

President Chain Store Corporation
Financial Statement & Independent Auditor's Report
First three quarters of 2006 and 2005
(Stock Code 2912)
【Translated Version】

Independent Auditor's Report

To: President Chain Store Corporation

We have audited the balance sheets of President Chain Store Corporation prepared on September 30, 2006 and 2005, and the income statements, statements of change in shareholders' equity and statements of cash flow covering the period of January 1 to September 30, 2006 and 2005. 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 planning 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.

As stated in Note 4(6) to the Financial Statements, the long-term equity investment of President Chain Store Corp. that was valued with Equity Method on September 30, 2006 and 2005 amounted to NT\$6,386,096 thousand and NT\$5,382,255 thousand, respectively; also, the cumulative translation adjustment amounted to NT\$28,859 thousand and NT\$6,114 thousand, respectively. The investment income generated on January 1 ~ September 30, 2006 and 2005 amounted to NT\$110,561 thousand and NT\$79,066 thousand, respectively. The information of investees disclosed in Note 11 was based on the uncertified financial statements of the invested in the same period.

According to our review, except for some of the financial statements in the same time period of the invested company that may have caused minor adjustment to the financial statements afterwards, the financial statements referred to in the preceding paragraph present fairly in conformity with "Security Issuer Financial Statement Standard" and generally accepted accounting principles without any modification needed.

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

Pricewaterhouse Coopers
Lin Tung-Chiao, CPA
Chen Mei-Tzu, CPA

October 26, 2006

President Chain Store Corporation
Balance Sheet
September 30, 2006 & 2005

Currency expression: NTD 1,000

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

	September 30 2006		September 30 2005		September 30 2006		September 30 2005		
	Amount	%	Amount	%	Amount	%	Amount	%	
Assets					Liabilities and Shareholders' Equity				
Current Assets					Current Liabilities				
Cash and cash equivalence (Note IV(1))	\$ 3,030,400	8	\$ 1,331,216	4	Note payables	\$ 706,119	2	\$ 435,011	1
Financial assets which change in fair values are recognized as gains or losses - current(Notes III, IV(2))	750,244	2	66,624	-	Note payables – related parties (Note V)	1,957,329	5	645,405	2
Investments in bonds with no public quotations – current	40,000	-	40,000	-	Account payables	227,019	1	224,902	1
Net account receivables	300,092	1	342,642	1	Account payables –related parties (Note V)	5,946,743	16	4,918,203	15
Other receivables (Note V)	429,661	1	369,244	1	Payable income tax (Note IV (13))	268,830	1	439,398	2
Inventory (Note IV (5))	2,957,135	8	2,611,367	8	Accrued expenses (Notes IV (9), and V)	2,233,578	6	1,967,750	6
Other current assets (Notes IV (13), V and VII)	901,072	3	745,450	3	Other payables (Note IV (10))	4,761,861	13	3,328,527	10
Total current assets	8,408,604	23	5,506,543	17	Advance payment from customers	974,178	3	754,883	2
Funds and investments					Current portion of long-term debts (Note IV (11))	900,000	2	200,000	1
Financial assets available for sales - noncurrent (Notes III - IV(3))	434,064	1	140,534	-	Total current liabilities	17,975,657	49	12,914,079	40
Financial assets estimated on basis of cost–noncurrent (Notes III, IV(4))	12,129,956	33	12,064,989	37	Long-term interest-accruing liabilities				
Investment in bonds with no public quotations – noncurrent	-	-	40,000	-	Derivative liabilities for hedge –noncurrent (Notes III, X(4))	19,884	-	-	-
Long-term investments under equity method (Note IV (6), V)	6,386,096	18	5,382,255	17	Outstanding bonds (Note Iv (11))	1,100,000	3	2,000,000	6
Total funds and investments	18,950,116	52	17,627,778	54	Long-term loans	800,000	3	1,350,000	4
Fixed assets					Total long-term liabilities	1,919,884	6	3,350,000	10
Costs					Other liabilities				
Lands	1,534,726	4	1,542,138	5	Accrued pension liabilities	358,509	1	360,373	1
Buildings and construction	927,852	3	933,376	3	Guarantee deposit received	1,527,941	4	1,302,180	4
Operating equipment	8,447,803	23	8,003,446	25	Total other liabilities	1,886,450	5	1,662,553	5
Leasehold improvement	3,805,176	10	3,414,148	10	Total liabilities	21,781,991	60	17,926,632	55
Miscellaneous equipment	13,356	-	13,485	-	Shareholders' Equity				
Cost and revaluation	14,728,913	40	13,906,593	43	Capital Stock (Note IV (14))				
Less: accumulated depreciations (Note IV (7))	(7,957,438)	(22)	(7,000,914)	(22)	Common stocks	9,151,604	25	9,151,604	28
Construction in process and prepayment for machinery	3,147	-	534	-	Retained earnings (Note IV (15))				
Net fixed assets	6,774,622	18	6,906,213	21	Legal reserve	2,543,649	7	2,178,381	7
Other assets					Special reserve	531	-	55,758	-
Assets for lease (Notes IV (8), VII)	1,002,265	3	883,674	3	Unpaid incomes	2,802,315	7	3,294,633	10
Idle Assets	322,424	1	336,227	1	Other adjustments to shareholders' equity				
Refundable deposits (Note VII)	1,038,453	3	866,450	3	Unrealized gains from financial instruments (Note III)	273,646	1	-	-
Other assets – miscellaneous (Note IV(13))	86,111	-	486,237	1	Cumulative translation adjustments	28,859	-	6,114	-
Total other assets	2,449,253	7	2,572,588	8	Total shareholders' equity	14,800,604	40	14,686,490	45
					Undertakings or contingent liabilities (Notes V, VII)				

The accompanying notes constituted an integral part of the financial statements. Please refer to the report of independent accountants dated October 26 2006.

President Chain Store Corporation
Balance Sheet
September 30, 2006 & 2005

Currency expression: NTD 1,000

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

	September 30 2006		September 30 2005			September 30 2006		September 30 2005	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Assets					<u>Liabilities and Shareholders' Equity</u>				
Total Assets	<u>\$ 36,582,595</u>	<u>100</u>	<u>\$ 32,613,122</u>	<u>100</u>	Total liabilities and shareholders' equity	<u>\$ 36,582,595</u>	<u>100</u>	<u>\$ 32,613,122</u>	<u>100</u>

The accompanying notes constituted an integral part of the financial statements. Please refer to the report of independent accountants dated October 26 2006.

President Chain Store Corporation
Income Statements
January 1 to September 30, 2006 and 2005

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

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

	<u>January 1 to September 30,</u> <u>2006</u>		<u>January 1 to September 30,</u> <u>2005</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Operating Revenue				
Sales	\$ 72,603,692	97	\$ 68,378,307	97
Other operating revenue (Note V)	<u>2,448,953</u>	<u>3</u>	<u>2,114,326</u>	<u>3</u>
Total operating revenue	75,052,645	100	70,492,633	100
Operating cost				
Cost of goods sold (Note V)	(52,720,096)	(70)	(49,475,832)	(71)
Gross Profit	<u>22,332,549</u>	<u>30</u>	<u>21,016,801</u>	<u>29</u>
Operating expenses (notes IV (17), V)				
Selling expenses	(16,956,817)	(23)	(15,618,095)	(22)
General and administration expenses	(2,376,782)	(3)	(2,075,552)	(3)
Total operating expenses	(19,333,599)	(26)	(17,693,647)	(25)
Operating income	<u>2,998,950</u>	<u>4</u>	<u>3,323,154</u>	<u>4</u>
Non-operating incomes				
Gain on valuation of financial assets	442	-	11,005	-
Investment gain (equity method) (Note IV (6))	110,561	-	79,066	-
Dividends	190,805	-	192,709	-
Gain from disposal of fixed assets (Note V)	-	-	17,216	-
Rent income	33,430	-	22,784	-
Miscellaneous incomes (Note V)	<u>434,887</u>	<u>1</u>	<u>373,402</u>	<u>1</u>
Total non-operating income	<u>770,125</u>	<u>1</u>	<u>696,182</u>	<u>1</u>
Non-operating expenses				
Interest	(50,267)	-	(57,555)	-
Loss from the disposal of fixed assets	(11,447)	-	-	-
Loss in disposal of investment	(22,098)	-	-	-
Allowance for reduction of inventory to market	(34,687)	-	-	-
Impairment (Note IV (4))	(93,611)	-	(15,217)	-
Miscellaneous expenses	(31,897)	-	(21,872)	-
Total non-operating expenses	(244,007)	-	(94,644)	-
EBT of continued operations	3,525,068	5	3,924,692	5
Income tax expense (Note IV (13))	(822,041)	(1)	(765,286)	(1)
Earnings of continued operations	2,703,027	4	3,159,406	4
Accumulated effects from changes in accounting principles (Note III)	<u>373</u>	<u>-</u>	<u>-</u>	<u>-</u>
Corporate earnings current period	<u>\$ 2,703,400</u>	<u>4</u>	<u>\$ 3,159,406</u>	<u>4</u>
	<u>Before</u>	<u>After</u>	<u>Before</u>	<u>After</u>
	<u>taxation</u>	<u>Taxation</u>	<u>taxation</u>	<u>Taxation</u>
Basic EPS (Note IV (16))				
Net EPS current period	<u>\$ 3.85</u>	<u>\$ 2.95</u>	<u>\$ 4.29</u>	<u>\$ 3.45</u>

The accompanying notes constituted an integral part of the financial statements.
Please refer to the report of independent accountants dated October 26 2006.

President Chain Store Corporation
Statement of Cash Flow
January 1 to September 30, 2006 and 2005

Currency expression: NTD 1,000

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

	January 1 to September 30, 2006	January 1 to June 30, 2005
<u>Cash flow from operations</u>		
Earnings in current period	\$ 2,703,400	\$ 3,159,406
Adjustments		
Gain on valuation of financial instruments	(442)	(11,005)
Reversal of allowance for uncollectible accounts to income	(11,882)	(2,686)
Allowance for reduction of inventory to market	34,687	-
Depreciation	1,240,055	1,259,648
Depreciation of leased assets	10,627	-
Amortizations	244,673	287,099
Cash dividends from long-term investments under equity method	234,690	135,755
Investment income from long-term investments under equity method	(110,561)	(79,066)
Capital gains from the disposition of long-term investments under equity method	(52,380)	-
Impairment loss of financial assets carried at cost	93,611	15,217
Net gain (loss) from disposal of fixed assets	11,447	(17,216)
Changes in asset and liability accounts		
Account receivables	82,170	(94,123)
Other receivables	(27,910)	(41,207)
Inventory	(236,356)	(408,810)
Other current assets	(80,690)	(679)
Deferred income tax assets	2,640	(56,884)
Note payables	1,153,773	(250,740)
Accounts payable	1,740,948	958,982
Accrued expenses	178,289	270,210
Other payables	847,615	856,349
Payable income tax	(339,013)	85,327
Cash in advance	128,573	169,340
Accrued pension liabilities	(1,243)	(1,690)
Net cash inflows from operation	<u>7,846,721</u>	<u>6,233,227</u>
<u>Cash flows from investments</u>		
Decrease (increase) in financial assets in which changes in fair values are recognized as gains or losses	(744,849)	187,359
Payment for acquisition of long-term investments under equity method	(965,814)	(190,349)
Proceeds from dispositions of long-term investments under equity method	94,989	-
Financial assets acquired on basis of cost	(285,000)	(3,867,248)
Decrease of financial assets on basis of cost	7,697	123,498
Decrease of long-term bond investments	20,000	20,000
Cash paid for acquisition of fixed assets	(1,185,431)	(1,089,146)
Proceeds from disposition of fixed assets	41,123	833,706
Increase in refundable deposits	(159,578)	(47,132)
Net cash outflows from investments	<u>(3,176,863)</u>	<u>(4,029,312)</u>

(Continue)

President Chain Store Corporation
Statement of Cash Flow
January 1 to September 30, 2006 and 2005

Currency expression: NTD 1,000

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

	January 1 to September 30, 2006	January 1 to June 30, 2005
<u>Cash flows from financing</u>		
Increase in guarantee deposit received	\$ 182,875	\$ 138,715
(Repayment) Increase of the long-term loans	(720,000)	850,000
Cash dividend paid	(3,111,546)	(2,745,481)
Remunerations to directors and supervisors	(66,853)	(53,710)
Net cash inflows (outflows) from financing	(3,715,524)	(1,810,476)
Increase (decrease) in cash and cash equivalence in current period	954,334	393,439
Balances of cash and cash equivalence at beginning	2,076,066	937,777
Balances of cash and cash equivalence at ending	\$ 3,030,400	\$ 1,331,216
<u>Supplementary information on cash flows</u>		
Interest paid in current period (Excluding capitalized interest)	\$ 56,479	\$ 63,747
Income tax paid in current period	\$ 1,163,693	\$ 736,843
<u>Investments through partial payment in cash</u>		
Acquisition of fixed assets	\$ 1,112,862	\$ 1,008,750
Add: payables for machinery at beginning	211,747	240,602
Less: payables for machinery at ending	(139,178)	(160,206)
Cash disbursement in current period	\$ 1,185,431	\$ 1,089,146

The accompanying notes constituted an integral part of the financial statements.
Please refer to the report of independent accountants dated October 26 2006.

President Chain Store Corporation
Notes to Financial Statements
January 1 to September 30, 2006 and 2005

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) President Chain Store Corporation (hereinafter referred to as “the Company”) was duly incorporated in the Republic of China on June 10, 1987 under applicable legal rules. The principal business of the Company includes investment and operation of convenience stores, retailing and sale of foods and canned products, books, newspapers and magazines, and household items, as well as the import, export and distribution of the aforementioned products. In August 1997, Taiwan Stock Exchange Corporation approved the Company to list its stocks for trading on the Taiwan Stock Exchange.
- (II) The parent and the final parent of the Company is Uni-President Enterprises Corp.
- (III) As of September 30, 2006, the Company has 9,600 employees (including part-time workers).

II. Summary of significant accounting policies

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

(I) Current and noncurrent assets and liabilities

- 1. Assets that are in conformity with the following terms are classified as current assets; assets other than current assets are noncurrent assets:
 - (1) Assets from business operations that are expected to be cashed, depleted, or sold in the business cycle.
 - (2) It is held for trading purposes.
 - (3) It is 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 liabilities; liabilities other than current liabilities are noncurrent liabilities:
 - (1) Debts from business operations and that are expected to be liquidated in the business cycle.
 - (2) It is held for trading purposes.
 - (3) It is 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 is in conformity with the following:

1. Can be converted into cash at any time.
2. Will be due soon and its value will not be affected by interest rate changes.

The Statement of Cash Flow of President Chain Store Corp. is prepared on the basis of cash and cash equivalent.

(III) Foreign currency exchanges

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 transactions 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 values and the changes thereof shall be recognized as gains or losses at the end of the accounting period. Adjustments on the basis of the spot exchange rate as of the balance sheet day shall be made and the spread from the exchange shall be stated as 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 assets and liabilities in which changes in fair value are recognized as gains or losses

1. Bookkeeping shall be made as of the day of trade for equity assets or liabilities, and as of the delivery day for warrants and rights. Initial recognition of the financial instruments in bookkeeping estimation shall be made on the basis of fair value.
2. Financial assets and liabilities in which changes in fair value are recognized as gains or losses shall be estimated on the basis of fair value and in which changes are recognized as gains or losses. 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.
3. The particulars of accounting for the period on and before December 31, 2005 are specified in Note III.

(V) Financial assets available for sales

1. The transaction day accounting principle is adopted for the bookkeeping of equity investments whereby financial instruments shall be estimated on the basis of fair value in initial recognition plus the acquisition cost or issuance cost.
2. Financial assets available for sales are estimated on the basis of fair value. Any change in

the value is recognized as adjustments to shareholders' equity. The fair value of stocks with public quotations in centralized markets 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 decrease in the amount of subsequent impairment, recognize as adjustments to shareholders' equity for the decrease in impairment of equity items.
4. The particulars of accounting for the period on and before December 31, 2005 are specified in Note III.

(VI) Investments in bonds with no public quotations in 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 occurred 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.
4. The particulars of accounting for the period on and before December 31, 2005 are specified in Note III.

(VII) Financial assets carried at cost

1. The transaction day accounting principle is adopted for the bookkeeping of financial instruments and shall be estimated on the basis of fair values in initial recognition plus the acquisition cost or issuance cost.
2. Recognize as impairment loss with incriminating evidence. The amount of impairment loss cannot be reversed.
3. The particulars of accounting for the period on and before December 31, 2005 are specified in Note III.

(VIII) Financial derivatives for hedges

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 uncollectible accounts

Allowance for doubtful accounts is determined on the basis of review of the collectibility of individual receivables at the end of the period with reference to their balances.

(X) Inventories

Bookkeeping of inventories is made on the basis on the actual cost and costing is made on the basis of the retailing method.

(XI) Long-term investments under 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. From 2006 onward, 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 is in dominant position, they shall be accounted for under the equity method and their annual and interim financial statements shall be consolidated with the Company.
2. For investees accounted for under the equity method since January 1, 2005, and on which the Company may exercise significant influence but is not in dominant position, their losses so recognized shall be limited to zero basing on the book value of investments and advances to specific investee. The investment loss is to be recognized in proportion to shareholding unless the Company has acted in favor of specific investee as guarantor or attempts to continue its support of the investee. If the company is in dominant position, the Company shall assume all the losses of the investees even if the amount exceeds the original shareholders' equity of the investees. If such investees resume a profit position subsequently, the Company has the top priority for the entitlement to such profits until the assumed losses have been fully recovered.
3. In making overseas investments accounted for under the equity method, the "cumulative translation adjustments" resulting from the conversion between the currencies expressed in the financial statements of the investees and the Company shall be recognized as adjustments to shareholders' equity.
4. The particulars of accounting for the period on and before December 31, 2005 are specified in Note III.

(XII) Fixed assets and non-operating assets

1. Bookkeeping of fixed assets shall be made on the basis of the cost of acquisition. The interest accrued from the acquisition of assets to the point the assets can be available for use may be capitalized.
2. Depreciation shall be made under the averaging method. With the exception of improvement in capital lease when term of lease is less than five years, all other fixed assets are depreciated with their years of services plus one year of residual value. For assets continued to be in service after the previous period of services, the residual value shall be subject to depreciation along the subsequent years of services. Buildings and construction have 30 to 55 years of service. Other assets have 3 to 15 years of services for depreciation purpose.
3. Spending on repair and maintenance is recognized as expenses for current period. Major additions or improvement shall be capitalized and depreciated. In 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. The depreciation of non-operating assets shall be recognized as non-operating expenses and losses in bookkeeping.
- (XIII) Deferred expenses
Deferred expenses shall be accounted for on the basis of acquisition cost and amortized under the average method for a period of three years.
- (XIV) Impairment of non-financial assets
1. Effective January 1, 2005, if the recoverable amount of assets falls below the book values of such assets due to the change in operation environment or the occurrence of a specific event, the resulting impairment loss shall be stated as recognized losses. Recoverable amount refers to the net fair value of specific asset or its value for use, whichever is higher. Net fair value refers to the net proceeds to be received under fair trade of specific asset. Value for use refers to the expected amount of cash flows generated by specific assets in subsequent years of service under discount value method.
2. An impairment loss in previous years could be reversed if there is a subsequent recovery after previous impairment loss was recognized and stated as current income. Recognized impairment of goodwill shall not be reversed.
- (XV) 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.
- (XVI) Income Tax
1. The company adopts Financial Accounting Standards NO.22 “Accounting for Income Tax” to compute income tax and recognize the deferred tax effect from temporary differences. The tax effects of taxable temporary differences is recognized as deferred income tax liabilities; while the tax effect of deductible temporary differences, operating loss carryforward and income tax credit are recognized as deferred income tax assets that are not expected to be realized. Deferred income tax assets or liabilities are classified into current and noncurrent 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 undistributed earnings is recognized as income tax expenses incurred in the year of shareholders meeting resolution.
3. Pursuant to Financial Accounting Standards No. 12 on “Accounting For Tax Credits”, tax credits on the acquisition of specific machinery and equipment, 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.
- (XVII) Recognition of revenue and cost
Revenue shall be recognized in the process of gaining profits and recognized as realized or to be realized. Related costs are recognized with corresponding items of revenue. Expenses shall be recognized on an accrual basis as stated as current expenses.
- (XVIII) Earnings per share
The Company computes the earnings per share by the weighted-average method. Earnings for

additional quantity of shares through the capitalization of retained earnings or capital surplus into capital stocks shall be adjusted irrespective of the duration of circulation of such additional shares. Earnings for new shares shall be computed on the basis of the outstanding period.

(XIX) 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.

(XX) Accounting estimations

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

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

(I) Financial instruments

1. Effective January 1, 2006, the Company has adopted the principles under Financial Accounting Standards No. 34 on "Financial Instruments: Recognition and Measurement" and No. 36 on "Financial Instruments: Disclosure and Presentation" in its accounting policies. The Company has reclassified some account titles on or before December 31, 2005 in accordance with the Guidelines Governing the Preparation of Financial Reports By Securities Issuers and Financial Accounting Standards No. 34 on "Financial Instruments: Recognition and Measurement" and No. 36 on "Financial Instruments: Disclosure and Presentation", and has reclassified the account titles specified hereunder:

2. Account titles used in bookkeeping on and before December 31, 2005:

(1) Short-term investments

Short-term investments are carried at cost under the moving average method. Valuation of investments is made under the lower of the cost and market price method at the end of the accounting period. Losses from falling prices are recognized as current losses. In comparing the cost with market price of stocks listed in centralized market, the average market price at close for the last month of the accounting period is taken as the market price. For open-end funds, the net asset value per unit as of the balance sheet day of the respective fund shall be taken as the market price.

(2) Long-term investments under cost method

The Company adopts the method of the lower of the cost and market price in the valuation of investees (listed companies) where the Company holds less than 20% of their voting shares and doesn't have significant influence. Unrealized loss resulting from the falling price or market price below the cost shall be debited to shareholders' equity. For investees not listed in the centralized market, valuation is made on the basis of cost. If however evidence suggests that the recovery of such value is unlikely due to significant impairment, it is recognized as investment loss and stated as current losses.

(3) Derivative trade – Interest Rate Swap contracts:

No actual transfer of principal in IRS trade and only a memorandum will be signed for transaction purposes. Payable or receivable interest of IRS contracts not held for trading accrued in the period from the contract settlement day and the balance sheet day shall be recognized as adjustments to interest expenses on hedging.

3. Such changes in accounting principles resulted in an increase of NT\$273,646 under the title of other adjustment to shareholders' equity as of September 30, 2006 (recognized as "unrealized income/loss of financial instrument). The effect to the income position of the Company in the period from January 1 to September 30, 2006, is explained as follows:

	<u>Amount</u>	<u>EPS (NTD)</u>
Earnings before taxation of continued operations	\$ 5,809	\$ 0.01
Income tax expense	<u>—</u>	<u>—</u>
Earnings of continued operations	\$ 5,809	\$ 0.01
Effect of changes in accounting policies (Less: Effect of income tax \$0)	<u>373</u>	<u>—</u>
Earnings current period	<u>\$ 6,182</u>	<u>\$ 0.01</u>

(II) No amortization for goodwill

1. Until December 31, 2005, the Company adopted the equity method on the accounting of investees where it held more than 20% of voting shares or was in a dominant position. The differences between the cost as of the investment date and net worth of the investees are equally amortized along a period of 5~10 years.
2. The Company has adopted the principles under amended Financial Accounting Standards No. 1, 5, 7, 25 and 35 since January 1, 2006 whereby goodwill shall no longer be subject to amortization. Under such changes, total assets as of September 30, 2006 have increased by \$117,787. Similarly, net income in the period from January 1 to September 30, 2006 has also increased by \$117,787 and EPS by \$0.13.

(III) Impairment of non-financial assets

Effective January 1, 2005, the Company has adopted the newly announced Financial Accounting Standards No. 35 on "Impairment of Assets". Such change in accounting principles does not affect the presentation in the financial statements of the company for the period from January 1 to September 30, 2005.

IV. Summary on major account titles

(I) Cash and cash equivalence

	<u>September 30 2006</u>	<u>September 30 2005</u>
Petty cash for stores	\$ 1,369,062	\$ 331,373
Bank deposits	1,198,183	999,843
cash equivalence		
Investments in Repos	<u>463,155</u>	<u>—</u>
	<u>\$ 3,030,400</u>	<u>\$ 1,331,216</u>

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

	<u>September 30 2006</u>	<u>September 30 2005</u>
Financial instruments held for disposals		
Stocks with public quotations	\$ 111,142	\$ 91,623
Open-ended funds	<u>650,000</u>	<u>-</u>
	761,142	91,623
Valuation adjustment	(<u>10,898</u>)	(<u>24,999</u>)
	<u>\$ 750,244</u>	<u>\$ 66,624</u>

(III) Financial instruments available for disposal-noncurrent

	<u>September 30 2006</u>	<u>September 30 2005</u>
Listed stock	\$ 140,534	\$ 140,534
Valuation adjustment	<u>293,530</u>	<u>-</u>
	<u>\$ 434,064</u>	<u>\$ 140,534</u>

(IV) Financial instruments carried at cost -noncurrent

	<u>September 30 2006</u>	<u>September 30 2005</u>
Stocks listed in the emerging market	\$ 1,742,880	\$ 1,742,880
Stocks with no public quotation	<u>10,480,687</u>	<u>10,337,326</u>
Subtotal	12,223,567	12,080,206
Accumulated impairment	(<u>93,611</u>)	(<u>15,217</u>)
Total	<u>\$ 12,129,956</u>	<u>\$ 12,064,989</u>

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

(V) Inventories

	<u>September 30 2006</u>	<u>September 30 2005</u>
Merchandises	\$ 3,050,567	\$ 2,611,367
Less: Allowance for inventory losses	(<u>93,432</u>)	(<u>-</u>)
	<u>\$ 2,957,135</u>	<u>\$ 2,611,367</u>

(Blank hereunder)

(VI) Long-term investment under the equity method

Investees	September 30 2006		September 30 2005	
	Amount	Proportion of shareholding	Amount	Proportion of shareholding
President Chain Store (BVI) Holdings Ltd.	\$ 1,182,246	100.00	\$ 1,181,488	100.00
PCSC (China) Limited	403,176	100.00	258,702	100.00
Ren-Hui Investment Corp.	859,474	100.00	856,656	100.00
Uni-President Cold-Chain Corp.	337,566	60.00	319,706	60.00
Mech-President Corp.	417,281	62.95	409,428	62.95
President Transnet Corp.	217,210	70.00	205,430	70.00
President Drugstore Business Corp.	386,431	100.00	330,328	100.00
Retail Support International Corp.	108,893	25.00	108,015	25.00
President Information Corp.	198,479	56.00	231,329	70.00
Uni-President Oven Bakery Corp.	93,767	60.00	150,067	60.00
Mister Donut Taiwan Corp.	120,190	50.00	116,286	50.00
President Coffee Corp.	123,096	30.00	125,942	30.00
Uni-President Development Corp.	177,747	20.00	180,262	20.00
Wisdom Distribution Service Corp.	156,368	100.00	144,015	100.00
President YiLan Art and Culture Corp.	101,235	90.00	126,240	90.00
President Pharmaceutical Corp.	322,421	73.74	65,078	20.00
Uni-President Takashimaya Co. Ltd.	-	-	132,977	50.00
Uni-President Department Store Corp.	279,422	70.00	-	-
President Musashino Corp.	208,392	40.00	-	-
Q-ware Systems & services Corp.	162,098	22.68	-	-
FN Business Corporation	100,000	100.00	-	-
Muji Taiwan Co. Ltd. etc.	430,604	20.00	440,306	20.00
		~100.00		~10.00
	<u>\$ 6,386,096</u>		<u>\$ 5,382,255</u>	

Returns on long-term investments under the equity method for the Company in the periods from January 1 to September 30, 2006 and 2005, amounted to \$110,561 and \$79,066 respectively. Estimation has been made with reference to unaudited financial statements of the said investees covering the same period.

(VII) Accumulated depreciation

	<u>September 30 2006</u>	<u>September 30 2005</u>
Buildings and construction	\$ 135,028	\$ 119,562
Operating equipment	5,428,289	4,902,030
Leasehold improvement	2,381,910	1,967,334
Other equipment	12,211	11,988
	<u>\$ 7,957,438</u>	<u>\$ 7,000,914</u>

(VIII) Assets for lease

	<u>September 30 2006</u>		
	<u>Initial cost</u>	<u>Accumulated depreciation</u>	<u>Book value</u>
Land	\$ 689,897	\$ -	\$ 689,897
Buildings and plant	323,154	(10,786)	312,368
	<u>\$ 1,013,051</u>	<u>(\$ 10,786)</u>	<u>\$ 1,002,265</u>

	<u>September 30 2005</u>		
	<u>Initial cost</u>	<u>Accumulated depreciation</u>	<u>Book value</u>
Land	\$ 590,002	\$ -	\$ 590,002
Buildings and plant	293,983	(311)	293,672
	<u>\$ 883,985</u>	<u>(\$ 311)</u>	<u>\$ 883,674</u>

(IX) Accrued expenses

	<u>September 30 2006</u>	<u>September 30 2005</u>
Payable salaries and bonuses	\$ 927,093	\$ 818,128
Payable incentives for franchisee	425,231	391,076
Payable fees for system development and maintenance	88,991	138,824
Other	792,263	619,722
	<u>\$ 2,233,578</u>	<u>\$ 1,967,750</u>

(X) Other payables

	<u>September 30 2006</u>	<u>September 30 2005</u>
Bill collected for others	\$ 4,248,112	\$ 2,743,217
Payable employee bonuses	200,559	107,421
Payable for acquisition of fixed assets	139,178	160,206
Other	174,012	317,683
	<u>\$ 4,761,861</u>	<u>\$ 3,328,527</u>

(XI) Outstanding bonds

	Term	June 30 2006	June 30 2005
1 st tranche of secured bonds	2002.01.16~2007.01.18	\$ 70,000	\$ 700,000
2 nd tranche of secured bonds	2003.06.10~2008.06.13	1,300,000	1,500,000
		<u>2,000,000</u>	<u>2,200,000</u>
Less: Current portion		(900,000)	(200,000)
		<u>\$ 1,100,000</u>	<u>\$ 2,000,000</u>

1. The issuance of the 1st tranche of secured corporate bonds

The Company has pledged with China Development Industrial Bank and Bank of Taiwan Chun Lun Branch for the issuance of its 1st tranche of secured bonds. This issue of bonds shall be redeemed in full at maturity at coupon rate of 2.8%. Simple interest shall be payable once annually in accordance with the coupon rate from the date of issuance.

According to the agreement binding the Company and Bank of Taiwan for entrusting the latter for surety in the issuance of bonds, this issue of bonds may be used only for the retirement of bank loans and reducing the spending on interest.

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

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

(1) Issue A: amounted to NT\$800 million and redemption at the 3rd, 4th and 5th anniversaries are 25%, 25%, and 50% respectively at coupon rate of 1.4%. Simple interest payable once annually in accordance with the coupon rate from the date of issuance.

(2) Issue B: amounted to NT\$700 million at coupon rate of 4% less LIBOR rate or 4% less promissory note rate for 180 days renewable semi-annually. Simple interest is payable once semi-annually.

(XII) Pension Fund

1. The Company has instituted the regulations for defined pension plan under the “Labor Standards Law” applicable to the years of services 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”. The pension plan of the Company made under the “Labor Standards Law” is defined pension disbursement. 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 salaries of the employee within the last six months prior to retirement and the length of service. The Company contributes 2% to 4.42% of the total salaries of the employees to the special pension fund account with the Central Trust of China supervised by the Employee Pension Fund Reserve Supervisory Committee. Accordingly, the Company has made contribution to the special account in the periods of 3rd quarter, 2006 and 2005, amounting to \$456,650 and \$379,669 at recognized pension costs of \$59,263 and \$73,561 respectively.

2. The new law provided a defined contribution to pension plan. Effective July 1, 2005, the Company shall contribute the amount equivalent to 6% of the monthly salary of respective native employees to the individual pension accounts of the employees at Labor Insurance Bureau. Retired employees may claim for pension disbursement in accordance with the status of their individual accounts and the cumulative contribution in the account through monthly payment or in lump sum. Pension cost under the defined pension plan was recognized as NT\$93,875 and 24,991 in the first three quarters of 2006 and 2005.

(XIV) Income Tax

1. Income tax and payable income tax

	January 1 to September 30 2006	January 1 to September 30 2005
Payable income tax	\$ 268,830	\$ 439,398
Net variation resulting from temporary differences of net deferred income tax assets	(2,640)	(56,884)
Carried forward income tax liabilities	17,030	33,204
Income tax amount under the new taxation system	1,336	840
Prepaid income tax	537,485	348,728
Income tax expenses	<u>\$ 822,041</u>	<u>\$ 765,286</u>
Itemized income tax expenses		
Income tax expenses	\$ 822,041	\$ 729,222
10% surtax on undistributed incomes	-	36,064
	<u>\$ 822,041</u>	<u>\$ 765,286</u>

2. Itemized deferred income tax assets are shown as follows:

	September 30 2006		September 30 2005	
	Amount	Effect of income tax	Amount	Effect of income tax
Current items (stated as other current assets in statement)				
Temporary difference				
Inventory losses	\$ 93,432	\$ 23,358	\$ -	\$ -
Employee fringe benefits	2,863	716	4,427	1,107
Bad debts	1,660	415	12,215	3,054
		<u>\$ 24,489</u>		<u>\$ 4,161</u>
Non-current items (stated as other assets- others in statement)				
Temporary differences				
Investment loss	\$ 537,021	\$ 134,255	\$ 592,065	\$148,016
Employees fringe benefits	1,133	283	3,996	999
		134,528		149,015
		<u>(134,255)</u>		<u>(87,263)</u>
Less: allowance for reevaluation losses		\$ 283		\$ 61,752

3. Income tax returns filed by the company have been approved by taxation authorities up to tax year 2003.
4. The Company has the following deductions not being consumed in the first three quarters of 2006 under applicable legal rules on eligible deductible items:

Legal sources	Deductible items	Total deductible amount
Statute for the Encouragement of Industrial Upgrading	Human resources training	\$ 6,236
	Automation equipment and technology	1,664

5. Details of unpaid incomes are shown as follows:

	September 30 2006	September 30 2005
Unpaid incomes carried forward to 1997	\$ 31,142	\$ 31,142
Unpaid incomes carried forward from 1998	2,771,173	3,263,491
Total	\$ 2,802,315	\$ 3,294,633

6. Information on new taxation system:

	September 30 2006	September 30 2005
Balance of shareholders deduction account	\$ 22,576	\$ 32,007
	2005	2004
Tax credit rate of retained earnings distributed	30.60%	29.93%

(XIV) Capital Stock

The Company has 960,000,000 authorized shares with 915,160,436 shares outstanding at NT\$10/share as of September 30, 2006 and 2005.

(XV) Retained Earnings

1. The Articles of Incorporation of the Company dictate that, earnings in the year after account settlement shall be subject to corporate income tax under law, followed by the offsetting of losses carried forward. 10% of the remainder shall be allocated as statutory reserve and special may also be allocated as there is debit to shareholders' equity. The earnings net of the aforementioned deductions plus the unpaid incomes carried forward may be distributed to shareholders under proposal by the Board and at the approval of the shareholders general meeting. Remunerations to directors and supervisors shall be at 2% of the earnings and employee bonus shall be no less than 0.2% of the earnings. Dividend and bonus to shareholders shall be 80% to 100% of the income attributable to shareholders net of remunerations to directors and supervisors and employee bonus (of which 50% to 100% shall be paid out in cash dividend). The

shareholders general meeting of the Company resolved on June 14, 2006 for an amendment to the Articles of Incorporation of the Company whereby remunerations to directors and supervisors are reduced to 1% from the previous level of 2%.

2. Statutory reserve may be used only for offsetting losses carried forward and increasing capitalization. If the balance of statutory reserve reaches 50% of the paid-in capital, half of the 50% shall be retained and the remainder may be capitalized as capital stock.
3. Under the resolutions of the shareholder general meeting, cash dividend paid out in the first three quarters of 2006 and 2005, amounted to NT\$3.4/share and NT\$3/share, respectively.

(XVI) Earnings per share of common stock

	January 1 to September 30 2006				
	Amount		Weighted average quantity of outstanding shares	EPS (currency: NTD)	
	Before taxation	After taxation		Before taxation	After taxation
Basic EPS					
Earnings for shareholders of common stock	<u>\$3,525,068</u>	<u>\$2,703,400</u>	<u>\$915,160,436</u>	<u>\$ 3.85</u>	<u>\$ 2.85</u>

	January 1 to September 30 2005				
	Amount		Weighted average quantity of outstanding shares	EPS (currency: NTD)	
	Before taxation	After taxation		Before taxation	After taxation
Basic EPS					
Earnings for shareholders of common stock	<u>\$3,924,692</u>	<u>\$3,159,406</u>	<u>\$ 915,160,436</u>	<u>\$ 4.29</u>	<u>\$ 3.45</u>

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

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

	January 1 to September 30 2006	January 1 to September 30 2005
Human resources expenses		
Salaries	\$ 2,809,265	\$ 2,399,365
Labor and health insurance	204,626	178,470
Pension fund	153,138	98,552
Other human resources expenses	<u>169,969</u>	<u>147,849</u>
	<u>\$ 3,336,998</u>	<u>\$ 2,824,236</u>
Depreciations	<u>\$ 1,240,055</u>	<u>\$ 1,259,648</u>
Depletions	<u>\$ -</u>	<u>\$ -</u>
Amortizations	<u>\$ 244,673</u>	<u>\$ 287,099</u>

V. Related Party Transactions

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

<u>Name of related parties</u>	<u>Relationship with the company</u>
Uni-President Enterprises Corp.	Parent
President Packing Inc. Corp. (PPI).	Investees of Uni-President Enterprises Corp under equity method
Tung Ang Enterprise Corp.	"
Presco Netmarketing Inc.	"
Uni-President Dream Parks Corp.	"
President Natural Industrial Corp.	"
President Securities Corp.	"
President Baseball Team Corp.	"
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	"
President Coffee Corp.	Investees of the Company under equity method
Retail Support International Corp.	"
Muji Taiwan Co. Ltd.	"
Uni-President Yellow Hat Corp.	"
Q-ware Systems & services Corp.	"
Uni-President Development Corp.	"

Name of related parties	Relationship with the company
President Organics, Co.	Investees of the Company under equity method
Mister Donut Taiwan Corp.	"
21 Century Enterprise Co., Ltd.	"
President Musashino Corp.	"
Uni-President Takashimaya Co. Ltd.	(this company has been liquidated in September 2005)
President Chain Store (Labuan) Holdings Ltd.	subsidiary of a subsidiary
PCSC (China) Supermarket Limited	"
PCSC (China) Drugstore 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.	"
Philippine Seven Corp.	"
Convenience Distribution Corp.	"
PCSC (Vietnam) Supermarket Ltd.	"
Shan Dong President Yinzuo Commercial Limited	"
PCSC (SICHUAN) 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.	"
President Investment Trust Corp.	"
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 Futures Corp.	Related party

(II) Major transactions with related parties

1. Other operating incomes – marketing bonuses

	January 1 to September 30, 2006		January 1 to September 30, 2005	
	Amount	Percentage of the amount under the same account title	Amount	Percentage of the amount under the same account title
Retail Support International Corp.	\$161,764	14	\$142,544	14
Others	38,061	3	49,388	4
	<u>\$199,825</u>	<u>17</u>	<u>\$191,932</u>	<u>18</u>

2. Purchase (net of purchase incentive bonuses)

	January 1 to September 30, 2006		January 1 to September 30, 2005	
	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.	\$32,831,891	61	\$31,366,335	63
Uni-President Cold-Chain Corp.	11,985,528	22	10,981,223	22
Wisdom Distribution Service Corp.	4,174,139	8	3,878,548	8
Uni-President Enterprises Corp.	1,334,200	2	1,074,809	2
others	733,170	1	747,268	1
	<u>\$51,058,928</u>	<u>94</u>	<u>\$48,048,183</u>	<u>96</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. According to related written agreements, the Company merchandise and retail items bought from all other suppliers are shipped and distributed by the aforementioned companies with the exception of the purchase of duty free items from Uni-President Cold-Chain Corp., and others are made with the aforementioned companies in accordance with their internal procedures. The aforementioned cost of purchase is based on the negotiated prices on the merchandise and items plus a commission in the payment.

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

	January 1 to September 30, 2006		January 1 to September 30, 2006	
	Amount	Percentage of the amount under the same account title	Amount	Percentage of the amount under the same account title
Uni-President Cold-Chain Corp.	\$ 180,765	62	\$ 160,537	61
Retail Support International Corp.	68,079	24	69,557	27
Uni-President Enterprises Corp.	38,609	13	31,396	12
	<u>\$ 287,453</u>	<u>99</u>	<u>\$ 261,490</u>	<u>100</u>

4. Operating expenses

	January 1 to September 30, 2006		January 1 to September 30, 2005	
	Amount	Percentage of the amount under the same account title	Amount	Percentage of the amount under the same account title
(1) <u>Cleaning fees</u>				
Duskin Serve Taiwan Co.	\$ 54,021	43	\$ 35,061	33
(2) <u>Items for stores</u> (recognized as packing and other fees)				
Retail Support International Corp.	\$ 147,571	53	\$ 137,542	54
(3) <u>Stocktaking fees for the stores</u>				
Capital Inventory Services Corp.	\$ 103,990	100	\$ 86,505	100
(4) <u>Information system processing and maintenance expense</u>				
President Information Corp.	\$ 361,863	57	\$ 342,082	63

5. Non-operating incomes

(1) Subsidy to electronic ordering system processing fees (recognized as non-operating incomes and benefits – miscellaneous incomes)

	January 1 to September 30, 2006		January 1 to September 30, 2005	
	Amount	Percentage of the amount under the same account title	Amount	Percentage of the amount under the same account title
Retail Support International Corp.	\$ 152,315	62	\$ 149,653	63
Uni-President Cold-Chain Corp.	78,015	32	70,895	30
Others	11,265	5	8,557	3
	\$ 241,595	99	\$ 229,105	96

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

	January 1 to September 30 2006	January 1 to September 30 2005
President Coffee Corp.	\$ 28,271	\$ 25,124
Others	19,130	15,783
	47,401	40,907

6. Other receivables (payables to) from related parties

	September 30, 2006		September 30, 2005	
	Amount	Percentage of the amount under the same account title	Amount	Percentage of the amount under the same account title
<u>Other receivables</u>				
President Chain Store (BVI) Holdings Ltd.	\$ 30,000	7	\$ -	-
Uni-President Enterprises Corp.	26,115	6	39,947	11
Others	49,042	11	38,025	10
	<u>\$ 105,127</u>	<u>24</u>	<u>\$ 77,972</u>	<u>21</u>
<u>Prepayment for purchase (recognized as other current assets)</u>				
Retail Support International Corp.	\$ 15,960	-	\$ 66,500	9
<u>Note and account payables</u>				
Retail Support International Corp.	\$ 4,381,950	50	\$ 3,261,067	52
Uni-President Cold-Chain Corp.	2,025,026	23	1,317,962	21
Wisdom Distribution Service Corp.	927,694	10	680,381	11
Uni-President Enterprises Corp.	379,715	4	162,716	3
Others	189,687	2	141,482	2
	<u>\$ 7,904,072</u>	<u>89</u>	<u>\$ 5,563,608</u>	<u>89</u>
<u>Accrued expenses</u>				
President Information Corp.	\$ 47,774	2	\$ 81,855	4
Retail Support International Corp.	41,229	2	45,166	2
Others	142,147	6	66,118	4
	<u>\$ 231,150</u>	<u>10</u>	<u>\$ 193,139</u>	<u>10</u>

7. Property trade

- (1) The Board of Directors of President Chain Store Corp. had decided to acquire 10,640,494 shares of President Pharmaceutical Corp. from Uni-President Enterprise Inc. at NT\$24/share in the first three quarters of 2006 and the trade price was negotiated to be NT\$255,372 according to the opinion of security analysts and specialists.
- (2) President Chain Store Corp. has moved to the newly acquired headquarters building in June 2005 and the old office building was sold to the following related party in August 2005 for an amount of NT\$821,544 according to the assessment of the appraisal institute:

Related party	Total trade amount	Gain from disposal
President Securities Corp.	\$ 500,067	\$ 14,404
President Investment Trust Corp.	176,454	5,083
President Futures Corp.	145,023	4,177
	\$ 821,544	\$ 23,664

8. Loans to third parties

January 1 to September 30, 2006					
Borrowers	Maximum balance		Balance at ending of period	Interest rate	Interest income
	Date of transaction	Amount			
Uni-President Yellow Hat Corp.	2006.04~2006.05	\$ 20,000	\$ -	2.82%	\$ 45
21 Century Enterprise Co., Ltd.	2006.01~2006.02	5,000	-	2.51%~2.52%	19
			<u>\$ -</u>		<u>\$ 64</u>

January 1 to September 30, 2005					
Borrowers	Maximum balance		Balance at ending of period	Interest rate	Interest income
	Date of transaction	Amount			
Retail Support Taiwan Corp.	2005.01~2005.04	\$ 30,000	\$ -	2.34%~2.93%	\$ 317

9. Guarantee

The Company has acted as guarantor in favor of the following related parties as of September 30 2006:

	Amount
Retail Support International Corp.	NTD 450,000
President Drugstore Business Corp.	235,000
President YiLan Art and Culture Corp.	65,000
President Information Corp.	8,000
	<u>NTD 758,000</u>
Mech-President Corp.	<u>USD 1,000,000</u>
	<u>USD 4,000,000</u>
Philippine Seven Corp.	<u>PHP 18,000,000</u>

10. Commitment

- (1) The Company has entered into an agreement with President Information Corp. on the maintenance of application software. Under this agreement, President Information Corp. shall provide services for the Company and all business locations on system operation and system maintenance of all electronic online ordering systems. The contract sum amounted to \$508,966 and the contract shall expire in December 2009. As of September 30, 2006, the Company has payables of \$130,886 to President Information Corp.
- (2) The Company has leased out a portion of the headquarters building to affiliates and subsidiaries for business and as office space with lease terms ranging from 3 to 5 years. The collection of rents is based on the terms and conditions specified in respective lease agreements. As of September 30, 2006, the Company has the following projected rental incomes:

Lease term	Total rents
October 1 to December 31, 2006	\$ 3,493
2007	13,970
2008	7,662
2009	6,401
2010 and beyond	3,424
	<u>\$ 34,950</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 long-term technology support and 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) President Chain Store Corp. and the other four related parties of Uni-President Enterprise Inc. have the arcade of President International Building (booked in the “assets for lease” account) leased to non-related party for 18 years and 6.5 months from June 15, 2005 on. Rent charge is for an amount equivalent to a certain percentage of sales revenue.
- (III) The Company and Uni-President Enterprises Corp have entered into a construction engineering agreement with Ta Chen Construction & Engineering Corp.for appointing the latter to build a research center building for donation to National Cheng Kung University. The contract sum amounted to \$230,000 (tax included), and shall be paid for by the Company and Uni-President Enterprises Corp in equal halves. The Company estimated an amount of \$89,398 payable for construction in first three quarters of 2006 under the account title of “spending on donations”. The aforementioned building was constructed and the donation amount was estimated and booked by President Chain Store Corp.
- (IV) The Company has leased spaces from unrelated parties for business under relevant lease agreements with terms ranging from 3 years to 12 years. As of September 30, 2006, the Company has prepaid rents and refundable deposits amounting to \$644,541 and \$910,409 respectively. These two items are listed under the title of “other current assets” and “refundable deposits”. The Company has the following projections in rent payables and related spending:

<u>Lease term</u>	<u>Total rents</u>
October 1 to December 31, 2006	\$ 1,097,949
2007	4,382,409
2008	4,201,802
2009	3,770,892
2010 and beyond	10,356,012
	<u>\$ 23,809,064</u>

VIII. Losses from major accidents

None.

IX. Subsequent events

None.

X. Miscellaneous

(I) Presentation in financial statements

Some subtitles of major account titles used in the financial statements for the first three quarters of 2005 have been reclassified. They are compared with the financial statements for the first three quarters of 2006 °

(II) Information on fair value

	September 30 2006		
	Book value	Fair value	
		Amount determined by open quotations	Amount estimated by appraisal method
Non-Derivatives			
Assets			
Financial instruments whose face values are equal to fair value	\$3,760,153	Note	Note
Financial instruments held for trading	750,244	\$ 750,244	\$ -
Financial instruments carried at cost	12,129,957	-	-
Financial instruments available for disposals	434,064	434,064	-
Investments in bonds with no public quotations	40,000	-	40,000
Refundable deposits	1,038,453	-	916,453
Liabilities			
Financial instruments whose face values are equal to fair values	16,101,479	Note	Note
Corporate Bond Payable	2,000,000	\$ -	\$ 2,000,000
Long-term Debt	800,000	-	800,000
Guarantee deposit received	1,527,941	-	1,370,316

	September 30 2005		
	Book value	Fair value	
		Amount determined by open quotations	Amount estimated by appraisal method
Derivatives			
Assets			
Financial instruments whose face values are equal to fair value	\$2,043,102	Note	Note
Financial instruments held for trading	66,624	\$ 67,445	\$ -
Financial instruments carried at cost	12,064,989	-	-
Financial instruments available for disposals	140,534	460,460	-
Investments in bonds with no public quotations	80,000	-	80,000
Refundable deposits	866,450	-	777,164
Liabilities			
Financial instruments whose face values are equal to fair values	11,959,196	Note	Note
Corporate Bond Payable	2,200,000	\$ -	\$ 2,200,000
Long-term Debt	1,350,000	-	1,350,000
Guarantee deposit received	1,302,180	-	1,162,218

Note: 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 equivalent, notes and account receivables, other receivables, note and account payables, income tax payables, accrued expenses and other payables.

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

1. The fair value of the financial assets for sale is the market price.
2. Fair value of refundable deposits and guarantee deposit received are estimated on the basis of anticipated discount rate with reference to the interest rate offered by Postal Savings and Remittances Bureau for 1 year time deposit.
3. The discounted value of outstanding bonds and long-term debts are insignificant, and their carrying values are adopted as fair value.

(III) Management of Financial Risks and Hedge policy

1. The risk management policy adopted by the Company aims at hedging off operational risks. To this end, the Company deals with derivatives for covering financial exposure. The selection of specific instruments shall be able to hedge off the risks in interest expenses, assets and liabilities deriving from operations.

2. The Finance Department of the Company is responsible for the supervision and control of derivatives. In practice, this department shall monitor the exposure resulting from derivative trades and assess the market price regularly. If the department discovers unusual situations on transaction and exposure, 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.

(VI) Information on primary financial risks

1. Market Risk

- (1) Financial instruments for which changes in fair value are recognized as gains and losses and financial instruments available for disposal invested by the Company are stocks issued by listed companies and open-ended funds and they are under the influence of market price fluctuation.
- (2) Financial instruments invested by the Company and carried at cost have no open quotation in the centralized market. Therefore, there is no anticipated major market risk.
- (3) The secured bonds issued by the Company are bearing fixed rate and floating rate. For bonds bearing floating interest rate, the Company has undertaken IRS contracts for hedging off interest risk deriving from interest rate fluctuation in the market. Therefore, there is no anticipated major market risk.
- (4) All payables of the Company are due within one year. The Company is, therefore, assessed as having no significant risks in the markets.
- (5) All borrowing of the Company accrues interest on a floating basis.
- (6) The IRS contracts secured by the Company are for hedges only. Therefore, gains or losses resulting from interest rate fluctuation in the market will by and large be offset by the hedges of the contract and therefore no significant market risk in terms of price is anticipated.

2. Credit Risk

- (1) The orders for financial instruments for which changes in fair value are recognized as gains and losses and financial instruments available for disposal invested by the Company are placed via the centralized market and the counterparties are of good credit standing. As such, there is no anticipated breach of contract by counterparties.
- (2) Counterparties of investments in financial instruments carried at cost have been subject to evaluation on their credit standing. Therefore, there is also no anticipated major credit risk.
- (3) The trade parties for interest rate swap of President Chain Store Corp. are all reputable international finance institutes without any breach of contract expected; therefore, the possibility of credit risk is low.
- (4) Credit Risk of off balance sheet financial instruments
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 have proper information on their credit standing, no collateral is demanded. If respective stakeholder is liable for breach of contract, the amount of possible losses may be equal to the guarantee amount.

3. Liquidity Risk

- (1) Financial instruments which change in fair value are recognized as gains and losses and financial instruments available for disposal invested by the Company have public quotations in open market. As such, they are expected to be disposed of quickly at prices approximating to fair value in the market without difficulty.
- (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) The working capital of President Chain Store Corp. is sufficient enough to support the redemption requested by stockholders of President Chain Store Corp. and without any significant liquidity risk expected.
- (4) All payables of the company are current, and the Company has sufficient working capital to cover all capital needs. Therefore, there is no anticipated major liquidity risk.
- (5) Interest rate applicable to the IRS contracts secured by the Company is determined and the Company has sufficient working capital to meet related capital needs. Therefore, there is no anticipated major liquidity risk.

4. Cash Flow Risks deriving from interest rate fluctuation

- (1) Equity class financial instruments invested by the Company are not interest bearing instruments and there will be no cash flow risk deriving from interest rate fluctuation.
- (2) The Company issued redeemable corporate bonds bearing fixed coupon rate. As such, there is no cash flow risk deriving from interest rate fluctuation. For bonds bearing floating rate, any fluctuation of interest rate in the market affects corresponding fluctuation of the effective rate applicable to the bonds issued by the Company. As such, cash flow fluctuation is anticipated. However, the Company has undertaken IRS contract for hedging off such risk deriving from interest rate fluctuation.
- (3) The long-term loan of President Chain Store Corp. is a debt with floating rate; therefore, debt effective rate will fluctuate along with market rate and cause future cash flow to fluctuate. Under the circumstances, while market rate goes up by 1%, cash outflow within one year is expected to go up by NT\$8,000.
- (4) The kind of IRS contracts the Company deals with is instruments bearing floating rate and fixed interest payment. Therefore, there is no anticipated cash flow risk deriving from interest rate fluctuation.

(V) Derivatives

The Company has entered into IRS contracts with ABN-AMRO for hedging off risks to its corporate bonds deriving from interest rate fluctuation. Within the term of the contract, the bank charges interest from the Company at 4% less LIBOR rate for 6 months or 4% less the interest for promissory note of 180 days on the basis of every six months. Fixed interest rate at 1.46% will be paid out. The nominal principals and fair value are shown as follows:

	<u>September 30,2006</u>		<u>September 30,2005</u>	
	<u>Nominal principal</u>	<u>Fair Value</u>	<u>Nominal principal</u>	<u>Fair Value</u>
Interest rate swap (IRS)	\$ 700,000	(\$ 19,884)	\$ 700,000	(\$ 26,079)

XI. Disclosures

(I) Information on major transactions

Disclosure on major transactions of the Company in the first three quarters of 2006 is specified as follows:

1. Loans to third parties

Lenders	Borrowers	Account titles	Maximum balance at the end of current period	Balance at ending	Interest range	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 (Note 2)	Limit of total loans (Note 2)
										Name	Value		
President Chain Store Corp.	21 Century Enterprise Co., Ltd.	Other receivables	\$ 5,000	\$ -	2.51% ~ 2.52%	Note 1	\$ -	working capital	\$ -	-	\$ -	\$ 50,000	\$ 5,920,242
	Uni-President Yellow Hat Corp.	Other receivables	\$ 20,000	-	2.82%	Note 1	-	working capital	-	-	- \$	50,000	\$ 5,920,242

Note 1: Necessary for granting short-term loans.

Note 2: The Company limits its loans to external parties at 40% of its net worth. For particular enterprise which is a business partner to the Company, maximum loans may be up to NT\$100,000 or the total amount of business transaction, whichever is lower. Short-term loan to particular enterprise for necessity is up to NT\$50,000.

2. Act as guarantor in favor of a third party

Name of Guarantor	Name of Guarantee			Limit of loan to particular enterprise (Note)	Balance of maximum loan in current period	Balance secured by the Company at ending	Balance secured by the Company at ending	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 Corp.	President Transnet Corp.	subsidiary		\$ 2,960,121	\$ 200,000	\$ -	None	-	\$ 7,400,302
	President Drugstore Business Corp.	subsidiary		2,960,121	235,000	235,000	None	1.59%	7,400,302
	Retail Support International Corp.	business relation		2,960,121	450,000	450,000	None	3.04%	7,400,302
	President Information Corp.	subsidiary		2,960,121	8,000	8,000	None	0.05%	7,400,302
	President Yilan Art and Culture Corp.	subsidiary		2,960,121	65,000	65,000	None	0.44%	7,400,302
	Mech-President Corp.	subsidiary		2,960,121	1 million	1 million	None	0.22%	7,400,302
	Philippine Seven Corp.	subsidiary of a subsidiary		2,960,121	4 million and 260 million	4 million and 180 million	None	0.89%	7,400,302
								0.80%	
								7.03%	

Note: The upper limit of total surety 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 Corp.	Ton Yi Industrial Corp.	None	Financial instruments which changes in fair values are recognized as gains or losses -current	skipped	\$ 111,142	-	\$ 100,172	
	Prudential Financial Bond Fund	"	"	19,914,710	290,000	-	290,032	
	UPAMC JAMES BOND Fund	"	"	23,417,985	360,000	-	360,040	
					<u>761,142</u>		<u>\$ 750,244</u>	
			Less: Allowance for valuation adjustments		(10,898)			
					<u>\$ 750,244</u>			
President Chain Store (BVI) Holdings Ltd		Investees of the Company under equity method.	Long-term investments under equity method	46,405,458	\$ 1,182,246	100.00%	\$ 1,191,748	
	Ren-Hui Investment Corp.	"	"	85,303,733	859,474	100.00%	859,254	
	Mech-President Corp.	"	"	38,712,620	417,281	62.95%	417,339	
	Uni-President Cold-Chain Corp.	"	"	19,563,272	337,566	60.00%	325,545	
	President Drugstore Business Corp.	"	"	33,100,000	386,431	100.00%	389,799	
	President Yilan Art and Culture Corp.	"	"	18,000,000	101,235	90.00%	100,449	
	President Information Corp.	"	"	15,025,405	198,479	56.00%	192,379	
	President Transnet Corp.	"	"	70,000,000	217,210	70.00%	202,946	
	Wisdom Distribution Service Corp.	"	"	9,432,540	156,368	100.00%	156,960	
	PCSC (China) Limited	"	"	17,472,000	403,176	100.00%	403,595	
	Uni-President Development Corp.	"	"	20,000,000	177,747	20.00%	177,747	
	Mister Donut Taiwan Corp.	"	"	10,000,000	120,190	50.00%	120,516	
	President Coffee Corp.	"	"	9,313,920	123,096	30.00%	121,628	
	Retail Support International Corp.	"	"	5,000,000	108,893	25.00%	102,203	
	Q-ware Systems & services Corp.	"	"	19,157,720	162,098	22.68%	147,153	
	President Pharmaceutical Corp.	"	"	14,600,494	322,421	73.74%	163,106	
	Uni-President Department Store Corp.	"	"	35,000,000	279,422	70.00%	279,411	
	FN Business Corporation	"	"	10,000,000	100,000	100.00%	100,000	
	President Musashino Corp.	"	"	20,916,000	208,392	40.00%	211,412	
	Muji Taiwan Co. Ltd. etc.	"	"	skipped	524,371	20.00%	511,056	
					<u>6,386,096</u>	~100.00%		
President Securities Corp.	-	-	Financial instruments available for disposal – noncurrent	29,328,669	\$ 434,064	2.57%	434,064	
Presicarre Corp.	-	-	Financial instruments carried at cost –noncurrent	70,605,016	\$ 6,818,529	19.50%	-	
Toppoly Optoelectronics Corp.	-	-	"	146,448,927	\$ 1,609,160	3.46%	-	
Tong Jen Development Corp.	-	-	"	142,500,000	1,656,500	19.00%	-	
President International Development Corp.	The Company is a director		"	50,000,000	500,000	3.33%	-	
New Century Info Comm Co. Ltd. etc.	Skipped		"	skipped	1,545,767	0.02%	-	
			"		<u>\$ 12,129,956</u>	~19.93%	-	
Corporate Bond of Retail Support International Corp.		Investees of the Company under equity method.	Investments in bonds with no open quotations - current	-	\$ 40,000	-	40,000	

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				At ending		
					Quantity of shares	Amount	Quantity of shares	Amount	Quantity of shares	Amount	Carrying cost	Capital gain	Other adjustments	Quantity of shares	Amount
President Chain Store Corp.	Upamc James Bond Fund	Note 1	Not applicable	Not applicable	-	-	638,020,972	\$ 9,759,000	614,602,987	\$ 9,402,760	\$ 9,399,000	\$ 3,760	-	23,417,985	\$ 360,000
	Jf (Taiwan) First Bond Fund	"	"	"	-	-	13,261,105	200,000	13,261,105	200,042	200,000	42	-	-	-
	Shinkong Chi-Shin Fund	"	"	"	-	-	80,907,951	1,150,000	80,907,951	1,150,428	1,150,000	428	-	-	-
	ABN AMRO SELECT BOND FUND	"	"	"	-	-	48,595,808	545,000	48,595,808	545,182	545,000	182	-	-	-
	Mega Diamond Bond Fund	"	"	"	-	-	177,029,406	2,022,000	177,029,406	2,022,759	2,022,000	759	-	-	-
	Prudential Financial Bond Fund	"	"	"	-	-	460,582,923	6,685,000	440,668,213	6,396,925	6,395,000	1,925	-	19,914,710	290,000
	Fuh-Hwa Global Bond Fund	"	"	"	-	-	194,475,881	2,573,000	194,475,881	2,573,930	2,573,000	930	-	-	-
	FUHW BOND FUND	"	"	"	-	-	15,368,347	195,000	15,368,347	195,109	195,000	109	-	-	-
	GRAND CATHAY BOND FUND	"	"	"	-	-	38,110,676	490,000	38,110,676	490,272	490,000	272	-	-	-
	CITC CASH RESERVES	"	"	"	-	-	8,600,893	100,000	8,600,893	100,176	100,000	176	-	-	-
	NITC Taiwan Bond Fund	"	"	"	-	-	20,699,648	290,000	20,699,648	290,462	290,000	462	-	-	-
	JIH SUN BOND FUND	"	"	"	-	-	21,333,883	290,000	21,333,883	290,064	290,000	64	-	-	-
	Tong-jeng Development Corp.	Note 2	Raise capital by issuing new shares	"	114,000,000	1,371,500	28,500,000	285,000	-	-	-	-	-	142,500,000	1,656,500
	Uni-President Department Store Corp.	Note 3	Initial subscription to the shares	"	-	-	35,000,000	350,000	-	-	-	-	(70,578)	35,000,000	279,422
	FN Business Corporation	"	"	"	-	-	10,000,000	100,000	-	-	-	-	-	10,000,000	100,000
	PCSC (China) Limited	"	Raise capital by issuing new shares	"	14,322,000	382,817	3,150,000	103,572	-	-	-	-	(83,213)	17,472,000	403,176
	President Pharmaceutical Corp.	"	Note 4	Note 4	3,960,000	63,172	10,640,494	255,372	-	-	-	-	3,877	14,600,494	322,421
	President Musashino Corp.	"	Note 5	None	5,229,000	48,462	15,687,000	156,870	-	-	-	-	3,060	20,916,000	208,392

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

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

Note 3: Booked in the "Long-term equity investment valued with Equity Method" account

Note 4: Acquired the stock shares of President Pharmaceutical Corp. from Uni-President Enterprise Inc. that is the parent company of President Chain Store Corp.

Note 5: Acquired the stock shares of President Musashino Corp. from Musashino Corp.

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:

<u>Buyer/seller</u>	<u>Counterparties</u>	<u>Affiliations</u>	<u>Status of trade</u>		<u>Special terms and conditions of trade and reasons</u>			<u>Account, note receivables (payables)</u>		<u>Remark</u>
			<u>Purchase (sales)</u>	<u>Amount</u>	<u>Percentage to total purchase (sales)</u>	<u>Credit term</u>	<u>Unit price</u>	<u>Credit term</u>	<u>Balance</u>	
President Chain Store Corp.	Retail Support International Corp.	Investees of the Company under equity method	Purchase	\$32,831,891	61	O/A settlement from 10~80 days	Note	No significant difference	\$ 4,381,950	50
	Uni-President Cold-Chain Corp.	Subsidiary	"	11,985,528	22	O/A settlement from 15~30 days	"	"	2,025,026	23
	Wisdom Distribution Service Corp.	"	"	4,174,139	8	O/A settlement from 20~35 days	"	"	927,694	10
	Uni-President Enterprises Corp.	Parent	"	1,334,200	2	O/A settlement from 30~45 days	No significant difference	"	379,715	4
	Q-ware Systems & services Corp.	Investees of the Company under equity method	"	171,820	-	O/A settlement from 30~40 days	"	"	61,229	1
	President Transnet Corp.	Subsidiary	Operating Cost	500,701	1	O/A settlement 15 days	The cost of home delivery, not applicable here	"	60,854	1

Note: cost of purchase with Retail Support International Corp., Uni-President Cold-Chain Corp. and Wisdom Distribution Service Corp. is based on the agreed rates on merchandises and utensils plus commissions.
 8. Receivables from related parties exceeding NT\$100 million or 20% of the paid-in capital: None
 9. Derivative trade: Note X (3)

(Blank hereunder)

(II) Information on Investees

1. Information on investees:

Investor name	Investees			Initial amount of investments		Holding at ending			Income status of investees	Recognized return on (loss from) investment by company	Remark
	Name	Location	Major investments	End of current period	End of previous period	Quantity of shares	Proportion	Book value			
President Chain Store Corp.	President Chain Store (BVI) Holdings Ltd.	BVI	Professional investments	\$ 1,520,766	\$ 1,520,766	46,405,458	100.00%	\$ 1,182,246	(\$ 15,882)	25,657	Subsidiary
	Ren-hui Investment Corp.	Taipei City	Professional investments	853,037	853,037	85,303,733	100.00%	859,474	7,848	7,859	"
	Mech-president corp.	Tainan County	Gasoline stations, cables	364,683	364,683	38,712,620	62.95%	417,281	18,141	10,777	"
	Uni-president Cold-chain Corp.	Tainan County	Frozen foods, low-temperature logistics	237,437	237,437	19,563,272	60.00%	337,566	152,376	91,645	"
	President Drugstore Business Corp.	Taipei City	Retailing of medicines, apparels and daily items	396,000	396,000	33,100,000	100.00%	386,431	42,894	37,526	"
	President Yilan Art and Culture Corp.	Yilan County	Art and cultural exhibition	180,000	180,000	18,000,000	90.00%	101,235	1,079	952	"
	President Information Corp.	Taipei City	Business management consulting services	93,348	135,956	15,025,405	56.00%	198,479	47,872	30,585	"
	President Transnet Corp.	Taipei county	Foods and utensils retailing and shipping	711,576	711,576	70,000,000	70.00%	217,210	43,275	29,213	"
	Wisdom Distribution Service Corp.	Taipei City	Magazine delivery	50,000	50,000	9,432,540	100.00%	156,368	42,304	41,568	"
	PCSC (China) Limited	BVI	Professional investments	571,632	259,182	17,472,000	100.00%	403,176	(84,640)	(85,059)	"
	Uni-president Development Corp.	Taipei City	Construction of transportation depots	200,000	200,000	20,000,000	20.00%	177,747	(37,091)	(7,418)	Note 1
	Mister Donut Taiwan Corp.	Taipei City	Bakery	100,000	100,000	10,000,000	50.00%	120,190	37,630	18,459	"
	President Coffee Corp.	Taipei City	Coffee and accessories trade	59,400	59,400	9,313,920	30.00%	123,096	64,375	19,800	"
	Retail Support International Corp.	Chungli City	Room-temperature food logistics	91,414	91,414	5,000,000	25.00%	108,893	114,828	28,700	"
	Q-ware Systems & Services Corp.	Taipei City	Internet service provider	191,577	-	19,157,720	22.68%	162,098	(127,459)	(28,884)	"
	President Pharmaceutical Corp.	Taipei City	Medicines & medical instrument retail and wholesale	330,216	74,844	14,600,494	73.74%	322,421	21,036	6,254	Subsidiary
	Uni-President Department Store Corp.	Taipei City	Department stores	350,000	-	35,000,000	70.00%	279,422	100,841)	(70,578)	"
	FN Business Corporation	Taipei City	Comprehensive retailing	100,000	-	10,000,000	100.00%	100,000	-	-	"
	President Musashino Corp.	Tainan County	Bakery foods industry	195,525	38,655	20,916,000	40.00%	208,392	42,495	3,060	Note 1
	Muji Taiwan co. Ltd. etc.	-	-	903,146	903,146	Skipped	20.00%	524,371	Skipped	1,759	Note 2
							~100%				

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.

<u>Investor name</u>	<u>Investees</u>			<u>Initial amount of investments</u>		<u>Holding at ending</u>			<u>Income status of investees</u>	<u>Recognized return on (loss from) investment by company</u>	<u>Remark</u>
	<u>Name</u>	<u>Location</u>	<u>Major investments</u>	<u>End of current period</u>	<u>End of previous period</u>	<u>Quantity of shares</u>	<u>Proportion</u>	<u>Book value</u>			
Retail Support International Corp. etc.	President Logistics International Corp. etc.	-	-	\$ 762,735	\$ 673,365	Skipped	6.00%~100.00%	\$ 580,259	Skipped	Not applicable	-
President Chain Store Corp.	President Coffee (Cayman) Holdings Ltd.	Cayman Islands	Professional investments	USD 1,800,000	USD 1,800,000	1,800,000	30.00%	USD 2,978,000	USD 1,957,000	"	Note
	President Chain Store (Labuan) Holdings Ltd.	Labuan	Professional investments	USD 20,684,000	USD 20,684,000	20,684,321	100.00%	USD 12,973,000	(USD 222,000)	"	subsidiary of a subsidiary
	Presiclerc Limited	BVI	Professional investments	USD 12,212,000	USD 10,399,000	11,969,000	48.41%	USD 1,132,000	(USD 2,823,000)	"	Note
	T&T Supermarket Inc.	Canada	Food retailing and Household goods retailing	CAD 12,000,000	CAD 12,000,000	200	20.00%	CAD 5,771,000	CAD 7,675,000	"	"
	PCSC (Vietnam) Supermarket Limited	Vietnam	Food retailing and Household goods retailing	USD 461,000	USD 461,000	674,200	51.00%	USD 521,000	VND 1,559,066,000	"	subsidiary of a subsidiary
President Chain Store (Labuan) Holdings Ltd.	Philippine Seven Corp.	Philippines	Foods retailing and Household goods retailing	USD 20,656,000	USD 20,656,000	134,257,625	56.59%	USD 12,964,000	(PHP 19,913,000)	"	"
Philippine Seven Corp.	Convenience Disribution Inc. etc.	Philippines	-	PHP 87,742,000	PHP 87,742,000	Skipped	40.00% ~100.00%	PHP 78,104,000	Skipped	"	Skipped
PCSC (China) Limited	PCSC (China) Drugstore Limited etc.	BVI	Professional investments	USD 17,472,000	USD 8,072,000	Skipped	100.00%	USD 12,148,000	Skipped	"	subsidiary of a subsidiary
PCSC (China) Drugstore Limited	President Cosmed Chain Store (Shen Zhen) Co.,Ltd.	China	Household goods retailing	USD 3,932,000	USD 3,932,000	Skipped	65.00%	USD 2,289,000	(RMB 8,247,000)	"	"
President Cosmed Chain Store (Shen Zhen) Co.,Ltd.	Zhuhai Livzon Drugstore Chain Company Limited	China	Medicine retailing	RMB 9,200,000	4,200,000	Skipped	100.00%	RMB 6,212,000	RMB 1,269,000)	"	"
PCSC (China) Supermarket Limited	Shan Dong President Yinzuo Commercial Limited	China	Wholesaling and retailing of goods	USD 13,428,000	4,078,000	Skipped	55.00% ~100.00%	USD 6,656,000	Skipped	"	"

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

(1) Loans to third parties

<u>Lenders</u>	<u>Borrowers</u>	<u>Account titles</u>		<u>Maximum balance at the end of current period</u>	<u>Balance at ending</u>	<u>Interest range</u>	<u>Nature of loans</u>	<u>Amount of business transactions</u>	<u>Reasons necessary for offering short-term loans</u>	<u>Allowance for doubtful accounts</u>	<u>Collateral</u>		<u>Limit of loans to particular borrower (Note 2)</u>	<u>Limit of total loans (Note 2)</u>
											<u>Name</u>	<u>Value</u>		
Philippine Seven Corp.	Convenience Distribution Inc.	Other receivables	PHP	17,500,000	-	10%	Note 1	-	working capital	\$ -	-	\$ -	Note 2	Note 2
Store Sites Holdings Inc.	Convenience Distribution Inc.	Other receivables	PHP	9,000,000	PHP 9,000,000	10%	Note 1	-	working capital	-	-	-	Note 3	Note 3
Mech-President Corp.	Shanghai President Machine Corp.	Other receivables	USD	1,000,000	-	3.5%	Note 1	-	working capital	-	-	-	Note 4	Note 4

Note 1: Necessary for granting short-term loans.

Note 2: The Company limits its loans to external parties at 40% of its net worth. For particular enterprise which is a business partner of the Company, maximum loans may be up to NT\$100,000 or the total amount of business transaction, whichever is lower. Short-term loan to particular enterprise for necessity is up to PHP\$50 million.

Note 3: The Company limits its loans to external parties at 40% of its net worth. For particular enterprise which is a business partner of the Company, maximum loans may be up to NT\$100,000 or the total amount of business transaction, whichever is lower. Short-term loan to particular enterprise for necessity is up to PHP\$10 million.

Note 4: The Company limits its loans to external parties at 40% of its net worth. For particular enterprise which is a business partner of the Company, maximum loans may be up to NT\$100,000 or the total amount of business transaction, whichever is lower. Short-term loan to particular enterprise for necessity is up to \$50,000.

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

<u>Name of Guarantor</u>	<u>Name of Guarantee</u>		<u>Limit of loan to particular enterprise (Note)</u>	<u>Balance of maximum loan in current period</u>	<u>Balance secured by the Company at ending</u>	<u>Balance secured by the Company at ending</u>	<u>Accumulated amount of guarantee in proportion to the net worth stated in the financial statements of the most recent period</u>	<u>Upper limit for guarantee (note)</u>
	<u>Company Name</u>	<u>Affiliation</u>						
President Information Corp.	President Drugstore Business Corp.	A subsidiary of President Chain Store Corp.	Note	\$ 2,000	\$ 2,000	\$ -	0.68%	Note
Mech-President Corp.	President Jing Corp.	Subsidiary	Note	21,700	-	-	-	Note
Mech-President Corp.	Shanghai President Machine Corp.	subsidiary of a subsidiary	Note	USD 1,000,000	USD 1,000,000	-	5%	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.

(3) Holding of marketable securities at ending:

<u>Holder of securities</u>	<u>Types and names of securities</u>	<u>Affiliation with security issuers</u>	<u>Account titles</u>	<u>Quantity of shares at ending</u>	<u>Book value</u>	<u>Proportion of shareholding</u>	<u>Market price</u>	<u>Remarks</u>
President Coffee Corp.	CAPITAL INCOME FUND etc.	None	Financial instruments which changes in fair values are recognized as gains or losses -current	-	\$ 130,017	-	\$ 130,253	
Ren-Hui Investment Corp.	NITC Bond Fund	-	"	-	168,701	-	168,701	
Wisdom Distribution Service Corp.			"	-	139,272	-	139,765	
President Information Corp.			"	-	102,091	-	102,091	
Vision Distribution Service Corp.	Fuh-Hwa Fund	-	"	-	126,696	-	127,240	
President Direct Marketing Corp. etc.	Cathay Bond Fund	-	"	-	420,577	-	420,222	
President Jing Corp.	Ta Chong Bond Fund	-	Financial instruments available for disposal – current	-	1,000	-	1,000	
Ren-Hui Investment Corp.	Toppoly Optoelectronics Corp.	-	Financial instruments carried at cost –noncurrent	62,800,000	690,037	-	690,037	
Retail Support Taiwan Corp.	President Logistics International Corp.	-	"	-	5,573	-	5,573	
President Chain Store (BVI) Holdings Ltd.	Global Strategic Investment Inc. etc.	-	"	-	USD 4,318,000	-	USD 4,318,000	
Retail Support International Corp.	Retail Support Taiwan Corp. etc.	-	Long-term investments under equity method	-	129,209	-	131,017	
Wisdom Distribution Service Corp.	President Logistics International Corp. etc.	-	"	-	353,501	-	356,582	
President Chain Store (BVI) Holdings Ltd.	President Chain Store (Labuan) Holdings Ltd. etc.	-	"	-	USD 23,375,000	-	USD 20,470,000	
President Chain Store (Labuan) Holdings Ltd.	Philippine Seven Corp.	subsidiary	"	134,257,625	USD 12,964,000	56.59%	PHP 320,973,000	
Philippine Seven Crop.	Convenience Distribution Inc. etc.	-	"	-	PHP 78,104,000	-	PHP 54,368,000	
PCSC (China) Limited	PCSC (China) Drugstore Limited	subsidiary	"	-	USD 12,148,000	-	USD 12,148,000	
PCSC (China) Drugstore Limited	President Cosmed Chain Store (Shen Zhen) Co.,Ltd.	subsidiary	"	-	USD 2,289,000	65.00%	RMB 22,005,000	
President Cosmed Chain Store (Shen Zhen) Co.,Ltd.	Zhuhai Livzon Drugstore Chain Company Limited	subsidiary	"	-	RMB 6,212,000	100.00%	RMB 3,248,000	

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

Name of buyer_seller	Types and names of securities	Account titles	Counter parties	Affiliation	At beginning		Bought		Sold			At ending		
					Quantity of shares	Amount	Quantity of shares	Amount	Quantity of shares	Amount	Carrying cost	Capital gain	Quantity of shares	Amount
Retail Support Taiwan Corp.	UPAMC JAMES BOND Fund	Note	Not applicable	Not applicable	1,496,687	\$ 22,781	12,535,459	\$ 191,910	12,817,595	\$ 196,166	\$ 196,025	\$ 141	1,214,551	\$ 18,666
President Information Corp.	UPAMC JAMES BOND Fund	"	"	"	1,934,122	29,388	12,966,503	198,247	14,440,505	220,800	220,572	228	460,120	7,063
Vision Distribution Service Corp.	ABN AMRO BOND FUND	"	"	"	1,753,122	26,000	7,503,770	112,000	5,894,910	88,078	87,804	274	3,361,982	50,196
President Logistics International Corp.	Fuh-Hwa Bond Fund	"	"	"	-	-	14,811,992	196,000	11,944,158	158,237	158,000	237	2,867,834	38,000
	UPAMC JAMES BOND Fund	"	"	"	1,473,698	22,433	13,811,476	211,350	13,913,876	212,830	212,702	128	1,371,298	21,081
	UPAMC HOME RUN BOND Fund	"	"	"	3,091,564	42,772	9,095,148	126,370	12,186,712	169,310	169,142	168	-	-
Retail Support International Corp.	UPAMC JAMES BOND Fund	"	"	"	1,391,323	21,184	52,928,674	809,359	51,841,868	792,803	792,442	361	2,478,129	38,101
	NITC Bond Fund	"	"	"	-	-	7,550,361	1,230,563	7,306,403	1,191,098	1,190,563	535	243,958	40,000
Wisdom Distribution Service Corp.	ABN AMRO BOND FUND	"	"	"	3,642,659	54,000	48,476,924	723,000	48,744,359	727,266	726,500	766	3,375,224	50,500
	JIH SUN BOND FUND	"	"	"	4,760,199	64,000	31,727,136	428,000	33,139,116	447,244	446,728	516	3,348,219	45,272
President Coffee Corp.	FUH-HWA ALBATROSS FUND	"	"	"	-	-	80,799,766	1,069,000	77,520,451	1,026,275	1,025,500	775	3,279,315	43,500
	FUHWHA BOND FUND	"	"	"	2,882,699	32,100	11,815,342	132,100	14,698,041	164,540	164,200	340	-	-
	Prudential Financial Bond Fund	"	"	"	1,189,363	15,000	10,644,940	135,000	11,834,303	150,091	150,000	91	-	-
	JF (Taiwan) First Bond Fund	"	"	"	1,040,872	15,000	5,877,174	85,000	6,918,046	100,079	100,000	79	-	-
	Mech-President Corp.	"	"	"	997,195	15,000	6,942,767	105,000	7,939,962	120,131	120,000	131	-	-
	FUBON CHI-HSIANG FUND	"	"	"	-	-	23,801,532	250,000	23,801,532	250,065	250,000	65	-	-
	Union Bond Fund	"	"	"	-	-	15,777,772	190,000	15,777,772	190,052	190,000	52	-	-
	JF (Taiwan) First Bond Fund	"	"	"	-	-	8,624,587	120,000	8,624,587	120,038	120,000	38	-	-
	CITC CASH RESERVES	"	"	"	-	-	30,033,925	350,000	30,033,925	350,095	350,000	95	-	-
	Ta Chong Bond Fund	"	"	"	-	-	30,922,320	400,000	30,922,320	400,112	400,000	112	-	-
	NITC Taiwan Bond Fund	"	"	"	71,942	1,000	10,030,575	140,000	10,102,517	141,033	141,000	33	-	-
	NITC Bond Fund	"	"	"	-	-	673,164	110,000	673,164	110,033	110,000	33	-	-
	ABN AMRO BOND FUND	"	"	"	-	-	14,691,802	220,000	14,691,802	220,060	220,000	60	-	-
	CAPITAL MONEY MARKET FUND	"	"	"	-	-	12,527,998	170,000	12,527,998	170,051	170,000	51	-	-
Uni-President Oven Bakery Corp.	UPAMC JAMES BOND Fund	"	"	"	5,441,062	81,906	5,551,288	85,000	9,562,224	146,500	145,009	1,491	1,430,126	21,897

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

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

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

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

Buyer/seller	Counterparties	Affiliations	Status of trade			Special terms and conditions of trade and reasons		Account, note receivables (payables)		Remark
			Purchase (sales)	Amount	Percentage to total purchase (sales)	Credit term	Unit price	Credit term	Balance	
Uni-President Cold-Chain Corp.	Uni-President Enterprises Corp	Investor of this company under the equity method	Purchase	\$ 4,963,500	45%	O/A settlement from 30~45 days	No significant difference	No significant difference	(\$ 840,018)	
	President Musashino Corp.	A subsidiary of Uni-President Enterprises Corp	"	891,624	8%	O/A settlement from 25~30 days	"	"	(115,356)	(6%)
	Tung Ang Enterprise Corp.	Affiliate	sales	139,595	1%	O/A settlement 30 days	"	"	(15,856)	1%
Retail Support International Corp.	President Chain Store Corp.	Parent		12,078,097	99%	O/A settlement from 15~30 days			2,075,187	98%
	President Chain Store Corp.	Investor of this company under the equity method	"	33,022,219	94%	O/A settlement from 10~18 days	"	"	4,348,970	86%
	Uni-President Enterprises Corp.	Investor of this company under the equity method	Purchase	887,870	3%	O/A settlement from 20~40 days	"	"	(152,042)	(3%)
	Lien Bo Enterprises	Affiliate	"	741,549	2%	O/A settlement from 20~70 days	"	"	(122,347)	(2%)
	Tung Ang Enterprise Corp.	Affiliate	"	1,450,895	4%	O/A settlement 30 days	"	"	(174,631)	(3%)
	President Drugstore Business Corp.	A subsidiary of President Chain Store Corp.	sales	1,890,912	5%	O/A settlement 50 days	"	"	563,262	11%
	President Pharmaceutical Corp.	A subsidiary of President Chain Store Corp.	Purchase	173,731	-	O/A settlement from 30~60 days	"	"	(44,083)	(1%)
	President Coffee Corp.	Investees of President Chain Store Corp. under equity method	sales	195,792	1%	O/A settlement 30 days	"	"	61,197	1%
	Wisdom Distribution Service Corp.	A subsidiary of President Chain Store Corp.	"	104,066	-	O/A settlement 40 days			35,705	1%
	President Information Corp.	President Chain Store Corp.	Parent	Service income	404,261	79%	O/A settlement 30 days	"	"	96,882
President Transnet Corp.	President Chain Store Corp.	Parent	sales	500,701	22%	O/A settlement 15 days	"	"	60,857	15%
Wisdom Distribution Service Corp.	President Chain Store Corp.	Parent	"	4,208,117	98%	O/A settlement from 20~35 days	"	"	955,737	97%
President Drugstore Business Corp.	Retail Support International Corp.	Investees of President Chain Store Corp. under equity method	Purchase	2,271,484	98%	O/A settlement 50 days	"	"	(542,183)	(97%)
Retail Support Taiwan Corp.	Retail Support International Corp.	Parent	sales	175,359	85%	O/A settlement from 15~20 days	"	"	21,171	72%
Vision Distribution Service Corp.	Wisdom Distribution Service Corp.	Parent	"	243,697	49%	O/A settlement 35 days	"	"	61,860	47%
President Logistics International Corp.	Retail Support International Corp.	Parent	"	348,099	38%	O/A settlement 20 days	"	"	47,329	30%
Chieh-Shuen Logistics International Corp.	Uni-President Cold-Chain Corp.	A subsidiary of President Chain Store Corp.	"	296,244	33%	O/A settlement 45 days	"	"	73,364	46%
	Wisdom Distribution Service Corp.	A subsidiary of President Chain Store Corp.		112,529	12%	O/A settlement 20 days			15,201	10%
President Pharmaceutical Corp.	President Transnet Corp.	A subsidiary of President Chain Store Corp.	sales	204,992	71%	O/A settlement 65 days	"	"	47,510	80%
President Pharmaceutical Corp.	Retail Support International Corp.	Investees of President Chain Store Corp. under equity method	"	174,393	42%	O/A settlement from 45~60 days			51,748	82%
Uni-President Oven Bakery Corp.	Uni-President Enterprises Corp.	Investor of this company under the equity method	Purchase	117,845	80%	O/A settlement from 45~60 days			(12,236)	(85%)

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

Company of receivables on book	Counterparties	Affiliation	Balance of Receivables With Related Party	Turnover Rate	Overdue Receivables with Related Party		Receivables with Related Party After Period Collection	Allowance for doubtable accounts
					Amount	Processing by		
Uni-President Cold-Chain Corp.	President Chain Store Corp.	Parent	\$ 2,075,187	-	\$ -	-	\$ 2,074,148	\$ -
Retail Support International Corp.	President Drugstore Business Corp.	A subsidiary of President Chain Store Corp.	563,262	4	-	-	404,665	-
	President Chain Store Corp.	Investor of this company under the equity method	4,348,970	9	-	-	2,238,208	-
Wisdom Distribution Service Corp.	President Chain Store Corp.	Parent	955,737	4	-	-	955,737	-

(9) Trading of Derivative Products: None.

(III) Information on investments in China

1. Basic information on direct investments in China

Names of investees in Mainland China	Main Operations	Paid-up Capital	Investment Method	Amount remitted from Taiwan in accumulation at the beginning of the present term	Investment Remittance or Regain during the fiscal Year		Amount remitted from Taiwan in accumulation at the end of the present term	The Company's Direct or Indirect Investment Holding Ratio	Investment Profit or Loss for Current Period (Note 5)	Book Value of Investment at End of Period	Investment return already remitted back as of the present term
					Remittance	Regain					
Shanghai President Coffee Corp.	Coffee and accessories trade	USD 5,100,000	Invested through the third region (Note 1)	USD 2,000,000	-	-	USD 2,000,000	30%	USD 712,000	USD 3,382,000	-
Presiclerc(Shautou) Ltd.	Food processing, packing and sales	USD 5,200,000	Invested through the third region (Note 2)	USD 2,470,000	-	-	USD 2,470,000	48.41%	(USD 99,000)	(USD 972,000)	-
Presiclerc(Qingdao) Ltd.	Food processing, packing and sales	USD 5,000,000	Invested through the third region (Note 2)	USD 2,185,000	-	-	USD 2,185,000	48.41%	(USD 869,000)	(USD 2,027,000)	-
Presiclerc(Beijing) Ltd.	Food processing, packing and sales	USD 4,238,000	Invested through the third region (Note 2)	USD -	-	-	USD -	36.55%	(USD 355,000)	(USD 358,000)	-
President Cosmed Chain Store (Shen Zhen) Co.,Ltd.	Household goods retailing	RMB 50,000,000	Invested through the third region (Note 3)	USD 3,932,000	-	-	USD 3,932,000	65%	(USD 701,000)	USD 2,289,000	-
Shan Dong President Yinzuo Commercial Limited	Wholesaling and retailing of goods	RMB 60,000,000	Invested through the third region (Note 4)	USD 4,078,000	-	-	USD 4,078,000	55%	USD 324,000	USD 4,077,000	-
PCSC (SICHUAN) Hypermarket Limited	Wholesaling and retailing of goods	RMB 50,000,000	Invested through the third region (Note 4)	USD 6,200,000	-	-	USD 6,200,000	100%	(USD 2,225,000)	USD 2,579,000	-

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 20,865,000	USD 33,000,000	NTD 4,460,121

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

Note 2: Invested through Presiclrc Limited, the investee of President Chain Store (BVI) Holding 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.

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 beginning and ending of period and percentage: None.
 - (2) Amount and percentage of sales and the balances of related receivables at the beginning and ending of period and percentage: None.
 - (3) Amount of asset trade and the resulting gains and losses: None.
 - (4) Balances of guarantee or collaterals pledged at ending of period and the purposes: None.
 - (5) Upper limit of loans, balance at ending of period, interest range and total interests: None.
 - (6) Other gains and losses or significant financial issues in current period: None.

XII. Financial information by department

Not applicable

(Blank hereunder)