PRESIDENT SECURITIES CORPORATION AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REVIEW REPORT

MARCH 31, 2022 AND 2021

For the convenience of readers and for information purpose only, the auditors' review 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' REVIEW REPORT TRANSLATED FROM CHINESE

PWCR22000113

To the Board of Directors and Shareholders of PRESIDENT SECURITIES CORPORATION

Introduction

We have reviewed the accompanying consolidated balance sheets of President Securities Corporation and subsidiaries as at March 31, 2022 and 2021, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three months then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with "Regulations Governing the Preparation of Financial Reports by Securities Firms", "Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants" and International Accounting Standard 34, "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

Except as stated in the following paragraph, we conducted our reviews in accordance with the Statement of Auditing Standards No. 65, "Review of Financial Information Performed by the Independent Auditor of the Entity" in the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express such an opinion.

Basis for Qualified Conclusion

As explained in Notes 4(3) and 6(12), the financial statements of certain insignificant consolidated subsidiaries and investments accounted for under the equity method were not reviewed by independent auditors. Those statements reflect total assets of $2,832,075 thousand and $3,974,879 thousand, constituting 2.75% and 3.10% of the consolidated total assets, and total liabilities of $831,331 thousand and $1,938,805 thousand, constituting 1.17% and 1.98% of the consolidated total liabilities as at March 31, 2022 and 2021, and total comprehensive (loss) income of ($26,516) thousand and $12,519 thousand, constituting 18.12% and 1.20% of the consolidated total comprehensive income for the three months then ended. The balance of such investments accounted for under the equity method as at March 31, 2022 and 2021 were $836,668 thousand and $668,457 thousand, respectively; President Securities Corporation and subsidiaries' share of comprehensive income of associates and joint ventures accounted for under equity method for the three months then ended were $75,881 thousand and $65,591 thousand, constituting (51.85%) and 6.27% of total consolidated comprehensive income, respectively.

Qualified Conclusion

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain insignificant consolidated subsidiaries and investments accounted for under the equity method been reviewed by independent auditors, that we might have become aware of had it not been for the situation described above, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of President Securities Corporation and subsidiaries as at March 31, 2022 and 2021, and of its consolidated financial performance for the three months then ended, as well as its consolidated cash flows for the three months then ended in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Firms", "Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants" and International Accounting Standard No. 34, "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission.

Lin, Se-Kai

Independent Accountants

Lo, Chiao-Sen

For and on behalf of PricewaterhouseCoopers, Taiwan

May 5, 2022

The accompanying consolidated financial statements are not intended to present the financial position and finance 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 consolidated financial statements and independent auditors' review 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 AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2022, DECEMBER 31, 2021 AND MARCH 31, 2021
(Expressed in thousands of New Taiwan dollars)
(The balance sheets as of March 31, 2022 and 2021 are reviewed, not audited)

	Assets	Notes	March 31, 2022 AMOUNT	%	December 31, 2021 AMOUNT	%	March 31, 2021 AMOUNT	%
110000	**Current assets**							
111100	Cash and cash equivalents	6(1)	$ 5,838,517	6	$ 5,757,012	5	$ 6,426,090	5
112000	Financial assets at fair value through profit or loss - current	6(2)	23,554,234	23	33,582,989	29	38,752,544	30
113200	Financial assets at fair value through other comprehensive income - current	6(3)	398,199	-	410,205	-	391,529	-
114010	Bonds purchased under resale agreements	6(4)	-	-	27,401	-	-	-
114030	Margin loans receivable	6(5)	16,862,002	16	18,344,751	16	15,015,981	12
114040	Refinancing security deposits		7,839	-	29,930	-	12,325	-
114050	Receivables from refinance guaranty		6,523	-	24,933	-	10,164	-
114060	Receivable of securities business money lending		2,225,134	2	1,581,993	1	1,617,682	1
114070	Customer margin account	6(6)	20,198,033	20	21,335,532	18	26,971,082	21
114090	Receivables from security lending		206,597	-	401,019	-	309,802	-
114100	Security lending deposits		2,287,799	2	1,437,295	1	1,318,684	1
114110	Notes receivable		273	-	819	-	935	-
114130	Accounts receivable	6(7)	18,978,138	19	16,727,693	14	25,753,524	20
114140	Accounts receivable-related parties	6(7)	952	-	1,147	-	1,158	-
114150	Prepayments		36,653	-	25,012	-	31,480	-
114170	Other receivables	6(8)	26,845	-	33,289	-	33,161	-
114600	Current tax assets		2,086	-	1,974	-	2,065	-
119000	Other current assets	6(9)	2,865,237	3	8,962,046	8	3,261,345	3
110000	**Total current assets**		93,495,061	91	108,685,040	92	119,909,551	93
120000	**Non-current assets**							
122000	Financial assets at fair value through profit or loss - non-current	6(2)	97,287	-	76,724	-	85,009	-
123200	Financial assets at fair value through other comprehensive income - non-current	6(3)	1,418,393	2	1,137,756	1	777,078	1
124100	Investments accounted for under the equity method	6(12)	3,184,725	3	3,123,984	3	3,118,773	3
125000	Property and equipment, net	6(13)	2,468,351	3	2,447,128	2	2,444,505	2
125800	Right-of-use assets	6(14)	202,376	-	204,621	-	193,396	-
126000	Investment property	6(16)	267,877	-	268,402	1	269,978	-
127000	Intangible assets	6(17)	203,234	-	195,468	-	152,043	-
128000	Deferred tax assets	6(47)	157,434	-	160,587	-	109,331	-
129000	Other assets - non-current	6(18)	1,365,845	1	1,388,189	1	1,327,692	1
120000	**Total non-current assets**		9,365,522	9	9,002,859	8	8,477,805	7
906001	**Total Assets**		$ 102,860,583	100	$ 117,687,899	100	$ 128,387,356	100

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PRESIDENT SECURITIES CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2022, DECEMBER 31, 2021 AND MARCH 31, 2021
(Expressed in thousands of New Taiwan dollars)
(The balance sheets as of March 31, 2022 and 2021 are reviewed, not audited)

	Liabilities and Equity	Notes	March 31, 2022 AMOUNT	%	December 31, 2021 AMOUNT	%	March 31, 2021 AMOUNT	%
210000	**Current liabilities**							
211100	Short-term loans	6(19)	$ 1,151,575	1	$ 590,000	1	$ 4,497,707	4
211200	Commercial papers payable	6(20)	5,898,601	6	8,648,558	7	10,548,997	8
212000	Financial liabilities at fair value through profit or loss - current	6(21)	7,672,025	7	8,172,602	7	5,495,132	4
214010	Bonds sold under repurchase agreements	6(22)	4,917,312	5	9,643,040	8	11,062,230	9
214040	Deposits on short sales		622,163	1	1,202,587	1	784,300	1
214050	Short sale proceeds payable		814,006	1	1,559,162	1	889,067	1
214070	Guarantee deposit received on borrowed securities		1,460,927	1	1,969,207	2	1,219,604	1
214080	Futures traders' equity	6(6)	20,160,818	20	21,328,174	18	26,944,887	21
214090	Equity for each customer in the account		163,463	-	97,996	-	35,447	-
214130	Accounts payable	6(23)	19,637,679	19	18,338,212	16	26,429,032	21
214150	Advance receipts		4,526	-	4,037	-	7,791	-
214160	Collections on behalf of third parties		643,082	1	5,742,100	5	505,788	-
214170	Other payables	6(24)	1,588,048	1	2,627,923	2	1,651,268	1
214200	Other financial liabilities - current	6(25)	5,436,535	5	4,983,139	4	6,959,217	5
214600	Current tax liability		703,966	1	647,642	1	486,304	-
216000	Current lease liabilities		82,185	-	70,740	-	83,329	-
219000	Other current liabilities		94,225	-	83,848	-	113,046	-
210000	**Total current liabilities**		71,051,136	69	85,708,967	73	97,713,146	76
220000	**Non-current liabilities**							
225100	Non-current provisions		14,100	-	14,079	-	8,645	-
226000	Non-current lease liabilities		110,632	-	125,840	-	103,501	-
228000	Deferred tax liabilities	6(47)	3,098	-	3,098	-	22,295	-
229000	Other liabilities-non-current	6(26)	61,337	-	69,285	-	14,533	-
220000	**Total non-current liabilities**		189,167	-	212,302	-	148,974	-
906003	**Total Liabilities**		71,240,303	69	85,921,269	73	97,862,120	76
300000	Equity attributable to owners of the parent company							
301000	Capital							
301010	Common stock	6(28)	14,558,313	14	14,558,313	13	13,998,378	11
302000	Capital reserve	6(28)	91,261	-	91,261	-	91,261	-
304000	Retained earnings	6(28)(29)						
304010	Legal reserve		3,487,748	4	3,487,748	3	3,111,013	2
304020	Special reserve		8,314,199	8	8,314,199	7	7,600,316	6
304040	Unappropriated earnings		3,358,817	3	3,922,562	3	4,720,659	4
305000	Other equity interest		1,717,797	2	1,309,501	1	927,815	1
300000	**Total**		31,528,135	31	31,683,584	27	30,449,442	24
306000	**Non-controlling interests**		92,145	-	83,046	-	75,794	-
906004	**Total Equity**		31,620,280	31	31,766,630	27	30,525,236	24
906002	**Total liabilities and equity**		$ 102,860,583	100	$ 117,687,899	100	$ 128,387,356	100

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

PRESIDENT SECURITIES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS ENDED MARCH 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)
(UNAUDITED)

	Items	Notes	Three months ended March 31 2022 AMOUNT	2022 %	2021 AMOUNT	2021 %
400000	Revenues					
401000	Brokerage handling fee revenue	6(30)	$ 901,999	103	$ 1,090,455	40
404000	Revenues from underwriting business	6(31)	20,855	2	14,967	1
406000	Net gain (loss) on wealth management		10,144	1	9,015	-
410000	Net gain (loss) on sale of operating securities	6(32)	(643,311)	(73)	1,974,852	72
421100	Revenue from providing agency service for stock affairs		19,820	2	19,673	1
421200	Interest income	6(33)	268,162	31	292,078	11
421300	Dividend income		38,679	4	19,440	1
421500	Net valuation gain (loss) on operating securities at fair value through profit or loss	6(34)	(715,360)	(81)	(76,097)	(3)
421600	Net gain (loss) on covering of borrowed securities and bonds with resale agreements-short sales	6(35)	(40,604)	(5)	(79,841)	(3)
421610	Net valuation (loss) gain on borrowed securities and bonds with resale agreements-short sales at fair value through profit or loss	6(36)	532,530	61	10,190	-
422000	Net gain (loss) on issuance of ETNs		296,493	34	(3,774)	-
422100	Administrative and handling fee revenues from issuance of ETNs		4,278	-	2,871	-
422200	Net gain (loss) from issuance of call (put) warrants	6(37)	481,785	55	(468,411)	(17)
424400	Net gain (loss) from derivatives	6(38)	(431,082)	(49)	(316,976)	(12)
425300	Impairment loss and reversal of impairment gain	6(39)	3,359	-	23,381	1
428000	Other operating income	6(40)	131,451	15	211,989	8
	Total revenues		879,198	100	2,723,812	100
500000	Expenditures and expenses					
501000/ 502000/ 503000/	Handling charges	6(41)	(152,173)	(17)	(166,738)	(6)
507000	ETNs administrative expenses		(3,155)	-	(1,930)	-
521200	Interest expenses	6(43)	(15,782)	(2)	(32,102)	(1)
524100	Futures commission expense		(25,571)	(3)	(28,032)	(1)
524300	Expense of clearing and settlement		(35,550)	(4)	(33,562)	(1)
528000	Other operating expenditure		(2)	-	(8)	-
531000	Employee benefits expense	6(43)	(629,070)	(72)	(938,499)	(35)
532000	Depreciation and amortization	6(44)	(62,063)	(7)	(54,781)	(2)
533000	Other operating expenses	6(45)	(463,041)	(53)	(451,329)	(17)
	Total expenditures and expenses		(1,386,407)	(158)	(1,706,981)	(63)

(Continued)

PRESIDENT SECURITIES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS ENDED MARCH 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)
(UNAUDITED)

Items	Notes	Three months ended March 31 2022 AMOUNT	2022 %	2021 AMOUNT	2021 %
Operating profit		($ 507,209)	(58)	$ 1,016,831	37
601000 Share of the profit or loss of associates and joint ventures accounted for under the equity method	6(12)	(48,271)	(5)	(4,166)	-
602000 Other gains and losses	6(46)	56,183	6	109,098	4
902001 **Profit (loss) before tax**		(499,297)	(57)	1,121,763	41
701000 Income tax expense	6(47)	(63,175)	(7)	(171,649)	(6)
902005 **Net income**		($ 562,472)	(64)	$ 950,114	35
Other comprehensive income					
Components of other comprehensive income that will not be reclassified to profit or loss					
805540 Net unrealized gain (loss) from investments in equity instruments at fair value through other comprehensive income		$ 268,630	30	$ 107,482	4
805550 Other comprehensive gain (loss) of associates and joint ventures accounted for under the equity method		23,082	3	6,820	-
Items may be reclassified to profit of loss subsequently					
805610 Translation gain (loss) on the financial statements of foreign operating entities		124,410	14	(18,662)	(1)
805000 Current other comprehensive income (post-tax)		$ 416,122	47	$ 95,640	3
902006 **Total current comprehensive income (loss)**		($ 146,350)	(17)	$ 1,045,754	38
Income (loss) attributable to:					
913100 Parent company		($ 563,745)	(64)	$ 948,800	35
913200 Non-controlling interest		$ 1,273	-	$ 1,314	-
Current comprehensive income (loss) attributable to:					
914100 Parent company		($ 155,449)	(18)	$ 1,042,127	38
914200 Non-controlling interests		$ 9,099	1	$ 3,627	-
Earnings per share	6(48)				
975000 Basic earnings per share (in dollars)		($ 0.39)		$ 0.65	
985000 Diluted earnings per share (in dollars)		($ 0.39)		$ 0.65	

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

PRESIDENT SECURITIES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
THREE MONTHS ENDED MARCH 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

	Equity attributable to owners of the parent									
			Retained Earnings			Other equity interest				
	Common stock	Capital reserve	Legal reserve	Special reserve	Unappropriated earnings	Translation gain and loss on the financial statements of foreign operating entities	Unrealised gain or loss on financial assets measured at fair value through other comprehensive income	Total	Non-controlling interests	Total equity
For the three months ended March 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	$ 72,167	$ 29,479,482
Net income (loss) for the three months ended March 31, 2021	-	-	-	-	948,800	-	-	948,800	1,314	950,114
Other comprehensive income (loss) for the three months ended March 31, 2021	-	-	-	-	-	(18,662)	111,989	93,327	2,313	95,640
Total comprehensive income (loss) for the three months ended March 31, 2021	-	-	-	-	948,800	(18,662)	111,989	1,042,127	3,627	1,045,754
Balance at March 31, 2021	$ 13,998,378	$ 91,261	$ 3,111,013	$ 7,600,316	$ 4,720,659	($ 49,580)	$ 977,395	$ 30,449,442	$ 75,794	$ 30,525,236
For the three months ended March 31, 2022										
Balance at January 1, 2022	$ 14,558,313	$ 91,261	$ 3,487,748	$ 8,314,199	$ 3,922,562	($ 65,809)	$ 1,375,310	$ 31,683,584	$ 83,046	$ 31,766,630
Net income (loss) for the three months ended March 31, 2022	-	-	-	-	(563,745)	-	-	(563,745)	1,273	(562,472)
Other comprehensive income (loss) for the three months ended March 31, 2022	-	-	-	-	-	124,410	283,886	408,296	7,826	416,122
Total comprehensive income (loss) for the three months ended March 31, 2022	-	-	-	-	(563,745)	124,410	283,886	(155,449)	9,099	(146,350)
Balance at March 31, 2022	$ 14,558,313	$ 91,261	$ 3,487,748	$ 8,314,199	$ 3,358,817	$ 58,601	$ 1,659,196	$ 31,528,135	$ 92,145	$ 31,620,280

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

PRESIDENT SECURITIES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

	Notes	Three months ended March 31 2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) profit before tax		($ 499,297)	$ 1,121,763
Adjustments			
Income and expenses having no effect on cash flows			
Net valuation (gain) loss on operating securities at fair value through profit or loss	6(2)(34)	715,360	76,097
Net valuation (gain) loss on borrowed securities and bonds with resale agreements-short sales at fair value through profit or loss	6(36)	(532,530)	(10,190)
Impairment loss and reversal of impairment gain	6(39)	(3,008)	(20,855)
Depreciation	6(44)	49,667	46,335
Amortization	6(44)	12,396	8,446
Financial expense	6(42)	15,782	32,102
Interest income (include financial income)	6(33)(46)	(292,891)	(323,962)
Dividend income		(38,679)	(19,440)
Share of the profit of associates and joint ventures accounted for under the equity method	6(12)	48,271	4,166
(Gain) loss on disposal of property and equipment	6(13)	3	-
(Gain) loss on valuation of non-operating financial instrument	6(46)	6,809	(28,867)
Changes in assets/liabilities relating to operating activities			
Changes in operating assets			
Financial assets at fair value through profit or loss		9,286,057	2,791,980
Bonds purchased under resale agreements		27,401	-
Margin loans receivable		1,484,854	(2,747,695)
Refinancing security deposits		22,091	39,207
Receivables from refinance guaranty		18,410	32,725
Receivable of securities business money lending		(643,141)	(329,555)
Customer margin account		1,137,499	(5,864,912)
Receivables from security lending		194,422	(69,006)
Security lending deposits		(850,504)	(311,594)
Notes receivable		546	(198)
Accounts receivable		(2,210,420)	(6,798,258)
Accounts receivable-related parties		195	(283)
Prepayments		(11,641)	(7,180)
Other receivables		5,842	(9,494)
Other current assets		6,096,809	83,282
Net changes in liabilities relating to operating activities			
Financial liabilities at fair value through profit or loss - current		31,953	2,880,904
Bonds sold under repurchase agreements		(4,725,728)	(8,033,935)
Deposits on short sales		(580,424)	(597,170)
Short sale proceeds payable		(745,156)	(920,888)
Guarantee deposit received on borrowed securities		(508,280)	315,752
Futures traders' equity		(1,167,356)	5,857,753
Equity for each customer in the account		65,467	7,342
Accounts payable		1,287,696	7,151,402
Advance receipts		489	2,649
Collections on behalf of third parties		(5,099,018)	(595,277)
Other payables		(1,039,583)	(465,467)
Other financial liabilities - current		453,396	950,907
Other current liabilities		10,377	29,816

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PRESIDENT SECURITIES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

	Notes	Three months ended March 31 2022	2021
Cash inflow (outflow) generated from operations		$ 2,024,136	($ 5,721,598)
Interest received		276,553	334,376
Dividends received		34,346	19,092
Income tax paid		(3,810)	(12,676)
Net cash flows from (used in) operating activities		2,331,225	(5,380,806)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment	6(13)	(23,883)	(10,372)
Acquisition of intangible assets	6(17)	(11,550)	(1,384)
(Increase) decrease in other non-current assets		35,292	(21,233)
(Increase) decrease in prepayment for equipment		(44,342)	(19,262)
Net cash flows used in investing activities		(44,483)	(52,251)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase (decrease) in short-term loans		561,575	3,551,431
Increase (decrease) in commercial papers payable		(2,750,000)	3,250,000
Increase (decrease) in other non-current liabilities		(7,948)	119
Payments of lease liabilities		(25,234)	(25,365)
Interest paid		(22,122)	(41,885)
Net cash flows (used in) from financing activities		(2,243,729)	6,734,300
Effect of exchange rate changes		38,492	(15)
Net increase in cash and cash equivalents		81,505	1,301,228
Cash and cash equivalents at beginning of period		5,757,012	5,124,862
Cash and cash equivalents at end of period		$ 5,838,517	$ 6,426,090

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

PRESIDENT SECURITIES CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
THREE MONTHS ENDED MARCH 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)
(Reviewed, not audited)

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 March 31, 2022, the Company had 31 operating branches (including the Head Office), and established Offshore Securities Unit in July 2014.

2) The Company and its subsidiaries (collectively referred herein as the "Group") are 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 Group were 1,713 and 1,702 as of March 31, 2022 and 2021, respectively.

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

These consolidated financial statements were authorized for issuance by the Board of Directors on May 5, 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 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

New Standards, Interpretations and Amendments	Effective Date by International Accounting Standards Board
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 Group’s financial condition and financial performance based on the Group’s assessment.

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

None.

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 as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective Date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, ‘Sale or contribution of assets between an investor and its associate or joint venture’	To be determined by International Accounting Standards Board
IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 - comparative information'	January 1, 2023
Amendments to IAS 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 Group’s financial condition and financial performance based on the Group’s assessment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Firms, and Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, and International Accounting Standards No. 34, 'Interim financial reporting' endorsed by the FSC.

2) Basis of preparation

A. Except for the following items, these consolidated 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.

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

3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

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

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

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

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

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

B. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		
			March 31, 2022	December 31, 2021	March 31, 2021
The Company	President Futures Corp. (President Futures)	Futures brokerage and dealer	96.69%	96.69%	96.69%
〃	President Capital Management Corp. (President Capital Management)	Securities investment consulting	100%	100%	100%
〃	President Securities (HK) Ltd.(President Securities (HK)) (Note 1)	Securities dealer, brokerage, underwriting and consulting	100%	100%	100%
〃	President Securities (BVI) Ltd.(President Securities (BVI)) (Note 2)	Securities investment and holding company	-	-	100%
〃	President Insurance Agency Corp. (President Insurance Agency)	Insurance Agent	100%	100%	100%
〃	PSC Venture Capital Investment Company Limited (President Venture Capital)	Consultation of investment management and venture capital; other unprohibited or unrestricted businesses beyond the permit	100%	100%	100%
〃	President Wealth Management(HK) Ltd.(President Wealth Management (HK)) (Note 1)	Wealth management	100%	100%	100%

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%) March 31, 2022	December 31, 2021	March 31, 2021
The Company	President Securities (Nominee) Ltd. (President Securities (Nominee)) (Note 1)	Nominee Service	100%	100%	100%

Note 1: The dissolution and liquidation of President Securities (HK), President Wealth Management (HK), and President Securities (Nominee) was approved by the Board of Directors in March 2022.

Note 2: The liquidation of President Securities (BVI) was completed in September 2021, so it was no longer included as a consolidated entity.

Note 3: Except for President Futures' financial statements for the three months ended March 31, 2022 and 2021 that were reviewed by independent auditors, the above-listed subsidiaries included in the consolidated financial statements for the three months ended March 31, 2022 and 2021, were not reviewed by independent auditors.

4) Classification of current and non-current items

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

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

(B) Assets held mainly for trading purposes;

(C) Assets that are expected to be realized within 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.

5) Translation of foreign currency transactions

A. Foreign currency translation and presentation

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates (the "functional currency"). Functional currency and bookkeeping currency of the Company and its domestic subsidiaries are all New Taiwan Dollars; functional currency and bookkeeping currency of overseas subsidiaries-President Securities (HK), President Wealth Management (HK), and President Securities (Nominee) are Hong Kong Dollars. The consolidated financial statements are presented in New Taiwan Dollars.

B. Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies 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 translated by 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 group 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.

6) <u>Cash and cash equivalents</u>

A. In the consolidated 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.

7) <u>Financial assets and financial liabilities at fair value through profit or loss</u>

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

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

8) Financial assets at fair value through other comprehensive income

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

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

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

B. On a regular way purchase or sale basis, available-for-sale financial assets are recognized and derecognized using trade date accounting.

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

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

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

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

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

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

10) 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.

11) Impairment of financial assets

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

12) Derecognition of financial instruments

A. Derecognition of financial assets

The Group 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 Group 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 Group 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 expires.

13) Offsetting financial instruments-associates

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.

14) Investments accounted for under the equity method-associates

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

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

C. 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 Group's ownership percentage of the associate, the Group recognizes its share of change in equity of the associate in 'capital reserve' in proportion to its ownership.

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

E. When there are objective evidences of impairment, at balance sheet date, the Group 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 Group'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.

15) Property and equipment

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 Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Land is not depreciated. Other property 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.

16) 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.

17) Investment property

A. Investment property of the Group 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 Group for self-use purpose and the remaining are used to generate rental income or capital appreciation. If the property held by the Group 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 Group 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 cost 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.

18) 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. Membership in a foreign futures exchange is stated at acquisition cost and has an indefinite useful life as it was assessed to generate continuous net cash inflow in the foreseeable future. It is not amortized, but is tested annually for impairment.

C. 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.

19) Impairment of non-financial assets

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

B. The recoverable amounts of goodwill, 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.

20) Financial liabilities at fair value through profit or loss

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.

21) Contingent liabilities

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 Group. 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 Group did not recognize any contingent liabilities but made appropriate disclosure in compliance with relevant regulations.

22) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as 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 Group's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employee. The Group 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 Group 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 Group recognizes the accrued pension obligations in the consolidated 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.

c. Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. And, the related information is disclosed accordingly.

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.

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

The Group's revenues and expenses are recognized as incurred, which 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 Group's operations, which primarily include employee benefit expense, depreciation and amortization, and other business and administrative expenses.

24) <u>Income tax</u>

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 consolidated balance sheet date. The carrying amounts and temporary differences of assets and liabilities included in the consolidated 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 Group 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.

E. The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

F. If a change in tax rate is enacted or substantively enacted in an interim period, the Group recognises the effect of the change immediately in the interim period in which the change occurs. The effect of the change on items recognised outside profit or loss is recognised in other comprehensive income or equity while the effect of the change on items recognised in profit or loss is recognised in profit or loss.

25) 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 consolidated 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.

26) 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 Group 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".

27) Operating segments

The Group's operating segments are reported in a manner consistent with the internal reports provided to the Chief Operating Decision-Maker. The Group's performance of segment profit (loss) is assessed based on the profit (loss) before tax, but not segment income, assets and liabilities. The Chief Operating Decision-Maker is responsible for allocating resources and assessing performance of the operating segments.

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

1) As the consolidated financial statements of the Group may be affected by the adoption of accounting policy, accounting estimate and assumption, the Group'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 Group 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 Group 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 equity method are impaired and the carrying amount can no longer be recovered, the Group will assess the impairment of the investment. The Group assesses 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

	March 31, 2022	December 31, 2021	March 31, 2021
Petty cash	$ 1,668	$ 168	$ 1,668
Checking deposits	981,994	1,032,994	1,049,245
Current deposits:			
Deposits denominated in NTD	661,121	872,588	465,048
Deposits denominated in foreign currencies	1,781,857	1,452,113	2,180,318
Time deposits	2,411,877	2,399,149	2,729,811
Total	$ 5,838,517	$ 5,757,012	$ 6,426,090

As of March 31, 2022, December 31, 2021 and March 31, 2021, the annual interest rates of time deposits, including foreign time deposits were 0.05%~2.70%, 0.05%~2.70%, and 0.02%~2.95%, respectively.

2) Financial assets at fair value through profit or loss

	March 31, 2022	December 31, 2021	March 31, 2021
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	$ 94,488	$ 92,360	$ 125,000
Listed (TSE and OTC) stocks	-	-	6,754
Exchange-traded funds	19,535	15,914	42,884
Subtotal	114,023	108,274	174,638
Adjustment of open-ended funds ,money market instruments and securities investment by brokers	6,662	14,250	60,686
Total	120,685	122,524	235,324
Trading securities - dealer			
Listed (TSE and OTC) stocks	2,917,870	6,599,789	7,525,176
Government bonds	999,498	1,494,196	750,694
Corporate bonds	2,194,032	2,648,112	3,170,710
Warrants	-	-	902
Convertible corporate bonds	444,934	365,393	476,335
Emerging stocks	150,199	222,266	139,329
Overseas stocks	4,559,537	9,145,908	11,052,335
Exchange-traded funds	1,451,851	966,526	1,688,516
Unlisted stocks	78,406	77,907	38,265
Subtotal	12,796,327	21,520,097	24,842,262
Adjustment of trading securities - dealer	(58,325)	310,603	951,575
Total	12,738,002	21,830,700	25,793,837
Trading securities - underwriter			
Listed (TSE and OTC) stocks	109,520	184,916	435,730
Convertible corporate bonds	532,957	493,640	241,434
Subtotal	642,477	678,556	677,164
Adjustment of trading securities - underwriter	95,785	121,471	72,796
Total	738,262	800,027	749,960

	March 31, 2022	December 31, 2021	March 31, 2022
Trading securities - hedging			
Listed (TSE and OTC) stocks	5,039,442	5,454,491	6,912,931
Convertible corporate bonds	53,929	32,692	17,505
Warrants	36,194	16,108	180,120
Overseas stocks	220,297	196,726	25,445
Exchange traded funds	32,983	2,992	20,415
Subtotal	5,382,845	5,703,009	7,156,416
Adjustment of trading securities - hedging	(114,452)	304,525	389,197
Total	5,268,393	6,007,534	7,545,613
Options bought - futures	11,888	26,510	18,356
Futures guarantee deposits receivable	4,663,337	4,780,970	4,377,357
Derivative financial instrument assets - OTC	13,667	14,724	32,097
Total	$ 23,554,234	$ 33,582,989	$ 38,752,544
Non-current items:			
Financial assets mandatorily measured at fair value through profit or loss:			
Trading securities - dealer - government bonds	$ 49,979	$ 49,973	$ 49,953
Unlisted stocks	2,609	2,609	2,609
Other	35,000	15,000	15,000
Subtotal	87,588	67,582	67,562
Adjustment of trading securities	9,699	9,142	17,447
Total	$ 97,287	$ 76,724	$ 85,009

a. For the three months ended March 31, 2022 and 2021, net realized and unrealized gains on financial assets and liabilities at fair value through profit or loss amounted to ($515,271) and $1,042,814, respectively.

b. Details of the Group'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

	March 31, 2022	December 31, 2021	March 31, 2021
Current items:			
Equity instruments			
Trading securities - dealer			
Listed (TSE and OTC) stocks	$ 189,812	$ 189,812	$ 189,812
Adjustment of trading securities - dealer	208,387	220,393	201,717
Total	$ 398,199	$ 410,205	$ 391,529
Non-current items:			
Equity instruments			
Unlisted stocks	$ 37,565	$ 37,565	$ 37,565
Adjustment of trading securities	1,380,828	1,100,191	739,513
Total	$ 1,418,393	$ 1,137,756	$ 777,078

a. The Group has elected to classify unlisted stocks that are considered to be strategic investments and receive steady dividend as financial assets at fair value through other comprehensive income. The fair value of such investments amounts to $1,816,592, $1,547,961 and $1,168,607 as at March 31, 2022, December 31, 2021 and March 31, 2021, respectively.

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

Equity instruments at fair value through other comprehensive income	Three months ended March 31, 2022		Three months ended March 31, 2021	
Fair value change recognised in other comprehensive income - parent company	$	260,804	$	105,169
Fair value change recognised in other comprehensive income - non-controlling interest		7,826		2,313
Total	$	268,630	$	107,482
Dividend income recognised in profit or loss				
Held at end of period	$	1,834	$	1,668

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

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

4) Bonds purchased under resale agreements

	March 31, 2022		December 31, 2021		March 31, 2021	
Foreign bonds	$	-	$	27,401	$	-

The above bonds purchased under resale agreements as of March 31, 2022, December 31, 2021 and March 31, 2021 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 $0, $27,424 and $0, respectively, and the annual interest rates in every currency were shown as follows:

Currency	March 31, 2022	December 31, 2021	March 31, 2021
Foreign Currency (USD)	-	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) Customer margin account

	March 31, 2022		December 31, 2021		March 31, 2021	
Bank deposit	$	14,375,771	$	15,444,698	$	20,308,927
Futures clearing house		3,704,642		3,837,326		3,061,728
Other futures commission merchant		2,117,138		2,053,066		3,599,908
Securities		482		442		519
Total	$	20,198,033	$	21,335,532	$	26,971,082

The difference between the customer margin deposits accounts and futures traders' equity as of March 31, 2022, December 31,2021 and March 31, 2021 were outlined below:

	March 31, 2022	December 31, 2021	March 31, 2021
Customer margin deposits accounts	$ 20,198,033	$ 21,335,532	$ 26,971,082
Futures trading margins receivable	-	45	5
Add: Early customer margin deposits	11,269	15,106	10,123
Less: Service fee income pending for transfer	(24,096)	(11,180)	(19,802)
Futures exchange tax pending for transfer	(1,201)	(835)	(1,360)
Net interest income pending for transfer	(1,917)	(1,580)	(1,627)
Temporary receipts	(21,270)	(8,914)	(13,534)
Futures traders' equity	$ 20,160,818	$ 21,328,174	$ 26,944,887

7) Accounts receivable

	March 31, 2022	December 31, 2021	March 31, 2021
Accounts receivable - related parties	$ 952	$ 1,147	$ 1,158
Accounts receivable - non related parties			
Settlement price receivable-brokers	$ 13,269,528	$ 14,272,345	$ 20,777,820
Settlement price receivable-dealer	592,233	392,802	773,427
Settlement price receivable-foreign bonds	2,591,683	137,269	2,648,290
Spot exchange receivable, foreign currencies	17,895	-	164,272
Interest receivable	353,612	336,711	237,040
Settlement price	1,696,763	1,350,480	933,199
Others	457,302	238,828	219,862
Subtotal	18,979,016	16,728,435	25,753,910
Less: Allowance for uncollectable accounts	(878)	(742)	(386)
Total	$ 18,978,138	$ 16,727,693	$ 25,753,524

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

	March 31, 2022					
	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	$ 952	$ -	$ -	$ -	$ -	$ 952
Accounts receivable - non related parties	18,635,853	38,139	69,571	156,794	78,659	18,979,016
Total	$ 18,636,805	$ 38,139	$ 69,571	$ 156,794	$ 78,659	$ 18,979,968

	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	$ 1,147	$ -	$ -	$ -	$ -	$ 1,147
Accounts receivable - non related parties	16,407,215	48,077	93,910	116,288	62,945	16,728,435
Total	$ 16,408,362	$ 48,077	$ 93,910	$ 116,288	$ 62,945	$ 16,729,582

	March 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	$ 1,158	$ -	$ -	$ -	$ -	$ 1,158
Accounts receivable - non related parties	25,536,355	41,247	71,345	78,048	26,915	25,753,910
Total	$ 25,537,513	$ 41,247	$ 71,345	$ 78,048	$ 26,915	$ 25,755,068

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

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

8) Other receivables

	March 31, 2022	December 31, 2021	March 31, 2021
Interest receivable	$ 6,349	$ 6,960	$ 5,822
Others	21,341	27,182	28,049
Subtotal	27,690	34,142	33,871
Less: Allowance for uncollectible accounts	(845)	(853)	(710)
Total	$ 26,845	$ 33,289	$ 33,161

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

9) Other current assets

	March 31, 2022	December 31, 2021	March 31, 2021
Pending settlements	$ 937,267	$ 1,208,513	$ 1,625,769
Pledged time deposits	524,670	521,021	525,147
Deposits-in for foreign currency securities	1,110,936	1,884,425	945,726
Underwriting share proceeds collected on behalf of customers	111,821	5,243,851	11
Others	180,543	104,236	164,692
Total	$ 2,865,237	$ 8,962,046	$ 3,261,345

10) Transfer of financial assets

A. During the Group’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 Group 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 Group 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:

March 31, 2022		
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	$ 4,946,841	$ 4,917,312

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

March 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	$ 11,271,224	$ 11,062,230

11) Offsetting financial assets and financial liabilities

A. The Group 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.

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

(Blank below)

(1) Financial assets

March 31, 2022

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	$ 13,334	$ -	$ 13,334	$ 6,123	$ -	$ 7,211

December 31, 2021

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

March 31, 2021

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	$ 31,809	$ -	$ 31,809	$ 7,653	$ -	$ 24,156

(2) Financial liabilities

March 31, 2022

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	Not set off in the balance sheet: Financial instruments	Not set off in the balance sheet: Cash collateral received	Net amount
Derivative financial instruments	$ 6,123	$ -	$ 6,123	$ 6,123	$ -	$ -
Bonds sold under resale agreements	2,138,312	-	2,138,312	2,138,312	-	-
Total	$ 2,144,435	$ -	$ 2,144,435	$ 2,144,435	$ -	$ -

December 31, 2021

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	Not set off in the balance sheet: Financial instruments	Not set off in the balance sheet: Cash collateral received	Net amount
Derivative financial instruments	$ 2,467	$ -	$ 2,467	$ 2,467	$ -	$ -
Bonds sold under resale agreements	6,598,995	-	6,598,995	6,598,995	-	-
Total	$ 6,601,462	$ -	$ 6,601,462	$ 6,601,462	$ -	$ -

March 31, 2021

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	Not set off in the balance sheet: Financial instruments	Not set off in the balance sheet: Cash collateral received	Net amount
Derivative financial instruments	$ 7,653	$ -	$ 7,653	$ 7,653	$ -	$ -
Bonds sold under resale agreements	7,294,834	-	7,294,834	7,294,834	-	-
Total	$ 7,302,487	$ -	$ 7,302,487	$ 7,302,487	$ -	$ -

12) Investments accounted for under the equity method

	March 31, 2022	December 31, 2021	March 31, 2021
Uni-President Asset Management Corp.	$ 836,668	$ 760,787	$ 668,457
Jin Yuan President Securities Co.,Ltd.	2,348,057	2,363,197	2,450,316
	$ 3,184,725	$ 3,123,984	$ 3,118,773

A. The Group's share of its associates' profits or losses recognized in long-term equity investment accounted for under the equity method for the three months ended March 31, 2022 and 2021 were ($48,271) and ($4,166), respectively.

B. The Group holds 42.49% 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. The financial information of the Group's principal associates is summarized as follows:

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

Company name	Princial place of businesss	Shareholding ratio			Nature of relationship	Methods of measurement
		March 31, 2022	December 31, 2021	March 31, 2021		
Uni-President Asset Management Corp.	Taipei city	42.49%	42.49%	42.49%	Associate	Equity method
Jin Yuan President Securities Co.,Ltd.	Xiamen	49%	49%	49%	Associate	Equity method

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

Balance sheet

	Uni-President Asset Management Corp.		
	March 31, 2022 (Note)	December 31, 2021	March 31, 2021 (Note)
Current assets	$ 1,120,569	$ 1,105,200	$ 811,241
Non-current assets	839,798	761,113	700,932
Current liabilities	(351,037)	(433,586)	(309,472)
Non-current liabilities	(63,014)	(64,962)	(52,198)
Total net assets	$ 1,546,316	$ 1,367,765	$ 1,150,503
Share in associate net assets	$ 657,146	$ 581,265	$ 488,935
Goodwill and others	179,522	179,522	179,522
Carrying amount of the associate	$ 836,668	$ 760,787	$ 668,457

Balance sheet

	Jin Yuan President Securities Co.,Ltd.		
	March 31, 2022	December 31, 2021	March 31, 2021
Current assets	$ 8,086,842	$ 8,438,646	$ 8,252,824
Non-current assets	295,933	317,940	253,084
Current liabilities	(3,531,134)	(3,852,030)	(3,453,793)
Non-current liabilities	(59,687)	(81,706)	(51,471)
Total net assets	$ 4,791,954	$ 4,822,850	$ 5,000,644
Share in associate net assets	$ 2,348,057	$ 2,363,197	$ 2,450,316
Carrying amount of the assciate	$ 2,348,057	$ 2,363,197	$ 2,450,316

Statement of comprehensive income

	Uni-President Asset Management Corp.	
	Three months ended March 31, 2022 (Note)	Three months ended March 31, 2021 (Note)
Revenue	$ 340,430	$ 351,287
Profit for the period from continuing operations	$ 124,237	$ 138,294
Other comprehensive income - net of tax	54,314	16,049
Total comprehensive income	$ 178,551	$ 154,343

	Jin Yuan President Securities Co.,Ltd.	
	Three months ended March 31, 2022	Three months ended March 31, 2021
Revenue	($ 43,397)	($ 21,095)
Loss for the period from continuing operations	($ 206,263)	($ 128,445)
Total comprehensive income (loss)	($ 206,263)	($ 128,445)

Note: The financial statements for the three months ended March 31, 2021 and 2020, that were not reviewed by independent auditors, were prepared by the company.

13) Property and equipment

	2022				
January 1	Land	Buildings	Equipment	Leasehold improvements	Total
Cost	$ 1,680,129	$ 1,110,116	$ 313,717	$ 35,121	$ 3,139,083
Accumulated depreciation and impairment	-	(488,075)	(177,406)	(26,474)	(691,955)
Total	$ 1,680,129	$ 622,041	$ 136,311	$ 8,647	$ 2,447,128
January 1	$ 1,680,129	$ 622,041	$ 136,311	$ 8,647	$ 2,447,128
Additions	-	1,613	22,270	-	23,883
Disposal	-	-	(3)	-	(3)
Reclassifications	-	15,220	7,562	-	22,782
Depreciation	-	(9,395)	(15,067)	(977)	(25,439)
March 31	$ 1,680,129	$ 629,479	$ 151,073	$ 7,670	$ 2,468,351

March 31	Land	Buildings	Equipment	Leasehold improvements	Total
Cost	$ 1,680,129	$ 1,126,949	$ 340,625	$ 35,313	$ 3,183,016
Accumulated depreciation and impairment	-	(497,470)	(189,552)	(27,643)	(714,665)
Total	$ 1,680,129	$ 629,479	$ 151,073	$ 7,670	$ 2,468,351

2021

January 1	Land	Buildings	Equipment	Leasehold improvements	Total
Cost	$ 1,680,129	$ 1,098,380	$ 277,347	$ 39,669	$ 3,095,525
Accumulated depreciation and impairment	-	(455,178)	(158,858)	(27,777)	(641,813)
Total	$ 1,680,129	$ 643,202	$ 118,489	$ 11,892	$ 2,453,712
January 1	$ 1,680,129	$ 643,202	$ 118,489	$ 11,892	$ 2,453,712
Additions	-	-	10,372	-	10,372
Reclassifications	-	1,670	500	-	2,170
Depreciation	-	(8,345)	(12,204)	(1,200)	(21,749)
March 31	$ 1,680,129	$ 636,527	$ 117,157	$ 10,692	$ 2,444,505

March 31	Land	Buildings	Equipment	Leasehold improvements	Total
Cost	$ 1,680,129	$ 1,098,420	$ 272,800	$ 38,954	$ 3,090,303
Accumulated depreciation and impairment	-	(461,893)	(155,643)	(28,262)	(645,798)
Total	$ 1,680,129	$ 636,527	$ 117,157	$ 10,692	$ 2,444,505

A. No interest was capitalized for property and equipment for the three months ended March 31, 2022 and 2021.

B. The information on property and equipment pledged or restricted as of March 31, 2022, December 31,2021 and March 31, 2021 is described in Note 8.

14) Leasing arrangements－lessee

A. The Group 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:

	March 31, 2022	December 31, 2021	March 31, 2021
	Carrying Amount	Carrying Amount	Carrying Amount
Buildings	$ 174,895	$ 176,182	$ 165,969
Transportation equipment (Business vehicles)	18,687	19,011	16,480
Office equipment (Photocopiers)	8,794	9,428	10,947
Total	$ 202,376	$ 204,621	$ 193,396

	Three months ended March 31, 2022	Three months ended March 31,
	Depreciation charge	Depreciation charge
Buildings	$ 21,374	$ 21,661
Transportation equipment (Business vehicles)	1,656	1,744
Office equipment (Photocopiers)	673	656
Total	$ 23,703	$ 24,061

C. For the three months ended March 31, 2022 and 2021, the additions to right-of-use assets amounted to $23,633 and $13,919, respectively.

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

Items affecting profit or loss	Three months ended March 31, 2022	Three months ended March 31, 2021
Interest expense on lease liabilities	$ 331	$ 476
Expense on short-term lease contracts	284	425
Expense on variable lease payment	14	19

E. For the three months ended March 31, 2022 and 2021, the Group's total cash outflow for leases amounted to $25,863 and $26,285, respectively.

15) Leasing arrangements – lessor

A. The Group 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 three months ended March 31, 2022 and 2021, the Group recognized rent income in the amount of $4,438 and $4,720, respectively, 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:

	March 31, 2022	December 31, 2021	March 31, 2021
2021	$ -	$ -	$ 13,412
2022	13,700	17,752	17,320
2023	17,752	22,424	17,320
2024	4,303	4,312	4,195
Total	$ 35,755	$ 44,488	$ 52,247

16) Investment property

	2022		
January 1	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
January 1	$ 198,099	$ 70,303	$ 268,402
Depreciation	-	(525)	(525)
March 31	$ 198,099	$ 69,778	$ 267,877
March 31	Land	Buildings	Total
Cost	$ 198,099	$ 107,076	$ 305,175
Accumulated depreciation and impairment	-	(37,298)	(37,298)
Total	$ 198,099	$ 69,778	$ 267,877

	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	-	(525)	(525)
March 31	$ 198,099	$ 71,879	$ 269,978
March 31	Land	Buildings	Total
Cost	$ 198,099	$ 107,076	$ 305,175
Accumulated depreciation and impairment	-	(35,197)	(35,197)
Total	$ 198,099	$ 71,879	$ 269,978

A. For the three months ended March 31, 2022 and 2021, rental income from the lease of the investment property were $4,279 and $4,279 respectively, and direct operating expenses arising from the investment property were $918 and $894 respectively.

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

17) Intangible assets

	2022			
January 1	Computer software	Goodwill	Customer relationships and others	Total
Cost	$ 273,340	$ 42,004	$ 89,929	$ 405,273
Accumulated depreciation and impairment	(155,606)	-	(54,199)	(209,805)
Total	$ 117,734	$ 42,004	$ 35,730	$ 195,468
January 1	$ 117,734	$ 42,004	$ 35,730	$ 195,468
Additions	11,550	-	-	11,550
Reclassifications	8,490	-	-	8,490
Depreciation	(12,269)	-	(5)	(12,274)
March 31	$ 125,505	$ 42,004	$ 35,725	$ 203,234

March 31	Computer software	Goodwill	Customer relationships and others	Total
Cost	$ 292,696	$ 42,004	$ 89,929	$ 424,629
Accumulated depreciation and impairment	(167,191)	-	(54,204)	(221,395)
Total	$ 125,505	$ 42,004	$ 35,725	$ 203,234

	2021			
January 1	Computer sofware	Goodwill	Customer relationships and others	Total
Cost	$ 196,733	$ 42,004	$ 89,929	$ 328,666
Accumulated depreciation and impairment	(122,720)	-	(54,181)	(176,901)
Total	$ 74,013	$ 42,004	$ 35,748	$ 151,765
January 1	$ 74,013	$ 42,004	$ 35,748	$ 151,765
Additions	1,384	-	-	1,384
Reclassifications	7,214	-	-	7,214
Depreciation	(8,315)	-	(5)	(8,320)
March 31	$ 74,296	$ 42,004	$ 35,743	$ 152,043

March 31	Computer software	Goodwill	Customer relationships and others	Total
Cost	$ 205,331	$ 42,004	$ 89,929	$ 337,264
Accumulated depreciation and impairment	(131,035)	-	(54,186)	(185,221)
Total	$ 74,296	$ 42,004	$ 35,743	$ 152,043

A. No interest was capitalized for intangible assets for the three months ended March 31, 2022 and 2021.
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 Group’s brokerage segment.
C. The recoverable amount of goodwill was periodically 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
Growth rate	0.00%
Discount rate	12.03%

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.

18) Other non-current assets

	March 31, 2022	December 31, 2021	March 31, 2021
Operation guaranteed deposits	$ 655,000	$ 655,000	$ 655,000
Clearing and settlement fund	321,462	337,108	322,222
Refundable deposits	263,069	283,144	272,196
Deferred expenses	14,879	14,572	15,425
Prepaid pension expenses	1,042	1,042	29,641
Prepayment for equipment	107,893	94,823	32,488
Overdue receivables	11,487	12,517	38,801
Others	2,500	2,500	720
	1,377,332	1,400,706	1,366,493
Less: Allowance for uncollectible accounts	(11,487)	(12,517)	(38,801)
Total	$ 1,365,845	$ 1,388,189	$ 1,327,692

19) Short-term loans

	March 31, 2022	December 31, 2021	March 31, 2021
Unsecured loans	$ 1,151,575	$ 590,000	$ 4,497,707
Interest rates	0.82%~1.03%	0.79%	0.59%~0.99%

20) Commercial papers payable

	March 31, 2022	December 31, 2021	March 31, 2021
Face value	$ 5,900,000	$ 8,650,000	$ 10,550,000
Less: discount on commercial papers payable	(1,399)	(1,442)	(1,003)
Total	$ 5,898,601	$ 8,648,558	$ 10,548,997
Interest rates	0.35%~0.75%	0.32%~0.50%	0.18%~0.24%

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

	March 31, 2022	December 31, 2021	March 31, 2021
Covering bonds	$ -	$ 148,560	$ 49,259
Valuation adjustment on covering bonds	-	(270)	(221)
	-	148,290	49,038
Liabilities on sale of borrowed securities - hedged	425,038	408,629	351,701
Valuation adjustment on liabilities on sale of borrowed securities - hedged	682	16,664	4,474
Liabilities on sale of borrowed securities - non-hedged	5,330,932	4,294,538	1,787,165
Valuation adjustment on liabilities on sale of borrowed securities - non-hedged	(112,106)	404,442	93,283
Subtotal	5,644,546	5,124,273	2,236,623
Issuance of call (put) warrants	$ 17,912,245	$ 12,925,747	$ 11,973,487
Gain on price fluctuation	(6,622,513)	(500,708)	65,852
Market value (A)	11,289,732	12,425,039	12,039,339
Warrants redeemed	(16,097,662)	(12,258,180)	(10,175,748)
Loss on price fluctuation	5,634,100	729,365	(157,012)
Market value (B)	(10,463,562)	(11,528,815)	(10,332,760)
Warrants - net (A+B)	826,170	896,224	1,706,579
Options sold - TAIFEX	8,172	8,029	10,448
Outstanding Liability for Issuance of ETNs	962,578	1,678,161	1,062,387
Valuation adjustment on outstanding Liability for Issuance of ETNs	(21,400)	(106,307)	(22,320)
Subtotal	941,178	1,571,854	1,040,067
Derivative financial liabilities - OTC	251,959	423,932	452,377
Total	$ 7,672,025	$ 8,172,602	$ 5,495,132

Among the warrants issued by the Group, 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.

22) Bonds sold under repurchase agreements

	March 31, 2022	December 31, 2021	March 31, 2021
Government bonds	$ 1,087,483	$ 1,623,147	$ 766,569
Corporate bonds	500,331	500,119	951,820
Bank debentures	300,000	300,000	200,000
International bonds	891,186	620,779	1,849,007
Foreign bonds	2,138,312	6,598,995	7,294,834
Total	$ 4,917,312	$ 9,643,040	$ 11,062,230

The above bonds sold under repurchase agreements as of March 31, 2022, December 31,2021 and March 31, 2021 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 $4,922,516, $9,648,756 and $11,070,499, respectively, and the annual interest rates in every currency were shown as follows:

Currency	March 31, 2022	December 31, 2021	March 31, 2021
NTD	0.19%~0.47%	0.17%~0.32%	0.14%~0.20%
Foreign currencies (Note)	-0.55%~2.40%	-0.70%~3.61%	-0.58%~3.10%

Note：Foreign currencies include AUD, EUR, USD, GDP and RMB.

23) Accounts payable

	March 31, 2022	December 31, 2021	March 31, 2021
Settlement accounts payable - brokered trading	$ 15,157,478	$ 15,695,459	$ 20,540,301
Settlement proceeds	737,617	785,772	1,325,695
Settlement accounts payable - operating	336,772	1,404,454	1,417,173
Settlement accounts payable - foreign bonds	2,933,757	121,943	2,753,703
Spot exchange payable, foreign currencies	17,895	-	164,102
Others	454,160	330,584	228,058
Total	$ 19,637,679	$ 18,338,212	$ 26,429,032

24) Other payables

	March 31, 2022	December 31, 2021	March 31, 2021
Salary and bonus payable	$ 762,156	$ 1,706,135	$ 824,004
Employees’ and directors’ remuneration payable	198,027	195,823	223,669
Others	627,865	725,965	603,595
Total	$ 1,588,048	$ 2,627,923	$ 1,651,268

25) Other financial liabilities - current

	March 31, 2021	December 31, 2021	March 31, 2021
Equity-linked notes (ELN) - Options	$ 52,000	$ 84,000	$ 25,000
Principal guaranteed notes (PGN) - fixed income	5,384,535	4,899,139	6,934,217
Total	$ 5,436,535	$ 4,983,139	$ 6,959,217

The Group 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).

26) Other liabilities-non-current

	March 31, 2022	December 31, 2021	March 31, 2021
Guarantee deposits received	$ 8,028	$ 6,594	$ 8,112
Net defined benefit obligation	53,309	62,691	6,421
Total	$ 61,337	$ 69,285	$ 14,533

27) Pension plan

A. Defined benefit plans

(A) The Group 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 Group 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 Group would assess the balance in the aforementioned labor pension reserve account by the end of March 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 Group will make contributions to cover the deficit by next March.

(B) Under the defined benefit pension plan, the Group recognized the pension costs for the three months ended March 31, 2022 and 2021 in the statement of comprehensive income in the amount of $913 and $990, respectively.

(C) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2023 amount to $38,710.

B. Defined contribution plans:

Effective from July 1, 2005, the Group 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 Group for the three months ended March 31, 2022 and 2021 were $21,329 and $19,437, respectively.

C. President Securities (HK), President Wealth Management (HK), and President Securities (Nominee) have defined benefit pension plans in accordance with local laws, and recognized the current pension expenses by contributing to the accrued pension assets. President Securities (HK) recognized pension expenses of $387 and $538, respectively, for the three months ended March 31, 2022 and 2021.

28) Equity

A. Common stock

(A) As of March 31, 2022, the Company's authorized capital was $15,000,000 with a par value of $10 (in dollars) per share. As of March 31, 2022, December 31, 2021 and March 31, 2021, the common stocks issued and the outstanding common stocks were 1,455,831 thousand shares, 1,455,831 thousand shares, and 1,399,838 thousand shares, respectively.

The Company's shareholders meeting in July 20, 2021 resolved to increase capital with an undistributed surplus of $559,935, and issue 55,993 thousand ordinary shares, which was completed in September 2021.

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

(Expressed in thousands)

	Three months ended March 31, 2022	Three months ended March 31, 2021
January 1	$ 1,455,831	$ 1,399,838
March 31	$ 1,455,831	$ 1,399,838

B. Capital reserve

	Share premium	Treasury share transactions	Expired stock options	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Total
March 31, 2022	$ 24,663	$ 65,675	$ 483	$ 440	$ 91,261
December 31, 2021	$ 24,663	$ 65,675	$ 483	$ 440	$ 91,261
March 31, 2021	$ 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, transfer and arrangement 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.

29) Unappropriated earnings and dividends policy

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 2021 as resolved by the shareholders on March 8, 2022; the appropriation of 2020 earnings was resolved by the shareholders on July 20, 2021. Details are as follows:

	For the year ended December 31, 2021		For the year ended December 31, 2020	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Provision of legal reserve	$ 390,101		$ 376,735	
Provision of special reserve	780,203		721,503	
Reversal of special reserve (Note)	(3,413)		(7,620)	
Cash dividends	2,751,521	$ 1.89	2,099,757	$ 1.50
Stock dividends	-	-	559,935	0.40
Total	$ 3,918,412		$ 3,750,310	

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.

30) Brokerage handling fee revenue

	Three months ended March 31, 2022	Three months ended March 31, 2021
Revenues from brokered trading - TWSE	$ 504,379	$ 643,046
Revenues from brokered trading - OTC	151,555	180,058
Revenues from brokered trading - Futures	213,649	219,055
Others	32,416	48,296
Total	$ 901,999	$ 1,090,455

31) Revenues from underwriting business

	Three months ended March 31, 2022	Three months ended March 31, 2021
Revenues from underwriting securities on a firm commitment basis	$ 17,551	$ 8,950
Others	3,304	6,017
Total	$ 20,855	$ 14,967

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

	Three months ended March 31, 2022	Three months ended March 31, 2021
Dealers:		
-TAIEX	($ 172,684)	$ 1,227,632
-OTC	(32,299)	86,357
-Overseas trading	(235,686)	36,083
Subtotal	(440,669)	1,350,072
Underwriters:		
-TAIEX	17,706	5,585
-OTC	5,340	25,722
Subtotal	23,046	31,307
Hedging:		
-TAIEX	(157,223)	500,654
-OTC	(70,141)	94,173
-Overseas trading	1,676	(1,354)
Subtotal	(225,688)	593,473
Total	($ 643,311)	$ 1,974,852

33) Interest revenue

	Three months ended March 31, 2022	Three months ended March 31, 2021
Interest income from margin loans	$ 228,799	$ 194,795
Interest income from bonds	29,859	90,904
Others	9,504	6,379
Total	$ 268,162	$ 292,078

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

	March 31, 2022	March 31, 2021
Gain (loss) on sale of securities - dealer	($ 270,698)	($ 371,086)
Gain (loss) on sale of securities - underwriting	(25,685)	22,884
Gain (loss) on sale of securities - hedging	(418,977)	272,105
Total	($ 715,360)	($ 76,097)

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

	Three months ended March 31, 2022	Three months ended March 31, 2021
Gain (loss) from the bond investments under resale agreements	$ -	$ 2,754
Gain (loss) from securities borrowing transactions	(59,397)	(75,510)
Gain (loss) from covering	18,793	(7,085)
Total	($ 40,604)	($ 79,841)

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

	Three months ended March 31, 2022	Three months ended March 31, 2021
Valuation gain (loss) from securities borrowing transactions	$ 517,303	($ 14,010)
Valuation gain (loss) from covering	15,227	24,200
Total	$ 532,530	$ 10,190

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

	Three months ended March 31, 2022	Three months ended March 31, 2021
Net gain (loss) on changes in fair value of call (put) warrant liabilities and redemption	$ 628,373	($ 95,026)
Net gain (loss) on exercise of call (put) warrants before maturity	(67,150)	(294,667)
Expenses arising out of issuance of call (put) warrants	(79,438)	(78,718)
Total	$ 481,785	($ 468,411)

38) Net gain (loss) from derivatives

	Three months ended March 31, 2022	Three months ended March 31, 2021
Futures contract gain (loss)	($ 434,254)	($ 57,685)
Option trading gain (loss)	(55,103)	(125,456)
OTC option trading gain (loss)	50,887	(150,283)
Net gain (loss) on foreign exchange derivatives	15,493	32,121
Others	(8,105)	(15,673)
Total	($ 431,082)	($ 316,976)

39) Impairment loss and reversal of impairment gain

	Three months ended March 31, 2022	Three months ended March 31, 2021
Impairment (loss) and reversal of impairment gain	$ 3,008	$ 20,855
Recovery of bad debts	351	2,526
Total	$ 3,359	$ 23,381

40) Other operating income

	Three months ended March 31, 2022	Three months ended March 31, 2021
Income from securities lending	$ 95,469	$ 60,983
Net currency exchange gain (loss)	(15,116)	78,619
Handling fee revenues from funds	15,399	12,838
Others	35,699	59,549
Total	$ 131,451	$ 211,989

41) Handling charges

	Three months ended March 31, 2022	Three months ended March 31, 2021
Brokerage handling fee expense	$ 110,634	$ 117,156
Dealer handling fee expense	41,213	48,975
Refinancing processing fee expense	326	607
Total	$ 152,173	$ 166,738

42) Financial costs

	Three months ended March 31, 2022	Three months ended March 31, 2021
Interest expense from repurchase agreements	$ 4,729	$ 15,668
Loans interest expense	8,382	13,394
Other interest expense	2,671	3,040
Total	$ 15,782	$ 32,102

43) Employee benefits expense

	Three months ended March 31, 2022	Three months ended March 31, 2021
Salaries	$ 528,027	$ 819,994
Labor and health insurance	39,115	52,718
Pension	22,629	20,965
Other employee benefits	39,299	44,822
Total	$ 629,070	$ 938,499

A. In accordance with 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 three months ended March 31, 2022 and 2021, employees' compensation was accrued at $0 and $23,032, respectively; directors' remuneration was accrued at $0 and $23,032, respectively. The aforementioned amounts were recognized in salary expenses.

C. For the three months ended March 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 2021 as resolved by the Board of Directors was in agreement with the estimates in the 2021 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

	Three months ended March 31, 2022	Three months ended March 31, 2021
Depreciation	$ 49,667	$ 46,335
Amortization	12,396	8,446
Total	$ 62,063	$ 54,781

45) Other operating expenses

	Three months ended March 31, 2022	Three months ended March 31, 2021
Taxes	$ 226,376	$ 249,665
Security lending expenses	54,546	31,324
Computer information expenses	44,480	43,270
TDCC service fee	23,216	26,553
Postage	22,455	22,368
Others	91,968	78,149
Total	$ 463,041	$ 451,329

46) Other gains and losses

	Three months ended March 31, 2022	Three months ended March 31, 2021
Financial income	$ 24,729	$ 31,884
Net gain (loss) on disposal of investments	256	8,537
Net gain (loss) on valuation of non-operating financial instrument	(6,809)	28,867
Net currency exchange gain (loss)	6,261	(958)
Other non-operating revenues	31,746	40,768
Total	$ 56,183	$ 109,098

47) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Three months ended March 31, 2022	Three months ended March 31, 2021
Current tax:		
Current tax on profits for the periods	$ 60,022	$ 169,438
Prior year income tax overestimation	-	(4,569)
Total current tax	60,022	164,869
Deferred taxes:		
Temporary differences	3,153	6,780
Total deferred taxes	3,153	6,780
Income tax expense	$ 63,175	$ 171,649

B. As of March 31, 2022, the Company's income tax returns have been approved by the Tax Authority until 2018. The income tax returns through 2020 of all company subsidiaries have been assessed, except for President Futures approval until 2019.

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

48) Earnings per share

	Three months ended March 31, 2022		
	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	($ 563,745)	1,455,831	($ 0.39)
Dilutive effect of common stock equivalents			
Employee bonus	-	-	
	($ 563,745)	1,455,831	($ 0.39)

	Three months ended March 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	$ 948,800	1,455,831	$ 0.65
Dilutive effect of common stock equivalents			
Employee bonus	-	1,019	
	$ 948,800	1,456,850	$ 0.65

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, 2021 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
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 Netmarketing Co., Ltd	Other related party
Kai Yu (BVI) Investment Co., Ltd	Other related party
Cayman President Holdings, Ltd.	Other related party
Fund managed by Uni-President Asset Management Corp.	Security investment trust fund raised by the Uni-President Assets Management Corp.

2) Significant related party transactions and balances

A. Accounts receivable

	March 31, 2022	December 31, 2021	March 31, 2021
Entity having significant influence on the company:			
Uni-President Enterprises Corp.	$ 312	$ 312	$ 308
Associate:			
Uni-President Assets Management Corp.	10	-	-
Other related party:			
ScinoPharm Taiwan, Ltd.	350	526	399
President Chain Store Corp. (PCSC)	207	207	378
Others	73	102	73
Total	$ 952	$ 1,147	$ 1,158

B. Other receivables

	March 31, 2022	December 31, 2021	March 31, 2021
Other related party:			
Others	$ -	$ 9	$ -

C. Guarantee deposit received

	March 31, 2022	December 31, 2021	March 31, 2021
Associate:			
Uni-President Assets Management Corp.	$ 1,044	$ 1,044	$ 1,044
Other related party:			
President Tokyo Co., Ltd.	1,418	1,418	1,434
Total	$ 2,462	$ 2,462	$ 2,478

D. Lease transactions－lessee

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

(B) Right-of-use assets:

a. Acquisition of right-of-use assets

	March 31, 2022	December 31, 2021	March 31, 2021
Other related party:			
President Tokyo Co., Ltd.	$ 1,331	$ 5,864	$ 874
President Tokyo Auto Leasing Co., Ltd.	-	3,732	-
Total	$ 1,331	$ 9,596	$ 874

b. Disposition of right-of-use assets

	March 31, 2022	December 31, 2021	March 31, 2021
Other related party:			
President Tokyo Co., Ltd.	$ -	$ 2,601	$ -

(C) Lease liabilities

a. Lease liabilities－current

	March 31, 2022	December 31, 2021	March 31, 2021
Other related party:			
President Tokyo Co., Ltd.	$ 7,457	$ 7,399	$ 7,822
President Tokyo Auto Leasing Co., Ltd.	738	737	-
Total	$ 8,195	$ 8,136	$ 7,822

b. Lease liabilities－non-current

	March 31, 2022	December 31, 2021	March 31, 2021
Other related party:			
President Tokyo Co., Ltd.	$ 14,650	$ 15,343	$ 16,944
President Tokyo Auto Leasing Co., Ltd.	2,749	2,934	-
Total	$ 17,399	$ 18,277	$ 16,944

c. Interest expense

	Three months ended March 31, 2022	Three months ended March 31, 2021
Other related party:		
President Tokyo Co., Ltd.	$ 47	$ 52
President Tokyo Auto Leasing Co., Ltd.	6	-
Total	$ 53	$ 52

E. Bonds sold under repurchase agreements

	March 31, 2022	December 31, 2021	March 31, 2021
Other related party:			
Cayman President Holdings, Ltd.	$ -	$ 69,200	$ 136,968
Kai Yu (BVI) Investment Co., Ltd.	-	-	1,138,547
Total	$ -	$ 69,200	$ 1,275,515

F. Structured notes

	March 31, 2022	December 31, 2021	March 31, 2021
Other related party:			
Cayman President Holdings, Ltd.	$ -	$ -	$ 12,841
Kai Yu (BVI) Investment Co., Ltd.	-	-	116,993
Total	$ -	$ -	$ 129,834

The transaction amount mentioned above recognizes in financial liabilities at fair value through profit or loss – current and other financial liabilities – current, respectively.

G. Handling fee revenue

	Three months ended March 31, 2022	Three months ended March 31, 2021
Entity having significant influence on the company:		
Uni-President Enterprises Corp.	$ 1	$ -
Security investment trust fund raised by the Uni-President Asset Management Corp.:		
Uni-President Asset Management Corp.	19,786	$ 11,237
Other related party:		
Other	631	213
Total	$ 20,418	$ 11,450

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

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

	Three months ended March 31, 2022	Three months ended March 31, 2021
Associates:		
Uni-President Assets Management Corp.	$ 2,218	$ 1,461

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

I. Other operating revenue - consultation revenue

	Three months ended March 31, 2022	Three months ended March 31, 2021
Associates:		
Uni-President Assets Management Corp.	$ 600	$ 600

J. Other operating revenue - handling fee revenues from underwriting funds

	Three months ended March 31, 2022	Three months ended March 31, 2021
Associates:		
Uni-President Assets Management Corp.	$ 14,416	$ 12,386

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

K. Rent income

	Period	Deposit	Three months ended March 31, 2022	Three months ended March 31, 2021
Associates:				
Uni-President Assets Management Corp.	2016.01.01~2024.03.31	$ 1,044	$ 1,566	$ 1,722
Other related party:				
President Tokyo Co., Ltd.	2019.04.01~2024.03.31	1,418	2,235	2,355
Total			$ 3,801	$ 4,077

Rental income mentioned above is derived from leasing part of the Group'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.

L. Stock custodian income

	Three months ended March 31, 2022	Three months ended March 31, 2021
Entity having significant influence on the company:		
Uni-President Enterprises Corp.	$ 936	$ 924
Associate:		
Uni-President Assets Management Corp.	39	39
Other related party:		
ScinoPharm Taiwan, Ltd.	530	604
Ton Yi Industrial Corp.	308	303
President Chain Store Corp. (PCSC)	620	567
Others	167	166
Total	$ 2,600	$ 2,603

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

M. Net gain (loss) from derivatives

	Three months ended March 31, 2022	Three months ended March 31, 2021
Other related party:		
Cayman President Holdings, Ltd.	$ -	($ 16)
Kai Yu (BVI) Investment Co., Ltd	-	(146)
Total	$ -	($ 162)

N. Other operating expenses - equipment rental and copy expense

a. Equipment rental

	Three months ended March 31, 2022	Three months ended March 31, 2021
Other related party:		
President Tokyo Co., Ltd.	$ 5	$ -

b. Copy expense

	Three months ended March 31, 2022	Three months ended March 31, 2021
Other related party:		
President Tokyo Co., Ltd.	$ 41	$ 170

c. Advertising expense

	Three months ended March 31, 2022		Three months ended March 31, 2021	
Other related party:				
Presco Netmarketing Co., Ltd	$	3,268	$	-
Others		-		118
Total	$	3,268	$	118

O. Financial expense

	Three months ended March 31, 2022		Three months ended March 31, 2021	
Other related party:				
Cayman President Holdings, Ltd.	$	54	$	717
Kai Yu (BVI) Investment Co., Ltd		-		1,178
Total	$	54	$	1,895

P. Purchases of trading securities – dealer

	March 31, 2022				
	Ending Shares (In thousands)	Ending Balance		Gain (loss)	
Entity having significant influence on the company:					
Uni-President Enterprises Corp.	56	$	3,674	($	263)
Security investment trust fund raised by the Uni-President Asset Management Corp.:					
Uni-President Asset Management Corp.	-		95,605		5,442
Other related parties:					
President Chain Store Corp.	3		789	(	49)
Others	212		3,835		31
Total		$	103,903	$	5,161

	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.	-		49,347		3,084
Other related parties:					
President Chain Store Corp.	-		-	(	367)
Others	54		816	(	179)
Total		$	57,023	$	2,471

	March 31, 2021		
	Ending Shares (In thousands)	Ending Balance	Gain (loss)
Entity having significant influence on the company:			
Uni-President Enterprises Corp.	5	$ 365	$ 196
Security investment trust fund raised by the Uni-President Asset Management Corp.:			
Uni-President Asset Management Corp.	-	10,320	-
Other related parties:			
President Chain Store Corp.	-	-	48
Others	-	-	-
Total		$ 10,685	$ 244

Q. Compensation of key management personnel

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

	Three months ended March 31, 2022	Three months ended March 31, 2021
Salary and short-term employee benefits	$ 21,262	$ 23,724
Retirement benefits	418	334
Other long-term employee benefits	-	-
Termination benefits	-	-
Share-based payment	-	-
Total	$ 21,680	$ 24,058

8. PLEDGED ASSETS

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

Assets	March 31, 2022	December 31, 2021	March 31, 2021	Purposes
Financial assets at fair value through profit or loss - current:				
Trading securities (par value)				
- Corporate bonds	$ 500,000	$ 500,000	$ 950,000	Securities for bonds sold under repurchase agreements
- Government bonds	997,700	1,507,300	748,600	Securities for bonds sold under repurchase agreements
- Overseas bonds	2,267,323	7,124,566	7,653,054	Securities for bonds sold under repurchase agreements
- International bonds	922,486	623,210	1,846,110	Securities for bonds sold under repurchase agreements
- Bank debentures	300,000	300,000	200,000	Securities for bonds sold under repurchase agreements

Assets	March 31, 2022	December 31, 2021	March 31, 2021	Purposes
Restricted assets:				
- Demand deposits	$ 112,539	$ 5,244,571	$ 730	Collections on behalf of third parties and reimbursement for wages and stocks
- Pledged time deposits	524,670	521,021	525,147	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	50,000	Trust fund deposit-out
Property and equipment				
- Land and buildings (book value)	1,103,138	1,096,408	1,100,428	Securities for short-term loans and guarantees for issuance of commercial papers
Pledged time deposits				
- Operating guarantee deposits	655,000	655,000	655,000	Security deposits
- Refundable deposits	2,000	2,000	2,181	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 Group continually strengthens risk culture to every employee and makes sure that the Group 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 Group sets up “Risk Management Policy”. Such policy aims to establish internal system compliance and the guiding tools for policies communication within the Group and enable every layer of the Group 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 Group’s risk management system covers risks incurred from businesses on 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 Group 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 Group

(C) The General Manager supervises daily risk management of the entire Group and is responsible for the following:
 a. Supervise and monitor daily risk management of the entire Group
 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 Group
 b. Analyze and control the entire Group'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 Group
 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 Group sets up "Risk Management Policy". Such policy aims to establish internal system compliance and the guiding tools for policies communication within the Group and enable every layer of the Group 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 Group has implemented risk management information system (Risk Manager) in relation to market risk control. All trading positions of the Group 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 Group'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 Group 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 Group failing to repay its obligation due to the fact that the issuer breaches the contract resulting in the risk of financial loss to the Group.

(B) Credit risk of counterparty refers to risk of financial loss to the Group 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 Group 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 consolidated 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 Group 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 Group, 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 Group are bond funds. As the positions held are not significant, credit risk is deemed low.

b. Commercial papers

The commercial papers held by the Group are under resale 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, convertible corporate bonds and foreign bonds and the issuers are primarily R.O.C. government, domestic and foreign legal entities. 33% of convertible corporate bond is guaranteed by banks. Details are as follows:

(a)Government bonds

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

(b) Corporate bonds

The corporate bonds held by the Group 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 Group are mostly issued by the domestic legal entities. The Group 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 Group 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 Group are classified as debt instruments at fair value through other comprehensive income. In general, the bonds held by the Group are with lower credit risk.

(D) Derivatives- futures trade margin

When engaging in futures trades in stock exchange market, the Group 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 Group 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(11).

Types of OTC derivative transactions in which the Group is engaged include structured notes and swap transaction. The counterparties are all from financial service industry and mainly located in Taiwan, United States, 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 Group 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 Group 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.

(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 Group 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 Group'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 Group'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 Group'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 Group deposits central government bonds in the Central Bank as collateral. Regardless of the bonds themselves or the financial institutions where the bonds are 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 Group 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 Group considers reasonable and supporting information about past events, current conditions and future economic conditions. The Group 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 Group 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 Group 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 Group 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 Group

(A) At March 31,2022, December 31,2021 and March 31, 2021, there were no changes in the loss allowance for investments in debt instruments measured at fair value through other comprehensive income.

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

	Three months ended March 31, 2022				
	Marginal receivable	Accounts receivable	Other receivable	Other non-current assets-overdue receivables	Total
At January 1	$ 47,433	$ 742	$ 853	$ 12,517	$ 61,545
Provision (reversal of provision) for impairment	(2,106)	136	(8)	(1,030)	(3,008)
At March 31	$ 45,327	$ 878	$ 845	$ 11,487	$ 58,537

	Year ended December 31, 2021				
	Marginal receivable	Accounts receivable	Other receivable	Other non-current assets-overdue receivables	Total
At January 1	$ 58,840	$ 625	$ 725	$ 39,388	$ 99,578
Provision (reversal of provision) for impairment	(11,407)	117	300	3,326	(7,664)
Derecognized	-	-	(172)	(30,197)	(30,369)
At December 31	$ 47,433	$ 742	$ 853	$ 12,517	$ 61,545

	Three months ended March 31, 2021				
	Marginal receivable	Accounts receivable	Other receivable	Other non-current assets-overdue receivables	Total
At January 1	$ 58,840	$ 625	$ 725	$ 39,388	$ 99,578
Provision (reversal of provision) for impairment	(20,014)	(239)	(15)	(587)	(20,855)
At March 31	$ 38,826	$ 386	$ 710	$ 38,801	$ 78,723

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 Group’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 Group 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 Group 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 Group.

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 Group 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 Group should conduct a review to see whether the total minimized fund supply is more than maximized total fund demand. The Group 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 Group 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.

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

	March 31, 2022				
	Immediately	Less than 3 months	3-12 months	1-5 years	Total
Short-term loans	$ 1,151,575	$ -	$ -	$ -	$ 1,151,575
Commercial papers payable	300,000	5,600,000	-	-	5,900,000
Financial liabilities at fair value through profit or loss-current					
Non-derivative financial liabilities	5,644,546	-	-	-	5,644,546
Derivative financial liabilities	2,027,479	-	-	-	2,027,479
Bonds sold under repurchase agreements	-	4,922,516	-	-	4,922,516
Deposits on short sales	622,163	-	-	-	622,163
Deposits payable for securities financing	814,006	-	-	-	814,006
Securities lending refundable deposits	-	769,279	628,693	62,955	1,460,927
Futures traders' equity	20,160,818	-	-	-	20,160,818
Accounts payable (includes notes payable)	19,586,170	51,509	-	-	19,637,679
Collections on behalf of third parties	545,472	9,094	-	88,516	643,082
Other payables	6,205	236,600	1,345,243	-	1,588,048
Other financial liabilities -current	-	3,090,747	2,345,788	-	5,436,535
Lease liabilities	-	21,320	60,865	110,632	192,817
Total	$ 50,858,434	$ 14,701,065	$ 4,380,589	$ 262,103	$ 70,202,191

	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	3,048,329	-	-	-	3,048,329
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
Futures traders' equity	21,328,174	-	-	-	21,328,174
Accounts payable (includes notes payable)	18,295,511	42,701	-	-	18,338,212
Collections on behalf of third parties	5,639,615	13,902	-	88,583	5,742,100
Other payables	5,605	369,839	2,252,479	-	2,627,923
Other financial liabilities -current	-	1,789,878	3,193,261	-	4,983,139
Lease liabilities	-	23,927	46,813	125,840	196,580
Total	$ 56,203,256	$ 22,198,702	$ 6,352,626	$ 253,858	$ 85,008,442

	March 31, 2021				
	Immediately	Less than 3 months	3-12 months	1-5 years	Total
Short-term loans	$ 2,930,400	$ 1,567,307	$ -	$ -	$ 4,497,707
Commercial papers payable	350,000	10,200,000	-	-	10,550,000
Financial liabilities at fair value through profit or loss-current					
Non-derivative financial liabilities	2,236,623	-	-	-	2,236,623
Derivative financial liabilities	3,226,772	-	31,737	-	3,258,509
Bonds sold under repurchase agreements	-	11,070,499	-	-	11,070,499
Deposits on short sales	784,300	-	-	-	784,300
Deposits payable for securities financing	889,067	-	-	-	889,067
Securities lending refundable deposits	-	944,981	274,623	-	1,219,604
Futures traders' equity	26,944,887	-	-	-	26,944,887
Accounts payable (includes notes payable)	26,379,397	49,635	-	-	26,429,032
Collections on behalf of third parties	413,374	9,520	-	82,894	505,788
Other payables	3,290	269,570	1,378,408	-	1,651,268
Other financial liabilities -current	-	3,535,586	3,423,631	-	6,959,217
Lease liabilities	-	21,838	61,491	103,501	186,830
Total	$ 64,158,110	$ 27,668,936	$ 5,169,890	$ 186,395	$ 97,183,331

4) Market risk

A. Definition of market risk

Market risk refers to the risk of decrease in the Group'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 Group 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 Group 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 Group. 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	
Three months ended March 31, 2022	Amount	Three months ended March 31, 2021	Amount
March 31, 2022	$ 43,502	March 31, 2021	$ 227,227
VaR Maximum	167,015	VaR Maximum	272,777
VaR Average	81,746	VaR Average	189,337
VaR Minimum	26,060	VaR Minimum	105,207

Statistical table for VaR of various risk indicators of transactions

Three months ended March 31, 2022	Foreign exchange	Interest	Share ownership
March 31, 2022	$ 3,624	$ 12,699	$ 42,455
VaR Maximum	16,205	25,100	167,807
VaR Average	3,160	9,499	81,431
VaR Minimum	857	3,554	24,960

Three months ended March 31, 2021	Foreign exchange	Interest	Share ownership
March 31, 2021	$ 4,473	$ 12,478	$ 227,778
VaR Maximum	16,846	34,187	273,545
VaR Average	6,069	20,085	190,044
VaR Minimum	1,462	8,750	102,638

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 March 31, 2022, December 31,2021 and March 31, 2021：

	March 31, 2022						
	USD	EUR	AUD	RMB	HKD	Others	Total
Financial assets in foreign currencies							
Cash and cash equivalents	$ 1,143,167	$ 5,290	$ 2,655	$ 207,760	$ 987,185	$ 90,001	$ 2,436,058
Financial assets at fair value through profit or loss	5,043,745	616,469	104,021	402,183	44,127	349,425	6,559,970
Investments accounted for under equity method	-	-	-	2,348,057	-	-	2,348,057
Others	7,224,351	1,948	822,872	39,380	1,016,279	6,229	9,111,059
Financial liabilities in foreign currencies							
Short-term loans	841,575	-	-	-	-	-	841,575
Financial liabilities at fair value through profit or loss	207,724	4,773	840	1,859	-	64	215,260
Bonds sold under repurchase agreements	2,577,330	43,627	54,672	285,679	-	68,190	3,029,498
Others	11,107,384	347,519	554,570	292,597	838,850	123,473	13,264,393

Note: As of March 31, 2022, foreign exchange rates of the above currencies to TWD were 1 USD = 28.625 TWD; 1 EUR= 31.920 TWD; 1 AUD= 21.420 TWD; 1 RMB= 4.506 TWD; and 1 HKD= 3.656 TWD, respectively.

	December 31, 2021						
	USD	EUR	AUD	RMB	HKD	Others	Total
Financial assets in foreign currencies							
Cash and cash equivalents	$ 582,036	$ 2,769	$ 2,005	$ 302,720	$ 1,069,767	$ 235,639	$ 2,194,936
Financial assets at fair value through profit or loss	8,060,638	1,935,974	181,807	798,106	257,088	513,697	11,747,310
Bonds purchased under resale agreements	27,401	-	-	-	-	-	27,401
Investments accounted for under equity method	-	-	-	2,363,197	-	-	2,363,197
Others	7,681,439	21,826	40,836	27,141	1,253,782	109,487	9,134,511
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	9,528,760	18,141	40,178	314,020	959,851	114,068	10,975,018

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.

	March 31, 2021												
	USD		EUR		AUD		RMB		HKD		Others		Total
Financial assets in foreign currencies													
Cash and cash equivalents	$	956,547	$	307,363	$	326,672	$	441,257	$	899,478	$	44,926	$ 2,976,243
Financial assets at fair value through profit or loss		9,084,199		1,545,875		245,498		769,659		573,903		770,067	12,989,201
Investments accounted for under equity method		-		-		-		2,450,316		-		-	2,450,316
Others		11,458,851		232,000		77,707		59,419		2,547,716		146,643	14,522,336
Financial liabilities in foreign currencies													
Short-term loans		662,012		-		314,795		-		990,900		-	1,967,707
Financial liabilities at fair value through profit or loss		63,614		-		67		1,867		7		82	65,637
Bonds sold under repurchase agreements		7,264,709		1,127,242		185,597		421,793		-		144,500	9,143,841
Others		14,285,660		451,999		134,513		300,975		991,306		360,905	16,525,358

Note: As of March 31, 2021, foreign exchange rates of the above currencies to TWD were 1 USD = 28.535 TWD; 1 EUR= 33.480 TWD; 1 AUD= 21.710 TWD; 1 RMB= 4.344 TWD; and 1 HKD= 3.670 TWD, respectively.

D. The total exchange gain, including realized and unrealized, arising from significant foreign exchange variation on the monetary items held by the Group for the three months ended March 31, 2022 and 2021, amounted to ($8,855) and $77,661, respectively.

5) Fair values 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 Group'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				
March 31, 2022				
Investment property	$ 698,655	$ -	$ 698,655	$ -
December 31, 2021				
Investment property	712,476	-	712,476	-
March 31, 2021				
Investment property	634,989	-	634,989	-

The fair value of investment property held by the Group 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 Group'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 Group 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 Group. 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 Group 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 Group’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 Group such as emerging stock without active markets, off-the-run issue of 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 three months ended March 31, 2022 and 2021, 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 Group’s investment in equity investment without active market is included in Level 3. For the year ended December 31, 2021 and the three months ended March 31, 2021, some of the unlisted stocks became the emerging stocks, therefore these stocks were transferred from Level 3 to Level 2.

(Blank below)

(B)Hierarchy of fair value estimation of financial instruments

Financial instrument items measured at fair value	March 31, 2022			
	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	$ 8,631,412	$ 8,548,882	$ 17,802	$ 64,728
Bond investments	8,573,472	914,076	7,659,396	-
Others	1,660,458	1,660,458	-	-
Financial assets at fair value through other comprehensive income-current				
Stock investments	398,199	398,199	-	-
Financial assets at fair value through profit or loss - non-current				
Stock investments	13,633	-	-	13,633
Bond investments	50,054	-	50,054	-
Others	33,600	-	-	33,600
Financial assets at fair value through other comprehensive income- non-current				
Stock investments	1,418,393	-	-	1,418,393
Liabilities				
Financial liabilities at fair value through profit or loss -current	5,644,546	5,644,546	-	-
Derivative financial instruments				
Assets				
Financial assets at fair value through profit or loss-current	4,688,892	4,675,225	13,667	-
Liabilities				
Financial liabilities at fair value through profit or loss - current	2,027,479	1,775,520	251,959	-

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	$ 14,416,332	$ 14,309,899	$ 40,721	$ 65,712
Bond investments	13,213,896	776,724	12,437,172	-
Others	1,130,557	1,130,557	-	-
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	-
Others	13,950	-	-	13,950
Financial assets at fair value through other comprehensive income- non-current				
Stock investments	1,137,756	-	-	1,137,756
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	4,822,204	4,807,480	14,724	-
Liabilities				
Financial liabilities at fair value through profit or loss - current	3,048,329	2,624,397	423,932	-

Financial instrument items measured at fair value	March 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	$ 17,853,913	$ 17,747,948	$ 79,460	$ 26,505
Bond investments	14,219,598	820,027	13,399,571	-
Others	2,251,223	2,251,223	-	-
Financial assets at fair value through other comprehensive income- current				
Stock investments	391,529	391,529	-	-
Financial assets at fair value through profit or loss - non-current				
Stock investments	19,604	-	-	19,604
Bond investments	50,405	50,405	-	-
Others	15,000	-	-	15,000
Financial assets at fair value through other comprehensive income- non-current				
Stock investments	777,078	-	-	777,078
Liabilities				
Financial liabilities at fair value through profit or loss -current	2,236,623	2,236,623	-	-
Derivative financial instruments				
Assets				
Financial assets at fair value through profit or loss-current	4,427,810	4,395,713	32,097	-
Liabilities				
Financial liabilities at fair value through profit or loss - current	3,258,509	2,806,132	452,377	-

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

Three months ended March 31, 2022

		Valuation amount		Increased		Decreased		
	January 1	Recorded in profit or loss	Recorded in other comprehensive income (loss)	Acquired/ Issued	Transfers into level 3	Sold/ Diposed or Settled	Transfers out from level 3	December 31
Financial assets at fair value through profit or loss- current								
Unlisted stocks	$ 65,712	($ 1,484)	$ -	$ 500	$ -	$ -	$ -	$ 64,728
Financial assets at fair value through profit or loss - non-current								
Venture capital shares	12,650	983	-	-	-	-	-	13,633
Others	13,950	(350)	-	20,000	-	-	-	33,600
Financial assets at fair value through other comprehensive income - non-current								
Unlisted stocks	1,137,756	-	280,637	-	-	-	-	1,418,393

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/ Diposed or Settled	Transfers out from level 3	December 31
Financial assets at fair value through profit or loss- current								
Unlisted stocks	$ 11,782	($ 685)	$ -	$ 60,415	$ -	($ 3,300)	($ 2,500)	$ 65,712
Financial assets at fair value through profit or loss - non-current								
Venture capital shares	16,991	(4,341)	-	-	-	-	-	12,650
Others	-	(1,050)	-	15,000	-	-	-	13,950
Financial assets at fair value through other comprehensive income - non-current								
Unlisted stocks	707,616	-	430,140	-	-	-	-	1,137,756

Three months ended March 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/ Diposed or Settled	Transfers out from level 3	December 31
Financial assets at fair value through profit or loss- current								
Unlisted stocks	$ 11,782	($ 777)	$ -	$ 18,000	$ -	$ -	($ 2,500)	$ 26,505
Financial assets at fair value through profit or loss - non-current								
Venture capital shares	16,991	2,613	-	-	-	-	-	19,604
Others	-	-	-	15,000	-	-	-	15,000
Financial assets at fair value through other comprehensive income - non-current								
Unlisted stocks	707,616	-	69,462	-	-	-	-	777,078

(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:

March 31, 2022	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 - current					
Unlisted stocks	$ 64,728	Market approach	Price to book ratio multiple	2.71	The higher the multiple, the higher fair value
			Discount for lack of marketability	25%	The higher the discount for lack of marketability, the lower the fair value
			Latest transaction price	Not applicable	Not applicable
Financial assets at fair value through profit or loss - non-current					
Venture capital shares	13,633	Net asset value	Not applicable	Not applicable	Not applicable
Others	33,600	Net asset value	Not applicable	Not applicable	Not applicable
Financial assets at fair value through other comprehensive income - non-current					
Unlisted stocks	1,418,393	Market approach	Price to book ratio multiple	2.11~2.80	The higher the multiple, the higher fair value
			Discount for lack of marketability	5.95%~9.19%	The higher the discount for lack of marketability, the lower the fair value

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 - current					
Unlisted stocks	$ 65,712	Market approach	Price to book ratio multiple	3.15	The higher the multiple, the higher fair value
			Discount for lack of marketability	25%	The higher the discount for lack of marketability, the lower the fair value
			Latest transaction price	Not applicable	Not applicable
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
Others	13,950	Net asset value	Not applicable	Not applicable	Not applicable
Financial assets at fair value through other comprehensive income - non-current					
Unlisted stocks	1,137,756	Market approach	Price to book ratio multiple	1.80~2.27	The higher the multiple, the higher fair value
			Discount for lack of marketability	6.24%~9.17%	The higher the discount for lack of marketability, the lower the fair value

March 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 - current					
Unlisted stocks	$ 26,505	Market approach	Price to earnings ratio multiple	28.53	The higher the multiple, the higher fair value
			Discount for lack of marketability	25%	The higher the discount for lack of marketability, the lower the fair value
			Latest transaction price	Not applicable	Not applicable
Financial assets at fair value through profit or loss - non-current					
Venture capital shares	19,604	Net asset value	Not applicable	Not applicable	Not applicable
Others	15,000	Net asset value	Not applicable	Not applicable	Not applicable
Financial assets at fair value through other comprehensive income - non-current					
Unlisted stocks	777,078	Market approach	Price to book ratio multiple	1.61~1.69	The higher the multiple, the higher fair value
			Discount for lack of marketability	6.71%~9.89%	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 Group 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%:

March 31, 2022	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 - current				
Unlisted stocks	$ 647	($ 647)	$ -	$ -
Financial assets at fair value through profit or loss -non-current				
Venture capital shares	Not applicable	Not applicable	-	-
Others	Not applicable	Not applicable	-	-
Financial assets at fair value through other comprehensive income - non-current				
Unlisted stocks	-	-	14,184	(14,184)

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 - current				
Unlisted stocks	$ 657	($ 657)	$ -	$ -
Financial assets at fair value through profit or loss -non-current				
Venture capital shares	Not applicable	Not applicable	-	-
Others	Not applicable	Not applicable	-	-
Financial assets at fair value through other comprehensive income - non-current				
Unlisted stocks	-	-	11,378	(11,378)

March 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 - current				
Unlisted stocks	$ 265	($ 265)	$ -	$ -
Financial assets at fair value through profit or loss -non-current				
Venture capital shares	Not applicable	Not applicable	-	-
Others	Not applicable	Not applicable	-	-
Financial assets at fair value through other comprehensive income - non-current				
Unlisted stocks	-	-	7,771	(7,771)

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 Group 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 Group 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 Group 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 Group should be agreed by the Board of Directors. The Group 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 Group is actively engaged in development of various businesses and continually increases profit, creates company value, and complies with the capital management objective.

The Group calculates and reports the capital adequacy ratio according to “Rules Governing Securities Firms”. As of March 31, 2022, December 31, 2021 and March 31,2021, the capital adequacy ratios were 412%, 379% and 341%, respectively, as required by the regulations.

7) <u>Assets and liabilities of trust accounts</u>

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 consolidated financial statements on a semiannual basis.

(Blank below)

8) Status of the company in the limitations on financial ratios imposed by futures trading act, and the related implementation

The table below is prepared according to "Regulations Governing Futures Commission Merchants".

Article	Calculation formula	March 31, 2022		March 31, 2021		Standard	Enforcement
		Calculation	Ratio	Calculation	Ratio		
17	Stockholders' equity / (Total liability－futures trader's equity)	2,205,334 / 18,022	122.37	2,875,165 / 26,331	109.19	≧1	Met the requirement
17	Current assets / Current liabilities	5,035,317 / 18,022	279.40	4,597,664 / 26,331	174.61	≧1	Met the requirement
22	Stockholders' equity / Minimum paid-in capital	2,205,334 / 400,000	551.33%	2,875,165 / 400,000	718.79%	≧60% ≧40%	Met the requirement
22	Adjusted net capital / Total amount of customer margins required for the open positions of futures traders	1,692,077 / 906,157	186.73%	2,475,346 / 682,943	362.45%	≧20% ≧15%	Met the requirement

9) <u>Status of the subsidiary in the limitations on financial ratios imposed by the futures trading act and the related implementation</u>

The table below is prepared according to "Regulations Governing Futures Commission Merchants".

Article	Calculation formula	March 31, 2022		March 31, 2021		Standard	Enforcement
		Calculation	Ratio	Calculation	Ratio		
17	Stockholders' equity / (Total liability－futures trader's equity)	2,777,989 / 201,347	13.80	2,283,569 / 197,494	11.56	≧1	Met the requirement
17	Current assets / Current liabilities	25,744,018 / 24,542,053	1.05	31,669,828 / 30,421,318	1.04	≧1	Met the requirement
22	Stockholders' equity / Minimum paid-in capital	2,777,989 / 645,000	430.70%	2,283,569 / 645,000	354.04%	≧60% ≧40%	Met the requirement
22	Adjusted net capital / Total amount of customer margins required	2,447,750 / 4,217,176	58.04%	1,904,563 / 5,164,655	36.88%	≧20% ≧15%	Met the requirement

10) Prospective risk for futures trading

The main risk for futures merchants engaging in futures trading is credit risk, which could happen if the margin call cannot be made when it should have been made. While being consigned to conduct the futures trading, the Group pays attention to the individual margin account on a daily basis and request additional margin call or reduction in trading volume when necessary according to the condition of individual customer transactions in order to control the credit risk accordingly. The main risk faced by the Group while engaging in self-operating businesses is market price risk- that is risk of changes in market prices of futures or options contracts as a result of fluctuation in underlying investment index. Losses may occur if the market index price and underlying investment move adversely. However, the Group has set up stop-loss point to control such risk for reasons of risk management.

(Blank below)

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

No. (Note1)	Company	Counterparty	Relationship (Note 2)	Details of transactions (Three months ended March 31, 2022)			
				Account	Amount	Conditions	Percentage (%) of total consolidated net revenues or assets (Note 3)
0	President Securities Corp.	President Futures Corp.	1	Futures Margin - Own Funds	$ 4,223,771	Note 4	4.11%
0	President Securities Corp.	President Futures Corp.	1	Deposit-out	34,000	Note 4	0.03%
0	President Securities Corp.	President Futures Corp.	1	Accounts receivable	4,166	Note 4	0.00%
0	President Securities Corp.	President Futures Corp.	1	Deposit-in	16,000	Note 4	0.02%
0	President Securities Corp.	President Futures Corp.	1	Other payables	2,597	Note 4	0.00%
0	President Securities Corp.	President Futures Corp.	1	Future commission revenue	10,632	Note 4	1.21%
0	President Securities Corp.	President Futures Corp.	1	Clearing charges	5,888	Note 4	0.67%
0	President Securities Corp.	President Capital Management Corp.	1	Expense from investment advisory	12,600	Note 4	1.43%
0	President Securities Corp.	President Securities (HK) Ltd.	1	Accounts receivables	1,155	Note 4	0.00%
0	President Securities Corp.	President Insurance Agency Corp.	1	Other receivables	22,550	Note 4	0.02%

Note 1：The numbers in the No. column are represented as follows:

1. The number zero is for parent company.
2. According to the sequential order, subsidiaries are numbered from 1.

Note 2：There are three kinds of transactions between related parties and numbered from 1 to 3 were shown as follows (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.)

1. Parent company to subsidiaries.
2. Subsidiaries to parent company.
3. Subsidiaries to subsidiaries.

Note 3：The calculation basis of the trading amount accounting for the total consolidated net revenues or assets is that the account ending balance is divided by the total consolidated assets if it is attributed to the balance sheet accounts, and the accumulated trading amount of the interim period is divided by the total consolidated net revenues if it is attributed to the profit or loss accounts.

Note 4：All the prices provided between related parties were traded by contracts.

Note 5：Based on materiality, only the amounts of the transactions that were above $1 million would be shown in the table.

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 March 31, 2022	Balance on December 31, 2021	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%	$ 2,686,138	$ 233,657	$ 38,473	$ 37,201	$ -	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%	312,088	19,700	(84)	(87)	-	Subsidiary of the Company
	President Securities (HK) Ltd. (Note 3)	Hong Kong	1994.07.26	1993.11.4 (82) Tai-Cai-Zheng (2) Letter No.40913	Securities dealer, underwriting, brokerage and consulting	848,735	848,735	192,600,000	100.00%	1,313,118	9,229	(13,899)	(13,899)	-	Subsidiary of the Company
	President Wealth Management (HK) Ltd. (Note 3)	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%	55,692	-	(11)	(11)	-	Subsidiary of the Company

						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 March 31, 2022	Balance on December 31, 2021	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 (Nominee) Ltd. (Note 3)	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%	$ 1,558	$ -	($ 17)	($ 17)	$ -	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%	835,990	340,430	124,237	52,755	-	Associates
	President Insurance Agency Corp.	Taipei	2008.04.29	(Note2)	Insurance Agent	10,000	10,000	1,000,000	100.00%	33,198	26,877	9,479	9,480	22,550	Subsidiary of the Company
	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%	262,183	(8,869)	(10,881)	(10,881)	-	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%	678	340,430	124,237	43	-	Associates

Note 1：As FSC was established in July, 2004, President Futures Corp. was approved by the Investment Commission, Ministry of Economic Affairs.

Note 2：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 Insurance Agency Corp.

Note 3：Subsidiary President Securities (HK) Ltd., President Wealth Management (HK) Ltd. and President Securities (Nominee) Ltd. were approved by the board of directors in March 2022 to deal with the dissolution and liquidation matters.

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.

3) Information of overseas branches and representative office: None

4) Disclosure of investment in Mainland China

a) Information of investment in Mainland China

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, 2022	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the three months ended March 31, 2022		Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2022	Net income of investee as of March 31, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the three months ended March 31, 2022 (Note 2)	Book value of investments in Mainland China as of March 31, 2022	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2022
					Remitted to Mainland China	Remitted back to Taiwan						
Jin Yuan President Securities Co.,Ltd.	Securities brokering, securities dealing, securities underwriting and sponsoring service	$ 5,407,200	Directly invest in a company in Mainland China	$ 2,481,388	$ -	$ -	$ 2,481,388	($ 206,263)	49%	($ 101,069) The financial statements that are reviewed by international accounting firm which has cooperative relationship with accounting firm in R.O.C.	$ 2,348,057	$ -

b) Limitation on investment in Mainland China (expressed in thousands of dollars)

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2022	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	$ 18,972,168

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 three months ended March 31, 2022’ 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.

14. SEGMENTS INFORMATION

1) General information

Financial information by the Group's segments is disclosed in accordance with IFRS 8. Management has determined the reportable operating segments based on the reports reviewed by the Chief Operating Decision-Maker (CODM) that are used to make strategic decisions. The Group's operating segments are classified into Brokerage, Proprietary, Fixed Income, Financial Instrument and Reinvestment according to the sources of income. The remaining operating results which have not reached the threshold requirements are consolidated in 'other operating segments'. Sources of income from products and services rendered by each segment are as follows:

A. Brokerage segment: consigned trading of the listed securities, margin trading and short sale, assistance in futures trading and other instruments trading as approved by the regulations.
B. Proprietary Trading segment: using the self-owned equity to conduct securities trading such as stocks and bonds trading, and futures and options hedging in Stock Exchange and OTC.
C. Fixed Income segment: bonds segment is engaged in central government bonds, ordinary corporate bonds, convertible corporate bonds, and bills and bonds under repurchase or resale agreements transactions in OTC.
D. Financial Instrument segment: Call (put) warrants (including negotiated warrants) and Callable Bull/Bear Contracts (CBBC) issuance, Structured Notes Trading, equity derivative trading, and Exchange Traded Note (ETN) and other derivative financial products approved by the competent authority.
E. Reinvestment segment: companies reinvested by the consolidated entities.
F. Other operating segments include Capital Market segment, Quantitative Trading segment and Shareholder Services segment.

2) Segments information

The accounting policies applied to the Group's operating segments and summary of accounting policies disclosed in the notes to the financial statements are consistent and identical. The operating gains and losses are measured by the amount before tax and used as basis for performance appraisal. Income and expense attributable to each operating segment are attributed to the segmental gains and losses. Non-attributable indirect expenses and expenses from logistic support segment are amortized to each operating segment based on reasonable calculation standards and the expense nature. Those that cannot be reasonably amortized are listed under "Others"

3) Profit or loss of segments information

	Three months ended March 31, 2022							
	Brokerage segment	Proprietary Trading segment	Fixed income segment	Financial instrument segment	Reinvestment segment	Other operating segments	Others	Total
Segment revenues	$ 1,043,545	($ 515,605)	($ 145,175)	$ 83,992	$ 281,594	$ 89,245	$ 41,602	$ 879,198
Segment profit or loss	$ 331,065	($ 605,408)	($ 169,319)	($ 35,435)	$ 33,716	($ 93,689)	$ 39,773	($ 499,297)

	Three months ended March 31, 2021							
	Brokerage segment	Proprietary Trading segment	Fixed income segment	Financial instrument segment	Reinvestment segment	Other operating segments	Others	Total
Segment revenues	$ 1,144,096	$ 686,655	($ 43,028)	$ 269,192	$ 315,980	$ 428,477	($ 77,560)	$ 2,723,812
Segment profit or loss	$ 407,052	$ 510,839	($ 92,336)	$ 132,688	$ 78,402	$ 252,227	($ 167,109)	$ 1,121,763

Note 1: As operating income (loss) in total is consistent with consolidated statement of comprehensive income, there is no need for adjustment.

Note 2: The Company measures the performance of reportable operating segment based on specific performance indicators instead of assets and liabilities. The performance of reportable operating segment is regularly reviewed and assessed by the CODM as a reference for making resources allocation decision.

4) Information on products and services

The Group’s segments are based on different products and services, and had disclosed in general information. It disclosures the types of products and services of the Group’s segments 's source of income. There is no additional disclosure requirement on the income information of products and services.

5) Geographical information

The Group's external customer income from a single foreign country is immaterial, so it would not be disclosed.

6) Major customer information

The Group did not have any significant customers that account for more than 10% of its revenue, so it would not be disclosed.