

President Chain Store Corp.  
Financial Report  
January 1~June 30, 2010 and 2011  
(Stock Code 2912)

Company address: 8F, No. 8, Dongxing Rd., Taipei  
Telephone: (02)2747-8711

President Chain Store Corp.  
Financial Statements of January 1~June 30, 2010 and 2011  
Index

<u>Item</u>	<u>Page</u>
I. Cover	1
II. Index	2 ~ 3
III. Independent Auditor's Report	4 ~ 5
IV. Balance Sheet	6
V. Income Statement	7
VI. Statement of Change in Shareholders' Equity	8
VII. Statement of Cash Flow	9 ~ 10
VIII. Notes to Financial Statements	11 ~ 49
(I) Company History	11
(II) Notes to principal accounting policy	11 ~ 15
(III) Reasons and effect of change in accounting principle	15
(IV) Notes to major account titles	15 ~ 22
(V) Related Party Transactions	23 ~ 30
(VI) Mortgaged	30
(VII) Major undertaking and contingency	30
(VIII) Loss from major accidents	30
(IX) Materiality after the period	30

<u>Item</u>	<u>Page</u>
(X) Miscellaneous	31 ~ 33
(XI) Supplementary Disclosure	34 ~ 49
1. Information on major trade	34 ~ 38
2. Information on direct investment	39 ~ 47
3. Information on investment in Mainland China	48 ~ 49
(XII) Operating segment information	49
IX. Accounting accounts table	50 ~ 60

Independent Auditor's Report

(100) MOF.FS.Tzi No. 11001096

To: President Chain Store Corporation

We have audited the accompanying balance sheet of President Chain Store Corporation as of June 30, 2011 and 2010 and the related statements of income, changes in shareholders' equity, and cash flows for the periods of January 1~June 30, 2011 and 2010. The financial statements are the responsibility of the management. Our responsibility is to express an opinion on the financial statements based on our audits.

We conducted the audit in accordance with the "Standards on the Audit of Financial Statements" and the accounting principles generally accepted in the Republic of China except those specified in subsequent paragraphs. These principles and standards required the undersigned to plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As stated in Note IV (VI) to the financial statements, for the long-term equity investment of President Chair Store Corporation valued with Equity Method on the first half of 2011 and 2010, the recognized investment profit and loss and the information about the transfer investment disclosed in Note 11 are valued and disclosed in accordance with the unaudited financial statements for the same time period of the invested company. As of June 30, 2011 and 2010, the long-term equity investment balance was \$10,168,788 thousand and \$10,174,399 thousand, respectively. The net investment income recognized on the first half of 2011 and 2010 was \$696,727 thousand and \$530,314 thousand, respectively.

In our opinion, except for the adjustment and disclosure needed for the long-term equity investment valued with Equity Method and the information about the invested companies disclosed in Note 11 once the audited financial statements over the same time period are made available, the financial statements referred to above present fairly, in all material respects, the financial position

of President Chain Store Corporation as of June 30, 2011 and 2010, and the results of its operations and its cash flows for the years then ended in conformity with the “Criteria Governing the Preparation of Financial Reports by Securities Firms,” “Business Accounting Law,” “Regulations for Business Accounting,” and generally accepted accounting principles in the Republic of China.

We have issued a qualified opinion on the 2011 and 2010 interim financial statements of President Chain Store Corporation.

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.  
Balance Sheet  
June 30, 2011 and 2010

Currency unit: NT\$1,000

	June 30, 2011		June 30, 2010			June 30, 2011		June 30, 2010			
	Amount	%	Amount	%		Amount	%	Amount	%		
<u>Assets</u>					<u>Liabilities and Shareholders' Equity</u>						
<u>Current assets</u>					<u>Current liabilities</u>						
1100	Cash and cash equivalents (Note IV (I))	\$ 11,597,006	21	\$ 7,695,161	15	2120	Notes payable	\$ 184,426	-	\$ 271,201	-
1310	Financial assets at fair value through income statement-current (Note IV (II))	7,071,794	13	9,253,546	18	2130	Note payable-related parties (Note V)	3,998,080	7	4,245,073	8
1140	Net accounts receivable	399,258	1	281,736	1	2140	Accounts payable	303,488	1	328,941	1
1178	Other receivables (Note V)	2,159,643	4	1,425,259	3	2150	Accounts payable-related parties (Note V)	7,427,969	13	6,940,949	13
120X	Inventories (Note IV(III))	3,000,136	5	2,724,454	5	2160	Income taxes payable (Note IV(XIV))	605,325	1	414,530	1
1260	Prepayment (Notes V & VII)	290,354	-	266,020	-	2170	Accrued expenses (Note IV(IX) and V)	2,509,870	5	2,053,533	4
1298	Other Current assets – other (Note IV(XIV))	307,360	1	262,501	-	2210	Other accounts payable (Note IV(X))	11,987,597	22	9,536,671	18
11XX	Total current assets	<u>24,825,551</u>	<u>45</u>	<u>21,908,677</u>	<u>42</u>	2260	Unearned receipts (Note IV(XI))	1,982,400	4	1,547,534	3
<u>Funds and long-term investments</u>					<u>Long-term liabilities</u>						
1450	Financial assets in available-for-sale - non current (Note IV (IV))	1,226,161	2	1,282,608	3	2420	Long-term debt payable (Note IV(XII))	5,100,000	9	7,100,000	13
1480	financial assets at cost noncurrent – noncurrent (Note IV(V))	8,318,106	15	9,491,051	18	<u>Other liabilities</u>					
1421	Long-term investments (Equity method) (Note IV(VI) and V)	10,168,788	19	10,174,399	19	2810	Accrued pension liabilities (Note IV(XIII))	353,502	1	338,061	1
14XX	Total funds and long-term investments	<u>19,713,055</u>	<u>36</u>	<u>20,948,058</u>	<u>40</u>	2820	Guarantee Deposit received	1,868,362	3	1,871,878	3
<u>Fixed assets (Note IV(VII))</u>					<u>2888 Other liabilities-other</u>						
<u>Costs</u>					<u>28XX Total other liabilities</u>						
1501	Land	1,432,614	2	1,432,614	2	28XX	Total liabilities	<u>36,672,285</u>	<u>67</u>	<u>35,011,260</u>	<u>66</u>
1521	Building	906,836	2	905,216	2	<u>Shareholders' equity</u>					
1571	Operating equipment	12,029,177	22	11,452,109	22	<u>Capital Stock</u>					
1631	Lease improvement	5,883,363	11	5,257,918	10	3110	Capital-common stock (Note IV(XV))	10,396,222	19	10,396,222	20
1681	Other equipment	9,660	-	9,660	-	<u>Additional paid-in capital</u>					
15X8	Revaluation increments	55,374	-	55,374	-	3260	Long-term investments	5,082	-	5,082	-
15XY	Total costs	<u>20,317,024</u>	<u>37</u>	<u>19,112,891</u>	<u>36</u>	<u>Retained earnings (Note IV(XVI))</u>					
15X9	Less: accumulated depreciation	( 12,313,989 )	( 22 )	( 11,749,913 )	( 22 )	3310	Legal reserve	4,618,579	8	4,046,004	8
1670	Construction in progress and prepayments for equipment	-	-	741	-	3320	Special reserve	-	-	4,660	-
15XX	Total net fixed assets	<u>8,003,035</u>	<u>15</u>	<u>7,363,719</u>	<u>14</u>	3350	Retained earnings-unappropriated	3,737,857	7	3,203,863	6
<u>Intangible assets</u>					<u>Other adjustments in SH's equity</u>						
1750	Cost of computer software	107,940	-	222,200	-	3420	Cumulative translation adjustment	( 256,580 )	( 1 )	74,945	-
<u>Other assets</u>					<u>3430 Net loss not recognized as pension cost</u>						
1800	Assets leased to others (Note IV(VIII) and VII)	1,255,480	2	1,269,643	2	3450	Unrealized gain or loss on financial assets (Notes IV (IV) )	( 231,208 )	-	( 72,106 )	-
1820	Refundable deposits (Note VII)	1,024,369	2	995,127	2	<u>3460 Unrealized revaluation increments</u>					
1888	Other assets – other (Note IV(XIV))	7,892	-	9,810	-	3XXX	Total shareholders' equity	<u>18,265,037</u>	<u>33</u>	<u>17,705,974</u>	<u>34</u>
18XX	Total other assets	<u>2,287,741</u>	<u>4</u>	<u>2,274,580</u>	<u>4</u>	<u>Commitment or contingency (Notes V &amp; VII)</u>					
1XXX	Total Assets	<u>\$ 54,937,322</u>	<u>100</u>	<u>\$ 52,717,234</u>	<u>100</u>	<u>Total Liabilities and Shareholders' Equity</u>					
							\$ 54,937,322	100	\$ 52,717,234	100	

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.  
Income Statements  
January 1~June 30, 2011 and 2010

Currency unit: NT\$1,000  
(EPS: NT\$)

	<u>January 1 ~ June 30, 2011</u>		<u>January 1 ~ June 30, 2010</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Operating revenue				
4110 Sales revenue	\$ 56,526,945	97	\$ 53,204,767	97
4800 Other operating revenue (Note V)	1,929,309	3	1,761,865	3
4000 Total operating revenue	<u>58,456,254</u>	<u>100</u>	<u>54,966,632</u>	<u>100</u>
Operating cost				
5110 Cost of goods sold (Note IV(III) & V)	( 39,961,520 )	( 68 )	( 37,827,271 )	( 69 )
5910 Gross profit	<u>18,494,734</u>	<u>32</u>	<u>17,139,361</u>	<u>31</u>
Operating expenses (Notes IV(XVIII) & V)				
6100 Selling expenses	( 13,997,336 )	( 24 )	( 13,338,642 )	( 24 )
6200 General & administrative expenses	( 1,479,100 )	( 3 )	( 1,214,266 )	( 2 )
6000 Total operating expenses	<u>( 15,476,436 )</u>	<u>( 27 )</u>	<u>( 14,552,908 )</u>	<u>( 26 )</u>
6900 Operating income	<u>3,018,298</u>	<u>5</u>	<u>2,586,453</u>	<u>5</u>
Non-operating income				
7121 Investment loss (gain) recognized under equity method (Note IV(VI))	696,727	1	530,314	1
7122 Dividend income	92,369	-	11,642	-
7140 Gain on disposal of investments	82,990	-	208,061	-
7310 Gain on valuation of financial asset	11,545	-	2,851	-
7480 Other income (Note V)	470,450	1	369,593	1
7100 Total non-operating income	<u>1,354,081</u>	<u>2</u>	<u>1,122,461</u>	<u>2</u>
Non-operating expenses				
7510 Interest expenses	( 16,516 )	-	( 17,465 )	-
7530 Loss on disposal of fixed assets	( 23,494 )	-	( 1,802 )	-
7630 Impairment losses (Note IV (V))	( 71,696 )	-	( 83,467 )	-
7880 Other expenses	( 43,427 )	-	( 23,312 )	-
7500 Total non-operating expenses	<u>( 155,133 )</u>	<u>-</u>	<u>( 126,046 )</u>	<u>-</u>
7900 Income before tax	4,217,246	7	3,582,868	7
8110 Income Tax expenses (Note IV(XIV))	( 570,226 )	( 1 )	( 406,149 )	( 1 )
9600 Net Income:	<u>\$ 3,647,020</u>	<u>6</u>	<u>\$ 3,176,719</u>	<u>6</u>
	<u>(pre-tax)</u>	<u>(after tax)</u>	<u>(pre-tax)</u>	<u>(after tax)</u>
Earnings per share (Note IV(XVII))				
Basic earnings per share				
9750 Net Income:	<u>\$ 4.06</u>	<u>\$ 3.51</u>	<u>\$ 3.45</u>	<u>\$ 3.06</u>
Diluted earnings per share				
9850 Net Income:	<u>\$ 4.05</u>	<u>\$ 3.50</u>	<u>\$ 3.44</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.  
Statement of Change in Shareholders' Equity  
January 1~June 30, 2011 and 2010  
 Currency unit: NT\$1,000

	<u>Retained earnings</u>					Cumulative translation adjustment	Net loss not recognized as pension cost	Unrealized gain or loss on financial instrument	Unrealized revaluation gains	<u>Total</u>
	<u>Capital-common stock</u>	<u>Long-term investments</u>	Legal reserve	Special reserve	<u>Retained earnings-unappropriated</u>					
<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	\$ 18,920,852
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 for the six months ended June 30,2010	-	-	-	-	3,176,719	-	-	-	-	3,176,719
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
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>\$ 17,705,974</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	\$ 20,212,201
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 for the six months ended June 30,2011	-	-	-	-	3,647,020	-	-	-	-	3,647,020
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 )
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>\$ 18,265,037</u>

Note: Bonus to employees amounted to \$309,471 and \$218,913 in 2010 and 2009, respectively. Remuneration to directors and supervisors amounted to \$51,578 and 36,486 that was deducted from the 2010 and 2009 Income Statement, 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.  
Statement of Cash Flows  
January 1~June 30, 2011 and 2010

Currency unit: NT\$1,000

	January 1 ~ June 30, 2011	January 1 ~ June 30, 2010
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>		
Net Income:	\$ 3,647,020	\$ 3,176,719
Adjustments to reconcile net income to net cash provided by operating activities		
Gain on valuation of financial asset	( 11,545 )	( 2,851 )
Decrease of allowance for uncollectible accounts	( 197 )	( 4,565 )
Depreciation	926,004	851,678
Accumulated depreciation – assets leased to other	7,080	7,085
Amortization	73,179	69,160
Financial assets measured at cost - impairment losses	71,696	83,467
Gain on disposal of financial assets measured at cost	( 80,115 )	( 205,764 )
Investment loss (gain) recognized under equity method	( 696,727 )	( 530,314 )
Cash dividend from Long-term investments (Equity method)	1,083,549	628,168
Net loss from the disposal of fixed assets	23,494	2,462
Changes in assets and liabilities:		
Financial assets at fair value through income statement	2,000,000	( 1,990,000 )
Accounts receivable	58,571	66,513
Other receivables	( 1,346,239 )	( 812,288 )
Inventories	( 68,491 )	221,490
Prepayments	( 143,354 )	( 98,224 )
Other current assets	( 15,552 )	27,331
Deferred income tax assets (current)	( 8,395 )	( 832 )
Accounts payable	1,892,257	1,196,596
Notes payable	164,728	363,760
Income tax payable	( 187,238 )	404,064
Accrued expenses	( 26,938 )	28,598
Other accounts payable	508,845	114,732
Unearned receipts	200,018	917
Accrued pension liabilities	( 4,115 )	309
Other liabilities-other	4,271	3,857
Net cash provided by operating activities	8,071,806	3,602,068

(To be continued)

President Chain Store Corp.  
Statement of Cash Flows  
January 1~June 30, 2011 and 2010

Currency unit: NT\$1,000

	January 1 ~ June 30, 2011	January 1 ~ June 30, 2010
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>		
Proceeds from disposal of financial assets carried at cost	\$ 270,000	\$ -
Proceeds from capital duction of financial assets measured at cost	33,333	-
Acquisition of long-term investments under equity method	( 178,345 )	( 313,779 )
Proceeds from capital reduction of long-term investment under equity method	-	15,000
Proceeds from liquidation of long-term investment under equity method	34,221	7,355
Purchase of computer software	( 9,138 )	( 7,590 )
Purchase of fixed assets	( 1,365,977 )	( 885,717 )
Proceeds from disposal of fixed assets	29,812	18,720
Increase in refundable deposits	( 29,124 )	( 29,365 )
Increase in other assets- other	-	810
Net cash used by investing activities	( 1,215,218 )	( 1,194,566 )
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES:</u></b>		
Increase (decrease) in long-term liabilities	8,600,000	12,100,000
Repayment of long-term borrowings	( 8,500,000 )	( 12,100,000 )
Increase in guarantee deposits received	14,410	( 15,841 )
Net cash provided by financing activities	114,410	( 15,841 )
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>6,970,998</b>	<b>2,391,661</b>
<b>BEGINNING BALANCE OF CASH AND CASH EQUIVALENTS</b>	<b>4,626,008</b>	<b>5,303,500</b>
<b>ENDED BALANCE OF CASH AND CASH EQUIVALENTS</b>	<b>\$ 11,597,006</b>	<b>\$ 7,695,161</b>
<b><u>Supplement disclosures of cash flow information</u></b>		
Interest paid	\$ 4,432	\$ 16,969
Income tax paid	\$ 765,861	\$ 2,917
<b><u>Investing activities of partial payment on cash:</u></b>		
Total payment for purchase of fixed assets	\$ 1,227,096	\$ 626,314
Add: beginning balance of account payable on equipment	551,997	432,846
Less: ended balance of account payable on equipment	( 413,116 )	( 173,443 )
Cash purchase of property, plant and equipment	\$ 1,365,977	\$ 885,717
<b><u>Financing activities which doesn't impact cash flow and Investing activities</u></b>		
Declared but unpaid cash dividends	\$ 5,094,149	\$ 3,742,640

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.  
Notes to Financial Statements  
June 30, 2011 and 2010

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

I. Company History

- (I) President Chain Store Corporation (hereinafter referred to as “the Company”) was incorporated on June 10, 1987 for the investment and operation of chain convenient stores; also, retailing and trade of household sundries including canned foods, books, newspaper, and magazines; also, the import/export, agent, distribution, and trade of the aforementioned products. In August 1997, the Taiwan Stock Exchange Corporation approved the company to list its stocks for trading on the Taiwan Stock Exchange.
- (II) Uni-President Enterprises Corp. is the parent company and ultimate parent company of the Company.
- (III) There were 8,100 employees (including part-time) on the payroll of the Company on June 30, 2011.

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”, “Business Accounting Law”, “Business Accounting Guidelines” and accounting principles generally accepted in the Republic of China. The major accounting policies are enumerated as follows:

(I) Current and noncurrent assets and liabilities

- 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;

(II) 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.

(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 balances of foreign currency assets or liabilities at the end of the accounting period shall be adjusted on the basis of the spot exchange rate as of the balance sheet day. Differences resulting from the exchange are recognized as current gains or losses. Differences resulting from the exchange between the Company and foreign investees through advances for payment shall be recognized as adjustments to shareholders' equity.
3. 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) Financial assets at fair value through income statement

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 at fair value through income statement shall be estimated on the basis of fair value and in which changes are recognized as gains or losses. The fair value of the listed/OTC stock is the closing market price on the Balance Sheet date. The fair value of the open-type fund is the net asset value of the fund on the Balance Sheet date.

(V) 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 stocks with public quotations in centralized markets is their respective price at close of the open market as of the balance sheet day.
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.

(VI) 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.

(VII) 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 at the balance sheet date assesses whether there is objective evidence indicating the major individual financial asset with impairment and the minor individual financial assets with impairment individually or jointly. 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.

(VIII) Inventories

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

(IX) Long-term investments (Equity method)

1. The Company adopts the equity method in the accounting of investees where the Company holds more than 20% of their voting shares or where the Company has significant influence. If the cost of investments exceeds the fair value of identifiable net assets, the spread can be recognized as goodwill and be subject to impairment test yearly. Spread being amortized in previous years cannot be adjusted retrospectively. Investees where the Company holds more than 50% of the voting shares or is in a dominant position shall be accounted for under the equity method and their quarter financial statements shall be consolidated with the Company.
2. The investment loss of the invested company that is valued with Equity Method and is influential but not wholly owned is recognized to have the book value of the investment and advances of the invested company reduced to zero. However, if President Chain Store Corp. has an endorsement and guarantee made for the invested company or has intention to support the invested company continuously, investment loss is to be recognized proportionally to shareholdings. If the Company is with control over the invested company, unless the other shareholders of the invested company are obliged and able to contribute additional funds and bear the loss, fully absorb the amount of loss exceeding the original equity of the invested company's shareholders. If the invested company has been profitable thereafter, the interest should be vested to the Company first until the full recovery of the additional loss that was originally absorbed.
3. When the overseas investments are valued with the equity method, the "cumulative translation adjustments" arising from the conversion of the invested company's financial statements are recognized proportionally to the shareholding; also, it is adjusted to the shareholders' equity of the Company.

(X) Fixed assets and Assets leased to others

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. Useful lives for fixed assets range from 3 to 10 years, except for buildings and constructions from 50 to 55 years.
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 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.

(XI)Intangible assets

Computer software is booked at the cost. It is amortized according to the estimated useful years for 3 years and Straight Line Method.

(XII)Impairment of non-financial assets

1. The Company has 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 collectable value is less than the book value of the assets. Recognized impairment of goodwill shall not be reversed.

(XIII)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 15 years.
2. Defined Contribution Pension Plan, accrual pension amount are recognized as pension cost of the year.

(XIV)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 additional 10% business profit tax levied on the retained earnings-unappropriated is credited as an expense once the distribution of retained earnings is resolved in Shareholder's Meeting.

(XV)Employee bonus and remuneration to directors and supervisors

President Chain Store Corporation has 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. President Chain Store Corporation has adopted the principles under Accounting Research and Development Foundation in Taiwan (97) Kee.mi.tzi No. 127 Letter dated March 31, 2008 "Accounting Process for Stock Dividend to Employee of Listed/OTC Companies" to have the stock dividend counted in accordance with the fair value of stock shares (closing price) on the day before the shareholder's meeting in the following year of financial statements; moreover, the ex-right and ex-dividend amount is included for consideration.

(XVI)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.

(XVII)Delivery day accounting

For the application of delivery day accounting, if the change in fair value between the transaction day and delivery day/balance sheet date is measured in accordance with the cost or cost net of amortization, the change in fair value will not be recognized. If it is valued in accordance with the fair value and is debited or credited to Income Statement, the change in fair value is booked as income or expense of the year. If the change in fair value is available-for-sale, it is debited or credited to shareholder's equity.

(XVIII)Operating segment

The information of the Company's operating segment and the internal management report provided to the operational decision-maker are reported in a consistent 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."

(XIX)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. However, the actual results may vary from the assumptions and estimations.

III.Reasons and effect of change in accounting principle

(I)Accounts receivable, Other receivables

The Company has 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). The change in accounting principle did not affect the net income and earnings per share of the Company on January 1~June 30, 2011.

(II)Operating segment

The Company has 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. The change in accounting principle did not affect the net income and earnings per share of the Company on January 1~June 30, 2011 and 2010

IV.Notes to major account titles

(I)Cash and cash equivalence

	<u>June 30, 2011</u>	<u>June 30, 2010</u>
Petty Cash for stores	\$ 478,414	\$ 421,295
Current account deposits and checking account deposits	2,152,331	1,696,581
Deposit account	820,118	324,129

Cash equivalence		
Short term bills	8,146,143	5,253,156
	<u>\$ 11,597,006</u>	<u>\$ 7,695,161</u>

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

	<u>June 30, 2011</u>	<u>June 30, 2010</u>
Financial assets held for trading		
Open-ended funds	\$ 7,060,000	\$ 9,250,000
Valuation Adjustment	11,794	3,546
	<u>\$ 7,071,794</u>	<u>\$ 9,253,546</u>

The Company had recognized net income of \$14,420 and \$5,147 on January 1~June 30, 2011 and 2010, respectively.

(III) Inventories

	<u>June 30, 2011</u>	<u>June 30, 2010</u>
Merchandise	\$ 3,000,136	\$ 2,724,454

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	\$ 39,254,767	\$ 37,159,964
Defective products	597,873	563,692
Others	108,880	103,615
	<u>\$ 39,961,520</u>	<u>\$ 37,827,271</u>

(IV) Financial assets in available-for-sale - noncurrent

	<u>June 30, 2011</u>	<u>June 30, 2010</u>
Listed company's stock	\$ 1,213,867	\$ 1,213,867
Valuation Adjustment	12,294	68,741
	<u>\$ 1,226,161</u>	<u>\$ 1,282,608</u>

(V) Financial assets measured at cost-noncurrent

	<u>June 30, 2011</u>	<u>June 30, 2010</u>
Stocks with no public quotation	\$ 10,253,920	\$ 10,904,740
Less: accumulated impairment	( 1,935,814)	( 1,413,689)
Total	<u>\$ 8,318,106</u>	<u>\$ 9,491,051</u>

1. The holding of the Company is booked at the cost since there is no public quotation available and no reliable fair value for reference.
2. The Company 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>	<u>Proportion of share holding</u>	<u>Amount</u>	<u>Proportion of share holding</u>
President Chain Store (BVI) Holdings Ltd.	\$ 2,873,423	100.00	\$ 2,469,164	100.00
PCSC (China) Limited	-	-	1,059,813	100.00
President Drugstore Business Corp.	639,638	100.00	691,012	100.00
President Development Corp.	586,246	20.00	531,285	20.00
Ren-Hui Investment Corp.	202,742	100.00	305,398	100.00
President Transnet Corp.	705,253	70.00	572,736	70.00
Uni-President Department Store Corp.	672,763	70.00	466,001	70.00
President Pharmaceutical Corp.	480,065	73.74	404,967	73.74
Uni-President Cold-Chain Corp.	361,989	60.00	354,421	60.00
President YiLan Art and Culture Corp.	187,176	100.00	236,853	100.00
President Musashino Corp.	544,726	90.00	409,632	70.00
Q-ware Systems & Services Corp.	288,925	86.76	275,464	86.76
President Information Corp.	214,669	56.00	211,098	56.00
Mech-President Corp.	678,371	80.87	618,495	80.87
Wisdom Distribution Service Corp.	215,666	100.00	206,581	100.00
Duskin Serve Taiwan Co.	125,045	51.00	171,403	51.00
Books.com. Co. Ltd.	176,123	50.03	160,102	50.03
President Coffee Corp.	195,753	30.00	179,993	30.00
Uni-President Oven Bakery Corp.	104,121	100.00	141,442	100.00
Retail Support International Corp.	125,350	25.00	125,790	25.00
Cold Stone Creamery Taiwan Ltd.	133,982	100.00	110,565	100.00
Muji Taiwan Co., Ltd.	221,318	51.00	92,918	41.00
Bank Pro E-Service Technology Co., Ltd., etc.	<u>435,444</u>	30.00~ 100.00	<u>379,266</u>	30.00~ 100.00
	<u>\$ 10,168,788</u>		<u>\$ 10,174,399</u>	

1. The Company had recognized long-term equity investment income with Equity Method for an amount of \$696,727 and \$530,314 on January 1~June 30, 2011 and 2010, respectively, in accordance with the unaudited financial reports of the invested companies.
2. The Company had the organizational structure adjusted in the first half of 2011. The equity of the subsidiary in Mainland China of Uni-President China Holding Limited was transferred to President Chain Store Hong Kong Holdings, the subsidiary of President Chain Store Holding (BVI). Uni-President China Holding Limited was liquidated.
3. The Company has the invested companies that are with over 50% voting stock shares held and has the wholly owned subsidiaries included in the consolidated financial statements.

(VII) Fixed assets

	<u>June 30, 2011</u>			
	<u>Initial cost</u>	<u>Revaluation increments</u>	<u>Accumulated depreciation</u>	<u>Book value</u>
Land	\$ 1,432,614	\$ -	\$ -	\$ 1,432,614
Building	906,836	55,374	( 205,086)	757,124
Operating equipment	12,029,177	-	( 8,362,918)	3,666,259
Lease improvement	5,883,363	-	( 3,736,393)	2,146,970
Other equipment	9,660	-	( 9,592)	68
	<u>\$ 20,261,650</u>	<u>\$ 55,374</u>	<u>(\$ 12,313,989)</u>	<u>\$ 8,003,035</u>

	<u>June 30, 2010</u>			
	<u>Initial cost</u>	<u>Revaluation increments</u>	<u>Accumulated depreciation</u>	<u>Book value</u>
Land	\$ 1,432,614	\$ -	\$ -	\$ 1,432,614
Building	905,216	55,374	( 185,253)	775,337
Operating equipment	11,452,109	-	( 8,025,165)	3,426,944
Lease improvement	5,257,918	-	( 3,529,970)	1,727,948
Other equipment	9,660	-	( 9,525)	135
Prepayment for purchase of equipment	741	-	-	741
	<u>\$ 19,058,258</u>	<u>\$ 55,374</u>	<u>(\$ 11,749,913)</u>	<u>\$ 7,363,719</u>

(VIII) Assets leased to others

	<u>June 30, 2011</u>		
	<u>Initial cost</u>	<u>Accumulated depreciation</u>	<u>Book value</u>
Land	\$ 915,084	\$ -	\$ 915,084
Building	424,091	( 83,695)	340,396
	<u>\$ 1,339,175</u>	<u>(\$ 83,695)</u>	<u>\$ 1,255,480</u>

	<u>June 30, 2010</u>		
	<u>Initial cost</u>	<u>Accumulated depreciation</u>	<u>Book value</u>
Land	\$ 915,084	\$ -	\$ 915,084
Building	424,091	( 69,532)	354,559
	<u>\$ 1,339,175</u>	<u>(\$ 69,532)</u>	<u>\$ 1,269,643</u>

(IX) Accrued expenses

	<u>June 30, 2011</u>	<u>June 30, 2010</u>
Payable salaries and bonuses	\$ 788,563	\$ 635,456
Payable incentives for franchisee	579,882	540,495
Bonus payable to employees and remuneration payable to directors and supervisors	539,233	423,144
Payable fees for system development and maintenance	128,983	99,904
Others	473,209	354,534
	<u>\$ 2,509,870</u>	<u>\$ 2,053,533</u>

(X) 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	413,116	173,443
Others	375,995	454,818
	<u>\$ 11,987,597</u>	<u>\$ 9,536,671</u>

(XI) Unearned receipts

	<u>June 30, 2011</u>	<u>June 30, 2010</u>
Gift certificates	\$ 990,690	\$ 775,131
I-Cash cards	734,321	726,718
Collections of merchandise cards	167,432	-
Others	89,957	45,685
	<u>\$ 1,982,400</u>	<u>\$ 1,547,534</u>

(XII) Long-term debt payable

	<u>June 30, 2011</u>	<u>June 30, 2010</u>
Credit loan	<u>\$ 5,100,000</u>	<u>\$ 7,100,000</u>
Annual Interest rate	<u>0.76%~0.88%</u>	<u>0.58%~0.60%</u>

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.

(XIII) Pension Plan

1. The Company has a defined benefit pension plan made according to the "Labor Standard Law" for employees with seniority prior to the enforcement of "The Labor Pension Act" on July 1, 2005 and for employees who have chosen to have their seniority accumulated according to the "Labor standard Law" continuously after the enforcement of "The Labor Pension Act" on July 1, 2005. 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 has

pension reserve appropriated monthly for an amount equivalent to 8.4%~8.9% of monthly salary and the pension reserve is deposited in the bank account of Pension Reserve Committee with the Trust Department of the Bank of Taiwan. The Company had recognized pension cost for an amount of \$72,075 and \$70,391 on January 1~June 30, 2011 and 2010, respectively in accordance with the aforementioned pension plan. The pension deposited in the bank account of Pension Reserve Committee with the Trust Department of Bank of Taiwan amounted to \$1,010,208 and \$877,077 on January 1 ~June 30, 2011 and 2010, respectively.

- The Company has defined contribution plan made for domestic employees according to "The Labor Pension Act" on July 1, 2005. The company shall contribute the amount equivalent to 6% of the monthly salary of respective native employees to the individual pension accounts of the employees at Labor Insurance Bureau in accordance with the "Labor Pension Act." Retired employees may claim for pension disbursement in accordance with the status of their individual accounts and the cumulative contribution in the account through monthly payment or in lump sum. The Company had recognized pension cost for an amount of \$71,883 and \$57,866 on January 1~June 30, 2011 and 2010, respectively, in accordance with the defined contribution pension plan.

(XIV) Income Tax

- Income tax and Income tax payable:

	<u>January 1 ~ June</u> <u>30, 2011</u>	<u>January 1 ~ June</u> <u>30, 2010</u>
Income tax payable	\$ 605,325	\$ 414,530
Changes in net deferred income tax assets (current) resulted from temporary difference	( 8,395)	( 979)
Changes in net deferred income tax assets resulted from temporary difference	-	147
Overestimated income tax in prior periods	( 28,134)	( 8,212)
Income tax for interest income of short term bills	-	14
Prepaid income tax	<u>1,430</u>	<u>649</u>
Income Tax expenses	<u>\$ 570,226</u>	<u>\$ 406,149</u>
Income Tax expenses:		
Income Tax expenses in current period	\$ 563,857	\$ 406,149
Additional 10% income tax expense levied on the retained earnings-unappropriated	<u>6,369</u>	<u>-</u>
Income Tax expenses	<u>\$ 570,226</u>	<u>\$ 406,149</u>

- 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 assets)				
Temporary difference				
Unrealized sales	\$ 76,805	\$ 13,057	\$ 56,613	\$ 9,624

discount				
Employee fringe benefits	4,978	846	7,468	1,270
Bad debts	1,227	<u>209</u>	3,299	<u>561</u>
		<u>\$ 14,112</u>		<u>\$ 11,455</u>
Noncurrent items (booked in the account of other assets)				
Temporary difference				
Unrealized expense	\$ 32,465	\$ 5,519	\$ -	\$ -
Losses from overseas investments	832,813	<u>141,578</u>	623,259	<u>105,954</u>
		147,097		105,954
Less: allowance for reevaluation losses		<u>( 141,578)</u>		<u>( 105,954)</u>
		<u>\$ 5,519</u>		<u>\$ -</u>

3. Tax Administration had the Company's business profit tax return audited up to 2008.

4. 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>

5. Two-in-one tax

	<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 rate of retained earnings distributed	<u>20.45%</u>	<u>24.13%</u>

#### (XV) 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.

#### (XVI) 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 <u>(NT\$)</u>	<u>Amount</u>	EPS <u>(NT\$)</u>
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 pain-in capital.

(XVII) Earnings per share

	<u>January 1 ~ June 30, 2011</u>			<u>EPS</u>	
	<u>Amount</u>		<u>Weighted average outstanding shares</u>	<u>(Unit: NT\$)</u>	
	<u>(pre-tax)</u>	<u>(after tax)</u>		<u>(pre-tax)</u>	<u>(after-tax)</u>
Basic earnings per share					
Earnings for shareholders of common stock	\$ 4,217,246	\$ 3,647,020	1,039,622,255	<u>\$ 4.06</u>	<u>\$ 3.51</u>
Impact of common stock with potential dilution on employee's bonus					
Employee bonus	-	-	1,260,813		
Diluted earnings per share	<u>\$ 4,217,246</u>	<u>\$ 3,647,020</u>	<u>1,040,883,068</u>	<u>\$ 4.05</u>	<u>\$ 3.50</u>

	<u>January 1 ~ June 30, 2010</u>			<u>EPS</u>	
	<u>Amount</u>		<u>Weighted average outstanding shares</u>	<u>(Unit: NT\$)</u>	
	<u>(pre-tax)</u>	<u>(after tax)</u>		<u>(pre-tax)</u>	<u>(after-tax)</u>
Basic earnings per share					
Earnings for shareholders of common stock	\$ 3,582,868	\$ 3,176,719	1,039,622,255	<u>\$ 3.45</u>	<u>\$ 3.06</u>
Impact of common stock with potential dilution on employee's bonus					
Employee bonus	-	-	1,991,525		
Diluted earnings per share	<u>\$ 3,582,868</u>	<u>\$ 3,176,719</u>	<u>1,041,613,780</u>	<u>\$ 3.44</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.

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

The employment, depreciation, depletion, and amortization expense of the Company is classified as operating expense as follows:

	<u>January 1 ~ June</u> <u>30, 2011</u>	<u>January 1 ~ June</u> <u>30, 2010</u>
Human resources expenses		
Salaries	\$ 2,246,136	\$ 1,910,629
Labor and health insurance	154,589	126,567
Pension fund	143,958	128,257
Other human resources expenses	<u>147,104</u>	<u>139,249</u>
	<u>\$ 2,691,787</u>	<u>\$ 2,304,702</u>
Depreciation	<u>\$ 926,004</u>	<u>\$ 851,678</u>
Depletions	<u>\$ -</u>	<u>\$ -</u>
Amortizations	<u>\$ 73,179</u>	<u>\$ 69,160</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
Tung Ang Enterprises Corp.	Investees of Uni-President Enterprises Corp. under the Equity Method
Presco Netmarketing Inc.	"
Uni-President Dream Parks Corp.	"
President Tokyo Corp.	"
Tung Guan Enterprises Co.,Ltd.	"
Uni-President 7-Eleven Lions	"
President Drugstore Business Corp.	Subsidiary
Wisdom Distribution Service Corp.	"
Mech-President Corp.	"
Duskin Serve Taiwan Co.	"
Capital Inventory Services Corp.	"
President Information Corp.	"
Uni-President Cold-Chain Corp.	"
President Chain Store (BVI) Holdings Ltd.	"
PCSC (China) Limited (Liquidated in February 2011)	"
President Transnet Corp.	"
Uni-President Oven Bakery Corp.	"
Ren-Hui Investment Corp.	"
President Collect Services Co. Ltd.	"
Bank Pro E-Service Technology Co., Ltd.	"
Books.com. Co., Ltd.	"
President YiLan Art and Culture Corp.	"
Uni-President Department Store Corp.	"
President Pharmaceutical Corp.	"
President FN Business Corp.	"
Cold Stone Creamery Taiwan Ltd.	"
Pet Plus Co., Ltd	"
Afternoon Tea Taiwan Co., Ltd.	"
President Being Corp.	"
Q-ware Systems & Services Corp.	"
21 Century Enterprise Co., Ltd.	"

<u>Name of related parties</u>	<u>Relationship with the company</u>
President Sato Co., Ltd.	Subsidiary
President Chain Store Tokyo Marketing Corporation	"
President Musashino Corp.	"
PCSC (China) Drugstore Limited	"
Muji (Taiwan) Co., Ltd.	"
President Coffee Corp.	Investees of the Company under the Equity Method.
Retail Support International Corp.	"
Uni-President Yellow Hat Corp.	"
President Development Corp.	"
President Organic Shop Co., Ltd.	"
Mister Donut Taiwan Corp.	"
Rakuten Taiwan Co., Ltd.	"
President Chain Store (Labuan) Holdings Ltd.	Subsidiary of a subsidiary
President Chain Store (Hong Kong) Holdings Limited	"
PCSC (China) Supermarket Limited (Liquidated in February 2011)	"
President Cosmed Chain Store (Shen Zhen) Co., Ltd.	"
Shenzhen Cosmed-Livzon Pharmacy Chain Store Co.,Ltd	"
Uni-President Oven Bakery Corp. (BVI)	"
Wuhan Uni-President Oven Fresh Bakery Co., Ltd.	"
Philippine Seven Corp.	"
Convenience Distribution Corp.	"
PCSC (Vietnam) Supermarket Ltd.	"
Shan Dong President Yinzuo Commercial Limited	"
PCSC (Sichuan) Hypermarket Limited	"
PCSC (Chengdu) Hypermarket Limited	"
President Chain Store (Shanghai) Ltd.	"
Shanghai President Logistic Co., Ltd.	"
Shanghai Cold Stone Ice Cream Corporation	"
Mister Donut Shanghai Co., Ltd.	"
PCSC Afternoon Tea Cayman Ltd.	"
PCSC Afternoon Tea Shanghai Ltd.	"
Sato (Shanghai) Catering Mathematics Co., Ltd.	"
President Royal Host(Shanghai) Ltd.	"
Safety Elevator Corp.	"
President Jing Corp.	"
Vision Distribution Service Corp.	"

<u>Name of related parties</u>	<u>Relationship with the company</u>
Duskin China (BVI) Holding Limited	Subsidiary of a subsidiary
Uni-President Logistics (BVI) Holdings Limited	"
Professional E-Commerce Services Ltd.	"
Ho-Hsin Information Technology Limited (Liquidated in June 2010)	"
President Pharmaceutical (Hong Kong) Holdings Limited.	"
President(Shanghai)Health Product Trading Company Ltd.	"
Mech-President (BVI) Corp.	Subsidiary of a subsidiary (This relationship has been terminated since the shareholding was sold in May 2010)
Shanghai President Machine Corp.	"
Zhejiang Uni-Champion Logistics Development Co., Ltd.	Investees of Uni-President Cold-Chain Corp. under the Equity Method
President Technology Corp.	The Company is a director
Tong-Ho Development Corp.	"
Q-ware Communications Co., Ltd	"
President Investment Trust Corp.	"
Presicarre Corp.	"
President Securities Corp.	A subsidiary of Uni-President Enterprises Corp. is the company's director.
Retail Support Taiwan Corp.	A subsidiary of Retail Support International Corp.
President Logistics International Corp.	"
Chieh-Shuen Logistics International Corp.	A subsidiary of President Logistics International Corp.
President Coffee (Cayman) Holdings Ltd.	Investees of President Chain Store (Hong Kong) Holdings Limited under the equity method
President Starbucks Coffee Corp.- Shanghai	A subsidiary of President Coffee (Cayman) Holdings Ltd.
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. Other operating revenue

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

(1) Sales bonus income

Retail Support International Corp.	\$ 248,291	29	\$ 167,865	21
Others	<u>50,684</u>	<u>6</u>	<u>28,036</u>	<u>4</u>
	<u>\$ 298,975</u>	<u>35</u>	<u>\$ 195,901</u>	<u>25</u>

(2) Commission income of collection business

	<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
Presco Netmarketing Inc.	\$ 152,779	17	\$ 100,993	12
Books.com. Co. Ltd.	83,194	9	59,344	7
Others	<u>14,245</u>	<u>2</u>	<u>5,728</u>	<u>1</u>
	<u>\$ 250,218</u>	<u>28</u>	<u>\$ 166,065</u>	<u>20</u>

2. 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
Retail Support International Corp.	\$ 21,325,645	52	\$ 19,609,117	52
Uni-President Cold-Chain Corp.	10,581,077	26	9,601,051	25
Wisdom Distribution Service Corp.	5,188,521	13	5,283,171	14
Uni-President Enterprises Corp.	1,439,485	4	1,251,200	3
Others	<u>509,623</u>	<u>1</u>	<u>486,955</u>	<u>2</u>
	<u>\$ 39,044,351</u>	<u>96</u>	<u>\$ 36,231,494</u>	<u>96</u>

(1) Except for Retail Support International Corp., Uni-President Cold-Chain Corp., and Wisdom Distribution Service Corp., the terms and conditions for the purchase from the related party are identical to the terms and conditions for general suppliers.

(2) The Company's purchases from Retail Support International Corp., Uni-President Cold-Chain Corp., and Wisdom Distribution Service Corp. are processed in accordance with the terms and conditions in the merchandises and instruments delivery agreement signed. According to

a written agreement, the Company's taxable merchandises and store supplies delivered by the related party are booked as a purchase transaction. The aforementioned purchase cost is computed in accordance with the agreed upon rate.

3. 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 Cold-Chain Corp.	\$ 106,303	66	\$ 103,618	66
Retail Support International Corp.	44,014	27	40,804	26
Uni-President Enterprises Corp.	<u>11,484</u>	<u>7</u>	<u>12,252</u>	<u>8</u>
	<u>\$ 161,801</u>	<u>100</u>	<u>\$ 156,674</u>	<u>100</u>

4. 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
(1) <u>Cleaning fees</u>				
Duskin Serve Taiwan Co.	<u>\$ 55,714</u>	<u>55</u>	<u>\$ 47,761</u>	<u>57</u>
(2) <u>Store supplies (booked in the account of packaging expense and other expense)</u>				
Retail Support International Corp.	<u>\$ 108,999</u>	<u>34</u>	<u>\$ 136,568</u>	<u>45</u>
(3) <u>Stocktaking fees for the stores</u>				
Capital Inventory Services Corp.	<u>\$ 69,818</u>	<u>99</u>	<u>\$ 69,746</u>	<u>100</u>
(4) <u>Electronic ordering system processing fee</u>				
President Information Corp.	<u>\$ 276,453</u>	<u>59</u>	<u>\$ 253,224</u>	<u>59</u>
(5) <u>Service charges</u>				
Bank Pro E-Service	<u>\$ 36,640</u>	<u>44</u>	<u>\$ 36,809</u>	<u>52</u>

Technology Co., Ltd.

(6) Freight charge

Wisdom Distribution Service Corp.	\$	15,394	30	\$	15,542	37
Uni-President Cold-Chain Corp.		15,064	29		15,247	36
Retail Support International Corp.		7,071	14		2,997	7
President Transnet Corp.		<u>9,218</u>	<u>18</u>		<u>1,657</u>	<u>4</u>
	\$	<u>46,747</u>	<u>91</u>	\$	<u>35,443</u>	<u>84</u>

(7) Advertisement expense

Uni-President 7-Eleven Lions	\$	27,049	12	\$	15,464	4
Presco Netmarketing Inc.		14,402	7		6,412	2
President Chain Store Tokyo Marketing Corporation		<u>9,683</u>	<u>5</u>		<u>10,483</u>	<u>3</u>
	\$	<u>51,134</u>	<u>24</u>	\$	<u>32,359</u>	<u>9</u>

8) Professional service fees

President Technology Corp.	\$	11,710	24	\$	7,082	14
President Chain Store Tokyo Marketing Corporation		7,370	15		10,033	20
Capital Inventory Services Corp.		<u>3,819</u>	<u>8</u>		<u>2,548</u>	<u>5</u>
	\$	<u>22,899</u>	<u>47</u>	\$	<u>19,663</u>	<u>39</u>

(9) Training expense

Capital Inventory Services Corp.	\$	<u>24,353</u>	<u>93</u>	\$	<u>26,540</u>	<u>100</u>
----------------------------------	----	---------------	-----------	----	---------------	------------

5. Non-operating revenue

(1) Electronic ordering system processing fee grant (booked in the account of other income)

Retail Support International Corp.	\$	119,550	55	\$	105,493	56
Uni-President Cold-Chain Corp.		76,828	35		67,362	36
Others		<u>20,339</u>	<u>9</u>		<u>16,533</u>	<u>8</u>
	\$	<u>216,717</u>	<u>99</u>	\$	<u>189,388</u>	<u>100</u>

(2) Rent income (debited to rent expense and other income)

	<u>January 1 ~ June 30, 2011</u>		<u>January 1 ~ June 30, 2010</u>	
President Coffee Corp.	\$	15,162	\$	13,903
President Drugstore Business Corp.		4,761		4,746

Others	11,499	7,833
	<u>\$ 31,422</u>	<u>\$ 26,482</u>

(3) Other income

President Chain Store (BVI) Holdings Ltd.	\$ 70,954	\$ 34,148
President Transnet Corp.	5,293	5,109
President Drugstore Business Corp.	9,158	3,263
President Coffee Corp.	9,247	2,373
Others	48,358	31,037
	<u>\$ 143,010</u>	<u>\$ 75,930</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>Other receivables</u>				
President Drugstore Business Corp.	\$ 268,905	13	\$ 150,908	11
Uni-President Cold-Chain Corp.	144,855	7	156,403	11
Wisdom Distribution Service Corp.	134,706	6	35,283	2
President Coffee Corp.	100,395	5	38,466	3
President Pharmaceutical Corp.	87,329	4	62,198	4
Presicarre Corp.	81,899	4	22,425	2
Books.com. Co. Ltd.	91,580	4	60,875	4
President YiLan Art and Culture Corp.	54,804	2	46,806	3
Retail Support International Corp.	45,284	2	36,279	3
Q-ware Systems & services Corp.	43,679	2	8,255	1
Uni-President Enterprises Corp.	10,468	-	38,599	3
Others	155,043	7	181,820	12
	<u>\$ 1,218,947</u>	<u>56</u>	<u>\$ 838,317</u>	<u>59</u>

The aforementioned "Other Receivable" included dividend receivable of \$1,165,448 and \$635,722 on June 30, 2011 and 2010, respectively.

June 30, 2011                      June 30, 2010

	<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>Prepayments</u>				
Wisdom Distribution Service Corp.	\$ 142,018	49	\$ 117,639	44

	<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>Note and account payables</u>				
Retail Support International Corp.	\$ 5,772,564	48	\$ 5,419,782	46
Uni-President Cold-Chain Corp.	3,601,177	30	3,455,641	29
Wisdom Distribution Service Corp.	1,506,336	13	1,845,975	16
Others	<u>545,972</u>	<u>5</u>	<u>464,624</u>	<u>4</u>
	<u>\$ 11,426,049</u>	<u>96</u>	<u>\$ 11,186,022</u>	<u>95</u>

<u>Accrued expenses</u>				
President Information Corp.	\$ 68,566	3	\$ 46,209	2
Capital Inventory Services Corp.	28,379	1	38,706	2
Others	<u>32,287</u>	<u>1</u>	<u>34,317</u>	<u>2</u>
	<u>\$ 129,232</u>	<u>5</u>	<u>\$ 119,232</u>	<u>6</u>

7. Purchase long-term equity investment transactions

	<u>January 1 ~ June 30, 2011</u>		
<u>Counter party</u>	<u>Underlying</u>	<u>Stock shares purchased</u>	<u>Amount</u>
Uni-President Enterprises Corp.	Muji Taiwan Co., Ltd. Stock	<u>1,243,000</u>	<u>\$ 92,090</u>

January 1 ~ June 30, 2010

<u>Counter party</u>	<u>Underlying</u>	<u>Stock shares 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>

The aforementioned proceeds of “Equity Trade” were based on the price negotiated by both parties.

8. Guarantee

The endorsement and guarantee of the company made for related party up to June 30, 2011 and 2010:

	<u>June 30, 2011</u>	<u>June 30, 2010</u>
Retail Support International Corp.	\$ -	\$ 600,000
Uni-President Department Store Corp.	2,022	182,548
Wisdom Distribution Service Corp.	50,000	50,000
Q-ware Communications Co., Ltd.	22,540	22,540
21 Century Enterprise Co., Ltd.	-	60,000
	<u>\$ 74,562</u>	<u>\$ 915,088</u>
Presiclerc Treasury (Beijing)	<u>RMB11,082</u> <u>thousand</u>	<u>-</u>

9. Commitment

(1) The Company has an agreement signed with President Information Corp. for repair & maintenance of the applied software system to provide e-ordering system operation and system maintenance service between the company and business premises with a contracted amount of \$481,360 up to December 2013. There is a payable for an amount of \$249,486 on June 30, 2011.

(2) The Company has some floors of the headquarters building leased to the related parties for business operation and as office space up to December 2013 and with the rent payment arranged in accordance with the lease agreement. As of June 30, 2011, the Company has the following projected rental incomes:

<u>Lease term</u>	<u>Total rents</u>
July 1 ~ December 31, 2011	\$ 7,485
2012	4,301
2013	403
	<u>\$ 12,189</u>

VI.(VI) Pledged Assets

None.

VII. Major undertaking and contingency

- (I) The Company has a long-term technological collaboration agreement signed with 7-ELEVEN Inc. USA. According to the said agreement, The Company is to have royalty paid throughout the contract period for an amount equivalent to certain percentage of total sales amount.
- (II) The Company has PEC National Building leased to non-related party (booked in the account of “Assets leased to others”):
1. Arcade: It is for a lease term of 18 years and 6.5 months from June 15, 2005 on for an amount equivalent to certain percentage of sales revenue.
  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>

- (III) The Company has stores and business sites leased from the unrelated party and with lease agreements signed for a period of 3~20 years accordingly. The Company has prepaid a rental and a guarantee deposit for an amount of \$130,103 and \$1,011,959, respectively, on June 30, 2011; moreover, they are booked in the account of “Prepayment” and “Refundable deposit,” respectively. The company has estimated the rent payable in future years as follows:

<u>Lease term</u>	<u>Total rents</u>
July 1~December 31, 2011	\$ 2,408,446
2012	4,669,122
2013	4,337,260
2014	3,890,692
2015	3,415,250
2016 and thereafter (discounted value \$8,912,385)	<u>9,210,226</u>
	<u>\$ 27,930,996</u>

VIII. Loss from major accidents

None.

IX. Materiality after the period

None.

X. Others

(I) The fair value of financial instruments

June 30, 2011

<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	\$ 14,155,907	\$ -	\$ 14,155,907
Financial assets at fair value through income statement	7,071,794	7,071,794	-
Financial assets at cost noncurrent	8,318,106	-	-
Financial assets in available-for-sale	1,226,161	1,226,161	-
Refundable deposits	1,024,369	-	994,541
<u>Liabilities</u>			
Financial liabilities with equal fair value and book value	\$ 26,411,430	\$ -	\$ 26,411,430
Long-term debt payable	5,100,000	-	5,100,000
Guarantee Deposit received	1,868,362	-	1,833,353

June 30, 2010

	<u>Book value</u>	<u>Fair value</u> Amount determined by open quotations	Amount estimated by valuation
<u>Non-Derivatives</u>			
<u>Assets</u>			
Financial assets with equal fair value and book value	\$ 9,402,156	\$ -	\$ 9,402,156
Financial assets at fair value through income statement	9,253,546	9,253,546	-
Financial assets at cost noncurrent	9,491,051	-	-
Financial assets in available-for-sale	1,282,608	1,282,608	-
Refundable deposits	995,127	-	954,916
<u>Liabilities</u>			
Financial liabilities with equal fair value and book value	\$ 23,376,368	\$ -	\$ 23,376,368
Long-term debt payable	7,100,000	-	7,100,000
Guarantee Deposit received	1,871,878	-	1,806,339

The Company 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 is

applied to cash and cash equivalence, accounts receivable, other receivables, notes payable and accounts payable (including the related party), 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 debt payable applied in cycle is estimated according to the book value since the effect of discount value is insignificant.

(II) Significant gain/loss of financial products and equity information

The Company had financial assets in available-for-sale debited/credited to shareholder's equity for an amount of (\$307,771) and (\$526,292) on January 1~June 30, 2011 and 2010, respectively.

(III) Interest rate risk position

As of June 30, 2011 and 2010, the Company's financial liabilities with fair value risk due to changes in interest rate were \$5,100,000 and \$7,100,000, respectively.

(IV) Management of Financial Risks and Hedge policy

1. The risk control and hedge strategy of the Company is to prevent operating risk. To this end, the Company has financial hedge position denied for the operation of derivatives. The selection of instruments by the Company 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) The Company's investments in available-for-sale financial assets are stocks of listed/OTC companies that are influenced by market prices.
- (2) The Company's investment funds are mostly money market funds with very short holding periods; therefore, there should be no significant market risk.
- (3) The Company's long-term loans are borrowed at a fixed interest rate. It is a revolving credit for short period of time; after assessment, there should be no significant market risk.
- (4) The Company equity investments are denominated in certain non-functional currencies and consequently affected by fluctuation of exchange rates. Information on assets 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)	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>Foreign currency</u>	<u>Exchange rate</u>
Financial assets				
Non-monetary assets				
JPY: NT\$	468,600,000	0.357	452,675,000	0.363
Long-term investments (Equity method)				
USD: NT\$	100,556,000	28.73	109,764,000	32.15

## 2. Credit Risk

- (1) The Company's investment in financial assets at fair value through income statement and financial assets in available-for-sale of the Company are traded in the open market, or, are traded with the reputable parties without a breach of contract expected.
- (2) The Company offers guarantees for loans in accordance with the "Accounting for Endorsement and Guarantee" and it 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 at fair value through income statement; also, the financial assets in available-for-sale of the Company 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 are not traded actively in market; therefore, a material liquidity risk is expected.
- (3) The payables of the Company are mostly due in 90 days. The loan quota is implemented revolvingly. The Company's working capital is sufficient enough to support the fund demand of the company without material liquidity risk expected.

## 4. Cash flow risk from change in interest rate

- (1) The investment in equity of the Company is not an interest rate product; therefore, there is not a cash flow risk from the change in interest rate expected.
- (2) The Company'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.
- (3) The Company's funds are mostly monetary funds without significant cash flow risk from the changes in interest rate.

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 Company Name</u>	<u>Affiliation</u>	<u>Limit of guarantee to particular enterprise (note 2)_</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 the most recent period</u>	<u>Upper limit for guarantee (note 2)</u>
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%	
	Presiclrc Treasury (Beijing)	"	"	RMB 11,082 thousand	RMB 11,082 thousand	"	0.27%	
							<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 shareholding 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>	<u>Yearend holdings / Shares_</u>	<u>Book value</u>	<u>Proportion of shareholding</u>	<u>Market price</u>	<u>Remarks</u>
President Chain Store Corp.	Polar Treasury Fund	None	Financial assets-current-whose changes in fair value are recognized in earnings	86,725,756	\$ 1,000,000	-	\$ 1,001,457	
	Yuanta Wan-tai Fund	"	"	20,628,481	300,000	-	300,217	
	Fuh-Hwa Bond Fund	"	"	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	1,800,000	-	1,800,303	
					7,060,000		<u>\$ 7,071,794</u>	
			Add: adjustment valuation		11,794			
					<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>		

<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 shareholdings</u>	<u>Market price</u>	<u>Remarks</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	<u>435,444</u>	30.00%	<u>402,426</u>
					~100.00%	
				<u>\$ 10,168,788</u>		<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-current-whose changes in fair value are recognized in earnings".

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

Company of receivables on book	Counter party	Affiliation	Balance of Receivables	Turnover	Overdue Receivables with Related Parties		Receivables with Related Party After Period Collection	Allowance for bad debt
					Amount	Processing by		
President Chain Store Corp.	Uni-President Cold-Chain Corp.	Subsidiary	With Related Party Other receivables \$ 144,855	Rate 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	-

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>The Company's recognized investment gain (loss)</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>				
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 Corp.	Kaohsiung City	Department stores	1,680,000	1,680,000	112,000,000	70.00%	672,763	( 35,624)	( 23,784)	"
	Wisdom Distribution Service Corp.	Taipei City	Logistics of Magazines	50,000	50,000	10,847,421	100.00%	215,666	58,606	55,478	"
	Mech-President Corp.	Tainan City	Gas station and elevator installation	904,475	904,475	53,504,613	80.87%	678,371	50,568	40,893	"
	Books.com. Co. Ltd.	Taipei City	Online bookstore	100,400	100,400	10,000,000	50.03%	176,123	111,323	55,628	"
	Duskin Serve Taiwan Co.	Taipei City	Cleaning products trade and cleaning service	102,000	102,000	10,200,000	51.00%	125,045	39,697	20,246	"
	President Coffee Corp.	Taipei City	Coffee chain store	59,400	59,400	10,691,337	30.00%	195,753	199,980	59,994	Note 1
	Retail Support International Corp.	Chungli City	Room-temperature food logistics	91,414	91,414	6,430,000	25.00%	125,350	82,072	20,440	"

Cold Stone Creamery Taiwan Ltd.	Taipei City	Ice cream stores	170,000	170,000	12,244,390	100.00%	133,982	9,661	9,470	Subsidiary
Uni-President Oven Bakery Corp.	Taipei City	Sales of freshly baked breads, cakes, etc.	391,300	391,300	6,511,963	100.00%	104,121 (	16,331) (	16,438)	"
Muji Taiwan Co. Ltd.	Taipei City	Japanese department store & retail	133,367	41,000	6,339,300	51.00%	221,318	111,153	49,059	"
Bank Pro E-Service Technology Co., Ltd.. etc.	skipped	skipped	1,543,425	1,179,640	skipped		435,444	59,408	25,458	Note 2
							<u>\$ 10,168,788</u>	<u>\$ 696,727</u>		

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

Note 2: It is a subsidiary of the Company and an investee under the equity method

Name of investor	Investees		Major business activities	Initial amount of investment		Holding at ending			Income status of investees	The Company's recognized investment gain (loss)	Remarks
	Name	Location		End of current period	End of previous period	Quantity of share	Proportion	Book value			
Retail Support International Corp., etc.	President Logistics International Corp., etc.	skipped	skipped	\$ 155,669	\$ 125,700	skipped	skipped	\$ 291,569	skipped	Not applicable	skipped
President Chain Store (BVI) Holdings Ltd.	President Chain Store (Labuan) Holdings Ltd.	Labuan	Professional investments	USD 20,684 thousand	USD 20,684 thousand	20,684,321	100.00%	USD 18,286 thousand	USD 1,520 thousand	"	"
	President Chain Store (Hong Kong) Holdings Limited	H.K.	Professional investments	USD 79,423 thousand	USD 36,945 thousand	79,422,673	100.00%	USD 58,749 thousand	(USD 2,185 thousand)	"	"
	Presiclere Limited., etc	skipped	skipped	USD 18,743 thousand	USD 18,743 thousand	skipped	skipped	USD 1,278 thousand	skipped	"	"
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 PCSC (Chengdu) Hypermarket Limited	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</u> <u>Company Name</u>	<u>Affiliation</u>	Limit of guarantee to particular enterprise	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_
President Information Corp.	President Drugstore Business Corp.	Affiliate	Note	\$ 2,000	\$ -	\$ -	-	Note
Wisdom Distribution Service Corp.	President Drugstore Business Corp.	Affiliate	Note	7,000	7,000	7,000	2.80%	Note

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 ending marketable securities: (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>	Final number of units / shares	<u>Book value</u>	<u>Proportion of shareholding</u>	<u>Market price</u>	<u>Remarks</u>
Wisdom Distribution Service Corp.	UPAMC JAMES BOND Fund, etc.	None	Financial assets-current-whose changes in fair value are recognized in earnings	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.	FSITC	"	"	662,471	9,729	"	9,729
President Drugstore Business Corp.	First Holdings Family Bond Fund, etc.	"	"	skipped	72,000	"	72,000
President Musashino Corp.	Fuh Hwa Mmoney Market Fund	"	"	1,224,711	17,027	"	17,027
Uni-President Oven Bakery Corp.	Fuh Hwa Bond Fund	"	"	skipped	50,000	"	50,000
Q-ware Systems & services Corp.	PCA Well Pool Money Market Fund	"	"	skipped	60,024	"	60,024
Ren-Hui Investment Corp.	Chi Mei Optoelectronics Corporation	"	Financial assets in available-for-sale - noncurrent	7,957,569	163,130	-	163,130
President Chain Store (BVI) Holdings Ltd.	eASPNet Taiwan Inc., etc.	"	Financial assets measured at cost-noncurrent	skipped	USD 2,280 thousand	skipped	skipped
Wisdom Distribution Service Corp.	President Logistics International Corp., etc.	"	Long-term investments (Equity method)	" \$	110,251	"	"
Retail Support International Corp.	Retail Support Taiwan Corp., etc.	"	"	"	137,738	"	"
Uni-President Cold-Chain Corp., etc.	President Logistics International Corp., etc.	"	"	"	301,661	"	"
President Chain Store (BVI) Holdings Ltd.	President Chain Store (Labuan) Holdings Ltd., etc.	"	"	"	USD 78,314 thousand	"	"
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	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			(Note 2) Quantity of share	Amount	
President	UPAMC James Bond	Note 1	Not applicable	Not applicable	\$ 1,362,356	\$ 21,841	-	\$ -	1,362,356	\$ 21,852	\$ 21,841	\$ 11	\$ -	-	\$ -

Being Corp. Chieh-Shuen Logistics International Corp.	Fund 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
	PCA Well Pool Money Market Fund	"	"	"	1,219,254	15,874	9,782,598	127,600	9,777,396	127,530	127,485	45	-	1,224,456	15,990
President Coffee Corp.	Polaris De-Bao Money Market Securities Investment Trust Fund	"	"	"	6,946,495	80,000	26,010,318	300,000	24,297,005	280,236	280,000	236	-	8,659,808	100,000
	Taishin Lucky Money Market fund	"	"	"	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 Verbatim	"	"	"	5,374,074	70,000	16,095,875	210,000	18,407,303	240,212	240,000	212	-	3,062,646	40,000
	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
	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
President Drugstore Business Corp.	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	-	-	-
President Information Corp.	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
President Log istics International Corp.	UPAMC JAMES BOND Fund	"	"	"	395,671	6,343	21,653,694	347,500	20,745,407	332,950	332,894	56	-	1,303,958	20,949

	Prudential Well Poll Fund	"	"	"	2,692,087	35,058	33,146,267	432,360	30,595,780	399,040	398,956	84	-	5,242,574	68,463
President Phar maceutical Corp.	Fuh-Hwa Bond Fund	"	"	"	1,442,658	20,000	20,751,279	288,000	22,193,937	308,096	308,000	96	-	-	-

Trade company	Type and title of marketable securities	Account titles	Counter party	Affiliation	At beginning		Bought		Sold			End of current period			
					Quantity of share	Amount	Quantity of share	Amount	Quantity of share	Amount	Carrying cost	Disposition gain	Other adjustments (Note 2)	Quantity of share	Amount
					-										
Retail Support International Corp.	FSITC Money Market 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 Money Market 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 Money Market 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.	Family 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 (Note 4)	79,422,673	USD58,749

Note 1: Recognized under the account title of "Financial assets-current-whose changes in fair value are recognized in earnings".

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:

Purchase (sales)	Counter party	Affiliation	Status of trade			Special terms and conditions of trade and reasons		Note receivable (payable), accounts receivable (payable)		Remarks
			Purchase (sales)	Amount	Percentage to total purchase (sales)	Credit term	Unit price	Credit term	Balance	
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%)

			<u>Status of trade</u>				<u>Special terms and conditions of trade and reasons</u>		<u>Note receivable (payable), accounts receivable (payable)</u>		<u>Remarks</u>
<u>Purchase (sales)</u>	<u>Counter party</u>	<u>Affiliation</u>	<u>Purchase (sales)</u>	<u>Amount</u>	<u>Percentage to total purchase (sales)</u>	<u>Credit term</u>	<u>Unit price</u>	<u>Credit term</u>	<u>Balance</u>	<u>Percentage to total note, account receivables (payables)</u>	
	Lien-Bo Enterprises Corp.	Affiliate	Purchase	375,128	2.00%	OA 15~70 days	No significant difference	No significant difference	(108,998)	(1.00%)	
	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>	<u>Balance of Receivables</u>		<u>Overdue Receivables with Related Parties</u>		<u>Receivables with Related Party After Period Collection</u>	<u>Allowance for bad debt</u>
			<u>With Related Party</u>	<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	1,320
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

-

None.

(III) Information on 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
					Remittance	Regain					
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)	-
Presiclerc 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	USD12,210 thousand	-	USD 26,843 thousand	100%	(USD4,020 thousand)	USD15,336 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	USD13,740 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%	(USD 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	—
Royal Host (Shanghai) Restaurant Management Co. (Shanghai)	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	—
President (Shanghai) Health Product Trading Company Ltd.	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 Products Rental Co.	Cleaning supplies sales	USD 4,467 thousand	Invest in Mainland China by the invested company in third country (Note 7)	USD 670 thousand	-	-	USD 670 thousand	15%	—	USD 670 thousand	—

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.

Note 7: The reinvestment in the company in Mainland China by Duskin China (BVI) that is the transfer investment of Duskin.

Note 8: It is based on the invested company's uncertified financial statements over the same period.

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) Highest 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.

## XII. Operating segment information

Operating segment information is disclosed in the consolidated financial statements in accordance with SFAS No. 41 requirement.

President Chain Store Corp.  
Cash and cash equivalence  
June 30, 2011

Currency unit: NT\$1,000

<u>Item</u>	<u>Summary</u>	<u>Amount</u>
Petty Cash for stores		\$ 478,414
Current account deposits and checking account deposits		2,152,331
Deposit account - NT\$	Due on 2011.7.07~2013.07.09; 0.66% ~ 2.495% annual rate	820,118
Cash equivalence		
Short term bills	Due in one month; 0.46%~0.6% annual rate	8,146,143
		<u>\$ 11,597,006</u>

(Blank hereunder)

President Chain Store Corp.  
Financial assets-current-whose changes in fair value are recognized in earnings  
June 30, 2011

Currency unit: NT\$1,000

<u>Name of financial instrument</u>	<u>Summary</u>	<u>Unit</u>	<u>Face value</u> (NT\$)	<u>Total amount</u>	<u>Interest rate</u>	<u>Acquisition cost</u>	<u>Fair value</u>		<u>Remarks</u>
							<u>Unit price</u> (NT\$)	<u>Total amount</u>	
Domestic open-type Fund									
Yuanta Wan-Tai Fund		20,628,481	\$ 10	\$ 206,285	Not applicable	\$ 300,000	\$ 14.5535	\$ 300,217	
Fuh-Hwa Bond Fund		119,727,656	10	1,197,277	"	1,660,000	13.9029	1,664,561	
Jih Sun Bond Fund		91,754,127	10	917,541	"	1,300,000	14.2082	1,303,661	
Polaris De-Bao Fund		86,725,756	10	867,258	"	1,000,000	11.5474	1,001,457	
PCA Well Pool Fund		76,688,293	10	766,883	"	1,000,000	13.0606	1,001,595	
Taishin Lucky Fund		168,302,945	10	1,683,029	"	1,800,000	10.6968	1,800,303	
						7,060,000		<u>\$ 7,071,794</u>	
Valuation Adjustment						11,794			
						<u>\$ 7,071,794</u>			

President Chain Store Corp.  
Statement of Inventory  
June 30, 2011

Currency unit: NT\$1,000

<u>Item</u>	<u>Summary</u>	<u>Amount</u>		<u>Remarks</u>
		<u>Costs</u>	<u>Market price</u>	
Merchandise		<u>\$ 3,000,136</u>	<u>\$ 3,219,879</u>	Market price is the net cash value

(Blank hereunder)

President Chain Store Corp.  
Financial valued at the cost-noncurrent statement  
January 1 ~ June 30, 2011

Currency unit: NT\$1,000

Name	<u>At beginning</u>		<u>Increase of the year</u>		<u>Decrease of the year (Note)</u>		<u>End of current period</u>		<u>Collateral and mortgage</u>
	<u>Quantity of share</u>	<u>Book value</u>	<u>Quantity of share</u>	<u>Amount</u>	<u>Quantity of share</u>	<u>Amount</u>	<u>Quantity of share</u>	<u>Book value</u>	
Stocks with no public quotation									
Presicarre Corp.	122,611,122	\$ 6,818,529	-	\$ -	-	\$ -	122,611,122	\$ 6,818,529	None
Tong-Jen Development Corp.	209,000,000	2,321,500	-	-	-	-	209,000,000	2,321,500	"
President International Development Corp.	50,000,000	500,000	-	-	-	-	50,000,000	500,000	"
Dayeh Takashimaya Taiwan Inc.	20,000,000	260,433	-	-	(20,000,000)	(260,433)	-	-	-
Kaohsiung Rapid Transit Corp.	20,000,000	203,714	-	-	-	-	20,000,000	203,714	None
Tong-Ho Development Corp.	19,930,000	199,300	-	-	-	-	19,930,000	199,300	"
President Investment Trust Corp., etc.	skipped	<u>244,211</u>	-	<u>-</u>	skipped	<u>(33,333)</u>	skipped	<u>210,877</u>	"
Subtotal		10,547,687		<u>\$ -</u>		<u>(\$ 293,766)</u>		10,253,920	
Accumulated impairment		<u>(1,934,667)</u>		<u>(\$ 71,696)</u>		<u>\$ 70,549</u>		<u>(1,935,814)</u>	
		<u>\$ 8,613,020</u>						<u>\$ 8,318,106</u>	

Note: Please refer to Note IV (V).

President Chain Store Corp.  
Statement of Long-term equity investments (Equity method)  
January 1 ~ June 30, 2011

Currency unit: NT\$1,000

Name	Balance at beginning of period		Increase of the year		Decrease of the year		Balance at ending of period			Market price or net equity value	Collateral and mortgage	
	Quantity of share	Amount	Quantity of share	Amount	Quantity of share	Amount	Quantity of share	Proportion of share holding	Amount	Unit price (NT\$)	Total amount	
President Chain Store (BVI) Holdings Ltd.	77,052,937	\$ 2,081,638	29,522,259	\$ 863,450	-	(\$ 71,665)	106,575,196	100.00%	\$ 2,873,423	\$ 26.61	\$ 2,836,300	None
PCSC (China) Limited	50,513,148	1,001,117	-	-	( 50,513,148)	( 1,001,117)	-	-	-	-	-	-
President Drugstore Business Corp.	40,000,000	754,736	-	152,102	-	( 267,200)	40,000,000	100.00%	639,638	16.00	639,878	None
President Development Corp.	72,000,000	596,175	-	-	-	( 9,929)	72,000,000	20.00%	586,246	8.02	577,164	"
Ren-Hui Investment Corp.	53,194,997	360,280	-	21	-	( 157,559)	53,194,997	100.00%	202,742	3.81	202,741	"
President Transnet Corp.	70,000,000	616,148	-	89,105	-	-	70,000,000	70.00%	705,253	9.82	687,208	"
Uni-President Department Store Corp.	112,000,000	696,547	-	-	-	( 23,784)	112,000,000	70.00%	672,763	6.00	671,611	"
President Pharmaceutical Corp.	17,520,594	472,631	-	94,623	-	( 87,189)	17,520,594	73.74%	480,065	18.48	323,844	"
Uni-President Cold-Chain Corp.	19,563,272	434,373	-	68,472	-	( 140,856)	19,563,272	60.00%	361,989	18.16	355,328	"
President YiLan Art and Culture Corp.	15,000,000	216,811	-	25,000	-	( 54,635)	15,000,000	100.00%	187,176	12.44	186,560	"
President Musashino Corp.	47,061,000	544,180	-	546	-	-	47,061,000	90.00%	544,726	10.54	495,901	"
Q-ware Systems & services Corp.	24,382,922	298,693	-	31,196	-	( 40,964)	24,382,922	86.76%	288,925	11.32	276,080	"
President Information Corp.	16,744,310	216,128	-	20,811	-	( 22,270)	16,744,310	56.00%	214,669	12.59	210,855	"
Mech-President Corp.	53,504,613	637,479	-	40,892	-	-	53,504,613	80.87%	678,371	11.80	631,096	"
Wisdom Distribution Service Corp.	10,847,421	250,753	-	55,478	-	( 90,565)	10,847,421	100.00%	215,666	20.14	218,424	"
Duskin Serve Taiwan Co.	10,200,000	133,767	-	20,246	-	( 28,968)	10,200,000	51.00%	125,045	12.26	125,061	"
Books.com. Co. Ltd.	10,000,000	205,494	-	55,629	-	( 85,000)	10,000,000	50.03%	176,123	17.62	176,184	"
President Coffee Corp.	10,691,337	224,498	-	59,994	-	( 88,739)	10,691,337	30.00%	195,753	18.31	195,753	"
Uni-President Oven Bakery Corp.	6,511,963	120,560	-	-	-	( 16,439)	6,511,963	100.00%	104,121	14.82	96,489	"

President Chain Store Corp.  
Statement of Long-term equity investments (Equity method)  
January 1 ~ June 30, 2011

Currency unit: NT\$1,000

Muji Taiwan Co. Ltd.	6,339,300	128,704	1,243,000	141,427	- ( 48,813)	7,582,300	51.00%	221,318	22.15	167,971	"	
Retail Support International Corp.	6,430,000	141,239	-	20,441	- ( 36,330)	6,430,000	25.00%	125,350	19.55	125,692	"	
Cold Stone Creamery Taiwan Ltd.	10,465,291	124,511	1,779,099	9,471	-	-	12,244,390	100.00%	133,982	10.96	134,173	"
Bank Pro E-Service Technology Co., Ltd., etc.	skipped	<u>346,605</u>	-	<u>203,763</u>	- ( <u>114,924</u> )	skipped	skipped	<u>435,444</u>	skipped	403,041	"	
		<u>\$ 10,603,067</u>		<u>\$ 1,952,667</u>	<u>(\$ 2,386,946)</u>			<u>\$ 10,168,788</u>				

President Chain Store Corp.  
Statement of changes in costs of fixed assets  
January 1 ~ June 30, 2011

Currency unit: NT\$1,000

<u>Item</u>	<u>Balance at beginning of period</u>	<u>Increase of the year</u>	<u>Decrease of the year</u>	<u>Transfer of the year</u>	<u>Balance at ending of period</u>	<u>Collateral and mortgage</u>	<u>Remarks</u>
Land	\$ 1,432,614	\$ -	\$ -	\$ -	\$ 1,432,614		None
Building							
Costs	906,836	-	-	-	906,836		"
Revaluation increments	55,374	-	-	-	55,374		"
Operating equipment	11,844,551	663,558	( 478,932)	-	12,029,177		"
Lease improvement	5,589,022	563,238	( 269,197)	300	5,883,363		"
Other equipment	9,660	-	-	-	9,660		"
Construction in progress and prepayments for equipment	-	300	-	( 300)	-		"
	<u>\$ 19,838,057</u>	<u>\$ 1,227,096</u>	<u>(\$ 748,129)</u>	<u>\$ -</u>	<u>\$ 20,317,024</u>		

President Chain Store Corp.  
Statement of changes in costs of fixed assets  
January 1 ~ June 30, 2011

Currency unit: NT\$1,000

<u>Item</u>	<u>Balance at beginning of period</u>	<u>Increase of the year</u>	<u>Decrease of the year</u>	<u>Balance at ending of period</u>	<u>Remarks</u>
Building					
Costs	\$ 191,059	\$ 9,252	\$ -	\$ 200,311	
Revaluation increments	4,093	682	-	4,775	
Operating equipment	8,236,817	568,424 (	442,323)	8,362,918	
Lease improvement	3,631,709	348,306 (	243,622)	3,736,393	
Other equipment	<u>9,569</u>	<u>23</u>	<u>-</u>	<u>9,592</u>	
	<u>\$ 12,073,247</u>	<u>\$ 926,687</u>	<u>(\$ 685,945)</u>	<u>\$ 12,313,989</u>	

President Chain Store Corp.  
Statement of Long-term debt payable  
June 30, 2011

Currency unit: NT\$1,000

<u>Creditor</u>	<u>Summary</u>	<u>Borrowing Amount</u>	<u>Contract Duration</u>	<u>Interest rate</u>	<u>Mortgage or security</u>	<u>Remarks</u>
Hua Nan Commercial Bank	Credit loan	\$ 1,500,000	100.05.25~102.05.25	0.84%	None	
First Commercial Bank	Credit loan	1,500,000	100.06.10~102.06.10	0.83%	"	
The Bank of Nova Scotia, Canada	Credit loan	1,000,000	100.01.31~102.01.31	0.76%	"	
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Credit loan	690,000	99.07.15~102.07.15	0.79%	"	
E.Sun Commercial Bank	Credit loan	100,000	99.09.08~101.09.08	0.85%	"	
Chang Hwa Bank	Credit loan	<u>310,000</u>	100.01.01~102.02.28	0.88%	"	
		<u>\$ 5,100,000</u>				

President Chain Store Corp.  
Statement of Operating Income  
January 1 ~ June 30, 2011

Currency unit: NT\$1,000

<u>Item</u>	<u>Amount</u>	<u>Remarks</u>
Store revenues	\$ 56,526,945	Revenues generated from the sales of foods, canned foods, beverages, and necessities.
Other operating revenue	<u>1,929,309</u>	It includes commission income for agency business and sales bonus collected from supplies
	<u>\$ 58,456,254</u>	

(Blank hereunder)

President Chain Store Corp.  
Statement of Operating Cost  
January 1 ~ June 30, 2011

Currency unit: NT\$1,000

<u>Item</u>	<u>Amount</u>
Inventory at beginning	\$ 2,931,645
Purchase current period	40,812,696
Purchase bonuses from suppliers	( 620,884)
Compensation for deterioration of goods	( 161,801)
Inventory at ending	<u>( 3,000,136)</u>
Operating cost	<u>\$ 39,961,520</u>

(Blank hereunder)

President Chain Store Corp.  
Statement of Marketing Expense  
January 1 ~ June 30, 2011

Currency unit: NT\$1,000

<u>Item</u>	<u>Amount</u>	<u>Remarks</u>
Performance bonuses for franchisee	\$ 6,175,371	
Rental expenditures	2,579,909	
Salary expenses	1,417,549	
Depreciations	905,661	
Utilities	867,758	
Other expenses	<u>2,051,088</u>	The sporadic account balance is not over 5% of the total account amount.
	<u>\$ 13,997,336</u>	

(Blank hereunder)