

**PRESIDENT CHAIN STORE CORP. AND
SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2023 AND 2022**

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
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2023 AND 2022
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PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES

Declaration of Consolidated Financial Statements of Affiliated Enterprises

For the year ended December 31, 2023, 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, 2024

INDEPENDENT AUDITORS' REPORT

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, 2023 and 2022, 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 auditors (please refer to the *other matter* section), 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, 2023 and 2022, 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 that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. 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 Norm of Professional Ethics for Certified Public Accountants of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other auditors, 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 Group's 2023 consolidated financial statements. 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 2023 consolidated financial statements are stated as follows:

Completeness and accuracy of retail sales revenue

Description

Please refer to Notes 4(26) and 6(26) 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(13) and 6(5) 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 were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these subsidiaries and the information on investees disclosed in Note 13, is based solely on the reports of the other auditors. Total assets of these subsidiaries amounted to NT\$22,547,810 thousand and NT\$17,529,003 thousand, representing 8.8% and 7.5% of the consolidated total assets as at December 31, 2023 and 2022, respectively, and the operating revenue amounted to NT\$44,891,177 thousand and NT\$35,264,978 thousand, representing 14.2% and 12.1% of the consolidated total operating revenue for the years then ended, respectively.

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, 2023 and 2022.

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 that came into effect 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 the Standards on Auditing of the Republic of China 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 the Standards on Auditing of the Republic of China, 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, 2023 and therefore 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

Se-Kai, Lin

For and on behalf of PricewaterhouseCoopers, Taiwan

February 27, 2024

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 independent auditors' report 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.

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 48,929,582	19	\$ 48,540,378	21
1110	Financial assets at fair value through profit or loss - current	6(2)	943,266	-	531,190	-
1136	Financial assets at amortized cost - current	6(3)	6,978,609	3	-	-
1170	Accounts receivable, net	6(4) and 7	7,340,609	3	6,701,248	3
1200	Other receivables		2,929,500	1	2,581,316	1
1220	Current income tax assets	6(33)	8,276	-	1,093	-
130X	Inventories, net	6(5)	23,427,376	9	21,670,453	9
1410	Prepayments		1,608,202	1	2,086,823	1
1470	Other current assets		2,707,993	1	2,974,633	1
11XX	Total current Assets		94,873,413	37	85,087,134	36
Non-current assets						
1510	Financial assets at fair value through profit or loss - non-current	6(2)	85,480	-	85,480	-
1517	Financial assets at fair value through other comprehensive income - non-current	6(6)	1,019,411	1	847,481	-
1550	Investments accounted for using equity method	6(7)	13,669,294	5	8,555,500	4
1600	Property, plant and equipment, net	6(8) and 8	37,505,212	15	34,407,957	15
1755	Right-of-use assets	6(9) and 7	88,197,513	34	85,032,424	37
1760	Investment property, net	6(11) and 8	3,214,862	1	2,891,189	1
1780	Intangible assets	6(12) and 7	9,508,023	4	9,665,135	4
1840	Deferred income tax assets	6(33)	3,300,753	1	1,966,308	1
1900	Other non-current assets	6(13) and 8	5,978,511	2	4,671,192	2
15XX	Total non-current assets		162,479,059	63	148,122,666	64
1XXX	Total assets		\$ 257,352,472	100	\$ 233,209,800	100

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PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity			December 31, 2023		December 31, 2022	
			Notes	AMOUNT	%	AMOUNT
Current Liabilities						
2100	Short-term borrowings	6(15)	\$ 9,798,343	4	\$ 9,250,522	4
2110	Short-term notes and bills payable	6(16)	3,497,090	1	-	-
2130	Contract liabilities - current	6(26)	7,310,995	3	6,849,919	3
2150	Notes payable	7	2,204,719	1	2,205,192	1
2170	Accounts payable		28,401,121	11	25,396,205	11
2180	Accounts payable - related parties	7	3,670,965	1	3,446,778	1
2200	Other payables	6(17)	33,134,376	13	30,795,358	13
2230	Current income tax liabilities	6(33)	2,341,093	1	1,897,728	1
2280	Lease liabilities - current	7	14,599,887	6	13,955,348	6
2320	Long-term liabilities, current portion	6(19) and 8	206,899	-	319,123	-
2399	Other current liabilities, others	6(18)	3,718,051	1	3,592,908	2
21XX	Total current Liabilities		108,883,539	42	97,709,081	42
Non-current liabilities						
2527	Contract liabilities - non-current	6(26)	679,083	-	588,317	-
2540	Long-term borrowings	6(19) and 8	6,351,627	3	492,617	-
2570	Deferred income tax liabilities	6(33)	6,340,077	3	4,919,600	2
2580	Lease liabilities - non-current	7	78,066,236	30	74,877,664	32
2640	Net defined benefit liability - non-current	6(20)	3,339,478	1	3,468,256	1
2670	Other non-current liabilities, others	6(21)	5,845,032	2	5,506,182	3
25XX	Total non-current liabilities		100,621,533	39	89,852,636	38
2XXX	Total Liabilities		209,505,072	81	187,561,717	80
Equity attributable to owners of the parent						
	Share capital	6(22)				
3110	Share capital - common stock		10,396,223	4	10,396,223	5
	Capital surplus	6(23)				
3200	Capital surplus		90,300	-	87,852	-
	Retained earnings	6(24)				
3310	Legal reserve		15,302,251	6	14,323,836	6
3320	Special reserve		54,625	-	1,921,515	1
3350	Unappropriated retained earnings		11,939,629	5	9,784,279	4
	Other equity	6(25)				
3400	Other equity interest		61,479	-	(54,625)	-
31XX	Equity attributable to owners of the parent		37,844,507	15	36,459,080	16
36XX	Non-controlling interest	6(35)	10,002,893	4	9,189,003	4
3XXX	Total equity		47,847,400	19	45,648,083	20
3X2X	Total liabilities and equity		\$ 257,352,472	100	\$ 233,209,800	100

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

Chairman: Lo, Chih-Hsien

President: Huang, Jui-Tien

Accounting Manager: Lee, Johnyih

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Items		Notes	Year ended December 31			
			2023		2022	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(26) and 7	\$ 317,041,854	100	\$ 290,434,137	100
5000	Operating costs	6(5)(27) and 7	(208,869,628) (66)		(192,579,613) (66)	
5900	Gross profit		108,172,226	34	97,854,524	34
	Operating expenses	6(27)(28)				
6100	Selling expenses		(82,457,527) (26)		(75,158,903) (26)	
6200	General and administrative expenses		(11,927,562) (4)		(10,351,726) (4)	
6450	Expected credit losses	12(2)	(36,661) -		(3,877) -	
6000	Total operating expenses		(94,421,750) (30)		(85,514,506) (30)	
6900	Operating profit		13,750,476	4	12,340,018	4
	Non-operating income and expenses					
7100	Interest income	6(29)	1,569,505	-	489,542	-
7010	Other income	6(30)	2,372,082	1	2,522,879	1
7020	Other gains and losses	6(31)	(157,665) -		(299,953) -	
7050	Finance costs	6(32)	(1,379,574) -		(1,179,816) -	
7060	Share of profit of associates and joint ventures accounted for using equity method	6(7)	202,535	-	197,311	-
7000	Total non-operating income and expenses		2,606,883	1	1,729,963	1
7900	Profit before income tax		16,357,359	5	14,069,981	5
7950	Income tax expense	6(33)	(3,696,228) (1)		(3,000,058) (1)	
8000	Profit for the year from continuing operations		12,661,131	4	11,069,923	4
8200	Profit for the year		\$ 12,661,131	4	\$ 11,069,923	4

(Continued)

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Items	Notes	Year ended December 31			
			2023		2022	
			AMOUNT	%	AMOUNT	%
	Other comprehensive income (loss)					
8311	(Loss) income on remeasurements of defined benefit plans	6(20)	(\$ 15,228)	-	\$ 889,630	-
8316	Unrealized gain (loss) on valuation of equity instruments at fair value through other comprehensive income	6(6)(25)	171,930	-	(318,428)	-
8320	Share of other comprehensive income 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(25)	7,024	-	32,296	-
8349	Income tax related to the components of other comprehensive income that will not be reclassified to profit or loss	6(25)(33)	3,763	-	(183,166)	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		167,489	-	420,332	-
8361	Financial statements translation differences of foreign operations		(56,379)	-	2,182,246	1
8370	Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method that will be reclassified to profit or loss	6(25)	3,789	-	37,852	-
8360	Components of other comprehensive (loss) income that will be reclassified to profit or loss		(52,590)	-	2,220,098	1
8300	Total other comprehensive income for the year		<u>\$ 114,899</u>	<u>-</u>	<u>\$ 2,640,430</u>	<u>1</u>
8500	Total comprehensive income for the year		<u>\$ 12,776,030</u>	<u>4</u>	<u>\$ 13,710,353</u>	<u>5</u>
	Profit attributable to:					
8610	Owners of the parent		\$ 10,613,914	3	\$ 9,281,650	3
8620	Non-controlling interests		2,047,217	1	1,788,273	1
			<u>\$ 12,661,131</u>	<u>4</u>	<u>\$ 11,069,923</u>	<u>4</u>
	Comprehensive income attributable to:					
8710	Owners of the parent		\$ 10,737,269	3	\$ 11,751,279	4
8720	Non-controlling interests		2,038,761	1	1,959,074	1
			<u>\$ 12,776,030</u>	<u>4</u>	<u>\$ 13,710,353</u>	<u>5</u>
9750	Basic earnings per share	6(34)	<u>\$ 10.21</u>		<u>\$ 8.93</u>	
9850	Diluted earnings per share	6(34)	<u>\$ 10.19</u>		<u>\$ 8.91</u>	

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

Chairman: Lo, Chih-Hsien

President: Huang, Jui-Tien

Accounting Manager: Lee, Johnyih

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent									
		Retained earnings				Other equity interest					
							Financial statements translation differences of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income			
Notes	Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings				Total	Non-controlling interest	Total equity
<u>For the year ended December 31, 2022</u>											
	\$ 10,396,223	\$ 86,222	\$ 15,379,788	\$ 1,332,621	\$ 8,889,669	(\$ 2,776,895)	\$ 855,380	\$ 34,163,008	\$ 8,628,484	\$ 42,791,492	
	-	-	-	-	9,281,650	-	-	9,281,650	1,788,273	11,069,923	
6(25)	-	-	-	-	602,739	2,186,877	(319,987)	2,469,629	170,801	2,640,430	
	-	-	-	-	9,884,389	2,186,877	(319,987)	11,751,279	1,959,074	13,710,353	
<u>Distribution of 2021 earnings:</u>											
6(24)	-	-	804,972	-	(804,972)	-	-	-	-	-	
	-	-	-	588,894	(588,894)	-	-	-	-	-	
	-	-	(1,860,924)	-	(7,495,676)	-	-	(9,356,600)	-	(9,356,600)	
	-	-	-	-	-	-	-	-	(1,378,206)	(1,378,206)	
	-	938	-	-	-	-	-	938	-	938	
6(35)	-	-	-	-	(104,272)	-	-	(104,272)	(20,349)	(124,621)	
	-	692	-	-	-	-	-	692	-	692	
	-	-	-	-	4,035	-	-	4,035	-	4,035	
	\$ 10,396,223	\$ 87,852	\$ 14,323,836	\$ 1,921,515	\$ 9,784,279	(\$ 590,018)	\$ 535,393	\$ 36,459,080	\$ 9,189,003	\$ 45,648,083	
<u>For the year ended December 31, 2023</u>											
	\$ 10,396,223	\$ 87,852	\$ 14,323,836	\$ 1,921,515	\$ 9,784,279	(\$ 590,018)	\$ 535,393	\$ 36,459,080	\$ 9,189,003	\$ 45,648,083	
	-	-	-	-	10,613,914	-	-	10,613,914	2,047,217	12,661,131	
6(25)	-	-	-	-	7,251	(59,440)	175,544	123,355	(8,456)	114,899	
	-	-	-	-	10,621,165	(59,440)	175,544	10,737,269	2,038,761	12,776,030	
<u>Distribution of 2022 earnings:</u>											
	-	-	978,415	-	(978,415)	-	-	-	-	-	
	-	-	-	-	(9,356,600)	-	-	(9,356,600)	-	(9,356,600)	
	-	-	-	-	-	-	-	-	(1,224,871)	(1,224,871)	
	-	2,699	-	-	-	-	-	2,699	-	2,699	
6(24)	-	-	-	(1,866,890)	1,866,890	-	-	-	-	-	
	-	51	-	-	-	-	-	51	-	51	
	-	-	-	-	2,310	-	-	2,310	-	2,310	
	-	(302)	-	-	-	-	-	(302)	-	(302)	
	\$ 10,396,223	\$ 90,300	\$ 15,302,251	\$ 54,625	\$ 11,939,629	(\$ 649,458)	\$ 710,937	\$ 37,844,507	\$ 10,002,893	\$ 47,847,400	

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

Chairman: Lo, Chih-Hsien

President: Huang, Jui-Tien

Accounting Manager: Lee, Johnyih

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

		Year ended December 31	
	Notes	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Consolidated profit before income tax for the year		\$ 16,357,359	\$ 14,069,981
Adjustments to reconcile 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)	(13,078)	(5,443)
Expected credit losses	12(2)	36,661	3,877
Depreciation expense	6(8)(9)(27)	22,886,500	21,518,435
Amortization expense	6(27)	711,751	666,982
Depreciation on investment property	6(11)(31)	158,562	155,016
Finance costs	6(32)	1,379,574	1,179,816
Share of profit of associates and joint ventures accounted for using equity method	6(7)	(202,535)	(197,311)
Loss on disposal of property, plant and equipment,net	6(31)	62,045	110,907
Loss (gain) on disposal of property,net	6(31)	365	(29,507)
Gain from lease modification	6(9)(32)	(102,182)	(116,984)
Interest income	6(29)	(1,569,505)	(489,542)
Dividend income	6(30)	(53,884)	(121,126)
Other income recognized from rent concessions	6(9)	-	(86,200)
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	(	398,998)	134,408
Accounts receivable	(	676,022)	(220,504)
Other receivables	(	271,452)	96,580
Inventories	(	1,756,923)	(3,230,674)
Prepayments		478,621	(100,656)
Other current assets		266,640	546,604
Net changes in liabilities relating to operating activities			
Contract liabilities - current		461,076	197,355
Accounts payable		3,229,103	2,541,213
Notes payable	(	473)	177,384
Other payables		3,791,730	435,851
Advance receipts		125,142	22,934
Contract liabilities - non-current		90,766	51,134
Net defined benefit liabilities	(	144,006)	(242,462)
Cash generated from operations		44,846,837	37,068,068
Interest received		1,492,773	475,465
Income tax paid	(	3,170,251)	(2,601,713)
Interest paid	(	1,379,605)	(1,178,862)
Dividend received		598,760	475,010
Net cash flows from operating activities		42,388,514	34,237,968

(Continued)

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

		Year ended December 31	
	Notes	2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at amortized cost - current		(\$ 6,978,609)	\$ -
Acquisition of investments accounted for using equity method		(5,442,963)	-
Acquisition of property, plant and equipment	6(36)	(12,565,647)	(11,517,275)
Proceeds from disposal of property, plant and equipment		284,838	279,972
Acquisition of investment property	6(11)	(428,782)	-
Proceeds from disposal of investment property	6(11)	-	37,933
Increase in guarantee deposits paid		(180,075)	(154,364)
Acquisition of intangible assets	6(12)	(446,732)	(384,824)
Prepaid land	6(13)	(300,000)	(600,000)
Increase in other non-current assets		(950,903)	(245,461)
Net cash flows used in investing activities		(27,008,873)	(12,584,019)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(37)	547,821	4,153,610
Increase in short-term notes and bills payable	6(37)	3,497,090	-
Increase in long-term borrowings	6(37)	6,111,368	259,060
Repayment of long-term borrowings	6(37)	(365,539)	(958,505)
Payments of lease liabilities	6(9)(37)	(14,415,894)	(13,844,227)
Increase in guarantee deposits received	6(37)	242,016	278,707
Increase in other non-current liabilities	6(37)	26,981	(10,483)
Change in non-controlling interests		8,644	(28,600)
Payment of cash dividends - the company	6(24)(37)	(9,356,600)	(9,356,600)
Payment of cash dividends - subsidiaries	6(37)	(1,233,515)	(1,349,606)
Acquisition of additional equity interest in a subsidiary	6(35)	-	(124,621)
Payments of unpaid cash dividends from previous year transferred to capital reserve surplus		(302)	-
Net cash flows used in financing activities		(14,937,930)	(20,981,265)
Effect of foreign exchange rate changes on cash and cash equivalents		(52,507)	2,219,208
Increase in cash and cash equivalents		389,204	2,891,892
Cash and cash equivalents at beginning of year		48,540,378	45,648,486
Cash and cash equivalents at end of year		\$ 48,929,582	\$ 48,540,378

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

Chairman: Lo, Chih-Hsien

President: Huang, Jui-Tien

Accounting Manager: Lee, Johnyih

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANIZATION

- (1) President Chain Store Corp. (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 a 45.4% equity interest in the Company.

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

These consolidated financial statements were authorized for issuance by the Board of Directors on February 27, 2024.

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[®]”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by FSC and became effective from 2023 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IAS 1, ‘Disclosure of accounting policies’	January 1, 2023
Amendments to IAS 8, ‘Definition of accounting estimates’	January 1, 2023
Amendments to IAS 12, ‘Deferred tax related to assets and liabilities arising from a single transaction’	January 1, 2023
Amendments to IAS 12, ‘International tax reform - pillar two model rules’	May 23, 2023

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.

Amendments to IAS 12, ‘International tax reform - pillar two model rules’

The Group’s exposure to income tax arising from pillar two model rules’ is as follow:

The Group is a subsidiary of Uni-President Corporation. Uni-President Corporation and its subsidiaries are within the scope Pillar two model rule’ issued by the Organization for Economic Co-operation and Development. As of December 31, 2023, the Pillar two rule has been enacted in some place of incorporation, such as Japan etc., and are expected to take effect in future years. Therefore, the Group does not have relevant current income tax exposure.

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

New standards, interpretations and amendments endorsed by the FSC and will become effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024
Amendments to IAS 7 and IFRS 7, 'Supplier finance arrangements'	January 1, 2024
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) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards 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, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025
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 MATERIAL ACCOUNTING POLICIES

The principal accounting policies 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 that came into effect 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 at fair value through profit or loss.
 - (b) Financial assets 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. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2023	December 31, 2022	
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	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2023	December 31, 2022	
The Company	Wisdom Distribution Service Corp.	Logistics and storage of publication and e-commerce	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.	Insurance brokers	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 entertainment 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.	Trade and enterprise management consultancy	100.00	100.00	
The Company	ICASH Corp.	Electronic ticketing and electronic payment	100.00	100.00	
The Company	Uni-President Superior Commissary Corp.	Fresh food manufacture	90.00	90.00	
The Company	Q-ware Systems & Services Corp.	Information software services	86.76	86.76	
The Company	President Information Corp.	Enterprise information management and consultancy	86.00	86.00	
The Company	Mech-President Corp.	Gas station, installment and maintenance of elevators	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.	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	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	(a)
The Company	Connection Labs Ltd.	Other software and internet-related	100.00	100.00	
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	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2023	December 31, 2022	
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	
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	
Capital Marketing Consultant Corp.	Uni-Capital Marketing Consultant Holding Co., Ltd.	Professional investment	100.00	100.00	(b)
Uni-Capital Marketing Consultant Holding Co., Ltd.	Uni-Capital Marketing Consultant Corp.	Enterprise management consultancy	100.00	100.00	(c)
Capital Marketing Consultant Corp.	Uni-Sogood Marketing Consultant Philippines Corporation	Enterprise management consultancy	100.00	-	(d)
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	
President Chain Store (Labuan) Holdings Ltd.	Philippine Seven Corporation	Convenience store	55.32	55.32	(e)
Philippine Seven Corporation	Convenience Distribution Inc.	Logistics, warehousing and retail	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.	Convenience 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	Shan Dong President Yinzuo Commercial Limited	Supermarkets	40.00	40.00	
President Chain Store (Hong Kong) Holdings Limited	President Chain Store (Taizhou) Ltd.	Logistics and warehousing	100.00	100.00	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2023	December 31, 2022	
President Chain Store (Hong Kong) Holdings Limited	President Chain Store (Zhejiang) Ltd.	Convenience 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 Logistic ShanDong Co., Ltd.	Logistics and warehousing	100.00	100.00	
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) 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.

(b) The company established a new subsidiary in November 2022.

(c) The company established a new subsidiary in November 2022.

(d) The company established a new subsidiary in January 2023.

(e) The Company acquired an additional 0.44% shares of the subsidiary, Philippine Seven Corp., in October 2022. Details are provided in Note 6 (35).

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 and the Group’s presentation 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 joint 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 joint arrangement 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, even when the Group retains partial interest in the former foreign associate or joint arrangements after losing significant influence over the former foreign associate, or losing joint control of the former joint arrangement, 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 settle 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 settled within the normal operating cycle;
 - (b) Liabilities arising mainly from trading activities;
 - (c) Liabilities that are to be settled 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 3 months or 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:

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.

(9) Financial assets at amortized cost

- A. Financial assets at amortized cost are those that meet all of the following criteria:
 - (a) The objective of the Group's business model is achieved by collecting contractual cash flows.
 - (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 amortized cost are recognized and derecognised using trade date accounting.

- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognized in profit or loss when the asset is derecognized or impaired.
- D. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.
- (10) 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.
- (11) 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.
- (12) 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.
- (13) 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.
- (14) 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.

(15) 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.

(16) 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	2~50 years
Transportation equipment	2~15 years
Operating equipment	2~18 years
Leasehold assets	1~20 years

(17) Leasing arrangements (lessee) – right-of-use assets/ lease liabilities

- 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.

(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 2 to 10 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 its 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) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

(22) 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.

(23) 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.

(24) 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.

(25) 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 utilized. At each balance sheet date, unrecognized and recognized deferred tax assets are reassessed.
- E. A deferred tax asset shall be recognized 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 utilized.

(26) 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.

(27) 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.

(28) 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. 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.

The above information is addressed below:

(1) Critical judgments in applying the Group's accounting policies

There is no significant uncertainty on critical judgements in applying the Group's accounting policies.

(2) Critical accounting estimates and assumptions

A. Impairment assessment of license agreement and customer list

The Group assesses impairment based on its subjective judgement and determines the separate cash flows of a specific group of assets, useful lives of assets, the future possible income and expenses and the replacement costs arising from the assets depending on how assets are utilized and industrial characteristics. Any changes of economic circumstances or estimates due to the change of Group strategy might cause adjustments on impairment of assets. Details of impairment assessment of license agreement and customer list is provided in Note 6(12).

B. Impairment assessment of goodwill

The Group assesses impairment of goodwill based on subjective judgment which includes identifying cash-generating unit to determine recoverable amount of this unit. Details of impairment assessment of goodwill is provided in Note 6(14).

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Cash on hand and petty cash	\$ 1,687,071	\$ 1,483,726
Checking accounts and demand deposits	18,941,797	17,632,283
Cash equivalents		
Time deposits	20,392,099	23,955,017
Short-term financial instruments	7,908,615	5,469,352
	<u>\$ 48,929,582</u>	<u>\$ 48,540,378</u>

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 about 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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Financial assets mandatorily measured at fair value through profit or loss		
<u>Current items:</u>		
Beneficiary certificates	\$ 942,953	\$ 531,052
Valuation adjustment	313	138
	<u>\$ 943,266</u>	<u>\$ 531,190</u>
<u>Non-current items:</u>		
Unlisted stocks	\$ 241,515	\$ 241,515
Valuation adjustment	(156,035)	(156,035)
	<u>\$ 85,480</u>	<u>\$ 85,480</u>

A. The Group recognized net profit of \$44,442 and \$42,432 in relation to financial assets at fair value through profit or loss for the years ended December 31, 2023 and 2022, 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) Financial assets at amortized cost

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Current items:		
Time deposits with a maturity of over one year	\$ 6,978,609	\$ -

A. The Group recognized interest income in profit or loss on financial assets at amortized cost amounting to \$304,024 and \$0 for the years ended December 31, 2023 and 2022, respectively.

B. As of December 31, 2023 and 2022, 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 amortized cost held by the Group was its book value.

C. The Group has no financial assets at amortized cost pledged to others as of December 31, 2023 and 2022.

- D. Information relating to credit risk of financial assets at amortized cost is provided in Note 12(2).
The counterparties of the Group's investments in certificates of deposits are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(4) Accounts receivable

	December 31, 2023	December 31, 2022
Accounts receivable	\$ 7,459,178	\$ 6,780,096
Less: Allowance for doubtful accounts	(118,569)	(78,848)
	<u>\$ 7,340,609</u>	<u>\$ 6,701,248</u>

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

	December 31, 2023	December 31, 2022
Not past due	\$ 7,215,636	\$ 6,607,707
Up to 90 days	217,964	167,057
91 to 180 days	17,497	4,825
181 to 365 days	7,949	404
Over 365 days	132	103
	<u>\$ 7,459,178</u>	<u>\$ 6,780,096</u>

The above aging analysis was based on past due date.

- B. As at December 31, 2023 and 2022, accounts receivable were all from contracts with customers. And as of January 1, 2022, the balance of receivables from contracts with customers amounted to \$6,484,621.
- C. As at December 31, 2023 and 2022, 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 \$7,340,609 and \$6,701,248, respectively.
- D. Information relating to credit risk is provided in Note 12(2).

(5) Inventories

	December 31, 2023		
	Cost	Allowance for valuation loss	Book value
Raw materials and work in process	\$ 162,243	\$ -	\$ 162,243
Merchandise and finished goods	23,439,116	(173,983)	23,265,133
	<u>\$ 23,601,359</u>	<u>(\$ 173,983)</u>	<u>\$ 23,427,376</u>
	December 31, 2022		
	Cost	Allowance for valuation loss	Book value
Raw materials and work in process	\$ 113,954	\$ -	\$ 113,954
Merchandise and finished goods	21,690,254	(133,755)	21,556,499
	<u>\$ 21,804,208</u>	<u>(\$ 133,755)</u>	<u>\$ 21,670,453</u>

The cost of inventories recognized as expense for the period:

	For the year ended December 31, 2023	For the year ended December 31, 2022
Cost of goods sold and service costs	\$ 206,550,179	\$ 190,332,073
Loss on valuation of inventories	40,228	43,607
Spoilage	1,886,474	1,867,006
Others	392,747	336,927
	<u>\$ 208,869,628</u>	<u>\$ 192,579,613</u>

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

	December 31, 2023	December 31, 2022
<u>Equity instruments</u>		
Listed stocks	\$ 265,606	\$ 265,606
Unlisted stocks	4,348	4,348
	<u>269,954</u>	<u>269,954</u>
Valuation adjustment	749,457	577,527
	<u>\$ 1,019,411</u>	<u>\$ 847,481</u>

- 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 \$1,019,411 and \$847,481 as at December 31, 2023 and 2022, 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, 2023	For the year ended December 31, 2022
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognized in other comprehensive income	\$ 171,930	(\$ 318,428)
Dividend income recognized in profit or loss	<u>\$ 22,520</u>	<u>\$ 84,137</u>

- C. As at December 31, 2023 and 2022, 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 \$1,019,411 and \$847,481, 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).

(7) Investments accounted for using the equity method

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Associates</u>		
PresiCarre Corp.	\$ 9,864,735	\$ 4,868,968
President Fair Development Corp.	2,272,693	2,177,267
Uni-President Development Corp.	782,012	778,387
President International Development Corp.	489,695	469,939
Tung Ho Development Corp.	50,313	55,640
Uni-President Organics Corp.	40,853	49,668
President Technology Corp.	29,528	27,583
	<u>13,529,829</u>	<u>8,427,452</u>
<u>Joint ventures</u>		
Mister Donut Taiwan Co., Ltd.	\$ 139,465	\$ 128,048
	<u>\$ 13,669,294</u>	<u>\$ 8,555,500</u>

- A. As of June 30, 2023, the Company acquired an additional 10.5% of common shares of PresiCarre Corp. The Company has paid US\$174,846 thousand to the sellers as the estimated consideration, which was determined based on the estimated financial condition of the target company on the closing date and will be recomputed to determine the financial consideration according to the transaction agreement after the closing date.
- B. 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:

	<u>For the year ended December 31, 2023</u>	<u>For the year ended December 31, 2022</u>
Profit for the year from continuing operations	\$ 156,334	\$ 158,334
Other comprehensive income-net of tax	10,771	70,431
Total comprehensive income	<u>\$ 167,105</u>	<u>\$ 228,765</u>

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

	<u>For the year ended December 31, 2023</u>	<u>For the year ended December 31, 2022</u>
Profit for the year from continuing operations	\$ 46,201	\$ 38,977
Other comprehensive income (loss)-net of tax	42	(283)
Total comprehensive income	<u>\$ 46,243</u>	<u>\$ 38,694</u>

(8) Property, plant and equipment

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

	2023						
	Land	Buildings	Transportation equipment	Operating equipment	Leasehold improvements	Others	Total
At January 1							
Cost	\$ 4,422,066	\$ 4,912,426	\$ 7,848,113	\$ 29,352,582	\$ 24,538,350	\$ 13,231,880	\$ 84,305,417
Accumulated depreciation and impairment	(3,932)	(2,806,170)	(5,384,559)	(17,319,918)	(15,191,995)	(9,190,886)	(49,897,460)
	<u>\$ 4,418,134</u>	<u>\$ 2,106,256</u>	<u>\$ 2,463,554</u>	<u>\$ 12,032,664</u>	<u>\$ 9,346,355</u>	<u>\$ 4,040,994</u>	<u>\$ 34,407,957</u>
Opening net book amount as of January 1	\$ 4,418,134	\$ 2,106,256	\$ 2,463,554	\$ 12,032,664	\$ 9,346,355	\$ 4,040,994	\$ 34,407,957
Additions	28,647	53,184	239,550	4,192,504	4,027,962	3,011,205	11,553,052
Disposals	-	(4,956)	(59,856)	(145,647)	(113,513)	(22,911)	(346,883)
Transfer	(5,828)	89,323	175,412	469,662	49,873	(830,418)	(51,976)
Depreciation charge	-	(158,789)	(569,387)	(3,557,785)	(2,482,155)	(1,275,432)	(8,043,548)
Net exchange differences	132	(3,157)	(563)	(17,328)	2,176	5,350	(13,390)
Closing net book amount as of December 31	<u>\$ 4,441,085</u>	<u>\$ 2,081,861</u>	<u>\$ 2,248,710</u>	<u>\$ 12,974,070</u>	<u>\$ 10,830,698</u>	<u>\$ 4,928,788</u>	<u>\$ 37,505,212</u>
At December 31							
Cost	\$ 4,445,017	\$ 5,048,620	\$ 7,851,569	\$ 31,514,013	\$ 27,336,076	\$ 14,267,440	\$ 90,462,735
Accumulated depreciation and impairment	(3,932)	(2,966,759)	(5,602,859)	(18,539,943)	(16,505,378)	(9,338,652)	(52,957,523)
	<u>\$ 4,441,085</u>	<u>\$ 2,081,861</u>	<u>\$ 2,248,710</u>	<u>\$ 12,974,070</u>	<u>\$ 10,830,698</u>	<u>\$ 4,928,788</u>	<u>\$ 37,505,212</u>

	2022						
	Land	Buildings	Transportation equipment	Operating equipment	Leasehold improvements	Others	Total
At January 1							
Cost	\$ 2,898,992	\$ 4,895,812	\$ 7,436,663	\$ 26,507,703	\$ 21,860,526	\$ 11,730,544	\$ 75,330,240
Accumulated depreciation and impairment	(3,932)	(2,639,507)	(5,105,244)	(16,235,491)	(14,115,679)	(8,089,537)	(46,189,390)
	<u>\$ 2,895,060</u>	<u>\$ 2,256,305</u>	<u>\$ 2,331,419</u>	<u>\$ 10,272,212</u>	<u>\$ 7,744,847</u>	<u>\$ 3,641,007</u>	<u>\$ 29,140,850</u>
Opening net book amount as of January 1	\$ 2,895,060	\$ 2,256,305	\$ 2,331,419	\$ 10,272,212	\$ 7,744,847	\$ 3,641,007	\$ 29,140,850
Additions	1,400,309	5,415	398,173	4,933,873	3,905,422	2,238,630	12,881,822
Disposals	-	-	(17,788)	(202,952)	(151,162)	(18,977)	(390,879)
Transfer	122,437	6,212	296,858	133,534	108,876	(648,028)	19,889
Depreciation charge	-	(164,624)	(545,990)	(3,114,284)	(2,275,614)	(1,200,834)	(7,301,346)
Net exchange differences	<u>328</u>	<u>2,948</u>	<u>882</u>	<u>10,281</u>	<u>13,986</u>	<u>29,196</u>	<u>57,621</u>
Closing net book amount as of December 31	<u>\$ 4,418,134</u>	<u>\$ 2,106,256</u>	<u>\$ 2,463,554</u>	<u>\$ 12,032,664</u>	<u>\$ 9,346,355</u>	<u>\$ 4,040,994</u>	<u>\$ 34,407,957</u>
At December 31							
Cost	\$ 4,422,066	\$ 4,912,426	\$ 7,848,113	\$ 29,352,582	\$ 24,538,350	\$ 13,231,880	\$ 84,305,417
Accumulated depreciation and impairment	(3,932)	(2,806,170)	(5,384,559)	(17,319,918)	(15,191,995)	(9,190,886)	(49,897,460)
	<u>\$ 4,418,134</u>	<u>\$ 2,106,256</u>	<u>\$ 2,463,554</u>	<u>\$ 12,032,664</u>	<u>\$ 9,346,355</u>	<u>\$ 4,040,994</u>	<u>\$ 34,407,957</u>

- B. Amount of borrowing costs capitalized as part of certain property, plant and equipment and the range of the interest rates for such capitalization are as follows:

	For the year ended December 31, 2023
Amount capitalized	\$ 1,377
Interest rate range	1.23%~1.75%

- C. There was no capitalization of borrowing costs at December 31, 2022.
- D. Impairment information about the property, plant and equipment is provided in Note 6(14).
- E. Information about the property, plant and equipment pledged to others as collateral is provided in Note 8.

(9) Leasing arrangements — lessee

- A. The Group leases various assets including land, buildings, transportation equipment, etc. Rental contracts are typically made for periods of 1 to 60 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:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 1,147,376	\$ 1,106,348
Buildings	87,043,205	83,901,999
Machinery and equipment	1,254	5,746
Other equipment	5,678	18,331
	<u>\$ 88,197,513</u>	<u>\$ 85,032,424</u>
	<u>For the year ended December 31, 2023</u>	<u>For the year ended December 31, 2022</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 170,843	\$ 162,715
Buildings	14,649,152	14,011,269
Machinery and equipment	4,492	7,422
Other equipment	18,465	35,683
	<u>\$ 14,842,952</u>	<u>\$ 14,217,089</u>

- C. For the years ended December 31, 2023 and 2022, the additions to right-of-use assets were \$20,222,445 and \$23,597,096, respectively.

D. The information on profit and loss accounts relating to lease contracts is as follows:

	For the year ended December 31, 2023	For the year ended December 31, 2022
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 1,061,317	\$ 1,024,104
Expense on short-term lease contracts	589,928	435,045
Expense on leases of low-value assets	134,283	138,832
Expense on variable lease payments	673,638	538,066
Gain on sublease of right-of-use assets	623,846	577,375
Gain from lease modification	102,182	116,984

E. For the years ended December 31, 2023 and 2022, the Group's total cash outflow for leases was \$16,875,060 and \$15,980,274, respectively.

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, approximately 3.89% and 3.29% as at December 31, 2023 and 2022, respectively, 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 \$6,736 and \$5,381 for the years ended December 31, 2023 and 2022, respectively.

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 as at December 31, 2023 and 2022, amounted to \$3,461,372 and \$4,056,564, respectively.

H. The Group has applied the practical expedient to "Covid-19-related rent concessions" and recognized the gain from changes in lease payments arising from the rent concessions amounting to \$86,200, as at other income for the year ended December 31, 2022.

(10) Leasing arrangements – lessor

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 in relation to lease contracts is as follows for the years ended December 31, 2023 and 2022:

	For the year ended December 31, 2023	For the year ended December 31, 2022
Rental revenue	\$ 1,699,699	\$ 1,562,655
Rental revenue from variable lease payments	\$ 1,324,445	\$ 1,201,713

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

	December 31, 2023	December 31, 2022
Within 1 year	\$ 281,045	\$ 257,142
1~2 years	223,827	147,314
2~3 years	185,506	123,977
3~4 years	134,579	95,692
4~5 years	102,106	79,040
Over 5 years	549,930	97,428
	<u>\$ 1,476,993</u>	<u>\$ 800,593</u>

(11) Investment property

	2023			
	Land	Buildings	Right-of-use assets	Total
At January 1	\$ 1,370,990	\$ 411,607	\$ 1,108,592	\$ 2,891,189
Additions	241,611	187,171	-	428,782
Disposal	-	(365)	-	(365)
Transfer	5,828	47,990	-	53,818
Depreciation charge	-	(19,988)	(138,574)	(158,562)
At December 31	<u>\$ 1,618,429</u>	<u>\$ 626,415</u>	<u>\$ 970,018</u>	<u>\$ 3,214,862</u>
	2022			
	Land	Buildings	Right-of-use assets	Total
At January 1	\$ 1,400,611	\$ 431,642	\$ 1,247,166	\$ 3,079,419
Disposals	(7,207)	(1,219)	-	(8,426)
Transfer	(22,414)	(2,374)	-	(24,788)
Depreciation charge	-	(16,442)	(138,574)	(155,016)
At December 31	<u>\$ 1,370,990</u>	<u>\$ 411,607</u>	<u>\$ 1,108,592</u>	<u>\$ 2,891,189</u>

A. Rental income from investment property and direct operating expenses arising from investment property are shown below:

	For the year ended December 31, 2023	For the year ended December 31, 2022
Rental income from investment property	<u>\$ 996,472</u>	<u>\$ 920,882</u>
Direct operating expenses arising from the investment property that generated rental income during the year	<u>\$ 177,954</u>	<u>\$ 175,480</u>

B. The fair value of the investment property held by the Group ranged from \$6,000,833 to \$7,191,189 as at December 31, 2023 and 2022, which was assessed based on recent settlement prices of similar and comparable properties, as well as the reports of independent appraisers. Valuations were made using the comparison approach and income approach which is categorized within level 3 in the fair value hierarchy. Key assumptions are discount rates between 1.82% to 3.11% and growth rate of 3%~15%.

C. Information on investment property pledged to others as collateral is provided in Note 8.

(12) Intangible assets

	2023				
	Software	Goodwill	License agreement and customer list	Others	Total
At January 1					
Cost	\$ 2,702,212	\$ 2,204,275	\$ 7,524,890	\$ 599,891	\$ 13,031,268
Accumulated amortization and impairment	(2,097,280)	-	(970,796)	(298,057)	(3,366,133)
	<u>\$ 604,932</u>	<u>\$ 2,204,275</u>	<u>\$ 6,554,094</u>	<u>\$ 301,834</u>	<u>\$ 9,665,135</u>
Opening net book amount as of January 1	\$ 604,932	\$ 2,204,275	\$ 6,554,094	\$ 301,834	\$ 9,665,135
Additions	443,674	-	-	3,058	446,732
Transfer	(16,579)	-	-	259	(16,320)
Amortization expense	(335,419)	-	(194,159)	(57,992)	(587,570)
Net exchange differences	55	(9)	-	-	46
Closing net book amount as of December 31	<u>\$ 696,663</u>	<u>\$ 2,204,266</u>	<u>\$ 6,359,935</u>	<u>\$ 247,159</u>	<u>\$ 9,508,023</u>
At December 31					
Cost	\$ 3,099,346	\$ 2,204,266	\$ 7,524,890	\$ 603,207	\$ 13,431,709
Accumulated amortization and impairment	(2,402,683)	-	(1,164,955)	(356,048)	(3,923,686)
	<u>\$ 696,663</u>	<u>\$ 2,204,266</u>	<u>\$ 6,359,935</u>	<u>\$ 247,159</u>	<u>\$ 9,508,023</u>
	2022				
	Software	Goodwill	License agreement and customer list	Others	Total
At January 1					
Cost	\$ 2,325,904	\$ 2,198,674	\$ 7,524,890	\$ 565,251	\$ 12,614,719
Accumulated amortization and impairment	(1,784,233)	-	(776,637)	(239,909)	(2,800,779)
	<u>\$ 541,671</u>	<u>\$ 2,198,674</u>	<u>\$ 6,748,253</u>	<u>\$ 325,342</u>	<u>\$ 9,813,940</u>
Opening net book amount as of January 1	\$ 541,671	\$ 2,198,674	\$ 6,748,253	\$ 325,342	\$ 9,813,940
Additions	349,695	-	-	35,129	384,824
Transfer	18,109	-	-	-	18,109
Amortization expense	(306,228)	-	(194,159)	(58,637)	(559,024)
Net exchange differences	1,685	5,601	-	-	7,286
Closing net book amount as of December 31	<u>\$ 604,932</u>	<u>\$ 2,204,275</u>	<u>\$ 6,554,094</u>	<u>\$ 301,834</u>	<u>\$ 9,665,135</u>
At December 31					
Cost	\$ 2,702,212	\$ 2,204,275	\$ 7,524,890	\$ 599,891	\$ 13,031,268
Accumulated amortization and impairment	(2,097,280)	-	(970,796)	(298,057)	(3,366,133)
	<u>\$ 604,932</u>	<u>\$ 2,204,275</u>	<u>\$ 6,554,094</u>	<u>\$ 301,834</u>	<u>\$ 9,665,135</u>

A. Amortization expense on intangible assets is recognized as operating expenses.

B. Impairment information about the intangible assets is provided in Note 6(14).

(13) Other non-current assets

	December 31, 2023	December 31, 2022
Guarantee deposits paid	\$ 3,542,228	\$ 3,359,090
Prepaid land	900,000	600,000
Others	1,536,283	712,102
	<u>\$ 5,978,511</u>	<u>\$ 4,671,192</u>

The Group signed a contract for the acquisition of land located in Taoyuan Aerotropolis Industry Area for \$6,000,000 on September 27, 2022. The transaction will be paid in four installments. The second installment had been paid as of December 31, 2023.

(14) Impairment of non-financial assets

- A. There were neither impairment loss nor reversal of impairment loss recognized for the years ended December 31, 2023 and 2022.
- B. The Group performs impairment testing on license agreement and customer list annually. The recoverable amount has been determined based on value-in-use and replacement cost calculations. The calculations of value-in-use use after-tax cash flow projections based on financial budgets approved by the management. The calculations of replacement cost use the actual selling expense. The recoverable amount is calculated using the value-in-use and the replacement cost exceeded their carrying amount, so license agreement and customer list were not impaired. The key assumptions used for value-in-use calculations are as follow:

Operating profit rate: Estimated based on the estimated value provided by the underlying company. The operating profit rate for the years ended December 31, 2023 and 2022 were 6.28% to 7.01% and 6.98% to 11.76%, respectively.

- C. The Group performs impairment testing on goodwill 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 impaired. The key assumptions used for value-in-use calculations are as follow:
- (a) Discount rate: Estimated based on weighted average cost of funds. The discount rates for the years ended December 31, 2023 and 2022 were 5.59% to 14.70%.
- (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, 2023 and 2022 was both 1%.

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.

(15) Short-term borrowings

Type of borrowings	December 31, 2023	Interest rate range	Collateral
Bank borrowings			
Credit loan	\$ 9,798,343	1.43%~6.75%	None
Type of borrowings	December 31, 2022	Interest rate range	Collateral
Bank borrowings			
Credit loan	\$ 9,250,522	1.24%~2.10%	None

There was no capitalization of borrowing costs for the years ended December 31, 2023 and 2022. Relevant interest expense on borrowings is recognized as “finance costs”.

(16) Short-term notes and bills payable

Type of borrowings	December 31, 2023	Interest rate range	Pledged or secured
Commerical papers payable	\$ 3,500,000	1.55%~1.61%	Please refer to the below for details
Less: Unamortized discount	(2,910)		
	\$ 3,497,090		

A. There was no commercial papers payable on December 31, 2022.

B. The above commercial papers were issued and secured by Sumitomo Mitsui Banking Corporation, Credit Agricole Corporate and Investment Bank and China Bills Finance Corporation for short-term financing.

C. There was no capitalization of borrowing costs for the year ended December 31, 2023. Relevant interest expense on borrowings is recognized as “finance costs”.

(17) Other payables

	December 31, 2023	December 31, 2022
Store collections	\$ 14,307,517	\$ 12,745,952
Wages, salaries and bonus payable	6,215,011	5,655,203
Payables for acquisition of property, plant and equipment	1,737,924	2,750,519
Incentive bonus payable to franchisees	1,244,372	1,143,698
Sales receipt on behalf of others	1,146,005	1,266,851
Employees' compensation and remuneration for directors and supervisors	903,429	799,080
Payables for labor and health insurance	304,965	326,038
Rent payable	79,004	68,875
Others	7,196,149	6,039,142
	<u>\$ 33,134,376</u>	<u>\$ 30,795,358</u>

(18) Other current liabilities

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Advance receipts of deposits	\$ 1,873,610	\$ 1,826,832
Advance receipts for gift certificates	1,520,639	1,474,459
Others	323,802	291,617
	<u>\$ 3,718,051</u>	<u>\$ 3,592,908</u>

(19) Long-term borrowings

<u>Type of borrowings</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>December 31, 2023</u>
Long-term bank borrowings			
Credit loan	1.23%~4.40%	None	\$ 6,046,950
Secured borrowings	2.18%~2.46%	Property, plant and equipment	511,576
			6,558,526
Less: Current portion			(206,899)
			<u>\$ 6,351,627</u>
<u>Type of borrowings</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>December 31, 2022</u>
Long-term bank borrowings			
Credit loan	4.40%	None	\$ 172,207
Secured borrowings	1.91%~2.35%	Property, plant and equipment	639,533
			811,740
Less: Current portion			(319,123)
			<u>\$ 492,617</u>

A. Information relating to borrowing costs for the years ended December 31, 2023 and 2022 is provided in Note 6(8).

B. Relevant interest expense on borrowings is recognized as “finance costs”.

(20) 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 contribute 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 to cover the deficit by next March. Furthermore, the subsidiary, Philippine Seven Corporation has a defined benefit pension plan.

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Present value of defined benefit obligations	(\$ 6,330,519)	(\$ 6,510,777)
Fair value of plan assets	<u>2,991,041</u>	<u>3,042,521</u>
Net defined benefit liabilities	<u>(\$ 3,339,478)</u>	<u>(\$ 3,468,256)</u>

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

	<u>2023</u>		
	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liability</u>
At January 1	(\$ 6,510,777)	\$ 3,042,521	(\$ 3,468,256)
Current service cost	(58,969)	-	(58,969)
Interest (expense) income	(99,806)	44,443	(55,363)
Past service cost	<u>2,460</u>	<u>-</u>	<u>2,460</u>
	<u>(6,667,092)</u>	<u>3,086,964</u>	<u>(3,580,128)</u>
Remeasurements:			
Return on plan assets (not including the amount included in interest income or expense)	-	22,613	22,613
Change in demographic assumptions	(211)	-	(211)
Change in financial assumptions	(101,724)	-	(101,724)
Experience adjustments	<u>64,094</u>	<u>-</u>	<u>64,094</u>
	<u>(37,841)</u>	<u>22,613</u>	<u>(15,228)</u>
Pension fund contribution	-	229,932	229,932
Paid pension	<u>374,414</u>	<u>(348,468)</u>	<u>25,946</u>
	<u>374,414</u>	<u>(118,536)</u>	<u>255,878</u>
At December 31	<u>(\$ 6,330,519)</u>	<u>\$ 2,991,041</u>	<u>(\$ 3,339,478)</u>

	2022		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
At January 1	(\$ 7,426,014)	\$ 2,825,666	(\$ 4,600,348)
Current service cost	(76,655)	-	(76,655)
Interest (expense) income	(53,561)	18,855	(34,706)
Past service cost	(779)	-	(779)
	<u>(7,557,009)</u>	<u>2,844,521</u>	<u>(4,712,488)</u>
Remeasurements:			
Return on plan assets (not including the amount included in interest income or expense)	-	215,853	215,853
Change in demographic assumptions	(605)	-	(605)
Change in financial assumptions	597,116	-	597,116
Experience adjustments	77,266	-	77,266
	<u>673,777</u>	<u>215,853</u>	<u>889,630</u>
Pension fund contribution	-	332,882	332,882
Paid pension	372,455	(350,735)	21,720
	<u>372,455</u>	<u>(17,853)</u>	<u>354,602</u>
At December 31	<u>(\$ 6,510,777)</u>	<u>\$ 3,042,521</u>	<u>(\$ 3,468,256)</u>

(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.). Relating condition of execution is supervised by Labor Funds Supervisory Committee. 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, 2023 and 2022 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, 2023	For the year ended December 31, 2022
Discount rate	<u>1.30%~6.69%</u>	<u>1.30%~7.66%</u>
Future salary increases	<u>2.00%~6.50%</u>	<u>2.00%~5.50%</u>

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	Decrease	Increase	Decrease
	0.25%	0.25%	0.25%	0.25%
<u>December 31, 2023</u>				
Effect on present value of defined benefit obligation	<u>(\$ 155,616)</u>	<u>\$ 162,128</u>	<u>\$ 162,521</u>	<u>(\$ 155,859)</u>

<u>December 31, 2022</u>				
Effect on present value of defined benefit obligation	<u>(\$ 165,756)</u>	<u>\$ 171,122</u>	<u>\$ 172,816</u>	<u>(\$ 165,586)</u>

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, 2024 amount to \$190,120.

(f) As of December 31, 2023, the weighted average duration of the retirement plan is 6~24 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	\$	215,089
1-2 year(s)		312,346
2-5 years		903,378
Over 5 years		15,055,875
	\$	<u>16,486,688</u>

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.

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, 2023 and 2022 were 14%~20%. Other than the monthly contributions, the Group has no further obligations.

The pension costs under the defined contribution pension plans of the Group for the years ended December 31, 2023 and 2022 were \$1,115,900 and \$1,053,569, respectively.

(21) Other non-current liabilities

	December 31, 2023	December 31, 2022
Guarantee deposit received	\$ 4,568,936	\$ 4,326,458
Provision for decommissioning liability	777,152	707,761
Others	498,944	471,963
	<u>\$ 5,845,032</u>	<u>\$ 5,506,182</u>

(22) Share capital

As of December 31, 2023, the Company's authorized capital was \$10,500,000, consisting of 1,050,000 thousand 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 as of December 31, 2023 and January 1, 2023.

(23) 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 surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(24) 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. The Company may then set aside or reserve a certain amount as special reverse according to the relevant regulations. The appropriation of the remaining earnings and prior years' unappropriated retained earnings 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 be 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 2022 and 2021 were resolved by the shareholders on May 30, 2023 and May 26, 2022, respectively, as follows:

	2022		2021	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 978,415		\$ 804,972	
Special reserve appropriated	-		588,894	
Reversal of special reserve	(1,866,890)		-	
Cash dividends - Retained earnings	9,356,600	\$ 9.00	7,495,676	\$ 7.21
Cash dividends - Legal reserve	-	-	1,860,924	1.79

E. The appropriations for 2023 as resolved by the Board of Directors on February 27, 2024 is as follows:

	2023	
	Amount	Dividends per share (in dollars)
Legal reserve	\$ 1,062,348	
Reversal of special reserve	(54,625)	
Cash dividends - Retained earnings	9,356,600	\$ 9.00

(25) Other equity items

	2023		
	Financial statements translation differences of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
At January 1	(\$ 590,018)	\$ 535,393	(\$ 54,625)
Revaluation and transfer			
– Group	-	171,930	171,930
– Associates	-	5,565	5,565
Revaluation-tax	- (	1,951)	(1,951)
Currency translation differences:			
– Group	(63,312)	-	(63,312)
– Associates	3,872	-	3,872
At December 31	<u>(\$ 649,458)</u>	<u>\$ 710,937</u>	<u>\$ 61,479</u>

	2022		
	Financial statements translation differences of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
At January 1	(\$ 2,776,895)	\$ 855,380	(\$ 1,921,515)
Revaluation and transfer			
– Group	- (	318,428)	(318,428)
– Associates	- (	372)	(372)
Revaluation-tax	- (	1,187)	(1,187)
Currency translation differences:			
– Group	2,149,915	-	2,149,915
– Associates	36,962	-	36,962
At December 31	(\$ 590,018)	\$ 535,393	(\$ 54,625)
(26) <u>Operating revenue</u>			

	For the year ended December 31, 2023	For the year ended December 31, 2022
Revenue from contracts with customers	\$ 317,041,854	\$ 290,434,137

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, 2023	Convenience stores	Retail business group	Logistics business group	Others	Total
Timing of revenue recognition					
– At a point in time	\$ 194,751,771	\$ 78,766,591	\$ 7,938	\$ 24,955,118	\$ 298,481,418
– Over time	1,014,296	14,359,131	2,419,775	767,234	18,560,436
	<u>\$ 195,766,067</u>	<u>\$ 93,125,722</u>	<u>\$ 2,427,713</u>	<u>\$ 25,722,352</u>	<u>\$ 317,041,854</u>
For the year ended December 31, 2022	Convenience stores	Retail business group	Logistics business group	Others	Total
Timing of revenue recognition					
– At a point in time	\$ 180,291,067	\$ 69,567,552	\$ 11,336	\$ 22,317,140	\$ 272,187,095
– Over time	912,922	14,180,808	2,253,665	899,647	18,247,042
	<u>\$ 181,203,989</u>	<u>\$ 83,748,360</u>	<u>\$ 2,265,001</u>	<u>\$ 23,216,787</u>	<u>\$ 290,434,137</u>

B. Contract liabilities

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>January 1, 2022</u>
Contract liabilities – advance receipts of gift certificates and gift payments	\$ 4,903,459	\$ 4,598,978	\$ 4,599,304
Contract liabilities – customer loyalty programs	1,368,438	1,223,582	977,909
Contract liabilities – members' deposits	936,791	888,700	843,002
Contract liabilities – franchise fee	497,445	441,384	405,485
Contract liabilities – others	283,945	285,592	364,047
	<u>\$ 7,990,078</u>	<u>\$ 7,438,236</u>	<u>\$ 7,189,747</u>

(b) Revenues recognized that were included in the contract liabilities balance at the beginning amounted to \$5,129,196 and \$5,383,661 for the years ended December 31, 2023 and 2022, respectively.

(27) Expenses by nature

	<u>For the year ended December 31, 2023</u>	<u>For the year ended December 31, 2022</u>
Net cost of goods sold	\$ 187,147,380	\$ 171,603,930
Employee benefit expenses	30,263,215	27,823,955
Incentive bonuses for franchisees	26,076,335	24,418,945
Depreciation and amortization	23,598,251	22,185,417
Utilities expenses	6,162,853	5,242,963
Operating lease payments	1,397,849	1,111,943
Other costs and expenses	28,645,495	25,706,966
Total operating costs and operating expenses	<u>\$ 303,291,378</u>	<u>\$ 278,094,119</u>

(28) Employee benefit expense

	<u>For the year ended December 31, 2023</u>	<u>For the year ended December 31, 2022</u>
Wages and salaries	\$ 24,678,392	\$ 22,758,168
Labor and health insurance fees	2,472,176	2,229,419
Pension costs	1,227,772	1,165,709
Other personnel expenses	1,884,875	1,670,659
	<u>\$ 30,263,215</u>	<u>\$ 27,823,955</u>

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' remuneration. The ratio shall not be lower than 2% for employees' compensation and shall not be higher than 2% for directors' remuneration.

B. For the years ended December 31, 2023 and 2022, employees' compensation was accrued at \$579,158 and \$497,571, respectively; while directors' and supervisors' remuneration was accrued at \$193,495 and \$166,237, respectively.

The employees' compensation and directors' remuneration were estimated and accrued based on 4.37% and 1.46%, respectively, of distributable profit of the current year for the year ended December 31, 2023. Employees' compensation and directors' remuneration resolved by the Board of Directors were \$579,158 and \$193,495, respectively, and the employees' compensation will be distributed in the form of cash.

Employees' compensation and directors' remuneration for 2022 as resolved by the Board of Directors were in agreement with those amounts recognized in the 2022 financial statements and the employees' compensation distributed in the form of cash.

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

(29) Interest income

	For the year ended December 31, 2023	For the year ended December 31, 2022
Interest income	\$ 1,265,481	\$ 489,542
Interest income from financial assets measured at amortized cost	304,024	-
	<u>\$ 1,569,505</u>	<u>\$ 489,542</u>

(30) Other income

	For the year ended December 31, 2023	For the year ended December 31, 2022
Grants income	\$ 926,046	\$ 864,376
Rental revenue	295,580	280,292
Dividend income	53,884	121,126
Other income recognized from rent concessions	-	86,200
Others	1,096,572	1,170,885
	<u>\$ 2,372,082</u>	<u>\$ 2,522,879</u>

(31) Other gains and losses

	For the year ended December 31, 2023	For the year ended December 31, 2022
Gain from lease modification	\$ 102,182	\$ 116,984
(Loss) gain on disposal of investment property	(365)	29,507
Loss on disposal of property, plant and equipment	(62,045)	(110,907)
Depreciation of investment property	(158,562)	(155,016)
Other gains and losses	(38,875)	(180,521)
	<u>(\$ 157,665)</u>	<u>(\$ 299,953)</u>

(32) Finance costs

	For the year ended December 31, 2023	For the year ended December 31, 2022
Interest expense on lease liabilities	\$ 1,061,317	\$ 1,024,104
Financial expense, others	318,257	155,712
	<u>\$ 1,379,574</u>	<u>\$ 1,179,816</u>

(33) Income tax

A. Income tax expense

(a) Components of income tax expense:

	For the year ended December 31, 2023	For the year ended December 31, 2022
Current tax:		
Current tax on profit for the year	\$ 3,611,357	\$ 3,116,874
Tax on undistributed surplus earnings	83,617	-
Over provision of prior year's income tax	(88,541)	(21,468)
Total current tax	<u>3,606,433</u>	<u>3,095,406</u>
Deferred tax:		
Origination and reversal of temporary differences	<u>89,795</u>	(<u>95,348</u>)
Income tax expense	<u>\$ 3,696,228</u>	<u>\$ 3,000,058</u>

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

	For the year ended December 31, 2023	For the year ended December 31, 2022
Remeasurement of defined benefit obligations	(\$ 5,714)	\$ 181,979
Changes in fair value of financial assets at fair value through other comprehensive income	<u>1,951</u>	<u>1,187</u>
	<u>(\$ 3,763)</u>	<u>\$ 183,166</u>

B. Reconciliation between income tax expense and accounting profit

	For the year ended December 31, 2023	For the year ended December 31, 2022
Tax calculated based on profit before tax and statutory tax rate	\$ 4,303,068	\$ 3,703,855
Expenses disallowed by tax regulation	(598,408)	(679,265)
Tax on undistributed surplus earnings	83,617	-
Over provision of prior year's income tax	(88,541)	(21,468)
Effect from investment tax credits	(3,508)	(5,178)
Separate taxation	<u>-</u>	<u>2,114</u>
Income tax expense	<u>\$ 3,696,228</u>	<u>\$ 3,000,058</u>

The difference between the Group's accounting income and taxable income in 2023 and 2022 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:

2023				
	January 1	Recognized in profit of loss	Recognized in other comprehensive income	December 31
<u>Deferred tax assets</u>				
Allowance for doubtful accounts	\$ 28,851	\$ 4,382	\$ -	\$ 33,233
Unrealized sales allowance	7,322	528	-	7,850
Loss on inventory market value decline	36,062	7,299	-	43,361
Unrealized expenses	903,616	1,310,753	-	2,214,369
Book-tax difference of pension	138,423	(4,080)	-	134,343
Remeasurements of the defined benefit plan	611,425	-	5,714	617,139
Others	240,609	9,849	-	250,458
	<u>1,966,308</u>	<u>1,328,731</u>	<u>5,714</u>	<u>3,300,753</u>
<u>Deferred tax liabilities</u>				
Unrealized gain	(1,347,387)	(1,285,600)	(1,951)	(2,634,938)
Foreign investment income	(3,572,213)	(132,926)	-	(3,705,139)
	<u>(4,919,600)</u>	<u>(1,418,526)</u>	<u>(1,951)</u>	<u>(6,340,077)</u>
	<u>(\$2,953,292)</u>	<u>(\$ 89,795)</u>	<u>\$ 3,763</u>	<u>(\$ 3,039,324)</u>
2022				
	January 1	Recognized in profit of loss	Recognized in other comprehensive income	December 31
<u>Deferred tax assets</u>				
Allowance for doubtful accounts	\$ 28,773	\$ 78	\$ -	\$ 28,851
Unrealized sales allowance	8,159	(837)	-	7,322
Loss on inventory market value decline	25,090	10,972	-	36,062
Unrealized expenses	832,760	70,856	-	903,616
Book-tax difference of pension	143,766	(5,343)	-	138,423
Remeasurements of the defined benefit plan	793,404	-	(181,979)	611,425
Others	226,468	14,141	-	240,609
	<u>2,058,420</u>	<u>89,867</u>	<u>(181,979)</u>	<u>1,966,308</u>
<u>Deferred tax liabilities</u>				
Unrealized gain	(1,385,350)	39,150	(1,187)	(1,347,387)
Foreign investment income	(3,538,544)	(33,669)	-	(3,572,213)
	<u>(4,923,894)</u>	<u>5,481</u>	<u>(1,187)</u>	<u>(4,919,600)</u>
	<u>(\$2,865,474)</u>	<u>\$ 95,348</u>	<u>(\$ 183,166)</u>	<u>(\$ 2,953,292)</u>

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

December 31, 2023				
<u>Year incurred</u>	<u>Amount filed / assessed</u>	<u>Unused amount</u>	<u>Unrecognized deferred tax assets</u>	<u>Usable until</u>
2014~2023	\$ 2,662,021	\$ 2,662,021	\$ 2,662,021	2024~2033
December 31, 2022				
<u>Year incurred</u>	<u>Amount filed / assessed</u>	<u>Unused amount</u>	<u>Unrecognized deferred tax assets</u>	<u>Usable until</u>
2013~2022	\$ 2,660,284	\$ 2,660,284	\$ 2,660,284	2023~2032

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

	December 31, 2023	December 31, 2022
Deductible temporary differences	\$ 37,918	\$ 34,005

F. The Company's income tax returns through 2020 have been assessed and approved by the Tax Authority.

(34) Earnings per share

	For the year ended December 31, 2023		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 10,613,914	1,039,622	\$ 10.21
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 10,613,914	1,039,622	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	2,457	
Shareholders of parent plus assumed conversion of all dilutive potential ordinary shares	\$ 10,613,914	1,042,079	\$ 10.19

	For the year ended December 31, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 9,281,650	1,039,622	\$ 8.93
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 9,281,650	1,039,622	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	2,119	
Shareholders of parent plus assumed conversion of all dilutive potential ordinary shares	\$ 9,281,650	1,041,741	\$ 8.91

(35) Transactions with non-controlling interest

A. Acquisition of additional equity interest in a subsidiary

For the year ended December 31, 2022, the Group acquired an additional 0.44% shares of the subsidiary Philippine Seven Corp., for total cash considerations of \$124,621. The carrying amount of non-controlling interest was \$20,349 at the acquisition date. This transaction resulted in a decrease in the non-controlling interest by \$20,349 and a decrease in the equity attributable to owners of the parent by \$104,272. The effects of changes in interests in Philippine Seven Corp. on the equity attributable to owners of the parent for the year ended December 31, 2022 is as follows:

	For the year ended December 31, 2022
Carrying amount of non-controlling interest acquired	\$ 20,349
Consideration paid to non-controlling interest	(124,621)
Difference between proceeds on actual acquisition of equity interest in a subsidiary and its carrying amount (Decrease in "Retained earnings")	(\$ 104,272)

B. There was no transactions with non-controlling interest for the year ended December 31, 2023.

(36) Supplemental cash flow information

Investing activities with partial cash payments

	For the year ended December 31, 2023	For the year ended December 31, 2022
Purchase of property, plant and equipment	\$ 11,553,052	\$ 12,881,822
Add: Opening balance of payable on equipment	2,750,519	1,385,972
Less: Ending balance of payable on equipment	(1,737,924)	(2,750,519)
Cash paid during the year	\$ 12,565,647	\$ 11,517,275

(37) Changes in liabilities from financing activities

	2023							
	Short-term borrowings	Short-term notes and bills payable	Dividend payable	Long-term borrowings	Lease liabilities	Guarantee deposits received	Other non-current liabilities	Total liabilities from financing activities
At January 1	\$ 9,250,522	\$ -	\$ -	\$ 492,617	\$ 88,833,011	\$ 4,326,458	\$ 1,179,724	\$ 104,082,332
Changes in cash flow from financing activities	547,821	3,497,090	(10,590,115)	5,745,829	(14,415,894)	242,016	26,981	(14,946,272)
Interest paid (Note)	-	-	-	-	(1,061,317)	-	-	(1,061,317)
Impact of changes in foreign exchange rate	-	-	-	130	(43,051)	462	-	(42,459)
Changes in other non-cash items	-	-	10,590,115	113,051	19,353,374	-	69,391	30,125,931
At December 31	<u>\$ 9,798,343</u>	<u>\$ 3,497,090</u>	<u>\$ -</u>	<u>\$ 6,351,627</u>	<u>\$ 92,666,123</u>	<u>\$ 4,568,936</u>	<u>\$ 1,276,096</u>	<u>\$ 118,158,215</u>
	2022							
	Short-term borrowings	Dividend payable	Long-term borrowings	Lease liabilities	Guarantee deposits received	Other non-current liabilities	Total liabilities from financing activities	
At January 1	\$ 5,095,702	\$ -	\$ 963,418	\$ 81,037,630	\$ 4,044,359	\$ 1,126,793	\$ 92,267,902	
Changes in cash flow from financing activities	4,153,610	(10,706,206)	(699,445)	(13,844,227)	278,707	(10,483)	(20,828,044)	
Interest paid (Note)	-	-	-	(1,024,104)	-	-	(1,024,104)	
Impact of changes in foreign exchange rate	1,210	-	7,614	127,838	3,392	-	140,054	
Changes in other non-cash items	-	10,706,206	221,030	22,535,875	-	63,414	33,526,525	
At December 31	\$ 9,250,522	\$ -	\$ 492,617	\$ 88,833,012	\$ 4,326,458	\$ 1,179,724	\$ 104,082,333	

Note: Presented in cash flows from operating activities.

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, 2023.

(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.	Investee of the Company accounted for using the equity method
Uni-President Organics Corp.	"
President Technology Corp.	"
President Fair Development Corp.	"
Uni-President Development Corp.	"
Presco Netmarketing Inc.	Subsidiary of ultimate parent company
Tait Marketing & Distribution Co., Ltd.	"
President Packaging Industrial Corp.	"
President Tokyo Corp.	"
President Natural Industrial Corp.	"
Uni-President Express Corp.	"
Tone Sang Construction Corp.	"
Presicarre Corp.	Originally was investee of the Company accounted for using the equity method. In June 2023, the ultimate parent company acquired additional shares of Presicarre Corp., and accordingly, the latter was included as a subsidiary of ultimate parent company
Kai Ya Food Co., Ltd.	Sub-subsidiary of ultimate parent company
Tung Ang Enterprises Corp.	"
Lien Bo Corp.	"
Zhenzhou President Enterprises Co., Ltd.	"
President (Kunshan) Trading Co., Ltd.	"
Shanghai Songjiang President Enterprises Co., Ltd.	"
President Property Corporation	"
Jinan President Enterprises Co., Ltd.	"
Woogjin Foods Co., Ltd.	"
Uni-President (Philippines) Corp.	"
Uni-President Shanghai Pearly Century Co., Ltd.	"
Kuang Chuan Dairy Co., Ltd.	Investee of ultimate parent company accounted for using the equity method
Wei Lih Food Industrial Co., Ltd.	"
Master Channels Corp.	"
Prince Housing Development Corp.	"
President Securities Corp.	"

Names of related parties	Relationship with the Group
Cheng-Shi Construction Co., Ltd.	Investee of ultimate parent company accounted for using the equity method
Tong Zhan Co., Ltd.	Investees of subsidiaries of ultimate parent company accounted for using the equity method
Koasa Yamako Corp.	The Company is a director of Koasa Yamako Corp.
Kao Chuan Investment Co., Ltd.	Director of ultimate parent company

(3) Significant related party transactions and balances

A. Operating revenue

	For the year ended December 31, 2023	For the year ended December 31, 2022
<u>Sales of goods</u>		
Ultimate parent company	\$ 659,163	\$ 618,401
Associates	187,262	183,859
Sister companies	502,727	434,793
Other related parties	58,101	61,953
<u>Sales of services</u>		
Ultimate parent company	23,266	18,056
Associates	92,555	111,731
Sister companies	36,286	22,089
Other related parties	5,681	5,861
	<u>\$ 1,565,041</u>	<u>\$ 1,456,743</u>

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, 2023	For the year ended December 31, 2022
Ultimate parent company	\$ 20,256,330	\$ 18,200,654
Associates	643,666	614,421
Sister companies	7,669,499	6,908,526
Other related parties	2,536,328	2,367,520
	<u>\$ 31,105,823</u>	<u>\$ 28,091,121</u>

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

C. Receivables from related parties

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Accounts receivable</u>		
Ultimate parent company	\$ 366,755	\$ 314,296
Associates	80,651	85,334
Sister companies	122,415	120,317
Other related parties	6,850	6,649
	<u>\$ 576,671</u>	<u>\$ 526,596</u>

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

D. Payables to related parties

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Notes payable and accounts payable</u>		
Ultimate parent company	\$ 2,297,506	\$ 2,095,348
Associates	218,837	232,560
Sister companies	945,606	880,858
Other related parties	444,861	409,435
	<u>\$ 3,906,810</u>	<u>\$ 3,618,201</u>

Payables to related parties arise mainly 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

	<u>For the year ended December 31, 2023</u>	<u>For the year ended December 31, 2022</u>
Ultimate parent company	\$ 7,016	\$ 115,169
Sister companies	20,009	44,390
Other related parties	191,349	-
	<u>\$ 218,374</u>	<u>\$ 159,559</u>

(c) Lease expenses

	<u>For the year ended December 31, 2023</u>	<u>For the year ended December 31, 2022</u>
Ultimate parent company	\$ 7,827	\$ 566
Associates	66,115	74,053
Sister companies	34,531	18,033
Other related parties	2,420	5,335
	<u>\$ 110,893</u>	<u>\$ 97,987</u>

(d) Lease liabilities

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Ultimate parent company	\$ 71,552	\$ 133,229
Associates	2,500,150	2,880,561
Sister companies	147,445	191,401
Other related parties	567,597	440,008
	<u>\$ 3,286,744</u>	<u>\$ 3,645,199</u>

F. Property transactions

	<u>Accounts</u>	<u>For the year ended December 31, 2023</u>	<u>For the year ended December 31, 2022</u>
Associates	Intangible assets	\$ 116,711	\$ 104,306
Sister companies	"	2,436	1,600
	Property, plant and equipment		
Ultimate parent company		18,550	-
Associates	"	182	24,125
Sister companies	"	56,140	495
Other related parties	"	81,336	-
		<u>\$ 275,355</u>	<u>\$ 130,526</u>

G. Refundable deposits

	<u>For the year ended December 31, 2023</u>	<u>For the year ended December 31, 2022</u>
Ultimate parent company	\$ 1,760	\$ 1,650
Associates	67,472	67,847
Sister companies	101,152	14,344
Other related parties	30,353	23,298
	<u>\$ 200,737</u>	<u>\$ 107,139</u>

(4) Key management compensation

	<u>For the year ended December 31, 2023</u>	<u>For the year ended December 31, 2022</u>
Short-term employee benefits	\$ 644,945	\$ 521,673

8. PLEDGED ASSETS

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

Pledged assets	Book value		Purpose
	December 31, 2023	December 31, 2022	
Land	\$ 218,675	\$ 218,675	Guarantee facilities and performance guarantee
Buildings	16,897	23,229	Long-term borrowings and guarantee facilities
Transportation equipment	726,612	822,881	Long-term borrowings
Investment property	56,581	56,687	Performance guarantee
Pledged time deposits (Recognized as "Other non-current assets - guarantee deposits paid")	115,488	95,454	Performance guarantee
	<u>\$ 1,134,253</u>	<u>\$ 1,216,926</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(1) The Group signed a contract for the acquisition of land located in Taoyuan Aerotropolis Industry Area for \$6,000,000. As of December 31, 2023, the amount the Group has signed but not paid is \$5,100,000.

(2) As of December 31, 2023, the remaining balance due for construction in progress and prepayments for equipment was \$1,900,990.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

(1) The Group procured automated logistics equipment from a non-related party for US\$43,030 on February 16, 2024.

(2) The Group was authorized by the Board of Directors on February 27, 2024 that President Chain Store (BVI) Holdings Ltds plans to invest US\$80 million to President Chain Store (Hong Kong) Holdings Limited. The above-mentioned capital increase amount of US\$80 million and the amount of self-owned funds will be used to increase the capital of President Chain Store (Shanghai) Ltd. RMB300 million and President Chain Store (Zhejiang) Ltd. RMB400 million, respectively.

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ <u>1,028,746</u>	\$ <u>616,670</u>
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	\$ <u>1,019,411</u>	\$ <u>847,481</u>
Financial assets at amortized cost		
Cash and cash equivalents	\$ 48,929,582	\$ 48,540,378
Financial assets at amortized cost	6,978,609	-
Accounts receivable, net	7,340,609	6,701,248
Other receivables	2,929,500	2,581,316
Other current assets (Note)	1,952,318	1,868,589
Guarantee deposits paid	3,542,358	3,359,220
Other non-current assets (Note)	13,839	33,886
	\$ <u>71,686,815</u>	\$ <u>63,084,637</u>
<u>Financial liabilities</u>		
Financial liabilities at amortized cost		
Short-term borrowings	\$ 9,798,343	\$ 9,250,522
Short-term notes and bills payable	3,497,090	-
Notes payable	2,204,719	2,205,192
Accounts payable (including related parties)	32,072,086	28,842,983
Other payables	33,134,376	30,795,358
Long-term borrowings (including current portion)	6,558,526	811,740
Guarantee deposits received	4,568,936	4,326,458
	\$ <u>91,834,076</u>	\$ <u>76,232,253</u>
Lease liabilities	\$ <u>92,666,123</u>	\$ <u>88,833,012</u>

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 unusual, the treasury will respond accordingly and report to the Board of Directors immediately.
- (c) There is no related transaction with 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 the New Taiwan dollar (NTD), and for other certain subsidiaries, the functional currency is the 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:

(Foreign currency: functional currency)	December 31, 2023			December 31, 2022		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
<u>Financial assets</u>						
<u>Monetary items</u>						
USD : NTD	\$ 9,177	30.7050	\$ 281,780	\$ 9,101	30.7100	\$ 279,492
RMB : NTD	1,677	4.3246	7,252	1,524	4.4516	6,784
JPY : NTD	38,525	0.2172	8,368	15,319	0.2324	3,560
HKD : NTD	685	3.9307	2,693	999	3.9364	3,932
EUR : NTD	722	33.9800	26,233	28	32.7200	916
<u>Non-monetary items</u>						
JPY : NTD	\$ 1,005,300	0.2172	\$ 218,351	\$ 897,600	0.2324	\$ 208,602
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD : NTD	\$ 4,945	30.7050	\$ 151,836	\$ 3,824	30.7100	\$ 117,435
RMB : NTD	1,299	4.3246	5,618	191	4.4516	850
JPY : NTD	45,397	0.2172	9,860	145,673	0.2324	33,854

- IV. Total exchange gain or loss, including realized and unrealized from significant foreign exchange variations on monetary items held by the Group amounted to \$25,057 and (\$21,743) for the years ended December 31, 2023 and 2022, 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. 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, 2023 and 2022 would increase/decrease by \$6,497 and \$8,103, respectively. Foreign exchange risk with respect to JPY primarily arises from the exchange gain or loss resulting from foreign currency translation of cash, 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, 2023 and 2022 would increase/decrease by \$10,843 and \$8,915, respectively.

Price risk

- 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, 2023 and 2022 would have increased/decreased by \$6,632 and \$5,602, 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 \$50,971 and \$42,374, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- 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. During the years ended December 31, 2023 and 2022, 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, 2023 and 2022 would have decreased/increased by \$16,396 and \$2,029, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(b) Credit risk

- 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 of the contract cash flows of the accounts receivable based on the agreed terms.

- 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 90 days.
- IV. The Group assesses whether there has been a significant increase in credit risk on that instrument since initial recognition if the contract payments were past due over 30 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. For accounts receivable from other transactions, the Group manages individually and follows up regularly. 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:

	2023	2022
	<u>Accounts receivable</u>	<u>Accounts receivable</u>
At January 1	\$ 78,848	\$ 144,908
Provision for impairment	36,661	3,877
Reversal of impairment loss to other revenue	(818)	-
Write-offs	(2,525)	(69,158)
Effect of foreign exchange	6,403	(779)
At December 31	<u>\$ 118,569</u>	<u>\$ 78,848</u>

- VI. The Group has no written-off financial assets that are still under recourse procedures on December 31, 2023 and 2022.

(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 \$943,266 and \$531,190 as at December 31, 2023 and 2022, respectively, which are expected to readily generate cash inflows for the purpose of managing liquidity risk.

III. The Group has undrawn borrowing facilities of \$35,011,259 and \$30,441,614 as of December 31, 2023 and 2022, 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 approximate to book value, maturing within one year, and except for guarantee deposit received, maturing above three years, the amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Over 3 years
December 31, 2023				
Short-term borrowings	\$ 9,826,645	\$ -	\$ -	\$ -
Short-term notes and bills payable	3,500,000	-	-	-
Lease liabilities	15,436,962	15,245,175	12,826,064	54,043,410
Long-term borrowings (including current portion)	316,952	2,169,309	3,702,503	543,597

Non-derivative financial liabilities:

	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Over 3 years
December 31, 2022				
Short-term borrowings	\$ 9,296,238	\$ -	\$ -	\$ -
Lease liabilities	14,834,803	14,396,123	12,869,805	50,337,549
Long-term borrowings (including current portion)	340,482	176,018	137,789	198,955

V. The Group neither expected 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(11).

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, financial assets at amortized cost, accounts receivable, other receivables, short-term borrowings, short term notes and bills payable, notes payable, accounts payable, other payables and long-term borrowings are approximate to their fair values.

	December 31, 2023			
		Fair value		
	Book value	Level 1	Level 2	Level 3
<u>Financial assets:</u>				
Guarantee deposits paid	<u>\$ 3,542,358</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,453,047</u>
<u>Financial liabilities:</u>				
Guarantee deposits received	<u>\$ 4,568,936</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,421,332</u>
	December 31, 2022			
		Fair value		
	Book value	Level 1	Level 2	Level 3
<u>Financial assets:</u>				
Guarantee deposits paid	<u>\$ 3,359,220</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,287,721</u>
<u>Financial liabilities:</u>				
Guarantee deposits received	<u>\$ 4,326,458</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,214,719</u>

- (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:

<u>December 31, 2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value				
through profit or loss				
Beneficiary certificates	\$ 943,266	\$ -	\$ -	\$ 943,266
Equity securities	-	-	85,480	85,480
Subtotal	<u>943,266</u>	<u>-</u>	<u>85,480</u>	<u>1,028,746</u>
Financial assets at fair value				
through other comprehensive income				
Equity securities	<u>1,015,063</u>	<u>-</u>	<u>4,348</u>	<u>1,019,411</u>
	<u>\$ 1,958,329</u>	<u>\$ -</u>	<u>\$ 89,828</u>	<u>\$ 2,048,157</u>

<u>December 31, 2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Beneficiary certificates	\$ 531,190	\$ -	\$ -	\$ 531,190
Equity securities	-	-	85,480	85,480
Subtotal	<u>531,190</u>	<u>-</u>	<u>85,480</u>	<u>616,670</u>
Financial assets at fair value through other comprehensive income				
Equity securities	843,133	-	4,348	847,481
	<u>\$ 1,374,323</u>	<u>\$ -</u>	<u>\$ 89,828</u>	<u>\$ 1,464,151</u>

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

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

	<u>Listed shares</u>	<u>Open-ended fund</u>	<u>Government bond</u>
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, 2023 and 2022, there was no transfer between Level 1 and Level 2.
- F. For the years ended December 31, 2023 and 2022, 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 is 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 neighboring 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, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 89,828	Market comparable companies	Price to book ratio multiplier	2.47	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, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 89,828	Market comparable companies	Price to book ratio multiplier	2.42	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 valuation assumptions from financial assets and liabilities categorized within Level 3 had increased or decreased by 1%, net income or other comprehensive income would not have been significantly impacted for the years ended December 31, 2023 and 2022.

13. SUPPLEMENTARY DISCLOSURE

(1) Significant transactions information

- A. Loans to others: Please refer to Table 1.
- 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 2.
- 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 3.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: Please refer to Table 4.
- 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 5.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to Table 6.
- I. Trading in derivative instruments undertaken during the reporting periods: None.
- J. Significant inter-company transactions during the reporting periods: Please refer to Table 7.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to Table 8.

(3) Information on investments in Mainland China

A. Basic information: Please refer to Table 9.

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

(4) Major shareholders information

List of shareholders holding more than 5% (inclusive) of shares: Please refer to Table 10.

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 this period.

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:

Year ended December 31, 2023

	Convenience stores	Retail business group	Logistics business group	Other operating segments	Adjustment and elimination	Total
External revenue (net)	\$ 195,766,067	\$ 93,125,722	\$ 2,427,713	\$ 25,722,352	\$ -	\$ 317,041,854
Internal department revenue	1,897,782	3,647,248	18,286,915	11,299,287	(35,131,232)	-
Total segment revenue	<u>\$ 197,663,849</u>	<u>\$ 96,772,970</u>	<u>\$ 20,714,628</u>	<u>\$ 37,021,639</u>	<u>(\$ 35,131,232)</u>	<u>\$ 317,041,854</u>
Segment income	<u>\$ 12,480,398</u>	<u>\$ 53,262,125</u>	<u>\$ 1,435,662</u>	<u>\$ 3,203,548</u>	<u>(\$ 6,088,464)</u>	<u>\$ 16,357,359</u>
Depreciation and amortization	<u>(\$ 13,074,605)</u>	<u>(\$ 5,472,220)</u>	<u>(\$ 1,474,415)</u>	<u>(\$ 3,448,317)</u>	<u>(\$ 128,694)</u>	<u>(\$ 23,598,251)</u>
Gain (loss) on investments accounted for using equity method	<u>\$ 4,748,744</u>	<u>(\$ 80,558)</u>	<u>\$ 141,890</u>	<u>\$ 1,299,788</u>	<u>(\$ 5,907,329)</u>	<u>\$ 202,535</u>
Income tax expense	<u>(\$ 1,866,484)</u>	<u>(\$ 1,263,641)</u>	<u>(\$ 270,467)</u>	<u>(\$ 334,469)</u>	<u>\$ 38,833</u>	<u>(\$ 3,696,228)</u>
Interest income	<u>\$ 91,102</u>	<u>\$ 273,411</u>	<u>\$ 26,697</u>	<u>\$ 1,178,839</u>	<u>(\$ 544)</u>	<u>\$ 1,569,505</u>
Interest expense	<u>(\$ 589,416)</u>	<u>(\$ 558,179)</u>	<u>(\$ 49,725)</u>	<u>(\$ 188,106)</u>	<u>\$ 5,852</u>	<u>(\$ 1,379,574)</u>

	Year ended December 31, 2022					
	Convenience stores	Retail business group	Logistics business group	Other operating segments	Adjustment and elimination	Total
External revenue (net)	\$ 181,203,989	\$ 83,748,360	\$ 2,265,001	\$ 23,216,787	\$ -	\$ 290,434,137
Internal department revenue	1,668,414	3,428,491	17,491,223	9,579,896	(32,168,024)	-
Total segment revenue	<u>\$ 182,872,403</u>	<u>\$ 87,176,851</u>	<u>\$ 19,756,224</u>	<u>\$ 32,796,683</u>	<u>(\$ 32,168,024)</u>	<u>\$ 290,434,137</u>
Segment income	<u>\$ 10,722,264</u>	<u>\$ 4,617,786</u>	<u>\$ 1,421,951</u>	<u>\$ 905,213</u>	<u>(\$ 3,597,233)</u>	<u>\$ 14,069,981</u>
Depreciation and amortization	<u>(\$ 12,071,298)</u>	<u>(\$ 5,252,661)</u>	<u>(\$ 1,414,493)</u>	<u>(\$ 3,315,501)</u>	<u>(\$ 131,464)</u>	<u>(\$ 22,185,417)</u>
Gain (loss) on investments accounted for using equity method	<u>\$ 3,409,883</u>	<u>(\$ 67,394)</u>	<u>\$ 163,134</u>	<u>\$ 49,460</u>	<u>(\$ 3,357,772)</u>	<u>\$ 197,311</u>
Income tax expense	<u>(\$ 1,440,614)</u>	<u>(\$ 1,055,902)</u>	<u>(\$ 248,869)</u>	<u>(\$ 293,506)</u>	<u>\$ 38,833</u>	<u>(\$ 3,000,058)</u>
Interest income	<u>\$ 43,869</u>	<u>\$ 59,650</u>	<u>\$ 8,316</u>	<u>\$ 377,975</u>	<u>(\$ 268)</u>	<u>\$ 489,542</u>
Interest expense	<u>(\$ 433,240)</u>	<u>(\$ 535,380)</u>	<u>(\$ 47,284)</u>	<u>(\$ 167,284)</u>	<u>\$ 3,372</u>	<u>(\$ 1,179,816)</u>

(4) Reconciliation of segment income

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, 2023	For the year ended December 31, 2022
Convenience stores(including foreign subsidiary)	\$ 243,818,739	\$ 218,521,901
Sales of daily items	26,062,033	26,113,002
Delivery service	12,889,849	12,836,419
Restaurants	16,678,949	14,983,004
Gas station	10,142,894	10,827,791
Logistics service	2,427,713	2,265,001
Others	5,021,677	4,887,019
	<u>\$ 317,041,854</u>	<u>\$ 290,434,137</u>

(6) Geographical information

As of and for the years ended December 31, 2023 and 2022, the information on geographic area is as follows:

	2023		2022	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	\$ 264,631,621	\$ 132,614,420	\$ 248,245,454	\$ 125,761,167
Others	52,410,233	11,789,701	42,188,683	10,906,730
	<u>\$ 317,041,854</u>	<u>\$ 144,404,121</u>	<u>\$ 290,434,137</u>	<u>\$ 136,667,897</u>

(7) Major customer information

No customers constituted more than 10% of the Group's total revenue for the years ended December 31, 2023 and 2022.

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
Loans to others
For the year ended December 31, 2023

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

Number	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended		Balance at		Actual amount		Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note)	Ceiling on total loans granted (Note)	Footnote
					December 31, 2023	December 31, 2023	December 31, 2023	December 31, 2023	drawn down	Interest rate					Item	Value			
1	President Pharmaceutical Corp.	President Being Corp.	Other receivables	Y	\$ 48,000	\$ 48,000	\$ 48,000	\$ 48,000	1.46%~1.56%		Short-term financing	\$ -	Additional operating capital	\$ -	None	\$ -	\$ 298,818	\$ 298,818	
2	Shanghai President Logistic Co., Ltd.	President Chain Store (Zhejiang) Ltd.	Other receivables	Y	43,247	43,247		-	-		Short-term financing	-	Purchase of equipment , Additional operating capital	-	None	-	268,849	268,849	
3	President Chain Store (Taizhou) Ltd.	President Chain Store (Zhejiang) Ltd.	Other receivables	Y	43,247	43,247		-	-		Short-term financing	-	Purchase of equipment , Additional operating capital	-	None	-	193,384	193,384	
4	President Chain Store (Shanghai) Ltd.	President Chain Store (Zhejiang) Ltd.	Other receivables	Y	43,247	43,247		-	-		Short-term financing	-	Purchase of equipment , Additional operating capital	-	None	-	56,450	56,450	

Note: The maximum amount for total loan and the maximum amount of individual enterprise are 40% of its net worth.

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, 2023

Table 2

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, 2023				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
President Chain Store Corp.	Stock: 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	14,461	5.37	14,461	
President Chain Store Corp.	Kaohsiung Rapid Transit Corp.	"	"	2,572,127	25,721	0.92	25,721	
Mech-President Corp.	Yamay International Development Corp.	"	"	9	-	-	-	
President Chain Store Corp.	President Securities Corp.	Investee of Uni-President Enterprises Corp. under the equity method	Financial assets at fair value through other comprehensive income – non-current	40,545,111	796,712	2.79	796,712	
President Chain Store Corp.	Duskin Co., Ltd.	None	"	300,000	218,351	0.62	218,351	
President Chain Store Corp.	Koasa Yamako Corp.	Director of Koasa Yamako Corp.	"	650,000	4,348	10.00	4,348	
Books.com. Co., Ltd.	Beneficiary certificates: CTBC Hua Win Money Market Fund	None	Financial assets at fair value through profit or loss – current	3,625,367	\$ 41,022	-	\$ 41,022	
Books.com. Co., Ltd.	Union Money Market Fund	"	"	4,937,072	67,021	-	67,021	
Uni-President Department Store Corp.	Taishin 1699 Money Market Fund	"	"	14,761,021	205,806	-	205,806	
President Pharmaceutical Corp.	Taishin 1699 Money Market Fund	"	"	3,874,915	54,026	-	54,026	
Q-ware Systems & Services Corp.	Taishin 1699 Money Market Fund	"	"	7,172,315	100,000	-	100,000	
Q-ware Systems & Services Corp.	Mega Diamond Money Market Fund	"	"	17,054,925	220,000	-	220,000	
President Collect Service Corp.	UPAMC James Bond Money Market Fund	"	"	6,137,784	105,240	-	105,240	
President Collect Service Corp.	Taishin 1699 Money Market Fund	"	"	10,769,345	150,151	-	150,151	

Table 3

Table 3

Note 1: The security was recognized as "Financial assets at fair value through profit or loss—current".

Note 2: The security was recognized as "Investments accounted for using equity method".

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more
For the year ended December 31, 2023

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Name of acquiring company	Name of property	Date of acquisition	Trade amount	Status of payment of proceeds	Name of the counter-party	Relationship	The last transfer data of counter-party				Basis for price determination	Reason for acquisition	Other terms
							Owner	Relationship	Transfer Day	Amount			
President Chain Store Corp.	Taoyuan Aerotropolis Industry Area	July 28,2022	\$ 6,000,000	The second installment was paid. Total amount is 900 million.	Taoyuan City Government and Civil Aeronautics Administration	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Based on the market conditions. (Note 1)	Based on the comprehensive planning of the company	Not applicable
President Chain Store Corp.	Taoyuan Aerotropolis Industry Area base H	May 2, 2023	615,000	19% of price was paid	Uni-President Express Corp. etc.	Note 2	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	As a logistics park for the Group	Not applicable
President Chain Store Corp.	Mandated construction on rented land in Mingde Section, Tucheng Dist., New Taipei City	August 1, 2023	733,237	12% of price was paid	Uni-President Enterprises Corp. and CHENG-SHI CONSTRUCTION CO., LTD. etc.	Note 3	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Based on the comprehensive planning of the company	Not applicable
President Chain Store Corp.	Land and building located Meicun Rd., and Mingyi St., West Dist., Taichung City.	November 10, 2023	447,000	100% of price was paid	Natural person	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Note 4	Based on the comprehensive planning of the company	Not applicable

Note 1: Public tendering land from Taoyuan City Government and Civil Aeronautics Administration.

Note 2: Uni-President Express Corp., the counter-party, is the subsidiary of ultimate parent company.

Note 3: Uni-President Enterprises Corp., the counter-party, is the ultimate parent company and CHENG-SHI CONSTRUCTION CO., LTD., the counter-party, is subsidiary of investee of ultimate parent company accounted for using the equity method.

Note 4: Based on the appraisal results of Euro-Asia Real Estate Appraisers Firm (Appraisal Amount \$457,622) and market conditions.

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, 2023

Table 5

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	\$ 19,231,929	15	Net 30~40 days from the end of the month when invoice is issued	No significant differences	No significant differences	(\$ 1,681,560) (	8)	
	Uni-President Superior Commissary Corp.	Subsidiary	"	5,279,525	4	Net 30~45 days from the end of the month when invoice is issued	"	"	(475,037) (	2)	
	Tung Ang Enterprises Corp.	Sister company	"	2,561,341	2	Net 30 days from the end of the month when invoice is issued	"	"	(200,118) (	1)	
	21 Century Co., Ltd.	Subsidiary	"	1,183,514	1	Net 30~60 days from the end of the month when invoice is issued	"	"	(207,811) (	1)	
	Q-ware Systems & Services Corp.	"	"	1,054,558	1	Net 40 days from the end of the month when invoice is issued	"	"	(147,283) (	1)	
	Kai Ya Food Co., Ltd.	Sister company	"	876,409	1	Net 40 days from the end of the month when invoice is issued	"	"	(135,080) (	1)	
	Lien Bo Corp.	"	"	799,616	1	Net 10~54 days from the end of the month when invoice is issued	"	"	(90,731)	-	
	Tait Marketing & Distribution Co., Ltd.	"	"	673,183	1	Net 20~70 days from the end of the month when invoice is issued	"	"	(121,029) (	1)	
	President Packaging Industrial Corp.	"	"	594,063	-	Net 15~60 days from the end of the month when invoice is issued	"	"	(101,192)	-	
	President Pharmaceutical Corp.	Subsidiary	"	533,705	-	Net 60~70 days from the end of the month when invoice is issued	"	"	(124,170) (	1)	
	President Transnet Corp.	"	"	489,079	-	Net 60 days from the end of the month when invoice is issued	"	"	(72,177)	-	
	Kuang Chuan Dairy Co., Ltd.	Other related party	"	449,121	-	Net 30~65 days from the end of the month when invoice is issued	"	"	(114,980) (	1)	
	Wei Lih Food Industrial Co., Ltd.	"	"	310,903	-	Net 30~60 days from the end of the month when invoice is issued	"	"	(76,331)	-	
	ICASH Corp.	Subsidiary	"	257,135	-	Net 60 days from the end of the month when invoice is issued	"	"	(41,796)	-	
	Mister Donut Taiwan Co., Ltd.	Joint venture	"	131,956	-	Net 55~60 days from the end of the month when invoice is issued	"	"	(22,975)	-	
	Uni-President Oven Bakery Corp.	Subsidiary	"	128,764	-	Net 40~60 days from the end of the month when invoice is issued	"	"	(21,878)	-	
	President Drugstore Business Corp.	"	"	112,407	-	Net 30~60 days from the end of the month when invoice is issued	"	"	(49,233)	-	
Capital Marketing Consultant Corp.	President Chain Store Corp.	Parent company	Service revenue	(296,071) (	68)	Net 45~65 days from the end of the month when invoice is issued	"	"	63,650	66	
Chieh Shun Logistics International Corp.	President Logistics International Corp.	"	Delivery revenue	(1,581,122) (	67)	Net 20 days from the end of the month when invoice is issued	"	"	139,088	46	
	President Transnet Corp.	Subsidiary of President Chain Store Corp.	"	(717,249) (	30)	Net 40 days from the end of the month when invoice is issued	"	"	155,236	52	
President Transnet Corp.	Chieh Shun Logistics International Corp.	"	Service cost	717,249	7	Net 40 days from the end of the month when invoice is issued	"	"	(155,236) (	7)	
	President Collect Service Corp.	"	Service revenue	(247,775) (	2)	Net 30 days from the end of the month when invoice is issued	"	"	25,959	1	
	President Chain Store Corp.	Parent company	Sales revenue	(489,079) (	56)	Net 60 days from the end of the month when invoice is issued	"	"	72,177	4	
Uni-Wonder Corp.	Uni-President Enterprises Corp.	Ultimate parent company	Purchases	571,852	9	Net 30 days from the end of the month when invoice is issued	"	"	(61,991) (	7)	
	Tong Zhan Corporation Ltd.	Other related party	"	1,341,234	21	Net 25 days from the end of the month when invoice is issued	"	"	(140,744) (	16)	

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, 2023

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction			Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote	
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance		Percentage of total notes/accounts receivable (payable)
Uni-Wonder Corp.	Retail Support International Corp.	Subsidiary of President Chain Store Corp.	Purchases	\$ 314,964	5	Net 29 days from the end of the month when invoice is issued	No significant differences	No significant differences	(\$ 27,836) (3)		
	Tait Marketing & Distribution Co., Ltd.	Other related party	〃	165,365	3	Net 30 days from the end of the month when invoice is issued	〃	〃	(25,707) (3)		
	Kai Ya Food Co., Ltd.	〃	〃	122,114	2	Net 30 days from the end of the month when invoice is issued	〃	〃	(26,170) (3)		
President Information Corp.	President Chain Store Corp.	Parent company	Service revenue	(1,367,294) (65)		Net 30 days from the end of the month when invoice is issued	〃	〃	292,466 68		
	Uni-Wonder Corp.	Subsidiary of President Chain Store Corp.	〃	(107,786) (5)		Net 45 days from the end of the month when invoice is issued	〃	〃	18,939 4		
	President Transnet Corp.	〃	〃	(101,546) (5)		Net 45 days from the end of the month when invoice is issued	〃	〃	20,404 5		
President Logistics International Corp.	Chieh Shun Logistics International Corp.	Subsidiary	Service cost	1,581,122 38		Net 20 days from the end of the month when invoice is issued	〃	〃	(139,088) (28)		
	Retail Support International Corp.	Parent company	Delivery revenue	(1,055,265) (24)		Net 20 days from the end of the month when invoice is issued	〃	〃	97,500 22		
	Uni-President Cold-Chain Corp.	Subsidiary of President Chain Store Corp.	〃	(1,540,222) (36)		Net 20 days from the end of the month when invoice is issued	〃	〃	152,101 34		
	Wisdom Distribution Service Corp.	〃	〃	(1,416,114) (33)		Net 20 days from the end of the month when invoice is issued	〃	〃	166,908 37		
Retail Support International Corp.	President Logistics International Corp.	Subsidiary	Service cost	1,055,265 50		Net 20 days from the end of the month when invoice is issued	〃	〃	(97,500) (46)		
	Uni-Wonder Corp.	Subsidiary of President Chain Store Corp.	Delivery revenue	(314,964) (1)		Net 29 days from the end of the month when invoice is issued	〃	〃	27,836 12		
	Retail Support Taiwan Corp.	Subsidiary	Service cost	351,909 17		Net 15~20 days from the end of the month when invoice is issued	〃	〃	(26,241) (12)		
Uni-President Cold-Chain Corp.	President Logistics International Corp.	Subsidiary of President Chain Store Corp.	〃	1,540,222 38		Net 20 days from the end of the month when invoice is issued	〃	〃	(152,101) (2)		
	President Chain Store Corp.	Parent company	Delivery revenue	(708,539) (65)		Net 30 days from the end of the month when invoice is issued	〃	〃	65,509 1		
Wisdom Distribution Service Corp.	President Logistics International Corp.	〃	Service cost	1,416,114 37		Net 20 days from the end of the month when invoice is issued	〃	〃	(166,908) (36)		
	Books.com. Co., Ltd.	〃	Service revenue	(272,123) (6)		Net 30~90 days from the end of the month when invoice is issued	〃	〃	25,730 32		
	Presco Netmarketing, Inc.	Other related party	Delivery revenue	(124,594) (3)		Net 30 days from the end of the month when invoice is issued	〃	〃	12,999 16		
Q-ware Systems & Services Corp.	President Chain Store Corp.	Parent company	〃	(1,054,558) (52)		Net 40 days from the end of the month when invoice is issued	〃	〃	147,283 46		
President Drugstore Business Corp.	President Pharmaceutical Corp.	Subsidiary of President Chain Store Corp.	Purchases	578,113 4		Net 70 days from the end of the month when invoice is issued	〃	〃	(13,017) (1)		
	President Chain Store Corp.	Parent company	Service revenue	(112,407) (1)		Net 30~60 days from the end of the month when invoice is issued	〃	〃	49,233 8		
	Uni-President Enterprises Corp.	Ultimate parent company	Purchases	107,485 1		Net 30~90 days from the end of the month when invoice is issued	〃	〃	(5,293) -		
President Pharmaceutical Corp.	President Drugstore Business Corp.	Subsidiary of President Chain Store Corp.	Sales revenue	(578,113) (28)		Net 70 days from the end of the month when invoice is issued	〃	〃	13,017 2		
	President Chain Store Corp.	Parent company	〃	(533,705) (26)		Net 60~70 days from the end of the month when invoice is issued	〃	〃	124,170 23		

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, 2023

Table 5

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
Uni-President Superior Commissary Corp.	President Chain Store Corp.	Parent company	Sales revenue	(\$ 5,279,525)	(96)	Net 30~45 days from the end of the month when invoice is issued	No significant differences	No significant differences	\$ 475,037	46	
	Uni-President Enterprises Corp.	Ultimate parent company	Purchases	265,291	7	Net 45~60 days from the end of the month when invoice is issued	"	"	(65,377)	(6)	
	Koasa Yamako Corp.	Other related party	"	291,879	8	Net 60 days from the end of the month when invoice is issued	"	"	(75,980)	(7)	
	21 Century Co., Ltd.	Subsidiary of President Chain Store Corp.	Sales revenue	(181,100)	(3)	Net 60 days from the end of the month when invoice is issued	"	"	46,560	5	
21 Century Co., Ltd.	President Chain Store Corp.	Parent company	"	(1,183,514)	(50)	Net 30~60 days from the end of the month when invoice is issued	"	"	207,811	59	
	Uni-President Superior Commissary Corp.	Subsidiary of President Chain Store Corp.	Purchases	181,100	11	Net 60 days from the end of the month when invoice is issued	"	"	(46,560)	(12)	
Duskin Serve Taiwan Co., Ltd.	President Chain Store Corp.	Parent company	Service revenue	(342,079)	(20)	Net 15~60 days from the end of the month when invoice is issued	"	"	70,819	28	
Shanghai President Logistic Co., Ltd.	President Chain Store (Shanghai) Ltd.	Subsidiary of President Chain Store Corp.	Delivery revenue	(120,670)	(20)	Net 58 days from the end of the month when invoice is issued	"	"	12,721	41	
President Chain Store (Shanghai) Ltd.	Shanghai President Logistic Co., Ltd.	Subsidiary of President Chain Store Corp.	Service cost	120,670	9	Net 58 days from the end of the month when invoice is issued	"	"	(12,721)	6	
	President (Kunshan) Trading Co.,Ltd.	Other related party	Purchases	115,876	9	Net 28 days from the end of the month when invoice is issued	"	"	(9,660)	5	
Retail Support Taiwan Corp.	Retail Support International Corp.	Parent company	Delivery revenue	(351,909)	(87)	Net 15~20 days from the end of the month when invoice is issued	"	"	26,241	77	
ICASH Corp.	President Chain Store Corp.	"	Sales revenue	(257,135)	(29)	Net 60 days from the end of the month when invoice is issued	"	"	41,796	27	
President Collect Service Corp.	President Transnet Corp.	Subsidiary of President Chain Store Corp.	Service cost	247,775	87	Net 30 days from the end of the month when invoice is issued	"	"	(25,959)	(100)	
Uni-President Oven Bakery Corp.	President Chain Store Corp.	Parent company	Sales revenue	(128,764)	(37)	Net 40~60 days from the end of the month when invoice is issued	"	"	21,878	69	

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
Receivables from related parties reaching \$100 million or 20% of paid-in capital or more
December 31, 2023

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Receivable from related parties			Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
			General ledger account	Balance as of December 31, 2023	Turnover rate	Amount	Action taken		
President Information Corp.	President Chain Store Corp.	Parent company	Accounts receivable	\$ 292,466	5.18	\$ -	None	\$ 180,846	\$ -
Uni-President Superior Commissary Corp.	President Chain Store Corp.	"	Accounts receivable	475,037	8.03	-	"	-	-
Q-ware Systems & Services Corp.	President Chain Store Corp.	"	Accounts receivable	147,283	7.49	-	"	58,042	-
President Pharmaceutical Corp.	President Chain Store Corp.	"	Accounts receivable	124,170	3.72	-	"	51,135	-
21 Century Co., Ltd.	President Chain Store Corp.	"	Accounts receivable	207,811	5.98	-	"	41,580	-
President Logistics International Corp.	Wisdom Distribution Service Corp.	Subsidiary of President Chain Store Corp.	Accounts receivable	166,908	8.29	-	"	-	-
President Logistics International Corp.	Uni-President Cold-Chain Corp.	"	Accounts receivable	152,101	10.70	-	"	-	-
Chieh Shun Logistics International Corp.	President Logistics International Corp.	"	Accounts receivable	139,088	11.41	-	"	-	-
Chieh Shun Logistics International Corp.	President Transnet Corp.	"	Accounts receivable	155,236	4.91	-	"	75,271	-
President Chain Store Corp.	Uni-President Enterprises Corp.	Ultimate parent company	Other receivable	249,378	-	-	"	63,841	-
President Chain Store Corp.	ICASH Corp.	Subsidiary of President Chain Store Corp.	Other receivable	164,029	-	-	"	477	-

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
Significant inter-company transactions during the reporting periods
For the year ended December 31, 2023

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

				Transaction			
Number	Company name	Counterparty	Relationship	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets
1	President Chain Store Corp.	Uni-President Enterprises Corp.	Subsidiary to parent company	Other receivable	\$ 249,378	-	0.10
1	President Chain Store Corp.	ICASH Corp.	Parent company to subsidiary	Other receivable	164,029	-	0.06
2	Uni-President Cold-Chain Corp.	President Chain Store Corp.	Subsidiary to parent company	Delivery revenue	(708,539)	Net 30 days from the end of the month when invoice is issued	0.22
3	Capital Marketing Consultant Corp.	President Chain Store Corp.	Subsidiary to parent company	Service revenue	(296,071)	Net 45~65 days from the end of the month when invoice is issued	0.09
4	President Information Corp.	President Chain Store Corp.	Subsidiary to parent company	Service revenue	(1,367,294)	Net 30 days from the end of the month when invoice is issued	0.43
4	President Information Corp.	President Chain Store Corp.	Subsidiary to parent company	Accounts receivable	292,466	Net 30 days from the end of the month when invoice is issued	0.11
4	President Information Corp.	Uni-Wonder Corp.	Subsidiary to subsidiary	Service revenue	(107,786)	Net 45 days from the end of the month when invoice is issued	0.03
4	President Information Corp.	President Transnet Corp.	Subsidiary to subsidiary	Service revenue	(101,546)	Net 45 days from the end of the month when invoice is issued	0.03
5	Q-ware Systems & Services Corp.	President Chain Store Corp.	Subsidiary to parent company	Service revenue	(1,054,558)	Net 40 days from the end of the month when invoice is issued	0.33
5	Q-ware Systems & Services Corp.	President Chain Store Corp.	Subsidiary to parent company	Accounts receivable	147,283	Net 40 days from the end of the month when invoice is issued	0.06
6	Uni-President Superior Commissary Corp.	President Chain Store Corp.	Subsidiary to parent company	Sales revenue	(5,279,525)	Net 30~45 days from the end of the month when invoice is issued	1.67
6	Uni-President Superior Commissary Corp.	President Chain Store Corp.	Subsidiary to parent company	Accounts receivable	475,037	Net 30~45 days from the end of the month when invoice is issued	0.18
6	Uni-President Superior Commissary Corp.	21 Century Co., Ltd.	Subsidiary to subsidiary	Sales revenue	(181,100)	Net 60 days from the end of the month when invoice is issued	0.06
7	President Pharmaceutical Corp.	President Drugstore Business Corp.	Subsidiary to subsidiary	Sales revenue	(578,113)	Net 70 days from the end of the month when invoice is issued	0.18
7	President Pharmaceutical Corp.	President Chain Store Corp.	Subsidiary to parent company	Sales revenue	(533,705)	Net 60~70 days from the end of the month when invoice is issued	0.17
7	President Pharmaceutical Corp.	President Chain Store Corp.	Subsidiary to parent company	Accounts receivable	124,170	Net 60~70 days from the end of the month when invoice is issued	0.05
8	President Transnet Corp.	President Chain Store Corp.	Subsidiary to parent company	Sales revenue	(489,079)	Net 60 days from the end of the month when invoice is issued	0.15
8	President Transnet Corp.	President Collect Service Corp.	Subsidiary to subsidiary	Service revenue	(247,775)	Net 30 days from the end of the month when invoice is issued	0.08
9	Chieh Shun Logistics International Corp.	President Logistics International Corp.	Subsidiary to subsidiary	Delivery revenue	(1,581,122)	Net 20 days from the end of the month when invoice is issued	0.50
9	Chieh Shun Logistics International Corp.	President Logistics International Corp.	Subsidiary to subsidiary	Accounts receivable	139,088	Net 20 days from the end of the month when invoice is issued	0.05
9	Chieh Shun Logistics International Corp.	President Transnet Corp.	Subsidiary to subsidiary	Delivery revenue	(717,249)	Net 40 days from the end of the month when invoice is issued	0.23
9	Chieh Shun Logistics International Corp.	President Transnet Corp.	Subsidiary to subsidiary	Accounts receivable	155,236	Net 40 days from the end of the month when invoice is issued	0.06
10	President Logistics International Corp.	Retail Support International Corp.	Subsidiary to subsidiary	Delivery revenue	(1,055,265)	Net 20 days from the end of the month when invoice is issued	0.33
10	President Logistics International Corp.	Uni-President Cold-Chain Corp.	Subsidiary to subsidiary	Delivery revenue	(1,540,222)	Net 20 days from the end of the month when invoice is issued	0.49
10	President Logistics International Corp.	Uni-President Cold-Chain Corp.	Subsidiary to subsidiary	Accounts receivable	152,101	Net 20 days from the end of the month when invoice is issued	0.06

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
Significant inter-company transactions during the reporting periods
For the year ended December 31, 2023

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Number	Company name	Counterparty	Relationship	General ledger account	Transaction		Percentage of consolidated total operating revenues or total assets
					Amount	Transaction terms	
10	President Logistics International Corp.	Wisdom Distribution Service Corp.	Subsidiary to subsidiary	Delivery revenue	(1,416,114)	Net 20 days from the end of the month when invoice is issued	0.45
10	President Logistics International Corp.	Wisdom Distribution Service Corp.	Subsidiary to subsidiary	Accounts receivable	166,908	Net 20 days from the end of the month when invoice is issued	0.06
11	Duskin Serve Taiwan Co., Ltd.	President Chain Store Corp.	Subsidiary to parent company	Service revenue	(342,079)	Net 15~60 days from the end of the month when invoice is issued	0.11
12	21 Century Co., Ltd.	President Chain Store Corp.	Subsidiary to parent company	Sales revenue	(1,183,514)	Net 30~60 days from the end of the month when invoice is issued	0.37
12	21 Century Co., Ltd.	President Chain Store Corp.	Subsidiary to parent company	Accounts receivable	207,811	Net 30~60 days from the end of the month when invoice is issued	0.08
13	Wisdom Distribution Service Corp.	Books.com. Co., Ltd.	Subsidiary to subsidiary	Service revenue	(272,123)	Net 30~90 days from the end of the month when invoice is issued	0.09
14	Retail Support Taiwan Corp.	Retail Support International Corp.	Subsidiary to subsidiary	Delivery revenue	(351,909)	Net 15~20 days from the end of the month when invoice is issued	0.11
15	Shanghai President Logistic Co., Ltd.	President Chain Store (Shanghai) Ltd.	Subsidiary to subsidiary	Delivery revenue	(120,670)	Net 58 days from the end of the month when invoice is issued	0.04
16	ICASH Corp.	President Chain Store Corp.	Subsidiary to parent company	Sales revenue	(257,135)	Net 60 days from the end of the month when invoice is issued	0.08
17	Retail Support International Corp.	Uni-Wonder Corp.	Subsidiary to subsidiary	Delivery revenue	(314,964)	Net 29 days from the end of the month when invoice is issued	0.10
18	Uni-President Oven Bakery Corp.	President Chain Store Corp.	Subsidiary to parent company	Sales revenue	(128,764)	Net 40~60 days from the end of the month when invoice is issued	0.04
19	President Drugstore Business Corp.	President Chain Store Corp.	Subsidiary to parent company	Sales revenue	(112,407)	Net 30~60 days from the end of the month when invoice is issued	0.04

Note: Transaction among the company and subsidiaries with amount over one hundred million, only one side of the transactions are disclosed.

Table 8

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, 2023

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2023			Net profit (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognized by the Company for the year ended December 31, 2023		Footnote
				Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value				
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	\$ 27,085,477	\$ 1,714,115	\$ 1,714,115		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	2,167,796	377,217	377,218		Subsidiary
President Chain Store Corp.	President Transnet Corp.	Taiwan	Delivery service	711,576	711,576	103,496,399	70.00	2,365,288	1,229,096	860,367		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	840,062	201,949	163,318		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	709,670	125,591	92,611		Subsidiary
President Chain Store Corp.	Uni-President Department Store Corp.	Taiwan	Department stores	840,000	840,000	27,999,999	70.00	527,745	203,819	142,673		Subsidiary
President Chain Store Corp.	Uni-President Superior Commissary Corp.	Taiwan	Fresh food manufacture	520,141	520,141	48,519,890	90.00	617,635	87,594	78,834		Subsidiary
President Chain Store Corp.	Uni-President Cold-Chain Corp.	Taiwan	Low-temperature logistics and warehousing	237,437	237,437	42,934,976	60.00	1,290,811	439,828	263,897		Subsidiary
President Chain Store Corp.	President Information Corp.	Taiwan	Enterprise information management and consultancy	320,741	320,741	25,714,475	86.00	513,102	115,912	99,684		Subsidiary
President Chain Store Corp.	Q-ware Systems & Services Corp.	Taiwan	Information software services	332,482	332,482	24,382,921	86.76	430,470	128,661	111,473		Subsidiary
President Chain Store Corp.	Wisdom Distribution Service Corp.	Taiwan	Logistics and storage of publication and e-commerce	50,000	50,000	73,100,000	100.00	1,271,428	366,417	366,232		Subsidiary
President Chain Store Corp.	Books.com. Co., Ltd.	Taiwan	Retail business without shop	100,400	100,400	9,999,999	50.03	250,727	23,673	11,836		Subsidiary
President Chain Store Corp.	President Lanyang Art Corporation	Taiwan	Art and cultural exhibition	20,000	20,000	2,000,000	100.00	24,857	24	24		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	234,666	210,699	107,457		Subsidiary
President Chain Store Corp.	ICASH Corp.	Taiwan	Electronic ticketing and electronic payment	700,000	700,000	70,000,000	100.00	372,047 (	47,007) (	47,007)		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	782,012	189,843	37,969		Note
President Chain Store Corp.	Uni-Wonder Corp.	Taiwan	Coffee chain store	3,286,206	3,286,206	21,382,674	60.00	4,874,066	759,875	362,729		Subsidiary
President Chain Store Corp.	Retail Support International Corp.	Taiwan	Room-temperature logistics and warehousing	91,414	91,414	6,429,999	25.00	174,842	207,242	51,810		Subsidiary
President Chain Store Corp.	Presicarre Corp.	Taiwan	Hypermarket and supermarket	12,554,991	7,112,028	223,343,556	30.00	9,864,735 (	1,373,349) (	1,825)		Note
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	2,272,693	502,243	95,426		Note
President Chain Store Corp.	President International Development Corp.	Taiwan	Professional investment	500,000	500,000	44,100,000	3.33	489,695	480,008	16,344		Note
President Chain Store Corp.	Tung Ho Development Corp.	Taiwan	Management of entertainment business	861,696	861,696	9,965,000	6.23	50,313 (	85,860) (	5,349)		Note
President Chain Store Corp.	Ren-Hui Investment Corp.	Taiwan	Professional investment	637,231	637,231	6,500,000	100.00 (	2,323) (	29,761) (	29,761)		Subsidiary
President Chain Store Corp.	Capital Marketing Consultant Corp.	Taiwan	Enterprise management consultancy	9,506	9,506	2,500,000	100.00	107,006	57,640	57,640		Subsidiary
President Chain Store Corp.	PCSC (China) Drugstore Limited	British Virgin Islands	Professional investment	277,805	277,805	8,746,008	92.20	72,985	4,503	4,152		Subsidiary
President Chain Store Corp.	President Chain Store Corporation Insurance Brokers Co., Ltd.	Taiwan	Insurance brokers	213,000	213,000	1,500,000	100.00	43,875	25,124	25,123		Subsidiary

Table 8

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, 2023

Expressed in thousands of NTD
(Except as otherwise indicated)

				Initial investment amount		Shares held as at December 31, 2023			Investment income (loss)		
Investor	Investee	Location	Main business activities	Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value	Net profit (loss) of the	Investment income (loss)	
									investee for the year ended December 31, 2023	recognized by the Company for the year ended December 31, 2023	Footnote
President Chain Store Corp.	Cold Stone Creamery Taiwan Ltd.	Taiwan	Sales of ice cream	\$ 170,000	\$ 170,000	12,244,390	100.00	\$ 50,224	\$ 15,352	\$ 15,352	Subsidiary
President Chain Store Corp.	President Being Corp.	Taiwan	Sports and entertainment business	170,000	170,000	1,500,000	100.00	(236,322)	(86,215)	(86,215)	Subsidiary
President Chain Store Corp.	21 Century Co., Ltd.	Taiwan	Operation of chain restaurants	160,680	160,680	10,000,000	100.00	187,991	1,863	1,862	Subsidiary
President Chain Store Corp.	President Chain Store Tokyo Marketing Corp.	Japan	Trade and enterprise management consultancy	35,648	35,648	9,800	100.00	93,315	12,165	12,165	Subsidiary
President Chain Store Corp.	Uni-President Oven Bakery Corp.	Taiwan	Bread and pastry retailer	681,300	681,300	29,000,000	100.00	(52,881)	(84,305)	(84,305)	Subsidiary
President Chain Store Corp.	President Collect Service Corp.	Taiwan	Collection agent	10,500	10,500	1,049,999	70.00	89,031	96,231	67,361	Subsidiary
President Chain Store Corp.	Mister Donut Taiwan Co., Ltd.	Taiwan	Bakery retailer	200,000	200,000	7,500,049	50.00	139,465	92,401	46,201	Note
President Chain Store Corp.	Uni-President Organics Corp.	Taiwan	Health care products and organic food	47,190	47,190	1,833,333	36.67	40,853	11,876	4,324	Note
President Chain Store Corp.	President Technology Corp.	Taiwan	Software development and telephone customer service	7,500	7,500	750,000	15.00	29,528	62,970	9,445	Note
President Chain Store Corp.	Connection Labs Ltd.	Taiwan	Other software and internet-related	202,963	202,963	21,722,779	100.00	(165,649)	(194,434)	(194,436)	Subsidiary
Capital Marketing Consultant Corp.	Uni-Capital Marketing Consultant Holding Co., Ltd.	British Virgin Islands	Professional investment	14,868	14,868	463,907	100.00	13,672	2,131	2,131	Subsidiary of a subsidiary
Capital Marketing Consultant Corp.	Uni-Sogood Marketing Consultant Philippines Corp.	Philippines	Enterprise management consultancy	22,632	-	40,000,000	100.00	17,572	(4,653)	(4,653)	Subsidiary of a subsidiary
Mech-President Corp.	Tong Ching Corporation	Taiwan	Gas station	9,600	9,600	960,000	60.00	18,548	8,680	5,208	Subsidiary of a subsidiary
President Chain Store (Hong Kong) Holdings Limited	PCSC (China) Drugstore Limited	British Virgin Islands	Professional investment	22,722	22,722	740,000	7.80	6,175	4,503	351	Subsidiary of a subsidiary
President Chain Store (BVI) Holdings Ltd.	President Chain Store (Labuan) Holdings Ltd.	Malaysia	Professional investment	2,197,231	2,197,231	71,559,390	100.00	3,892,375	1,079,857	1,079,857	Subsidiary of a subsidiary
President Chain Store (BVI) Holdings Ltd.	President Chain Store (Hong Kong) Holdings Limited	Hong Kong	Professional investment	4,782,516	4,782,516	134,603,354	100.00	2,774,751	(347,411)	(347,411)	Subsidiary of a subsidiary
President Chain Store (Labuan) Holdings Ltd.	Philippine Seven Corp.	Philippines	Convenience store	2,196,371	2,196,371	418,467,647	55.32	3,891,572	1,952,010	1,080,349	Subsidiary of a subsidiary
President Logistics International Corp.	Chieh Shun Logistics International Corp.	Taiwan	Trucking	180,000	180,000	26,670,000	100.00	339,207	29,533	29,533	Subsidiary of a subsidiary
President Pharmaceutical Corp.	President Pharmaceutical (Hong Kong) Holdings Limited	Hong Kong	Sales of various health care products, cosmetics, and pharmaceuticals	394,432	178,024	12,911,833	100.00	144,105	(43,856)	(43,856)	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Books.com. Co., Ltd.	Taiwan	Retail business without shop	-	-	1	-	-	23,673	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Uni-President Department Store Corp.	Taiwan	Department stores	-	-	1	-	-	203,819	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Mech-President Corp.	Taiwan	Gas station, installment and maintenance of elevators	-	-	1	-	-	201,949	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	President Information Corp.	Taiwan	Enterprise information management and consultancy	-	-	1	-	-	115,912	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	President Transnet Corp.	Taiwan	Delivery service	-	-	1	-	-	1,229,096	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Q-ware Systems & Services Corp.	Taiwan	Information software services	-	-	1	-	-	128,661	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Duskin Serve Taiwan Co., Ltd.	Taiwan	Cleaning instruments leasing and selling	-	-	1	-	-	210,699	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	President Pharmaceutical Corp.	Taiwan	Sales of various health care products, cosmetics, and pharmaceuticals	-	-	1	-	-	125,591	-	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, 2023

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2023				Net profit (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognized by the Company for the year ended December 31, 2023		Footnote
				Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value					
Ren-Hui Investment Corp.	Mister Donut Taiwan Co., Ltd.	Taiwan	Bakery retailer	\$ -	\$ -	1	-	\$ -		\$ 92,401	\$ -	-	Note
Ren-Hui Investment Corp.	Uni-President Superior Commissary Corp.	Taiwan	Fresh food manufacture	-	-	1	-	-		87,594	-	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Uni-President Cold-Chain Corp.	Taiwan	Low-temperature logistics and warehousing	-	-	1	-	-		439,828	-	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Retail Support International Corp.	Taiwan	Room-temperature logistics and warehousing	-	-	1	-	-		207,242	-	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	President Collect Service Corp.	Taiwan	Collection agent	-	-	1	-	-		96,231	-	-	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	(27,262)	(	33,079)	(	33,079)	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	67,956		43,920		22,399	Subsidiary of a subsidiary
Retail Support International Corp.	President Logistics International Corp.	Taiwan	Trucking	44,975	44,975	9,481,500	49.00	197,778		101,812		49,888	Subsidiary of a subsidiary
Retail Support Taiwan Corp.	President Logistics International Corp.	Taiwan	Trucking	5,425	5,425	1,161,000	6.00	24,218		101,812		6,109	Subsidiary of a subsidiary
Uni-President Cold-Chain Corp.	President Logistics International Corp.	Taiwan	Trucking	23,850	23,850	4,837,500	25.00	100,907		101,812		25,453	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	105,350	(	11,854)	(	11,854)	Subsidiary of a subsidiary
Wisdom Distribution Service Corp.	President Logistics International Corp.	Taiwan	Trucking	18,850	18,850	3,870,000	20.00	80,726		101,812		20,362	Subsidiary of a subsidiary
Philippine Seven Corp.	Convenience Distribution Inc.	Philippines	Logistic, warehousing and retail	24,947	24,947	12,500,000	100.00	24,947		39,918		-	Subsidiary of a subsidiary
Philippine Seven Corp.	Store Sites Holding, Inc.	Philippines	Professional investment	27,021	27,021	40,000	100.00	27,021		1,455		-	Subsidiary of a subsidiary

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

Table 9

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
Information on investments in Mainland China
For the year ended December 31, 2023

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, 2023	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net profit (loss) of investee for the year ended December 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the year ended December 31, 2023		Book value of investments in December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023	Footnote	
					Remitted to Mainland China	Remitted back to Taiwan				December 31, 2023	December 31, 2023				December 31, 2023
President Cosmed Chain Store (Shen Zhen) Co., Ltd.	Wholesale of merchandise	\$ 432,465	Note 1	\$ 289,158	\$ -	\$ -	\$ 289,158	\$ 4,760	100.00	\$ 4,759	\$ 79,126	\$ -	Note 2		
President Chain Store (Shanghai) Ltd.	Cvenience Store	3,027,255	Note 1	3,027,255	-	-	3,027,255	(211,130)	100.00	(211,135)	141,130	-	Note 2		
Shanghai President Logistic Co., Ltd.	Logistics and warehousing	61,410	Note 1	61,410	-	-	61,410	62,355	100.00	62,352	672,145	-	Note 2		
Shan Dong President Yinzuo Commercial Limited	Supermarkets	259,479	Note 1	125,226	-	-	125,226	(245,704)	55.00	(122,248)	(145,292)	7,983	Note 2		
President (Shanghai) Health Product Trading Company Ltd.	Sales of various health care products, cosmetics, and pharmaceuticals	385,574	Note 1	169,341	216,233	-	385,574	(41,910)	73.74	(30,905)	90,621	56,996	Note 2		
Zhejiang Uni-Champion Logistics Development Co., Ltd.	Logistics and warehousing	172,986	Note 1	171,993	-	-	171,993	(23,557)	80.00	(18,845)	168,936	26,171	Note 2		
President Chain Store (Taizhou) Ltd.	Logistics and warehousing	259,479	Note 1	259,479	-	-	259,479	39,907	100.00	39,908	483,476	-	Note 2		
President Logistic ShanDong Co., Ltd.	Logistics and warehousing	216,233	Note 1	216,233	-	-	216,233	423	100.00	423	233,172	-	Note 2		
President Chain Store (Zhejiang) Ltd.	Cvenience Store	908,177	Note 1	908,177	-	-	908,177	(192,477)	100.00	(192,482)	(32,190)	-	Note 2		
Beauty Wonder (Zhejiang) Trading Co.,Ltd.	Sales of cosmetics and daily items	259,479	Note 1	259,479	-	-	259,479	(37,984)	100.00	(37,985)	53,041	-	Note 2		
Uni-Capital Marketing Consultant Corp.	Enterprise management consultancy	12,974	Note 1	12,974	-	-	12,974	2,209	100.00	2,209	12,216	-	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, 2023	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.	\$ 5,121,849	\$ 9,863,940	\$ 28,708,440	
President Pharmaceutical Corp.	385,574	385,574	448,227	
Capital Marketing Consultant Corp.	12,974	12,974	80,000	
Uni-President Cold-Chain Corp.	91,115	91,115	1,278,487	
Ren-Hui Investment Corp.	52,914	52,914	80,000	

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
List of shareholders holding more than 5% (inclusive) of shares
December 31, 2023

Table 10

Shareholder name	Shares held as at December 31, 2023	
	Number of shares	Ownership (%)
Uni-President Enterprises Corp.	471,996,430	45.40

Note : The above information is provided by the Taiwan Depository & Clearing Corp.