PRESIDENT SECURITIES CORPORATION

PARENT COMPANY ONLY FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

December 31, 2021 AND 2020

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

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR21003287

To the Board of Directors and Shareholders of President Securities Corporation

Opinion

We have audited the accompanying parent company only balance sheets of President Securities Corporation as at December 31, 2021 and 2020, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of President Securities Corporation as at December 31, 2021 and 2020, 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 Firms and Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the parent company only financial statements* section of our report. We are independent of President Securities Corporation in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that 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 judgement, were of most significance in our audit of the parent company's 2021 only financial statements. 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.

The key audit matters of the parent company's 2021 only financial statements are stated as follows:

Fair value measurement of unlisted stocks without active market

<u>Description</u>

Please refer to Note 4(7) for the accounting policies on unlisted stocks without active market (shown as "financial assets at fair value through other comprehensive income") and Note 5 for details of significant judgements, estimates and assumption uncertainty. As at December 31, 2021, the unlisted stocks without active market held by the President Securities Corporation totaled 258,627 thousand New Taiwan Dollars and were shown as "financial assets at fair value through other comprehensive income" (Level 3 fair value).

Due to the lack of an active market, the fair value of the unlisted stocks held by the President Securities Corporation was determined using valuation method. Management measured its fair value by using comparable listed companies in market approach. The main assumption of market approach is calculating based on the latest published price-book ratio of comparable listed companies in similar industries and considering discounts on market liquidity or risk particularity.

Above-mentioned estimation of fair value involves various assumptions and material unobservable inputs, which has high uncertainty and relies on the subjective judgment of management. Any changes in judgements and estimates may affect the ultimate result of accounting estimates and have an impact on the financial statements of the President Securities Corporation. Thus, we have included the fair value measurement of unlisted stocks without active market as a key audit matter in our audit.

<u>How our audit addressed the matter</u>

We performed the following audit procedures on the above key audit matter:

1. Obtained an understanding and assessed policy documents, internal control system, fair value measurement models and approval processes that are related to fair value measurement of unlisted stock;
2. Ascertained whether the measurement methods used by the management is commonly used by the industry;
3. Assessed the reasonableness of parameter of similar companies used by management;
4. Examined inputs and calculation formulas used in valuation methods and agreed such data to supporting documents.

Impairment assessment of investments accounted for under the equity method

Description

Please refer to Note 4(13) for accounting policies on investments accounted for under the equity method and its impairment, Note 5(2) for the uncertainty of accounting estimates and assumptions applied on asset impairment, and Note 6(11) for details of investments accounted for under the equity method.

President Securities Corporation held 42.46% of equity of Uni-President Asset Management Corp. which was accounted for under the equity method, and the excess of the carrying amount over the share of the investee company's net assets is mainly goodwill. As of December 31, 2021, the amount was 760,171 thousand New Taiwan Dollars. Impairment assessment is based on the expected future cash flow of the investee, discounted at an appropriate discount rate, to measure the recoverable amount of the cash generating unit.

The recoverable amount of the investee is based on its expected future cash flows which involve multiple estimates and assumptions on discount rate and financial forecast. These are subjective judgements, have a high degree of uncertainties, and are material to the recoverable amount. Thus we consider the impairment assessment of investments accounted for under the equity method as one of the matters of most significance to our audit.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained the impairment assessment report prepared by an external valuation expert who was commissioned by the management;
2. Assessed the reasonableness of expected future cash flows, discount rate and other significant assumptions applied in the cash flow model; and
3. Inspected valuation model parameters, formula setting and the accuracy of calculation.

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, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statement 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 President Securities Corporation'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 President Securities Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee, are responsible for overseeing President Securities Corporation's financial reporting process.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the generally accepted auditing standards in 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 generally accepted auditing standards in the Republic of China, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of 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 control.

2. Obtain an understanding of internal control 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 President Securities Corporation's internal control.
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 President Securities Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause President Securities Corporation 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 President Securities Corporation 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 control 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 of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes 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.

Lin, Se-Kai

Independent Auditors

Lo, Chiao-Sen

For and on behalf of PricewaterhouseCoopers, Taiwan

March 8, 2022

The accompanying parent company only financial statements are not intended to present the financial position and financial performance 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 SECURITIES CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2021 AMOUNT	%	December 31, 2020 AMOUNT	%
110000	**Current assets**					
111100	Cash and cash equivalents	6(1)	$ 3,082,958	3	$ 3,507,116	4
112000	Financial assets at fair value through profit or loss - current	6(2)	33,286,663	35	40,831,878	45
113200	Financial assets at fair value through other comprehensive income - current	6(3)	410,205	1	353,510	-
114010	Bonds purchased under resale agreements	6(4)	27,401	-	-	-
114030	Margin loans receivable	6(5)	18,344,751	19	12,248,272	14
114040	Refinancing security deposits		29,930	-	51,532	-
114050	Receivables from refinance guaranty		24,933	-	42,889	-
114060	Receivable of securities business money lending		1,581,993	2	1,288,127	2
114090	Receivables from security lending		401,019	-	240,796	-
114100	Security lending deposits		1,437,295	2	1,007,090	1
114110	Notes receivable		470	-	737	-
114130	Accounts receivable	6(6)	16,549,427	17	17,635,068	19
114140	Accounts receivable - related parties	6(6)	4,792	-	4,413	-
114150	Prepayments		21,059	-	20,463	-
114170	Other receivables	6(7)	5,709	-	9,518	-
119000	Other current assets	6(8)	7,992,320	8	2,156,587	2
110000	**Total current assets**		83,200,925	87	79,397,996	87
120000	**Noncurrent assets**					
122000	Financial assets at fair value through profit or loss - non-current	6(2)	62,774	-	67,484	-
123200	Financial assets at fair value through other comprehensive income - non-current	6(3)	258,627	-	186,334	-
124100	Investments accounted for under the equity method	6(11)	7,518,999	8	7,247,316	8
125000	Property and equipment, net	6(12)	2,271,270	3	2,270,322	3
125800	Right-of-use assets	6(13)	191,960	-	171,581	-
126000	Investment property	6(15)	268,402	1	270,503	1
127000	Intangible assets	6(16)	145,690	-	94,479	-
128000	Deferred tax assets	6(47)	155,567	-	99,384	-
129000	Other assets - non-current	6(17)	1,117,438	1	1,044,489	1
120000	**Total non-current assets**		11,990,727	13	11,451,892	13
906001	**Total Assets**		$ 95,191,652	100	$ 90,849,888	100

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PRESIDENT SECURITIES CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2021 AMOUNT	%	December 31, 2020 AMOUNT	%
210000	**Current liabilities**					
211100	Short-term loans	6(18)	$ 590,000	1	$ 578,976	1
211200	Commercial papers payable	6(19)	8,648,558	9	7,298,896	8
212000	Financial liabilities at fair value through profit or loss - current	6(20)	8,171,735	9	2,622,141	3
214010	Bonds sold under repurchase agreements	6(21)	9,643,040	10	19,096,165	21
214040	Deposits on short sales		1,202,587	1	1,381,470	2
214050	Short sale proceeds payable		1,559,162	2	1,809,955	2
214070	Guarantee deposit received on borrowed securities		1,969,207	2	903,852	1
214090	Equity for each customer in the account		97,996	-	28,105	-
214130	Accounts payable	6(22)	17,421,499	18	18,038,119	20
214150	Advance receipts		481	-	332	-
214160	Collections on behalf of third parties		5,739,850	6	1,098,674	1
214170	Other payables	6(23)	2,499,848	3	1,975,239	2
214200	Other financial liabilities - current	6(24)	4,983,139	5	6,008,310	7
214600	Current tax liability	6(47)	628,676	1	324,555	-
216000	Current lease liabilities		62,878	-	61,875	-
219000	Other current liabilities		73,094	-	76,474	-
210000	**Total current liabilities**		63,291,750	67	61,303,138	68
220000	**Non-current liabilities**					
225100	Non-current provisions		14,079	-	8,627	-
226000	Non-current lease liabilities		120,489	-	103,607	-
228000	Deferred tax liability	6(47)	-	-	2,813	-
229000	Other liabilities - non-current	6(25)	81,750	-	24,388	-
220000	**Total non-current liabilities**		216,318	-	139,435	-
906003	**Total Liabilities**		63,508,068	67	61,442,573	68
301000	Capital					
301010	Common stock	6(27)	14,558,313	15	13,998,378	15
302000	Capital reserve	6(27)	91,261	-	91,261	-
304000	Retained earnings	6(27)(28)				
304010	Legal reserve		3,487,748	4	3,111,013	4
304020	Special reserve		8,314,199	9	7,600,316	8
304040	Unappropriated earnings		3,922,562	4	3,771,859	4
305000	Other equity interest		1,309,501	1	834,488	1
906004	**Total equity**		31,683,584	33	29,407,315	32
906002	**Total liabilities and equity**		$ 95,191,652	100	$ 90,849,888	100

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

PRESIDENT SECURITIES CORPORATION
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Items	Notes	2021 AMOUNT	2021 %	2020 AMOUNT	2020 %
400000	**Revenues**					
401000	Brokerage handling fee revenue	6(29)	$ 4,153,616	39	$ 2,465,522	29
404000	Revenues from underwriting business	6(30)	104,035	1	76,506	1
406000	Net gain (loss) on wealth management		32,127	-	22,312	-
410000	Net gain (loss) on sale of trading securities	6(31)	8,738,972	83	3,351,750	40
421100	Revenue from providing agency service for stock affairs		85,817	1	77,732	1
421200	Interest revenue	6(32)	1,159,210	11	1,052,595	12
421300	Dividend revenue		451,249	4	382,536	4
421500	Net valuation gain (loss) on operating securities at fair value through profit or loss	6(33)	(862,680)	(8)	995,619	12
421600	Net gain (loss) on covering of borrowed securities and bonds with resale agreements-short sales	6(34)	(181,893)	(2)	268,439	3
421610	Net valuation gain (loss) on borrowed securities and bonds with resale agreements-short sales at fair value through profit or loss	6(35)	(313,159)	(3)	(117,021)	(1)
421750	Net realised gain (loss) on financial assets measured at fair value through other comprehensive income-bonds	6(36)	-	-	100,358	1
422000	Net gain (loss) on issuance of ETNs		76,579	1	(83,151)	(1)
422100	Administrative and handling fee revenues from issuance of ETNs		17,312	-	2,870	-
422200	Net gain (loss) from issuance of call (put) warrants	6(37)	(2,896,956)	(27)	95,405	1
424100	Future commission revenue		42,884	-	40,206	-
424400	Net gain (loss) from derivatives	6(38)	(655,306)	(6)	(120,517)	(1)
425300	Impairment loss and reversal of impairment gain	6(39)	11,158	-	(15,308)	-
428000	Other operating income	6(40)	615,039	6	(122,869)	(1)
	Total revenue		10,578,004	100	8,472,984	100
500000	**Expenditures and expenses**					
501000/ 502000/ 503000	Handling charges	6(41)	(560,293)	(5)	(373,105)	(5)
507000	ETNs administrative expenses		(6,863)	-	(5,658)	-
521200	Interest expenses	6(42)	(88,091)	(1)	(249,390)	(3)
524200	Securities commission expense		(302)	-	(182)	-
524300	Expense of clearing and settlement		(14,089)	-	(11,731)	-
528000	Other operating expenditure		(3,049)	-	(26)	-
531000	Employee benefits expense	6(43)	(3,615,086)	(34)	(2,796,016)	(33)
532000	Depreciation and amortization	6(44)	(175,565)	(2)	(157,405)	(2)
533000	Other operating expense	6(45)	(1,851,991)	(18)	(1,357,216)	(16)
	Total expenditure and expense		(6,315,329)	(60)	(4,950,729)	(59)
	Operating profit		4,262,675	40	3,522,255	41
601100	Share of the profit or loss of associates and joint ventures accounted for under the equity method	6(11)	213,779	2	303,699	4
602000	Other gains and losses	6(46)	156,325	2	100,642	1
902001	**Profit or loss before tax**		4,632,779	44	3,926,596	46
701000	Income tax (expense) benefit	6(47)	(625,344)	(6)	(319,078)	(4)
902005	**Net income (loss)**		$ 4,007,435	38	$ 3,607,518	42

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PRESIDENT SECURITIES CORPORATION
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Items	Notes	2021 AMOUNT	2021 %	2020 AMOUNT	2020 %
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
805510	Remeasurements of defined benefit plan		($ 127,326)	(1)	($ 20,158)	-
805540	Net unrealised gain (loss) from investments in equity instruments at fair value through other comprehensive income	6(3)	128,987	1	369,407	5
805560	Other comprehensive gain (loss) of subsidiaries, associates, and joint ventures accounted for under the equity method - not reclassified to profit or loss		376,356	3	91,900	1
805599	Income tax benefit relating to components of other comprehensive income that will not be reclassified to profit or loss	6(47)	25,465	-	4,032	-
	Items may be reclassified to profit or loss subsequently					
805610	Translation gain (loss) on the financial statements of foreign operating entities		(34,891)	-	27,298	-
805615	Net unrealised gain (loss) from investments in debt instruments at fair value through other comprehensive income		-	-	28	-
805000	Current other comprehensive income (loss) (post-tax)		$ 368,591	3	$ 472,507	6
902006	**Total current comprehensive income**		$ 4,376,026	41	$ 4,080,025	48
	Earnings per share	6(48)				
975000	Basic earnings per share (in dollars)		$	2.75	$	2.48
985000	Diluted earnings per share (in dollars)		$	2.75	$	2.47

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

PRESIDENT SECURITIES CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

				Retained Earnings			Other equity interest		
	Notes	Common stock	Capital reserve	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translation of foreign financial statements	Unrealised gain or loss on financial assets measured at fair value through other comprehensive income	Total equity
For the year ended December 31, 2020									
Balance at January 1, 2020		$ 13,723,900	$ 91,261	$ 2,876,769	$ 7,130,830	$ 2,355,105	($ 58,216)	$ 580,031	$ 26,699,680
Net income for the year ended December 31, 2020		-	-	-	-	3,607,518	-	-	3,607,518
Other comprehensive income (loss) for the year ended December 31, 2020		-	-	-	-	(17,197)	27,298	462,406	472,507
Total comprehensive income (loss)		-	-	-	-	3,590,321	27,298	462,406	4,080,025
Appropriations of 2019 earnings	6(28)								
Legal reserve		-	-	234,244	-	(234,244)	-	-	-
Special reserve		-	-	-	469,486	(469,486)	-	-	-
Cash dividends		-	-	-	-	(1,372,390)	-	-	(1,372,390)
Stock dividends		274,478	-	-	-	(274,478)	-	-	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income		-	-	-	-	177,031	-	(177,031)	-
Balance at December 31, 2020		$ 13,998,378	$ 91,261	$ 3,111,013	$ 7,600,316	$ 3,771,859	($ 30,918)	$ 865,406	$ 29,407,315
For the year ended December 31, 2021									
Balance at January 1, 2021		$ 13,998,378	$ 91,261	$ 3,111,013	$ 7,600,316	$ 3,771,859	($ 30,918)	$ 865,406	$ 29,407,315
Net income for the year ended December 31, 2021		-	-	-	-	4,007,435	-	-	4,007,435
Other comprehensive income (loss) for the year ended December 31, 2021		-	-	-	-	(106,422)	(34,891)	509,904	368,591
Total comprehensive income (loss)		-	-	-	-	3,901,013	(34,891)	509,904	4,376,026
Appropriations of 2020 earnings	6(28)								
Legal reserve		-	-	376,735	-	(376,735)	-	-	-
Special reserve		-	-	-	713,883	(713,883)	-	-	-
Cash dividends		-	-	-	-	(2,099,757)	-	-	(2,099,757)
Stock dividends		559,935	-	-	-	(559,935)	-	-	-
Balance at December 31, 2021		$ 14,558,313	$ 91,261	$ 3,487,748	$ 8,314,199	$ 3,922,562	($ 65,809)	$ 1,375,310	$ 31,683,584

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

PRESIDENT SECURITIES CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 4,632,779	$ 3,926,596
Adjustments			
Adjustments to reconcile profit (loss)			
Net valuation (gain) loss on operating securities at fair value through profit or loss	6(2)(33)	862,680	(995,619)
Net valuation (gain) loss on borrowed securities and bonds with resale agreements-short sales at fair value through profit or loss	6(35)	313,159	117,021
Impairment loss and reversal of impairment gain	6(39)	(7,846)	17,510
Depreciation	6(44)	150,889	142,494
Amortization	6(44)	24,676	14,911
Interest expense	6(42)	88,091	249,390
Interest income (include financial income)	6(32)(46)	(1,169,070)	(1,064,310)
Dividend income		(462,602)	(390,222)
Share of profit of subsidiaries, associates and joint ventures accounted for under the equity method	6(11)	(213,779)	(303,699)
(Gain) loss on disposal of property and equipment	6(12)	-	(1)
(Gain) loss on disposal of investments		-	25,676
(Gain) loss from lease modification	6(46)	(7)	-
(Gain) loss on valuation of non-operating financial instrument	6(46)	4,901	7,352
Changes in operating assets and liabilities			
Net changes in operating assets			
Financial assets at fair value through profit or loss - current		6,679,835	3,655,513
Financial assets at fair value through other comprehensive income - current		-	(13,884)
Bonds purchased under resale agreements		(27,401)	-
Margin loans receivable		(6,085,072)	(2,239,117)
Refinancing security deposits		21,602	51,013
Receivables from refinance guaranty		17,956	45,870
Receivable of securities business money lending		(293,866)	(770,318)
Receivables from security lending		(160,223)	(139,753)
Security lending deposits		(430,205)	(463,919)
Notes receivable		267	(40)
Accounts receivable		1,120,283	(6,291,689)
Accounts receivable - related parties		(379)	(1,798)
Prepayments		(596)	(1,999)
Other receivables		3,739	(578)
Other current assets		(5,835,733)	(1,611,663)
Net changes in liabilities relating to operating activities			
Financial liabilities at fair value through profit or loss		5,236,435	1,656,855
Bonds sold under repurchase agreements		(9,453,125)	(1,860,091)
Deposits on short sales		(178,883)	(177,247)
Short sale proceeds payable		(250,793)	(78,877)
Guarantee deposit received on borrowed securities		1,065,355	847,848
Equity for each customer in the account		69,891	27,472
Accounts payable		(555,071)	6,964,657
Advance receipts		149	22
Collections on behalf of third parties		4,641,176	723,092
Other payable		524,317	740,631
Other financial liabilities - current		(1,025,171)	3,264,444
Other current liabilities		(3,380)	63,875

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PRESIDENT SECURITIES CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2021	2020
Cash (outflow) inflow generated from operations		($ 695,022)	$ 6,137,418
Interest received		1,079,490	1,138,004
Dividends received		713,513	609,128
Income tax paid		(354,754)	(161,284)
Net cash flows from operating activities		743,227	7,723,266
CASH FLOWS FROM INVESTING ACTIVITIES			
Investments accounted for under the equity method		-	(3,844,497)
Acquisition of property and equipment	6(12)	(46,729)	(23,990)
(Gain) loss on disposal of property and equipment		-	13
Acquisition of intangible assets	6(16)	(41,381)	(10,032)
(Increase) decrease in other non-current assets		(84,734)	(84,496)
(Increase) decrease in prepayment for equipment		(123,975)	(69,632)
Acquisition of investments accounted for under the equity method		-	2,263,273
Net cash flows used in investing activities		(296,819)	(1,769,361)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase (decrease) in short-term loans		11,024	(2,266,526)
Increase (decrease) in commercial papers payable		1,350,000	(2,300,000)
Increase (decrease) in other non-current liabilities		(969)	(2,537)
Payments of lease liabilities		(67,865)	(66,454)
Interest paid		(94,833)	(261,268)
Distribution of cash dividends	6(28)	(2,099,757)	(1,372,390)
Net cash flows used in financing activities		(902,400)	(6,269,175)
Effect of exchange rate changes on cash and cash equivalents		31,834	(7,265)
Net decrease in cash and cash equivalents		(424,158)	(322,535)
Cash and cash equivalents at beginning of year		3,507,116	3,829,651
Cash and cash equivalents at end of year		$ 3,082,958	$ 3,507,116

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

PRESIDENT SECURITIES CORPORATION

NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

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

1. HISTORY AND ORGANIZATION

1) President Securities Corporation (the "Company") was incorporated as a company limited by shares under the provisions of the Company Law of the Republic of China (R.O.C.) on December 17, 1988 and was renamed as President Securities Corporation on March 4, 1989. The Company started commercial operations on April 3, 1989. As of December 31, 2021, the Company had 31 operating branches (including the Head Office) and established Offshore Securities Unit in July 2014.
2) The Company is primarily engaged in underwriting of securities, dealing or brokerage business of securities at the securities exchange markets and business premises, registration and transfer agency service for securities, margin loans and short sales business of securities, securities lending and borrowing business, futures introducing brokerage services, futures dealing, issuance of call (put) warrants, new financial instrument transactions, wealth management business, and trust business.
3) The Company's shares are listed on the Taiwan Stock Exchange.
4) The number of employees of the Company were 1,447 and 1,434, as of December 31, 2021 and 2020.

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

These parent company only financial statements were authorized for issuance by the Board of Directors on March 8, 2022.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

New standards, interpretations and amendments endorsed by FSC effective from 2021 are as follows:

New Standards, Interpretations and Amendments	Effective Date by International Accounting Standards Board
Amendments to IFRS 4, 'Extension of the temporary exemption from applying IFRS 9'	January 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, ' Interest Rate Benchmark Reform— Phase 2'	January 1, 2021

New Standards, Interpretations and Amendments	Effective Date by International Accounting Standards Board
Amendment to IFRS 16, ‘Covid-19-related rent concessions beyond 30 June 2021’	April 1, 2021(Note)

Note：Earlier application from January 1, 2021 is allowed by FSC.

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

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

New standards, interpretations and amendments endorsed by FSC effective from 2022 are as follows:

New Standards, Interpretations and Amendments	Effective Date by International Accounting Standards Board
Amendments to IFRS 3, ‘Reference to the conceptual framework’	January 1, 2022
Amendments to IAS 16, ‘Property, plant and equipment: proceeds before intended use’	January 1, 2022
Amendments to IAS 37, ‘Onerous contracts—cost of fulfilling a contract’	January 1, 2022
Annual improvements to IFRS Standards 2018–2020	January 1, 2022

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

3) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs endorsed by the FSC effective 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

New Standards, Interpretations and Amendments	Effective Date by International Accounting Standards Board
Amendments to IAS 1, ‘Classification of liabilities as current or non-current’	January 1, 2023
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

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 SIGNIFICANT ACCOUNTING POLICIES

The Company’s significant accounting policies are described below:

1) Compliance statement

The financial statements of the Company have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Firms” and “Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants”.

2) Basis of preparation

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

(A) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

(B) Financial assets at fair value through other comprehensive income/Available-for-sale financial assets measured at fair value.

(C) Defined benefit assets or liabilities recognized based on the net amount of pension fund assets less 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 Interpretation as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of 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 financial statements are disclosed in Note 5.

3) 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 twelve months from the balance sheet date;

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

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

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

(B) Liabilities arising mainly from trading activities;

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

(D) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve 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.

4) Translation of foreign currency transactions

A. Foreign currency translation and presentation

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"). Functional currency and bookkeeping currency of the Company is New Taiwan Dollars.

B. Foreign currency transactions and balances

Foreign currency transactions denominated in a foreign currency or required to settle in a foreign currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Assets and liabilities denominated in foreign currency are translated by the closing exchange rate at balance sheet date. The closing exchange rate is determined by the market exchange rate. Non-monetary assets and liabilities denominated in foreign currencies which are carried at historical cost are re-translated at the exchange rates prevailing at the original transaction date. 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.

C. Translation of foreign operations

The operating results and financial position of all the company entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(A) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

(B) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

(C) All resulting exchange differences are recognized in other comprehensive income.

5) Cash and cash equivalents

A. In the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with banks, and other short-term highly liquid investments.

B. 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 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 trade 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 trade 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:

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

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

8) Notes and accounts receivable, other receivables and margin loans receivable

A. Accounts and notes receivable and margin loans receivables 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) Bonds sold under repurchase agreements and bonds purchased under resale agreements

Bond transactions under repurchase or resale agreements are stated at the amount of actual payment or receipt. When transactions of bonds with a condition of resale agreements occur, the actual payment or receipt shall be recognized in 'bonds purchased under resale agreements' under current assets. When transactions of bonds with a condition of repurchase agreements occur, the actual payment or receipt shall be recognized in 'bonds sold under repurchase agreements' under current liabilities. Any difference between the actual payment/receipt and predetermined redemption (repurchase) price is recognized in interest income or interest expense.

10) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income, 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 or contract assets that do not contain a significant financing component, the Company recognizes the impairment provision for lifetime ECLs.

11) Derecognition of financial instruments

A. Derecognition of financial assets

The Company derecognizes a financial asset when one of the following conditions is met:

(A) The contractual rights to receive cash flows from the financial asset expire.

(B) The contractual rights to receive cash flows from the financial asset have been transferred and the Company has transferred substantially all risks and rewards of ownership of the financial asset.

(C) The contractual rights to receive cash flows of the financial asset have been transferred; however, the Company has not retained control of the financial asset.

B. Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability specified in the contract is discharged or cancelled or expired.

12) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

13) Investments accounted for under the equity method/Subsidiaries and associates

A. Subsidiaries are all entities (including structured 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. Investments in subsidiaries are accounted for using the equity method and are initially recognized at cost.

B. Unrealized gains on transactions between the Company and its subsidiaries are eliminated to the extent of the Company's interest in the subsidiaries. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by 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, including any other unsecured receivables, the Company does not recognize further losses.

D. 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.

E. 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 statutory/constructive obligations or made payments on behalf of the associate.

F. When changes in an associate's equity that are not recognized in profit or loss or other comprehensive income of the associate and such changes not affecting the Company's ownership percentage of the associate, the Company recognizes its share of change in equity of the associate in 'capital surplus' in proportion to its ownership.

G. 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.

H. According to "Regulations Governing the Preparation of Financial Reports by Securities Firms", the profit or loss for the period and other comprehensive income presented in parent company only financial reports shall be the same as the allocations of profit or loss for the period and of other comprehensive income attributable to owners of the parent presented in the financial reports prepared on a consolidated basis, and the owners' equity presented in the parent company only financial reports shall be the same as the equity attributable to owners of the parent presented in the financial reports prepared on a consolidated basis.

I. When there are objective evidences of impairment, at balance sheet date, the Company considers the whole investment carrying amount as single asset, and compares its recoverable amount (value in use or fair value less costs of disposal) with the carrying amount, to test its impairment. Value in use is determined by the present value of the Company's share of the expected future cash flow from the associates. If the recoverable amount is less than its carrying amount, an impairment loss should be recognized. The loss will not be allocated to any of the components (including goodwill), which comprise the carrying amount of the investment. An impairment loss recognized in prior periods shall be reversed if circumstances of impairment no longer exist or have decreased.

14) <u>Property and equipment</u>

A. Property and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.

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. Land is not depreciated. Other property and equipment are subsequently measured using the cost model and depreciated using the straight-line method to allocate their cost over their estimated useful lives.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. 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 and equipment are as follows:

	Useful lives
Buildings	5~50 years
Furniture and fixtures	4~10 years
Computer equipment	3~5 years
Electrical equipment	3~10 years
Leasehold improvements	5 years

E. When an asset is sold or retired, the cost and accumulated depreciation are removed from the respective accounts and the resulting gain or loss is included in current operations.

15) 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 mainly comprised of fixed payments.

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 mainly the amount of the initial measurement of lease liability.

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.

16) Investment property

A. Investment property of the Company is the property held either to earn long-term rental income or for capital appreciation or for both.

B. Part of the property may be held by the Company for self-use purpose and the remaining are used to generate rental income or capital appreciation. If the property held by the Company can be sold individually, then the accounting treatment should be made respectively. If each part of the property cannot be sold individually and the self-use proportion is not material, then the property is deemed as investment property in its entirety.

C. When the future economic benefit related to the investment property is highly likely to flow into the Company and the costs can be reliably measured, the investment property shall be recognized as assets. When the future economic benefit generated from subsequent costs is highly likely to flow into the entity and the costs can be reliably measured, the subsequent expenses of the assets shall be capitalized. All maintenance costs are recognized in profit or loss as incurred.

D. Investment property is subsequently measured using the cost model. Depreciated cost is used to calculate amortization expense after initial measurement. The depreciation method, remaining useful life and residual value should apply the same rules as applicable for property and equipment.

17) Intangible assets

A. The cost of computer software is amortized using the straight-line method over the useful lives based on acquisition cost, with an amortization period of 4 years.

B. In accordance with IFRS 3 'Business combinations' as endorsed by FSC, goodwill arises when the acquisition cost exceeds the fair value of identifiable assets and liabilities of the consolidated subsidiary on the consolidation date. The goodwill arising from the consolidated subsidiary is included in the intangible asset. Goodwill is tested annually for impairment and any impairment loss will be recognized when impairment occurs. Impairment losses on goodwill are not reversed.

18) Impairment of non-financial assets

A. 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. 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, intangible assets with an indefinite useful life and intangible assets that have not yet been available for use 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 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.

19) <u>Financial liabilities at fair value through profit or loss</u>

A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorized as financial liabilities held for trading unless they are designated as hedges.

B. At initial recognition, the Group measures the financial liabilities at fair value. All related transaction costs are recognized in profit or loss. The Group subsequently measures these financial liabilities at fair value with any gain or loss recognized in profit or loss.

20) <u>Contingent liabilities</u>

Contingent liability is a possible obligation that arises from past event, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Or it could be a present obligation as a result of past event but the payment is not probable or the amount cannot be measured reliably. The Company did not recognize any contingent liabilities but made appropriate disclosure in compliance with relevant regulations.

21) <u>Employee benefits</u>

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 expenses in that period when the employees render service.

B. 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 employee. The Company recognized expense as it can no longer withdraw an offer of termination benefit or it recognizes relating 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.

C. Pensions

(A) Defined contribution plans

Effective July 1, 2005, the Company established the defined contribution plan for employees of R.O.C. nationality. The employees have the option to participate in the New Plan. Under the New Plan, the Company contributes monthly an amount equivalent to 6% of employees' salaries to the employees' personal pension accounts with the "Bureau of Labor Insurance". Benefits accrued under the New Plan are portable upon termination of employment. Net defined benefit asset can only be recognized when there is a cash refund or elimination in the future accrued pension liabilities.

(B) Defined benefit plans

a. In a defined benefit plan, the pension paid is determined based on the amount that an employee shall receive upon retirement, which could vary with age, work seniority and salary compensations. The Company recognizes the accrued pension obligations in the balance sheet based on the net amount of actuarial present value of defined benefit obligation less the fair value of fund, which is adjusted with the net of past service cost recognized as liabilities. Defined benefit obligation is assessed annually using projected unit credit method by the actuary. The present value of the defined benefit obligation is determined using the market yield of government bonds of a currency and term consistent with the currency and term of the employment benefit obligations.

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

D. Employees' remuneration and directors' remuneration

Employees' and directors' remuneration are recognized as expenses and liabilities, 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.

22) <u>Revenues and expenses</u>

The Company's revenues and expenses mainly include:

A. Gains (losses) on sale of securities, securities brokerage fees, and commissions on brokerage and trading are recognized on the transaction date.

B. Underwriting fees and related service charges: application fees are recognized upon collection; underwriting fees and service charges are recognized when the contract is completed.

C. Gains (losses) on futures contracts: The margin of futures transaction is recognized as cost. Costs and expenses are recognized as incurred.

D. Operating expenses: operating expenses refer to required expenses invested in the Company's operations, which primarily include employee benefit expense, depreciation and amortization, and other business and administrative expenses.

23) Income tax

A. Current income tax

Income tax payable (refundable) is calculated on the basis of the tax laws enacted in the countries where a company operates and generates taxable income. Except for the transactions or other matters directly recognized in other comprehensive income or equity, in which cases the related income taxes in the period are recognized in other comprehensive income or directly derecognized from equity, all the others should be recognized as income or expense for the period.

B. Deferred income tax

Deferred income tax assets and liabilities are measured based on the tax rate of the anticipated period that the future assets realization or the liabilities settlement requires, which is based on the effective or existing tax rate at the balance sheet date. The carrying amounts and temporary differences of assets and liabilities included in the balance sheet are calculated using the balance sheet method and recognized as deferred income tax. However, the deferred income 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 (loss). Deferred income tax assets are recognized only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. If the future taxable income is probable to provide unused loss carryforwards or deferred income tax credit which can be realized in the future, the proportion of realization is deemed as deferred income tax asset.

C. 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 for income tax liabilities 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.

D. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.

24) Share capital

A. Incremental costs directly attributable to the issuance of new shares are shown as a deduction, net of tax, from equity. Dividends from common stocks are recognized as equity in the financial period in which they are approved by the Company's shareholders. If the date of dividends declared is later than the balance sheet date, common stocks are disclosed in the subsequent events.

B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

25) Earnings per share

A. Earnings per share is calculated by dividing net income by the weighted average number of shares outstanding during the year after taking into consideration the retroactive effect of stock dividends and capital reserve capitalized.

B. When the Company calculates earnings per share, basic earnings per share and diluted earnings per share for all potential ordinary shares shall all be disclosed in accordance with IAS 33 "Earnings per share".

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

1) As the financial statements of the Company may be affected by the adoption of accounting policy, accounting estimate and assumption, the Company's management shall properly exercise its professional judgement, estimates, and assumptions on the information of the key risks that is obtained from other resources and could affect the carrying amounts of financial assets and liabilities in the next fiscal year while adopting critical accounting policies as stated in Note 4. Estimates and assumptions of the Company are the best estimates made in compliance with IFRSs as endorsed by the FSC. Estimates and assumptions are made based on past experience and other factors (including the influence of COVID 19) deemed relevant; however, the actual results may differ from the estimates. The Company evaluates the estimates and assumptions on an ongoing basis and recognizes

the adjustment of the estimates only in the period which is affected by the adjustment. If the adjustment simultaneously affects both the current and future periods, it should be recognized in both periods.

2) Relevant information on key assumptions to be made in the future, key sources of assumption uncertainty made at balance sheet date, and assumptions and estimates that may cause key risks that could affect the carrying amounts of financial assets and liabilities are as follows:

A. Fair value of financial instruments

Financial instruments with no active market or quoted price use valuation technique to determine the fair value. Under such condition, fair value is assessed through the observable information or models of similar financial instruments. If there is no observable input available in a market, the fair value of financial instrument is assessed through appropriate assumptions. When valuation models are adopted to determine the fair value, all the models should be calibrated to ensure that the output can actually reflect actual information and market price. Models should try to take only observable information as much as possible.

B. Expected credit losses

For financial assets, the measurement of expected credit losses uses complex models and multiple assumptions. These models and assumptions take into account future macro-economic conditions and credit behaviors of borrowers (e.g. probability of customer default and loss). Please refer to Note 12(2) for detailed information on parameters, assumptions, and estimation methods used in measuring expected credit losses and disclosure of the sensitivity of credit loss to the aforementioned factors.

The measurement of expected credit losses according to applicable accounting rules involves significant judgement in several areas, for example:

(A)The criteria used to judge whether there is significant increase in credit risk.

(B)The selection of appropriate models and assumptions for measuring expected credit losses.

For judgements and estimations of the above expected credit losses, please refer to Note 12(2).

C. Impairment assessment on investment accounted for under the equity method

When there are impairment indicators that show the investments accounted for under the equity method are impaired and the carrying amount can no longer be recovered, the Company will assess the impairment of the investment. The Company assess its share of the recoverable amount which is based on the discounted value of expected cash flow, and assess the reasonableness of relevant assumptions, including revenue growth rate, operating profit margin, net profit margin, financial forecast, and discount rate.

D. Impairment assessment of goodwill

The periodic impairment assessment of goodwill includes allocation of assets, liabilities, and goodwill to brokerage segment, and determines the recoverable amount based on brokerage segment's present value of expected future cash flow. The periodic assessment also analyzes reasonableness of relevant assumptions, including expected future trading volumes, market share, segment's operating profit margin, and discount rates.

6. DETAILS OF SIGNIFICANT ACCOUNTS

1) Cash and cash equivalents

	December 31, 2021	December 31, 2020
Checking deposits	$ 457,036	$ 430,291
Current deposits:		
Deposits denominated in NTD	358,336	262,276
Deposits denominated in foreign currencies	1,001,686	1,057,849
Time deposits	1,265,900	1,756,700
Total	$ 3,082,958	$ 3,507,116

As of December 31, 2021 and 2020, the annual interest rates of time deposits, including foreign time deposits were 0.050% ~ 0.400% and 0.020%~0.520%, respectively.

2) Financial assets at fair value through profit or loss

	December 31, 2021	December 31, 2020
Current items:		
Financial assets mandatorily measured at fair value through profit or loss:		
Open-ended funds, money market instruments and securities investment by brokers		
Open-ended mutual funds beneficiary certificates	$ 41,726	$ 25,000
Adjustment of open-ended funds, money market instruments and securities investment by brokers	(307)	459
Total	41,419	25,459

	December 31, 2021	December 31, 2020
Trading securities - dealer		
Listed (TSE and OTC) stocks	$ 6,576,248	$ 5,546,156
Government bonds	1,494,196	2,699,935
Corporate bonds	2,648,112	3,317,423
Convertible corporate bonds	365,393	417,025
Emerging stocks	222,266	98,366
Overseas stocks	9,075,322	17,628,935
Exchange-traded funds	966,526	2,099,505
Unlisted stocks	2,042	14,714
Subtotal	21,350,105	31,822,059
Adjustment of trading securities - dealer	352,548	1,190,808
Total	21,702,653	33,012,867
Trading securities - underwriter		
Listed (TSE and OTC) stocks	184,916	469,460
Convertible corporate bonds	493,640	170,407
Subtotal	678,556	639,867
Adjustment of trading securities - underwriter	121,471	49,913
Total	800,027	689,780
Trading securities - hedging		
Listed (TSE and OTC) stocks	5,454,491	3,535,818
Convertible corporate bonds	32,692	20,561
Warrants	16,108	52,681
Overseas stocks	196,726	-
Exchange traded funds	2,992	12,084
Subtotal	5,703,009	3,621,144
Adjustment of trading securities - hedging	304,525	117,091
Total	6,007,534	3,738,235
Options bought - futures	24,902	36,249
Futures guarantee deposits receivable	4,695,404	3,319,915
Derivative financial instrument assets - OTC	14,724	9,373
Total	$ 33,286,663	$ 40,831,878
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss:		
Trading securities - dealer - government bonds	$ 49,973	$ 49,947
Unlisted stocks	2,609	2,609
Subtotal	52,582	52,556
Adjustment of trading securities	10,192	14,928
Total	$ 62,774	$ 67,484

a. For the years ended December 31, 2021 and 2020, net realized and unrealized gains on financial assets and liabilities at fair value through profit or loss amounted to $3,922,869 and $4,393,394, respectively.

b. Details of the Company's financial assets at fair value through profit or loss pledged to others as collateral are provided in Note 8.

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

3) Financial assets at fair value through other comprehensive income

	December 31, 2021	December 31, 2020
Current items:		
Equity instruments		
Trading securities - dealer		
Listed (TSE and OTC) stocks	$ 189,812	$ 189,812
Adjustment of trading securities - dealer	220,393	163,698
Total	$ 410,205	$ 353,510
Non-current items:		
Equity instruments		
Unlisted stocks	$ 6,449	$ 6,449
Adjustment of trading securities	252,178	179,885
Total	$ 258,627	$ 186,334

a. The Company has elected to classify stock investments that are considered to be strategic investments or stably receiving dividends as financial assets at fair value through other comprehensive income. The fair value of such investments amounts to $668,832 and $539,844 as at December 31, 2021 and 2020.

b. For the year ended December 31, 2020, the Group sold its stock investments listed on TSE and OTC with fair value of $1,525,695, and an accumulated gain on disposal of $177,031, in order to adjust the investment position. There were no transactions for the year ended December 31, 2021

c. 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:

Equity instruments at fair value through other comprehensive income	Year ended December 31, 2021	Year ended December 31, 2020
Fair value change recognized in other comprehensive income	$ 128,987	$ 369,407
Cumulative gains (losses) reclassified to retained earnings due to derecognition	$ -	($ 177,031)
Dividend income recognised in profit or loss		
Held at end of period	$ 13,661	$ 11,444
Derecognized during the period	-	66,894
	$ 13,661	$ 78,338

Debt instruments at fair value through other comprehensive income	Year ended December 31, 2021	Year ended December 31, 2020
Fair value change recognized in other comprehensive income	$ -	($ 100,330)
Cumulative other comprehensive income reclassified to profit or loss		
Due to derecognition	$ -	$ 100,358
Interest income recognized in profit or loss	$ -	$ 28,276

d. Details of the Company's financial assets at fair value through other comprehensive income pledged to others as collateral are provided in Note 8.

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

4) Bonds purchased under resale agreements

	December 31, 2021	December 31, 2020
Overseas bonds	$ 27,401	$ -

The above bonds purchased under resale agreements as of December 31, 2021 and 2020 was due within one year and were contracted to be resold at the agreed-upon price plus interest charge on the specific date after transaction. The total resale amounts were $27,424 and $0, respectively. The annual interest rates of every currency were as follows:

	December 31, 2021	December 31, 2020
U.S Dollar	0.3375%	-

5) Margin loans receivable

Margin loans receivable were secured by the securities purchased by customers under margin loans. The annual interest rate was 6.4%.

6) Accounts receivable

	December 31, 2021	December 31, 2020
Accounts receivable - related parties	$ 4,792	$ 4,413
Accounts receivable - non related parties		
Settlement price receivable-brokers	$ 14,098,544	$ 14,845,933
Settlement price receivable-dealer	392,802	132,304
Accounts receivable-international bonds	137,269	4,454
Accounts receivable-foreign bonds	-	55,001
Interest receivable	336,711	244,723
Settlement price	1,349,925	2,250,253
Others	234,918	103,025
Subtotal	16,550,169	17,635,693
Less: Allowance for uncollectible accounts	(742)	(625)
Total	$ 16,549,427	$ 17,635,068

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

	December 31, 2021					
	Up to 30 days	31 to 90 days	91 to 180 days	181 days to 12 months	More than 12 months	Total
Accounts receivable						
Accounts receivable -related parties	$ 4,792	$ -	$ -	$ -	$ -	$ 4,792
Accounts receivable - non related parties	16,229,080	48,072	93,850	116,275	62,892	16,550,169
	$ 16,233,872	$ 48,072	$ 93,850	$ 116,275	$ 62,892	$ 16,554,961

	December 31, 2020					
	Up to 30 days	31 to 90 days	91 to 180 days	181 days to 12 months	More than 12 months	Total
Accounts receivable						
Accounts receivable -related parties	$ 4,413	$ -	$ -	$ -	$ -	$ 4,413
Accounts receivable - non related parties	17,409,892	44,721	86,814	62,624	31,642	17,635,693
	$ 17,414,305	$ 44,721	$ 86,814	$ 62,624	$ 31,642	$ 17,640,106

Note：The above ageing analysis was based on invoice date.

B. Information related to credit risk is provided in Note 12(2).

7) Other receivables

	December 31, 2021	December 31, 2020
Interest receivable	$ 2,440	$ 2,392
Others	3,269	7,180
Less: Impairment loss	-	(54)
Total	$ 5,709	$ 9,518

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

8) Other current assets

	December 31, 2021	December 31, 2020
Pending settlements	$ 359,808	$ 427,009
Pledged time deposits	400,000	400,000
Deposits-in for foreign currency securities	1,884,425	647,622
Underwriting share proceeds collected on behalf of customers	5,243,851	651,290
Others	104,236	30,666
Total	$ 7,992,320	$ 2,156,587

9) Transfer of financial assets

A. During the Company's activities, the transferred financial assets that do not meet derecognition conditions are mainly debt instruments with purchase agreements or debt instruments lent out in accordance with securities borrowing and lending agreement. The cash flow of the contract has been transferred and related liabilities of transferred financial assets that will be repurchased at a fixed price in the future have been reflected. The Company may not use, sell or pledge the transferred financial assets during the valid period of the transaction. The financial assets were not derecognized as the Company is still exposed to interest rate risk and credit risk.

B. Financial assets that do not meet the derecognition conditions and related financial liabilities are analysed below:

December 31, 2021		
Financial assets category	Carrying amount of transferred financial assets	Carrying amount of related financial liabilities
Financial assets measured at fair value through profit or loss		
Repurchase agreement	$ 10,016,623	$ 9,643,040

December 31, 2020		
Financial assets category	Carrying amount of transferred financial assets	Carrying amount of related financial liabilities
Financial assets measured at fair value through profit or loss		
Repurchase agreement	$ 20,375,875	$ 19,096,165

10) Offsetting financial assets and financial liabilities

A. The Company has transactions that are or are similar to net settled master netting arrangements but do not meet the offsetting criteria, i.e. derivative financial instruments, resale and repurchase agreements. If one party breaches the contract, the counterparty can choose to use net settlement for the above transactions.

(Blank below)

B. The offsetting of financial assets and financial liabilities are set as follows:

(1) Financial assets

December 31, 2021

Financial assets that are offset, or can be settled under agreements of net settled master netting arrangements or similar arrangements

Description	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities set off in the balance sheet	Net amounts of financial assets presented in the balance sheet	Not set off in the balance sheet: Financial instruments	Not set off in the balance sheet: Cash collateral received	Net amount
Derivative financial instruments	$ 14,257	$ -	$ 14,257	$ 2,467	$ -	$ 11,790
Bonds purchased under resale agreements	27,401	-	27,401	27,334	-	67
Total	$ 41,658	$ -	$ 41,658	$ 29,801	$ -	$ 11,857

December 31, 2020

Financial assets that are offset, or can be settled under agreements of net settled master netting arrangements or similar arrangements

Description	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities set off in the balance sheet	Net amounts of financial assets presented in the balance sheet	Not set off in the balance sheet: Financial instruments	Not set off in the balance sheet: Cash collateral received	Net amount
Derivative financial instruments	$ 9,303	$ -	$ 9,303	$ 9,303	$ -	$ -

(2) Financial liabilities

December 31, 2021						
Financial liabilities that are offset, or can be settled under agreements of net settled master netting arrangements or similar arrangements						
				Not set off in the balance sheet		
Description	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets set off in the balance sheet	Net amounts of financial liabilities presented in the balance sheet	Financial instruments	Cash collateral received	Net amount
Derivative financial instruments	$ 2,467	$ -	$ 2,467	$ 2,467	$ -	$ -
Bonds sold and repurchase agreements	6,598,995	-	6,598,995	6,598,995	-	-
Total	$ 6,601,462	$ -	$ 6,601,462	$ 6,601,462	$ -	$ -

December 31, 2020						
Financial liabilities that are offset, or can be settled under agreements of net settled master netting arrangements or similar arrangements						
				Not set off in the balance sheet		
Description	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets set off in the balance sheet	Net amounts of financial liabilities presented in the balance sheet	Financial instruments	Cash collateral received	Net amount
Derivative financial instruments	$ 26,252	$ -	$ 26,252	$ 9,303	$ -	$ 16,949
Bonds sold and repurchase agreements	14,051,616	-	14,051,616	14,051,616	-	-
Total	$ 14,077,868	$ -	$ 14,077,868	$ 14,060,919	$ -	$ 16,949

11) Investments accounted for under the equity method

		December 31, 2021		December 31, 2020
Subsidiaries				
President Futures Corp.	$	2,420,110	$	2,102,027
President Securities (HK) Ltd.		1,288,431		1,361,333
President Wealth Management (HK) Ltd.		54,073		56,002
President Securities (Nominee) Ltd.		1,529		1,672
President Capital Management Corp.		312,175		320,169
President Insurance Agency Corp.		46,249		29,698
PSC Venture Capital Investment Limited Company		273,064		242,139
		4,395,631		4,113,040
Associates				
Uni-President Asset Management Corp.		760,171		602,375
Jin Yuan President Securities Co.,Ltd.		2,363,197		2,531,901
	$	7,518,999	$	7,247,316

A. The Company's share of its associates' profits or losses recognized in long-term equity investment accounted for under the equity method for the years ended December 31, 2021 and 2020 were $213,779 and $303,699, respectively.

B. The Group holds 42.46% of the equity of Uni-President Asset Management Corp., making it the single largest shareholder of the company, while the other equity is mainly held by the other 15 shareholders. Half of the voting rights of the shareholders attending the shareholders' meeting exceeds the voting rights of the Group, and the Group does not take an active role in the management of the company. This shows that the Group has no actual ability to direct relevant activities. The Group has no control over Uni-President Asset Management Corp., but has significant influence over it.

C. Details of information of subsidiaries are provided in Note 4(3) of consolidated financial statements.

D. The financial information of the Company's principal associates is summarized as follows:

(a)The basic information of the associate that are material to the Company is as follows:

Company name	Principal place of businesss	Shareholding ratio		Nature of relationship	Methods of measurement
		December 31, 2021	December 31, 2020		
Uni-President Asset Management Corp.	Taipei city	42.46%	42.46%	Associate	Equity method
Jin Yuan President Securities Co.,Ltd. (Note)	Xiamen	49%	49%	Associate	Equity method

Note: The Company participated in the establishment of Jin Yuan President Securities Co., Ltd. since May 2020.

(b)The summarized financial information of the associate that are material to the Company is as follows:

Balance sheet

	Uni-President Asset Management Corp.	
	December 31, 2021	December 31, 2020
Current assets	$ 1,105,200	$ 656,152
Non-current assets	761,113	687,024
Current liabilities	(433,586)	(292,750)
Non-current liabilities	(64,962)	(54,266)
Total net assets	$ 1,367,765	$ 996,160
Share in associte's net assets	$ 580,799	$ 423,003
Goodwill and others	179,372	179,372
Carrying amount of the associate	$ 760,171	$ 602,375

Balance sheet

	Jin Yuan President Securities Co.,Ltd.	
	December 31, 2021	December 31, 2020
Current assets	$ 8,438,646	$ 5,083,846
Non-current assets	317,940	174,020
Current liabilities	(3,852,030)	(85,687)
Non-current liabilities	(81,706)	(5,034)
Total net assets	$ 4,822,850	$ 5,167,145
Share in associte's net assets	$ 2,363,197	$ 2,531,901
Carrying amount of the associate	$ 2,363,197	$ 2,531,901

Statement of comprehensive income

	Uni-President Asset Management Corp.	
	Year ended December 31, 2021	Year ended December 31, 2020
Revenue	$ 1,411,480	$ 941,595
Profit for the period from continuing operations	$ 536,134	$ 258,096
Other comprehensive income- net of tax	68,517	20,871
Total comprehensive income	$ 604,651	$ 278,967
Dividends received from associates	$ 98,959	$ 94,466

Statement of comprehensive income

	Jin Yuan President Securities Co.,Ltd.	
	Year ended December 31, 2021	Eight months ended December 31, 2020
Revenue	$ 291,581	$ 74,454
Loss for the period from continuing operations	($ 305,071)	($ 83,388)
Total comprehensive loss	($ 305,071)	($ 83,388)

12) Property and equipment

2021					
January 1	Land	Buildings	Equipment	Leasehold improvements	Total
Cost	$ 1,573,570	$ 1,010,840	$ 180,060	$ 22,293	$ 2,786,763
Accumulated depreciation and impairment	-	(421,494)	(83,200)	(11,747)	(516,441)
Total	$ 1,573,570	$ 589,346	$ 96,860	$ 10,546	$ 2,270,322
January 1	$ 1,573,570	$ 589,346	$ 96,860	$ 10,546	$ 2,270,322
Additions	-	630	45,694	405	46,729
Reclassifications	-	12,329	19,180	750	32,259
Depreciation	-	(30,719)	(43,107)	(4,214)	(78,040)
December 31, 2021	$ 1,573,570	$ 571,586	$ 118,627	$ 7,487	$ 2,271,270

December 31, 2021	Land	Buildings	Equipment	Leasehold improvements	Total
Cost	$ 1,573,570	$ 1,022,169	$ 212,540	$ 17,818	$ 2,826,097
Accumulated depreciation and impairment	-	(450,583)	(93,913)	(10,331)	(554,827)
Total	$ 1,573,570	$ 571,586	$ 118,627	$ 7,487	$ 2,271,270

2020					
January 1	Land	Buildings	Equipment	Leasehold improvements	Total
Cost	$ 1,573,570	$ 980,799	$ 158,227	$ 31,424	$ 2,744,020
Accumulated depreciation and impairment	-	(397,833)	(60,690)	(15,106)	(473,629)
Total	$ 1,573,570	$ 582,966	$ 97,537	$ 16,318	$ 2,270,391
January 1	$ 1,573,570	$ 582,966	$ 97,537	$ 16,318	$ 2,270,391
Additions	-	1,340	22,397	253	23,990
Disposal	-	-	(13)	-	(13)
Reclassification	-	32,076	14,436	-	46,512
Depreciation	-	(27,036)	(37,497)	(6,025)	(70,558)
December 31, 2020	$ 1,573,570	$ 589,346	$ 96,860	$ 10,546	$ 2,270,322

December 31, 2020	Land	Buildings	Equipment	Leasehold improvements	Total
Cost	$ 1,573,570	$ 1,010,840	$ 180,060	$ 22,293	$ 2,786,763
Accumulated depreciation and impairment	-	(421,494)	(83,200)	(11,747)	(516,441)
Total	$ 1,573,570	$ 589,346	$ 96,860	$ 10,546	$ 2,270,322

A. No interest was capitalized for property and equipment for the years ended December 31, 2021 and 2020.

B. The information on property and equipment pledged or restricted as of December 31, 2021 and 2020 is described in Note 8.

13) Leasing arrangements－lessee

A. The Company leases various assets including buildings, machinery and equipment, business vehicles and multifunction printers. Rental contracts are typically made for periods of 1 to 10 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, 2021	December 31, 2020
	Carrying Amount	Carrying Amount
Buildings	$ 168,610	$ 147,180
Transportation equipment (Business vehicles)	15,976	15,283
Office equipment (Photocopiers)	7,374	9,118
Total	$ 191,960	$ 171,581

	Year ended December 31, 2021	Year ended December 31, 2020
	Depreciation charge	Depreciation charge
Buildings	$ 63,091	$ 63,380
Transportation equipment (Business vehicles)	5,557	5,258
Office equipment (Photocopiers)	2,100	1,198
Total	$ 70,748	$ 69,836

C. For the years ended December 31, 2021 and 2020, the additions to right-of-use assets amounted to $91,685 and $73,910, respectively.

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

	Year ended December 31, 2021	Year ended December 31, 2020
Items affecting profit or loss		
Interest expense on lease liabilities	$ 1,186	$ 1,301
Expense on short-term lease contracts	1,651	3,264
Expense on variable lease payment	3,485	224

E. For the years ended December 31, 2021 and 2020, the Company's total cash outflow for leases amounted to $70,881 and $71,243, respectively.

F. The Company has applied the practical expedient to "Covid-19-related rent concessions" and recognized the other gains or losses from changes in lease payments arising from the rent concessions amounting to $104 and $116 by decreasing rent expense for the years ended

December 31, 2021 and 2020.

14) Leasing arrangements – lessor

A. The Company leases various assets including office and parking space. Rental contracts are typically made for periods of 1 and 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

B. For the years ended December 31, 2021 and 2020, the Company recognized rent income in the amount of $24,512 and $25,288, based on the operating lease agreement, which does not include variable lease payments.

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

	December 31, 2021	December 31, 2020
2021	$ -	$ 23,557
2022	23,655	23,187
2023	29,695	23,133
2024	6,077	5,960
Total	$ 59,427	$ 75,837

15) Investment property

	2021		
January 1	Land	Buildings	Total
Cost	$ 198,099	$ 107,076	$ 305,175
Accumulated depreciation and impairment	-	(34,672)	(34,672)
Total	$ 198,099	$ 72,404	$ 270,503
January 1	$ 198,099	$ 72,404	$ 270,503
Depreciation	-	(2,101)	(2,101)
December 31	$ 198,099	$ 70,303	$ 268,402
December 31	Land	Buildings	Total
Cost	$ 198,099	$ 107,076	$ 305,175
Accumulated depreciation and impairment	-	(36,773)	(36,773)
Total	$ 198,099	$ 70,303	$ 268,402

	2020		
January 1	Land	Buildings	Total
Cost	$ 198,099	$ 107,076	$ 305,175
Accumulated depreciation and impairment	-	(32,572)	(32,572)
Total	$ 198,099	$ 74,504	$ 272,603
January 1	$ 198,099	$ 74,504	$ 272,603
Depreciation	-	(2,100)	(2,100)
December 31	$ 198,099	$ 72,404	$ 270,503
December 31	Land	Buildings	Total
Cost	$ 198,099	$ 107,076	$ 305,175
Accumulated depreciation and impairment	-	(34,672)	(34,672)
Total	$ 198,099	$ 72,404	$ 270,503

A. For the years ended December 31, 2021 and 2020, rental income from the lease of the investment property were $17,115 and $16,570, respectively, and direct operating expenses arising from the investment property were $3,579 and $3,864, respectively.

B. Details of fair value of investment property are provided in Note 12(5).

16) Intangible assets

	2021			
January 1	Computer software	Goodwill	Customer relationships and others	Total
Cost	$ 75,854	$ 42,004	$ 54,260	$ 172,118
Accumulated depreciation and impairment	(23,458)	-	(54,181)	(77,639)
Total	$ 52,396	$ 42,004	$ 79	$ 94,479
January 1	$ 52,396	$ 42,004	$ 79	$ 94,479
Additions	41,381	-	-	41,381
Reclassifications	34,506	-	-	34,506
Depreciation	(24,658)	-	(18)	(24,676)
December 31	$ 103,625	$ 42,004	$ 61	$ 145,690
December 31	Computer software	Goodwill	Customer relationships and others	Total
Cost	$ 146,948	$ 42,004	$ 54,260	$ 243,212
Accumulated depreciation and impairment	(43,323)	-	(54,199)	(97,522)
Total	$ 103,625	$ 42,004	$ 61	$ 145,690

January 1	Computer sofware	Goodwill	Customer relationships and others	Total
	2020			
Cost	$ 44,326	$ 42,004	$ 54,260	$ 140,590
Accumulated depreciation and impairment	(15,701)	-	(54,163)	(69,864)
Total	$ 28,625	$ 42,004	$ 97	$ 70,726
January 1	$ 28,625	$ 42,004	$ 97	$ 70,726
Additions	10,032	-	-	10,032
Reclassifications	28,632	-	-	28,632
Depreciation	(14,893)	-	(18)	(14,911)
December 31	$ 52,396	$ 42,004	$ 79	$ 94,479

December 31	Computer software	Goodwill	Customer relationships and others	Total
Cost	$ 75,854	$ 42,004	$ 54,260	$ 172,118
Accumulated depreciation and impairment	(23,458)	-	(54,181)	(77,639)
Total	$ 52,396	$ 42,004	$ 79	$ 94,479

A. No interest was capitalized for intangible assets for the years ended December 31, 2021 and 2020.

B. Goodwill and customer relationships were acquired through acceptance of transfer of the securities brokerage business of Standard Chartered (Taiwan) Bank's retail banking business and were all allocated to the Company’s brokerage segment.

C. The recoverable amount of goodwill was determined based on its value in use. Calculations of value in use after-tax cash flow projections are based on financial budgets approved by the management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below.

The recoverable amount calculated based on the value in use exceeded the carrying amount, thus the goodwill was not impaired. The key assumptions used for calculation of value in use are as follows:

	Brokerage Segment	
	2021	2020
Growth rate	0.00%	0.00%
Discount rate	12.03%	9.79%

Management determined the growth rate based on past performance and its expectations of market development. The discount rates were based on the weighted average financing cost rates determined by the Company’s capital asset pricing model. The discount rates also reflect specific risks related to relevant operating segments.

17) Other non-current assets

	December 31, 2021	December 31, 2020
Operation guaranteed deposits	$ 505,000	$ 505,000
Clearing and settlement fund	230,091	243,407
Refundable deposits	301,574	257,611
Net defined benefit assets	-	16,688
Prepayment for equipment	78,273	21,063
Overdue receivables	12,517	39,388
Others	2,500	720
Subtotal	1,129,955	1,083,877
Less: Allowance for uncollectible accounts-overdue receivables	(12,517)	(39,388)
Total	$ 1,117,438	$ 1,044,489

18) Short-term loans

	December 31, 2021	December 31, 2020
Unsecured loans	$ 590,000	$ 578,976
Interest rates	0.790%	0.590%~0.700%

19) Commercial papers payable

	December 31, 2021	December 31, 2020
Face value	$ 8,650,000	$ 7,300,000
Less: discount on commercial papers payable	(1,442)	(1,104)
Total	$ 8,648,558	$ 7,298,896
Interest rates	0.320%~0.500%	0.200%~0.340%

20) Financial liabilities at fair value through profit or loss - current

	December 31, 2021	December 31, 2020
Investments in bonds under resale agreements - short sales	$ 148,560	$ -
Valuation adjustment of financial assets held for trading	(270)	-
Subtotal	148,290	-
Liabilities on sale of borrowed securities - hedged	408,629	243,446
Valuation adjustment on liabilities on sale of borrowed securities - hedged	16,664	28,741
Liabilities on sale of borrowed securities - non-hedged	4,294,538	688,401
Valuation adjustment on liabilities on sale of borrowed securities - non-hedged	404,442	79,206
Subtotal	5,124,273	1,039,794

	December 31, 2021	December 31, 2020
Issuance of call (put) warrants	$ 12,925,747	$ 10,937,977
Gain on price fluctuation	(500,708)	(912,291)
Market value (A)	12,425,039	10,025,686
Warrants redeemed	(12,258,180)	(9,807,568)
Loss on price fluctuation	729,365	461,682
Market value (B)	(11,528,815)	(9,345,886)
Warrants - net (A+B)	896,224	679,800
Options sold - TAIFEX	7,162	15,405
Outstanding Liability for Issuance of ETNs	1,678,161	683,685
Valuation adjustment on outstanding Liability for Issuance of ETNs	(106,307)	52,029
Subtotal	1,571,854	735,714
Derivative financial liabilities - OTC	423,932	151,428
Total	$ 8,171,735	$ 2,622,141

Among the warrants issued by the Company, except for contract-based warrants which are European-style warrants, all other warrants are American-style warrants. Warrants are stated as liabilities for issuance of warrants at issuance price prior to expiration. Upon repurchase of warrants after issuance, the repurchased amounts are recognized as warrants repurchase and charged as a deduction to liabilities for issuance of warrants. The warrants have six to twelve months exercise period from the date of issuance. The issuer has the option to settle either by cash or stock delivery.

21) Bonds sold under repurchase agreements

	December 31, 2021	December 31, 2020
Government bonds	$ 1,623,147	$ 2,856,072
Corporate bonds	500,119	951,350
Bank debentures	300,000	200,000
International bonds	620,779	1,037,127
Foreign bonds	6,598,995	14,051,616
Total	$ 9,643,040	$ 19,096,165

The above bonds sold under repurchase agreements as of December 31, 2021 and 2020 were due within one year and were contracted to be repurchased at the agreed-upon price plus interest charge on the specific date after the transaction. The total repurchase amounts were $9,648,756 and $19,112,268, respectively, and the annual interest rates in every currency were shown as follows:

Currency	December 31, 2021	December 31, 2020
NTD	0.17%~0.32%	0.17%~0.26%
Foreign currencies (Note)	-0.70%~3.61%	-0.40%~3.10%

(Note)：Foreign currencies include AUD, EUR, USD, GBP, RMB and SGD.

22) Accounts payable

	December 31, 2021	December 31, 2020
Settlement accounts payable - brokered trading	$ 14,823,110	$ 16,849,132
Settlement proceeds	776,513	471,589
Settlement accounts payable - operating	1,404,454	513,165
Accounts payable - international bonds	-	27,575
Accounts payable - foreign bonds	121,943	14,454
Spot exchange payable, foreign currencies	-	54,719
Others	295,479	107,485
Total	$ 17,421,499	$ 18,038,119

23) Other payables

	December 31, 2021	December 31, 2020
Salary and bonus payable	$ 1,613,645	$ 1,228,688
Employees' and directors' remuneration payable	189,496	163,608
Others	696,707	582,943
Total	$ 2,499,848	$ 1,975,239

24) Other financial liabilities - current

	December 31, 2021	December 31, 2020
Equity-linked notes (ELN) - Options	$ 84,000	$ 17,000
Principal guaranteed notes (PGN) - fixed income	4,899,139	5,991,310
Total	$ 4,983,139	$ 6,008,310

The Company deals in equity-linked products and combines fixed income instruments with call or put options. These products are categorized into ELN (Equity-Linked Notes) and PGN (Principal Guaranteed Notes). On trade date, the contracted amounts are collected in full from the counterparties. The payout amount on maturity will depend on the price fluctuation of the instruments linked to these contracts and be calculated as trading price less option strike price on maturity. All the linked products are financial instruments under the supervision of the SFB (Securities and Futures Bureau).

25) Other liabilities-non-current

	December 31, 2021	December 31, 2020
Guarantee deposits received	$ 23,419	$ 24,388
Net defined benefit liabilities - non-current	58,331	-
Total	$ 81,750	$ 24,388

26) Pension plan

A. Defined benefit plans

(A)The Company has a defined benefit pension plan in accordance with the Labor Standards Law, 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 Law. 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.

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. The Company contributes monthly an amount which ranges between 2.0% and 7.2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the supervisory committee of workers' retirement reserve fund, and with Cathay United Bank, under the name of the management committee of employees' retirement fund. Also, the Company would assess the balance in the aforementioned labor pension reserve account by the end of December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method, to the employees expected to be qualified for retirement next year, the Company will make contributions to cover the deficit by next March.

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

	December 31, 2021	December 31, 2020
Present value of defined benefit obligations	$ 815,551	$ 795,455
Fair value of plan assets	(757,220)	(812,143)
Net defined benefit (assets) liabilities	$ 58,331	($ 16,688)

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

Year ended December 31, 2021	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities (assets)
Balance at January 1	$ 795,455	($ 812,143)	($ 16,688)
Current service cost	3,950	-	3,950
Interest expense (income)	2,386	(2,436)	(50)
	801,791	(814,579)	(12,788)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	(8,438)	(8,438)
Change in demographic assumptions	693	-	693
Change in financial assumptions	(13,059)	-	(13,059)
Experience adjustments	148,130	-	148,130
	135,764	(8,438)	127,326
Pension fund contribution	-	(56,207)	(56,207)
Paid pension	(122,004)	122,004	-
	(122,004)	65,797	(56,207)
Balance at December 31	$ 815,551	($ 757,220)	$ 58,331

Year ended December 31, 2020	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities (assets)
Balance at January 1	$ 819,706	($ 818,119)	$ 1,587
Current service cost	4,678	-	4,678
Interest expense (income)	5,738	(5,727)	11
	830,122	(823,846)	6,276
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	(9,506)	(9,506)
Change in financial assumptions	26,308	-	26,308
Experience adjustments	3,356	-	3,356
	29,664	(9,506)	20,158
Pension fund contribution	-	(43,122)	(43,122)
Paid pension	(64,331)	64,331	-
	(64,331)	21,209	(43,122)
Balance at December 31	$ 795,455	($ 812,143)	($ 16,688)

(D)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.). 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, 2021 and 2020 is given in the Annual Labor Retirement Fund Utilization Report published by the government. In addition, for retirement fund deposits with Cathay United Bank, under the name of the management committee of employees' retirement fund, the fund invests in time deposit accounts under Cathay United Bank.

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

	Year ended December 31, 2021	Year ended December 31, 2020
Discount rate	0.50%	0.30%
Future salary increases	2.50%	2.50%

Assumptions regarding future mortality rate are set based on the Taiwan Standard Ordinary Experience Mortality Table (2021 and 2011) for the years ended December 31, 2021 and 2020.

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, 2021				
Effect on present value of defined benefit obligation	($ 15,953)	$ 16,424	$ 14,065	($ 13,757)
December 31, 2020				
Effect on present value of defined benefit obligation	($ 16,592)	$ 17,108	$ 14,741	($ 14,399)

(F) Expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2022 amounts to $55,151.

B. Defined contribution plans:

Effective from July 1, 2005, the Company established a defined contribution plan pursuant to the "Labor Pension Act", which covers employees with R.O.C. nationality and those who chose or are required to apply the "Labor Pension Act". The contributions are made monthly based on not less than 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The payment of pension benefits is based on the employees' individual pension fund accounts and the cumulative profit in such accounts. The employees can choose to receive such pension benefits monthly or in lump sum. The pension costs under defined contribution pension plans of the Company for the years ended December 31, 2021 and 2020 were $74,179 and $62,258, respectively.

27) Equity

A. Common stock

As of December 31, 2021, the Company's authorized capital was $15,000,000 with a par value of $10 (in dollars) per share. As of December 31, 2021 and 2020, the common stocks issued and the outstanding common stocks were 1,455,831 and 1,399,838 thousand shares, respectively.

Movements in the number of the Company's ordinary shares outstanding are as follows:

(Expressed in thousands)

	Year ended December 31, 2021	Year ended December 31, 2020
January 1	1,399,838	1,372,390
Purchase and retirement of treasury shares	55,993	27,448
December 31	1,455,831	1,399,838

The Board of Directors approved on March 23, 2021 and the shareholders' meeting resolved on July 20, 2021 to increase the Company's capital with an undistributed surplus of $559,935, and issue 55,993 thousand ordinary shares with a par value of $10 (in dollars) per share. The record date of the capital increase is September 1, 2021, the total issued share capital after the capital increase was $14,558,313, divided into 1,455,831 thousand shares, each with a par value of $10 (in dollars) per share.

B. Capital reserve

	Share premium	Treasury share transactions	Expired stock options	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Total
December 31, 2021	$ 24,663	$ 65,675	$ 483	$ 440	$ 91,261
December 31, 2020	$ 24,663	$ 65,675	$ 483	$ 440	$ 91,261

Pursuant to the R.O.C. Company Law, capital reserve arising from paid-in capital in excess of 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 it should not exceed 10% of the paid-in capital each year. Capital reserve should not be used to cover accumulated deficit unless the legal reserve is insufficient.

C. Legal reserve

Under the Company's Articles of Incorporation, the current year's earnings, if any, shall 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. 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 legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve exceeds 25% of the Company's paid-in capital.

D. Special reserve

In accordance with the "Rules Governing the Administration of Securities Firms", 20% of the current year's earnings, after paying all taxes and offsetting prior years' operating losses and plus the items other than the after-tax net profit for the period, that are included in the unappropriated earnings of the period, if any, shall be set aside as special reserve until the cumulative balance equals the total amount of paid-in capital. The special reserve shall be used exclusively to cover accumulated deficit or to increase capital and shall not be used for any other purpose. Such capitalization shall not be permitted unless the Company had already accumulated a special reserve of at least 25% of its paid-in capital stock and only quarter of such special reserve may be capitalized.

In accordance with the regulations, the Company shall set aside an equivalent amount of special reserve from accumulated unappropriated retained earnings of the current year based on the decreased amount of equity. If there is any subsequent reversal of the decrease in equity, the earnings may be distributed based on the reversal proportion.

In accordance with Jing-Guan-Zheng-Chuan Letter No. 10500278285 dated August 5, 2016, securities firms should set aside 0.5% to 1% of net income after tax as special reserve, upon the distribution of earnings from 2016 to 2018. From fiscal year 2017, special reserve as mentioned above may be reversed based on an amount equal to employees' transformation training expenditure, employee transfer and settlement expenditure arising from the development of Fintech. Further, according to Jing-Guan-Zheng-Chuan Letter No. 1080321644 dated July 10, 2019, securities firms are no longer required to set aside special reserve starting from 2019. And the special reserve, within the balance of special reserve set aside in the previous years, could be reversed at the same amount for the aforementioned expenditures.

28) <u>Unappropriated earnings and dividends policy</u>

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall be used to pay all taxes and offset prior years' operating losses first, and then set aside as legal reserve, accounted for as 10% of the remaining amount, and special reserve, accounted for as 20% of the remaining amount. Upon provision or reversal of special reserve in accordance with the law, any remaining amount together with unappropriated earnings at beginning of the period shall be distributed according to the following resolution adopted at the stockholders' meeting: Distribution shall not be made if the balance of distributable earnings is less than 5% of paid-in capital.

B. In addition, the total amount of dividends declared every year shall be at least 70% of distributable earnings, of which stock dividends shall be at least 50% and cash dividends shall be lower than 50%.

C. The Company may determine a better proportion of cash and stock dividends distribution based on its actual operating conditions and capital utilization plan for the following year.

D. The earnings distribution for 2020 as resolved by the Board of Directors on July 20, 2021；the appropriation of 2019 earnings was resolved by the shareholders on June 19, 2020. Details are as follows:

	For the year ended December 31, 2020		For the year ended December 31, 2019	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	$ 376,735		$ 234,244	
Special reserve	721,503		473,707	
Reversal of special reserve (Note)	(7,620)		(4,221)	
Cash dividends	2,099,757	$ 1.50	1,372,390	$ 1.00
Stock dividends	559,935	0.40	274,478	0.20
Total	$ 3,750,310		$ 2,350,598	

Note：Special reserve was provided for employees' transition for financial technology development according to Jing-Guan-Zheng-Chuan Letter No. 1080321644 and can be reversed for employees' transition.

E. The earnings distribution for 2021 as resolved by the Board of Directors on March 8, 2022 is set forth below:

	For the year ended December 31, 2021	
	Amount	Dividends per share (in dollars)
Legal reserve	$ 390,101	
Special reserve	780,203	
Reversal of special reserve (Note)	(3,413)	
Cash dividends	2,751,521	$ 1.89
Total	$ 3,918,412	

Note：Special reserve was provided for employees' transition for financial technology development according to Jing-Guan-Zheng-Chuan Letter No. 1080321644 and can be reversed for employees' transition.

29) Brokerage handling fee revenue

	Year ended December 31, 2021	Year ended December 31, 2020
Revenues from brokered trading - TWSE	$ 3,161,596	$ 1,787,358
Revenues from brokered trading - OTC	880,732	617,121
Others	111,288	61,043
Total	$ 4,153,616	$ 2,465,522

30) Revenues from underwriting business

	Year ended December 31, 2021	Year ended December 31, 2020
Revenues from underwriting securities on a firm commitment basis	$ 61,104	$ 25,222
Others	42,931	51,284
Total	$ 104,035	$ 76,506

31) Net gain (loss) on sale of trading securities

	Year ended December 31, 2021	Year ended December 31, 2020
Dealers:		
-TAIEX	$ 4,188,156	$ 1,745,296
-OTC	482,933	32,375
-Overseas trading	(183,444)	1,233,469
Subtotal	4,487,645	3,011,140
Underwriters:		
-TAIEX	20,564	59,566
-OTC	135,272	65,373
Subtotal	155,836	124,939
Hedging:		
-TAIEX	3,998,363	159,062
-OTC	68,918	53,329
-Overseas trading	28,210	3,280
Subtotal	4,095,491	215,671
Total	$ 8,738,972	$ 3,351,750

32) Interest revenue

	Year ended December 31, 2021	Year ended December 31, 2020
Interest income from margin loans	$ 853,325	$ 502,286
Interest income from bonds	274,506	535,601
Others	31,379	14,708
Total	$ 1,159,210	$ 1,052,595

33) Net valuation gain (loss) on trading securities at fair value through profit or loss

	Year ended December 31, 2021	Year ended December 31, 2020
Gain (loss) on sale of securities - dealer	($ 1,121,672)	$ 1,014,047
Gain (loss) on sale of securities - underwriting	71,558	(51,505)
Gain (loss) on sale of securities - hedging	187,434	33,077
Total	($ 862,680)	$ 995,619

34) Net gain (loss) on covering of borrowed securities and bonds with resale agreements - short sales

	Year ended December 31, 2021	Year ended December 31, 2020
Gain (loss) from the bond investments under resale agreements	($ 1,270)	($ 5,861)
Gain (loss) from securities borrowing transactions	(217,126)	262,525
Gain (loss) from covering	36,503	11,775
Total	($ 181,893)	$ 268,439

35) Net valuation gain (loss) on borrowed securities and bonds with resale agreements-short sales at fair value through profit or loss

	Year ended December 31, 2021	Year ended December 31, 2020
Valuation gain (loss) from securities borrowing transactions	($ 325,247)	($ 92,093)
Valuation gain (loss) from covering	12,088	(24,928)
Total	($ 313,159)	($ 117,021)

36) Net realised gain (loss) on financial assets measured at fair value through other comprehensive income

	Year ended December 31, 2021	Year ended December 31, 2020
Foreign bonds	$ -	$ 100,358

37) Net gain (loss) from issuance of call (put) warrants

	Year ended December 31, 2021	Year ended December 31, 2020
Net gain (loss) on changes in fair value of call (put) warrant liabilities and redemption	($ 1,193,204)	$ 367,407
Net gain (loss) on exercise of call (put) warrants before maturity	(1,443,684)	(114,508)
Expenses arising out of issuance of call (put) warrants	(260,068)	(157,494)
Total	($ 2,896,956)	$ 95,405

38) Net gain (loss) from derivatives

	Year ended December 31, 2021	Year ended December 31, 2020
Futures contract gain (loss)	$ 389,911	$ 265,861
Option trading gain (loss)	(161,788)	(159,758)
OTC option trading gain (loss)	(924,981)	(145,089)
Net gain (loss) on foreign exchange derivatives	83,242	(43,196)
Others	(41,690)	(38,335)
Total	($ 655,306)	($ 120,517)

39) Impairment loss and reversal of impairment gain

	Year ended December 31, 2021	Year ended December 31, 2020
Impairment (loss) and reversal of impairment gain	$ 7,846	($ 17,510)
Recovery of bad debt	3,312	2,202
Total	$ 11,158	$ (15,308)

40) Other operating income

	Year ended December 31, 2021	Year ended December 31, 2020
Income from securities lending	$ 374,310	$ 151,265
Net currency exchange gain (loss)	179,749	(326,402)
Handling fee revenues from funds	59,519	46,855
Others	1,461	5,413
Total	$ 615,039	($ 122,869)

41) Handling charges

	Year ended December 31, 2021	Year ended December 31, 2020
Brokerage handling fee expense	$ 396,730	$ 218,425
Dealer handling fee expense	158,914	149,976
Refinancing processing fee expense	4,649	4,704
Total	$ 560,293	$ 373,105

42) Financial costs

	Year ended December 31, 2021	Year ended December 31, 2020
Interest expense from repurchase agreements	$ 49,404	$ 180,657
Loans interest expense	29,932	60,866
Other interest expense	8,755	7,867
Total	$ 88,091	$ 249,390

43) Employee benefits expense

	Year ended December 31, 2021		Year ended December 31, 2020	
Salaries	$	3,227,107	$	2,508,670
Labor and health insurance		153,773		120,577
Pension		78,079		66,947
Other employee benefits		156,127		99,822
Total	$	3,615,086	$	2,796,016

A. In accordance to the Company's Article of Incorporation, the remainder of the year-end income before taxes less income before appropriating employees' compensation and directors' remuneration, if any, shall appropriate an employees' compensation no less than 1.6% and directors' remuneration no more than 2%. However, when the Company has an accumulated deficit, earnings to cover the deficit shall first be retained before appropriating employees' compensation and directors' remuneration.
B. For the years ended December 31, 2021 and 2020, employees' compensation was accrued at $94,748 and $81,804, respectively; directors' remuneration was accrued at $94,748 and $81,804, respectively. The aforementioned amounts were recognized in salary expenses.
C. For the year ended December 31, 2021, employees' compensation was estimated at 2% and directors' remuneration at 2%, based on the period-end income before taxes less income before appropriating employees' compensation and directors' remuneration.
D. The actual distributed amount of employees' and directors' remuneration for 2020 as resolved by the Board of Directors was in agreement with the estimates in the 2020 financial statements.
E. Information on the appropriation of the Company's earnings as resolved by the Board of Directors would be posted in the "Market Observation Post System" on the Taiwan Stock Exchange Official website.

44) Depreciation and amortization

	Year ended December 31, 2021		Year ended December 31, 2020	
Depreciation	$	150,889	$	142,494
Amortization		24,676		14,911
Total	$	175,565	$	157,405

45) Other operating expenses

	Year ended December 31, 2021		Year ended December 31, 2020	
Taxes	$	985,535	$	708,890
Security lending expense		179,411		93,702
Computer information expenses		123,302		102,723
TDCC service fee		134,050		77,306
Others		429,693		374,595
Total	$	1,851,991	$	1,357,216

46) Other gains and losses

	Year ended December 31, 2021	Year ended December 31, 2020
Financial income	$ 9,860	$ 11,715
Net gain (loss) on disposal of investments	8,252	(40,290)
Net gain (loss) on valuation of non-operating financial instruments	(4,901)	(7,352)
Other non-operating revenues	143,114	136,569
Total	$ 156,325	$ 100,642

47) Income tax

A. Income tax expense

(a)Components of income tax expense:

	Year ended December 31, 2021	Year ended December 31, 2020
Current tax:		
Current tax on profits for the periods	$ 607,155	$ 319,537
Prior year income tax underestimation (overestimation)	50,868	(27,970)
Tax on undistributed surplus earnings	852	-
Total current tax	658,875	291,567
Deferred taxes:		
Origination and reversal of temporary differences	(33,531)	27,511
Total deferred taxes	(33,531)	27,511
Income tax expense	$ 625,344	$ 319,078

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

	Year ended December 31, 2021	Year ended December 31, 2020
Remeasurement of defined benefit obligations	($ 25,465)	($ 4,032)

B. Reconciliation between income tax expense and accounting profit

	Year ended December 31, 2021	Year ended December 31, 2020
Tax calculated based on profit before tax and statutory tax rate	$ 926,557	$ 785,319
Expenses disallowed by tax regulation	(62,113)	21,336
Prior year income tax underestimation (overestimation)	50,868	(27,970)
Tax exempt income by tax regulation	(715,701)	(755,544)
Effect from Alternative Minimum Tax	424,881	295,937
Tax on undistributed earnings	852	-
Income tax expense	$ 625,344	$ 319,078

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

	For the year ended Decmeber 31, 2021			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred tax assets：				
-Temporary differences：				
Valuation loss from financial instruments	$ -	$ 8,375	$ -	$ 8,375
Unrealised exchange loss	8,754	22,171	-	30,925
Pension	87,289	-	25,465	112,754
Others	3,341	172	-	3,513
Subtotal	$ 99,384	$ 30,718	$ 25,465	$ 155,567
Deferred tax liabilities：				
-Temporary differences：				
Valuation gain from financial instruments	($ 2,813)	$ 2,813	$ -	$ -
Total	$ 96,571	$ 33,531	$ 25,465	$ 155,567

	For the year ended Decmeber 31, 2020			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred tax assets：				
-Temporary differences：				
Losses on doubtful debts	$ 39,479	($ 39,479)	$ -	$ -
Valuation loss from financial instruments	4,219	(4,219)	-	-
Unrealised exchange loss	-	8,754	-	8,754
Pension	83,257	-	4,032	87,289
Others	5,243	(1,902)	-	3,341
Subtotal	$ 132,198	($ 36,846)	$ 4,032	$ 99,384
Deferred tax liabilities：				
-Temporary differences：				
Valuation gain from financial instruments	$ -	($ 2,813)	$ -	($ 2,813)
Unrealised exchange gain	(12,148)	12,148	-	-
Subtotal	($ 12,148)	$ 9,335	$ -	($ 2,813)
Total	$ 120,050	($ 27,511)	$ 4,032	$ 96,571

D. As of December 31, 2021, the Company's income tax returns through 2018 have been assessed and approved by the National Tax Authority.

E. With respect to the income tax returns of the Company for 2018, the Tax Authority assessed to increase income tax payable by $4,581. However, the Company disagreed with the assessments and had filed for administrative remedy. The Company had recognized the income tax expense based on the assessment.

48) Earnings per share

	Year ended December 31, 2021		
	Amount after tax	Weighted-average outstanding common shares (In thousands)	Earnings per share (In dollars)
Basic earnings per share			
Net income attributable to common shareholders	$ 4,007,435	1,455,831	$ 2.75
Dilutive effect of common stock equivalents			
Employee bonus	-	4,006	
	$ 4,007,435	1,459,837	$ 2.75

	Year ended December 31, 2020		
	Amount after tax	Weighted-average outstanding common shares (In thousands)	Earnings per share (In dollars)
Basic earnings per share			
Net income attributable to common shareholders	$ 3,607,518	1,455,831	$ 2.48
Dilutive effect of common stock equivalents			
Employee bonus	-	4,624	
	$ 3,607,518	1,460,455	$ 2.47

The above-mentioned weighted average number of outstanding shares has been adjusted based on the proportion of capital increase on September 1, 2021, and the earnings per share for the year ended December 31, 2020 have been recalculated.

7. RELATED PARTY TRANSACTIONS

1) Names and relationships of related parties

Names of related parties	Relationship with the Company
Uni-President Enterprises Corp.	Entity having significant influence on the Company
President Capital Management Corp.	Subsidiary of the Company PSC
President Futures Corp.	Subsidiary of the Company PSC
Company President Securities (HK) Ltd.	Subsidiary of the Company PSC
Associates President Insurance Agency Corp.	Subsidiary of the Company PSC
Company PSC Venture Capital Investment Limited Company	Subsidiary of the Company PSC
President Securities (Nominee) Ltd.	Subsidiary of the Company PSC
President Wealth Management (HK) Ltd.	Subsidiary of the Company PSC
Uni-President Asset Management Corp.	Associate
President Tokyo Co., Ltd.	Other related party
President Tokyo Auto Leasing Co., Ltd.	Other related party
ScinoPharm Taiwan, Ltd.	Other related party
Ton Yi Industrial Corp.	Other related party
President Chain Store Corp. (PCSC)	Other related party
Presco Netmarking, Inc.	Other related party
President Professional Baseball Team Co., Ltd.	Other related party
Tainan Spinning Retail And Distribution Co., Ltd.	Other related party
Kai Yu (BVI) Investment Co., Ltd	Other related party
Cayman President Holdings Limited	Other related party
President Life Sciences Cayman Co., Ltd	Other related party
President (BVI) International Investment Holdings Ltd	Other related party
Funds managed by Uni-President Asset Management Corp.	Security investment trust fund raised by the Uni-President Asset Management Corp.

2) Significant related party transactions and balances

A. Futures guarantee deposits receivable

	December 31, 2021	December 31, 2020
Subsidiary of the Company PSC:		
President Futures Corp.	$ 4,353,971	$ 2,825,942

B. Accounts receivable

	December 31, 2021	December 31, 2020
Entity having significant influence on the company:		
Uni-President Enterprises Corp.	$ 312	$ 25
Subsidiary of the Company PSC:		
President Futures Corp.	3,090	3,389
Company President Securities (HK) Ltd.	555	149
Other related party:		
ScinoPharm Taiwan, Ltd.	526	399
President Chain Store Corp. (PCSC)	207	378
Others	102	73
Total	$ 4,792	$ 4,413

C. Other receivables

	December 31, 2021	December 31, 2020
Subsidiary of the Company PSC:		
President Futures Corp.	$ 175	$ 257
Others	32	20
Other related party:		
Others	9	18
Total	$ 216	$ 295

D. Lease transactions－lessee

(A) The Group leases business vehicles and multifunction printers, etc., from President Tokyo Co., Ltd. Rental contracts are typically made for periods of 1 to 5 years. Rents are paid monthly.

(B) Right-of-use assets:

a. Acquisition of right-of-use assets:

	December 31, 2021	December 31, 2020
Other related party:		
President Tokyo Co., Ltd.	$ 3,432	$ 14,471
President Tokyo Auto Leasing Co., Ltd.	3,732	-
total	$ 7,164	$ 14,471

b. Disposals of right-of-use assets:

	Year ended December 31, 2021	Year ended December 31, 2020
Other related party:		
President Tokyo Co., Ltd.	$ 2,185	$ -

(C) Lease liabilities

a. Lease liabilities – current

	December 31, 2021	December 31, 2020
Other related party:		
President Tokyo Co., Ltd.	$ 6,472	$ 7,016
President Tokyo Auto Leasing Co., Ltd.	737	-
Total	$ 7,209	$ 7,016

b. Lease liabilities – non-current

	December 31, 2021	December 31, 2020
Other related party:		
President Tokyo Co., Ltd.	$ 13,362	$ 17,378
President Tokyo Auto Leasing Co., Ltd.	2,934	-
Total	$ 16,296	$ 17,378

c. Financial costs

	Year ended December 31, 2021	Year ended December 31, 2020
Other related party:		
President Tokyo Co., Ltd.	$ 180	$ 144
President Tokyo Auto Leasing Co., Ltd.	2	-
Total	$ 182	$ 144

d. Net gain on lease modification

	December 31, 2021	December 31, 2020
Other related party:		
President Tokyo Co., Ltd.	$ 7	$ -

E. Refundable deposits

	December 31, 2021	December 31, 2020
Subsidiary of the Company PSC:		
President Futures Corp.	$ 34,000	$ 34,000

F. Accounts payable

	December 31, 2021	December 31, 2020
Subsidiary of the Company PSC:		
President Futures Corp.	$ 697	$ 104

G. Guarantee deposit received

	December 31, 2021	December 31, 2020
Subsidiary of the Company PSC:		
President Futures Corp.	$ 16,137	$ 16,137
Others	811	811
Associate:		
Uni-President Assets Management Corp.	1,044	1,044
Other related party:		
President Tokyo Co., Ltd.	1,418	1,434
Total	$ 19,410	$ 19,426

H. Bonds sold under repurchase agreements

	December 31, 2021	December 31, 2020
Other related party:		
Kai Yu (BVI) Investment Co., Ltd	$ -	$ 148,096
Cayman President Holdings Ltd.	69,200	489,856
Total	$ 69,200	$ 637,952

I. Structured notes

	December 31, 2020
Other related party:	
Kai Yu (BVI) Investment Co., Ltd	$ 116,768
Cayman President Holdings Ltd.	12,816
Total	$ 129,584

There were no transactions with related party as at December 31, 2021.

The above transaction amounts are respectively listed under the financial liabilities at fair value through profit or loss-current and other financial liabilities-current.

J. Handling fee revenue

	Year ended December 31, 2021	Year ended December 31, 2020
Entity having significant influence on the company:		
Uni-President Enterprises Corp.	$ 6	$ -
Subsidiary of the Company PSC:		
Others	74	48
Security investment trust fund raised by the Uni-President Asset Management Corp.:		
Uni-President Asset Management Corp.	69,708	47,108
Other related party:		
Others	1,217	2,354
Total	$ 71,005	$ 49,510

Terms of handling fee revenue mentioned above are similar to those of transactions with third parties.

K. Futures commission income

	Year ended December 31, 2021	Year ended December 31, 2020
Subsidiary of the Company PSC:		
President Futures Corp.	$ 42,884	$ 40,206

L. Gain on wealth management - trust income from sales of funds

	Year ended December 31, 2021	Year ended December 31, 2020
Associates:		
Uni-President Assets Management Corp.	$ 6,730	$ 5,260

The revenues were collected on a monthly basis in accordance with contract terms.

M. Other operating income - handling charge revenue

	Year ended December 31, 2021	Year ended December 31, 2020
Associates:		
Uni-President Assets Management Corp.	$ 53,784	$ 45,022

The revenues were collected on a monthly basis in accordance with contract terms.

N. Rent income

	Period	Deposit	Year ended December 31, 2021	Year ended December 31, 2020
Subsidiary of the Company PSC				
President Capital Management Corp.	2019.04.01~2024.03.31	$ 595	$ 3,644	$ 3,644
Others		353	2,755	2,747
Associates:				
Uni-President Assets Management Corp.	2016.01.01~2024.03.31	1,044	6,490	6,811
Other related party:				
President Tokyo Co., Ltd.	2018.04.01~2024.03.31	1,418	9,061	9,422
Total			$ 21,950	$ 22,624

Rental income mentioned above is derived from leasing part of the Company’s office space and business premises to various related parties and calculated as agreed by both parties. Lease payments are collected on schedule in accordance with the terms of the lease contracts.

O. Revenues from underwriting business

	Year ended December 31, 2021	Year ended December 31, 2020
Entity having significant influence on the company:		
Uni-President Enterprises Corp.	$ 600	$ 300

P. Stock custodian income

	Year ended December 31, 2021	Year ended December 31, 2020
Entity having significant influence on the company:		
Uni-President Enterprises Corp.	$ 3,908	$ 3,697
Subsidiary of the Company PSC		
Other	68	66
Associate:		
Uni-President Assets Management Corp.	134	135
Other related party:		
ScinoPharm Taiwan, Ltd.	2,547	2,635
Ton Yi Industrial Corp.	1,271	1,220
President Chain Store Corp. (PCSC)	2,478	2,097
Others	667	663
Total	$ 11,073	$ 10,513

Terms of stock custodian income mentioned above are similar to third parties.

Q. Net gain (loss) from derivatives

	Year ended December 31, 2021	Year ended December 31, 2020
Other related party:		
Cayman President Holdings Limited	($ 1,360)	($ 1,189)
Kai Yu (BVI) Investment Co., Ltd	(1,290)	(36)
Total	($ 2,650)	($ 1,225)

R. Other operating expenses

a. Equipment rental

	Year ended December 31, 2021	Year ended December 31, 2020
Other related party:		
President Tokyo Co., Ltd.	$ 18	$ 413

b. Copy expense

	Year ended December 31, 2021	Year ended December 31, 2020
Other related party:		
President Tokyo Co., Ltd.	$ 592	$ 1,476

c. Advertising expense

	Year ended December 31, 2021	Year ended December 31, 2020
Other related party:		
Presco Netmarking, Inc.	$ 15,395	$ -
President Professional Baseball Team Co., Ltd.	2,310	2,100
Tainan Spinning Retail And Distribution Co., Ltd.	2,000	-
Others	473	522
Total	$ 20,178	$ 2,622

S. Clearing charges-futures

	Year ended December 31, 2021	Year ended December 31, 2020
Subsidiary of the Company PSC:		
President Futures Corp.	$ 14,089	$ 11,731

T. Service Expense

	Year ended December 31, 2021	Year ended December 31, 2020
Subsidiary of the Company PSC:		
President Capital Management Corp.	$ 50,400	$ 50,400

U. Financial expense

	Year ended December 31, 2021	Year ended December 31, 2020
Other related party:		
Cayman President Holdings Limited	$ 1,601	$ 1,134
Kai Yu (BVI) Investment Co., Ltd	2,080	155
President (BVI) International Investment Holdings Ltd	-	564
President Life Sciences Cayman Co., Ltd	-	212
Total	$ 3,681	$ 2,065

V. Purchases of trading securities – dealer

	December 31, 2021		
	Ending Shares (In thousands)	Ending Balance	Gain (loss)
Entity having significant influence on the company:			
Uni-President Enterprises Corp.	100	$ 6,860	($ 67)
Security investment trust fund raised by the Uni-President Asset Management Corp.:			
Uni-President Asset Management Corp.	-	39,013	3,084
Other related parties:			
President Chain Store Corp.	-	-	(367)
Other	54	816	(179)
Total		$ 46,689	$ 2,471

	December 31, 2020		
	Ending Shares (In thousands)	Ending Balance	Gain (loss)
Entity having significant influence on the company:			
Uni-President Enterprises Corp.	5	$ 338	($ 2,029)
Other related parties:			
President Chain Store Corp.	-	-	(119)
ScinoPharm Taiwan, Ltd.	-	-	(47)
Other	-	-	($ 1)
Total		$ 338	($ 2,196)

W. Compensation of key management personnel

The compensation of key management such as directors, general managers, vice general managers were as follows:

	Year ended December 31, 2021	Year ended December 31, 2020
Salary and short-term employee benefits	$ 334,690	$ 264,054
Retirement benefits	930	660
Other long-term employee benefits	-	-
Termination benefits	-	-
Share-based payment	-	-
Total	$ 335,620	$ 264,714

8. PLEDGED ASSETS

The Company's assets pledged or restricted for use were as follows:

Assets	December 31, 2021	December 31, 2020	Purposes
Financial assets at fair value through profit or loss - current:			
Trading securities (par value)			
- Corporate bonds	$ 500,000	$ 950,000	Securities for bonds sold under repurchase agreements
- Government bonds	1,507,300	2,634,800	Securities for bonds sold under repurchase agreements
- Overseas bonds	7,124,566	15,119,396	Securities for bonds sold under repurchase agreements
- International bonds	623,210	1,034,879	Securities for bonds sold under repurchase agreements
- Bank debentures	300,000	200,000	Securities for bonds sold under repurchase agreements
Other current assets:			
- Demand deposits	5,244,571	652,010	Collections on behalf of third parties and reimbursement for wages and stocks
- Pledged time deposits	400,000	400,000	Securities for short-term loans and guarantees for issuance of commercial papers
Financial assets at fair value through profit or loss - non-current:			
- Government bonds (par value)	50,000	50,000	Trust fund deposit-out
Property and equipment			
- Land and buildings (book value)	1,096,408	1,101,768	Securities for short-term loans and guarantees for issuance of commercial papers
Pledged time deposits			
- Operating guarantee deposits	505,000	505,000	Security deposits

9. SIGNIFICANT COMMITMENTS

None.

10. SIGNIFICANT LOSS FROM NATURAL DISASTER

None.

11. SIGNIFICANT SUBSEQUENT EVENT

None.

12. OTHER

1) Management objective and policy of financial risks

A. Risk management objective

The Company continually strengthens risk culture to every employee and makes sure that the Company can actively develop various businesses under a healthy and effective risk management system. At the same time, by creating value of an entity and continually increasing profit, profit maximization may be achieved within appropriate risk tolerance.

B. Risk management system

In order to ensure the completeness of risk management system, run the balancing mechanism of risk management, and improve the division efficiency of risk management, the Company sets up "Risk Management Policy". Such policy aims to establish internal system compliance and the guiding tools for policies communication within the Company and enable every layer of the Company engaged in different tasks to identify, evaluate, monitor, and control various risks with establishment of consistent compliance rules for risks of each business so that the risks can be controlled within the limits set in advance.

The Company's risk management system covers risks incurred from businesses in and off the balance sheet, such as market risk, credit risk, liquidity risk, operating risk, legal risk, model risk which are all included in the risk management.

C. Risk management organization

Risk management organization: Board of Directors, Risk Management Committee, Risk Control Office, Business units and other related segments (such as Office of Auditing, Office of General Manager, Compliance segment, Legal segment, Finance segment and Settlement segment) are in charge of planning, supervising and execution.

(A) The Board of Directors should ensure the effectiveness of risk management and be responsible for the ultimate result and the following duties:
  a. To establish proper risk management system, operating process, and risk management culture in the Company with allocation of necessary resource for better execution and operation.
  b. Policy of risk management review.
  c. Review and approval of business application, transaction authorization and risk limit.

(B) The Risk Management Committee reports to the Board of Directors and is responsible for the following:
  a. Review risk management policy.
  b. Review the highest risk tolerance.
  c. Submit regular reports to the Board of Directors in relation to the risk management status of the whole Company.

(C) The General Manager supervises daily risk management of the entire Company and is responsible for the following:
  a. Supervise and monitor daily risk management of the entire Company.
  b. Approval of management exceptions.

(D) Assets and Liabilities Committee reports to the General Manager and is responsible for the following:
  a. Set up the ultimate guidelines for assets and liabilities management of the entire Company.
  b. Analyze and control the entire Company's assets and liabilities portfolio.
  c. Approval of various businesses' quotas.
  d. Gather and analyze information on domestic and offshore interest rate, exchange rate, prosperity fluctuation, political and economic environmental changes, and predict the financial trend in the future.

(E) Risk Control Office implements risk management policy and related regulations and reports to the Risk Management Committee. Risk Control Office also reports daily risk management to the General Manager and is responsible for the following:
  a. Establish Risk Management Policy of the entire Company.
  b. Develop effective method for measurement and risk management in an entity.
  c. Review risk management system of business units.
  d. Generate risk report through information gathering and consolidation.
  e. Analyze various business risks and report to the General Manager.

f. Report the risk management situation to the Risk Management Committee according to a meeting’s nature and needs.
g. Carry out duties as designated by the Risk Management Committee and control risks of business units.

(F) Auditing Office is responsible for the following:
a. Execute operating risk control.
b. Include the risk management system into internal audit program and carry out the daily audit schedule.
c. Assess the effectiveness of internal control and verify the executed result.

(G) Compliance segment and legal segment under the Office of General Manager are responsible for the following:
a. Compliance segment should make sure that the business operation and risk management system are in compliance with relevant regulations.
b. Legal segment is responsible for legal risk control.
c. Compliance segment also provides services of Anti-Money Laundering and Counter Terrorism Financing, including designs specification and internal control, establishes transaction monitoring, oversees the effective implementation of business units, conducts the employee training and reports any suspicion of money laundering.

(H) Finance segment is responsible for the following:
a. Verify the correctness of position information and reasonability of profit and loss calculation.
b. Control and analyze self-owned capital adequacy ratio.
c. Analyze the appropriateness of structures of the assets and liabilities.

(I) Business units are responsible for the following:
a. Set up risk management details of various businesses according to the risk management policy and other related regulations.
b. Provide sufficient position information and risk control information to the Risk Control Office.

(J) Settlement division is responsible for:
a. Clearing and settlement; risk control and management of margin purchase and short sale of securities.
b. Risk control and management of trading middle office and enforcement of rules governing risk management of business segments.

D. Risk management policy

In order to ensure the completeness of risk management system, run the balancing mechanism of risk management, and improve the division efficiency of risk management, the Company sets up “Risk Management Policy”. Such policy aims to establish internal system compliance and the guiding tools for policies communication within the Company and enable every layer of the Company engaged in different tasks to identify, evaluate, monitor, and control various risks with establishment of consistent compliance rules for risks of each business so that the risks can be controlled within the limits set in advance.

Risk management processes include risk identification, risk evaluation, risk supervision and various risk control. Each kind of risk evaluations and responding strategies are described as follows:

(A) Market risk management

The Company has implemented risk management information system (Risk Manager) in relation to market risk control. All trading positions of the Company have been included in the daily risk control system for the calculation of Value at Risk (VaR). Limit exceeding indicators are mainly the nominal principal, stop-loss, sensitivity (Greeks) and VaR. The risk management report is presented on a daily basis for implementation of regular control and limit exceeding handling procedures.

(B) Credit risk management

In relation to risk control, the quantitative model of default rate adopts KMV model to calculate the default rate of issuers with credit exposure of the issuing company and the trading counterparties, and credit risk of securities disclosed in the report. The credit exposure is mitigated through regular review of credit status.

(C) Fund liquidity risk

Unit in charge of fund procurement regularly predicts future fund demand and supply, and consolidates company guarantee or endorsement and capital lending businesses to monitor the condition of fund procurement on a daily basis.

E. Hedging and risk-offsetting strategy

(A) Policies of hedging and risk mitigating are parts of the Company's risk management policies, and the hedging position and hedged trading position are supposed to be one portfolio, of which the gain and loss and risk information are measured on a consolidated basis.

(B) The overall position (hedging position and trading position) is included in the daily risk management system to calculate Value at Risk and other relevant information. Limit exceeding indicators mainly include nominal principal, stop-loss point, price sensitivity and VaR. With the presentation of daily risk management report, routine control and limit exceeding treatment can be executed.

(C) The continued effectiveness of hedging and risk-offsetting strategy is measured by the gain and loss of overall position (hedging position and trading position), in order to track reasonableness of the profit or loss of hedging position and the offsetting relationship with the profit or loss of trading position, and to control them within a reasonable range.

2) Credit risk

A. Source and definition of credit risk

The credit risk exposure of the Company as a result of engagement in financial transactions include issuer's credit risk, credit risk of counterparty and credit risk of underlying assets:

(A) Credit risk of the issuer refers to the issuers of financial debt instruments held by the Company failing to repay its obligation due to the fact that the issuer breaches the contract resulting in the risk of financial loss to the Company.

(B) Credit risk of counterparty refers to risk of financial loss to the Company arising from default by the counterparty of financial instruments on the settlement or payment obligation.

(C) Credit risk of the underlying assets happens when the credit rating of the underlying assets linked to the financial instrument is downgraded by the rating agency or when the losses occur as a result of contract default.

The financial assets held by the Company which could result in credit risk include bank deposit, debt securities, derivatives transactions in OTC, bonds purchased/sold under resale/repurchase agreements, refundable deposit of securities lending, futures trade margins, other refundable deposits and receivables.

B. Maximum credit risk exposure and credit risk concentration

The maximum exposure to credit risk of financial assets in the parent company only balance sheet, without consideration of the collateral or other credit enhancements, is equivalent to the carrying amount. In Taiwan, the sources of credit risk of the Company are primarily resulting from cash deposited with banks or other financial institutions, debt securities issued or guaranteed by a bank, derivative instruments transaction underwritten by the Company, and all counterparties of customer margin deposits accounts being financial institutions. Credit risks of various financial assets are as follows:

(A) Cash and cash equivalents

Cash and cash equivalents include time deposit, demand deposits and checking deposits. Correspondent institutions are mainly domestic financial institutions.

(B) Financial assets at fair value through profit and loss -current

a. Fund

The funds held by the Company are bond funds. As the positions held are not significant, credit risk is deemed low.

b. Commercial papers

The commercial papers held by the Company are repurchase agreements. As all the counterparties are financial institutions with good credit, the credit risk from counterparties is extremely low.

c. Debt securities

Debt securities are mainly positions like government bonds, corporate bonds, convertible corporate bonds and foreign bonds and the issuers are primarily R.O.C. government, domestic and foreign legal entities. 42% of convertible corporate bond is guaranteed by banks. Details are as follows:

(a)Government bonds

The bonds held by the Company are mostly government bonds (inclusive of central and local government). As a whole, the credit risk of the bonds held by the Company is low.

(b) Corporate bonds

The corporate bonds held by the Company are mainly underlying investment with good credit rating and those with rating above (S&P BB).

(c)Convertible corporate bond

The convertible corporate bonds held by the Company are mostly issued by the domestic legal entities. The Company mitigates highly risky credit exposure of the issuers by control through Taiwan Corporate Credit Risk Index (TCRI).

(d)Foreign bonds

The foreign bonds held by the Company are mainly underlying investment with good credit rating and those with rating above (S&P BB).

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

The foreign government bonds held by the Company are classified as debt instruments at fair value through other comprehensive income. In general, the bonds held by the Company are with lower credit risk.

(D) Derivatives- futures trade margin

When engaging in futures trades in stock exchange market, the Company needs to deposit margin into a margin deposit account of a financial institution designated by the futures merchants as a guarantee to fulfil contractual obligation in the future. As a result, the credit risk is low.

(E) Derivatives-OTC

The Company signs International Swaps and Derivatives Association (ISDA) agreements with each counterparty when engaging in OTC derivatives as an agreement regarding such transactions for both parties. In the agreement, it provides a fundamental contractual model for OTC derivative transactions. If any party breaches the contract or terminates the transactions early, then all the open interest covered in the agreement should be settled by net amount as bound in the contract. When the ISDA agreement is signed, the Credit Support Annex (CSA) is also signed. According to the CSA, collateral will be transferred from a party to the other during transaction process to mitigate the risk of counterparty in open interest. Please refer to Note 6(10).

Types of OTC derivative transactions in which the Company is engaged include swap transaction. The counterparties are all from financial service industry and mainly located in Taiwan and United Kingdom.

(F) Bonds investment under a resale agreement

Bonds sold under a resale agreement are the bonds that the client sold to the Company at a price, interest rate, length of period as agreed by two parties and the client shall repurchase the bonds at the specified price upon maturity. The Company needs to assume credit risk from counterparties when underwriting such business, as the payment being delivered to the other party. With consideration of good collateral obtained, the net of credit risk exposure from counterparties can be effectively reduced. As all the counterparties are financial institutions with good credit rating, the credit risks from counterparties are extremely low. Please refer to Note 6(9).

(G) Margin loans receivable

Margin loans receivable are the loans provided to the client in order to process businesses of margin trading and short sale using the securities purchased through financing as collateral. The Company monitors the clients' margin ratio through information system on a daily basis. As the margin ratio of margin trading is set at 130% according to Regulations Governing the Conduct of Securities Trading Margin Purchase and Short Sale Operations by Securities Firms, the credit risk is extremely low.

(H) Receivables of securities business money lending

Receivables of securities business money lending are the non-restricted purpose loan business and monetary financing business, pursuant to an agreement between a securities firm and a customer, using customer securities and other commodities as collateral. The Group regularly assesses its customer line of credit and implements appropriate credit control. As the margin ratio of margin trading is set at 130% according to Regulations Governing the Conduct of Securities Trading Margin Purchase and Short Sale Operations by Securities Firms, the credit risk is extremely low.

(I) Guaranteed price for securities lending

Guaranteed price for securities lending is the sale price of the Company's securities sold by other securities firms through margin trading after deduction of securities transactions tax and service fee, which is deposited in other securities firms as collateral. As all the counterparties are financial institutions with good credit rating, the credit risk from counterparties is extremely low.

(J) Refundable deposits for securities lending

Refundable deposits for securities lending are the margins deposited in other securities firm as collateral when the Company's securities are sold. As all the counterparties are financial institutions with good credit, the credit risk from counterparties is extremely low.

(K) Receivables

Receivables are the credit rights arising from the securities business including settlement receivables of consignment trading, settlement receivables of operating securities sold, financing interest receivables of self-operating credit transaction, receivables of consignment trading for securities, and receivables from banks' underwriting on foreign exchange transactions and foreign fund demand. As the majority of the Company's receivables from the consignment businesses and self-operating businesses are settlement of securities from OCT or TWSE, the credit risk is extremely low. As the foreign exchange transactions are simply the receipt or payment of different currencies and the correspondent banks are of good credit rating, the credit risk is extremely low.

(L) Other current assets

Other current assets are mainly the collateral deposited in the bank for application for short-term debt limit and guarantee for application for issuance of commercial papers. As the correspondent banks are all financial institutions with good credit rating, the credit risk is extremely low.

(M) Financial assets at fair value through profit and loss – non-current

In order to underwrite trust business, the Company deposits central government bonds in the Central Bank as collateral. Regardless of the bonds themselves or the financial institutions where the bonds deposited, the credit risk is extremely low.

(N) Other non-current assets

Other non-current assets mainly comprise operating guarantee deposits, settlement funds, and refundable deposits. Operating guarantee deposits are mainly deposited in domestic banks with good credit rating. Settlement funds are deposited in securities exchange. Settlement funds are used as compensation when a party to a marketable securities transaction fails to fulfil the settlement obligation. The credit risks from the institutions where these two assets are deposited are extremely low. The refundable deposits refer to cash or other assets which are deposited externally by the Company and can be used as refundable deposits. Because deposits are placed in various financial institutions and each deposit amount is small, the credit risk is dispersed and the credit exposure of overall refundable deposit is extremely low.

C. Expected credit loss assessment

In the assessment of impairment and calculation of expected credit losses, the Company considers reasonable and supporting information about past events, current conditions and future economic conditions. The Company determines at the balance sheet date whether there has been a significant increase in credit risk since initial recognition or whether credit impairment has occurred and recognizes expected credit loss according to which stage the asset belongs: no significant increase in credit risk or low credit risk at balance sheet date (Stage 1), significant increase in credit risk (Stage 2), and credit impaired (Stage 3). 12-month expected credit losses are recognized for assets in Stage 1, and lifetime expected credit loses are recognized for assets in Stage 2 and Stage 3.

The definition of and expected credit losses recognized for each stage are as follows:

Item	Stage 1	Stage 2	Stage 3
Definition	No significant deterioration of credit quality of the financial asset since initial recognition, or the financial asset is considered low-risk at the balance sheet date.	Significant deterioration of credit quality of the financial asset since initial recognition, but the asset is not yet credit impaired.	The financial asset is credit impaired at the financial reporting date.
Expected credit losses recognition	12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses

(A) Judgements of the significant increase in credit risk since initial recognition

Judgements and assumptions used to determine whether the credit risk has a significant increase since initial recognition when the Company calculates expected credit loss under IFRS 9 are as follows:

a. If contractual payments are over 30 days past due according to the payment terms, the financial asset is considered to have significant increase in credit risk since initial recognition.

b. There is significant increase in credit risk at the reporting date if the credit rating of the issuer has been downgraded by more than 2 grades and the final external credit rating at the reporting date is non-investment grade, if the interest payments are over 30 days past due, or if there has been a default in the past.

(B) Definition of default and credit-impaired financial assets

According to the definition of credit impairment set by IFRS 9, a financial asset is credit-impaired when one or more events that have occurred and have a significant impact on the expected future cash flows of the financial asset. The criteria used to judge whether a financial asset is credit-impaired since initial recognition includes but is not limited to the following:

a. Contractual payments or principal or interest payments on bonds are over 3 months (90 days) past due.

b. Bond investment is rated as “in default” by external credit rating agencies.

c. Bond issuer has filed for bankruptcy, restructure, or other debt clearance procedures.

d. Issuer or counterparty has financial difficulties.

(C) Writing-off policy

If any of the following condition applies, the Company will write off the non-recoverable portion of the overdue receivables as bad debt.

a. Debt cannot be fully or partially recovered due to dissolution of, disappearance of, settlement with, bankruptcy declaration by the debtor, or any other reason.

b. The collateral and the assets of the primary and secondary debtors could not be auctioned off after multiple attempts and multiple price discounts, and the Company has not received any real benefits in assuming the collateral.

c. Payments are over two years past due and could not be recovered after attempts to collect.

(D) Measurement of expected credit losses

The Company considers reasonable supporting information which shows significant increase in credit risk since initial recognition when calculating expected credit losses. Main indexes include: internal/external credit rating, information of past due, credit spread, other market information in relation to the borrower, issuer or counterparty, and significant increase in credit risk of other financial instrument of the same borrower.

a. Investments in bills and bonds

(a)Probability of default was based on external credit rating, which include forward-looking information.

(b)Loss given default was based on the average loss given default of external credit rating of investment position and counterparties.

(c)Exposure at default

Stage 1, Stage 2 and Stage 3: Total carrying amount (including interest receivable).

(E) Consideration of forward-looking information

Historical loss rate (based on the historical experience in the past 3 to 5 years) as obtained and compared with economic environment in the past, nowadays and future (forward-looking factor) to see whether there is any significant change, and then to properly adjust future loss rate standards. If any significant default event occurs, the loss rate in the current year will be included in the calculation of future loss rate standard.

D. Table of movements in loss provision of the Company

(A) For the years ended December 31, 2021 and 2020, there were no changes in the loss allowance for investments in debt instruments measured at fair value through other comprehensive income.

(B) Except for debt investments and its interest receivable, the Company applies the modified approach to measure the loss allowance at an amount equal to lifetime expected credit losses for receivables and overdue receivables. The movements in loss provision of marginal receivables, accounts receivable, other receivables-others and other non-current assets-overdue receivables of the Company are as follows:

	Year ended December 31, 2021				
	Marginal receivable	Accounts receivable	Other receivables	Other non-current assets-overdue receivables	Total
At January 1	$ 58,840	$ 625	$ 54	$ 39,388	$ 98,907
Provision (reversal of provision) for impairment	(11,407)	117	118	3,326	(7,846)
Derecognised	-	-	(172)	(30,197)	(30,369)
At December 31	$ 47,433	$ 742	$ -	$ 12,517	$ 60,692

	Year ended December 31, 2020				
	Marginal receivable	Accounts receivable	Other receivables	Other non-current assets-overdue receivables	Total
At January 1	$ 43,806	$ 656	$ 54	$ 240,073	$ 284,589
Provision (reversal of provision) for impairment	15,034	(31)	-	2,507	17,510
Derecognised	-	-	-	(203,192)	(203,192)
At December 31	$ 58,840	$ 625	$ 54	$ 39,388	$ 98,907

3) Liquidity risk

A. Definition and source of liquidity risk

Liquidity risk refers to possible financial losses arising from the inability to realize the asset or to obtain sufficient fund to fulfil the financial liabilities soon to be matured. Above situations may weaken the sources of cash from the Company's trading and investment activities.

B. Liquidity risk management procedure and stimulation test

In order to prevent operational crisis as a result of liquidity risk, the Company has established responding crisis process with regular monitoring over liquidity gap of fund.

(A) Procedure

In addition to the operating capital for various business and long-term investment, the Company needs to maintain revolving funds at a certain level for daily operation. The use of remaining fund shall avoid high concentration and should be based on the principle of holding sound earning assets with high liquidity and treated in compliance with policies of the Company.

The responsive unit for fund procurement adjusts the liquidity gap to ensure proper liquidity according to the daily volume and movement in the market.

(B) Stimulation test

a. The Company reviews fund liquidity risk from a perspective of supply and demand of fund every month with simulation analysis of available fund for emergency including scenario analysis of cash, funding limit of financial institutions, margin loans and short sale, and value of disposal of position in order to compute maximum available fund and fund demand. Finally, safety stock of fund is reviewed to monitor liquidity risk.

b. Above liquidity risk is generally reviewed monthly. However, if the available limit of increment banking credit risk in financing limit of a financial institution is lower than a certain amount (that is, the amount may be timely adjusted according to the fund liquidity in the market and the actual fund demand and supply in an entity), the safety stock will be reviewed weekly. After the early warning report for fund is submitted, the head of finance segment will call for a fund control meeting.

c. Other than individual funding liquidity risk of an entity, stress test of minimization funding supply and maximization funding demand in the event of significant crisis is simulated, including:

(a) When there is a significant crisis in the market, the financing limit of the financial institutions and the value of disposal of position can be deemed the minimized ratio of fund supply which is then adjusted according to actual condition to compute the total fund supply under maximum stress.

(b) Except for the operating expense, the stock concept is adopted for the calculation of total fund demand under maximum stress.

(c) The Company should conduct a review to see whether the total minimized fund supply is more than maximized total fund demand. The Company should further review how long (by month) the difference may cover the operating expenses so that the safety stock of fund (by month) under stress test can be computed.

(d) The minimum safety stock of fund under stress test (by month) may be adjusted according to the crisis itself and only operating expense for at least 6 months under a normal stimulation can be deemed safe.

C. Maturity analysis for the financial assets and financial liabilities held for liquidity risk management

(A) The Company holds cash and sound earning assets with high liquidity in order to fulfil the payment obligation and potential emergency fund demand in the market. Financial assets held for liquidity risk management are mainly cash and cash equivalents, among which, all time deposits mature within a year. Financial assets at fair value through profit and loss are mainly listed stocks, convertible bonds and debt securities. As all of them have positions in active market, the liquidity risk is deemed low.

(Blank below)

(B) Maturity analysis for the financial liabilities is as follows:

	December 31, 2021				
	Immediately	Less than 3 months	3-12 months	1-5 years	Total
Short-term loans	$ -	$ 590,000	$ -	$ -	$ 590,000
Commercial papers payable	-	8,650,000	-	-	8,650,000
Financial liabilities at fair value through profit or loss-current					
Non-derivative financial liabilities	5,124,273	-	-	-	5,124,273
Derivative financial liabilities	3,047,462	-	-	-	3,047,462
Bonds sold under repurchase agreements	-	9,648,756	-	-	9,648,756
Deposits on short sales	1,202,587	-	-	-	1,202,587
Deposits payable for securities financing	1,559,162	-	-	-	1,559,162
Securities lending refundable deposits	-	1,069,699	860,073	39,435	1,969,207
Accounts payable (includes notes payable)	17,413,904	7,595	-	-	17,421,499
Collections on behalf of third parties	5,639,615	11,653	-	88,582	5,739,850
Other payables	5,605	260,183	2,234,060	-	2,499,848
Other financial liabilities -current	-	1,789,878	3,193,261	-	4,983,139
Lease liability	-	18,742	44,136	120,489	183,367
Total	$ 33,992,608	$ 22,046,506	$ 6,331,530	$ 248,506	$ 62,619,150

	December 31, 2020				
	Immediately	Less than 3 months	3-12 months	1-5 years	Total
Short-term loans	$ -	$ 578,976	$ -	$ -	$ 578,976
Commercial papers payable	-	7,300,000	-	-	7,300,000
Financial liabilities at fair value through profit or loss-current					
Non-derivative financial liabilities	1,039,794	-	-	-	1,039,794
Derivative financial liabilities	1,550,679	-	31,668	-	1,582,347
Bonds sold under repurchase agreements	-	19,112,268	-	-	19,112,268
Deposits on short sales	1,381,470	-	-	-	1,381,470
Deposits payable for securities financing	1,809,955	-	-	-	1,809,955
Securities lending refundable deposits	-	803,016	100,836	-	903,852
Accounts payable (includes notes payable)	18,023,694	14,425	-	-	18,038,119
Collections on behalf of third parties	1,010,210	7,680	-	80,784	1,098,674
Other payables	985	222,277	1,751,977	-	1,975,239
Other financial liabilities -current	-	2,017,803	3,990,507	-	6,008,310
Lease liability	-	19,214	42,661	103,607	165,482
Total	$ 24,816,787	$ 30,075,659	$ 5,917,649	$ 184,391	$ 60,994,486

4) Market risk

A. Definition of market risk

Market risk refers to the risk of decrease in the Company's revenue or value of investment portfolio as a result of the changes in exchange rate, commodity price, interest rate, and stock price or other market risk factors.

The Company continually exercises risk management tools such as sensitivity analysis, Value at Risk, stress test and so on to completely and effectively measure, monitor and manage market risk.

B. Value at Risk (VaR)

Value at Risk is used to measure the possible maximum potential losses in investment portfolio as a result of movement in market risk factor in a specified period and confidence level. The Company currently uses confidence level of 95% to calculate Value at Risk of one day.

A VaR model must reasonably, completely and accurately measure the maximum potential risks of financial instruments or investment portfolio before being adopted as a risk management model by the Company. The VaR model used in risk management is continually certified and retrospectively tested to demonstrate that the model can reasonably and effectively measure the maximum potential risks of financial instruments or investment portfolios.

Statistical table for one-day VaR of transactions		Statistical table for one-day VaR of transactions	
Year ended December 31, 2021	Amount	Year ended December 31, 2020	Amount
December 31, 2021	$ 106,857	December 31, 2020	$ 172,331
VaR Maximum	288,441	VaR Maximum	274,866
VaR Average	140,407	VaR Average	158,787
VaR Minimum	30,206	VaR Minimum	76,059

Statistical table for VaR of various risk indicators of transactions

Year ended December 31, 2021	Foreign exchange	Interest	Share ownership
December 31, 2021	$ 1,402	$ 23,468	$ 106,496
VaR Maximum	16,890	43,928	290,600
VaR Average	4,079	21,628	139,374
VaR Minimum	1,103	7,593	30,696

Year ended December 31, 2020	Foreign exchange	Interest	Share ownership
December 31, 2020	$ 3,413	$ 24,024	$ 175,695
VaR Maximum	55,596	91,620	267,430
VaR Average	7,103	39,354	155,821
VaR Minimum	1,489	15,428	67,873

C. Information on gap of foreign exchange risk

The following table summarizes financial instruments of foreign assets or liabilities by currency and the foreign exchange exposure presented by book value as of December 31, 2021 and 2020：

	December 31, 2021													
	USD		EUR		AUD		RMB		HKD		Others		Total	
Financial assets in foreign currencies														
Cash and cash equivalents	$	490,710	$	1,969	$	2,005	$	113,423	$	158,768	$	234,811	$	1,001,686
Financial assets at fair value through profit or loss		8,040,988		1,935,974		181,807		798,106		254,269		511,579		11,722,723
Bonds purchased under resale agreements		27,401		-		-		-		-		-		27,401
Investments under the equity method		-		-		-		2,363,197		1,344,033		-		3,707,230
Others		2,033,302		3,697		40,836		19,652		20,186		793		2,118,466
Financial liabilities in foreign currencies														
Financial liabilities at fair value through profit or loss		4,332		1,599		106		2,828		195		359		9,419
Bonds sold under repurchase agreements		4,644,791		1,688,801		160,708		588,851		-		136,622		7,219,773
Others		3,883,547		26		40,178		308,104		8,667		5,437		4,245,959

Note: As of December 31, 2021, foreign exchange rates of the above currencies to TWD were 1 USD = 27.680 TWD; 1 EUR = 31.320 TWD; 1 AUD = 20.080 TWD; 1 RMB = 4.344 TWD; and 1 HKD = 3.549 TWD, respectively.

	December 31, 2020						
	USD	EUR	AUD	RMB	HKD	Others	Total
Financial assets in foreign currencies							
Cash and cash equivalents	$ 350,244	$ 2,479	$ 2,247	$ 260,037	$ 269,730	$ 173,112	$ 1,057,849
Financial assets at fair value through profit or loss	13,281,876	3,486,806	1,006,892	1,267,289	378,212	424,984	19,846,059
Investments under the equity method	-	-	-	2,531,901	1,419,007	-	3,950,908
Others	808,186	10,371	1,918	34,377	5,161	28,645	888,658
Financial liabilities in foreign currencies							
Short-term loans	318,976	-	-	-	-	-	318,976
Financial liabilities at fair value through profit or loss	50,740	3,898	3,441	3,426	172	5,422	67,099
Bonds sold under repurchase agreements	9,996,698	3,080,106	853,836	871,401	-	286,703	15,088,744
Others	2,945,156	-	240	263,221	52,811	27,835	3,289,263

Note: As of December 31, 2020, foreign exchange rates of the above currencies to TWD were 1 USD = 28.480 TWD; 1 EUR = 35.020 TWD; 1 AUD = 21.950 TWD; 1 RMB = 4.377 TWD; and 1 HKD = 3.673 TWD, respectively.

D. The total exchange gain (loss), including realized and unrealized, arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2021 and 2020, amounted to $179,749 and ($326,402), respectively.

5) Fair value and hierarchy information

A. Financial instruments and non-financial instruments not measured at fair value.

Except for those listed in the table below, the carrying amounts of the Company's financial instruments not measured at fair value (including cash and cash equivalents, bonds purchased under resale agreements, margin loans receivable, refinancing guaranty deposits, guaranteed proceeds receivable from refinancing, guaranteed price deposits for security borrowing, security borrowing deposits, customer margin deposit account, notes and accounts receivable, other receivables, short-term loans, commercial paper payable, bonds sold under repurchase agreements, guarantee deposit received from short sales, guaranteed price deposits received from securities borrowers, security borrowing deposits, equity of futures traders, accounts payable, collection for others, and other payables) approximate their fair values. The fair value information of financial instruments measured at fair value is provided in Note 12(5)3.

	Total	Quoted prices of the same assets in active markets (level 1)	Other significant observable inputs (level 2)	Significant non-observable inputs (level 3)
Non-financial assets				
December 31, 2021				
Investment property	$ 712,476	$ -	$ 712,476	$ -
December 31, 2020				
Investment property	$ 667,546	$ -	$ 667,546	$ -

The fair value of investment property held by the Company was assessed by external valuation experts using comparison approach and income approach, or the fair value can be assessed based on the market price of the area adjacent to the location where the Company's investment property is located.

B. Valuation techniques

(A) For financial instruments held for trading purposes which are classified as non-derivative instruments, their fair values are based on their quoted prices in an active market. If there is no quoted market price for reference, a valuation technique will be adopted to measure the fair value. Estimates and assumptions of valuation technique adopted by the Company are in agreement with the information of estimates and assumptions adopted by market users for financial instrument pricing and the said information shall be accessible to the Company. For those classified as derivative instruments, their fair values are based on their market prices if their quoted prices are available from an active market. If quoted market prices in an active market are not available, SWAP and IRS are valued at the discounted cash flow method, and options are valued at the Black-Scholes model.

(B) When available-for-sale financial assets have quoted market prices available in an active market, the fair value is determined using the market price.

C. Fair value hierarchy of the financial instruments

(A) Definitions for the hierarchy classifications of financial instruments measured at fair value

a. Level 1

Level 1, are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date. An active market has to satisfy all the following conditions: 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 Company's investments in listed stocks, beneficiary certificates, on-the-run Taiwan central government bonds and derivative instruments with quoted market prices, are deemed as level 1.

b. Level 2

   Inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Investments of the Company such as off-the-run issue of emerging stock, government bonds, corporate bonds, bank debentures, convertible corporate bonds, currency swaps, interest rate swaps, options, asset swaps, and most derivatives are all classified within level 2. For the years ended December 31, 2021 and 2020, there was no significant transfer of financial instruments between Level 1 and Level 2.

c. Level 3

   Unobservable inputs for the assets or liability. The fair value of the Company's investment in unlisted stocks is included in Level 3.

(Blank below)

(B)Hierarchy of fair value estimation of financial instruments

Financial instrument items measured at fair value	December 31, 2021			
	Total	Level 1	Level 2	Level 3
Recurring fair value				
Non-derivative financial instruments				
Assets				
Financial assets at fair value through profit or loss-current				
Stock investments	$ 14,288,286	$ 14,247,565	$ 40,721	$ -
Bond investments	13,213,896	776,724	12,437,172	-
Others	1,049,451	1,049,451	-	-
Financial assets at fair value through other comprehensive income-current				
Stock investments	410,205	410,205	-	-
Financial assets at fair value through profit or loss - non-current				
Stock investments	12,650	-	-	12,650
Bond investments	50,124	-	50,124	-
Financial assets at fair value through other comprehensive income-non-current				
Stock investments	258,627	-	-	258,627
Liabilities				
Financial liabilities at fair value through profit or loss -current	5,124,273	5,124,273	-	-
Derivative financial instruments				
Assets				
Financial assets at fair value through profit or loss-current	4,735,030	4,720,306	14,724	-
Liabilities				
Financial liabilities at fair value through profit or loss - current	3,047,462	2,623,530	423,932	-

Financial instrument items measured at fair value	December 31, 2020			
	Total	Level 1	Level 2	Level 3
Recurring fair value				
Non-derivative financial instruments				
Assets				
Financial assets at fair value through profit or loss-current				
Stock investments	$ 11,927,130	$ 11,903,943	$ 23,187	$ -
Bond investments	23,302,082	1,170,822	22,131,260	-
Others	2,237,129	2,237,129	-	-
Financial assets at fair value through other comprehensive income-current				
Stock investments	353,510	353,510	-	-
Financial assets at fair value through profit or loss - non-current				
Stock investments	16,991	-	-	16,991
Bond investments	50,493	-	50,493	-
Financial assets at fair value through other comprehensive income-non-current				
Stock investments	186,334	-	-	186,334
Liabilities				
Financial liabilities at fair value through profit or loss -current	1,039,794	1,039,794	-	-
Derivative financial instruments				
Assets				
Financial assets at fair value through profit or loss-current	3,365,537	3,356,164	9,373	-
Liabilities				
Financial liabilities at fair value through profit or loss - current	1,582,347	1,430,919	151,428	-

(C) The following table is the movement of financial assets at Level 3:

Year ended December 31, 2021								
		Valuation amount		Increased		Decreased		
	January 1	Recorded in profit or loss	Recorded in other comprehensive income (loss)	Acquired/ Issued	Transfers into level 3	Sold, disposed or settled	Transfers out from level 3	December 31
Financial assets at fair value through profit or loss - non-current								
Venture capital shares	$ 16,991	($ 4,341)	$ -	$ -	$ -	$ -	$ -	$ 12,650
Financial assets at fair value through other comprehensive income - non-current								
Unlisted stocks	186,334	-	72,293	-	-	-	-	258,627

Year ended December 31, 2020								
		Valuation amount		Increased		Decreased		
	January 1	Recorded in profit or loss	Recorded in other comprehensive income (loss)	Acquired/ Issued	Transfers into level 3	Sold, disposed or settled	Transfers out from level 3	December 31
Financial assets at fair value through profit or loss - non-current								
Venture capital shares	$ 21,180	($ 4,189)	$ -	$ -	$ -	$ -	$ -	$ 16,991
Financial assets at fair value through other comprehensive income - non-current								
Unlisted stocks	157,656	-	28,678	-	-	-	-	186,334

(D) The following is 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:

December 31, 2021	Fair value	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Financial assets at fair value through profit or loss - non-current					
Venture capital shares	$ 12,650	Net asset value	Not applicable	Not applicable	Not applicable
Financial assets at fair value through other comprehensive income - non-current					
Unlisted stocks	258,627	Market approach	Price to earnings ratio multiple	1.80~2.27	The higher the multiple,the higher the fair value
			Discount for lack of marketability	6.24%~9.17%	The higher the discount for lack of marketability, the lower the fair value

December 31, 2020	Fair value	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Financial assets at fair value through profit or loss - non-current					
Venture capital shares	$ 16,991	Net asset value	Not applicable	Not applicable	Not applicable
Financial assets at fair value through other comprehensive income - non-current					
Unlisted stocks	186,334	Market approach	Price to earnings ratio multiple	1.46~1.90	The higher the multiple,the higher the fair value
			Discount for lack of marketability	6.99%~9.65%	The higher the discount for lack of marketability, the lower the fair value

(E) Valuation process for fair value at Level 3

The parent company's risk management department is responsible for the verification of fair value categorized in Level 3. The department assesses the independence, reliability, consistency and representativeness of the source information, regularly verifies the valuation models and calibrates the parameters to ensure the valuation process and results are in compliance with IFRSs.

(F) For the fair value measurement of Level 3, the sensitivity analysis of the fair value to the reasonable alternative hypothesis shows that the fair value measurement of the financial assets by the Company is reasonable. However, use of different valuation models or assumptions may result in different measurement. The following is the impact to profit or loss or to other comprehensive income from financial assets and liabilities categorized within Level 3 if the inputs used in valuation models have changed up or down by 1%:

December 31, 2021	Recognised in profit or loss		Recognised in other comprehensive income	
	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets at fair value through profit or loss -non-current				
Venture capital shares	Not applicable	Not applicable	$ -	$ -
Financial assets at fair value through other comprehensive income - non-current				
Unlisted stocks	-	-	2,586	(2,586)

December 31, 2020	Recognised in profit or loss		Recognised in other comprehensive income	
	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets at fair value through profit or loss -non-current				
Venture capital shares	Not applicable	Not applicable	$ -	$ -
Financial assets at fair value through other comprehensive income - non-current				
Unlisted stocks	-	-	1,863	(1,863)

6) Capital management

A. Objective of capital management

(A) The represented capital adequacy ratio basically shall not be lower than 200% in compliance with the warning standard addressed in the “Rules Governing Securities Firms”.

(B) The Company includes all risks involved in the investment position as a part of risk management, such as market risk, credit risk, liquidity risk, operating risk, legal risk, and model risk and so on. Each risk management responsive unit should identify, evaluate, monitor and control various risks in order to enable the Company to defend impact from financial market, reflect the current operating strategies and make the investment portfolio applied to business planning and development.

B. Capital management policy and procedure

In order to secure the long-term and stable development of various businesses and effectively assume risks, the Company manages capital based on the business development, related regulations and financial market environment. Major capital evaluation processes include:

(A) Each segment should provide accurate and valid source of information to maintain calculation accuracy of capital adequacy ratio.

(B) After the reporting at the 10th of each month, capital adequacy ratio should be computed by the end of every month. If the result is close to the legal standard, every unit will be called to attend a meeting for discussion and strategic planning to ensure that the basic objective of capital adequacy ratio is not less than 200%.

(C) Both the risk limits and economic capital of the Company should be agreed by the Board of Directors. The Company should quarterly report details of risk control with disclosure of investment condition in order to assess whether the risk position exceeds the limit and whether the investment direction is in line with the market trend. Within the authorized risk limits, the Company is actively engaged in development of various businesses and continually increases profit, creates company value, and complies with the capital management objective.

The Company calculates and reports the capital adequacy ratio according to “Rules Governing Securities Firms”. As of December 31, 2021 and 2020, the capital adequacy ratios were 379% and 339%, respectively, as required by the regulations.

7) Assets and liabilities of trust accounts

Pursuant to Article 17 of Enforcement Rules of the Trust Enterprise Act, balance sheet, income statement, and property list of trust accounts shall be disclosed in the parent company only financial statements on a semiannual basis.

A. Balance sheet of trust accounts

Trust assets	December 31, 2021	December 31, 2020
Bank savings	$ 669,217	$ 492,979
Structured notes	923,114	664,243
Stock	1,284,571	928,705
Bond	435,389	423,452
Bonds sold under repurchase agreements	23,127	21,794
Fund	5,014,866	3,877,584
Accounts receivable	60,575	36,087
Total of trust assets	$ 8,410,859	$ 6,444,844
Trust liabilities	**December 31, 2021**	**December 31, 2020**
Accounts payable	$ 2,130	$ 1,699
Trust capital	6,945,206	5,562,920
Net income	1,753,062	1,099,366
Cumulative loss	(289,539)	(219,141)
Total of trust liabilities	$ 8,410,859	$ 6,444,844

B. Income statement of trust accounts

Item	Year ended December 31, 2021	Year ended December 31, 2020
Trust income		
Interest income	$ 44,486	$ 20,430
Cash dividends received	61,237	47,788
Income from stocks lending	-	587
Investment realized gains - bond	5,882	18,510
Investment realized gains - stock	6,967	-
Investment realized gains - fund	392,454	244,372
Investment realized gains - structured notes	5,699	5,083
Investment unrealized gains - bond	20,265	31,001
Investment unrealized gains - stock	671,271	367,587
Investment unrealized gains - fund	718,037	459,799
Investment unrealized gains - structured notes	1,996	2,030
other revenue	2	-
Subtotal	1,928,296	1,197,187

Item	Year ended December 31, 2021	Year ended December 31, 2020
Trust expenses		
Management fee	($ 1,255)	($ 1,099)
Service fee	(1,311)	(526)
Borrowing costs	-	(134)
Investment realized loss - bond	(1,393)	(318)
Investment realized loss - stock	(21)	-
Investment realized loss - fund	(34,002)	(42,212)
Investment realized loss - structured notes	(52)	-
Investment unrealized loss - bond	(14,706)	(7,317)
Investment unrealized loss - stock	(8,156)	(3,427)
Investment unrealized loss - fund	(87,619)	(40,634)
Investment unrealized loss - structured notes	(26,712)	(2,164)
Income before income tax	1,753,069	1,099,356
Income tax (expense) benefit	(7)	10
Net income	$ 1,753,062	$ 1,099,366

C. Property list of trust accounts

Item	December 31, 2021	December 31, 2020
Bank savings	$ 669,217	$ 492,979
Structured notes	923,114	664,243
Funds	5,014,866	3,877,584
Bond	435,389	423,452
Bonds sold under repurchase agreements	23,127	21,794
Stock	1,284,571	928,705
Others	60,575	36,087
Total	$ 8,410,859	$ 6,444,844

13. OTHER DISCLOSURE ITEMS

1) Information about significant transactions

A. Lending to others: Excluding security margin trading and conditional bond trading business, there is no lending of funds to either the shareholders or other parties.

B. Endorsements and guarantees for others：None.

C. Acquisitions of real estate exceeding $300 million or 20 percent of contributed capital：None.

D. Disposals of real estate exceeding $300 million or 20 percent of contributed capital：None.

E. Purchases or sales transactions discount on brokers’ charges with related parties in excess of $5,000,000：None.

F. Receivables from related parties exceeding $100 million or 20 percent of contributed capital：None.

G. Significant transactions between parent company and subsidiaries are provided in Note 7.

2) Related information of investee companies

A. Related information of investee companies

						Original investment		Ending Balance							
Name of the investor	Name of the investee company	Location	Date of registration	Reference number and the date of approval letter issued by FSC	Major operating activities	Balance on December 31, 2021	Balance on December 31, 2020	Shares	Percentage	Book vlaue	Revenue of investee company	Net income (loss) of investee company	Investment income (loss) recognised by the Company	Cash dividends	Notes
President Securities Corp.	President Futures Corp.	Taipei	1994.03.01	1994.03.01 Jing-Tou-Shen (83) Gong-Shang Letter No.1114 (Note 1)	Futures brokerage and dealer	$ 644,650	$ 644,650	63,817,303	96.69%	$ 2,420,110	$ 854,895	$ 119,086	$ 115,153	$ 144,227	Subsidiary of the Company
	President Capital Management Corp.	Taipei	1997.04.15	1997.02.25 (86) Tai-Cai-Zheng (4) Letter No.17769	Securities investment consulting	326,000	326,000	30,000,000	100.00%	312,175	88,621	(8,081)	(8,074)	-	Subsidiary of the Company
	President Securities (HK) Ltd.	Hong Kong	1994.07.26	1993.11.4 (82) Tai-Cai-Zheng (2) Letter No.40913	Securities dealer, brokerage, underwriting and consulting	848,735	848,735	192,600,000	100.00%	1,288,431	75,964	(27,343)	(27,343)	-	Subsidiary of the Company
	President Wealth Management (HK) Ltd.	Hong Kong	2002.03.31	2001.12.11 (90) Tai-Cai-Zheng (2) Letter No.166728	Wealth management	92,091	92,091	23,400,000	100.00%	54,073	-	(39)	(39)	-	Subsidiary of the Company
	President Securities (Nominee) Ltd.	Hong Kong	1999.08.06	1997.10.27 (86) Tai-Cai-Zheng (2) Letter No.04840	Nominee Service	3,403	3,403	1,000,000	100.00%	1,529	-	(88)	(88)	-	Subsidiary of the Company
	Uni-President Asset Management Corp.	Taipei	1992.09.03	2000.07.19 (89) Tai-Cai-Zheng (2) Letter No.56407	Investment Trust	667,622	667,622	14,904,630	42.46%	760,171	1,411,480	536,134	227,661	98,959	Associates
	President Insurance Agency Corp.	Taipei	2008.04.29	(Note2)	Insurance Agent	10,000	10,000	1,000,000	100.00%	46,249	85,198	25,060	25,069	8,541	Subsidiary of the Company

Note1：As FSC was established in July, 2004, President Futures Corp. was approved by the Investment Commission, Ministry of Economic Affairs.

Note2：When securities corporations invest in domestic business within FSC's limitation, there is no need to obtain the approval from FSC in advance, according to Tai-Cai-Zheng (2) Letter No.0930000005. Therefore, there was no reference numbers for President Personal Insurance Agency Co., Ltd. and President Insurance Agency Corp.

						Original investment		Ending Balance							
Name of the investor	Name of the investee company	Location	Date of registration	Reference number and the date of approval letter issued by FSC	Major operating activities	Balance on December 31, 2021	Balance on December 31, 2020	Shares	Percentage	Book vlaue	Revenue of investee company	Net income (loss) of investee company	Investment income (loss) recognised by the Company	Cash dividends	Notes
President Securities Corp.	PSC Venture Capital Investment Limited Company	Taipei	2013.10.29	2013.08.08 Jing-Guan-Zheng-Chuan Letter No.1020028529	Consultation of investment management and venture capital; other unprohibited or unrestricted businesses beyond the permit	$ 300,000	$ 300,000	30,000,000	100.00%	$ 273,064	$ 42,717	$ 30,924	$ 30,925	$ -	Subsidiary of the Company
President Insurance Agency Corp.	Uni-President Asset Management Corp.	Taipei	1992.09.03	2000.07.19 (89) Tai-Cai-Zheng (2) Letter No.56407	Investment Trust	478	478	12,000	0.03%	616	1,411,480	536,134	183	80	Associates

Note3：President Securities (BVI) Ltd. was approved by the board of directors in March 2020 to deal with the dissolution and liquidation matters, and the dissolution was finished in September 2020. President Securities (BVI) Ltd. was not being included in the Company.

B. Lending to others: Excluding security margin trading and conditional bond trading business, there is no lending of funds to either the shareholders or other parties.

C. Endorsements and guarantees for others：None.

D. Acquisitions of real estate exceeding $300 million or 20 percent of contributed capital：None.

E. Disposals of real estate exceeding $300 million or 20 percent of contributed capital：None.

F. Purchases or sales transactions discount on brokers' charges with related parties in excess of $5,000,000：None.

G. Receivables from related parties exceeding $100 million or 20 percent of contributed capital：None.

H. Accordance with Jing-Guan-Zheng-Quan-Zi Letter No. 10300375782, the Company is required to disclose details of businesses run by foreign enterprises that were incorporated in the countries identified as non-signatories to the IOSCO MMoU or have not obtained securities or futures license of signatories to the IOSCO MMoU：

a) Revenue from engagement in consultation on assets management business, service contents and litigation：None.

b) Balance sheets

PRESIDENT WEALTH MANAGEMENT (HK) LTD.
BALANCE SHEETS
DECEMBER 31, 2021 AND 2020

Expressed in HK dollars

	December 31, 2021		December 31, 2020	
Assets	Amount	%	Amount	%
Current assets				
Cash and cash equivalents	$ 15,252,550	100	$ 15,254,818	100
Other receivables	4,028	-	12,553	-
Total current assets	15,256,578	100	15,267,371	100
Total assets	$ 15,256,578	100	$ 15,267,371	100

	December 31, 2021		December 31, 2020	
Liabilities and shareholders' equity	Amount	%	Amount	%
Current liabilities				
Other payables	$ 20,400	-	$ 20,400	-
Total liabilities	20,400	-	20,400	-
Shareholders' equity				
Share capital	23,400,000	154	23,400,000	153
Retained earnings				
Accumulated deficit	(8,163,822)	(54)	(8,153,029)	(53)
Total shareholders' equity	15,236,178	100	15,246,971	100
Total liabilities and shareholders' equity	$ 15,256,578	100	$ 15,267,371	100

PRESIDENT SECURITIES (NOMINEE) LTD.
BALANCE SHEETS
DECEMBER 31, 2021 AND 2020

Expressed in HK dollars

	December 31, 2021		December 31, 2020	
Assets	Amount	%	Amount	%
Current assets				
Cash and cash equivalents	$ 447,719	100	$ 472,052	100
Other receivables	-	-	6	-
Total current assets	447,719	100	472,058	100
Total assets	$ 447,719	100	$ 472,058	100

	December 31, 2021		December 31, 2020	
Liabilities and shareholders'equity	Amount	%	Amount	%
Current liabilities				
Other payables	$ 16,800	4	$ 16,800	3
Total liabilities	16,800	4	16,800	3
Shareholders' equity				
Share capital	1,000,000	223	1,000,000	212
Retained earnings				
Accumulated deficit	(569,081)	(127)	(544,742)	(115)
Total shareholders' equity	430,919	96	455,258	97
Total liabilities and shareholders' equity	$ 447,719	100	$ 472,058	100

c) Statements of comprehensive income

PRESIDENT WEALTH MANAGEMENT (HK) LTD
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

Expressed in HK dollars

Accounts	December 31, 2021 Amount	December 31, 2021 %	December 31, 2020 Amount	December 31, 2020 %
Expenditures and expenses				
Other operating expenses	($ 41,985)	389	($ 41,435)	(44)
Total expenditures and expenses	(41,985)	389	(41,435)	(44)
Non-operating gains and losses				
Other gains and losses	31,191	(289)	136,625	144
Profit before tax	(10,794)	100	95,190	100
Income tax expense	-	-	-	-
Net income (loss)	($ 10,794)	100	$ 95,190	100

PRESIDENT WEALTH MANAGEMENT (HK) LTD
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

Expressed in HK dollars

Accounts	December 31, 2021 Amount	December 31, 2021 %	December 31, 2020 Amount	December 31, 2020 %
Expenditures and expenses				
Other operating expenses	($ 24,710)	102	($ 23,535)	123
Total expenditures and expenses	(24,710)	102	(23,535)	123
Non-operating gains and losses				
Other gains and losses	372	(2)	4,337	(23)
Profit (loss) before tax	(24,338)	100	(19,198)	100
Income tax expense	-	-	-	-
Net income (loss)	($ 24,338)	100	($ 19,198)	100

d) Transactions between related parties and foreign business：None.

3) <u>Information of overseas branches and representative office</u>: None

4) <u>Disclosure of investment in Mainland China</u>

Investee in Mainland China	Main business activities	Paid-in capital (Note 4)	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2021	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2021		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2021	Net income of investee as of December 31, 2021	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the year ended December 31, 2021 (Note 2)	Book value of investments in Mainland China as of December 31, 2021	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2021
					Remitted to Mainland China	Remitted back to Taiwan						
Jin Yuan President Securities Co.,Ltd.	Securities brokering, securities dealing, securities underwriting and sponsoring service	$5,212,800	Directly invest in a company in Mainland China	$ 2,481,388	$ -	$ -	$ 2,481,388	($ 305,071)	49%	($ 149,485) The financial statements that are audited by international accounting firm which has cooperative relationship with accounting firm in R.O.C.	$ 2,363,197	$ -

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2021	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
Jin Yuan President Securities Co.,Ltd.	$ 2,481,388	$ 2,481,388	$ 19,059,978

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

(1) Directly invest in a company in Mainland China.

(2) Through investing in an existing company in the third area, which then invested in the investee in Mainland. (Please indicate investment company in the third area.)

(3) Others.

Note 2: In the 'Investment income (loss) recognized by the Company for the year ended December 31, 2021' column:

(1) It should be indicated if the investee was still in the incorporation arrangements and had not yet any profit during this period.

(2) Indicate the basis for investment income (loss) recognition in the number of one of the following three categories:.

a. The financial statements that are audited and attested by international accounting firm which has cooperative relationship with accounting firm in R.O.C.

b. The financial statements that are audited and attested by R.O.C. parent company's CPA.

c. Others.

Note 3: The numbers in this table are expressed in New Taiwan Dollars.

Note 4: The paid-in capital of Jin Yuan President Securities Co., Ltd. is CNY 1.2 billion.

5) Major shareholder information

Major shareholder	Number of shares held (thousands)	Shareholding ratio
Uni-President Enterprises Corp.	417,517	28.67%

Note 1: The information of major shareholders in this table is based on the last business day of the end of each quarter by Taiwan Depository and Clearing Corp., which determines shareholders holding more than 5% of ordinary shares and special shares of securities firms that have completed unregistered delivery (including treasury shares). As for the share capital recorded in the financial report of the securities firm and the actual number of shares delivered by the securities firm without physical registration, there may be differences due to different calculation bases.

Note 2: In the case of the above information, if a shareholder delivers shares to the trust, it is disclosed in individual accounts by the trustee who opened the trust account by the trustee. As for the shareholders' declaration of insider's shareholding in accordance with the Securities and Exchange Act, their shareholding includes their own shareholding plus the shares delivered to the trust and the right to use the trust property. For information on insider's equity declaration, please refer to the Market Observation Post System.