

President Chain Store Corp. and Subsidiaries
Consolidated Financial Statements & Independent Auditor's
Report
January 1~June 30, 2010 and 2011
(Stock Code 2912)

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President Chain Store Corp. and Subsidiaries

Interim Consolidated Financial Statements & Independent Auditor's Report of 2011 and

2010

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Independent Auditor's Report

(100) MOF.FS.Tzi No. 11001100

To: President Chain Store Corporation

We have audited the accompanying consolidated balance sheet of President China Store Corporation and subsidiaries as of June 30, 2011 and 2010 and the related consolidated statements of income, consolidated retained earnings and consolidated cash flows for the period of January 1 ~ June 30, 2011 and 2010. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our review.

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

As stated in Note 1 to the consolidated financial statements, the financial statements of some of the subsidiaries and the information about transfer investment disclosed in Note 11 are not audited by the Company's CPAs. The total assets of the said subsidiaries were \$26,188,310 thousand and \$22,568,467 thousand on June 2011 and 2010, respectively, representing 36% and 33% of the total assets. The total liabilities were \$ 19,193,758 thousand and \$15,882,403 thousand, representing 37% and 33% of the total liabilities. The net income was \$985,683 thousand and \$790,035 thousand for January 1~June 30, 2011 and 2010, respectively, representing 24% and 22% of the total net income, respectively. As stated in Note IV (VI), the investment income/loss recognized for some of the long-term equity investment valued with Equity Method on January 1~June 30, 2011 and 2010 and the

information disclosure of the invested company in conformity with Note XI to Financial Statements were valued in accordance with the unaudited financial statements of the invested company. The long-term equity investment amounted to NT\$22,014,000 and NT\$58,605,000 on June 30, 2011 and 2010, respectively. The long-term equity investment balance amounted to NT\$732,362,000 and NT\$660,272,000 on June 30, 2011 and 2010, respectively.

In our opinion, except for the adjustment and disclosure needed for the subsidiaries included in the consolidated financial statements, the long-term equity investment valued with Equity Method, and the information about the transfer investments disclosed in Note 11 once the audited financial statements over the same time period are made available, the consolidated financial statements referred to above present fairly, in all material respects, without any modification or adjustment needed for any nonconformity against the “Criteria Governing the Preparation of Financial Reports by Securities Firms” and generally accepted accounting principles in the Republic of China, the financial position of President Chain Store Corporation as of June 30, 2011 and 2010.

PRICEWATERHOUSECOOPERS

Chen Mei-Tzu

CPA

Tseng Hui-Chin

Former SEC, Ministry of Finance

Certificate No.: (82) Tai-chai-Jen (VI) No. 39230

(79) Tai-chai-Jen (I) No. 27815

August 18, 2011

President Chain Store Corp. and Subsidiaries
Consolidated Balance Sheet
June 30, 2011 and 2010

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

Currency unit: NT\$1,000

	June 30, 2011		June 30, 2010			June 30, 2011		June 30, 2010	
	Amount	%	Amount	%		Amount	%	Amount	%
Assets						Liabilities and Shareholders' Equity			
Current assets					Current liabilities				
1100 Cash and cash equivalents (Note IV (I))	\$ 16,992,171	23	\$ 12,865,738	19	2100 Short-term debt (Note IV(X))	\$ 2,274,268	3	\$ 1,735,742	2
1310 Financial assets-current-whose changes in fair value are recognized in earnings (Note IV (II))	8,601,423	12	10,444,348	15	2110 Short-term notes and bills payable	150,000	-	394,946	1
1140 Net accounts receivable (Note V)	2,842,579	4	2,178,494	3	2120 Notes payable (Note V)	1,080,072	1	1,107,554	2
1160 Other receivables (Note V)	2,070,256	3	1,888,969	3	2140 Accounts payable	13,161,014	18	12,712,727	18
120X Inventories (Note IV(III))	8,987,023	12	8,011,562	12	2150 Accounts payable-related parties (Note V)	2,567,802	4	2,224,377	3
1260 Prepayments (Note VII)	1,220,016	1	902,269	1	2160 Income tax payable (Note IV(XV))	866,967	1	640,585	1
1280 Other current assets (Note IV(XV))	627,953	1	674,501	1	2170 Expense payable (Notes IV(XI) and V)	6,020,396	8	4,690,959	7
11XX Total current assets	41,341,421	56	36,965,881	54	2210 Other payables (Note IV(XII))	14,408,398	20	11,471,729	17
Funds and long-term investments					2260 Unearned receipts	2,767,276	4	2,159,804	3
1450 Financial assets in available-for-sale - noncurrent (Note IV (IV))	1,389,291	2	1,550,034	2	2270 Long-term liabilities - current portion (Note IV (XIII) and V)	162,903	-	151,906	-
1480 Financial assets at cost method - noncurrent (Note IV(V))	8,403,830	11	9,609,205	14	21XX Total current liabilities	43,459,096	59	37,290,329	54
1421 Long-term investments (Equity method) (Note IV(VI) and V)	732,362	1	660,272	1	2420 Long-term liabilities				
14XX Total funds and long-term investments	10,525,483	14	11,819,511	17	2450 Long-term notes and accounts payable-related parties (Note V)	5,503,950	8	7,519,039	11
Fixed assets (Note IV (VIII), VI, and VII)					24XX Total long-term liabilities	5,650,942	8	7,649,027	11
Costs					Other liabilities				
1501 Land	2,207,003	3	2,207,315	3	2810 Accrued pension liabilities (Note IV(XIV))	607,182	1	571,985	1
1521 Building	2,834,133	4	2,706,059	4	2820 Guarantee Deposit received	2,141,943	3	2,100,058	3
1551 Transportation equipment	3,231,206	4	2,623,697	4	2880 Other liabilities-other	405,389	-	387,786	1
1571 Operating equipment	17,538,075	24	16,458,740	24	28XX Total other liabilities	3,154,514	4	3,059,829	5
1631 Lease improvement	10,178,456	14	9,214,346	13	2XXX Total liabilities	52,264,552	71	47,999,185	70
1681 Other equipment	3,783,491	5	3,055,958	5	Shareholders' equity				
15X8 Revaluation increments	55,374	-	55,374	-	3110 Capital (Note IV (XVI))				
15XY Total costs	39,827,738	54	36,321,489	53	Capital-common stock	10,396,222	14	10,396,222	15
15X9 Less: accumulated depreciation	(23,008,679)	(31)	(21,300,884)	(31)	Additional paid-in capital				
1599 Less: accumulated impairment	(9,402)	-	(11,063)	-	Long-term investments	5,082	-	5,082	-
1670 Construction in progress and prepayments for equipment	376,435	1	309,476	-	3260 Retained earnings (Note IV(XVII))				
15XX Total net fixed assets	17,186,092	24	15,319,018	22	Legal reserve	4,618,579	6	4,046,004	6
Intangible assets					3320 Special reserve	-	-	4,660	-
1750 Cost of computer software	239,278	-	338,023	-	3350 Retained earnings-unappropriated	3,737,857	5	3,203,863	5
1760 Goodwill	452,656	1	384,086	1	Other adjustments in SH's equity				
1780 Other intangible assets	211,311	-	177,140	-	3420 Cumulative translation adjustment	(256,580)	-	74,945	-
17XX Total intangible assets	903,245	1	899,249	1	3430 Net loss not recognized as pension cost	(55,514)	-	(4,660)	-
Other assets					3450 Unrealized gain or loss on financial instrument (Notes IV (IV) and X)	(231,208)	-	(72,106)	-
1800 Assets leased to others (Notes IV(IX))	966,289	1	978,247	2	Unrealized revaluation gains	50,599	-	51,964	-
1810 Idling assets	171,698	-	172,101	-	3460 Total shareholders' equity of the parent company	18,265,037	25	17,705,974	26
1820 Refundable deposits (Note VII)	2,003,788	3	1,863,232	3	3610 Minority Interests	3,151,367	4	2,984,256	4

Please refer to the notes to financial statements and the audit report dated August 18, 2011 by CPA Chen Mei-Tzu and Tseng Hui-Chin of PRICEWATERHOUSECOOPERS

Chairman: Kao Chin-Yen

President: Hsu Chung-Jen

Chief Accountant: Lai Hsin-Ti

President Chain Store Corp. and Subsidiaries

Consolidated Balance Sheet

June 30, 2011 and 2010

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

Currency unit: NT\$1,000

1880	Other assets – other (Note IV(XV))	<u>582,940</u>	<u>1</u>	<u>672,176</u>	<u>1</u>	3XXX	Total shareholders' equity	<u>21,416,404</u>	<u>29</u>	<u>20,690,230</u>	<u>30</u>
18XX	Total other assets	<u>3,724,715</u>	<u>5</u>	<u>3,685,756</u>	<u>6</u>		Commitment or contingence (Notes V & VII)				
1XXX	Total Assets	<u>\$ 73,680,956</u>	<u>100</u>	<u>\$ 68,689,415</u>	<u>100</u>		Total Liabilities and Shareholders' Equity	<u>\$ 73,680,956</u>	<u>100</u>	<u>\$ 68,689,415</u>	<u>100</u>

Please refer to the notes to financial statements and the audit report dated August 18, 2011 by CPA Chen Mei-Tzu and Tseng Hui-Chin of PRICEWATERHOUSECOOPERS

Chairman: Kao Chin-Yen

President: Hsu Chung-Jen

Chief Accountant: Lai Hsin-Ti

President Chain Store Corp. and Subsidiaries

Consolidated Income Statement

January 1~June 30, 2011 and 2010

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

Currency unit: NT\$1,000

(EPS: NT\$)

	January 1 ~ June 30, 2011		January 1 ~ June 30, 2010	
	Amount	%	Amount	%
Operating revenue (Note V)				
4110 Sales revenue	\$ 83,434,220	93	\$ 75,028,392	93
4800 Other operating revenue	6,387,736	7	5,607,081	7
4000 Total operating revenue	<u>89,821,956</u>	<u>100</u>	<u>80,635,473</u>	<u>100</u>
Operating cost (Notes IV(III) (XVIII) and V)				
5110 Cost of goods sold	(56,544,486)	(63)	(51,133,345)	(63)
5800 Operating Cost	(3,043,085)	(3)	(3,002,491)	(4)
5000 Total operating cost	<u>(59,587,571)</u>	<u>(66)</u>	<u>(54,135,836)</u>	<u>(67)</u>
5910 Gross profit	<u>30,234,385</u>	<u>34</u>	<u>26,499,637</u>	<u>33</u>
Operating expense (Notes IV(XVIII) and V)				
6100 Selling expenses	(20,956,414)	(24)	(18,818,146)	(23)
6200 General & administrative expenses	(4,675,715)	(5)	(3,864,857)	(5)
6000 Total operating expenses	<u>(25,632,129)</u>	<u>(29)</u>	<u>(22,683,003)</u>	<u>(28)</u>
6900 Operating income	<u>4,602,256</u>	<u>5</u>	<u>3,816,634</u>	<u>5</u>
Non-operating income				
7110 Interest income	31,513	-	15,544	-
7122 Dividend income	92,369	-	11,641	-
7140 Gain on disposal of investments	85,688	-	291,905	-
7210 Rental income	44,150	-	40,529	-
7310 Gain on valuation of financial asset	12,273	-	3,064	-
7480 Other income	387,263	1	333,572	1
7100 Total non-operating income	<u>653,256</u>	<u>1</u>	<u>696,255</u>	<u>1</u>
Non-operating expenses				
7510 Interest expenses	(45,304)	-	(45,648)	-
7521 Investment loss recognized under Equity Method (Note IV(VI))	(22,014)	-	(58,605)	-
7530 Loss on disposal of fixed assets	(33,312)	-	(5,640)	-
7630 Impairment losses (Note IV (V))	(70,509)	-	(85,836)	-
7880 Other expenses	(146,102)	-	(99,357)	(1)
7500 Total non-operating expenses	<u>(317,241)</u>	<u>-</u>	<u>(295,086)</u>	<u>(1)</u>
7900 Income before tax	4,938,271	6	4,217,803	5
8110 Income Tax expenses (Note IV(XV))	(890,087)	(1)	(703,002)	(1)
9600X Net income	<u>\$ 4,048,184</u>	<u>5</u>	<u>\$ 3,514,801</u>	<u>4</u>
X Attributed to:				
9601 shareholders of the company	\$ 3,647,020	4	\$ 3,176,719	4
9602 Minority Interests	401,164	1	338,082	-
	<u>\$ 4,048,184</u>	<u>5</u>	<u>\$ 3,514,801</u>	<u>4</u>
	<u>(pre-tax)</u>	<u>(after tax)</u>	<u>(pre-tax)</u>	<u>(after tax)</u>
Earnings per share (Note IV(XVIII))				
Basic earnings per share				
9710 Net Income After Tax	\$ 4.75	\$ 3.90	\$ 4.06	\$ 3.39
9740A Minority Interests	(0.48)	(0.39)	(0.41)	(0.33)
A Net Income:	<u>\$ 4.27</u>	<u>\$ 3.51</u>	<u>\$ 3.65</u>	<u>\$ 3.06</u>
Diluted earnings per share				
9810 Net Income After Tax	\$ 4.74	\$ 3.89	\$ 4.05	\$ 3.38
9840A Minority Interests	(0.48)	(0.39)	(0.41)	(0.33)
A Net Income:	<u>\$ 4.26</u>	<u>\$ 3.50</u>	<u>\$ 3.64</u>	<u>\$ 3.05</u>

Please refer to the notes to financial statements and the audit report dated August 18, 2011 by CPA Chen Mei-Tzu and Tseng Hui-Chin of PRICEWATERHOUSECOOPERS

Chairman: Kao Chin-Yen

President: Hsu Chung-Jen

Chief Accountant: Lai Hsin-Ti

President Chain Store Corp. and Subsidiaries
Consolidated Statement of Retained Earnings
January 1~June 30, 2011 and 2010

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

Currency unit: NT\$1,000

	Retained earnings										
	Capital-commo n stock	Additional paid-in capital	Legal reserve	Special reserve	Retained earnings- unappropriated	Cumulative translation adjustment	Net loss not recognized as pension cost	Unrealized gain or loss on financial instrument	Unrealized revaluation gains	Minority Interests	Total
<u>January 1 ~ June 30, 2010</u>											
Balance at January 1, 2010	\$ 10,396,222	\$ 5,082	\$ 3,640,091	\$ -	\$ 4,180,357	\$ 56,081	(\$ 4,660)	\$ 595,033	\$ 52,646	\$ 2,872,934	\$ 21,793,786
Appropriation and distribution of retained earnings in 2009 (Note):											
Legal reserve	-	-	405,913	-	(405,913)	-	-	-	-	-	-
Provision of Special reserve	-	-	-	4,660	(4,660)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(3,742,640)	-	-	-	-	-	(3,742,640)
Net income on January 1~June 30, 2010	-	-	-	-	3,176,719	-	-	-	-	338,082	3,514,801
Changes in unrealized revaluation increment of fixed assets	-	-	-	-	-	-	-	(682)	-	-	(682)
Unrealized gain or loss on financial assets	-	-	-	-	-	-	-	(667,139)	-	-	(667,139)
Changes in translation adjustments to foreign long-term investments	-	-	-	-	-	18,864	-	-	-	-	18,864
Statement of Minority Equity	-	-	-	-	-	-	-	-	-	(226,760)	(226,760)
Balance at June 30, 2010	<u>\$ 10,396,222</u>	<u>\$ 5,082</u>	<u>\$ 4,046,004</u>	<u>\$ 4,660</u>	<u>\$ 3,203,863</u>	<u>\$ 74,945</u>	<u>(\$ 4,660)</u>	<u>(\$ 72,106)</u>	<u>\$ 51,964</u>	<u>\$ 2,984,256</u>	<u>\$ 20,690,230</u>
<u>January 1 ~ June 30, 2011</u>											
Balance at January 1, 2011	\$ 10,396,222	\$ 5,082	\$ 4,046,004	\$ 4,660	\$ 5,752,901	(\$ 222,559)	(\$ 55,514)	\$ 234,124	\$ 51,281	\$ 3,185,022	\$ 23,397,223
Appropriation and distribution of retained earnings in 2010 (Note):											
Legal reserve	-	-	572,575	-	(572,575)	-	-	-	-	-	-
Special reserve (Reverse)	-	-	-	(4,660)	4,660	-	-	-	-	-	-
Cash dividends	-	-	-	-	(5,094,149)	-	-	-	-	-	(5,094,149)
Net income on January 1~June 30, 2011	-	-	-	-	3,647,020	-	-	-	-	401,164	4,048,184
Changes in unrealized revaluation increment of fixed assets	-	-	-	-	-	-	-	(682)	-	-	(682)
Unrealized gain or loss on financial assets	-	-	-	-	-	-	-	(465,332)	-	-	(465,332)
Changes in translation adjustments to foreign long-term investments	-	-	-	-	-	(34,021)	-	-	-	-	(34,021)
Statement of Minority Equity	-	-	-	-	-	-	-	-	-	(434,819)	(434,819)
Balance at June 30, 2011	<u>\$ 10,396,222</u>	<u>\$ 5,082</u>	<u>\$ 4,618,579</u>	<u>\$ -</u>	<u>\$ 3,737,857</u>	<u>(\$ 256,580)</u>	<u>(\$ 55,514)</u>	<u>(\$ 231,208)</u>	<u>\$ 50,599</u>	<u>\$ 3,151,367</u>	<u>\$ 21,416,404</u>

Note: Bonus to employee was \$309,471 and \$218,913 in 2010 and 2009, respectively; also, remuneration to directors and supervisors was \$51,578 and \$36,486 that were deducted from the consolidated Income Statement in 2010 and 2009, respectively.

Please refer to the notes to financial statements and the audit report dated August 18, 2011 by CPA Chen Mei-Tzu and Tseng Hui-Chin of PRICEWATERHOUSECOOPERS

Chairman: Kao Chin-Yen

President: Hsu Chung-Jen

Chief Accountant: Lai Hsin-Ti

President Chain Store Corp. and Subsidiaries

Consolidated Statement of Cash Flow

January 1~June 30, 2011 and 2010

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

Currency unit: NT\$1,000

	<u>January 1 ~ June 30,</u> <u>2011</u>		<u>January 1 ~ June 30,</u> <u>2010</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>			
Net income	\$ 4,048,184	\$	3,514,801
Adjustments to reconcile net income to net cash provided by operating activities			
Gain on valuation of financial asset	(12,273 )	(	3,064)
Bad debt expense (transferred to income)	4,994	(	6,086)
Loss on market decline of inventory	11,591		14,722
Depreciation	1,827,778		1,670,034
Amortization	214,244		200,760
Gain on disposal of financial assets measured at cost	(80,115 )	(	294,001)
Financial assets measured at cost - impairment losses	71,696		83,467
investment loss recognized under equity method	22,014		58,605
Cash dividend from long-term investment under the Equity Method	12,723		8,067
Loss on disposal of fixed assets	33,312		5,640
Impairment loss of other intangible assets	-		2,369
Gain from the reversal of fixed assets impairment	(1,187)		-
Changes in assets and liabilities:			
Financial assets at fair value through income statement	1,554,758	(	2,142,486)
Accounts receivable	(117,556)		53,559
Other receivables	(264,109)		1,001,901
Inventories	261,076	(	77,729)
Prepayments	(92,022 )	(	1,347)
Other current assets	(55,502 )	(	140,374)
Deferred income tax assets (current)	(1,304 )	(	9,140)
Notes payable	61,502		80,300
Accounts payable	(398,210)		810,675
Income tax payable	(249,986)		338,104
Accrued expenses	435,556		395,556
Other accounts payable	1,128,159		265,030
Unearned receipts	281,569	(	487,116)
Accrued pension liabilities	(17,083)		39,687
Other liabilities-other	(7,899 )	(	21,227)
Net cash provided by operating activities	<u>8,671,910</u>		<u>5,360,707</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>			
Proceeds from disposal of financial assets carried at cost	270,000		-
Proceeds from capital deduction of financial assets measured at cost	33,333		-
Acquisition of long-term investments under equity method	(85,980 )	(	7,070)
Proceeds from liquidation of long-term investment under equity method	-		7,355
Purchase of fixed assets	(2,893,565 )	(	1,817,998)
Proceeds from disposal of fixed assets	53,800		25,243
Increase in intangible assets	(100,304 )	(	18,510)
Increase in refundable deposits	(33,341 )	(	37,230)
Increase in other assets- other	(8,979 )	(	37,294)
Net cash used by investing activities	<u>(2,765,036)</u>		<u>(1,885,504)</u>

(To be continued)

President Chain Store Corp. and Subsidiaries

Consolidated Statement of Cash Flow

January 1~June 30, 2011 and 2010

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

Currency unit: NT\$1,000

	January 1 ~ June 30, 2011	January 1 ~ June 30, 2010
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>		
Increase (decrease) in short-term loans	\$ 813,681	(\$ 1,222,587)
Increase (decrease) in short-term notes and bills payable	(245,919)	82,195
Increase (decrease) in long-term liabilities	8,738,393	12,226,667
Repayment of long-term borrowings	(8,612,992)	(12,353,124)
Increase in guarantee deposits received	54,127	8,329
Decrease of minority Interest	(434,819)	(226,760)
Net cash provided by financing activities	<u>312,471</u>	<u>(1,485,280)</u>
Cumulative translation adjustment	(34,021)	18,864
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	6,185,324	2,008,787
BEGINNING BALANCE OF CASH AND CASH EQUIVALENTS	10,806,847	10,856,951
ENDED BALANCE OF CASH AND CASH EQUIVALENTS	<u>\$ 16,992,171</u>	<u>\$ 12,865,738</u>
<u>Supplement disclosures of cash flow information</u>		
Interest paid	\$ 27,050	\$ 43,387
Income tax paid	\$ 1,121,461	\$ 356,719
<u>Investing activities of partial payment on cash:</u>		
Total payment for purchase of fixed assets	\$ 2,391,961	\$ 1,501,770
Add: beginning balance of accounts payable on equipment	1,438,222	717,074
Less: ended balance of accounts payable on equipment	(936,618)	(400,846)
Cash purchase of property, plant and equipment	<u>\$ 2,893,565</u>	<u>\$ 1,817,998</u>
<u>Financing activities which doesn't impact cash flow</u>		
Declared but unpaid cash dividends	\$ 5,094,149	\$ 3,742,640
Long-term liabilities - current portion	<u>\$ 162,903</u>	<u>\$ 151,906</u>

Please refer to the notes to financial statements and the audit report dated August 18, 2011 by CPA Chen Mei-Tzu and Tseng Hui-Chin of PRICEWATERHOUSECOOPERS

Chairman: Kao Chin-Yen

President: Hsu Chung-Jen

Chief Accountant: Lai Hsin-Ti

President Chain Store Corp. and Subsidiaries
Notes to Consolidated financial statements
June 30, 2011 and 2010

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

Currency unit: NT\$1,000
(Except otherwise specified)

I. Company History

(I) The Company – President Chain Store Corporation

1. The Company was incorporated on June 10, 1987 according to the Company Law of the Republic of China for the investment and business operation of chain stores, the retailing and trade of canned goods and books/newspaper/magazines, and the importing/exporting agency/distribution/trade of the aforementioned products. The Company's stock shares were authorized for listing and trade at Taiwan Stock Exchange in August 1997.
2. Uni-President Enterprises Corp. is the parent company and ultimate parent company of the Company.

(II) Subsidiaries in the consolidated financial statements and the operation of

<u>Name of investor</u>	<u>Name of subsidiary</u>	<u>Nature of business</u>	<u>Shareholding Ratio</u>		<u>Remarks (Note 7)</u>
			<u>June 30, 2011</u>	<u>June 30, 2010</u>	
The Company	President Chain Store (BVI) Holdings Ltd.	Professional investment company	100.00%	100.00%	
	PCSC (China) Limited	Professional investment company		- 100.00%	Note 4
	Wisdom Distribution Service Corp.	Logistics of Magazines	100.00%	100.00%	
	PCSC (China) Drugstore Limited	Professional investment company	100.00%		- Note 6
	President Drugstore Business Corp.	Retailing of medicines and daily items	100.00%	100.00%	
	Ren-Hui Investment Corp.	Professional investment company	100.00%	100.00%	
	Capital Inventory Services Corp.	Management consulting	100.00%	100.00%	
	President YiLan Art and Culture Corp.	Art and cultural exhibition	100.00%	100.00%	

<u>Name of investor</u>	<u>Name of subsidiary</u>	<u>Nature of business</u>	<u>Shareholding Ratio</u>		<u>Remarks</u> (Note 7)
			June 30, 2011	June 30, 2010	
The Company	Cold Stone Creamery Taiwan Ltd.	Ice cream stores	100.00%	100.00%	
	President FN Business Corp.	Department store retailing	100.00%	100.00%	
	21 Century Enterprise Co., Ltd.	Chain restaurants	100.00%	100.00%	
	President Being Corp.	Sports	100.00%	100.00%	
	Uni-President Oven Bakery Corp.	Bread and pastry retailer	100.00%	100.00%	
	President Chain Store Tokyo Marketing Corporation	Management consulting	100.00%	100.00%	
	President Musashino Corp.	Foods industry	90.00%	70.00%	
	Q-ware Systems & Services Corp.	Business management consulting services	86.76%	86.76%	
	Mech-President Corp.	Gas station and elevator installation	80.87%	80.87%	
	President Pharmaceutical Corp.	Wholesaling and retailing of drugs	73.74%	73.74%	
	President Collect Services Co. Ltd.	Bill collection service	70.00%	70.00%	
	Uni-President Department Store Corp.	Department stores	70.00%	70.00%	
	President Transnet Corp.	Delivery service	70.00%	70.00%	
	Pet Plus Co., Ltd.	Pet Beauty Shop	70.00%	70.00%	
	Uni-President Cold-Chain Corp.	Low-temperature foods logistics including frozen foods	60.00%	60.00%	
	President Information Corp.	Business management consulting services	56.00%	56.00%	
	Bank Pro E-Service Technology Co., Ltd.	Business management consulting services	53.33%	53.33%	

<u>Name of investor</u>	<u>Name of subsidiary</u>	<u>Nature of business</u>	<u>Shareholding Ratio</u>		<u>Remarks</u> <u>(Note 7)</u>
			June 30, 2011	June 30, 2010	
The Company	Duskin Serve Taiwan Co.	Selling and renting of cleaning instruments	51.00%	51.00%	
	Afternoon Tea Taiwan Co., Ltd.	Dietary	51.00%	51.00%	
	Books.com. Co. Ltd.	Online bookstore	50.03%	50.03%	
	Muji Taiwan Co., Ltd.	Department store retailing	51.00%	41.00%	Note 1
	Retail Support International Corp.	Room-temperature food logistics	25.00%	25.00%	Note 1
	President Sato Co., Ltd.	Dietary	81.00%	-	Note 3
President Chain Store (BVI) Holdings Ltd.	President Chain Store (Labuan) Holdings Ltd.	Professional investment company	100.00%	100.00%	
	President Chain Store (Hong Kong) Holdings Limited	Professional investment company	100.00%	100.00%	
	PCSC (Vietnam) Supermarket Ltd.	Supermarkets	51.00%	51.00%	
Mech-President Corp.	Safety Elevator Corp.	Elevator installation and repair and maintenance	100.00%	100.00%	
	President Jing Corp.	Gas station and other Automobile services	60.00%	60.00%	
Retail Support International Corp.	Retail Support Taiwan Corp.	Foods room temperature logistics & delivery	51.00%	51.00%	
	President Logistics International Corp.	Trucking	49.00%	49.00%	
Wisdom Distribution Service Corp.	President Logistics International Corp.	Trucking	20.00%	20.00%	

	Vision Distribution Service Corp.	Publisher	60.00%	60.00%	
Uni-President Cold-Chain Corp.	President Logistics International Corp.	Trucking	25.00%	25.00%	
			<u>Shareholding Ratio</u>		
			June 30,	June 30,	
			2011	2010	
<u>Name of investor</u>	<u>Name of subsidiary</u>	<u>Nature of business</u>			<u>Remarks (Note 7)</u>
Uni-President Cold-Chain Corp.	Uni-President Logistics (BVI) Holdings Limited	Professional investment company	100.00%	100.00%	
Retail Support Taiwan Corp.	President Logistics International Corp.	Trucking	6.00%	6.00%	
President Logistics International Corp.	Chieh-Shuen Logistics International Corp.	Trucking	100.00%	100.00%	
Duskin Serve Taiwan Co.	Duskin China (BVI) Holding Limited	Professional investment company	100.00%	100.00%	
PCSC (China) Limited	PCSC (China) Drugstore Limited	Professional investment company		- 100.00%	Note 6
	PCSC (China) Supermarket Limited	Professional investment company		- 100.00%	Note 4
	CSC (China) Restaurant Limited	Professional investment company		- 100.00%	Note 4
PCSC (China) Supermarket Limited	Shan Dong President Yinzuo Commercial Limited	Supermarkets		- 55.00%	Note 5
PCSC (China) Drugstore Limited	President Cosmed Chain Store (Shen Zhen) Co., Ltd.	Retailing of medicines and daily items	65.00%	65.00%	
President Cosmed Chain Store (Shen Zhen) Co.,Ltd.	Shenzhen Cosmed-Livzon Pharmacy Chain Store Co.,Ltd	Retailing of medicines and daily items	100.00%	100.00%	
President Chain Store (Labuan) Holdings Ltd.	Philippine Seven Corporation	Chain store operation	56.59%	56.59%	

Philippine Seven Corporation	Convenience Distribution Corporation	Logistics & delivery	100.00%	100.00%
President Chain Store (Hong Kong) Holdings Limited	President Chain Store (Shanghai) Ltd.	Chain store operation	100.00%	100.00%
	Shanghai President Logistic Co., Ltd.	Logistics & delivery	100.00%	100.00%

Shareholding Ratio

<u>Name of investor</u>	<u>Name of subsidiary</u>	<u>Nature of business</u>	June 30, 2011	June 30, 2010	<u>Remarks (Note 7)</u>
President Chain Store (Hong Kong) Holdings Limited	Wuhan Uni-President Oven Fresh Bakery Co., Ltd.	Bread and pastry retailer	100.00%	100.00%	
	Wuhan Uni-President Oven Fresh Bakery Co., Ltd.				
	PCSC AFTERNOON TEA CAYMAN LTD.	Professional investment company	51.00%	51.00%	
	Shan Dong President Yinzuo Commercial Limited	Supermarkets	55.00%	-	Note 5
	PCSC (SICHUAN) Hypermarket Limited	Supermarkets	100.00%	100.00%	
	PCSC (CHENGDU) Hypermarket Limited	Supermarkets	100.00%	100.00%	
	Shanghai Cold Stone Ice Cream Corporation	Ice cream stores	100.00%	100.00%	
	Sato (Shanghai) Catering Mathematics Co., Ltd.	Dietary	81.00%	-	Note 2
	Unified Lehao (Shanghai) Restaurant Management Co. (Shanghai Lehao)	Dietary	51.00%	-	Note 3
PCSC Afternoon Tea Cayman	PCSC Afternoon Tea Shanghai Ltd	Dietary	100.00%	100.00%	
Books.com. Co. Ltd.	Books.com. Co., Ltd., (British Virgin Islands)	Professional investment	100.00%	-	Note 3

		company			
President Pharmaceutical Corp.	President Pharmaceutical (Hong Kong) Holdings Limited.	Professional investment company	100.00%	-	Note 3
President Pharmaceutical (Hong Kong) Holdings Limited.	U-Presid China (Shanghai)	Merchandiser	100.00%	-	Note 3
Q-ware Systems & Services Corp.	Professional E-Commerce Service Ltd.	Professional investment company	-	100.00%	Note 4

<u>Name of investor</u>	<u>Name of subsidiary</u>	<u>Nature of business</u>	<u>Shareholding Ratio</u>		<u>Remarks (Note 7)</u>
			June 30, 2011	June 30, 2010	
Professional E-Commerce Service Ltd.	Ho-Yu Information Technology Co. (Shanghai)	Business management consulting services	-	100.00%	Note 4

1. The Company controls the finance, operation, and personnel policy of Retain Support International and MUJI; therefore, their financial statements are consolidated by the Company in accordance with SFAS No. 7 "Consolidated Financial Statements." The Company's shareholding of MUJI was increased in the first half of 2011.
2. Acquired the majority shares of the company in the second half of 2010.
3. It was invested and setup in the second half of 2010.
4. These companies had liquidation arranged in the second half of the 2010 and 2011.
5. The shareholding of Unimart was transferred from President (China) Holding Ltd. to President (Hong Kong) Holding Ltd. due to the adjustment made to organizational structure in the second half of 2010.
6. Due to the organizational restructuring in January 1 ~ June 30, 2011, the equity of PCSC (China) Drugstore Limited was transferred from PCSC (China) Limited to the Company.
7. Except for the aforementioned subsidiaries of Retail Support International Corp. and Mech-President Corp. are included in the consolidated financial statements according to the independent auditor's report; other subsidiaries are included in the consolidated financial statements according to their un-audited financial statements.

(III) The syndicated controlled entities in the consolidated financial statements

The company and subsidiaries are the controllers of the joint ventures as follows:

<u>Name of investor</u>	<u>Names of the joint venture companies</u>	<u>Nature of business</u>	<u>Shareholding Ratio</u>		<u>Remarks</u>
			June 30, 2011	June 30, 2010	

The Company	Mister Donut Taiwan Corp.	Bread and pastry retailer	50.00%	50.00%
	President Coffee Corp.	Coffee chain store	30.00%	30.00%
	Uni-President Yellow Hat Corp.	Automobile stores	30.00%	30.00%
President Chain Store (Hong Kong) Holdings Limited	Mister Donut Shanghai Co., Ltd.	Bread and pastry retailer	50.00%	50.00%
	President Coffee (Cayman) Holdings Ltd.	Professional investment company	30.00%	30.00%
President Coffee (Cayman) Holdings Ltd.	President Starbucks Coffee Corp.- Shanghai	Coffee chain store	100.00%	100.00%
Uni-President Logistics (BVI) Holdings Limited	Zhejiang Uni-Champion Logistics Development Co., Ltd.	Logistics & delivery	50.00%	50.00%

The Company has the aforementioned invested companies included in the consolidated financial statements by accounts in their unaudited financial statements proportionally according to Finance & Accounting Commenque No. 31 “Accounting Process for Joint Venture”.

- (IV) There were 39,000 employees on the payroll of the Company on June 30, 2011.
- (V) Subsidiaries those are included in the consolidated financial statements: None.
- (VI) Adjustment and process of the different fiscal period of subsidiaries: Not applicable.
- (VII) Special risk faced by offshore subsidiaries in business operation: No significant special risk in existence.
- (VIII) The nature and level of restriction on capability of subsidiaries in transferring fund to parent company: None.
- (IX) The securities of parent company held by the subsidiaries: None.
- (X) Convertible bond and stock shares issued by subsidiaries:
Subsidiaries do not issue any convertible bonds. Please refer to Note XI(II) 2.(4) and for new stock shares issued by subsidiaries in details.

II. Notes to principal accounting policy

The financial statements were prepared in accordance with the “Guidelines Governing the Preparation of Financial Reports by Securities Issuers” and accounting principles generally accepted in the Republic of China. The major accounting policies are enumerated as follows:

(I) Principle for the composition of consolidated financial statements

The Company includes invested companies where the Company holds over 50% voting stock shares directly or indirectly and can exercise control into the consolidated financial statements, which are prepared on a quarterly basis. The Company includes income and expenses of subsidiaries into consolidated statements of income from the date when the Company can

exercise control over the subsidiaries during the year. The Company excludes income and expense of subsidiaries from consolidated statements of income from the date when the Company loses its control over the subsidiaries during the year without having the consolidated financial statements of prior periods adjusted retroactively.

The material transactions and assets and liabilities accounts of the Company and the merged subsidiaries are written off against each other.

(II) Translation basis for subsidiary's financial statements in foreign currency

For the currency translation of the financial statements of subsidiaries, all assets and liabilities accounts are to be translated according to the exchange rate on the Balance Sheet date. In terms of Shareholders' Equity, except for the beginning retained earnings are to be carried forward according to the translated ending balance from the prior period, is to be translated according to the historical exchange rate. Dividend is to be translated according to the exchange rate on the announcement date. Income Statement is to be translated according to the weighted average exchange rate. Exchange difference is booked in the "Cumulative translation adjustment" account and is debited or credited to Shareholders' Equity.

(III) Foreign currency exchanges

1. Foreign currency transactions are booked according to the current exchange rate and with the difference from the actual payment recognized as current profit and loss.
2. The foreign monetary assets or liabilities are adjusted at yearend according to the spot exchange rate on the Balance Sheet date and with the difference of exchange from the adjustment debited or credited to Income Statement.
3. The foreign non-monetary assets or liabilities that are valued at the fair value and with the fluctuation booked in Income Statement are adjusted at yearend according to the spot exchange rate on the Balance Sheet date and with the difference of exchange from the adjustment debited or credited to Income Statement. The foreign non-monetary assets or liabilities that are valued at the fair value and with the fluctuation debited or credited to Shareholder's Equity are adjusted at yearend according to the spot exchange rate on the Balance Sheet date and with the difference of exchange from the adjustment debited or credited to Shareholder's Equity. The foreign non-monetary assets or liabilities that are not valued at the fair value are valued according to the historical exchange rate on the transaction date.

(IV) Current and noncurrent assets and liabilities

The engineering business of the subsidiary, Mech-President Corp., is usually for a period over one year; therefore, assets and liabilities related to the engineering business are classified as current and noncurrent according to the business cycle and with the other accounts classified as follows:

1. Assets that qualify any of the following are classified as current assets; assets other than current assets are classified as noncurrent assets:
 - (1) Assets for business operation that are to be cashed in, consumed, or for sale throughout the business cycle;
 - (2) Assets held for the purpose of trade;
 - (3) Assets that are to be cashed in twelve months after the Balance Sheet date;
 - (4) Cash and cash equivalent, except for the cash and cash equivalent used for exchange and debt liquidation or restrictive cash and cash equivalent for over twelve months after the Balance Sheet date;
2. Liabilities that qualify any of the following are classified as current liabilities; liabilities other than current liabilities are classified as noncurrent liabilities:
 - (1) Liabilities from business operation that are to be liquidated in the business cycle;
 - (2) Liabilities held for the purpose of trade;

- (3) Liabilities that are to be liquidated in twelve months after the Balance Sheet date;
- (4) Liabilities that cannot be postponed unconditionally for over twelve months after the Balance Sheet date;

(V) Cash equivalence

Cash equivalents are short-term investments with high liquidity that conform with the following:

1. It can be converted to a rated amount of cash at any time.
2. It will be due soon and the fluctuation of interest rate has little effect on the value.

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

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

1. The accounting for equity is based on the transaction date; the accounting for beneficiary certificate is based on the delivery date. Financial instrument is valued at the fair value for preliminary recognition.
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.

(VII) Financial assets in available-for-sale

1. The accounting for equity investment is based on the transaction date. Financial instrument is valued at the fair value for preliminary recognition including transaction cost for acquisition or issuance.
2. Financial assets in available-for-sale are estimated on the basis of fair value. Any change in the value is recognized as adjustments to shareholders' equity. Accumulated interest or loss is recognized while the financial assets are written off from the book. The fair value of the listed (OTC) stock shares is the closing price in the open market on the Balance Sheet date.
3. Recognize as impairment loss with incriminating evidence. Should there be decrease in the amount of subsequent impairment, recognize as adjustments to shareholders' equity for the decrease in impairment of equity items.

(VIII) Financial assets at cost noncurrent

1. The accounting for the financial instrument valued at the cost is based on the transaction date. Financial instrument is valued at the fair value for preliminary recognition including transaction cost for acquisition or issuance.
2. Recognize as impairment loss with incriminating evidence. The amount of impairment loss cannot be reversed.

(IX) Accounts receivable, Other receivables

1. Notes and accounts receivable were the claims occurred from the sales of goods. Other receivables are receivables other than notes and account receivables. Notes and accounts receivable and other receivables are initially recognized at fair value.
2. The Company and its subsidiaries at the balance sheet date assess whether there is subjective evidence indicating impairment to significant individual financial assets and impairment to insignificant individual assets jointly or independently. Recognize a impairment loss with supporting evidence. The amount of impairment is the difference between the book value of financial assets and the present value of the estimated future cash flow discounted at the original effective interest rate. If the amount of impairment decreased during the subsequent periods and the decrease significantly related to an event occurring after recognizing impairment loss, the previously recognized impairment of the

financial assets amount should be reversed. The reversal should not cause the book value of financial assets greater than the cost after amortization but before recognizing impairment. The impairment amount reversed is recognized as current profit or loss.

(X) Inventories

1. Inventory is booked at the actual cost. The Company, Philippine Seven Corporation, Cosmed, YellowHat, MUJI, and President Chain Store Co. (Shanghai) have adopted retailing method as cost method. For other consolidated subsidiaries, except for the First-in-First-Out method adopted by Retail Support International and 21st Century Co., Ltd., the moving average or weighted average method is adopted by other subsidiaries for valuation.
2. Inventory has been valued at yearend in accordance with the Lower of Cost or Market Price Method. For the comparison of cost and market price, the market price is the net cash value or replacement cost of each inventory. Net cash value meant for the market price net of cost and marketing expense occurred prior to the sale.

(XI) Long-term investments (Equity method) (including joint venture)

1. The Company adopts the equity method in the accounting of investees where the Company holds more than 20% of their voting shares or where the Company has significant influence. If the cost of investments exceeds the fair value of identifiable net assets, the spread can be recognized as goodwill and be subject to impairment test yearly. Spread being amortized in previous years cannot be adjusted retrospectively.
2. The investment loss of the invested company that is valued with Equity Method and is influential but not wholly owned is recognized to have the book value of the investment and advances of the invested company reduced to zero. However, if President Chain Store Corp. has an endorsement and guarantee made for the invested company or has intention to support the invested company continuously, investment loss is to be recognized proportionally to shareholdings.
3. If the offshore investment is valued according to the Equity Method, the “cumulative adjustment” from the conversion of the invested company’s financial statements is debited or credited to Shareholder’s Equity.
4. The Company and the subsidiaries have the joint venture of the syndicate controlled business entities processed according to Equity Method; also, they are included in the Company’s consolidated financial statements quarterly by accounting titles proportionally.

(XII) Fixed assets, Assets leased to others and non-operating assets

1. Fixed assets are booked at cost except for those items with reassessment arranged. The interest of the expense occurred in preparing the fixed assets for use is capitalized.
2. Decrease for fixed assets is provided on a straight-line basis over the estimated useful lives based on the nature of assets. Buildings and constructions have 50 to 55 years of service. Other assets have 1 to 15 years of service for depreciation purposes.
3. Repairs and maintenance expense for the benefit of future periods is capitalized and depreciated. Routine repair and maintenance is expensed upon occurrence.
4. For capital lease, rent is capitalized as lease assets and with lease liability recognized. For the appropriation of depreciation, if the ownership of lease assets is transferred unconditionally on the expiry date of the lease or the lessee is with top priority for the purchase of the lease assets, depreciation is appropriated according to the estimated useful years. The depreciation of general lease assets is appropriated according to the lease term. For the lease of the assets sold, the deferred gain/loss from the assets sold is booked in the account of “Unrealized gain/loss from the lease of the assets sold” and it is to be amortized in future according to the lease agreement. If the fair value of the lease assets is less than the book value at the time of sales, the gains or losses thereof shall be recognized as current

gains or losses.

5. Fixed assets that are not used for business operation or are useless are booked in the other assets account according to the lower of net fair value or book value and with the price difference booked as of the losses in the then period and depreciation expense booked in the non-operating expense account.

(XIII)Intangible assets

1. Computer software is booked at the cost. It is amortized according to the estimated useful years for 3~5 years and Straight Line Method.
2. Other intangible assets include land-use rights and charters and are stated at the acquisition cost, which is amortized on a straight-line basis over the estimated useful lives or periods agreed in the agreement. Years of amortization ranges from 20 to 30 years.

(XIV)Impairment of non-financial assets

1. The Company and the subsidiaries have the collectability of the assets with a sign of impairment loss assessed on the Balance Sheet date. If the collectable amount is less than the book value of the assets, impairment loss must be recognized. The collectable amount is the net fair value or the useful value of the asset whichever is higher. Once the condition for the recognized impairment loss disappears, the recognized loss amount is reversed within the scope of the impairment loss recognized previously.
2. The collectability of goodwill, intangible with uncertain useful years, and intangible not yet ready for use must be assessed periodically. An impairment loss should be recognized while the collectible value is less than the book value of the assets. Recognized impairment of goodwill shall not be reversed.

(XV)Pension plan

1. For Defined Benefit Pension Plan, net pension cost is recognized according to the actuary. Net pension cost includes service cost of the year, interest cost, expected return on fund assets, and unrecognized transactional net payment obligations and pension loss amortization. Unrecognized transitional net payment obligations are amortized for a period of the remaining useful amortization years.
2. Defined Contribution Pension Plan, accrual pension amount are recognized as pension cost of the year.

(XVI)Income Tax

1. The accounting process of income tax includes the amortization in the same year and different years. The overestimated and underestimated income tax in prior periods are debited or credited to the income tax expenses in current period. Compute deferred income tax liability or assets in accordance with the newly announced tax law or amendment. The effect of deferred income tax liability and assets is recognized as the income expense (income) of the continuing department in the year.
2. The income tax credit from the purchase of equipment or technology, talents incubation, and equity investment is recognized upon occurrence.
3. The additional 10% business profit tax levied on the retained earnings-unappropriated is credited as expense once the distribution of retained earnings is resolved in Shareholder's Meeting.

(XVII)Employee bonus and remuneration to directors and supervisors

President Chain Store Corporation and subsidiaries have adopted, Effective on January 1, 2008, the principles under Accounting Research and Development Foundation in Taiwan (96) Kee.mi.tzi No. 052 Letter dated March 16, 2007 "Accounting Process for Employee Bonus and Remuneration to Directors and Supervisors" to have the expected cost of bonus to employees and remuneration to directors and supervisors recognized as an expense and liability according to the law or obligation of assumption once the amount of cost can be

reasonably estimated. The amount of difference between the actual distribution authorized by the shareholder's meeting and the estimated distribution is booked in the Income Statement in the following year. The Company has based on the fair share value (closing price) on the day before the shareholder's meeting in the following year of the financial statements and the ex-right and ex-dividend amount to count stock dividend in accordance with Accounting Research & Development Foundation (97) Kee.mi.tzi No. 127 Letter "Stock Dividend to the Employees of the Listed/OTC Companies" dated March 31, 2008.

(XVIII)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 are stated for the current period if mean-end consequence is established.

(XIX)Delivery day accounting

In terms of delivery day accounting, the change in fair value between transaction date and delivery date/Balance Sheet date that is valued at the cost or cost net of amortization is not recognized; however, the change in value that is valued at the fair value and that is with the change in fair value recognized as gain or loss is debited or credited to Income Statement. Assets available for sales are debited or credited to Shareholder's Equity.

(XX)Accounting estimations

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

(XXI)Operating segment

The operating information of the Company and its subsidiaries; also, the internal management report provided to the decision makers are reported in a consisting manner. The operational decision-maker is responsible for allocating resources to the operating segment and to assess its performance.

The Company has departmental information disclosed in the consolidated financial statements rather than in individual financial statements in accordance with Financial Accounting Standards No. 41 "Accounting for Operating Segment Information Disclosures."

III.Reasons and effect of change in accounting principle

(I)Accounts receivable, Other receivables

The Company and its subsidiaries have adopted the newly amended Financial Accounting Standards No. 34 "Accounting for Financial Instruments" since January 1, 2011, to have the claims of notes and accounts receivable and other receivables that are with objective evidence of impairment recognized as impairment loss (bad debts). This change in accounting principle does not affect the consolidated financial statements of the Company and subsidiaries in the first half of 2011.

(II)Operating segment

The Company and the subsidiaries had adopted the newly published Financial Accounting Standards No. 41 "Accounting for Operating Segment Information Disclosures" since January 1, 2011 to replace the primary Financial Accounting Standards No. 20 "Accounting for Segment Information Disclosures." The Company for the first time, when applicable, has the departmental information of prior year restated in accordance with the Standards. This change in accounting principle does not affect the consolidated net income and earnings per share of the Company and subsidiaries in the first half of 2011 and 2010.

IV. Notes to major account titles

(I) Cash and cash equivalence

	<u>June 30, 2011</u>	<u>June 30, 2010</u>
Cash and petty cash for stores	\$ 693,126	\$ 621,494
Current account deposits and checking account deposits	4,988,550	4,440,133
Deposit account	2,393,929	2,211,658
Cash equivalence		
Short term bills	<u>8,916,566</u>	<u>5,592,453</u>
	<u>\$ 16,992,171</u>	<u>\$ 12,865,738</u>

(II) Financial assets at fair value through income statement-current

	<u>June 30, 2011</u>	<u>June 30, 2010</u>
Financial assets held for trading		
Open-ended funds	\$ 8,588,223	\$ 10,438,963
Valuation Adjustment	<u>13,200</u>	<u>5,385</u>
	<u>\$ 8,601,423</u>	<u>\$ 10,444,348</u>

The Company and subsidiaries had recognized net income for an amount of \$17,846 and \$968 on January 1~June 30, 2011 and 2010, respectively.

(III) Inventories

	<u>June 30, 2011</u>	<u>June 30, 2010</u>
Merchandise	\$ 8,937,804	\$ 7,939,630
Raw materials and physical materials and work-in-process goods	<u>138,707</u>	<u>136,195</u>
	9,076,511	8,075,825
Less: Allowance for inventory losses	<u>(89,488)</u>	<u>(64,263)</u>
	<u>\$ 8,987,023</u>	<u>\$ 8,011,562</u>

Inventory expenses and loss recognized in the year:

	<u>January 1 ~ June 30, 2011</u>	<u>January 1 ~ June 30, 2010</u>
Cost of goods sold	\$ 55,741,880	\$ 50,368,782
Defective products	658,260	625,135
Loss on valuation	11,591	14,722
Others	<u>132,755</u>	<u>124,706</u>
	<u>\$ 56,544,486</u>	<u>\$ 51,133,345</u>

(IV) Financial assets in available-for-sale — non current

	<u>June 30, 2011</u>	<u>June 30, 2010</u>
Listed company's stock	\$ 1,620,499	\$ 1,622,140
Valuation Adjustment	<u>(231,208)</u>	<u>(72,106)</u>
	<u>\$ 1,389,291</u>	<u>\$ 1,550,034</u>

(V) Financial assets available for sales-noncurrent

	<u>June 30, 2011</u>	<u>June 30, 2010</u>
Stocks with no public quotation	\$ 10,348,126	\$ 11,066,637
Less: accumulated impairment	<u>(1,944,296)</u>	<u>(1,457,432)</u>
Total	<u>\$ 8,403,830</u>	<u>\$ 9,609,205</u>

1. The holding of the Company and the subsidiaries are booked at the cost since there is no public quotation available and no reliable fair value for reference.
2. The Company and subsidiaries had recognized impairment loss without possibility of recovery for an amount of \$71,696 and \$83,467 for the financial assets that are valued at the cost on January 1~June 30, 2011 and 2010, respectively.

(VI) Long-term investments (Equity method)

<u>Investees</u>	<u>June 30, 2011</u>		<u>June 30, 2010</u>	
	<u>Amount</u>	Proportion of shareholding	<u>Amount</u>	Proportion of shareholding
President Development Corp.	\$ 586,246	20.00	\$ 531,285	20.00
Presiclerc Limited	27,096	48.93	69,642	48.93
Rakuten Taiwan Co., Ltd.	1,552	49.00	21,163	49.00
Den-Jwong Integrated Marketing Co., Ltd.	85,788	30.00	-	-
President Development Corp. and etc.	<u>31,680</u>	36.67	<u>38,182</u>	36.67~ 40.00
	<u>\$ 732,362</u>		<u>\$ 660,272</u>	

The Company had recognized long-term equity investment loss with Equity Method for an amount of \$22,014 and \$58,605 on January 1~June 30, 2011 and 2010, respectively, in accordance with the unaudited financial reports of the invested companies.

(VII) Investment of joint venture

The interest of the Company in the joint venture company is illustrated as follows; also, please refer to Note I(III) for the investment objects of the joint venture company.

	<u>January 1 ~ June 30, 2011</u>	<u>January 1 ~ June 30, 2010</u>
Current assets	<u>\$ 964,725</u>	<u>\$ 664,744</u>
Noncurrent assets	<u>\$ 534,505</u>	<u>\$ 518,399</u>
Current liabilities	<u>\$ 730,275</u>	<u>\$ 551,246</u>
Income	<u>\$ 1,639,794</u>	<u>\$ 1,362,583</u>
Cost and expense	<u>\$ 1,416,716</u>	<u>\$ 1,162,175</u>

(VIII) Fixed assets

	<u>June 30, 2011</u>				
	<u>Initial cost</u>	<u>Revaluation increments</u>	<u>Accumulated depreciation</u>	<u>Accumulated impairment</u>	<u>Book value</u>
Land	\$ 2,207,003	\$ -	\$ -	\$ -	\$ 2,207,003
Building	2,834,133	55,374	(939,577)	-	1,949,930
Transportation equipment	3,231,206	-	(2,078,775)	-	1,152,431
Operating equipment	17,538,075	-	(12,044,852)	(1,623)	5,491,600
Lease improvement	10,178,456	-	(5,927,615)	(6,607)	4,244,234
Other equipment	3,783,491	-	(2,017,860)	(1,172)	1,764,459
Construction in progress and prepayments for equipment	<u>376,435</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>376,435</u>
	<u>\$ 40,148,799</u>	<u>\$ 55,374</u>	<u>(\$ 23,008,679)</u>	<u>(\$ 9,402)</u>	<u>\$ 17,186,092</u>

	<u>June 30, 2010</u>				
	<u>Initial cost</u>	<u>Revaluation increments</u>	<u>Accumulated depreciation</u>	<u>Accumulated impairment</u>	<u>Book value</u>
Land	\$ 2,207,315	\$ -	\$ -	\$ -	\$ 2,207,315
Building	2,706,059	55,374	(825,195)	-	1,936,238
Transportation equipment	2,623,697	-	(1,881,530)	-	742,167
Operating equipment	16,458,740	-	(11,368,101)	-	5,090,639
Lease improvement	9,214,346	-	(5,426,115)	(11,063)	3,777,168
Other equipment	3,055,958	-	(1,799,943)	-	1,256,015
Construction in progress and prepayments for equipment	<u>309,476</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>309,476</u>
	<u>\$ 36,575,591</u>	<u>\$ 55,374</u>	<u>(\$ 21,300,884)</u>	<u>(\$ 11,063)</u>	<u>\$ 15,319,018</u>

(IX) Assets leased to others

	<u>June 30, 2011</u>		
	<u>Initial cost</u>	<u>Accumulated depreciation</u>	<u>Book value</u>
Land	\$ 726,554	\$ -	\$ 726,554

Building	309,556	(69,821)	239,735
	<u>\$ 1,036,110</u>	<u>(\$ 69,821)</u>	<u>\$ 966,289</u>

June 30, 2010

	<u>Initial cost</u>	<u>Accumulated depreciation</u>	<u>Book value</u>
Land	\$ 727,621	\$ -	\$ 727,621
Building	305,267	(54,641)	250,626
	<u>\$ 1,032,888</u>	<u>(\$ 54,641)</u>	<u>\$ 978,247</u>

(X)Short-term debt

	<u>June 30, 2011</u>	<u>June 30, 2010</u>
Credit loan	<u>\$ 2,274,268</u>	<u>\$ 1,735,742</u>
Interest interval	<u>0.92%~6.9%</u>	<u>0.88%~12.5%</u>

(XI)Accrued expenses

	<u>June 30, 2011</u>	<u>June 30, 2010</u>
Payable salaries and bonuses	\$ 2,015,949	\$ 1,654,339
Payable incentives for franchisee	579,882	540,495
Bonus payable to employees and remuneration payable to directors and supervisors	575,816	443,427
Labor insurance and health insurance premiums payable	181,788	147,328
Rent payable	109,957	91,267
Accrued pension liabilities	106,342	102,116
Payable fees for system development and maintenance	60,357	93,685
Other accrued expenses	2,390,305	1,618,302
	<u>\$ 6,020,396</u>	<u>\$ 4,690,959</u>

(XII)Other accounts payable

	<u>June 30, 2011</u>	<u>June 30, 2010</u>
Bill collection	\$ 6,104,337	\$ 5,165,770
Cash dividends payable	5,094,149	3,742,640
Payable for acquisition of fixed assets	936,618	400,846
Collections of accounts receivable	468,499	462,248
Others	1,804,795	1,700,225
	<u>\$ 14,408,398</u>	<u>\$ 11,471,729</u>

(XIII)Long-term debt payable

<u>June 30, 2011</u>	<u>June 30, 2010</u>
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Credit loan	\$ 5,100,000	\$ 7,100,000
Guaranteed loan	143,371	132,746
Other long-term loans	<u>300,000</u>	<u>315,000</u>
	5,543,371	7,547,746
Less: Current portion	(<u>39,421</u>)	(<u>28,707</u>)
	<u>\$ 5,503,950</u>	<u>\$ 7,519,039</u>
Annual Interest rate	<u>0%~2.45%</u>	<u>0%~2.54%</u>

1. The credit loan of the company from Hua Nan Commercial Bank is for a period of 2~3 years; also, the company may have the credit loan applied cyclically within the scope of the total loan amount.
2. The said other long-term loans are interest-free loans to Mech-President Corp., the subsidiary to China Petroleum Corporation as working capital and it is supported by a Letter of Warranty issued by banks.

(XIV) Pension Plan

1. The company and domestic subsidiaries have instituted the regulations for the 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 Standard Law”. Pension payment for each employee who has qualified for retirement is based on the average salary of six months prior to the retirement. Each service year within fifteen years is granted with two pension points and then one pension point for each service year thereafter is granted and with maximum 45 pension points available for each employee. The Company and domestic subsidiaries have pension fund reserve appropriated monthly for an amount equivalent to 2%~8.9% of monthly salary and the pension reserve is deposited in the bank account of Pension Reserve Committee with the Trust Department of Bank of Taiwan. The pension plan of Philippine Seven Corporation, the subsidiary, is with relative defined contribution fund.
2. The company and domestic subsidiaries have provided a defined contribution to the pension plan according to “Labor Pension Act” on July 1, 2005 for the benefit of native employees. The company and domestic subsidiaries 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 in accordance with the “Labor Pension Act”.
3. The company’s subsidiaries in Mainland China have provided a defined contribution to the pension plan according to the local pension insurance policy for the benefit of employees. The subsidiaries in Mainland China shall contribute an amount equivalent to a certain percentage of monthly salary that is reserved and managed by local government. The Company has no further obligation except for making pension fund contribution monthly.
4. The Company and its subsidiaries recognized pension cost and endowment insurance for \$454,585 and \$327,614 on January 1~June 30, 2011 and 2010, respectively, in accordance with the aforementioned pension plan.

(XV) Income Tax

1. Income tax and Income tax payable:

January 1 ~ June January 1 ~ June

	<u>30, 2011</u>	<u>30, 2010</u>
Net income tax payable	\$ 866,955	\$ 640,557
Changes in net of deferred income tax assets (current)	(1,304)	4,388
Income tax effect of the changes in tax rate	-	4,752
Overestimated income tax in prior periods	(14,168)	(660)
Income tax for interest income of short term bills	-	4,449
Prepaid income tax	<u>38,604</u>	<u>49,516</u>
Income Tax expenses	<u>\$ 890,087</u>	<u>\$ 703,002</u>
Income Tax expenses:		
Income Tax expenses in current period	\$ 890,087	\$ 703,002
Additional 10% income tax expense levied on the retained earnings-unappropriated	<u>-</u>	<u>-</u>
Income Tax expenses	<u>\$ 890,087</u>	<u>\$ 703,002</u>
Net income tax payable:		
Income tax refund receivable (booked in "Other receivables" account)	<u>\$ 12</u>	<u>\$ 28</u>
Income tax payable	<u>\$ 866,967</u>	<u>\$ 640,585</u>

2. Deferred income tax assets
(current):

	<u>June 30, 2011</u>		<u>June 30, 2010</u>	
	<u>Amount</u>	Effect of income tax	<u>Amount</u>	Effect of income tax
Current items (booked in the account of other current assets)				
Temporary difference				
Loss for market price decline and obsolete and slow-moving inventories	\$ 94,617	\$ 16,085	\$ 60,007	\$ 13,708
Bad debts	94,236	16,300	67,807	11,631
Unrealized sales discount	76,805	13,057	56,613	9,624
Others	287,297	60,161	271,695	62,912
Loss carry forwards	35,000	5,950	194,110	38,822
Investment credit		<u>5,485</u>		<u>5,000</u>
		117,038		141,697
Less: allowance for reevaluation losses		<u>(18,187)</u>		<u>(55,290)</u>
		<u>\$ 98,851</u>		<u>\$ 86,407</u>
Noncurrent items (booked in the account of other assets)				
Temporary difference				
Unrealized expense	\$ 137,355	\$ 31,120	\$ 19,967	\$ 3,769
Losses from overseas investments	845,087	143,665	648,959	111,094
Finance and tax	124,134	21,103	102,134	21,734

difference of pension				
Others	47,587	8,090	81,920	15,031
Loss carry forwards	3,396,764	582,912	3,095,459	654,349
Investment credit		<u>6,060</u>		<u>26,395</u>
		792,950		832,372
Less: allowance for reevaluation losses		<u>(705,899)</u>		<u>(736,597)</u>
		<u>\$ 87,051</u>		<u>\$ 95,775</u>

3. Tax Administration had the Company's business profit tax return audited up to 2008.
4. The investment tax credits of the Company and its subsidiaries generated in accordance with the Statute for Upgrading Industries and other relevant provisions on June 30, 2011:

<u>Deductible items</u>	<u>Total deductible amount</u>	<u>Unconsumed deductible balance_</u>	<u>Final deduction year_</u>
Human resources training	\$ 1,976	\$ 1,657	2013
Automation equipment and technology	10,528	9,888	2013

5. The subsidiary's loss carryforwards was for an amount of \$3,431,764 on June 30, 2011 and it can be carried forward to the year of 2020.
6. Details of retained earnings-unappropriated are shown as follows:

	<u>June 30, 2011</u>	<u>June 30, 2010</u>
Retained earnings-unappropriated before 1997	\$ 26,823	\$ 26,823
Retained earnings-unappropriated after 1998	<u>3,711,034</u>	<u>3,177,040</u>
Total	<u>\$ 3,737,857</u>	<u>\$ 3,203,863</u>

7. Information on new taxation system:

	<u>June 30, 2011</u>	<u>June 30, 2010</u>
Balance of shareholders deduction account	<u>\$ 952,563</u>	<u>\$ 813,671</u>
	<u>2010 (actual)</u>	<u>2009 (actual)</u>
Tax credit ratio for actual distribution of earnings	<u>20.45%</u>	<u>24.13%</u>

(XVI) Capital Stock

The Company's authorized capital stock as of June 30, 2011 and 2010 amounted to \$10,500,000, respectively, representing 1,050,000,000 shares at NT\$10 par value each. The shares issued and outstanding were 1,039,622,255 shares.

(XVII) Retained earnings

1. According to the Company's Articles of Association, net income is used to pay tax and make up loss first, appropriating 10% legal reserve thereafter. Then, appropriates special reserve for the amount debited to Shareholder's Equity of the year. Upon the reverse of the amount debited to Shareholder's Equity, the reversed amount is included in the net income of the year for distribution. The Board of Directors is to present the proposal for the distribution of the cumulative amount of the net income and the retained earnings-unappropriated at the beginning of the year to the Shareholder's Equity for resolution. The remuneration to Directors and Supervisors is for an amount equivalent to 1% of the net income; employee bonus is for an amount equivalent to not less than 0.2% of the net income; dividend and bonus to shareholders is for an amount equivalent to 80%~100% of the cumulative retained earnings for distribution net of remuneration to Directors and Supervisors and employee bonus (in which, 50%~100% is distributed with cash dividend). The remaining amount is the retained earnings-unappropriated and it is proposed to the Shareholder's Meeting for resolution.
2. The legal 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. In accordance with applicable laws and regulations, a special reserve must be made from after-tax earnings in the current year equivalent to the debit balance of any account shown in shareholders' equity. The special reserve may be appropriated to the extent that the net debit balance is reversed upon approval of shareholders' meeting.
4. The Company's distribution of earnings in 2011 and 2010 was resolved in the shareholder's meeting on June 22, 2011 and June 15, 2010, respectively, as follows:

	<u>2010</u>		<u>2009</u>	
	<u>Amount</u>	EPS (NT\$)	<u>Amount</u>	EPS (NT\$)
Legal reserve	\$ 572,575		\$ 405,913	
Special reserve (Reverse)	(4,660)		4,660	
Cash dividends	5,094,149	\$ 4.90	3,742,640	\$ 3.60
Cash bonus to employees	309,471		218,913	
Remuneration to directors and supervisors	<u>51,578</u>		<u>36,486</u>	
Total	<u>\$ 6,023,113</u>		<u>\$ 4,408,612</u>	

Please visit the "Market Observation Post System" for the bonus to employees and remuneration to directors and supervisors authorized by the Board of Directors and resolved in shareholder's meeting. The Company's actual annual earnings distributed in 2010 was as stated above, in which, bonus to employees and remuneration to directors and supervisors are in consistence with the amount recognized in the 2010 financial statements.

5. The Company's estimated bonus to employees was \$196,939 and \$175,055 on the first half of 2011 and 2010, respectively. The Company's estimated remuneration to directors and supervisors was \$32,823 and \$29,176 that was based on the percentage (6% and 1%, respectively) defined in the Articles of Incorporation, the net income, and legal reserve and paid-in capital.

(XVIII) Earnings per share

<u>January 1 ~ June 30, 2011</u>					
	<u>Amount</u>		Weighted average outstanding shares	<u>EPS</u>	
	<u>(pre-tax)</u>	<u>(after tax)</u>		<u>(Unit: NT\$)</u>	<u>(pre-tax)</u>	(after tax)
Basic earnings per share shareholders of the company	\$ 4,438,795	\$ 3,647,020	1,039,622,255	<u>\$4.27</u>	<u>\$3.51</u>
Impact of common stock with potential dilution on employee's bonus					
Employee bonus	-	-	<u>1,260,813</u>		
Diluted earnings per share	<u>\$ 4,438,795</u>	<u>\$ 3,647,020</u>	<u>1,040,883,068</u>	<u>\$4.26</u>	<u>\$3.50</u>

<u>January 1 ~ June 30, 2010</u>					
	<u>Amount</u>		Weighted average outstanding shares	<u>EPS</u>	
	<u>(pre-tax)</u>	<u>(after tax)</u>		<u>(Unit: NT\$)</u>	<u>(pre-tax)</u>	(after tax)
Basic earnings per share shareholders of the company	\$ 3,793,368	\$ 3,176,719	1,039,622,255	<u>\$3.65</u>	<u>\$3.06</u>
Impact of common stock with potential dilution on employee's bonus					
Employee bonus	-	-	<u>1,991,525</u>		
Diluted earnings per share	<u>\$ 3,793,368</u>	<u>\$ 3,176,719</u>	<u>1,041,613,780</u>	<u>\$3.64</u>	<u>\$3.05</u>

The option for stock dividend has been made available as a bonus to employees; therefore, bonus to employees is paid with stock dividend for the computation of earnings per share.

The diluted earnings per share are computed in accordance with the common stock with potential dilution on employee's bonus and the weighted average outstanding stock shares. The basic earnings per share are computed in accordance with the common stock shares available for distribution in prior year resolved in the shareholder's meeting included in the weighted average outstanding stock shares.

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

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

	<u>January 1 ~ June 30, 2011</u>		
	Classified as operating cost	Classification of operating expense	Total
Human resources expenses			
Salaries	\$ 1,425,505	\$ 5,329,853	\$ 6,755,358
Labor and health insurance	118,978	426,046	545,024
Pension fund	70,937	383,648	454,585
Other human resources expenses	38,081	453,287	491,368
	<u>\$ 1,653,501</u>	<u>\$ 6,592,834</u>	<u>\$ 8,246,335</u>
Depreciation	<u>\$ 279,429</u>	<u>\$ 1,548,349</u>	<u>\$ 1,827,778</u>
Depletions	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Amortizations	<u>\$ 12,479</u>	<u>\$ 201,765</u>	<u>\$ 214,244</u>

	<u>January 1 ~ June 30, 2010</u>		
	Classified as operating cost	Classification of operating expense	Total
Human resources expenses			
Salaries	\$ 1,258,964	\$ 4,581,633	\$ 5,840,597
Labor and health insurance	94,146	348,446	442,592
Pension fund	64,923	262,691	327,614
Other human resources expenses	36,119	359,515	395,634
	<u>\$ 1,454,152</u>	<u>\$ 5,552,285</u>	<u>\$ 7,006,437</u>
Depreciation	<u>\$ 258,639</u>	<u>\$ 1,411,395</u>	<u>\$ 1,670,034</u>
Depletions	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Amortizations	<u>\$ 8,710</u>	<u>\$ 192,050</u>	<u>\$ 200,760</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 company
Presco Netmarketing Inc.	A subsidiary of Uni-President Enterprises Corp.

Nanlien International Corp.	"
Uni-President Dream Parks Corp.	"
Uni-President 7-Eleven Lions	"
Tong-Ho Development Corp.	"
Tong-Jen Development Corp.	"
President Biotechnology Co., Ltd.	"
Tung Yuan Corp.	"
President Tokyo Corp.	"
Tung Ang Enterprise Corp.	Secondary subsidiary of Uni-President Enterprises Corp.
Wuhan President Enterprises Food Co.,Ltd.	"
Tong-Hsiang Enterprise Corp.	"
Tung Guan Enterprises Co.,Ltd.	"
Tung Chang Enterprises Corp.	"
Lien-Bo Enterprises Corp.	"
President Packing Inc. Corp. (PPI).	Investees of Uni-President Enterprises Corp. under the Equity Method
Kuang Chuan Dairy Co., Ltd. (Kuang Chuan Ranch)	"
Kanh Na Hsiung Enterprise Co., Ltd.	"
Tong-Jhan Enterprises Corp.	Investees of Uni-President Enterprises Corp. under the Equity Method
Chi-Chyang Corp.	"
Kuan Chang Enterprises Corp.	"
Wine-Well International Corp.	"
Ryohin keikaku Co., Ltd.	The investing company that has Muji Taiwan Co., Ltd. valued with the Equity Method.
Duskin Co.,Ltd.	The investing company that invests in Duskin Taiwan accounted for under the equity method.
SATO Restaurant System (SATO)	The investing company that invests in President Sato Co., Ltd. accounted for under equity method.
AHB International Inc.	The investing company that has PetPlus valued with the Equity Method.
Formosan Magazine Press,INC.	The investing company that has Vision Distribution Service Corp. valued with the Equity Method.
President Technology Corp.	The Company is a director
Q-ware Communications Co., Ltd	"
Presicarre Corp.	"
Financial Information Service Co., Ltd.	Director of Bank Pro E-Service Technology Co., Ltd.

Weilih Foods Industrial Co., Ltd.	One of the Company's directors is Chairman of this company
President Organicshop Corp.	Investees of the Company under the Equity Method.
President Development Corp.	"
Marks and Spencer (Taiwan) (Liquidated in March 2010)	"
HiLife Co., Ltd.	The invested company valued with the Equity Method by Kuang Chuan Dairy Co., Ltd.
Store Sites Holdings Inc.	The invested company valued with the Equity Method by Philippine Seven Corp.
Starbucks Coffee International (Starbucks)	The investing company that has President Coffee Corp. valued with the Equity Method.
Yamato Holding Co., Ltd.	The investing company that has President Collect Services Co. Ltd. valued with the Equity Method.
Yamato Transport Co.,Ltd.	Subsidiary of Yamato Holding Co., Ltd.
Yamato Financial Co.,Ltd.	"
Shandong Silver Plaza Co., Ltd	The investing company that has Shan Dong President Yinzuo Commercial Limited valued with the Equity Method.
Taiwan Traditional Art and Culture Foundation	Statutory body that received over one third of fund from President YiLan Art and Culture Corp.
Cayenne Entertainment Technology Co., Ltd.	An affiliate of the Company is the company's director
Presiclerc Limited	Investees of PCSC (BVI) under the Equity Method
Presiclerc Treasury (Beijing) Supermarket Co.	A subsidiary of Presiclerc Limited

(II) Major transactions with related parties

1. Net sales revenue

	<u>January 1 ~ June 30, 2011</u>		<u>January 1 ~ June 30, 2010</u>	
	<u>Amount</u>	Ratio to the total sales amount (net) of the Company	<u>Amount</u>	Ratio to the total sales amount (net) of the Company
HiLife Co., Ltd.	\$ 131,016	-	\$ 108,244	-
Uni-President Enterprises Corp.	37,328	-	30,892	-

Others	194,305	-	152,935	-
	<u>\$ 362,649</u>	<u>-</u>	<u>\$ 292,071</u>	<u>-</u>

The aforementioned transactions with related party are processed in accordance with general sales terms and conditions.

2. Other operating revenue

	<u>January 1 ~ June 30, 2011</u>		<u>January 1 ~ June 30, 2010</u>	
	<u>Amount</u>	Percentage of the amount under the same account title	<u>Amount</u>	Percentage of the amount under the same account title
Uni-President Enterprises Corp.	\$ 229,045	4	\$ 188,838	3
Presco Netmarketing Inc.	153,141	2	101,227	2
Others	74,891	1	51,557	1
	<u>\$ 457,077</u>	<u>7</u>	<u>\$ 341,622</u>	<u>6</u>

3. Purchase (net of purchase incentives)

	<u>January 1 ~ June 30, 2011</u>		<u>January 1 ~ June 30, 2010</u>	
	<u>Amount</u>	Ratio to the total purchase amount (net) of the Company	<u>Amount</u>	Ratio to the total purchase amount (net) of the Company
Uni-President Enterprises Corp.	\$ 6,355,092	10	\$ 5,619,401	10
Tung Ang Enterprise Corp.	1,124,591	2	1,065,032	2
Ryohin keikaku Co., Ltd.	426,367	1	311,844	1
Lien-Bo Enterprises Corp.	373,126	1	358,254	1
Cayenne Entertainment Technology Co., Ltd.	206,079	-	204,801	-
Kuang Chuan Dairy Co., Ltd.	164,243	-	143,725	-
Q-ware Communications Co., Ltd.	144,194	-	127,244	-
President Packing Inc. Corp. (PPI).	139,244	-	156,494	-
Others	706,391	1	498,575	1
	<u>\$ 9,639,327</u>	<u>15</u>	<u>\$ 8,485,370</u>	<u>15</u>

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

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

	<u>January 1 ~ June 30, 2011</u>		<u>January 1 ~ June 30, 2010</u>	
	<u>Amount</u>	Percentage of the amount under the same account title	<u>Amount</u>	Percentage of the amount under the same account title
Uni-President Enterprises Corp.	\$ 11,484	7	\$ 12,252	8

5. Operating expenses

	<u>January 1 ~ June 30, 2011</u>		<u>January 1 ~ June 30, 2010</u>	
	<u>Amount</u>	Percentage of the amount under the same account title	<u>Amount</u>	Percentage of the amount under the same account title
<u>Rental expenditures</u>				
President Development Corp.	\$ 248,716	6	\$ 1,168	-
Tong-Jen Development Corp.	46,498	1	41,374	1
Uni-President Enterprises Corp.	37,618	1	37,592	1
Others	23,688	1	10,180	-
	<u>\$ 356,520</u>	<u>9</u>	<u>\$ 90,314</u>	<u>2</u>

Performance activity fund

Taiwan Traditional Art and Culture Foundation	\$ 23,381	100	\$ 22,000	100
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Advertisement expense

Uni-President	\$ 29,148	5	\$ 15,794	3
7-Eleven Lions				
Presco Netmarketing Inc.	17,960	3	10,447	2
	<u>\$ 47,108</u>	<u>8</u>	<u>\$ 26,241</u>	<u>5</u>

	<u>January 1 ~ June 30, 2011</u>		<u>January 1 ~ June 30, 2010</u>	
	<u>Amount</u>	Percentage of the amount	<u>Amount</u>	Percentage of the amount

		under the same account title		under the same account title
<u>Royalties</u>				
Starbucks	\$ 124,437	36	\$ 107,251	35
Yamato Holdings Co., Ltd.	29,617	9	24,789	8
Others	32,668	9	28,252	9
	<u>\$ 186,722</u>	<u>54</u>	<u>\$ 160,292</u>	<u>52</u>

6. Receivable (payable to)
from related parties

	<u>June 30, 2011</u>		<u>June 30, 2010</u>	
	<u>Amount</u>	Percentage of the amount under the same account title	<u>Amount</u>	Percentage of the amount under the same account title
<u>Accounts receivable</u>				
HiLife Co., Ltd.	\$ 58,683	2	\$ 45,047	2
Uni-President Enterprises Corp.	58,680	2	47,693	2
Others	67,556	3	62,979	3
	<u>\$ 184,919</u>	<u>7</u>	<u>\$ 155,719</u>	<u>7</u>

Other receivables

Shandong Silver Plaza Group	\$ 109,412	5	\$ 115,295	6
Uni-President Enterprises Corp.	151,958	7	120,109	6
Presicarre Corp.	81,899	4	22,425	1
Others	48,496	3	29,593	2
	<u>\$ 391,765</u>	<u>19</u>	<u>\$ 287,422</u>	<u>15</u>

Note and account payables

Uni-President Enterprises Corp.	\$ 1,630,157	10	\$ 1,436,027	9
Tung Ang Enterprise Corp.	254,444	2	217,726	1
Cayenne Entertainment Technology Co., Ltd.	104,980	1	114,391	1
Lien-Bo Enterprises Corp.	108,998	1	98,932	1
Others	588,009	3	435,105	3
	<u>\$ 2,686,588</u>	<u>17</u>	<u>\$ 2,302,181</u>	<u>15</u>

Accrued expenses

Ryohin keikaku Co., Ltd.	\$ 16,733	-	\$ 9,065	-
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Uni-President Enterprises Corp.	3,603	-	36,667	1
Others	21,045	1	42,448	1
	<u>\$ 41,381</u>	<u>1</u>	<u>\$ 88,180</u>	<u>2</u>

7. Property trade

(1) Purchase of property, plant and equipment

The transportation equipment purchased from the Company's subsidiaries, President Transnet Corp., President Logistics International Company, in the first half of 2011 and 2010:

	<u>January 1 ~ June</u> <u>30, 2011</u>	<u>January 1 ~ June</u> <u>30, 2010</u>
President Tokyo Corp.	<u>\$ 28,483</u>	<u>\$ -</u>

The aforementioned purchase of transportation equipment for business operation was with installment payment made for three years. The installment payments payable to President Tokyo Corporation on June 30, 2011 and 2010 is as follows:

	<u>June 30, 2011</u>	<u>June 30, 2010</u>
Installment payable	\$ 279,312	\$ 264,342
Discount of installment payable	(8,839)	(11,173)
Net amount	270,473	253,169
Less: Current portion	(123,482)	(123,199)
	<u>\$ 146,991</u>	<u>\$ 129,970</u>

The aforementioned long-term installment payable must be paid accordingly before May 2016.

(2) Purchase long-term equity transactions

	<u>January 1 ~ June</u> <u>30, 2011</u>		
<u>Counter party</u>	<u>Underlying</u>	<u>Stock shares</u> <u>purchased</u>	<u>Amount</u>
Uni-President Enterprises Corp.	Muji Taiwan Co., Ltd. Stock	<u>1,243,000</u>	<u>\$ 92,090</u>
	<u>January 1 ~ June</u> <u>30, 2010</u>		
<u>Counter party</u>	<u>Underlying</u>	<u>Stock shares</u> <u>purchased</u>	<u>Amount</u>
Uni-President Enterprises Corp.	Stocks of Q-ware Systems and Services Corp.	<u>2,290,155</u>	<u>\$ 29,406</u>

9. Commitment

(1) President Coffee Corp. has a collaboration agreement signed with Starbucks for

business operation and management of “Starbucks Coffee Chain Store.” ” According to the said agreement, President Coffee Corp. is to have technical royalty paid throughout the contract period for an amount equivalent to certain percentage of monthly sales amount of each store.

- (2) Muji Taiwan Co., Ltd. has an agreement of authorization signed with Ryohin keikaku Co., Ltd. in September 2003 for the operation of “Muji Licensed Store” and the use of information and trade know-how in the designated area (Republic of China) for a period of 10 years. According to the said agreement, Muji Taiwan Co., Ltd. is to have royalties paid throughout the contract period for an amount equivalent to certain percentage of total sales amount.
- (3) President Transnet Corp. and Yamato Transport Corporation. had a trademark and technical cooperation agreement signed in January 2000 for the operation and management of “logistics service” for a period of 10 years. According to the said agreement, President Transnet Corp. is to have royalty paid throughout the contract period for an amount equivalent to certain percentage of total sales amount that is not less than ¥1,000,000. After the aforementioned agreement is expired, the two parties resigned an authorization contract on January 26, 2010 and agreed that the contract will remain effective except that the two parties sign a written termination contract. A royalty should be paid in accordance with aforementioned terms and conditions during the duration of the agreement.
- (4) President Collect Services Co. Ltd. has a trademark and technological collaboration agreement signed with Yamato Financial Co., Ltd. in 2002 for merchandise delivery and payment collection for a period of ten years. According to the said agreement, President Collect Services Co. Ltd. is to have royalties paid throughout the contract period for an amount equivalent to certain percentage of total sales amount on a monthly basis.
- (5) Mister Donut Taiwan Corp. and Duskin Co.,Ltd. had a trademark and technical cooperation agreement signed in 2004 for the operation and management of “DUSKIN Mister Donut Franchise” for a period of 10 years. According to the agreement signed, Mister Donut Taiwan Corp. is to have royalties paid throughout the contract period for an amount equivalent to certain percentage of total sales amount.
- (6) President Sato Co., Ltd. entered in a SATO Trademark Technique Licensing Agreement with SATO Restaurant Systems Co., Ltd., which authorizes President Sato Co., Ltd. to use the trademarks of “Sato” and “Shou Si Ban” and restaurant-related technique in the specified area (Republic of China) for an effective period of 30 years. According to the said agreement, President Sato Co., Ltd. shall pay royalties annually for an amount equivalent to certain percentage of net sales.
- (7) The duration of the lease contract for operating offices signed by the Company and its subsidiaries with related parties is 5 years. The payment of rental is handled in accordance with the signed lease contract.As of June 30, 2011, estimated rentals payable in future years are as follows:

<u>Lease term</u>	<u>Total rents</u>
July 1 ~ December 31, 2011	\$ 309,770
2012	498,835
2013	501,050
2014	524,390
2015	548,900
2016 and thereafter	<u>69,707</u>
	<u>\$ 2,452,652</u>

VI.(VI) Pledged Assets

Collateral provided by the company and subsidiary on June 30, 2011 and 2010, respectively, as follows:

<u>Assets</u>	<u>June 30, 2011</u>	<u>June 30, 2010</u>	<u>Collateral</u>
Land	\$ 368,869	\$ 540,575	Long-term and short-term debt and guarantee quota
Building	408,670	302,650	Long-term and short-term debt and guarantee quota
Transportation equipment	514,240	381,440	Long-term debt payable and long-term installment payable
Operating equipment and other equipment	2,057	8,533	Long-term debt payable
Refundable deposits	417,044	442,808	Performance bond and engineering bond
Mortgaged time deposit account	<u>142,690</u>	<u>47,608</u>	Contract security deposit
	<u>\$ 1,853,570</u>	<u>\$ 1,723,614</u>	

VII. Major undertaking and contingency

Except for Note V, the Company and the subsidiaries have the following commitments made up to June 30, 2011:

- (I) The Company has a long-term technical collaboration agreement signed with Philippine Seven Corporation, President Chain Store (Shanghai) Ltd., and 7-ELEVEN Inc. in the United States. The Company and subsidiary are obliged to pay technical royalty for an amount equivalent to a percentage of store monthly sales throughout the contracted period.
- (II) President Yilan Art and Culture Corp. and National Center of Traditional Arts had the "National Center of Traditional Arts BOT Agreement" (referred to as "BOT Agreement" hereinafter) signed in 2004 with the terms and conditions agreed upon as follows:
 1. Preparatory Office of the National Headquarters of Taiwan Traditional Arts in Yilan is the operating object entrusted. The scope of the entrustment is for the operation and management of the entrusted object; also, utilize the entrusted object for the demonstration, promotion, teaching activity, product sales, and business development of traditional arts.
 2. The durability of the entrustment is for six years from the date of the operation initiated. President YiLan Art and Culture Corp. is with the priority to have the agreement renewed for another six years on the due date if the first agreement has been performed successfully.
 3. Royalty:

(1) Fixed royalty

President YiLan Art and Culture Corp. shall pay the fixed royalty of NT\$5,000,000 per year.

(2) Operation royalty

In the duration of operation, President Yilan Art and Culture Corp. are obliged to pay a royalty for an amount equivalent to one percentage of annual operating revenue throughout the contract period.

4. President Yilan Art and Culture Corp. are obliged to pay performance bond for an amount of NT\$30,000. The performance bond is for a term till the end of the BOT agreement and six months after President Yilan Art and Culture Corp. having assets returned and transferred.

5. President YiLan Art and Culture Corp. agrees to have the operating assets that are acquired throughout the contract period transferred to National Traditional Art Center unconditionally upon the termination or expiration of the agreement.

President YiLan Art and Culture Corp. and the Preparatory Department of National Traditional Art Center signed a supplement agreement to the entrustment agreement mentioned above in August 2009, which extended the BOT term for twelve years from the date of the operation commencement set forth on the agreement.

- (III) Cold Stone Creamery Taiwan Ltd. entered into a licensing agreement with Cold Stone Creamery International LLC in 2006 and acquired the license of using “COLD STONE CREAMERY” to sell ice cream in Taiwan and Mainland for a period of 30 years. As of December 31, 2010, Cold Stone Creamery Taiwan Ltd. has fully paid royalties to US Coldstone. In accordance with the agreement, Cold Stone Creamery Taiwan Ltd. must pay a certain amount of signing bonus and store open fees and pay a royalty for an amount equivalent to the agreed percentage of sales revenue.
- (IV) Uni-President Department Store Corp. entered into “Letter of Confirmation for Technological Consulting Service for the Opening of Department Stores in Kaohsiung” and the “Technological Consulting Service Agreement for the Business of Department Stores on 5th Section of Chung Hsiao East Road in Taipei City” Hankyu Hanshin Department Store Inc. According to the said confirmation letter and agreement as well as the further amended and signed confirmation letter, the Kaohsiung store and the Taipei store shall pay “Actual Technological Consulting Fee” annually and further pay a “Fixed Technological Fee” from May 2011 and October 2011, respectively.
- (V) The Company’s subsidiaries (Afternoon Tea Taiwan Co., Ltd. and PCSC AFTERNOON TEA SHANGHAI LTD.) entered into a licensing agreement with SAZABY LEAGUE and acquired the license to register the “Afternoon Tea” trademark in Taiwan and Mainland China Shanghai and the peripheral area (Jiangsu Province and Zhejiang Province) and Beijing for the restaurant and sundries business. According to the agreement signed, the Company is to have fixed royalty paid for an amount equivalent to certain percentage of total sales amount.
- (VI) Pet Plus Co., Ltd and AHB International Inc. signed a joint venture agreement for the use of trademark and technology and rights by PetPlus during the effective period of the agreement. According to the agreement, PetPlus shall pay a royalty for an amount equivalent to a certain percentage of net sales.
- (VII) The company has President International Building leased to a non-related party (Booked in the “Lease assets” account):
1. Arcade: A lease signed for 18 years and 6.5 months from June 15, 2005 and the rent is for an amount equivalent to a percentage of the monthly sales.
 2. Office: The lease is for a period of five years from November 1, 2007 to October 31, 2012. The Company has the following projections in rental incomes for the various years:

<u>Lease term</u>	<u>Total rents</u>
July 1 ~ December 31, 2011	8,980
2012	<u>16,164</u>
	<u>\$ 25,144</u>

- (VIII) President Transnet Corp. had a construction and equipment agreement signed with an unrelated party for an amount of \$189,000 to construct the transit sites for logistics and delivery. As of June 30, 2011, the (estimated) payable amount was \$59,100.
- (IX) President Musashino Corporation had a construction agreement signed with an unrelated party for an amount of \$278,500 to construct a manufacturing facility. As of June 30, 2011, the (estimated) payable amount was \$250,650.
- (X) Wisdom Distribution Service Corporation had a system development and related equipment agreement signed with an unrelated party for an amount of JPY 558,600 thousand for business operation. As of June 30, 2011, the (estimated) payable amount was JPY 405,000 thousand.
- (XI) The Company and the subsidiaries have stores and business sites leased from the unrelated

party and with lease agreements signed for a period of 3~20 years accordingly. The Company and the subsidiaries have rent advanced and security made for an amount of \$413,766 and \$1,660,559, respectively, on June 30, 2011; moreover, they are booked in the account of “Prepayment” and “Refundable deposits” respectively. The Company and subsidiaries have the following projections in rent payable for the various years:

<u>Lease term</u>	<u>Total rents</u>
July 1 ~ December 31, 2011	\$ 4,581,241
2012	7,751,284
2013	7,084,012
2014	6,326,055
2015	5,539,208
2016 and thereafter (discounted value \$11,397,842)	<u>11,760,501</u>
	<u>\$ 43,042,301</u>

VIII. Loss from major accidents

None.

IX. Materiality after the period

None.

X. Others

(I) Information on fair value

	<u>June 30, 2011</u>		
	<u>Book value</u>	<u>Fair value</u> Amount determined by open quotations	Amount estimated by valuation
Non-Derivatives			
Assets			
Financial assets with equal fair value and book value	\$ 21,905,006	\$ -	\$ 21,905,006
Financial assets at fair value through income statement	8,601,423	8,601,423	-
Financial assets at cost noncurrent	8,403,830	-	-
Financial assets in available-for-sale	1,389,291	1,389,291	-
Refundable deposits	2,003,788	-	1,952,999
Liabilities			
Financial liabilities with equal fair value and book value	\$ 39,661,950	\$ -	\$ 39,661,950
long-term debt payable (including the debt due in one year)	5,543,371	-	5,543,371
Long-term note payable and accounts payable (including the payable due in one year)	270,474	-	270,474
Guarantee Deposit received	2,141,943	-	2,109,105

	<u>June 30, 2010</u>		
	<u>Book value</u>	<u>Fair value</u>	
		Amount determined by open quotations	Amount estimated by valuation
Non-Derivatives			
Assets			
Financial assets with equal fair value and book value	\$ 16,933,201	\$ -	\$ 16,933,201
Financial assets at fair value through income statement	10,444,348	10,444,348	-
Financial assets at cost noncurrent	9,609,205	-	-
Financial assets in available-for-sale	1,550,034	1,550,034	-
Refundable deposits	1,863,232	-	1,754,152
Liabilities			
Financial liabilities with equal fair value and book value	\$ 34,338,034	\$ -	\$ 34,338,034
Long-term debt payable (including the debt due in one year)	7,547,746	-	7,547,746
Long-term note payable and accounts payable (including the payable due in one year)	253,187	-	253,187
Guarantee Deposit received	2,100,058	-	2,016,416

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

1. The fair value of short-term financial instrument is valued with the book value on the balance sheet date since the effect of discount value is insignificant; therefore, it is an amount not determined by public quotation or valuation. This method should be applied to cash and cash equivalent, accounts receivable, other receivables, short-term debt, short-term securities payable, notes and accounts payable, expense payable, and other payables.
2. The fair value of financial assets in available-for-sale, such as, in the listing market, is the market price.
3. The fair market value of guarantee margin & deposit paid and guarantee margin & deposit received is based on the discount value of the expected cash flow. The relevant discount rate is the one-year time deposit interest rate of Directorate General of the Postal Remittance and Savings Bank.
4. The fair value of long-term borrowings, and long-term notes payable and accounts payable are estimated according to the carrying amount since the effect of discount value is insignificant.

(II) Significant profit and loss of financial products and equity information

The Company and subsidiaries had financial assets in available-for-sale debited/credited to shareholder's equity for an amount of (\$465,332) and (\$667,139) on January 1~June 30, 2011 and 2010, respectively.

(III) Interest rate risk position

The Company's and subsidiary's financial assets and financial liabilities with the risk of

interest rate change in fair value amounted to \$5,100,000 and \$7,100,000 on June 30, 2011 and 2010, respectively. The Company's and subsidiary's financial liabilities with the risk of interest rate change in cash flow amounted to \$2,567,639 and \$2,263,434 on June 30, 2011 and 2010, respectively.

(IV) Financial Risks Management and Hedge policy

1. The risk control and hedge strategy of the Company and the subsidiaries are to prevent operating risk. In order to prevent operating risk, the Company and the subsidiaries have financial hedge position denied for the operation of derivatives. The selection of instruments by the Company and the subsidiaries for trade must be able to prevent the interest expense, assets, and liabilities risk of business operation.
2. In terms of supervising and managing derivatives, the trade position of derivatives is managed by the Finance Department and with the market price evaluated periodically. For any nonconforming transaction and gain/loss identified, a responsive measure must be activated and the Board of Directors must be informed immediately. 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.

(V) Information on primary financial risk

1. Market Risk

- (1) Investments of the Company and its subsidiaries in available-for-sale financial assets are stocks of listed/OTC companies that are influenced by market prices.
- (2) The Company's and its subsidiary's funds are mostly monetary funds. The short-term bills are usually held for short-term without significant market risk entailed.
- (3) Long-term debts of the Company and its subsidiaries bear interest at fixed rates and are deemed no significant market risks due to revolving use with short periods.
- (4) Some of businesses of the Company and its subsidiaries are denominated in certain non-functional currencies and consequently affected by fluctuation of exchange rates. Information on assets and liabilities denominated in foreign currencies significantly affected by fluctuation of exchange rates is summarized as follows:

	<u>June 30, 2011</u>		<u>June 30, 2010</u>	
(Foreign currency: Functional currency)	Amount in foreign currency (thousand)	<u>Exchange rate</u>	Amount in foreign currency (thousand)	<u>Exchange rate</u>
Financial assets				
<u>Monetary items</u>				
JPY:NT\$	318	0.3573	1,079	0.3628
USD: NT\$	2,545	28.73	634	32.15
<u>Non-monetary assets</u>				
JPY:NT\$	468,600	0.3573	452,675	0.3628
HKD:NT\$	11,617	3.702	9,614	4.137
USD: NT\$	3,091	28.73	3,846	32.15
<u>Long-term investments (Equity method)</u>				
USD: NT\$	943	28.73	2,166	32.15
Financial liabilities				
<u>Monetary items</u>				

EUR: NT\$	45,165	41.44	284	39.33
JPY: NT\$	321,702	0.3573	88,950	0.3628
USD: NT\$	40,472	28.73	27,771	32.15

2. Credit Risk

- (1) The financial assets with the change in fair value recognized as gain or loss in income statement; also, the financial assets in available-for-sale of the Company and the subsidiaries are traded in the open market, or, are traded with the reputable parties without a breach of contract expected.
- (2) The Company and its subsidiaries have loan guarantees in accordance with the “Procedures of Endorsement and Guarantee” and the service is mainly for the Company’s subsidiaries and joint ventures. Since the Company was in a firm control over the credit standings of those corporations, the Company did not request collateral from them. If those corporations fail to fulfill contracts, the credit risks so incurred would be the amounts of guarantees.

3. Liquidity Risk

- (1) The financial assets with the change in fair value recognized as gain or loss in income statement; also, the financial assets in available-for-sale of the Company and the subsidiaries are traded actively in market; therefore, the said assets can be sold easily in market at a price close to fair value without material liquidity risk expected.
- (2) The financial assets at cost noncurrent of the Company and the subsidiaries are not traded actively in market; therefore, a material liquidity risk is expected.
- (3) Most payables of the company and subsidiaries will due in 90 days. Most loans are with quota used in cycle; therefore, the company and subsidiaries have sufficient working fund to fulfill fund demand; therefore, there is no significant risk of liquidity anticipated.

4. Cash flow risk from change in interest rate

- (1) The Company’s and subsidiary’s investments in short-term notes are fixed-interest-rate instruments with the purpose of receiving interest income. Therefore, there is no cash flow risk resulting from changes in interest rate during the holding period.
- (2) The Company’s funds are mostly monetary funds without significant cash flow risk from the changes in interest rate.
- (3) The investment in equity of the Company and the subsidiaries is not an interest rate product; therefore, there is not a cash flow risk from the change in interest rate expected.
- (4) Some of loans borrowed by the Company and its subsidiaries are debts bearing interest at floating rates. Therefore, the change in market interest rate will cause changes in the effective loan interest rate. Under the circumstances, future cash flow will change too. Cash outflow of the Company and its subsidiaries will increase by \$25,676 for an increase of market interest rate by 1%.

XI. Supplementary Disclosure

(I) Information on major trade

The Company's significant transactions during the first half of 2011 are disclosed as follows, in which, the disclosure of the transfer invested businesses is based on the invested company's unaudited financial statements of the same time period.

1. Loans to third parties: None.

2. Endorsement and guarantee for third party:

<u>Name of Guarantee</u>	<u>Name of Guarantee</u> <u>Company Name</u>	<u>Affiliation</u>	Limit of guarantee to particular enterprise (note 2)	Maximum Balance in current period_	Balance at ending	Guarantee with Collateral	Accumulated amount of guarantee in proportion to the net worth stated in the financial statements of the most recent period_	Upper limit for guarantee (note 2)
President Chain Store Corp.	Uni-President Department Store Corp.	Subsidiary	\$ 3,653,007	\$ 2,588	\$ 2,022	None	0.01%	
	21 Century Enterprise Co., Ltd.	"	"	60,000	-	"	-	
	Wisdom Distribution Service Corp.	"	"	50,000	50,000	"	0.27%	
	Q-ware Communications Co., Ltd.	Note 1	"	22,540	22,540	"	0.12%	
	Presiclerc Treasury (Beijing)	"	"	(RMB 11,082 thousand)	(RMB 11,082 thousand)	"	<u>0.27%</u>	
							<u>0.67%</u>	<u>\$ 9,132,519</u>

Note 1: In a collective investment relationship, shareholders are held responsible for endorsement and guarantee proportionally to the shareholdering ratio.

Note 2: The total endorsement and guarantee of the Company is limited to an amount equivalent to 50% of the net worth. The endorsement and guarantee made for one single enterprise is limited to an amount equivalent to 20% of the net worth.

3. Marketable securities at yearend

<u>Holder of securities</u>	<u>Type and title of marketable securities</u>	<u>Affiliation with security issuers</u>	<u>Account titles</u>	Yearend holdings / Shares_	<u>Book value</u>	<u>Proportion of shareholding</u>	<u>Market price</u>	<u>Remark s</u>
President Chain Store Corp.	Polar Treasury Fund	None	Financial assets at fair value through income statement - current					
	Yuanta Wan-tai Fund	"	"	86,725,756	\$ 1,000,000	-	\$ 1,001,457	
	Fuh-Hwa Bond Fund	"	"	20,628,481	300,000	-	300,217	
				119,727,656	1,660,000	-	1,664,561	

	JIH SUN BOND FUND	"	"	91,754,127	1,300,000	-	1,303,661
	Prudential Well Poll Fund	"	"	76,688,293	1,000,000	-	1,001,595
	Taishin Lucky Fund	"	"	168,302,945	<u>1,800,000</u>	-	<u>1,800,303</u>
					7,060,000		<u>\$ 7,071,794</u>
			Add: adjustment valuation		<u>11,794</u>		
					<u>\$ 7,071,794</u>		
	President Securities Corp.	Investees of Uni-President Enterprises Corp. under the Equity Method	Financial assets in available-for-sale - noncurrent	32,611,167	\$ 140,534	2.65%	\$ 678,312
	Duskin Co. Ltd.	None	"	300,000	125,072	0.45%	167,431
	Chi Mei Optoelectronics Corporation	"	"	18,556,967	<u>948,261</u>	0.25%	<u>380,418</u>
					1,213,867		<u>\$ 1,226,161</u>
			Add: adjustment valuation		<u>12,294</u>		
					<u>\$ 1,226,161</u>		
	Presicarre Corp.	The Company is a director	Financial assets measured at cost-noncurrent	130,801,027	\$ 5,895,562	19.50%	skipped
	Tong-Jen Development Corp.	"	"	209,000,000	1,618,643	19.00%	"
	President International Development Corp.	"	"	50,000,000	500,000	3.33%	"
	PITC and etc.	skipped	"	skipped	<u>303,901</u>	skipped	"
					<u>\$ 8,318,106</u>		
President Chain Store Corp.	President Chain Store (BVI) Holdings Ltd.	Subsidiary	Long-term investments (Equity method)	106,575,196	\$ 2,873,423	100.00%	\$ 2,836,300
	President Drugstore Business Corp.	"	"	40,000,000	639,638	100.00%	639,878
	Ren-Hui Investment Corp.	"	"	53,194,997	202,742	100.00%	202,742
	President Transnet Corp.	"	"	70,000,000	705,253	70.00%	687,208
	President Musashino Corp.	"	"	47,061,000	544,726	90.00%	495,901
	President Pharmaceutical Corp.	"	"	17,520,594	480,065	73.74%	323,844
	Uni-President Cold-Chain Corp.	"	"	19,563,272	361,989	60.00%	355,328
	President YiLan Art and Culture Corp.	"	"	15,000,000	187,176	100.00%	187,173
	President Information Corp.	"	"	16,744,310	214,669	56.00%	210,855
	Q-ware Systems & Services Corp.	"	"	24,382,922	288,925	86.76%	276,080
	Uni-President Department Store Corp.	"	"	112,000,000	672,763	70.00%	671,611
	Wisdom Distribution Service Corp.	"	"	10,847,421	215,666	100.00%	218,424
	Mech-President Corp.	"	"	53,504,613	678,371	80.87%	631,096
	Muji (Taiwan) Co. Ltd.	"	"	6,339,300	221,318	51.00%	167,971
	Books.com. Co. Ltd.	"	"	10,000,000	176,123	50.03%	176,184
	Uni-President Oven Bakery Corp.	"	"	6,511,963	104,121	100.00%	96,489
	Duskin Serve Taiwan Co.	"	"	10,200,000	125,045	51.00%	125,061

Cold Stone Creamery Taiwan Ltd.	"	"	12,244,390	133,982	100.00%	134,173
President Development Corp.	Investees of the Company under the Equity Method.	"	72,000,000	586,246	20.00%	577,164
President Coffee Corp.	"	"	10,691,337	195,753	30.00%	195,753
Retail Support International Corp.	"	"	6,430,000	125,350	25.00%	125,692
Bank Pro E-Service Technology Co., Ltd.. etc.	skipped	"	skipped	435,444	30.00%	402,426
				<u>10,168,788</u>	~100.00%	<u>9,737,353</u>

4. The cumulative sales amount or purchases amount of one marketable security exceeds NT\$100 million or 20% of stock capital collected:

Trade company	Type and title of marketable securities	Account titles	Counter party	Affiliation	At beginning		Bought		Sold		Carrying cost	Disposition gain	End of current period	
					Quantity of share	Amount	Quantity of share	Amount	Quantity of share	Amount			Quantity of share	Amount
President Chain Store Corp.	Yuanta Wan-tai Fund	Note 1	Not applicable	Not applicable	-	\$ -	133,449,915	\$1,940,000	112,821,434	\$1,640,226	\$1,640,000	\$ 226	20,628,481	\$ 300,000
	Prudential Financial Bond Fund	"	"	"	65,880,493	1,000,000	-	-	65,880,493	1,000,202	1,000,000	202	-	-
	Fuh-Hwa Bond Fund	"	"	"	119,727,656	1,660,000	-	-	-	-	-	-	119,727,656	1,660,000
	Polar Treasury Fund	"	"	"	86,838,723	1,000,000	86,725,756	1,000,000	86,838,723	1,001,303	1,000,000	1,303	86,725,756	1,000,000
	JIH SUN BOND FUND	"	"	"	169,392,235	2,400,000	-	-	77,638,108	1,100,318	1,100,000	318	91,754,127	1,300,000
	Prudential Well Poll Fund	"	"	"	153,544,970	2,000,000	76,688,293	1,000,000	153,544,970	2,000,491	2,000,000	491	76,688,293	1,000,000
	Capital Income Fund	"	"	"	64,675,105	1,000,000	-	-	64,675,105	1,000,336	1,000,000	336	-	-
	Taishin Lucky Fund	"	"	"	-	-	168,302,945	1,800,000	-	-	-	-	168,302,945	1,800,000
	Dayeh Takashimaya Taiwan Inc.	Note 2	Note 3	None	20,000,000	189,885	-	-	20,000,000	270,000	189,885	80,115	-	-

Note 1: Recognized under the account title of "Financial assets at fair value through income statement -current" are recognized in earning.

Note 2: Recognized as "Financial valued at the cost-noncurrent"

Note 3: It is sold to the unrelated party "Takashimaya Company Limited."

5. The purchase amount of real property exceeds NT\$100 million or 20% of stock capital collected: None.

6. The amount of real property disposed exceeds NT\$100 million or 20% of stock capital collected: None

7. The sales amount and purchase amount with the related party exceeds NT\$100 million or 20% of stock capital collected:

Purchase (sales)_	<u>Status of trade</u>				Percentage to total purchase (sales)	Special terms and conditions of trade and reasons	<u>Note receivable (payable)/accounts receivable (payable)</u>			
	<u>Counter party</u>	<u>Affiliation</u>	<u>Purchase (sales)</u>	<u>Amount</u>			<u>Credit term</u>	<u>Unit price</u>	<u>Credit term</u>	<u>Balance</u>	Percentage to total note, account receivables (payables)_
President Chain Store Corporation	Retail Support International Corp. Uni-President Cold-Chain Corp. Wisdom Distribution Service Corp.	Investees of the Company under equity method Subsidiary	Purchase	\$21,325,645	52	OA 10~54 days	No significant difference	Note 1	(\$5,772,564)	48
	Uni-President Cold-Chain Corp. Wisdom Distribution Service Corp.	"	"	10,581,077	26	OA 20~70 days	"	"	(3,601,177)	30
	Uni-President Enterprises Corp.	Parent company	"	5,188,521	13	OA 30~60 days	"	"	(1,506,336)	13
	President Transnet Corp.	Subsidiary	"	1,439,485	4	OA 30~40 days	No significant difference	"	(291,518)	2
	Q-ware Systems & Services Corp.	"	Operating cost	296,675	1	OA 30 days	It is cargo logistic cost; therefore, not applicable	"	(56,560)	-
			Purchase	182,064	-	OA 45 days	Note 2	"	(74,854)	1

Note 1: The cost of purchase from Retail Support International Corp., Uni-President Cold-Chain Corp., and Wisdom Distribution Service Corp. is paid according to the classification of merchandise and products and by the agreed upon rate. Please refer to Note V(II) for details.

Note 2: The transactions between the Company and Q-ware Systems & Services Corp. are purchases from Q-ware. No applicable here.

8. The accounts receivable from the related party exceeds NT\$100 million or 20% of stock capital collected:

<u>Company of receivables on book</u>	<u>Counter party</u>	<u>Affiliation</u>	<u>Balance of Receivables With Related Party</u>	<u>Turnover Rate</u>	<u>Overdue Receivables with Related Parties</u>		Receivables with Related Party After Period Collection	Allowance for bad debt
					<u>Amount</u>	<u>Processing by</u>		
President Chain Store Corp.	Uni-President Cold-Chain Corp.	Subsidiary	Other receivables \$ 144,855	Note	\$ -	-	\$ 144,855	\$ -
	President Drugstore Business Corp.	"	Other receivables \$ 268,905	"	-	-	1,705	-
	Wisdom Distribution Service Corp.	"	Other receivables \$ 134,706	"	-	-	134,706	-

President Coffee Corp.	Investees of the Company under equity method	Other receivables \$ 100,395	"	-	-	100,395	-
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Note: It is mainly the dividend receivable and purchase incentives receivable; therefore, it does not apply.

9. Trading of Derivative Products:
None.

(II) Information on direct investment

1. Information about the invested companies: (The invested company with an ending book value less than \$100,000 will be consolidated in statement)

<u>Name of investor</u>	<u>Investees</u>		<u>Major business activities</u>	<u>Initial amount of investment</u>		<u>Holding at ending</u>		<u>Book value</u>	<u>Income status of investees</u>		<u>Remarks</u>
	<u>Name</u>	<u>Location</u>		<u>End of current period</u>	<u>End of previous period</u>	<u>Quantity of share</u>	<u>Proportion</u>			<u>The Company's recognized investment gain (loss)</u>	
The Company	President Chain Store (BVI) Holdings Ltd.	BVI	Professional investment company	\$ 2,558,698	\$ 2,558,698	106,575,196	100.00%	\$ 2,873,423	(\$ 71,562)	(\$ 71,665)	Subsidiary
	President Drugstore Business Corp.	Taipei City	Retailing of medicines and daily items	288,559	288,559	40,000,000	100.00%	639,638	152,343	152,103	"
	President Development Corp.	Taipei City	Operation of transportation depots and facilities	720,000	720,000	72,000,000	20.00%	586,246	(49,996)	(9,929)	Note 1
	Ren-Hui Investment Corp.	Taipei City	Professional investment company	728,037	728,037	53,194,997	100.00%	202,742	21	21	Subsidiary
	President Transnet Corp.	New Taipei City	Delivery service	711,576	711,576	70,000,000	70.00%	705,253	129,227	89,105	"
	President Pharmaceutical Corp.	Taipei City	Medicines & medical instrument retail and wholesale	330,216	330,216	17,520,594	73.74%	480,065	128,323	94,624	"
	Uni-President Cold-Chain Corp.	Tainan City	Low-temperature foods logistics including frozen foods	237,437	237,437	19,563,272	60.00%	361,989	115,425	68,471	"
	President YiLan Art and Culture Corp.	Yilan County	Art and cultural exhibition	150,000	150,000	15,000,000	100.00%	187,176	24,997	25,000	"
	President Information Corp.	Taipei City	Business management consulting services	93,348	93,348	16,744,310	56.00%	214,669	36,829	20,811	"
	President Musashino Corp.	New Taipei City	Foods industry	520,141	520,141	47,061,000	90.00%	544,726	654	546	"
	Q-ware Systems & Services Corp.	Taipei City	Business management consulting services	332,482	332,482	24,382,922	86.76%	288,925	35,959	31,196	"
	Uni-President Department Store	Kaohsiung City	Department stores	1,680,000	1,680,000	112,000,000	70.00%	672,763	(35,624)	(23,784)	"

President Chain Store (Labuan) Holdings Ltd.	Philippine Seven Corp.	Philippines	Food and household goods retailing	USD 20,656 thousand	USD 20,656 thousand	170,574,305	56.59%	USD 18,139 thousand	PHP 118,739 thousand	"	"
Philippine Seven Corp.	Convenience Distribution Inc., etc.	skipped	skipped	PHP 87,742 thousand	PHP 87,742 thousand	skipped	skipped	PHP 87,742 thousand	skipped	"	"
President Chain Store (Hong Kong) Holdings Limited	President Chain Store (Shanghai) Ltd.	China	Chained convenient stores	USD 26,843 thousand	USD 14,633 thousand	-	100.00%	USD 15,336 thousand	(RMB 27,297 thousand)	"	"
	Mister Donut Shanghai Co., Ltd.	China	Food retailing	USD 5,437 thousand	USD 3,562 thousand	-	50.00%	USD 4,015 thousand	(RMB 4,774 thousand)	"	"
	Shanghai President Logistic Co., Ltd., etc.	skipped	skipped	USD 22,090 thousand	USD 21,070 thousand	skipped	skipped	USD 2,182 thousand	skipped	"	"
	President Coffee (Cayman) Holdings Ltd.	Cayman Islands	Professional investments	USD 1,800 thousand	USD 1,800 thousand	-	30.00%	USD 11,914 thousand	USD 9,866 thousand	"	"
	Shanghai Cold Stone Ice Cream Corporation	China	Sale of ice cream	USD 14,455 thousand	USD 14,455 thousand	-	100.00%	USD 3,617 thousand	(RMB 4,000 thousand)	"	"
	PCSC (CHENGDU) Hypermarket Limited	China	Wholesaling and retailing of goods	USD 12,963 thousand	USD 12,963 thousand	-	100.00%	USD 8,361 thousand	RMB 1,956 thousand	"	"
	Shan Dong President Yinzuo Commercial Limited	China	Wholesaling and retailing of goods	USD 4,078 thousand	USD 4,078 thousand	-	55.00%	USD 13,740 thousand	RMB 17,253 thousand	"	"
PCSC AFTERNOON TEA CAYMAN LTD., etc.	PCSC AFTERNOON TEA SHANGHAI LTD., etc.	skipped	skipped	USD 20,028 thousand	USD 18,028 thousand	skipped	skipped	USD 3,342 thousand	skipped	"	"

2. Information disclosure of the invested company controlled by the Company directly or indirectly:

(1) Loans to third party: None.

2. Endorsement and guarantee for third party:

<u>Name of Guarantee</u>	<u>Name of Guarantee Company Name</u>	<u>Affiliation</u>	<u>Limit of guarantee to particular enterprise</u>	<u>Maximum Balance in current period</u>	<u>Balance at ending</u>	<u>Guarantee with Collateral</u>	<u>Accumulated amount of guarantee in proportion to the net worth stated in the financial statements of</u>	<u>Upper limit of guarantee</u>
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							the most recent period			
President Information Corp.	President Drugstore Business Corp.	Affiliate	Note	\$	2,000	\$	-	\$	-	-
Wisdom Distribution Service Corp.	President Drugstore Business Corp.	Affiliate	Note		7,000		7,000		7,000	2.80%

Note: Total endorsement amount for others is limited to an amount equivalent to 50% of net worth. The endorsement made for one single enterprise is limited to 20% of the net worth.

(3) Information about marketable securities at year end: (The ending book value less than \$100,000 will be consolidated in statement)

<u>Holder of securities</u>	<u>Type and title of marketable securities</u>	<u>Affiliation with security issuers</u>	<u>Account titles</u>	<u>Final number of units / shares</u>	<u>Book value</u>	<u>Proportion of shareholdings</u>	<u>Market price</u>	<u>Remarks</u>
Wisdom Distribution Service Corp.	UPAMC JAMES BOND Fund, etc.	None	Financial assets at fair value through income statement - current	skipped	\$ 300,149	Not applicable	\$ 300,149	
Ren-Hui Investment Corp.	NITC Bond Fund	"	"	199,957	34,283	"	34,283	
Retail Support Taiwan Corp.	First Holdings Family Bond Fund	"	"	226,295	38,799	"	38,799	
Bank Pro E-Service Technology Co., Ltd.	ING Taiwan Bond Fund	"	"	1,332,374	15,711	"	15,711	
Vision Distribution Service Corp.	UPAMC JAMES BOND Fund	"	"	5,298,170	85,131	"	85,131	
President Logistics International Corp.	UPAMC JAMES BOND Fund, etc.	"	"	skipped	89,423	"	89,423	
Chieh-Shuen Logistics International Corp.	Prudential Well Poll Fund	"	"	"	26,799	"	26,799	
Retail Support International Corp.	First Holdings Family Bond Fund	"	"	221,017	37,894	"	37,894	
President Coffee Corp.	Yuanta Cosmos money market funds	"	"	skipped	770,000	"	770,000	
President Information Corp.	Yuanta Cosmos money market funds	"	"	"	230,721	"	230,721	
President YiLan Art and Culture Corp.	Fuh-Hwa Bond Fund, etc.	"	"	"	210,811	"	210,811	
Duskin Serve Taiwan Co.	Union Bond Fund	"	"	1,585,754	20,126	"	20,126	

Capital Inventory Services Corp.	First Holding Taiwan Monetary Fund	"	"	662,471		"											
President Drugstore Business Corp.	First Holdings Family Bond Fund., etc.	"	"	skipped		"				9,729		"					9,729
President Musashino Corp.	Fuhua money market funds	"	"	1,224,711		"				72,000		"					72,000
Uni-President Oven Bakery Corp.	Fu-Hwa Bond	"	"	skipped		"				17,027		"					17,027
Q-ware Systems & Services Corp.	Prudential Well Poll Fund	"	"	skipped		"				50,000		"					50,000
Ren-Hui Investment Corp.	Chi Mei Optoelectronics Corporation	"		7,957,569						60,024		"					60,024
President Chain Store (BVI) Holdings Ltd.	eASPNet Taiwan Inc., etc.	"		Financial assets in available-for-sale - noncurrent						163,130		"					163,130
Wisdom Distribution Service Corp.	President Logistics International Corp., etc.	"		Financial assets measured at cost-noncurrent						skipped	USD 2,280 thousand	skipped					skipped
Retail Support International Corp.	Retail Support Taiwan Corp., etc.	"		Long-term investments (Equity method)						"	\$ 110,251	"					"
Uni-President Cold-Chain Corp., etc.	President Logistics International Corp., etc.	"		"						"	137,738	"					"
President Chain Store (BVI) Holdings Ltd.	President Chain Store (Labuan) Holdings Ltd., etc.	"		"						"	301,661	"					"
President Chain Store (Labuan) Holdings Ltd.	Philippine Seven Corporation	"		170,574,305						USD 18,139 thousand		57%				PHP	729,540 thousand
President Chain Store (Hong Kong) Holdings Limited	President Chain Store (Shanghai) Ltd.	"		skipped						USD 59,164 thousand		skipped					skipped
PCSC AFTERNOON TEA CAYMAN LTD., etc.	PCSC AFTERNOON TEA SHANGHAI LTD., etc.	"		"						USD 5,694 thousand		"					"

(4) The cumulative sales amount or purchases amount of one marketable security exceeds NT\$100 million or 20% of stock capital collected:

Trade company	Type and title of marketable securities	Account titles	Counter party	<u>At beginning</u>		<u>Bought</u>		<u>Sold</u>		<u>Carrying cost</u>	Dispositi on gain_	Other adjustment (Note II)_	<u>End of current period</u>	
				<u>Affiliation</u>	<u>Quantity of share</u>	<u>Amount</u>	<u>Quantity of share</u>	<u>Amount</u>	<u>Quantity of share</u>				<u>Amount</u>	<u>Quantity of share</u>	Amount
President Being Corp.	UPAMC JAMES BOND Fund	Note 1	Not applicable	Not applicable	1,362,356	\$ 21,841	-	\$ -	1,362,356	\$ 21,852	\$ 21,841	\$ 11	\$ -	\$ -
Chieh-Shuen L ogistics International Corp.	UPAMC JAMES BOND Fund	"	"	"	1,085,162	17,396	6,763,254	108,550	7,175,816	115,170	115,140	30	-	672,600 10,806

President Coffee Corp.	Prudential Well Poll Fund	"	"	"	1,219,254	15,874	9,782,598	127,600	9,777,396	127,530	127,485	45	-	1,224,456	15,990
	Polaris Depot money market funds	"	"	"	6,946,495	80,000	26,010,318	300,000	24,297,005	280,236	280,000	236	-	8,659,808	100,000
	Taishin really lucky money market funds	"	"	"	9,374,707	100,000	18,711,185	200,000	18,737,302	200,279	200,000	279	-	9,348,590	100,000
	Yuanta Wan-tai Fund	"	"	"	6,889,425	100,000	13,752,233	200,000	13,770,459	200,265	200,000	265	-	6,871,199	100,000
	Jih Sun money market funds	"	"	"	6,352,209	90,000	14,792,055	210,000	14,106,074	200,272	200,000	272	-	7,038,189	100,000
	Mega money market funds, the international Silmarullion	"	"	"	-	-	8,333,472	100,000	8,333,472	100,032	100,000	32	-	-	-
	Prudential money market fund	"	"	"	5,374,074	70,000	16,095,875	210,000	18,407,303	240,212	240,000	212	-	3,062,646	40,000
	Verbatim Fuh-Hwa Bond Fund	"	"	"	1,442,502	20,000	20,163,393	280,000	14,413,151	200,238	200,000	238	-	7,192,744	100,000
	First Holding Taiwan bond fund	"	"	"	-	-	19,428,402	285,000	16,704,719	245,096	245,000	96	-	2,723,683	40,000
	ING Money Market Fund	"	"	"	-	-	8,291,435	130,000	5,103,271	80,021	80,000	21	-	3,188,165	50,000
President Drugstore Business Corp.	Shin Kong Lucky Star Monetary Fund	"	"	"	-	-	15,451,542	230,000	10,082,451	150,112	150,000	112	-	5,369,091	80,000
	Capital Stable Monetary Fund	"	"	"	4,203,501	65,000	7,743,836	120,000	8,077,043	125,071	125,000	71	-	3,870,294	60,000
	Mega Int'l Diamond Fund	"	"	"	-	-	13,751,772	165,000	13,751,772	165,034	165,000	34	-	-	-
	First Holdings Family Fund	"	"	"	-	-	817,162	140,000	566,273	97,046	97,000	46	-	250,888	43,000
	Fuhua money market funds	"	"	"	-	-	37,313,439	518,000	35,226,778	489,180	489,000	180	-	2,086,661	29,000
	Fuh-Hwa Bond Fund	"	"	"	-	-	4,981,028	69,000	4,981,028	69,089	69,000	89	-	-	-
	Fuh-Hwa Bond Fund	"	"	"	5,652,001	78,278	9,148,783	127,000	9,940,862	138,000	137,814	186	-	4,859,922	67,464
	Yuanta Cosmos money market funds	"	"	"	4,709,628	68,103	8,600,210	125,000	6,606,974	96,000	95,730	270	-	6,702,864	97,374
	UPAMC JAMES	"	"	"	-	6,343	21,653,694	-	20,745,407	-	-	56	-	-	20,949

tics International Corp.	BOND Fund				395,671		347,500		332,950	332,894			1,303,958		
President Pharmaceutical Corp.	Prudential Well Poll Fund Fuh-Hwa Bond Fund	"	"	"	2,692,087	35,058	33,146,267	432,360	30,595,780	399,040	398,956	84	-	5,242,574	68,463
Retail Support International Corp.	First Holdings Family Bond Fund	Note 1	Not applicable	Not applicable	119,113	\$ 20,366	1,744,791	\$ 298,950	1,642,888	\$ 281,474	\$ 281,424	50	\$ 2	221,017	\$ 37,894
Vision Distribution Service Corp.	UPAMC JAMES BOND Fund	"	"	"	4,998,621	80,000	9,345,161	150,000	9,045,611	145,231	145,000	231	131	5,298,170	85,131
Wisdom Distribution Service Corp.	UPAMC JAMES BOND Fund	"	"	"	10,175,810	163,000	37,393,787	600,000	38,230,017	613,547	613,000	\$ 547	68	9,339,580	150,068
	ING bond fund	"	"	"	-	-	9,569,623	150,000	-	-	-	-	80	9,569,623	150,080
Retail Support Taiwan Corp.	First Holding Family Bond Fund	"	"	"	123,658	21,137	618,038	105,850	515,401	88,234	88,195	39	-	226,295	38,793
President Chain Store (Hong Kong) Holdings Limited	President Chain Store (Shanghai) Ltd.	Note 3	Raise capital by issuing new shares	"	-	USD7,146	-	USD12,210	-	-	-	-	(USD4,020)	-	USD15,336
President Chain Store (BVI) Holdings Ltd.	President Chain Store (Hong Kong) Holdings Limited	"	"	"	36,945,112	USD17,921	42,477,561	USD12,955	-	-	-	-	USD27,873	79,422,673	USD58,749

(Note 4)

Note 1: Recognized under the account title of "Financial assets at fair value through income statement -current".

Note 2: It is the valuation adjustment of the financial assets with changes in fair value booked as profit or loss and the recognized investment profit or loss and cumulative translation adjustment.

Note 3: Recognized as "Long-term investments (Equity method)".

Note 4: Amount of the organizational structure adjustment, please refer to IV (VI).2 for details.

(5) The purchase amount of real property exceeds NT\$100 million or 20% of stock capital collected: None.

(6) The amount of real property disposed exceeds NT\$100 million or 20% of stock capital collected: None

(7) The sales amount and purchase amount with the related party exceeds NT\$100 million or 20% of stock capital collected:

Status of trade

Note receivable (payable),
accounts receivable (payable)

Percentage

Special terms and conditions of trade and reasons Percentage to total

Purchase (sales)_	Counter party	Affiliation	Purchase (sales)	Amount	to total purchase (sales)	Credit term	Unit price	Credit term	Balance	note, account receivables (payables)	Remarks
Wisdom Distribution Service Corp.	President Chain Store Corp.	Parent company	(sales)	(\$5,388,115)	(94.00%)	OA 30~60 days	No significant difference	No significant difference	\$1,649,697	95.00%	
	Vision Distribution Service Corp.	Subsidiary	Purchase	247,750	5.00%	65 days	"	"	(113,740)	(5.00%)	
	Cayenne Entertainment Technology Co., Ltd.	An affiliate of the Company is the company's director	"	206,079	4.00%	60 days	"	Sales payment	(39,502)	(2.00%)	
	Q-ware Communications Co., Ltd.	"	"	138,845	3.00%	60 days	"	No significant difference	(43,323)	(2.00%)	
Muji (Taiwan)Co. Ltd.	Ryohin Keikaku Co., Ltd.	Parent company	"	426,367	71.00%	OA 30 days	"	"	(74,186)	(84.00%)	
Q-ware Systems & Services Corp.	President Chain Store Corp.	"	(sales)	(229,227)	(77.00%)	OA 45 days	"	"	92,859	81.00%	
Vision Distribution Service Corp.	Wisdom Distribution Service Corp.	Parent company and subsidiaries valued with Equity Method	(sales)	(247,758)	(39.00%)	65 days	"	"	130,770	40.00%	
President Logistics International Corp.	Retail Support International Corp.	Parent company	(Logistics income)	(304,629)	(32.00%)	20 days	"	"	56,704	30.00%	
	Uni-President Cold-Chain Corp.	Affiliate	"	(414,132)	(44.00%)	20 days	"	"	86,051	46.00%	
	Wisdom Distribution Service Corp.	"	"	(107,871)	(11.00%)	20 days	"	"	21,011	11.00%	
Chieh-Shuen Logistics International Corp.	President Transnet Corp.	"	"	(255,526)	(92.00%)	40 days	"	"	76,619	88.00%	
Retail Support International Corp.	President Chain Store Corp.	Investing company value the company with Equity Method	(sales)	(21,267,377)	(86.00%)	OA 10~54 days	"	"	3,925,015	81.00%	
	President Drugstore Business Corp.	Affiliate	"	(2,671,882)	(11.00%)	OA 45~60 days	"	"	774,982	16.00%	
	President Coffee Corp.	"	"	(252,962)	(1.00%)	OA 15~28 days	"	"	47,534	1.00%	
	Uni-President Enterprises Corp.	Parent company	Purchase	1,183,361	5.00%	OA 30~95 days	"	"	(246,164)	(3.00%)	
	Tung Ang Enterprise Corp.	Affiliate	"	1,085,972	5.00%	OA 30 days	"	"	(243,198)	(3.00%)	
	President Pharmaceutical Corp.	"	"	635,442	3.00%	OA 30~70 days	"	"	(281,554)	(4.00%)	
	President Packing Inc. Corp. (PPI).	"	"	137,893	1.00%	OA 30~50 days	"	"	(59,612)	(1.00%)	

	WEI LIH FOOD INDUSTRIAL CO., LTD.	"	"	136,684	1.00%	OA 30~60 days	"	"	(49,590)	(1.00%)
President Musashino Corp.	Uni-President Cold-Chain Corp.	Affiliate	(sales)	(687,480)	(100.00%)	OA 45 days	"	"	267,912	100.00%
President Coffee Corp.	Tong-Jhan Enterprises Corp.	Affiliate	Purchase	273,242	29.00%	OA 30 days	"	"	(44,439)	(16.00%)
	Retail Support International Corp.	The company invested by President Chain Store and valued with Equity Method	"	227,791	24.00%	OA 30 days	"	"	(42,811)	(19.00%)
	Starbucks Coffee International, Inc	Investing company value the company with Equity Method	"	235,582	25.00%	OA 30 days	"	"	(59,626)	(25.00%)
President Information Corp.	President Chain Store Corp.	Parent company	(Services)	(283,122)	(71.00%)	OA 30 days	"	"	86,775	74.79%
President Pharmaceutical Corp.	Retail Support International Corp.	The company invested by President Chain Store and valued with Equity Method	(sales)	(751,577)	(54.00%)	75 days	"	"	313,833	27.00%
Uni-President Cold-Chain Corp.	President Musashino Corp.	A subsidiary of President Chain Store Corp.	Purchase	692,098	7.00%	OA 45 days	"	"	(267,885)	(8.00%)
	Uni-President Enterprises Corp.	Parent company	"	3,714,370	38.00%	OA 30~55 days	"	"	(1,068,678)	(31.00%)
	President Chain Store Corp.	Parent company	(sales)	(10,675,529)	(99.00%)	OA 20~70 days	"	"	3,660,601	98.00%
	HiLife Co., Ltd.	Incorporation	"	(124,044)	(1.00%)	OA 45 days	"	"	27,210	1.00%
President Drugstore Business Corp.	Retail Support International Corp.	The company invested by President Chain Store and valued with Equity Method	Purchase	3,120,299	98.00%	52 days	"	"	(773,552)	(99.00%)
President Transnet Corp.	President Chain Store Corp.	Parent company	(sales)	(333,695)	(11.00%)	OA 30 days	"	"	66,878	10.00%
Retail Support Taiwan Corp.	Retail Support International Corp.	The company invested by President Chain Store and valued with Equity Method	(Logistics income)	(129,152)	(83.00%)	15~20 days	"	"	25,890	79.00%

(8) The accounts receivable from the related party exceeds NT\$100 million or 20% of stock capital collected:

<u>Company of receivables on book</u>	<u>Counter party</u>	<u>Affiliation</u>	Balance of Receivables With Related Party		<u>Overdue Receivables with Related Parties</u>		Receivables with Related Party After Period Collection	Allowance for bad debt
				<u>Turnover Rate</u>	<u>Amount</u>	<u>Processing by</u>		
Books.com. Co. Ltd.	President Chain Store Corp.	Parent company	\$ 154,941	18.04	\$ -	-	\$ 117,905	\$
President Musashino Corp.	Uni-President Cold-Chain Corp.	Affiliate	267,912	2.80	-	-	267,912	
President Pharmaceutical Corp.	Retail Support International Corp.	"	313,833	5.28	15,465	-	15,465	1,3
President Collect Services Co. Ltd.	President Transnet Corp.	"	176,728	1.00	-	-	-	
Retail Support International Corp.	President Chain Store Corp.	Investing company value the company with Equity Method	3,925,015	5.83	-	-	2,105,893	
	President Drugstore Business Corp.	Affiliate	774,982	3.55	-	-	774,982	
Uni-President Cold-Chain Corp.	President Chain Store Corp.	Parent company	3,660,601	3.07	-	-	3,660,601	
Vision Distribution Service Corp.	Wisdom Distribution Service Corp.	"	130,770	1.87	-	-	-	
Wisdom Distribution Service Corp.	President Chain Store Corp.	"	1,649,697	3.27	-	-	1,649,697	

(9) Trading of Derivative Products: None.

(III) Information on investment in Mainland China

1. Investment in Mainland China:

Names of investees in Mainland China	Major business activities	Paid-up Capital	Investment Method	Amount remitted from Taiwan in accumulation at the beginning of the present term	Investment Remittance or Regain during the fiscal Year	Amount remitted from Taiwan in accumulation at the end of the present term	The Company's Direct or Indirect Investment Holding Ratio	Investment Profit or Loss for Current Period (Note 8)	Book Value of Investment at the End of the Period	Investment return already remitted back as of the present term
President Starbucks Coffee Corp.- Shanghai	Coffee and accessories trade	RMB 77,582 thousand	Invest in Mainland China by the invested company in third country (Note 1)	USD 2,000 thousand	-	USD 2,000 thousand	30%	USD 2,837 thousand	USD 9,238 thousand	—
PresiclercTreasury (Qingdao) Supermarket Co.	Food processing, packing and sales	RMB 53,385 thousand	Invest in Mainland China by the invested company in third country (Note 2)	USD 2,185 thousand	-	USD 2,185 thousand	48.93%	- (USD 3,360 thousand)		—

Presiclere Treasury (Beijing) Supermarket Co.	Food processing, packing and sales	RMB 50,000 thousand	Invest in Mainland China by the invested company in third country (Note 2)	-	-	-	-	36.94%	(USD 445 thousand)	(USD 3,304 thousand)	-
President Chain Store (Shanghai) Ltd.	Chain store operation	RMB 180,000 thousand	Invest in Mainland China by the invested company in third country (Note 3)	USD 14,633 thousand	USD 12,210 thousand	-	USD 26,843 thousand	100%	(USD 4,020 thousand)	USD 15,336 thousand	-
Mister Donut Shanghai Co., Ltd.	Food retailing	RMB 123,022 thousand	Invest in Mainland China by the invested company in third country (Note 3)	USD 3,562 thousand	USD 1,875 thousand	-	USD 5,437 thousand	50%	(USD 342 thousand)	USD 4,015 thousand	-
PCSC AFTERNOON TEA SHANGHAI LTD.	Food retailing	RMB 47,311 thousand	Invest in Mainland China by the invested company in third country (Note 4)	USD 2,550 thousand	USD 1,020 thousand	-	USD 3,570 thousand	51%	(USD 481 thousand)	USD 853 thousand	-
President Cosmed Chain Store (Shen Zhen) Co., Ltd.	Household goods retailing	RMB 100,000 thousand	Invest in Mainland China by the invested company in third country (Note 5)	USD 8,696 thousand	-	-	USD 8,696 thousand	65%	(USD 258 thousand)	USD 1,797 thousand	-
Wuhan Uni-President Oven Fresh Bakery Co., Ltd.	Food retailing	RMB 57,000 thousand	Invest in Mainland China by the invested company in third country (Note 3)	USD 4,795 thousand	-	-	USD 4,795 thousand	100%	(USD 302 thousand)	(USD 2,675 thousand)	-
Shan Dong President Yinzuo Commercial Limited	Wholesaling and retailing of goods	RMB 60,000 thousand	Invest in Mainland China by the invested company in third country (Note 3)	USD 4,078 thousand	-	-	USD 4,078 thousand	55%	USD 1,744 thousand	USD 13,740 thousand	-
PCSC (SICHUAN) Hypermarket Limited	Wholesaling and retailing of goods	RMB 80,000 thousand	Invest in Mainland China by the invested company in third country (Note 3)	USD 10,150 thousand	-	-	USD 10,150 thousand	100%	(USD 159 thousand)	USD 1,983 thousand	-
PCSC (CHENGDU) Hypermarket Limited	Wholesaling and retailing of goods	RMB 100,000 thousand	Invest in Mainland China by the invested company in third country (Note 3)	USD 13,013 thousand	-	-	USD 13,013 thousand	100%	USD 135 thousand	USD 8,361 thousand	-
Shanghai Cold Stone Ice Cream Corporation	Sale of ice cream	USD 14,455 thousand	Invest in Mainland China by the invested company in third country (Note 3)	USD 14,455 thousand	-	-	USD 14,455 thousand	100%	(RMB 612 thousand)	USD 3,617 thousand	-
Shanghai President Logistic Co., Ltd.	Logistics	USD 2,000 thousand	Invest in Mainland China by the invested company in third country (Note 3)	USD 2,000 thousand	-	-	USD 2,000 thousand	100%	(USD 181 thousand)	USD 1,306 thousand	-
Sato (Shanghai) Catering Mathematics Co., Ltd.	Japanese cuisine	JPY 188,000 thousand	Invest in Mainland China by the invested company in third country (Note 3)	USD 536 thousand	-	-	USD 536 thousand	81%	(USD 401 thousand)	USD 138 thousand	-
Unified Lehao (Shanghai) Restaurant Management Co. (Shanghai Lehao)	Japanese cuisine	USD 2,001 thousand	Invest in Mainland China by the invested company in third country (Note 3)	USD 1,021 thousand	-	-	USD 1,021 thousand	51%	(USD 227 thousand)	USD 550 thousand	-
U-Presid China (Shanghai)	Commodity trade	USD 540 thousand	Invest in Mainland China by the invested company in third country (Note 3)	USD 540 thousand	-	-	USD 540 thousand	100%	(USD 37 thousand)	USD 510 thousand	-
Zhejiang Uni-Champion Logistics Development Co., Ltd.	Logistics warehousing	(RMB 20,000 thousand)	Invest in Mainland China by the invested company in third country (Note 6)	USD 1,443 thousand	-	-	USD 1,443 thousand	50%	-	USD 1,045 thousand	-

Duskin (Shanghai) Cleaning USD 4,467 Invest in Mainland China by USD 670 thousand - - USD 670 15% - USD 670 thousand -
 Cleaning Products Rental supplies sales thousand the invested company in third thousand
 Co. (Note 7)

	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
	USD83,264,000	USD 136,105,000	NT\$ 10,959,022

Note 1: The investment in Mainland China is by the transfer invested company, President Coffee (Cayman) Holdings Ltd., of B.V.I.

Note 2: The investment in Mainland China is by the transfer invested company, Preciclerc Limited, of B.V.I.

Note 3: The investment in Mainland China is by the transfer invested company, President Chain Store (Hong Kong) Holdings Limited, of B.V.I

Note 4: The investment in Mainland China is by the transfer invested company, PCSC AFTERNOON TEA CAYMAN LTD., of B.V.I

Note 5: The investment in Mainland China is by the transfer invested company, PCSC (China) Drugstore Limited, of PCSC (China) Limited.

Note 6: The reinvestment in the company in Mainland China by Uni-President Cold-Chain Corp. (BVI) that is the transfer investment of Uni-President Cold-Chain Corp.

2. The information of the Company's direct and indirect investment in Mainland China by the invested company in third country, the price, payment term, unrealized gain and loss, and others that is helpful to understand the impact of investment in Mainland China on financial statements:

- (1) Purchase amount and ratio; also, the corresponding payables yearend balance and ratio: None.
- (2) Sales amount and ratio; also, the corresponding receivables yearend balance and ratio: None.
- (3) Property trade amount and the corresponding gain and loss amount: None.
- (4) Ending balance and purpose of notes endorsement or collateral provided: Please refer to Note XI (I) in details.
- (5) Maximun balance, ending balance, current interest rate range, and total current interest amount of financing: None
- (6) Other transactions that have a significant impact on the net income or financial status of the year: None.

(IV) The business relation, transactions and transaction amount conducted between the parent company and subsidiary and among the subsidiaries
January 1~June 30, 2011

		<u>Business transactions</u>					Ratio to consolidated sales revenue or total assets
<u>Name of trade party</u>	<u>Corresponding trade party</u>	<u>Relation with the trade party</u>	<u>Account</u>	<u>Amount</u>	<u>Trade terms and conditions</u>		
President Chain Store Corp.	Retail Support International Corp.	Parent company vs. subsidiary	Cost of goods sold	\$ 21,325,645	OA 10~54 days		24%
		"	Notes and accounts payable	5,772,564			8%
		"	Other operating revenue	248,291			0%
		"	Other income	119,550			0%
		"	Packaging expense and other expense	108,999			0%
	Uni-President Cold-Chain Corp.	"	Cost of goods sold	10,581,077	OA 20~70 days		12%
		"	Notes and accounts payable	3,601,177			5%
		"	Other income	76,828			0%
		"	Other receivables	144,855			0%
	Wisdom Distribution Service Corp.	"	Cost of goods sold	5,188,521	OA 30~60 days		6%
		"	Notes and accounts payable	1,506,336			2%
		"	Other receivables	134,706			0%
	Books.com. Co. Ltd.	"	Other operating revenue	83,194			0%
		"	Other receivables	91,580			0%
	President Transnet Corp.	"	Operating cost	296,675	OA 30 days		0%
		"	Accounts payable	56,560			0%
	President Information Corp.	"	E-ordering system processing fee	276,453	OA 30 days		0%
		"	Accrued expenses	68,566			0%
	Capital Inventory Services Corp.	"	Inventory count expense	69,818	OA 60 days		0%
	President Coffee Corp.	"	Other receivables	100,395			0%
	Duskin Serve Taiwan Co.	"	Cleaning fees	55,714			0%
	Presco Netmarketing Inc.	"	Other operating revenue	152,779			0%
	President Pharmaceutical Corp.	"	Other receivables	87,329			0%
	President YiLan Art and Culture Corp.	"	Other receivables	54,804			0%
	Q-ware Systems & Services Corp.	"	Cost of goods sold	182,064	OA 45 days		0%
		"	Accounts payable	74,854			0%
	President Drugstore Business Corp.	"	Other receivables	268,905			0%
	President Chain Store (BVI) Holdings Ltd.	"	Other income	70,954			0%
Retail Support International Corp.	President Logistics International Corp.	Subsidiary vs. subsidiary	Freight charge	304,629	OA 20 days		0%
		"	Accrued expenses	56,704			0%
	President Drugstore Business Corp.	"	Receivables	774,982			1%
		"	Sales revenue	2,671,882	OA 45~60 days		3%
	Retail Support Taiwan Corp.	"	Freight charge	129,152	OA 15~20 days		0%
		"	Other expenses	25,890			0%

January 1~June 30, 2011

			Business transactions			
Name of trade party	Corresponding trade party	Relation with the trade party	Account	Amount	Trade terms and conditions	Ratio to consolidated sales revenue or total assets
Retail Support International Corp.	President Coffee Corp.	Subsidiary vs. subsidiary	Sales revenue	\$ 252,962	OA 15~28 days	0%
		"	Accounts receivable	47,534		0%
	Tung Ang Enterprise Corp.	"	Cost of goods sold	1,085,972	OA 30 days	1%
		"	Accounts payable	243,198		0%
	Lien-Bo Enterprises Corp.	Affiliate	Cost of goods sold	375,128	OA 15~70 days	0%
		"	Accounts payable	108,998		0%
	President Packing Inc. Corp. (PPI).	"	Cost of goods sold	137,893	OA 30~50 days	0%
		"	Accounts payable	59,612		0%
	WEI LIH FOOD INDUSTRIAL CO., LTD.	"	Cost of goods sold	136,684	OA 30~60 days	0%
		"	Accounts payable	49,590		0%
	President Pharmaceutical Corp.	Subsidiary vs. subsidiary	Cost of goods sold	635,442	OA 30~70 days	1%
		"	Accounts payable	281,554		0%
Uni-President Cold-Chain Corp.	President Musashino Corp.	"	Cost of goods sold	692,098	OA 45 days	1%
		"	Accounts payable	267,885		0%
	President Logistics International Corp.	"	Freight charge	414,132		0%
		"	Accrued expenses	86,051	OA 20 days	0%
	HiLife Co., Ltd.	Incorporation	Sales revenue	124,044	OA 45 days	0%
		"	Accounts receivable	27,210		0%
Wisdom Distribution Service Corp.	Vision Distribution Service Corp.	Subsidiary vs. subsidiary	Note and account payables	113,740		1%
		"	Cost of goods sold	247,750	OA 65 days	0%
	Cayenne Entertainment Technology Co., Ltd.	"	Note and account payables	39,502		0%
		"	Cost of goods sold	206,079	OA 60 days	0%
	President Logistics International Corp.	"	Accrued expenses	21,011		0%
		"	Freight charge	107,871	OA 20 days	0%
	Q-ware Communications Co., Ltd.	"	Note and account payables	43,323		0%
		"	Cost of goods sold	138,845	OA 60 days	0%
President Transnet Corp.	Chieh-Shuen Logistics International Corp.	"	Freight charge	255,526	OA 40 days	0%
		"	Accrued expenses	76,619		0%

January 1~June 30, 2010

		<u>Business transactions</u>					
<u>Name of trade party</u>	<u>Corresponding trade party</u>	<u>Relation with the trade party</u>	<u>Account</u>	<u>Amount</u>	<u>Trade terms and conditions</u>	<u>Ratio to consolidated sales revenue or total assets</u>	
President Chain Store Corp.	Retail Support International Corp.	Parent company vs. subsidiary	Cost of goods sold	\$ 19,609,117	OA 10~54 days	24%	
			Other expenses	136,568		0%	
			Other income	105,493		0%	
			Other operating revenue	167,865		0%	
	Uni-President Cold-Chain Corp.			Notes and accounts payable	5,419,782		8%
				Cost of goods sold	9,601,051	OA 20~70 days	12%
				Other receivables	156,403		0%
				Other income	67,362		0%
				Notes and accounts payable	3,455,641		5%
				Cost of goods sold	5,283,171	OA 30~60 days	7%
	Wisdom Distribution Service Corp.			Notes and accounts payable	1,845,975		3%
				Cost of goods sold	280,880	OA 30 days	0%
	President Transnet Corp.			Accounts payable	57,165		0%
				E-ordering system processing fee	253,224	OA 30 days	0%
	President Information Corp.			Accounts payable	126,579		0%
Other expenses				69,746	OA 60 days	0%	
Capital Inventory Services Corp.			Other receivables	60,875	OA 5 days in 15 day	0%	
			Other receivables	150,908		0%	
Retail Support International Corp.	President Logistics International Corp.	Subsidiary vs. subsidiary	Other accounts payable	51,241	OA 20 days	0%	
			Freight charge	279,900		0%	
	President Drugstore Business Corp.			Accounts receivable	773,248	OA 45~60 days	1%
				Sales revenue	2,216,477		3%
	President Coffee Corp.			Sales revenue	221,711	OA 15~28 days	0%
				Accounts payable	159,827	OA 30~70 days	0%
	President Pharmaceutical Corp.			Cost of goods sold	232,880		0%
				Other expenses	119,474	OA 15~20 days	0%
	Uni-President Cold-Chain Corp.	Retail Support Taiwan Corp.		Cost of goods sold	662,789		1%
				Accounts payable	261,829	OA 45 days	0%
Accrued expenses				89,307	OA 45 days	0%	

	International Corp.				
		Freight charge	334,665		0%
Wisdom Distribution Service Corp.	Vision Distribution Service Corp.	Notes and accounts payable	121,925	OA 65 days	0%
		Cost of goods sold	297,949		0%
		Freight charge	73,317		0%
President Transnet Corp.	Chieh-Shuen Logistics International Corp.	Accrued expenses	65,401	OA 40~65 days	0%
		Cost of goods sold	190,053		0%

XII. Operating segment information

(I) General information

The company management has based on the reported information used by the operational decision-maker for decision-making to identify the departments to be reported.

The Company's decision makers have business operated by classification of industry and geography. In terms of industry, the Company's operation focuses on convenience stores, distribution, and logistics. In terms of geography, the focus of business operation is both Taiwan and Mainland China. The Company's operation in Taiwan focuses on convenient stores; therefore, the performance of convenience stores is evaluated independently. The operation in Mainland China is deemed as one operating department.

The Company's operating incomes are mainly generated from the operations of convenience stores, distribution business, and logistics business. The Company's other operating departments include the restaurant business, Chinese business group and supporting business group, in which, the supporting business group is to provide services related to the business operation of the Company and its subsidiaries, such as, system maintenance and development service, fresh products and foods, etc.

(II) The measurement of departmental information

The Company's decision-maker has evaluated departmental performance with the operating income and net income before tax, which were also for the reference of performance evaluation.

(III) Information about department income and expense and assets

The information about the reportable departments is provided to the decision-maker as follows:

	<u>January 1 ~ June 30, 2011</u>					
	<u>Convenience stores</u>	<u>Distribution Business</u>	<u>Logistics Business Group</u>	<u>Other operating segments</u>	<u>Adjustment and elimination</u>	<u>Total</u>
Net external revenues	\$ 58,243,278	\$ 23,517,453	\$ 1,492,154	\$ 6,569,071	\$ -	\$ 89,821,956
Internal revenues	<u>212,976</u>	<u>2,036,689</u>	<u>41,933,485</u>	<u>2,255,588</u>	<u>(46,438,738)</u>	<u>-</u>
Departmental income	<u>\$ 58,456,254</u>	<u>\$ 25,554,142</u>	<u>\$ 43,425,639</u>	<u>\$ 8,824,660</u>	<u>(\$ 46,438,738)</u>	<u>\$ 89,821,956</u>
Departmental income and expense	<u>\$ 3,520,519</u>	<u>\$ 1,063,535</u>	<u>\$ 356,665</u>	<u>(\$ 2,448)</u>	<u>\$ -</u>	<u>\$ 4,938,271</u>
Departmental assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
(Note)						

	<u>January 1 ~ June 30, 2010</u>					
	<u>Convenience stores</u>	<u>Distribution Business</u>	<u>Logistics Business Group</u>	<u>Other operating segments</u>	<u>Adjustment and elimination</u>	<u>Total</u>
Net external revenues	\$ 54,902,195	\$ 18,468,496	\$ 1,327,843	\$ 5,936,939	\$ -	\$ 80,635,473
Internal revenues	<u>64,437</u>	<u>1,314,695</u>	<u>38,598,228</u>	<u>2,152,191</u>	<u>(42,129,551)</u>	<u>-</u>
Departmental income	<u>\$ 54,966,632</u>	<u>\$ 19,783,191</u>	<u>\$ 39,926,071</u>	<u>\$ 8,089,130</u>	<u>(\$ 42,129,551)</u>	<u>\$ 80,635,473</u>
Departmental income and expense	<u>\$ 3,052,554</u>	<u>\$ 735,356</u>	<u>\$ 350,643</u>	<u>\$ 79,250</u>	<u>\$ -</u>	<u>\$ 4,217,803</u>
Departmental assets (Note)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Note) According to the (99) Kee.Mi.Tzi No. 151 “Guidelines Governing Operating information Disclosure” of the Accounting Research and Development Foundation dated June 28, 2010, enterprises are to have the estimated departmental assets value disclosed in accordance with SFAS No. 41 “Operation Information Disclosure” paragraph 24. The Company’s estimated assets value is not provided to the decision makers; therefore, the estimated assets value is zero.

(IV) Information about the adjustment of departmental profit and loss and assets

The external revenues and departmental profit and loss provided to the decision makers are measured in consistence with the operating income and net income before tax on the financial statements; therefore, no adjustment is needed.