

President Chain Store Corporation

Consolidated Financial Statements &
Independent Auditor's Report

January 1 to June 30 2007 and 2006

(Stock Code 2912)

【Translated Version】

Independent Auditor's Report

(96) Tsai-Shen-Bao-Zhi No. 07001025

To: President Chain Store Corporation

We have audited the President Chain Store Corporation's balance sheets prepared on June 30, 2007 and 2006, the income statements, statements of change in shareholders' equity and statements of cash flow covering the period of January 1 to June 30, 2007 and 2006. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our review.

We conducted our review in accordance with Auditing Standards Communiqué No. 36 "Financial Statements Review" except for the events disclosed in the following paragraph. We have only performed analysis, comparison, and query instead of conducting our audit in accordance with generally accepted auditing principles in ROC. Therefore, we are unable to form an opinion on the consolidated financial statements referred to in the preceding paragraph.

As stated in Note 1 to the Consolidated Financial Statements, the financial statements and Note 11(2) of some subsidiaries are not certified by us and their assets amounted to NT\$15,521,024,000 and NT\$11,610,432,000 on June 30, 2007 and 2006, respectively, that represented a ratio of 29% and 25% to total consolidated assets. The net income in the period of January 1~June 30, 2007 and 2006 amounted to NT\$123,962,000 and NT\$219,022,000 that represented a ratio of 6% and 12% to total consolidated net income, respectively. As stated in Note 4(6) to the consolidated financial statements, President Chain Store Corp. and the subsidiaries had an investment loss from the invested company that was valued with Equity Method recognized for an amount of NT\$12,571,000 and NT\$12,518,000 on January 1~June 30, 2007 and 2006, respectively. As stated in Note 11(2) to the consolidated financial statements, some information about investment of President Chain Store Corp. and the subsidiaries are based on the uncertified financial statements of the invested company in the same periods. The long-term equity investment balance amounted to NT\$997,548,000 and NT\$641,317,000 as of June 30, 2007 and 2006, respectively.

According to our review, except for some of the financial statements of long-term equity investments evaluated under Equity Method in the consolidated financial statement and Note 11 that may cause minor adjustment to the financial statements afterwards if they are audited by a CPA, the financial statements referred in the first paragraph are present fairly in conformity with “Guidelines Governing the Preparation of Financial Reports by Securities Issuers”, “Business Accounting Law”, “Business Accounting Guideline”, and generally accepted accounting principles without any modification or adjustment needed.

As stated in Note 3 to the consolidated financial statements, President Chain Store Corporation has adopted the principle under the Statement of Financial Accounting Standards No. 34 on “Financial Instruments: Recognition and Measurement” and No. 36 on “Financial Instruments: Disclosure and Presentation” effective January 1, 2006 on the accounting of its financial instruments. The Company has also adopted the newly amended Financial Accounting Standards No. 5 on Long-term Investments under the equity method, whereby goodwill is subject to annual impairment evaluation instead of amortization.

PRICEWATERCOOPERS

Tsai Ching-Pao, CPA

Chen Mei-Tzu, CPA

Approval Document issued by the Securities and Futures Commission (now Securities and Futures Bureau) of the Ministry of Finance: (76) Tai-Tsai-Cheng (I) No. 11412

(82) Tai-Tsai-Cheng (VI) No. 39230

August 28, 2007

President Chain Store Corp. & Subsidiaries
Consolidated Balance Sheet
June 30, 2007 & 2006

Currency expression: NTD 1,000

(Financial statements are reviewed but not audited according to generally accepted accounting standards)

	June 30 2007		June 30 2006		June 30 2007		June 30 2006		
	Amount	%	Amount	%	Amount	%	Amount	%	
Assets					Liabilities and Shareholders' Equity				
Current Assets					Current Liabilities				
Cash and cash equivalence (Note IV(1))	\$ 6,209,783	11	\$ 3,877,688	8	Short-Term debt	\$ 1,414,718	3	\$ 1,552,141	3
Financial assets which change in fair values are recognized as gains or losses-current (Note IV(2)) are recognized as gains or losses-current	2,812,375	5	1,715,947	4	Short-term notes and bills payable	214,758	-	134,971	-
Financial instruments (assets) available for sale – current	1,000	-	1,000	-	Derivative financial liabilities for hedging-current(X)	9,915	-	-	-
Net accounts receivables (Note V)	2,025,689	4	1,504,992	3	Notes payables (Note V)	2,097,531	4	1,463,866	3
					Notes payables –related parties (Note V)	589,533	1	23,149	-
Other receivables (Note V)	1,391,014	3	1,150,998	2	Accounts payables	9,493,107	18	8,617,297	19
Inventory (Note IV (3))	6,799,514	13	5,973,804	13	Accounts payables- related parties (Note V)	1,987,029	4	1,713,889	4
Other current assets (Notes IV (13) and VII)	1,869,939	3	1,656,009	4	Payable income tax (Note IV (13))	673,547	1	608,357	1
					Accrued expense (Notes IV (10), and V)	3,555,331	6	3,023,876	7
Total current assets	21,109,314	39	15,880,438	34	Other payables (Note IV (11))	10,224,772	19	6,741,166	15
Funds and investments					Advance receipts	1,466,942	3	1,169,760	2
Financial assets available for sale -noncurrent (Notes IV(4))	731,389	2	434,064	1	Current portion of long-term debts (Notes IV (12) and V)	1,398,763	2	1,017,775	2
Financial assets estimated on basis of cost –noncurrent (Notes IV(5))	13,093,217	24	13,012,395	28	Total current liabilities	33,125,946	61	26,066,247	56
Long-term investments under equity method (Note IV (6))	997,548	2	641,317	2	Long-term liabilities				
Total funds and investments	14,822,154	31	13,217,207	30	Derivative liabilities for hedging –noncurrent (Notes X)	-	-	19,975	-
Fixed assets (Note IV and VI)					Corporate bonds (Note IV (12))	-	-	1,100,000	3
Costs					Long-term loans	1,050,224	2	1,049,726	2
Lands	2,251,731	4	2,252,233	5	Long-term notes and accounts payable – related parties (Note V)	153,673	-	157,067	-
Buildings and construction	2,203,087	4	2,362,658	5	Total long-term liabilities	1,203,897	2	2,326,768	5
Transportation Equipments	2,080,666	4	1,836,728	4	Other liabilities				
Operating equipment	12,641,015	23	10,880,367	24	Accrued pension liabilities	517,871	1	495,469	1
Leasehold improvement	6,806,387	13	5,471,662	12	Guarantee deposit received	1,980,342	4	1,679,119	4
Miscellaneous equipment	2,209,400	4	1,521,013	3	Total other liabilities	2,498,213	5	2,174,588	5
Cost and revaluation	28,192,286	52	24,324,661	53	Total liabilities	36,828,056	68	30,567,603	66
Less: accumulated depreciations (Note IV (8))	14,107,304	(26)	11,994,857	(26)	Shareholders' Equity				
					Capital (Note IV (14))				

The accompanying notes constituted an integral part of the financial statements. Please refer to the report of independent accountants dated Aug. 28, 2007

Chairman: Kao Chin-Yen

President: Hsu Chung-Ren

Chief Accountant: Lai Hsin-Ti

President Chain Store Corp. & Subsidiaries
Consolidated Balance Sheet
June 30, 2007 & 2006

Currency expression: NTD 1,000

(Financial statements are reviewed but not audited according to generally accepted accounting standards)

	June 30 2007		June 30 2006			June 30 2007		June 30 2006	
	Amount	%	Amount	%		Amount	%	Amount	%
<u>Assets</u>					<u>Liabilities and Shareholders' Equity</u>				
Construction in process and prepayment for equipment	98,483	-	88,986	-	Common stocks	9,151,604	17	9,151,604	20
Net fixed assets	14,183,465	26	12,418,790	27	Retained earnings (Note IV (15)).				
Intangible Assets					Legal reserve	2,925,882	6	2,543,649	5
Other intangible assets	134,338	-	63,550	-	Special reserve	-	-	531	-
Other assets					Unappropriated earnings	2,148,427	4	1,720,590	4
Assets leased to others (Notes IV (9), VII)	1,014,392	2	640,348	1	Other adjustments to shareholders' equity				
Idle Assets	-	-	232,450	1	Unrealized gains from financial instruments (Note III)	455,868	1	273,556	1
Refundable deposits (Note VII)	1,713,117	3	1,675,610	4	Cumulative translation adjustment	6,956	-	(23,213)	-
Other assets –miscellaneous (Note IV(13))	784,152	2	927,378	2	Minority interest	2,244,139	4	1,783,020	4
Total other assets	3,511,661	7	3,566,786	8	Total shareholders' equity	16,932,876	32	15,449,737	34
					Undertakings or contingent liabilities (Note V, VII)				
Total Assets	\$ 53,760,932	100	\$ 46,017,340	100	Total liabilities and shareholders' equity	\$ 53,760,932	100	\$ 46,017,340	100

The accompanying notes constituted an integral part of the financial statements. Please refer to the report of independent accountants dated Aug. 28, 2007

Chairman: Kao Chin-Yen

President: Hsu Chung-Ren

Chief Accountant: Lai Hsin-Ti

President Chain Store Corp. & Subsidiaries
Consolidated Income Statement
January 1 to June 30, 2007 and 2006

Currency expression: NTD 1,000
(Unless otherwise specified)

(Financial statements are reviewed but not audited according to generally accepted auditing standards)

	<u>January 1 to June 30, 2007</u>		<u>January 1 to June 30, 2006</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Operating Revenue				
Merchandise Sales	\$ 65,299,358	94	\$ 59,776,798	95
Other operating revenue (Note V)	<u>3,917,623</u>	<u>6</u>	<u>3,347,552</u>	<u>5</u>
Total operating revenue	69,216,981	100	63,124,350	100
Operating cost				
Cost of goods sold (Notes IV(17) and V)	(48,288,049)	(70)	(44,062,369)	(70)
Gross Profit	<u>20,928,932</u>	<u>30</u>	<u>19,061,981</u>	<u>30</u>
Operating expenses (notes IV (17))				
Selling expenses	(15,369,671)	(22)	(13,887,857)	(22)
General and administration expenses	(3,314,120)	(5)	(2,968,769)	(5)
Total operating expenses	(18,683,791)	(27)	(16,856,626)	(27)
Operating income	<u>2,245,141</u>	<u>3</u>	<u>2,205,355</u>	<u>3</u>
Non-operating incomes				
Interest income	26,967	-	13,337	-
Gain on valuation of financial assets	14,838	-	-	-
Dividends Income	10,928	-	22,652	-
Gains on disposal of investment	107,772	-	41,554	-
Rent income	53,157	-	20,409	-
Other Income	<u>513,272</u>	<u>1</u>	<u>440,953</u>	<u>1</u>
Total non-operating income	<u>726,934</u>	<u>1</u>	<u>539,905</u>	<u>1</u>
Non-operating expenses				
Interest expense(note V)	(72,034)	-	(75,774)	-
Loss of valuation of financial instruments	-	-	(58,232)	-
Investment loss (equity method)(Note IV (6))	(12,571)	-	(12,518)	-
Loss from the disposal of fixed assets	(8,308)	-	(4,392)	-
Allowance for reduction of inventory to market	-	-	(51,137)	-
Impairment (Note IV (5))	-	-	(89,988)	-
Miscellaneous expenses	(36,746)	-	(63,883)	-
Total non-operating expenses	(129,659)	-	(355,924)	-
EBT of continued operations	2,842,416	4	2,389,336	4
Income tax expense (Note IV (13))	(601,152)	(1)	(638,401)	(1)
Earnings of continued operations	2,241,264	3	1,750,935	3
Accumulated effects from changes in accounting principles (Note III)	-	-	<u>8,632</u>	-
Consolidated total net income (loss)	<u>\$ 2,241,364</u>	<u>3</u>	<u>\$ 1,759,567</u>	<u>3</u>
From:				
Consolidated net income (loss)	\$ 2,121,604	3	\$ 1,621,676	3
Minority equity net income (loss)	<u>119,660</u>	-	<u>137,891</u>	-
	<u>\$ 2,241,264</u>	<u>3</u>	<u>\$ 1,759,567</u>	<u>3</u>
	<u>Pre- tax</u>	<u>After tax</u>	<u>Pre-tax</u>	<u>After tax</u>
Basic EPS (Note IV (16))				
Earnings of continued operations	\$ 3.11	\$ 2.45	\$ 2.61	\$ 1.92
Minority equity	(0.19)	(0.13)	(0.22)	(0.15)
Net EPS current period	<u>\$ 2.92</u>	<u>\$ 2.32</u>	<u>\$ 2.39</u>	<u>\$ 1.77</u>

The accompanying notes constituted an integral part of the financial statements.
Please refer to the report of independent accountants dated Sep 4, 2006.

Chairman: Kao Chin-Yen

President: Hsu Chung-Ren

Chief Accountant: Lai Hsin-Ti

President Chain Store Corp. & Subsidiaries
 Consolidated Statement of Changes in Shareholders' equity
 January 1 to June 30, 2007 and 2006

Currency expression: NTD 1,000

(Financial statements are reviewed but not audited according to generally accepted accounting standards)

	Retained Earnings				Other adjustments		Minority equity	Total
	Common Stocks	Legal reserve	Special reserve	Unappropriated earnings	Unrealized gains/losses of financial instruments	Cumulative in Shareholders' equity translation adjustments		
<u>January to June 30, 2006</u>								
Balance on January 1 2006	\$ 9,151,604	\$ 2,178,381	\$ 55,758	\$ 3,787,913	\$ -	(\$531)	\$1,682,040	\$ 16,855,165
Appropriation of earnings of 2005								
Legal reserve	-	365,268	-	(365,268)	-	-	-	-
Special reserve	-	-	(55,227)	55,227	-	-	-	-
Employee bonus	-	-	-	(200,559)	-	-	-	(200,559)
Remunerations to directors and supervisors	-	-	-	(66,853)	-	-	-	(66,853)
Cash dividends	-	-	-	(3,111,546)	-	-	-	(3,111,546)
June 30, 2006 Consolidated Total net income	-	-	-	1,621,676	-	-	137,891	1,759,567
Financial assets for sale valuation adjustment				-	273,556	-	-	273,556
Adjustments of conversion from foreign long-term investments	-	-	-	-	-	(22,686)	-	(22,682)
Changes of Minority Equity	-	-	-	-	-	-	-	(36,911)
Balance at June 30, 2006	<u>\$ 9,151,604</u>	<u>\$2,543,649</u>	<u>\$531</u>	<u>\$1,720,590</u>	<u>\$ 273,556</u>	<u>(\$23,213)</u>	<u>\$1,783,020</u>	<u>\$15,449,737</u>
<u>January to June 30, 2007</u>								
Balance on January 1, 2007	\$ 9,151,604	\$ 2,543,649	\$ 531	\$ 3,921,243	\$ 359,191	\$ 6,956	\$ 2,030,580	\$ 18,013,754
Appropriation of earnings of 2006								
Legal reserve	-	382,233	-	(382,233)	-	-	-	-
Special reserve	-	-	(531)	531	-	-	-	-
Employee bonus	-	-	-	(275,250)	-	-	-	(275,250)
Remuneration to directors and supervisors	-	-	-	(34,406)	-	-	-	(34,406)
Cash dividends	-	-	-	(3,203,062)	-	-	-	(3,203,062)
June 30, 2007 Consolidated Total net income (loss)	-	-	-	2,121,604	-	-	119,660	2,241,264
Financial assets for sale valuation adjustment	-	-	-	-	96,677	-	-	96,677
Changes of Minority Equity	-	-	-	-	-	-	93,899	93,899

The accompanying notes constituted an integral part of the financial statements.
 Please refer to the report of independent accountants dated Aug 28, 2007.

Chairman: Kao Chin-Yen

President: Hsu Chung-Ren

Chief Accountant: Lai Hsin-Ti

President Chain Store Corp. & Subsidiaries
Consolidated Statement of Changes in Shareholders' equity
January 1 to June 30, 2007 and 2006

Currency expression: NTD 1,000

(Financial statements are reviewed but not audited according to generally accepted accounting standards)

	Retained Earnings			Other adjustments		Minority equity	Total	
	Common Stocks	Legal reserve	Special reserve	Unappropriated earnings	Unrealized gains/losses of financial instruments			Cumulative in Shareholders' equity translation adjustments
Balance on June 30, 2007	<u>\$ 9,151,604</u>	<u>\$ 2,925,882</u>	<u>\$ -</u>	<u>\$ 2,148,427</u>	<u>\$ 455,868</u>	<u>\$ 6,956</u>	<u>\$ 2,244,139</u>	<u>\$ 16,932,876</u>

The accompanying notes constituted an integral part of the financial statements.
Please refer to the report of independent accountants dated Aug 28, 2007.

Chairman: Kao Chin-Yen

President: Hsu Chung-Ren

Chief Accountant: Lai Hsin-Ti

President Chain Store Corp. & Subsidiaries
Consolidated Statement of Cash Flow
January 1 to June 30, 2007 and 2006

Currency expression: NTD 1,000

(Financial statements are reviewed but not audited according to generally accepted auditing standards)

	<u>January 1 to June 30, 2007</u>	<u>January 1 to June 30, 2006</u>
<u>Cash flow from operations</u>		
Consolidated total net income (loss)	\$ 2,241,264	\$ 1,759,567
Adjustments to reconcile net income to net cash		
Loss (Gain) on valuation of financial assets	(14,838)	58,232
Allowance for reduction of inventory to market	(255)	51,137
Depreciation	1,501,399	1,391,506
Amortization	140,193	318,972
Gain on disposal of financial assets measured at cost	(119,747)	-
Impairment loss of financial assets measured at cost	-	89,988
Investment loss recognized under equity method	12,571	12,518
Cash dividends from Long-term equity investment under equity method	22,147	-
Loss from the disposal of fixed assets, net	8,308	4,392
Changes in asset and liability accounts		
Account receivables	149,463	201,348
Other receivables	(576,742)	(325,427)
Inventory	(436,097)	(166,022)
Other current assets	(385,423)	(374,131)
Deferred income tax	(51,672)	3,887
Notes payables	(57,254)	(112,097)
Accounts payable	1,532,562	1,321,031
Accrued expenses	(84,095)	(129,715)
Other payables	1,256,226	(780,662)
Payable income tax	(141,079)	(109,442)
Accrued pension liabilities	6,507	(14,457)
Advance receipts	<u>145,298</u>	<u>155,131</u>
Net cash inflows from operation	<u>5,148,736</u>	<u>3,355,756</u>
<u>Cash flows from investments</u>		
Decrease (increase) in financial assets in which changes in fair values are recognized as gains or losses	(1,375,767)	(792,390)
Increase of financial assets available for sales	-	(1,000)
Increase of financial assets measured at cost	(269,055)	(285,000)
Proceeds from sale of financial assets measured at cost	361,415	7,697
Acquisition of long-term investment-equity method	(250,921)	-
Cash paid for acquisition of fixed assets	(2,858,471)	(1,639,832)
Proceeds from disposition of fixed assets	69,760	43,423
Increase of other intangible assets	(32,830)	-
Increase in refundable deposits	(80,170)	(119,068)
Increase of other assets – others	<u>(38,995)</u>	<u>(184,926)</u>
Net cash outflows from investments	<u>(4,475,034)</u>	<u>(2,971,096)</u>

(Continue)

President Chain Store Corp. & Subsidiaries
Consolidated Statement of Cash Flow
January 1 to June 30, 2007 and 2006

Currency expression: NTD 1,000

(Financial statements are reviewed but not audited according to generally accepted auditing standards)

	<u>January 1 to June 30, 2007</u>	<u>January 1 to June 30, 2006</u>
<u>Cash flows from financing</u>		
Increase of short-term loan	\$ 198,960	\$ 809,399
Decrease of short-term bills payable	(287,576)	(554,032)
(Repayment) increase of the long-term loans	161,867	(1,108,205)
Increase in guarantee deposit received	207,486	106,295
Redemption of current portion of corporate bonds	(900,000)	(200,000)
Remunerations to directors and supervisors	(34,406)	(66,853)
Increase (decrease) of minority interest	<u>93,899</u>	<u>(36,911)</u>
Net cash inflows (outflows) from financing	<u>(559,770)</u>	<u>(1,050,307)</u>
Effect of exchange rate	<u>-</u>	<u>(22,682)</u>
Increase (decrease) in cash and cash equivalence in current period	113,932	(688,329)
Balances of cash and cash equivalence at beginning	<u>6,095,851</u>	<u>4,566,017</u>
Balances of cash and cash equivalence at ending	<u>\$ 6,209,783</u>	<u>\$ 3,877,688</u>
<u>Supplementary information on cash flows</u>		
Interest paid in current period	<u>\$ 78,204</u>	<u>\$ 80,282</u>
Income tax paid in current period	<u>\$ 636,880</u>	<u>\$ 686,390</u>
<u>Investing activities of partial payment on cash</u>		
Purchase of fixed assets	\$ 2,952,935	\$ 1,391,862
Plus: Beginning balance of accounts payable on equipment	511,060	423,059
Less: end balance of accounts payable on equipment	<u>(605,524)</u>	<u>(175,089)</u>
Cash disbursement in current period	<u>\$ 2,858,471</u>	<u>\$ 1,639,832</u>
<u>Financing activities which do not affect cash flow</u>		
Declared unallocated cash dividends	<u>\$ 3,203,062</u>	<u>\$ 3,111,546</u>

The accompanying notes constituted an integral part of the financial statement.
Please refer to the report of independent accountants dated Aug 28, 2007.

Chairman: Kao Chin-Yen

President: Hsu Chung-Ren

Chief Accountant: Lai Hsin-Ti

President Chain Store Corp. & Subsidiaries

Notes to Consolidated financial statements

January 1 to June 30, 2007 & 2006

Currency expression: NTD 1,000

(Unless otherwise specified)

(Financial statements are reviewed but not audited according to generally accepted accounting standards)

I. Company history

(I) President Chain Store Corporation

1. President Chain Store Corporation (hereinafter referred to as “the Company”) was duly incorporated in the Republic of China on June 10, 1987 under applicable legal rules. The principal business of the Company includes investment and operation of convenience stores, retailing and sale of foods and canned products, books, newspapers and magazines, and household items, as well as the import, export and distribution of the aforementioned products. In August 1997, Taiwan Stock Exchange Corporation approved the Company to list its stocks for trading on the Taiwan Stock Exchange. As of June 30, 2007, the Company and subsidiaries have 29,600 employees (including part-time workers).
2. The parent and the final parent of the Company is Uni-President Enterprises Corp.

(II) Subsidiaries in the consolidated financial statements.

Name of the investor	Name of the subsidiary	Nature of business	Shareholding rate		Remark
			June 30 2007	June 30 2006	
President Chain Store Corporation	President Chain Store (BVI) Holdings Ltd.	Professional investment	100.00%	100.00%	
	Wisdom Distribution Service Corp.	Magazine logistics	100.00%	100.00%	
	President Transnet Corp.	Foods and necessities freight	70.00%	70.00%	
	Mech-President Corp.	Gas station and elevator production and sales	62.95%	62.95%	2
	Uni-President Cold-Chain Corp.	Frozen and low-temperature foods logistics	60.00%	60.00%	
	President Drugstore Business Corp.	Medicines & cosmetics stores	100.00%	100.00%	

Name of the investor	Name of the subsidiary	Nature of business	Shareholding rate		Remark
			June 30 2007	June 30 2006	
President Chain Store Corporation	President Direct Marketing Corp.	Selling of household goods by catalogs	100.00%	100.00%	
	Ren-Hui Investment Corp.	Professional investment	100.00%	100.00%	
	PCSC (China) Limited	Professional investment	100.00%	100.00%	
	Capital Inventory Services Corp.	Inventory consulting	100.00%	100.00%	
	President FN Business Corporation	Retailing of household goods	100.00%	-	5
	President YiLan Art and Culture Corp.	Literature exhibitions	90.00%	90.00%	
	President Pharmaceutical Corp.	Retailing of Medicine & Medical Instrument	73.74%	20.00%	4
	President Collect Services Co. Ltd.	Bill collect service	70.00%	70.00%	
	Uni-President Department Store Corp.	Department Store	70.00%	70.00%	
	Uni-President Oven Bakery Corp.	Bakery retailing	60.00%	60.00%	
	President Information Corp.	Business information management and consulting service	56.00%	56.00%	
	Bank Pro E-Service Technology Co., Ltd.	E-commerce and software service sector	53.33%	53.33%	
	Duskin Serve Taiwan Co.	Selling and renting of cleaning instruments	51.00%	51.00%	
	Books.com. Co. Ltd.	Online bookstore	50.03%	50.03%	
	Cold Stone Creamery Taiwan Ltd.	Restaurant	100.00%	-	5
	Muji Taiwan Co. Ltd.	Retailing of household goods	41.00%	41.00%	1
	Retail Support International Corp.	Logistics & delivery	25.00%	25.00%	1、2

Name of the investor	Name of the subsidiary	Nature of business	Shareholding rate		Remark
			June 30 2007	June 30 2006	
President Chain Store (BVI) Holdings Ltd.	President Chain Store (Labuan) Holdings Ltd.	Professional investment	100.00%	100.00%	
	PCSC (Vietnam) Supermarket Ltd.	Chained store business	51.00%	51.00%	
Mech-President Corp.	Safety Elevator Corp.	Elevator installation and repair & maintenance	100.00%	100.00%	
	Mech-President (BVI)Corp.	General investment	100.00%	100.00%	
	President Jim Corp.	Gas station and other Automobile services	60.00%	60.00%	
Mech-President (BVI)Corp.	Shanghai President Machine Corp.	Production of elevator and mechanical garage; car wash	100.00%	100.00%	
Retail Support International Corp.	Retail Support Taiwan Corp.	Logistics and delivery of room temperature foods	51.00%	51.00%	2
	President Logistics International Corp.	Trucking	49.00%	49.00%	2、3
Wisdom Distribution Service Corp.	President Logistics International Corp.	Trucking	20.00%	20.00%	2、3
	Vision Distribution Service Corp.	Publisher	60.00%	60.00%	
Uni-President Cold-Chain Corp.	President Logistics International Corp.	Trucking	25.00%	25.00%	2、3
Retail Support Taiwan Corp.	President Logistics International Corp.	Trucking	6.00%	6.00%	2、3
President Logistics International Corp.	Chieh-Shuen Logistics International Corp.	Trucking	100.00%	100.00%	2
Duskin Serve Taiwan Co.	Duskin China(BVI) Holding Limited	Professional investment	100.00%	-	5
PCSC (China) Limited	PCSC (China) Drugstore Limited	Professional investment	100.00%	100.00%	
	PCSC (China) Supermarket Limited	Professional investment	100.00%	-	
	PCSC (China) Restaurant Limited	Professional investment	100.00%	-	5
PCSC (China) Drugstore Limited	President Cosmed Chain Store (Shen Zhen) Co.,Ltd.	Medicine and cosmetics stores	65.00%	65.00%	

Name of the investor	Name of the subsidiary	Nature of business	Shareholding rate		Remark
			June 30 2007	June 30 2006	
President Cosmed Chain Store (Shen Zhen) Co.,Ltd.	Zhuhai Livzon Drugstore Chain Company Limited	Medicines & cosmetics stores	90.00%	90.00%	
PCSC (China) Supermarket Limited	Shan Dong President Yinzuo Commercial Limited	Supermarkets	55.00%	55.00%	
	PCSC (SICHUAN) Hypermarket Limited	Supermarkets	100.00%	100.00%	
	PCSC (CHENGDU) Hypermarket Limited	Supermarkets	100.00%	-	5
PCSC (China) Restaurant Limited	Shanghai Cold Stone Ice Cream Corporation	Restaurant	100.00%	-	5
Uni-President Oven Bakery Corp.	Uni-President Oven Bakery (BVI) Corp.	Professional investment	100.00%	100.00%	
Uni-President Oven Bakery (BVI) Corp.	Wuhan Uni-president Oven Fresh Bakery Co., Ltd.	Bakery retailing	100.00%	100.00%	
President Chain Store (Labuan) Holdings Ltd.	Philippine Seven Corporation	Chained store business	56.59%	56.59%	
Philippine Seven Corporation	Convenience Distribution Inc.	Logistics & delivery	100.00%	100.00%	

1. The Company is able to direct the finance, business operation, and personnel policy of Retail Support International Corp. and MUJI Taiwan Co., Ltd.; therefore, they are deemed as a subsidiary of President Chain Store Corp. and are included in the consolidated financial statements in accordance with the amended Finance & Accounting Standard Communique No. 7 “Consolidated Financial Statements.”
2. Except for the financial statements of Retail Support International Corp., Ltd. and MECH-President Corp. are certified by CPAs, other financial statements in the consolidated financial statements are uncertified.
3. Retail Support International Corp, Uni-President Cold Chain, Wisdom Distribution Service, and Retail Support Taiwan Corp., Ltd. together hold 100% stock shares of President Logistics International Corp.
4. The Company got the majority stock shares of President Pharmaceutical Corp. in the second half of 2006 and included in the consolidated financial statements.since 2006.
5. Companies belong to Remark 5 were set up in the second half of 2006 or first half of 2007

(III) Other subsidiaries in the consolidated financial statements

President Chain Store Corp. or the subsidiaries own the control over the investment of the joint venture as follows:

Name of the investor	Names of the joint venture companies	Nature of business	Shareholding rate	
			June 30 2007	June 30 2006
President Chain Store Corporation	Mister Donut Taiwan Corp.	Bakery retailing	50.00%	50.00%
	President Coffee Corp.	Coffee chain stores	30.00%	30.00%
	Uni-President Yellow Hat Corp.	Automobile department stores	30.00%	30.00%
President Chain Store (BVI) Holdings Ltd.	President Coffee (Cayman) Holdings Ltd.	Professional investment	30.00%	30.00%
President Coffee (Cayman) Holdings Ltd.	President Starbucks Coffee Shanghai Corp.	Coffee chain stores	100.00%	100.00%

President Chain Store Corp. had the uncertified financial statements of the aforementioned invested companies consolidated into each account of the consolidated financial statements in accordance with Finance & Accounting Standard Communiqué No. 31 “Joint Venture Accounting Standard.”

- (IV) Subsidiaries that are not included in the consolidated financial statements: None.
(V) Adjustment and process of accounting period by subsidiary: Not applicable.
(VI) Special business risk faced by subsidiaries overseas: No significant business risk to report.
(VII) The restriction on the fund transfer of subsidiary to parent company: None.
(VIII) The security of the parent company held by the subsidiary: None.
(IX) The convertible corporate bond and stock shares issued by the subsidiary: None.

II. Summary of significant accounting policies

This consolidated financial statements has been prepared in accordance with the “Guidelines Governing the Preparation of Financial Reports by Securities Issuers”, “Business Accounting Law”, “Business Accounting Guideline”, and accounting principles generally accepted in the Republic of China. Significant accounting policies are explained as follows:

(I) Consolidated financial statements standard

President Chain Store Corp. has the subsidiaries that are with over 50% stock share with voting right held directly or indirectly or the wholly controlled subsidiaries included in the consolidated financial statements. President Chain Store Corp. has the income and expense of the subsidiaries that have become wholly owned subsidiaries of President Chain Store Corp. consolidated into the Income Statement upon occurrence. President Chain Store Corp. has the income and expense of the wholly owned subsidiaries that have become general subsidiaries of President Chain Store Corp. eliminated from the consolidated Income Statement upon occurrence and without having the consolidated financial statements of prior periods adjusted retroactively.

The major transactions between President Chain Store Corp. and the subsidiaries and the

- Balance Sheet accounts are written off.
- (II) Exchange rate for the financial statements of subsidiaries in foreign currency
For the currency translation of the financial statements of subsidiaries, all assets and liabilities accounts are to be translated according to the exchange rate on the Balance Sheet date. In terms of Shareholders' Equity, except for the beginning retained earnings are to be carried forward according to the translated ending balance from the prior period, others are to be translated according to the historical exchange rate. Dividend is to be translated according to the exchange rate on the announcement date. Income Statement is to be translated according to the weighted average exchange rate. Exchange difference is booked in the "Cumulative translation adjustment" account and is debited or credited to Shareholders' Equity.
- (III) Standards for classifications of current and non-current assets and liabilities
The construction underwriting business of MECH-President Corp., the subsidiary of President Chain Store Corp., is usually for a business cycle over one year; therefore, the related assets and liabilities are classified into the category of current and noncurrent according to the business cycle while other accounts are classified according to the fiscal year.
1. Assets that are in conformity with the following requirements are classified as current assets:
 - (1) Assets from business operations that are expected to be cashed, depleted, or sold in the business cycle.
 - (2) Held for trading purposes.
 - (3) Expected to be sold within twelve months from the Balance Sheet date.
 - (4) Cash or cash equivalent, except for those used for trade, liquidating debt, or restricted after twelve months from the Balance Sheet date.
 2. Liabilities that are in conformity with the following terms are classified as current liability; liabilities other than current liabilities are non-current liabilities:
 - (1) Debts from business operations and that are expected to be liquidated in the business cycle.
 - (2) Held for trading purposes.
 - (3) Expected to be liquidated within twelve months from the Balance Sheet date.
 - (5) Debts that cannot be deferred in liquidation after twelve months from the Balance Sheet date unconditionally.
- (IV) Cash equivalent
Cash equivalent is a short-term investment with high liquidity that is in conformity with the following:
 1. Can be converted into cash at any time.
 2. Will be due soon and its value will not be affected by interest rate changes.The Statement of Cash Flow of President Chain Store Corp. is prepared on the basis of cash and cash equivalent.
- (V) Foreign currency exchanges
 1. The accounts of the Company and Subsidiaries in bookkeeping are expressed in NT Dollars. Transactions in foreign currencies shall be converted into NT Dollars on the

basis of the spot exchange rate as of the day of transactions for bookkeeping. Differences resulting from the exchange are recognized as net income (loss).

2. The balances of foreign currency assets or liabilities at the end of the accounting period shall be adjusted on the basis of the spot exchange rate as of the balance sheet day.
3. Non-monetary assets or liabilities expressed in foreign currencies shall be estimated on the basis of fair values and the changes thereof shall be recognized as gains or losses at the end of the accounting period. Adjustments on the basis of the spot exchange rate as of the balance sheet day shall be made and the spread from the exchange shall be stated as net income (loss). For assets or liabilities in which changes in fair value shall be recognized as adjustments to shareholders' equity, adjustments shall be made on the basis of the spot exchange rate as of the balance sheet day. The spread from the exchange shall be recognized as adjustments to shareholders' equity. For assets or liabilities estimated not on the basis of fair value, use the historical exchange rate as of the transaction day for estimation.

(VI) Financial assets and liabilities in which changes in fair value are recognized as gains or losses

1. Bookkeeping shall be made as of the day of trade for equity assets or liabilities, and as of the delivery day for warrants and rights. Initial recognition of the financial instruments in bookkeeping estimation shall be made on the basis of fair value.
2. For stocks with public quotations in centralized markets, the fair value shall be the price at close in open market as of the balance sheet day. For open-ended funds, the fair value shall be the net asset value of the funds as of the balance sheet day.

(VII) Financial assets available for sales

1. The transaction day accounting principle is adopted for the bookkeeping of equity investments whereby financial instruments shall be estimated on the basis of fair value in initial recognition plus the acquisition cost or issuance cost.
2. Financial assets available for sales are estimated on the basis of fair value. Any change in the value is recognized as adjustments to shareholders' equity. The fair value of stocks with public quotations in centralized markets is their respective price at close in the open market as of the balance sheet day.
3. Recognize as impairment loss with supporting evidence. Should there be decrease in the amount of subsequent impairment, recognize as adjustments to shareholders' equity for the decrease in impairment of equity items.

(VIII) Financial assets carried at cost

1. The transaction day accounting principle is adopted for the bookkeeping of financial instruments and shall be estimated on the basis of fair values in initial recognition plus the acquisition cost or issuance cost.
2. Recognize as impairment loss with supporting evidence. The amount of impairment loss cannot be reversed.

(IX) Financial derivatives

1. Financial derivatives for trade: option trades shall be recognized on the basis of fair value as of the day of trade. For derivative trade other than options, state the fair value as zero on the day of trade. Estimation on derivatives trade shall be based on the fair value as of the balance sheet day, any change in fair value shall be recognized as assets or liabilities and current gains and losses.
2. Derivatives for hedges: if derivatives meet all the conditions for accounting of hedging instruments, the effect of any change in the fair value of the instruments and the hedged objects after offsetting shall be recognized as follows in bookkeeping:
 - (1) Hedge of fair value: Any gain or loss deriving from derivatives, or, any gain or loss in the carrying value of derivative instruments resulting from exchange rate

fluctuations, shall be recognized as current gains or losses. Any gain or loss of the hedges resulting from hedging is the carrying value of the hedges and hence shall be immediately recognized as current gains or losses

(2) Hedge of cash flows: Any gain or loss of the hedging instruments shall be recognized as adjustments to shareholders' equity.

(X) Allowance for uncollectible accounts

Duly amortized based on the receivability of the notes, accounts and other receivables at end of the term

- (XI) Inventories
The company, Philippine Seven Corporation, Uni-President Oven Bakery Corp., President Drugstore Business Corp., Uni-President Yellow Hat Corp., Muji Taiwan Co. Ltd., President Cosmed Chain Store (Shen Zhen) Co.,Ltd. and Zhuhai Livzon Drugstore Chain Company Limited
Inventory is booked at the cost. Cost is based on the Retailing Method.
- Other consolidated subsidiaries
Inventory is booked at the cost. In terms of cost, Retail Support International Corp. and PCSC (SICHUAN) Hypermarket Limited adopt First-in-First-out method while others adopt the weighted average method. Inventory is valued at yearend in accordance with the Lower of Total Cost or Total Market Price Method. For the Lower of Cost or Market Price Method, the market price of inventory is the net cash value or replacement cost depending on the nature of inventory. Inventory obsolete and loss in valuation is booked in the Income Statement.
- (XII) Long-term investments under equity method (Including joint venture)
1. The Company adopts the equity method in the accounting of investees where the Company holds more than 20% of their voting shares or where the Company has significant influence. If the cost of investments exceeds the fair value of identifiable net assets, the spread can be recognized as goodwill and be subject to impairment test yearly. Spread being amortized in previous years cannot be adjusted retrospectively.
 2. For investees accounted for under the equity method and on which the Company may exercise significant influence but is not in dominant position, their losses so recognized losses shall be limited to zero basing on the book value of investments and advances to specific investee and state for recognized loss in proportion to the investments in such investees unless the Company has acted in favor of specific investee as guarantor or attempts to continue its support of the investee.
 3. In making overseas investments accounted for under the equity method, the “accumulated conversion adjustments” resulting from the conversion between the currencies expressed in the financial statements of the investees and the Company shall be recognized as adjustments to shareholders’ equity.
 4. President Chain Store Corp. and the subsidiaries have the joint venture of the wholly owned business entities processed with Equity Method. Consolidated financial statements are prepared semi-annually and annually according to the Proportional Consolidation Method.
- (XIII) Fixed assets and non-operating assets
1. Bookkeeping of fixed assets shall be made on the basis of the cost of acquisition. The interest accrued from the acquisition of assets to the point the assets can be available for use may be capitalized.
 2. Depreciation shall be made under the average method. With the exception of improvement in capital lease when term of lease is less than five years, all other fixed assets are depreciated with their years of services plus one year of residual value. For assets continued to be in service after the previous period of services, the residual value shall be subject to depreciation along the subsequent years of services. Buildings and construction have 5 to 55 years of service. Other assets have 2 to 25 years of services for depreciation purpose.
 3. Spending on repair and maintenance is recognized as expenses for current period. Major additions or improvement shall be capitalized and depreciated. In assets sold or retired, the cost and accumulated depreciations shall be written off against each

other. Any capital gains or losses thereof shall be recognized as current gains or losses.

4. Valuation of non-operating assets is recognized as other assets on the basis of net fair value or book value, whichever is lower. The difference is stated as capital loss for current period. Depreciation is recognized under the account titles of non-operating expenses and loss.

(XIV) Deferred expenses

Deferred expenses shall be accounted for on the basis of acquisition cost and amortized under the average method for 2~5 years.

(XV) Impairment of non-financial assets

1. If the recoverable amount of assets falls below the book values of such assets due to the change in economic environment or the occurrence of a specific event, the resulting impairment loss shall be stated as recognized losses. Recoverable amount refers to the net fair value of specific asset or its value for use, whichever is higher. Net fair value refers to the net proceeds to be received under fair trade of specific asset. Value for use refers to the expected amount of cash flows generated by specific assets in subsequent years of service under discount value method.
2. An impairment loss in previous years could be reversed if there is a subsequent recovery after previous impairment loss was recognized and stated as current income. Recognized impairment of goodwill shall not be reversed.

(XVI) Pension Plan

1. Pension costs under defined benefit pension plan are recognized on the basis of actuarial calculations. Net pension cost covers the cost of service in current period, interest, anticipated return on fund assets, and the amortizations of unrecognized transitional net payment obligations and pension incomes or losses. Unrecognized transitional net payment obligations are amortized for a period of 15 years.
2. If the pension fund regulation is defined as pension benefits, pension fund contribution on accrual basis shall be recognized as pension cost for current period.

(XVII) Income Tax

1. Accounting for Income Taxes to compute income tax and recognize the deferred tax effect from temporary differences. Adjustments of tax liabilities carried forward are added to income tax expenses in current year.
2. Tax credits on the acquisition of specific machinery and equipment, and human resources training are accounted for as deductions for current year as income tax expenses.
3. The levy of 10% income tax on undistributed earnings under the new Tax Code is recognized as income tax expenses incurred in the year of shareholders meeting resolution.

(XVIII) Recognition of revenue and cost

Revenue shall be recognized in the process of gaining profits and recognized as realized or to be realized. Related costs are recognized with corresponding items of revenue. Expenses shall be recognized on an accrual basis as stated as current expenses.

(XIX) Earnings per share

The Company computes the earnings per share by the weighted-average method. Earnings for additional quantity of shares through the capitalization of retained earnings or capital surplus into capital stocks shall be adjusted irrespective of the duration of circulation of such additional shares. Earnings for new shares shall be computed on the basis of the outstanding period.

(XX) Delivery day accounting

The Company and domestic subsidiaries have adopted the principle of delivery day accounting where applicable. Changes in fair values of asset transactions between the transaction day and the delivery day carried at cost or cost after amortization will not be recognized. For assets whose change in fair value are recognized as gains or losses, such changes shall be recognized as current gains or losses. For assets available for disposal, such changes shall be recognized as adjustments to shareholders' equity.

(XXI) Accounting estimations

The company prepared its consolidated financial statements in accordance with generally accepted accounting principles in the Republic of China, and has made necessary estimation, assessment and disclosures on the amount stated or contingencies, including certain assumptions and estimations. The actual results may vary from the assumptions and estimations, however.

III. Reasons for Changes in accounting principles and effect

(I) Financial instruments

1. Effective January 1, 2006, the Company and domestic subsidiaries have adopted the principles under Financial Accounting Standards No. 34 on “Financial Instruments: Recognition and Measurement” and No. 36 on “Financial Instruments: Disclosure and Presentation” in its accounting policies.
2. This change in accounting principle resulted in an increase of NT\$273,646 (recognized under the account title of “unrealized gain/loss of financial instruments, on the credit side) under other adjustment of Shareholders’ Equity as of June 30, 2006. Consolidated net profit increased by NT\$8,632 while earnings per share increased by NT\$0.01 in the period of Jan. 1 to June 30, 2006.

(II) No amortization for goodwill

1. The company and domestic subsidiaries have adopted the principles under amended Financial Accounting Standards No. 1, 5, 7, 25 and 35 since January 1, 2006 whereby goodwill shall no longer be subject to amortization.
2. Under such changes, consolidated total assets as of June 30, 2006 have increased by \$82,127. Similarly, net income in the period from January 1 to June 30, 2006 has also increased by \$82,127 and EPS by \$0.09.

IV. Summary on major account titles

(I) Cash and cash equivalence

	June 30 2007	June 30 2006
Cash and petty cash for stores	\$ 1,944,509	\$ 531,747
Current account deposits and checking account deposits	3,000,155	2,207,918
Time deposit	210,577	373,906
Cash equivalence		
Investments in Repos	1,054,542	764,117
	<u>\$ 6,209,783</u>	<u>\$ 3,877,688</u>

(II) Financial instruments with changes in fair values are recognized as gains or losses -current

	June 30, 2007	June 30, 2006
Financial instruments held for disposals		
Stocks with public quotations	\$ 138,379	\$ 410,611
Open-ended funds	2,660,301	1,369,391
	<u>2,798,680</u>	<u>1,780,002</u>
Valuation Adjustment	13,695	(64,055)
	<u>\$ 2,812,375</u>	<u>\$ 1,715,947</u>

(III) Inventories

	June 30, 2007	June 30, 2006
Merchandises	\$ 6,711,529	\$ 5,953,473
Raw material and physical material and work-in-process goods	136,769	157,286
	<u>6,848,298</u>	<u>6,110,759</u>
Less: Allowance for inventory losses	(48,784)	(136,955)
	<u>\$ 6,799,514</u>	<u>\$ 5,973,804</u>

(IV) Financial instruments available for disposal-noncurrent

	June 30, 2007	June 30, 2006
Stock with public quotations	\$ 265,606	\$ 140,534
Valuation Adjustment	465,783	293,530
	<u>\$ 731,389</u>	<u>\$ 434,064</u>

(V) Financial instruments carried at cost -noncurrent

	June 30, 2007	June 30, 2006
Stocks listed in the emerging market	\$ 2,432,917	\$ 2,432,917
Stocks with no public quotation	10,694,526	10,754,946
Subtotal	13,127,443	13,187,863
Accumulated impairment	(34,226)	(175,468)
Total	\$ 13,093,217	\$ 13,012,395

The instruments held by the company and domestic subsidiaries have no public quotations in open market and there is no fair value for estimation. Therefore, they are estimated on the basis of cost.

(VI) Long-term investment under the equity method

Investees	June 30, 2007		June 30, 2006	
	Amount	Proportion of shareholding	Amount	Proportion of shareholding
President Musashino Corp.	\$ 226,848	40.00	\$ -	-
T&T Supermarket Inc.	203,007	20.00	175,253	20.00
Uni-President Development Corp.	168,403	20.00	180,285	20.00
Q-ware Systems & services Corp.	147,566	22.68	178,338	22.68
Presiclerc Limited	123,228	48.78	34,454	48.33
Marks and Spencer Taiwan Co., Ltd.	107,461	40.00	-	-
21 Century Enterprise Co., Ltd. etc.	21,035	20.00	72,987	20.00
		~36.67		~36.67
	\$ 997,548		\$ 641,317	

The long-term equity investment loss valued with Equity Method in the first half of 2007 and 2006 amounted to NT\$12,571 and NT\$12,518, respectively, in accordance with the uncertified financial statements of the invested company.

(VII) Joint venture

The amount in each account of the joint venture belongs to President Chain Store Corp. is illustrated as follows and please refers to Note 1(3) for the investment object of the joint venture in details.

	January 1 to June 30, 2007	January 1 to June 30, 2006
Current assets	\$ 415,353	\$ 387,710
Noncurrent assets	\$ 416,953	\$ 311,646
Current liabilities	\$ 409,427	\$ 282,500
Long-term debt	\$ 5,017	\$ 5,821
Income	\$ 994,703	\$ 741,123
Cost and expense	\$ 951,193	\$ 713,666

(VIII) Accumulated depreciation

	June 30, 2007	June 30, 2006
Buildings and construction	\$ 465,899	\$ 437,680
Transportation equipment	1,337,866	1,092,765
Operating equipment	7,648,636	6,785,264
Leasehold improvement	3,744,151	3,059,809
Other equipment	910,752	619,339
	\$ 14,107,304	\$ 11,994,857

(IX) Assets for lease

	June 30, 2007		
	Initial cost	Accumulated depreciation	Book value
Land	\$ 727,621	\$ -	\$ 727,621
Buildings and plant	355,866	(69,095)	286,771
	\$ 1,083,487	(\$ 69,095)	\$ 1,014,392

	June 30, 2006		
	Initial cost	Accumulated depreciation	Book value
Land	\$ 461,168	\$ -	\$ 461,168
Buildings and plant	182,520	(3,340)	179,180
	\$ 643,688	(\$ 3,340)	\$ 640,348

(X) Accrued expenses

	June 30, 2007	June 30, 2006
Payable salaries and bonuses	\$ 1,481,153	\$ 1,299,915
Payable incentives for franchisee	530,000	431,827
Payable fees for system development and maintenance	124,635	112,728
Other	1,419,543	1,179,406
	\$ 3,555,331	\$ 3,023,876

(XI) Other payables

	June 30, 2007	June 30, 2006
Bill collected for others	\$ 4,915,951	\$ 2,734,185
Payable cash dividends	3,203,062	3,111,546
Payable employee bonuses	275,250	200,559
Payable for acquisition of fixed assets	605,524	175,089
Other	1,224,985	519,787
	<u>\$ 10,224,772</u>	<u>\$ 6,741,166</u>

(XII) Outstanding bonds

	Term	June 30, 2007	June 30, 2006
1 st tranche of secured bonds	Jan.16,2002~Jan.18,2007	\$ -	\$ 700,000
2 nd tranche of secured bonds	Jun.10,2003~Jun.13,2008	1,100,000	1,300,000
		<u>1,100,000</u>	<u>2,000,000</u>
Less: Current portion		(1,100,000)	(900,000)
		<u>\$ -</u>	<u>\$ 1,100,000</u>

1. The issuance of the 2nd tranche of secured corporate bonds

The Company has pledged with Taipei Fubon Bank and Bank of Taiwan Chung Lun Branch for the issuance of its 2nd tranche of secured bonds under the following terms and conditions:

- (1) Issue A: amounted to NT\$800 million and redemption at the 3rd, 4th and 5th anniversaries are 25%, 25%, and 50% respectively at coupon rate of 1.4%. Simple interest payable once annually in accordance with the coupon rate from the date of issuance.
- (2) Issue B: amounted to NT\$700 million at coupon rate of 4% less LIBOR rate or 4% less promissory note rate for 180 days renewable semi-annually. Simple interest is payable once semi-annually.

(XIII) Income Tax

1. Income tax and payable income tax

	January 1 to June 30, 2007	January 1 to June 30, 2006
Payable income tax	\$ 673,547	\$ 608,357
Net variation of deferred income tax assets resulting from temporary difference		
Net changes	(51,672)	(3,887)
Carried forward income tax liabilities	(26,271)	32,882
Income tax of interest income of commercial paper(tax rate 20%)	1,786	812
Prepaid income tax	3,762	237
Income tax expenses	<u>\$ 601,152</u>	<u>\$ 638,401</u>

2. Item of deferred income tax assets are shown as follows:

	June 30, 2007		June 30, 2006	
	Amount	Effect of income tax	Amount	Effect of income tax
Current items				
Temporary difference				
Allowance for inventory loss in valuation	\$ 42,885	\$ 10,721	\$ 134,601	\$ 33,650
Bad debts	43,131	11,528	19,985	4,996
Unrealized expense	162,723	45,734	50,902	12,726
Employee fringe benefits	79,286	25,972	24,059	6,015
Loss credit	85,344	21,336	173,922	43,481
Investment credit		4,400		17,492
		<u>119,691</u>		<u>118,360</u>
Less: allowance for reevaluation losses		(13,181)		(4,491)
		<u>\$ 106,510</u>		<u>\$ 113,869</u>
Non-current items				
Temporary differences				
Losses from overseas investments	\$ 777,531	\$ 194,385	\$ 456,916	\$ 114,229
Finance and tax difference of pension	82,249	20,659	69,698	17,399
Employees fringe benefits	96,135	24,034	59,492	14,873
Loss credit	750,335	187,588	971,552	242,888
Investment credit		43,370		20,182
		<u>470,036</u>		<u>409,571</u>
Less: allowance for reevaluation losses		(367,707)		(340,275)
		<u>\$ 102,329</u>		<u>\$ 69,296</u>

3. The Company has the following deductions not being consumed in the period January 1 to June 30, 2007 under applicable legal rules on eligible deductible items:

Legal sources	Deductible items	Total deductible amount	Unconsumed deductible balance	Last credit year
Statute for the Encouragement of Industrial Upgrading	Human resources training	\$ 9,624	4,742	2007~2010
	Automation equipment and technology	47,434	43,028	2007~2010

4. Up to June 30, 2007, the loss credit of the subsidiary that can be carried forward to future net income amounted to NT\$835,679 and it expires on 2011.
5. Income tax returns filed by the company have been approved by taxation authorities up to tax year 2004.
6. Details of unpaid incomes are shown as follows:

	<u>June 30, 2007</u>	<u>June 30,2006</u>
Unpaid incomes carried forward to 1997	\$ 31,142	\$ 31,142
Unpaid incomes carried forward from 1998	2,117,285	1,689,448
Total	<u>\$ 2,148,427</u>	<u>\$ 1,720,590</u>

7. Information on new taxation system:

	<u>June 30,2007</u>	<u>June 30,2006</u>
Balance of shareholders deduction account	\$ 1,162,603	\$ 960,311
	<u>2006(Expected)</u>	<u>2005(Actual)</u>
Tax credit rate of retained earnings distributed	<u>\$ 33.44%</u>	<u>\$ 30.60%</u>

(XIV) Capital Stock

The Company has 960,000,000 authorized shares with 915,160,436 shares outstanding at NT\$10/share as of June 30, 2007 and 2006.

(XV) Retained Earnings

1. The Articles of Incorporation of the Company dictate that, earnings in the year after account settlement shall be subject to corporate income tax under law, followed by the offsetting of losses carried forward. 10% of the remainder shall be allocated as statutory reserve and special may also be allocated, as there is debit to shareholders' equity. The earnings net of the aforementioned deductions plus the unpaid incomes carried forward may be distributed to shareholders under proposal by the Board and at the approval of the shareholders general meeting. Remunerations to directors and supervisors shall be at 1% of the earnings and employee bonus shall be no less than 0.2% of the earnings. Dividend and bonus to shareholders shall be 80% to 100% of the income attributable to shareholders net of remunerations to directors and supervisors and employee bonus (of which 50% to 100% shall be paid out in cash dividend). The remainder of the earnings shall be resolved by the shareholders general meeting for distribution.
2. Statutory reserve may be used only for offsetting losses carried forward and increased capitalization. If the balance of statutory reserve reaches 50% of the paid-in capital, half of the 50% shall be retained and the remainder may be capitalized as capital stock.
3. Under the resolutions of the general shareholder meeting, cash dividend paid out for the periods of January 1 to June 30, 2007 and 2006, amounted to NT\$3.5/share and NT\$3.4/share, respectively.

(XVI) Earnings per share of common stock

	January 1 to June 30, 2007				
	Amount		Weighted average quantity of outstanding shares	EPS (currency: NTD)	
	Before taxation	After taxation		Before taxation	After taxation
Basic EPS					
Consolidated net income (loss)	<u>\$2,668,037</u>	<u>\$2,121,604</u>	<u>915,160,436</u>	<u>\$ 2.92</u>	<u>\$ 2.32</u>

	January 1 to June 30, 2006				
	Amount		Weighted average quantity of outstanding shares	EPS (currency: NTD)	
	Before taxation	After taxation		Before taxation	After taxation
Basic EPS					
Consolidated net income (loss)	<u>\$2,192,254</u>	<u>\$1,621,676</u>	<u>915,160,436</u>	<u>\$ 2.39</u>	<u>\$ 1.77</u>

(XVII) Human resources spending, depreciation, depletion and amortization

Human resources spending, depreciations, depletion and amortization are recognized as operating expenses specified as follows:

	January 1 to June 30, 2007		
	Classified as operating cost	Classified as operating expense	Total
Human resources expenses			
Salaries	\$ 881,755	\$ 3,881,707	\$ 4,763,462
Labor and health insurance	71,280	275,064	346,344
Pension fund	53,032	199,808	252,840
Other human resources expenses	32,330	258,134	290,464
	<u>\$ 1,038,397</u>	<u>\$ 4,614,713</u>	<u>\$ 5,653,110</u>
Depreciations	<u>\$ 241,988</u>	<u>\$ 1,259,411</u>	<u>\$ 1,501,399</u>
Depletions	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Amortizations	<u>\$ 9,422</u>	<u>\$ 130,771</u>	<u>\$ 140,193</u>

Human resources spending, depreciations, depletion and amortization are recognized as operating expenses specified as follows:

	January 1 to June 30, 2006		
	Classified as operating cost	Classified as operating expense	Total
Human resources expenses			
Salaries	\$ 720,708	\$ 3,499,917	\$ 4,220,625
Labor and health insurance	59,762	261,115	320,877
Pension fund	47,777	184,252	232,029
Other human resources expenses	25,412	187,670	213,082
	<u>\$ 853,659</u>	<u>\$ 4,132,954</u>	<u>\$ 4,986,613</u>
Depreciations	\$ 245,166	\$ 1,146,340	\$ 1,391,506
Depletions	\$ -	\$ -	\$ -
Amortizations	\$ 7,206	\$ 311,766	\$ 318,972

(Blank hereunder)

V. Related Party Transactions

(I) Names of related parties and their relationship with the company

<u>Name of related parties</u>	<u>Relationship with the company</u>
Uni-President Enterprises Corp.	Parent Company
Presco Netmarketing Inc.	subsidiary of Uni-President Enterprises.
Nanlien International Corp.	"
Uni-President Dream Parks Corp.	"
Tong-Ho Development Corp.	"
Tung Ang Enterprise Corp.	Secondary subsidiary of Uni-President Enterprises.
Beingspa	"
President Packing Inc. Corp. (PPI).	Invested company valued with Equity Method by Uni-President Enterprises Corp.
President Securities Corp.	"
President Natural Industrial Corp.	"
Kuang Chuan Co., Ltd.	"
President Technology Corp.	"
Allianz President Life Insurance Co., Ltd.	This affiliation ended in April 2007, as the Company sold its stakes in this company
President Tokyo Corp.	The Director of the company is also a Director of President Chain Store Corp.
Lien Bo Enterprises	subsidiary of Nanlien International Corp.
Ryohin Keikaku Co., Ltd.	The investing company that has MUJI Co., Ltd. valued with Equity Method.
Duskin Co Ltd.	The investing company that has Mister Donut valued with Equity Method.
Formosan Magazine Press, INC.	The investing company that has Vision Distribution Service Corp. valued with Equity Method.
President Organics, Co.	Investees of the Company under equity method
President Musashino Corp.	"
Marks and Spencer Taiwan Co., Ltd.	"
Q-ware Systems & services Corp.	"
President Pharmaceutical Corp.	"
21 Century Enterprise Co., Ltd.	"
Uni-President Development Corp.	"
Hi Life Co., Ltd.	Invested company valued with Equity Method by Kuang Chuan Co., Ltd.
Taijung Marine Corp.Ltd	Invested company valued with Equity Method by Mech-President Corp.
Store Sites Holdings Inc.	Invested company valued with Equity Method by Philippine Seven Corp.
Starbucks Coffee International(Starbucks)	The investing company that has President Coffee Corp.valued with Equity Method.

(II) Major transactions with related parties

1. Net Sales Revenues

	January 1 to June 30, 2007		January 1 to June 30, 2006	
	Amount	Percentage of Net Sales	Amount	Percentage of Net Sales
Hi Life Co., Ltd.	\$94,067	-	\$ 2,108	-
Uni-President Enterprises Corp.	49,621	-	32,935	-
Uni-President Dream Parks Corp.	28,745	-	16,882	-
Others	69,944	-	68,218	-
	<u>\$ 242,377</u>	<u>-</u>	<u>\$120,143</u>	<u>-</u>

2. Other operating incomes – marketing bonuses

	January 1 to June 30, 2007		January 1 to June 30, 2006	
	Amount	Percentage of the amount under the same account title	Amount	Percentage of the amount under the same account title
Uni-President Enterprises Corp.	\$ 5,148	-	\$ 853	-
Others	5,804	-	102	-
	<u>\$10,952</u>	<u>-</u>	<u>\$ 955</u>	<u>-</u>

3. Purchase

	January 1 to June 30, 2007		January 1 to June 30, 2006	
	Amount	Ratio to the total purchase amount (net) of President Chain Store Corp.	Amount	Ratio to the total purchase amount (net) of President Chain Store Corp.
Uni-President Enterprises Corp.	\$ 4,684,132	10	\$ 4,578,127	12
Tung Ang Enterprise Corp.	1,058,930	2	993,404	3
President Musashino Corp.	589,202	1	552,744	1
Lien Bo Enterprises	521,816	1	458,297	1
others	542,818	1	488,765	1
	<u>\$ 7,396,898</u>	<u>15</u>	<u>\$ 7,071,337</u>	<u>18</u>

The terms and conditions for the purchase from the related party of President Chain Store Corp. and subsidiaries are identical to the terms and conditions for general suppliers.

4. Compensation on defective merchandise (credited to cost of goods sold)

	January 1 to June 30, 2007		January 1 to June 30, 2006	
	Amount	Percentage of the amount under the same account title	Amount	Percentage of the amount under the same account title
Uni-President Enterprises Corp.	\$ 23,259	12	\$ 22,155	12

5. Receivables (payables to) from related parties

	June 30, 2007		June 30, 2006	
	Amount	Percentage of the amount under the same account title	Amount	Percentage of the amount under the same account title
<u>Accounts receivable</u>				
Hi Life Co., Ltd.	\$ 42,646	2	\$ -	-
Uni-President Enterprises Corp.	13,756	1	9,937	1
Others	45,092	2	20,596	1
	<u>\$ 101,494</u>	<u>5</u>	<u>\$ 30,533</u>	<u>2</u>

	June 30, 2007		June 30, 2006	
	Amount	Percentage of the amount under the same account title	Amount	Percentage of the amount under the same account title
<u>Other receivables</u>				
Uni-President Enterprises Corp.	\$ 141,190	10	\$ 141,924	12
Others	21,797	2	15,040	2
	<u>\$ 162,987</u>	<u>12</u>	<u>\$ 156,964</u>	<u>14</u>
<u>Note and account payables</u>				
Uni-President Enterprises Corp.	\$ 1,515,634	11	\$ 1,124,933	10
Tung Ang Enterprise Corp.	420,799	3	192,447	1
Lien Bo Enterprises	166,769	1	108,619	1
President Musashino Corp.	115,942	1	103,788	1
Others	357,418	2	207,251	2
	<u>\$ 2,576,562</u>	<u>18</u>	<u>\$ 1,737,038</u>	<u>15</u>
<u>Accrued Expense</u>				
Uni-President Enterprises Corp.	\$ 673	-	\$ 2,471	-
Others	13,152	-	38,556	1
	<u>\$ 13,825</u>	<u>-</u>	<u>\$ 41,027</u>	<u>1</u>

6. Property trade

- (1) President Transnet, President Logistics International Corp., and Chieh-Shuen Logistics International purchased transportation equipment from the related party in the first half of 2007 and 2006 as follows:

	January 1 to June 30 2007	January 1 to June 30 2006
President Tokyo Corp.	<u>\$ 37,034</u>	<u>\$ 66,493</u>

- (2) Up to June 30, 2007 and 2006, the installment payable to President Tokyo for the fixed assets acquired by the subsidiaries with installment payment is as follows:

	June 30, 2007	June 30, 2006
Installment payable	\$ 237,889	\$ 292,202
Discount of installment payable	(17,664)	(17,360)
Net amount	220,225	274,842
Less: Amount due in one year	(66,552)	(117,775)
	<u>\$ 153,673</u>	<u>\$ 157,067</u>

7. Financing – to related party (There is no transaction in first half of 2007)

First half of 2006					
		Maximum balance amount			
	Date	Amount	Ending balance	Annual Interest rate	Total interest income
21 Century Enterprise Co., Ltd.	Jan. 2006~ Feb. 2006	\$ 5,000	\$ -	2.51%~2.52%	\$ 19

8. Financing – from related party (booked in the “Other accounts payable” account)

Convenience distribution Inc.

			First half of 2007				
			Maximum balance amount				
			Date	Amount	Ending balance	Annual Interest rate	Total interest Expenditure
Store Inc.	Sites Holding		Jan. 2007~ Jun. 2007	USD194,000	-	10%~10.95%	\$ 334

			First half of 2006				
			Maximum balance amount				
			Date	Amount	Ending balance	Annual Interest rate	Total interest Expenditure
Store Inc.	Sites Holding		Jan. 2006~ Jun. 2006	USD194,000	USD194,000	10%	\$ 307

9. Commitment

- (1) MUJI Taiwan Co., Ltd. has an Authorization Agreement signed with MUJI Co., Ltd to authorize MUJI Taiwan Co., Ltd. to manage “MUJI Licensed Store” in Taiwan, R.O.C. and to use the related information and sales technology. According to the Authorization Agreement signed, MUJI Taiwan Co., Ltd. is to have royalty paid throughout the contract period for an amount equivalent to certain percentage of net sales amount.
- (2) Mister Donut Taiwan Corp. has an agreement signed with Duskin for trademark and technology collaboration in 2004 to operate and manage “DUSKIN Mister Donut Franchise.” According to the agreement signed, Mister Donut Taiwan Corp. is to have royalty paid throughout the contract period for an amount equivalent to certain percentage of total sales amount.
- (3) President Coffee Corp. has an agreement signed with Starbucks Inc. for business operation to operate and manage “Starbucks.” According to the agreement signed, President Coffee Corp. is to have royalty paid throughout the contract period for an amount equivalent to certain percentage of total monthly sales amount per store.

VI. Assets pledged under lien

The book value of the assets used as collateral for the long-term and short-term loan and credit guarantee by President Chain Store Corp. and the subsidiaries on June 30, 2007 and 2006:

Assets	June 30, 2007	June 30, 2006	Collateral
Land	\$ 314,492	\$ 314,492	Long-term and short-tem loan
Building and construction	368,309	191,433	Long-term and short-tem loan
Transportation equipment	457,487	617,435	Long-term and short-tem loan
Operating instrument and Other equipment	23,867	86,794	Long-tem loan
Mortgaged time deposit	23,972	16,893	Contract security deposit
	<u>\$ 1,188,127</u>	<u>\$ 1,227,047</u>	

VII. Materiality and Contingencies

1. The Company and Philippine Seven Corporation have entered into an agreement with 7-ELEVEn Inc. of the USA on long-term technology joint venture. Under this agreement, the Company shall pay the latter royalties at an agreed percentage of the monthly sales of each retail location within the term of contract.
2. President Chain Store Corp. has the arcade of President International Building (booked in the “Leased asset” account)
 - (1) Mall: for 18 years and 6.5 months starting from June 15, 2005. The rental charge is for an amount equivalent to a certain percentage of sales revenue.
 - (2) Office: for 5 years starting from November 1, 2007 to October 31, 2012. The Company has the following projections in rental incomes for the various years:

<u>Lease term</u>	<u>Total rents</u>
November 1 to December 31, 2007	\$ 3,487
2008	20,925
2009	20,925
2010	21,029
2011	21,552
January 1 to October 31, 2012	17,960
	<u>\$ 105,878</u>

3. President Yilan Art and Culture Corp. and the National Center of Traditional Arts commit to the “National Center of Traditional Arts Park Operation Agreement” (referred to as “the Agreement” hereinafter) signed in 2004 with the terms and conditions agreed upon as follows:
 - (1) The subject of the agreement is the architecture of the National Center of Traditional Arts Yilan Park; also, the scope of the consignment includes the operation, management, and utilization of the subject, providing conventional art exhibition, promotion, teaching activity, and products sales, and business development.
 - (2) The Agreement is for a period of six years from the grand opening day. President Yilan Art and Culture Corp. give top priority to have the Agreement renewed for a six-year maximum.
 - (3) Royalties
 - A. Fixed Royalties
President Yilan Art and Culture Corp. is to pay a fixed royalty in the amount of NT\$5 million only.
 - B. Operating Royalties
President Yilan Art and Culture Corp. are to pay operating royalties for an amount

equivalent to 1% of the annual sales income throughout the Agreement period.

- (4) President Yilan Art and Culture Corp. is obliged for the repair & maintenance of the public space and operating equipment for an amount not less than NT\$50 million (tax included) annually within one year from the day of the Agreement signed. The investment in traditional art activity promotion is for an amount not less than NT\$5 million (tax included) a year from the first year of the business operation.
 - (5) President Yilan Art and Culture Corp. are obliged to have “Taiwan Traditional Arts Foundation” organized six months prior to the third business year at its own expense for promoting traditional art, with a donation made for an amount not less than NT\$10 million.
 - (6) President Yilan Art and Culture Corp. agree to have the operating assets that are acquired at its own expense throughout the Agreement period transferred to National Center of Traditional Arts unconditionally or free of charge at the end of the consignment or Agreement term.
4. President Transnet Corp. had a trademark and technical cooperation agreement signed with YAMATO TRANSPORT CORPORATION on January 24, 2000 for “logistics business” operation and management. According to the Agreement signed, President Transnet Corp. was to have royalties paid monthly for an amount equivalent to a percentage of the logistics sales revenue throughout the Agreement period.
 5. President FN Business Corp. had an authorization agreement signed with PLAZASTYLE in 2006. According to the Agreement, President FN Business Corp. was to have royalties paid for an amount equivalent to a percentage of monthly net sales revenue throughout the agreement period.
 6. Cold Stone Creamery Taiwan Ltd. and Shanghai cold stone ice cream corporation had an authorization agreement signed with Cold Stone Creamery International LLC in 2006. According to the agreement, the said two companies must pay a given amount for the agreement signed, with franchise fee paid for each additional store opened according to the size of each store; also, they must have royalties paid for an amount equivalent to a percentage of the monthly sales revenue; also, they must have advertisement expense paid annually for an amount equivalent to 2%~3% of the net sales revenue.
 7. President Yilan Art and Culture Corp. and the subsidiary have stores and business facility leased from the non-related party for a term of 3~12 years. By June 30, 2007, President Yilan Art and Culture Corp. and the subsidiary had prepaid rent and security deposit for an amount of \$885,998 and \$1,666,198, respectively, and they were booked in the account of “Other current assets” and “Refundable deposit.” President Yilan Art and Culture Corp. and the

subsidiary have estimated the rent payable in the future years as follows:

<u>Lease term</u>	<u>Total rents</u>
July 1, 2007 to December 31, 2007	\$ 3,135,940
2008	6,085,253
2009	5,603,628
2010	4,973,030
2011 and thereafter	12,763,602
	<u>\$ 32,561,453</u>

VIII. Losses from major accidents

None.

IX. Subsequent events

None.

X. Miscellaneous

(I) Information on fair value

	June 30,2007		
	Book value	Fair value	
		Amount determined by open quotations	Amount estimated by appraisal method
Non-Derivatives			
Assets			
Financial instruments whose book values are equal to fair value	\$ 9,626,486	-	\$ 9,626,486
Financial instruments held for trading	2,812,375	\$ 2,812,375	\$ -
Financial instruments carried at cost	13,093,217	-	-
Financial instruments available for disposals	732,389	732,389	-
Refundable deposits	1,713,117	-	1,447,564
Liabilities			
Financial liabilities whose book values are equal to fair values	\$30,250,326	-	\$ 30,250,326
Corporate Bond Payable	1,100,000	\$ -	\$ 1,100,000
Long-term loan	1,282,435	-	1,282,435
Long-tem notes and accounts payable	220,225	-	220,225
Guarantee deposit received	1,980,342	-	1,730,029

	June 30,2006		
	Book value	Fair value	
		Amount determined by open quotations	Amount estimated by appraisal method
Non-Derivatives			
Assets			
Financial instruments whose book values are equal to fair value	\$ 6,533,678	\$ -	\$6,533,678
Financial instruments held for trading	1,715,947	1,715,947	-
Financial instruments carried at cost	13,012,395	-	-
Financial instruments available for disposals	435,064	435,064	-
Refundable deposits	1,675,610	-	1,537,452
Liabilities			
Financial liabilities whose book values are equal to fair values	\$23,878,712	\$ -	\$23,878,712
Corporate Bond Payable	2,000,000	-	2,200,000
Long-term loan	1,049,726	-	1,049,726
Long-tem notes and accounts payable	274,842	-	274,842
Guarantee deposit received	1,679,119	-	1,516,565

The Company adopted the following methods and assumptions on the valuation of fair value for financial instruments:

1. The carrying values of short-term financial instruments as stated in the balance sheet have been adopted as their fair value, as the discounted values of such instruments are insignificant. These are the amounts determined not by open quotations or estimation. This method is applicable to cash and cash equivalents, accounts receivable, other receivables, notes and accounts payable, payable income tax, expenses accrued, other payables.
2. If there is active market with open quotations for financial assets available for sales, the market price shall be recognized as fair value.
3. Fair value of refundable deposits and guarantee deposits received is assessed at present value of expected cash flow. The discount rate is based on the interest rate offered by postal savings and remittances for 1-year term time deposit.
4. Discount affects payable bonds, long term loans and long term notes and accounts payable minimally. Therefore, its book value is estimated as the fair value.

(II) Management of Financial Risks and Hedge policy

- 1 The risk management policy adopted by the company and subsidiaries aim at hedging off operational risks. To this end, the company deals with derivatives for covering financial exposure. The selection of specific instruments shall be able to hedge off the risks in interest expenses, assets and liabilities deriving from operations.
- 2 The Finance Department of the company is responsible for the supervision and control of derivatives. In practice, this department shall monitor the exposure resulting from derivative trades and assess the market price regularly. If the department discovers unusual situations on transaction and exposure it should, take necessary and immediate action and report to the board. The department also evaluates the performance of the derivatives regularly to ensure their conformity to company policy in operations and the risks so assumed are within the toleration threshold of the company.

(III) As of Jun. 30, 2007 and 2006, the Company and subsidiaries had financial liabilities bearing fair value risk under interest rate fluctuation amounting to \$1,748,987 and \$2,647,501, respectively. Financial liabilities bearing cash flow risk under interest rate fluctuation in the same period was \$700,000.

(IX) Information on primary financial risks

1. Market Risk

- (1) The Company and subsidiaries have invested in open-ended funds and stocks listed in the exchanges and OTC markets classified as financial instruments at fair value through income statements and financial instruments available for sales. They are sensitive to price fluctuations in the market.
- (2) The Company and subsidiaries adopt fixed interest rate for their payable bonds. They are sensitive to interest rate fluctuation in the market. Yet, the maturities of the payable bonds are close and are assessed as bearing no significant market risk under interest rate fluctuation.
- (3) Most of the accounts payable of the Company and subsidiaries have terms of 90 days. Therefore, they are assessed as bearing no significant market risk.
- (4) The Company and subsidiaries adopt floating interest rate for loans.

2. Credit Risk

- (1) The Company and subsidiaries invested in financial instruments at fair value through financial statements and financial instruments available for sale through placing orders in the centralized market or through counterparties in good standing. There will be no anticipated risk on breach of contract.

- (2) The counterparties of the Company and subsidiaries in IRS contracts are international financial institutions in good standing. The possibility of credit risk due to the breach of contract is very low.
- (3) The Company and subsidiaries act as guarantor for a third party for loans in accordance with the “Procedure for Guarantee and Endorsement”, and only acts in favor of subsidiaries and stakeholders with business transactions. Since the Company can access proper information on their credit standing, no collateral is demanded. If a respective stakeholder is liable for breach of contract, the possible credit risk may be the amount guaranteed.

3. Liquidity Risk

- (1) The Company and subsidiaries have invested in financial assets at fair value through income statements and financial assets available for sale in active market and can be sold quickly at prices approximating fair value in the market. Therefore, no major liquidity risk is expected.
- (2) Financial instruments invested by the Company and subsidiaries carried at cost have no open quotation in the centralized market. Therefore, there is anticipated liquidity risk.
- (3) As of the settlement day, the Company collects or pays interest on its IRS contracts on interest spread by multiplying the nominal principals by the interest rate. The amount of interest is not significant and there is no inflow or outflow of principal. The payment falls within the control of the Company and subsidiaries has no risk of fund appropriation.

4. Cash Flow Risks deriving from interest rate fluctuation

- (1) The investments of the Company and subsidiaries in equity financial instruments are not interest bearing products and there will be no cash flow risk from interest rate fluctuation.
- (2) The Company and subsidiaries adopt the floating interest rate approach in issuing payable bonds and payment of interest. Fluctuation of interest rate in the market will cause corresponding changes in applicable interest rate, which will affect the volume of cash flow in the future. Yet, the Company has undertaken IRS contracts for hedging against interest rate fluctuation in the market. Therefore, there should be no anticipated major cash flow risk.
- (3) The long-term loans borrowed by the Company and subsidiaries bear a floating

interest rate. Fluctuation of interest rate in the market will cause corresponding changes in interest rate of the debt. If the market interest rate increase 1%, it is expected that cash outflow will increase approximately \$10,502 for one year.

5. Hedging of cash flow risk

The payable corporate bonds issued by the Company bear a floating rate. Therefore, the future cash flow of the liability might fluctuate along with market rate and cause risk. Upon assessment, the Company entered into IRS contracts separately for hedging:

Hedged objects	Designated hedging instruments		Period in which cash flow is anticipated to be generated	Time at which the relevant loss is anticipated to be recognized in the income statement
	Financial products designated to be hedging instruments	Fair value		
		Jun. 30, 2007	Jun. 30, 2006	
Corporate bond	Interest rate SWAP	(\$ 9,915)	(\$ 19,975)	Jun., 2003 Jun., 2008

Item	Jun. 30, 2007	Jun. 30, 2006
Adjustments to shareholders' equity	\$ 5,079	(\$ 19,975)
Reversal from shareholders' equity to income and loss	\$ -	\$ -
Reversal from shareholders' equity to non-financial assets (liabilities)	\$ -	\$ -

XI. Disclosures

(I) Information on major transactions

(For the supplemental disclosure of the invested company, CPAs certify only the financial statement of Retail Support International Corp., Ltd. and MECH-President Corp. while others are not. The transactions conducted between subsidiaries are written off before the consolidated financial statements are composed. The following disclosures are for reference only.)

Disclosure on major transactions of the Company in the period of January 1 to June 30, 2007 is specified as follows:

1. Loans to third parties: none

2. Act as guarantor in favor of a third party

Name of Guarantee			Limit of guarantee with Collateral to	Maximum Balance	Balance at ending	Guarantee with collateral	Accumulated amount of guarantee in proportion to the net worth stated in the financial statements of the most recent period	Upper limit for guarantee (note)
Name of Guarantor	Company Name	Affiliation	particular enterprise (Note)	loan in current period				
President Chain Store Corp.	Retail Support International Corp.	business relation	\$ 2,937,747	\$ 600,000	\$ 600,000	None	4.08%	
	Wisdom Distribution Service Corp.	subsidiary	2,937,747	50,000	50,000	None	0.34%	
	President Information Corp.	subsidiary	2,937,747	8,000	8,000	None	0.05%	
	President Yilan Art and Culture Corp.	subsidiary	2,937,747	65,000	15,000	None	0.10%	
	Mech-President Corp.	subsidiary	2,937,747	USD 3,000,000	USD 3,000,000	None	0.67%	
	Philippines Seven Corp.	subsidiary of a subsidiary	2,937,747	USD 7,883,000	USD 5,726,000	None	1.28%	
	Wuhan Uni-president Oven Fresh Bakery Co., Ltd.	subsidiary of a subsidiary	2,937,747	USD 3,500,000	USD 3,500,000	None	0.78%	
							<u>7.30%</u>	\$ 7,344,369

Note: The upper limit of total guarantee undertaken by the Company is 50% of the net worth, and to particular enterprise is 20% of the net worth.

3. Holding of marketable securities at ending

Holder of securities	Types and names of securities	Affiliation with security issuers	Account titles	Quantity of shares /units at ending (skipped)	Book value	Proportion of shareholding	Market price	Remarks
President Chain Store corp.	EPISTAR Corporation, etc.	None	Financial instruments which changes in fair values are recognized as gains or losses -current		\$ 50,506	-	\$ 52,235	
	Prudential Financial Bond Fund	"	"	61,139,922	900,000	-	900,285	
	UPAMC JAMES BOND Fund	"	"	38,614,263	600,000	-	600,062	
					<u>1,550,506</u>		<u>\$ 1,552,582</u>	
			Add: valuation adjustments		<u>2,076</u>			
					<u>\$ 1,552,582</u>			
President Chain Store (BVI) Holdings Ltd	Investees of the Company under equity method.		Long-term investments under equity method	46,405,458	\$ 980,085	100%	\$ 978,182	
	Ren-Hui Investment Corp.	"	"	85,303,733	872,107	100.00%	871,871	
	Mech-President Corp.	"	"	38,712,620	434,449	62.95%	435,378	
	Uni-President Cold-Chain Corp.	"	"	19,563,272	391,669	60.00%	382,943	
	President Drugstore Business Corp.	"	"	33,100,000	455,259	100.00%	450,772	
	President Yilan Art and Culture Corp.	"	"	18,000,000	122,939	90.00%	123,364	
	President Information Corp.	"	"	15,025,405	203,515	56.00%	199,364	
	President Transnet Corp.	"	"	70,000,000	226,605	70.00%	209,202	
	Wisdom Distribution Service Corp.	"	"	9,432,540	202,378	100.00%	159,778	
	PCSC (China) Limited	"	"	29,826,640	753,120	100.00%	746,453	
	Uni-President Development Corp.	"	"	20,000,000	168,403	20.00%	168,403	
	Mister Donut Taiwan Corp.	"	"	10,000,000	140,616	50.00%	141,271	
	President Coffee Corp.	"	"	9,313,920	141,363	30.00%	141,376	
	Retail Support International Corp.	"	"	5,000,000	137,074	25.00%	128,693	
	Q-ware Systems & services Corp.	"	"	19,157,720	147,566	22.68%	128,732	
	President Pharmaceutical Corp.	"	"	14,600,494	345,163	73.74%	186,330	
	Uni-President Department Store Corp.	"	"	56,000,000	351,029	70.00%	351,435	
	President Musashino Corp.	"	"	20,916,000	226,848	40.00%	223,833	
	Duskin Serve Taiwan Co.	"	"	15,300,000	104,021	51.00%	104,141	
	Marks and Spencer Taiwan Co., Ltd.	"	"	12,826,412	107,461	40.00%	106,664	
	Muji Taiwan co. Ltd. etc.	"	"	skipped	588,755	20.00~100.00%	558,454	
					<u>\$ 7,100,425</u>			
President Securities Corp.	Investees of Uni-President Enterprises Corp under equity method		Available-for-sale financial assets-non current	29,328,669	571,909	2.58%	\$ 571,909	
Duskin Co. Ltd.	none		"	300,000	159,480	0.45%	159,480	
					<u>\$ 731,389</u>			
			Financial instruments measured at cost – noncurrent	70,605,016	\$ 6,818,529	19.50%	Skipped	
Presicarre Corp.	The Company is a director		"					
	none		"	146,448,927	1,609,160	3.47%	"	
Toppoly Optoelectronics Corp.			"					
	The Company is a director		"	171,000,000	\$ 1,941,500	19.00%	" -	
Tong-Jen Development Corp.			"					
	"		"	50,000,000	500,000	3.33%	"	
President International Development Corp.			"					
	Skipped		"	skipped	1,414,397	0.02%~19.93%	"	
New Century Info Comm Co. Ltd.etc.								
					<u>\$ 12,283,586</u>		"	

4. The amount of the same securities cumulatively bought or sold that exceeds NT\$100 million or 20% of the paid-in capital.

Name of buyer, seller	Types and names of securities	Account titles	Counter parties	Affiliation	At beginning		Bought		Sold		Carrying cost	Capital gain	Other adjustment	At ending	
					Quantity of shares	Amount	Quantity of shares	Amount	Quantity of shares	Amount				Quantity of shares	Amount
President Chain Store Corp.	Upamc James Bond Fund	Note 1	Not applicable	Not applicable	-	\$ -	132,386,250	\$2,050,000	93,771,987	\$1,450,647	\$1,450,000	\$647	\$ -	38,614,263	\$600,000
	Mega Diamond Bond Fund	"	"	"	-	-	136,850,660	1,580,000	136,850,660	1,580,965	1,580,000	965	-	-	-
	Prudential Financial Bond Fund	"	"	"	-	-	210,791,484	3,090,000	149,651,562	2,190,642	2,190,000	642	-	61,139,922	900,000
	Fuh-Hwa Global Bond Fund	"	"	"	-	-	107,764,283	1,440,000	107,764,283	1,440,477	1,440,000	477	-	-	-
	FUHWABOND FUND	"	"	"	-	-	15,602,815	200,000	15,602,815	200,070	200,000	70	-	-	-
	Capital Income Fund	"	"	"	-	-	13,253,101	198,000	13,253,101	198,081	198,000	81	-	-	-
	NITC Taiwan Bond Fund	"	"	"	-	-	21,236,683	300,000	21,236,683	300,246	300,000	246	-	-	-
	JF(Taiwan) First Bond Fund	"	"	"	-	-	18,909,508	290,000	18,909,508	290,259	290,000	259	-	-	-
	Yuanta Wan-tai Fund	"	"	"	-	-	38,509,760	540,000	38,509,760	540,293	540,000	293	-	-	-
	Allianz President Life Insurance Co., Ltd.	Note2	Note3	Note3	24,166,817	241,668	-	-	24,166,817	361,415	241,668	119,747	-	-	-
	Tong-Ho Development Corp.	Note2	Raise capital by issuing new shares	Not applicable	19,929,929	-	26,905,500	269,055	(19,928,476) Note4	-	-	-	-	26,906,953	269,055
	Uni-President Department Store Corp.	Note5	Raise capital by issuing new shares	"	35,000,000	249,117	21,000,000	210,000	-	-	-	-	(108,088)	56,000,000	351,029
	PCSC (China) Limited	"	Raise capital by issuing new shares	"	20,722,000	481,140	9,104,640	301,444	-	-	-	-	(29,464)	29,826,640	753,120
	Marks and Spencer Taiwan Co., Ltd.	"	New company, initial offering	"	-	-	12,826,412	128,264	-	-	-	-	(20,803)	12,826,412	107,461

Note 1: Recognized under the account title of "Financial instruments in which changes in fair value are recognized as gains or losses – current".

Note 2: Recognized under the account title of "Financial instruments carried at cost – noncurrent".

Note 3: Sold to Allianz SE, not a related party of the Company.

Note 4: Quantity of shares under reduction of capital stock.

5. The acquisition of real estate exceeding NT\$100 million or 20% of the paid-in capital: None.
6. The disposition of real estate exceeding NT\$100 million or 20% of the paid-in capital: None.
7. Purchase and sales with related parties exceeding NT\$100 million or 20% of the paid-in capital:

Buyer/seller	Counterparties	Affiliations	Status of trade			Special terms and conditions of trade and reasons		Account, note receivables (payables)			Remainder
			Purchase (sales)	Amount	Percentage to total purchase (sales)	Credit term	Unit price	Credit term	Balance	Percentage to total note, account receivables (payables)	
President Chain Store Corp.	Retail Support International Corp.	Investees of the Company under equity method	Purchase	\$21,624,560	58	O/A settlement from 10~80 days	Note	No significant difference	\$ (4,447,558)	47	
	Uni-President Cold-Chain Corp.	Subsidiary	"	7,971,089	22	O/A settlement from 15~30 days	"	"	(2,137,974)	23	
	Wisdom Distribution Service Corp.	"	"	4,074,019	11	O/A settlement from 25~35 days	"	"	(1,380,939)	15	
	Uni-President Enterprises Corp.	Parent Company	"	804,942	2	O/A settlement from 30~45 days	No significant difference	"	(322,570)	3	
	Q-ware Systems & services Corp.	Subsidiary	"	109,008	-	O/A settlement from 30~40 days	"	"	(40,014)	-	
	President Transnet Corp.	Subsidiary	Cost of operation	336,236	1	O/A settlement 15 days	The cost of home delivery, not applicable here	"	(64,166)	1	

Note: cost of purchase with Retail Support International Corp., Uni-President Cold-Chain Corp. and Wisdom Distribution Service Corp. is based on the agreed rates on merchandises and utensils plus commissions.

8. Receivables from related parties exceeding NT\$100 million or 20% of the paid-in capital:

Company of receivables on book	Counter parties	Affiliation	Balance of Receivables		Overdue Receivables with Related Parties			Allow: doubtful
			With Related Party	Turnover Rate	Amount	Processing by	Receivables with Related Party After Period Collection	
President Chain Store Corporation	Retail Support International Corp.	Investees of the Company under equity method	Other receivables \$ 142,902	Not applicable	\$-	-	\$-	

9. Derivative trade: Note X (5)

(Blank hereunder)

(II) Information on Investments

1. Information on Investees

Investor name	Investees			Initial amount of investments		Holding at ending			Income status of investees	Recognized return on (loss from) investment by the Company		Remark
	Name	Location	Major investments	End of current period	End of previous period	Quantity of shares	Proportion	Book value		\$	\$	
President Chain Store Corp.	President Chain Store (BVI) Holdings Ltd.	BVI	Professional investments	\$ 1,520,766	\$ 1,520,766	46,405,458	100.00%	\$ 980,085	\$ (1,546)	\$ (1,542)	Subsidiary	
	Ren-hui Investment Corp.	Taipei City	Professional investments	853,037	853,037	85,303,733	100.00%	872,107	12,313	12,549	"	
	Mech-president corp.	Tainan County	Gasoline stations, cables	364,683	364,683	38,712,620	62.95%	434,449	23,315	13,749	"	
	Uni-president Cold-chain Corp.	Tainan County	Frozen foods, low-temperature logistics	237,437	237,437	19,563,272	60.00%	391,669	70,906	42,575	"	
	President Drugstore Business Corp.	Taipei City	Retailing of medicines and daily items	396,000	396,000	33,100,000	100.00%	455,259	37,977	37,729	"	
	President Yilan Art and Culture Corp.	Yilan County	Art and cultural exhibition	180,000	180,000	18,000,000	90.00%	122,939	21,557	19,373	"	
	President Information Corp.	Taipei City	Business management consulting services	93,348	93,348	15,025,405	56.00%	203,515	7,000	4,443	"	
	President Transnet Corp.	Taipei county	Foods and utensils retailing and shipping	711,576	711,576	70,000,000	70.00%	226,605	38,276	25,353	"	
	Wisdom Distribution Service Corp.	Taipei City	Magazine delivery	50,000	50,000	9,432,540	100.00%	202,378	40,173	39,743	"	
	PCSC (China) Limited	BVI	Professional investments	981,240	468,060	29,826,640	100.00%	753,120	(29,282)	(29,464)	"	
	Uni-president Development Corp.	Taipei City	Construction of transportation depots	200,000	200,000	20,000,000	20.00%	168,403	(27,654)	(5,531)	Note 1	
	Mister Donut Taiwan Corp.	Taipei City	Bakery	100,000	100,000	10,000,000	50.00%	140,616	28,838	14,367	"	
	President Coffee Corp.	Taipei City	Coffee and accessories trade	59,400	59,400	9,313,920	30.00%	141,363	37,220	11,153	"	
	Retail Support International Corp.	Chungli City	Room-temperature food logistics	91,414	91,414	5,000,000	25.00%	137,074	68,113	17,288	"	
	Q-ware Systems & Services Corp.	Taipei City	Internet service provider	191,577	191,577	19,157,720	22.68%	147,566	(8,517)	(1,933)	"	
	President Pharmaceutical Corp.	Taipei City	Medicines & medical instrument retail and wholesale	330,216	74,844	14,600,494	73.74%	345,163	27,540	20,343	Subsidiary	
	Uni-President Department Store Corp.	Taipei City	Department stores	560,000	52,500	56,000,000	70.00%	351,029	(154,576)	(108,088)	"	
	President Musashino Corp.	Tainan County	Bakery foods industry	195,525	-	20,916,000	40.00%	226,848	21,333	8,546	Note 1	
	Duskin Serve Taiwan Co.	Taipei City	Cleaning service	153,000	153,000	15,300,000	51.00%	104,021	18,804	9,470	Subsidiary	
	Marks and Spencer Taiwan Co., Ltd.	Taipei City	Department stores & retailing	128,264	-	12,826,412	40.00%	107,461	(53,622)	(20,803)	Note 1	
Muji Taiwan Co. Ltd., etc.	-	-	920,146	750,146	Skipped	20.00% ~100%	588,755	Skipped	(1,113)	Note 2		
								<u>\$ 7,100,425</u>	<u>\$ 108,207</u>			

Note 1: Investee of the Company under the equity method.

Note 2: Subsidiaries of the Company and Investees of the Company under equity method.

Investor name	Investees			Initial amount of investments		Holding at ending				Recognized return on (loss from) investment by company	Remark
	Name	Location	Major business activities	End of current period	End of previous period	Quantity of shares	Proportion	Book value	Income status of investees		
Retail Support International Corp., etc.	President International Corp., etc.	Logistics -	-	¥ 770,963	\$735,740	Skipped	6.00%~100.00%	\$528,351	skipped	Not applicable	-
President Chain Store (BVI) Holdings Ltd.	President Coffee (Cayman) Holdings Ltd.	Cayman Islands	Professional investments	USD 1,800,000	USD 1,800,000	1,800,000	30.00%	USD 3,585,000	USD 1,383,000	//	Note
	President Chain Store (Labuan) Holdings Ltd.	Labuan	Professional investments	USD 20,684,000	USD 20,684,000	20,684,321	100.00%	USD 10,014,000	(USD 195,000)	//	subsidiary of a subsidiary Note
	Presiclere Limited	BVI	Professional investments	USD 15,937,000	USD 11,649,000	15,694,000	48.78%	USD 3,755,000	(USD 17,000)	//	Note
	T&T Supermarket Inc.	Canada	Food and household goods retailing	CAD 12,000,000	CAD 12,000,000	200	20.00%	CAD 6,185,000	CAD 5,651,000	//	//
	PCSC (Vietnam) Supermarket Limited	Vietnam	Food and household goods retailing	USD 461,000	USD 461,000	674,220	51.00%	USD 566,000	VND 1,220,390,000	//	subsidiary of a subsidiary
President Chain Store (Labuan) Holdings Ltd.	Philippine Seven Corp.	Philippines	Food and household goods retailing	USD 20,656,000	USD 20,656,000	134,257,625	56.59%	USD 10,009,000	PHP 32,645,000	//	//
Philippine Seven Corp.	Convenience Disribution Inc., etc.	Philippines	-	PHP 87,742,000	PHP 87,742,000	Skipped	40.00%~100.00%	PHP 93,705,000	Skipped	//	Skipped
PCSC (China) Limited	PCSC (China) Drugstore Limited, etc.	BVI	Professional investments	USD 29,777,000	USD 14,272,000	Skipped	100.00%	USD 23,089,000	Skipped	//	subsidiary of a subsidiary
PCSC (China) Drugstore Limited	President Cosmed Chain Store (Shen Zhen) Co.,Ltd.	China	Household goods retailing	USD 3,932,000	USD 3,932,000	Skipped	65.00%	USD 1,660,000	(RMB 6,462,000)	//	//
President Cosmed Chain Store (Shen Zhen) Co.,Ltd.	Drugstore Chain Company Limited, etc.	China	Medicine retailing	RMB 8,280,000	RMB 4,200,000	Skipped	90.00%	RMB 797,000	(RMB 1,270,000)	//	//
PCSC (China) Supermarket Limited	Shan Dong President Yinzuo Commercial Limited, etc.	China	Wholesaling and retailing of goods	USD 20,618,000	USD 10,278,000	Skipped	55.00%~100.00%	USD 16,246,000	Skipped	//	//
PCSC (China) Restaurant Limited	Shanghai cold stone ice cream corporation	China	Ice cream business	USD 5,155,000	-	Skipped	100.00%	USD 5,155,000	Skipped	//	//

Note: Investee of the subsidiary under the equity method.

2. Information of investees where the Company has direct or indirect control:

(1) Loans to third parties

<u>Lenders</u>	<u>Borrowers</u>	<u>Account titles</u>	<u>Maximum balance at the end of current period</u>	<u>Balance at ending</u>	<u>Interest range</u>	<u>Nature of loans</u>	<u>Amount of business transactions</u>	<u>Reasons necessary for offering short-term loans</u>	<u>Allowance for doubtful accounts</u>	<u>Collateral</u>		<u>Limit of loans to particular borrower</u>	<u>Limit of total loans</u>
										<u>Name</u>	<u>Value</u>		
Store Sites Holdings Inc.	Convenience Distribution Inc.	Other receivables	USD 194,000	-	10%~10.95%	Note 1	-	Working capital	-	-	\$ -	Note 2	Note 2

Note 1: Necessary for granting short-term loans.

Note 2: The Company limits its loans to external parties at 40% of its net worth. Short-term loan to particular enterprise for necessity is up to PHP\$10 million

(2) Act as guarantor in favor of a third party

<u>Name of Guarantor</u>	<u>Name of Guarantee</u>		<u>Limit of guarantee to particular enterprise (Note)</u>	<u>Maximum balance</u>	<u>Balance at ending</u>	<u>Guarantee with collateral</u>	<u>Accumulated amount of guarantee in proportion to the net worth stated in the financial statements of the most recent period</u>	<u>Upper limit for guarantee (note)</u>
	<u>Company Name</u>	<u>Affiliation</u>						
President Information Corp.	President Drugstore Business Corp.	A subsidiary of President Chain Store Corp.	Note	\$ 2,000	\$ 2,000	\$ 2,000	0.57%	Note
Mech-President Corp.	Shanghai President Machine Corp.	Subsidiary of subsidiary	Note	98,858	98,858	-	14.79%	Note

Note: Upper limit of guarantee undertaken by the Company at 50% of its net worth and to particular enterprise at 20% of its net worth.

(3) Holding of marketable securities at ending:

<u>Holder of securities</u>	<u>Types and names of securities</u>	<u>Affiliation with security issuers</u>	<u>Account titles</u>	<u>Quantity of shares at ending</u>	<u>Book value</u>	<u>Proportion of shareholding</u>	<u>Market price</u>	<u>Remark</u>
Uni-President Department Store Corp.	UPAMC JAMES Bond Fund	none	Financial instruments whose changes in fair values are recognized as gains or losses -current	-	\$ 268,077	-	\$ 268,412	
Ren-Hui Investment Corp.	NITC Bond Fund, etc.	"	"		108,381		108,381	
Wisdom Distribution Service Corp.	ING Taiwan Bond Fund, etc.	"	"	-	134,056	-	134,057	
Vision Distribution Service Corp.	Fuh-Hwa Fund.etc.	"	"		119,483		119,483	
President Information Corp.etc.	UPAMC JAMES Bond Fund, etc.	"	"	-	689,276	-	689,558	
President Jing Corp.	Ta Chong Bond Fund	"	Financial instruments available for disposal –current	-	1,000	-	1,000	
Ren-Hui Investment Corp.	Toppoly Optoelectronics Corp.	none	Financial instruments carried at cost –noncurrent	62,800,000	690,037	-	690,037	
Retail Support Taiwan Corp. etc.	President Logistics International Corp.	Skipped	"	-	27,405		27,405	
President Chain Store (BVI) Holdings Ltd.	Global Strategic Investment Inc. etc.	"	"	-	USD 2,974,000	-	USD 2,974,000	
Uni-President Oven Bakery Corp.	Corporate Bond of President Transnet Corp.	"	Investments in bonds with no public quotations-non current	-	\$ 50,000		50,000	
Wisdom Distribution Service Corp.	President Logistics International Corp.	"	Long-term investments under equity method	-	101,326	-	100,652	
Retail Support International Corp.	Retail Support Taiwan Corp. etc.	"	"	-	142,286	-	136,661	
Mech-President Corp.etc.	President Jing Corp.	"	"	-	252,296		268,684	
President Chain Store (BVI) Holdings Ltd.	President Chain Store (Labuan) Holdings Ltd. etc.	"	"	-	USD 24,105,000	-	USD 22,924,000,	
President Chain Store (Labuan) Holdings Ltd.	Philippine Seven Corp.	subsidiary	"	134,257,625	USD 10,009,000	56.59%	PHP 363,549,000	
Philippine Seven Corp.	Convenience Distribution Inc. etc.	Skipped	"	-	PHP 93,705,000	-	PHP 69,821,000	
PCSC (China) Limited	PCSC (China) Drugstore Limited etc.	subsidiary	"	-	USD 23,089,000	-	USD 23,135,000	
PCSC (China) Drugstore Limited	President Cosmed Chain Store (Shen Zhen) Co., Ltd.	"	"	-	USD 1,660,000	65.00%	USD 1,447,000	
President Cosmed Chain Store (Shen Zhen) Co., Ltd.	Zhuhai Livzon Drugstore Chain Company Limited	"	"	-	RMB 797,000	90.00%	RMB 982,000	
PCSC (China) Supermarket Limited	Shan Dong President Yinzuo Commercial Limited etc.	"	"	-	USD 16,247,000	-	RMB 15,060,000	
PCSC (China) Restaurant Limited	Shanghai cold stone ice cream corporation	"	"	-	USD 5,155,000	100.00%	USD 5,155,000	

(4) The amount of the same security cumulatively bought or sold exceeding NT\$100 million or 20% of the paid-in capital:

Name of buyer, seller	Types and names of securities	Account titles	Counter parties	Affiliation	At beginning		Bought		Sold				Other Adjustment	At ending	
					Quantity of shares	Amount	Quantity of shares	Amount	Quantity of shares	Amount	Carrying cost	Capital gain		Quantity of shares	Amount
Retail Support International Corp	UPAMC JAMES BOND Fund	Note1	Not applicable	Not applicable	13,342,157	\$ 205,770	26,844,759	\$ 415,852	36,801,765	\$ 569,280	\$ 569,027	\$ 253	\$ -	3,385,151	\$ 52,595
	NITC Bond Fund	"	"	"	1,181,591	194,311	2,111,770	348,802	3,023,467	498,575	498,414	161	-	269,894	44,699
Wisdom Distribution Service Corp.	Fuh-Hwa Bond Fund	"	"	"	-	-	34,422,069	460,000	30,179,814	403,283	403,087	196	-	4,242,255	56,913
	ING Taiwan Bond Fund	"	"	"	4,051,365	61,000	26,939,277	408,000	25,913,383	392,424	392,000	424	-	5,077,259	77,000
Mech-President Corp.	Ta Chong Bond Fund	"	"	"	-	-	29,097,925	380,000	29,097,925	380,143	380,000	143	-	-	-
	Capital Income Fund	"	"	"	-	-	25,438,091	380,000	25,438,091	380,141	380,000	141	-	-	-
	Fuh-Hwa Bond Fund	"	"	"	-	-	11,221,158	150,000	11,221,158	150,053	150,000	53	-	-	-
	Mega Diamond Bond Fund	"	"	"	-	-	12,107,143	140,000	12,107,143	140,052	140,000	52	-	-	-
Uni-President Department Store Corp.	UPAMC JAMES BOND Fund	"	"	"	-	-	27,589,185	428,000	10,316,736	160,045	159,923	122	-	17,272,449	268,077
President Pharmaceutical Corp.	UPAMC JAMES BOND Fund	"	"	"	-	-	9,746,957	151,000	8,581,468	133,050	132,911	139	-	1,165,489	18,089
President Logistics International Corp.	IBT 5599 Bond Fund	"	"	"	1,062,423	11,905	10,053,013	113,100	10,873,104	122,330	122,269	61	-	242,332	2,736
President Coffee Corp.	Fu Hua You Li Fund	"	"	"	4,432,446	55,000	5,219,921	65,000	9,652,367	120,121	120,000	121	-	-	-
	Capital Income Fund	"	"	"	2,484,856	37,000	5,352,485	80,000	7,837,341	117,198	117,000	198	-	-	-
Retail Support Taiwan Corp.	UPAMC JAMES BOND Fund	"	"	"	830,488	12,806	8,705,724	134,800	7,652,093	118,482	118,341	141	-	1,884,119	29,265
PCSC (China) Limited	PCSC (China) Supermarket Limited	Note2	Raise capital by issuing new shares	"	10,290,000	USD12,707,000	3,950,000	USD3,950,000	-	-	-	-	(USD381,000)	14,240,000	USD16,276,000
	PCSC (China) Restaurant Limited	"	New company, initial offering	"	-	-	5,154,640	USD5,155,000	-	-	-	-	-	5,154,540	USD5,155,000
PCSC (China) Supermarket Limited	PCSC (SICHUAN) Hypermarket Limited	"	Raise capital by issuing new shares	"	-	USD1,818,000	-	USD3,950,000	-	-	-	-	(USD391,000)	-	USD5,377,000
PCSC (China) Restaurant Limited	Shanghai cold stone ice cream corporation	"	New company, initial offering	"	-	-	5,154,640	USD5,155,000	-	-	-	-	-	5,154,640	USD5,155,000

Note1: Recognized under the account title of "financial instruments in which changes in fair value are recognized as gains or losses-current"

Note2: Recognized as "long term equity investment under equity method."

(5) The acquisition of real estate exceeding NT\$100 million or 20% of the paid-in capital: None.

(6) The disposition of real estate exceeding NT\$100 million or 20% of the paid-in capital: None.

(7) Purchase and sales with related parties exceeding NT\$100 million or 20% of the paid-in capital:

Buyer/seller	Counterparties	Affiliations	Status of trade			Special terms and conditions of trade and reasons			Account, note receivables (payables)		Remark
			Purchase (sales)	Amount	Percentage to total purchase (sales)	Credit term	Unit price	Credit term	Balance	Percentage to total note, account receivables (payables)	
Uni-President Cold-Chain Corp.	Uni-President Enterprises Corp.	Ultimate Parent Company	Purchase	\$ 3,237,735	45%	O/A settlement from 30~45 days	No significant difference	No significant difference	(\$ 890,501)	(43%)	
	President Musashino Corp.	Investees of President Chain Store Corp. under equity method	"	589,202	8%	O/A settlement from 25~30 days	"	"	(112,567)	(5%)	
	President Chain Store Corp.	Parent	Sales	(8,010,719)	(99%)	O/A settlement from 15~30 days	"	"	2,182,752	98%	
	Tung Ang Enterprise Corp.	Affiliate	Purchase	107,021	1%	O/A settlement 30 days	"	"	(39,158)	(2%)	
	21 Century Enterprise Co., Ltd.	Investees of President Chain Store Corp. under equity method	"	107,549	1%	O/A settlement 30 days	"	"	(41,584)	(2%)	
Retail Support International Corp.	President Chain Store Corp.	Investor of this company under the equity method	Sales	(21,954,520)	(92%)	O/A settlement from 10~80 days	"	"	4,458,340	83%	
	Uni-President Enterprises Corp.	Investor of this company under the equity method	Purchase	595,657	4%	O/A settlement from 20~40 days	"	"	(126,340)	(2%)	
	Lien Bo Enterprises	Affiliate	"	521,816	4%	O/A settlement from 20~70 days	"	"	(119,658)	(2%)	
	Tung Ang Enterprise Corp.	Affiliate	"	951,891	6%	O/A settlement 30 days	"	"	(193,890)	(3%)	
	President Drugstore Business Corp.	A subsidiary of President Chain Store Corp.	Sales	(1,668,194)	(7%)	O/A settlement 50 days	"	"	759,382	14%	
	President Pharmaceutical Corp.	Investees of President Chain Store Corp. under equity method	Purchase	198,401	1%	O/A settlement from 30~60 days	"	"	(65,943)	(1%)	
	President Coffee Corp.	Investees of President Chain Store Corp. under equity method	Sales	(175,284)	(1%)	O/A settlement 30 days	"	"	36,060	1%	
President Information Corp.	President Chain Store Corp.	Parent	Service income	(267,556)	(78%)	O/A settlement 30 days	"	"	73,829	79%	
President Transnet Corp.	President Chain Store Corp.	Parent	Sales	(337,094)	(21%)	O/A settlement 15 days	"	"	64,782	17%	
Wisdom Distribution Service Corp.	President Chain Store Corp.	Parent	"	(4,125,151)	(99%)	O/A settlement from 20~40 days	"	"	1,422,816	97%	
	Vision Distribution Service Corp.	A subsidiary of Wisdom Distribution Service Corp.	"	255,924	8%	O/A settlement 35 days	"	"	(101,044)	(6%)	
President Coffee Corp.	Retail Support International Corp.	Investees of President Chain Store Corp. under equity method	Purchase	140,959	23%	O/A settlement 30 days	"	"	(31,209)	(23%)	
President Pharmaceutical Corp.	Retail Support International Corp.	Investees of President Chain Store Corp. under equity method	Sales	(200,969)	(55%)	O/A settlement from 30~60 days	"	"	124,476	53%	
President Drugstore Business Corp.	Retail Support International Corp.	Investees of President Chain Store Corp. under equity method	Purchase	1,947,945	99%	O/A settlement 50 days	"	"	(739,359)	(98%)	
Vision Distribution Service Corp.	Wisdom Distribution Service Corp.	Parent	Sales	(255,924)	(48%)	O/A settlement 35 days	"	"	112,360	50%	
President Logistics International Corp.	Retail Support International Corp.	Parent	"	(261,963)	(39%)	O/A settlement 20 days	"	"	50,420	28%	
	Uni-President Cold-Chain Corp.	A subsidiary of President Chain Store Corp.	"	(236,441)	(36%)	O/A settlement 45 days	"	"	91,380	51%	
President Musashino Corp.	Uni-President Cold-Chain Corp.	A subsidiary of President Chain Store Corp.	"	(568,789)	(99%)	O/A settlement 25 days	"	"	112,033	99%	
Retail Support Taiwan Corp.	Retail Support International Corp.	Parent	Sales	(116,209)	(98%)	O/A settlement from 15~20 days	"	"	21,803	99%	
Chieh-Shuen Logistics International Corp.	President Transnet Corp.	A subsidiary of President Chain Store Corp.	Sales	(138,904)	(69%)	O/A settlement 65 days	"	"	45,211	79%	

(8) Receivables from related parties exceeding NT\$100 million or 20% of the paid-in capital.

Company of receivables on book	Counterparties	Affiliation	Balance of Receivables With Related Party	Turnover Rate	Overdue Receivables with Related Party		Receivables with Related Party After Period Collection	Allowance for doubtful accounts
					Amount	Processing by		
Uni-President Cold-Chain Corp.	President Chain Store Corp.	Parent	\$ 2,182,752	4	\$ -	-	\$ 2,182,752	\$ -
Retail Support International Corp.	President Drugstore Business Corp.	A subsidiary of President Chain Store Corp.	759,382	3	-	-	643,981	-
	President Chain Store Corp.	Investor of this company under the equity method	4,458,340	6	-	-	2,728,463	-
Wisdom Distribution Service Corp.	President Chain Store Corp.	Parent	1,422,816	2	-	-	1,422,816	-
Vision Distribution Service Corp.	Wisdom Distribution Service Corp.	Parent	112,360	3	-	-	112,360	-
President Pharmaceutical Corp.	Retail Support International Corp.	Investees of President Chain Store Corp. under equity method	124,476	19	-	-	103,868	-
President Musashino Corp.	Uni-President Cold-Chain Corp.	A subsidiary of President Chain Store Corp.	112,033	1	-	-	112,033	-

(9) Trading of Derivative Products: None.

(III) Information on investments in China

1. Basic information on direct investments in China

Names of investees in Mainland China	Main Operations	Paid-up Capital	Investment Method	Amount remitted from Taiwan in accumulation at the beginning of the present term	Investment Remittance or Regain during the fiscal Year		Amount remitted from Taiwan in accumulation at the end of the present term	The Company's Direct or Indirect Investment Holding Ratio	Investment Profit or Loss for the Current Period (Note 5)	Book Value of Investment at the End of the Period	Investment return already remitted back as of the present term
					Remittance	Regain					
Shanghai President Starbucks Coffee Corp.	Coffee and accessories trade	USD 5,960,000	Invested through the third region (Note 1)	USD 2,000,000	-	-	USD 2,000,000	30%	USD 457,000	USD 3,653,000	-
Presiclerc (Shautou) Ltd.(Note7)	Food processing, packing and sales	USD 5,200,000	Invested through the third region (Note 2)	USD 2,470,000	-	-	USD 2,470,000	48.78%	(USD 1,000)	(USD 875,000)	-
Presiclerc (Qingdao) Ltd.	Food processing, packing and sales	USD 6,400,000	Invested through the third region (Note 2)	USD 2,185,000	-	-	USD 2,185,000	48.78%	(USD 732,000)	(USD 2,037,000)	-
Presiclerc (Beijing) Ltd.	Food processing, packing and sales	RMB 50,000,000	Invested through the third region (Note 2)	-	-	-	USD -	36.83%	(USD 120,000)	(USD 174,000)	-
President Cosmed Chain Store (Shen Zhen) Co.,Ltd.	Household goods retailing	RMB 50,000,000	Invested through the third region (Note 3)	USD 3,932,000	-	-	USD 3,932,000	65%	(USD 501,000)	USD 1,660,000	-
Shan Dong President Yinzuo Commercial Limited	Wholesaling and retailing of goods	RMB 60,000,000	Invested through the third region (Note 4)	USD 4,078,000	-	-	USD 4,078,000	55%	(USD 837,000)	USD 5,251,000	-
PCSC (SICHUAN) Hypermarket Limited	Wholesaling and retailing of goods	RMB 80,000,000	Invested through the third region (Note 4)	USD 6,200,000	USD3,950,000	-	USD 10,150,000	100%	(USD 391,000)	USD 5,377,000	-
PCSC (CHENGDU) Hypermarket Limited	Wholesaling and retailing of goods	RMB 50,000,000	Invested through the third region (Note 4)	USD 6,390,000	-	-	USD 6,390,000	100%	(USD 826,000)	USD 5,619,000	-
Shanghai cold stone ice cream corporation	Ice cream sales	USD 5,155,000	Invested through the third region (Note 5)	-	USD5,155,000	-	USD 5,155,000	100%	-	USD 5,155,000	-

Amount accumulated, remitted from Taiwan for investment in Mainland China at the end of the current term	Investment Amount Approved by Investment Commission of MOEAIC	Mainland China Investment Ceiling As Regulated by Investment Commission of MOEAIC
USD 36,360,000	USD 49,943,000	NTD 4,437,747

Note 1: Invested through President Coffee (Cayman) Holdings Ltd., the investee of President Chain Store (BVI) Holdings Ltd.

Note 2: Invested through Presiclerc Limited, the investee of President Chain Store (BVI) Holdings Ltd.

Note 3: Invested through PCSC (China) Drugstore Ltd., the subsidiary of PCSC (China) Ltd.

Note 4: Invested through PCSC (China) Supermarket Ltd., the subsidiary of PCSC (China) Ltd.

Note 5: Invested through PCSC (China) Restaurant Ltd., the subsidiary of PCSC (China) Ltd.

Note 6: These figures were based on unaudited financial statements of investees covering the same period.

Note 7: The Company took June 30, 2007 as the record date and completed the liquidation on July 10, 2007.

2. Information on major transactions, prices, terms and conditions of payment, unrealized gains/losses of investees in China directly and indirectly held by the Company via a third country and information helpful for understanding the effect of investment in China on the presentation of the financial statements.

(1) Amount and percentage of purchase made and the balances of related payables at the ending of period and percentage: None.

(2) Amount and percentage of sales and the balances of related receivables at the ending of period and percentage: None.

(3) Amount of asset trade and the resulting gains and losses: None.

(4) Balances of guarantee or collaterals pledged at ending of period and the purposes: None.

(5) Upper limit of loans, balance at ending of period, interest range and total interests: None.

(6) Other gains and losses or significant financial issues in current period: None.

(IV) The business relation, transactions and transaction amount conducted between the parent company and subsidiary and among the subsidiaries

January 1 to June 30, 2007			Business transactions				
Name of trade party	Corresponding trade party	Relation with the trade party	Account	Amount	Trade terms and conditions	Ratio to consolidated total income or total assets	
President Chain Store Corporation	Retail Support International Corp.	Parent company vs. subsidiary	Purchase	\$ 21,898,332	O/A settlement from 10~80 days	32%	
		"	Other operating income	115,179		0%	
		"	Packaging expense	105,662		0%	
		"	Miscellaneous income	111,422		0%	
		"	Notes payable	678,121		1%	
		"	Accounts payable	3,769,436		7%	
		"	Other account receivable	142,947		0%	
		Uni-President Cold-Chain Corp.	"	Purchase	8,010,719	O/A settlement from 15~30 days	0%
			"	Freight charge	12,598		1%
			"	Notes payable	603,813		3%
			"	Accounts payable	1,534,160		6%
		Wisdom Distribution Service Corp.	"	Purchase	4,080,971	O/A settlement from 20~40 days	1%
			"	Notes payable	657,061		1%
			"	Accounts payable	723,878		1%
			"	Accrued payable	21,541		0%
		President Transnet Corp.	"	Purchase	336,236	O/A settlement 15 days	0%
			"	Accounts payable	64,162		0%
		President Information Corp.	"	Information system process and maintenance expense	255,627	O/A settlement 30 days	0%
			"	Accrued payable	70,759		0%
		Capital Inventory Services Corp.	"	Stocktaking expense	68,493	O/A settlement 15 days	0%
			"	Accrued expense	36,539		0%
		President Coffee Corp.	"	Miscellaneous income	10,248	O/A settlement 30 days	0%
		President Drugstore Business Corp.	"	Accounts payable	17,743	O/A settlement 30 days	0%
		Books.com. Co. Ltd.	"	Other accounts payable	48,406	O/A settlement 30 days	0%
				Miscellaneous income	14,197		0%
				Other operating revenue	26,027		
		Duskin Serve Taiwan Co.		Cleaning expense	39,037	O/A settlement 30 days	0%
				Accrued payable	16,337		0%
		President Direct Marketing Corp.		Cost of good sold	27,551	O/A settlement 30 days	0%
	President Chain Store (BVI) Holdings Ltd.		Other account receivable	12,742		0%	
Retail Support International Corp.	President Drugstore Business Corp.	Subsidiary vs. subsidiary	Sales revenue	1,676,358	O/A settlement 50 days	2%	
		"	Accounts receivable	759,382		1%	
		"	Other accounts payable	21,453		0%	
		President Coffee Corp.	"	Sales revenue	151,377	O/A settlement 30 days	0%
			"	Accounts receivable	10,052		0%
		Wisdom Distribution Service Corp.	"	Sales revenue	23,144	O/A settlement 40 days	0%
		Retail Support Taiwan Corp.	"	Logistics expense	96,992	O/A settlement from 15~20 days	0%
			Other account payable	21,765		0%	

Name of trade party	Corresponding trade party	Relation with the trade party	Business transactions			Ratio to consolidated total income or total assets
			Account	Amount	Trade terms and conditions	
Retail Support International Corp.	President Logistics International Corp.	Subsidiary to subsidiary	Freight charge	\$ 262,302	O/A settlement 20 days	0%
		"	Other accounts payable	50,415		0%
	President Pharmaceutical Corp.	"	Cost of goods sold	198,401	O/A settlement from 30~60 days	0%
		"	Other operating revenue	11,173		0%
		"	Accounts payable	65,941		0%
		"	Notes payable	46,421		0%
	Mister Donut Taiwan Corp.	"	Delivery income	10,109	O/A settlement 45 days	0%
	Muji Taiwan Co. Ltd.	"	Other accounts payable	17,182	O/A settlement 30 days	0%
Uni-President Cold-Chain Corp.	President Coffee Corp.	"	Cost of goods sold	50,689	O/A settlement from 30~45 days	0%
	President Logistics International Corp.	"	Freight charge	237,932	O/A settlement 45 days	0%
		"	Accrued expense	75,486		0%
	Uni-President Oven Bakery Corp.	"	Cost of goods sold	19,106	O/A settlement from 30~45 days	0%
		"	Accounts payable	19,199		0%
President Information Corp.	President Transnet Corp.	"	Service income	17,835	O/A settlement 60 days	0%
		"	Accounts payable	102,394		0%
	President Logistics International Corp.	"	Freight charge	66,656	O/A settlement 60 days	0%
	Bank Pro E-Service Technology Co., Ltd.	"	Cost of goods sold	16,574	O/A settlement 60 days	0%
President Transnet Corp.	Books.com. Co. Ltd.	"	Operating revenue	10,044	O/A settlement 60 days	0%
	President Collect Services Co. Ltd.	"	Other accounts payable	148,124	O/A settlement 7 days	0%
	Chieh-Shuen Logistics International Corp.	"	Cost of goods sold	138,904	O/A settlement 65 days	0%
		"	Accrued expense	41,898		0%
Retail Support Taiwan Corp.	President Logistics International Corp.	"	Freight charge	36,497	O/A settlement 20 days	0%
President Logistics International Corp.	Chieh-Shuen Logistics International Corp.	"	Cost of goods sold	52,209	O/A settlement 16 days	0%
		"	Operating revenue	10,005		0%
		"	Other accounts payable	10,971		0%
	Vision Distribution Service Corp.	"	Operating revenue	13,782	O/A settlement 20 days	0%
Uni-President Oven Bakery Corp.	Uni-President Oven Bakery (BVI) Investment Co., Ltd.	"	Other accounts receivable	11,786	None	0%
		"				

January 1 to June 30 2006

Name of trade party	Corresponding trade party	Relation with the trade party	Business transactions			Ratio to consolidated total income or total assets
			Account	Amount	Trade terms and conditions	
President Chain Store Corporation	Retail Support International Corp.	Parent company vs. subsidiary	Purchase	\$ 20,672,974	O/A settlement from 10~80 days	33%
			Other accounts receivable	109,210		0%
			Purchase discount	319,138		1%
			Packing expense	190,638		0%
			Miscellaneous income	209,896		0%
			Prepayment	15,960		0%
			Notes payable	215,445		0%
			Account payable	3,228,621		7%
			Accrued expense	29,339		0%
			Uni-President Cold-Chain Corp.	"	Purchase	7,464,270
	Purchase discount	50,383				0%
	Miscellaneous income	100,095				0%
	Wisdom Distribution Service Corp.	"	Other operating revenue	19,092		40%
			Accounts payable	1,395,113		3%
			Purchase	2,685,736	O/A settlement from 20~35 days	4%
			Notes payable	427,145		1%
	President Transnet Corp.	"	Accounts payable	447,706		1%
			Purchase	342,636	O/A settlement 15 days	1%
	President Information Corp.	"	Accounts payable	55,453		0%
			Information system process and maintenance expense	248,400	O/A settlement 30 days	0%
			Prepaid expense	14,338	O/A settlement 30 days	0%
			Accrued expense	80,516		0%
			Inventory count expense	66,713	O/A settlement 15 days	0%
	Capital Inventory Services Corp.	"	Accrued expense	23,107		0%
			Other accounts payable	13,135		0%
	President Coffee Corp.	"	Other income-other	14,436		0%
	President Drugstore Business Corp.	"	Non-operating revenue	13,046		0%
President Direct Marketing Corp.	"	Purchase	21,535		0%	
Books.com. Co. Ltd.	"	Sales revenue	19,241		0%	
Retail Support International Corp.	President Drugstore Business Corp.	Subsidiary vs. subsidiary	Sales revenue	1,521,899	O/A settlement 50 days	2%
			Sales discount	303,226		0%
			Other accounts payable	14,855		0%
			Accounts receivable	439,292		1%

Name of trade party	Corresponding trade party	Relation with the trade party	Business transactions			Ratio to consolidated total income or total assets
			Account	Amount	Trade terms and conditions	
	President Coffee Corp.	Subsidiary vs. subsidiary	Sales revenue	\$ 122,304	O/A settlement 30 days	0%
		"	Accounts payable	19,340		0%
		"	Accounts receivable	22,157		0%
		"	Delivery income	3,133		0%
	Wisdom Distribution Service Corp.	"	Sales revenue	63,757	O/A settlement 30 days	0%
		"	Sales discount	3,654		0%
		"	Accounts receivable	15,366		0%
	Bank Pro E-Service Technology Co., Ltd.	"	Purchase	33,055	O/A settlement 30 days	0%
		"	Accounts payable	3,191		0%
	Retail Support Taiwan Corp.	"	Warehousing and delivery expense	107,809	O/A settlement from 15 to 20 days	0%
	President Logistics International Corp.	"	Fright charge	213,332	O/A settlement from 15 to 20 days	0%
		"	Accrued expense	4,821		0%
	Uni-President Cold-Chain Corp.	"	Sales revenue	10,459	O/A settlement 30 days	0%
Uni-President Cold-Chain Corp.	President Coffee Corp.	"	Purchase	65,150	O/A settlement from 30 to 45 days	0%
		"	Accounts payable	14,780		0%
	President Logistics International Corp.	"	Accrued expense	57,195	O/A settlement 45 days	0%
		"	Freight charge	192,206		0%
	President Direct Marketing Corp.	"	Purchase	10,266	O/A settlement 30 days	0%
President Information Corp.	President Transnet Corp.	"	Sales revenue	15,570	O/A settlement 60 days	0%
		"	Accounts receivable	16,626		0%
Uni-President Oven Bakery Corp.	Uni-President Cold-Chain Corp.	"	Sales revenue	18,792	O/A settlement 30 days	0%
		"	Accounts receivable	19,963		0%
Wisdom Distribution Service Corp.	Vision Distribution Service Corp.	"	Purchase	154,094	O/A settlement 40 days	0%
		"	Accounts payable	20,744		0%
President Logistics International Corp.	Uni-President Cold-Chain Corp.	"	Sales revenue	191,206	O/A settlement from 40 to 65 days	0%
		"	Accounts receivable	57,195		0%
President Transnet Corp.	President Direct Marketing Corp.	"	Service income	10,664	O/A settlement 90 days	0%
	President Collect Services Co. Ltd.	"	Service income	24,669	O/A settlement from 90 days	0%
		"	Accrued expense	27,084		0%
	Chieh-Shuen Logistics International Corp.	"	Accrued expense	46,401	O/A settlement from 40~65 days	0%

XII. Financial information by department

Not applicable.