

PRESIDENT CHAIN STORE CORPORATION



2023 ANNUAL REPORT

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Milestone Store for Offering Round-the-clock Service to Every Township in Taiwan

All-Day Service in Every Township



7-ELEVEN x K.Seren



No. 6711 7-ELEVEN Store



7-ELEVEN x Veggie Selection



Co-brand Store: 7-ELEVEN x Pompompurin & Cinnamoroll

Diverse Store Types

Create Infinite Possibilities



X-STORE 7 (7th Unmanned Store in Taiwan)





CITY TEA



Panini

Quality Assurance Taste Upgrade



CITY PRIMA (Premium Coffee)



CITY CAFE



Ohlala Delicious Pasta



Co-branded Fresh Food with Famous Chefs and Restaurants

Brand Creation

Value Enhancement



Veggie Selection



Fresh Groceries Lifestyle Structure

Diverse Product Mix

Seize Consumer Trends



Fresh Juice Bar



Pet's Products Special Zone



Foreign Imported Products

Differentiated Structure

Create New Business Opportunities



Soft-serve Ice Cream x Pudding



Slurpee

Beyond Physical Stores

Extend Service Scope



iPre-order (EC Platform) + iGroup-buying (Group Purchases)



My Ship Service (Self-owned E-service)



iOpen Mall (C2C Marketplace)

旅遊集點護照

OPEN POINT 綁定 Ponta 會員卡!

日本旅遊消費集 **Ponta** 點，
回台灣通通都可以轉成
OPENPOINT 喔!

4點 >> 1點 **OPEN POINT**

©OPENPOINT

©Ponta

OPENPOINT International Points Exchange

Digital Operation

Expand Membership Ecosystem



OPENPOINT Ecosystem



Plastic Reduction –
OPEN iECO Recycled Cups



Sustainable Circular Economy & Public Welfare -
Good Neighbor Cardboard Library

Planet Sustainability in Our Everyday Life



Public Welfare - What Time Is It? Café PLUS



Sustainable Agriculture Circular Graph



Sustainable Agriculture

添加低碳植米飯糰
(種植水稻減少30%用水量)

海瑞損丸 韓式炒飯飯糰
石安牧場 溏心蛋飯糰

Recycle & Regeneration Green Businesses

Recycle & Regeneration Green Businesses



Starbucks: 1st Greener Store Certificate in Taiwan
(Includes Water Circulation System and EV Charging Facilities etc.)



COSMED – Pharmacy Store

Grasp Consumption Trend of Aging Population



President Transnet Corp. - Pharmaceutical Logistics



Philippine 7-11 x I+? CAFE Reserve Concept Store

Provide Whole New Shopping Experience in Special Feature Store



Philippine 7-11 x Roasted Chicken



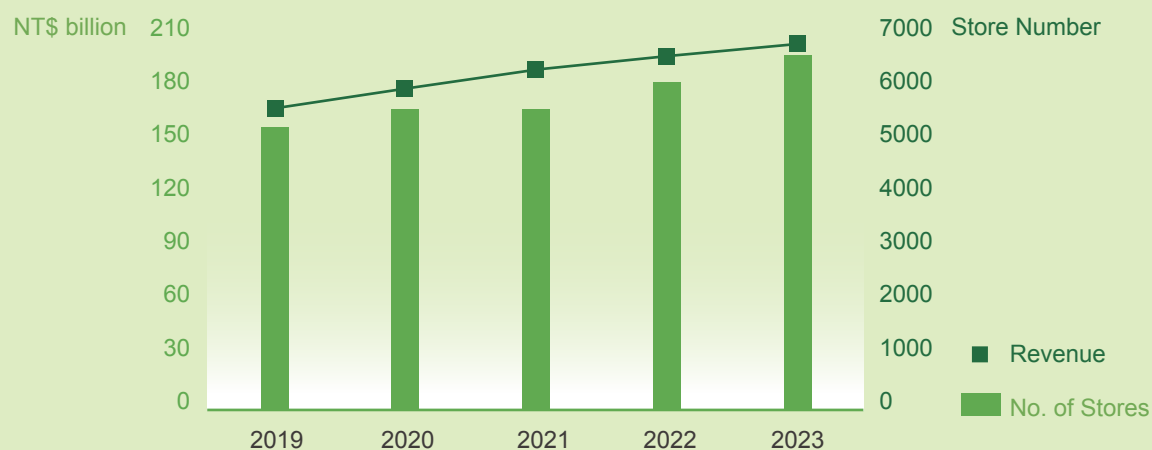
Starbucks

Overall Performance (alone)

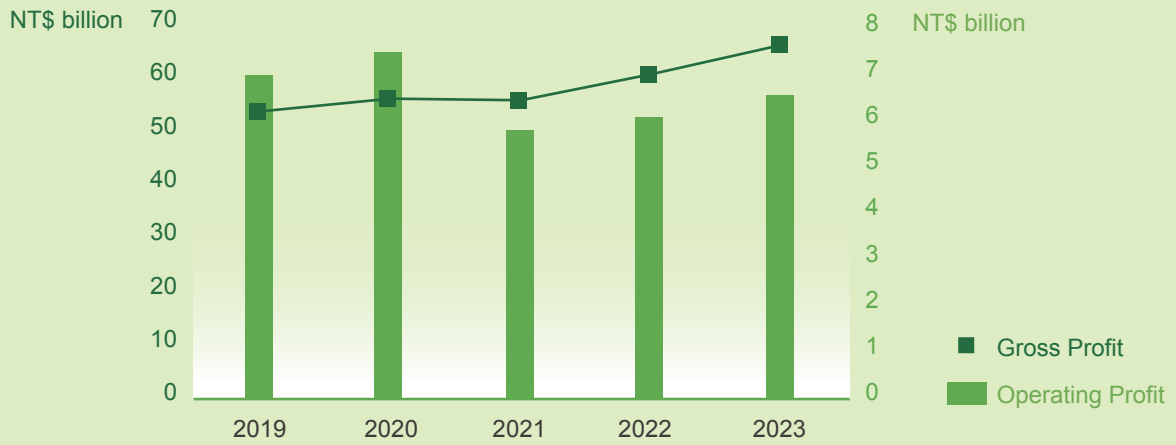
Item / Year (NT\$1,000)	2023	2022	YoY
Revenue	197,663,849	182,872,403	8.09%
Gross Profit	66,668,444	61,238,432	8.87%
Operating Profit	6,626,875	6,093,234	8.76%
Pre-tax Profit	12,480,398	10,722,264	16.40%
Net Profit	10,613,914	9,281,650	14.35%
EPS(NT\$)	10.21	8.93	—
Weighted Average Outstanding Shares	1,039,622,255	1,039,622,255	—

Financial Ratios	2023	2022
Gross Margin	33.73%	33.49%
Operating Expense Ratio	30.38%	30.16%
Operating Margin	3.35%	3.33%
Net Margin	5.37%	5.08%
ROA	6.66%	6.32%
ROE	28.57%	26.29%
Inventory Turnover	10.82 times	11.29 times
Fixed Asset Turnover	10.72 times	11.61 times

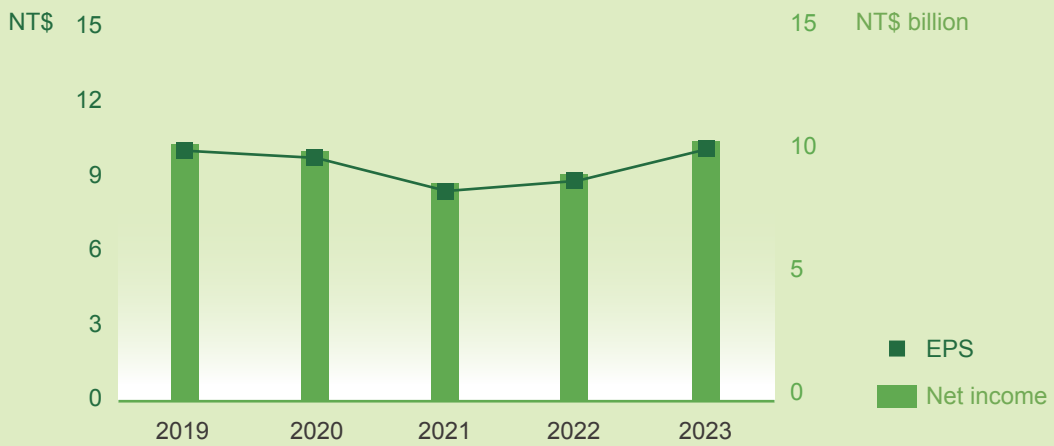
Total No. of Stores & Revenue



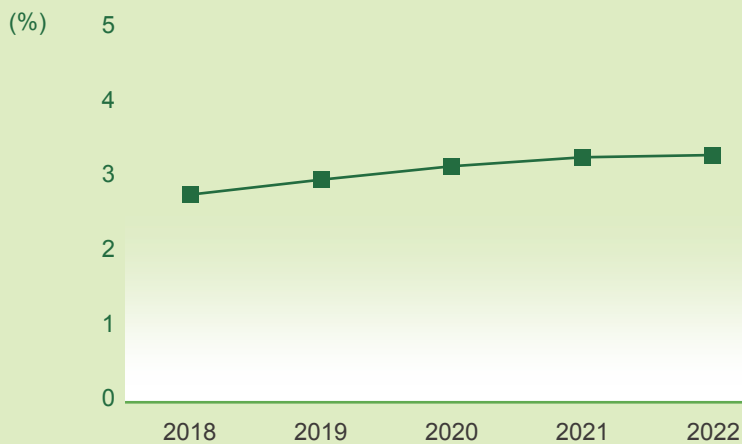
Gross Profit & Operating Profit



Net Income & EPS



Cash Dividend Yield



1 Letter to Shareholders



Chairman:
Lo, Chih-Hsien



President:
Huang, Jui-Tien

Dear Shareholders,

As the pandemic faded in 2023, we were able to hold large-scale events such as i- Sharing Christmas festival for the first time in three years, held simultaneously in the Taipei and Kaohsiung Dream Malls, as well as the balloon parade on Times Avenue in Kaohsiung and the OPEN!RUN road race. These occasions have provided opportunities to be grateful and reflect on what changed and didn't change in our lives since the pandemic. This period of turbulence and uncertainty has led to an irreversible shift in our business environment, operational models, and organizational behavior. In the face of these changes, all President Chain Store Corporation (PCSC) employees and franchisees are working hard to realize our core ideals as a lifestyle brand. Our goal is to build a lifestyle services platform, offering convenient products and services that meet customer needs, showing resilience and flexibility, and taking our business to create new milestones.

Thanks to the joint efforts of our various subsidiaries, PCSC's total consolidated revenue and net profit after tax reached NT\$317.04 billion and NT\$12.66 billion respectively in 2023. This is the first time in our history that annual revenue exceeded NT\$300 billion, as well as our second-highest annual profit ever (The highest, in 2017, was boosted by one-time gain from Starbucks transaction).

Operating Performance

PCSC has served Taiwan for over 45 years. With nearly 6,800 store locations, 7-Eleven connects all 368 townships and districts across Taiwan to the services they need. From the northernmost Dongyin store to the southernmost Eluanbi store, from the Shenmu store high in the mountains to the Lanyu store far away on an offshore island, we finally reached the milestone of offering round-the-clock service to every township in Taiwan in 2023. We have been actively developing smart retail with the opening of the "grab-and-go" smart convenience store X-Store 7. Using automatic sensing, real-time analysis, and mobile payment technologies, the store has completely eliminated checkout lines to create a smart shopping experience.

In terms of our products, we have continued to build our fresh food store brand with long-term strategic alliances with renowned restaurants and chefs to provide diverse and tasty dishes. We also worked with Michelin-starred brands to introduce creative and delicious vegetarian and vegan products, meeting customers' demand for healthy and nutritious food. For the CITY CAFE and CITY PRIMA (premium coffee) brands, we have continued to introduce a variety of flavors and co-branded products, giving customers a greater range of tastes to explore. With our mobile pickup service, we also created a more convenient experience that allows customers to order any time and pick up their order in-store. We have also launched the Slurpee, a classic favorite, and introduced soft-serve ice cream with new flavors such as Thai milk tea, mango, and Uni-President pudding. These became widely discussed and popular, praised as the perfect weekend treat. In terms of services, we have continued our collaboration with e-commerce platforms to provide the fastest and most comprehensive package delivery and pickup network in Taiwan. We also introduced "safe pickup" to provide customers with convenient and reliable service, and continued to drive growth with My Ship, our self-operated platforms.

In terms of digital development, we launched the all-new iOPEN Mall e-commerce platform, bringing together the OPENPOINT membership ecosystem, our wide-ranging logistics and warehouse network across Taiwan, and our 6,800 7-Eleven store locations to provide comprehensive and convenient service to both buyers and sellers. We also provide digital services like iPre-order (under the concept "CVS in e-commerce"), iGroup buying, and a food delivery platform to meet customer demand for an integrated online-offline shopping experience. In terms of our membership program,

we reached nearly 17 million OPENPOINT members in 2023, with continued growth in the share of revenue contributed by OPENPOINT members and the number of app downloads. PCSC is now also working with over 200,000 brands and retail channels to meet customer needs in a variety of lifestyle scenarios. We have also brought our membership program overseas for the first time, building a lifestyle services platform beyond customer expectations.

PCSC has expanded into various retail businesses both locally and overseas. These businesses complement each other to ensure that our operations remain stable and sustainable even in an era of rapid change. As of the end of 2023, PCSC and its subsidiaries operate a total of 12,552 retail locations. President Drugstore Business Corp. (Cosmed) is taking on new opportunities brought by the aging society and post-pandemic lifestyle changes to strengthen its drugstore and pharmacy business, as well as expanding into areas such as e-commerce. Uni-Wonder Corp. (Starbucks) is strengthening its membership program and digital experience, as well as solidifying its brand image through unique stores and freestanding locations. President Transnet Corp.(T-Cat) is taking advantage of post-pandemic trends to focus on low-temperature shipping and medical logistics to meet customer needs. 7-Eleven Philippines has recognized the opportunities brought by the post-pandemic recovery to expand the number of stores and continue to differentiate its products. 2023 also saw an important construction milestone for our Xinshi logistics park and the groundbreaking of our Taichung Port logistics park, heralding a new era in our logistics business. Facilitating a steady stream of goods that go where they are needed continues to be our mission and our goal.

Sustainable Development

PCSC has always recognized our responsibility to provide sustainable products and services. Guided by integrity, we have been proactive in working toward corporate sustainability. Our hard work has paid off: with our top-5% in the Taiwan Stock Exchange's corporate governance evaluation for nine consecutive years, listing on the Dow Jones Sustainability Index World Index for five consecutive years, A- rating from the Carbon Disclosure Project, and listing on the MSCI Index series and FTSE4Good Index series, our sustainability and governance have achieved international recognition.

In terms of corporate governance, we have established a Risk and Cybersecurity Management Committee under our board of directors, strengthening risk management and cybersecurity. We have also linked ESG performance with executive compensation, ensuring that ESG is integrated in our corporate culture and operational strategies and that our sustainability management goals can be achieved.

In terms of environmental friendliness, we have established four interdepartmental task forces for plastic reduction, carbon reduction, food waste management, and sustainable procurement. We have set medium- and long-term sustainability goals with regular performance assessments. In 2023, we established a sustainable farm, recycling coffee grounds produced in our stores into organic fertilizer for growing cabbage, transforming waste into riches. We have also increased the use of FSC-certified paper cups for our CITY brand fresh-brewed drinks, and we now provide OPEN iECO Recycled Cups Renting Service at over 1,000 stores as well as other food and beverage brands in the group; this is now the largest reusable cup network in Taiwan, allowing us to reduce the use of disposable plastic cups. In terms of climate change, we have led the industry in committing to net zero carbon emissions by 2050, paving the way for proactive responses in line with international norms.

In terms of giving back to society, we have continued to step up our philanthropic efforts in 2023 through expanding our collaboration with charity groups, improving our mobile app donation user experience, and diversifying our promotional efforts for charitable giving. We support nearly 100 charity groups and we have leveraged our 6,800 7-Eleven store locations to build a comprehensive charity-friendly network. Our fundraising capacity has grown by over 50%, and we continue to work to become an important lifestyle services platform in the minds of our customers.

Business Prospects

From the past, present to the future, every year is the best of times and the worst of times. Running a business is a marathon that has no finish line, and every year brings new challenges and opportunities. We will continue to invest in our future, particularly in transforming our organizational business models to adapt to the new digital-driven age, in order to establish a solid foundation for stable long-term growth.

PCSC will continue to strive for our mission of becoming the best retail business, providing the most convenient lifestyle services, and fulfilling our responsibilities as a good corporate citizen. With our three core focuses: happy company, prosperous society, and sustainable environment, we will devote every effort to provide more convenience to our customers, to maintain stable profits for our franchisees, to establish a fair and friendly work environment for our employees, and to create more value for our shareholders. In doing so, we can ensure satisfaction for our franchisees, our employees, our shareholders, and the public.

2 Corporate Overview

1.Date of Incorporation: June 10, 1987

2.Company History

1987	Formerly part of Uni-President Enterprises, President Chain Store Corporation (PCSC) was established as an independent entity.	2011	<ul style="list-style-type: none"> Following the devastating earthquake in Japan, PCSC and 16 affiliated companies launched a fundraising campaign to collect donations in our stores. 7-ELEVEN introduced the "ibon convenient purchasing" service, creating a new wholesale shopping platform via the ibon kiosk and ibon Mart online website. Taking the lead in the convenience store industry, 7-ELEVEN introduced the E-Invoice in stores throughout Taiwan.
1988	The Electronic Order System (EOS) gradually rolled out to enhance distribution efficiency and increase sales opportunities.	2012	<ul style="list-style-type: none"> 7-ELEVEN became the largest transportation ticket platform in Taiwan, with ibon offering tickets from the three major domestic carriers. Ninety percent of domestic air tickets can be purchased and paid for by credit card through ibon. Third generation of POS gradually implemented, accurately capturing customer trends and optimizing retail sales efficiency. Introduced "Taiwan's New Agriculture" program, establishing the 7-ELEVEN Photosynthetic Farm to provide farm-to-table traceability management, food safety transparency, and show our commitment to offering delicious food customers can trust. In a pioneering move, PCSC established a distribution industry quality-testing lab, resulting in an even more rigorous food safety mechanism for customers. For the 18th year in a row, PCSC was named one of CommonWealth Magazine's Top 10 Benchmark Enterprises. PCSC was also awarded the 2012 Digital Service Benchmark Enterprise Award by Business Next Magazine. In Global Views Magazine's Excellence in Corporate Social Responsibility Awards, the only company to be recognized in all of the following categories: Community Involvement, Promotion of Public Interest, and Overall Performance.
1989	PCSC became the third largest 7-ELEVEN chain in the world with the opening of our 300th store.	2013	<ul style="list-style-type: none"> Third generation of POS fully implemented across the Taiwan 7-ELEVEN network of stores. 7-ELEVEN began selling premium fruit and fresh produce in 1,000 stores. 7-ELEVEN product quality inspection labs received three different international certifications, further raising the bar on product inspection. President Transnet Corp. established the Comprehensive Distribution Center in Zhongli, gearing up for rapidly expanding market needs with the new center's large-scale, automated, highly efficient facilities. Released the film, "Bridge Over Troubled Water," nominated for Best Documentary in the 50th Golden Horse Film Festival. Established icash Corp., wholly undertaking the icash trademark's proprietary and management rights. icash proved itself as a versatile payment method applicable across different channels. In recognition of efforts to implement corporate social responsibility, PCSC and Starbucks Taiwan once again received the Excellent Green Retail Business Award from the Taipei City Government. Both enterprises were recognized as green brands in the Food and Beverage, Retail, and Food Services categories by Business Next Magazine.
1990	<ul style="list-style-type: none"> Established Retail Support International Corp. Held the first franchisee seminar, thereby launching the 7-ELEVEN franchise system in Taiwan. 	2014	<ul style="list-style-type: none"> 5000th store opened. Zhongli Fresh Food Commissary completed; together with Kaohsiung's Taisha Fresh Food Commissary, these facilities play an important role as regional distribution centers, efficiently handling the rising demand for takeout food. Mister Donut received a perpetual license to operate in the Taiwan market
1991	100th franchise store opened.	2015	<ul style="list-style-type: none"> 7-ELEVEN joined hands with Formosa Vegetable Organic Farm to offer "organic produce boxes" for preorder and sale at store branches. PCSC launched the internally-developed Material and Quality Assurance System and Laboratory Management System to keep track of information regarding suppliers, upgrade quality assurance management, and build a complete food security network. To capitalize on the B2C market for small value gifts, 7-ELEVEN launched iGift, enabling users to send electronic gift certificates through ibon kiosks and the ibon app. 7-ELEVEN Philippines opened its first store in the archipelago's southernmost island of Mindanao thereby becoming a truly national chain of 1,600 stores. Subsidiary President Chain Store (Taizhou) Ltd. was officially established to support the Company's medium and long-term logistic needs in eastern China.
1994	Established the joint venture Duskin Serve Taiwan Co.	2016	<ul style="list-style-type: none"> The introduction of CITY Fresh expanded the CITY CAFE brand into the tea market, providing customers more variety. PCSC and President Transnet Corp. began a technical collaboration with the Industrial Technology Research Institute, promoting iPickup Station, an intelligent self-pickup station in 7-ELEVEN store where packages are delivered and held, so recipients pick them up at their own convenience. icash2.0 was officially incorporated into the mass transportation payment system. OPENPOINT's range of applications increased, making life more convenient for customers. Uni-President Hankyu Department Store was renamed Uni-President Ustyle Department Store with a focus on "style", customers can expect a fresh new look and commitment to outstanding service. Wisdom Distribution Service Corp's third phase plant came online, allowing it to make full use of its logistics capabilities and further increasing its service efficiency and quality. Shanghai 7-ELEVEN opened its 100th store.
1995	<ul style="list-style-type: none"> 1000th store opened. Established President Drugstore Business Corp 		
1996	<ul style="list-style-type: none"> First generation of POS (Point-of-Sales) implemented to fully understand customers' demands and gather market intelligence. 		
1997	<ul style="list-style-type: none"> PCSC listed on the Taiwan Stock Exchange Established the joint venture President Coffee Corp. (renamed Uni-Wonder Corp.) 		
1999	<ul style="list-style-type: none"> Expanded into offshore islands such as Penghu and Kinmen to provide convenient services to local residents. 2000th store opened. Established Wisdom Distribution Corp., Uni-President Cold Chain Corp., and President Musashino Corp.(renamed Uni-President Superior Commissary Corp.) 		
2000	<ul style="list-style-type: none"> Signed perpetual area licensing agreement with 7-ELEVEN Inc. Acquired Philippine Seven Corp., extending operations to overseas. Established President Transnet Corp. 		
2002	<ul style="list-style-type: none"> Issued the company's first secured corporate bond in the amount of NT\$700 million. 3000th store opened. 7-ELEVEN lunch box meals certified by the Chinese Frozen Food Institute to meet CAS standards, making it the first lunch box in Taiwan certified to be stored at 18°C. 		
2003	<ul style="list-style-type: none"> 7-ELEVEN's lunch box awarded the International Marketing Communications Excellence Award 2002. PCSC opened our first retail stores in large shopping complexes. PCSC issued a second secured corporate bond in the amount of NT\$1.5 billion. 		
2004	<ul style="list-style-type: none"> Second generation of POS implemented. Launch of 7-ELEVEN icash stored-value card. 7-ELEVEN's lunch box products became the first convenience store boxed meals to meet national standards as confirmed by Consumers' Foundation health inspection. Established Mister Donut Taiwan Corp., and President Cosmed Chain Store (Shen Zhen) Co., Ltd. 		
2005	<ul style="list-style-type: none"> 4000th store opened. Officially expanded into the hypermarket business in China with acquirement of Shan Dong President Yinzuo Commercial Limited. Honored with the Executive Yuan's 2005 Taiwan Sustainable Development Award and the Ministry of Economic Affairs' first Green Accounting Award. 		
2006	<ul style="list-style-type: none"> With the launch of the ibon multimedia kiosk with eight major functions, including ticket sales, bill payments and mobile office services, PCSC achieved our vision of 7-ELEVEN as a community service center. Established subsidiaries UNI-PRESIDENT Department Store Corp., Cold Stone Creamery Taiwan Ltd., and Cold Stone (Shanghai) Corp. 		
2007	<ul style="list-style-type: none"> With 7-ELEVEN Light Down Eco-Campaign, over 4,000 stores shut off store lights during designated times in the summer months in a pioneering effort to fight global warming. The number of 7-ELEVEN CITY CAFE machines reached 1,000, making it the largest coffee chain in Taiwan. 		
2008	<ul style="list-style-type: none"> 7-ELEVEN entered the NT\$10 billion mobile telecommunications market by launching "OPEN Talk" prepaid cards. PCSC won the 2008 CommonWealth Corporate Citizenship Award and Global Views Magazine's Corporate Social Responsibility Award. As part of our ongoing efforts to promote environmental protection and energy conservation, PCSC began switching off all outdoor lighting at Taiwan 7-ELEVEN stores during the daytime, effectively reducing carbon emissions. 		
2009	Established President Chain Store (Shanghai) Corporation and signed a licensing agreement with 7-ELEVEN (China) Business Corporation, launching 7-ELEVEN stores in Shanghai.		
2010	<ul style="list-style-type: none"> Jointly launched "Easy Delivery" service, the first of its kind, with Ruten.com, which has become Taiwan's largest online auction marketplace. In an innovative move, "7Mobile" monthly rental service was officially launched with an eye towards customers looking for a minimum level of service or as a second mobile number. 7-ELEVEN was accredited as a "green store" by the Environmental Protection Administration and was awarded first place in the Taipei Gold Energy Saving Awards as we continue to strive towards becoming a green enterprise. 		

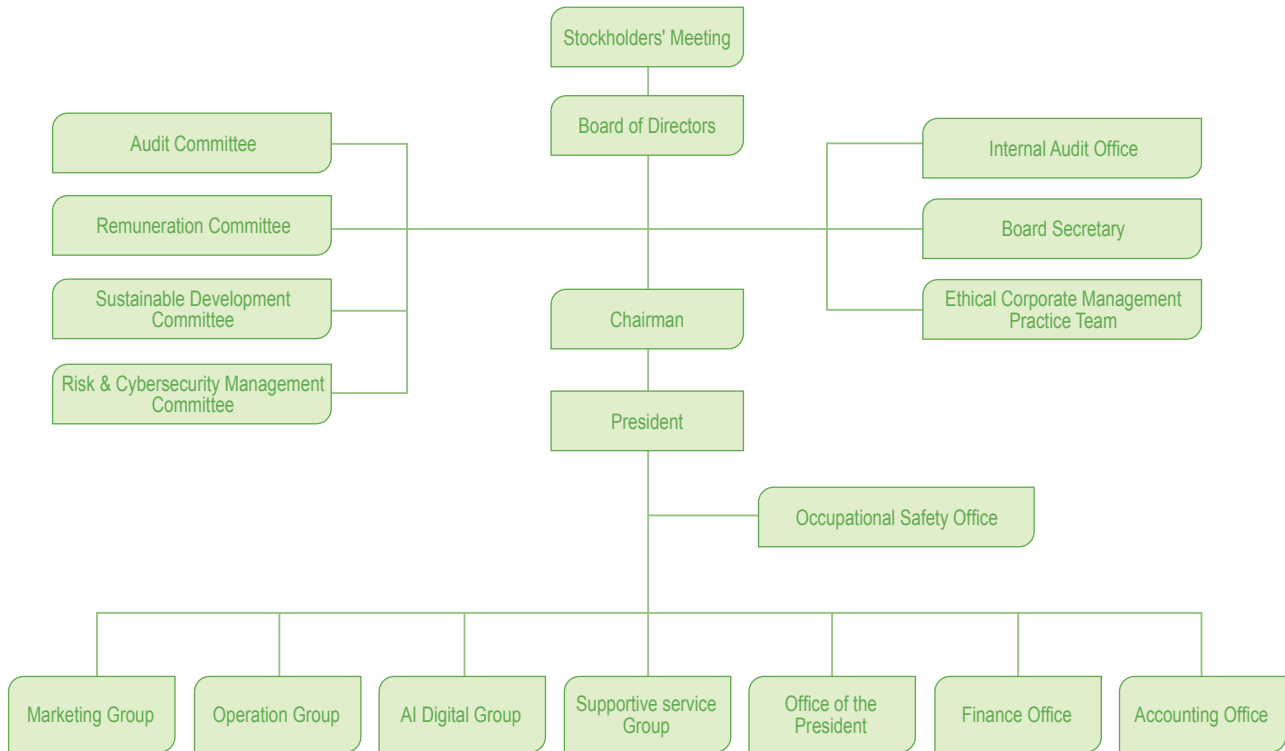
- 2017
- CITY CAFE Fresh Tea brand offered the first convenience store fresh brewed bubble tea series.
 - 7-ELEVEN introduced steamed Japanese oden, which preserves nutrition and flavor, to provide customers even more delicious and diverse food choices.
 - 7-ELEVEN and Cathay United Bank joined hands to launch credit card payment options in all stores.
 - PCSC opened our first "Store of the Future" at the Changye location.
 - Received official authorization to operate 7-ELEVEN in China's Zhejiang Province. We will bring a convenient shopping experience for local residents and achieve new milestones for our overseas business operations.
 - 7-ELEVEN Philippines opened our 2000th outlet, the LV Loosin store.
- 2018
- PCSC launched "X-Store", Taiwan's first convenience store, to integrate cutting-edge technology into a retail space. PCSC unveiled the future of convenience stores by integrating state-of-the-art technology and offered valuable services and a new customer experience.
 - 7-ELEVEN launched "smart vending machine", employing a mini store-in-store model, offering fresh food products at different temperatures to satisfy customers needs.
 - PCSC integrated internal resources to create combination 7-ELEVEN retail stores with concepts of beauty, fitness, bakery, or fast foods. In addition, PCSC launched its first "Big 7", a brand new store type of 7-ELEVEN that carries first premium coffee brand "I+? CAFE RESERVE" and products of Beauty, Bakery, Candy, and physical book store of Books.com. As we continue to strive to meet the needs of different business areas and provide customers with a rich shopping experience.
 - Brown sugar pearl milk tea was introduced in stores nationwide. In addition, CITY CAFE launched premium coffee products to meet customers' needs.
 - Established Beauty Wonder (Zhejiang) Trading Co., Ltd.
 - PCSC received ISO 14064-1 GHG Certification and ISO 45001 OH&S Certification, the only CVS operator received ISO 45001 Certification in Taiwan.
- 2019
- 7-ELEVEN has been working together in strategic partnerships with leading cross-industry brands and introducing co-brand stores as it continues to provide innovative consumer models to meet customer needs and to make shopping more fun.
 - 7-ELEVEN launched Myship, a C2C service which provides individual sellers a sound and guaranteed e-commerce trading platform for cash flow, material flow (logistics), and information flow services.
 - icash Corp. launched icash Pay, an e-payment system which provides online payments, money deposit, money transfer, and money withdrawal functions. icash Pay also connects member and point systems to the OPENPOINT to offer a more convenient shopping experience.
 - Starbucks is cooperating with online food delivery platform to provide customers with a faster and more convenient food delivery experience.
 - President Transnet Corp. established new Hualien plant, further expanding its support base and enhancing its service quality.
- 2020
- Using online and offline integration, 7-ELEVEN launched the "mobile anytime" and "i pre-order" platforms to create a comprehensive shopping experience and innovative services.
 - 7-ELEVEN focuses on CITY CAFE categories as coffee drinks, freshly brewed tea, our pearl drink series, and CITY PRIMA. 7-ELEVEN will use online tools such as "mobile anytime" to meet the needs and business opportunities of the digital age.
 - 7-ELEVEN has launched a frozen product pickup service and integrated with well-known night markets in Taiwan and online and offline business industry chains to create an economic sphere for the people.
 - 7-ELEVEN cooperates with the epidemic prevention policy to create the most convenient channel for pre-ordering and receiving masks and other epidemic prevention products across Taiwan. In response to the government's Triple Stimulus Vouchers, 7-ELEVEN launched discounts activities, allowing consumers to buy and take anytime.
 - 7-ELEVEN's own brand launched a "production and sales sustainability" plan, with "packaging material reduction", "planned production", and "i treasure", three innovative methods to halve leftover food by 2030 to realize sustainability and environmental protection.
- 2021
- PCSC has strengthened the function of OPEN POINT APP and launched a new intelligent group-purchasing function "iGroup-buying". Store managers maintained customer relationships through this function and shared different information depending on different business areas, allowing customers to get the latest information on activities and promotions through the group, attracting millions of members to join in.
 - PCSC entered the food delivery market and acquired the equity of Taiwan's local delivery platform Foodomo (Connection Labs Ltd.). PCSC integrated Group resources to show synergy and provide consumers with more diverse and fast products and services.
 - The opening of the "Fengyi Store" in Kaohsiung marked 7-ELEVEN's 6,000th store in Taiwan. The store design, a response to ESG sustainable development, incorporates the concept of green environmental protection and sustainable development.
 - 7-ELEVEN Philippines topped 3,000 stores as it has rapidly adapted to market changes, adjusted and optimized product structure, and strengthened digital services.
- 2022
- The Yawan branch (亞灣門市), the 10,000th 7-ELEVEN store in Asia, opened in Tainan. A fusion service platform showcasing Asia's life-style, it represents a new milestone bringing together products from around the world, a multi-brand/multi-functional experience, and sustainability.
 - 7-ELEVEN launched OPENIMART, a new type of complex store that integrates three categories of products, including local produce, premium frozen products, and seasonings from around the world, creating neighborhood "selection stores" offering 24-hour service.
 - 7-ELEVEN continued to build the OPEN POINT cross-channel ecosystem, with the number of members exceeding 15.5 million. We launched a subscription system and spending OPEN POINT Points toward bills collection to further enhance member loyalty. The OPEN POINT ecosystem also won the IDC Industry Ecosystems Innovation Award.
 - PCSC continued to work toward a sustainable circular economy, joining hands with President Packaging Ind. Corp. to create our own OPEN iECO cup borrow & return machines, the most expansive in the industry. We also worked with President Packaging Ind. Corp. to create "i circle", an efficient smart recycling machine, making it easy to implement green living.
 - Zhejiang 7-ELEVEN opened its 100th store in Hongtai Plaza, as it continued to expand its presence and provide differentiated products and services.
- 2023
- The opening of the 7-ELEVEN Luofu store in Fuxing Township, Taoyuan, symbolizes a new milestone. With more than 6,800 stores located in 368 cities and towns across Taiwan, 7-ELEVEN offers quality services and various life experiences.
 - 7-ELEVEN continued to build our smart retail footprint by opening X-STORE 7, an intelligent store that automatically detects and instantly analyzes products that consumers take from the shelves and stores them in a dedicated cloud shopping cart. Consumers can confirm the list of items through their cell phones and complete the mobile self-checkout before they leave the store, thus completely eliminating the need to queue up at the checkout.
 - 7-ELEVEN positioned itself as a "neighborhood kitchen", through own fresh food products such as "Star Rated Cuisine" and "Veggie Selection" to deeply explore the ready-to-eat, ready-to-drink and eating-out markets, driving the revenue of related categories to exceed the NT 40 billion mark for the first time; the revenue of the City brand series exceeded NT 17 billion for the first time, and the performance has grown every year.
 - PCSC have launched iOPEN Mall, the first local C2C market place, to bring micro-entrepreneurs abundant consumer sources, diversified marketing resources, and convenient delivery and pickup services. We provide the densest and most secure delivery and pickup service network in Taiwan.
 - There were approximately 17 million OPENPOINT members in 2023. We continue to expand the OPENPOINT ecosystem, points can be used to pay for food, clothing, living, transportation, education, and entertainment. We launched the "OPENPOINT Cross-border Travel Collector Passport", the first of its kind, to expand membership service overseas. It was recognized with the top National Brand Yushan Award.
 - To meet the ever-expanding demand for logistics, PCSC officially opened its Penghu Transshipment Center, the first multi temperature distribution center in the outlying islands. Logistics efficiency and service quality have been enhanced through the integration of resources to ensure that consumers residing in outlying islands can obtain products quickly and safely.
 - PCSC had completed the equity transaction of "PresiCarre Corp." The company now hold a total of 30% Shares after the transaction.
 - PCSC were the first to invest in "sustainable farms" and to launch a sustainable recycling program. Through a systematic recycling mechanism, coffee grounds are converted into organic fertilizers through agro-biotechnology and applied to contracted farms. The cabbage and Golden Sweet Corn are used in 7-ELEVEN's fresh food side dishes or sold fresh in our stores.
 - In response to carbon reduction and the promotion of green operations, PCSC along with the Society of Wilderness responded to Earth Hour by launching the largest light-off campaign in Taiwan. For the first time, PCSC joined hands with 8 major channel brands and more than 7,000 stores to respond to the Turn Off the Lights for One Hour campaign.
 - PCSC was selected as one of the top 250 retailers in the world by Deloitte for the ninth consecutive year.
 - PCSC was awarded A- in the CDP Climate Change Questionnaire for two consecutive year and was selected as a constituent of the Dow Jones Sustainability Index (DJSI) for the fifth consecutive year. We were ranked in the top 5% of corporate governance for ninth consecutive year, and were once again selected as a constituent of the MSCI ESG Leaders Index, the FTSE4Good Emerging Markets Sustainability Index, and the Taiwan Sustainability Index.
 - PCSC was recognized as a model in the Integrated Performance - Service Industry, the Philanthropy Promotion Group, the Social Innovation Group, and the Talent Development Group in the 2023 Vision ESG Corporate Sustainability Awards. PCSC received the TCSA Taiwan Corporate Sustainability Award for the seventh consecutive year, and won eight awards.
- 2024
- 7-ELEVEN Shanghai and Zhejiang Celebrate their 400th Store Milestone.
 - PCSC made the most of business opportunities in the tea and beverage market and continued to improve the quality of our tea. CITY TEA was awarded the ITQI 2-Star Award for excellent flavor for two consecutive years and is an internationally certified good tea.

3 Corporate Governance

1. Organization

(1) Organization Chart

Date: 29 February 2024



(2) Responsibilities of Key Groups:

- **Audit Committee:** Enhances Company's internal monitoring mechanism and assists the board of directors in decision-making.
- **Remuneration Committee:** Evaluates Company's remuneration policies and systems.
- **Sustainable Development Committee:** Planning and Implementation of Sustainable Development Policies.
- **Risk & Cybersecurity Management Committee:** Implement risk management and assess the company's risks and response measures.
- **Internal Audit Office:** Management and implementation of internal auditing and the internal control system.
- **Board Secretary:** Implement corporate governance and regulations, provide information to directors, and organize and held Board meetings and shareholders' meeting.
- **Ethical Corporate Management Practice Team:** Promotion of ethical policies and preventative measures.
- **Occupational Safety Office:** Management of staff safety and health
- **Marketing Group:** Taiwan 7-ELEVEN product development and marketing strategy planning.
- **Operation Group:** Operation and planning of Taiwan 7-ELEVEN stores.
- **AI Digital Group:** System management planning and digital innovation services.
- **Supportive service Group:** Management and planning of back office resource integration.
- **Office of the President:** Administration of strategic planning, operating management, human resources, engineering management, innovation, and new business opportunity.
- **Finance Office:** Management and planning of financial affairs and investor relations.
- **Accounting Office:** Management and planning of accounting and tax affairs.

2. Information on Directors and Management of the Company and Various Departments and Branches

(1) Information on directors:

1. Information on directors:

29 February 2024

Title	Nationality or Place of Registration	Name	Gender	Age		Date Elected to the Board	Term (years)	Date of Initial Election	Shares Held at Time of Election		Current Shareholdings		Shares Held by Spouse or Minor Children		Shareholding by Nominee Arrangements		Education and Experience (Note 3)	Positions Held Concurrently at PCSC and Other Companies	Spouse or Relatives Within the Second-Degree of Consanguinity also Holding Management, Directorial, or Supervisory Positions			Remark (Note 5)	
				51-60	61-70				Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship		
Director Institutional Shareholder	R.O.C	Uni-President Enterprises Corp.	-			2021.07.16	3	1987.06.10	471,996,430	45.40%	471,996,430	45.40%	-	-	-	-	-	-	-	-	-	-	-
Chairman (Representative)	R.O.C	Lo, Chih-Hsien (Note 1)	Male	v		2021.07.16	3	2000.06.15	1,032,215	0.10%	1,032,215	0.10%	1,044,139	0.10%	-	-	MBA, UCLA, USA	(Note 4)	Director	Kao, Shioh-Ling	Spouse	-	
Director Institutional Shareholder	R.O.C	Kao Chuan Investment Co., Ltd.	-			2021.07.16	3	2009.06.10	5,176,775	0.50%	5,176,775	0.50%	-	-	-	-	-	-	-	-	-	-	
Director (Representative)	R.O.C	Kao, Shioh-Ling (Note 2)	Female	v		2021.07.16	3	2010.03.20	1,044,139	0.10%	1,044,139	0.10%	1,032,215	0.10%	-	-	Marquette College, USA	(Note 4)	Chairman	Lo, Chih-Hsien	Spouse	-	
Director (Representative)	R.O.C	Chen, Jui-Tang (Note 1)	Male	v		2021.07.16	3	2012.06.21	13,652	0.00%	13,652	0.00%	-	-	-	-	BA, Dept. of Economics, National Taiwan University	(Note 4)	-	-	-	-	
Director (Representative)	R.O.C	Huang, Jui-Tien (Note 1)	Male	v		2021.07.16	3	2015.06.18	15,391	0.00%	15,391	0.00%	-	-	-	-	Master Degree in Marketing, National Kaohsiung First University of Science and Technology	(Note 4)	-	-	-	-	
Director (Representative)	R.O.C	Huang, Jau-Kai (Note 1)	Male	v		2021.07.16	3	2015.06.18	-	-	-	-	-	-	-	-	Accounting, Shih Chien University	(Note 4)	-	-	-	-	
Director (Representative)	R.O.C	Su, Tsung-Ming (Note 1)	Male	v		2021.07.16	3	2008.02.14	-	-	-	-	-	-	-	-	MBA, University of Iowa, USA	(Note 4)	-	-	-	-	
Director (Representative)	R.O.C	Wu, Liang-Feng (Note 1)	Male	v		2021.07.16	3	2018.02.24	-	-	-	-	-	-	-	-	BA in Japanese, Tamkang University	(Note 4)	-	-	-	-	
Director (Representative)	R.O.C	Wu, Kun-Lin (Note 1)	Male	v		2021.07.16	3	2017.11.02	-	-	-	-	-	-	-	-	BBA in Business Administration, National Cheng Kung University	(Note 4)	-	-	-	-	
Director (Representative)	R.O.C	Wu, Tsung-Pin (Note 1)	Male	v		2021.07.16	3	2012.06.21	-	-	-	-	-	-	-	-	Accounting, Chung Yuan Christian University	(Note 4)	-	-	-	-	
Director (Representative)	R.O.C	Wu, Wen-Chi (Note 1)	Female	v		2021.07.16	3	2015.06.18	556	0.00%	556	0.00%	737	0.00%	-	-	BA, School of Accountancy, University of Missouri at Columbia, USA	(Note 4)	-	-	-	-	
Independent director	R.O.C	Hsu, Ke-Wei	Male	v		2021.07.16	3	2021.07.16	-	-	-	-	-	-	-	-	Master of Laws (LL.M.), University of Pennsylvania Law School ; Master of Business of Administration (MBA), University of Pennsylvania Wharton School	(Note 4)	-	-	-	-	
Independent director	R.O.C	Chen, Liang	Male	v		2021.07.16	3	2021.07.16	-	-	-	-	-	-	-	-	MBA, Baruch College of CUNY	(Note 4)	-	-	-	-	
Independent director	R.O.C	Hung, Yung-Chen	Male	v		2021.07.16	3	2018.06.12	-	-	-	-	-	-	-	-	PhD, Information Engineering, National Taiwan University	(Note 4)	-	-	-	-	

Note 1: Representative of Uni-President Enterprises Corp.

Note 2: Representative of Kao Chuan Investment Co., Ltd.

Note 3: For more information on the experience of directors (including independent directors), please refer to the Positions Concurrently Held by Directors (including Independent Directors) in Other Companies table on page 104 of this report.

Note 4: For more information on the positions held by directors (including independent directors), please refer to the Positions Concurrently Held by Directors (including Independent Directors) in Other Companies table on page 104 of this report.

Note 5: The relationship between the Chairman and President of the company is not the same person, spouse, or first-degree relatives.

Note 6: As of 29 February 2024, average tenure of incumbent directors is 9 years and 8 months.

2. Directors are representatives of institutional shareholders. The top ten major shareholders in such institutional shareholders (including % of stocks held) are as follows:

11 August 2023

Name of Institutional Shareholder	Principal Shareholders in PCSC Institutional Shareholders
Uni-President Enterprises Corp.	Kao Chuan Investment Co., Ltd. (5.00%); Cathay Life Insurance Co., Ltd. (4.52%); BNP Paribas - Hong Kong Branch (3.02%); Hou, Po-Ming (2.60%); Hou, Po-Yu(2.27%); Chunghwa Post Co., Ltd. (1.91%); New Labor Pension Fund (1.83%); Government of Singapore (1.68%); Kao,Shiow-Ling (1.64%); Labor Pension Fund Supervisory Committee-Labor Retirement Fund (1.44%)
Kao Chuan Investment Co., Ltd.	Infinity Holdings Ltd.(51.11%); Eternity Holdings Ltd.(48.89%)

3. Below is a list of the top 10 shareholders (including % of stocks held) in the principal shareholders in PCSC institutional shareholders listed above who are themselves institutional shareholders:

31 December 2023

Name of Institutional Shareholder	Principal Shareholders in Institutional Shareholders
Cathay Life Insurance	Cathay Financial Holdings Co., Ltd.(100%)
Chunghwa Post Co., Ltd.	Ministry of Transportation and Communications ,(100%)
Infinity Holdings Ltd.	Kao, Shiow-Ling (55.91%); Lo, Chih-Hsien (20.27%); Kao, Han-Di (5.58%); Kao, Tsu-Yi (5.58%); Lo, Hsi-Ai (5.58%);Klassical Celestially Holding Ltd. (7.08%)
Eternity Holdings Ltd.	Kao, Shiow-Ling (70.77%); Lo, Chih-Hsien (21.18%); Kao, Han-Di (2.35%); Kao, Tsu-Yi (1.72%); Lo, Hsi-Ai (1.57%); Klassical Celestially Holding Ltd.(2.41%)

4. Disclosure of Professional Qualifications of Directors and Independence of Independent Directors

Qualifications	Professional qualifications and experience (Note1)	Independence	Number of independent directorships held in other public companies
Name			
Lo, Chih-Hsien	Current position: Chairman of Uni-President Enterprise Corp. Education : MBA, UCLA, U.S.A Experience : President of Uni-President Enterprise Corp.		-
Kao, Shiow-Ling	Current position : Chairman of Kao Chuan Inv. Co., Ltd. Education : Marymount College U.S.A. Experience : Director of President Chain Store Corp.		-
Chen, Jui-Tang	Current position : Director of President Chain Store Corp. Education : BA, Dept of Economics, National Taiwan University Experience : Special Assistant to Chairman of President Chain Store Corp.		-
Huang, Jui-Tien	Current position : President of President Chain Store Corp. Education : Master Degree in Marketing, National Kaohsiung First University of Science and Technology Experience : Director of President Chain Store Corp.		-
Huang, Jau-Kai	Current position : President of Uni-President Enterprise Corp. Education : Accounting, Shih Chien University Experience : Director of Ton Yi Industrial Corp.		-
Su, Tsung-Ming	Current position : Director of President Chain Store Corp. Education : MBA, Iowa State University, USA Experience : Chief Financial Officer of Uni-President Enterprise Corp.		1
Wu, Liang-Feng	Current position : Director of President Chain Store Corp. Education : Japanese, Tamkang University, Experience : Director of Ttet Union Corporation		-
Wu, Kun-Lin	Current position : Director of President Chain Store Corp. Education : Business Administration, National Cheng Kung University Experience : Director of President Nisshin Corp.		-

Qualifications Name	Professional qualifications and experience (Note1)	Independence	Number of independent directorships held in other public companies
Wu, Tsung-Pin	Current position : Director of President Chain Store Corp. Education : Accounting, Chung Yuan Christian University Experience : Supervisor of Tait Marketing & Distribution Co., Ltd.		-
Wu, Wen-Chi	Current position : Chief Financial Officer of President Chain Store Corp. Education : BA, School of Accountancy, University of Missouri at Columbia, USA Experience : Director of President Chain Store Corp.		-
Hsu, Ke-Wei	Current position: Independent Director of Nidec Chaun-Choung Technology Corp. ; legal consultant of Holding Disp. Co., Ltd., Education : Master of Laws (LL.M.), University of Pennsylvania Law School ; Master of Business of Administration (MBA), University of Pennsylvania Wharton School Experience : General Counsel and legal advisor of Neobards Entertainment Ltd., Senior Consultant of Jones Day International Law Firm	In accordance with the Law, the Company has obtained a written statement from independent directors Hsu, Ke-Wei confirming that they, their spouses, second degree relatives, etc., are not directors, supervisors or employees of the Company or any of its affiliates. No independent directors, their spouses, or their relatives within the second degree of relatives (or by using the names of others) hold any shares in the Company. Not an independent director is a director, supervisor or employee of a company with which the Company has a specific relationship. No independent directors have provided business, legal, financial or accounting services to the Company or its affiliates in the last two years.	1
Chen, Liang	Current position: Chairman of Peak Capital Holdings Inc. and Co-Center Company Ltd. Education : MBA, Baruch College of CUNY Experience : Supervisor of FIRST COMMERCIAL BANK CO., LTD.	In accordance with the Law, the Company has obtained a written statement from independent directors Chen, Liang confirming that they, their spouses, second degree relatives, etc., are not directors, supervisors or employees of the Company or any of its affiliates. No independent directors, their spouses, or their relatives within the second degree of relatives (or by using the names of others) hold any shares in the Company. Not an independent director is a director, supervisor or employee of a company with which the Company has a specific relationship. No independent directors have provided business, legal, financial or accounting services to the Company or its affiliates in the last two years.	-
Hung, Yung-Chen	Current position: Director of Hua Vi Venture Capital Corp.; Director of Kinpo Electronics Inc. Education : Ph.D. in Information Engineering, National Taiwan University Experience : Professor, the Department of Computer Science and Information Management, Soochow University ; Arbitrator of Chinese Arbitration Association Taipei, Arbitrator of Shanghai International Economic and Trade Arbitration Commission, Dispute Reviewer of Beijing Arbitration Commission.	In accordance with the Law, the Company has obtained a written statement from independent directors Hung, Yung-Chen confirming that they, their spouses, second degree relatives, etc., are not directors, supervisors or employees of the Company or any of its affiliates. No independent directors, their spouses, or their relatives within the second degree of relatives (or by using the names of others) hold any shares in the Company. Not an independent director is a director, supervisor or employee of a company with which the Company has a specific relationship. No independent directors have provided business, legal, financial or accounting services to the Company or its affiliates in the last two years.	-

Note 1 : Professional qualifications and experience: The company did not comply with the provisions of Article 30 of the Companies Act.

5. Board Diversity and Independence :

(A) Board Diversity:

- To strengthen the functions of the Board of Directors and to promote the sound development of the composition and structure of the Board of Directors, the Company has established a diversity policy in Corporate Governance Best Practice Principles and the Procedures for Election of Directors.
- In accordance with the Corporate Governance Best Practice Principles and the Procedures for Election of Directors, the composition of the Board of Directors takes into consideration the diversity policy. In addition to the fact that the number of directors who are also managers of the Company shall not exceed one-third of the number of directors, the Company shall formulate appropriate diversity policies with respect to its own operations, business model and development needs, including but not limited to the following two major criteria to ensure that the directors of the company meet specific management objectives of professionalism and diversity:
 - Basic conditions and values: gender, age, etc.
 - Professional knowledge and skills: professional background, professional skills and industry experience, etc.
- Please refer to the composition and duties of the Board of Directors in P.35 “Differences between Company policy and Corporate Governance Best-Practice Principles for TSE/ GTSM Listed Companies and reasons for differences” of the annual report for the implementation of diversity of the Company's board of directors.
- In accordance with Article 20 of the Corporate Governance Best Practice Principles of the Company, the Board of Directors as a whole shall have the following competencies:
 - Operational judgement
 - Accounting and financial analysis skills
 - Administration Capability
 - Crisis Management Capability
 - Industry knowledge
 - International Markets perspectives
 - Leadership and
 - Decision-making capability.

The diversity of individual director: (Note 1)

(B) Independence of the Board of Directors:

The Company has three independent directors, accounting for 23% of the total number of directors in accordance with the Company's regulations. The Company also conducts a qualification check and issues a declaration letter for each independent director at the time of election, and obtains a declaration letter for each independent director's independence and concurrent employment requirements, confirming that there are no circumstances specified in Items 3 and 4 of Article 26-3 of the Securities and Exchange Act. More than half of the directors of the Company are not related to each other as spouses or second degree relatives. None of the independent directors are related to each other as described in the preceding paragraph. (Note 2)

Note 1 : Diversity of individual directors

Item Director Name	Gender	Academic Background	1	2	3	4	5	6	7	8
			Operational judgement	Accounting and financial analysis skills	Administration	Crisis Management	Industrial Knowledge	International Markets perspectives	Leadership	Decision-making
Lo, Chih-Hsien	Male	Business Administration	V	V	V	V	V	V	V	V
Kao, Shiow-Ling	Female	Business	V		V	V	V	V	V	V
Chen, Jui-Tang	Male	Economics	V	V	V	V	V	V	V	V
Huang, Jui-Tien	Male	Marketing and retail management	V	V	V	V	V	V	V	V
Huang, Jau-Kai	Male	Business	V	V	V	V	V	V	V	V
Su, Tsung-Ming	Male	Business Administration	V	V	V	V	V	V	V	V
Wu, Liang-Feng	Male	Japanese	V	V	V	V	V	V	V	V
Wu, Kun-Lin	Male	Business Administration	V	V	V	V	V	V	V	V
Wu, Tsung-Pin	Male	Finance and Accounting	V	V	V	V	V	V	V	V
Wu, Wen-Chi	Female	Finance and Accounting	V	V	V	V	V	V	V	V
Hsu, Ke-Wei	Male	Law/ Business Management	V	V	V	V	V	V	V	V
Chen, Liang	Male	Business Administration	V	V	V	V	V	V	V	V
Hung, Yung-Chen	Male	Information management	V	V	V	V	V	V	V	V

Note 2 : Independence and Professional Expertise of Board Members:

Item	Has over 5 years of work experience and the below professional qualifications			Independence Ranking (Note)												Number of independent directorships held in other public companies
	Has over 5 years of work experience and the below professional qualifications	Holds a license, obtained through national examination, for the position of judge, district attorney, lawyer, accountant, or similar	Work experience in business, law, finance, accounting or company operations	1	2	3	4	5	6	7	8	9	10	11	12	
Name	Has over 5 years of work experience and the below professional qualifications	Holds a license, obtained through national examination, for the position of judge, district attorney, lawyer, accountant, or similar	Work experience in business, law, finance, accounting or company operations	1	2	3	4	5	6	7	8	9	10	11	12	Number of independent directorships held in other public companies
Lo, Chih-Hsien			V												V	–
Kao, Shioh-Ling			V	V											V	–
Chen, Jui-Tang			V			V		V	V	V			V	V		–
Huang, Jui-Tien			V			V							V	V		–
Huang, Jau-Kai			V			V							V	V		–
Su, Tsung-Ming		V	V			V							V	V		1
Wu, Liang-Feng			V			V							V	V		–
Wu, Kun-Lin			V			V							V	V		–
Wu, Tsung-Pin			V			V							V	V		–
Wu, Wen-Chi			V			V		V	V	V			V	V		–
Hsu, Ke-Wei			V	V	V	V	V	V	V	V	V	V	V	V	V	1
Chen, Liang			V	V	V	V	V	V	V	V	V	V	V	V	V	–
Hung, Yung-Chen	V	V	V	V	V	V	V	V	V	V	V	V	V	V	V	–

Note: All board members met with the following conditions for the two years leading up to assuming their posts and while they held their posts. Please place a tick mark "V" in the box under number that represents their situation.

- (1) Not an employee of the company or any of its affiliates;
- (2) Not a director or supervisor of the company or any of its affiliates.;
- (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the company or ranks as one of its top ten shareholders;
- (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the officer in the preceding 1 subparagraph, or of any of the above persons in the preceding subparagraphs 2 and 3;
- (5) Not a director, supervisor, or employee of a corporate/institutional shareholder that directly holds five percent or more of the total number of issued shares of the company, ranks as of its top five shareholders, or has representative director(s) serving on the company's board based on Article 27 of the Company Law.
- (6) Not a director, supervisor, or employee of a company of which the majority of board seats or voting shares is controlled by a company that also controls the same of the company;
- (7) Not a director, supervisor, or employee of a company of which the chairman or CEO (or equivalent) themselves or their spouse also serve as the company's chairman or CEO (or equivalent);
- (8) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares of a specified company or institution that has a financial or business relationship with the company;
- (9) Other than serving as a compensation committee member of the company, not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to the company or to any affiliate of the company, or a spouse thereof, and the service provided is an "audit service" or a "non-audit service which total compensation within the recent two years exceeds NTD500,000";
- (10) Not having a marital relationship, or a relative within the second degree of kinship to any other director of the company;
- (11) Not been a person of any conditions defined in Article 30 of the Company Law; and
- (12) Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law.

(2) Information on the company president, senior vice presidents, vice presidents, and division heads:

29 February 2024

Title	Nationality	Name	Gender	Date Assumed Current Position	Current Shareholdings		Shares Held by Spouse or Minor Children		Shareholding by Nominee Arrangements		Education and Experience (Note 1)	Positions Held Concurrently at Other Companies	Spouse or Relatives Within the Second-Degree of Consanguinity also Holding Management, Directorial, or Supervisory Positions			Remark (Note 3)
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
President	R.O.C	Huang, Jui-Tien	Male	2018.06.20	15,391	0.00%	–	–	–	–	Master Degree in Marketing, National Kaohsiung First University of Science and Technology	(Note 2)	–	–	–	–
Vice President	R.O.C	Hsieh, Lien-Tang	Male	2012.08.01	–	–	113	0.00%	–	–	BA, Business Administration, Chinese Culture University	(Note 2)	–	–	–	–
Vice President	R.O.C	Lin, Chi-Chang	Male	2013.01.01	717	0.00%	–	–	–	–	BA, Social Work, Soochow University	(Note 2)	–	–	–	–
Vice President	R.O.C	Chang, Chia-Hua	Male	2020.10.30	–	–	3,411	0.00%	–	–	MBA, National Taiwan University	(Note 2)	–	–	–	–
Chief Financial Officer (Vice President)	R.O.C	Wu, Wen-Chi	Female	2010.04.01	556	0.00%	737	0.00%	–	–	BA, Accounting, University of Missouri, USA	(Note 2)	–	–	–	–
Chief Accounting Officer (Vice President)	R.O.C	Lee, Johnyih	Male	2020.08.15	–	–	–	–	–	–	MA, Finance, Texas A&M University, USA	(Note 2)	–	–	–	–
Vice President	R.O.C	Kuo, Ching-Feng	Male	2022.05.26	2,000	0.00%	–	–	–	–	BA, Management Science, National Chiao Tung University	(Note 2)	–	–	–	–
Vice President	R.O.C	Lee, Tsung-Hsien	Male	2022.05.26	–	–	–	–	–	–	BA, Business Administration, Soochow University	(Note 2)	–	–	–	–
Vice President	R.O.C	Lu, Yung-Wei	Male	2022.05.26	1,000	0.00%	–	–	–	–	MA, Animal Science and Technology, National Taiwan University	(Note 2)	–	–	–	–
Vice President	R.O.C	Lua, Wen Ji	Male	2023.12.13	–	–	–	–	–	–	Master of Laws, Tunghai University	(Note 2)	–	–	–	–
Project Vice President	R.O.C	Hsieh, Kuan-Hung	Male	2018.01.01	1,838	0.00%	29,285	0.00%	–	–	BA, Food and Nutrition, Fu Jen University	(Note 2)	–	–	–	–
Project Vice President	R.O.C	Wu, Hui-Chen	Male	2019.03.01	–	–	–	–	–	–	BA, Business Administration, Tunghai University	(Note 2)	–	–	–	–
Project Vice President	R.O.C	Chang, Kuo-Kuang	Male	2019.08.02	–	–	–	–	–	–	Master Degree in Marketing, National Kaohsiung First University of Science and Technology	(Note 2)	–	–	–	–
Corporate Governance Officer	R.O.C	Chao, Chungchao	Male	2023.05.03	10	0.00%	–	–	–	–	Master Degree in Financial and Economic Law, Chung Yuan Christian University	–	–	–	–	–

Note 1: For more information on the background of Company management, please refer to the Positions Concurrently Held by Management in Other Companies table on page 106 of this report.

Note 2: For the list of positions held by the management team in other companies, please refer to the Positions Concurrently Held by Management in Other Companies table on page 106 of this report.

Note 3: The relationship between the Chairman and President of the company is not the same person, spouse, or first-degree relatives.

(3) Remuneration paid to Company directors, president, and senior vice presidents over the past year

1. Directors and Independent Directors remuneration:

31 December 2023 / Unit: NT\$1000

Title	Name	Director Remuneration								Summation of A, B, C, and D and as a % of After-Tax Income				Compensation to Directors Also Serving as Company Employees				Summation of A,B,C, D, E, F and G and as a % of After-Tax Income				Compensation from parent company and affiliates other than subsidiaries (Note 3)				
		Remuneration (A)		Pensions (B)		Director Earnings Distribution (C)		Business Expenses (D)		PCSC	PCSC proportion	All consolidated companies	All consolidated companies	Salary, Bonuses, and Special Allowance (E) (Note 1)		Pensions (F)		Employee Earnings Distribution (G) (Note 2)		PCSC	PCSC proportion		All consolidated companies	All consolidated companies		
		PCSC	All consolidated companies	PCSC	All consolidated companies	PCSC	All consolidated companies	PCSC	All consolidated companies					PCSC	All consolidated companies	PCSC	All consolidated companies	Cash	Stock						Cash	Stock
Director Institutional Shareholder	Uni-President Enterprises Corp.	1,440	1,800	-	-	176,669	181,491	-	-	178,109	1.68%	183,291	1.73%	-	-	-	-	-	-	-	-	178,109	1.68%	183,291	1.73%	13,689
Director Institutional Shareholder	Kao Chuan Investment Co., Ltd.	-	-	-	-	16,826	16,826	300	300	17,126	0.16%	17,126	0.16%	-	-	-	-	-	-	-	-	17,126	0.16%	17,126	0.16%	119,283

*In addition to above information, remuneration to Directors who provide services to PCSC or consolidated companies: None.

Note 1: Includes car leasing expenses for managers.

Note 2: Earnings distribution for 2023 has not yet been approved by general shareholders meeting. These figures are based on the proposal approved by the Board.

Note 3: Compensation received for directors and supervisors of parent company and affiliated enterprises that are not consolidated into the financial statement.

31 December 2023 / Unit: NT\$1000

Title	Name	Director Remuneration								Summation of A, B, C, and D and as a % of After-Tax Income				Compensation to Directors Also Serving as Company Employees				Summation of A,B,C, D, E, F and G and as a % of After-Tax Income				Compensation from parent company and affiliates other than subsidiaries (Note 5)				
		Remuneration (A)		Pensions (B)		Director Earnings Distribution (C)		Business Expenses (D)		PCSC	PCSC proportion	All consolidated companies	All consolidated companies	Salary, Bonuses, and Special Allowance (E) (Note 3)		Pensions (F)		Employee Earnings Distribution (G) (Note 4)		PCSC	PCSC proportion		All consolidated companies	All consolidated companies		
		PCSC	All consolidated companies	PCSC	All consolidated companies	PCSC	All consolidated companies	PCSC	All consolidated companies					PCSC	All consolidated companies	PCSC	All consolidated companies	Cash	Stock						Cash	Stock
Chairman (Representative)	Lo, Chih-Hsien (Note 1)																									
Director (Representative)	Kao, Shioh-Ling (Note 2)																									
Director (Representative)	Chen, Jui-Tang (Note 1)																									
Director (Representative)/ President	Huang, Jui-Tien (Note 1)																									
Director (Representative)	Huang, Jui-Kai (Note 1)																									
Director (Representative)	Su, Tsung-Ming (Note 1)	360	8,583	-	-	-	-	3,300	4,680	3,660	0.03%	13,263	0.12%	64,823	79,302	21,065	21,065	3,624	-	6,914	-	93,172	0.88%	120,544	1.14%	252,505
Director (Representative)	Wu, Liang-Feng (Note 1)																									
Director (Representative)	Wu, Kun-Lin (Note 1)																									
Director (Representative)	Wu, Tsung-Pin (Note 1)																									
Director (Representative)/ Chief Financial Officer	Wu, Wen-Chi (Note 1)																									
Independent Director	Hung, Yung-Chen																									
Independent Director	Hsu, Ke-Wei							3,600	3,600	3,600	0.03%	3,600	0.03%	-	-	-	-	-	-	-	-	3,600	0.03%	3,600	0.03%	-
Independent Director	Chen, Liang																									

1. Independent Directors' remuneration policies, procedures, standards and structure, as well as the linkage to responsibilities, risks, and time spent: PCSC provides transportation allowance for independent directors based on attendances for the meetings of the Board of Directors and other functional committees.

2. In addition to above information, remuneration to Directors who provide services to PCSC or consolidated companies: None.

Note 1: Representative of Uni-President Enterprises Corp.

Note 2: Representative of Kao Chuan Investment Co., Ltd.

Note 3: Includes car leasing expenses for managers.

Note 4: Earnings distribution for 2023 has not yet been approved by general shareholders meeting. These figures are based on the proposal approved by the Board.

Note 5: Compensation received for directors and supervisors of parent company and affiliated enterprises that are not consolidated into the financial statement.

Compensation Level	Names of Directors			
	A+B+C+D		A+B+C+D+E+F+G	
	PCSC	All consolidated companies	PCSC	Parent company and all consolidated companies
Less than NT\$1,000,000	Kao, Shio-Ling; Chen, Jui-Tang; Huang, Jui-Tien; Huang, Jau-Kai; Su, Tsung-Ming; Wu, Liang-Feng; Wu, Kun-Lin; Wu, Tsung-Pin; Wu, Wen-Chi	Huang, Jau-Kai; Su, Tsung-Ming; Wu, Liang-Feng; Wu, Kun-Lin; Wu, Tsung-Pin; Wu, Wen-Chi	Kao, Shio-Ling; Huang, Jau-Kai; Su, Tsung-Ming; Wu, Liang-Feng; Wu, Kun-Lin; Wu, Tsung-Pin	Wu, Liang-Feng;
NT\$1,000,000 (incl.)~NT\$2,000,000	Lo, Chih-Hsien; Hung, Yung-Chen; Hsu, Ke-Wei; Chen, Liang	Hung, Yung-Chen; Hsu, Ke-Wei; Chen, Liang	Lo, Chih-Hsien; Hung, Yung-Chen; Hsu, Ke-Wei; Chen, Liang	Hung, Yung-Chen; Hsu, Ke-Wei; Chen, Liang
NT\$2,000,000 (incl.)~NT\$3,500,000	—	Lo, Chih-Hsien; Kao, Shio-Ling; Chen, Jui-Tang	—	—
NT\$3,500,000 (incl.)~NT\$5,000,000	—	Huang, Jui-Tien	—	—
NT\$5,000,000 (incl.)~ NT\$10,000,000	—	—	—	Su, Tsung-Ming; Wu, Kun-Lin;
NT\$10,000,000 (incl.)~ NT\$15,000,000	—	—	—	—
NT\$15,000,000 (incl.)~ NT\$30,000,000	—	—	Chen, Jui-Tang; Wu, Wen-Chi	Huang, Jau-Kai; Wu, Tsung-Pin; Wu, Wen-Chi
NT\$30,000,000 (incl.)~ NT\$50,000,000	—	—	Huang, Jui-Tien	Kao, Shio-Ling; Chen, Jui-Tang
NT\$50,000,000 (incl.)~NT\$100,000,000	—	—	—	Huang, Jui-Tien
NT\$100,000,000 and above	—	—	—	Lo, Chih-Hsien
Total	13	13	13	13

2. President and senior vice president remuneration:

31 December 2023 / Unit: NT\$1000

Title	Name	Salary (A)		Pensions(B)		Bonus and Special Allowance (C) (Note 1)		Earnings Distribution to Employees (D) (Note 2)				Summation of A, B, C, and D as a % of After-Tax Income				Compensation from parent company and affiliates other than subsidiaries
		PCSC	All consolidated companies	PCSC	All consolidated companies	PCSC	All consolidated companies	PCSC		All consolidated companies		PCSC	PCSC proportion	All consolidated companies	All consolidated companies proportion	
								Cash	Stock	Cash	Stock					
President	Huang, Jui-Tien	15,624	20,907	20,862	20,862	35,644	36,424	2,223	—	2,223	—	74,353	0.70%	80,415	0.76%	300
Special Assistant to Chairman	Chen, Jui-Tang															

Note 1: Includes car leasing expenses for managers.

Note 2: Earnings distribution for 2023 has not yet been approved by general shareholders meeting. These figures are based on the proposal approved by the Board.

Compensation Level	Names of the President and Senior Vice Presidents	
	PCSC	Parent company and all consolidated companies
Less than NT\$1,000,000	—	—
NT\$1,000,000 (incl.)~NT\$2,000,000	—	—
NT\$2,000,000 (incl.)~NT\$3,500,000	—	—
NT\$3,500,000 (incl.)~NT\$5,000,000	—	—
NT\$5,000,000 (incl.)~NT\$10,000,000	—	—
NT\$10,000,000 (incl.)~NT\$15,000,000	—	—
NT\$15,000,000 (incl.)~NT\$30,000,000	Chen, Jui-Tang;	—
NT\$30,000,000 (incl.)~NT\$50,000,000	Huang, Jui-Tien;	Huang, Jui-Tien; Chen, Jui-Tang
NT\$50,000,000 (incl.)~NT\$100,000,000	—	—
NT\$100,000,000 and above	—	—
Total	2	2

3. Earnings distribution as remuneration to Company management:

31 December 2023/ Unit: NT\$1000

	Title	Name	Stock	Cash	Total	Total as a % of After-Tax Income
Management	President	Huang, Jui-Tien	-	15,564	15,564	0.15%
	Special Assistant to Chairman	Chen, Jui-Tang (note 2)				
	Vice President	Hsieh, Lien-Tang				
	Vice President	Lin, Chi-Chang				
	Vice President	Chang, Chia-Hua				
	Vice President	Wu, Wen-Chi				
	Vice President	Lee, Johnyih				
	Vice President	Kuo, Ching-Feng				
	Vice President	Lee, Tsung-Hsien				
	Vice President	Lu, Yung-Wei				
	Vice President	Lua, Wen Ji (note 2)				
	Project Vice President	Hsieh, Kuan-Hung				
	Project Vice President	Hsieh Hung, Hui-Tzu (note 2)				
	Project Vice President	Wu, Hui-Chen				
	Project Vice President	Chang, Kuo-Kuang				
Corporate Governance Officer	Chao, Chunghao (note 2)					

Note 1: Earnings distribution for 2023 has not yet been approved by general shareholders meeting. These figures are based on the proposal approved by the Board.

Note 2: Chen, Jui-Tang was dismissed in February 2023; Hsieh Hung, Hui-Tzu was dismissed in May 2023; Lua, Wen Ji began his term in December 2023; Chao, Chunghao began his term in May 2023.

(4) The below includes analysis of total remuneration (as a percentage of net income) given to directors, president and senior vice presidents by PCSC and all consolidated companies over the past two years along with a discussion of the remuneration policies, standards, arrangements, procedures for defining compensation and the relationship between remuneration packages and the company's performance and future risk:

1. Remuneration paid over the past two years as a percent after-tax net income:

Title		Directors	President and Senior Vice Presidents
2023 (Note)	PCSC	2.75%	0.70%
	All consolidated companies	3.06%	0.76%
2022 (Note)	PCSC	2.72%	0.70%
	All consolidated companies	3.00%	0.72%

Note: PCSC's net income after tax in 2023 was NT\$10,613,914,000. PCSC's net income after tax in 2022 was NT\$9,281,650,000.

Remuneration paid for directors increased mainly due to increase in net income in 2023. Remuneration paid for President and Senior Vice Presidents increased mainly due to increase in net income in 2023.

2. Remuneration policy, standards, and arrangements, the procedures for determining remuneration, and the relationship between remuneration and company performance:

(1) PCSC's remuneration policy is based on the Company's business strategy, human resource policy, and financial capability. Every year, the Company participates in salary surveys undertaken by specialist salary survey organizations; the company's remuneration levels are then reviewed based on the results of these surveys.

(2) According to Article 32 of PCSC's Articles of Incorporation, if the current year's profit situation (pre-tax profits prior to deduction of employee compensation and director remuneration) is deducted by accumulated deficit, no more than 2% of said surplus shall be distributed as director remuneration. Reasonable compensation has been assessed and given to directors based on PCSC's operational achievements, continuous educations, engagement of business sustainability, and the director's respective contribution to the Company which includes financial KPIs such as company's profitability. Relevant performance and reasonableness of remuneration are to be assessed by PCSC's remuneration committee and the Board of Directors. The remuneration system is to be reviewed and adjusted as necessary based on actual operational status and relevant regulations as PCSC seeks to realize sustained operations and risk management.

(3) Remuneration paid to the PCSC president, senior vice presidents and vice presidents is set according to their individual performance including financial KPIs, such as company's profitability, and their contribution to the company's operations. Said remuneration shall also conform to PCSC's remuneration regulations and take into consideration typical remuneration levels paid by other companies (using data compiled by market research firms). Bonuses shall be awarded based on PCSC's performance management regulations and take into consideration both PCSC's operating performance and the individual's own performance.

3. Implementation of Corporate governance

(1) Operations of the Board of Directors:

As of publication of the Annual Report, there had been a total of 8 (A) meetings of the Board of Directors over the past fiscal year. Director attendance is detailed below:

Title	Name	Meetings Attended Personally (B)	Meetings Attended by Proxy	Personal Attendance Rate (B/A)	Remarks
Chairman	Uni-President Enterprises Corp. Lo, Chih-Hsien	8	0	100%	-
Director	Kao Chuan Investment Co., Ltd. Kao, Shioh-Ling	8	0	100%	-
Director	Uni-President Enterprises Corp. Chen, Jui-Tang	8	0	100%	-
Director	Uni-President Enterprises Corp. Huang, Jui-Tien	8	0	100%	-
Director	Uni-President Enterprises Corp. Huang, Jau-Kai	8	0	100%	-
Director	Uni-President Enterprises Corp. Su, Tsung-Ming	8	0	100%	-
Director	Uni-President Enterprises Corp. Wu, Liang-Feng	8	0	100%	-

Title	Name	Meetings Attended Personally (B)	Meetings Attended by Proxy	Personal Attendance Rate (B/A)	Remarks
Director	Uni-President Enterprises Corp. Wu, Kun-Lin	8	0	100%	-
Director	Uni-President Enterprises Corp. Wu, Tsung-Pin	8	0	100%	-
Director	Uni-President Enterprises Corp. Wu, Wen-Chi	8	0	100%	-
Independent Director	Hsu, Ke-Wei	8	0	100%	-
Independent Director	Chen, Liang	8	0	100%	-
Independent Director	Hung, Yung-Chen	8	0	100%	-

Other issues to be noted:

1. In the event of either of the following situations, dates, sessions, contents of resolutions of the Board Meetings, opinions from all independent directors, and Company responses to their opinions should be noted:

(1) Issue specified in Article 14-3 of the Securities and Exchanges Act: The Company has set up an Audit Committee, so it is not applicable of Article 14-3 of the Securities and Exchange Act. Please refer to page 34 "Operations of the Audit Committee" for more information regarding to Article 14-5 of the Securities and Exchange Act.

(2) Other issues opposed by independent directors or about which said directors have reservations should be recorded in writing in the meeting minutes of the Board: None.

2. Should a director recuse him or herself from a decision about which he or she has a conflict of interest, the name of the director, contents of the resolution, reasons for recusal, and the results of the vote should be noted:

(1) On February 24, 2023, the board of directors proposed the following issues:

The Company intends to acquire or dispose of right-of-use assets of real estate from related parties (Mech-President Corp., Prince Housing & Development, Uni-President Enterprises Corp., Huang, Jui-Tien, President Drugstore Business Corp.). The 10 directors of Uni-President Enterprises Corp. and Kao Chuan Investment Co., Ltd., the legal representatives of the two companies present in this case, should recuse themselves from the case and not vote. The chairman appointed independent director Hung, Yung-Chen to act as chairman. With the exception of the above-mentioned directors who are recused due to conflict of interest, the acting chairman consulted other directors present and approved the proposal as presented.

(2) On May 3, 2023, the board of directors proposed the following issues:

1) The Company intends to acquire or dispose of right-of-use assets of the real estate from related parties (President Drugstore Business Corp., Uni-Wonder Corp.). The 10 directors of Uni-President Enterprises Corp. and PCSC, the legal representatives of the two companies present in this case, should recuse themselves from the case and not vote. The three independent directors voted amongst themselves that independent director Hung, Yung-Chen would act as chairman. With the exception of the above-mentioned directors who are recused due to interest, the acting chairman consulted other directors present and approved the proposal as presented.

2) The Company intends to sign a project contract with a related party (Uni-President Express Corp.). The 10 directors of Uni-President Enterprises Corp. and Kao Chuan Investment Co., Ltd., the legal representatives of the two companies present in this case, should recuse themselves from the case and not vote. The three independent directors voted amongst themselves that independent director Hung, Yung-Chen act as chairman. With the exception of the above-mentioned directors who are recused due to conflict of interest, the acting chairman consulted other directors present and approved the proposal as presented.

(3) On August 2, 2023, the board of directors proposed the following issues:

1) The Company intends to acquire or dispose of right-of-use assets of real estate from related parties (Uni-President Enterprises Corp., President Drugstore Business Corp., Uni-Wonder Corp.). The 10 directors of Uni-President Enterprises Corp. and Kao Chuan Investment Co., Ltd., the legal representatives of the two companies present in this case, should recuse themselves from the case and not vote. The chairman appointed independent director Hung, Yung-Chen to act as chairman. With the exception of the above-mentioned directors who are recused due to conflict of interest, the acting chairman consulted other directors present and approved the proposal as presented.

2) The Company intends to sign a project contract with a related party (Counterparty : Supervision by Engineering center of Uni-President Enterprises Corp.). The 10 directors of Uni-President Enterprises Corp. and Kao Chuan Investment Co., Ltd., the legal representatives of the two companies present in this case, should recuse themselves from the case and not vote. The chairman appointed independent director Hung, Yung-Chen to act as chairman. With the exception of the above-mentioned directors who are recused due to conflict of interest, the acting chairman consulted other directors present and approved the proposal as presented.

(4) On November 1, 2023, the board of directors proposed the following issues:

The Company intends to acquire or dispose of right-of-use assets of the real estate from related parties (Uni-President Enterprises Corp., Uni-Wonder Corp., President Drugstore Business Corp.). The representatives directors of Uni-President Enterprises Corp. and director Kao, Shioh-Ling (the spouse of the chairman), a total of 10 people, should recuse themselves from the case and not vote. The three independent directors voted amongst themselves that the independent director Hung, Yung-Chen to act as chairman. With the exception of the above-mentioned directors who are recused due to conflict of interest, the acting chairman consulted other directors present and approved the proposal as presented.

(5) On December 13, 2023, the board of directors proposed the following issues:

1) PCSC 2024 donation plans: Director Huang, Jui-Tien serves as the director of Taiwan Millennium Health Foundation, and recused himself from the discussion and voting due to conflicts of interest; Vice President Lin, Chi-Chang served as the chairman and Vice President Lee, Tsung-Hsien and Vice President Lu, Yung-Wei served as the directors of President Chain Store Good Neighbor Foundation, and recused themselves to avoid conflict of interests. Except for the above-mentioned directors who withdrew due to conflict of interest, the other directors present and approved the proposal as written.

2) The Company intends to acquire or dispose of right-of-use assets of the real estate from related parties (President Drugstore Business Corp., Mech-President Corp., Prince Real Estate Co.). The representatives directors of Uni-President Enterprises Corp. and director Kao, Shioh-Ling (the spouse of the chairman), a total of 10 people, should recuse themselves from the case and not vote. The three independent directors voted amongst themselves that the independent director Hung, Yung-Chen act as chairman. With the exception of the above-mentioned directors who are recused due to conflict of interest, the acting chairman consulted other directors present and approved the proposal as presented.

(6) On February 27, 2024, the board of directors proposed the following issues:

The Company intends to acquire or dispose of right-of-use assets of the real estate from related parties (21 Century Co., Uni-Wonder Corp., President Drugstore Business Corp.). The representatives directors of Uni-President Enterprises Corp. and director Kao, Shioh-Ling (the legal representative of President Drugstore Business Corp.), a total of 10 people, should recuse themselves from the case and not vote. The three independent directors voted amongst themselves that independent director Hung, Yung-Chen act as chairman. With the exception of the above-mentioned directors who are recused due to conflict of interest, the acting chairman consulted other directors present and approved the proposal as presented.

3. TWSE/GTSM listed companies shall disclose evaluation cycles, periods, scopes, methods, and details used to conduct general self-evaluations (or peer evaluations) for their boards: The proposal for Performance Evaluation Guidelines and Evaluation Methods for the Board of Directors was raised and adopted during the company board meeting held on November 1, 2019. PCSC will hold company board meetings, the Audit Committee and Remuneration Committees, to conduct self-evaluations and peer evaluations and report the results before the end of the first quarter of the following year starting in 2020.

4. During this and recent fiscal years, PCSC has worked to strengthen the function of the Board (e.g., establishing the Audit Committee and enhancing information transparency) and evaluate the implementation of such measures:

(1) On March 8, 2005, in accordance with the Company's Corporate Governance Code of Practice, PCSC established Rules of Procedure for Board Meetings, which was reported to the General Shareholder's Meeting held on June 14, 2005. On February 27, 2019, in accordance with the amended TWSE Company's Corporate Governance Code of Practice received by PCSC from the competent authority on December 12, 2018, PCSC passed the revised content of the Company's Corporate Governance Code of Practice during the 6th meeting of the 12th board. On February 27, 2020, in accordance with the amended Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers announced on January 2, 2020, PCSC passed the revised content of the Company's Corporate Governance Code of Practice during the 14th meeting of the 12th board. On February 24, 2022, in accordance with the amended TWSE Company's Corporate Governance Code of Practice received by PCSC from the competent authority on December 8, 2021, PCSC passed the revised content of the Company's Corporate Governance Code of Practice.

(2) In accordance with the addition of independent directors and regulations issued by the Financial Supervisory Commission R.O.C., during the Board meetings held on March 21, 2012 and December 19, 2012, PCSC revised the functions of independent directors and regulations governing director recusal due to conflict of interest. To ensure even stronger supervisory capabilities of the Company's Board, on August 19, 2011, PCSC established the Remuneration Committee and then, on June 21, 2012, further established the Audit Committee.

(3) To enhance corporate governance, on August 3, 2018, the Company's Board passed a resolution to set up a Board of Directors Secretariat directly under the Board of Directors. On May 3, 2023, the Board resolved to appoint Corporate Governance Officer Chao, Chunghao, as Head of the Board Secretariat to assist the Board of Directors Secretariat carry out its oversight and management duties, providing directors (including independent directors) the information they need to perform their duties, assisting directors (including independent directors) to adhere to the laws and regulations, and performing tasks related to Board of Directors and shareholder meetings in accordance with the law.

- (4) To enhance the Board of Directors' structure and operations as stipulated by relevant laws and regulations, on December 12, 2018, the Company's Board passed a resolution to establish a functional CSR Committee directly responsible to the Board and drew up organizational procedures for the CSR Committee. The organizational procedures of the CSR Committee stipulate that the committee is to consist of six members, including three independent directors and three high-level managers, including vice president Wu, Wen-Chi (convener), project vice president Wu, Hui-Chen, vice president Lua, Wen-Ji, and three independent directors Hsu, Ke-Wei, Chen, Liang and Hung, Yung-Chen. They are responsible for the direction of corporate social responsibility and sustainability policy, promoting program development and overseeing program implementation. In accordance with the "Corporate Governance 3.0 - Sustainable Development Blueprint" launched by the FSC in 2020, the current "PCSC CSR Committee" has been renamed to "PCSC Sustainable Development Committee" in order to strengthen sustainable governance. In order to coordinate the management of various types of risks, establish policies and management areas for risk management and information security management, plan future operations, strengthen ESG management, and strengthen corporate governance and risk control. On November 1, 2023, the Board of Directors approved the establishment of the "Risk and Cybersecurity Management Committee" under the Board of Directors, responsible for overseeing risk and reporting to the Board of Directors on an annual basis. The Cybersecurity Committee and the Risk Management Committee, previously under the Sustainable Development Committee, were simultaneously reorganized under the Risk and Cybersecurity Management Committee.
- (5) In accordance with the Regulations Governing Procedures for Board of Directors Meetings of Public Companies issued by the Financial Supervisory Commission, R.O.C. on January 15, 2020, PCSC passed the revised content of Rules of Procedures for Board Meetings during the 14th meeting of 12th board on February 27, 2020.
- (6) During the period from January 1, 2023 to February 29, 2024, proposals which, according to the Company Act and Article 14-3, 14-5 of the Securities and Exchanges Act, are to be approved by the Audit Committee before they are sent to the Board for discussion and voting, were approved by the Audit Committee before being adopted and implemented by the Board.

(2) Implementation of conducting evaluations of the Board:

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation methods	Evaluation details
Execute once a year	January 1, 2023 to December 31, 2023	Performance evaluation of the board of directors, individual directors and functional committees	Self-evaluation of operational performance by the board of directors, self-evaluation of the performance by individual directors and self-evaluation of the operational performance by functional committees	<p>(1) Aspects of board performance evaluation:</p> <ul style="list-style-type: none"> • Participation in the Company operations • Improve the quality of board decisions • Board composition and structure • Director selection and continuing education • Internal control <p>(2) Aspects of individual director performance evaluation:</p> <ul style="list-style-type: none"> • Mastery of the Company goals and tasks • Awareness of directors' duties • Participation in the Company operations • Internal relationship management and communication • Professional competence and continuing education of directors • Internal control <p>(3) Aspect of functional committee performance evaluation:</p> <ul style="list-style-type: none"> • Participation in the Company operations • Awareness of functional committee's duties • Improve decision-making quality of functional committees • Composition of functional committee and selection of members • Internal control

Board performance evaluation results:

- The board of directors, individual board members and various functional committees operate well, and have a good grasp of the goals and tasks of the company and committees, which are in line with the company's operational needs and effectively promote the company Sustainable operation, social responsibility, risk management and long-term strategic development to implement the spirit of corporate governance.
- Based on the results of this performance evaluation, the company will continue to improve the functions of the board of directors to improve the effectiveness of corporate governance.
- The average actual attendance of the directors of the company (excluding proxy attendance) reached 100%. The average actual attendance of the functional committees was 100%.

(3) Operations of the Audit Committee:

1. The purpose of the Audit Committee is to assist the Board in the execution of its duties to supervise and implement the Company Act, the Securities and Exchanges Act, and other related laws. On June 21, 2012, PCSC established the Audit Committee, which consists of three independent directors. The Audit Committee holds at least one meeting every quarter. During its seven meetings in 2023, it primarily discussed the following items:

- (1) Reviewing financial reports: The Board prepared the Company's 2022 business report, financial statements, and proposal for allocation of 2022 profits. The independent auditors of PRICEWATERHOUSECOOPERS audited PCSC's financial statements and issued an audit report on the financial statements. The business report, financial statements, and profit allocation proposal were reviewed and determined to be correct and accurate by the Audit Committee members of President Chain Store Corp.
- (2) Evaluating the effectiveness of the Company's internal control system: The Audit Committee evaluates the policies and procedures of the Company's internal control systems and reviews the Company's Audit Department and external auditors, and examines regular managerial reports.
- (3) Appointing external auditors: The Audit Committee has the responsibility to ensure the independence of accounting firms and the accuracy of financial reports. PCSC passed the proposal to evaluate the independence of the external auditors on February 22, 2023.

2. As of publication of the Annual Report, there had been a total of 9 (A) meetings of the Audit Committee over the past fiscal year. Independent director attendance is detailed below:

Title	Name	Meetings Attended (B)	Meeting attend by Proxy	Attendance Rate (%) [B/A] (Note)	Remarks
Independent Director	Chen, Liang	9	0	100 %	—
Independent Director	Hsu, Ke-Wei	9	0	100 %	—
Independent Director	Hung, Yung-Chen	9	0	100 %	—

Other issues to be noted:

1. In the event of either of the following situations, dates, sessions, contents of resolutions of the Board Meetings, opinions from all independent directors, and Company responses to their opinions should be noted:

(1) Issues specified in Article 14-5 of the Securities and Exchange Act: Please refer to page 60 "Major resolutions voted on at Shareholder, Board Meetings, Audit Committee, and Remuneration Committee during the most recent year and as of the date of publication of the Annual Report". All the resolutions were approved by the majority of the Audit Committee members and then were approved by the Board meetings.

(2) Other matters not passed by the Audit Committee, which were then agreed upon by two-thirds of the entire membership of the Board of Directors: None.

2. In situations where independent directors recuse themselves due to conflict of interest, the independent director's name, content of the resolution, reason for recusal, and his or her voting participation should be properly recorded: None.

3. Communication between independent directors and internal audit managers and external auditors (regarding issues such as Company financial and operational status, procedures, and results):

1. The Company's internal audit managers provide Audit Committee members with regular updates on audit report results and follow-up during the Audit Committee Meeting. If a special situation should arise, internal audit managers shall immediately report to the Audit Committee. Items that the Audit Committee and internal audit manager discussed in 2023 are as follows, all independent directors had no opinion:

Date	Items Discussed
2023/02/22	October 2022- January 2023 audit execution report
2023/05/02	February -March 2023 audit execution report
2023/08/01	April -June 2023 audit execution report
2023/10/31	1. July - September 2023 audit execution report 2. 2024 Audit Plan
2024/02/26	October 2023- January 2024 audit execution report

2. The Company retains external auditors who, after auditing the financial statement, report their findings to the Audit Committee and discuss any additional matters as required by law. If a special situation should arise, external auditors shall immediately report to the Audit Committee. In 2023, the Audit Committee and the independent auditors retained by the Company discussed the following items, all independent directors had no opinion:

Date	Items Discussed
2023/02/22	The independent auditors discussed the 2022 financial report.
2023/05/02	The independent auditors discussed the Q1 of the 2023 financial report.
2023/08/01	The independent auditors discussed the Q2 of the 2023 financial report.
2023/10/31	1. The independent auditors discussed the Q3 of the 2023 financial report. 2. Audit Quality Indicators
2024/02/26	The independent auditors discussed the 2023 financial report

(4) Differences between Company policy and Corporate Governance Best-Practice Principles for TSE/GTSM Listed Companies and reasons for differences:

Items Evaluated	Status		Brief Explanation	Variations (if any) with the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies and reasons for such discrepancies
	Yes	No		
1. Did PCSC establish its Corporate Governance Best Practice Principles in accordance with Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies and disclose those Principles?	V		In order to establish a sound corporate governance system, the Company considered regulations set forth in the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies coproduced by TWSE and GTSM and passed the Corporate Governance Best Practice Principles at the meeting of the board on 19 December 2014. In addition, to meet with requirements as stipulated in regulations at the meeting of the board on 24 February, 2022. For more information regarding the Company's Corporate Governance Best Practice Principles, please go to the Company website or Taiwan Stock Exchange Market Observation Post System.	Compliant
2. Ownership structure and shareholders' rights				
1. Did PCSC establish internal operational procedures for dealing with shareholder suggestions, questions, disputes, and lawsuits and put these procedures into practice?	V		In addition to authorizing a share transfer agent to handle relevant affairs, PCSC also established a comprehensive spokesperson system and Board of Directors Secretariat to deal with shareholder issues.	Compliant
2. Does PCSC maintain a list of major Company shareholders and the ultimate owners of these shares?	V		Through the assistance of the share transfer agent, PCSC remains fully aware of its major shareholders and regularly reports any changes in shareholding by directors or PCSC management. Apart from natural person shareholders, PCSC maintains a relationship with its major institutional shareholders. If necessary, PCSC can obtain the list of their ultimate owners from these institutional shareholders.	Compliant
3. Did PCSC establish and implement risk control mechanisms and firewalls at the Company and affiliated enterprises?	V		In accordance with the Regulations Governing Establishment of Internal Control Systems by Public Companies, PCSC has defined Procedures Governing the Monitoring of Subsidiaries to establish a risk management mechanism at its subsidiaries.	Compliant
4. Did PCSC establish internal standards to prevent Company personnel from using market information not yet made public to purchase securities?	V		<p>1. In accordance with article 157-1 of the securities laws, PCSC has specified the object of the specification and the conditions that constitute insider trading in the operation procedures of insider trading prevention in the internal control system. If personnel's intention or action constitutes insider trading, they will be dealt with in accordance with the internal control system and regulations.</p> <p>2. In accordance with article 17 in Ethical Corporate Management Best Practice Principles and Policies, article 15 in Ethical Corporate Management Operating Procedures and Code of Conduct, and article 10 in Corporate Governance Best Practice Principles, PCSC regulates its personnel to follow the regulations of the Securities Exchange Act. To prevent insider trading, personnel are not allowed to use non-public information to engage in insider trading, or to leak information to others.</p> <p>3. In order to ensure new insiders are aware of the regulations, PCSC provides trading related standards for new insiders and require employees sign a statement indicating that they understand the standards.</p> <p>4. The Company periodically educates directors and management on the Board that insider trading is prohibited.</p> <p>5. The Company periodically uses the monthly management report to carry out internal training on related topics.</p> <p>6. The company periodically reports shareholding changes to the company through insiders and educates on related topics.</p>	Compliant

Items Evaluated	Status		Brief Explanation	Variations (if any) with the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies and reasons for such discrepancies										
	Yes	No												
3. Composition and responsibilities of the Board of Directors														
(1) Has PCSC established diversified policies, specific management objectives and implementations among members of the Board of Directors?	V		<p>1. PCSC had established Corporate Governance Best Practice Principles. The policies of diversity of the board of directors composition is mentioned in chapter III" Enforcing the Function of Board of Directors" Article 20. The composition of the board of directors should consider diversity. In addition to the fact that directors who are also company managers should not exceed one-third of the number of directors, appropriate diversification policies should be formulated based on its own operations, operating types and development needs, which should include but are not limited to the following. Two major aspects of standards:</p> <p>(1) Basic conditions: Gender, age, nationality, race and culture, etc.</p> <p>(2) Professional knowledge and skills: Professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industry experience, etc.</p> <p>2. In accordance with PCSC's Corporate Governance Best Practice Principles and the Procedures for Election of Directors, the composition of the members of the Board of Directors emphasizes diversity. The number of directors who also serve as managers of the Company is not to consist of more than one-third of Board seats. Also, the Company formulates appropriate policies on diversity based on the Company's business operations, operating dynamics, and development needs which include, but are not limited to, the following two major standards:</p> <p>(1) Basic conditions: gender, age, etc.</p> <p>(2) Professional knowledge and skills: background, skills, and industry experience.</p> <p>(3) The implement and achievement of the diversity policy is as below:</p> <table border="1"> <thead> <tr> <th>Management of Diversity Policy</th> <th>Accomplishment</th> </tr> </thead> <tbody> <tr> <td>Three seats of Independent Directors</td> <td>accomplished</td> </tr> <tr> <td>Target ratio of female directors to 15% or more</td> <td>accomplished</td> </tr> <tr> <td>The number of directors who also serve as managers of the Company is not consisted more than one-third of Board seats</td> <td>accomplished</td> </tr> <tr> <td>At least one of the independent directors Holds a license, obtained through national examination, for the position of judge, district attorney, lawyer, accountant, or similar</td> <td>accomplished</td> </tr> </tbody> </table> <p>3. The actions regarding to the diversity policy of Board of Directors are: The Company's current 13 directors include three employees, counted for 23%, three independent directors counted for 23%, and two directors are female, counted for 15%. The tenure of 2 independent directors are under three years, and the tenure of 1 independent director is under 6 years. 1 independent director independent directors Holds a license, obtained through national examination. The directors generally have the specialized knowledge, skills and accomplishments necessary to perform their duties. (Please refer to p.24 Diversity of individual directors table) The implement meets the management condition.</p> <p>4. For more diversity policy of composition of Board of Directors, please go to the Company website or Taiwan Stock Exchange Market Observation Post System.</p>	Management of Diversity Policy	Accomplishment	Three seats of Independent Directors	accomplished	Target ratio of female directors to 15% or more	accomplished	The number of directors who also serve as managers of the Company is not consisted more than one-third of Board seats	accomplished	At least one of the independent directors Holds a license, obtained through national examination, for the position of judge, district attorney, lawyer, accountant, or similar	accomplished	Compliant
Management of Diversity Policy	Accomplishment													
Three seats of Independent Directors	accomplished													
Target ratio of female directors to 15% or more	accomplished													
The number of directors who also serve as managers of the Company is not consisted more than one-third of Board seats	accomplished													
At least one of the independent directors Holds a license, obtained through national examination, for the position of judge, district attorney, lawyer, accountant, or similar	accomplished													
(2) In addition to the establishment of the Remuneration Committee and Audit Committee as required by law, did PCSC establish committees with other functions of its own accord?	V		<p>In addition to establishing the Remuneration and Audit Committees as required by law, the Company also has a Sustainable Development Committee and Risk & Cybersecurity Management Committee, both under the Board of Directors.</p> <p>Sustainable Development Committee is responsible for policies, systems or related management guidelines and specific promotion plans for sustainable development reports the status and achievements of their work to the directors on a regular basis. Risk & Cybersecurity Management Committee is responsible for implementing the company's risk monitoring, assessment and measurement.</p> <p>The Company will take into consideration the legal environment, Company operations, and management needs in deciding whether or not to establish additional functional committees in the future.</p>	Compliant										

Items Evaluated	Status		Brief Explanation	Variations (if any) with the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies and reasons for such discrepancies
	Yes	No		
(3) Has PCSC established performance evaluation guidelines and evaluation methods for the Board of Directors and does it evaluate its performance regularly each year and report the results to the Board as well as use the results as reference for remuneration and reappointment of Directors?	V		PCSC passed the Guidelines and Methods for Evaluating the Performance of the Board of Directors during the Board meeting on 1 November 2019. Starting in 2020, PCSC held board meetings, (including of the Audit and Remuneration Committees), to self-evaluate or peer evaluate the Board and report the results before the end of the first quarter of the following year. According to the Guidelines and Methods for Evaluating the Performance of the Board of Directors, the self-evaluation of the 2023 board of directors, individual directors and functional committees will be completed by the first quarter of 2024, and reports will be submitted to the remuneration committee on February 26, 2024 and to the board of directors on February 27, 2024. The results will be used as reference for elections or nominations of Director positions.	Compliant
(4) Does PCSC periodically assess the independence of external auditors?	V		<p>1. PCSC's Audit Committee and Board of Directors annually evaluate accountants based on standards derived from the Certified Public Accountant Act and the 10th Code of Ethics for Professional Accountants and reports the results to PCSC's Audit Committee and Board of Directors to evaluate the independence of its certified accountants. 2023 Accountant Independence evaluation was passed by the audit committee on February 22, 2023 and submitted to the board of directors on February 23, 2023 for approval. 2024 Accountant Independence evaluation was passed by the audit committee on February 26 2024 and submitted to the board of directors on February 27 2024 for approval. With reference to 13 audit quality indicators (AQIs), it is confirmed that the audit experience of accountants and the firms is better than the average level of the industry, and the number of missing audits inspected by the Financial Supervisory Commission is 0. In addition, digital audit tools will continue to be introduced in the last three years to assist Data analysis-based audit work and to reduces review risks and improves efficiency. After being reviewed by the Company, it was determined that Liang, I-Chang and Lin, Se-Kai, CPAs with PricewaterhouseCoopers, met with the Company's independent evaluation standards (Note 1) and could assume the position of retained external auditors for the Company.</p> <p>2. PCSC's external auditors provide PCSC with a Statement of Independence every year and reported Audit Quality Indicators (AQIs) to the independent directors by the Audit Committee on annual basis to assist the Audit Committee in evaluating the appointment of the accountants in accordance with their terms of reference. The external auditing firm also complies with rules for rotating external auditors.</p>	Compliant
4. Has PCSC designated eligible personnel and an appropriate number of personnel as well as designated personnel to implement corporate governance related business (including, but not limited to, providing information needed by directors or supervisors to execute their duties, to comply with regulations, matters related to meetings of the Board and shareholder meetings held in accordance to legal requirements, and producing proceedings for the meetings of the Board and shareholders)?	V		<p>1. To enhance corporate governance, on August 3, 2018, the Company's Board passed a resolution to set up a Board of Directors Secretariat directly under the Board of Directors. On May 3, 2023, the Board resolved to appoint Corporate Governance Officer Chao, Chunghao, as Head of the Board Secretariat. Corporate Governance Officer Chao, Chunghao has more than three years of management experience as a legal executive in a public company. The main duties are to provide directors (including independent directors) the information they need to perform their duties, assist directors (including independent directors) to adhere to laws and regulations, and perform tasks related to Board of Directors and shareholder meetings in accordance with the law.</p> <p>2. Corporate governance team has been set up and finance, accounting, legal affairs, internal audit, Board Secretary, operational planning departments, and professional stock agency assist in corporate governance related matters.</p> <p>3. 2023 business execution explained below:</p> <p>(1) Assisted directors and independent directors carry out their duties, providing them with the materials they needed and made arrangements for directors to receive continuing education.</p> <p>(2) Assisted directors to comply with regulations by providing company management and corporate governance regulations, and regularly providing the latest versions of these documents.</p> <p>(3) Assisted with Board of Directors and shareholder meetings to ensure that the proceedings and resolutions adhered to relevant laws and regulations: reported the status of PCSC's corporate governance to the Board of Directors, independent directors, and the audit committee, ensured that PCSC's shareholder and board meetings were carried out in accordance with relevant laws and corporate governance rules. Reviewed major announcements pertaining to important resolutions of the Board of Directors to ensure the legality and accuracy of the information and to guarantee investors receive equal transaction information.</p>	Compliant

Items Evaluated	Status		Brief Explanation	Variations (if any) with the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies and reasons for such discrepancies
	Yes	No		
			<p>(4) Drew up the agenda for Board of Directors meetings, notified directors prior to meetings, convened meetings, and provided meeting materials. Issued reminders in advance when issues required recusal. Provided complete meeting minutes after meetings. Everything was completed within the stipulated time periods.</p> <p>(5) Registered dates for shareholder meetings prior to meetings, produced meeting notifications, handbooks, and minutes within the statutory period, and made and registered changes made to revised articles of incorporation or Company director elections in accordance with the law.</p> <p>(6) Periodically reviewed the qualifications of independent directors during their service.</p> <p>(7) Assisted in the reporting of insider shareholdings.</p> <p>4. In 2023, Chao, Chunghao, the Company's Corporate Governance Officer, completed 18 hours of formal training, which included: 2023 Insider Trading Prevention Seminar, 2023 Cathay Sustainable Finance and Climate Change Summit, Promotion of the Action Plan for Sustainable Development of Listed Container Companies, and the 14th Taipei Corporate Governance Forum.</p>	
5. Has PCSC established communication channels with stakeholders (including, but not limited to, shareholders, employees, customers, and suppliers) and set up an area dedicated to stakeholders on the Company website and does the Company respond appropriately to corporate social responsibility issues that stakeholders consider important?	V		<p>1. In 2015, PCSC set up a stakeholder area on its website with sections for different types of stakeholders. We also established a system and have a response mechanism in place to ensure the Company properly handles feedback from stakeholders. In addition, it ensures that the personal information of stakeholders remains confidential.</p> <p>2. PCSC deals with banks and other creditors in accordance with the principles of honesty and openness, providing all necessary operational and financial information to enable them to make informed decisions in light of PCSC's operational status.</p> <p>3. PCSC encourages its employees to communicate directly with management. In addition, a discussion platform has been set up to enable them to express their views on the Company's operations.</p> <p>4. The Company has established an internal employee care group that actively works to provide effective, timely consultation and guidance to employees whenever required.</p> <p>5. PCSC has set up a public website, which not only discloses business and financial information, but also states its responsibilities and obligations as a corporate citizen.</p> <p>6. PCSC has established the Integrated Services Call Center, stakeholder's mail box, and franchisee hotline to serve as a communication channel between PCSC, its suppliers, employees, customers, and franchisees.</p>	Compliant
6. Has PCSC designated an agent specializing in the handling of stock affairs to handle shareholder meeting affairs?	V		PCSC has designated the President Securities Corporation Stock Affairs Department to handle shareholder meeting affairs.	Compliant
7. Information Disclosure				
(1) Has PCSC established a public website to disclose operational, financial, and corporate governance information?	V		PCSC has established an investor relations website at https://www.7-11.com.tw/company/ir/index.html and designated personnel to be responsible for disclosing operational, financial, and corporate governance information.	Compliant
(2) Has PCSC adopted other methods of information disclosure (e.g., setting up an English website, designating a specialist responsible for gathering and disclosing Company information, setting up a spokesperson system, uploading recordings of investor conferences onto the Company website)?	V		<p>1. PCSC has set up an English website. Our dedicated investor relations team is responsible for the collection and disclosure of corporate information and the updating of website content.</p> <p>2. In accordance with legal requirements, PCSC has established a comprehensive spokesperson system with Chief Financial Officer /Vice President Wu, Wen-chi as Spokesperson and Vice President Hsieh, Lien-Tang as Deputy Spokesperson.</p> <p>3. PCSC holds and attends annual investor conferences. The materials and videos are posted on the Company website and also on Taiwan Stock Exchange Market Observation Post System.</p>	Compliant

Items Evaluated	Status		Variations (if any) with the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies and reasons for such discrepancies	
	Yes	No		Brief Explanation
(3) Did PCSC announce and declare the Annual Financial Report within two months after the fiscal year ended, and announce and declare the first, second, and third quarter Financial Reports and the monthly Operating Situation reports before the deadline?	V		<p>1. PCSC declared 2022 and 2023 annual Financial Reports on February 23, 2023 and February 27, 2024, respectively, one month earlier than required.</p> <p>2. The first, second, and third quarter Financial Reports of 2023 were declared respectively on May 3, August 2, and November 1, all earlier than required. The monthly Operating Situation Reports were declared based on monthly account settlement, but were all completed earlier than required.</p>	Compliant
8. Does PCSC have other important information to facilitate better understanding of the Company's corporate governance practices (including, but not limited to current status of employee rights, employee care, investor relations, supplier relations, stakeholder rights, director and supervisor training regimes, risk management policies, and risk measurement standards as well as the implementation of client policies and the Company's purchase of liability insurance for its directors and supervisors)?	V		<p>1. There is no spousal relationship between PCSC's chairman and president, and they are not relatives within one degree of consanguinity. The president and chairman as well as managers responsible for finance and accounting at PCSC have not worked for the Company's currently designated accounting office or affiliated enterprises within the past year.</p> <p>2. 2023 continuing education for management team:</p> <p>(1) President Huang, Jui-Tien and Chief Financial Officer Wu, Wen-Chi participated in "Digital Innovation and Sustainable Transformation to Build Smart Enterprises", a 3-hour course on corporate governance organized by Taiwan Institute of Directors for listed and over-the-counter companies. Chief Financial Officer Wu, Wen-Chi attended the "Compliance and Liability of Directors and Supervisors under Corporate Governance 3.0" course for 3 hours.</p> <p>(2) Chief Financial Officer Wu, Wen-Chi attended the "International Climate Change Development Trends and Practical Cases Analysis-Director's Study Program", a 3-hour course on corporate governance organized by the Taiwan Institute of Directors for listed and over-the-counter companies.</p> <p>(3) President Huang, Jui-Tien, Chief Financial Officer Wu, Wen-Chi, and Vice President Hsieh Hung, Hui-Tzu participated in a 3-hour course on "Taiwan's Economic Outlook under the International Changes in 2023", a corporate governance course for listed companies organized by Uni-President Enterprises Corp.</p> <p>(4) Vice President Hsieh Hung, Hui-Tzu attended a 3-hour course on "How Boards of Directors Can Develop ESG Strategies for Sustainable Governance in 2023" organized by the Taiwan Corporate Governance Association.</p> <p>(5) Vice President Chang, Chia-Hua attended the "Global Net Zero Emissions Impact and ESG Actions" and "Corporate Ethics and Sustainability Professional Development Course", a 6-hour course on corporate governance organized by the Accounting Research and Development Foundation for listed and over-the-counter companies.</p> <p>(6) President Huang, Jui-Tien, Chief Financial Officer Wu, Wen-Chi, Vice President Kuo, Ching-Feng, Vice President Lu, Yung-Wei, Vice President Lee, Tsung-Hsien participated in the Philippine Annual Corporate Governance Course - "Philippine Annual Corporate Governance Course 2023" organized by GGAPP 5 Philippines for 4 hours.</p> <p>(7) Chief Auditor Lee, Kun-Feng participated in the "Shareholders' Meeting and Company Law Attention and Practical Analysis" and "Audit Ethics Mission and the Impact of Internal Crimes" courses organized by the Institute of Internal Auditors, totaling 12 hours.</p> <p>(8) At least 3 hours of Rule of Law courses are organized annually for senior executives, and the theme of the Rule of Law training in 2023 was "Analysis of Business Competition and Fair Trade Law".</p> <p>3. Should a proposal result in a conflict of interest between a director and the Company, said director may make comments or answer questions, but he or she is barred from the discussion and vote on the proposal.</p> <p>4. PCSC has purchased liability insurance for its directors and key personnel and submitted it to the Board of Directors for approval.</p> <p>5. PCSC was listed among the Dow Jones Sustainability Index for five years in a row, the FTSE4Good Emerging Index, MSCI ESG Leaders Indexes, and FTSE4Good TIP Taiwan ESG Index.</p> <p>6. PCSC places a great deal of emphasis on the transparency and immediacy of information disclosure. It has been ranked among the top 5% in the Taiwan Corporate Governance Evaluation nine years in a row.</p>	Compliant

Items Evaluated	Status		Brief Explanation	Variations (if any) with the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies and reasons for such discrepancies
	Yes	No		
			<p>7. PCSC discloses financial and business information as required by relevant laws and regulations and is working to strengthen transparency on an ongoing basis. The Company has also established an investor relations team to provide direct communication between PCSC and investors.</p> <p>8. PCSC formulates strategies, procedures, and indicators and undertakes regular analysis and appraisal of changes in risk status, in accordance with relevant laws and regulations, policies, and market changes; the Company also takes appropriate measures to strengthen corporate governance and risk management in order to minimize the potential risks to the Company as a whole. On November 1, 2023, the Board of Directors approved the establishment of a "Risk and Cybersecurity Management Committee" under the Board of Directors, which is responsible for overseeing risk and reporting to the Board of Directors on an annual basis. The Cybersecurity Committee and the Risk Management Committee, which were originally established under the Sustainable Development Committee, were simultaneously reorganized under the Risk & CyberSecurity Management Committee.</p> <p>9. PCSC complies with the Labor Act and revises work regulations in a timely manner and uses emails and the Company's internal webpage to inform employees of their relevant rights.</p> <p>10. PCSC will continue to comply with all laws and regulations governing corporate governance. We will also review corporate governance developments in Taiwan and abroad in our effort to continually improve in this area.</p> <p>11. PCSC subsidiaries also follow these guidelines to gradually improve corporate governance.</p> <p>12. According to Article 32 of PCSC's Articles of Incorporation, if the current year's profit situation (pre-tax profits prior to deduction of employee compensation and director remuneration) is deducted by accumulated deficit, no more than 2% of said surplus shall be distributed as director remuneration. Reasonable compensation has been assessed and given to directors based on PCSC's operational achievements, continuing education, and engagement in business sustainability, and the director's respective contribution to the Company, including financial KPIs such as Company profitability. In addition to PCSC's overall performance, remuneration is based on the performance of individual directors and their contributions to PCSC. Relevant performance and reasonableness of remuneration are to be assessed by PCSC's Remuneration Committee and the Board of Directors. The remuneration system is to be reviewed and adjusted as necessary based on actual operational status and relevant regulations as PCSC seeks to realize sustained operations and risk management.</p>	
<p>9. Please explain improvements that have been made as well as priorities to improve the results of the Corporate Governance Evaluation issued by the Taiwan Stock Exchange Corporate Governance Center:</p> <p>1. Improvements made: According to the results of the latest (seventh) Corporate Governance Evaluation, the Company has made major improvements which are explained below:</p> <p>(1)The Company's shareholders' meeting was conducted by the end of May.</p> <p>(2)The Company's Code of Corporate Governance Practices stipulated that directors were prohibited from trading in their shares during the closure period prior to the announcement of financial results, and this was enforced.</p> <p>(3)The Company disclosed the implementation and results of the functional committee's internal performance evaluation on the Company's website.</p> <p>(4)The Company disclosed the professional qualifications and experience of the members of the Board and the functional committee on the Company's website.</p> <p>(5)The Company reported and disclosed the composition, duties and operations of the Sustainable Development Committee (a functional committee other than the statutory one).</p> <p>(6)The Company disclosed the succession plan of board members and key management personnel on the Company's website.</p> <p>(7) The Company's quarterly consolidated financial statements were approved by the Audit Committee and submitted to the Board of Directors for discussion and resolution.</p> <p>(8) The Company established the Cybersecurity Committee, the Information Security Policy, and introduced the ISO 27001 Information Security Management System standard.</p> <p>2. Priorities and measures for improvement: In response to revisions to the eighth and ninth Corporate Governance Evaluation objectives, items that PCSC has made for improvement are explained below:</p> <p>(1)The Company is expected to upload the entire uninterrupted audio recording after the shareholders' meeting.</p> <p>(2)The Company is expected to report changes in insider shareholdings for the previous month by the 10th day of each month.</p> <p>(3)The Company is expected to establish written rules and regulations for financial operations related to related parties.</p> <p>(4)The Board of Directors of the Company is expected to assess the independence and suitability of certified public accountants with reference to the AQI on a regular basis.</p> <p>(5)The Company is expected to establish a board-level Risk and Cybersecurity Management Committee, half of which will be comprised of independent directors.</p> <p>(6)The Company is expected to disclose the resources invested in supporting the development of local culture.</p> <p>(7)The Company will disclose its policy of linking executive compensation to ESG performance.</p> <p>(8)The Company's sustainability report will be submitted to the Board of Directors for approval.</p> <p>(9)The Company will disclose video and audio links to at least two complete presentations.</p> <p>3. PCSC will continue to evaluate the feasibility of future improvement on other items.</p>				

Note 1: External Auditor Independence Evaluation Standards

Item Evaluated	Evaluation Finding	Complies with Independence
1. Does the external auditor have direct or material indirect financial interest in PCSC?	No	Yes
2. Does the external auditor have loans or guarantees with PCSC or PCSC directors?	No	Yes
3. Does the external auditor have a close business relationship or a potential employment relationship with PCSC?	No	Yes
4. Could the external auditor be affected by the loss of PCSC as a client?	No	Yes
5. Does the external auditor have a contingent fee arrangement relating to an audit engagement with PCSC?	No	Yes
6. Has the external auditor or a member of the audit team been a director, a manager of PCSC or been employed by PCSC within the last two years in a position to exert significant influence over the subject matter of the engagement?	No	Yes
7. Does the external auditor provide any non-audit services which if performed for PCSC would affect directly a material item of the audit engagement?	No	Yes
8. Does the external auditor promote or broker shares for PCSC or other securities issued by PCSC?	No	Yes
9. Does the external auditor serve as an advocate or representative for PCSC with third parties in the event of conflict?	No	Yes
10. Does the external auditor have family ties with anyone who is a director, manager, or officer of with PCSC or any personnel who is in a position to exert significant influence over the subject matter of the engagement?	No	Yes
11. Has anyone in PCSC worked with the external auditor and within the last year of disassociating from the firm joined PCSC as a director, manager, or officer or another key position that can exert significant influence over the subject matter of the engagement?	No	Yes
12. Has the external auditor accepted gifts or preferential treatment from a director or manager of PCSC?	No	Yes
13. Has the external auditor been coerced by PCSC management to accept inappropriate decisions regarding its accounting policies or inappropriate disclosures regarding its financial reports?	No	Yes
14. Has PCSC applied pressure or inappropriately reduced the amount of audit work given to the external auditor?	No	Yes
15. Has the external auditor provided seven consecutive years of auditing service to PCSC?	No	Yes
16. Has the external auditor is subject to disciplinary action or violated to independence?	No	Yes
17. Does the external auditor provide and report to the audit committee the audit quality indicators (AQIs), the company refers to the indicators to assess the competence of external auditor?	Yes	Yes

2023 Director Continuing Education

Name	Date(s)	Organizer	Course Name	Time	Total Time
Lo, Chih-Hsien	2023/04/27	Taiwan Institute of Directors	Taiwan's Economic Outlook under International Changes	3	6
	2023/10/26	Taiwan Institute of Directors	Digital Innovation and Sustainable Transformation for the Intelligent Enterprise	3	
Kao, Shioh-Ling	2023/04/27	Taiwan Institute of Directors	Taiwan's Economic Outlook under International Changes	3	6
	2023/10/26	Taiwan Institute of Directors	Digital Innovation and Sustainable Transformation for the Intelligent Enterprise	3	
Chen, Jui-Tang	2023/04/27	Taiwan Institute of Directors	Taiwan's Economic Outlook under International Changes	3	6
	2023/10/26	Taiwan Institute of Directors	Digital Innovation and Sustainable Transformation for the Intelligent Enterprise	3	
Huang, Jui-Tien	2023/04/27	Taiwan Institute of Directors	Taiwan's Economic Outlook under International Changes	3	6
	2023/10/26	Taiwan Institute of Directors	Digital Innovation and Sustainable Transformation for the Intelligent Enterprise	3	
Wu, Liang-Feng	2023/08/11	Taiwan Institute of Directors	Artificial Intelligence Explosion-Chat GPT Technology Development and Application Opportunities	3	6
	2023/10/27	Taiwan Institute of Directors	Taiwan's Economic Outlook under International Changes	3	
Su, Tsung-Ming	2023/04/27	Taiwan Institute of Directors	Taiwan's Economic Outlook under International Changes	3	18
	2023/05/11	Securities and Futures Institute	Challenges and Opportunities of Sustainable Development Pathways and Introduction to Greenhouse Gas Inventories	3	
	2023/06/06	Taiwan Corporate Governance Association	Information Security Governance Strategies for Listed Counterparties from the Perspective of ESG Corporate Sustainability Development	3	
	2023/07/04	Taiwan Stock Exchange	2023 Cathay Sustainable Finance and Climate Change Summit	3	
	2023/10/26	Taiwan Institute of Directors	Digital Innovation and Sustainable Transformation for the Intelligent Enterprise	3	
	2023/11/01	Taiwan Academy of Banking and Finance	Corporate Governance and Corporate Sustainability Workshop	3	
Huang, Jau-Kai	2023/04/27	Taiwan Institute of Directors	Taiwan's Economic Outlook under International Changes	3	6
	2023/10/26	Taiwan Institute of Directors	Digital Innovation and Sustainable Transformation for the Intelligent Enterprise	3	
Wu, Kun-Lin	2023/04/27	Taiwan Institute of Directors	Taiwan's Economic Outlook under International Changes	3	6
	2023/10/26	Taiwan Institute of Directors	Digital Innovation and Sustainable Transformation for the Intelligent Enterprise	3	
Wu, Tsung-Pin	2023/04/27	Taiwan Institute of Directors	Taiwan's Economic Outlook under International Changes	3	6
	2023/10/26	Taiwan Institute of Directors	Digital Innovation and Sustainable Transformation for the Intelligent Enterprise	3	
Wu, Wen-Chi	2023/04/27	Taiwan Institute of Directors	Taiwan's Economic Outlook under International Changes	3	12
	2023/05/04	Taiwan Institute of Directors	Compliance and Liability of Directors and Supervisors under Corporate Governance 3.0	3	
	2023/08/24	Taiwan Institute of Directors	International Climate Change Development Trends and Practical Case Analysis	3	
	2023/10/26	Taiwan Institute of Directors	Digital Innovation and Sustainable Transformation for the Intelligent Enterprise	3	
Hsu, Ke-Wei	2023/04/27	Taiwan Institute of Directors	Taiwan's Economic Outlook under International Changes	3	6
	2023/10/26	Taiwan Institute of Directors	Digital Innovation and Sustainable Transformation for the Intelligent Enterprise	3	
Chen, Liang	2023/04/27	Taiwan Institute of Directors	Taiwan's Economic Outlook under International Changes	3	6
	2023/08/28	Taiwan Academy of Banking and Finance	Corporate Governance Forum - Emerging Technology Money Laundering Risks	3	
Hung, Yung-Chen	2023/02/07	Taiwan Corporate Governance Association	Information Security Governance Practices: An Analysis of Key Management Issues	3	9
	2023/02/14	Taiwan Corporate Governance Association	The new face of corporate governance in the ESG trend	3	
	2023/04/14	Taiwan Corporate Governance Association	Legal Risks and Responses to Corporate Investment and Financing from the Perspective of Corporate Directors' Responsibility	3	

(5) Composition, responsibilities, and operation of the Remuneration Committee:

1. Remuneration Committee members

Position (Note 1)	Qualifications		Professional qualifications and experience	Independence	Number of independent directorships held in other public companies
	Name				
Independent Director	Hsu, Ke-Wei	<ul style="list-style-type: none"> Education : Master of Laws (LL.M.), University of Pennsylvania Law School ; Master Of Business of Administration (MBA), University of Pennsylvania Wharton School. Experience : Independent Director of Nidec Chaun-Choung Technology Corp., Legal Advisor of Holding Disp. Co., Ltd., General Counsel And Legal Advisor of Neobards Entertainment Ltd., Senior Consultant of Jones Day International Law Firm 	<p>To maintain independence within the scope of their business, to have no direct or indirect interest in the Company, and to not have any of the following during the two years prior to their election and during their term of office:</p> <ol style="list-style-type: none"> 1. Employees of the Company or its affiliates. 2. Directors and supervisors of the company or its affiliates. 3. A natural person shareholder who holds more than one percent of the total number of issued shares or the top ten shares in their name, or the name of their spouse, minor children, or others. 4. The spouse, a relative within the second degree of consanguinity, or a relative within the third degree of consanguinity of the manager in the first paragraph or a person listed in the first two paragraphs. 5. A director, supervisor or employee of a corporate shareholder who directly holds more than five percent of the total issued shares of the Company, holds the top five shares, or designates a representative as a director or supervisor of the Company in accordance with Article 27(1) or (2) of the Company Act. 6. More than half of the directorships or voting shares of the Company and other companies are controlled by the same person, a director, supervisor or employee of other companies. 7. The Company and the chairman, president or equivalent of another company or organization are the same person or spouse of each other, a director, supervisor or employee of another company or organization. 8. A director, supervisor, manager, or shareholder holding 5% or more of the shares of a specific company or organization with which the Company has financial or business dealings. 9. Professionals, sole proprietors, partners, directors, supervisors, managers, and their spouses who provide auditing, or who have received remuneration in excess of NT\$500,000 in the last two years for business, legal, financial, or accounting related services for the Company or its affiliates. However, members of the Remuneration Committee, the Public Takeover Review Committee, or the Special Committee on Mergers and Acquisitions who perform their duties and responsibilities in accordance with this Act or the relevant laws and regulations of the M&A Act are excluded. 	1	
Independent Director	Chen, Liang	<ul style="list-style-type: none"> Education : MBA, Baruch College of CUNY Experience : Supervisor of First Commercial Bank Co., Ltd. 		0	
Independent Director	Hung, Yung-Chen	<ul style="list-style-type: none"> Education : Ph.D. in Information Engineering, National Taiwan University Experience : Director of Hua Vi Venture Capital Corporation, Director of Kinpo Electronics Inc., Professor, the Department of Computer Science and Information Management, Soochow University, Arbitrator of Taiwan Construction Arbitration Association, Arbitrator of Arbitrator of Chinese Arbitration Association Taipei, Arbitrator of Shanghai International Economic and Trade Arbitration Commission, Dispute Reviewer of Beijing Arbitration Commission. 		0	

2. Operations of the Remuneration Committee

(1) PCSC's Remuneration Committee is composed of three members.

(2) The term of office for current members:

- The fifth session: August 3, 2021 to July 15, 2024.

As of publication of the Annual Report, there had been a total of 3 (A) meetings of the Remuneration Committee over the past fiscal year. Member attendance is detailed below:

Title	Name	Meetings Attended Personally (B)	Meetings Attended by Proxy	Personal Attendance Rate (B/A)	Remarks
Convener	Hsu, Ke-Wei	3	0	100%	-
Member	Hung, Yung-Chen	3	0	100%	-
Member	Chen, Liang	3	0	100%	-

Other issues to be noted:

- If the Board does not adopt or amends a Remuneration Committee proposal, the Board meeting date, session, content of the resolution, result of the Board vote, and the Company's response to the Remuneration Committee's opinion shall be properly recorded (for example, if the remuneration package approved by the Board is superior to that suggested by the Remuneration Committee, the difference and reasons must be noted).
[Further explanation] There has not been any instance of the Board rejecting or amending a remuneration Committee proposal. Also, there have not been any recorded instances of Remuneration Committee members opposing or retaining opinion on any decision by the Board.
- Should a committee member oppose or retain their opinion regarding any decision made by the Remuneration Committee and their opinion has been recorded or submitted in a written statement, the committee meeting date, session, content of the resolution, opinions of all members, and the response to the opinions shall be recorded.
[Further explanation] PCSC has not had a case in which a member of the Remuneration Committee recorded or submitted a written statement in opposition or retaining opinion on a resolution decided upon by the committee.
- Remuneration Committee functions and powers:
 - Draw up and regularly review the performance evaluations for directors and managers and remuneration policies, system, standards, and structure.
 - Regularly evaluate and stipulate remuneration for directors and managers.

(6) Promoting Sustainable Development Implementation

Items Promoted	Status		Brief Explanation	Variations (if any) with the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and reasons for such discrepancies
	Yes	No		
1. Has PCSC established governance structure and set up a dedicated (part-time) unit to promote sustainable development, which is authorized by the board of directors to handle senior management, and supervised by the board of directors?	V		<ol style="list-style-type: none"> The Company has established the Sustainable Development Committee under the Board of Directors and incorporated the mechanism of independent directors. In accordance with the "Rules and Regulations of the Sustainable Development Committee of PCSC", the committee is convened at least twice a year. The committee consists of six members, three of whom are independent directors, and is responsible for the formulation and supervision of the sustainable development policy direction and promotion plan, with the following main responsibilities: <ol style="list-style-type: none"> The Company's corporate social responsibility and sustainable management system is proposed to be revised in accordance with the relevant regulations. Oversee the direction and promotion plan of our corporate social responsibility and sustainable development policy, and regularly track the progress of implementation. The effectiveness of the Company's CSR and sustainability programs is regularly evaluated and the annual results are reported to the Board of Directors each year. Validate the Sustainability Report. Other matters that the Board of Directors has resolved to direct the Committee to do. The committee met twice, once on June 27 and once on December 12 in 2023, and reported to the Board of Directors on December 13 on the current year's performance results and the next year's performance plan. The Company's Board of Directors receives regular reports from the Sustainable Development Committee each year to monitor the results and make plans for the year's ESG, risk and cyber security initiatives, and to urge the Sustainable Development Committee to make adjustments if necessary. Please refer to Note 1 for membership information, attendance, meeting topics and discussion items. In order to strengthen information security risk control, on November 1, 2023, the Board of Directors approved the establishment of a "Risk and Cybersecurity Management Committee" to raise the level of management to the Board of Directors. 	Compliant

Items Promoted	Status		Brief Explanation	Variations (if any) with the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and reasons for such discrepancies
	Yes	No		
2. Has PCSC designated personnel to implement corporate social responsibility policy with senior management authorized by the Board of Directors to manage them and do they give status reports to the Board of Directors?	V		<p>1. The Sustainability Report discloses the performance of the Company for the year 2022 (from January 1, 2022 to December 31, 2022) in relation to corporate sustainability, with some information prior to 2022. The risk assessment boundary focuses mainly on PCSC, including the headquarters, retail locations and shopping centers. In addition, five affiliated logistics companies (Uni-President Cold-Chain Corporation, Wisdom Distribution Service Corporation, Retail Support International, President Logistics International Corporation, and Uni-President Superior Commissary Corp.) and PCSC Good Neighbor Foundation were included. The quantitative performance of the aforementioned organizations is partially mentioned in the disclosure of major topics such as leftover food management, packaging materials management, climate change, waste management, customer health and safety, and social welfare. We expect to include data from other affiliated companies in order to present comprehensive information on PCSC's value chain in the future.</p> <p>2. In the rapidly changing food retail industry, PCSC has been concerned with major social, economic and environmental trends kept abreast of risk items that affect sustainable operations of the Company. To enhance ESG management, the PCSC Board of Directors established the "Risk and Cybersecurity Management Committee" in November 2023 by a resolution of the Board of Directors, and the "Risk Management Committee" and "Cybersecurity Committee", previously under the Sustainable Development Committee, were simultaneously reorganized under the "Risk and Cybersecurity Management Committee".</p> <p>3. The company conducts major theme assessments in accordance with the sustainability report preparation guidelines, analyzes global trends and collects sustainability issues of concern to stakeholders. After internal impact analysis, the major themes are selected, reviewed, and resolved by Sustainable Development Committee under the Board of Directors. We conduct major theme reviews every year, continue to implement the major theme identification process in every two years, and regularly review the impact of topics as references for sustainable development strategic planning. The company integrates major themes into the daily risk management system and is committed to maintain a complete risk management system. The company's board of directors, managers at all levels and employees jointly participate in and promote the implementation to reduce the impact of related risks. Relevant risk identification and response measures such as Note 2 and the company's sustainability report.</p>	Compliant
3. Environmental Topic				
(1) Has PCSC established an environmental management system that is specifically designed with PCSC operations in mind?	V		<p>1. The company formulates "environmental policy", "energy policy" and "greenhouse gas policy" as the core guidance for the group's environmental issues. On this basis, we had set short, medium and long-term goals and deepens sustainability into our operations and business model. It not only truly controls and manages the current status of greenhouse gas emissions, but also further promotes energy-saving and carbon-reduction related plans based on the inventory results.</p> <p>2. In order to promote the energy saving and improve the energy efficiency, the company continues to maintain the ISO 50001 energy management system certification of the headquarters building and two stores. Other locations also conduct energy management according to the operating spirit and structure of the energy management system to achieve the purpose of continuous improvement in energy use.</p> <p>3. PCSC continued to attach great importance to the issues of energy savings and carbon reduction. Since 2017, we have commissioned SGS to conduct ISO 14064-1 greenhouse gas inventory, which covered 6,791 locations with 99% coverage.</p> <p>4. PCSC took advantage of its comprehensive store network and 24-hour operations to assist in the notification of disasters and the dissemination of early warning information. To deal with disasters caused by climate change, PCSC has installed a weather information distribution system and enhanced the training of store personnel for responding to typhoons and floods.</p>	Compliant

Items Promoted	Status		Brief Explanation	Variations (if any) with the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and reasons for such discrepancies															
	Yes	No																	
(2) Has PCSC endeavored to make more efficient use of resources and use renewable materials that have a lower impact on the environment?	V		<p>1. The Company is committed to energy savings, carbon reduction and greenhouse gas emissions reduction, bringing a better green living environment to the people of Taiwan. Energy-saving designs are considered at the initial planning stage of new store openings including building insulation, energy saving signage, lighting reduction, variable frequency system adoption, outdoor energy savings, indoor lighting management and LED lighting adoption. Equipment in existing stores is actively replaced with energy efficient equipment. EUI value (energy use intensity) of electricity consumption in stores was 826.4 kWh/m², 0.81% less in 2022, surpassing target performance.</p> <p>2. We are currently not using renewable energy, but we are doing our best to increase the proportion of renewable energy use by introducing the feasibility and practice of renewable energy equipment. As for the use of recycled materials, 100% of the plastic bags in our stores are made from recycled materials, and recycled PET bottles are made into items for the public good. PCSC continued to build the largest recycling platform in Taiwan.</p> <p>3. On July 12, 2022, we cooperated with TCC to set up a 5.94KWp solar power and energy storage system at the Yawan branch 7-Eleven in Tainan City to serve as the starting point for solar power utilization. In addition, Tainan's Antong store has obtained the "near-zero carbon building" label and is also the first convenience store with "near-zero carbon building".</p>	Compliant															
(3) Does PCSC evaluate potential risks and opportunities of climate change for the Company now and in the future, and make countermeasures to issues related to climate change?	V		<p>The Company's Board of Directors serves as the highest regulatory authority on climate change issues. We introduced TCFD in 2020 and assessed 4 major climate risks and 2 opportunities: Increased severity of extreme weather events, rising average temperatures, requirements and regulation of existing products and services, the use of low carbon energy sources and new technologies, the adoption of more efficient transportation methods or distribution processes, and a shift to more energy and resource efficient buildings and equipment. The financial impact of risks and opportunities is also assessed on an ongoing basis during the year. We continued to assess the financial impact of risks and opportunities. In 2021, a carbon reduction task force was also set up to integrate and optimize management strategies in response to the impact of major risks and opportunities on PCSC. It is expected to reduce the financial impact of climate risks on operations and maximize the benefits of climate change issue response by integrating and optimizing the strategies.</p>	Compliant															
(4) Did PCSC calculate greenhouse gas emissions, water use and total weight of waste in the past two years and did it establish policies for saving energy, reduction carbon, reduction of water use, as well as waste management?	V		<p>Since 2017, we've followed ISO 14064-1:2006 for greenhouse gas inventory, and since 2020, we've adopted the new version of ISO14064-1:2018 to conduct greenhouse gas inventory, and has passed third-party verification.</p> <p>Greenhouse gas emissions in the last 2 years:</p> <p>The GHG inventory for 2022 covered 6,791 locations. t CO₂ e/yr</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Scope 1</th> <th>Scope 2</th> <th>GHG emissions intensity (CO₂ e /mn turnover)</th> <th>Scope 3</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>31,253</td> <td>464,933</td> <td>2.95</td> <td>185,911</td> </tr> <tr> <td>2022</td> <td>29,940</td> <td>504,544</td> <td>2.92</td> <td>2,393,290</td> </tr> </tbody> </table> <p>The reduction target is based on the direct and indirect GHG emission intensity of the GHG inventory in 2020, namely 2.99 metric tons of CO₂e per NT\$million in turnover. After taking future revenue growth and operational expansion into consideration, we have promised to lower the emission intensity by 14% at 2.63 metric tons of CO₂e/NT\$million in revenue by 2030 compared to the baseline year of 2020. In the future, we will devote ourselves to promoting energy conservation in stores and offices, but also to promote carbon reduction in logistics and transportation. We will continue to review the progress of achieving the goals. Taking into account the trend of economic growth and energy-saving technology progress, we will update the medium and long-term reduction targets, and gradually achieve the promised reduction targets.</p>	Year	Scope 1	Scope 2	GHG emissions intensity (CO ₂ e /mn turnover)	Scope 3	2021	31,253	464,933	2.95	185,911	2022	29,940	504,544	2.92	2,393,290	Compliant
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			<p>Water consumption in the last 2 years</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Non-recyclable waste weight (tons)</th> <th>Data Scope of non-recyclable waste</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>2,483,875</td> <td>Actual statistics: Headquarters building and 4,071 stores Estimated: 9 zones offices and 2,308 stores</td> </tr> <tr> <td>2022</td> <td>3,020,304</td> <td>Actual statistics: Headquarters building and 4,206 stores Estimated: 9 zones offices and 2,425 stores</td> </tr> </tbody> </table> <p>1. We installed water-saving facilities to adjust water flow to 500 milliliters per second, which successfully reduced the water consumption at stores. Taking 2019 as the base year, PCSC promises to reduce the water consumption of each store by 1% (after deducting the water used to freshly prepared beverages). By 2025, the water consumption should be reduced by 5% compared to the base year. The average water consumption per store in 2022 was 397(unit/number of stores), a decrease of 14.9% compared with the base year. We will continue to track the correlation between water consumption and PSD as reference for future targets.</p> <p>2. Headquarters building continued to reduce water consumption through water-saving actions. For example, we introduced a device to reduce the amount of water coming out of the taps in restrooms and coffee rooms, as well as installing water-saving devices at the urinals, adjusting the optimal water output of the toilets, reducing the frequency of sprinklers and so on.</p> <p>Waste weight in last 2 years:</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Non-recyclable waste weight (tons)</th> <th>Data Scope of non-recyclable waste</th> <th>Recyclable waste weight (tons)</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>56,156</td> <td>Actual statistics: Headquarters building and 1,010 stores Estimated valuation: 9 zones offices and 5,369 stores</td> <td>13,270</td> </tr> <tr> <td>2022</td> <td>43,992</td> <td>Actual statistics: Headquarters building and 1,110 stores Estimated valuation: 9 zones offices and 5,521 stores</td> <td>15,999</td> </tr> </tbody> </table> <p>1. The waste produced by PCSC is mainly domestic waste, which belongs to the general waste and general industrial waste as categorized by the Environmental Protection Administration with no hazardous industrial waste</p> <p>2. In order to strengthen the management effectiveness of non-recyclable waste (excluding food waste) in stores, PCSC uses 2019 as the base year and sets the average waste generated by a single store as a management goal. It aims to reduce the waste generated by an average store by 13% from the base year in 2022 and by 40% from the base year in 2025. In 2022, single-store waste generation of 5.80 metric tons, down 31.24% from the base year. PCSC's active implementation of various waste reduction measures, the amount of waste generated in the stores is much lower than previous years. In the future, we will continue to track waste data and actively expand our stores to implement resource recovery, resource reuse and plastic reduction initiatives, and strengthen the management of non-recyclable waste in our stores.</p>	Year	Non-recyclable waste weight (tons)	Data Scope of non-recyclable waste	2021	2,483,875	Actual statistics: Headquarters building and 4,071 stores Estimated: 9 zones offices and 2,308 stores	2022	3,020,304	Actual statistics: Headquarters building and 4,206 stores Estimated: 9 zones offices and 2,425 stores	Year	Non-recyclable waste weight (tons)	Data Scope of non-recyclable waste	Recyclable waste weight (tons)	2021	56,156	Actual statistics: Headquarters building and 1,010 stores Estimated valuation: 9 zones offices and 5,369 stores	13,270	2022	43,992	Actual statistics: Headquarters building and 1,110 stores Estimated valuation: 9 zones offices and 5,521 stores	15,999	
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	Yes	No		
4. Social Topic				
(1) Has PCSC established management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	V		PCSC consulted such international human rights conventions as the "International Human Rights Law", "Core Labor Standards, Fundamental ILO Conventions", and "Ten Principles of the United Nations Global Compact" when formulating its human rights policies. Our seven major policies are to provide a friendly and safe working environment and treat our employees with dignity. We prohibit any unlawful discrimination, sexual harassment, workplace violence, intimidation, provide a complaint mechanism and handle all human rights violations appropriately. We also prohibit forced labor, human trafficking, and child labor. PCSC implements diversified employment in the workplace to ensure equal job opportunities, training and benefits, reward and evaluation, and promotion. We respect employee freedom of association, maintain smooth communication with them, and build a harmonious workplace environment. We are committed to promoting physical and mental health and work-life balance for our employees, and we provide multiple channels of communication to ensure the rights of our stakeholders. Specific management and implementation plans include, regular annual reviews of occupational safety and health as well as labor conditions; employing comprehensive internal and external training channels to give employees inter-company and interdisciplinary work rotation experience as well as important positions and challenges to cultivate outstanding talents; hold annual health check-ups and implement health promotion campaigns based on the data analysis findings of health exams over the years to enhance the employee health index; and PCSC has a variety of communication channels available in its auditing office, joint service center, and in the stakeholder area on its official website. In addition, it also has a comprehensive system and mechanism to ensure that feedback and suggestions are actually handled.	Compliant
(2) Does PCSC have and implement employee welfare measures, including bonuses, holidays, and other benefits, and is its operational performance and achievements reflected in their pay?	V		<p>1. Employee Remuneration: PCSC remuneration policy ensures that all full-time employees receive higher pay than legal minimum wage. PCSC reviews whether employee salary levels are market-competitive and in line with employees' needs by adjusting the starting salary of new recruits in April of each year. PCSC also provides employees in areas with higher costs of living with an additional allowance of 5-10% of the basic salary, so that they and their families have enough to live a decent life. The starting salary for the new recruits at PCSC is equal for men and women engaged in equal work, and salary and benefits do not differ based on gender or age. In 2022, the starting salary for college graduates hired as PCSC's back office staff was 1.39 times the legal minimum wage, and 1.63 times for those with a master's degree.</p> <p>2. Workplace Diversity and Equality: As of December 31, 2022, PCSC's female employees account for 55.53% of all PCSC employees, while 52.79% of managers in revenue-generating functions are female, showing that PCSC values gender equality in the work environment and talent recruitment. We do not hire people under the age of 15 as workers in accordance with the Labor Standards Act. We provide job opportunities for people seeking re-employment and part-time job opportunities for student jobseekers. We also collaborate with senior high (vocational) schools to provide students with job opportunities, and have employed more people with disabilities than is legally required. In 2022, the PCSC head office and directly operated stores hired a total of 253 employees with disabilities, accounting for 2.94% of our total workforce. This is 2.94 times higher than the legal requirement. Besides employees with disabilities, PCSC also hired 147 indigenous individuals, accounting for 1.71% of all employees.</p> <p>3. Comprehensive employee benefits: (1) In accordance with the Official Letter Taipei City Social II No. 58459 of the Department of Social Welfare, PCSC established the Employee Benefit Committee on December 21, 1987. Members of the Committee are jointly elected by labor and management. The Committee regularly hosts a variety of activities, organizes health check-ups for employees, and provides other benefits, such as subsidies for in-service education programs. (2) The PCSC benefit scheme includes self-selected benefits, health examinations, employee stock ownership plans, club subsidies, discount purchasing, wedding and funeral allowances, paid maternity and paternity leave, group insurance, employee travel allowance, and other benefits provided by Employee Benefits Committee to meet employee needs.</p> <p>4. Comprehensive rewards system: PCSC gives employees annual bonuses based on the Company's net profit and gross profit growth to encourage them to stay and grow with the Company.</p>	Compliant

Items Promoted	Status		Brief Explanation	Variations (if any) with the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and reasons for such discrepancies
	Yes	No		
(3) Does PCSC provide employees with a safe and healthy work environment and regularly implement safety and health education programs for employees?	V		<p>PCSC provides employees with comprehensive education and training programs and works to realize our objectives of showing human care and improving their physical and mental health, focusing on the wide-ranging implementation of our Health Management Program to help employees take care of their own health. The Company has engaged specialized nurse practitioners and works with doctors specializing in workplace health services to provide health consultation services. PCSC encourages employees to manage their personal health and create a healthy, harmonious, and safe work environment.</p> <p>1. Safety and Health Committee: PCSC established a level 1 Occupational Safety Office and a Safety and Health Committee in accordance with the Occupational Safety and Health Act. Committee meetings are held on a quarterly basis with supervisors of the highest level of each unit and recommended by labor union discussing the Company's safety and health matters. The meeting also establishes occupational safety targets and ensures the suitability and effectiveness of occupational safety and health.</p> <p>2. Occupational Safety and Health Policy: The president approved the Occupational Safety and Health Policy in 2022 with five guidelines for implementing risk prevention and management. PCSC took the following actions to achieve this goal: safety and health education and training, safety risk assessments and safety audits. Furthermore, we continued to implement the Overload Prevention Plan, Human Factor Hazard Prevention Plan, Illegal Violence Prevention Plan, and Maternity Health Protection Plan to protect employee health and safety through prevention measures and risk identification.</p> <p>3. Employee Occupational Injury Statistics: (1) PCSC strives to reduce occupational injuries. We boast the achievement of zero cases of work-related fatalities or critical injuries for six consecutive years through various safety and health management plans. In 2023, there were 26 incidents of workplace accidents. The frequency-severity indicator was 0.17, lower than the retail industry's average rate of 0.37 over the past three years according to the Occupational Safety and Health Administration, Ministry of Labor. Furthermore, PCSC had no cases of work-related ill health for our employees in 2023. (2) In order to reduce the probability of employee occupational injuries, for special situations. For example, in the event of a workplace violence, we immediately activate a mechanism for employee care, protection and assistance, investigate the cause of the violence, identify the hazards, and implement improvements to create a friendly workplace environment. In addition, we promote safety and health education and training for new employees and conduct online and in-person courses on occupational safety. In addition to workplace safety, we also emphasize fire escape and hazard prevention for employees. (3) There was a total of 1 fire incident in the Company in 2023, with 0 fatalities or injuries. We will continue to review the general inspection of electrical wiring and switch boxes. We have also instructed our employees to turn off the electricity after work in order to minimize the recurrence of electrical fires.</p> <p>4. Human Rights and Labor Audits: PCSC provided training regarding the Labor Standards Act to 256 people in 2023. For other human rights risk assessments and mitigation measures, please refer to the IR website: https://www.7-11.com.tw/company/ir/policy.html to download the PCSC Human Rights Due Diligence Procedures.</p> <p>5. Protecting Employee Health, Workplace Epidemic Prevention Measures: Employees are important assets of the Company, and keeping them healthy is part of PCSC's goal to create a happy company. We hope that through the Happy Cooperative's proactive care mechanism, health promotion activities, and pregnant mother-friendly environment, we can help our employees maintain their health and achieve a sense of well-being. Since 2013, we have been promoting the Health Management Program, employing professional nurses to provide health consultation and setting up a medical office in the headquarters building to provide health services, such as blood pressure measurement and simple trauma treatment, as well as providing employees with exclusive Health Passports. Starting in 2019, we established a Healthy Exercise Life Circle exclusively for employees through the app. In 2021, despite the impact of the epidemic, we continued to encourage all employees to continue to exercise. We also regularly promoted health education through e-newsletters and health seminars to encourage employees to manage their own health.</p>	Compliant

Items Promoted	Status		Brief Explanation	Variations (if any) with the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and reasons for such discrepancies
	Yes	No		
			<p>6. Work-life balance assistance:</p> <p>PCSC also assists employees' families, by setting up nursing rooms in the office, and contracts with childcare institutions to provide preferential prices to reduce the burden of childcare on employees. PCSC's maternity leave and miscarriage leave are better than legally required and are fully paid regardless of seniority to provide better care for female employees. In addition, the back office staff can flexibly choose their commuting time, to help employees allocate their time to realize a work-life balance. In addition, due to the impact of the COVID-19 epidemic from 2020, PCSC established the Work from Home Implementation Plan and the criteria for employees to work outside the office, so that back office staff can work remotely from home.</p>	
(4) Has PCSC established an effective career skills development training program for employees?	V		<p>PCSC attaches a great deal of importance to personnel training. We help our employees be all that they can be through job rotation, working in different positions and in different organizations within our Company, giving them important jobs and challenges, and by broadening their horizons.</p> <p>1. Since it set up an employee career development path and management mechanism in 2016, PCSC reviews succession candidates of all positions every year. In 2023, we continued to build key talent pools of different units and assign supervisors and commissioners to different units for training. Cross-unit training can be divided into job enlargement and career advancement, including encouraging those who meet the qualifications of the current job to apply for internal vacancies and expand their business functions through horizontal learning. The annual selection and construction of rotation/promotion talent pools are based on different ranks and functional fields to encourage colleagues to prepare for career advancement and future vertical development. In terms of training future executives at all levels, the training model, in addition to the classroom-based physical training model of the past, combines digital online learning methods to promote more flexible and independent learning for talents at all levels, and to continue to improve the quality of Company training and the satisfaction of its employees.</p> <p>2. In accordance with our core values, PCSC has clearly outlined a training program to equip employees with the skills and standards required for positions throughout the organization. Managers and employees can enhance their skills to ensure they meet the needs of the Company's business direction by participating in internal or external training courses. In 2021, during the epidemic, we continued to implement the operation of the talent development program and actively build a digital learning environment with online digital learning as the main focus to provide a more flexible and independent learning model. Online courses were also created for new supervisors to help them learn how to help employees improve their skills, plan their work, and focus on their growth and learning. For some key employees, PCSC mapped out a program of training and development to help them reach their ideal positions within the Company.</p> <p>3. PCSC also encourages employees to pursue self-enrichment in their spare time to strengthen their foundation and professional knowledge through scholarships for outside training and foreign language courses.</p>	Compliant
(5) Does PCSC's product and service marketing and labeling adhere to relevant laws and regulations and international standards as well as the laws and regulations related to customer health and safety and personal information and has it established policies and grievance procedures to protect consumer protection rights?	V		<p>The Company's food safety policies focus on operations, food traceability, and gaining customer recognition. From raw materials, logistics to stores, we set up a management mechanism, including the establishment of our own raw materials and quality assurance management database for commodity food products to ensure commodity raw materials and suppliers can be traced and managed. We also establish a quality inspection laboratory and obtain certificates, import Initial transportation and store commodity management and service inspection, establish whole-process quality control, and conduct various store inspections (quality service, quality assurance operations, tobacco and alcohol sales), etc. The laws and regulations that the company follows are: Consumer Protection Act, Food Traceability System of Food Safety Law, Tobacco Hazards Prevention Act. PCSC has established the Integrated Services Call Center and stakeholder's mail box to serve as a communication channel that consumers can use to ensure that their suggestions or concerns are handled satisfactorily. Internally, the Company also has operating measures for handling product suggestions made by customers to ensure that they are handled satisfactorily.</p>	Compliant

Items Promoted	Status		Brief Explanation	Variations (if any) with the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and reasons for such discrepancies
	Yes	No		
(6) Has the Company established supplier management that requires that suppliers adhere to regulations dealing with such issues as the environment, workplace safety and health, worker rights and, if so, what is the status of implementation?	V		<p>1. In order to ensure whether suppliers are legally established, the quality of their products, how well they cooperate with inspections, and whether they adhere to laws and regulations and PCSC's standards, we have established a section in our internal control regulations dedicated to product safety management. Suppliers and OEM factories that produce PCSC's ownbrand products have a greater impact, so we have set up different management measures for them based on their different characteristics, for example Raw Material Supplier and Raw Materials Management Rules, Rules for Onsite Appraisal for Privately-Owned Brand Product Manufacturers, clearly requiring that the product production, packaging, inspection, and evaluation processes are all carried out in accordance with specific standards. We do our utmost to require that suppliers of privatelyowned brand products obtain food safety management system ISO22000 certification. PCSC holds spot checks of raw materials suppliers and OEM factories and employs hierarchical supplier management, giving them different classifications based on their evaluation scores. In 2023, 150 spot checks were carried out on raw materials suppliers and they all passed. We also carried out 28 spot checks of suppliers and OEM factories that produce PCSC's own-brand products. All pass the evaluation. In addition, our Internal Audit Office holds spot checks at raw material suppliers and OEM factories to create a rigorous food safety net for consumers.</p> <p>2. PCSC has also set up the "Code of Conduct for PCSC and Subsidiary Subcontractors", requiring all suppliers to sign "Ethical Corporate Management and Corporate Social Responsibility Agreements", to which have been incorporated five major standards, including worker, health, environmental safety, ethics, and fairness.</p>	Compliant
5. Does the Company follow international recognized reporting criteria or guides when disclosing non-financial Corporate Social Responsibility reports? Did it obtain assurance or verification statements from third-party certification bodies for previously disclosed reports?	V		<p>1. PCSC publishes Sustainability Report every year and discloses the reports of previous years on the Company website. The 2022 PCSC Sustainability Report is based on the Global Reporting Initiative's GRI Core Standards (2021 version) and the Sustainability Accounting Standards Board's (SASB) industry standards (food retail and distribution industry).</p> <p>2. SGS Taiwan was engaged to confirm that the information in the Sustainability report meets the requirements of the AA1000 Type II high assurance level, and PwC Taiwan was engaged to provide independent limited assurance on certain subject information in accordance with the Standard No. 3000 of the Republic of China "Assurance Cases that Are Not Reviews or Reviews of Historical Financial Information"</p>	Compliant
<p>6. If PCSC has drawn up a code for Sustainable Development based on the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies, please describe any differences between said code and the Best Practice Principles:</p> <p>In accordance with the Sustainable Development Best Practice Principles for TWSE/ GTSM Listed Companies, PCSC drew up the Rules for the Practice of Sustainable Development which we adhere to. It governs implementation of corporate governance, development of sustainable operations, protection of public welfare, strengthening of Sustainable development information disclosure, and protection of stakeholder rights and interests. PCSC employees follow these regulations to manage Company risks and impacts on the economy, environment, and society.</p>				

Items Promoted	Status		Brief Explanation	Variations (if any) with the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and reasons for such discrepancies
	Yes	No		
7. Other important information for facilitating the understanding of Sustainable Development and its implementation:				
<ol style="list-style-type: none"> The Company is committed to the safety of our products. In 2023, we invested NT\$128,290,000 to enhance food safety management of raw materials and we continued to ensure food safety through such activities as giving guidance and checking our OEM and suppliers and product inspection. To respond to the issue of food safety, PCSC formulated the Product Safety Information Gathering and Inventory Tracking Operating Procedures to strengthen crisis management capabilities and perform self-reviews of potential major product safety incidents and related regulations to prevent latent food safety risks. The PCSC quality assurance laboratory has been certified by the TFDA for one testing area and TAF certification for seven testing areas. In 2013, PCSC received TAF Certification for the first time, and received TFDA Certification in 2014. We have continued to pass extension applications for accreditation, once again showing the management quality of our laboratories. In 2023, the quality assurance laboratory performed testing on 937 raw materials and products to maintain strict control on the safety of food products. To deal with changes in laws and regulations, PCSC took it upon itself to make adjustments to the items in its product inspection standards so that they comply with the requirements of laws and regulations. PCSC has optimized the own-brand product raw material management system to improve traceability management of raw materials. PCSC has optimized fresh food product ingredient labeling simplification and allergen labeling standards that meet with government standards and allow consumers to more easily determine food product ingredients and potential allergens. In order to provide a channel for franchisees to voice their opinions and problems at any time, we launched the 885APP frontline store voice reflection platform in 2022 to solve the various problems and challenges faced by stores. Since the launch of the platform, 2,638 cases have been received and 2,631 cases have been resolved, representing a case handling rate of 99.73%. To allow our franchisees to feel the immediacy and importance of the front line logistic support, after a logistics unit is notified of an issue, we require that they provide feedback to the franchise partner within seven days and provide a timetable for resolving the issue to ensure that each franchise partner is taken seriously to create more positive communication and interaction and to achieve the goal of sustainable operations of the franchise partner and the Company. As we continue to promote work-life balance and to assist colleagues in dealing with physical and mental health and family issues, the Company has trained 280 in-house psychological care volunteers, 154 of which have completed volunteer certification. Volunteers help with a wide range of issues, including interpersonal workplace, work adjustment, family, gender relations and health, and manage cases in different levels. To date, 3,842 cases and 2,951 caring hours have been completed by internal volunteers. If a case is observed to be in need of professional assistance, through the cooperation with H2U, the Company refers cases to professional counselors to effectively assist colleagues to reduce stress. The Company is committed to a net zero carbon emission target of 2050 and is actively responding to the international trend of carbon reduction. In order to proactively take stock of the current status of carbon emissions and plan for further carbon reduction actions, we expect to complete the inventory of the main body of the Company and activate for subsidiaries in 2024. The Company has been named to the Dow Jones Sustainability World Index for five consecutive years. For two consecutive years, the Company has received an "A-" leadership rating on the CDP Carbon Disclosure Project's climate change questionnaire. ISO14001 is not applicable to PCSC, because it is not in the manufacturing industry. Please refer to the Corporate Social Responsibility section on the PCSC website for more information at https://www.7-11.com.tw/company/csr.asp 				

Note 1 : Member, attendance, meeting topics and discussion issues information

Members of the committee (the term of office is from August 3, 2021 to July 15, 2024) are as follows:

Title	Name	Expertise
Convener	Wu, Wen-Chi	Finance and Accounting, Business administration, International Market Vision
Member	Wu, Hui-Chen	Enterprise Operation Management, Logistics Management, International Market Vision
Member	Lua, Wen Ji	Sustainable Development Management, Risk and Information Security Management, International Market Vision
Member (Independent Directors)	Hsu, Ke-Wei	Law, Business Management, Business administration, International Market Vision
Member (Independent Directors)	Chen, Liang	Financial and Investment Management, Business administration, International Market Vision
Member (Independent Directors)	Hung, Yung-Chen	Information Security and Information Management, Intellectual Property Strategy, International Market Vision

As of publication of the Annual Report, there had been a total of 2 (A) meetings of the Remuneration Committee over the past fiscal year. Member attendance is detailed below:

Title	Name	Meetings Attended	Meeting attend by Proxy	Attendance Rate (%)	Remarks
Convener	Wu, Wen-Chi	2	0	100%	-
Member	Wu, Hui-Chen	2	0	100%	-
Member	Lua, Wen-Ji	2	0	100%	-
Member (Independent Directors)	Hsu, Ke-Wei	2	0	100%	-
Member (Independent Directors)	Chen, Liang	2	0	100%	-
Member (Independent Directors)	Hung, Yung-Chen	2	0	100%	-

Meeting Date	Topics Reported	Items Discussed
6/27	<ul style="list-style-type: none"> • 2023 amendments on PCSC's Rules for the Practice of Sustainable Development. • 2023 Sustainability report project progress and DJSI and CDP project reports 	<ul style="list-style-type: none"> • PCSC 2022 Sustainability Report
12/12	<ul style="list-style-type: none"> • PCSC 2023 Sustainable project results and overall planning for 2024 • PCSC 2023 DJSI, CDP, and TCFD project result review and overall planning for 2024 	<ul style="list-style-type: none"> • PCSC 2023 Sustainability Project Results and Future planning for Sustainability

On December 13, 2023, Sustainable Development Committee reports ESG, Risk and information security, Intellectual Property Management, and Ethical Corporate Management Practice progress results and plans to the Board of Directors.

ESG Topic	Risk Type	Implementation of risk management
Environmental	Climate risks	<ol style="list-style-type: none"> 1. PCSC's governance structure on climate change issues is governed by the board of directors, and the relevant issue management and control mechanism is established under the Sustainable Development Committee. Issue management and risk assessment are carried out through the task forces under the committee, and regularly report management and implementation to the board of directors. In 2021, Carbon Reduction task force was formally established to integrate and optimize management strategies. 2. TCFD framework was adopted to evaluate PCSC's climate-related risks and opportunities. After cross-departmental discussions, 4 major climate risks and 2 opportunities have been identified. 3. In 2018, the ISO14064-1 greenhouse gas inventory was carried out, and we entrusted SGS to conduct third-party inspection operations. The progress of the target achievement was checked based on the results of the carbon inventory, and the mid- and long-term reduction targets will be updated. 4. PCSC has introduced an energy management system to control and manage electricity consumption in stores. In 2022, SGS was entrusted to carry out ISO50001 energy management system certification. Other bases also conduct energy management according to the operation structure of the energy management system, so as to achieve the purpose of continuous improvement of energy use. 5. The annual internal audit plan is planned, aiming at the compliance with various relevant environmental laws and regulations, and each operating process has complied with the regulations.
Social	Occupational Safety	<ol style="list-style-type: none"> 1. PCSC Passed the "TAF ISO45001 Occupational Safety Management System International Certification" again in 2021. 2. PCSC Held the Occupational Safety and Health Committee on a quarterly basis, conducted management review meetings every year, promoted the organization of contractors' safety agreement meetings, etc., and held safety and health education and training to new and existing employees, occupational safety online courses including Traffic Safety Promotion (defensive driving)", " Office Ergonomic Hazards Prevention ". 3. Through on-site safety observation, conducting safety counseling with on-site construction personnel, and carry out risk hazard identification: the improvement rate of annual workplace inspections is 100%.
	Food safety risk	<p>PCSC pay attention to the health and safety of consumers, and put food safety as the top priority and invest each year to ensure rigorous quality control is maintained. From production to stores, we are continually setting up rigorous food safety protection networks for our consumers:</p> <ol style="list-style-type: none"> 1. Establishing the Merchandise Safety Committee and holding regular meetings to review contract manufacturers and supplier and implementation progress. 2. Establishing the Product Safety Information Collection and Inventory Tracking Operational Standards and setting up inventory and tracking procedures to ensure the safety of Company products. 3. Using measures like contractual cooperation, production site management, ingredient tracing mechanisms and systems, supplier grading, management and on-site assessment system, distribution centers and periodic store checks, as well as occasional sampling of raw materials and finished products, to stay on top of the entire supply chain from production to store.
	Risks related to demographic structure changes	<p>Our major area of operations is the region of Taiwan. Convenience stores and logistics services, the important parts of our business, are both labor intensive. Taiwan has been faced with such issues as an acceleration in the aging of the population, and a declining birthrate. Thus, we consider the decrease in the labor force to be a risk for us.</p> <p>Countermeasures:</p> <ol style="list-style-type: none"> 1. Continuing to keep tabs on changing trends in consumer groups and develop products needed by senior consumers to take advantage of related business opportunities. 2. Hiring re-employed women, middle-aged and senior workers. 3. Taking advantage of technological developments, such as AI, and optimize business structure and processes, and human resource allocation at stores to increase efficiency and lower personnel costs.
Corporate Governance	Regulatory compliance	PCSC has established a cross-unit regulation identification team to collect information on newly revised regulations every month to confirm the compliance status regulations. We also held "Regulations Identification Meeting" to grasp the information of changes in regulations and take appropriate countermeasures. In addition, a "crisis management team" has been established to effectively control and deal with market risks and crises that may occur or have occurred.
	Strengthen the functions of the board of directors	<ol style="list-style-type: none"> 1. Planning relevant training topics for directors, and providing directors with the latest regulations, system development and policies every year. 2. Insuring directors' liability insurance to protect against lawsuits or claims.

(7) Listed company climate-related information

1. Climate-related information implementation status

Item	Implementation Status
1. Describe the Board's and management's oversight and governance of climate-related risks and opportunities.	<p>1. The Company's Board of Directors serves as the highest regulatory authority on climate change issues. Its main responsibilities include reviewing and guiding the Company's major action plans, risk management policies and annual budgets, as well as monitoring the Company's progress on climate-related goals. The Board of Directors also reviews and guides management's actions and plans related to climate change.</p> <p>2. The Sustainability Committee, under the Board of Directors, is responsible for the specific supervision of climate-related issues. The committee is composed of directors and is responsible for formulating and supervising the company's sustainability policies and promotion plans, and regularly reporting progress and results to the board of directors. The Carbon Reduction Task Force under the Sustainable Development Committee is the executive committee for climate-related matters. It is responsible for annual assessment of climate risks and opportunities, planning and execution of related actions, and submitting the results to the Sustainable Development Committee for supervision. The evaluation results will be presented to the Board of Directors as a reference for final decision-making and strategic planning.</p> <p>3. The details of the board of directors' supervision of climate-related issues this year, in addition to the greenhouse gas inventory progress report conducted by the board of directors every quarter in accordance with regulations, we also made a special report to the board of directors on May 3, 2023, and conducted ESG integrated reporting on December 13, 2023.. Please refer to the company's "Sustainability Report" and TCFD report.</p>
2. Describe how identified climate risks and opportunities affect operations, strategies, and finances (short, medium, and long term) of the organization.	<p>We identify significant climate risks and opportunities through an integrated climate risk and opportunity assessment process. We explain the impact based on the short, medium and long term, and explain the strategies we adopt:</p> <ul style="list-style-type: none"> • Short term: <p>Physical risks: Extreme weather could damage store equipment and disrupt product transportation. To deal with this issue, we has purchased natural disaster insurance, added flood control facilities, and implemented disaster prevention measures to reduce the impact of operating costs.</p> • Mid-term: <p>Transition risk: Carbon fee policies may have an impact on our finances. PCSC reduces greenhouse gas emissions by strengthening its energy management system and introducing energy-saving measures to reduce the possible financial impact of future carbon fee policies.</p> • Long term: <p>(1) Strategic adjustments: Climate change leads to seasonal changes, which may affect product sales strategies. The Company will need to adjust its product and service strategies to respond to changes in long-term weather patterns.</p> <p>(2) Capital expenditure: Long-term measures to reduce the carbon footprint and improve energy efficiency will require capital investment, such as the use of renewable energy and the introduction of low-carbon technologies.</p> <p>For details on the impact and management strategies of various risks and opportunities, please refer to the company's "Sustainability Report" and TCFD Report.</p>
3. Describe the financial impact of extreme climate events and transformational actions.	<p>The financial impacts of extreme climate events and transition actions faced by the Company are as follows:</p> <ul style="list-style-type: none"> • Extreme climate events: <p>Extreme weather events such as typhoons and floods may cause damage to store equipment and interrupt product transportation, increasing operating costs.</p> <p>The company needs to invest in risk emergency response processes, logistics and distribution contingency mechanisms, and natural disaster insurance, which will increase related operating costs.</p> • Transformation actions: <p>The government's carbon fee policy may have a financial impact on the company in the future if it is required to pay a carbon fee.</p> <p>In order to reduce these impacts, the company has implemented energy conservation and carbon reduction measures, such as strengthening the energy management system and investing in energy-saving equipment. This requires additional capital investment, but in the long run it can reduce carbon expenses and save energy costs.</p> <p>To sum up, the financial impact of extreme climate events and transition actions on the Company is reflected in increased operating costs and capital investments, but these investments will help reduce energy costs and carbon expenses in the long term.</p> <p>For information on various financial impacts, please refer to the company's "Sustainability Report" and the TCFD report.</p>
4. Describe how climate risk identification, assessment and management processes are integrated into the overall risk management system.	<p>The company's climate risk and opportunity management follows the group-wide risk management policy and conducts overall risk governance. Our management process consists of four core links: risk identification, risk assessment and quantification, risk treatment and strategy formulation, and supervision, reporting and improvement. Below is a brief description of our climate risk management:</p> <ol style="list-style-type: none"> 1. In the risk identification stage, the carbon reduction team is responsible for comprehensively identifying risks related to climate change, from physical risks of extreme climate events to transition risks of carbon price policies. This process covers the full range of potential climate change impacts. 2. Assess the frequency and impact of these climate risks and opportunities, select major projects, and continue to conduct in-depth quantitative financial and operational impact assessments to lay the foundation for the formulation of management strategies. 3. After completing the strategy formulation, the Sustainable Development Committee determines and supervises key climate risk and opportunity management goals and plans for the year based on the overall operating strategy. This process can ensure that our climate risk management strategy is consistent with the company's overall strategy. 4. The Board of Directors will be responsible for the final review and supervision of the implementation of climate risk management actions. They regularly review the effectiveness of these measures and make adjustments based on changes in the external environment and within the company to strengthen the overall response to climate change. <p>In order to improve transparency, we disclose climate risk and opportunity management results to stakeholders through annual sustainability reports and other channels, so that all stakeholders have a clear understanding.</p> <p>Through the aforementioned process, climate risk and opportunity management is ensured to be closely integrated with the overall risk management strategy. For more management systems, please refer to the company's "Sustainability Report" and the TCFD report.</p>

Item	Implementation Status
5. If scenario analysis is used to assess resilience to climate change risk, scenarios, parameters, assumptions, analytical factors, and key financial impacts should be specified.	<ul style="list-style-type: none"> Transformation scenario analysis (IEA NZE 2050): Assume that Taiwan will implement a carbon fee system in 2025, and evaluate the financial impact on the company. The main parameters used include estimated greenhouse gas emissions, carbon fee rates, energy-saving measure input costs, and management personnel input costs. The company evaluates the potential impact of carbon fees on its finances based on these parameters. The analysis results show that it may cause significant expenditures on operating expenses in the future. Therefore, we need to continue to invest management costs in energy-saving measures and energy efficiency improvements. Physical climate scenario analysis (RCP 8.5): Focus on the financial assessment of store flooding risks under high warming trends. The analysis factors include store revenue, number of exhibition stores, number of days affected by floods, equipment damage repair costs, number of high-risk stores and other factors. The financial analysis results show that the financial impact includes revenue losses caused by operational interruptions and the rising cost of equipment damage that requires repair or replacement. Below 2°C scenario: Based on the base period flooding risk level of the National Disaster Prevention and Control Center, and assuming that global warming does not exceed 2°C by the end of this century, we evaluate the store flooding risk level in the middle of the century and its financial impact on the store. The analysis factors include store revenue, number of exhibition stores, number of days affected by floods, equipment damage repair costs, number of high-risk stores and other factors. The financial analysis results show that the financial impact includes revenue losses caused by operational interruptions and the rising cost of equipment damage that requires repair or replacement. <p>For detailed analysis factors and main financial impact data, please refer to the company's "Sustainability Report" and TCFD report.</p>
6. If there are any transition plans for managing climate-related risks, describe the plan and the metrics and objectives for identifying and managing entity risks and transition risks.	<p>The company has planned a comprehensive transformation plan to manage climate-related risks, which covers organizational governance, risk identification and assessment, management measures, setting carbon reduction targets and incentive mechanisms, scenario analysis and financial impact assessment, as well as market and consumers Trend response.</p> <p>Among them, we pay more attention to the indicators and goals of energy efficiency and greenhouse gas emission intensity. Therefore, the company has set electricity intensity evaluation indicators (EUI) and reduction targets, and regularly tracks progress to improve electricity efficiency.</p> <p>In terms of greenhouse gas emissions, we aim to reduce emissions intensity by 7% by 2025 and 14% by 2030, To achieve these goals, we have implemented a series of measures in recent years, including improving the energy efficiency of our operating sites, introducing energy-saving equipment in stores and planning to invest in solar power generation facilities.</p> <p>In addition, for physical risks caused by climate change, such as flooding and other extreme weather events, conduct in-depth risk assessment and financial impact analysis, and take corresponding flood prevention measures, such as setting up flood control doors, improving insurance coverage, etc., to reduce potential financial losses.</p> <p>For the results of relevant indicators and goals, please refer to the company's "Sustainability Report" and the TCFD report.</p>
7. If internal carbon pricing is used as a planning tool, the basis for price setting should be specified.	<p>PCSC currently has not yet used an internal carbon pricing mechanism. We will pay attention to the development of domestic and foreign carbon issues and the possible impact, and will continue to evaluate the possibility of introducing an internal carbon pricing mechanism.</p>
8. If climate-related targets have been defined, information on the activities covered, the scope of greenhouse gas emissions, the planning period, and the annual progress of achievement should be provided; if carbon offsets or renewable energy certificates (RECs) are used to achieve the relevant targets, the source and amount of carbon reduction credits or renewable energy certificates (RECs) should be described.	<p>The company's greenhouse gas emission source is mainly from electricity consumption in stores. Considering that electricity consumption will be related to store size, equipment and business type, and will be reflected in operating income, we use revenue per million as the target setting method for greenhouse gas emission intensity to formulate appropriate management targets. In order to effectively implement greenhouse gas management of self-operation and value chain, we have re-examined the past goal setting method in 2021 and separated the goal setting of greenhouse gas emissions from self-operation and value chain management. In the self-operation part, based on the 2020 greenhouse gas inventory of Scope 1 and 2 greenhouse gas emission intensity of 2.99 metric tons CO₂e/million turnover, it is set to reduce greenhouse gas emission intensity by 7% in 2025 and 14% in 2030 as the reduction goals. The greenhouse gas emission intensity in 2023 is 2.75 metric tons CO₂e/million turnover, a decrease of 8.04% compared with the base year. In addition, in terms of value chain management, we are actively optimizing the inventory items and inventory practices in scope 3. In the future, it is expected to introduce Science-Based Targets (SBT) to strengthen the carbon management of the entire value chain. Updates are in progress. Long-term reduction goals, in the hope that the industry can play a leading role and become an important partner in Taiwan's achievement of net-zero emissions goals.</p>
9. Greenhouse Gas Inventory and Confirmation of Status and Reduction Targets, Strategies and Specific Action Plans (refer to 1-1 and 1-2).	<p>The company's main operating bases include stores (including convenience stores and shopping malls) and offices (including headquarters, district offices, training centers, etc.) throughout Taiwan and outlying islands. In order to fully understand the company's overall greenhouse gas emissions, we have followed the ISO 14064-1:2006 for greenhouse gas inventory, and the new version of ISO 14064-1:2018 for greenhouse gas inventory since 2020, and it is verified by third party SGS. We also continue to expand inventory locations. In 2022 and 2023, the greenhouse gas inventory scope covers 6,791 locations and 7,009 locations, respectively, and the greenhouse gas inventory boundary coverage rate is 99.55% and 99.45%, respectively.</p>

1-1 GHG inventory and confirmation status in the last two years

- The company's information : Companies with capital of more than NT\$10 billion.
- According to the sustainable development roadmap of listed companies, at least the company should disclose : Greenhouse gas inventory and certification of parent company.

2022

Scope 1	Unit (t CO ₂ e)	Density (t CO ₂ e/NT\$million)	Certification agency	Description
Parent company	29,940	0.16	SGS	Of the total greenhouse gas emissions disclosed by the company, 29,940 metric tons of CO ₂ e (accounting for 5.28% of the total emissions) have been confirmed by a certification agency using the ISO 14064-3 standard, and the certification opinion is a reasonable guarantee.
Subsidiaries				
Total	29,940	0.16		
Scope 2	Unit (t CO ₂ e)	Density (t CO ₂ e/NT\$million)	Certification agency	Description
Parent company	504,544	2.76	SGS	Of the total greenhouse gas emissions disclosed by the company, 504,544 metric tons of CO ₂ e (accounting for 94.72% of the total emissions) have been confirmed by a certification agency using the ISO 14064-3 standard, and the certification opinion is a reasonable guarantee.
Subsidiaries				
Total	504,544	2.76		
Scope 3 : 2,393,290 t CO₂e				

2023

Scope 1	Unit (t CO ₂ e)	Density (t CO ₂ e/NT\$million)	Certification agency	Description
Parent company	30,177	0.15	SGS	Of the total greenhouse gas emissions disclosed by the company, 30,177 metric tons of CO ₂ e (accounting for 5.55% of the total emissions) have been confirmed by a certification agency using the ISO 14064-3 standard, and the certification opinion is a reasonable guarantee.
Subsidiaries				
Total	30,177	0.15		
Scope 2	Unit (t CO ₂ e)	Density (t CO ₂ e/NT\$million)	Certification agency	Description
Parent company	513,791	2.60	SGS	Of the total greenhouse gas emissions disclosed by the company, 513,791 metric tons of CO ₂ e (accounting for 94.45% of the total emissions) have been confirmed by a certification agency using the ISO 14064-3 standard, and the certification opinion is a reasonable guarantee.
Subsidiaries				
Total	513,791	2.60		
Scope 3 : 4,556,627.93 t CO₂e				

1-2 GHG Reduction Targets, Strategies, and Specific Action Plans: (Describe the base year of GHG reduction and related data, reduction targets, strategies, and specific action plans, and the progress in achieving the reduction targets.)

1. The company is operated as chain store businesses model. As the number and scale of stores increase year by year, it adopts intensity targets as the basis for carbon reduction targets. The carbon reduction target for 2023 is to reduce the number of carbon emissions per million yuan by 1% compared with 2022.
2. Carbon reduction strategies and specific actions is to use environmentally friendly refrigerants (low-potential refrigerants) to reduce Scope 1 carbon emissions, implement aging store renovations every year, reduce the average electricity consumption of a single store, and continue to carry out frequency conversion of electric equipment We switched to LED for chemicals and lighting, made good use of heat-insulating building materials and designs, set up ventilation rooms, reduced window openings, moved equipment heat sources outside, conducted store energy-saving education and implemented store energy-saving management. The EUI value of a single store increased from 1,868 degrees in 2010. / square meter, reduced to 826.47 degrees / square meter in 2023, a decrease of 55.7%.

(8) Ethical corporate management at PCSC and related implementation:

Items Evaluated	Status		Brief Explanation	Variations (if any) with the Ethical Corporate Management Best Practice Principles and Policies for TWSE/GTSM Listed Companies and reasons for such discrepancies
	Yes	No		
1. Establishment of ethical operation policies and programs (1) Does PCSC have ethical operation policies established by the Board, and do PCSC's Articles of Incorporation and external documents explicitly expressing its ethical policies and methods and are the Board and management dedicated to the active implementation of these commitments?	V		In order to establish a sound corporate management system, PCSC considered regulations set forth in the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies coproduced by TWSE and GTSM and passed the Ethical Corporate Management Best Practice Principles at the meeting of the Board on December 19, 2014. On August 4, 2015, the Board passed revisions to the Best Practice Principles and established Ethical Corporate Management Operating Procedures and Code of Conduct. On July 30, 2020, the Board passed the revision of the Ethical Corporate Management Best Practice Principles and Policies, Ethical Corporate Management Operating Policies & Procedures to serve as a guidance for directors, managers, employees, fiduciaries, and substantive controllers. For more information regarding our ethical management principles, please go to the Company website or Taiwan Stock Exchange Market Observation Post System.	Compliant
(2) Did PCSC establish an evaluation system to evaluate risks of unethical behavior and regularly analyze and evaluate operations that have higher risk of unethical behavior and did the Company implement preventative measures for each Item under Clause 2, Article 7 of the Ethical Corporate Management Best Practice Principles and Policies for Listed Companies?	V		PCSC formulated the Procedures for Ethical Management and Guidelines for Conduct, Standards Governing Awards and Discipline, Ethical Corporate Management Best Practice Principles and Policies, and Ethical Corporate Management Operating Policies & Procedures and Code of Conduct to prevent unethical behavior. Sales personnel who contact outside firms are regularly rotated in order to prevent bribery. PCSC has also set up an Audit Reporting Line at 02-2747-8032 to effectively prevent corruption.	Compliant
(3) Do PCSC's unethical conduct prevention programs clearly specify relevant procedures, conduct guidelines, as well as a discipline and appeals system for rule violations, and are they regularly reviewed and amended?	V		PCSC formulated the Procedures for Ethical Management and Guidelines for Conduct, Standards Governing Awards and Discipline, Ethical Corporate Management Best Practice Principles and Policies, and Ethical Corporate Management Operating Policies & Procedures and Code of Conduct to prevent unethical behavior. Disciplinary action and complaints against employees that violate the code of conduct are carried out in accordance with the system set up by the Company for that express purpose.	Compliant
2. Implementing ethical corporate management				
(1) Does PCSC evaluate the ethical records of the businesses with which it has dealings and include clear ethical corporate behavior provisions in contracts with such counterparties?	V		To ensure that both parties to any transaction act in an ethical manner, to protect their common interests, PCSC has created an ethical corporate management provision (or agreement) that is part of every contract. Any request for an improper benefit by a Company employee or supplier must immediately be reported orally or in writing to the PCSC Internal Audit Office. All contracts between PCSC's marketing, procurement, or shopping center divisions and outside entities now incorporate articles regarding ethical corporate management.	Compliant
(2) Has PCSC established an organization under the direct jurisdiction of the Board of Directors that promotes ethical management principles and also reports to the Board regarding the implementation of these principles at least once a year?	V		PCSC established the interdepartmental Ethical Operations Team to strengthen the implementation of ethical corporate management. The Ethical Operations Team is composed of personnel from the Integrated Services Center, Board Secretary, business planning, finance, marketing, human resources, legal, operational planning, and audit divisions and is under the direct jurisdiction of the Board of Directors and the project manager in the President's Office serves as chairperson. The Team formulates and promotes best practice principles and reports annually to the Board regarding the implementation of these principles.	Compliant

Items Evaluated	Status		Variations (if any) with the Ethical Corporate Management Best Practice Principles and Policies for TWSE/GTSM Listed Companies and reasons for such discrepancies	
	Yes	No		Brief Explanation
(3) Has PCSC formulated and implemented policies to prevent conflicts of interest and provide appropriate ways to record any potential conflicts found?	V		<p>1. PCSC's Board of Directors Meeting Procedures state that if a director or the company he/she represents has a conflict of interest with any of the matters under discussion by the Board, he/she is to explain the important points regarding the interests during the Board meeting. If any of the matters could negatively affect PCSC, he/she is to be barred from the discussion and vote on the proposal. The director shall recuse him or herself from the discussion and vote and may not act as proxy to vote on the resolution on behalf of another director. Should spouses, first or second-degree relatives or affiliated companies of the directors have interests with any of the matters under discussion by the Board, it shall be deemed that the directors have personal interests in the matter.</p> <p>2. PCSC formulated the Ethical Corporate Management Best Practice Principles and Policies, Ethical Corporate Management Operating Policies & Procedures and Code of Conduct, Procedures for Ethical Management and Guidelines for Conduct, and Standards Governing Awards and Discipline to inform employee conduct. PCSC has also set up an Audit Reporting Line at 02-2747-8032.</p>	Compliant
(4) Has PCSC implemented effective accounting and internal control systems and has the audit division established relevant audit plans based on the results of the unethical risk evaluations and did the audit division ensure that the plans are being complied with or has PCSC had independent accountants periodically review them?	V		<p>1. In accordance with the law, PCSC established effective accounting and internal control systems and internal auditors routinely conduct compliance tests and employ a self-check system to ensure the effectiveness of internal control mechanisms. The audit reports are prepared and submitted to the Board for approval.</p> <p>2. Since the Company is belongs to chain stores retail business which is highly related to store selling. In order to prevention of unethical cases, the Company particularly emphasizes the implement preventative measures under item 7, Clause 2, Article 7 of the Ethical Corporate Management Best Practice Principles and Policies for Listed Companies that "Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services." As a result, The Company conducts regular assessments to prevent unethical actions (such as store staff failed to implement on sales operation) and set up related prevention rules and actions for relevant divisions to follow.</p>	Compliant
(5) Does PCSC periodically hold internal and external ethical corporate behavior training?	V		<p>1. The Company's internal website features a Policy Promotion Area to educate employees about regulations governing ethical corporate behavior. In 2015, PCSC established the Ethical Operations Case Team to promote related education among employees, and each year, PCSC establishes a training theme.</p> <p>2. The main thrust of legal compliance education training in 2023 included "Business Competition and Fair Trade Law Analysis", "Insider Trading", "Information Security Training for Group Managers", "Personal Data protection", and "Online Course on Labor Law". The training content was as follows:</p> <p>(1) General education on the rule of law for middle and high-level managers ("Business Competition and Fair Trade Law Analysis" and "From 5G Internet of Things Trends to Managing Information Security in the Enterprise"), using online education. 567 participants completing a total of 1,701 hours.</p> <p>(2) Logistics Education and Training:</p> <p>A. 7-ELEVEN brand use: 186 people; 186 hours.</p> <p>B. A training class on general legal knowledge: 194 people; 194 hours.</p> <p>(3) Personal data training courses: including personal data training for new employees, advanced personal training, and personal training for managers (external training by Institute for Information Industry). A total of 143 participants completed 327.5 hours.</p> <p>(4) Information security awareness education: We continued to enhance employee information security crisis awareness and social engineering information security education, reduce the risk of leakage of important personal and Company data, and comprehensively improved information security protection. 1,914 people completed the courses with a total of 3,828 hours.</p> <p>(5) Education and training on prevention of insider trading: The education on prevention of insider trading is aimed at all employees. Course content included advanced education on ethical management, supplementary education on insider trading, education on Taipei Exchange, and education on the Financial Supervisory Commission. We provide digital online courses so colleagues to learn at any time. 209 people have completed the courses, totaling 104.5 hours.</p>	Compliant

Items Evaluated	Status			Variations (if any) with the Ethical Corporate Management Best Practice Principles and Policies for TWSE/GTSM Listed Companies and reasons for such discrepancies
	Yes	No	Brief Explanation	
			(6) The Labor Law Seminar series of online courses were completed by 1,045 participants, totaling 522.5 hours. 3. Enhancing business quality assurance education and training: PCSC has conducted quarterly quality assurance-related courses promotion, and added "Quality Assurance Case Promotion", "Summer Quality Assurance Key Reminders" and "Food Hygiene Practices Guidelines" as well as other courses to continue optimizing stores and safety hygiene and store quality control to help maintain the health and safety of customers.	
3. Operation of the Company's Violation Reporting System				
(1) Has PCSC established a concrete violation reporting and rewards system, set up convenient reporting channels, and appointed suitable personnel to handle these cases?	V		1. Both PCSC's Internal Audit Office and Integrated Services Center have set up exclusive reporting hotlines. Stakeholders may also report any violations through the stakeholder section of our website. In addition, we also have a complete system and mechanisms to ensure stakeholder feedback is followed up properly. After a stakeholder sends their opinion by email through our website, their message is passed through the system directly to the responsible party, who is then required to update the status of the case within a specified period of time. PCSC keeps track of the number of reports received each month and the status of each case. 2. In 2023, 1,475 messages were received through the stakeholder feedback section of the website. 3. The violation reporting and rewards system has been implemented in accordance with the Standards Governing Awards and Discipline and Regulations Governing Product Safety Protections as set forth by human resources and quality assurance divisions. The Awards and Discipline Committee conducts deliberations according to these policies and the results of its appraisals are published on the Company's internal website.	Compliant
(2) Has PCSC established an investigation an SOP for violation reporting, follow-up measures, and relevant mechanisms to ensure confidentiality?	V		1. The company has internal standard operating procedures for investigations. After investigation, if the company's regulations are violated or the company's losses are caused, the matter will be dealt with in accordance with the company's regulations, and corrections will be made according to the content of the reported matter. 2. Regarding the confidentiality mechanism, relevant information about the whistleblower and the content of the report will only be known to the auditors and direct supervisors who handle the incident, and the audit supervisor will conduct file archiving and management. The auditors who handle the incident shall have the obligation and responsibility to keep confidentiality.	Compliant
(3) Does PCSC have any measures in place to protect individuals from possible mistreatment arising from reporting violations?	V		The company has regulations to protect whistleblowers from being improperly dealt with due to whistleblowing. The whistleblower in a complaint case has the obligation and responsibility to keep confidentiality. Unless the whistleblower agrees, the whistleblower's information shall not be leaked when handling the incident to avoid the leakage of the whistleblower's identity.	Compliant
4. Strengthening information disclosure Does PCSC disclose the content of its Best Practice Principles and its effectiveness on their website and the TWSE market observation post system?	V		PCSC discloses our Ethical Corporate Management Best Practice Principles and Policies, operating procedures, and code of conduct on our investor relations website and TWSE Market Observation Post System.	Compliant
5. If the Company has established a code of ethical corporate management based on the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies, please discuss the specifics of the code and implementation below: On December 19, 2014, PCSC established its Ethical Corporate Management Best Practice Principles as required by the Financial Supervisory Commission. On August 4, 2015, the Board passed revisions to the Best Practice Principles and established Ethical Corporate Management Operating Procedures and Code of Conduct. On July 30, 2020, the Board passed the revision of the Ethical Corporate Management Best Practice Principles and Policies and the Ethical Corporate Management Operating Procedures and Code of Conduct, implemented as written by the Ethical Operations Team. The Ethical Corporate Management Practice Team holds meetings on these issues on a regular basis.				

Items Evaluated	Status		Brief Explanation	Variations (if any) with the Ethical Corporate Management Best Practice Principles and Policies for TWSE/GTSM Listed Companies and reasons for such discrepancies
	Yes	No		
<p>6. Other information that will assist in the understanding of Company ethical corporate management practices: (such as reviewing and revision of the Company's existing Ethical Corporate Management Best Practice Principles)</p> <p>In addition to operating according to PCSC's Ethical Corporate Management Best Practice Principles and Policies, the Company has also established working rules, which clearly specify rights and obligations of both employers and employees, and the Procedures for Ethical Management and Guidelines for Conduct Bulletin that sets up standards for moral conduct, gender interaction, gift giving and meals, and behavior with outside firms. PCSC employees sign a convention of self-discipline in this regard. PCSC has also established a system that implements appropriate disciplinary measure in cases of rules violations. The ethical corporate management provision is now part of all contracts with outside parties and suppliers. In order to ensure ethical operations are implemented fully, we have also set up an internal control mechanism where internal auditors perform evaluations regarding adherence to related regulations. Our subsidiaries also follow these regulations to ensure operations are conducted ethically. External marketing and manufacturing trade contracts, external contracts with relevant units, and "Code of Conduct for Subcontractors" all include an ethical corporate management provision. In addition, to ensure the realization of ethical corporate management, PCSC has established effective internal control system and internal auditors also carry out checks on a regular basis to determine ensure adherence. Company subsidiaries also follow Company standards of ethical corporate management.</p>				

(9) Company procedures for processing material information:

In order to manage the internal material information, the Company has set up procedures regarding the processing of material information and had been resolved by the Board of directors on November 3, 2022. In addition, PCSC has established the Operating Standards for Unscheduled Announcements and the 7-ELEVEN Spokesperson System to serve as standard procedures for directors, managers, and employees. These standards are posted on the Company's internal website for employee reference. As required by law, the standards are reviewed annually and revised as necessary. Furthermore, as part of our internal control mechanism, PCSC has established management practices to prevent insider trading to eliminate the possibility that directors or employees will use internal information gleaned from their positions for their material benefit. In the future, these standards will meet all applicable regulations and laws.

(10) If the company has adopted corporate governance best-practice principles or related bylaws, disclose how these are to be searched: Please refer to the IR website-Corporate Governance section ((<https://www.7-11.com.tw/company/ir/institutional.html>)).

(11) Other significant information that will provide a better understanding of the state of the company's implementation of corporate governance may also be disclosed: Please refer to page 39 of this report.

(12) Status of internal control system implementation:

1. Internal Control Declaration: Please refer to page 107 of this report.
2. If PCSC has commissioned external auditors to review the company's internal control system, the external auditor's report should be disclosed: N/A

(13) During the most recent year and as of the date of publication of the Annual Report, any disciplinary measures taken against the Company or its internal staff due to violations of legal requirements or taken by the Company against its own staff due to violations of the internal control system. The details of the disciplinary measures, major faults, and improvement measures should be noted: Please refer to page 80 of this report.

(14) Major resolutions voted on at Shareholder, Board Meetings, the Audit Committee and Remuneration Committee during the most recent year and as of the date of publication of the Annual Report:

1. Major resolutions voted on in the Shareholders' Meeting: (The following resolutions have been implemented)
During 2023 and this year as of the date of publication of the Annual Report, one General Shareholders' Meeting was held. The annual General Shareholders' meeting was held on May 30, 2023. The resolutions below were approved at the meeting:

- (1) Approval of the financial report for 2022: Including business reports, financial statements, and distribution of profits.
Results: Resolution passed.
 - (2) Proposal on the distribution of 2022 profits: In 2022, the Company had distributable income amounting to NT\$10,672,753,847.
Results: Resolution passed and a cash dividend of NT\$9.00 per share was paid out on September 6, 2023.
 - (3) Amendments to the Company's Articles of Incorporation: Cooperate with the revision of laws and regulations and meet the needs of practical operations.
Results: Resolution passed and executed in accordance with the resolution of the shareholders' meeting and announced on the Company's website.
 - (4) Resolution to Remove Non-Competition Restrictions for PCSC Directors.
Results: Resolution passed and has been amended in accordance with the resolution of the shareholders' meeting.
2. Major resolutions approved at Board Meetings:
(Some applications for the renewal of credit limits from financial institutions are currently being implemented, while PCSC's 2023 earnings and dividend distribution proposal must still be approved by the 2024 Shareholders' Meeting. All other resolutions have completed execution.)
During the fiscal year 2023 and as of the date of the publication this report, eight Board Meetings were convened. Major resolutions approved at these meetings are summarized below:
- (1) The 13th meeting of the 13th Board (Date: February 23, 2023)
 - Approved the proposal of Manager's dismiss.
 - Approved the 2022 employee and director earnings distribution proposal.
 - Approved 2022 financial statements and consolidated financial statement.
 - Approved the Company's 2022 Internal Control System Statement.
 - Approved 2022 business reports.
 - Approved the 2022 earnings distribution proposal.
 - Approved the 2022 dividend distribution proposal.
 - Approved the proposed agenda of the 2023 Shareholders' Meeting.
 - Approved the procedures regarding the "Notice of the right of shareholders to make proposals" for the 2023 Shareholders' Meeting.
 - Approved resolution regarding the removal of non-competition restrictions for PCSC directors.
 - Approved amendments of the PCSC Articles of Incorporation.
 - Approved the motion on the application for the new and renewal of credit limits from financial institutions.
 - Approved the PCSC CPA Independence Evaluation Resolution.
 - Approved the acquisition or disposal of real property and related right-of-use assets from the Company's affiliates.
 - Approved the proposal to establish, change, and remove Company branches and stores in 2023.
 - (2) The 14th meeting of the 13th Board (Date: May 3, 2023)
 - Approved 2023 1Q consolidated financial statement.
 - Approved the acquisition or disposal of real property and related right-of-use assets from the Company's affiliates.
 - Approved the proposal to sign construction service contract with related parties
 - Approved the motion on the application for the new and renewal of credit limits from financial institutions.
 - Approved amendments of the PCSC Corporate Governance Best Practice Principles
 - Approved amendments of the PCSC Rules of Procedure for Board of Directors Meetings
 - Approved amendments of the PCSC Sustainability Development Code of Practice
 - Approved the proposal of Manager's dismiss.
 - Approved the proposal of the head of Board Secretary appointments.
 - Approved the proposal of Corporate Governance Officer appointments.
 - Approved the proposal to establish, change, and remove Company branches and stores in 2023.
 - (3) The 15th meeting of the 13th Board (Date: May 30, 2023)
 - Approved the record dates of 2022 earnings distribution and dividend payment.
 - Approved the resolution to renewing liability insurance for directors and key employees.
 - Approved the motion on the application for the renewal of credit limits from financial institutions.
 - Approved the proposal to establish, change, and remove Company branches and stores in 2023.
 - (4) The 16th meeting of the 13th Board (Date: August 2, 2023)
 - Approved 2023 H1 consolidated financial statement.
 - Approved 2023 Financial Statement and Profit-seeking Enterprise Income Tax Auditing and Certification fee.
 - Approved the acquisition or disposal of real property and related right-of-use assets from the Company's affiliates.

- Approved the construction of commercial office building and shopping mall
 - Approved the motion to change the custodian of the company's official chop and approver of online banking operation permissions
 - Approved the motion on the application for the new and renewal of credit limits from financial institutions.
 - Approved resolution to Remove Non-Competition Restrictions for PCSC Managers.
 - Approved the proposal to establish, change, and remove Company branches and stores in 2023.
- (5) The 17th meeting of the 13th Board (Date: October 21, 2023)
- Approved the Company intends to participate in the equity auction of other company.
- (6) The 18th meeting of the 13th Board (Date: November 1, 2023)
- Approved 2023 3Q consolidated financial statement.
 - Approved amendments to the Company's 2024 Internal Control System.
 - Approved the 2024 audit plan.
 - Approved the acquisition or disposal of real property and related right-of-use assets from the Company's affiliates.
 - Approved the motion on the application for the new and renewal of credit limits from financial institutions.
 - Approved establishment of the Risk & Information Security Management Committee, appointment the 1st Risk & Information Security Management Committee members and approved the relevant policy.
 - Approved the proposal to establish, change, and remove Company branches and stores in 2023.
- (7) The 19th meeting of the 13th Board (Date: December 13, 2023)
- Approved the acquisition of real estate on Meicun Road and Mingyi Street, West District, Taichung City
 - Approved the 2024 operations plan proposal.
 - Approved the proposal for Company 2024 donation plans.
 - Approved the proposal for 2023 increased community development donation.
 - Approved formulation of Rules Governing Financial and Business Matters Between this Corporation and its Affiliated Enterprises.
 - Approved amendments of the PCSC Sustainability Development Code of Practice.
 - Approved amendments of the PCSC Articles of Incorporation.
 - Approved the motion on the application for the new and renewal of credit limits from financial institutions.
 - Approved the proposal of personnel appointment.
 - Approved the acquisition or disposal of right-of-use asset from the Company's affiliates.
 - Approved the proposal to establish, change, and remove Company branches and stores in 2024.
- (8) The 20th meeting of the 13th Board (Date: February 27, 2024)
- Approved the 2023 employee and director earnings distribution proposal.
 - Approved 2023 financial statements and consolidated financial statement.
 - Approved the Company's 2023 Internal Control System Statement.
 - Approved 2023 business reports.
 - Approved the 2023 earnings distribution proposal.
 - Approved the 2023 dividend distribution proposal.
 - Approved the reelection of PCSC directors (including independent directors).
 - Approved the "Notice of the nomination of individuals for positions of director (including independent directors)" for the 2024 Shareholders' Meeting.
 - Approved the nomination and inspection of the candidates of director(independent directors).
 - Approved resolution regarding the removal of non-competition restrictions for PCSC directors.
 - Approved the proposed agenda of the 2024 Shareholders' Meeting.
 - Approved the procedures regarding the "Notice of the right of shareholders to make proposals" for the 2024 Shareholders' Meeting.
 - Approved the motion on the application for the new credit limits from financial institutions.
 - Approved the PCSC CPA Independence Evaluation Resolution.
 - Approved the Indirect investment through President Chain Store (BVI) Holdings Ltd. to President Chain Store (Hong Kong) Holdings Limited to President Chain Store (Shanghai) Ltd. and President Chain Store (Zhejiang) Ltd.
 - Approved the acquisition or disposal of real property and related right-of-use assets from the Company's affiliates.
 - Approved the dismiss of Manager.
 - Approved the appointment of members of the Sustainable Development Committee .
 - Approved the proposal to establish, change, and remove Company branches and stores in 2024.

3. Major resolutions approved at Audit Committee:

During 2023 and as of the date of the publication this report, nine audit committee meetings were convened. Major resolutions approved at these meetings are summarized below:

- (1) The 12th meeting of the 4th Audit Committee (Date: February 22, 2023)
 - Approved 2022 financial statements and consolidated financial statement.
 - Presentation of the Company's 2022 Internal Control System Statement.
 - Approved the PCSC CPA independence and appropriateness evaluation resolution.
 - Approved the provision of non-assurance services to the Company and its subsidiaries by certified public accountants, their firms, and firm affiliates.
 - Approved Acquisition of real estate assets from related parties.
- (2) The 13th meeting of the 4th Audit Committee (Date: February 23, 2023)
 - Approved the 2022 earnings distribution proposal and business reports.
- (3) The 14th meeting of the 4th Audit Committee (Date: May 2, 2023)
 - Approved 2023 Q1 consolidated financial statement.
 - Approved the proposal of acquisition or disposal of real estate assets and right-of-use assets from the Company's related parties.
 - Approved the project contract between the Company and the related party.
- (4) The 15th meeting of the 4th Audit Committee (Date: August 1, 2023)
 - Approved 2023 Q2 consolidated financial statement.
 - Approved 2023 Financial Statement and Profit-seeking Enterprise Income Tax Auditing and Certification fee.
 - Approved the acquisition or disposal of real estate assets and right-of-use assets from the Company's related parties.
 - Approved the investment in the construction of an office building shopping mall.
 - Approved proposal to change the custodian of the Company's financial institution transaction seal and the reviewer of the internet banking operation authority
- (5) The 16th meeting of the 4th Audit Committee (Date: October 21, 2023)
 - Approved the Company intends to participate in the equity auction of other company.
- (6) The 17th meeting of the 4th Audit Committee (Date: October 31, 2023)
 - Approved 2023 Q3 consolidated financial statement.
 - Approved amendments to the Company's 2024 Internal Control System.
 - Presentation of the Company's 2024 audit plan.
 - Approved the proposal of acquisition or disposal of real estate assets and right-of-use assets from the Company's related parties.
- (7) The 18th meeting of the 4th Audit Committee (Date: December 12, 2023)
 - Approved the acquisition by the Company of real estate on Meicun Road and Mingyi Street in Taichung City's West District.
 - Approved the proposal of acquisition or disposal of real estate assets and right-of-use assets from the Company's related parties.
- (8) The 19th meeting of the 4th Audit Committee (Date: February 26, 2024)
 - Approved 2023 financial statements and consolidated financial statement.
 - Approved the Company's 2023 Internal Control System Statement.
 - Approved the PCSC CPA independence and appropriateness evaluation resolution.
 - Approved the Company's reinvestment company President Chain Store (BVI) Holdings Ltd's proposal to increase funds in President Chain Store (Hong Kong) Holdings Limited and reinvest in President Chain Store (Shanghai) Ltd. and President Chain Store (Zhejiang) Ltd.
 - Approved the proposal of acquisition or disposal of real estate assets and right-of-use assets from the Company's related parties.
- (9) The 20th meeting of the 4th Audit Committee (Date: February 27, 2024)
 - Approved the 2023 earnings distribution proposal and business reports.

4. Major resolutions approved at Remuneration Committee:

(1) During the fiscal year 2023 and as of the date of the publication this report, three remuneration committee meetings were convened. Major resolutions approved at these meetings are summarized below:

- 1) The 3rd meeting of the 5th Remuneration Committee (Date: February 22, 2023)
 - Resolution to the 2022 employee and director earnings distribution proposal and appropriation.
Results: Resolution passed.
- 2) The 4th meeting of the 5th Remuneration Committee (Date: May 2, 2023)
 - Remuneration actually paid to Company directors and managers in 2022.
Results: Resolution passed.
- 3) The 5th meeting of the 5th Remuneration Committee (Date: February 26, 2024)
 - Resolution to the 2023 employee and director earnings distribution proposal and appropriation.
Results: Resolution passed.

(2) There are no written or otherwise recorded resolutions on which a member of the Remuneration Committee had a dissenting opinion or qualified opinion.

- (15) Differing opinions in records or written statements from directors or supervisors regarding important resolutions made by the Board in the most recent year and through the publication of the Annual Report: None
- (16) Summary of the resignations and dismissals of the chairman, president, accountant division manager, chief financial officer, internal auditing manager, Company Secretary, and R&D manager during the last year and up to the time of printing: None
- (17) Certificates Earned by Employees Involved in Financial Information Transparency:

31 December 2023

Certificates	Number of employees who hold professional certificates
Certified Internal Auditor (CIA)	1 (Note)
Certified Information Systems Auditor (CISA)	1 (Note)
ERP Application Engineer	1
Certified Public Accountant:	3
Certified Public Bookkeeper	5
Technician for Accounting (Level C)	11
Enterprise Internal Control Basic Skills Examination	17
TPIPAS Personal Information Management Professional	9
TPIPAS Personal Information Internal Assessment Professional	2
Corporate Governance General examination	4

Note: Staff member in the PCSC's Internal Audit Office earned Certified Internal Auditor (CIA) and Certified Information Systems Auditors (CISA).

4. Independent auditors

(1) Audit fees

Unit: NT\$1000

Auditing Firm	Auditor Names	Audit Period	Audit Fees	Non-Audit Related Fees	Total	Remarks
PRICEWATERHOUSECOOPERS	Liang, I-Chang	2023 Fiscal Year	13,050	24,221	37,271	Non-Audit Related Fees include Sustainability Report, consulting service fees and tax compliance audit, etc.
	Lin, Se-Kai	2023 Fiscal Year				

- If there is any change in the appointed independent auditors and the Company's annual auditing expenses decreased simultaneously, information regarding the amount, percentage and reasons for the decrease in auditing expenses shall be disclosed : Not Applicable.
 - Auditing expenses decreased by 10% in comparison to the previous year, information regarding the amount, percentage and reason for the decrease in auditing expenses shall be disclosed : Not Applicable.
- (2) Changing of auditors- Should the Company change auditors over the past two years, the below information shall be disclosed: Not Applicable.
- (3) If the Company's chairman, president, or managers responsible for financial and accounting affairs have held any position in the accounting firm or its affiliates during the past year, all relevant information should be disclosed: Not Applicable.

5. Net Change in shareholdings and in shares pledged by directors, management, and shareholders holding more than a 10% share in the Company

(1) Recent changes:

Unit: Shares

Title	Name	2023		This year as of February 29	
		Net increase (decrease) in shares held	Net increase (decrease) in shares pledged	Net increase (decrease) in shares held	Net increase (decrease) in shares pledged
Director and Institutional Shareholder, Major Shareholder	Uni-President Enterprises Corp.	0	0	0	0
Director and Institutional Shareholder	Kao Chuan Investment Co., Ltd.	0	0	0	0
Chairman	Lo, Chih-Hsien	0	0	0	0
Director	Kao, Shioh-Ling	0	0	0	0
Director	Chen, Jui-Tang	0	0	0	0
Director/PCSC President	Huang, Jui-Tien	0	0	0	0
Director	Huang, Jau-Kai	0	0	0	0
Director	Su, Tsung-Ming	0	0	0	0
Director	Wu, Liang-Feng	0	0	0	0
Director	Wu, Kun-Lin	0	0	0	0
Director	Wu, Tsung-Pin	0	0	0	0
Director/ PCSC Chief Financial Officer (Vice President)	Wu, Wen-Chi	0	0	0	0
Independent Director	Hung, Yung-Chen	0	0	0	0
Independent Director	Hsu, Ke-Wei	0	0	0	0
Independent Director	Chen, Liang	0	0	0	0
Vice President	Hsieh, Lien-Tang	0	0	0	0
Vice President	Lin, Chi-Chang	0	0	0	0
Vice President	Chang, Chia-Hua	0	0	0	0
Chief Accounting Officer (Vice President)	Lee, Johnyih	0	0	0	0
Vice President	Kuo, Ching-Feng	0	0	0	0
Vice President	Lee, Tsung-Hsien	0	0	0	0
Vice President	Lu, Yung-Wei	0	0	0	0
Vice President	Lua, Wen Ji (Note)	0	0	0	0
Project Vice President	Hsieh, Kuan-Hung	0	0	0	0
Project Vice President	Hsieh Hung, Hui-Tzu (Note)	0	0	0	0
Project Vice President	Wu, Hui-Chen	0	0	0	0
Project Vice President	Chang, Kuo-Kuang	0	0	0	0
Corporate Governance Officer	Chao, Chunghao (Note)	0	0	0	0

Note: Hsieh Hung, Hui-Tzu was dismissed in May 2023; Lua, Wen Ji began his term in December 2023; Chao, Chunghao began his term in May 2023.

(2) Stock transfers to related parties: None

(3) Pledge of stock rights to related parties: None

6. Relationships between the Company's Top 10 largest shareholders and their shareholding percentages:

29 February 2024

Name	Shares Held Personally		Shares Held by Spouse or Minor Children		Shares Held by Nominee Agents		Names of Spouse or other relatives within two degrees of consanguinity who are also among PCSC's top 10 largest shareholders		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Uni-President Enterprises Corp.	471,996,430	45.40%	–	–	–	–	None	None	–
Uni-President Enterprises Corp. Representative: Lo, Chih-Hsien	1,032,215	0.10%	1,044,139	0.10%	–	–	None	None	–
Uni-President Enterprises Corp. Representative: Chen, Jui-Tang	13,652	0.00%	–	–	–	–	None	None	–
Uni-President Enterprises Corp. Representative: Huang, Jui-Tien	15,391	0.00%	–	–	–	–	None	None	–
Uni-President Enterprises Corp. Representative: Huang, Jau-Kai	–	–	–	–	–	–	None	None	–
Uni-President Enterprises Corp. Representative: Su, Tsung-Ming	–	–	–	–	–	–	None	None	–
Uni-President Enterprises Corp. Representative: Wu, Liang-Feng	–	–	–	–	–	–	None	None	–
Uni-President Enterprises Corp. Representative: Wu, Kun-Lin	–	–	–	–	–	–	None	None	–
Uni-President Enterprises Corp. Representative: Wu, Tsung-Pin	–	–	–	–	–	–	None	None	–
Uni-President Enterprises Corp. Representative: Wu, Wen-Chi	556	0.00%	737	0.00%	–	–	None	None	–
Cathay Life Insurance	33,620,316	3.23%	–	–	–	–	None	None	–
Labor Pension Fund (New Scheme)	24,706,500	2.38%	–	–	–	–	None	None	–
PCSC Employees Benefits Trust account in the custody of China Trust Commercial Bank	24,201,162	2.33%	–	–	–	–	None	None	–
Fubon Life Insurance	19,440,000	1.87%	–	–	–	–	None	None	–
Labor Insurance Fund	14,268,000	1.37%	–	–	–	–	None	None	–
Chunghwa Post Co., Ltd.	12,764,000	1.23%	–	–	–	–	None	None	–
Public Service Pension Fund	10,269,000	0.99%	–	–	–	–	None	None	–
Government of Singapore	9,782,648	0.94%	–	–	–	–	None	None	–
Norges Bank-fund mgr Neuberger Berman Europe Limited	9,250,912	0.89%	–	–	–	–	None	None	–

Note: Except Uni-President Enterprises Corp., the information for other shareholders and their shareholding percentages is as of 8 August 2023.

7. PCSC, Company directors, managements, and directly or indirectly owned subsidiaries' ownership of shares in affiliated enterprises:

31 December 2023 / Units: Shares, %

Affiliated Enterprise	Ownership by PCSC		Ownership by directs, managements, and directly/ indirectly owned subsidiaries		Total Ownership	
	Shares	%	Shares	%	Shares	%
President Chain Store (BVI) Holdings Ltd.	171,589,586	100.00%	0	0.00%	171,589,586	100.00%
President Drugstore Business Corp.	78,520,000	100.00%	0	0.00%	78,520,000	100.00%
iCASH Corp.	70,000,000	100.00%	0	0.00%	70,000,000	100.00%
President Lanyang Art Corporation.	2,000,000	100.00%	0	0.00%	2,000,000	100.00%
Cold Stone Creamery Taiwan Ltd.	12,244,390	100.00%	0	0.00%	12,244,390	100.00%
Wisdom Distribution Service Corp.	73,100,000	100.00%	0	0.00%	73,100,000	100.00%
21 Century Co., Ltd.	10,000,000	100.00%	0	0.00%	10,000,000	100.00%
Uni-President Oven Bakery Corp.	29,000,000	100.00%	0	0.00%	29,000,000	100.00%
President Chain Store Tokyo Marketing Corp.	9,800	100.00%	0	0.00%	9,800	100.00%
Capital Inventory Services Corp.	2,500,000	100.00%	0	0.00%	2,500,000	100.00%
President Being Corp.	1,500,000	100.00%	0	0.00%	1,500,000	100.00%
President Chain Store Corporation Insurance Brokers Co., Ltd.	1,500,000	100.00%	0	0.00%	1,500,000	100.00%
Ren-Hui Investment Corp.	6,500,000	100.00%	0	0.00%	6,500,000	100.00%
Connection Labs Ltd.	21,722,779	100.00%	0	0.00%	21,722,779	100.00%
PCSC (China) Drugstore Ltd.	8,746,008	92.20%	740,000	7.80%	9,486,008	100.00%
Uni-President Superior Commissary Corp.	48,519,890	90.00%	1	0.00%	48,519,891	90.00%
Q-Ware Systems & Services Corp.	24,382,921	86.76%	1	0.00%	24,382,922	86.76%
President Information Corp.	25,714,475	86.00%	1	0.00%	25,714,476	86.00%
Mech-President Corp.	55,858,815	80.87%	13,046,359	18.89%	68,905,174	99.76%
President Pharmaceutical Corp.	22,121,962	73.74%	1	0.00%	22,121,963	73.74%
President Transnet Corp.	103,496,399	70.00%	29,570,401	20.00%	133,066,800	90.00%
President Collect Services Co., Ltd.	1,049,999	70.00%	1	0.00%	1,050,000	70.00%
Uni-President Department Store Corp.	27,999,999	70.00%	12,000,001	30.00%	40,000,000	100.00%
Uni-President Cold-Chain Corp.	42,934,976	60.00%	14,311,659	20.00%	57,246,635	80.00%
Uni-Wonder Corp.	21,382,674	60.00%	14,255,116	40.00%	35,637,790	100.00%
Duskin Serve Taiwan Co.	10,199,999	51.00%	1	0.00%	10,200,000	51.00%
Books.com Co., Ltd.	9,999,999	50.03%	1	0.00%	10,000,000	50.03%
Mister Donut Taiwan Corp.	7,500,049	50.00%	1	0.00%	7,500,050	50.00%
President Organic Corp.	1,833,333	36.67%	2,833,333	56.67%	4,666,666	93.34%
PresiCarre Corp.	223,343,556	30.00%	521,138,744	70.00%	744,482,300	100.00%
Retail Support International Corp.	6,429,999	25.00%	5,144,001	20.00%	11,574,000	45.00%
Uni-President Development Corp.	72,000,000	20.00%	108,000,000	30.00%	180,000,000	50.00%
President Fair Development Corp.	190,000,000	19.00%	405,000,000	40.50%	595,000,000	59.50%
President Technology Corp.	750,000	15.00%	0	0.00%	750,000	15.00%
Tung Ho Development Corp.	9,965,000	6.23%	143,913,500	89.95%	153,878,500	96.18%
President International Development Corp.	44,100,000	3.33%	942,430,230	71.24%	986,530,230	74.57%

4 Fund Raising

1. Capital and shares

(1) Source of Capital:

a. Shares issued:

29 February 2024 / Units: NT\$; Shares

Year/Month	Par Value	Authorized Capital		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Source of Capital	Capital Expansion by Assets other than Cash	Date of Approval and Document Number
2002/07	10	900,000,000	9,000,000,000	772,031,899	7,720,318,990	Capitalization of retained earnings	None	July 19, 2002 (91) Tai-Tsai-Tzeng (1) No. 0910140565
2003/07	10	900,000,000	9,000,000,000	858,499,471	8,584,994,710	Capitalization of retained earnings	None	July 17, 2003 (92) Tai-Tsai-Tzeng (1) No. 0920132220
2004/08	10	960,000,000	9,600,000,000	915,160,436	9,151,604,360	Capitalization of retained earnings	None	July 20, 2004 Chin-Kuan-Cheng-Yi-Zi No. 0930132295 on file
2009/08	10	1,050,000,000	10,500,000,000	1,039,622,255	10,396,222,550	Capitalization of retained earnings	None	July 16, 2009 Approval Letter Chin-Kuan-Cheng-Fa-Tzu No. 0980035714 on file

Note: When established in June 1987, the stated capital of the Company amounted to NT\$ 100,000,000. After several capitalizations of retained earnings, the paid-in capital as of February 29, 2024 totaled NT\$10,396,222,550.

b. Capital and shares:

Unit: Shares

Type of Stock	Authorized Capital			Remarks
	Outstanding Shares	Non-Issued Shares	Total	
Common Stock, Inscribed	1,039,622,255	10,377,745	1,050,000,000	Listed Stocks

(2) Shareholder structure:

As of 8 August 2023 / Unit: Shares

Quantity	Shareholder	Government Agencies	Financial Institutions	Other Juridical Persons	Individuals	Foreign Institutions and Individuals	Total
Number of Shareholders	0	0	0	241	42,189	961	43,391
Shares Held	0	0	0	684,143,858	52,558,585	302,919,812	1,039,622,255
Holding Percentage	0.00%	0.00%	0.00%	65.81%	5.05%	29.14%	100.00%

(3) Distribution of shareholders:

As of 8 August 2023 / Par value NT\$10

Tiers of Shareholding	Number of Shareholders	Total Shares Held	Holding Percentage
1 to 999	26,098	3,854,218	0.37%
1,000 to 5,000	14,888	25,417,831	2.45%
5,001 to 10,000	1,030	7,663,351	0.74%
10,001 to 15,000	325	4,053,554	0.39%
15,001 to 20,000	147	2,640,647	0.25%
20,001 to 30,000	171	4,256,682	0.41%
30,001 to 40,000	97	3,408,983	0.33%
40,001 to 50,000	62	2,786,975	0.27%
50,001 to 100,000	163	11,902,824	1.14%
100,001 to 200,000	119	17,162,439	1.65%
200,001 to 400,000	94	26,749,970	2.57%
400,001 to 600,000	61	29,886,357	2.87%
600,001 to 800,000	19	13,000,610	1.25%
800,001 to 1,000,000	21	19,315,318	1.86%
1,000,001 and above	96	867,522,496	83.45%
Total	43,391	1,039,622,255	100.00%

(4) Major shareholders:

As of 8 August 2023

Shareholders	Shares	Number of Shares Held	Holding Percentage
Uni-President Enterprises Corp.		471,996,430	45.40%
Cathay Life Insurance		33,620,316	3.23%
Labor Pension Fund (New Scheme)		24,706,500	2.38%
PCSC Employees Benefits Trust account in the custody of China Trust Commercial Bank		24,201,162	2.33%
Fubon Life Insurance		19,440,000	1.87%
Labor Insurance Fund		14,268,000	1.37%
Chunghwa Post Co., Ltd.		12,764,000	1.23%
Public Service Pension Fund		10,269,000	0.99%
Government of Singapore		9,782,648	0.94%
Norges Bank-fund mgr Neuberger Berman Europe Limited		9,250,912	0.89%

(5) Share prices, net value, earnings, dividends, and other relevant information for the last two years:

Unit: NT\$

Item	Year	2022	2023	As of 29 February 2024	
Market Price per Share (Note 1)	Highest	299.00	295.00	271.00	
	Lowest	258.00	256.00	263.00	
	Average	270.27	272.81	266.90	
Net Value per Share	Before Distribution	35.07	36.40	—	
	After Distribution	26.07	27.40 (Note 5)	—	
Earnings per Share	Weighted Average Number of Shares (Shares)	1,039,622,255	1,039,622,255	1,039,622,255	
	Earnings per Share (Undiluted)	8.93	10.21	—	
Dividend per Share	Cash Dividends		9.00	9.00 (Note 5)	—
	Stock Dividends	—	—	—	—
		—	—	—	—
	Accumulated Undistributed Dividends		—	—	—
Return on Investment	Price/Earning Ratio (Note 2)		30.32	26.65	—
	Price/Dividend Ratio (Note 3)		30.09	30.23 (Note 5)	—
	Cash Dividend Yield Rate (Note 4)		3.32%	3.31% (Note 5)	—

Note 1: Market price is referred to TWSE website.

Note 2: Price/Earning Ratio= Average Market Price/ Diluted Earnings per Share

Note 3: Price/Dividend Ratio= Average Market Price/ Cash Dividends per Share

Note 4: Cash Dividend Yield Rate=Cash Dividends Per Share/ Average Market Price

Note 5: The earnings distributions for 2023 have not yet been approved by the Shareholders' Meeting.

(6) Dividend policy and implementation:

1. Dividend policy

(1) Dividend policy as outlined in 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. Should there still be a surplus, 10% of the remaining amount is to be set aside as a legal reserve. After setting aside and reserving a special reserve, the remaining amount combined with accumulated unappropriated earnings from prior years will be distributable earnings for the period. The distribution of accumulated distributable earnings is proposed by the Board of Directors in consideration of industry conditions, the Company's future operations, and investment plans, which are disbursed following approval of the proposal by the Shareholders' Meeting. Disbursement of shareholder dividends and bonuses are set as 50-100% of the accumulated distributable earnings, and 50-100% of which is to be issued as cash dividends, while the remainder is to be unappropriated retain earnings.

(2) PCSC business is growing steady. Taking the capital requirements and profitability of the Company into consideration, the Company's profit distribution over the next 3 years will consist primarily of cash dividends. In accordance with the Articles of Incorporation, 50%-100% of said profits are to be issued in the form of cash dividends.

2. The proposed distribution of 2023 profit approved by the Board of Directors will be submitted to the 2024 Annual Shareholders' Meeting for approval. The proposal approved by the Board of Directors on February 27, 2024 is as follows: allocating NT\$9,356,600,295 from the 2023 distributable earnings to be issued as cash dividends, distributing NT\$ 9 per share. After the approval at the Shareholder's Meeting, the Board of Directors shall set a distribution record date.

(7) Impact on the Company's operating performance and EPS of the stock dividend proposed at the Shareholders' Meeting:

The Company did not distribute stock dividends this year, so this is not applicable.

(8) Employee compensation and director remuneration:

1. According to PCSC's Articles of Incorporation, if the current year's profit situation (pre-tax profits prior to deduction of employee compensation and director remuneration) is deducted by accumulated deficit, no less than 2% of said surplus shall be distributed as employee compensation and no more than 2% as director remuneration. Staff employed at the Company or subsidiaries meeting the requirements shall be eligible for compensation, distributed in the form of stock or cash. Relevant requirements are outlined separately.

2. The Board adopted the below employee compensation and director remuneration proposal for 2023:

- (1) The Board proposed allocating the amount of NT\$579,158,313 as employee compensation and the amount of NT\$193,494,539 as remuneration for directors.
- (2) The amount of employee stock compensation and their proportion of overall earnings distribution: all employee compensation will be paid in cash.

	Distribution Approved by the Board
Distribution: (Unit: NT\$1,000)	
Employee Compensation	\$ 579,158
Director Remuneration	\$ 193,495

3. Distribution of the previous year's remuneration to employees and directors:

PCSC's distributable earnings in 2022 were distributed as employee compensation and director remuneration as follows:

	Distribution Approved by the Board and at the Shareholder's Meeting
Distribution: (Unit: NT\$1,000)	
Employee Compensation	\$ 497,571
Director Remuneration	\$ 166,237

4. The estimate of employees' compensation and directors' remuneration is made by calculating Company current year's profits (pre-tax profits prior to deduction of employee compensation and director remuneration) are deducted by accumulated deficit. In case of a discrepancy between the actual amount paid out and the estimate, it will be accounted for as changes in estimates and recognized as profit or loss in the following fiscal year.

5. In the 2022 financial statement, employee compensation totaled NT\$497,571,358, while remuneration for directors totaled NT\$166,236,655. These amounts are consistent with the amounts approved by the Shareholders' Meeting.

(9) Share buyback: None

2. Status of corporate bonds, preferred shares, GDR, employee stock option plans, employee restricted stock plans, and mergers, acquisitions, and spin-offs

(1) Issuance of corporate bonds: None

(2) Issuance of preferred shares: None

(3) Global depository receipts: None

(4) Employee stock option plan: None

(5) Employee restricted stock plan: None

(6) Issuance of new shares to merge with or acquire other companies: None

3. Status of capital utilization plan

(1) Capital projection:

Any incomplete share issuance or private placement or any completed share issuance or private placement over the past three years from which benefits have not yet been reported as of December 31, 2023: None

(2) Status of implementation:

Analysis of the purpose of each capital investment project as of December 31, 2023 and comparison of implementation with the originally anticipated benefits: None

5 Operating Highlights

1. Business activities

(1) Business scope

1. PCSC's Key Operations

- | | |
|--------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|
| (1) F203020 Alcohol and tobacco retailing | (31) F401171 Importing of alcohol |
| (2) F206020 Daily necessities retailing | (32) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval. |
| (3) F203010 Food, groceries, and beverage retailing | (33) F301010 Department stores |
| (4) F208040 Cosmetics retailing | (34) F301020 Supermarkets |
| (5) F399990 Retailing other products | (35) F399010 Convenience stores |
| (6) IZ01010 Photocopy services | (36) F501030 Coffee/tea shops and bars |
| (7) F201070 Floral retailing | (37) F501060 Restaurants |
| (8) F209060 Educational, musical, and entertainment products retailing | (38) G902011 Type II telecommunications enterprise |
| (9) JE01010 Leasing | (39) I301010 Software design services |
| (10) IE01010 Distribution of telecommunications contracts | (40) I301030 Digital information supply services |
| (11) I401010 Advertising services | (41) F206010 Retail sale of ironware |
| (12) F207050 Fertilizer retailing | (42) F212011 Gasoline stations |
| (13) F210010 Watch and clock retailing | (43) F212050 Retail sale of petrochemical fuel products |
| (14) F210020 Eyeglass retailing | (44) JA01990 Other automobile services |
| (15) F216010 Photographic and film equipment retailing | (45) I101090 Food consultancy |
| (16) JZ99030 Photography | (46) IZ09010 Management system verification |
| (17) F204110 Cloth, clothes, shoes, hats, umbrellas, and accessories retailing | (47) J701020 Amusement parks |
| (18) A102060 Sales of staple foods | (48) F102040 Wholesale of nonalcoholic beverages |
| (19) F213010 Electronic appliance retailing | (49) F102170 Wholesale of food and grocery |
| (20) F208031 Medical equipment retailing | (50) F106020 Wholesale of articles for daily use |
| (21) F205040 Furniture, bedding, kitchenware, and decorative item retailing | (51) I103060 Management consulting services |
| (22) F207030 Cleaning product retailing | (52) J304010 Book publishers |
| (23) F401010 International trade | (53) J303010 Magazine and periodical publication |
| (24) JA01010 Automotive repair services | (54) IZ12010 Manpower services |
| (25) F214030 Automotive and motorcycle accessory retailing | (55) JA03010 Laundry services |
| (26) G202010 Operation of parking lots | (56) F201010 Retail sale of agricultural products |
| (27) IZ14011 Public welfare lottery | (57) F501990 Other food or beverage establishment not elsewhere classified |
| (28) JZ99050 Agency services | (58) F208050 Retail sale of the second type patent medicine |
| (29) IZ99990 Other industry and commerce services not elsewhere classified | (59) F201061 Retail sale of Seedling |
| (30) F401161 Importing of tobacco | (60) I301040 the third party payment |
| | (61) C104020 Bakery Food Manufacturing |
| | (62) H703100 Real Estate Rental and Leasing |

2. Revenues and their proportion of overall business over the past two years

Unit: NT\$1,000

Major Divisions	Revenue and proportion of overall business by division			
	2022		2023	
	Revenue	%	Revenue	%
Convenience stores	181,203,989	62.39%	195,766,067	61.75%
Retail Business	83,748,360	28.84%	93,125,722	29.37%
Logistics Business	2,265,001	0.78%	2,427,713	0.77%
Other Business Divisions	23,216,787	7.99%	25,722,352	8.11%
Total Consolidated Revenues	290,434,137	100.00%	317,041,854	100.00%

3. Present and future products and services

- Stores:
 - (1) In 2023, 7-ELEVEN Taiwan aggressively expanded its stores, which now exceeds 6,800. We now have more than 6,800 stores located in 368 cities and towns (with the exception of Wuqiu) across Taiwan. It's great to have 7-ELEVEN everywhere that needs its services.
 - (2) With different business districts and lifestyles, we continued to launch various lifestyle modules to meet the diverse needs of customers. This year we will continue to launch themed co-branded stores with characters like Fumeancat, Pom Pom Purin, and Cinnamoroll, Dragon Ball, and Ultraman. In late 2023, PCSC officially surpassed the milestone of 100 themed co-branded stores, and will combine with more IPs to attract different consumer segments in the future.
 - (3) We opened our 7th X-Store located in Hsinchu (X-STORE 7). Through the "OPENPOINT Ecosystem" linked with ITRI's Grab & Go System Service, the Company tracks consumer behavior anonymously through human-machine binding. Using three smart systems, namely "Image", "Weight sensor device", and "3D TOF" (Time of Flight), it automatically detects and analyzes items and quantities of the products that customers take from the shelves, then automatically deposits them into the customer's own cloud shopping cart. Before leaving the store, they can confirm their shopping list and complete the mobile phone self-checkout allowing them to leave the store immediately, thereby realizing a grab-and-go shopping experience.
- Products and services:
 - (1) Fresh foods: 7-ELEVEN continues to play the role of social kitchen, providing high-quality fresh food products with a stable supply chain, capitalizing on business opportunities and the trends of cooking at home, employing the strategy of "buy locally, eat safe". We are striving to incorporate new production processes, materials, positioning, equipment, and structures as we develop a new products focus on "branding," "complex," and "localization" to satisfy the needs of the post-epidemic generation of consumers. The fresh food brand, Star Rated Cuisine, is pushing the boundaries and, in cross-disciplinary collaborations, working with star-rated and Michelin-rated restaurants to continuously improve the value and experience of fresh food products. In response to trends in health and environmental protection, we continued to expand our own vegetarian product brand, actively negotiating with chefs of famous green restaurant brands to develop meals and continue to develop vegetarian dishes tailored to the tastes of local consumers.
 - (2) Coffee and freshly made drinks: We are committed to the coffee and tea market focusing on developing new seasonal products, developing quality products, and expanding sustainable services. Through diversified brand positioning development of CITY CAFÉ, CITY PRIMA, and City Tea, we provide customers with a complete range of freshly brewed beverages. We have also capitalized on the digital trend using a mobile pickup function that allows members to buy coffee now and pick it up later, a subscription system, and precision marketing to boost redemption rates and cultivate member loyalty. In addition, in order to promote the sustainable circular economy, 7-11 and President Packaging have integrated Group resources to build the OPEN iECO Recycled Cup Service, which has exceeded the 1,000-store mark. The aforementioned new products and services will continue to meet market demand.
 - (3) E-Services: Leveraging the advantages of our dense store and comprehensive logistics network, we have established a unique global store delivery and pickup service, enhanced "My ship" our self-operated platforms delivery service. We also expanded our multi-delivery services to include quick collection, international delivery, and cold chain store pickup services, and enhanced our safe pickup service, customers can now seek help through the safe pickup service if they suspect a fraudulent parcel. In addition, we have integrated the safe pickup service with the OPEN POINT ecosystem and launched the industry's first OPEN POINT point credit online shopping pickup and payment service. OPEN POINT will be expanded to all major online shopping platforms in the future, to continue to expand the usage scenarios, and create a life service platform that exceeds customer expectations.
- Member accumulated points/payment: In 2023, the cumulative number of OPEN POINT members reached approximately 17 million, as we continued to create milestone records. Members can use three major payment tools, including icash 2.0, icash Pay, and OPEN Wallet, in over ten thousand locations as cash purchases, exchanging products, special offers, and donating to charitable organizations with just one account and one APP, making the use of OPENPOINT points easier. OPENPOINT's ecosystem cooperation channel network consists of hundreds of thousands of sales outlets covering such things as food and beverages, department stores, hyper market, drugstores, airlines, travel, banks, gas stations, and other industry brands. The Company also continues to expand its strategic alliances, working with such partners as La Kaffa International, Ocard, and yoxi, to promote OPENPOINT member-only services. Overseas, PCSC cooperated with Ponta Japan to launch the "Cross-border Travel Collection Passport", which allows members to convert Ponta points accumulated in Japan into OPENPOINT points for use in Taiwan. In the future, we will continue to expand the scope of OPENPOINT point usage and increase the number of domestic and overseas cooperative channels to provide consumers with a more convenient shopping experience as we strive to meet their daily needs.

- O2O: Products that can be ordered and redeemed from “Mobile pickup” continued to increase in product structure. PCSC not only launched a subscription system for customers and a subscription-based product sharing service in January 2023 to satisfy the “one person ordering for multiple users” buying scenario. In addition, to address the issue of some seniors and children not being able to enjoy the sharing service because they do not have a smartphone. iPre-order breaks the limitations of product display and purchasing time, demonstrating the advantages of online and offline integration. The group-buying platform iGroup-Buying offers discounted group-buying prices for popular products, attracting millions of members. OPEN NOW, the first delivery portal in the retail industry, provides one-stop access to the services of three major delivery platforms. 7-ELEVEN has extended its products and services to all corners of the market to meet the diverse needs of customers.

(2) General economic and industry overview

1. General economic analysis

In 2023, the global slowdown in trade and tense financial conditions impacted economic growth. According to the data released by the World Bank, the global economic growth rate declined to 2.6% in 2023. The General Accounting Office (GAO) indicated that Taiwan was facing the challenge of strong domestic demand but weak investment and exports and revised Taiwan's 2023 economic growth rate downward to 1.42%.

On the commodity prices front, the prices of raw materials fell back in 2023 and the rate of increase in domestic commodity prices was smaller to that in 2022; however, due to the increase in demand for entertainment after the opening up of borders, the prices of entertainment services increased, and the rate of increase in the cost of eating out and housing rentals continued. The annual increase in the Consumer Price Index of 2.5% in 2023 was the second-highest rate in the past 15 years and overall prices have exceeded the inflation warning level for the second year in a row.

2. Industry overview

The volume of retail sales increased by 6.9% over the same period to NT\$4.576 trillion in 2023. In 2023, total retail sales of general merchandise amounted to NT\$1.543 trillion, representing a 9.3% increase over 2022. With the growth of post-quarantine consumer spending, the turnover of department stores increased by 13.8% (NT\$449.2bn), followed by convenience stores (NT\$412.6bn), an increase of 8.0%, supermarkets (NT\$258.2bn), an increase of 1.4%, and hyper market (NT\$243.7bn), a decline of 2.2%. PCSC will continue to evolve, provide more differentiated products, and cooperate with affiliated enterprises to display stores and actively lay out digital platforms, demonstrating the advantages of online and offline integration to instantly satisfy consumer demand and to build a life service platform relied on by customers.

Through the end of 2023, key players in the convenience store industry had the below numbers of stores:

	7-ELEVEN	FamilyMart	Hi-Life	OK	Total
No. of Stores	6,859	4,230	1,558	735	13,382

3. Vertical supply chain

Based on “focused operations, traceability, and winning consumer trust”, PCSC's food safety policies have as their top priority safety and quality. We have established a Product Safety Committee that has set up a systematic management system for PCSC's own products. It meets regularly each year to discuss such topics as government regulations, OEM and supplier evaluations and deficiencies, product safety information as well as product safety monitoring programs and their implementation status to ensure that the products on our shelves are safe. To enhance the quality control of our own products, we worked with Taiwan Delica Foods to set up a management database to trace and manage materials and suppliers. In addition, as the first retailer to have an internationally certified quality assurance lab in Taiwan that meets ISO17025 standards as well as accreditation from both the TFDA (Taiwan Food and Drug Administration) and TAF (Taiwan Accreditation Foundation), PCSC continues to expand our testing capabilities to provide customers with safer, more convenient, and more delicious food products. In our franchise operations, we will expand individual store autonomy and individual product management to ensure sales growth in our stores. Operating efficiency of stores has increased through system optimization and the introduction of labor-saving equipment. PCSC continues to improve our franchise system, resulting in year over year increases in the proportion of franchise outlets. PCSC continues to build a happy Company, to positively impact society, and to work towards environmental sustainability. By valuing our partners, expanding store locations, and developing innovative products and services, we are creating a virtuous circle that benefits both business and our community.

4. Product development trends and competitiveness

In 2023, the world faced a new post-epidemic life. In response to the changes in consumers' post-epidemic lifestyle and needs, PCSC has continued to expand the operation of the OPENPOINT ecosystem, not only expanding its member services overseas for the first time to create a cross-border travel ecosystem, but also launching the OPENPOINT member carrier cloud invoice lottery to continue to attract followers, so that the use of OPENPOINT points covers customers' food, clothing, housing, transportation, education, and entertainment needs. We have also capitalized on market trends and continued to strengthen the product structure of our outlets to meet customers' lifestyle needs by combining different industries and co-branding IP characters.

(1) Product development trends

- Channel differentiated products: 7-11 has observed market trends and consumer needs and through team merchandising, we continue to introduce new specialty products and through co-development with famous and popular manufacturers, we create themes and differentiation. For imported products, we utilize the advantages of the Group and its channels to enrich the product structure of our stores and cooperate with major domestic and international manufacturers to develop and introduce exclusive products, creating a more differentiated product structure and uniqueness from the perspective of the customer and the demand for value, fashion, and design.
- Business districts differentiation: We provide different types of products based on the characteristics of the business area. For example, for places where the demand for pet products has grown significantly, we offer the OPEN PET'S Lifestyle Area. For areas with high concentrations of students and office workers, we have introduced Fashion Zone, focusing on OPEN! PLAZA, stationery, cotton garments, and accessories to meet the needs of various consumer groups. Watts, a popular Japanese grocery store chain, has been introduced to the One Price Daily Products Zone, which offers Japanese products at an average price of NT\$59 in three categories: kitchen, bathroom, and organizing products, to satisfy the needs of individuals and their homes for convenient daily products. Currently, 30 stores in Taiwan sell Watts products.
- Member Economy: We continued to optimize the OPEN POINT membership and points mechanism to expand the use of points channels for cash purchases, redeem goods, additional purchase, and donate to charitable organizations. Members enjoy exclusive point feedback and services, creating a new smart shopping experience in digital retail. It is the only platform on the market where members can spend accumulated points/credit points across channels without restrictions on payment tools and where tens of thousands of shopping points can be spent as cash. OPENPOINT has expanded its membership services to cover the areas of food, clothing, housing, transportation, education, and entertainment, and it has become a lifestyle service platform that satisfies the needs of customers. In 2023, to capitalize on the rebound of post-epidemic tourism, OPENPOINT also expanded its membership service overseas for the first time by launching the "OPENPOINT Cross-border Travel Collection Passport, which allows customers who have completed the binding of the Ponta membership card in Japan to accumulate Ponta Points in more than 280,000 contracted outlets in Japan, which can be exchanged for OPENPOINT. OPENPOINT member services have been expanded overseas to create a cross-border travel ecosystem.
- Mobile pay: To provide a more time-saving, convenient, and diversified mobile payment experience for members, we have actively promoted the OPEN POINT APP to bundle multiple mobile payments to enable customers to pay, count, and deposit invoices in one transaction during checkout. As of 2023, the service has attracted over 230 million users.
- E-service: In 2023, PCSC targeted online shopping opportunities and established "iOPEN Mall", a new C2C market place where anyone can start their own business online by utilizing the OPENPOINT ecosystem with approximately 17 million members, the Group's logistics warehouses throughout Taiwan, and more than 6,800 7-ELEVEN outlets. In addition, capitalizing on the growth trend of small online sellers, we launched a quick collection service to provide in-home collection service for customers with large volumes of shipping needs, enhancing convenience and reducing store operations. The international delivery service was developed to meet the trend of international logistics and to integrate with cross-border convenience store pickup services. To meet the demand of consumers to pick up frozen goods purchased online close to their homes, we have introduced frozen store pickup service and will continue to expand our product range to meet future consumer trends. To enhance the "Safe pickup" service and prevent parcel fraud, the "7-ELEVEN Safe pickup" is available 24 hours a day for complaints, so that consumers now have recourse in case of suspected fraudulent parcels, creating a life service platform that exceeds customers' expectations.
- Vegetarian food trend: PCSC has continued to focus on vegetarian food, actively discussing with the chefs of renowned green food and beverage brands on the development of refrigerated fresh food and to co-develop creative and tasty vegetable dishes with the Michelin Green Star Vegetarian Food Restaurant "Tiny Tree Food" and "Yang Ming Spring" in cross-border co-branding. Veggie Selection reached the milestone of 100 composite stores in August 2023, with more than 2,500 stores offering a Veggie Selection area, joining hands with suppliers to build a convenience store vegetarian and vegetable food industry chain and promote green cuisine.
- Refreshment business opportunities: To offer customers refreshment in the hot summers, we continued to offer the popular Slurpee and introduce new ice cream product flavors. In addition, we joined hands with Michelin restaurant Somtum Der to create Star Rated Cuisine – Thai milk tea ice cream, launched the popular IP Pokémon mango ice cream, co-branded with Uni-President Pudding to launch Uni-President Pudding Ice Cream, and even combined various liquors to create a Slurpee Adult Version, which has been highly acclaimed. Every new product launch has not only been well received by consumers, but also the new flavors and activities have become treats that customers look forward to each weekend.

- Trendy toy business opportunities: After the impact of the epidemic and the economy in recent years, customers now attach a great deal of importance on the here and now and look for products that can bring healing and relaxation. To capitalize on trendy toy business opportunities, PCSC has employed popular characters in its launch of themed co-branded stores, lucky bags for Christmas and Spring Festival, and IP lucky draws. In the future, PCSC will continue to plan for the combination of multiple IPs to attract different consumer segments.

(2) Product competitiveness

In response to the increasing blurring of retail lines, 7-ELEVEN has been extending the shelf space of its stores with iPre-order and iGroup-Buying, which allows stores to operate online and offline simultaneously, creating an integrated virtual and real business model and expanding the operational efficiency of single stores. Moreover, due to demographic and lifestyle changes, such as an aging population, childlessness, singleness, and marrying later, the eating out market has continued to grow. In the face of many competitors, 7-ELEVEN has integrated its delivery platform, allowing its stores to operate out of its stores and redistributing business opportunities in the eating out market.

- Dining-out and food delivery business opportunities: Capitalizing on consumer trends, we have developed frozen products that are easy to heat and eat, expanded our frozen display space, and continued to develop a wide variety of safe and delicious ingredients and dishes to provide fast, convenient, and safe choices for diners. We are also striving to differentiate and introduce different products in our outlets and are selling them in a new cooked foods section to satisfy customers' dining needs 24-hours a day. We have also continued to work with delivery platforms to increase store sales opportunities and extend business district services, so that store operations can go outside of the store to provide customers with quick, safe, and convenient choices.
- Pet business opportunities: Since an increasing number people are remaining single and having fewer children, pets are becoming more popular. To capitalize on this trend, we have created pet product stores, set up pet areas in stores based on the needs in the business district, focusing on the four major product types, including supplies, snacks, canned goods, and dry food.
- Dessert business opportunities: 7-ELEVEN has continued to innovate and introduce new products to meet diversified needs, to co-develop desserts, and to introduce Japanese and Korean differentiated and highly-talked about products to provide customers with a wide range of choices for after-meal desserts and afternoon tea snacks. In addition to popular cream waffles, puffs and cakes, we also offer seasonal specialties and unique recipes to enhance the taste and texture to add enjoyment to customers' lives.
- Equipment optimization: In order to provide customers with a better service experience and to create safe and delicious fresh food products, PCSC has invested tens of millions of dollars annually to introduce better fresh food equipment and to change the way products are displayed. For example, it introduced automatic hot-pressed toast machines, which allow stores to prepare tasty original hot-pressed toast in 3 minutes. In response to labor shortages, PCSC has continued to optimize its store equipment by introducing ice machines and a new three-bean chute coffee maker, which not only provides customers with a wider variety of product choices, but also helps store partners to operate more efficiently, while reducing the number of plastic bags used for ice. This demonstrates our commitment to environmental protection and sustainable operations.
- Commercial area/Highway Rest Station operations: PCSC has operated in commercial areas for a long time, including transportation centers, scenic spots, colleges and universities, medical institutions, technology plants and offices, international airports, and commercial buildings, with a total of seven categories and about 60 buildings. In 2023, we partnered with the Highway Bureau for the first time to establish the Daan Rest Station, the first highway rest stop in the central region of Taiwan's Route 61. After acquiring the operating rights of the Qingshui Service Area in Taichung, PCSC now holds the operating rights of a total of five national highway rest stops and has become the leading operator in Taiwan's national highway service areas.
- Planning logistics blueprint: As PCSC's business continues to expand, to meet the increasing demand for logistics, PCSC continues to expand the scale of its logistics, planning a large-scale logistics park in Taiwan and launching an all-temperature transshipment center in outlying island of Penghu in the hope that through the integration of resources, we can further enhance the efficiency of logistics and the quality of service, provide the most extensive shipping service points, stable distribution quality, and diversified distribution modes, so that consumers can obtain goods quickly and safely, creating a quality experience for customers.

(3) Technology and R&D

PCSC continues to integrate a variety of innovative products and services to meet the needs of consumers and to compete with differing modes of competition:

1. Mobile pickup service: We continue to improve our product structure, allowing consumers to purchase coffee, fresh food, and beverages through mobile pickup service and optimizing customer experience. We also proposed innovative icash 2.0 card redemption services to meet different consumer needs and become an indispensable platform for customers' daily meals and life.
2. iOPEN MALL: Aiming at online shopping opportunities, PCSC established the all-new iOPEN Mall in 2023, a C2C market place where anyone can start an online business through the OPENPOINT ecosystem of approximately 17 million members, the Group's logistics warehouses throughout Taiwan, and more than 6,800 7-ELEVEN outlets.

3. iPre-order: We are leveraging Group resources to strengthen our product structure, including beauty care, lifestyle products, figurine business opportunities, food gift boxes, 3C home appliances, and imported goods. We have continued to optimize our platform system with site-wide promotional activities and the effective use of the Group's payment tools to make the purchasing process more in tune with consumer habits and to enhance the richness of the customers' experience, value for money, and convenience to meet consumer needs.
 4. iGroup-Buying: By connecting with iPre-order to strengthen product structure, optimize operation interface and process, and provide tools for stores to operate group purchases, we can strengthen single-store operations and improve store sales and profitability.
 5. Future convenience store X-STORE 7: This future convenience store can automatically detect and instantly analyze products that customers take from shelves and deposit them into an exclusive cloud shopping cart. Before leaving the store, customers can use their cell phones to confirm the list of items and complete the mobile self-checkout so they can quickly leave the store, completely eliminating the need to wait in a checkout line.
 6. Three bean chute coffee machine: Our stores are now equipped with three bean chute coffee making equipment, which offers three types of beans and two types of milk. This upgraded equipment offers more choices for coffee lovers and reduces the workload of our store partners.
 7. Industry-academia partnership: We have developed an innovative industry-academia APP in the OPENPOINT ecosystem and are working with the Department of Education, Taipei City Government through the points exchange partnership, whereby the learning points accumulated on campuses can be redeemed for OPENPOINT points, which can be utilized as cash across the 20 major channels, offering a new experience for campus life.
 8. Cross-border Travel OPENPOINT Collection Passport: To capitalize on the post-epidemic tourism recovery, the Company launched the Cross-border Travel Points Collection Passport in 2023, expanding membership service overseas. By completing Ponta membership card binding in Japan, you can accumulate Ponta points in more than 280,000 contracted locations in Japan, which can be converted to OPENPOINT when you return to Taiwan. Expanding the OPENPOINT membership service to overseas, creating a cross-border travel ecosystem.
 9. International payment: To enhance member mobile payment services, we partnered with Google Pay for OPENPOINT members to bind with, so that when customers pay for their purchases, they only need to open Google Pay, which has been linked to their OPENPOINT member accounts. It immediately completes three major processes of payment, point accumulation, and deposit of receipts. This eliminates the need for customers to open multiple apps during the checkout process, simplifies store operations, and enhances customer service.
 10. In 2023, a total of NT\$169,245,000 was spent on R&D of these system.
- (4) Short and long-term operating strategies
1. Short-term operating strategies
 - (1) Continue to integrate stores into existing shopping districts and establish a competitive niche with large format stores.
 - (2) Expand store autonomy to create advantages through differentiation.
 - (3) Further integrate virtual and brick and mortar operations to create more virtual service opportunities.
 - (4) Optimize our operational foundation to provide the strength for mid to long-term development.
 2. Long-term business development plan
 - (1) Optimize the franchise model to create a win-win situation for both PCSC and franchisees.
 - (2) Implement value marketing and enhance the consumer experience.
 - (3) Implement "lean operations" to use resources to their fullest.
 - (4) Integrate the Group's resources and seek stable profits growth.
 - (5) Actively nurture talent to ensure sustainable development.

2. Market analysis and merchandising

(1) Market analysis

1. Main product (service) sales areas:

PCSC keeps on top of new consumer trends and develops high value products and innovative services to meet customers' evolving needs. Our goal is to become "a dependent service platform that surpasses customer expectations". No matter where you may be, our mission is to provide a wide variety of high quality, trustworthy products and services with a smile.

2. Future market supply and demand and potential growth:

As of the end of 2023, PCSC held a 51.26% share of the convenience store market, which made us the top brand in the minds of consumers. We have continued to strengthen the operational capacity of individual stores offline and actively developed online platforms and consumption models to best drive growth through efficiency. As life order restore after the epidemic, the blurring of retail industry boundaries, and the impact of global inflation and regional conflicts, operations will inevitably face more difficult challenges, but as long as we can become a dependent service platform that convenience store customers expect, there is still great potential in the Taiwanese convenience store sector.

3. Competitive niche:

The convenience store industry in Taiwan is highly competitive. However, by capitalizing on our advantages and rapidly evolving to meet needs, we can stay at the head of the pack. PCSC's major competitive advantages are:

- (1) Positive corporate image and good brand reputation.
- (2) The capability to rapidly develop new products (services) to meet customers' changing needs and use integrated marketing techniques to promote them.
- (3) The scale of channel favorable to successful product research, development, and sales.
- (4) A comprehensive logistics support system and an ever more seamless supply chain.
- (5) Strong IT platform and infrastructure with high potential for further development to meet the needs of consumers and effectively create new business opportunities.
- (6) First-rate franchise model.
- (7) The Group has significant resources that can be integrated and shared between members.

4. Positive and negative factors for future growth and strategic responses:

(1) Positive factors:

- The market for dining-out continues to grow with increasing demand for natural, organic, healthy, and vegan food and beverage options.
- Taiwan's society is aging, while more people are having fewer children and living alone, so there are growing business opportunities from seniors, singles, and small families.
- With the rapid development of a variety of smart mobile devices, online shopping, and social network platforms, information has become highly transparent. Shoppers are seeking out entertaining, timely, and mobile shopping experiences.
- As cross-border internet transactions increase, greater opportunities will arise for business and logistics.

(2) Negative factors:

- With the trend of fewer children, companies continued to expand and face pressure to recruit human resources. Personnel expenses continued to rise and overall operating costs increased.
- Inflation and regional conflicts caused global economic instability.

(3) Strategic responses:

Faced with the rapidly changing consumer market and emerging consumer trends post pandemic, PCSC has continued to develop merchandise structures and services to meet consumer needs, integrate Group resources to introduce differentiated merchandise and services in a composite mode, and strengthen store business model to widen the competitive gap. In terms of fresh food, we have partnered with well-known stores and restaurants to enhance the flavor of our products, and through strict food safety control, we provide safe, tasty, and diverse fresh food products. Regarding digitization, we have continued to enhance the OPEN POINT member ecosphere and expand the access and functions of points to make them more convenient. In addition, we are making good use of iPre-order, iGroup-Buying, and smart coffee vending machines to help stores operate outside of the store and improve the quality and efficiency of single-store operations, while continuing to develop boutique coffee to meet the needs of different consumers. In the future, we will continue to innovate, refine, and integrate to provide services and products that exceed customer expectations, utilize brand management, and continue to become a life service platform for consumers.

(2) Key purpose of major products and the production process

1. Key purpose: Provide consumers with products and innovative services to meet their needs.
2. Production process: None

(3) Supply of raw materials: None

(4) Information on major clients/suppliers who have accounted for at least 10% of sales/procurement in either of the past two years:

1. List of customers that have accounted for at least 10% of sales over the past two years: PCSC is a retailer of daily life merchandise. Our customers are the general public.
2. List of suppliers that have accounted for at least 10% of procurement over the past two years: None.

(5) Production over the past two years: None.

(6) Sales over the past two years:

Unit: NT\$1,000

Major Divisions	2022	2023
	Domestic Sales	Domestic Sales
Convenience Stores	181,203,989	195,766,067
Retail Business	83,748,360	93,125,722
Logistics Business	2,265,001	2,427,713
Other Business Divisions	23,216,787	25,722,352
Total Consolidated Revenues	290,434,137	317,041,854

Note: All products are sold domestically; all sales figures are expressed as sales value.

3. Human Resources:

Year		2022	2023	As of February 29, 2024
No. of Employees	Store Employees	18,528	19,752	19,675
	Management	7,833	8,458	8,544
	Part-Time	15,246	16,416	16,148
	Total	41,607	44,626	44,367
Average Age		33.9-years old	34.2-years old	34.3-years old
Average Years of Service		6.6 years	6.4 years	6.5 years
Education Level (as a % of the total)	PhD	0.02%	0.01%	0.01%
	Masters Degree	4.04%	3.96%	4.01%
	Bachelors Degree	59.32%	61.42%	61.35%
	High School	34.39%	34.45%	32.46%
	Junior High School or Below	2.24%	2.17%	2.17%

Note: The information above includes PCSC and its subsidiaries.

4. Environmental protection expenditures

(1) Environment-related expenditures:

PCSC is committed to fulfilling our corporate social responsibility (CSR) and providing customers with safe, convenient products and innovative services. We are also working to reduce energy consumption and carbon emissions. Through the promotion of green procurement, PCSC purchases equipment and consumables that have obtained environmental protection and energy saving marks or have actual environmental protection benefits for use in stores and chooses green building materials for store decorations. While maintaining smooth operation and service quality, PCSC also reduces consumption of natural resources and negative environmental impact. Our green procurement items and adopted environmental labels, and certifications are listed below. Total green procurement in 2023 reached NT\$ 1.746 billion, accounting for 15.58% of the total annual procurement and exceeded the original annual procurement target.

Unit: NT\$1000

Green Procurement Category		Item	Amount
Energy Star	Meets Energy Star product energy efficiency requirements	LCD screens, laser printers	84,415
FSC Forest Stewardship Council Certification	The entire wood product manufacturing process meets FSC sustainability requirements	Coffee cups, mixing sticks, and bento disposable chopsticks, Paper star printer paper	296,736
RoHS	Complies with EU regulations on the use of harmful substances in electrical and electronic products	Uninterrupted power systems, coffee machines, ST, Switch, WAP, POS cash registers/back office computers	768,511
Energy Saving Label	1. Air conditioner performance label - Air-conditioning Seasonal Performance Factor (CSPF) Class I 2. Energy Conservation Label, Bureau of Energy, Ministry of Economic Affairs	Inverter air conditioners, circulating fans, LED lights	397,319
Green Building Material Label	Received the Green Building Materials Label from the Taiwan Construction Center or adopted a patented environmental protection method.	Green building materials	88,448
Actual environmental benefits	1. Plastic alternatives 2. Customized equipment is tested by PCSC as an energy-saving device with actual power-saving benefits.	Eco-friendly packaging material PLA-coffee cups, ice cream cups/Slushie cups, PLA straws, paper straws	110,984
Total amount of green procurement			1,746,414

- (2) In 2023 and up to the printing of this annual report, there is no fine or loss due to environmental pollution.
- (3) In 2023 and up to the printing of this annual report, competent authorities fined some stores NT\$310,000 for violating Tobacco Hazards Prevention Act, Medical Devices Act, and Act Governing Food Safety and Sanitation. PCSC has already required improvements in all stores and has strengthened education regarding relevant regulations.
- (4) Information regarding EU Restriction of Hazardous Substances (RoHS) Directive: The Company and its subsidiaries do not sell directly or indirectly to Europe, and therefore is not subject to RoHS.

5. Labor-management relations

(1) Employee benefits

1. Integration of the group's HR system and resources

PCSC and its affiliates jointly review, revise, and integrate their HR systems to build a robust talent pool and career planning systems for the group. The result is an environment that facilitates a fair and reasonable development of inhouse talents.

2. Comprehensive employee benefits:

(1) In accordance with the Official Letter Taipei City Social II No. 58459 of the Department of Social Welfare, PCSC established the Employee Benefit Committee on December 21, 1987. Members of the Committee are jointly elected by both the enterprise union and the Company. The Committee regularly hosts a variety of activities.

(2) PCSC provides a variety of benefits, including health checkup subsidies, employee benefit trusts, club subsidies, shopping discounts, gym, wedding and funeral subsidies, paid paternity leave, employee and dependent insurance privileges, employee travel, and employee benefit committee privileges and subsidies. In addition, in order to take care of employees and assist their families, we have set up nursing rooms in our office and contracted with childcare providers to provide preferential rates to reduce the burden of childcare for employees.

- (3) In 2010, the Company decided to become more proactive in our care of employees, establishing the Happy Cooperative in May of that year. In 2023, the program assisted employees in a total of 3,842 cases and 2,951 caring hours.
- (4) In order to help our colleagues effectively manage stressful events in their work, life, and health and to enjoy sound physical, mental and interpersonal interactions, we organized employee relationship promotion activities, such as the “Knocking on the Door of the Heart” online activity, which enables participants to discover the key to self-care through simple activities, to dialogue with themselves, and to simultaneously review and remind them to be mindful of their physical and mental states. In addition to helping alleviate the physical and mental stress of partners, we have also enhanced the relationship between the organization and its employees. In addition, since 2009, we have outsourced the provision of professional counseling services to our employees, providing them with three hours of free counseling services per year. In 2023, in order to optimize services to meet the needs of our employees, we collaborated with H2U Consultants to promote online and offline counseling services, so our employees can utilize the mental health service resources anytime, anywhere.
- (5) Due to the special circumstances of the COVID-19 epidemic starting in 2020, in order to maintain workplace health and implement epidemic prevention, we helped colleagues cope with the following:
- PCSC specially formulated the Implementation Measures for Colleagues Working from Home and supporting measures for attendance, allowing logistics colleagues to work remotely from home. In May 2020, the guidelines for the work of colleagues outside the office were also set, and the system began to include working outside the office (home).
 - The Company launched work diversion and logistics colleagues could also flexibly choose time to go to and from get off work to avoid rush hour and reduce risks. There are four flexible working hours from 07:30 to 09:00, allowing employees to adjust their times to meet family needs and achieve a work-life balance.
- (6) The Company established Operational Procedures of Employees Assistance in Severe Accidents, encouraging supervisors to offer employees timely concern on behalf of the Company and to take the initiative to offer them paid leave for convalescence and financial help to take care of them in the event of serious accidents.
- (7) PCSC provides its employees with competitive salaries and wages and ensures that base pay is greater than the national standard for each year through salary and benefit surveys. In addition, men and women in the same position are given the same base pay to promote equality. Salary and benefits do not differ by gender or age.
3. Providing entrepreneurial opportunities: PCSC provides an incentive program to encourage employees to become franchisees, so that they can grow and develop with the Company.
4. Safe and friendly workplace:
- In 2021, the TAF ISO45001 Occupational Safety and Health Management System received recertification which is valid until 2025/1/2. Implementation of safety and health self-management operations:
- (1) Safety and health organization: The Labor Safety Office holds quarterly occupational safety and health committees, conducts annual management review meetings, and promotes contractor safety agreement organization meetings.
- (2) Safety and health education and training: In order to enhance disaster prevention awareness, we regularly conduct comprehensive inspections of wire lines, switch boxes, etc., and educate and verify that colleagues actually turn off electricity after get off work. In addition, we promote safety and health education and training for new employees and conduct online and in-person courses on occupational safety. In addition to workplace safety, we also emphasize fire escape and hazard prevention for employees.
- Occupational safety and health training for new employees: 143 individuals completed course.
 - Building escape drills: 572 individuals completed course.
- (3) Risk assessment and safety audits:
- Contractor management: In June 2023, a meeting was held to organize the agreement with contractors (decoration, plumbing and electrical, signage, comprehensive warranty, and structure reinforcement contractors) nationwide. 103 participated.
 - Risk hazard identification: A total of 261 workplace audits were conducted during the year and 432 defects were improved with a 100% improvement rate and 31 zero defects.
 - Guiding fresh food suppliers: We implemented supply chain management, guided 6 fresh food suppliers as they set up occupational safety systems, encouraged 6 to implement ISO45001 certification, and conducted 1 online occupational safety training course.
 - Testing indoor air quality to ensure that CO2 emissions were below 1000ppm and that the illuminance and the quality of the drinking water were above standard.
- (4) We strive to ensure safety at large-scale Company events through the safety control process and to achieve the goal of zero public security accidents. In 2023, we held 3 events with 0 fines and 0 major disasters.
- (5) Medical care: Each employee is covered by group accident insurance, life insurance, medical insurance, and health check-up subsidies from the date of employment. In addition, we employ professional nurses and cooperate with doctors that specialize in workplace health issues to provide health consultation services. Health promotion activities include an exclusive Healthy Life Circle app for employees and regular e-newsletters, online videos and other health education and promotion to encourage employees to do a good job at self-health management.

- (6) Promoting employee health exams: Strengthen personal health management and illnesses prevention through regular health checks.
- Senior employee in-depth health exams: We provide subsidies starting at NT\$16,000 every two years for senior employees of at least 35 years of age and 5 years of experience. 2,616 individuals underwent examinations in 2023.
 - Annual health exams: We provide employees and food industry workers with annual health exams. 6,025 individuals were examined in 2023 with an 83% participation rate.
- (7) Implementing employee health management: We have physicians and nurse practitioners who proactively provide personal health care and counseling to employees.
- Physicians: Physician health services were introduced in 2013. In 2023, a total of 360 hours of physician services and 503 one-on-one health services were provided.
 - Nurses: We provide four nurses to look after the health of employees. In 2023, the nurses provided 194 treatments. In addition, we have established a comprehensive health management mechanism to promote health classification management for employees with abnormal health checkups, and 100% intervention management, abnormal treatment tracking and case tracking management for employees with very significant risks.
- (8) We promoted the prevention of occupational diseases and health protection for special populations: The four major occupational safety protection programs include maternal health protection, prevention of human-caused hazards, prevention of workplace violence, and prevention of overwork. 202 people completed the programs in 2023.
- (9) Workplace emergency care: AEDs have been installed in offices based on the size of the workplace and the number of employees. In 2023, the Company again received Safe Workplace, a three-year certification from the Health Promotion Administration.
- (10) Health promotion activity implementation: We encouraged employees to manage their health and promote their health through group activities.
- Health promotion activities: Through the APP, we have established an exclusive Healthy Exercise Life Circle for employees to encourage them to maintain good exercise habits. In 2023, we promoted four waves of sports activities (one month each), including: crossword puzzle challenge, carbon reduction forest, summer hiking fun, and sailing adventure. In addition, a total of 6,611 people participated in measurement activities, and a total of 33.43 million calories or 4,342 kg of calories were burned off during the year.
 - Vaccination activities: Workplace station vaccinations. In 2023, 5 vaccination sessions were held, with a total of 352 vaccinations, 153 for influenza, 125 for next-generation vaccine, 56 for herpes zoster, and 20 for streptococcus pneumoniae.
 - Health certification and healthy workplace competitions: We received the Outstanding Healthy Workplace Award in 2022 from the Ministry of Health and Welfare's Health Promotion Administration. Certification is for three years.

(2) Training and development

1. PCSC's training statistics for 2023 are as follows:

Internal Training			External Training			Online Training			Total		
Number of Trainees	Hours of Training	Training Costs	Number of Trainees	Hours of Training	Training Costs	Number of Trainees	Hours of Training	Training Costs	Number of Trainees	Hours of Training	Training Costs
20,399	78,140.5 hours	NT\$57.435 million	875	5,957 hours	NT\$2.011 million	153,089	31,051.5 hours	NT\$1.410 million	174,363	115,149 hours	NT\$60.857 million

2. In accordance with the Group's core values, PCSC issued "General Skills Needed by Logistics Personnel and Standards for Training Courses" covering training programs developed by PCSC for various positions within the organization to build employee skills and standards.
3. We also issued "Training Management Guidance" to serve as guidelines for training activities. Based on their individual needs, employees can take internal or external training classes or different departments can organize their own training. In addition, they can draw up a "Personal Development Plan" with their immediate superiors based on their education, experience, work requirements, performance evaluation results, and career development needs to map out the training sequence most suitable for them. Giving employees a goal and a plan encourages disciplined learning and growth to ultimately enrich professional knowledge and skills.
4. For some key identified talents, PCSC has mapped out a program of training and development that includes courses, mobile learning, and personal development plans as well as attending regular meetings to let high-level managers know how well they are doing in their studies and what they have accomplished to help them reach their ideal position within the Company.
5. Potential external training courses are vetted through a rigorous screening process to ensure that all offerings are up to our exacting standards. Depending on the nature of the course and the participants, each class employs unique educational activities. In addition, utilizing the latest technologies, PCSC has built a digital learning platform for online courses to provide a more effective way to attain a competitive edge.

6. Continuing education: At PCSC, employees can take charge of their own learning through the many diverse training channels available, which include guidance by supervisors and peers, knowledge management system, internal and external training programs, lectures and seminars, online learning, and on-the-job training. PCSC also encourages employees to pursue self-enrichment in their spare time to shore up their foundation and professional knowledge through scholarships for outside training and language courses.
7. An internal system for training lecturers that uses Company resources to cultivate enthusiasm and a willingness to share with our partners and train to be specialized internal lecturers to transform our Company into an organization that emphasizes learning and sharing. Just before Teachers' Day, the Company recognizes and expresses appreciation to individuals who have lectured internally to help create within them a sense of value and mission.
8. Career development:
 - (1) Multi-channel career development opportunities: PCSC has spared no effort in employee training and personal development and we fully support employees' quest for knowledge and enhanced work skills. Through training programs, providing equipment, online resources, and a mentoring system, the Company helps employees map out their career development plan and provides a diverse range of opportunities for personal growth.
 - (2) Job rotation: We encourage our employees to try new things and to learn by working in various departments, different companies, or even various areas to broaden their horizons and increase competence in a range of skills.

(3) Retirement plan

1. Old system under the Labor Standards Act

On Dec 4th, 2023, PCSC modified its employee retirement program, applicable to all existing employees. As stipulated by law, the program calculates an employee's years of service starting with his or her hiring date. Employees who have worked for the Company for less than 15 years (inclusive) shall be granted two basic units for each full year of service. From the 16th year onward, each full year of service shall be translated into one basic unit in the calculation of pensions. Any service period that is less than six months shall be calculated as half a year; while any service period that is between six months and twelve months shall be calculated as one full year. The number of basic units in the calculation of pensions is capped at 45. Pensions are calculated on the basis of years of service and the average monthly salary at the time of retirement. Calculation of average salaries shall be made in compliance with the Labor Standard Act.

2. Service year calculations under the old system for transferred employees:

- Service years for transferred employees include the number of years they served in every PCSC affiliate and/or members of the Uni-President Group.
- The sharing of pensions among affiliates is based on the percentage of the years of service spread over the affiliates that the employee has served.

3. New system under the Labor Pension Act:

Beginning on July 1, 2005, in accordance with the Labor Pension Act, PCSC implemented a new system that is applicable to all employees. Existing employees could opt for the old system under the Labor Standard Act as stated in (1) or the new system under the Labor Pension Act. As stipulated in the Labor Pension Act, the monthly contribution is made based on the Monthly Contribution Wages Classification, which currently amounts to 6% of employee monthly income transferred to a personal retirement account with Bureau of Labor Insurance.

(4) Labor-management relations

1. Open communication channels

PCSC established an internal communication platform which sends out important messages directly to employees. To encourage direct communication between employees and managers, in addition to providing an Integrated Services Center, e-mailbox, and a dedicated stakeholder section of our website that allows employees to get timely answers to their questions, the Company set up an internal suggestion system, which allows employees to offer opinions and suggestions about Company operations directly to management in real time.

2. Employee code of conduct

PCSC has written an employee handbook and regulations regarding incentives and rewards and has also set up a committee to implement related affairs. Furthermore, the Company has established an employee code of conduct to spell out specific regulations governing employee behavior. The code of conduct includes the below requirements:

- (1) Employees may not embezzle Company funds for personal purposes, engage in unscrupulous behaviors for profit, participate in illegal acts, violate any contracts, damage public property, or otherwise jeopardize the Company's reputation.
- (2) Employees shall not abuse any other individual, affect other individual's work performance or threaten to exchange the establishment of service contracts, compensations, performance reviews, promotions/demotions, rewards/disciplinary actions with any language or actions that contain sexual requests, that are sexually suggestive, or discriminate on the basis of sex.
- (3) Employees shall not give gifts to managers or treat managers for meals; however, managers may give gifts to subordinates and treat subordinates for meals as a token of gratitude for their hard work.
- (4) Employees shall not be engaged in any unofficial monetary transactions with any business-related vendors or individuals.

- (5) Employees shall not receive any benefits from business-related vendors or individuals.
- (6) Employees shall not make any publications, statements, or displays in the name of the Company without permission from the Company.
- (7) Employees should maintain complete confidentiality in all business activities for which they are responsible and shall never, under any circumstance, assist anyone with interests at odds with those of PCSC or reveal trade secrets to competing enterprises or individuals.
- (8) Employee attendance and behavior shall comply with regulations set forth by HR.
3. Labor-management negotiations:
PCSC has always considered our employees as the most important asset. The Company works to align our vision for the future with the development goals of employees. PCSC also holds regular labor-management meetings as required by law. In addition, the PCSC labor union was established by employees at the end of 2019, aiming to enhance labor rights and happiness and enrich labor knowledge. Although the labor union has not asked the company to negotiate a group agreement so far, and there is currently no group agreement signed, the company will continue to maintain good relations and interaction with the labor union, adhere to human rights policies, abide by local labor regulations, and continue diversified communication to create a harmonious and win-win labor environment in the future.
4. Losses due to labor disputes:
(1) PCSC provides employees with a comprehensive benefit system, quality working environment, and open communications channels. Therefore, no major labor disputes have occurred and no significant losses have been reported.
(2) Violations of the Labor Standards Act in the last year up until the printing of this annual report: None
(3) Current and future amount of money that might have to be paid: None

6. Information security management

1. Explain the information security risk management framework, information security policy, specific management plan and the resources invested in the information security management, etc.
- (1) Cybersecurity risk management framework
1) Cybersecurity governance organization
To meet cybersecurity governance needs and practical operations, in 2023, the Company consolidated the Risk Management Committee and Cybersecurity Committee former under the Sustainable Development Committee into the Risk & Cybersecurity Management Committee under the Board of Directors (as shown in Figure 1), with senior management team and independent directors as members, to coordinate the management of cybersecurity risks, formulate information security risk management policies and promote the enhancing of information security management, and regularly report implementation progress to the Risk & Cybersecurity Management Committee.

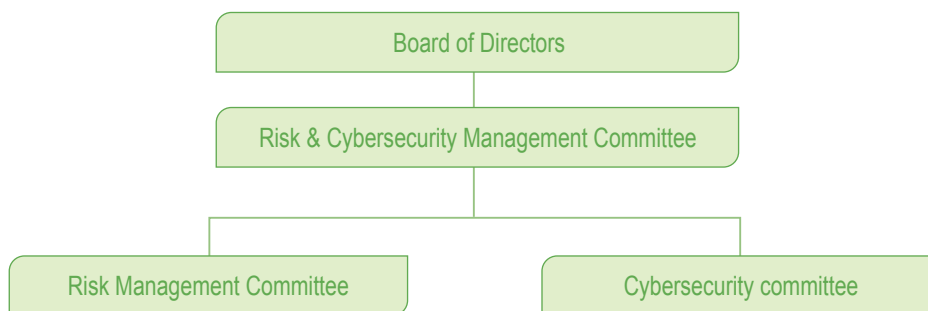


Figure 1. Cybersecurity governance organization framework

- 2) Cybersecurity organization framework
The cybersecurity committee assigned a special unit for information security, provided resources for information security project implementation, and reviewed the results of the information security project. The special unit for information security assisted the committee in monitoring information security threats, evaluating and verifying emerging information security technologies, and regularly reported to the Risk & Cybersecurity Management Committee on information security governance issues, directions, and the effectiveness of information security governance:
(1) Information security implementation team: Responsible for managing, assigning management and working teams to promote cybersecurity related projects, and coordinating the implementation results and reporting to the cybersecurity committee for review.

- (2) Emergency response team: In the event of a major cybersecurity incident, the emergency response team assigns personnel from relevant units to form an emergency response team based on the impact on Company operations and which is responsible for contacting and convening members of the emergency response team to be responsible for various emergency response operations and coordinating the deployment of resources.
- (3) Audit team: The audit team is appointed by the Information Security Executive Team or the Audit Office to coordinate and assign the internal audit of the information security management system.

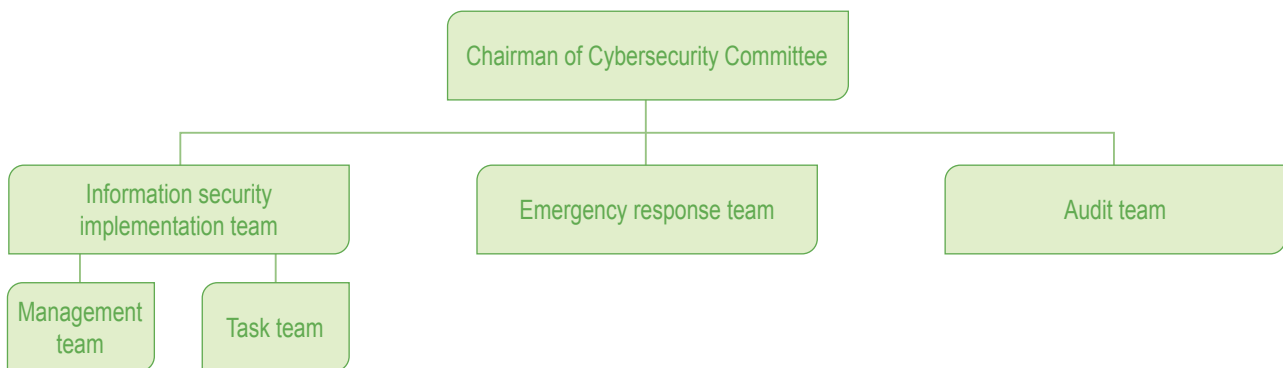


Figure 2. Cybersecurity committee organizational chart

3) Information security risk management mechanism

The Company established the Information Asset and Risk Assessment Management Standard to address cybersecurity risks and establish risk assessment criteria for information and communication systems and services, and conduct risk management based on the value of the information and communication systems to the Company's operations, the degree of vulnerability of the information and communication systems, and the types of threats, impact levels, and occurrence rates. We use vulnerability scanning, penetration testing, and red team exercises to conduct data security strength audits of information communication systems and services. Through the process of risk management and continuous improvement, we will reduce the threat of hacking groups and human negligence, and establish sensitive data protection in compliance with laws and regulations, and an information security environment that protects the personal data of consumers and the confidential data of business operations.

In 2024, the Company purchased an external network security risk rating cloud service. Using non-intrusive security collection technology, PCSC analyzes security risks and vulnerabilities of the Company and of its investee companies, and regularly confirms the self-monitoring security risk/third-party unit security risk/supply chain security risk management, and continually corrects and mitigates risks.

4) Emergency notification and response procedures for information security incidents

We have established relevant regulations for contingency measures for major information security incidents to serve as a basis for the cybersecurity committee's emergency response team in the event of an information security incident. Furthermore, practical rehearsals are conducted to familiarize responsible colleagues with the notification and handling procedures. In order to enhance employee crisis awareness of information security risks, regular training on information security risk awareness is held to implement the effectiveness of cybersecurity management measures.

(2) Cybersecurity policies

The Company has established a cybersecurity policy that complies with laws and regulations and clearly declares its support for cybersecurity objectives, so that all Company employees can follow it and reduce the impact of any information security incidents. The Company will continue to operate and improve its cybersecurity management system to protect the interests of the Company and consumers.

Using ISO/IEC 27001 as the framework for cybersecurity management, we completed the third-party certification in December 2023 and continuing obtained the ISO/IEC 27001 international information security management system certification. Following the Plan-Do-Check-Act (PDCA) cycle, we identify cybersecurity risks, conduct risk assessment, set acceptable risk levels, implement risk control, manage residual risks, repeat the risk control cycle and take short-term compensatory measures, supplemented by long-term continuous tracking for improvement, until risks are reduced to acceptable levels. Through risk management planning and implementation, we ensure the confidentiality, integrity, and availability of information assets, review and evaluate the planning results, establish and implement appropriate control and monitoring mechanisms, evaluate and audit their effectiveness, implement corrective measures based on the results and recommendations of the monitoring and audit, and improve and implement appropriate control mechanisms in order to maintain the operation of the information security management system.

(3) Specific management solutions

- 1) We joined TWCERT information security alliance and received information security information from time to time to strengthen information security joint defense and enhance employee information security awareness.
- 2) We regularly perform vulnerability scans, penetration tests, and email socialization projects to constantly enhance our data security capabilities.
- 3) We hold personal information protection and information security education courses for all employees every year and send out information security e-newsletters regularly.
- 4) In order to ensure that the personal information of consumers is not leaked, before an app is launched for consumers to use, it must pass the information security test, and the subsequent updates of the app must also pass the information security test and obtain security certificates before being launched.
- 5) The introduction of ISO 27001 enabled our cybersecurity system to comply with international standards.
- 6) We conduct red team exercises to simulate a full-scale attack by hackers to identify potential backdoors, vulnerabilities, and any channels that may cause cybersecurity incidents in order to strengthen information security protection.
- 7) Our service contracts with third-party service providers require that they comply with confidentiality and information security regulations. In the event of an information security incident, the outsourced service provider must immediately resolve technical problems caused by network attacks and ensure the confidentiality, integrity, and usability of the Company's and consumers' data.
- 8) We implemented a two-factor authentication mechanism to strengthen the security of identity verification.

(4) Resources devoted to cybersecurity management

- 1) In accordance with the ISO 27001 international standard for information security, we have established information security-related regulations, including cybersecurity education and training and continuous operational drills, to raise employee awareness of information security and to effectively reduce the risk of improper use, leakage, tampering, or destruction of information assets due to human error or natural disasters.
- 2) The Company and its 35 affiliates perform at least one email social engineering exercise each year, with as many as 6,000 people participating.
- 3) Members of the Company's staff completed one hour of information security training this year and information personnel have completed at least four hours of professional training in information communication and publish 7 E-papers every month to strengthen company personnel's cybersecurity awareness.
- 4) In 2024, we expect to invest about NT\$83.77 million in information security, which is about 12% more than the previous year. Details include:

Information Security Category	Details	Amount (NT\$million/year)
Operations continuity and disaster preparedness	Backup and exercise related costs	37.71
Information security border protection	Anti-virus software, endpoint protection software, firewall, IPS, HIDS, WAF, and other equipment protection, replacement, and maintenance costs	31.49
Information security testing	Vulnerability scanning, penetration testing, source code detection, basic information security testing for mobile apps, and red team exercises	8.47
Information security monitoring and logging	7*24 SOC monitoring and log management storage	4.60
Information security personal certification and training	ISO 27001, TPIPAS certification maintenance and training costs	1.50

- (5) The Company shall list losses, possible impacts, and responses to major information and communications security incidents in the most recent year and up to the date of printing of the annual report, and, in the event that it cannot be reasonably estimated, the fact that it cannot be reasonably estimated shall be stated: In 2023, there is no major information and communications security incidents.

7. Important Contracts

February 29, 2024

Contract Type	Contracting Party	Term of Agreement	Summary	Clauses
Regional licensing agreement	7-ELEVEN, INC.	2000.07.20 ~ Perpetuity	<p>1. During the term of the agreement, PCSC is authorized by 7-ELEVEN Inc. to exclusively operate its convenience store chain business in the R.O.C. and has the right to use the 7-ELEVEN franchise system, logos, products, and services.</p> <p>2. PCSC is required to pay royalties to 7-ELEVEN Inc. each month.</p>	PCSC is obliged to make its best effort to manage and expand the convenience store business within the R.O.C. PCSC is not permitted to operate its convenience store business outside the R.O.C. without prior approval or to operate a convenience store business for one year following the termination of the contract in any country in which 7-ELEVEN, Inc. has registered a trademark.
Long-term loan agreement	Bank of Taiwan	2023.04.25~2026.04.25	NT\$3.3 billion credit loan	None
Long-term loan agreement	Taipei Fubon Bank	2024.02.09~2026.02.09	NT\$2 billion credit loan	None
Long-term loan agreement	BNP Paribas	2023.03.31~2025.03.31	US\$82 million	None
Long-term loan agreement	Mizuho Bank	2023.07.31~2025.01.06	NT\$3 billion credit loan	None
Long-term loan agreement	HSBC Bank	2023.10.13~2025.10.13	NT\$3.5 billion credit loan	None
Long-term loan agreement	MUFG Bank, Ltd.	2023.05.31~2026.05.31	NT\$2.5 billion credit loan	None
Long-term loan agreement	Sumitomo Mitsui Banking Corporation	2023.10.01~2025.09.30	NT\$5.2 billion credit loan	None
Long-term loan agreement	Banco Bilbao Vizcaya Argentaria	2023.06.05~2025.06.05	US\$30 million	None
Long-term loan agreement	DBS Bank	2023.10.19~2027.1.19	NT\$5.8 billion credit loan	None
Long-term loan agreement	Cathay United Bank	2024.02.27~2025.12.31	NT\$2 billion credit loan	None
Long-term loan agreement	Yuanta Bank	2023.04.18~2026.04.18	NT\$4 billion credit loan	None
Long-term loan agreement	KGI Bank	2023.12.08~2025.12.08	NT\$3 billion credit loan	None
Long-term loan agreement	Crédit Agricole Corporate and Investment Bank	2023.08.28~2024.8.28	NT\$3 billion credit loan	None

6 Financial Information

1. Five year condensed balance sheet and comprehensive income statement

(1) Condensed balance sheet (Parent company only)

Unit: NT\$1,000

Item		Financial information for the most recent five years				
		2019	2020	2021	2022	2023
Current Assets		23,120,743	25,273,799	27,495,827	28,285,767	32,332,564
Property, Plants and Equipment		10,477,703	12,233,732	13,907,351	17,604,486	19,284,080
Intangible Assets		84,728	162,265	290,720	358,172	504,257
Other Assets		98,780,874	103,834,154	104,749,078	112,838,592	122,566,207
Total Assets		132,464,048	141,503,950	146,442,976	159,087,017	174,687,108
Current Liabilities	Before Distribution	48,168,710	51,624,914	57,472,298	63,345,101	70,528,637
	After Distribution	57,525,310	60,981,514	66,828,898	72,701,701	Not yet distributed
Non-Current Liabilities		48,072,457	53,858,845	54,807,670	59,282,836	66,313,964
Total Liabilities	Before Distribution	96,241,167	105,483,759	112,279,968	122,627,937	136,842,601
	After Distribution	105,597,767	114,840,359	121,636,568	131,984,537	Not yet distributed
Capital-Common Stock		10,396,223	10,396,223	10,396,223	10,396,223	10,396,223
Capital Surplus		46,884	47,628	86,222	87,852	90,300
Retained Earnings	Before Distribution	26,159,961	26,908,961	25,602,078	26,029,630	27,296,505
	After Distribution	16,803,361	17,552,361	16,245,478	16,673,030	Not yet distributed
Other Equity		(380,187)	(1,332,621)	(1,921,515)	(54,625)	61,479
Treasury Stock		—	—	—	—	—
Total Equity	Before Distribution	36,222,881	36,020,191	34,163,008	36,459,080	37,844,507
	After Distribution	26,866,281	26,663,591	24,806,408	27,102,480	Not yet distributed

(2) Condensed balance sheet (Consolidated)

Unit: NT\$1,000

Item	Year	Financial information for the most recent five years				
		2019	2020	2021	2022	2023
Current Assets		74,233,805	78,136,394	79,411,842	85,087,134	94,873,413
Property, Plants and Equipment		26,018,322	28,050,374	29,140,850	34,407,957	37,505,212
Intangible Assets		10,171,442	9,958,198	9,813,940	9,665,135	9,508,023
Other Assets		84,705,065	93,348,968	96,137,403	104,049,574	115,465,824
Total Assets		195,128,634	209,493,934	214,504,035	233,209,800	257,352,472
Current Liabilities	Before Distribution	77,349,713	82,699,832	88,598,018	97,709,081	108,883,539
	After Distribution	86,706,313	92,056,432	97,954,618	107,065,681	Not yet distributed
Non-Current Liabilities		72,551,603	81,816,403	83,114,525	89,852,636	100,621,533
Total Liabilities	Before Distribution	149,901,316	164,516,235	171,712,543	187,561,717	209,505,072
	After Distribution	159,257,916	173,872,835	181,069,143	196,918,317	Not yet distributed
Equity Attributable to Owners of the Parent		36,222,881	36,020,191	34,163,008	36,459,080	37,844,507
Capital-Common Stock		10,396,223	10,396,223	10,396,223	10,396,223	10,396,223
Capital Surplus		46,884	47,628	86,222	87,852	90,300
Retained Earnings	Before Distribution	26,159,961	26,908,961	25,602,078	26,029,630	27,296,505
	After Distribution	16,803,361	17,552,361	16,245,478	16,673,030	Not yet distributed
Other Equity		(380,187)	(1,332,621)	(1,921,515)	(54,625)	61,479
Treasury Stock		—	—	—	—	—
Non-controlling Interest		9,004,437	8,957,508	8,628,484	9,189,003	10,002,893
Total Equity	Before Distribution	45,227,318	44,977,699	42,791,492	45,648,083	47,847,400
	After Distribution	35,870,718	35,621,099	33,434,892	36,291,483	Not yet distributed

(3) Condensed comprehensive income statement (Parent company only)

Unit: NT\$1,000 (EPS=NT\$)

Item	Year	Financial information for the most recent five years				
		2019	2020	2021	2022	2023
Operating Revenue		158,031,567	168,147,856	168,010,130	182,872,403	197,663,849
Gross Profit		54,177,435	56,557,043	56,287,789	61,238,432	66,668,444
Operating Income		7,046,067	7,518,677	5,797,632	6,093,234	6,626,875
Non-Operating Income (Expenses)		5,174,399	4,195,838	4,023,727	4,629,030	5,853,523
Net Income Before Tax		12,220,466	11,714,515	9,821,359	10,722,264	12,480,398
Net Income from Continuing Operations		10,542,860	10,238,162	8,861,619	9,281,650	10,613,914
Income (or Loss) from Discontinued Operations		—	—	—	—	—
Net Income (Loss)		10,542,860	10,238,162	8,861,619	9,281,650	10,613,914
Other Comprehensive Income (Loss)		(426,096)	(1,086,199)	(429,910)	2,469,629	123,355
Total Comprehensive Income (Loss)		10,116,764	9,151,963	8,431,709	11,751,279	10,737,269
Net Income Attributable to Owners of the Parent		—	—	—	—	—
Net Income Attributable to Non-Controlling Interests		—	—	—	—	—
Total Comprehensive Income Attributable to Owners of the Parent		—	—	—	—	—
Total Comprehensive Income Attributable to Non-Controlling Interests		—	—	—	—	—
Earnings per Share (NT\$)		10.14	9.85	8.52	8.93	10.21

(4) Condensed comprehensive income statement (Consolidated)

Unit: NT\$1,000 (EPS=NT\$)

Item	Year	Financial information for the most recent five years				
		2019	2020	2021	2022	2023
Operating Revenue		256,058,888	258,494,907	262,735,464	290,434,137	317,041,854
Gross Profit		87,848,420	88,080,510	88,123,640	97,854,524	108,172,226
Operating Income		13,049,894	12,144,973	10,669,931	12,340,018	13,750,476
Non-Operating Income (Expenses)		2,114,293	1,665,483	1,401,764	1,729,963	2,606,883
Net Income Before Tax		15,164,187	13,810,456	12,071,695	14,069,981	16,357,359
Net Income from Continuing Operations		12,112,109	11,340,258	10,018,536	11,069,923	12,661,131
Income (or Loss) from Discontinued Operations		—	—	—	—	—
Net Income (Loss)		12,112,109	11,340,258	10,018,536	11,069,923	12,661,131
Other Comprehensive Income (Loss)		(359,692)	(1,116,510)	(528,774)	2,640,430	114,899
Total Comprehensive Income (Loss)		11,752,417	10,223,748	9,489,762	13,710,353	12,776,030
Net Income Attributable to Owners of the Parent		10,542,860	10,238,162	8,861,619	9,281,650	10,613,914
Net Income Attributable to Non-Controlling Interests		1,569,249	1,102,096	1,156,917	1,788,273	2,047,217
Total Comprehensive Income Attributable to Owners of the Parent		10,116,764	9,151,963	8,431,709	11,751,279	10,737,269
Total Comprehensive Income Attributable to Non-Controlling Interests		1,635,653	1,071,785	1,058,053	1,959,074	2,038,761
Earnings per Share (NT\$)		10.14	9.85	8.52	8.93	10.21

(5) Names and opinions of external auditors over the past five years

Year	Auditing Firm	Auditor Names		Audit Opinions
2019	PRICEWATERHOUSECOOPERS	Liang, I-Chang	Chou, Chien-Hung	Unqualified
2020	PRICEWATERHOUSECOOPERS	Liang, I-Chang	Chou, Chien-Hung	Unqualified
2021	PRICEWATERHOUSECOOPERS	Liang, I-Chang	Lin, Se-Kai	Unqualified
2022	PRICEWATERHOUSECOOPERS	Liang, I-Chang	Lin, Se-Kai	Unqualified
2023	PRICEWATERHOUSECOOPERS	Liang, I-Chang	Lin, Se-Kai	Unqualified

2. Five years financial analysis

(1) Financial analysis (Parent company only)

Item	Year	Financial information for the most recent five years				
		2019	2020	2021	2022	2023
Financial Structure	Debt to Assets Ratio (%)	72.65	74.54	76.67	77.08	78.34
	Long-Term Capital to Property, Plant and Equipment Ratio (%)	804.52	734.68	639.74	543.85	540.13
Liquidity	Current Ratio (%)	48.00	48.96	47.84	44.65	45.84
	Quick Ratio (%)	31.05	31.48	29.85	25.86	27.40
	Interest Coverage	34.98	30.70	25.30	25.75	22.17
Operating Performance	Accounts Receivable Turnover (times) (Note 1)	—	—	—	—	—
	Average Collection Days (Note 1)	—	—	—	—	—
	Inventory Turnover (times)	12.94	13.18	11.84	11.29	10.82
	Accounts Payable Turnover (times)	6.76	7.14	6.39	6.25	6.42
	Average Inventory Turnover Days	28.22	27.69	30.83	32.33	33.73
	Property, Plant and Equipment Turnover (times)	16.13	14.81	12.85	11.61	10.72
	Total Assets Turnover (times)	1.43	1.23	1.17	1.20	1.18
Profitability	ROA (%)	9.77	7.70	6.38	6.32	6.66
	ROE (%)	29.50	28.34	25.25	26.29	28.57
	Ratio of Pre-tax Profit to Paid-in Capital (%)	117.55	112.68	94.47	103.14	120.05
	Net Margin (%)	6.67	6.09	5.27	5.08	5.37
	Earnings per Share (NT\$)	10.14	9.85	8.52	8.93	10.21
Cash Flow	Cash Flow Ratio (%)	34.41	37.95	43.08	32.21	35.35
	Cash Flow Adequacy (%) (Note 3)	102.16	106.11	107.51	111.12	138.30
	Cash Flow Reinvestment Ratio (%) (Note 3)	14.03	19.14	30.60	20.60	25.34
Leverage	Operating Leverage	2.91	2.87	3.57	3.69	3.74
	Financial Leverage	1.05	1.06	1.07	1.08	1.10

Note 1: Not applicable, as PCSC is a retail business.

Note 2: The calculations of the above financial ratios utilize the formulas listed on page 92, which are based on IFRS.

Note 3: The reasons for changes in financial ratios over the past two years:

- Cash Flow Adequacy: The change was primarily caused by increased in five year sum of net cash flows from operating activities.
- Cash Flow Reinvestment Ratio: The change was primarily caused by decreased in net cash flows from operating activities in 2023.

(2) Financial analysis (Consolidated)

Item	Year	Financial information for the most recent five years				
		2019	2020	2021	2022	2023
Financial Structure	Debt to Assets Ratio (%)	76.82	78.53	80.05	80.43	81.41
	Long-Term Capital to Property, Plant and Equipment Ratio (%)	452.68	452.02	432.06	393.81	395.86
Liquidity	Current Ratio (%)	95.97	94.48	89.63	87.08	87.13
	Quick Ratio (%)	74.18	72.94	66.58	62.77	64.14
	Interest Coverage	13.47	11.45	10.94	12.93	12.86
Operating Performance	Accounts Receivable Turnover (times)(Note 1)	—	—	—	—	—
	Average Collection Days (Note 1)	—	—	—	—	—
	Inventory Turnover (times)	10.93	10.55	9.96	9.60	9.26
	Accounts Payable Turnover (times)	6.75	6.69	6.41	6.49	6.39
	Average Inventory Turnover Days	33.39	34.59	36.65	38.02	39.41
	Property, Plant and Equipment Turnover (times)	9.98	9.56	9.19	9.14	8.82
	Total Assets Turnover (times)	1.59	1.28	1.24	1.30	1.29
Profitability	ROA (%)	8.11	6.13	5.20	5.36	5.60
	ROE (%)	27.14	25.14	22.83	25.03	27.08
	Ratio of Pre-tax Profit to Paid-in Capital (%)	145.86	132.84	116.12	135.34	157.34
	Net Margin (%)	4.73	4.39	3.81	3.81	3.99
	Earnings per Share (NT\$)	10.14	9.85	8.52	8.93	10.21
Cash Flow	Cash Flow Ratio (%)	37.28	36.68	40.61	35.04	38.93
	Cash Flow Adequacy (%) (Note 3)	107.00	114.89	118.73	121.57	155.91
	Cash Flow Reinvestment Ratio (%)	23.94	24.68	31.73	27.41	32.71
Leverage	Operating Leverage	2.33	2.51	2.68	2.58	2.60
	Financial Leverage	1.10	1.12	1.13	1.11	1.11

Note 1: Not applicable, as PCSC is a retail business.

Note 2: The calculations of the above financial ratios utilize the formulas listed on page 92, which are based on IFRS.

Note 3: The reasons for changes in financial ratios over the past two years:

• Cash Flow Adequacy: The change was primarily caused by increased in five year sum of net cash flows from operating activities.

※Calculations based on IFRS:

※Financial Structure

(1) Debt to Assets Ratio = total liabilities / total assets

(2) Long-term Capital to Property, Plant and Equipment Ratio = (total shareholders' equity + non-current liabilities) / net property, plant and equipment

※Liquidity

(1) Current Ratio = current assets / current liabilities

(2) Quick Ratio = (current assets – inventory – prepaid expenses) / current liabilities

(3) Interest Coverage = earnings before interest and taxes / interest expenses

※Operating Performance

- (1) Average Accounts Receivable Turnover (including accounts receivable and notes receivable arising from business activities) = net sales / average accounts receivable (including accounts receivable and notes receivable arising from business activities)
- (2) Average Collection Days = 365 / average accounts receivable turnover
- (3) Inventory Turnover = cost of goods sold / average inventory
- (4) Average Accounts Payable Turnover (including accounts payable and notes payable arising from business activities) = cost of goods sold / average accounts payable (including accounts payable and notes payable arising from business activities)
- (5) Average Inventory Turnover Days = 365 / inventory turnover ratio
- (6) Property, Plant and Equipment Turnover = net sales / net property, plant and equipment
- (7) Total Asset Turnover = net sales / average total assets

※Profitability

- (1) Return on Assets = [net income + interest expense × (1 – effective tax rate)] / average total assets
- (2) Return on Equity = net income / average shareholders' equity
- (3) Net Margin = net income / net sales
- (4) Earnings per Share = (net income attributable to owners of the parent – preferred stock dividends) / weighted average number of shares outstanding

※Cash Flow

- (1) Cash Flow Ratio = net cash flows from operating activities / current liabilities
- (2) Cash Flow Adequacy Ratio = five year sum of net cash flows from operating activities / five year sum of (capital expenditures+ increase in inventory + cash dividends)
- (3) Cash Flow Reinvestment Ratio = (net cash flows from operating activities – cash dividends) / (gross property, plant and equipment / long-term investments + other non-current assets + working capital)

※Leverage

- (1) Operating Leverage = (net sales – variable operating costs and expenses) / operating profit
- (2) Financial Leverage = operating profit / (operating profit – interest expenses)

3. The Audit Committee report regarding the most recent annual financial report: Please refer to page 108.

4. The audited consolidated financial report for the most recent fiscal year: Please refer to pages 109– 176.

5. The audited parent company only financial report for the most recent fiscal year: Please refer to pages 177 –237.

6. Any cash flow difficulties with the Company and its affiliates during the most recent year and as of the date of publication of the annual report: None

7 Financial Status, Financial Performance and Risk Management

1. Financial position analysis (consolidated)

Unit: NT\$1,000

Item	Year	2022	2023	Variance	
				Difference	%
Current Assets		85,087,134	94,873,413	9,786,279	11.50%
Property, Plant and Equipment		34,407,957	37,505,212	3,097,255	9.00%
Intangible Assets		9,665,135	9,508,023	(157,112)	-1.63%
Other Assets		104,049,574	115,465,824	11,416,250	10.97%
Total Assets		233,209,800	257,352,472	24,142,672	10.35%
Current Liabilities		97,709,081	108,883,539	11,174,458	11.44%
Non-current Liabilities		89,852,636	100,621,533	10,768,897	11.99%
Total Liabilities		187,561,717	209,505,072	21,943,355	11.70%
Capital		10,396,223	10,396,223	0	0.00%
Capital Surplus		87,852	90,300	2,448	2.79%
Retained Earnings		26,029,630	27,296,505	1,266,875	4.87%
Equity Attributable to the Parent Company		36,459,080	37,844,507	1,385,427	3.80%
Total Equities		45,648,083	47,847,400	2,199,317	4.82%

1. Reasons for variance over the past two years: none.
2. Effect of said variance: none.
3. Future strategy: The working capital generated from operations and utilization of bank financing is sufficient to support the needs of the Company's operations.

2. Financial performance analysis (consolidated)

Unit: NT\$1,000

Item	Year	2022	2023	Variance	
				Difference	%
Operating Revenue		290,434,137	317,041,854	26,607,717	9.16%
Gross Profit		97,854,524	108,172,226	10,317,702	10.54%
Operating Profit		12,340,018	13,750,476	1,410,458	11.43%
Total Non-operating Income (Expenses)		1,729,963	2,606,883	876,920	50.69%
Net Pre-tax Income		14,069,981	16,357,359	2,287,378	16.26%
Net Income		11,069,923	12,661,131	1,591,208	14.37%
Other consolidated profit and loss		2,640,430	114,899	(2,525,531)	-95.65%
Total comprehensive income		13,710,353	12,776,030	(934,323)	-6.81%
Net Income Attributable to the Parent Company		9,281,650	10,613,914	1,332,264	14.35%
Total Comprehensive Income Attributable to the Parent Company		11,751,279	10,737,269	(1,014,010)	-8.63%

1. Explanation of variance:
 - Increase in Non-operating Income (Expenses): primarily due to increase in interest income.
 - Increase in Other consolidated profit and loss: primarily due to the impact of the appreciation of the U.S. dollar for exchange differences in the translation of financial statements of foreign operation.
2. Factors that may impact the Company's sales and financial status over the coming year and proposed responses: The Company expects that by developing innovative and differentiated products and services, as well as digital functions, we can maintain steady growth.

3. Cash flow analysis

(1) Cash flow analysis for the past fiscal year:

Unit: NT\$1,000

Cash Balance at the Beginning of 2023	Net Cash Inflow from Operating Activities in 2023	Net Cash Outflows in 2023	Cash Surplus (Shortage)	Remedies for Cash Shortage	
				Investment Plan	Financial Plan
48,540,378	42,388,514	(41,999,310)	48,929,582	-	-

1. Operating activities: The net cash inflow from operating activities was NT\$42.4 billion. The cash inflow remained steady primarily due to stable profits.
2. Investing activities: The net cash outflow from investing activities was NT\$27 billion, which was primarily due to acquisition of operations-related fixed assets and acquiring financial assets measured at amortized cost.
3. Financing activities: The net cash outflow from financing activities was NT\$14.9 billion, mainly resulting from payment of lease liabilities and payment of cash dividends.

(2) Remedies for cash shortfall and liquidity analysis: Not applicable to PCSC.

(3) Cash flow analysis for the coming year:

Unit: NT\$1,000

Cash Balance at the Beginning of 2023	Estimated Yearly Net Cash Inflow from Operating Activities	Estimated Yearly Net Cash Outflow	Anticipated Cash Surplus (Shortage)	Remedies for Cash Shortage	
				Investment Plan	Financial Plan
48,929,582	39,657,295	(38,796,187)	49,790,690	-	-

1. Operating activities: Stable revenue is expected in 2024, which should bring in net cash inflow.
2. Investing activities: Investing outflows will primarily include the purchase of fixed assets.
3. Financing activities: Financing outflows are primarily expected to be the payment of lease liabilities and cash dividends.

4. Major capital expenditures in recent years and their impact

(1) Major capital expenditures and sources of capital:

1. 7-ELEVEN Taiwan

Unit: NT\$1,000

Project	Actual or Planned Source of Capital	Actual or Planned Date of Project Completion	Total Capital Required	Actual or Planned Capital Expenditures				
				2021	2022	2023	2024	2025
Investments in new stores and POS Equipment	Working capital and loans	Annual	10,476,868	2,058,374	1,901,097	1,802,603	2,357,397	2,357,397
Remodeling of Existing Stores	Working capital and loans	Annual	10,351,717	1,621,150	1,765,271	1,737,372	2,613,962	2,613,962
Store Equipment Purchases / Replacement	Working capital and loans	Annual	13,814,304	1,538,652	2,730,417	1,719,419	3,912,908	3,912,908
Other (e.g., Land or establishment of logistics and distribution centers)	Working capital and loans	Annual	12,986,965	375,451	1,334,607	956,181	7,117,746	3,202,980

2. Major subsidiaries

Unit: NT\$1,000

Project	Actual or Planned Source of Capital	Actual or Planned Date of Project Completion	Total Capital Required	Actual or Planned Capital Expenditures		
				2023	2024	2025
Investments in new stores	Working capital and loans	Annual	14,081,764	3,508,419	5,903,162	4,670,183
Remodeling of existing stores	Working capital and loans	Annual	1,342,291	250,171	464,521	627,600
Store equipment purchases / replacement	Working capital and loans	Annual	1,506,350	440,988	638,229	427,134
Investments in IT equipment (including purchases of hardware, software and POS equipment)	Working capital and loans	Annual	1,272,673	381,638	473,707	417,328
Purchase and replacement of logistics system or related equipment	Working capital and loans	Annual	4,335,352	1,365,913	1,720,924	1,248,515
Other (e.g., establishment of fresh food processing plants and logistics centers and distribution centers)	Working capital and loans	Annual	11,151,757	645,867	5,552,951	4,952,939

(2) Estimated benefits:

1. Anticipated increase in sales and gross profits:

Unit: NT\$1,000

Year	Item	Sales Value	Gross Profit
2024	Investments in new and existing stores	4,763,703	1,452,198
2025	Investments in new and existing stores	4,821,947	1,470,918
2026	Investments in new and existing stores	4,894,277	1,493,472
2027	Investments in new and existing stores	4,967,691	1,516,371
2028	Investments in new and existing stores	5,056,020	1,543,838

2. Other potential benefits:

The year's capital expenditures were primarily used to introduce new stores, expand store space, and set up new IT equipment, which we expect to have the following benefits:

1. Optimizing information equipment can improve operational efficiency, introduce various digital payment tools and delivery platforms, and expand the OPEN POINT member ecosystem to provide consumers with more convenient life.
2. Enhancing lifestyles elements and structure in stores to provide customers with more shopping alternatives.

5. Analysis of investments in subsidiaries in recent years

(1) Investment policy and plan and reasons for profits or losses at affiliated enterprises:

In 2023, PCSC's investment income accounted for using equity method was NT\$4,748,744,000, which was mainly due to the business including convenience stores, food and beverages, cosmetics and pharmacies, department stores, super and hypermarkets, and an online shopping website. In order to provide consumers with rich and diversified life experiences, PCSC has continued to expand its quality business enterprises. PCSC and its reinvestment businesses had accumulated 12,552 stores in Taiwan and abroad, including 3,768 7-ELEVEN stores in the Philippines. Capitalizing on economic recovery opportunities in the wake of the epidemic, 7-ELEVEN Philippine has been actively launching new stores and has continued to develop differentiated products to drive profit growth. Uni-Wonder Corp. (Starbucks), which now has 564 stores, is enhancing its member management and digital experience. It continues to operate specialty stores and independent stores to consolidate its brand image. President Drugstore Business Corp. (Cosmed), with 442 outlets, is capitalizing on business opportunities provided by the aging of society, and post-pandemic lifestyles, enhancing its pharmacy operations and EC, and integrating online and offline store resources to meet the changing needs of consumers. President Transnet Corp.(T-Cat) is focused on low temperature and medical logistics operations to enhance operational efficiency in response to changing lifestyles. In the future, PCSC and its reinvestment businesses will continue to focus on its core business to enhance long-term investment returns.

(2) Improvement Plan for Investments in Affiliated Enterprises:

To improve performance at affiliated enterprises currently showing a loss, the Company will adjust the business model, improve the product mix offered to enhance the efficiency and performance.

Major long-term investments in 2023 include the following:

Unit: NT\$1,000

Company	Description	Amount of Investment in 2022	Main reasons for profit / loss
Uni-Sogood Marketing Consultant Philippines Corp. (Note 1)		22,175	Newly established company.
PresiCarre Corp.		5,442,963	To provide consumers with a more convenient and better retail experience
President Pharmaceutical (Hong Kong) Holdings Limited (Note 2)		214,196	President (Shanghai) Health Product Trading Company Ltd. was invested through President Pharmaceutical (Hong Kong) Holdings Limited
President (Shanghai) Health Product Trading Company Ltd. (Note 2)		216,233	The profit model has not yet stabilized, so the affiliate operated at a loss. Enrich working capital to stabilize business operation and development

Note 1: Funded by Capital Marketing Consultant Corp.

Note 2: President (Shanghai) Health Product Trading Company Ltd. was invested by President Pharmaceutical (Hong Kong) Holdings Limited after. President Pharmaceutical Corp. funded President Pharmaceutical (Hong Kong) Holdings Limited

(3) Improvement Plan for Investments in Affiliated Enterprises and Investment Plans for the Coming Year

To improve performance at affiliated enterprises currently showing a loss, the Company will adjust the business model, improve the product mix offered, and control expenses to enhance the efficiency and performance.

6. Risk management policies and organizational structure and risk assessment

(1) Risk management policies and structure

PCSC endeavors to maintain a comprehensive risk management system that works to manage risks for the entire organization including consolidated subsidiaries. The Board of Directors, managers at all levels, and employees work together to promote proper implementation of risk management.

In addition to complying with relevant laws and regulations, the Company proactively identifies, analyzes, measures, monitors, responds, reports, and improves on potential risks in its operations based on their characteristics and degree of impact. We are able to maintain and control potential risks, while ensuring that the Company achieves its strategic objectives. To coordinate the management of various types of risks, establish risk management policies and management areas, plan future operations, and strengthen information security management, In November 2023, the Board of Directors approved the establishment of the Risk and Cybersecurity Management Committee, and the Risk Management Committee, and the Cybersecurity Committee, which were previously established under the Sustainable Development Committee, to be reorganized under the Risk and Cybersecurity Management Committee. The Company's primary risk management structure and the various business units responsible for risk management and its implementation are discussed below:

1. Strategic and operational risks: Each business unit and subsidiary is responsible for the planning and risk assessment of any new investments or operational decisions. PCSC's Office of the President regularly conducts related indicator analysis and tracks performance at the PCSC and affiliated enterprises quarterly meetings and regularly scheduled themed project operation reviews for key affiliated enterprises. Appropriate adjustments to operational strategy are made in accordance with changes in market competition and consumer trends to ensure each business entity's strategy is in line with its operational goals and strategic vision.
2. Financial, liquidity, and credit risks: To respond to changes in related regulations, policies, and the market, PCSC's Finance Office defines a range of strategies, procedures, and indicators to perform regularly-scheduled analysis and evaluation of changes in risk status and respond appropriately in order to mitigate potential risks for the entire company.
3. Market risks: Each business unit analyses and assesses major government policies, laws, and technological advances both in Taiwan and abroad and formulates appropriate response measures to reduce potential future risks. In addition, PCSC established an inter-division Regulation Identification Team and holds regular Regulation Identification Meetings to track the latest changes in Taiwan laws and regulations and formulate appropriate responses. Also, the Crisis Management Team, made up of division managers, was established effectively control and manage any potential or existing market risks and crises.
4. Through risk assessment and regulatory reviews, the Internal Audit Office draws up an annual audit plan and self-inspection procedures and methods, which, when implemented, help to control aforementioned risks. The results of these inspections shall be reported periodically to the Board of Directors.

(2) Risk Assessment and Analysis

1. Impact on Company profits and responses to fluctuations in interest rates, foreign exchange rates, and inflation:

(1) Changes in interest rates:

Due to a volatile international situation and numerous uncertainties in the areas of geopolitics and climate change, the global economy is growing slowly. The direction of the Central Bank's monetary policy will depend on economic data.

Countermeasures: We continue to monitor the trend of interest rate changes in Taiwan and the U.S. and make appropriate adjustments to our U.S. dollar-denominated asset allocation strategy to mitigate the risk of interest rate downturns and seek the most appropriate financing tools to control financing costs in line with the Group's development needs.

(2) Changes in exchange rates:

The Company buys and sells mainly in NT dollars and foreign currency-denominated products account for a very small proportion of total sales, so fluctuations in exchange rates have no significant effect on our profits and losses.

(3) Inflation:

In 2023, the impact of high interest rates, high inflation, and China's weaker-than-expected post-epidemic economic performance weakened global demand for end-products, leading to a slowdown in manufacturing activities in various countries. In addition, the expansion of the U.S.-China chip ban, the continued Russian-Ukrainian war and the Israeli-Hamas conflict have resulted in a trend toward bloc rivalry in global geopolitics, impacting the world's economic development and social stability.

Looking ahead to Taiwan's economy in 2024, in terms of prices and monetary policy, although Taiwan prices are not likely to continue to rise, the gradual improvement of Taiwan's economy coupled with such factors as climate change, post-epidemic labor shortages, and geopolitical conflict risks, will slow down the decline of inflation.

Countermeasures: The Company has continued to enhance the value of its products, adjust its product mix, improve its gross profit structure, and strengthen its member economy to capitalize on consumer growth trends and business opportunities to reduce the pressure of cost increases and the impact of future inflation on the Company's operations.

2. Policies regarding engagement in highly risky or highly leveraged investments, loans to others, endorsements, or derivatives trading; reasons for profits or losses from such activities; and proposed response measures:

(1) Company policy:

PCSC focuses on our retail and distribution business and has not engaged in risky or highly-leveraged investments. However, in order to effectively control and manage business-related risks and enhance the safety of financial operations, PCSC has structured a set of internal management and operational procedures on the basis of the relevant regulations from the Securities and Futures Bureau. These requirements and procedures include "Procedures for Loading of Funds", "Procedures for Acquisitions or Disposals of Assets" and "Procedures for Making of Endorsements". In accordance with the Securities and Futures Bureau's Guidelines Governing Establishment of Internal Control Systems at Publicly Held Companies, PCSC's Internal Audit Office and subsidiaries have defined a set of risk management and assessment procedures.

- (2) Status of loans from PCSC and affiliated enterprises to others, endorsements, and derivatives trading and reasons for profit or losses of such activities:
- a. Loans to others: In 2023, the subsidiary President Pharmaceutical Corp. loaned funds to President Being Corp. in the amount of NT\$48 million, with actual amount of NT\$48 million for the year ending December 31, 2023. In 2023, the subsidiary Shanghai President Logistics Co., Ltd. loaned funds to President Chain Store (Zhejiang) Ltd. in the amount of NT\$43 million, with actual amount of NT\$0 for the year ending December 31, 2023. In 2023, the subsidiary President Chain Store (Taizhou) Ltd. loaned funds to President Chain Store (Zhejiang) Ltd. in the amount of NT\$43 million, with actual amount of NT\$0 for the year ending December 31, 2023. In 2023, the subsidiary President Chain Store (Shanghai) Ltd. loaned funds to President Chain Store (Zhejiang) Ltd. in the amount of NT\$43 million, with actual amount of NT\$0 for the year ending December 31, 2023. The above subsidiaries are engaged in lending funds to others in accordance with the "Procedures for Lending Funds to Others".
 - b. Endorsements and guarantees: The Company and its subsidiaries have not offered endorsements.
 - c. Derivatives: The Company and its subsidiaries are not engaged in the trade of derivatives.
- (3) Future response measures:
- a. The main goal of the risk control and hedging strategy implemented by PCSC is to avoid operational risks. To this end, should the Company utilize derivatives, it should be to establish a hedging position. Financial products shall be selected for the purpose of hedging operational risks resulting from interest expenses, assets, or liabilities.
 - b. PCSC's Finance Office is responsible for managing the Company's derivatives trading position and performs routine market evaluations. If the Finance Office discovers unusual trading or losses, it shall take necessary action and report the situation to the Board immediately.
3. R&D Plans and Projected Investment:
- (1) Membership, points system:
 - We will continue to increase the number of points circulation functions and areas of use both in Taiwan and abroad, expand OPENPOINT member life circle, and make point accumulation and point redemption more convenient for members.
 - We will develop member data marketing tools and conduct member focused/personalized marketing to continue to increase member activity and consumption contribution.
 - (2) Mobile pickup service: We will continue to innovate and develop different member redemption needs, increase the function of delivery redemption service, optimize the user interface to enrich the consumer experience, enhance sharing, plan sharing and grouping functions to provide diversified services and increase member loyalty.
 - (3) App: We will continue to improve user flow and interface in order to provide members a high level of overall satisfaction.
 - (4) In 2024, we expect to invest approximately NT\$92,452,000 for adding new features and optimization for member and point system, new information and function optimization for the E-Service and My Ship Service, store-side software and digital payment function optimization to provide customers with better digital services.
4. Financial impacts of and responses to major changes to domestic and overseas laws and government policies:
- (1) PCSC has already taken appropriate measures to respond to recent changes in government policies and laws in Taiwan and overseas, so these changes did not significantly impact the Company's financial operations.
 - (2) In response to the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter announced in March 2011 by the Securities and Futures Bureau, PCSC established the Remuneration Committee in June 2011. In June 2012, PCSC held new elections for the Company's Board of Directors, invited independent directors to the Board, and established the Audit Committee in response to the March 2011 announcement of the Applicable Scope of Appointment of Independent Directors for Publicly Traded Companies and to optimize the Company's corporate governance. In response to amendments to the Company Act, PCSC implemented electronic voting and voting by polls at the General Shareholders' Meeting in 2013. In 2014, PCSC formulated Ethical Best Practice Principles and Corporate Governance Best Practice Principles, and in 2015 further added the Ethical Operating Procedures and Behavior Guidelines and Procedures Governing Applications to Suspend and Resume Trading. In July 2015, Article 235 of the Company Act was revised, while Article 235-1 was added. In response, the General Shareholders' Meeting passed an amendment to the Articles of Incorporation in June 2016 to change the sources and order of employee and director remuneration to comply with the law. PCSC established the interdepartmental Regulations Identification Team, which issues a quarterly report and keeps up to date on the latest regulatory changes.

5. Financial impacts of and responses to technological and industry changes (includes information security risk):

(1) Recently identified major cybersecurity risks: Due to geopolitics, the popularity of emerging technology applications (such as 5G, IOT, AI, blockchain, and cloud services), the massive use of open source software, and the increasingly complex cyber system outsourcing supply chain as well as various laws and regulations and competent authorities in cybersecurity and risk management, enterprises need to face cybersecurity threats and compliance issues that have become more common and important. Many recent cybersecurity incidents have evolved into multi-faceted and compounded attacks on the corresponding cybersecurity risk management of outsourced partners. In response to various laws and regulations and the requirements of the competent authorities, the Company has established routine cyber risk management procedures. In order to enhance the cybersecurity risk management capabilities of our outsourcing partners, we share information security information with our outsourcing partners, enhance the security of our system architecture, and establish an incident notification and response mechanism to improve the resilience of cybersecurity.

(2) Impact on the Company's financial operations and measures to address it:

The Company passed the ISO 27001 third-party certification, set up a cybersecurity committee and a cybersecurity management unit to regularly review and adjust strategies, cybersecurity policies and regulations based on internal and external risk assessment results, promote various protective measures and measure their effectiveness. In addition, it is to report regularly to the Sustainable Development Committee and Risk & cybersecurity Management Committee to ensure that we achieve our goal of zero tolerance for major information security and personal data incidents.

- In addition to passing ISO 27001, the Company has implemented specific and effective security and privacy protection measures by referring to the NIST Cybersecurity Framework cybersecurity framework and following domestic and international standards and regulations to prevent possible risks, including the implementation of appropriate cybersecurity protection management measures. Include risk assessment in the selection of outsourced vendors, and monitor cyber service providers to ensure cyber supply chain security and personal data privacy protection. For example, in equipment procurement, priority is given to products that have obtained the Internet of Things (IOT) security seal established by the National Communications Commission and the Ministry of Economic Affairs to mitigate the information security risks associated with IOT equipment.
- It also commissions two professional information security companies in Taiwan to perform 7/24 SOC monitoring service (Security Operation Center) to monitor and compile all kinds of information security activities in real time. Monitoring and compiling various information security activities in real time serve as early warning intelligence of threats in advance, real-time information during threat events, and the basis for analysis and recommendations in the wake of threats, allowing for the effective management of various information security alerts, as well as for the timely response to information security incidents and the mitigation of damage.
- The Company conducts red team exercises, security health checks, and works with the Taiwan Computer Emergency Response Team / Coordination Center (TWCERT/CC) to provide information security notification and defense. Through education, training, exercises, threat information collection and vulnerability alerting, we ensure the effectiveness of defense and create a cyber-communication environment with information security resilience.

6. Impacts of changes in corporate image on corporate crisis management and related response measures:

(1) With the corporate culture of Sincerity, Innovation, and Sharing, PCSC is committed to providing the most secure, convenient, and quality products and services to the public. In 2023, PCSC exceeded 6,800 stores. Behind the rapid growth, we are committed to pursuing the development of diversified products and services in our industry. In addition to fulfilling our corporate social responsibility and building a good corporate image both domestically and internationally, we are also continuously improving our sustainable strength in economic, environmental and social aspects, and actively interacting with all stakeholders to fulfill our corporate citizenship.

(2) In 2023, PCSC was honored with numerous awards for operational growth, corporate governance, environmental protection, social participation, and corporate sustainability. It was selected as a constituent of the DJSI World Index for five consecutive years and ranked third in the global food retail industry, the only retailer in Taiwan. It was officially became a TCFD Supporter in 2022. In 2023, PCSC received an A-Leadership rating for its second participation in the Carbon Disclosure Program and has been consistently selected as a constituent stock of MSCI Index series, the FTSE4Good Index series. It also received TCSA's Taiwan's 100 Most Sustainable Companies, the Sustainability Report Award – Platinum Award, the Commonwealth World Sustainable Citizen Award, and Global Vision Monthly Magazine's ESG Corporate Sustainability Award. It has been ranked among the top 5% of listed companies in Taiwan's Corporate Governance Evaluation for nine consecutive years.

(3) To prevent and manage potential crises that may affect the Company's image, such as typhoons, earthquakes, floods and fires, human loss and injury, supply chain disruptions, and other natural or man-made disasters, in addition to understanding the risks, PCSC has established a sound crisis management unit and a standardized operation procedure for crisis response, and formulated its crisis management mechanism to minimize the damage caused by any crisis. We also frequently review crisis management procedures. The general manager is the head of the Crisis Notification Center. The head of the Support Services Group is the convener of the Crisis Notification Center. In response to a crisis event, the responsible department head reports the crisis event and responds to

it in a timely manner. From the occurrence and handling of a crisis to the external response process, a rigorous mechanism is in place to consolidate PCSC's operations. PCSC has set up a personal data protection project team. Through internal auditing and external verification of personal data (Taiwan Personal Information Protection and Administration System – TPIPAS), crisis prevention, and education and training, it serves as a gatekeeper for consumer data.

7. Anticipated benefits, risks of M&A activity and appropriate responses: Not applicable
8. Anticipated benefits, risks of factory expansion and appropriate responses: Not applicable
9. Anticipated risks of concentrating purchasing and distribution and appropriate responses: Not applicable
10. Possible effects and risks caused by large transfers or changing hands of shares by directors, supervisors, or major shareholders who hold an over 10% stake in the Company and proposed responses: Not applicable
11. Possible benefits and risks to the Company due to a change in operating rights and proposed responses: Not applicable
12. All major litigation, non-litigation disputes, and administrative disputes that involve the Company, the Company's Directors, Supervisors, President, responsible parties, major shareholders with over 10% stake, or affiliated enterprises should be disclosed as long as the outcome may have a significant impact on shareholder equity or share prices, whether said dispute has been settled or is still pending. The disclosure should include the factual matters of the dispute, underlying monetary values, date actions commenced, the main parties involved, and response measures taken as of the Annual Report publication date: Not applicable
13. Other major risks and proposed responses: None

7. Other important items: None

8 Specific Notes

1. Information about affiliated companies:

2023 Consolidated Business Report of Affiliated Companies: Please refer to pages 238 – 250.

2. Private Placement of Securities: None (in the most recent fiscal year and up to the issue date of this Annual Report)

3. PCSC Securities Acquired, Disposed of, or Held by Subsidiaries: None (in the most recent fiscal year and up to the issue date of this Annual Report)

4. Other Supplementary Information Required: None

5. Situations described in Article 36, Paragraph 2, Item 2 of the Securities and Exchange Act: In the most recent fiscal year and up to the issue date of this Annual Report, PCSC has not experienced any events as described in Article 36, Paragraph 2, Item 2 of the Securities and Exchange Act that have had major impacts on shareholders' equity or share prices.

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1 Positions Concurrently Held by Director in Other Companies

As of December 31, 2023

Name	Current Position in Other Companies
Lo, Chih-Hsien	<p>Chairman : Uni-President Enterprises Corp. ∖ President Natural Industrial Corp. ∖ Presicarre Corporation ∖ Ton Yi Industrial Corp. ∖ Ttet Union Corp. ∖ Prince Housing & Development Corp. ∖ President Packaging Industrial Corp. ∖ Woongjin Foods Co., Ltd. ∖ Daeyoung Foods Co., Ltd. ∖ President International Development Corp. ∖ Uni-President China Holdings Ltd. ∖ Changjiagang President Nisshin Food Co., Ltd. ∖ ScinoPharm Taiwan, Ltd. ∖ Uni-President (Philippines) Corp. ∖ Uni-President (Thailand) Ltd. ∖ Uni-President (Vietnam) Co., Ltd. ∖ President Enterprises (China) Investment Co., Ltd. ∖ Uni-President Cold-Chain Corp. ∖ Presco Netmarketing Inc. ∖ Uni-President Dream Parks Corp. ∖ President Century Co., Ltd. ∖ President Property Corporation ∖ Nanlien International Corp. ∖ Prince Real Estate Co., Ltd. ∖ Times Square International Holding Co. ∖ Times Square International Stays Corporation ∖ Time Square International Hotel Corporation ∖ Uni-President Express Corp. ∖ Cheng-Shi Investment Holding Co.</p> <p>Vice Chairman : President Nisshin Corp.</p> <p>Director : Uni-Wonder Corporation ∖ Uni-President Organics Corp. ∖ Uni-President Glass Industrial Co., Ltd. ∖ Cayman President Holdings Ltd. ∖ Kai Yu (BVI) Investment Co., Ltd. ∖ President Fair Development Corp. ∖ Uni-President Southeast Asia Holdings Ltd. ∖ Uni-President Asia Holdings Ltd. ∖ Uni-President Hong Kong Holdings Limited ∖ Champ Green Capital Co., Limited ∖ Champ Green (Shanghai) Consulting Co., Ltd. ∖ Uni-President Enterprises (Guangzhou) Co., Ltd. ∖ Uni-President Enterprises (Fuzhou) Co., Ltd. ∖ Uni-President Enterprises (Xinjiang) Food Co., Ltd. ∖ Uni-President Enterprises (Wuhan) Food Co., Ltd. ∖ Uni-President Enterprises (Kunshan) Food Co., Ltd. ∖ Uni-President Enterprises (Chengdu) Food Co., Ltd. ∖ Uni-President Enterprises (Shenyang) Co., Ltd. ∖ Uni-President Enterprises (Harbin) Co., Ltd. ∖ Uni-President Enterprises (Hefei) Co., Ltd. ∖ Uni-President Enterprises (Zhengzhou) Co., Ltd. ∖ Uni-President Enterprises (Beijing) Drink Co., Ltd. ∖ Uni-President Enterprises (Kunshan) Food Technology Co., Ltd. ∖ Uni-President Enterprises (Nanchang) Co., Ltd. ∖ Uni-President (Shanghai) Trading Co., Ltd. ∖ Uni-President Enterprises (Kunming) Food Co., Ltd. ∖ Uni-Yantai Tongli Beverage Industries Co., Ltd. ∖ Uni-President Enterprises (Changsha) Co., Ltd. ∖ Uni-President (Bama) Mineral Water Co., Ltd. ∖ Uni-President Enterprises (Nanning) Co., Ltd. ∖ Uni-President Enterprises (Zhanjiang) Co., Ltd. ∖ Uni-President Enterprises (Chongqing) Co., Ltd. ∖ Uni-President Enterprises (Taizhou) Co., Ltd. ∖ Uni-President Enterprises (Akesu) Co., Ltd. ∖ Uni-President Enterprises (Changchun) Co., Ltd. ∖ Uni-President Enterprises (Shanghai) Management Consulting Co., Ltd. ∖ Uni-President (Shanghai) Pearly Century Co., Ltd. ∖ Uni-President Enterprises (Baiyin) Co., Ltd. ∖ Hainan President Enterprises Co., Ltd. ∖ Uni-President Enterprises (Guiyang) Co., Ltd. ∖ Uni-President Enterprises (Jinan) Co., Ltd. ∖ Uni-President Enterprises (Hangzhou) Co., Ltd. ∖ Uni-President Enterprises (Wuxue) Mineral Water Co., Ltd. ∖ Shijiazhuang President Enterprises Co., Ltd. ∖ Uni-President Enterprises (Xuzhou) Co., Ltd. ∖ Uni-President Enterprises (Henan) Co., Ltd. ∖ Uni-President Trading (Kunshan) Co., Ltd. ∖ Uni-President Enterprises (Shaanxi) Co., Ltd. ∖ Uni-President Enterprises (Jiangsu) Co., Ltd. ∖ Uni-President Enterprises (Changbai Mountain Jilin) Mineral Water Co., Ltd. ∖ Uni-President Enterprises (Kunshan) Real Estate Development Co., Ltd. ∖ Uni-President Enterprises (Ningxia) Co., Ltd. ∖ Uni-President Enterprises (Shanghai) Co., Ltd. ∖ Uni-President Enterprises (Inner Mongolia) Co., Ltd. ∖ Uni-President Enterprises (Shanxi) Co., Ltd. ∖ Uni-President Enterprise (Hutubi) Tomato Products Technology Co., Ltd. ∖ Uni-President Enterprises (Shanghai) Drink & Food Co., Ltd. ∖ Uni-President Enterprises (Tianjin) Co., Ltd. ∖ Uni-Oao Travel Service Corp. ∖ President Packaging Holdings Ltd. ∖ Kuang Chuan Dairy Co., Ltd. ∖ Kuang Chuan Foods Ltd. ∖ Uni-President Development Corp. ∖ President Professional Baseball Team Corp. ∖ Tait Marketing & Distribution Co., Ltd. ∖ Wei Lih Food Industrial Co., Ltd. ∖ Keng Ting Enterprises Co., Ltd. ∖ President Chain Store (BVI) Holdings Ltd. ∖ President Chain Store (Labuan) Holdings Ltd. ∖ Retail Support International Corporation ∖ Uni-President Assets Holdings Ltd. ∖ Kao Chuan Inv. Co., Ltd.</p> <p>Supervisor : Infinity Holdings Ltd. ∖ Eternity Holdings Ltd. ∖ Celestial Prosperities Holdings Ltd.</p> <p>President : Presco Netmarketing, Inc. ∖ Uni-President Express Corp.</p>
Kao, Shiow-Ling	<p>Chairman : Infinity Holdings Ltd. ∖ Eternity Holdings Ltd. ∖ Celestial Prosperities Holdings Ltd. ∖ President Fair Development Corp. ∖ Uni-President Department Store Corp. ∖ President Being Corp. ∖ President Pharmaceutical Corp. ∖ President Drugstore Business Corp. ∖ Kao Chuan Inv. Co., Ltd.</p> <p>Director : Uni-President Enterprises Corp. ∖ Uni-Wonder Corporation ∖ Ton Yi Industrial Corp. ∖ Prince Housing & Development Corp. ∖ Grape King Bio Ltd. ∖ Merry Life Biomedical Company Ltd. ∖ President International Development Corp. ∖ ScinoPharm Taiwan, Ltd. ∖ President Century Corp. ∖ Uni-President Development Corp. ∖ President (Shanghai) Health Product Trading Company Ltd. ∖ Beauty Wonder (Zhejiang) Trading Co., Ltd. ∖ Times Square International Holding Co. ∖ Times Square International Hotel Co.</p> <p>President : President Fair Development Corp. ∖ Kao Chuan Inv. Co., Ltd.</p>
Chen, Jui-Tang	<p>Chairman : President Transnet Corp. ∖ President Collect Services Corp. ∖ Uni-Wonder Corporation ∖ Kai Ya Food Co., Ltd.</p>

Name	Current Position in Other Companies
Huang, Jui-Tien	<p>Chairman : Beauty Wonder (Zhejiang) Trading Co., Ltd. \ President (Shanghai) Health Product Trading Company Ltd. \ Wisdom Distribution Service Corp. \ Retail Support International Corporation \ President Chain Store Tokyo Marketing Corporation \ Uni-President Superior Commissary Corp. \ President Information Corp. \ Ren-Hui Investment Corp. \ Tait Marketing & Distribution Co., Ltd. \ Uni-Capital Marketing Consultant Corp. \ Uni-Sogood Marketing Consultant Philippines Corp.</p> <p>Vice Chairman : Philippine Seven Corp.</p> <p>Director : Uni-President Enterprises Corp. \ President Chain Store (Shanghai) Ltd. \ Shan Dong President Yinzuo Commercial Limited \ President Chain Store (Zhejiang) Ltd. \ President Drugstore Business Corp. \ President Being Corp. \ President Pharmaceutical Corp. \ President Transnet Corp. \ President Collect Services Corp. \ Uni-President Department Store Corp. \ Books.com. Co., Ltd. \ Uni-Wonder Corp. \ Uni-President Cold-Chain Corp. \ Capital Marketing Consultant Corp. \ President Fair Development Corp. \ Uni-President Development Corp. \ President International Development Corp. \ President Chain Store (Labuan) Holdings Ltd. \ President Chain Store (Hong Kong) Holdings Limited \ President Pharmaceutical (Hong Kong) Holdings Limited \ Uni-President Logistics (BVI) Holdings Limited \ Ren Hui Holding Co., Ltd. \ President Chain Store (BVI) Holdings Ltd. \ PCSC (China) Drugstore Limited \ Uni-Capital Marketing Consultant Holding Co., Ltd. \ President Nisshin Corp. \ Changjiagang President Nisshin Food Co., Ltd. \ Shanghai Songjiang President Enterprises Co., Ltd. \ Uni-President Express Corp. \ Uni-President Foodstuff (BVI) Holdings Ltd. \ Nanlien International Corp.</p> <p>President : President Being Corp. \ Books.com. Co., Ltd. \ President Pharmaceutical (Hong Kong) Holdings Limited \ Ren-Hui Investment Corp.</p>
Huang, Jau-Kai	<p>Chairman : Uni-President Vender Corp.</p> <p>Director : Ton Yi Industrial Corp. \ Uni-President (Vietnam) Co., Ltd. \ Uni-President Cold-Chain Corp. \ Uni-President Express Corp.</p> <p>President : Uni-President Enterprises Corp.</p>
Su, Tsung-Ming	<p>Chairman : President Life Sciences Co., Ltd. \ Tong Yu Investment Corp. \ Uni-President Development Corp. \ AndroScience Corp.</p> <p>Director : President International Development Corp. \ Uni-President China Holdings Ltd. \ ScinoPharm Taiwan, Ltd. \ President Tokyo Corporation \ Uni-President Hong Kong Holdings Limited \ President (BVI) International Investment Holdings Ltd. \ President Life Sciences Cayman Co., Ltd. \ President Tokyo Auto Leasing Corporation \ Tanvex Biologics. Inc. \ Xiang Lu Industrial Ltd.</p> <p>Independent Director : Bank Sinopac Company Limited \ Cayman Island Grand Galactica Corp Limited</p> <p>President : President International Development Corp. \ President Property Corporation</p>
Wu, Liang-Feng	<p>Chairman : Zhongshan President Enterprises Co., Ltd. \ Tianjin President Enterprises Food Co., Ltd. \ Qingdao President Feed & Livestock Co., Ltd. \ Zhangzhou President Biotech Co., Ltd. \ Master Channels Corporation</p> <p>Director : Ttet Union Corporation \ Changjiagang President Nisshin Food Co., Ltd. \ President Nisshin Corp.</p> <p>President : Changjiagang President Nisshin Food Co., Ltd.</p>
Wu, Kun-Lin	<p>Chairman : Fu Yie Enterprise Co., Ltd \ Chang-Tong Enterprise Corp. \ PT. Uni President Indonesia</p> <p>Director : Changjiagang President Nisshin Food Co., Ltd.</p>
Wu, Tsung-Pin	<p>Chairman : Tung-Ren Pharmaceutical Corporation \ Kai Nan Investment Co., Ltd.</p> <p>Director : ScinoPharm Taiwan, Ltd. \ Prince Housing & Development Corp. \ Grand Bills Finance Corporation \ Presicarre Corporation \ Tung Lo Development Co., Ltd. \ Tone Sang Construction Corp. \ Uni-President (Vietnam) Co., Ltd. \ Uni-President Hong Kong Holdings Limited \ Kuang Chuan Dairy Co., Ltd. \ Kuang Chuan Foods Ltd. \ Cheng-Shi Investment Holding Co. \ Prince Real Estate Co. \ Times Square International Holding Co. \ Times Square International Hotel Co. \ President Fair Development Corp.</p> <p>Supervisor : President International Development Corp. \ President Professional Baseball Team Corp. \ Nanlien International Corp. \ President Kikkoman Inc. \ Kunshan President Kikkoman Biotechnology Co., Ltd. \ President Kikkoman Zhenji Foods Co., Ltd. \ President Century Corp. \ Times Square International Stays Co. \ Woongjin Foods Co., Ltd. \ Daeyoung Foods Co., Ltd. \ Uni-President (Korea) Co., Ltd. \ Uni-President Express Corp.</p>
Wu, Wen-Chi	<p>Director : Philippine Seven Corp. \ Uni-President Assets Management Corp. \ Uni-President (Singapore) Pte. Ltd.</p> <p>Supervisor : President Chain Store (Shanghai) Ltd. \ President Chain Store (Zhejiang) Ltd. \ President Transnet Corp. \ President Collect Services Corp. \ Books.com. Co., Ltd. \ Uni-Wonder Corp. \ President Information Corp. \ Connection Labs Ltd. \ Presicarre Corp.</p>
Hsu, Ke-Wei	<p>Independent Director : Nidec Chaun-Choung Technology Corp.</p> <p>Consultant : Holding Disp. Co., Ltd. legal consultant</p>
Chen, Liang	<p>Chairman : Peak Capital Holdings Inc. \ Co-Center Co., Ltd.</p> <p>Supervisor : First Commercial Bank Co., Ltd.</p>
Hung, Yung-Chen	<p>Director : Hua Vi Venture Capital Corp. \ Kinpo Electronics, Inc.</p>

2 Positions Concurrently Held by Management in Other Companies

As of December 31, 2023

Name	Current Position in Other Companies
Huang, Jui-Tien	<p>Chairman : Beauty Wonder (Zhejiang) Trading Co., Ltd. \ President (Shanghai) Health Product Trading Company Ltd. \ Wisdom Distribution Service Corp. \ Retail Support International Corporation \ President Chain Store Tokyo Marketing Corporation \ Uni-President Superior Commissary Corp. \ President Information Corp. \ Ren-Hui Investment Corp. \ Tait Marketing & Distribution Co., Ltd. \ Uni-Capital Marketing Consultant Corp. \ Uni-Sogood Marketing Consultant Philippines Corp.</p> <p>Vice Chairman : Philippine Seven Corp.</p> <p>Director : Uni-President Enterprises Corp. \ President Chain Store (Shanghai) Ltd. \ Shan Dong President Yinzuo Commercial Limited \ President Chain Store (Zhejiang) Ltd. \ President Drugstore Business Corp. \ President Being Corp. \ President Pharmaceutical Corp. \ President Transnet Corp. \ President Collect Services Corp. \ Uni-President Department Store Corp. \ Books.com. Co., Ltd. \ Uni-Wonder Corp. \ Uni-President Cold-Chain Corp. \ Capital Marketing Consultant Corp. \ President Fair Development Corp. \ Uni-President Development Corp. \ President International Development Corp. \ President Chain Store (Labuan) Holdings Ltd. \ President Chain Store (Hong Kong) Holdings Limited \ President Pharmaceutical (Hong Kong) Holdings Limited \ Uni-President Logistics (BVI) Holdings Limited \ Ren Hui Holding Co., Ltd. \ President Chain Store (BVI) Holdings Ltd. \ PCSC (China) Drugstore Limited \ Uni-Capital Marketing Consultant Holding Co., Ltd. \ President Nisshin Corp. \ Changjiagang President Nisshin Food Co., Ltd. \ Shanghai Songjiang President Enterprises Co., Ltd. \ Uni-President Express Corp. \ Uni-President Foodstuff (BVI) Holdings Ltd. \ Nanlien International Corp.</p> <p>President : President Being Corp. \ Books.com. Co., Ltd. \ President Pharmaceutical (Hong Kong) Holdings Limited \ Ren-Hui Investment Corp.</p>
Hsieh, Lien-Tang	<p>Chairman : Duskin Serve Taiwan Co., Ltd. \ Mister Donut Taiwan Co., Ltd.</p> <p>Director : President Transnet Corp. \ President Collect Services Corp. \ Ren Hui Holding Co., Ltd.</p>
Lin, Chi-Chang	<p>Chairman : Cold Stone Creamery Taiwan, Ltd. \ President Chain Store Corporation Insurance Brokers Co., Ltd.</p>
Chang, Chia-Hua	<p>Chairman : Qware Systems & Services Corporation \ Connection Labs Ltd.</p> <p>Director : President Information Corp. \ ICASH Corporation</p> <p>Supervisor : Presco Netmarketing, Inc.</p>
Wu, Wen-Chi	<p>Director : Philippine Seven Corp. \ Uni-President Assets Management Corp. \ Uni-President (Singapore) Pte. Ltd.</p> <p>Supervisor : President Chain Store (Shanghai) Ltd. \ President Chain Store (Zhejiang) Ltd. \ President Transnet Corp. \ President Collect Services Corp. \ Books.com. Co., Ltd. \ Uni-Wonder Corp. \ President Information Corp. \ Connection Labs Ltd. \ Presicarre Corp.</p>
Lee, Johnyih	<p>Chairman : ICASH Corporation</p> <p>Director : Uni-Sogood Marketing Consultant Philippines Corp.</p> <p>Supervisor : President Drugstore Business Corp. \ President Being Corp. \ Mech-President Corp. \ President Pharmaceutical Corp. \ Uni-President Department Store Corp. \ Duskin Serve Taiwan Co., Ltd. \ Mister Donut Taiwan Co., Ltd. \ Uni-President Development Corp. \ President (Shanghai) Health Product Trading Company Ltd.</p>
Kuo, Ching-Feng	<p>Chairman : Uni-President Oven Bakery Corp.</p> <p>Director : Philippine Seven Corp. \ Duskin Serve Taiwan Co., Ltd. \ 21 Century Co., Ltd. \ Uni-Wonder Corp. \ Uni-President Cold-Chain Corp. \ Capital Marketing Consultant Corp. \ Uni-President Superior Commissary Corp. \ Mister Donut Taiwan Co., Ltd. \ President Chain Store (Hong Kong) Holdings Limited \ Koasa Yamako Corp. \ Kai Ya Food Co., Ltd.</p>
Lee, Tsung-Hsien	<p>Chairman : Capital Marketing Consultant Corp.</p> <p>Director : Philippine Seven Corp. \ Shan Dong President Yinzuo Commercial Limited \ Duskin Serve Taiwan Co., Ltd. \ Uni-Capital Marketing Consultant Corp.</p>
Lu, Yung-Wei	<p>Director : Philippine Seven Corp. \ Shan Dong President Yinzuo Commercial Limited \ Uni-Wonder Corp. \ President Chain Store Tokyo Marketing Corporation \ ICASH Corporation \ Mister Donut Taiwan Co., Ltd. \ PCSC (China) Drugstore Limited \ Nanlien International Corp.</p>
Lua, Wen-Ji	<p>Chairman : President Lanyang Art Corporation</p> <p>Director : President Chain Store Corporation Insurance Brokers Co., Ltd. \ Tung Ho Development Corp.</p> <p>President : President Chain Store Corporation Insurance Brokers Co., Ltd.</p>
Hsieh, Kuan-Hung	<p>Chairman : President Chain Store (Shanghai) Ltd. \ President Cosmed Chain Store (Shen Zhen) Co., Ltd. \ President Chain Store (Zhejiang) Ltd. \ Zhejiang Uni-Champion Logistics Development Co., Ltd.</p>
Wu, Hui-Chen	<p>Chairman : Mech-President Corp. \ Tong Ching Corporation</p>
Chang, Kuo-Kuang	<p>Chairman : Tung Lo Development Co., Ltd. \ Tone Sang Construction Corp.</p> <p>Director : President Century Corp. \ Uni-President Development Corp.</p> <p>President : Uni-President Development Corp. \ Tung Lo Development Co., Ltd.</p>

3 Statement of Internal Control System

Statement of Internal Control System of President Chain Store Corporation (translated from Chinese)

Date: February 27, 2024

According to the results of a self-assessment, President Chain Store Corporation (the "Company") states the following with regard to its internal control system during the year 2023:

1. The Company acknowledges that the establishment, implementation and maintenance of internal control system are the responsibility of Board of Directors and management, and the Company has established the system. The internal control system is aimed to reasonably assure that the goals such as the effectiveness and the efficiency of operations (including profitability, performance and safeguard of assets), the reliability, timeliness and transparency of financial reporting and the compliance of applicable law and regulations are achieved.
2. The internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of achieving the aforementioned three goals. Moreover, due to the change of environment and conditions, the effectiveness of internal control system will be changed accordingly. Nevertheless, the internal control system has self-monitoring mechanism, and the Company will take remedial action in response to any identified deficiencies.
3. The Company evaluates the effectiveness of design and operation of its internal control system based on the judgment items ruled in "Regulations Governing Establishment of Internal Control Systems by Public Companies" (collectively referred herein as "Regulations"). The judgment items of internal control system adopted by the Regulations are the process of management control, and there are five key components of internal control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring activities. Each component also includes a certain number of items, and seeing the Regulation for the foregoing items.
4. The Company assessed the effectiveness of design and operation of its internal control system according to the aforementioned Regulations.
5. Based on the foregoing results of evaluation, the Company believes that the internal control system (that includes the supervision and management of subsidiaries), to provide reasonable assurance over the aforementioned goals are accomplished, including the effectiveness and the efficiency of operations, the reliability, timeliness and transparency of financial reporting and the compliance of applicable law and regulations.
6. This statement will be the main content of Annual Report and Prospectus, and will be disclosed publicly. If the above contents contain any falsehood, concealment, or illegality, it will involve in legal liability under Article 20, 32, 171 and 174 of Securities and Exchange Law.
7. This statement has been approved by the meeting of Board of Directors held on February 27, 2024, and those 13 directors in presence all affirm at the contents of this statement.

President Chain Store Corporation

Chairman : Lo, Chih-Hsien

President : Huang, Jui-Tien

4 Audit Committee's Review Report

President Chain Store Corp. Audit Committee's Review Report (Translation)

The Board of Directors has prepared the Company's 2023 Business Report, Financial Statements, and Proposal for Allocation of 2023 profits. The independent auditors, Yi-Chang, Liang and Se-Kai, Lin of PRICEWATERHOUSECOOPERS, TAIWAN audited PCSC's Financial Statements and issued an audit report relating to the Financial Statements. The Business Report, Financial Statements, and Profit Allocation Proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of President Chain Store Corp.. According to Article 219 of the Company Act, we hereby submit this report.

General Shareholders' Meeting of PRESIDENT CHAIN STORE CORP. 2024

President Chain Store Corp.

Chairman of the Audit Committee

Chen, Liang

Date: February 27, 2024

5 Consolidated Financial Statements and Report of Independent Accountants

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

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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
Liabilities and Equity						
		Notes	December 31, 2023		December 31, 2022	
			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						
3110	Share capital - common stock	6(22)	10,396,223	4	10,396,223	5
Capital surplus						
3200	Capital surplus	6(23)	90,300	-	87,852	-
Retained earnings						
3310	Legal reserve	6(24)	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						
3400	Other equity interest	6(25)	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.

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE
INCOMEYEARS 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
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		\$ 114,899	-	\$ 2,640,430	1
8500 Total comprehensive income for the year		\$ 12,776,030	4	\$ 13,710,353	5
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
		\$ 12,661,131	4	\$ 11,069,923	4
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
		\$ 12,776,030	4	\$ 13,710,353	5
9750 Basic earnings per share	6(34)	\$ 10.21		\$ 8.93	
9850 Diluted earnings per share	6(34)	\$ 10.19		\$ 8.91	

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

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Appendix

Consolidated Financial
Statements and
Report of Independent
Accountants

YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Equity attributable to owners of the parent									Non-controlling interest	Total equity
		Share capital - common stock	Capital surplus	Retained earnings			Other equity interest		Total			
				Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income				
For the year ended December 31, 2022												
Balance at January 1, 2022		\$ 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	
Profit for the year		-	-	-	-	9,281,650	-	-	9,281,650	1,788,273	11,069,923	
Other comprehensive (loss) income for the year	6(25)	-	-	-	-	602,739	2,186,877	(319,987)	2,469,629	170,801	2,640,430	
Total comprehensive income (loss) for the year		-	-	-	-	9,884,389	2,186,877	(319,987)	11,751,279	1,959,074	13,710,353	
Distribution of 2021 earnings:	6(24)											
Legal reserve		-	-	804,972	-	(804,972)	-	-	-	-	-	
Special reserve		-	-	-	588,894	(588,894)	-	-	-	-	-	
Cash dividends		-	-	(1,860,924)	-	(7,495,676)	-	-	(9,356,600)	-	(9,356,600)	
Non-controlling interest		-	-	-	-	-	-	-	-	(1,378,206)	(1,378,206)	
Overdue unclaimed cash dividend transferred to capital surplus		-	938	-	-	-	-	-	938	-	938	
Acquisition of additional equity interest in a subsidiary	6(35)	-	-	-	-	(104,272)	-	-	(104,272)	(20,349)	(124,621)	
Adjustment of capital surplus due to associates' adjustment of capital surplus		-	692	-	-	-	-	-	692	-	692	
Disposal of financial instruments designated at fair value through other comprehensive income of associates		-	-	-	-	4,035	-	-	4,035	-	4,035	
Balance at December 31, 2022		\$ 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	
For the year ended December 31, 2023												
Balance at January 1, 2023		\$ 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	
Profit for the year		-	-	-	-	10,613,914	-	-	10,613,914	2,047,217	12,661,131	
Other comprehensive (loss) income for the year	6(25)	-	-	-	-	7,251	(59,440)	175,544	123,355	(8,456)	114,899	
Total comprehensive income (loss) for the year		-	-	-	-	10,621,165	(59,440)	175,544	10,737,269	2,038,761	12,776,030	
Distribution of 2022 earnings:	6(24)											
Legal reserve		-	-	978,415	-	(978,415)	-	-	-	-	-	
Cash dividends		-	-	-	-	(9,356,600)	-	-	(9,356,600)	-	(9,356,600)	
Non-controlling interest		-	-	-	-	-	-	-	-	(1,224,871)	(1,224,871)	
Overdue unclaimed cash dividend transferred to capital surplus		-	2,699	-	-	-	-	-	2,699	-	2,699	
Reversal of special reserve	6(24)	-	-	(1,866,890)	1,866,890	-	-	-	-	-	-	
Adjustment to capital surplus due to associates' adjustment of capital surplus		-	51	-	-	-	-	-	51	-	51	
Disposal of financial instruments designated at fair value through other comprehensive income of associates		-	-	-	-	2,310	-	-	2,310	-	2,310	
Payments of unpaid cash dividends from previous year transferred to capital surplus		-	(302)	-	-	-	-	-	(302)	-	(302)	
Balance at December 31, 2023		\$ 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.

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in thousands of New Taiwan dollars)

	Notes	For the years ended December 31	
		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

	Notes	For the years ended December 31	
		2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES			
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)
CASH FLOWS FROM FINANCING ACTIVITIES			
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.

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:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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.	Processional investment	100.00	100.00	
The Company	PCSC (China) Drugstore Limited	Processional investment	92.20	92.20	
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	
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 derecognized 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	1~18 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

	December 31, 2023	December 31, 2022
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

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

	December 31, 2023	December 31, 2022
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
	269,954	269,954
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	\$ 22,520	\$ 84,137

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

	December 31, 2023	December 31, 2022
<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
	13,529,829	8,427,452
<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:

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

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

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

(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)
	\$ 4,418,134	\$ 2,106,256	\$ 2,463,554	\$ 12,032,664	\$ 9,346,355	\$ 4,040,994	\$ 34,407,957
At December 31							
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	\$ 4,441,085	\$ 2,081,861	\$ 2,248,710	\$ 12,974,070	\$ 10,830,698	\$ 4,928,788	\$ 37,505,212
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)
	\$ 4,441,085	\$ 2,081,861	\$ 2,248,710	\$ 12,974,070	\$ 10,830,698	\$ 4,928,788	\$ 37,505,212

	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	328	2,948	882	10,281	13,986	29,196	57,621
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:

	December 31, 2023	December 31, 2022
	Carrying amount	Carrying amount
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>

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

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
Less: Unamortized discount	(2,910)		below for details
	\$ 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

	December 31, 2023	December 31, 2022
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

Type of borrowings	Interest rate range	Collateral	December 31, 2023
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
			<u>6,558,526</u>
Less: Current portion			(206,899)
			<u>\$ 6,351,627</u>

Type of borrowings	Interest rate range	Collateral	December 31, 2022
Long-term bank borrowings			
Credit loan	4.40%	None	\$ 172,207
Secured borrowings	1.91%~2.35%	Property, plant and equipment	639,533
			<u>811,740</u>
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:

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

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

	2023		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
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	2,460	-	2,460
	(6,667,092)	3,086,964	(3,580,128)
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	64,094	-	64,094
	(37,841)	22,613	(15,228)
Pension fund contribution	-	229,932	229,932
Paid pension	374,414	(348,468)	25,946
	374,414	(118,536)	255,878
At December 31	(\$ 6,330,519)	\$ 2,991,041	(\$ 3,339,478)

	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)
	(7,557,009)	2,844,521	(4,712,488)
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
	673,777	215,853	889,630
Pension fund contribution	-	332,882	332,882
Paid pension	372,455	(350,735)	21,720
	372,455	(17,853)	354,602
At December 31	(\$ 6,510,777)	\$ 3,042,521	(\$ 3,468,256)

(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	1.30%~6.69%	1.30%~7.66%
Future salary increases	2.00%~6.50%	2.00%~5.50%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory. Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2023				
Effect on present value of defined benefit obligation	(\$ 155,616)	\$ 162,128	\$ 162,521	(\$ 155,859)
December 31, 2022				
Effect on present value of defined benefit obligation	(\$ 165,756)	\$ 171,122	\$ 172,816	(\$ 165,586)

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 reserve 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	(\$ 649,458)	\$ 710,937	\$ 61,479

	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) Operating revenue

	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:

	December 31, 2023	December 31, 2022	January 1, 2022
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

	For the year ended December 31, 2023	For the year ended December 31, 2022
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

	For the year ended December 31, 2023	For the year ended December 31, 2022
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	89,795	(95,348)
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	1,951	1,187
	<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	-	2,114
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
Deferred tax assets				
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>
Deferred tax liabilities				
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
Deferred tax assets				
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>
Deferred tax liabilities				
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				
Year incurred	Amount filed / assessed	Unused amount	Unrecognized deferred tax assets	Usable until
2014~2023	\$ 2,662,021	\$ 2,662,021	\$ 2,662,021	2024~2033
December 31, 2022				
Year incurred	Amount filed / assessed	Unused amount	Unrecognized deferred tax assets	Usable until
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		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	\$ 10,613,914	1,039,622	\$ 10.21
Diluted earnings per share			
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)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	\$ 9,281,650	1,039,622	\$ 8.93
Diluted earnings per share			
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	\$ 9,798,343	\$ 3,497,090	\$ -	\$ 6,351,627	\$ 92,666,123	\$ 4,568,936	\$ 1,276,096	\$ 118,158,215

	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.	"
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

	December 31, 2023	December 31, 2022
<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

	December 31, 2023	December 31, 2022
<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

	For the year ended December 31, 2023	For the year ended December 31, 2022
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

	For the year ended December 31, 2023	For the year ended December 31, 2022
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

	December 31, 2023	December 31, 2022
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

	Accounts	For the year ended December 31, 2023	For the year ended December 31, 2022
Associates	Intangible assets	\$ 116,711	\$ 104,306
Sister companies	"	2,436	1,600
Ultimate parent company	Property, plant and equipment	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

	For the year ended December 31, 2023	For the year ended December 31, 2022
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

	For the year ended December 31, 2023	For the year ended December 31, 2022
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	Guarantee facilities and performance guarantee
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**

	December 31, 2023	December 31, 2022
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ 1,028,746	\$ 616,670
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	\$ 1,019,411	\$ 847,481
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	
	Accounts receivable		Accounts receivable	
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	\$	118,569	\$	78,848

- 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:				
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			
	Book value	Fair value		
		Level 1	Level 2	Level 3
Financial assets:				
Guarantee deposits paid	\$ 3,542,358	\$ -	\$ -	\$ 3,453,047
Financial liabilities:				
Guarantee deposits received	\$ 4,568,936	\$ -	\$ -	\$ 4,421,332

	December 31, 2022			
	Book value	Fair value		
		Level 1	Level 2	Level 3
Financial assets:				
Guarantee deposits paid	\$ 3,359,220	\$ -	\$ -	\$ 3,287,721
Financial liabilities:				
Guarantee deposits received	\$ 4,326,458	\$ -	\$ -	\$ 4,214,719

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

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

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

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Beneficiary certificates	\$ 943,266	\$ -	\$ -	\$ 943,266
Equity securities	-	-	85,480	85,480
Subtotal	943,266	-	85,480	1,028,746
Financial assets at fair value through other comprehensive income				
Equity securities	1,015,063	-	4,348	1,019,411
	\$ 1,958,329	\$ -	\$ 89,828	\$ 2,048,157
December 31, 2022				
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Beneficiary certificates	\$ 531,190	\$ -	\$ -	\$ 531,190
Equity securities	-	-	85,480	85,480
Subtotal	531,190	-	85,480	616,670
Financial assets at fair value through other comprehensive income				
Equity securities	843,133	-	4,348	847,481
	\$ 1,374,323	\$ -	\$ 89,828	\$ 1,464,151

- (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:

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

- II. Except for financial instruments with active markets, the fair value of other financial instruments is measured using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, by discounted cash flow method or other valuation methods, including calculations by applying models using market information available at the consolidated balance sheet date.
- E. For the years ended December 31, 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
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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
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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	\$ 197,663,849	\$ 96,772,970	\$ 20,714,628	\$ 37,021,639	(\$ 35,131,232)	\$ 317,041,854
Segment income	\$ 12,480,398	\$ 53,262,125	\$ 1,435,662	\$ 3,203,548	(\$ 6,088,464)	\$ 16,357,359
Depreciation and amortization	(\$ 13,074,605)	(\$ 5,472,220)	(\$ 1,474,415)	(\$ 3,448,317)	(\$ 128,694)	(\$ 23,598,251)
Gain (loss) on investments accounted for using equity method	\$ 4,748,744	(\$ 80,558)	\$ 141,890	\$ 1,299,788	(\$ 5,907,329)	\$ 202,535
Income tax expense	(\$ 1,866,484)	(\$ 1,263,641)	(\$ 270,467)	(\$ 334,469)	\$ 38,833	(\$ 3,696,228)
Interest income	\$ 91,102	\$ 273,411	\$ 26,697	\$ 1,178,839	(\$ 544)	\$ 1,569,505
Interest expense	(\$ 589,416)	(\$ 558,179)	(\$ 49,725)	(\$ 188,106)	\$ 5,852	(\$ 1,379,574)

	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	\$ 182,872,403	\$ 87,176,851	\$ 19,756,224	\$ 32,796,683	(\$ 32,168,024)	\$ 290,434,137
Segment income	\$ 10,722,264	\$ 4,617,786	\$ 1,421,951	\$ 905,213	(\$ 3,597,233)	\$ 14,069,981
Depreciation and amortization	(\$ 12,071,298)	(\$ 5,252,661)	(\$ 1,414,493)	(\$ 3,315,501)	(\$ 131,464)	(\$ 22,185,417)
Gain (loss) on investments accounted for using equity method	\$ 3,409,883	(\$ 67,394)	\$ 163,134	\$ 49,460	(\$ 3,357,772)	\$ 197,311
Income tax expense	(\$ 1,440,614)	(\$ 1,055,902)	(\$ 248,869)	(\$ 293,506)	\$ 38,833	(\$ 3,000,058)
Interest income	\$ 43,869	\$ 59,650	\$ 8,316	\$ 377,975	(\$ 268)	\$ 489,542
Interest expense	(\$ 433,240)	(\$ 535,380)	(\$ 47,284)	(\$ 167,284)	\$ 3,372	(\$ 1,179,816)

(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
	\$ 317,041,854	\$ 290,434,137

(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
	\$ 317,041,854	\$ 144,404,121	\$ 290,434,137	\$ 136,667,897

(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

Table 1

For the year ended December 31, 2023
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 December 31, 2023	Balance at December 31, 2023	Actual amount drawn down	Interest rate	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
													Item	Value			
1	President Pharmaceutical Corp.	President Being Corp.	Other receivables	Y	\$ 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)**

Table 2

December 31, 2023
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	
Stock:								
President Chain Store Corp.	President Investment Trust Corp.	Director of President Investment Trust Corp.	Financial assets at fair value through profit or loss – non-current	2,667,600	\$ 45,298	7.60	\$ 45,298	
President Chain Store Corp.	Career Consulting Co. Ltd.	None	"	837,753	14,461	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	
Beneficiary certificates:								
Books.com. Co., Ltd.	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	

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES

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

For the year ended December 31, 2023
Expressed in thousands of NTD
(Except as otherwise indicated)

Table 3

Investor	Type and name of securities	General ledger account	Counterparty	Relationship with the investor	Balance as at January 1, 2023		Addition		Disposal			Other increase (decrease)		Balance as at December 31, 2023		
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount	Number of shares	Amount
Beneficiary certificates:																
Uni-President Department Store Corp.	Jin Sun Money Market Fund	Note 1	Not applicable	Not applicable	8,651,751	\$ 130,389	159,265,613	\$ 2,408,796	167,917,364	\$ 2,540,289	\$ 2,539,185	\$ 1,104	-	\$ -	-	\$ -
Uni-President Department Store Corp.	SinoPac TWD Money Market Fund	"	"	"	-	-	51,745,037	737,849	51,745,037	738,086	737,849	237	-	-	-	-
Uni-President Department Store Corp.	Taishin 1699 Money Market Fund	"	"	"	-	-	123,254,338	1,712,934	108,493,317	1,508,545	1,507,148	1,397	-	20	14,761,021	205,806
Books.com. Co., Ltd.	CTBC Hua Win Money Market Fund	"	"	"	-	-	238,456,800	2,683,000	234,831,433	2,643,893	2,642,000	1,893	-	22	3,625,367	41,022
Books.com. Co., Ltd.	Yuanta Wan Tai Money Market Fund	"	"	"	-	-	20,148,102	310,000	20,148,102	310,182	310,000	182	-	-	-	-
Books.com. Co., Ltd.	Union Money Market Fund	"	"	"	-	-	32,022,893	434,000	27,085,821	367,304	367,000	304	-	21	4,937,072	67,021
President Drugstore Business Corp.	Taishin 1699 Money Market Fund	"	"	"	10,897,045	150,000	80,113,379	1,107,000	91,010,424	1,257,249	1,257,000	249	-	-	-	-
Chieh Shun Logistics International Corp.	Taishin 1699 Money Market Fund	"	"	"	2,325,497	32,011	34,240,976	473,000	36,566,473	505,333	505,000	333	-	(11)	-	-
Chieh Shun Logistics International Corp.	UPAMC James Bond Money Market Fund	"	"	"	1,180,491	20,005	40,847,902	696,500	42,028,393	716,924	716,500	424	-	(5)	-	-
President Pharmaceutical Corp.	Taishin 1699 Money Market Fund	"	"	"	10,393,748	143,072	53,664,644	742,400	60,183,477	832,854	831,409	1,445	-	(37)	3,874,915	54,026
President Logistics International Corp.	Taishin 1699 Money Market Fund	"	"	"	3,597,260	49,517	18,953,756	262,000	22,551,016	311,637	311,500	137	-	(17)	-	-
President Logistics International Corp.	UPAMC James Bond Money Market Fund	"	"	"	295,248	5,003	24,082,911	411,000	24,378,159	416,181	416,002	179	-	(1)	-	-
President Information Corp.	UPAMC James Bond Money Market Fund	"	"	"	-	-	40,639,745	692,100	40,639,745	693,116	692,100	1,016	-	-	-	-
Q-ware Systems & Services Corp.	Taishin 1699 Money Market Fund	"	"	"	-	-	48,625,535	675,000	41,453,220	576,946	575,000	1,946	-	-	7,172,315	100,000
Stock:																
President Chain Store Corp.	Presicarré Corp.	Note 2	Carrefour Nederland B.V. and Carrefour S.A.	Not applicable	145,172,360	\$ 4,868,968	78,171,196	\$ 5,442,963	-	\$ -	\$ -	-	-	(\$ 447,196)	223,343,556	\$ 9,894,735

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

Table 4

For the year ended December 31, 2023
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
Expressed in thousands of NTD
(Except as otherwise indicated)

Table 5

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)	
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)	

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)	
	Tong Zhan Corporation Ltd.	Other related party	Purchases	\$ 1,341,234	21	Net 25 days from the end of the month when invoice is issued	No significant differences	No significant differences	(\$ 140,744)	(16)	
Uni-Wonder Corp.	Retail Support International Corp.	Subsidiary of President Chain Store Corp.	"	314,964	5	Net 29 days from the end of the month when invoice is issued	"	"	(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	
Uni-President Superior Commissary Corp.	President Chain Store Corp.	Parent company	"	(5,279,525)	(96)	Net 30~45 days from the end of the month when invoice is issued	"	"	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)	

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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)	
	Koasa Yamako Corp.	Other related party	Purchases	\$ 291,879	8	Net 60 days from the end of the month when invoice is issued	No significant differences	No significant differences	(\$ 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

Table 6

December 31, 2023
Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Receivable from related parties		Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
			General ledger account	Balance as of December 31, 2023		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
Expressed in thousands of NTD
(Except as otherwise indicated)

Table 7

Number	Company name	Counterparty	Relationship	Transaction			
				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

Number	Company name	Counterparty	Relationship	Transaction			Percentage of consolidated total operating revenues or total assets
				General ledger account	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)	Net15~60 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.

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES

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

Table 8

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	840,082	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.	Presicare 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
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

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.	Mister Donut Taiwan Co., Ltd.	Taiwan	Bakery retailer	\$ 200,000	\$ 200,000	7,500,049	50.00	\$ 139,466	\$ 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	-	-	125,581	-	Subsidiary of a subsidiary
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	-	-	87,584	-	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	2,671,300	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) Holding 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.

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
Information on investments in Mainland China

Table 9

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							
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.	Convenience 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.	Convenience 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

Table 10

December 31, 2023

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.

6 Parent Company Only Financial Statements and Report of Independent Accountants

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying parent company only balance sheets of President Chain Store Corp. as of December 31, 2023 and 2022, and the related parent company only statements of comprehensive income, of changes in equity, and of cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to the Other matters section), the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of President Chain Store Corp. as of December 31, 2023 and 2022, and its parent company only financial performance and its parent company only cash flows for the years then ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by 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 parent company only financial statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountants in 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 parent company only financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the parent company only 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 Company's parent company only financial statements for the year ended December 31, 2023 are stated as follows:

Completeness and accuracy of retail sales revenue

Description

Please refer to Notes 4(23) and 6(23) to the parent company only 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 the 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(11) and 6(3) to the parent company only 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 their retail value (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 – Reference to the audits of other auditors

We did not audit the financial statements of certain investments accounted for under the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the accounts included in respect of these associates, is based solely on the reports of the other auditors. The balance of these investments accounted for under the equity method amounted to NT\$3,891,572 thousand and NT\$2,822,788 thousand, constituting 2.2% and 1.8% of parent company only total assets as of December 31, 2023 and 2022, respectively, and the comprehensive income (including share of profit of subsidiaries, associates and joint ventures accounted for using equity method and share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method) amounted to NT\$1,063,676 thousand and NT\$609,464 thousand, constituting 9.9% and 5.2% of parent company only total comprehensive income for the years then ended, respectively.

Responsibilities of management and those charged with governance for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal controls as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company'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 Company 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 Company.

Auditor's responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance about whether the parent company only 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 of 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 parent company only financial statements.

As part of an audit in accordance with the Standards of Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement in the parent company only 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 Company.
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 Company'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 parent company only 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 Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only 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 Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the 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 parent company only financial statements for the current period and are 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 parent company only 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 parent company only 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.

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

PRESIDENT CHAIN STORE CORP.
PARENT COMPANY ONLY BALANCE SHEETSDECEMBER 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)	\$ 13,155,276	8	\$ 10,617,340	7
1170	Accounts receivable, net	6(2)	742,759	1	740,136	1
1200	Other receivables	7(3)	4,955,393	3	4,391,775	3
130X	Inventories, net	6(3)	12,654,765	7	11,569,619	7
1410	Prepayments		349,792	-	334,260	-
1470	Other current assets		474,579	-	632,637	-
11XX	Total current assets		<u>32,332,564</u>	<u>19</u>	<u>28,285,767</u>	<u>18</u>
Non-current assets						
1510	Financial assets at fair value through profit or loss – non-current	6(4)	85,480	-	85,480	-
1517	Financial assets at fair value through other comprehensive income -non-current	6(5)	1,019,411	1	847,481	1
1550	Investments accounted for using equity method	6(6)	57,607,235	33	50,289,206	32
1600	Property, plant and equipment, net	6(7)	19,284,080	11	17,604,486	11
1755	Right-of-use assets	6(8) and 7(3)	58,391,761	33	56,946,107	36
1760	Investment property, net	6(10)	1,916,109	1	1,508,147	1
1780	Intangible assets	6(11)	504,257	-	358,172	-
1840	Deferred income tax assets	6(30)	799,034	-	746,647	-
1900	Other non-current assets	6(12)	2,747,177	2	2,415,524	1
15XX	Total non-current assets		<u>142,354,544</u>	<u>81</u>	<u>130,801,250</u>	<u>82</u>
1XXX	Total assets		<u>\$ 174,687,108</u>	<u>100</u>	<u>\$ 159,087,017</u>	<u>100</u>

DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(13)	\$ 7,750,000	4	\$ 7,700,000	5
2110	Short-term notes and bills payable	6(14)	3,497,090	2	-	-
2130	Contract liabilities – current	6(23)	5,332,702	3	4,867,841	3
2150	Notes payable		1,188,254	1	1,250,438	1
2160	Notes payable – related parties	7(3)	7,670,961	4	6,854,022	4
2170	Accounts payable		1,673,187	1	1,460,921	1
2180	Accounts payable – related parties	7(3)	10,236,253	6	10,453,633	7
2200	Other payables	6(15)	21,401,109	12	19,683,959	12
2230	Current income tax liabilities	6(30)	1,221,489	1	879,461	1
2280	Lease liabilities – current	7(3)	8,873,333	5	8,535,793	5
2300	Other current liabilities	6(16)	1,684,259	1	1,659,033	1
21XX	Total current liabilities		<u>70,528,637</u>	<u>40</u>	<u>63,345,101</u>	<u>40</u>
Non-current liabilities						
2527	Contract liabilities – non-current	6(23)	236,156	-	215,847	-
2540	Long-term borrowings	6(17)	5,550,000	3	-	-
2570	Deferred income tax liabilities	6(30)	3,774,842	2	3,601,885	2
2580	Lease liabilities – non-current	7(3)	50,482,042	29	49,272,717	31
2640	Net defined benefit liability – non-current	6(18)	1,811,518	1	1,984,245	1
2645	Guarantee deposit received		3,707,563	2	3,469,748	2
2670	Other non-current liabilities		751,843	1	738,394	1
25XX	Total non-current liabilities		<u>66,313,964</u>	<u>38</u>	<u>59,282,836</u>	<u>37</u>
2XXX	Total liabilities		<u>136,842,601</u>	<u>78</u>	<u>122,627,937</u>	<u>77</u>
Equity						
Share capital						
3110	Share capital – common stock	6(19)	10,396,223	6	10,396,223	7
Capital surplus						
3200	Capital surplus	6(20)	90,300	-	87,852	-
Retained earnings						
3310	Legal reserve	6(21)	15,302,251	9	14,323,836	9
3320	Special reserve		54,625	-	1,921,515	1
3350	Unappropriated retained earnings		11,939,629	7	9,784,279	6
Other equity						
3400	Other equity interest	6(22)	61,479	-	(54,625)	-
3XXX	Total equity		<u>37,844,507</u>	<u>22</u>	<u>36,459,080</u>	<u>23</u>
3X2X	Total liabilities and equity		<u>\$ 174,687,108</u>	<u>100</u>	<u>\$ 159,087,017</u>	<u>100</u>

The accompanying notes are an integral part of these parent company only financial statements.

PRESIDENT CHAIN STORE CORP.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

Items	Notes	Year ended December 31			
		2023		2022	
		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(23) and 7(3)	\$ 197,663,849	100	\$ 182,872,403	100
5000 Operating costs	6(3)(28) and 7(3)	(130,995,405)	(66)	(121,633,971)	(67)
5900 Gross profit		66,668,444	34	61,238,432	33
Operating expenses	6(28)(29)				
6100 Selling expenses		(54,871,277)	(28)	(50,762,856)	(28)
6200 General and administrative expenses		(5,145,366)	(3)	(4,381,165)	(2)
6450 Expected credit losses	12(2)	(24,926)	-	(1,177)	-
6000 Total operating expenses		(60,041,569)	(31)	(55,145,198)	(30)
6900 Operating profit		6,626,875	3	6,093,234	3
Non-operating income and expenses	7(3)				
7100 Interest income	6(24)	91,102	-	43,869	-
7010 Other income	6(25)	1,630,322	1	1,728,419	1
7020 Other gains and losses	6(26)	(27,229)	-	(119,901)	-
7050 Finance costs	6(27)	(589,416)	-	(433,240)	-
7070 Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	6(6)	4,748,744	2	3,409,883	2
7000 Total non-operating income and expenses		5,853,523	3	4,629,030	3
7900 Profit before income tax		12,480,398	6	10,722,264	6
7950 Income tax expense	6(30)	(1,866,484)	(1)	(1,440,614)	(1)
8200 Profit for the year		\$ 10,613,914	5	\$ 9,281,650	5
Other comprehensive (loss) income					
8311 Gain on remeasurement of defined benefit plan	6(18)	\$ 29,124	-	\$ 474,844	-
8316 Unrealized gain (loss) on valuation of equity instruments at fair value through other comprehensive income	6(5)(22)	171,930	-	(318,428)	-
8330 Share of other comprehensive (loss) gain of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		(10,401)	-	221,602	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(30)	(7,775)	-	(96,156)	-
8310 Components of other comprehensive income that will not be reclassified to profit or loss		182,878	-	281,862	-
8361 Financial statements translation differences of foreign operations	6(22)	(62,999)	-	2,145,224	1
8380 Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss		3,476	-	42,543	-
8360 Components of other comprehensive (loss) income that will be reclassified to profit or loss		(59,523)	-	2,187,767	1
8300 Total other comprehensive income for the year		\$ 123,355	-	\$ 2,469,629	1
8500 Total comprehensive income for the year		\$ 10,737,269	5	\$ 11,751,279	6
9750 Basic earnings per share	6(31)	\$	10.21	\$	8.93
9850 Diluted earnings per share	6(31)	\$	10.19	\$	8.91

The accompanying notes are an integral part of these parent company only financial statements.

PRESIDENT CHAIN STORE CORP. PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

Appendix

Parent Company Only
Financial Statements and
Report of Independent
Accountants

YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Share capital - common stock	Capital surplus	Retained earnings			Other equity interest		Total equity
				Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	
For the year ended December 31, 2022									
Balance at January 1, 2022		\$ 10,396,223	\$ 86,222	\$ 15,379,788	\$ 1,332,621	\$ 8,889,669	(\$ 2,776,895)	\$ 855,380	\$ 34,163,008
Profit for the year		-	-	-	-	9,281,650	-	-	9,281,650
Other comprehensive income (loss) for the year	6(22)	-	-	-	-	602,739	2,186,877	(319,987)	2,469,629
Total comprehensive income (loss) for the year		-	-	-	-	9,884,389	2,186,877	(319,987)	11,751,279
Distribution of 2021 earnings:	6(21)								
Legal reserve		-	-	804,972	-	(804,972)	-	-	-
Special reserve		-	-	-	588,894	(588,894)	-	-	-
Cash dividends		-	-	(1,860,924)	-	(7,495,676)	-	-	(9,356,600)
Overdue unclaimed cash dividend transferred to capital surplus		-	938	-	-	-	-	-	938
Acquisition of additional equity interest in a subsidiary		-	-	-	-	(104,272)	-	-	(104,272)
Adjustment to capital surplus due to associates' adjustment of capital surplus		-	692	-	-	-	-	-	692
Disposal of equity instruments designated at fair value through other comprehensive income of associates		-	-	-	-	4,035	-	-	4,035
Balance at December 31, 2022		\$ 10,396,223	\$ 87,852	\$ 14,323,836	\$ 1,921,515	\$ 9,784,279	(\$ 590,018)	\$ 535,393	\$ 36,459,080
For the year ended December 31, 2023									
Balance at January 1, 2023		\$ 10,396,223	\$ 87,852	\$ 14,323,836	\$ 1,921,515	\$ 9,784,279	(\$ 590,018)	\$ 535,393	\$ 36,459,080
Profit for the year		-	-	-	-	10,613,914	-	-	10,613,914
Other comprehensive income (loss) for the year	6(22)	-	-	-	-	7,251	(59,440)	175,544	123,355
Total comprehensive income (loss) for the year		-	-	-	-	10,621,165	(59,440)	175,544	10,737,269
Distribution of 2022 earnings:	6(21)								
Legal reserve		-	-	978,415	-	(978,415)	-	-	-
Cash dividends		-	-	-	-	(9,356,600)	-	-	(9,356,600)
Reversal of special reserve	6(21)	-	-	-	(1,866,890)	1,866,890	-	-	-
Overdue unclaimed cash dividend transferred to apital surplus		-	2,699	-	-	-	-	-	2,699
Adjustment to capital surplus due to associates' adjustment of capital surplus		-	51	-	-	-	-	-	51
Disposal of equity instruments designated at fair value through other comprehensive income of associates		-	-	-	-	2,310	-	-	2,310
Payments of unpaid cash dividends from previous year transferred to capital surplus		-	(302)	-	-	-	-	-	(302)
Balance at December 31, 2023		\$ 10,396,223	\$ 90,300	\$ 15,302,251	\$ 54,625	\$ 11,939,629	(\$ 649,458)	\$ 710,937	\$ 37,844,507

The accompanying notes are an integral part of these parent company only financial statements.

PRESIDENT CHAIN STORE CORP.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax for the year		\$ 12,480,398	\$ 10,722,264
Adjustments to reconcile before income tax to net cash provided by operating activities			
Income and expenses having no effect on cash flows			
Expected credit losses	12(2)	24,926	1,177
Depreciation expense	6(7)(8)(28)	12,888,360	11,942,588
Amortization expense	6(11)(28)	186,245	128,710
Depreciation on investment property	6(10)	7,593	6,821
Finance costs	6(27)	589,416	433,240
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	6(6)	(4,748,744)	(3,409,883)
Loss on disposal of property, plant and equipment	6(26)	75,592	86,484
Loss (gain) on disposal of investment property	6(26)	365	(29,507)
Gain from lease modification	6(8)(26)	(59,696)	(53,170)
Interest income	6(24)	(91,102)	(43,869)
Dividend income	6(25)	(53,884)	(121,126)
Other income recognized from rent concessions	6(8)	-	(3,449)
Changes in operating assets and liabilities			
Net changes in assets relating to operating activities			
Accounts receivable		(27,549)	(8,169)
Other receivables		(563,618)	(71,588)
Inventories		(1,085,146)	(1,589,304)
Prepayments		(15,532)	28,075
Other current assets		158,058	747,115
Other non-current assets		8,885	(120,519)
Net changes in liabilities relating to operating activities			
Contract liabilities - current		464,861	105,516
Accounts payable		(5,114)	360,648
Notes payable		754,755	745,542
Other payables		3,089,541	(413,772)
Other current liabilities		25,226	(80,123)
Contract liabilities - non-current		20,309	14,184
Net defined benefit liability		(143,603)	(239,043)
Other non-current liabilities		(22,859)	(22,255)
Cash inflow generated from operations		23,957,683	19,116,587
Interest received		91,102	44,342
Income tax paid	6(30)	(1,411,661)	(1,218,313)
Interest paid		(567,793)	(417,460)
Dividends received		2,859,999	2,877,372
Net cash flows from operating activities		24,929,330	20,402,528

YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of investments accounted for using equity method	6(6)	(\$ 5,442,963)	(\$ 390,000)
Acquisition of property, plant and equipment	6(32)	(7,149,548)	(6,007,003)
Proceeds from disposal of property, plant and equipment		28,687	50,103
Acquisition of investment property	6(10)	(396,514)	-
Proceeds from disposal of investment property		-	37,933
Increase in guarantee deposits paid		(40,538)	(95,482)
Acquisition of intangible assets	6(11)	(332,330)	(196,162)
Prepaid land	6(12)	(300,000)	(600,000)
Net cash flows used in investing activities		(13,633,206)	(7,200,611)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings	6(33)	50,000	4,200,000
Increase in short-term notes and bills payable	6(33)	3,497,090	-
Increase in long-term borrowings	6(33)	5,550,000	-
Payments of lease liabilities	6(33)	(8,736,191)	(8,419,696)
Increase in guarantee deposits received	6(33)	237,815	272,098
Payment of cash dividends	6(21)(33)	(9,356,600)	(9,356,600)
Payments of unpaid cash dividends from previous year transferred to capital reserve		(302)	-
Net cash flows used in financing activities		(8,758,188)	(13,304,198)
Net increase (decrease) in cash and cash equivalents		2,537,936	(102,281)
Cash and cash equivalents at beginning of year		10,617,340	10,719,621
Cash and cash equivalents at end of year		\$ 13,155,276	\$ 10,617,340

The accompanying notes are an integral part of these parent company only financial statements.

PRESIDENT CHAIN STORE CORP.

NOTES TO THE PARENT COMPANY ONLY

FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

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

1. HISTORY AND ORGANISATION

(1) President Chain Store Corporation (the "Company") was established on June 10, 1987. The Company is primarily engaged in the investment and operation of convenience store chains. Business items included sales of food, beverages, coffee, daily commodities, cosmetics and health care products. The common shares of the Company have been listed on the Taiwan Stock Exchange since August 22, 1997.

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

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE PARENT COMPANY ONLY FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These parent company only 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:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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 Company's financial condition and financial performance based on the Company's assessment.

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

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

The Company 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 and etc., and are expected to take effect in future years. Therefore, the Company does not have relevant current income tax exposure.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards that came into effect as endorsed by the FSC but not yet adopted by the Company

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

(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 Company's financial condition and financial performance based on the Company's assessment.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

(1) Compliance statement

The parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(2) Basis of preparation

A. Except for the following items, the parent company only 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 International Financial Reporting Standards, International Accounting Standards, IFRIC® Interpretations, and SIC® Interpretations as endorsed by the FSC (collectively referred herein as the "IFRSs"), requires the use of certain critical accounting estimates, and the exercise of management's judgement in applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translation

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

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (d) All foreign exchange gains and losses based on the nature of those transactions are presented in parent company only 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 group entities, 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 arrangements, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even when the Company 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 arrangements, such transactions should be accounted for as disposal of all interest in these foreign operations.
 - (c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Company 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.
- (4) 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.
- (5) 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 of less than 12 months) are classified as cash equivalents.
- (6) 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 Company measures the financial assets at fair value and recognizes the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value and recognizes the gain or loss in profit or loss.
 - D. The Company recognizes the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.
- (7) 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 Company 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 Company'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 Company measures the financial assets at fair value plus transaction costs. The Company 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 Company and the amount of the dividend can be measured reliably.
- (8) Accounts and notes receivable
- A. Accounts and notes receivable entitle the Company 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.
- (9) Impairment of financial assets
- For financial assets measured at amortized cost, at each reporting date, the Company 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 that do not contain a significant financing component, the Company recognizes the impairment provision for lifetime ECLs.
- (10) Leasing arrangement (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.
- (11) Inventories
- A. Purchases are initially recorded at cost. Cost is determined using the retail inventory method.
 - B. Ending inventories are stated at the lower of cost and net realizable value, and 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.
- (12) Investments accounted for using equity method - subsidiaries, associates and joint ventures
- A. Subsidiaries are all entities controlled by the Company. The Company controls an entity when the Company 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.
 - B. Unrealized gains or losses resulting from inter-company transactions with subsidiaries are eliminated. Necessary adjustments are made to the accounting policies of subsidiaries, to be consistent with the accounting policies of the Company.
 - C. The Company's share of its subsidiaries' 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 Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognize its share in the subsidiary's loss proportionately.
 - 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 owner. 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 Company loses control of a subsidiary, the Company 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 Company 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.

- F. Associates are all entities over which the Company 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.
- G. The Company'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 Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- H. 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 Company's ownership percentage of the associate, the Company recognizes the Company's share of change in equity of the associate in 'capital surplus' in proportion to its ownership.
- I. Unrealized gains on transactions between the Company and its associates are eliminated to the extent of the Company'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 Company.
- J. In the case that an associate issues new shares and the Company does not subscribe or acquire new shares proportionately, which results in a change in the Company's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for using equity method' shall be adjusted for the increase or decrease of equity interest. If the above condition causes a decrease in the Company'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.
- K. Upon loss of significant influence over an associate, the Company 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.
- L. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts 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.
- M. The Company accounts for its interest in a joint venture using equity method. Unrealized profits and losses arising from the transactions between the Company and its joint venture are eliminated to the extent of the Company's interest in the joint venture. The Company'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. 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 Company's share of losses in a joint venture equals or exceeds its interest in the joint venture together with any other unsecured receivables, the Company does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture.
- N. According to Rules Governing the Preparation of Financial Statements by Securities Issuers, profit for the year and other comprehensive income for the year reported in the parent company only financial statements, shall be equal to profit for the year and other comprehensive income attributable to owners of the parent reported in the consolidated financial statements, equity reported in the parent company only financial statements shall be equal to equity attributable to owners of parent reported in the consolidated financial statements.

(13) 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 Company 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. Property, plant and equipment are measured subsequently using the cost model. 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 reviewed, 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	50 years
Operating equipment	4 ~ 8 years
Leasehold improvements	7 ~ 10 years

(14) 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 Company. 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 Company 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.

(15) 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 50 years.

(16) Intangible assets

Computer software and copyright are stated at cost and amortized on a straight-line basis over its estimated useful life of 3 to 15 years.

(17) Impairment of non-financial assets

The Company 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. When the circumstances or reasons for recognising 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.

(18) 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.

(19) 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.

(20) Provisions

The Company'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.

(21) 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 plan**

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 plan

- 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 Company 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 defined benefit net 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 Company'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 Company 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' compensation and directors' remuneration

Employees' compensation and directors' 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 Company calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(22) 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 operates and generates 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 parent company only balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition 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 or 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 Company 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.
- (23) Revenue recognition
- A. Sale of goods
- (a) The Company operates a chain of retail stores. Revenue from the sale of goods is recognized when the Company sells a product to the customer.
- (b) Payment of the transaction price is due immediately when the customer purchases the product. It is the Company'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 Company 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 Company provides delivery services. Revenue from delivering services is recognized when the services have been provided.
- C. Financing components
- The Company 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 Company does not adjust any of the transaction prices for the time value of money.

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

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

6. DETAILS OF SIGNIFICANT ACCOUNTS**(1) Cash and cash equivalents**

	December 31, 2023	December 31, 2022
Petty cash in store	\$ 1,021,059	\$ 1,047,270
Checking accounts and demand deposits	11,135,091	8,271,725
Cash equivalents		
Short-term financial instruments	999,126	1,298,345
	<u>\$ 13,155,276</u>	<u>\$ 10,617,340</u>

A. The Company 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. The Company has no cash and cash equivalents pledged to others.

(2) Accounts receivable

	December 31, 2023	December 31, 2022
Accounts receivable	\$ 769,174	\$ 742,285
Less: Allowance for doubtful accounts	(26,415)	(2,149)
	<u>\$ 742,759</u>	<u>\$ 740,136</u>

A. The ageing analysis of accounts receivable is as follows:

	December 31, 2023	December 31, 2022
Not past due	\$ 753,015	\$ 730,810
Up to 90 days	16,133	8,553
91 to 120 days	9	2,856
Over 121 days	17	66
	<u>\$ 769,174</u>	<u>\$ 742,285</u>

The above ageing analysis was based on past due date.

B. As at December 31, 2023 and 2022, accounts receivable was all from contracts with customers. And as at January 1, 2022, the balance of receivables from contracts with customers amounted to \$733,144.

C. No accounts receivable of the Company were pledged to others.

D. 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 Company's accounts receivable was \$742,759 and \$740,136, respectively.

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

(3) Inventories

	December 31, 2023		
	Cost	Allowance for valuation loss	Book value
Merchandise	\$ 12,757,798	(\$ 103,033)	\$ 12,654,765
	December 31, 2022		
	Cost	Allowance for valuation loss	Book value
Merchandise	\$ 11,627,892	(\$ 58,273)	\$ 11,569,619

The cost of inventories recognized as expense:

	For the year ended December 31, 2023	For the year ended December 31, 2022
Cost of goods sold	\$ 128,776,388	\$ 119,481,182
Loss on valuation of inventories	44,760	36,403
Spoilage	1,814,130	1,805,025
Others	360,127	311,361
	<u>\$ 130,995,405</u>	<u>\$ 121,633,971</u>

(4) Financial assets at fair value through profit or loss – non-current

	December 31, 2023	December 31, 2022
Financial assets mandatorily measured at fair value through profit or loss		
Non-current items:		
Unlisted stocks	\$ 240,975	\$ 240,975
Valuation adjustment	(155,495)	(155,495)
	<u>\$ 85,480</u>	<u>\$ 85,480</u>

A. The Company recognized net gains of financial assets at fair value through profit or loss amounting to \$31,364 and \$36,989 for the years ended December 31, 2023 and 2022, respectively.

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

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

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

	December 31, 2023	December 31, 2022
Equity instruments		
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 Company has elected to classify the listed and unlisted stocks that are considered to be strategic investments and have 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 (loss) 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
Equity instruments at fair value through other comprehensive income		
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 Company was \$1,019,411 and \$847,481, respectively.

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

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

(6) Investments accounted for using the equity method

	2023	2022
At January 1	\$ 50,289,206	\$ 46,935,745
Addition of investments accounted for using equity method	5,442,963	390,000
Share of profit or loss of investments accounted for using equity method	4,748,744	3,409,883
Earnings distribution of investments accounted for using equity method	(2,806,115)	(2,756,246)
Changes in other equity items	(67,563)	2,309,824
At December 31	<u>\$ 57,607,235</u>	<u>\$ 50,289,206</u>
	December 31, 2023	December 31, 2022
<u>Subsidiaries</u>		
President Chain Store (BVI) Holdings Ltd.	\$ 27,085,477	\$ 25,442,996
Uni-Wonder Corp.	4,874,066	4,941,483
President Transnet Corp.	2,365,288	2,376,245
President Drugstore Business Corp.	2,167,796	1,797,884
Uni-President Cold-Chain Corp.	1,290,811	1,022,870
Wisdom Distribution Service Corp.	1,271,428	904,525
Mech-President Corp.	840,062	820,340
President Pharmaceutical Corp.	709,670	715,589
Uni-President Superior Commissary Corp.	617,635	567,811
Uni-President Department Store Corp.	527,745	484,090
President Information Corp.	513,102	513,883
Q-ware Systems & Services Corp.	430,470	420,994
ICASH Corp.	372,047	418,981
Books.com. Co., Ltd.	250,727	317,655
Duskin Serve Taiwan Co., Ltd.	234,666	237,178
21 Century Co., Ltd.	187,991	186,243
Retail Support International Corp.	174,842	185,572
President Collect Service Corp., etc.	24,118	379,367
	<u>43,937,941</u>	<u>41,733,706</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>\$ 57,607,235</u>	<u>\$ 50,289,206</u>

A. Information about the subsidiaries of the Company is provided in Note 4(3), "Basis of preparation" of the consolidated financial statements as of and for the year ended December 31, 2023.

B. As of June 30, 2023, the Company acquired an additional 10.5% 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.

C. The acquisition of additional shares in certain investments in associates or joint ventures are not significant to the Company. The details of the Company's share of the operating results in the aforementioned investments are as follows:

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

	For the year ended December 31, 2023	For the year ended December 31, 2022
Total comprehensive income	\$ 167,105	\$ 228,765

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

	For the year ended December 31, 2023	For the year ended December 31, 2022
Total comprehensive income	\$ 46,243	\$ 38,694

D. No impairment loss was recognized on investments accounted for using equity method for the years ended December 31, 2023 and 2022.

(7) Property, plant and equipment

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

	2023					
	Land	Buildings	Operating equipment	Leasehold improvements	Others	Total
<u>At January 1</u>						
Cost	\$ 2,267,333	\$ 960,289	\$ 19,362,908	\$ 11,997,536	\$ 464,886	\$ 35,052,952
Accumulated depreciation and impairment	(3,932)	(414,216)	(10,598,197)	(6,421,374)	(10,747)	(17,448,466)
	<u>\$ 2,263,401</u>	<u>\$ 546,073</u>	<u>\$ 8,764,711</u>	<u>\$ 5,576,162</u>	<u>\$ 454,139</u>	<u>\$ 17,604,486</u>
Opening net book amount as at January 1	\$ 2,263,401	\$ 546,073	\$ 8,764,711	\$ 5,576,162	\$ 454,139	\$ 17,604,486
Additions	28,647	18,367	3,079,231	2,472,476	242,625	5,841,346
Disposals	-	-	(115,045)	(67,691)	-	(182,736)
Transfer	(5,828)	(13,578)	381,844	59,890	(441,734)	(19,406)
Depreciation charge	-	(18,466)	(2,550,458)	(1,389,581)	(1,105)	(3,959,610)
Closing net book amount as at December 31	<u>\$ 2,286,220</u>	<u>\$ 532,396</u>	<u>\$ 9,560,283</u>	<u>\$ 6,651,256</u>	<u>\$ 253,925</u>	<u>\$ 19,284,080</u>
<u>At December 31</u>						
Cost	\$ 2,290,152	\$ 946,834	\$ 20,976,765	\$ 13,719,570	\$ 265,777	\$ 38,199,098
Accumulated depreciation and impairment	(3,932)	(414,438)	(11,416,482)	(7,068,314)	(11,852)	(18,915,018)
	<u>\$ 2,286,220</u>	<u>\$ 532,396</u>	<u>\$ 9,560,283</u>	<u>\$ 6,651,256</u>	<u>\$ 253,925</u>	<u>\$ 19,284,080</u>

	2022					
	Land	Buildings	Operating equipment	Leasehold improvements	Others	Total
<u>At January 1</u>						
Cost	\$ 1,518,631	\$ 957,651	\$ 17,435,785	\$ 10,582,840	\$ 27,123	\$ 30,522,030
Accumulated depreciation and impairment	(3,932)	(394,939)	(10,091,233)	(6,114,412)	(10,163)	(16,614,679)
	<u>\$ 1,514,699</u>	<u>\$ 562,712</u>	<u>\$ 7,344,552</u>	<u>\$ 4,468,428</u>	<u>\$ 16,960</u>	<u>\$ 13,907,351</u>
Opening net book amount as at January 1	\$ 1,514,699	\$ 562,712	\$ 7,344,552	\$ 4,468,428	\$ 16,960	\$ 13,907,351
Additions	726,288	-	3,651,441	2,394,824	437,875	7,210,428
Disposals	-	-	(59,720)	(76,867)	-	(136,587)
Transfer	22,414	2,374	14	36	(50)	24,788
Depreciation charge	-	(19,013)	(2,171,576)	(1,210,259)	(646)	(3,401,494)
Closing net book amount as at December 31	<u>\$ 2,263,401</u>	<u>\$ 546,073</u>	<u>\$ 8,764,711</u>	<u>\$ 5,576,162</u>	<u>\$ 454,139</u>	<u>\$ 17,604,486</u>
<u>At December 31</u>						
Cost	\$ 2,267,333	\$ 960,289	\$ 19,362,908	\$ 11,997,536	\$ 464,886	\$ 35,052,952
Accumulated depreciation and impairment	(3,932)	(414,216)	(10,598,197)	(6,421,374)	(10,747)	(17,448,466)
	<u>\$ 2,263,401</u>	<u>\$ 546,073</u>	<u>\$ 8,764,711</u>	<u>\$ 5,576,162</u>	<u>\$ 454,139</u>	<u>\$ 17,604,486</u>

B. No property, plant and equipment of the Company was pledged to others.

(8) Leasing arrangements – lessee

A. The Company leases various assets including buildings and equipment, etc. Rental contracts are typically made for periods of 1 to 50 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

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

	December 31, 2023	December 31, 2022
	Carrying amount	Carrying amount
Buildings	<u>\$ 58,391,761</u>	<u>\$ 56,946,107</u>
	For the year ended December 31, 2023	For the year ended December 31, 2022
	Depreciation charge	Depreciation charge
Buildings	<u>\$ 8,928,750</u>	<u>\$ 8,541,094</u>

C. For the years ended December 31, 2023 and 2022, the additions to right-of-use assets were \$11,714,796 and \$13,957,597, respectively.

D. The information on income and expense 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	\$ 370,728	\$ 347,557
Expense on variable lease payments	139,254	116,904
Gain on sublease of right-of-use assets	735,152	661,220
Gain from lease modification	59,696	53,170

E. For the years ended December 31, 2023 and 2022, the Company's total cash outflow for leases were \$9,246,173 and \$8,884,157, respectively.

F. Variable lease payments

(a) Some of the Company's lease contracts contain variable lease payment terms that are linked to sales generated from a store. For the above-mentioned stores, approximately 1.48% and 1.30% of lease payments for the years ended 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 \$1,393 and \$1,169 for the years ended December 31, 2023 and 2022, respectively.

G. The Company's leases not yet commenced to which the leases are committed are business premises for the lessees, and the lease liabilities undiscounted amount at December 31, 2023 and 2022 are \$2,978,904 and \$3,587,734, respectively.

H. The Company 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 \$3,449, as other income for the year ended December 31, 2022.

(9) Leasing arrangements – lessor

A. The Company leases various assets including land and buildings. Rental contracts are typically made for periods of 2 to 15 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	\$ 804,018	\$ 736,441
Rental revenue from variable lease payments	\$ 491,209	\$ 434,434

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

	December 31, 2023	December 31, 2022
Within 1 year	\$ 276,917	\$ 258,640
1~2 years	247,272	193,998
2~3 years	209,596	172,065
3~4 years	184,291	139,881
4~5 years	146,631	117,816
Over 5 years	748,153	260,316
	\$ 1,812,860	\$ 1,142,716

(10) Investment property

	2023		
	Land	Buildings	Total
At January 1	\$ 1,274,234	\$ 233,913	\$ 1,508,147
Additions	241,611	154,903	396,514
Disposals	-	(365)	(365)
Transfer	5,828	13,578	19,406
Depreciation charge	-	(7,593)	(7,593)
At December 31	\$ 1,521,673	\$ 394,436	\$ 1,916,109

	2022		
	Land	Buildings	Total
At January 1	\$ 1,303,855	\$ 244,327	\$ 1,548,182
Disposals	(7,207)	(1,219)	(8,426)
Transfer	(22,414)	(2,374)	(24,788)
Depreciation charge	-	(6,821)	(6,821)
At December 31	\$ 1,274,234	\$ 233,913	\$ 1,508,147

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	\$ 79,787	\$ 72,516
Direct operating expenses arising from the investment property that generated rental income during the year	\$ 25,233	\$ 25,555

B. The fair value of the investment property held by the Company as at December 31, 2023 and 2022 ranged from \$3,722,237 to \$4,768,274, respectively, 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 comparative approach and income approach which is categorized within Level 3 in fair value hierarchy. Key assumptions are the discount rate of 2.41% to 2.66% and the growth rate of 3%~15%.

C. No investment property of the Company was pledged to others.

(11) Intangible assets

Software and copyright	2023	2022
At January 1	\$ 358,172	\$ 290,720
Additions	332,330	196,162
Amortization charge	(186,245)	(128,710)
At December 31	\$ 504,257	\$ 358,172

A. Amortization charge on intangible assets are recognized as operating expenses.

B. No intangible assets of the Company were pledged to others.

(12) Other non-current assets

	December 31, 2023	December 31, 2022
Guarantee deposits paid	\$ 1,721,024	\$ 1,680,486
Prepaid land	900,000	600,000
Others	126,153	135,038
	\$ 2,747,177	\$ 2,415,524

The Company signed a contract for the acquisition of land located in Taoyuan Aerotropolis Industry Area for approximately \$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.

(13) Short-term borrowings

Type of borrowings	December 31, 2023	Interest rate range	Collateral
Bank borrowings			
Credit loan	\$ 7,750,000	1.43%~1.61%	None
Type of borrowings	December 31, 2022	Interest rate range	Collateral
Bank borrowings			
Credit loan	\$ 7,700,000	1.24%~1.65%	None

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

(14) Short-term notes and bills payable

Type of borrowings	December 31, 2023	Interest rate range	Collateral
Commercial papers payable	\$ 3,500,000	1.55%~1.61%	Please refer to the below for details
Less: Unamortized discount	(2,910)		
	<u>\$ 3,497,090</u>		

A. There was no commercial papers payable at 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.

(15) Other payables

	December 31, 2023	December 31, 2022
Store collections	\$ 14,307,517	\$ 12,745,952
Wages, salaries and bonus payable	1,685,692	1,503,648
Incentive bonus payable to franchisees	1,244,372	1,143,698
Employees' compensation and remuneration for directors	772,653	663,808
Payables for acquisition of property, plant and equipment	747,267	2,055,469
Payables for system development and maintenance expenses	300,432	142,438
Payables for labor and health insurance	89,292	84,532
Rent payable	37,036	40,975
Others	2,216,848	1,303,439
	<u>\$ 21,401,109</u>	<u>\$ 19,683,959</u>

(16) Other current liabilities

	December 31, 2023	December 31, 2022
Advance receipts for gift certificates	\$ 1,526,105	\$ 1,496,265
Others	158,154	162,768
	<u>\$ 1,684,259</u>	<u>\$ 1,659,033</u>

(17) Long-term borrowings

Type of borrowings	Interest rate range	Collateral	December 31, 2023
Long-term bank borrowings			
Credit loan	1.43%~1.80%	None	<u>\$ 5,550,000</u>

A. There was no long-term bank borrowings at December 31, 2022.

B. There was no capitalization of borrowing costs for the above period. Relevant interest expense on borrowings is recognized as "finance costs".

(18) Pensions

A. The Company has a defined benefit pension plan in accordance with the Labor Standards Act, covering 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 Act. 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 6 months prior to retirement. The Company contributes monthly an amount equal to 2.51% and 2.28% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company 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 will make contributions for the deficit by next March.

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

	December 31, 2023	December 31, 2022
Present value of defined benefit obligation	(\$ 3,155,174)	(\$ 3,378,953)
Fair value of plan assets	1,343,656	1,394,708
Net defined benefit liability	(\$ 1,811,518)	(\$ 1,984,245)

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

	2023		
	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability
At January 1	(\$ 3,378,953)	\$ 1,394,708	(\$ 1,984,245)
Current service cost	(17,278)	-	(17,278)
Interest (expense) income	(43,210)	17,693	(25,517)
Past service cost	(229)	-	(229)
	(3,439,670)	1,412,401	(2,027,269)
Remeasurements:			
Return on plan assets (excluding amounts attributable to interest income or expense)	-	12,266	12,266
Change in demographic assumptions	(154)	-	(154)
Experience adjustments	17,012	-	17,012
	16,858	12,266	29,124
Pension fund contribution	-	163,624	163,624
Paid pension	267,638	(244,635)	23,003
At December 31	(\$ 3,155,174)	\$ 1,343,656	(\$ 1,811,518)
	2022		
	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability
At January 1	(\$ 3,955,125)	\$ 1,256,993	(\$ 2,698,132)
Current service cost	(25,536)	-	(25,536)
Interest (expense) income	(21,449)	6,720	(14,729)
	(4,002,110)	1,263,713	(2,738,397)
Remeasurements:			
Return on plan assets (excluding amounts attributable to interest income or expense)	-	105,267	105,267
Change in demographic assumptions	(74)	-	(74)
Change in financial assumptions	276,252	-	276,252
Experience adjustments	93,399	-	93,399
	369,577	105,267	474,844
Pension fund contribution	-	275,825	275,825
Paid pension	253,580	(250,097)	3,483
At December 31	(\$ 3,378,953)	\$ 1,394,708	(\$ 1,984,245)

(c) The Bank of Taiwan was commissioned to manage the Fund of the Company's 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 contributions to cover 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	1.30%	1.30%
Future salary increases	3.00%	3.00%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with Taiwan Life Insurance Industry 6th Mortality Table. Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis is as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
<u>December 31, 2023</u>				
Effect on present value of defined benefit obligation	(\$ 76,643)	\$ 79,403	\$ 79,921	(\$ 77,565)
<u>December 31, 2022</u>				
Effect on present value of defined benefit obligation	(\$ 85,515)	\$ 88,704	\$ 89,091	(\$ 86,359)

The sensitivity analysis above is based on one assumption which changed while the other conditions remained 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 method and types of assumptions used in preparing the sensitivity analysis are the same as the prior year.

(e) Expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2024 amount to \$36,664.

(f) As of December 31, 2023, the weighted average duration of the retirement plan is 9 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	\$ 121,656
1-2 year(s)	149,575
2-5 years	482,664
Over 5 years	2,831,652
	<u>\$ 3,585,547</u>

B. Effective July 1, 2005, the Company has 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 contributes 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 pension costs under the Company's defined contribution pension plan for the years ended December 31, 2023 and 2022 were \$241,079 and \$227,595, respectively.

(19) Share capital

As of December 31, 2023, the Company's authorized capital was \$10,500,000, consisting of 1,050,000,000 shares of ordinary stock, and the paid-in capital was \$10,396,223 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected. The number of the Company's outstanding ordinary shares was both 1,039,622,255 shares as of December 31, 2023 and 2022.

(20) 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.

(21) 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 and then 10% of the remaining amount shall be set aside as legal reserve. After setting aside or reversing a special reserve, in accordance with related laws, the remaining amount is distributable for the given period. The appropriation of the total distributable amount (that is, the distributable amount for the year along with accumulated unappropriated earnings from prior years) should be proposed by the Board of Directors and voted on by the shareholders at the shareholders' meeting. The dividends and bonus to be distributed to shareholders may be 50%-100% of the total distributable amount, and 50%-100% of dividends are to be distributed as cash dividends, and the remaining undistributed amount to 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 is 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

(22) 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:			
–The Company	-	171,930	171,930
–Subsidiaries	-	-	-
–Associates	-	5,565	5,565
Revaluation - tax	-	(1,951)	(1,951)
Currency translation differences:			
–The Company	(62,999)	-	(62,999)
–Subsidiaries	(313)	-	(313)
–Associates	3,872	-	3,872
At December 31	(\$ 649,458)	\$ 710,937	\$ 61,479

	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:			
–The Company	-	(318,428)	(318,428)
–Subsidiaries	-	-	-
–Associates	-	(372)	(372)
Revaluation - tax	-	(1,187)	(1,187)
Currency translation differences:			
–The Company	2,145,224	-	2,145,224
–Subsidiaries	4,691	-	4,691
–Associates	36,962	-	36,962
At December 31	(\$ 590,018)	\$ 535,393	(\$ 54,625)

(23) Operating revenue

	For the year ended December 31, 2023	For the year ended December 31, 2022
Revenue from contracts with customers	\$ 197,663,849	\$ 182,872,403

A. Disaggregation of revenue from contracts with customers

The Company operates a chain of retail stores and derives revenue from the transfer of goods and services over time and at a point in time. The operating revenue is categorized based on goods or services recognition timing as follows:

	For the year ended December 31, 2023	For the year ended December 31, 2022
Timing of revenue recognition		
–At a point in time	\$ 196,649,553	\$ 181,959,481
–Over time	1,014,296	912,922
	\$ 197,663,849	\$ 182,872,403

B. Contract liabilities

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

	December 31, 2023	December 31, 2022
Contract liabilities – advance receipts of gift payments	\$ 4,441,053	\$ 4,082,878
Contract liabilities – franchise fee	297,642	276,649
Contract liabilities – customer loyalty programs	762,718	642,998
Contract liabilities – others	67,445	81,163
	<u>\$ 5,568,858</u>	<u>\$ 5,083,688</u>

(b) Revenues recognized that were included in the contract liabilities balance at the beginning were \$3,358,814 and \$3,550,851 for the years ended December 31, 2023 and 2022, respectively.

(24) Interest income

	For the year ended December 31, 2023	For the year ended December 31, 2022
Interest income	\$ 91,102	\$ 43,869

(25) Other income

	For the year ended December 31, 2023	For the year ended December 31, 2022
Grants income	\$ 816,881	\$ 766,423
Rental revenue	227,800	216,474
Dividend income	53,884	121,126
Other income	531,757	624,396
	<u>\$ 1,630,322</u>	<u>\$ 1,728,419</u>

(26) Other gains and losses

	For the year ended December 31, 2023	For the year ended December 31, 2022
Gain from lease modification	\$ 59,696	\$ 53,170
(Loss) gain on disposal of investment property	(365)	29,507
Loss on disposal of property, plant and equipment	(75,592)	(86,484)
Others	(10,968)	(116,094)
	<u>(\$ 27,229)</u>	<u>(\$ 119,901)</u>

(27) Financial costs

	For the year ended December 31, 2023	For the year ended December 31, 2022
Interest expense on lease liabilities	\$ 370,728	\$ 347,557
Financial expense, others	218,688	85,683
	<u>\$ 589,416</u>	<u>\$ 433,240</u>

(28) Expenses by nature

	For the year ended December 31, 2023	For the year ended December 31, 2022
Net cost of goods sold	\$ 128,821,148	\$ 119,517,585
Incentive bonuses for franchisees	26,076,335	24,418,945
Depreciation and amortization	13,074,605	12,071,298
Employee benefit expenses	8,287,780	7,583,938
Utilities expense	3,069,427	2,669,797
Operating lease payments	139,254	116,904
Other costs and expenses	11,568,425	10,400,702
Total operating costs and operating expenses	<u>\$ 191,036,974</u>	<u>\$ 176,779,169</u>

(29) Employee benefit expense

	For the year ended December 31, 2023	For the year ended December 31, 2022
Wages and salaries	\$ 6,853,580	\$ 6,292,331
Labor and health insurance fees	565,145	526,243
Pension costs	284,103	267,860
Directors' remuneration	203,321	176,186
Other personnel expenses	381,631	321,318
	<u>\$ 8,287,780</u>	<u>\$ 7,583,938</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' 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% of distributable profit of the current year for the year ended December 31, 2023. The 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 at the meeting of Board of Directors were in agreement with those amounts recognized in the 2022 financial statements. 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.

(30) 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 profits for the year	\$ 1,769,103	\$ 1,487,675
Tax on undistributed surplus earnings	65,808	-
Over provision of prior year's income tax	(81,222)	(16,546)
Total current tax	1,753,689	1,471,129
Deferred tax:		
Origination and reversal of temporary differences	112,795	(30,515)
Income tax expense	<u>\$ 1,866,484</u>	<u>\$ 1,440,614</u>

(b) The income tax charge/(credit) 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
Changes in fair value of financial assets at fair value through other comprehensive income	\$ 1,951	\$ 1,187
Remeasurement of defined benefit obligations	5,824	94,969
	<u>\$ 7,775</u>	<u>\$ 96,156</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	\$ 2,496,080	\$ 2,144,453
Expenses disallowed by tax regulation	(10,520)	(63,960)
Tax on profit for using equity method by domestic subsidiaries	(603,662)	(623,333)
Over provision of prior year's income tax	(81,222)	(16,546)
Investment tax credit	65,808	-
Income tax expense	\$ 1,866,484	\$ 1,440,614

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

	2023			
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Deferred tax assets				
Allowance for doubtful accounts	\$ 342	\$ 4,853	\$ -	\$ 5,195
Unrealized expenses	181,289	20,990	-	202,279
Contract liabilities	128,788	23,944	-	152,732
Remeasurements of defined benefit obligation	417,228	-	(5,824)	411,404
Others	19,000	8,424	-	27,424
	746,647	58,211	(5,824)	799,034
Deferred tax liabilities				
Unrealized gain	(29,672)	(38,080)	(1,951)	(69,703)
Foreign investment income	(3,572,213)	(132,926)	-	(3,705,139)
	(3,601,885)	(171,006)	(1,951)	(3,774,842)
	(\$ 2,855,238)	(\$ 112,795)	(\$ 7,775)	(\$ 2,975,808)
	2022			
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Deferred tax assets				
Allowance for doubtful accounts	\$ 107	\$ 235	\$ -	\$ 342
Unrealized expenses	149,676	31,613	-	181,289
Contract liabilities	93,071	35,717	-	128,788
Remeasurements of defined benefit obligation	512,197	-	(94,969)	417,228
Others	22,959	(3,959)	-	19,000
	778,010	63,606	(94,969)	746,647
Deferred tax liabilities				
Unrealized gain	(29,063)	578	(1,187)	(29,672)
Foreign investment income	(3,538,544)	(33,669)	-	(3,572,213)
	(3,567,607)	(33,091)	(1,187)	(3,601,885)
	(\$ 2,789,597)	\$ 30,515	(\$ 96,156)	(\$ 2,855,238)

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

(31) Earnings per share

	For the year ended December 31, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	\$ 10,613,914	1,039,622	\$ 10.21
Diluted earnings per share			
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 the 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)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	\$ 9,281,650	1,039,622	\$ 8.93
Diluted earnings per share			
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 the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 9,281,650	1,041,741	\$ 8.91

(32) 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	\$ 5,841,346	\$ 7,210,428
Add: Opening balance of payable on equipment	2,055,469	852,044
Less: Ending balance of payable on equipment	(747,267)	(2,055,469)
Cash paid during the year	\$ 7,149,548	\$ 6,007,003

(33) Changes in liabilities from financing activities

	2023						
	Short-term borrowings	Short-term notes and bills payable	Dividend payable	Long-term debt payable	Lease liabilities	Guarantee deposits received	Total liabilities from financing activities
At January 1	\$ 7,700,000	\$ -	\$ -	\$ -	\$ 57,808,510	\$ 3,469,748	\$ 68,978,258
Changes in cash flow from financing activities	50,000	3,497,090	(9,356,600)	5,550,000	(8,736,191)	237,815	(8,757,886)
Interest paid (Note)	-	-	-	-	(370,728)	-	(370,728)
Changes in other non-cash items	-	-	9,356,600	-	10,653,784	-	20,010,384
At December 31	\$ 7,750,000	\$ 3,497,090	\$ -	\$ 5,550,000	\$ 59,355,375	\$ 3,707,563	\$ 79,860,028

Note: Presented in cash flows from operating activities.

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	2022						
	Short-term borrowings	Short-term notes and bills payable	Dividend payable	Long-term debt payable	Lease liabilities	Guarantee deposits received	Total liabilities from financing activities
At January 1	\$ 3,500,000	\$ -	\$ -	\$ -	\$ 53,469,386	\$ 3,197,650	\$ 60,167,036
Changes in cash flow from financing activities	4,200,000	-	(9,356,600)	-	(8,419,696)	272,098	(13,304,198)
Interest paid (Note)	-	-	-	-	(347,557)	-	(347,557)
Changes in other non-cash items	-	-	9,356,600	-	13,106,377	-	22,462,977
At December 31	\$ 7,700,000	\$ -	\$ -	\$ -	\$ 57,808,510	\$ 3,469,748	\$ 68,978,258

Note: Presented in cash flows from operating activities.

7. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party

The Company'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 Company
Uni-President Enterprises Corp.	Ultimate parent company
21 Century Co., Ltd.	Subsidiary
Books.com. Co., Ltd.	"
Capital Marketing Consultant Corp.	"
Duskin Serve Taiwan Co., Ltd.	"
ICASH Corp.	"
President Chain Store (BVI) Holdings Ltd.	"
President Drugstore Business Corp.	"
Uni-President Department Store Corp.	"
President Information Corp.	"
President Logistics International Corp.	"
Uni-President Superior Commissary Corp.	"
President Pharmaceutical Corp.	"
President Transnet Corp.	"
Retail Support International Corp.	"
Uni-President Oven Bakery Corp.	"
Uni-President Cold-Chain Corp.	"
Q-ware Systems & Services Corp.	"
Wisdom Distribution Service Corp.	"
Uni-Wonder Corp.	"
Connection Labs Ltd.	"
Tung Ang Enterprises Corp.	Sister company
President Professional Baseball Team Corp.	"
Presco Netmarketing Inc.	"
Tait Marketing & Distribution Co., Ltd.	"
President Packaging Industrial Corp.	"
Lien Bo Corp.	"
Kai Ya Food Co., Ltd.	"
Tung Hsyung Co., Ltd.	"
Uni-President Organics Corp.	Investee of the Company accounted for under the equity method
Mister Donut Taiwan Co., Ltd.	"

Names of related parties	Relationship with the Company
President Technology Corp.	Investee of the Company accounted for under the equity method
Kuang Chuan Dairy Co., Ltd.	Investee of ultimate parent company accounted for under the equity method
Wei Lih Food Industrial Co., Ltd.	"
President Securities Corporation	"
Cheng-Shi Construction Co., Ltd.	"

(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>Commission revenue from collection services</u>		
Subsidiaries	\$ 549,350	\$ 519,606
Sister companies	6,574,354	6,757,073
Associates	3	3
	<u>\$ 7,123,707</u>	<u>\$ 7,276,682</u>

B. Purchases (net of purchase rebate)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Ultimate parent company	\$ 19,231,929	\$ 17,304,860
Subsidiaries	7,999,780	7,265,161
Sister companies	5,609,333	5,137,993
Associates	211,475	223,617
Other related parties	802,474	786,927
	<u>\$ 33,854,991</u>	<u>\$ 30,718,558</u>

(a) The purchases above is a net amount after deducting the replacement for defects and rebate.

(b) The Company's purchases from the related parties are priced in accordance with the agreed terms that are generally not different from general vendors. The payment terms are net 10-70 days from the end of the month when invoice is issued and is generally not different from the general vendors.

C. Non-operating income

	For the year ended December 31, 2023	For the year ended December 31, 2022
Ultimate parent company	\$ 56,087	\$ 54,342
Subsidiaries	1,253,113	1,186,980
Sister companies	7,184	21,490
Associates	17,213	19,663
Other related parties	17,226	77,953
	<u>\$ 1,350,823</u>	<u>\$ 1,360,428</u>

D. Receivables (payables) from related parties

Other receivables	December 31, 2023	December 31, 2022
Ultimate parent company	\$ 249,378	\$ 159,432
Subsidiaries	2,797,058	2,465,936
Sister companies	386,233	323,995
Associates	19,823	19,203
Other related parties	4	3
	<u>\$ 3,452,496</u>	<u>\$ 2,968,569</u>

Notes payable and accounts payable	December 31, 2023	December 31, 2022
Ultimate parent company	\$ 473,802	\$ 452,953
Subsidiaries	17,330,354	16,719,660
Sister companies	22,219	48,603
Associates	70,474	85,106
Other related parties	10,365	1,333
	<u>\$ 17,907,214</u>	<u>\$ 17,307,655</u>

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

E. Leasing arrangements – lessee

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

(b) Acquisition of right-of-use assets

	For the year ended December 31, 2023	For the year ended December 31, 2022
Ultimate parent company	\$ -	\$ 6,985
Subsidiaries	17,179	-
Sister companies	18,414	-
Other related parties	6,880	-
Total	<u>\$ 42,473</u>	<u>\$ 6,985</u>

(c) Lease liabilities

	December 31, 2023	December 31, 2022
Ultimate parent company	\$ 3,072	\$ 5,919
Subsidiaries	47,727	40,208
Associates	27,077	36,737
Sister companies	50,602	40,206
Other related parties	315,365	361,462
Total	<u>\$ 443,843</u>	<u>\$ 484,532</u>

F. Property transaction Acquisition of assets

	Accounts	Year ended December 31, 2023	Year ended December 31, 2022
Subsidiaries	Intangible assets	\$ 201,037	\$ 56,405
Sister companies	"	2,436	1,600
Associates	"	113,992	96,206
Ultimate parent company	Property, plant and equipment	5,550	4,400
Subsidiaries	"	16,723	7,490
Sister companies	"	54,305	-
Associates	"	-	140
Other related parties	"	81,336	-
Total		<u>\$ 475,379</u>	<u>\$ 166,241</u>

(4) Key management compensation

	For the year ended December 31, 2023	For the year ended December 31, 2022
Short-term employee benefits	\$ 290,926	\$ 251,651

8. PLEDGED ASSETS

None.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(1) The Company 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 Company 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 \$1,143,590.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital management

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

(2) Financial instruments

A. Financial instruments by category

	December 31, 2023	December 31, 2022
Financial assets		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ 85,480	\$ 85,480
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	\$ 1,019,411	\$ 847,481
Financial assets at amortized cost		
Cash and cash equivalents	\$ 13,155,276	\$ 10,617,340
Accounts receivable, net	742,759	740,136
Other receivables	4,955,393	4,391,775
Other current assets (Note)	-	15,582
Guarantee deposit paid	1,721,024	1,680,486
	<u>\$ 20,574,452</u>	<u>\$ 17,445,319</u>
Financial liabilities		
Financial liabilities at amortized cost		
Short-term borrowings	\$ 7,750,000	\$ 7,700,000
Short-term notes and bills payable	3,497,090	-
Notes payable	8,859,215	8,104,460
Accounts payable	11,909,440	11,914,554
Other payables	21,401,109	19,683,959
Long-term debt payable	5,550,000	-
Guarantee deposit received	3,707,563	3,469,748
	<u>\$ 62,674,417</u>	<u>\$ 50,872,721</u>
Lease liabilities	<u>\$ 59,355,375</u>	<u>\$ 57,808,510</u>

Note: The Company's trust account for advance receipts of gift certificates and gift payments.

B. Risk management policies

(a) The Company's risk management and hedging policies mainly focus on hedging business risk. The Company 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 assess market values periodically. If transactions and gains (losses) are abnormal, the treasury will respond accordingly and report to the Board of Directors immediately.

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

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

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

II. Management has set up a policy to require the segments to manage their foreign exchange risk against their functional currency.

III. The Company's businesses involve some non-functional currency operations (the Company's functional currency is New Taiwan dollar, NTD). The information on of assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

(Foreign currency: functional currency)	December 31, 2023		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
<u>Financial assets</u>			
<u>Non-monetary items</u>			
JPY: NTD	\$ 1,005,300	0.2172	\$ 218,351
<u>Investments accounted for using equity method</u>			
USD: NTD	884,496	30.7050	27,158,462

(Foreign currency: functional currency)	December 31, 2022		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
<u>Financial assets</u>			
<u>Non-monetary items</u>			
JPY: NTD	\$ 897,600	0.2324	\$ 208,602
<u>Investments accounted for using equity method</u>			
USD: NTD	830,802	30.7100	25,513,915

IV. The total exchange gain (loss), including realized and unrealized arising from significant foreign exchange variation on the monetary items held by the Company amounted to \$27,203 and \$87 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 investments accounted for using equity method denominated in USD. If the NTD:USD exchange rate appreciates/depreciates by 5% with all other factors remaining constant, the Company's comprehensive income for the years ended December 31, 2023 and 2022 would increase/decrease by \$1,357,923 and \$1,275,696, respectively. Foreign exchange risk with respect to JPY primarily arises from the exchange gain or loss resulting from foreign currency translation of financial assets at fair value through other comprehensive income – non-current denominated in JPY. If the NTD:JPY exchange rate appreciates/depreciates by 5%, with all other factors remaining constant, the Company's comprehensive income for the years ended December 31, 2023 and 2022 would increase/decrease by \$10,918 and \$10,430, respectively.

Price risk

I. The Company'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 Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

- II. The Company's investments in equity securities comprise shares 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%, with all other variables held constant, the post-tax profit for the years ended December 31, 2023 and 2022 would have increased/decreased by \$4,274 and \$4,274, respectively, as a result of gains/losses on equity securities 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.
- 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 \$13,875 and \$0, 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 Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.
- II. The Company 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 Company adopts management of credit risk, whereby the default occurs when the contract payments are past due over certain number of days.
- IV. The Company 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 certain number of days based on the terms.
- V. The Company 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 Company manages individually and follows up regularly. The Company assesses credit impairment loss to be immaterial as at December 31, 2023 and 2022.
- VI. The Company 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 Company 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 Company held no money market funds as at December 31, 2023 and 2022.
- III. The Company has undrawn borrowing facilities beyond one year of \$29,533,999 and \$22,191,127 as of December 31, 2023 and 2022, respectively.
- IV. The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. Except for notes payable, accounts payable and other payables, whose contractual undiscounted cash flows are approximate to book value, maturing within one-year, and expect for guarantee deposit received, maturing above three-years, the amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:				
December 31, 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Over 3 years
Short-term borrowings	\$ 7,770,015	\$ -	\$ -	\$ -
Short-term notes and bills payable	3,500,000	-	-	-
Lease liabilities	8,996,490	8,837,100	8,429,191	36,030,493
Long-term debt payable	33,207	2,018,038	3,555,683	-

Non-derivative financial liabilities:				
December 31, 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Over 3 years
Short-term borrowings	\$ 7,744,642	\$ -	\$ -	\$ -
Lease liabilities	8,629,502	8,396,665	8,022,497	34,667,207

V. The Company neither expects the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expects the actual cash flow amount will be significantly different.

(3) Fair value information

A. The different levels of the inputs to valuation techniques are used to measure the fair value of financial and non-financial instruments have been 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 Company'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. The fair value of the Company's investment in is included in Level 2.

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

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

C. Financial instruments not measured at fair value

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

	December 31, 2023			
	Book value	Fair value		
		Level 1	Level 2	Level 3
Financial assets:				
Guarantee deposit paid	\$ 1,721,024	\$ -	\$ -	\$ 1,644,193
Financial liabilities:				
Guarantee deposit received	\$ 3,707,563	\$ -	\$ -	\$ 3,566,032

	December 31, 2022			
	Book value	Fair value		
		Level 1	Level 2	Level 3
Financial assets:				
Guarantee deposit paid	\$ 1,680,486	\$ -	\$ -	\$ 1,618,751
Financial liabilities:				
Guarantee deposit received	\$ 3,469,748	\$ -	\$ -	\$ 3,462,992

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

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

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

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	\$ -	\$ -	\$ 85,480	\$ 85,480
Financial assets at fair value through other comprehensive income				
Equity securities	1,015,063	-	4,348	1,019,411
	\$ 1,015,063	\$ -	\$ 89,828	\$ 1,104,891

December 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	\$ -	\$ -	\$ 85,480	\$ 85,480
Financial assets at fair value through other comprehensive income				
Equity securities	843,133	-	4,348	847,481
	\$ 843,133	\$ -	\$ 89,828	\$ 932,961

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

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

	Listed shares
Market quoted price	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 by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculations by applying models using market information available at the parent company only 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 Company 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 is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is 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 valued by independent appraisers or based on recent closing prices of similar property in the neighboring area.

H. The qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement is 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 Company has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurements. If net assets value from financial assets and liabilities categorised 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 DISCLOSURES

(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

None.

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES

Loans to others

Table 1

For the year ended December 31, 2023
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 December 31, 2023	Balance at December 31, 2023	Actual amount drawn down	Interest rate	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
													Item	Value			
1	President Pharmaceutical Corp.	President Being Corp.	Other receivables	Y	\$ 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)

Table 2

December 31, 2023
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	
	Stock:							
President Chain Store Corp.	President Investment Trust Corp.	Director of President Investment Trust Corp.	Financial assets at fair value through profit or loss – non-current	2,667,600	\$ 45,298	7.60	\$ 45,298	
President Chain Store Corp.	Career Consulting Co. Ltd.	None	"	837,753	14,461	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	
	Beneficiary certificates:							
Books.com. Co., Ltd.	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	

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
Acquisition or sale of the same security with the accumulated cost reaching \$300 million or 20% of the Company's paid-in capital

Table 3

For the year ended December 31, 2023
Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Type and name of securities	General ledger account	Counterparty	Relationship with the investor	Balance as at January 1, 2023		Addition		Disposal			Other increase (decrease)		Balance as at December 31, 2023		
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount	Number of shares	Amount
	Beneficiary certificates:															
Uni-President Department Store Corp.	Jih Sun Money Market Fund	Note 1	Not applicable	Not applicable	8,651,751	\$ 130,389	159,265,613	\$ 2,408,796	167,917,364	\$ 2,540,289	\$ 2,539,185	\$ 1,104	- \$	-	- \$	-
Uni-President Department Store Corp.	SinoPac TWD Money Market Fund	"	"	"	-	-	51,745,037	737,849	51,745,037	738,086	737,849	237	-	-	-	-
Uni-President Department Store Corp.	Taishin 1699 Money Market Fund	"	"	"	-	-	123,254,338	1,712,934	108,493,317	1,508,545	1,507,148	1,397	-	20	14,761,021	205,806
Books.com. Co., Ltd.	CTBC Hua Win Money Market Fund	"	"	"	-	-	238,456,800	2,683,000	234,831,433	2,643,893	2,642,000	1,893	-	22	3,625,367	41,022
Books.com. Co., Ltd.	Yuantai Wan Tai Money Market Fund	"	"	"	-	-	20,148,102	310,000	20,148,102	310,182	310,000	182	-	-	-	-
Books.com. Co., Ltd.	Union Money Market Fund	"	"	"	-	-	32,022,893	434,000	27,085,821	367,304	367,000	304	-	21	4,937,072	67,021
President Drugstore Business Corp.	Taishin 1699 Money Market Fund	"	"	"	10,897,045	150,000	80,113,379	1,107,000	91,010,424	1,257,249	1,257,000	249	-	-	-	-
Chieh Shun Logistics International Corp.	Taishin 1699 Money Market Fund	"	"	"	2,325,497	32,011	34,240,976	473,000	36,566,473	505,333	505,000	333	-	(11)	-	-
Chieh Shun Logistics International Corp.	UPAMC James Bond Money Market Fund	"	"	"	1,180,491	20,005	40,847,902	686,500	42,028,393	716,924	716,500	424	-	(5)	-	-
President Pharmaceutical Corp.	Taishin 1699 Money Market Fund	"	"	"	10,393,748	143,072	53,664,644	742,400	60,183,477	832,854	831,409	1,445	-	(37)	3,874,915	54,026
President Logistics International Corp.	Taishin 1699 Money Market Fund	"	"	"	3,597,260	49,517	18,953,756	262,000	22,551,016	311,637	311,500	137	-	(17)	-	-
President Logistics International Corp.	UPAMC James Bond Money Market Fund	"	"	"	295,248	5,003	24,082,911	411,000	24,378,159	416,181	416,002	179	-	(1)	-	-
President Information Corp.	UPAMC James Bond Money Market Fund	"	"	"	-	-	40,639,745	692,100	40,639,745	693,116	692,100	1,016	-	-	-	-
Q-ware Systems & Services Corp.	Taishin 1699 Money Market Fund	"	"	"	-	-	48,625,535	675,000	41,453,220	576,946	575,000	1,946	-	-	7,172,315	100,000
	Stock:															
President Chain Store Corp.	Presicarre Corp.	Note 2	Carrefour Nederland B.V. and Carrefour S.A.	Not applicable	145,172,360	\$ 4,868,968	78,171,196	\$ 5,442,963	-	\$ -	\$ -	\$ -	-	(\$ 447,196)	223,343,556	\$ 9,864,735

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 moreFor the year ended December 31, 2023
Expressed in thousands of NTD
(Except as otherwise indicated)

Table 4

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

Table 5

For the year ended December 31, 2023
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)	
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)	
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	"	"	(27,836)	(3)	

Parent Company Only
Financial Statements and
Report of Independent
Accountants

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)	
	Tait Marketing & Distribution Co., Ltd.	Other related party	Purchases	\$ 165,365	3	Net 30 days from the end of the month when invoice is issued	No significant differences	No significant differences	(\$ 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	
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	"	"	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)	

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)	
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	No significant differences	No significant differences	\$ 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

Table 6

December 31, 2023
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 periodsFor the year ended December 31, 2023
Expressed in thousands of NTD
(Except as otherwise indicated)

Table 7

Number	Company name	Counterparty	Relationship	Transaction			
				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
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

Number	Company name	Counterparty	Relationship	Transaction			Percentage of consolidated total operating revenues or total assets
				General ledger account	Amount	Transaction terms	
11	Duskin Serve Taiwan Co., Ltd.	President Chain Store Corp.	Subsidiary to parent company	Service revenue	(342,079)	Net15~60 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.

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
Names, locations and other information of investee companies (not including investees in Mainland China)

Table 8

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.	Presicare 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
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

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.	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
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.

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
Information on investments in Mainland ChinaFor the year ended December 31, 2023
Expressed in thousands of NTD
(Except as otherwise indicated)

Table 9

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							
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.

**PRESIDENT CHAIN STORE CORP.
STATEMENT OF CASH AND CASH EQUIVALENTS**DECEMBER 31, 2023
Expressed in thousands of NTD

Statement 1

Item	Description	Amount
Petty cash in store		\$ 1,021,059
Demand deposits and checking accounts		11,135,091
Cash equivalents		
Short-term financial instruments	Due dates are within one month, and interest rates are at 1.26%.	999,126
		<u>\$ 13,155,276</u>

**PRESIDENT CHAIN STORE CORP.
STATEMENT OF INVENTORIES**DECEMBER 31, 2023
Expressed in thousands of NTD

Statement 2

Item	Description	Amount		Footnote
		Cost	Market value	
Merchandise		\$ 12,757,798	\$ 14,722,167	The net realizable value is the market value.
Less: Allowance for valuation loss		(103,033)		
		<u>\$ 12,654,765</u>		

**PRESIDENT CHAIN STORE CORP.
STATEMENT OF CHANGES IN FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER
COMPREHENSIVE INCOME – NON-CURRENT**FOR THE YEAR ENDED DECEMBER 31, 2023
Expressed in thousands of NTD

Statement 3

Name	Balance as of January 1, 2023		Additions(Note)		Decreases		Balance as of December 31, 2023		Collateral
	Number of shares	Book value	Number of shares	Amount	Number of shares	Amount	Number of shares	Book value	
Listed stocks									
President Securities Corp.	40,545,111	\$ 140,534	-	\$ -	-	\$ -	40,545,111	\$ 140,534	None
Duskin Co., Ltd.	300,000	125,072	-	-	-	-	300,000	125,072	"
Unlisted stocks									
Koasa Yamako Corp.	650,000	4,348	-	-	-	-	650,000	4,348	"
Subtotal		269,954		-		-		269,954	
Valuation adjustment		577,527		171,930		-		749,457	
		<u>\$ 847,481</u>		<u>\$ 171,930</u>		<u>\$ -</u>		<u>\$ 1,019,411</u>	

Note: The amount increased this year due to investee measured at fair value.

**PRESIDENT CHAIN STORE CORP.
STATEMENT OF CHANGES IN FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR
LOSS – NON-CURRENT**

FOR THE YEAR ENDED DECEMBER 31, 2023

Statement 4

Expressed in thousands of NTD

Name	Balance as of January 1, 2023		Additions		Decreases		Balance as of December 31, 2023		Collateral
	Number of shares	Book value	Number of shares	Amount	Number of shares	Amount	Number of shares	Book value	
Unlisted stocks									
Kaohsiung Rapid Transit Corp.	2,572,127	\$ 203,714	-	\$ -	-	\$ -	2,572,127	\$ 203,714	None
Career Consulting Co. Ltd	837,753	14,461	-	-	-	-	837,753	14,461	"
President Investment Trust Corp.	2,667,600	22,800	-	-	-	-	2,667,600	22,800	"
Subtotal		240,975		-		-		240,975	
Valuation adjustment		(155,495)		-		-		(155,495)	
		<u>\$ 85,480</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ 85,480</u>	

PRESIDENT CHAIN STORE CORP. STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

FOR THE YEAR ENDED DECEMBER 31, 2023

Statement 5

Expressed in thousands of NTD

Name	Balance as of January 1, 2023		Additions (Note 1)		Decreases (Note 2)		Other Adjustments (Note 3)	Balances as of December 31, 2023			Market price or Equity of subsidiaries and Associates		Collateral
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Amount	Number of shares	Percentage of ownership	Amount	Unit price (dollars)	Total price	
President Chain Store (BVI) Holdings Ltd.	171,589,586	\$ 25,442,996	-	\$ 1,714,115	-	\$ -	(\$ 71,634)	171,589,586	100.00	\$ 27,085,477	\$ 157.85	\$ 27,085,477	None
President Drugstore Business Corp.	78,520,000	1,797,884	-	377,218	-	-	(7,306)	78,520,000	100.00	2,167,796	27.61	2,167,796	#
President Transnet Corp.	103,496,399	2,376,245	-	860,367	-	-	(871,324)	103,496,399	70.00	2,365,288	22.67	2,346,446	#
Mech-President Corp.	55,858,815	820,340	-	163,318	-	-	(143,596)	55,858,815	80.87	840,062	15.04	840,062	#
President Pharmaceutical Corp.	22,121,962	715,589	-	92,611	-	-	(98,530)	22,121,962	73.74	709,670	24.90	550,871	#
Uni-President Department Store Corp.	27,999,999	484,090	-	142,673	-	-	(99,018)	27,999,999	70.00	527,745	18.85	527,745	#
Uni-President Superior Commissary Corp.	48,519,890	567,811	-	78,834	-	-	(29,010)	48,519,890	90.00	617,635	12.73	617,635	#
Uni-President Cold-Chain Corp.	42,934,976	1,022,870	-	263,897	-	-	4,044	42,934,976	60.00	1,290,811	29.78	1,278,486	#
President Information Corp.	25,714,475	513,883	-	99,684	-	-	(100,465)	25,714,475	86.00	513,102	15.72	404,261	#
Q-ware Systems & Services Corp.	24,382,921	420,994	-	111,473	-	-	(101,997)	24,382,921	86.76	430,470	17.12	417,318	#
Wisdom Distribution Service Corp.	40,591,436	904,525	32,508,564	366,232	-	-	671	73,100,000	100.00	1,271,428	17.39	1,271,428	#
Books.com. Co., Ltd.	9,999,999	317,655	-	11,836	-	-	(78,764)	9,999,999	50.03	250,727	25.07	250,727	#
Duskin Serve Taiwan Co., Ltd.	10,199,999	237,178	-	107,457	-	-	(109,969)	10,199,999	51.00	234,666	23.01	234,666	None
ICASH Corp.	70,000,000	418,981	-	-	-	(47,007)	73	70,000,000	100.00	372,047	5.31	372,047	#
Uni-President Development Corp.	72,000,000	778,387	-	37,969	-	-	(34,344)	72,000,000	20.00	782,012	10.86	782,012	#
Uni-Wonder Corp.	21,382,674	4,941,483	-	362,729	-	-	(430,146)	21,382,674	60.00	4,874,066	341.30	7,297,924	#
Retail Support International Corp.	6,429,999	185,572	-	51,810	-	-	(62,540)	6,429,999	25.00	174,842	25.79	165,855	#
PresiCarre Corp.	145,172,360	4,868,968	78,171,196	5,442,963	-	(1,825)	(445,371)	223,343,556	30.00	9,864,735	63.63	14,211,220	#
President Fair Development Corp.	190,000,000	2,177,267	-	95,426	-	-	-	190,000,000	19.00	2,272,693	11.05	2,100,160	#
President International Development Corp.	44,100,000	469,939	-	16,344	-	-	3,412	44,100,000	3.33	489,695	11.08	488,658	#
21 Century Co., Ltd.	10,000,000	186,243	-	1,862	-	-	(114)	10,000,000	100.00	187,991	18.80	187,991	#
President Collect Service Corp., etc.	-	640,306	-	241,786	-	(400,065)	(197,750)	-	-	284,277	-	284,305	#
		<u>\$ 50,289,206</u>		<u>\$ 10,640,604</u>		<u>(\$ 448,897)</u>	<u>(\$ 2,873,678)</u>			<u>\$ 57,607,235</u>			

Note 1: The additions this year includes recognized gains on investments of \$5,197,641 and increase in investments of \$5,442,963.

Note 2: The decreases this year includes recognized losses on investments of (\$448,897).

Note 3: Other adjustments are cash dividends of (\$2,806,115), financial statements translation differences of foreign operations of (\$59,440), loss on remeasurement of defined benefit plan of (\$16,049), changes in fair value of financial assets at fair value through other comprehensive income of \$7,875, changes in capital surplus of \$51.

PRESIDENT CHAIN STORE CORP. STATEMENT OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT

FOR THE YEAR ENDED DECEMBER 31, 2023

Statement 6

Expressed in thousands of NTD

Item	Balance as of January 1, 2023	Additions	Decreases	Transfer	Balance as of December 31, 2023	Collateral	Footnote
Cost							
Land	\$ 2,267,333	\$ 28,647	\$ -	(\$ 5,828)	\$ 2,290,152	None	
Buildings	960,289	18,367	-	(31,822)	946,834	"	
Operating equipment	19,362,908	3,079,231	(1,847,230)	381,856	20,976,765	"	
Leasehold improvements	11,997,536	2,472,476	(810,320)	59,878	13,719,570	"	
Others	464,886	242,625	-	(441,734)	265,777	"	
	<u>35,052,952</u>	<u>\$ 5,841,346</u>	<u>\$ 2,657,550</u>	<u>(\$ 37,650)</u>	<u>38,199,098</u>		
Accumulated depreciation							
Buildings	(\$ 402,812)	(\$ 18,466)	\$ -	\$ 18,244	(\$ 403,034)	"	
Operating equipment	(10,591,029)	(2,550,458)	1,729,307	(12)	(11,412,192)	"	
Leasehold improvements	(6,412,374)	(1,389,581)	742,629	12	(7,068,314)	"	
Others	(10,747)	(1,105)	-	-	(11,852)	"	
	<u>(17,425,962)</u>	<u>(\$ 3,959,610)</u>	<u>\$ 2,471,936</u>	<u>\$ 18,244</u>	<u>(18,895,392)</u>		
Accumulated impairment	(22,504)	\$ -	\$ 2,878	\$ -	(19,626)		
Book value	<u>\$ 17,604,486</u>				<u>\$ 19,284,080</u>		

**PRESIDENT CHAIN STORE CORP.
STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS**

FOR THE YEAR ENDED DECEMBER 31, 2023

Statement 7

Expressed in thousands of NTD

Item	Balance as of January 1, 2023	Additions	Decreases	Balance as of December 31, 2023	Footnote
Buildings					
Costs	\$ 79,830,061	\$ 11,714,796	(\$ 5,988,266)	\$ 85,556,591	
Accumulated depreciation	(22,883,954)	(8,928,750)	4,647,874	(27,164,830)	
Book value	<u>\$ 56,946,107</u>	<u>\$ 2,786,046</u>	<u>(\$ 1,340,392)</u>	<u>\$ 58,391,761</u>	

**PRESIDENT CHAIN STORE CORP.
STATEMENT OF SHORT-TERM BORROWINGS**

DECEMBER 31, 2023

Statement 8

Expressed in thousands of NTD

Type of borrowings	Explanation	Balance as of December 31, 2023	Contract period	Interest rate range	Collateral	Footnote
Credit loan	Taipei Fubon Commercial Bank Co., Ltd.	\$ 1,000,000	2023/11/17~2024/01/17	1.61%	None	
"	Cathay United Bank Co., Ltd.	2,250,000	2023/12/04~2024/03/04	1.43%	"	
"	Standard Chartered Bank Taiwan Ltd.	500,000	2023/12/14~2024/01/12	1.58%	"	
"	Yuanta Commercial Bank Co., Ltd.	1,500,000	2023/11/30~2024/02/27	1.60%	"	
"	CTBC Bank Commercial Co., Ltd.	1,500,000	2023/09/27~2024/03/27	1.58%	"	
"	CTBC Bank Commercial Co., Ltd.	1,000,000	2023/12/14~2024/03/29	1.60%	"	
		<u>\$ 7,750,000</u>				

PRESIDENT CHAIN STORE CORP. STATEMENT OF SHORT-TERM NOTES AND BILLS PAYABLE

DECEMBER 31, 2023
Expressed in thousands of NTD

Statement 9

Item	Guarantee/Accepting Agency	Contract period	Interest rate range	Amount			Footnote
				Issued price	Unamortized discount on short-term notes and bills payable	Book value	
Commercial paper	Sumitomo Mitsui Banking Co.	2023/12/01~2024/01/30	1.55%	\$ 500,000	(\$ 575)	\$ 499,425	Note 1
"	Sumitomo Mitsui Banking Co.	2023/12/27~2024/01/26	1.56%	2,000,000	(2,005)	1,997,995	"
"	Credit Agricole Corporate and Investment Bank	2023/10/30~2024/01/09	1.61%	1,000,000	(330)	999,670	Note 2
				<u>\$ 3,500,000</u>	<u>(\$ 2,910)</u>	<u>\$ 3,497,090</u>	

Note 1: It is issued under the guarantee of Sumitomo Mitsui Banking Co. and China Bills Finance Co..

Note 2: It is issued under the guarantee of Crédit Agricole Corporate and Investment Bank and China Bills Finance Co..

PRESIDENT CHAIN STORE CORP. STATEMENT OF LONG-TERM BORROWINGS

DECEMBER 31, 2023
Expressed in thousands of NTD

Statement 10

Creditor	Description	Contract period	Interest rate range	Credit facilities	Amount	Collateral	Footnote
Cathay United Bank Co., Ltd.	Credit loans	2023/12/31~2025/12/31	1.43%	\$ 2,000,000	\$ 2,000,000	None	The amount revolves until the expiry date, and payable upon maturity.
Yuanta Commercial Bank Co., Ltd.	"	2023/04/18~2026/04/18	1.60%	5,500,000	2,550,000	"	"
Bank of Taiwan	"	2023/04/25~2026/04/25	1.80%	3,000,000	1,000,000	"	The amount pays upon maturity.
					<u>\$ 5,550,000</u>		

PRESIDENT CHAIN STORE CORP. STATEMENT OF LEASE LIABILITIES

DECEMBER 31, 2023
Expressed in thousands of NTD

Statement 11

Item	Summary	Lease period	Discount rate range	Balance as of December 31, 2023	Footnote
Buildings	Current	2007/02/01~2072/02/29	0.55%~2.70%	\$ 8,873,333	
"	Non-Current	2007/02/01~2072/02/29	"	50,482,042	
				<u>\$ 59,355,375</u>	

PRESIDENT CHAIN STORE CORP. STATEMENT OF OPERATING REVENUE

FOR THE YEAR ENDED DECEMBER 31, 2023
Expressed in thousands of NTD

Statement 12

Item	Amount	Footnote
Revenue from contracts with customers	\$ 197,663,849	Revenue are from sales of general merchandise such as food, cans, beverages and daily commodities, etc., and commission revenue from collections, etc.

**PRESIDENT CHAIN STORE CORP.
STATEMENT OF OPERATING COSTS**

FOR THE YEAR ENDED DECEMBER 31, 2023

Statement 13

Expressed in thousands of NTD

Item	Amount
Inventory at beginning of the year	\$ 11,569,619
Inventory purchased	128,837,383
Compensation for damaged merchandise	(405,817)
Promotion income	(806,307)
Inventory at end of the year	(12,654,765)
Others	4,455,292
Operating costs	\$ 130,995,405

**PRESIDENT CHAIN STORE CORP.
STATEMENT OF SELLING EXPENSES**

FOR THE YEAR ENDED DECEMBER 31, 2023

Statement 14

Expressed in thousands of NTD

Item	Amount
Incentive bonuses for franchisees	\$ 26,076,335
Wages and salaries	4,233,115
Utilities expense	3,064,506
Depreciation	12,853,471
Other expenses	8,643,850
	\$ 54,871,277

PRESIDENT CHAIN STORE CORP. STATEMENT OF EMPLOYEE BENEFIT, DEPRECIATION AND AMORTIZATION EXPENSES BY FUNCTION

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

Statement 15

Expressed in thousands of NTD

By nature \ By function	2023			2022		
	Classified as operating costs	Classified as operating expenses	Total	Classified as operating costs	Classified as operating expenses	Total
Employee benefit expense						
Wages and salaries	\$ -	\$ 6,853,580	\$ 6,853,580	\$ -	\$ 6,292,331	\$ 6,292,331
Labor and health insurance fees	-	565,145	565,145	-	526,243	526,243
Pension costs	-	284,103	284,103	-	267,860	267,860
Directors' remuneration	-	203,321	203,321	-	176,186	176,186
Other employee benefit expenses	-	381,631	381,631	-	321,318	321,318
Depreciation	-	12,888,360	12,888,360	-	11,942,588	11,942,588
Amortization	-	186,245	186,245	-	128,710	128,710

Note1: As of December 31, 2023 and 2022, the Company had 8,651 and 8,617 employees (including part-timers), including 10 directors, respectively.

Note2: For the years ended December 31, 2023 and 2022, the Company's average employee benefit expense was \$936 and \$861, respectively; while average wages and salaries was \$793 and \$731, respectively. For the year ended December 31, 2023, the Company's change in average wages and salaries was 8.48%.

Note3: The Company's compensation policies are set out below:

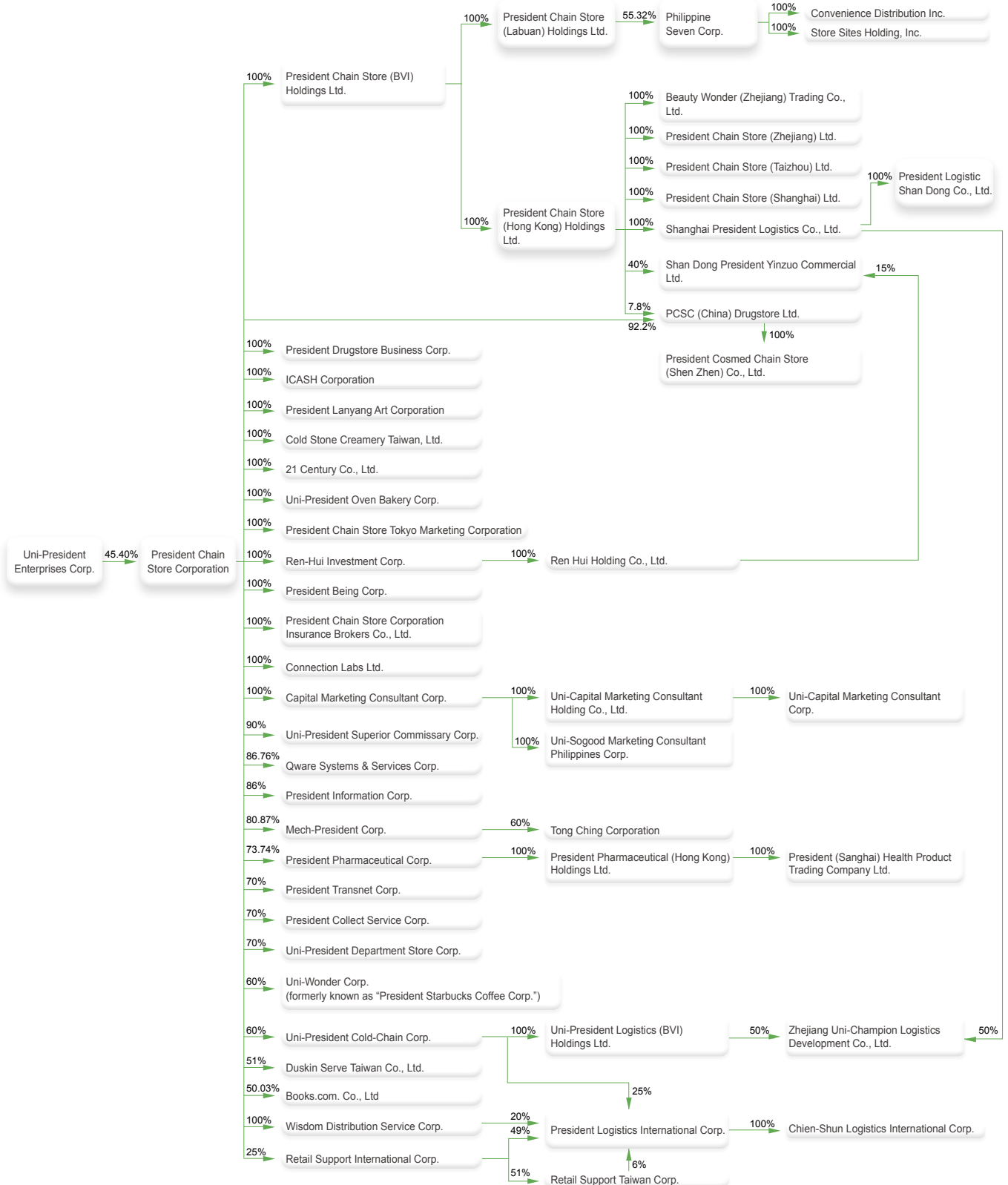
- (1) According to the Article 32 of Incorporation of the Company, a ratio of distributable profit of the current year (income before income tax before covering employees and directors' remuneration), after covering accumulated losses, shall be distributed as directors' remuneration, the ratio shall not be higher than 2%. Considering the company's operating result and the contribution of directors' continuous learning and participation in sustainable management to the company's performance, including financial benchmark such as profit of the current year, to assess and distribute reasonable remuneration. The reasonableness of the remuneration has been reviewed by the Remuneration Committee and the Board of Directors, and the remuneration system will be adjusted and reviewed regularly according to the company's operating conditions and laws, to achieve a balance between the company's sustainable operation and risk control.
- (2) Remuneration of the president in the company is based on personal performance, including financial benchmark, such as profit of the current year, to assess their contribution to the overall operation of the company. The Company pays the salaries of president based on the Article of Incorporation of the Company and the market level of a survey report. The Company participates the survey report which is conducted by professional salary survey institutions every year. Benefits are distributed based on "Regulation for benefit and performance" and annual operating performance of the Company and personal performance.
- (3) Wages and salaries of the Company is based on the principle of equal pay for equal work. Salaries adjustment and benefit distribution are based on the content of the employee's position, performance and contribution, and regularly review the overall benefit of employees every year to ensure that the competitiveness of labor market.
- (4) According to the Article 32 of Incorporation of the Company, a ratio of distributable profit of the current year (income before income tax before covering employees and directors' remuneration), after covering accumulated losses, shall be distributed as employees' compensation, the ratio shall not be lower than 2%.

Note4: The Company has set up an Audit Committee. As a result, there was no supervisors' remuneration for the years ended December 31, 2023 and 2022.

7 Consolidated Business Reports of Affiliated Companies

7.1 Affiliated Companies Conditions 7.1.1 Organizational chart

As of December 31, 2023



7.1.1.2 PCSC has a direct or indirect control over the management of the personnel, financial or business operation of the following companies, and is considered to be the controlling company under Article 369-2 of the Company Law.

Affiliated Companies	Relationship
Retail Support International Corp.	The appointee of PCSC is voted as the Chairman of the affiliated company.

7.1.2 Information of PCSC affiliated companies

Dec. 31, 2023/ Unit: NT\$1,000

Company	Date of incorporation	Address	Paid-in Capital	Major Business / Production Items
President Chain Store (BVI) Holdings Ltd.	Jul. 09, 1998	Palm Grove House, P.O. Box 438, Road Town, Tortola, British Virgin Islands.	USD 17,159,000	Professional investment
PCSC (China) Drugstore Ltd.	Feb. 16, 2004	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	USD 9,486,000	Professional investment
Uni-Wonder Corp.	Nov. 03, 1997	8F, No.8, Tung Hsing Rd., Songshan Dist., Taipei City, Taiwan	356,378	Coffee chain store
President Drugstore Business Corp.	Jul. 27, 1995	7F, No.8, Tung Hsing Rd., Songshan Dist., Taipei City, Taiwan	785,200	Sales of cosmetics, medicines and daily items
ICASH Corp.	Nov. 19, 2013	3F, No.101, Ruihu St., Neihu Dist., Taipei City, Taiwan	700,000	Electronic payment
President Lanyang Art Corp.	Jun. 07, 2004	8F, No.8, Tung Hsing Rd., Songshan Dist., Taipei City, Taiwan	20,000	Art and cultural exhibition
Cold Stone Creamery Taiwan Ltd.	Dec. 26, 2006	8F, No.8, Tung Hsing Rd., Songshan Dist., Taipei City, Taiwan	122,444	Sales of ice cream
21 Century Co., Ltd.	Nov. 18, 1995	4F., No.50, Ln. 258, Ruiguang Rd., Neihu Dist., Taipei City, Taiwan	100,000	Operation of chain restaurants
Uni-President Oven Bakery Corp.	Nov. 20, 2000	12F, No.8, Tung Hsing Rd., Songshan Dist., Taipei City, Taiwan	290,000	Bread and pastry retailer
President Chain Store Tokyo Marketing Corp.	Jan. 07, 2009	SOYIC bldg. 4F 3-11 Nihonbashi koami-cho, Chuo-ku, Tokyo 103-0016, Japan	JPY 98,000,000	Trade and enterprise management consultancy
Capital Marketing Consultant Corp.	Apr. 13, 1998	8F, No.8, Tung Hsing Rd., Songshan Dist., Taipei City, Taiwan	25,000	Commodity stocktaking related services and Enterprise management consultancy
President Being Corp.	Apr. 08, 2003	7F, No.8, Tung Hsing Rd., Songshan Dist., Taipei City, Taiwan	15,000	Sports and entertainment business
President Chain Store Corporation Insurance Brokers Co., Ltd.	Oct. 05, 2006	6F., No. 65, Guangfu S. Rd., Songshan Dist., Taipei City 105, Taiwan	15,000	Insurance brokers
Connection Labs Ltd.	Apl. 29, 2015	8F, No.8, Tung Hsing Rd., Songshan Dist., Taipei City, Taiwan	217,228	Other software and internet-related
Ren-Hui Investment Corp.	Dec. 20, 1996	8F, No.8, Tung Hsing Rd., Songshan Dist., Taipei City, Taiwan	65,000	Professional investment
Uni-President Superior Commissary Corp.	Mar. 11, 1999	No.16, Zhongxing Rd., Tucheng Dist., New Taipei City, Taiwan	539,110	Fresh food manufacture
Qware Systems & Services Corp.	Jun. 26, 1963	8F, No.8, Tung Hsing Rd., Songshan Dist., Taipei City, Taiwan	281,042	Information software services
President Information Corp.	Aug. 27, 1997	6F, No. 246, Yang Guang St., Neihu Dist., Taipei City, Taiwan	299,006	Enterprise information management and consultancy
Mech-President Corp.	Dec. 09, 1991	No. 67, Huan Kung Rd., Yung Kang Dist., Tainan City, Taiwan	690,713	Gas station, installment and maintenance of elevators
President Pharmaceutical Corp.	Sep. 03, 1993	7F, No.8, Tung Hsing Rd., Songshan Dist., Taipei City, Taiwan	300,000	Sales of various health care products, cosmetics, and pharmaceuticals
President Transnet Corp.	Jan. 24, 2000	2F., No.254, Sec. 3, Beishen Rd. Shenkeng Dist., New Taipei City, Taiwan	1,478,520	Delivery service
President Collect Service Corp.	Jun. 24, 2002	8F, No.8, Tung Hsing Rd., Songshan Dist., Taipei City, Taiwan	15,000	Collection agent
Uni-President Department Store Corp.	Feb. 24, 2006	No.8, Sec. 5, Zhong Xiao E. Rd., Xinyi Dist., Taipei City, Taiwan	400,000	Department stores
Uni-President Cold-Chain Corp.	Jan. 22, 1999	No.340, Tzu Chiang Rd., Yung Kang Dist., Tainan City, Taiwan	715,583	Low-temperature logistics and warehousing
Duskin Serve Taiwan Co., Ltd.	Oct. 28, 1994	8F, No. 8, Tung Hsing Rd., Songshan Dist., Taipei City, Taiwan	200,000	Cleaning instruments leasing and selling

Consolidated Business
Reports of Affiliated
Companies

Company	Date of incorporation	Address	Paid-in Capital	Major Business / Production Items
Books.com Co., Ltd.	Dec. 27, 1995	12F, No.560, Sec. 4, Zhongxiao E. Rd., Xinyi Dist., Taipei City, Taiwan	199,900	Retail business without shop
Retail Support International Corporation	Aug. 13, 1990	7F, No.560, Sec.4, Zhong Xiao E. Rd., Xinyi Dist., Taipei City, Taiwan	257,200	Room-temperature logistics and warehousing
Wisdom Distribution Service Corp.	Jan. 11, 1999	No.70-1, Sec. 2, Jiayuan Rd., Shulin Dist., New Taipei City, Taiwan	731,000	Logistics and storage of publication and e-commerce
President Chain Store (Labuan) Holdings Ltd.	Oct. 24, 2000	Level 15(A1), Main Office Tower, Financial Park Labuan, Jalan Merdeka, 87000 Labuan FT, Malaysia	USD 71,559,000	Professional investment
Philippine Seven Corp.	Nov. 23, 1982	7/F The Columbia Tower, Ortigas Avenue, Mandaluyong City, Manila, Philippine	PHP 757,104,533	Convenience store
Convenience Distribution Inc.	Sep. 17, 1998	8001F, Lagaspi St. Brgy, Maybunga, Pasig City, Manila, Philippine	PHP 125,000,000	Logistic, warehousing and retail
Store Sites Holding, Inc.	Nov. 09, 2000	7/F The Columbia Tower, Ortigas Avenue, Mandaluyong City, Manila, Philippine	PHP 48,741,864	Professional investment
President Chain Store (Hong Kong) Holdings Ltd.	Aug. 13, 2008	Unit 1405-1406, Dominion Centre, 43-59 Queen's Road East, Wan Chai, Hong Kong	USD 134,603,000	Professional investment
Beauty Wonder (Zhejiang) Trading Co., Ltd.	Apr. 12, 2018	Room 205, No.29, Building 8, Yuewang New Village, Shangcheng District, Hangzhou City, Zhejiang Province, China	RMB 60,000,000	Sales of cosmetics and daily items
President Chain Store (Zhejiang) Ltd.	May. 08, 2017	Room B102-103-1, Building 3, Qianjiang International Time Square, Shangcheng Dist., Hangzhou City, Zhejiang Province, China	RMB 210,000,000	Convenience store
President Chain Store (Taizhou) Ltd.	Nov. 27, 2015	South of Innovation Dadao, Gaoxin Technology Industries Park, Gaogang Dist., Taizhou City, Jiangsu Province, China	RMB 60,000,000	Logistics and warehousing
President Chain Store (Shanghai) Ltd.	Feb. 03, 2009	No.45-47, Mengzi Rd, Huangpu Dist., Shanghai, China	RMB 700,000,000	Convenience store
Shanghai President Logistic Co., Ltd.	Apr. 15, 2009	Building 18, No.22, Min Yi Rd., Songjiang Dist., Shanghai, China	USD 2,000,000	Logistics and warehousing
President Logistic ShanDong Co., Ltd.	Nov. 21, 2016	No.301, Tong Yi Street, JiBei Development Zone, JiYang County, JiNan City, ShanDong Province, China	RMB 50,000,000	Logistics and warehousing
Ren Hui Holding Co., Ltd.	Apr. 12, 2017	4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, VG1110, British Virgin Islands	USD 2,000,000	Professional investment
Shan Dong President Yinzuo Commercial Ltd.	Sep. 23, 1997	Floor 35, Huiyuan Building, No.38, Huaneng Road, Lixia Zone, Jinan City, Shandong Province, China	RMB 60,000,000	Supermarkets
President Cosmed Chain Store (Shen Zhen) Co., Ltd.	Dec. 13, 2004	Room 1507, Shun Hing Square Building Shen Nan Dong Road, Shenzhen, Guangdong Province, China	RMB 100,000,000	Wholesale of merchandise
Tong Ching Corp.	Jul. 04, 2003	No. 138, Huandao N. Rd., Jincheng Township, Kinmen County, Taiwan	16,000	Gas station
President Pharmaceutical (Hong Kong) Holdings Ltd.	Feb. 25, 2009	703A, 7/F, Golden Centre, 188 Des Voeux Road Central, Sheung Wan, Hong Kong	USD 12,912,000	Sales of various health care products, cosmetics, and pharmaceuticals
President (Shanghai) Health Product Trading Company Ltd.	Nov.19, 2009	Room 203, 2F, No.131, Lin Hong Road, Chang Ning District, Shanghai, China	RMB 89,157,000	Sales of various health care products, cosmetics, and pharmaceuticals
Uni-President Logistics (BVI) Holdings Ltd.	Mar. 14, 2007	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	USD 2,991,295	Professional investment
Zhejiang Uni-Champion Logistics Development Co., Ltd.	Dec. 26, 2007	3PL Warehouse, Building 10, No.27 and No.29, Jiujuan Road, Shangcheng District, Hangzhou City, Zhejiang Province.	RMB 40,000,000	Logistics and warehousing
Retail Support Taiwan Corp.	Apr. 16, 1997	No.63-1, Jijin 3rd Rd., Anle Dist., Keelung City, Taiwan	56,300	Room-temperature logistics and warehousing
President Logistics International Corp.	Feb. 11, 1998	1F, No.242-1, Minzu Rd., Zhongli Dist., Taoyuan City, Taiwan	193,500	Trucking
Chieh Shun Logistics International Corp.	Aug. 01, 2003	2F, No.242-1, Minzu Rd., Zhongli Dist., Taoyuan City, Taiwan	266,700	Trucking
Uni-Capital Marketing Consultant Holding Co., Ltd.	Nov. 08, 2022	Portcullis Chambers, 4th Floor Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, British Virgin Islands VG1110	USD 463,907	Professional investment
Uni-Capital Marketing Consultant Corp.	Nov. 08, 2022	1612R, 16F Huiyuan Building, No.38 Huaneng Road, Lixia District, Jinan City.	RMB 3,000,000	Commodity stocktaking related services and Enterprise management consultancy
Uni-Sogood Marketing Consultant Philippines Corp.	Aug. 23, 2022	16/F The Columbia Tower, Ortigas Avenue, Mandaluyong City 1550, Metro Manila, Philippines	PHP 40,000,000	Commodity stocktaking related services and Enterprise management consultancy

7.1.3 Shareholders in Common of PCSC and its affiliates with deemed control and subordination: None.

7.1.4 Business scope of PCSC and its affiliated companies

The business scope of PCSC and its affiliated companies includes: retailing, investment, services, logistics, delivery and manufacture, etc.

The mutual dealings and division of work among each affiliate are as follows:

Affiliated Companies	Division of Work
Capital Marketing Consultant Corp.	The company provides PCSC with store inventory check services and staff training programs, etc.
Wisdom Distribution Service Corp.	The company is the merchandise supplier and distributor of PCSC.
President Information Corp.	The company provides PCSC and its affiliates with information system services.
Retail Support International Corp.	The company is the merchandise supplier and distributor of PCSC.
Uni-President Cold-Chain Corp.	The company is the merchandise supplier and distributor of PCSC.
Uni-President Superior Commissary Corp.	The company is the fresh food manufacture of PCSC.

7.1.5 Information of the directors, supervisors, and presidents of PCSC subsidiaries

Dec. 31, 2023/ shares/ %

Company	Title	Name or Representative	Shareholding	
			Shares	%
President Chain Store (BVI) Holdings Ltd.	Juridical person director	President Chain Store Corp. (Lo, Chih-Hsien; Huang, Jui-Tien Representative of President Chain Store Corp.)	Paid-in Capital	100.00
			USD 17,159,000	
PCSC (China) Drugstore Ltd.	Juridical person director	President Chain Store Corp. (Huang, Jui-Tien; Lu, Yung-Wei Representative of President Chain Store Corp.)	Paid-in Capital	92.20
			USD 9,486,000	
Uni-Wonder Corporation	Chairman	Representative of President Chain Store Corp.: Chen, Jui-Tang	21,382,674	60.00
	Director	Representatives of President Chain Store Corp.: Lo, Chih-Hsien; Kao, Shioh-Ling ; Huang, Jui-Tien ; Lu, Yung-Wei; Kuo, Ching-Feng; Chen, Ji-Yao	21,382,674	60.00
	Supervisor	Representative of Uni-President Enterprises Corp.: Wu, Wen-Chi	14,255,116	40.00
	President	Lai, Ta-Cheng	—	—
President Drugstore Business Corp.	Chairman	Representative of President Chain Store Corp.: Kao, Shioh-Ling	78,520,000	100.00
	Director	Representatives of President Chain Store Corp.: Huang, Jui-Tien; Wang, Pao-Ming	78,520,000	100.00
	Supervisor	Representative of President Chain Store Corp.: Lee, Johnyih	78,520,000	100.00
	President	Wang, Pao-Ming	—	—
ICASH Corp.	Chairman	Representative of President Chain Store Corp.: Lee, Johnyih	70,000,000	100.00
	Director	Representatives of President Chain Store Corp.: Lu, Yong-Wei ; Fu, Guang-Ren ; Chang, Chia-Hua; Chang, Huang-Chi	70,000,000	100.00
	Supervisor	Representative of President Chain Store Corp.: Chai, Chia-Ming; Hsiu, Yi-Shiung	70,000,000	100.00
	President	Liang, Yu-Lin	—	—
President Lanyang Art Corp.	Chairman	Representative of President Chain Store Corp.: Lua, Wen-Ji	2,000,000	100.00
Cold Stone Creamery Taiwan Ltd.	Chairman	Representative of President Chain Store Corp.: Lin, Chi-Chang	12,244,390	100.00
	Director	Representatives of President Chain Store Corp.: Hsiu, Yi-Shiung; Chen, Wen-Chieh	12,244,390	100.00
	Supervisor	Representative of President Chain Store Corp.: Liang, Kuo-Jen	12,244,390	100.00
	President	Cheng, Ting-Ting	—	—
21 Century Co., Ltd.	Chairman	Representative of President Chain Store Corp.: Wang, Pao-Ming	10,000,000	100.00
	Director	Representatives of President Chain Store Corp.: Lai, Mei-Rong; Kuo, Ching-Feng	10,000,000	100.00
	Supervisor	Representative of President Chain Store Corp.: Wu, Chin-Fu	10,000,000	100.00
	President	Lai, Mei-Rong	—	—
Uni-President Oven Bakery Corp.	Chairman	Representative of President Chain Store Corp.: Kuo, Ching-Feng	29,000,000	100.00
	Director	Representatives of President Chain Store Corp.: Su, Hung-Jen; Sun, Ming-Tong	29,000,000	100.00
	Supervisor	Representative of President Chain Store Corp.: Hsiu, Yi-Shiung	29,000,000	100.00
	President	Wang, Wen-Ting	—	—
President Chain Store Tokyo Marketing Corp.	Chairman	Representative of President Chain Store Corp.: Huang, Jui-Tien	9,800	100.00
	Director	Representatives of President Chain Store Corp.: Lu, Yung-Wei; Wu, Chin-Fu	9,800	100.00
	Supervisor	Representative of President Chain Store Corp.: Tsung, Hsi-Yung	9,800	100.00
	President	Satoshi Oka	—	—
Capital Marketing Consultant Corp.	Chairman	Representative of President Chain Store Corp.: Lee, Tsung-Hsien	2,500,000	100.00
	Director	Representatives of President Chain Store Corp.: Kuo, Ching-Feng; Huang, Jui-Tien	2,500,000	100.00
	Supervisor	Representative of President Chain Store Corp.: Hsiu, Yi-Shiung	2,500,000	100.00
	President	Chiu, Hong-Chang	—	—

Company	Title	Name or Representative	Shareholding	
			Shares	%
President Being Corp.	Chairman	Representative of President Chain Store Corp.: Kao, Shio-Ling	1,500,000	100.00
	Director	Representatives of President Chain Store Corp.: Huang, Jui-Tien; Chen, Fei-Long; Chai, Chia-Feng; Wang, Jui-Pin	1,500,000	100.00
	Supervisor	Representative of President Chain Store Corp.: Lee, Johnyih	1,500,000	100.00
	President	Huang, Jui-Tien	–	–
President Chain Store Corporation Insurance Brokers Co., Ltd.	Chairman	Representative of President Chain Store Corp.: Lin, Chi-Chang	1,500,000	100.00
	Director	Representatives of President Chain Store Corp.: Lua, Wen-Ji; Hsiu, Yi-Shiung	1,500,000	100.00
	Supervisor	Representative of President Chain Store Corp.: Liang, Kuo-Jen	1,500,000	100.00
	President	Lua, Wen-Ji	–	–
Connection Labs Ltd.	Chairman	Representative of President Chain Store Corp.: Chang, Chia-Hua	21,722,779	100.00
	Director	Representative of President Chain Store Corp.: Liu, Chun-Pei ; Hsiu, Yi-Shiung	21,722,779	100.00
	Supervisor	Representative of President Chain Store Corp.: Wu, Wen-Chi	21,722,779	100.00
	President	Jian, Sin-Ying	–	–
Ren-Hui Investment Corp.	Chairman	Representative of President Chain Store Corp.: Huang, Jui-Tien	6,500,000	100.00
	President	Huang, Jui-Tien	–	–
Uni-President Superior Commissary Corp.	Chairman	Representative of President Chain Store Corp.: Huang, Jui-Tien	48,519,890	90.00
	Director	Representatives of President Chain Store Corp.: Kuo, Ching-Feng; Lee, Min-Chien; Wu, Jing-Fu	48,519,890	90.00
	Director	Representative of Asia Frozen Food Corp.: Lin, Chang-Chi	5,391,099	10.00
	Supervisor	Representative of Ren-Hui Investment Corp.: Liang, Kuo-Jen	1	–
	President	Huang, Jyun-Ren	–	–
Qware Systems & Services Corp.	Chairman	Representative of President Chain Store Corp.: Chang, Chia-Hua	24,382,921	86.76
	Director	Representatives of President Chain Store Corp.: Chang, Huang-Chi; Fu, Kuang-Jen	24,382,921	86.76
	Director	Representative of Taiwan Spinning Co., Ltd.: Juang, Jing-Yau	172,347	0.61
	Director	Representative of Fonmau Cereal Industrial Co., Ltd.: Lin, Kuan-Chen	243,898	0.87
	Supervisor	Representative of Nan Fan Housing Development Co., Ltd.: Peng, Yuan-Hung	699,071	2.49
	Supervisor	Representative of Ren-Hui Investment Corp.: Lin, Tsung-Yu	1	–
	President	Chou, Kuo-Jan	–	–
President Information Corp.	Chairman	Representative of President Chain Store Corp.: Huang, Jui-Tien	25,714,475	86.00
	Director	Representatives of President Chain Store Corp.: Chang, Chia-Hua; Chang, Chia-Wen; Wang, Jui-Pin	25,714,475	86.00
	Director	Representative of Nomura Research Institute Ltd.: Tsutom Kataoka	4,186,074	14.00
	Supervisor	Representative of Ren-Hui Investment Corp.: Wu, Wen-Chi	1	–
	President	Hsieh, Liang-Cheng	–	–
Mech-President Corp.	Chairman	Representative of President Chain Store Corp.: Wu, Hui-Chen	55,858,815	80.87
	Director	Representatives of President Chain Store Corp.: Huang, Jui-Feng; Kuo, Wen-Sheng	55,858,815	80.87
	Director	Representatives of Uni-President Enterprises Corp.: Lian Chin-Yi; Yen, Ming-Hsiu	13,046,358	18.89
	Supervisor	Representative of Ren-Hui Investment Corp.: Lee, Johnyih	1	–
	President	Hsieh, Ching-Hsun	–	–
President Pharmaceutical Corp.	Chairman	Representative of President Chain Store Corp.: Kao, Shio-Ling	22,121,962	73.74
	Director	Representatives of President Chain Store Corp.: Huang, Jui-Tien; Wang, Pao-Ming; Huang, Yi-Sheng; Mo, Ming-Wei; Chai, Chia-Feng	22,121,962	73.74
	Director	Representative of Taipo Investment Corp.: Wu, Ping-Chih	3,000,000	10.00
	Director	Representatives of Tung-Ren Investment Corp.: Lin, Tian-Mao; Wu, Chung-Ho	579,091	1.93
	Supervisor	Representative of Ren-Hui Investment Corp.: Lee, Johnyih	1	–
	President	Chai, Chia-Feng	–	–

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Company	Title	Name or Representative	Shareholding	
			Shares	%
President Transnet Corp.	Chairman	Representative of President Chain Store Corp.: Chen, Jui-Tang	103,496,399	70.00
	Director	Representatives of President Chain Store Corp.: Huang, Jui Tien; Hsieh, Lien-Tang; Wu, San-Sian	103,496,399	70.00
	Director	Representative of Uni-President Enterprises Corp.: Lu, Li-An	29,570,400	20.00
	Director	Representative of Yamato Holdings Co., Ltd.: Yasuharu Kosuge	14,785,200	10.00
	Supervisor	Representative of Ren-Hui Investment Corp.: Wu, Wen- Chi	1	—
	President	Hsu, Ming-Hui	—	—
President Collect Service Corp.	Chairman	Representative of President Chain Store Corp.: Chen, Jui-Tang	1,049,999	70.00
	Director	Representatives of President Chain Store Corp.: Huang, Jui Tien; Hsieh, Lien-Tang; Wu, Wan-Yu; Wu, San-Sian	1,049,999	70.00
	Director	Representatives of Yamato Holdings Co., Ltd.: Yasuharu Kosuge; Kazuki Watanabe	450,000	30.00
	Supervisor	Representative of Ren-Hui Investment Corp.: Wu, Wen-Chi	1	—
	Supervisor	Sadatomo Hiroki	—	—
Uni-President Department Store Corp.	Chairman	Representative of President Chain Store Corp.: Kao, Shioh-Ling	27,999,999	70.00
	Director	Representatives of President Chain Store Corp.: Huang, Jui Tien; Wang, Pao-Ming	27,999,999	70.00
	Supervisor	Representative of Ren-Hui Investment Corp.: Lee, Johnyih	1	—
	President	Wang, Pao-Ming	—	—
Uni-President Cold-Chain Corp.	Chairman	Representative of Uni-President Enterprises Corp.: Lo, Chih-Hsien	14,311,658	20.00
	Director	Representatives of Uni-President Enterprises Corp.: Huang, Chao-Kai	14,311,658	20.00
	Director	Representatives of President Chain Store Corp.: Huang, Jui-Tien; Wu, San-Sian; Hu, Chang-Hsi; Kuo, Ching-Feng; Yao, Chieh-Hsiang	42,934,976	60.00
	Director	Representative of Nanlien International Corp.: Wu, Mao-Yuan	14,311,658	20.00
	Supervisor	Representative of Ren-Hui Investment Corp.: Hsiu, Yi-Shiung	1	—
	President	Yao, Chieh-Hsiang	—	—
Duskin Serve Taiwan Co., Ltd.	Chairman	Representative of President Chain Store Corp.: Hsieh, Lien-Tang	10,199,999	51.00
	Director	Representatives of President Chain Store Corp.: Kuo, Ching-Feng; Hsiu, Yi-Shiung; Lee, Tsung-Hsien	10,199,999	51.00
	Director	Representatives of Duskin Co., Ltd.: Ueno Shinichiro; Deguchi Jiro; Yamaguchi Hidehisa; Minami Kenji	9,800,000	49.00
	Supervisor	Representative of Ren-Hui Investment Corp.: Lee, Johnyih	1	—
	Supervisor	Naito Hideyuki	—	—
Books.com Co., Ltd.	Chairman	Representative of Chang Fu Investment Co., Ltd.: Lin, Pi-Jung	19,000	0.10
	Director	Representatives of President Chain Store Corp.: Huang, Jui-Tien; Huang, Yu-Chen; Wang, Pao-Ming; Cheng, Horng-Jiun	9,999,999	50.03
	Director	Representatives of Clever Investment Co., Ltd.: Chen, Yu-Chun; Chang, Ya-Ju	200,000	1.00
	Supervisor	Representative of Ren-Hui Investment Corp.: Wu, Wen-Chi	1	—
	Supervisor	Chang, Ya-Ling	143,000	0.72
	President	Huang, Jui-Tien	—	—

Company	Title	Name or Representative	Shareholding	
			Shares	%
Retail Support International Corporation	Chairman	Representative of President Chain Store Corp.: Huang, Jui-Tien	6,429,999	25.00
	Director	Representatives of President Chain Store Corp.: Hu, Chang-Hsi; Wu, San-Sian	6,429,999	25.00
	Director	Representative of Uni-President Enterprises Corp.: Lo, Chih-Hsien	5,144,000	20.00
	Director	Representatives of Mitsubishi Corp.: Miyamura Yoji; Kaneko Noboru; Wataru Kato	9,002,000	35.00
	Director	Representative of Nanlien International Corp.: Wu, Mao-Yuan	5,144,000	20.00
	Supervisor	Representative of Ren-Hui Investment Corp.: Lin, Tsung-Yu	1	—
	Supervisor	Nishiyama Hirota	—	—
	President	Hu, Hao-Chih	—	—
Wisdom Distribution Service Corp.	Chairman	Representative of President Chain Store Corp.: Huang, Jui-Tien	73,100,000	100.00
	Director	Representatives of President Chain Store Corp.: Hu, Chang-Hsi; Wu, San-Sian	73,100,000	100.00
	Supervisor	Representative of President Chain Store Corp.: Liang, Kuo-Jen	73,100,000	100.00
	President	Cheng, Horng-Jiun	—	—
President Chain Store (Labuan) Holdings Ltd.	Juridical person director	President Chain Store (BVI) Holdings Ltd. (Lo, Chih-Hsien Representatives of President Chain Store (BVI) Holdings Ltd.)	Paid-in Capital USD 71,559,000	100.00
	Resident Director	Huang, Jui-Tien	—	—
Philippine Seven Corp.	Chairman	Jose T. Pardo	2	—
	Vice Chairman	Representative of President Chain Store (Labuan) Holdings Ltd.: Huang, Jui-Tien	418,467,647	55.32
	Director	Representatives of President Chain Store (Labuan) Holdings Ltd.: Lu, Yung-Wei; Kuo, Ching-Feng; Lee, Tsung-Hsien; Wu, Wen-Chi; Jose Victor P. Paterno	418,467,647	55.32
	Director	Maria Cristina P. Paterno	13,031,274	1.72
	Director	Representative of Progressive Dev. Corp.: Jorge L. Araneta	17,342,411	2.29
	Independent Director	Ray Alimurung	2	—
	Independent Director	Ron Hose	2	—
	President	Jose Victor P. Paterno	18,622,569	2.46
Convenience Distribution Inc.	Chairman	Representative of Philippine Seven Corp.: Jose Victor P. Paterno	12,500,000	100.00
	Director	Representatives of Philippine Seven Corp.: Lee, Chia-Fang; Lee, Ying-Jung; Maritess Antonio : Francis Medina	12,500,000	100.00
	President	Jose Victor P. Paterno	—	—
Store Sites Holding, Inc.	Chairman	Representative of Philippine Seven Corp.: Jose Victor P. Paterno	40,000	100.00
	Director	Representative of Philippine Seven Corp.: Lee, Chia-Fang (common share)	40,000	100.00
	Director	Representatives of BPI-Asset Management and Trust Corp.: Evelyn S.Enriquez; Lawrence M.De Leon; Mario Gerardo Z.Evaristo (preferred share)	60,000	—
	President	Jose Victor P. Paterno	—	—
President Chain Store (Hong Kong) Holdings Ltd.	Director	Representative of President Chain Store (BVI) Holdings Ltd.: Huang, Jui-Tien	Paid-in Capital USD 134,603,000	100.00
	Director	Kuo, Ching-Feng	—	—
Beauty Wonder (Zhejiang) Trading Co., Ltd.	Chairman	Representative of President Chain Store (Hong Kong) Holdings Ltd.: Huang, Jui-Tien	Paid-in Capital RMB 60,000,000	100.00
	Director	Representatives of President Chain Store (Hong Kong) Holdings Ltd.: Kao, Shio-Ling; Chang, Shih-Hsun	—	100.00
	Supervisor	Representative of President Chain Store (Hong Kong) Holdings Ltd.: Chang, Li-Ling	—	100.00
	President	Chang, Shih-Hsun	—	—

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Company	Title	Name or Representative	Shareholding	
			Shares	%
President Chain Store (Zhejiang) Ltd.	Chairman	Representative of President Chain Store (Hong Kong) Holdings Ltd.: Hsieh, Kuan-Hung	Paid-in Capital RMB 210,000,000	100.00
	Director	Representatives of President Chain Store (Hong Kong) Holdings Ltd.: Huang, Jui-Tien; Li, Chia-Hao	—	100.00
	Supervisor	Representative of President Chain Store (Hong Kong) Holdings Ltd.: Wu, Wen-Chi	—	100.00
	President	Li, Chia-Hao	—	—
President Chain Store (Taizhou) Ltd.	Chairman	Representative of President Chain Store (Hong Kong) Holdings Ltd.: Wu, Yao-Ming	Paid-in Capital RMB 60,000,000	100.00
	Director	Representatives of President Chain Store (Hong Kong) Holdings Ltd.: Sung, Tai-Yi; Li, Chia-Hao	—	100.00
	Supervisor	Representative of President Chain Store (Hong Kong) Holdings Ltd.: Chang, Li-Ling	—	100.00
	President	Hsu, Yung-Yuan	—	—
President Chain Store (Shanghai) Ltd.	Chairman	Representative of President Chain Store (Hong Kong) Holdings Ltd.: Hsieh, Kuan-Hung	Paid-in Capital RMB 700,000,000	100.00
	Director	Representatives of President Chain Store (Hong Kong) Holdings Ltd.: Huang, Jui-Tien; Li, Chia-Hao	—	100.00
	Supervisor	Representative of President Chain Store (Hong Kong) Holdings Ltd.: Wu, Wen-Chi	—	100.00
	President	Li, Chia-Hao	—	—
Shanghai President Logistics Co., Ltd.	Chairman	Representative of President Chain Store (Hong Kong) Holdings Ltd.: Li, Chia-Hao	Paid-in Capital USD 2,000,000	100.00
	Director	Representatives of President Chain Store (Hong Kong) Holdings Ltd.: Sung, Tai-Yi; Cheng, Ching-Sheng	—	100.00
	Supervisor	Representative of President Chain Store (Hong Kong) Holdings Ltd.: Chang, Li-Ling	—	100.00
	President	Wu, Yao-Ming	—	—
President Logistic ShanDong Co., Ltd.	Chairman	Representative of Shanghai President Logistics Co., Ltd.: Shu, Chih-Ming	Paid-in Capital RMB 50,000,000	100.00
	Director	Representatives of Shanghai President Logistics Co., Ltd.: Peng, Chien-Chia; Hu, Hao-Chih	—	100.00
	Supervisor	Representative of Shanghai President Logistics Co., Ltd.: Chang, Li-Ling	—	100.00
	President	Peng, Chien-Chia	—	—
Ren Hui Holding Co., Ltd.	Juridical person director	Ren-Hui Investment Corp. (Huang, Jui-Tien; Hsieh, Lien-Tang Representative of Ren-Hui Investment Corp.)	Paid-in Capital USD 2,000,000	100.00
Shan Dong President Yinzuo Commercial Ltd.	Chairman	Representative of Shandong Silver Plaza Co., Ltd.: Ma, Yun-Peng	Paid-in Capital RMB 60,000,000	45.00
	Director	Representatives of President Chain Store (Hong Kong) Holdings Ltd.: Lee, Tsung-Hsien; Lu, Yung-Wei	—	40.00
	Director	Representative of Ren Hui Holding Co., Ltd.: Huang, Jui-Tien	—	15.00
	Director	Representative of Shandong Silver Plaza Co., Ltd.: Jiang, Lei	—	45.00
	Supervisor	Representative of President Chain Store (Hong Kong) Holdings Ltd.: Chang, Li-Ling	—	40.00
	Supervisor	Representative of Shandong Silver Plaza Co., Ltd.: Wei, Dong-Hai	—	45.00
	President	Shu, Chih-Ming	—	—
President Cosmed Chain Store (Shen Zhen) Co., Ltd.	Chairman	Representative of PCSC (China) Drugstore Limited: Hsieh, Kuan-Hung	Paid-in Capital RMB 100,000,000	100.00
	Director	Representatives of PCSC (China) Drugstore Limited: Wu, Yao-Ming; Li, Chia-Hao	—	100.00
	Supervisor	Representative of PCSC (China) Drugstore Limited: Chang, Li-Ling	—	100.00
	President	Sung, Tai-Yi	—	—

Company	Title	Name or Representative	Shareholding	
			Shares	%
Tong Ching Corporation	Chairman	Representative of Mech-President Corp.: Wu, Hui-Chen	960,000	60.00
	Director	Representatives of Mech-President Corp.: Chen, Yuen-Lung; Kuo, Wen-Sheng; Huang, Jui-Feng; Lin, Min-Yun	960,000	60.00
	Director	Lin, Ting-Song	80,000	5.00
	Supervisor	Huang, Chia-Yi	240,000	15.00
	President	Lin, Ting-Song	–	–
President Pharmaceutical (Hong Kong) Holdings Ltd.	Director	Representative of President Pharmaceutical Corp.: Chang, Shih-Hsun	Paid-in Capital USD 12,912,000	100.00
	Director	Huang, Jui-Tien	–	–
	President	Huang, Jui-Tien	–	–
President (Shanghai) Health Product Trading Company Ltd.	Chairman	Representative of President Pharmaceutical (Hong Kong) Holdings Limited: Huang, Jui-Tien	Paid-in Capital RMB 89,157,000	100.00
	Director	Representatives of President Pharmaceutical (Hong Kong) Holdings Limited: Kao, Shiow-Ling; Chai, Chia-Feng; Chang, Shih-Hsun	–	100.00
	Supervisor	Representative of President Pharmaceutical (Hong Kong) Holdings Limited: Lee, Johnyih	–	100.00
	President	Chang, Shih-Hsun	–	–
Uni-President Logistics (BVI) Holdings Ltd.	Juridical person director	Uni-President Cold-Chain Corp. (Huang, Jui-Tien Representative of Uni-President Cold-Chain Corp.)	Paid-in Capital USD 2,991,295	100.00
Zhejiang Uni-Champion Logistics Development Co., Ltd.	Chairman	Representative of Uni-President Logistics (BVI) Holdings Limited: Hsieh, Kuan-Hung	Paid-in Capital RMB 40,000,000	50.00
	Director	Representative of Uni-President Logistics (BVI) Holdings Limited: Yao, Chieh-Hsiang	–	50.00
	Director	Representative of Shanghai President Logistics Co., Ltd.: Tsai, Kuang-Wen	–	50.00
	Supervisor	Representative of Uni-President Logistics (BVI) Holdings Limited: Chang, Li-Ling	–	50.00
	President	Tsai, Kuang-Wen	–	–
Retail Support Taiwan Corp.	Chairman	Representative of Retail Support International Corp.: Hu, Hao-Chih	2,871,300	51.00
	Director	Representatives of Retail Support International Corp.: Chiang, Ming-Tao; Ho, Hsin-Chia	2,871,300	51.00
	Director	Representatives of FSG Co.: Lin, Ming-Fang; Huang, Wei-Yu	1,655,220	29.40
	Supervisor	Representatives of Grand Fountain Co., Ltd.: Cheng, Yueh-Kuei; Lai, Hsin-Ti	1,103,480	19.60
	President	Yuan, Shou-Chung	–	–
President Logistics International Corp.	Chairman	Representative of Retail Support International Corporation: Hu, Hao-Chih	9,481,500	49.00
	Director	Representative of Retail Support International Corporation: Chiang, Ming-Tao	9,481,500	49.00
	Director	Representative of Uni-President Cold-Chain Corp.: Yao, Chieh-Hsiang	4,837,500	25.00
	Supervisor	Representative of Wisdom Distribution Service Corp.: Cheng, Horng-Jun	3,870,000	20.00
	President	Chen, Yu-Wei	–	–
Chieh Shun Logistics International Corp.	Chairman	Representative of President Logistics International Corp.: Yao, Chieh-Hsiang	26,670,000	100.00
	Director	Representatives of President Logistics International Corp.: Hu, Hao-Chih; Wu, San-Sian	26,670,000	100.00
	Supervisor	Representative of President Logistics International Corp.: Cheng, Horng-Jun	26,670,000	100.00
	President	Chen, Yu-Wei	–	–
Uni-Capital Marketing Consultant Holding Co., Ltd.	Juridical person director	Capital Marketing Consultant Corp. (Huang, Jui-Tien Representative of Capital Marketing Consultant Corp.)	Paid-in Capital USD 464,000	100.00

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Company	Title	Name or Representative	Shareholding	
			Shares	%
Uni-Capital Marketing Consultant Corp.	Chairman	Representative of Uni-Capital Marketing Consultant Holding Co., Ltd.: Huang, Jui-Tien	Paid-in Capital RMB 3,000,000	100.00
	Director	Representatives of Uni-Capital Marketing Consultant Holding Co., Ltd.: Shu, Chih-Ming; Lee, Tsung-Hsien	—	100.00
	Supervisor	Representative of Uni-Capital Marketing Consultant Holding Co., Ltd.: Chang, Li-Ling	—	100.00
	President	Chiu, Hong-Chang	—	—
Uni-Sogood Marketing Consultant Philippines Corp.	Chairman	Representative of Capital Marketing Consultant Corp.: Huang, Jui-Tien	Paid-in Capital PHP 40,000,000	100.00
	Director	Representatives of Capital Marketing Consultant Corp.: Lee, Ying-Jung ; Lee, Johnyih	—	100.00
	President	Chiu, Hong-Chang	—	—

7.2 The Financial Position and Operation Results of Affiliated Companies

Dec. 31, 2023/ Unit: NT1,000

Company	Paid-in Capital	Total Assets	Total Liabilities	Shareholders' Equity	Operating Revenue	Operating Income	Net Income (Loss)	EPS (NT\$)	Net Income(Loss)	Operating Activities
						(Loss)	(After tax)	(After tax)	(Before tax)	Cash flow
President Chain Store (BVI) Holdings Ltd.	USD17,159,000	27,115,219	29,742	27,085,477	- (50,937)	1,714,115	-	1,714,115	897,523	
PCSC (China) Drugstore Ltd.	USD 9,486,000	79,234	74	79,160	- (255)	4,503	-	4,503	(209)	
Uni-Wonder Corp.	356,378	11,747,214	10,538,283	1,208,931	14,985,522	940,976	759,875	21.32	941,542	2,495,527
President Drugstore Business Corp.	785,200	13,436,857	11,269,061	2,167,796	14,897,024	362,988	377,217	4.80	465,131	1,600,958
ICASH Corp.	700,000	2,960,177	2,588,129	372,047	895,633	(68,718)	(47,007)	(0.67)	(47,007)	65,010
President Lanyang Art Corp.	20,000	27,283	2,426	24,857	- (256)	24	0.01	24	41	
Cold Stone Creamery Taiwan Ltd.	122,444	183,561	133,337	50,223	522,729	15,271	15,352	1.25	15,352	46,185
21 Century Co., Ltd.	100,000	1,171,191	983,200	187,991	2,383,552	372	1,863	0.19	2,421	86,902
Uni-President Oven Bakery Corp.	290,000	204,547	257,429	(52,882)	350,450	(76,507)	(84,305)	(2.91)	(84,305)	(40,432)
President Chain Store Tokyo Marketing Corp.	JPY98,000,000	179,991	86,675	93,315	600,846	15,949	12,165	-	18,570	39,279
Capital Marketing Consultant Corp.	25,000	231,817	124,811	107,006	438,484	75,790	57,640	23.06	73,732	58,386
President Being Corp.	15,000	248,504	484,825	(236,321)	426,042	(75,045)	(86,215)	(57.48)	(86,215)	(12,007)
President Chain Store Corporation Insurance Brokers Co., Ltd.	15,000	73,471	29,596	43,874	94,132	30,910	25,124	16.75	31,462	29,757
Connection Labs Ltd.	217,228	93,237	258,885	(165,648)	130,249	(195,048)	(194,434)	(8.95)	(194,434)	(195,505)
Ren-Hui Investment Corp.	65,000	(1,805)	518	(2,323)	- (358)	(29,761)	(4.58)	(28,931)	3,389	
Uni-President Superior Commissary Corp.	539,110	2,907,585	2,221,324	686,262	5,467,774	99,028	87,594	1.62	109,355	344,275
Qware Systems & Services Corp.	281,042	2,353,906	1,872,729	481,177	2,031,306	155,471	128,661	4.58	158,759	(97,345)
President Information Corp.	299,006	1,449,818	979,748	470,071	2,095,358	143,505	115,912	3.88	144,062	261,824
Mech-President Corp.	690,713	4,363,926	3,325,143	1,038,783	10,625,034	216,028	201,949	2.92	250,793	554,986
President Pharmaceutical Corp.	300,000	1,378,995	631,950	747,045	2,041,810	192,656	125,591	4.19	159,267	232,435
President Transnet Corp.	1,478,520	11,210,481	7,858,415	3,352,065	13,938,472	1,452,763	1,229,096	8.31	1,541,568	1,811,435
President Collect Service Corp.	15,000	1,429,601	1,302,413	127,187	569,072	114,961	96,231	64.15	120,175	272,016
Uni-President Department Store Corp.	400,000	4,197,848	3,443,926	753,922	1,365,231	220,452	203,819	5.10	254,300	499,307
Uni-President Cold-Chain Corp.	715,583	10,528,215	8,397,404	2,130,811	4,875,516	529,329	439,828	6.15	559,452	391,048
Duskin Serve Taiwan Co., Ltd.	200,000	994,279	534,149	460,130	1,671,387	254,499	210,699	10.53	263,500	273,629
Books.com Co., Ltd.	199,900	1,611,878	1,110,725	501,153	5,935,873	12,264	23,673	1.18	30,397	(71,132)
Retail Support International Corporation	257,200	15,348,619	14,685,198	663,421	3,757,561	157,106	207,242	8.06	240,489	2,118,194
Wisdom Distribution Service Corp.	731,000	5,629,507	4,358,079	1,271,428	4,567,533	432,647	366,417	5.01	450,533	859,187
President Chain Store (Labuan) Holdings Ltd.	USD 71,559,000	3,892,550	175	3,892,375	- (492)	1,079,857	-	1,079,857	(423)	
Philippine Seven Corp.	PHP757,105,000	21,367,398	14,605,026	6,762,372	43,973,122	3,387,420	1,869,037	2.47	2,547,241	6,058,383
Convenience Distribution Inc.	PHP125,000,000	645,554	495,006	150,548	2,172,620	35,932	14,988	-	27,765	124,465
Store Sites Holding, Inc.	PHP48,742,000	39,153	4,477	34,676	3,111	2,143	1,455	-	1,864	2,179
President Chain Store (Hong Kong) Holdings Ltd.	USD134,603,000	2,775,129	378	2,774,751	- (464)	(347,411)	-	(347,411)	80,403	
Beauty Wonder (Zhejiang) Trading Co., Ltd.	CNY60,000,000	98,628	45,589	53,039	19,995	(36,638)	(37,984)	-	(37,984)	(19,985)
President Chain Store (Zhejiang) Ltd.	CNY210,000,000	894,731	926,920	(32,188)	893,095	(173,641)	(192,477)	-	(192,477)	(120,384)
President Chain Store (Taizhou) Ltd.	CNY60,000,000	524,662	41,203	483,459	301,883	45,908	39,907	-	54,124	94,609
President Chain Store (Shanghai) Ltd.	CNY700,000,000	1,487,537	1,346,412	141,125	2,333,494	(194,010)	(211,130)	-	(211,130)	79,479
Shanghai President Logistic Co., Ltd.	USD 2,000,000	769,498	97,376	672,122	613,846	87,331	62,355	-	80,963	142,374
President Logistic ShanDong Co., Ltd.	CNY50,000,000	309,441	76,269	233,172	111,300	3,605	423	-	6,029	12,469
Ren Hui Holding Co., Ltd.	USD2,000,000	(27,234)	28	(27,262)	- (110)	(33,079)	-	(33,079)	345	
Shan Dong President Yinzuo Commercial Ltd.	CNY60,000,000	1,892,957	2,176,955	(283,998)	2,763,137	(292,629)	(245,704)	-	(242,094)	333,230

Consolidated Business
Reports of Affiliated
Companies

Company	Paid-in Capital	Total Assets	Total Liabilities	Shareholders' Equity	Operating Revenue	Operating Income	Net Income (Loss)	EPS (NT\$)	Net Income(Loss)	Operating Activities
						(Loss)	(After tax)	(After tax)	(Before tax)	Cash flow
President Cosmed Chain Store (Shen Zhen) Co., Ltd.	CNY100,000,000	84,051	4,928	79,123	85,435	3,787	4,760	-	5,289	16,565
Tong Ching Corp.	16,000	52,332	21,420	30,912	163,079	8,444	8,680	5.43	10,848	11,979
President Pharmaceutical (Hong Kong) Holdings Ltd.	USD12,912,000	148,710	4,172	144,538	14,340	(2,996)	(43,856)	-	(43,856)	(1,913)
President (Shanghai) Health Product Trading Company Ltd.	CNY89,157,000	146,154	23,262	122,892	104,182	(41,110)	(41,910)	-	(41,910)	(109,719)
Uni-President Logistics (BVI) Holdings Ltd.	USD2,991,000	105,596	246	105,350	-	(75)	(11,854)	-	(11,854)	-
Zhejiang Uni-Champion Logistics Development Co., Ltd.	CNY40,000,000	286,841	75,673	211,168	409,320	(26,805)	(23,557)	-	(23,347)	(10,764)
Retail Support Taiwan Corp.	56,300	302,455	169,208	133,247	403,899	45,307	43,920	7.08	53,402	81,270
President Logistics International Corp.	193,500	1,838,729	1,435,101	403,628	4,338,196	44,071	101,812	5.26	118,402	411,861
Chieh Shun Logistics International Corp.	266,700	1,258,802	919,595	339,207	2,362,602	24,283	29,533	1.11	36,731	327,280
Uni-Capital Marketing Consultant Holding Co., Ltd.	USD464,000	13,672	-	13,672	-	(94)	2,131	-	2,131	(78)
Uni-Capital Marketing Consultant Corp.	CNY3,000,000	12,794	578	12,216	19,924	2,189	2,209	-	2,209	(1,308)
Uni-Sogood Marketing Consultant Philippines Corp. (Note 1)	PHP40,000,000	21,141	3,569	17,572	13,745	(4,664)	(4,653)	-	(4,653)	(8,453)

Note 1: Uni-Sogood Marketing Consultant Philippines Corp. was invested in January 2023.

The exchange rates are used as follows:

(A) Spot exchange rate on 31 December, 2023 used for Balance Sheet:

RMB : NTD=1 : 4.32465 : USD : NTD=1 : 30.70500 : PHP : NTD =1 : 0.55437

HKD : NTD=1 : 3.93074 : JPY : NTD =1 : 0.21720

(B) Average exchange rate of 2023 used for Statement of Comprehensive Income and Cash Flows:

RMB : NTD=1 : 4.39968 : USD : NTD=1 : 31.17762 : PHP : NTD =1 : 0.56039

HKD : NTD=1 : 3.98240 : JPY : NTD =1 : 0.22185

PRESIDENT CHAIN STORE CORPORATION

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