basis for measuring performance.

(3) Segment information

The segment information provided to the Chief Operating Decision-Maker for the reportable segments is as follows:

	For the year ended December 31, 2019					
	Convenience stores	Retail business group	Logistics business group	Other operating segments	Adjustment and elimination	Total
External revenue (net)	$157,416,544	$ 76,009,484	$ 2,100,351	$ 20,532,509	$ -	$ 256,058,888
Internal department revenue	615,023	2,235,363	13,367,407	7,194,186	(23,411,979)	-
Total segment revenue	$158,031,567	$ 78,244,847	$ 15,467,758	$ 27,726,695	($ 23,411,979)	$ 256,058,888
Segment income	$ 12,220,466	$ 3,866,585	$ 1,237,098	$ 2,853,051	($ 5,013,013)	$ 15,164,187
Depreciation and amortization	($ 9,042,048)	($ 5,384,084)	($ 1,281,129)	($ 2,937,381)	($ 107,269)	($ 18,751,911)
Gain (loss) on investments accounted for using equity method	$ 4,185,310	($ 13,562)	$ 149,382	$ 1,024,423	($ 4,864,555)	$ 480,998
Income tax expense	($ 1,677,606)	($ 904,776)	($ 221,432)	($ 287,096)	$ 38,832	($ 3,052,078)
Interest income	$ 38,037	$ 43,583	$ 9,128	$ 703,151	($ 1)	$ 793,898
Interest expense	($ 359,593)	($ 634,522)	($ 50,629)	($ 175,457)	$ 4,201	($ 1,216,000)

	For the year ended December 31, 2018					
	Convenience stores	Retail business group	Logistics business group	Other operating segments	Adjustment and elimination	Total
External revenue (net)	$153,412,751	$ 69,459,313	$ 2,022,071	$ 19,993,718	$ -	$ 244,887,853
Internal department revenue	661,980	2,229,011	13,091,717	6,680,078	(22,662,786)	-
Total segment revenue	$154,074,731	$ 71,688,324	$ 15,113,788	$ 26,673,796	($ 22,662,786)	$ 244,887,853
Segment income	$ 12,433,791	$ 3,718,428	$ 1,164,775	$ 2,159,858	($ 4,074,505)	$ 15,402,347
Depreciation and amortization	($ 1,994,987)	($ 2,241,246)	($ 781,950)	($ 1,365,513)	($ 194,160)	($ 6,577,856)
Gain (loss) on investments accounted for using equity method	$ 3,473,458	($ 47,676)	$ 113,275	$ 706,423	($ 3,821,382)	$ 424,098
Income tax expense	($ 2,227,402)	($ 771,310)	($ 199,521)	($ 272,922)	($ 186,914)	($ 3,658,069)
Interest income	$ 83,534	$ 29,573	$ 8,896	$ 577,382	$ -	$ 699,385
Interest expense	($ 42,971)	($ 44,110)	($ 10,158)	($ 47,423)	$ -	($ 144,662)

(4) Reconciliation of segment income (loss)

Revenue from external customers and segment income (loss) reported to the Chief Operating Decision-Maker are measured using the same method as for revenue and profit before tax in the financial statements. Thus, no reconciliation is needed.

(5) Information on products and services

Revenue from external customers is mainly from retail services and services provided. Details of revenue is as follows:

	For the year ended December 31, 2019	For the year ended December 31, 2018
Convenience stores(including foreign subsidiary)	$ 192,059,882	$ 181,384,121
Sales of daily items	24,183,746	24,200,568
Gas station	10,272,603	10,801,643
Delivery service	10,781,896	10,640,153
Logistics service	2,100,351	2,022,071
Restaurants	12,659,972	12,040,722
Others	4,000,438	3,798,575
	$ 256,058,888	$ 244,887,853

(6) Geographical information

As of and for the years ended December 31, 2019 and 2018, the information on geographic area is as follows:

	2019		2018	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	$ 216,098,825	$ 95,664,520	$ 211,270,304	$ 34,681,923
Others	39,960,063	13,221,473	33,617,549	5,711,638
	$ 256,058,888	$ 108,885,993	$ 244,887,853	$ 40,393,561

(7) Major customer information

No customers constituted more than 10% of the Group's total revenue for the years ended December 31, 2019 and 2018.

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

December 31, 2019

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

Securities held by	Type and name of securities	Relationship with the securities issuer	General ledger account	As of December 31, 2019 Number of shares	Book value	Ownership (%)	Fair value	Footnote
	Stock:							
President Chain Store Corp.	President Investment Trust Corp.	Director of President Investment Trust Corp.	Financial assets at fair value through profit or loss－non-current	2,667,600	$ 45,298	7.60	$ 45,298	
President Chain Store Corp.	Career Consulting Co. Ltd.	None	〃	837,753	14,546	5.37	14,546	
President Chain Store Corp.	Kaohsiung Rapid Transit Corp.	〃	〃	2,572,127	25,721	0.92	25,721	
President Chain Store Corp.	PK Venture Capital Corp.	Director of PK Venture Capital Corp.	〃	321,300	-	6.67	-	
Mech-President Corp.	Yamay International Development Corp.	None	〃	9	-	-	-	
President Chain Store Corp.	President Securities Corp.	Investees of Uni-President Enterprises Corp. under the equity method	Financial assets at fair value through other comprehensive income－non-current	38,221,259	552,297	2.79	552,297	
President Chain Store Corp.	Duskin Co., Ltd.	None	〃	300,000	250,470	0.56	250,470	
President Chain Store Corp.	Koasa Yamako Corp.	Director of Koasa Yamako Corp.	〃	650,000	4,348	10.00	4,348	
	Beneficiary certificates:							
Books.com. Co., Ltd.	Jih Sun Money Market Fund	None	Financial assets at fair value through profit or loss－current	1,344,764	$ 20,005	-	$ 20,005	
Chieh Shun Logistics International Corp.	Taishin 1699 Money Market Fund	〃	〃	6,846,847	93,009	-	93,009	
Chieh Shun Logistics International Corp.	UPAMC James Bond Money Market Fund	〃	〃	1,698,941	28,505	-	28,505	
Uni-Wonder Corp.	FSITC Taiwan Money Market Fund	〃	〃	19,527,436	300,000	-	300,000	
Uni-Wonder Corp.	Prudential Financial Money Market Fund	〃	〃	18,260,010	290,000	-	290,000	
Uni-Wonder Corp.	Allianz Global Investors Taiwan Money Market Fund	〃	〃	15,898,378	200,000	-	200,000	
Uni-Wonder Corp.	Taishin 1699 Money Market Fund	〃	〃	12,514,539	170,000	-	170,000	
President Drugstore Business Corp.	Jih Sun Money Market Fund	〃	〃	1,680,379	25,000	-	25,000	
President Information Corp.	Prudential Financial Money Market Fund	〃	〃	4,187,088	66,498	-	66,498	
President Information Corp.	Jih Sun Money Market Fund	〃	〃	10,559,658	157,102	-	157,102	
President Information Corp.	UPAMC James Bond Money Market Fund	〃	〃	2,802,490	47,021	-	47,021	
President Logistics International Corp.	Taishin 1699 Money Market Fund	〃	〃	736,692	10,007	-	10,007	
President Logistics International Corp.	UPAMC James Bond Money Market Fund	〃	〃	864,391	14,503	-	14,503	
President Pharmaceutical Corp.	Jih Sun Money Market Fund	〃	〃	109,545	1,630	-	1,630	
President Pharmaceutical Corp.	Taishin 1699 Money Market Fund	〃	〃	1,464	20	-	20	
Q-ware Systems & Services Corp.	Eastspring Investments Well Pool Money Market Fund	〃	〃	19,990,627	273,000	-	273,000	

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES

Acquisition or sale of the same security with the accumulated cost reaching $300 million or 20% of the Company's paid-in capital

For the year ended December 31, 2019

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Type and name of securities	General ledger account	Counterparty	Relationship with the investor	Balance as at January 1, 2019		Addition		Disposal				Other increase (decrease)		Balance as at December 31, 2019	
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount	Number of shares	Amount
	Beneficiary certificates:															
Books.com. Co., Ltd.	Yuanta De-Li Money Market Fund	Note	Not applicable	Not applicable	1,843,148	$ 30,008	43,579,059	$ 710,000	45,422,207	$ 740,300	$ 740,000	$ 300	-	($ 8)	-	$ -
Books.com. Co., Ltd.	Jih Sun Money Market Fund	〃	〃	〃	-	-	83,519,497	1,240,000	82,174,733	1,220,675	1,220,000	675	-	5	1,344,764	20,005
Chieh Shun Logistics International Corp.	Taishin 1699 Money Market Fund	〃	〃	〃	-	-	54,050,840	732,500	47,203,993	639,697	639,500	197	-	9	6,846,847	93,009
Chieh Shun Logistics International Corp.	UPAMC James Bond Money Market Fund	〃	〃	〃	2,037,832	34,002	28,216,997	472,001	28,555,888	477,640	477,500	140	-	2	1,698,941	28,505
Uni-Wonder Corp.	FSITC Taiwan Money Market Fund	〃	〃	〃	-	-	114,193,080	1,750,000	94,665,644	1,451,189	1,450,000	1,189	-	-	19,527,436	300,000
Uni-Wonder Corp.	Prudential Financial Money Market Fund	〃	〃	〃	-	-	64,323,276	1,020,000	46,063,266	730,730	730,000	730	-	-	18,260,010	290,000
Uni-Wonder Corp.	Allianz Global Investors Taiwan Money Market Fund	〃	〃	〃	3,996,323	50,000	119,513,956	1,500,000	107,611,901	1,350,857	1,350,000	857	-	-	15,898,378	200,000
Uni-Wonder Corp.	Taishin 1699 Money Market Fund	〃	〃	〃	2,220,998	30,000	126,211,087	1,710,000	115,917,536	1,570,766	1,570,000	766	-	-	12,514,539	170,000
Uni-Wonder Corp.	Union Money Market Fund	〃	〃	〃	15,170,478	200,000	43,882,697	580,000	59,053,175	780,458	780,000	458	-	-	-	-
Uni-Wonder Corp.	Nomura Taiwan Money Market Fund	〃	〃	〃	-	-	26,959,349	440,000	26,959,349	440,130	440,000	130	-	-	-	-
President Drugstore Business Corp.	Taishin 1699 Money Market Fund	〃	〃	〃	-	-	146,883,213	1,991,000	146,883,213	1,991,361	1,991,000	361	-	-	-	-
President Drugstore Business Corp.	FSITC Taiwan Money Market Fund	〃	〃	〃	-	-	67,110,185	1,028,000	67,110,185	1,028,158	1,028,000	158	-	-	-	-
President Information Corp.	Prudential Financial Money Market Fund	〃	〃	〃	7,643,267	120,716	25,505,438	404,098	28,961,617	458,595	458,316	279	-	-	4,187,088	66,498
President Information Corp.	Jih Sun Money Market Fund	〃	〃	〃	-	-	37,554,324	557,602	26,994,666	400,902	400,500	402	-	-	10,559,658	157,102
President Logistics International Corp.	Taishin 1699 Money Market Fund	〃	〃	〃	-	-	31,949,778	432,999	31,213,086	423,079	422,994	85	-	2	736,692	10,007
President Logistics International Corp.	UPAMC James Bond Money Market Fund	〃	〃	〃	3,266,653	54,506	21,967,980	367,500	24,370,242	407,578	407,500	78	-	(3)	864,391	14,503
President Pharmaceutical Corp.	Taishin 1699 Money Market Fund	〃	〃	〃	3,036,177	41,011	54,369,056	736,301	57,403,769	777,510	777,283	227	-	(9)	1,464	20
Q-ware Systems & Services Corp.	Eastspring Investments Well Pool Money Market Fund	〃	〃	〃	16,121,671	219,000	224,644,440	3,060,000	220,775,484	3,007,145	3,006,000	1,145	-	-	19,990,627	273,000

Note: The security was recognized as "Financial assets at fair value through profit or loss–current".

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES

Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more

For the year ended December 31, 2019

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

			Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
President Chain Store Corp.	Uni-President Enterprises Corp.	Ultimate parent company	Purchases	$ 15,787,494	15	Net 30~40 days from the end of the month when invoice is issued	No significant differences	No significant differences	($ 1,291,634)	(8)	
	Uni-President Superior Commissary Corp.	Subsidiary	〃	3,863,554	4	Net 45 days from the end of the month when invoice is issued	〃	〃	(669,136)	(4)	
	Tung Ang Enterprises Corp.	Sister company	〃	1,954,570	2	Net 30 days from the end of the month when invoice is issued	〃	〃	(152,061)	(1)	
	Lien-Bo Enterprises Corp.	〃	〃	668,520	1	Net 10~54 days from the end of the month when invoice is issued	〃	〃	(91,889)	(1)	
	Tait Marketing & Distribution Co., Ltd.	〃	〃	401,064	-	Net 20~70 days from the end of the month when invoice is issued	〃	〃	(75,268)	-	
	President Packaging Corp.	〃	〃	412,791	-	Net 15~60 days from the end of the month when invoice is issued	〃	〃	(71,064)	-	
	President Transnet Corp.	Subsidiary	〃	304,485	-	Net 60 days from the end of the month when invoice is issued	〃	〃	(28,007)	-	
	Kuang Chuan Dairy Corp.	Other related party	〃	583,267	1	Net 30~65 days from the end of the month when invoice is issued	〃	〃	(138,159)	(1)	
	Weilih Food Industrial Co., Ltd.	〃	〃	284,484	-	Net 30~60 days from the end of the month when invoice is issued	〃	〃	(35,120)	-	
	21 Century Co., Ltd.	Subsidiary	〃	387,986	-	Net 30~60 days from the end of the month when invoice is issued	〃	〃	(77,274)	(1)	
	Mister Donut Taiwan Corp., Ltd.	Associate	〃	141,949	-	Net 55~60 days from the end of the month when invoice is issued	〃	〃	(22,695)	-	
	President Pharmaceutical Corp.	Subsidiary	〃	204,886	-	Net 60~70 days from the end of the month when invoice is issued	〃	〃	(66,115)	-	
	Kai Ya Food Co., Ltd.	Sister company	〃	231,672	-	Net 40 days from the end of the month when invoice is issued	〃	〃	(84,501)	(1)	
	Q-ware Systems & Services Corp.	Subsidiary	〃	626,267	1	Net 40 days from the end of the month when invoice is issued	〃	〃	(109,546)	(1)	
Capital Marketing Consultant Corp.	President Chain Store Corp.	Parent company	Service revenue	(197,577)	(66)	Net 45~60 days from the end of the month when invoice is issued	〃	〃	36,933	59	
Chieh Shun Logistics International Corp.	President Transnet Corp.	Subsidiary of President Chain Store Corp.	Delivery revenue	(680,779)	(38)	Net 40 days from the end of the month when invoice is issued	〃	〃	85,068	46	
	President Logistics International Corp.	Parent company	〃	(1,047,554)	(59)	Net 20 days from the end of the month when invoice is issued	〃	〃	96,462	52	
President Transnet Corp.	Chieh Shun Logistics International Corp.	Subsidiary of President Chain Store Corp.	Service cost	680,779	7	Net 40 days from the end of the month when invoice is issued	〃	〃	(85,068)	(5)	
	President Chain Store Corp.	Parent company	Sales revenue	(304,485)	(56)	Net 60 days from the end of the month when invoice is issued	〃	〃	28,007	2	
Uni-Wonder Corp.	Uni-President Enterprises Corp.	Ultimate parent company	Purchases	337,389	8	Net 30 days from the end of the month when invoice is issued	〃	〃	(35,298)	(6)	
	Tung Chan Enterprise Corp.	Other related party	〃	1,103,134	25	Net 25 days from the end of the month when invoice is issued	〃	〃	(107,088)	(19)	
	Retail Support International Corp.	Subsidiary of President Chain Store Corp.	〃	210,957	5	Net 30 days from the end of the month when invoice is issued	〃	〃	(19,079)	(3)	
President Information Corp.	President Chain Store Corp.	Parent company	Service revenue	(859,075)	(68)	Net 45 days from the end of the month when invoice is issued	〃	〃	124,774	58	

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES

Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more

For the year ended December 31, 2019

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

			Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
President Logistics International Corp.	Chieh Shun Logistics International Corp.	Subsidiary	Service cost	$ 1,047,554	34	Net 20 days from the end of the month when invoice is issued	No significant differences	No significant differences	($ 96,462)	(35)	
	Retail Support International Corp.	Parent company	Delivery revenue	(788,848)	(25)	Net 20 days from the end of the month when invoice is issued	〃	〃	74,892	24	
	Uni-President Cold-Chain Corp.	Subsidiary of President Chain Store Corp.	〃	(1,084,094)	(34)	Net 20 days from the end of the month when invoice is issued	〃	〃	97,129	31	
	Wisdom Distribution Service Corp.	〃	〃	(1,076,090)	(34)	Net 20 days from the end of the month when invoice is issued	〃	〃	112,939	36	
Retail Support International Corp.	Retail Support Taiwan Corp.	Subsidiary	Service cost	313,865	20	Net 15~20 days from the end of the month when invoice is issued	〃	〃	(25,648)	(17)	
	President Logistics International Corp.	〃	〃	788,848	49	Net 20 days from the end of the month when invoice is issued	〃	〃	(74,892)	(50)	
	Uni-Wonder Corp.	Subsidiary of President Chain Store Corp.	Delivery revenue	(210,957)	(7)	Net 30 days from the end of the month when invoice is issued	〃	〃	19,079	9	
Uni-President Cold-Chain Corp.	President Logistics International Corp.	〃	Service cost	1,084,094	37	Net 20 days from the end of the month when invoice is issued	〃	〃	(97,129)	(2)	
Wisdom Distribution Service Corp.	President Logistics International Corp.	〃	〃	1,076,090	45	Net 20 days from the end of the month when invoice is issued	〃	〃	(112,939)	(39)	
	Books.com. Co., Ltd.	〃	Service revenue	(285,125)	(10)	Net 30 days from the end of the month when invoice is issued	〃	〃	24,585	38	
Q-ware Systems & Services Corp.	President Chain Store Corp.	Parent company	〃	(626,267)	(67)	Net 40 days from the end of the month when invoice is issued	〃	〃	109,546	74	
President Drugstore Business Corp.	President Pharmaceutical Corp.	Subsidiary of President Chain Store Corp.	Purchases	622,641	6	Net 70 days from the end of the month when invoice is issued	〃	〃	(25,490)	(1)	
President Pharmaceutical Corp.	President Drugstore Business Corp.	〃	Sales revenue	(622,641)	(38)	Net 70 days from the end of the month when invoice is issued	〃	〃	25,490	7	
	President Chain Store Corp.	Parent company	〃	(204,886)	(13)	Net 60~70 days from the end of the month when invoice is issued	〃	〃	66,115	18	
21 Century Co., Ltd.	President Chain Store Corp.	〃	〃	(387,986)	(38)	Net 30~60 days from the end of the month when invoice is issued	〃	〃	77,274	53	
Uni-President Superior Commissary Corp.	President Chain Store Corp.	〃	〃	(3,863,554)	(99)	Net 45 days from the end of the month when invoice is issued	〃	〃	669,136	100	
Retail Support Taiwan Corp.	Retail Support International Corp.	〃	Delivery revenue	(313,865)	(83)	Net 15~20 days from the end of the month when invoice is issued	〃	〃	25,648	68	
Zhejiang Uni-Champion Logistics Development Co., Ltd.	Shanghai President Logistic Co., Ltd.	〃	〃	(172,251)	(32)	Net 60 days from the end of the month when invoice is issued	〃	〃	38,473	50	
Shanghai President Logistic Co., Ltd.	Zhejiang Uni-Champion Logistics Development Co., Ltd.	Subsidiary	Service cost	172,251	25	Net 60 days from the end of the month when invoice is issued	〃	〃	(38,473)	(37)	

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more
For the year ended December 31, 2019

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

			Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
Duskin Serve Taiwan Co., Ltd.	President Chain Store Corp.	Parent company	Service revenue	($ 276,434)	(21)	Net 15~60 days from the end of the month when invoice is issued	No significant differences	No significant differences	$ 38,213	21	
ICASH Corp.	President Chain Store Corp.	〃	〃	(138,831)	(35)	Net 60 days from the end of the month when invoice is issued	〃	〃	32,379	58	
President Logistic ShanDong Co., Ltd.	Shan Dong President Yinzuo Commercial Limited	Subsidiary of President Chain Store Corp.	Delivery revenue	(116,221)	(99)	Net 30 days from the end of the month when invoice is issued	〃	〃	10,031	97	
Shan Dong President Yinzuo Commercial Limited	President Logistic ShanDong Co., Ltd.	〃	Service cost	116,221	5	Net 30 days from the end of the month when invoice is issued	〃	〃	(10,031)	(2)	
Shanghai President Logistic Co., Ltd.	President Chain Store (Shanghai) Ltd.	〃	Delivery revenue	(108,467)	(13)	Net 58 days from the end of the month when invoice is issued	〃	〃	9,218	7	
President Chain Store (Shanghai) Ltd.	Shanghai President Logistic Co., Ltd.	〃	Service cost	108,467	10	Net 58 days from the end of the month when invoice is issued	〃	〃	(9,218)	(7)	

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
Receivables from related parties reaching $100 million or 20% of paid-in capital or more
December 31, 2019

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as of December 31, 2019	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Uni-President Superior Commissary Corp.	President Chain Store Corp.	Parent company	$ 669,136	5.98	$ -	none	$ 668,833	$ -
President Information Corp.	President Chain Store Corp.	〃	124,774	4.67	-	〃	68,676	-
President Logistics International Corp.	Wisdom Distribution Service Corp.	Subsidiary of President Chain Store Corp.	112,939	9.96	-	〃	102,410	-
Q-ware Systems & Services Corp.	President Chain Store Corp.	Parent company	109,546	5.78	-	〃	109,542	-

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
Significant inter-company transactions during the reporting periods
For the year ended December 31, 2019

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Number	Company name	Counterparty	Relationship	Transaction: General ledger account	Transaction: Amount	Transaction: Transaction terms	Transaction: Percentage of consolidated total operating revenues or total assets
1	President Chain Store Corp.	Books.com. Co., Ltd.	Parent company to subsidiary	Other operating revenue	($ 162,669)	Net 60 days from the end of the month when invoice is issued	0.06
2	President Chain Store Corp.	President Transnet Corp.	Parent company to subsidiary	Other operating revenue	(161,501)	Net 60 days from the end of the month when invoice is issued	0.06
3	Uni-President Cold-Chain Corp.	President Chain Store Corp.	Subsidiary to parent company	Other operating revenue	(371,757)	Net 20 days from the end of the month when invoice is issued	0.15
4	Capital Marketing Consultant Corp.	President Chain Store Corp.	Subsidiary to parent company	Service revenue	(197,577)	Net 45~60 days from the end of the month when invoice is issued	0.08
5	President Information Corp.	President Chain Store Corp.	Subsidiary to parent company	Service revenue	(859,075)	Net 45 days from the end of the month when invoice is issued	0.34
6	President Information Corp.	President Chain Store Corp.	Subsidiary to parent company	Accounts receivable	124,774	Net 45 days from the end of the month when invoice is issued	0.06
7	Q-ware Systems & Services Corp.	President Chain Store Corp.	Subsidiary to parent company	Service revenue	(626,267)	Net 40 days from the end of the month when invoice is issued	0.24
8	Q-ware Systems & Services Corp.	President Chain Store Corp.	Subsidiary to parent company	Accounts receivable	109,546	Net 40 days from the end of the month when invoice is issued	0.06
9	Uni-President Superior Commissary Corp.	President Chain Store Corp.	Subsidiary to parent company	Sales revenue	(3,863,554)	Net 45 days from the end of the month when invoice is issued	1.51
10	Uni-President Superior Commissary Corp.	President Chain Store Corp.	Subsidiary to parent company	Accounts receivable	669,136	Net 45 days from the end of the month when invoice is issued	0.34
11	President Pharmaceutical Corp.	President Drugstore Business Corp.	Subsidiary to subsidiary	Sales revenue	(622,641)	Net 70 days from the end of the month when invoice is issued	0.24
12	President Pharmaceutical Corp.	President Chain Store Corp.	Subsidiary to parent company	Sales revenue	(204,886)	Net 60~70 days from the end of the month when invoice is issued	0.08
13	President Transnet Corp.	President Chain Store Corp.	Subsidiary to parent company	Sales revenue	(304,485)	Net 60 days from the end of the month when invoice is issued	0.12
14	Chieh Shun Logistics International Corp.	President Logistics International Corp.	Subsidiary to subsidiary	Delivery revenue	(1,047,554)	Net 20 days from the end of the month when invoice is issued	0.41
15	Chieh Shun Logistics International Corp.	President Transnet Corp.	Subsidiary to subsidiary	Delivery revenue	(680,779)	Net 40 days from the end of the month when invoice is issued	0.27
16	President Logistics International Corp.	Retail Support International Corp.	Subsidiary to subsidiary	Delivery revenue	(788,848)	Net 20 days from the end of the month when invoice is issued	0.31
17	President Logistics International Corp.	Uni-President Cold-Chain Corp.	Subsidiary to subsidiary	Delivery revenue	(1,084,094)	Net 20 days from the end of the month when invoice is issued	0.42
18	President Logistics International Corp.	Wisdom Distribution Service Corp.	Subsidiary to subsidiary	Delivery revenue	(1,076,090)	Net 20 days from the end of the month when invoice is issued	0.42
19	President Logistics International Corp.	Wisdom Distribution Service Corp.	Subsidiary to subsidiary	Accounts receivable	112,939	Net 20 days from the end of the month when invoice is issued	0.06
20	Duskin Serve Taiwan Co., Ltd.	President Chain Store Corp.	Subsidiary to parent company	Service revenue	(276,434)	Net 15~60 days from the end of the month when invoice is issued	0.11
21	21 Century Co., Ltd.	President Chain Store Corp.	Subsidiary to parent company	Sales revenue	(387,986)	Net 30~60 days from the end of the month when invoice is issued	0.15
22	Wisdom Distribution Service Corp.	Books.com. Co., Ltd.	Subsidiary to subsidiary	Service revenue	(285,125)	Net 30 days from the end of the month when invoice is issued	0.11
23	Retail Support Taiwan Corp.	Retail Support International Corp.	Subsidiary to subsidiary	Delivery revenue	(313,865)	Net 15~20 days from the end of the month when invoice is issued	0.12
24	Zhejiang Uni-Champion Logistics Development Co., Ltd.	Shanghai President Logistic Co., Ltd.	Subsidiary to subsidiary	Delivery revenue	(172,251)	Net 60 days from the end of the month when invoice is issued	0.07
25	ICASH Corp.	President Chain Store Corp.	Subsidiary to parent company	Service revenue	(138,831)	Net 60 days from the end of the month when invoice is issued	0.05

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES

Significant inter-company transactions during the reporting periods

For the year ended December 31, 2019

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Number	Company name	Counterparty	Relationship	Transaction: General ledger account	Transaction: Amount	Transaction: Transaction terms	Transaction: Percentage of consolidated total operating revenues or total assets
26	Retail Support International Corp.	Uni-Wonder Corp.	Subsidiary to subsidiary	Delivery revenue	(210,957)	Net 30 days from the end of the month when invoice is issued	0.08
27	President Logistic ShanDong Co., Ltd.	Shan Dong President Yinzuo Commercial Limited	Subsidiary to subsidiary	Delivery revenue	(116,221)	Net 30 days from the end of the month when invoice is issued	0.05
28	Shanghai President Logistic Co., Ltd.	President Chain Store (Shanghai) Ltd.	Subsidiary to subsidiary	Delivery revenue	(108,467)	Net 58 days from the end of the month when invoice is issued	0.04

Note:Transaction among the company and subsidiaries with amount over NTD$100,000, only one side of the transactions are disclosed.

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES

Names, locations and other information of investee companies (not including investees in Mainland China)

For the year ended December 31, 2019

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

				Initial investment amount		Shares held as at December 31, 2019					
Investor	Investee	Location	Main business activities	Balance as at December 31, 2019	Balance as at December 31, 2018	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the year ended December 31, 2019	Investment income (loss) recognized by the Company for the year ended December 31, 2019	Footnote
President Chain Store Corp.	President Chain Store (BVI) Holdings Ltd.	British Virgin Islands	Professional investment	$ 6,712,138	$ 6,712,138	171,589,586	100.00	$ 26,348,522	$ 1,105,919	$ 1,105,919	Subsidiary
President Chain Store Corp.	President Drugstore Business Corp.	Taiwan	Sales of cosmetics, medicines and daily items	288,559	288,559	78,520,000	100.00	1,432,449	320,671	320,671	Subsidiary
President Chain Store Corp.	President Transnet Corp.	Taiwan	Delivery service	711,576	711,576	103,496,399	70.00	1,634,536	599,834	419,884	Subsidiary
President Chain Store Corp.	Mech-President Corp.	Taiwan	Gas station, installment and maintenance of elevators	904,475	904,475	55,858,815	80.87	702,347	106,216	85,898	Subsidiary
President Chain Store Corp.	President Pharmaceutical Corp.	Taiwan	Sales of various health care products, cosmetics, and pharmaceuticals	330,216	330,216	22,121,962	73.74	743,725	189,810	139,966	Subsidiary
President Chain Store Corp.	Uni-President Department Store Corp.	Taiwan	Department stores	840,000	840,000	27,999,999	70.00	543,179	265,132	185,592	Subsidiary
President Chain Store Corp.	Uni-President Superior Commissary Corp.	Taiwan	Fresh food manufacture	520,141	520,141	48,519,890	90.00	484,058	18,574	16,716	Subsidiary
President Chain Store Corp.	Uni-President Cold-Chain Corp.	Taiwan	Low-temperature logistics and warehousing	237,437	237,437	23,605,042	60.00	679,859	353,843	212,306	Subsidiary
President Chain Store Corp.	President Information Corp.	Taiwan	Enterprise information management and consultancy	320,741	320,741	25,714,475	86.00	493,788	75,175	64,651	Subsidiary
President Chain Store Corp.	Q-ware Systems & Services Corp.	Taiwan	Information software services	332,482	332,482	24,382,921	86.76	390,054	80,156	69,542	Subsidiary
President Chain Store Corp.	Wisdom Distribution Service Corp.	Taiwan	Logistics and storage of publication and e-commerce	50,000	50,000	10,847,421	100.00	454,125	272,543	272,543	Subsidiary
President Chain Store Corp.	Books.com. Co., Ltd.	Taiwan	Retail business without shop	100,400	100,400	9,999,999	50.03	398,293	379,594	189,890	Subsidiary
President Chain Store Corp.	President Lanyang Art Corporation	Taiwan	Art and cultural exhibition	20,000	20,000	2,000,000	100.00	25,120	120	120	Subsidiary
President Chain Store Corp.	Duskin Serve Taiwan Co., Ltd.	Taiwan	Cleaning instruments leasing and selling	102,000	102,000	10,199,999	51.00	201,317	145,830	74,373	Subsidiary
President Chain Store Corp.	ICASH Corp.	Taiwan	Electronic ticketing services	700,000	500,000	70,000,000	100.00	567,243	12,876	12,876	Subsidiary
President Chain Store Corp.	Uni-President Development Corp.	Taiwan	Construction, development and operation of an MRT station	720,000	720,000	72,000,000	20.00	764,191	156,197	31,239	Note 1
President Chain Store Corp.	Uni-Wonder Corp.	Taiwan	Coffee chain store	3,286,206	3,286,206	21,382,674	60.00	5,164,559	640,378	291,031	Subsidiary
President Chain Store Corp.	Retail Support International Corp.	Taiwan	Room-temperature logistics and warehousing	91,414	91,414	6,429,999	25.00	178,147	205,652	51,413	Subsidiary
President Chain Store Corp.	Presicarre Corp.	Taiwan	Management of retail department store	7,112,028	7,112,028	145,172,360	19.50	5,723,198	1,812,443	353,425	Note 1
President Chain Store Corp.	President Fair Development Corp.	Taiwan	Operation of shopping mall, department store, international trade, etc.	3,191,700	3,191,700	190,000,000	19.00	2,039,406	290,953	55,281	Note 1
President Chain Store Corp.	President International Development Corp.	Taiwan	Professional investment	500,000	500,000	44,100,000	3.33	459,696	672,885	22,029	Note 1
President Chain Store Corp.	Tung Ho Development Corp.	Taiwan	Management of entertainment business	861,696	861,696	19,930,000	12.46	106,384	(66,331)	(8,265)	Note 1
President Chain Store Corp.	Ren-Hui Investment Corp.	Taiwan	Professional investment	637,231	637,231	6,500,000	100.00	80,362	6,464	6,464	Subsidiary
President Chain Store Corp.	Capital Marketing Consultfant Corp.	Taiwan	Enterprise management consultancy	9,506	9,506	2,500,000	100.00	67,401	40,210	40,210	Subsidiary
President Chain Store Corp.	PCSC (China) Drugstore Limited	British Virgin Islands	Professional investment	277,805	277,805	8,746,008	92.20	64,706	2,289	2,110	Subsidiary
President Chain Store Corp.	President Chain Store Corporation Insurance Brokers Co., Ltd.	Taiwan	Life and property insurance	213,000	213,000	1,500,000	100.00	27,568	10,746	10,746	Subsidiary
President Chain Store Corp.	Cold Stone Creamery Taiwan Ltd.	Taiwan	Sales of ice cream	170,000	170,000	12,244,390	100.00	6,133	15,423	15,423	Subsidiary
President Chain Store Corp.	President Being Corp.	Taiwan	Sports and entertainment business	170,000	170,000	1,500,000	100.00	(33,462)	8,767	8,767	Subsidiary

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
Names, locations and other information of investee companies (not including investees in Mainland China)
For the year ended December 31, 2019

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as at December 31, 2019	Initial investment amount: Balance as at December 31, 2018	Shares held as at December 31, 2019: Number of shares	Shares held as at December 31, 2019: Ownership (%)	Shares held as at December 31, 2019: Book value	Net profit (loss) of the investee for the year ended December 31, 2019	Investment income (loss) recognized by the Company for the year ended December 31, 2019	Footnote
President Chain Store Corp.	21 Century Co., Ltd.	Taiwan	Operation of chain restaurants	$ 160,680	$ 160,680	10,000,000	100.00	$ 86,391	$ 50,117	$ 50,117	Subsidiary
President Chain Store Corp.	President Chain Store Tokyo Marketing Corp.	Japan	Enterprise management consultancy	35,648	35,648	9,800	100.00	81,783	6,227	6,227	Subsidiary
President Chain Store Corp.	Uni-President Oven Bakery Corp.	Taiwan	Bread and pastry retailer	391,300	391,300	6,511,963	100.00	(44,826)	(13,275)	(13,275)	Subsidiary
President Chain Store Corp.	President Collect Service Corp.	Taiwan	Collection agent	10,500	10,500	1,049,999	70.00	84,225	91,615	64,132	Subsidiary
President Chain Store Corp.	Afternoon Tea Taiwan Co., Ltd.	Taiwan	Operation of restaurants	-	147,900	-	-	-	-	-	Subsidiary
President Chain Store Corp.	Mister Donut Taiwan Corp., Ltd.	Taiwan	Bakery retailer	200,000	200,000	7,500,049	50.00	100,768	31,471	14,613	Note 1
President Chain Store Corp.	Uni-President Organics Corp.	Taiwan	Health care products and organic food	47,190	47,190	1,833,333	36.67	41,430	24,020	8,807	Note 1
President Chain Store Corp.	President Technology Corp.	Taiwan	Software development and call center service	7,500	7,500	750,000	15.00	20,866	26,075	3,869	Note 1
Books.com. Co., Ltd.	Books.com. (BVI) Ltd.	British Virgin Islands	Professional investment	1,478	1,478	500	100.00	593	1	1	Subsidiary of a subsidiary
Mech-President Corp.	Tong Ching Corporation	Taiwan	Gas station	9,600	9,600	960,000	60.00	24,729	12,583	7,550	Subsidiary of a subsidiary
President Chain Store (Hong Kong) Holdings Limited	PCSC Restaurant (Cayman) Holdings Limited	Cayman Islands	Professional investment	-	156,138	-	-	-	(3,255)	(3,255)	Subsidiary of a subsidiary
President Chain Store (Hong Kong) Holdings Limited	PCSC (China) Drugstore Limited	British Virgin Islands	Professional investment	22,185	22,185	740,000	7.80	5,474	2,289	179	Subsidiary of a subsidiary
President Chain Store (BVI) Holdings Ltd.	President Chain Store (Labuan) Holdings Ltd.	Malaysia	Professional investment	874,317	874,317	29,163,337	100.00	2,529,852	424,830	424,830	Subsidiary of a subsidiary
President Chain Store (BVI) Holdings Ltd.	President Chain Store (Hong Kong) Holdings Limited	Hong Kong	Professional investment	4,669,592	4,669,592	134,603,354	100.00	4,156,038	78,069	109,818	Subsidiary of a subsidiary
President Chain Store (Labuan) Holdings Ltd.	Philippine Seven Corp.	Philippines	Operation of chain stores	873,477	873,477	394,970,516	52.22	2,528,945	862,749	445,176	Subsidiary of a subsidiary
President Logistics International Corp.	Chieh Shun Logistics International Corp.	Taiwan	Trucking	180,000	180,000	26,670,000	100.00	326,575	33,663	33,663	Subsidiary of a subsidiary
President Pharmaceutical Corp.	President Pharmaceutical (Hong Kong) Holdings Limited	Hong Kong	Sales of various health care products, cosmetics, and pharmaceuticals	178,024	178,024	5,935,900	100.00	60,236	(12,758)	(12,758)	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Books.com. Co., Ltd.	Taiwan	Retail business without shop	-	-	1	-	-	379,594	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Uni-President Department Store Corp.	Taiwan	Department stores	-	-	1	-	-	265,132	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Mech-President Corp.	Taiwan	Gas station, installment and maintenance of elevators	-	-	1	-	-	106,216	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	President Information Corp.	Taiwan	Enterprise information management and consultancy	-	-	1	-	-	75,175	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	President Transnet Corp.	Taiwan	Delivery service	-	-	1	-	-	599,834	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Q-ware Systems & Services Corp.	Taiwan	Information software services	-	-	1	-	-	80,156	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Duskin Serve Taiwan Co., Ltd.	Taiwan	Cleaning instruments leasing and selling	-	-	1	-	-	145,830	-	Subsidiary of a subsidiary

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES

Names, locations and other information of investee companies (not including investees in Mainland China)

For the year ended December 31, 2019

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as at December 31, 2019	Initial investment amount: Balance as at December 31, 2018	Shares held as at December 31, 2019: Number of shares	Shares held as at December 31, 2019: Ownership (%)	Shares held as at December 31, 2019: Book value	Net profit (loss) of the investee for the year ended December 31, 2019	Investment income (loss) recognized by the Company for the year ended December 31, 2019	Footnote
Ren-Hui Investment Corp.	President Pharmaceutical Corp.	Taiwan	Sales of various health care products, cosmetics, and pharmaceuticals	$ -	$ -	1	-	$ -	$ 189,810	$ -	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Mister Donut Taiwan Corp., Ltd.	Taiwan	Bakery retailer	-	-	1	-	-	31,471	-	Note 1
Ren-Hui Investment Corp.	Uni-President Superior Commissary Corp.	Taiwan	Fresh food manufacture	-	-	1	-	-	18,574	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Uni-President Cold-Chain Corp.	Taiwan	Low-temperature logistics and warehousing	-	-	1	-	-	353,843	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Retail Support International Corp.	Taiwan	Room-temperature logistics and warehousing	-	-	1	-	-	205,652	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	President Collect Service Corp.	Taiwan	Collection agent	-	-	1	-	-	91,615	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Afternoon Tea Taiwan Co., Ltd.	Taiwan	Operation of restaurants	-	-	-	-	-	-	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Ren Hui Holding Co., Ltd.	British Virgin Islands	Professional investment	60,374	60,374	2,000,000	100.00	63,018	2,893	2,893	Subsidiary of a subsidiary
Retail Support International Corp.	Retail Support Taiwan Corp.	Taiwan	Room-temperature logistics and warehousing	15,300	15,300	2,871,300	51.00	76,789	45,447	23,178	Subsidiary of a subsidiary
Retail Support International Corp.	President Logistics International Corp.	Taiwan	Trucking	44,975	44,975	9,481,500	49.00	168,876	81,573	39,971	Subsidiary of a subsidiary
Retail Support Taiwan Corp.	President Logistics International Corp.	Taiwan	Trucking	5,425	5,425	1,161,000	6.00	20,679	81,573	4,894	Subsidiary of a subsidiary
Uni-President Cold-Chain Corp.	President Logistics International Corp.	Taiwan	Trucking	23,850	23,850	4,837,500	25.00	86,161	81,573	20,393	Subsidiary of a subsidiary
Uni-President Cold-Chain Corp.	Uni-President Logistics (BVI) Holdings Limited	British Virgin Islands	Professional investment	87,994	87,994	2,990	100.00	97,736	10,968	10,968	Subsidiary of a subsidiary
Wisdom Distribution Service Corp.	President Logistics International Corp.	Taiwan	Trucking	18,850	18,850	3,870,000	20.00	68,929	81,573	16,315	Subsidiary of a subsidiary
Wisdom Distribution Service Corp.	Vision Distribution Service Corp.	Taiwan	Publishing Industry	-	-	-	-	-	-	-	Subsidiary of a subsidiary
Philippine Seven Corp.	Convenience Distribution Inc.	Philippines	Logistics and warehousing	26,633	26,633	4,500,000	100.00	26,633	29,260	-	Subsidiary of a subsidiary
Philippine Seven Corp.	Store Sites Holding, Inc.	Philippines	Professional investment	28,848	28,848	40,000	100.00	28,848	918	-	Subsidiary of a subsidiary

Note 1: The investee was recognized using equity method by the company.

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES

Information on investments in Mainland China

For the year ended December 31, 2019

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2019	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2019: Remitted to Mainland China	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2019: Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2019	Net income of investee for the year ended December 31, 2019	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the year ended December 31, 2019	Book value of investments in Mainland China as of December 31, 2019	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2019	Footnote
Shanghai President Chain Store Corporation Trade Co., Ltd.	Trade of food and commodities	$ -	Note 1	$ 155,014	$ -	$ -	$ 155,014	($ 11)	-	($ 11)	$ -	$ -	Note 2
President Cosmed Chain Store (Shen Zhen) Co., Ltd.	Wholesale of merchandise	430,549	Note 1	282,330	-	-	282,330	2,400	100.00	2,383	69,520	-	Note 2
President Chain Store (Shanghai) Ltd.	Operation of chain stores	2,152,745	Note 1	2,316,779	-	-	2,316,779	39,455	100.00	39,455	103,731	-	Note 2
Shanghai President Logistic Co., Ltd.	Logistics and warehousing	59,960	Note 1	59,960	-	-	59,960	81,169	100.00	81,169	477,450	-	Note 2
Shanghai Cold Stone Ice Cream Corporation	Sales of ice cream	958,159	Note 1	981,516	-	-	981,516	(307)	100.00	(307)	45,630	-	Note 2
PCSC (Chengdu) Hypermarket Limited	Retail hypermarket	-	Note 1	532,935	-	-	532,935	(565)	-	(582)	-	-	Note 2
Shan Dong President Yinzuo Commercial Limited	Supermarkets	258,329	Note 1	122,269	-	-	122,269	(2,988)	55.00	11,501	187,281	-	Note 2
President (Shanghai) Health Product Trading Company Ltd.	Sales of various health care products, cosmetics, and pharmaceuticals	168,591	Note 1	168,591	-	-	168,591	(8,353)	73.74	(6,160)	21,879	55,794	Note 2
Zhejiang Uni-Champion Logistics Development Co., Ltd.	Logistics and warehousing	172,220	Note 1	169,483	-	-	169,483	22,943	80.00	24,113	156,194	25,553	Note 2
Bejing Bokelai Customer Co.	Enterprise information consulting, network technology development and services	450	Note 1	-	-	-	-	(2)	50.03	(1)	16	-	Note 2
President Chain Store (Taizhou) Ltd.	Logistics and warehousing	258,329	Note 1	258,329	-	-	258,329	32,980	100.00	32,980	350,970	-	Note 2
President Logistic ShanDong Co., Ltd.	Logistics and warehousing	215,275	Note 1	215,275	-	-	215,275	1,979	100.00	2,427	195,509	-	Note 2
President Chain Store (Zhejiang) Ltd.	Operation of chain stores	602,769	Note 1	602,769	-	-	602,769	(111,787)	100.00	(111,787)	290,607	-	Note 2
Beauty Wonder (Zhejiang) Trading Co.,Ltd.	Sales of cosmetics and daily items	129,165	Note 1	129,165	-	-	129,165	(34,903)	100.00	(34,903)	75,992	-	Note 2

Note 1: Indirect investment in PRC through the existing company located in the third area.

Note 2: The financial statements were reviewed by the CPA of parent company in Taiwan.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2019	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
President Chain Store Corp.	$ 4,621,058	$ 8,258,690	$ 27,136,391
President Pharmaceutical Corp.	168,591	168,591	475,937
Uni-President Cold-Chain Corp.	88,963	88,963	667,534
Ren-Hui Investment Corp.	51,664	51,664	80,000