

President Chain Store Corporation
Financial Statement & Independent Auditor's Report
The first three quarters of 2007 and 2006

(Stock Code 2912)
[**Translated Version**]

Company address: 8F, No. 8, Dongxing Rd., Taipei

TEL: (02)2747-8711

President Chain Store Corporation
Financial Statement
The first three quarters of 2007 and 2006
Subject Index

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Independent Auditor's Report

(96) Tsai-Shen-Bao-Zhi No. 07001348

To: President Chain Store Corporation

We have audited the balance sheet of President Chain Store Corporation prepared on Sep. 30 2007 and Sep. 30 2006, and the income statements and statements of cash flow covering the period of 2007 and 2006, until Sep. 30 of the respective fiscal year. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these 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 standards. Therefore, we are unable to form an opinion on the financial statements referred to in the preceding paragraph.

The opinions and disclosures of financial information on long-term equity investment under the equity method made by the Company covering the period of the first three quarters of 2007 and 2006, and the disclosures of investees as specified in Note XI were given on the basis of information on unaudited financial statements prepared by respective investees covering the same accounting period. As of September 30, 2007 and 2006, the balance of long-term equity investment under equity method amounted to NT\$7,079,627 thousand and NT\$6,386,096 thousand, respectively. Recognized return on investment for the periods of the first three quarters of 2007 and 2006 amounted to NT\$152,752 thousand and NT\$110,561 thousand, respectively.

According our view, adjustments and supplementary disclosures should be made on condition that the financial statements of the aforementioned investees covering the same period were audited, and the opinions so given may be affected further by the previous disclosures of long-term equity investments under the equity method and the disclosures specified in Note XI. There is no material breach of the "Guidelines Governing the Preparation of Financial Reports by Securities Issuers", "Business Accounting Law", "Business Accounting Guidelines", and accounting principles generally accepted in the Republic of China that dictates a revision of this report.

As stated in Note III to this financial report, President Chain Store Corporation adopted the newly announced Financial Accounting Standard No. 34 on "Financial Instruments: Recognition and Measurement" and No. 36 on "Financial Instruments: Disclosure and Presentation" effective Jan. 1, 2006 on the accounting of financial instruments. The Company also adopted the newly amended Financial Standard No. 5 on "Long-Term Investment under Equity Method" whereby amortization of goodwill is ended and impairment is assessed annually.

PRICEWATERHOUSECOOPERS

Tsai Ching-pao, CPA

Chen Mei-Tzu, CPA

Approval Document issued by Securities and Futures Commission (now Securities and Futures Bureau) of Ministry of Finance: (76) Tai-Tsai-Cheng (I) No. 11412
(82) Tai-Tsai-Cheng (VI) No. 39230

October 26, 2007

President Chain Store Corporation
Balance Sheet
Sep. 30, 2007 and 2006

Currency expression: NTD 1,000

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

	<u>Sep. 30, 2007</u>		<u>Sep. 30, 2006</u>			<u>Sep. 30, 2007</u>		<u>Sep. 30, 2006</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Assets					Liabilities and Shareholders' Equity				
Current Assets					Current liability				
Cash and cash equivalence (Note IV(1))	\$ 5,255,810	11	\$ 3,030,400	8	Derivative financial liabilities for hedging-current (Note X)	\$ 10,130	-	\$ -	-
Financial assets whose changes in fair value are recognized as gains or losses-current (Note IV(2))	7,041,363	15	750,244	2	Notes payable	636,169	1	706,119	2
Investments in bonds with no public quotations -current	-	-	40,000	-	Notes payable - related parties (Note V)	2,113,585	4	1,957,329	5
Net account receivables	309,589	1	300,092	1	Accounts payable	279,358	1	227,019	1
Other accounts receivable (Note V)	553,480	1	429,661	1	Accounts payable - related parties (Note V)	5,476,088	12	5,946,743	16
Inventory (Note IV (3))	2,863,669	6	2,957,135	8	Income taxes payable (Note IV(15))	858,699	2	268,830	1
Other current assets (Notes IV (15), V and VII)	946,548	2	901,072	3	Accrued expenses (Notes IV (9) and V)	1,868,193	4	2,233,578	6
Total current assets	16,970,459	36	8,408,604	23	Other accounts payable (Note IV (10))	6,044,926	13	4,761,861	13
Funds and investments					Advance receipts	950,617	2	974,178	3
Financial assets available for sales-noncurrent (Note IV(4))	863,694	2	434,064	1	Current portion of long-term liabilities (Note IV(12))	1,100,000	2	900,000	2
Financial assets measured at cost - non current (Note IV(5))	12,208,712	26	12,129,956	33	Total current liabilities	19,337,765	41	17,975,657	49
Long-term investments (Equity method) (Notes IV(6) and (V))	7,079,627	15	6,386,096	18	Long-term interest-accruing liabilities				
Total funds and investments	20,152,033	43	18,950,116	52	Derivative financial liabilities for hedging-non current (Note X)	-	-	19,884	-
Fixed assets (Note IV (7))					Corporate bond (Note IV (12))	-	-	1,100,000	3
Costs					Long-term debt (Note IV (13))	9,450,000	20	800,000	3
Land	1,534,725	3	1,534,726	4	Total long-term liabilities	9,450,000	20	1,919,884	6
Buildings	931,189	2	927,852	3	Other liability				
Machinery and equipment	9,532,822	21	8,447,803	23	Accrued pension liabilities	357,611	1	358,509	1
Lease improvement	4,365,679	9	3,805,176	10	Guarantee deposit received	1,727,267	4	1,527,941	4
Other equipment	12,725	-	13,356	-	Total other liabilities	2,084,878	5	1,886,450	5
Cost and revaluation	16,377,140	35	14,728,913	40	Total liabilities	30,872,643	66	21,781,991	60
Less: accumulated depreciation	(8,981,793)	(19)	(7,957,438)	(22)	Shareholders' Equity				
Construction in process and prepayment for equipment	4,961	-	3,147	-	Capital (Note IV (16))				
Net fixed assets	7,400,308	16	6,774,622	18	Paid-in Capital	9,151,604	20	9,151,604	25
Other assets					Retained earnings (Note IV (17))				
Assets leased to others (Notes IV (8) and VII)	1,310,518	3	1,002,265	3	Legal reserve	2,925,882	6	2,543,649	7
Idle Assets	-	-	322,424	1	Special reserve	-	-	531	-
Refundable deposit (Note VII)	985,644	2	1,038,453	3	Unassigned retained earnings	3,293,726	7	2,802,315	7
Other assets - other (Note IV(15))	19,807	-	86,111	-	Other adjustments in SH's equity				
Total other assets	2,315,969	5	2,449,253	7	Unrealized revaluation gains (Note III)	587,958	1	273,646	1
					Cumulative translation adjustment	6,956	-	28,859	-
Total Assets	<u>\$ 46,838,769</u>	<u>100</u>	<u>\$ 36,582,595</u>	<u>100</u>	Total shareholders' equity	15,966,126	34	14,800,604	40
					Undertakings and contingent liabilities (Notes V and VII)				
					Total liabilities and shareholders' equity	\$ 46,838,769	100	\$ 36,582,595	100

Please refer to the accompanying notes and audit report made by Tsai Ching-pao and Chen Mei-Tzu, CPAs of PriceWaterHouse Coopers on October 26, 2007.

Chairman: Kao Chin-Yen

President: Hsu Chung-Ren

Chief Accountant: Lai Hsin-Ti

President Chain Store Corporation
Income Statements
January 1 to Sep. 30, 2007 and 2006

Currency expression: NTD 1,000
(EPS: NT\$)

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

	<u>Jan. 1 to Sep. 30, 2007</u>		<u>Jan. 1 to Sep. 30, 2006</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Operating revenue				
Net sales	\$ 74,934,096	97	\$ 72,603,692	97
Other operating revenue (Note V)	<u>2,547,525</u>	<u>3</u>	<u>2,448,953</u>	<u>3</u>
Total operating revenue	77,481,621	100	75,052,645	100
Cost of operation				
Cost of goods sold (Note V)	(53,866,463)	(70)	(52,720,096)	(70)
Gross Profit	<u>23,615,158</u>	<u>30</u>	<u>22,332,549</u>	<u>30</u>
Operating expenses (Notes IV (19) and V)				
Selling expenses	(18,356,029)	(24)	(16,956,817)	(23)
General and administration exp.	(1,913,800)	(2)	(2,376,782)	(3)
Total operating expenses	(20,269,829)	(26)	(19,333,599)	(26)
Operating income	<u>3,345,329</u>	<u>4</u>	<u>2,998,950</u>	<u>4</u>
Non-operating incomes				
Gain on valuation of financial assets	7,399	-	442	-
ROI under equity method (Note IV (6))	152,752	-	110,561	-
Dividend Income	48,656	-	190,805	-
Gains on disposal of investment (Note V)	103,886	-	-	-
Rental Income (Note V)	40,991	-	33,430	-
Miscellaneous incomes (Note V)	<u>506,376</u>	<u>1</u>	<u>434,887</u>	<u>1</u>
Total non-operating income	<u>860,060</u>	<u>1</u>	<u>770,125</u>	<u>1</u>
Non-operating expenses				
Interest expenses	(42,203)	-	(50,267)	-
Loss on disposal of fixed assets	(18,759)	-	(11,447)	-
Loss on disposal of investments	-	-	(22,098)	-
Allowance for reduction of inventory to market	-	-	(34,687)	-
Impairment (Note IV (5))	(70,003)	-	(93,611)	-
Other expenses	(27,694)	-	(31,897)	-
Total non-operating expenses	(158,659)	-	(244,007)	-
Income before tax	4,046,730	5	3,525,068	5
Income tax expense (Note IV (15))	(779,827)	(1)	(822,041)	(1)
Earnings of continued operations	3,266,903	4	2,703,027	4
Accumulated effects from changes in accounting principles (Note III)	-	-	373	-
Net income	<u>\$ 3,266,903</u>	<u>4</u>	<u>\$ 2,703,400</u>	<u>4</u>
	(pre-tax)	(after tax)	(pre-tax)	(after tax)
Basic EPS (Note IV (18))				
Net income	<u>\$ 4.42</u>	<u>\$ 3.57</u>	<u>\$ 3.85</u>	<u>\$ 2.95</u>

Please refer to the accompanying notes and audit report
made by Tsai Ching-pao and Chen Mei-Tzu, CPAs of PRICEWATERHOUSECOOPERS on on October 26, 2007.

Chairman: Kao Chin-Yen

President: Hsu Chung-Ren

Chief Accountant: Lai Hsin-Ti

President Chain Store Corporation
Statement of Cash Flow
January 1 to Sep. 30, 2007 and 2006

Currency expression: NTD 1,000

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

	Jan. 1 to Sep. 30, 2007	Jan. 1 to Sep. 30, 2006
<u>Cash flow from operating activities</u>		
Net income	\$ 3,266,903	\$ 2,703,400
Adjustments to reconcile net income to net cash provided by operating activities		
Gain on valuation of financial assets	(7,399)	(442)
Reversal of allowance for doubtful accounts to income	(168)	(11,882)
Loss from idle inventory and devaluation (valuation gain)	(9,437)	34,687
Depreciation	1,279,813	1,240,055
Depreciation of leased assets	10,628	10,627
Amortizations	67,342	244,673
Capital gain from disposition of financial assets measured on the basis of cost	(119,747)	-
Financial assets measured at cost – impairment losses	70,003	93,611
Cash dividend from long-term investment under equity method	307,362	234,690
Return on investments recognized under the equity method	(152,752)	(110,561)
Disposal gain on long-term investment under equity method	-	(52,380)
Loss on disposal of fixed assets	18,759	11,447
Changes in assets and liabilities		
Accounts receivable	(8,017)	82,170
Other accounts receivable	(59,030)	(27,910)
Inventory	26,550	(236,356)
Deferred income tax assets	17,485	2,640
Other current assets	(90,161)	(80,690)
Notes payable	205,638	1,153,773
Accounts payable	571,334	1,740,948
Income taxes payable	196,475	(339,013)
Accrued expenses	(553,775)	178,289
Other accounts payable	1,351,134	847,615
Advance receipts	(72,529)	128,573
Accrued pension liabilities	(869)	(1,243)
Net cash provided by operating activities	6,315,542	7,846,721
<u>Cash flows from investing activities</u>		
Increase in Financial assets-current-whose changes in fair value are recognized in earnings	(6,902,891)	(744,849)
Financial assets acquired on basis of cost	(269,055)	(285,000)
Proceeds from disposal of financial assets estimated on the basis of cost	361,415	7,697
Acquisition of long-term investment-equity method	(943,805)	(965,814)
Proceeds from disposal of long-term investment – equity method	-	94,989
Decrease of bond investment	20,000	20,000
Purchase of fixed assets	(1,996,102)	(1,185,431)
Proceeds from disposal of fixed assets	9,628	41,123
Increase in deposits-out	(48,041)	(159,578)
Net cash provided by investing activities	9,768,851	3,176,863

(Continue)

President Chain Store Corporation
Statement of Cash Flow
January 1 to Sep. 30, 2007 and 2006

Currency expression: NTD 1,000

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

	Jan. 1 to Sep. 30, 2007	Jan. 1 to Sep. 30, 2006
<u>Cash flows from financing activities</u>		
Increase (decrease) in long-term loans	\$ 9,450,000	(\$ 520,000)
Payback of corporate bond	(900,000)	(200,000)
Increase in guarantee deposits received	158,173	182,875
Payment of cash dividends	(3,203,062)	(3,111,546)
Remuneration to Directors & Supervisors	(34,406)	(66,853)
Net cash inflows (outflows) from financing	5,470,705	(3,715,524)
Net increase (or decrease) in cash and cash equivalent	2,017,396	954,334
Beginning balance of cash and cash equivalent	3,238,414	2,076,066
End balance of cash and cash equivalent	\$ 5,255,810	\$ 3,030,400
<u>Supplementary disclosures of cash flow information</u>		
Interest paid	\$ 58,709	\$ 56,479
Income tax paid	\$ 600,836	\$ 1,163,693
<u>Investing and financing activities of partial payment on cash</u>		
Purchase of fixed assets	\$ 1,857,186	\$ 1,112,862
Add: beginning balance of accounts payable on equipment	278,844	211,747
Less: end balance of accounts payable on equipment	(139,928)	(139,178)
Cash disbursement in current period	\$ 1,996,102	\$ 1,185,431

Please refer to the accompanying notes and audit report
made by Tsai Ching-pao and Chen Mei-Tzu, CPAs of PRICEWATERHOUSECOOPERS on on October 26, 2007.

Chairman: Kao Chin-Yen

President: Hsu Chung-Ren

Chief Accountant: Lai Hsin-Ti

President Chain Store Corporation

Notes to Financial Statements

Jan. 1 to Sep. 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)

I. Company history

- (I) The Company was duly incorporated in the Republic of China on June 10 1987 under the Company Act with principal business of investment and operation of convenience store chain, retailing and trading of foodstuffs, canned goods, books, magazines, newspapers and household items, and the imports and exports of the aforementioned items. The Company has been permitted to list its stock to trade in Taiwan Stock Exchange as of August 1997.
- (II) The parent and the final parent of the Company is Uni-President Enterprises Corp.
- (III) As of Sep. 30. 2007, the Company has 8,930 employees (including part-time workers).

II. Summary of significant accounting policies

The financial statement was prepared in accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers, Business Accounting Law, Business Accounting Guidelines and the generally accepted accounting principles in the Republic of China. Significant accounting policies are explained as follows:

(I) Standards for classifications of current and non-current assets and liabilities

- 1. Assets that are in conformity with the following terms are classified as current assets; assets other than current assets are non-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.
- (4) Debts that cannot be deferred in liquidation after twelve months from the Balance Sheet date unconditionally.

(II) Cash equivalent

Cash equivalent is a short-term investment with high liquidity that conforms 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 the Company has been prepared on the basis of cash and cash equivalents.

(III) Foreign currency exchange

1. The accounts of the Company 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 transaction for bookkeeping. Differences resulting from the exchange are recognized as current gains or losses.
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. Differences resulting from the exchange are recognized as current gains or losses. Differences resulting from the exchange between the Company and foreign investees through advances for payment shall be recognized as adjustments to shareholders' equity.
3. Non-monetary assets or liabilities expressed in foreign currencies shall be estimated on the basis of fair value 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 current gains or losses. 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.

(IV) Financial instruments whose changes in fair value are recognized as gains and 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. Financial assets in which changes in fair value are recognized as gains or losses shall be estimated on the basis of fair value. 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.

(V) Financial assets available for sale

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 adjustment to shareholders' equity. The fair value of stocks with public quotations in centralized markets are 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 a decrease in the amount of subsequent impairment, recognize it as adjustments to shareholders' equity for the decrease in impairment of equity items.

(VI) Investments in bonds with no public quotations listed on the open market

1. The delivery day accounting principle is adopted for the bookkeeping of these investments and the estimation of which is based on fair value of the instruments plus the acquisition cost or issuance cost.
2. For bonds with no public quotations in open market, estimation shall be made on the basis of the cost after amortization.
3. Recognize as impairment loss with supporting evidence. Should there be decrease in the amount of subsequent impairment and it is obviously related to events occurring after the recognition of impairment losses, reverse as current gains or losses. Such reversal shall not cause the book value to exceed the cost after amortization under the recognition of impairment loss.

(VII) Financial assets measured 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.

(VIII) 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: Hedging instruments are estimated according to fair value. Any gain or loss in the book value of the hedging instruments resulting from exchange rate fluctuation shall be recognized as current gain or loss. Any gain or loss of the hedged objects resulting from hedging shall adjust the book value of the hedged objects and be immediately recognized as current gain or loss.
 - (2) Hedge of cash flows: Any gain or loss of the hedging instruments shall be recognized as adjustments to shareholders' equity.

(IX) Allowance for doubtful accounts

The allowance for doubtful accounts is determined on the basis of collectability of receivable accounts and the balance of other receivables at the end.

(X) Inventory

Bookkeeping of inventory is made on the basis of the actual cost and costing is made on the basis of the retailing method. An appropriate allowance for loss is provided for obsolete inventory and inventory that might become obsolete. Obsolete inventory loss is recorded as a loss in the period.

(XI) Long-term investments (Equity method)

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. Investees where the Company holds more than 50% of the voting shares or holds a dominant position shall be accounted for under the equity method and their annual and interim financial statements shall be consolidated with the Company.

2. The investment loss of the invested company that is valued with Equity Method and is influential but not wholly owned is recognized to have the book value of the investment and advances of the invested company reduced to zero. However, if President Chain Store Corp. has an endorsement and guarantee made for the invested company or has intention to support the invested company continuously, investment loss is to be recognized proportionally to shareholdings.
3. In accounting of overseas investments under the equity method, the “cumulative translation adjustment” 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.

(XII) Fixed assets and non-operating assets

1. Cost is the basis of bookkeeping. Interest paid for the spending on assets in the years of use is 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 service plus one year of residual value. For assets continuing to be in service after the previous period of services, the residual value shall be subject to depreciation in the subsequent years of services. Buildings and construction have 30 to 55 years of service. Other assets have 3 to 15 years of service for depreciation purpose.
3. Spending on repair and maintenance is recognized as expenses for current period. Major additions or improvements shall be capitalized and depreciated. While disposing of assets, 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.

(XIII) Impairment of non-financial assets

1. In the event of change in the operation environment or the occurrence of a particular event which implies the return on assets of the Company may fall lower than the book value of such assets, the Company shall state for recognized impairment loss. Recoverable amount of assets as referred to means the net fair value or the consumption value of an asset, whichever is higher. Net fair value means the net disposable amount of an asset under fair trade. Consumption value of an asset is the expected amount of cash inflow brought about by such asset within its life span discounted for present value.
2. If the situation of recognized impairment loss of asset carried forward no longer exists, reverse the amount of recognized loss within the same period and the limit of recognized loss. Recognized impairment of goodwill shall not be reversed.

(XIV) 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. Under the defined contribution pension plan, pension fund contribution on accrual basis shall be recognized as pension cost for current period.

(XV) Income Tax

1. The Company adopts Financial Accounting Standard No. 22 on “The Accounting of Corporate Income Tax” for its accounting of income tax. Income tax will be amortized across different accounting periods or within the same accounting period. The effect of temporary differences of income tax payable is recognized as deferred income tax liabilities. Effect of deductible temporary difference of income tax payable and income tax deduction are recognized as deferred income tax assets. Deferred income tax assets are subject to evaluation for realization and state specific amount as allowance. Deferred income tax assets or liabilities are classified into current and non current items in accordance with the nature of the balance sheet account and the period of expected realization.

2. The levy of 10% income tax on unallocated retained earnings under the new Tax Code is recognized as income tax expenses incurred in the year of shareholders meeting resolution.
3. 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.
4. Adjustments of tax liabilities carried forward are added to income tax expenses in current year.

(XVI) Recognition of revenue and cost

Revenue shall be recognized and realized while earning profits. Related costs are recognized with corresponding items of revenue. Expenses shall be recognized on an accrual basis and stated as current expenses.

(XVII) Earnings per share

The Company computes the earnings per share by the weighted-average method. The earnings for any 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.

(XVIII) Delivery day accounting

The Company has 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.

(XIX) Accounting estimations

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

III. The reasons for changes in accounting policies and the effect of such changes

(I) Financial instruments

1. Effective Jan. 1, 2006, the Company has adopted the newly announced 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 Sep. 30, 2006. Net profit increased by NT\$6,182 while earnings per share increased by NT\$0.01 in the period of Jan. 1 to Sep. 30, 2006.

(II) No amortization for goodwill

1. The Company has adopted the principles under amended Financial Accounting Standards No. 1, 5, 7, 25 and 35 since Jan. 1, 2006 whereby goodwill shall no longer be subject to amortization.
2. This change in accounting principle resulted in the increase of NT\$117,787 in total assets as of Sep. 30, 2006 and net profit in the period of Jan. 1 to Sep. 30, 2006, with earnings per share increased by NT\$0.13.

IV. Summary on major account titles

(I) Cash and cash equivalence

	<u>Sep. 30, 2007</u>	<u>Sep. 30, 2006</u>
Cash on hand and working capital of stores	\$ 1,503,158	\$ 1,369,062
Current account deposits and checking account deposits	1,336,202	1,198,183
Cash equivalence		
Short term bills	2,416,450	463,155
	<u>\$ 5,255,810</u>	<u>\$ 3,030,400</u>

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

	<u>Sep. 30, 2007</u>	<u>Sep. 30, 2006</u>
Financial instruments held for trading		
Stocks with public quotations	\$ 97,571	\$ 111,142
Open-ended funds	6,940,000	650,000
	7,037,571	761,142
Valuation Adjustment	3,792	(10,898)
	<u>\$ 7,041,363</u>	<u>\$ 750,244</u>

(III) Inventory

	<u>Sep. 30, 2007</u>	<u>Sep. 30, 2006</u>
Merchandise	\$ 2,864,131	\$ 3,050,567
Less: Allowance for inventory losses	(462)	(93,432)
	<u>\$ 2,863,669</u>	<u>\$ 2,957,135</u>

(IV) Available-for-sale financial assets-non current

	<u>Sep. 30, 2007</u>	<u>Sep. 30, 2006</u>
Stocks with public quotations	\$ 265,606	\$ 140,534
Valuation Adjustment	598,088	293,530
	<u>\$ 863,694</u>	<u>\$ 434,064</u>

(V) Financial assets measured at cost - non-current

	<u>Sep. 30, 2007</u>	<u>Sep. 30, 2006</u>
Stocks listed in the emerging market	\$ 1,742,880	\$ 1,742,880
Stocks with no public quotation	10,569,521	10,480,687
Subtotal	12,312,401	12,223,567
Accumulated impairment	(103,689)	(93,611)
Total	<u>\$ 12,208,712</u>	<u>\$ 12,129,956</u>

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

(VI) Long-term investments (Equity method)

<u>Investees</u>	<u>Sep. 30, 2007</u>		<u>Sep. 30, 2006</u>	
	<u>Amount</u>	<u>Proportion of shareholding</u>	<u>Amount</u>	<u>Proportion of shareholding</u>
President Chain Store (BVI) Holdings Ltd.	\$ 963,220	100.00	\$ 1,182,246	100.00
PCSC (China) Limited	932,042	100.00	403,176	100.00
Ren-Hui Investment Corp.	878,954	100.00	859,474	100.00
Uni-President Cold-Chain Corp.	331,462	60.00	337,566	60.00
Mech-President Corp.	533,693	63.47	417,281	62.95
President Transnet Corp.	255,206	70.00	217,210	70.00
President Drugstore Business Corp.	455,840	100.00	386,431	100.00
Retail Support International Corp.	114,358	25.00	108,893	25.00
President Information Corp.	207,031	56.00	198,479	56.00
Mister Donut Taiwan Corp.	121,417	50.00	120,190	50.00
President Coffee Corp.	119,415	30.00	123,096	30.00
Uni-President Development Corp.	163,517	20.00	177,747	20.00
Wisdom Distribution Service Corp.	174,575	100.00	156,368	100.00
President Yilan Art and Culture Corp.	130,891	90.00	101,235	90.00
President Pharmaceutical Corp.	339,187	73.74	322,421	73.74
Uni-President Department Store Corp.	308,994	70.00	279,422	70.00
President Musashino Corp.	224,287	40.00	208,392	40.00
Q-ware Systems & services Corp.	79,436	23.07	162,098	22.68
FN Business Corporation	80,478	100.00	100,000	100.00
Duskin Serve Taiwan Co.	108,227	51.00	91,683	51.00
Muji Taiwan Co., etc.	557,397	20.00~	432,688	20.00~
		100.00		100.00
	<u>\$ 7,079,627</u>		<u>\$ 6,386,096</u>	

As indicated in the unaudited financial statements of the investees covering the same periods, return to long-term equity investment of the Company under Equity Method in the periods of Jan. 1 to Sep. 30, 2007 and 2006, amounted to \$152,752 and \$110,561, respectively.

(VII) Fixed assets

	Sep. 30, 2007		
	Initial cost	Accumulated depreciation	Book value
Land	\$ 1,534,725	\$ -	\$ 1,534,725
Buildings	931,189	(152,669)	778,520
Machinery and equipment	9,532,822	(6,011,379)	3,521,443
Lease improvement	4,365,679	(2,805,801)	1,559,878
Other equipment	12,725	(11,944)	781
Prepayment for purchase of equipment	4,961	-	4,961
	<u>\$ 16,382,101</u>	<u>(\$ 8,981,793)</u>	<u>\$ 7,400,308</u>

	Sep. 30, 2006		
	Initial cost	Accumulated depreciation	Book value
Land	\$ 1,534,726	\$ -	\$ 1,534,726
Buildings	927,852	(135,028)	792,824
Machinery and equipment	8,447,803	(5,428,289)	3,019,514
Lease improvement	3,805,176	(2,381,910)	1,423,266
Other equipment	13,356	(12,211)	1,145
Prepayment for purchase of equipment	3,147	-	3,147
	<u>\$ 14,732,060</u>	<u>(\$ 7,957,438)</u>	<u>\$ 6,774,622</u>

(VIII) Assets leased to others

	Sep. 30, 2007		
	Initial cost	Accumulated depreciation	Book value
Land	\$ 915,084	\$ -	\$ 915,084
Buildings	424,091	(28,657)	395,434
	<u>\$ 1,339,175</u>	<u>(\$ 28,657)</u>	<u>\$ 1,310,518</u>

	Sep. 30, 2006		
	Initial cost	Accumulated depreciation	Book value
Land	\$ 689,897	\$ -	\$ 689,897
Buildings	323,154	(10,786)	312,368
	<u>\$ 1,013,051</u>	<u>(\$ 10,786)</u>	<u>\$ 1,002,265</u>
 (IX) <u>Accrued expenses</u>			
	<u>Sep. 30, 2007</u>	<u>Sep. 30, 2006</u>	
Payable salaries and bonuses	\$ 747,694	\$ 927,093	
Payable incentives for franchisee	389,012	425,231	
Payable fees for system development and maintenance	100,721	88,991	
Others	630,766	792,263	
	<u>\$ 1,868,193</u>	<u>\$ 2,233,578</u>	
 (X) <u>Other accounts payable</u>			
	<u>Sep. 30, 2007</u>	<u>Sep. 30, 2006</u>	
Bills collected for others	\$ 5,464,751	\$ 4,248,112	
Payable employee bonuses	275,250	200,559	
Payable for acquisition of fixed assets	139,928	139,178	
Others	164,997	174,012	
	<u>\$ 6,044,926</u>	<u>\$ 4,761,861</u>	
 (XI) <u>Advance receipts</u>			
	<u>Sep. 30, 2007</u>	<u>Sep. 30, 2006</u>	
Prepayment of gift certificates	\$ 613,119	\$ 658,683	
Advance receipt for I-Cash cards	299,704	290,167	
Others	37,794	25,328	
	<u>\$ 950,617</u>	<u>\$ 974,178</u>	

(XII) Corporate bond

	term	Sep. 30, 2007	Sep. 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
		1,100,000	2,000,000
Less: Current portion		(1,100,000)	(900,000)
		\$ -	\$ 1,100,000

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) Long-term debt

	Sep. 30, 2007	Sep. 30, 2006
Credit loan	\$ 2,450,000	\$ 800,000
Syndicated loans	7,000,000	-
	\$ 9,450,000	\$ 800,000
Annual Interest rate	2.34% ~ 2.51%	1.62% ~ 1.74%

1. The Company has secured a line of credit from United Cathay Bank for terms of 2~3 years, and may use the credit on a revolving basis within the granted limit.
2. The Company has applied for syndicated loans amounting to NT\$7 billion from a consortium including Cosmo Bank in Sep. 2007. The main clauses contained in the Syndicated Loan Agreement are summarized as follows:
 - (1) The contract term is 3 years and the initial draw down shall be made within 3 months after the signing of the agreement. The Company can use the loans on a

revolving basis for 35 months within the granted credit limit after the initial draw down.

(2) The Company shall maintain the following financial ratios in the annual and interim consolidated financial statements:

a. Financial debt ratio shall be kept within 100%.

b. Tangible assets shall not fall lower than NT\$15 billion.

c. Debt service coverage ratio shall not fall lower than a multiple of 5.

(XIV) Pension Fund

1. The Company has instituted the regulations for defined pension plan under the “Labor Standards Law” applicable to the years of service of employees before July 1, 2005, the day that the new “Labor Pension Act” has come into full force. Such regulations are also applicable to employees who elect to continue the calculation of their subsequent years of service under the “Labor Standards Law”. Each employee shall be entitled to 2 basis points for each year of service if he or she has served the Company for 15 years or less. One basis point will be added to each additional year of service beyond the said period of 15 years up to the maximum of 45 basis points. Pension will be payable on the basis of the average basic salary of the employee within the last six months prior to retirement and the length of service. The Company allocates 2%~4.42% of its total monthly salaries as pension fund reserve. This reserve is deposited in a special account bearing the title of Labor Retirement Pension Reserve Supervisor Committee at the Trust Department of the Bank of Taiwan (The Central Trust of China has been absorbed by Bank of Taiwan on July 1 2007 in a merger whereby Bank of Taiwan is the acquirer). In the period of Jan. 1 to Sep. 30, 2007 and 2006, the Company has recognized net pension cost under the aforementioned regulation for pension fund amounted to NT \$65,016 and \$59,263, respectively. As of Sep. 30, 2007 and Sep. 30, 2006, the Company has balances of \$551,156 and \$456,650 deposited in the special pension fund account at the Bank of Taiwan.

2. Effective July 1, 2005, the Company has instituted its internal regulation governing the retirement of employees in accordance with the “Statute for Labor Pensions” and is applicable to all employees of ROC nationality. Employees of the Company may choose the pension contribution system under the “Statute for Labor Pensions” whereby 6% of their monthly salaries will be allocated to the special individual accounts at the Labor Insurance Bureau as contribution to pension fund reserve. Retirees of the Company may claim for pension from the pension fund account and the accumulated contribution in lump sum or in monthly payment. In the period of Jan. 1 to Sep. 30, 2007 and 2006, the Company has recognized pension cost in accordance with the aforementioned regulation on pension fund contribution amounting to NT \$96,773 and \$93,875, respectively.

(XV) Income Tax

1. Income tax and Income taxes payable

	Jan. 1 to Sep. 30, 2007	Jan. 1 to Sep. 30, 2006
Income taxes payable	\$ 858,699	\$ 268,830
Net variation of deferred income tax assets resulting from temporary differences		
Carried forward income tax liabilities	(17,485)	(2,640)
Underestimate (overestimate) of income tax carried forward	(66,328)	17,030
Income tax of interest income of commercial paper(tax rate 20%)	2,252	1,336
Prepaid income tax	2,689	537,485
Income tax expense	<u>\$ 779,827</u>	<u>\$ 822,041</u>

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

	Sep. 30, 2007		Sep. 30, 2007	
	Amount	Effect of income tax	Amount	Effect of income tax
Current items (stated as other current assets in statement)				
Temporary difference				
Taxation difference through donation	\$ 83,922	\$ 20,981	\$ -	\$ -
Allowance for reduction of inventory to market	462	116	93,432	23,358
Employee fringe benefits	1,133	283	2,863	716
Bad debts	5,306	1,326	1,660	415
		<u>\$ 22,706</u>		<u>\$ 24,489</u>

Current items (stated as other current assets in statement)

Temporary difference				
Losses from overseas investments	\$ 832,488	\$ 208,122	\$ 537,021	\$ 134,255
Employee fringe benefits	-	-	1,133	283
		208,122		134,538
Less: allowance for reevaluation losses		<u>(208,122)</u>		<u>(134,255)</u>
		<u>\$ -</u>		<u>\$ 283</u>

3. The difference between the income and taxable income for the previous three quarters in 2007 is a result of the loss resulting from capital reduction of the investees recognized in the income tax return.

4. The Company has the following deductible items in the period of Jan. 1 to Sep. 30, 2007:

<u>Legal sources</u>	<u>Deductible items</u>	<u>Total deductible amount</u>	<u>Unconsumed deductible balance</u>
Statute for the Encouragement of Industrial Upgrading	Human resources training	\$ 8,894	\$ -
	Automation equipment and technology	2,519	-

5. No corporate income tax levied on unpaid earnings in the period of Jan. 1 to Sep. 30, 2007 and 2006.
6. Income tax returns filed by the company have been approved by taxation authorities up to tax year 2005.
7. Details of unpaid incomes are shown as follows:

	<u>Sep. 30, 2007</u>	<u>Sep. 30, 2006</u>
Unpaid incomes carried forward to 1997	\$ 31,142	\$ 31,142
Unallotted retained earnings carried forward from 1998	3,262,584	2,771,173
Total	<u>\$ 3,293,726</u>	<u>\$ 2,802,315</u>

8. Information on new taxation system

	<u>Sep. 30, 2007</u>	<u>Sep. 30, 2006</u>
Balance of shareholders deduction account	\$ 40,965	\$ 22,576
	2006	2005
	(Estimated amount)	(Actual amount)
Proportion of deduction attributable to actual income payout	<u>33.44%</u>	<u>30.60%</u>

(XVI) Capital Stock

The authorized capital of the Company amounted to \$9,600,000 in 915,160,436 outstanding shares as of Sep. 30, 2007 and 2006 at face value NT\$10/share.

(XVII) 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 reserve may also be allocated as there is debit to shareholders' equity. Upon the reverse of the debit to shareholder's equity, the reversed amount is to be converted to net income for distribution. 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 remuneration 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. Legal reserve may only be used for offsetting losses carried forward and increasing capitalization. If the balance of a Legal 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 shareholder general meeting, cash dividends paid out for the periods of the first three quarters of 2007 and 2006, amounted to NT\$3.5/share and NT\$3.4/share, respectively.

(XVIII) Earnings per share

	The first three quarters of 2007				
	Amount		Weighted average quantity of outstanding shares	EPS (currency: NTD)	
	(pre-tax)	(after tax)		(pre-tax)	(after tax)
Basic EPS					
Earnings for shareholders of common stock	\$ 4,046,730	\$ 3,266,903	915,160,436	\$ 4.42	\$ 3.57

The first three quarters of 2006					
Amount			Weighted average quantity of outstanding shares	EPS	
				(currency: NTD)	
(pre-tax)	(after tax)			(pre-tax)	(after tax)
Basic EPS					
Earnings for shareholders of common stock					
\$ 3,525,068	\$ 2,703,400	915,160,436	\$ 3.85	\$ 2.95	

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

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

	The first three quarters of 2007	The first three quarters of 2006
Human resources expenses		
Salaries	\$ 2,796,484	\$ 2,809,265
Labor and health insurance	201,270	204,626
Pension fund	161,789	153,138
Other human resources expenses	189,795	169,969
	<u>\$ 3,349,338</u>	<u>\$ 3,336,998</u>
Depreciation	\$ 1,279,813	\$ 1,240,055
Depletion	\$ -	\$ -
Amortizations	\$ 67,342	\$ 244,673

V. Related Party Transactions

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

Name of related parties	Relationship with the company
Uni-President Enterprises Corp.	Parent
Tung Ang Enterprise Corp.	Investees of Uni-President Enterprises Corp under equity method.
Presco Netmarketing Inc.	"
Uni-President Dream Parks Corp.	"
President Tokyo Corp.	"
Tung Guan Enterprises Co., Ltd.	"
President Direct Marketing Corp.	Subsidiary
President Drugstore Business Corp.	"
Wisdom Distribution Service Corp.	"
Mech-President Corp.	"
Duskin Serve Taiwan Co.	"
Capital Inventory Services Corp.	"
President Information Corp.	"
Uni-President Cold-Chain Corp.	"
President Chain Store (BVI) Holdings Ltd.	"
PCSC (China) Limited	"
President Transnet Corp.	"
Uni-President Oven Bakery Corp.	"
Ren-Hui Investment Corp.	"
President Collect Services Co. Ltd.	"
Bank Pro E-Service Technology Co., Ltd.	"
Books.com. Co. Ltd.	"
President Yilan Art and Culture Corp.	"
Uni-President Department Store Corp.	"
President Pharmaceutical Corp.	"
FN Business Corporation	"
Cold Stone Creamery Taiwan Ltd.	"
President Coffee Corp.	Investees of the Company under equity method.
Retail Support International Corp.	"
Marks and Spencer Taiwan Co., Ltd.	"
Uni-President Yellow Hat Corp.	"
Q-ware Systems & services Corp.	"
Marks and Spencer Co.	"

Name of related parties	Relationship with the company
Uni-President Development Corp.	Investees of the Company under equity method.
President Organics, Co.	"
Mister Donut Taiwan Corp.	"
21 Century Enterprise Co., Ltd.	"
President Musashino Corp.	"
President Chain Store (Labuan) Holdings Ltd.	Subsidiary of a subsidiary
PCSC (China) Supermarket Limited	"
PCSC (China) Drugstore Limited	"
PCSC(China)Restaurant Limited	"
President Cosmed Chain Store (Shen Zhen) Co., Ltd.	"
Zhuhai Livzon Drugstore Chain Company Limited	"
Uni-President Oven Bakery (BVI) Corp.	"
Wuhan Uni-president Oven Fresh Bakery Co., Ltd.	"
Shanghai Cold Stone Ice Cream Corporation	"
Philippines Seven Corp.	"
Convenience Distribution Corp.	"
PCSC (Vietnam) Supermarket Ltd.	"
Shan Dong President Yinzuo Commercial Limited	"
PCSC (SICHUAN) Hypermarket Limited	"
PCSC (CHENGDU) Hypermarket Limited	"
Safety Elevator Corp.	"
Mech-President (BVI) Corp.	"
President Jim Corp.	"
Shanghai President Machine Corp.	"
Vision Distribution Service Corp.	"
Duskin China (BVI) Holding Limited	"
President Technology Corp.	The Company is a director
Tong-Ho Development Corp.	"
Allianz President Life Insurance Co., Ltd.	(This affiliation ended in April 2007, as the Company sold it's stakes in this company)
Retail Support Taiwan Corp.	A subsidiary of Retail Support International Corp.
President Logistics International Corp.	"
Chieh-Shuen Logistics International Corp.	A subsidiary of President Logistics International Corp.
President Being Corp.	A subsidiary of Tong-Ho Development Corp.
President Coffee (Cayman) Holdings Ltd.	Investee of President Chain Store(BVI) Holding Ltd. under the equity method of valuation.
Shanghai President Starbucks Coffee Corp.	A subsidiary of President Coffee (Cayman) Holdings Ltd.

(II) Major transactions with related parties

1. Other operating incomes - marketing bonuses

	The first three quarters of 2007		The first three quarters of 2006	
	Amount	Percentage of the amount under the same account title	Amount	Percentage of the amount under the same account title
Retail Support International Corp.	\$ 133,439	13	\$ 161,764	14
Others	46,605	4	38,061	3
	<u>\$ 180,044</u>	<u>17</u>	<u>\$ 199,825</u>	<u>17</u>

2. Purchase (net less incentive for purchase)

	The first three quarters of 2007		The first three quarters of 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.
Retail Support International Corp.	\$ 30,941,292	57	\$ 32,831,891	61
Uni-President Cold-Chain Corp.	12,249,126	22	11,985,528	22
Wisdom Distribution Service Corp.	6,285,809	12	4,174,139	8
Uni-President Enterprises Corp.	1,275,303	2	1,334,200	2
Others	755,657	1	733,170	1
	<u>\$ 51,507,187</u>	<u>94</u>	<u>\$ 51,058,928</u>	<u>94</u>

- (1) The aforementioned sales and purchases have been made under regular prices and the percentage and collection of incentive bonus for purchases are the same except for Retail Support International Corp., Uni-President Cold-Chain Corp. and Wisdom Distribution Service Corp.

- (2) The purchases and sales between the Company and Retail Support International Corp., Uni-President Cold-Chain Corp. and Wisdom Distribution Service Corp. are bound by the agreements with the said parties for appointment of shipping services. As stated in the agreement, the Company has followed the internal regulation for procurement in purchasing with respective suppliers and delivered the purchased taxable items and goods for the stores through the services of these stakeholders. The cost of the aforementioned purchases is calculated on the basis of the fees agreed by the parties in written agreement.

3. Compensation on defective merchandise (debited to cost of goods sold)

	<u>The first three quarters of 2007</u>		<u>The first three quarters of 2006</u>	
	<u>Amount</u>	<u>Percentage of the amount under the same account title</u>	<u>Amount</u>	<u>Percentage of the amount under the same account title</u>
Uni-President Cold-Chain Corp.	\$ 183,897	64	\$ 180,765	62
Retail Support International Corp.	67,224	23	68,079	24
Uni-President Enterprises Corp.	37,116	13	38,609	13
	<u>\$ 288,237</u>	<u>100</u>	<u>\$ 287,453</u>	<u>99</u>

4. Operating expenses

	The first three quarters of 2007		The first three quarters of 2006	
	Amount	Percentage of the amount under the same account title	Amount	Percentage of the amount under the same account title
(1) Cleaning fees				
Duskin Serve Taiwan Co.	\$ 61,140	43	\$54,021	43
(2) Items for stores (recognized as packing and other fees)				
Retail Support International Corp.	\$ 167,066	57	\$147,571	53
(3) Stocktaking fees for the stores				
Capital Inventory Services Corp.	\$ 105,220	100	\$103,990	100
(4) Electronic ordering system processing fees				
President Information Corp.	\$ 404,106	67	\$361,863	57

5. Non-operating incomes

(1) Subsidy to electronic online ordering system processing fees (recognized as miscellaneous income)

	The first three quarters of 2007		The first three quarters of 2006	
	Amount	Percentage of the amount under the same account title	Amount	Percentage of the amount under the same account title
Retail Support International Corp.	\$ 161,481	61	\$ 152,315	62
Uni-President Cold-Chain Corp.	85,083	32	78,015	32
Others	16,244	6	11,265	5
	\$ 262,808	99	\$ 241,595	99

(2) Rental income (recognized as debit item to rental spending and miscellaneous income)

	The first three quarters of 2007	The first three quarters of 2006
President Coffee Corp.	\$ 28,642	\$ 28,271
Others	21,369	19,130
	<u>\$ 50,011</u>	<u>\$ 47,401</u>

6. Receivables (payables to) from related parties

	Sep. 30, 2007		Sep. 30, 2006	
	Amount	Percentage of the amount under the same account title	Amount	Percentage of the amount under the same account title
<u>Other accounts receivable</u>				
Retail Support International Corp.	\$ 164,652	30	\$ 2,294	1
President Chain Store (BVI) Holdings Ltd.	8,718	2	30,000	7
Uni-President Enterprises Corp.	26,257	5	26,115	6
Others	44,824	7	46,718	10
	<u>\$ 244,451</u>	<u>44</u>	<u>\$ 105,127</u>	<u>24</u>

	Sep. 30, 2007		Sep. 30, 2006	
	Amount	Percentage of the amount under the same account title	Amount	Percentage of the amount under the same account title
<u>Prepayment for purchase</u> (recognized as other current assets)				
Retail Support				
International Corp.	\$ -	-	\$ 15,960	-
<u>Note and account payables</u>				
Retail Support				
International Corp.	\$ 3,687,987	43	\$ 4,381,950	50
Uni-President Cold-Chain Corp.	1,914,025	23	2,025,026	23
Wisdom Distribution Service Corp.	1,466,617	17	927,694	10
Uni-President Enterprises Corp.	318,473	4	379,715	4
Others	202,571	2	189,687	2
	\$ 7,589,673	89	\$ 7,904,072	89
<u>Accrued expenses</u>				
President Information Corp.	\$45,931	2	\$47,774	2
Retail Support International Corp.	22,231	1	41,229	2
Capital Inventory Services Corp.	37,895	2	25,142	1
Others	60,833	4	117,005	5
	\$ 166,890	9	\$ 231,150	10

7. Property trade

Investment in long-term equity

The Board of the Company resolved to acquire 10,640,494 shares of President Pharmaceutical Corp., a holding of President Enterprise Corp, at \$24/share. The transaction price was set at \$ 255,372 at the recommendation of securities experts.

8. Lending-financing related parties (not applicable in the period of Jan. 1 to Sep. 30, 2007)

The first three quarters of 2006					
Maximum balance					
Borrowers	Date of transaction	Amount	Balance at ending of period	Interest rate	Interest income
Uni-President Yellow Hat Corp.	April, 2006~				
	May, 2006	\$ 20,000	\$ -	2.82%	\$ 45
21 Century Enterprise Co., Ltd.	Jan., 2006~				
	Feb., 2006	5,000	-	2.51% ~2.52%	19
			\$ -		\$ 64

9. Guarantee

As of Sep. 30, 2007, the Company has acted as guarantor in favor of the following related parties:

	<u>Amount</u>
Retail Support International Corp.	\$ 600,000
Wisdom Distribution Service Corp.	50,000
President Yilan Art and Culture Corp.	15,000
President Information Corp.	8,000
	<u>\$ 673,000</u>
Mech-President Corp.	<u>USD 3,000,000</u>
Wuhan Uni-president Oven Fresh Bakery Co., Ltd.	<u>USD 3,500,000</u>
Philippines Seven Corp.	<u>USD 5,775,000</u>

10. Commitment

- (1) The Company has entered into an agreement with President Information Corp on application software system maintenance whereby President Information Corp shall provide the Company and all of its business locations with the operation and maintenance of online ordering systems. The contract sum amounted to \$482,260 and the term started in June 2006 and expires on December 2007. As of Sep. 30, 2007, the Company has outstanding payments amounting to NT\$101,928.
- (2) The Company let out a portion of its corporate headquarters building to affiliates as office space and business locations with lease terms of 3 to 5 years. Rents will be paid as specified in respective lease agreements. As of September 30, 2007, the Company has the following projection of rental income:

<u>Lease term</u>	<u>Total rents</u>
October 1 to December 31, 2007	\$ 4,666
2008	12,436
2009	11,339
2010	5,935
	<u>\$ 34,376</u>

VI. Assets pledged under lien

None.

VII. Materiality and Contingencies

- (I) The Company has entered into an agreement with 7- Eleven Inc. of the USA on a long-term technological cooperation. 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.
- (II) The Company leases the President International Building (recognized as “Assets leased to others”) held by it to a non-related party:
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
Jan. 1 to October 31, 2012	17,960
	<u>\$ 105,878</u>

- (III) The Company has leased the space for its stores and business locations from non-related party with lease agreement running for terms of 3 to 12 years. As of Sep. 30, 2007, the Company has paid rent and security deposits amounting to \$722,638 and \$979,897 under the agreements. These expenses were recognized as “other current assets”, and “refundable deposits”.

<u>Lease term</u>	<u>Total rents</u>
October 1 to December 31 , 2007	\$ 1,187,837
2008	4,727,862
2009	4,514,031
2010	4,093,437
2011 and beyond	11,324,884
	<u>\$ 25,848,051</u>

VIII. Losses from major accidents

None.

IX. Subsequent events

None.

X. Miscellaneous

(I) Information on fair value

	Sep. 30, 2007		
		Fair value	
	Book value	Amount determined by open quotations	Amount estimated by appraisal method
<u>Non-Derivatives</u>			
<u>Assets</u>			
Financial instruments whose book values are equal to fair value	\$ 6,118,879	\$ -	\$ 6,118,879
Financial instruments held for trading	7,041,363	7,041,363	-
Financial assets carried at cost	12,208,712	-	-
Financial instruments available for disposals	863,694	852,851	-
Refundable deposit	985,644	-	874,359
<u>Liabilities</u>			
Financial liabilities whose book value are equal to fair value	\$ 17,277,018	-	\$ 17,277,018
Corporate bond	1,100,000	-	1,100,000
Long-term debt	9,450,000	-	9,450,000
Guarantee deposit received	1,727,267	-	1,522,939
<u>Derivatives</u>			
<u>Liabilities</u>			
Interest rate SWAP	\$ 10,130	\$ -	\$ 10,130

	Sep. 30, 2006		
	Book value	Fair value	
		Amount determined by open quotations	Amount estimated by appraisal method
<u>Non-Derivatives</u>			
Assets			
Financial instruments whose book values are equal to fair value	\$ 3,706,153	\$ -	\$ 3,706,153
Financial instruments held for trading	750,244	750,244	-
Financial assets carried at cost	12,129,957	-	-
Financial instruments available for disposals	434,064	434,064	-
Investments in bonds with no public quotations in open market	40,000	-	40,000
Refundable deposit	1,038,453	-	916,453
Liabilities			
Financial liabilities whose book value are equal to fair value	\$ 16,101,479	\$ -	\$ 16,101,479
Corporate bond	2,000,000	-	2,000,000
Long-term debt	800,000	-	800,000
Guarantee deposit received	1,527,941	-	1,370,316
<u>Derivatives</u>			
Liabilities			
Interest rate SWAP	\$ 19,884	\$ -	\$ 19,884

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, accrued expenses, 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 long-term loans in the form of corporate bonds and revolving credit minimally. Therefore, its book value is estimated as the fair value.
 5. The fair value of derivatives is based on the assumption that the Company will discharge the contract on the statement date to estimate the amount to be acquired or paid. Generally, this shall include the unrealized gain or loss from unsettled contracts in current period.
- (II) The Company has recognized financial assets available for sales as adjustment to Shareholders' Equity in the period of Jan. 1 to Sep. 30, 2007 and 2006, amounting to NT\$223,904 and \$293,530, respectively.
- (III) Financial Risk Control and Hedging Strategy
1. The risk management policy adopted by the Company aims at hedging operational risks. To this end, the Company deals with derivatives for covering financial exposure. The selection of specific instruments shall be able to hedge 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 in 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.
- (IV) As of Sep. 30, 2007 and 2006, the Company had financial assets bearing fair value risk under interest rate fluctuation amounting to \$0 and \$40,000, respectively, and, financial liabilities amounted to \$9,850,000 and \$2,100,000. Financial liabilities bearing cash flow risk under interest rate fluctuation in the same period was \$700,000.

(V) Information on primary financial risks

1. Market Risk

- (1) The Company has 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 adopts fixed interest rate for some of its long-term debts and payable bonds. These debt instruments are sensitive to interest rate fluctuation in the market. Yet, the maturities of these instruments are close and are assessed as bearing no significant market risk under interest rate fluctuation.
- (3) Most of the accounts payable of the Company have terms of 90 days. Therefore, they are assessed as bearing no significant market risk.

2. Credit Risk

- (1) The Company 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 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 acts 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 amount of possible credit risk may be approximately offset by the receipts in advance.

3. Liquidity Risk

- (1) The Company has 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 carried at cost have no open quotation in the centralized market. Therefore, there is anticipated liquidity risk.

- (3) Most accounts payable of the Company have terms of 90 days. The loans borrowed by the Company are mostly in the form of revolving credit. Therefore, the Company has adequate working capital for meeting its cash needs and no major liquidity risk is anticipated.
- (4) 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 there is no risk of fund appropriation.

4. Cash Flow Risks deriving from interest rate fluctuation

- (1) The investments of the Company in equity financial instruments are not interest bearing products and there will be no cash flow risk from interest rate fluctuation.
- (2) The Company adopts 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.

(VI) 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:

<u>Designated hedging instruments</u>		<u>Fair value</u>		Period in which cash flow is anticipated to be generated	Time at which the relevant loss is anticipated to be recognized in the statement of income
<u>Hedged objects</u>	Financial products designated to be hedging instruments	Sep. 30, 2007	Sep. 30, 2007		
Corporate bond	Interest rate SWAP	(\$ 10,130)	(\$ 19,884)	June, 2003~ June, 2008	2006~2008

<u>Item</u>	<u>Sep. 30, 2007</u>	<u>Sep. 30, 2006</u>
Adjustments to shareholders' equity	\$ 4,864	(\$ 19,884)
Reversal from shareholders' equity to income and loss	\$ -	\$ -
Reversal from shareholders' equity to non-financial assets (liabilities)	\$ -	\$ -

(Blank hereunder)

XI. Disclosures

(I) Information on major transactions

Disclosure on major transactions of the Company in the first three quarters of 2007 is specified as follows:

1. Loans to third parties: None.
2. Act as guarantor in favor of a third party:

Name of Guarantor	Name of Guarantee		Limit of guarantee to particular enterprise (Note)	Maximum Balance in current period	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)
	Company Name	Affiliation						
President Chain Store Corporation	Retail Support International Corp.	business relation	\$3,193,225	\$ 600,000	\$ 600,000	None	3.76%	
	Wisdom Distribution Service Corp.	Subsidiary	3,193,225	50,000	50,000	None	0.31%	
	President Information Corp.	Subsidiary	3,193,225	8,000	8,000	None	0.05%	
	President Yilan Art and Culture Corp.	Subsidiary	3,193,225	65,000	15,000	None	0.09%	
	Mech-President Corp.	Subsidiary	3,193,225	USD 3,000,000	USD 3,000,000	None	0.61%	
	Philippines Seven Corp.	subsidiary of a subsidiary	3,193,225	USD7,883,000	USD 5,775,000	None	1.18%	
	Wuhan Uni-president Oven Fresh Bakery Co., Ltd.	subsidiary of a subsidiary	3,193,225	USD3,500,000	USD 3,500,000	None	0.72%	
						<u>6.72%</u>	\$ 7,983,063	

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	Book value	Proportion of shareholding	Market price	Remarks
President Chain Store Corporation	Cathay Financial Holdings, etc.	None	Financial assets which change in fair values are recognized as gains or losses-current	skipped	\$97,571	-	\$101,183	
	Yuanta Wan-tai Fund	"	"	148,654,675	2,100,000	-	2,100,000	
	Prudential Financial Bond Fund	"	"	127,836,554	1,890,000	-	1,890,127	
	UPAMC JAMES BOND Fund	"	"	80,092,780	1,250,000	-	1,250,000	
	Polaris De-Li Bond Fund	"	"	111,603,997	1,700,000	-	1,700,053	
					7,037,571		\$ 7,041,363	
					3,792			
			Add: adjustment valuation		\$7,041,363			
President Chain Store (BVI) Holdings Ltd.		Investees of the Company under equity method	Long-term investments (Equity method)	46,405,458	\$963,220	100.00%	\$963,227	
	Ren-Hui Investment Corp.	"	"	85,303,733	878,954	100.00%	878,718	
	Mech-President Corp.	"	"	48,698,536	533,693	63.47%	514,946	
	Uni-President Cold-Chain Corp.	"	"	19,563,272	331,462	60.00%	319,431	
	President Drugstore Business Corp.	"	"	36,575,500	455,840	100.00%	448,334	
	President Yilan Art and Culture Corp.	"	"	18,000,000	130,891	90.00%	131,478	
	President Information Corp.	"	"	16,744,311	207,031	56.00%	202,309	
	President Transnet Corp.	"	"	70,000,000	255,206	70.00%	237,432	
	Wisdom Distribution Service Corp.	"	"	9,432,540	174,575	100.00%	174,366	
	PCSC (China) Limited	"	"	36,449,140	932,042	100.00%	932,341	
	Uni-President Development Corp.	"	"	20,000,000	163,517	20.00%	163,516	
	Mister Donut Taiwan Corp.	"	"	10,000,000	121,417	50.00%	122,315	
	President Coffee Corp.	"	"	9,313,920	119,415	30.00%	119,769	
	Retail Support International Corp.	"	"	5,000,000	114,358	25.00%	105,892	
	President Pharmaceutical Corp.	"	"	14,600,494	339,187	73.74%	180,040	
	Uni-President Department Store Corp.	"	"	56,000,000	308,994	70.00%	309,620	
	President Musashino Corp.	"	"	20,916,000	224,287	40.00%	223,699	
	Duskin Serve Taiwan Co.	"	"	15,300,000	108,227	51.00%	108,335	
	Muji Taiwan co. Ltd.etc.	"	"	skipped	717,311	20.00%	665,542	
					\$7,079,627	~100.00%	\$ 6,801,310	
President Securities Corp.		Investees of Uni-President Enterprises Corp under equity method	Available-for-sale financial assets-non current	30,355,172	\$702,950	2.58%	\$679,956	
Duskin Co. Ltd.		None	"	300,000	160,744	0.45%	172,895	
					\$863,694		\$852,851	

<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 / units at ending</u>	<u>Book value</u>	<u>Proportion of shareholding</u>	<u>Market price</u>	<u>Remarks</u>
	Presicarre Corp.	The Company is a director	Financial assets measured at cost - noncurrent	88,740,016	\$6,818,529	19.50%	skipped	
	Toppoly Optoelectronics Corp.	None	"	146,448,927	1,609,160	3.47%	"	
	Tong-Jen Development Corp.	The Company is a director	"	171,000,000	1,941,500	19.00%	"	
	President International Development Corp.	"	"	50,000,000	500,000	3.33%	"	
	New Century Info Comm Co. Ltd.etc.	skipped	"	skipped	1,339,523	0.02%	"	
						~19.93%		
					<u>\$ 12,208,712</u>			

(Blank hereunder)

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				At ending			
					Quantity of share	Amount	Quantity of share	Amount	Quantity of share	Amount	Carrying cost	Gain from disposal	Other adjustments	Quantity of share	Amount	
President Chain Store Corporation	NITC Taiwan Bond Fund	Note 1	Not applicable	Not applicable	—	\$ —	21,236,683	\$ 300,000	21,236,683	\$ 300,246	\$300,000	\$246	\$ —	—	\$ —	
	Yuanta Wan-tai Fund	"	"	"	—	—	187,164,435	2,640,000	38,509,760	540,293	540,000	293	—	148,654,675	2,100,000	
	Fuh-Hwa Global Bond Fund	"	"	"	—	—	15,602,815	200,000	15,602,815	200,070	200,000	70	—	—	—	
	Mega Diamond Bond Fund	"	"	"	—	—	252,174,503	2,920,000	252,174,503	2,921,558	2,920,000	1,558	—	—	—	
	Prudential Financial Bond Fund	"	"	"	—	—	535,962,264	7,890,000	408,125,710	6,002,601	6,000,000	2,601	—	127,836,554	1,890,000	
	UPAMC JAMES BOND Fund	"	"	"	—	—	276,063,270	4,290,000	195,970,491	3,041,743	3,040,000	1,743	—	80,092,780	1,250,000	
	Fuh-Hwa Bond Fund	"	"	"	—	—	122,652,547	1,640,000	122,652,547	1,640,610	1,640,000	610	—	—	—	
	Capital Income Fund	"	"	"	—	—	13,253,101	198,000	13,253,101	198,081	198,000	81	—	—	—	
	Polaris De-Li Bond Fund	"	"	"	—	—	111,603,997	1,700,000	—	—	—	—	—	111,603,997	1,700,000	
	JF(Taiwan) First Bond Fund	"	"	"	—	—	18,909,508	290,000	18,909,508	290,259	290,000	259	—	—	—	
	Allianz Preside nt Life Insurance Co., Ltd.	Note 2	Note 3	Note 3		24,166,817	241,668	—	—	24,166,817	361,415	241,668	119,747	—	—	—
	Tong-Ho Development Corp.	Note 2	Raise capital by issuing new shares	Not applicable		19,929,929	—	26,905,500	269,055	(19,928,476) (Note 4)	—	—	—	(70,003)	26,906,953	199,052
	Uni-President Department Store Corp.	Note 5	"	"		35,000,000	249,117	21,000,000	210,000	—	—	—	—	(150,123)	56,000,000	308,994
	PCSC (China) Limited	"	"	"		20,722,000	481,140	15,727,140	518,458	—	—	—	—	(67,556)	36,449,140	932,042
Marks and Spencer Taiwan Co., Ltd.	"	New company, initial offering	"		—	—	12,826,412	128,264	—	—	—	—	(44,426)	12,826,412	83,838	

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

Note 2: Recognized under the account title of "Financial instruments measured at cost - non current".

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

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

Note 5: Booked in the "Long-term investments (Equity method)" account.

Note 6: This includes investment loss recognized under the equity method, accumulated conversion adjustment, and impairment loss.

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	Counter parties	Affiliation	Status of trade			Special terms and conditions of trade and reasons		Account, note receivables (payables)		
			Purchase (sales)	Amount	Percentage to total purchase (sales)	Unit price	Credit term	Balance	Percentage to total note, account receivables (payables)	Remarks
President Chain Store Corporation	Retail Support International Corp.	Investees of the Company under equity method	Purchase	\$ 30,941,292	57	O/A settlement 10~80 days	Note	No significant difference	(\$3,687,987)	43
	Uni-President Cold-Chain Corp.	Subsidiary	"	12,249,126	22	O/A settlement 15~30 days	"	"	(1,914,025)	23
	Wisdom Distribution Service Corp.	"	"	6,285,809	12	O/A settlement 20~40 days	"	"	(1,466,617)	17
	Uni-President Enterprises Corp.	Parent	"	1,275,303	2	O/A settlement 30~45 days	No significant difference	"	(318,473)	4
	Q-ware Systems & services Corp.	Investees of the Company under equity method	"	164,596	—	O/A settlement 30~40 days	"	"	(37,765)	—
	President Transnet Corp.	Subsidiary	Cost of operation	498,129	1	O/A settlement 15 days	The cost of home delivery, not applicable here	"	(70,057)	1

Note: The 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 items plus specific percentage in payment, please refer to Note V (2).

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 With Related Party	Turnover Rate	Overdue Receivables with Related Parties		Receivables with Related Party After Period Collection	Allowance for doubtful accounts
					Amount	Processing by		
President Chain Store Corporation	Retail Support International Corp.	Investees of the Company under equity method	Other receivables \$ 164,652	Not applicable	\$-	-	\$-	\$-

9. Derivative trade: Note X (5).

(II) Information on Investees

Investor name	Name	Location	Major business activities	Initial amount of investment		Holding at ending				Recognized return on (loss from) investment by company	Remarks
				End of current period	End of previous period	Quantity of share	Proportion	Book value	Income status of investees		
President Chain Store Corporation	President Chain Store (BVI) Holdings Ltd.	BVI	Professional investments	\$1,520,766	\$1,520,766	46,405,458	100.00%	\$963,220	(\$ 18,400)	(\$ 18,407)	Subsidiary
	Ren-Hui Investment Corp.	Taipei	Professional investments	853,037	853,037	85,303,733	100.00%	878,954	19,160	19,396	"
	Mech-President Corp.	Tainan	Gasoline stations, cables	451,767	364,683	48,698,536	63.47%	533,693	11,880	25,909	"
	Uni-President Cold-Chain Corp.	Tainan	Frozen foods, low-temperature logistics	237,437	237,437	19,563,272	60.00%	331,462	124,518	74,315	"
	President Drugstore Business Corp.	Taipei	Retailing of medicines and daily items	396,000	396,000	36,575,500	100.00%	455,840	60,351	60,487	"
	President Yilan Art and Culture Corp.	Yilan	Art and cultural exhibition	180,000	180,000	18,000,000	90.00%	130,891	30,572	27,326	"
	President Information Corp.	Taipei	Business management consulting services	93,348	93,348	16,744,311	56.00%	207,031	26,851	15,472	"
	President Transnet Corp.	Taipei county	Foods and utensils retailing and shipping	711,576	711,576	70,000,000	70.00%	255,206	78,604	53,955	"
	Wisdom Distribution Service Corp.	Taipei	Magazine delivery	50,000	50,000	9,432,540	100.00%	174,575	54,762	54,859	"
	PCSC (China) Limited	BVI	Professional investments	1,198,253	571,632	36,449,140	100.00%	932,042	(67,257)	(67,556)	"
	Uni-President Development Corp.	Taipei	Construction of transportation depots	200,000	200,000	20,000,000	20.00%	163,517	(52,090)	(10,417)	Note 1
	Mister Donut Taiwan Corp.	Taipei	Bakery	100,000	100,000	10,000,000	50.00%	121,417	36,197	17,759	"
	President Coffee Corp.	Taipei	Coffee and accessories trade	59,400	59,400	9,313,920	30.00%	119,415	48,850	13,422	"
	Retail Support International Corp.	Chungli	Room-temperature food logistics	91,414	91,414	5,000,000	25.00%	114,358	108,223	27,073	"
	President Pharmaceutical Corp.	Taipei	Medicines & medical instrument retail and wholesale	330,216	330,216	14,600,494	73.74%	339,187	41,022	30,428	Subsidiary
	Uni-President Department Store Corp.	Taipei	Department stores	560,000	350,000	56,000,000	70.00%	308,994	(214,312)	(150,123)	"
	President Musashino Corp.	Tainan	Bakery foods industry	195,525	195,525	20,916,000	40.00%	224,287	29,612	12,260	Note 1
	Duskin Serve Taiwan Co.	Taipei	Cleaning service	153,000	153,000	15,300,000	51.00%	108,227	27,027	13,677	Subsidiary
	Muji Taiwan co. Ltd., etc.	-	-	1,239,987	1,041,723	skipped	20.00%	717,311	skipped	(47,083)	Note 2
							~100%	\$ 7,079,627		\$ 152,752	

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

Note 2: Is a subsidiary of the Company and an investee under the equity method.

Investor name	Investees			Initial amount of investment				Holding at ending				Income status of investees	Recognized return on (loss from) investment by company	Remarks
	Name	Location	Major business activities	End of current period		End of previous period		Quantity of share		Book value				
				USD	USD	USD	USD	Quantity of share	Proportion	USD	USD			
Retail Support International Corp., etc.	President Logistics International Corp., etc.	—	—	\$ 768,885	\$ 769,885			skipped	6.00% ~ 100%	\$ 486,777		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 4,048,000	USD 2,921,000			USD 2,921,000	"	Note
	President Chain Store (Labuan) Holdings Ltd.	Labuan	Professional investments	USD 20,684,000	USD 20,684,000	20,684,321	100.00%	USD 10,039,000	USD 220,000			USD 220,000	"	subsidiary of a subsidiary
	Presiclerc Limited	BVI	Professional investments	USD 17,327,000	USD 12,212,000	17,084,600	48.87%	USD 3,781,000	(USD 4,607,000)			(USD 4,607,000)	"	Note
	T&T Supermarket Inc.	Canada	Food and household goods retailing	CAD 12,000,000	CAD 12,000,000	200	20.00%	USD 6,769,000	CAD 8,689,000			CAD 8,689,000	"	"
President Chain Store (Labuan) Holdings Ltd.	PCSC (Vietnam) Supermarket Limited	Vietnam	Food and household goods retailing	USD 461,000	USD 461,000	674,220	51.00%	USD 590,000	VND 1,986,859,000			VND 1,986,859,000	"	subsidiary of a subsidiary
	Philippine Seven Corp.	Philippines	Food and household goods retailing	USD 20,656,000	USD 20,656,000	134,257,625	56.59%	USD 10,035,000	PHP 33,289,000			PHP 33,289,000	"	"
	Philippines Seven Corp.	Convenience Distribution Inc., etc.	Philippines	PHP 87,742,000	PHP 87,742,000		40.00% ~ 100.00%	PHP 92,121,000	skipped			skipped	"	skipped
PCSC (China) Limited	PCSC (China) Drugstore Limited	BVI	Professional investments	USD 36,399,000	USD 17,422,000		100.00%	USD 28,559,000	skipped			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		65.00%	USD 1,285,000	(RMB 10,020,000)			(RMB 10,020,000)	"	"
President Cosmed Chain Store (Shen Zhen) Co., Ltd.	Zhuhai Livzon Drugstore Chain Company Limited	China	Medicine retailing	RMB 9,200,000	RMB 9,200,000		100.00%	(RMB 44,000)	(RMB 2,038,000)			(RMB 2,038,000)	"	"
PCSC (China) Supermarket Limited	Shan Dong President Yinzuo Commercial Limited	China	Wholesaling and retailing of goods	USD 27,171,000	USD 10,278,000		55.00% ~ 100.00%	USD 22,892,000	skipped			skipped	"	"
PCSC (China) Restaurant Limited	Shanghai Cold Stone Ice Cream Corporation	China	Ice cream sales	USD 5,155,000	—		100.00%	USD 4,285,000	(RMB 6,736,000)			(RMB 6,736,000)	"	"

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:

Lenders	Borrowers	Account titles	Maximum balance in current period	Balance at ending of period	Interest interval	Nature of loans	Amount of Business transactions	Reasons necessary for offering short-term loans	Allowance for doubtful accounts	Collaterals		Limit of loans to particular borrower	Limit of total loans
										Name	Value		
Store Sites Holdings Inc.	Convenience Distribution Inc.	Other accounts receivable	USD 200,000	\$ —	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 10million.

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

Name of Guarantor	Name of Guarantee		Limit of guarantee to particular enterprise (Note)	Maximum Balance in current period	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)
	Company Name	Affiliation						
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 a subsidiary	Note	\$98,858	\$98,858	—	14.79%	Note

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

(Blank hereunder)

(3) Holding of marketable securities at ending:

Holder of securities	Types and names of securities	Affiliation with security issuers	Account titles	Quantity of shares at ending	Book value	Proportion of shareholding	Market price	Remarks
Ren-Hui Investment Corp.	NITC Bond Fund etc.	"	Financial assets which change in fair values are recognized as gains or losses-current	—	\$ 108,843	—	\$ 100,719	
Wisdom Distribution Service Corp.	ING Taiwan Bond Fund, etc.	"	"	—	128,164	—	128,188	
President Information Corp.	Cathay Bond Fund	"	"	—	118,498	—	118,498	
President Yilan Art and Culture Corp.	Fuh-Hwa Fund	"	"	—	100,000	—	100,419	
Vision Distribution Service Corp., etc.	Fuh-Hwa Fund	"	"	—	648,338	—	649,887	
President Jing Corp.	Ta Chong Bond Fund	"	Available-for-sale financial assets-current	—	1,000	—	1,000	
Ren-Hui Investment Corp.	Toppoly Optoelectronics Corp.	None	Financial assets measured at cost - non-current	62,800,000	690,037	—	skipped	
Retail Support Taiwan Corp., etc.	President Logistics International Corp., etc.	skipped	"	—	27,272	—	"	
President Chain Store (BVI) Holdings Ltd.	Global Strategic Investment Inc., etc.	"	"	—	USD 2,974,000	—	"	
Retail Support International Corp.	Retail Support Taiwan Corp., etc.	"	Long-term investments (Equity method)	—	128,113	—	128,511	
Mech-President Corp., etc.	President Jim Corp.	"	"	—	258,330	—	263,661	
President Chain Store (BVI) Holdings Ltd.	President Chain Store (Labuan) Holdings Ltd., etc.	"	"	—	USD 25,227,000	—	USD 22,869,000	
President Chain Store (Labuan) Holdings Ltd.	Philippines Seven Corp.	Subsidiary	"	134,257,625	USD 10,035,000	56.59%	PHP 363,914,000	
Philippines Seven Corp.	Convenience Distribution Inc., etc.	skipped	"	—	PHP 92,121,000	—	PHP 68,299,000	
PCSC (China) Limited	PCSC (China) Drugstore Limited, etc.	Subsidiary	"	—	USD 28,559,000	—	USD 28,605,000	
PCSC (China) Drugstore Limited	President Cosmed Chain Store (Shen Zhen) Co., Ltd.	"	"	—	USD 1,285,000	65.00%	USD 1,696,000	
President Cosmed Chain Store (Shen Zhen) Co., Ltd.	Zhuhai Livzon Drugstore Chain Company Limited	"	"	—	(RMB 44,000)	100.00%	RMB 322,000	
PCSC (China) Supermarket Limited	Shan Dong President Yinzuo Commercial Limited	"	"	—	USD 22,892,000	—	USD 22,004,000	
PCSC(China) Restaurant Limited	Shanghai Cold Stone Ice Cream Corporation	"	"	—	USD 4,285,000	100.00%	USD 4,321,000	

(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			Gain from disposal	Other adjustments	At ending			
					Quantity of share	Amount	Quantity of share	Amount	Quantity of share	Amount	Carrying cost			Quantity of share	Amount		
President Pharmaceutical Corp.	UPAMC JAMES BOND Fund	Note 1	Not applicable	Not applicable	—	\$ —	20,057,058	\$ 311,500	20,057,058	\$ 311,813	\$ 311,500	\$ 313	\$ —	—	\$ —		
Uni-President Department Store Corp.	UPAMC JAMES BOND Fund	"	"	"	—	—	27,589,185	428,000	27,589,185	428,740	428,000	740	—	—	—		
Mech-President Corp.	Allianz creditor's right	"	"	"	—	—	11,161,167	130,000	11,161,167	130,038	130,000	38	—	—	—		
	DAM Fund	"	"	"	—	—	31,911,761	370,000	31,911,761	370,141	370,000	141	—	—	—		
	Mega Diamond Bond Fund	"	"	"	—	—	12,507,086	190,000	12,507,086	190,066	190,000	66	—	—	—		
	Polaris De-Li Bond Fund	"	"	"	—	—	8,684,488	108,650	8,684,488	108,687	108,650	37	—	—	—		
	Fu Hua You Li Fund	"	"	"	—	—	15,482,404	220,000	15,482,404	220,081	220,000	81	—	—	—		
	NITC Taiwan Bond Fund	"	"	"	—	—	36,692,843	480,000	36,692,843	480,180	480,000	180	—	—	—		
	Ta Chong Bond Fund	"	"	"	—	—	35,415,757	530,000	35,415,757	530,210	530,000	210	—	—	—		
	Capital Income Fund	"	"	"	—	—	14,190,875	190,000	14,190,875	190,081	190,000	81	—	—	—		
	Fuh-Hwa Bond Fund	"	"	"	—	—	854,169	13,162	9,074,997	140,744	7,258,232	112,500	112,289	211	—	2,670,934	41,617
President Information Corp.	UPAMC JAMES BOND Fund	"	"	"	854,169	13,162	9,074,997	140,744	7,258,232	112,500	112,289	211	—	—	2,670,934	41,617	
	Fuh-Hwa Bond Fund	"	"	"	1,491,703	19,841	14,300,428	192,024	12,660,722	170,000	169,665	335	—	—	3,131,410	42,200	
President Coffee Corp.	Fu Hua You Li Fund	"	"	"	4,432,446	55,000	6,818,131	85,000	11,250,576	140,138	140,000	138	—	—	—	—	
	Capital Income Fund	"	"	"	2,484,855	37,000	6,017,419	90,000	8,502,274	127,216	127,000	216	—	—	—	—	
	JF (Taiwan) Bond Fund	"	"	"	1,311,716	20,000	5,537,271	85,000	6,848,987	105,116	105,000	116	—	—	—	—	
Retail Support International Corp.	UPAMC JAMES BOND Fund	"	"	"	13,342,157	205,770	46,454,582	721,252	56,401,049	874,560	874,054	506	—	—	3,395,689	52,969	
	NITC Bond Fund	"	"	"	1,181,591	194,311	3,755,879	622,002	4,696,191	776,601	776,158	443	—	—	241,280	40,155	

Name of buyer, seller	Types and names of securities	Account titles	Counter parties	Affiliation	At beginning		Bought		Sold				Other adjustments	At ending	
					Quantity of share	Amount	Quantity of share	Amount	Quantity of share	Amount	Carrying cost	Gain from disposal		Quantity of share	Amount
Retail Support Taiwan Corp.	UPAMC JAMES BOND Fund	Note 1	Not applicable	Not applicable	830,488	\$12,806	12,857,826	\$199,480	12,586,311	\$ 195,316	\$ 195,094	\$ 221	\$—	1,102,003	\$17,192
President Logistics International Corp.	UPAMC JAMES BOND Fund	"	"	"	745,726	11,501	6,901,140	107,100	7,633,754	118,461	118,396	65	—	13,112	205
	IBT 5599 Bond Fund	"	"	"	1,062,423	11,905	10,926,360	123,000	11,988,783	134,973	134,905	68	—	—	—
Wisdom Distribution Service Corp.	Fuh-Hwa Bond Fund	"	"	"	—	—	59,062,491	792,000	55,575,597	745,579	745,000	579	—	3,486,895	47,000
	ING Taiwan Bond Fund	"	"	"	4,051,365	61,000	70,630,348	1,072,000	69,358,004	1,052,830	1,052,000	830	—	5,323,709	81,000
PCSC (China) Limited	PCSC(China)Supermarket Limited	Note 2	Raise capital by issuing new shares	Not applicable	10,290,000	USD 12,707,000	20,862,500	USD 10,573,000	—	—	—	—	(USD 288,000)	31,152,500	USD 22,992,000
	PCSC(China) Restaurant Limited	"	New company, initial offering	"	—	—	5,154,640	USD 5,155,000	—	—	—	—	(USD 896,000)	5,154,640	USD 4,259,000
PCSC(China) Supermarket Limited	PCSC (SICHUAN) Hypermarket Limited	"	Raise capital by issuing new shares	"	—	USD 1,818,000	—	USD 3,930,000	—	—	—	—	(USD 454,000)	—	USD 5,294,000
	PCSC (CHENGDU) Hypermarket Limited	"	"	"	—	USD 6,445,000	—	USD 6,573,000	—	—	—	—	(USD 1,245,000)	—	USD 11,773,000
PCSC (China) Restaurant Limited	Shanghai Cold Stone Ice Cream Corporation	"	New company, initial offering	"	—	—	5,154,640	USD 5,155,000	—	—	—	—	(USD 870,000)	5,154,640	USD 4,285,000

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: Booked in the "Long-term investments (Equity method)" account.

(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	Counter parties	Affiliation	Status of trade				Special terms and conditions of trade and reasons		Account, note receivables (payables)		Remarks
			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.	Parent company	Purchase	\$ 4,999,921	45%	O/A settlement 30~45 days	No significant difference	No significant difference	(831,584)	(43%)	
	President Musashino Corp.	Investees of President Chain Store Corp. under equity method	"	900,186	8%	O/A settlement 25~30 days	"	"	(95,387)	(5%)	
	President Chain Store Corp.	Parent	sales	(12,325,591)	(99%)	O/A settlement 15~30 days	"	"	1,958,915	98%	
	Tung Ang Enterprise Corp.	Affiliate	Purchase	158,623	1%	O/A settlement 30 days	"	"	(33,233)	(2%)	
Retail Support International Corp.	21 Century Enterprise Co., Ltd.	Investees of President Chain Store Corp. under equity method	"	160,327	1%	O/A settlement 30 days	"	"	(39,473)	(2%)	
	Hi Life Co., Ltd.	Affiliate	sales	(152,428)	(1%)	O/A settlement 45 days	"	"	38,598	2%	
	President Chain Store Corp.	Investor of this company under the equity method	sales	(31,759,487)	(92%)	O/A settlement 10~80 days	"	"	3,718,801	82%	
	Uni-President Enterprises Corp.	Investor of this company under the equity method	Purchase	930,543	3%	O/A settlement 20~40 days	"	"	(198,941)	(3%)	
	Lien Bo Enterprises	Affiliate	"	744,799	2%	O/A settlement 20~70 days	"	"	(114,588)	(2%)	
	Tung Ang Enterprise Corp.	Affiliate	"	1,466,267	4%	O/A settlement 30 days	"	"	(162,247)	(3%)	
	President Drugstore Business Corp.	A subsidiary of President Chain Store Corp.	sales	(2,407,569)	(7%)	O/A settlement 50 days	"	"	654,361	14%	
	President Pharmaceutical Corp.	A subsidiary of President Chain Store Corp.	Purchase	301,904	1%	O/A settlement 30~60 days	"	"	(62,019)	(1%)	
	President Coffee Corp.	Investees of President Chain Store Corp. under equity method	sales	(274,571)	(1%)	O/A settlement 30 days	"	"	47,679	1%	
		President Packing Inc. Corp. (PPI).	Affiliate	Purchase	132,193	—	O/A settlement 15~40 days	"	"	(26,201)	—
President Information Corp.	President Chain Store Corp.	Parent	Service income	(413,964)	(78%)	O/A settlement 30 days	"	"	51,745	69%	
President Transnet Corp.	President Chain Store Corp.	Parent	sales	(499,306)	(20%)	O/A settlement 15 days	"	"	70,735	16%	
Wisdom Distribution Service Corp.	President Chain Store Corp.	Parent	"	(6,415,240)	(91%)	O/A settlement 20~40 days	"	"	1,539,313	97%	
	Vision Distribution Service Corp.	A subsidiary of Wisdom Distribution Service Corp.	Purchase	412,837	5%	O/A settlement 65 days	"	"	(93,386)	(5%)	
President Coffee Corp.	Retail Support International Corp.	Investees of President Chain Store Corp. under equity method	Purchase	233,320	24%	O/A settlement 30 days	"	"	(44,855)	(19%)	
President Pharmaceutical Corp.	Retail Support International Corp.	Investees of President Chain Store Corp. under equity method	sales	(331,118)	(58%)	O/A settlement 30~60 days	"	"	110,197	65%	
President Drugstore Business Corp.	Retail Support International Corp.	Investees of President Chain Store Corp. under equity method	Purchase	2,909,063	99%	O/A settlement 50 days	"	"	(626,771)	(97%)	
Vision Distribution Service Corp.	Wisdom Distribution Service Corp.	Parent	sales	(412,369)	(52%)	O/A settlement 65 days	"	"	148,015	59%	
President Logistics International Corp.	Retail Support International Corp.	Parent	"	(398,974)	(38%)	O/A settlement 20 days	"	"	51,257	28%	
	Uni-President Cold-Chain Corp.	A subsidiary of President Chain Store Corp.	"	(366,141)	(35%)	O/A settlement 45 days	"	"	90,367	50%	
	Wisdom Distribution Service Corp.	A subsidiary of President Chain Store Corp.	"	(120,749)	(11%)	O/A settlement 20 days	"	"	16,325	9%	

Buyer/seller	Counter parties	Affiliation	Status of trade				Special terms and conditions of trade and reasons		Account, note receivables (payables)		Remarks
			Purchase (sales)	Amount	Percentage to total purchase (sales)	Credit term	Unit price	Credit term	Balance	Percentage to total note, account receivables (payables)	
President Musashino Corp.	Uni-President Cold-Chain Corp.	A subsidiary of President Chain Store Corp.	sales	(\$ 900,256)	(99%)	O/A settlement 25 days	No significant difference	No significant difference	\$ 95,394	99%	
Retail Support Taiwan Corp. Chieh-Shuen	Retail Support International Corp.	Parent	sales	(174,584)	(98%)	O/A settlement 15~20 days	"	"	17,993	99%	
Logistics International Corp.	President Transnet Corp.	A subsidiary of President Chain Store Corp.	sales	(215,063)	(69%)	O/A settlement 65 days	"	"	54,329	73%	
Uni-President Oven Bakery Corp.	Uni-President Enterprises Corp.	Investor of President Chain Store Corp under equity method	Purchase	116,734	2%	O/A settlement 30 days	"	"	(30,794)	(4%)	
21 Century Enterprise Co., Ltd.	Uni-President Cold-Chain Corp.	A subsidiary of President Chain Store Corp.	sales	(161,563)	(55%)	O/A settlement 30 days	"	"	39,546	55%	

(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 With Related Party	Turnover Rate	Overdue Receivables with Related Parties		Receivables with Related Party After Period Collection	Allowance for doubtful accounts
					Amount	Processing by		
Uni-President Cold-Chain Corp.	President Chain Store Corp.	Parent	\$ 1,958,915	7	\$ —	—	\$ 1,958,915	\$ —
Retail Support International Corp.	President Drugstore Business Corp.	A subsidiary of President Chain Store Corp.	654,361	4	—	—	91,534	—
	President Chain Store Corp.	Investor of this company under the equity method	3,718,801	9	—	—	392,247	—
Wisdom Distribution Service Corp.	President Chain Store Corp.	Parent	1,539,313	5	—	—	1,539,313	—
Vision Distribution Service Corp.	Wisdom Distribution Service Corp.	Parent	148,015	3	—	—	148,015	—
President Pharmaceutical Corp.	Retail Support International Corp.	Investee of President Chain Store Corp under equity method	110,197	2	—	—	110,197	—

(9) Trading of Derivative Products:

The Company has engaged in the following derivative trades with maturities beyond Sep. 30, 2007:

<u>Companies holding derivatives</u>	<u>Derivatives</u>	<u>Contract amount (in 1,000)</u>	<u>Date of maturity</u>	<u>Book value</u>	<u>Fair value</u>
President Pharmaceutical Corp.	Forward contracts purchased in advance	EUR 22,000	Oct.7, 2007~Oct.22, 2007	\$ -	\$ 1,012

(III) Information on investments in China

1. Basic information on direct investments in China:

Names of investees in Mainland China	Major business activities	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 Current Period (Note 6)	Book Value of Investment at the End of the Period
					Remittance	Regain				
Shanghai President Starbucks Coffee Corp.	Coffee and accessories trade	USD 5,960,000	Invested through the third region (Note 1)	USD2,000,000	—	—	USD 2,000,000	30%	USD 927,000	USD 4,123,000
Presiclerc (Shantou) Ltd.	Food processing, packing and sales	USD 5,200,000	Invested through the third region (Note 2)	USD2,470,000	—	—	USD 2,470,000	48.78%	—	(USD 874,000)
Presiclerc (Qingdao) Ltd.	Food processing, packing and sales	USD 6,400,000	Invested through the third region (Note 2)	USD2,185,000	—	—	USD 2,185,000	48.87%	(USD 1,989,000)	(USD 3,295,000)
Presiclerc (Beijing) Ltd.	Food processing, packing and sales	RMB 50,000,000	Invested through the third region (Note 2)	—	—	—	—	36.90%	(USD 209,000)	(USD 264,000)
President Cosmed Chain Store (Shen Zhen) Co., Ltd.	Household goods retailing	RMB 50,000,000	Invested through the third region (Note 3)	USD3,932,000	—	—	USD 3,932,000	65%	(USD 877,000)	USD 1,285,000
Shan Dong President Yinzuo Commercial Limited	Wholesaling and retailing of goods	RMB 60,000,000	Invested through the third region (Note 4)	USD4,078,000	—	—	USD 4,078,000	55%	USD 1,412,000	USD 5,825,000
PCSC (SICHUAN) Hypermarket Limited	Wholesaling and retailing of goods	RMB 80,000,000	Invested through the third region (Note 4)	USD6,200,000	USD3,930,000	—	USD 10,130,000	100%	(USD 454,000)	USD 5,294,000
PCSC (CHENGDU) Hypermarket Limited	Wholesaling and retailing of goods	RMB 100,000,000	Invested through the third region (Note 4)	USD6,390,000	USD6,573,000	—	USD 12,963,000	100%	(USD 1,244,000)	USD 11,773,000
Shanghai Cold Stone Ice Cream Corporation	Ice cream sales	USD 5,110,000	Invested through the third region (Note 5)	—	USD5,155,000	—	USD 5,155,000	100%	(USD 869,000)	USD 4,285,000

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 42,913,000	USD 49,943,000	NTD 4,693,225

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: Recognized the unaudited financial statements prepared by the subsidiaries covering the same accounting period.

Note 7: June 30, 2007 was the liquidation day of the Company and liquidation was accomplished by 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) Balance and purpose of guaranty through endorsement of financial instruments or pledged collaterals at the end of period: Please refer to Note XI (1) Materiality and related information. 2. notes.

(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.

XII. Financial information by department

Not applicable.

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檔名: 9609-3Q
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