

President Chain Store Corporation

Financial Report

2012Q2 and 2011Q2

(Stock Code 2912)

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

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President Chain Store Corporation
Financial Statements of January 1~June 30, 2012 and 2011
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Independent Auditor's Report

(101) MOF.FS.Tzi No. 12000583

To: President Chain Store Corp

We have audited the accompanying balance sheet of President Chain Store Corporation in the period of January 1 to June 30, 2012 and 2011 and related statements of income, changes in shareholders' equity and cash flows for the periods of January 1 to June 30, 2012 and 2011. These financial statements are the responsibility of the management. Our responsibility is to express an opinion on the financial statements based on our audits.

Except for the statement in the following paragraph, our responsibility is to express an opinion on these financial statements based on our audits in accordance with the "Accountants Auditing and Certification of Financial Statements rules" and the ROC's generally accepted auditing standards, and performs the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We have planned and conducted 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 long-term equity investments valued with the Equity Method by President Chain Store Company, the recognized investment profit and loss and the transfer investment disclosed in Note XI are valued and disclosed in accordance with the unaudited financial statements of the invested company. As of June 30, 2012 and 2011, the relevant long-term equity investment balance amounted to NT\$10,973,645,000 and NT\$10,168,788,000; also, the net investment income generated in January 1 ~ June 30, 2012 and 2011 amounted to NT\$605,355,000 and NT\$696,727,000, respectively.

In our opinion, except for the information on long-term equity investments valued with the Equity Method, and the invested company disclosed in Note XI referred to above may need to be adjusted. Information is missing about what needs to be adjusted and disclosed in accordance with the audited financial statements when they are available, the financial statements referred to above present fairly,

in all material respects, the financial position of the company as of June 30, 2012 and 2011, and the results of its operations and its cash flows for the years then ended in conformity with the “Guidelines Governing the Preparation of Financial Reports by Securities Issuers” and the ROC’s generally accepted accounting principles.

We have issued a qualified opinion on the 2012 and 2011 interim financial statements of President Chain Store Corporation.

PRICEWATERHOUSECOOPERS

Hsiao Chun-Yuan

CPA

Tseng Hui-Chin

Former Securities and Futures Bureau of the Financial
Supervisory Commission, Executive Yuan

Approved certification document: FSC(VI).tzi No.
0960042326

Former SEC, Ministry of Finance

Certificate No.: (79) Tai-Tsai-Cheng (I) No. 27815

August 27, 2012

President Chain Store Corporation
Balance Sheet
June 30, 2012 and 2011

(Unit: NT\$1000)

	Assets	Note	June 30, 2012		June 30, 2011	
			Amount	%	Amount	%
Current assets						
1100	Cash and cash equivalence	IV(I)	\$ 11,765,666	20	\$ 11,597,006	21
1310	Financial assets-current-whose changes in fair value are recognized in earnings	IV(II)				
			8,018,656	14	7,071,794	13
1140	Net accounts receivable		552,944	1	399,258	1
1178	Other receivables	V.	2,602,816	5	2,159,643	4
120X	Inventory	IV(III)	3,600,221	6	3,000,136	5
1260	Prepayments	V and VII	349,661	1	290,354	-
1298	Other Current assets - others		104,474	-	307,360	1
11XX	Total current assets		<u>26,994,438</u>	<u>47</u>	<u>24,825,551</u>	<u>45</u>
Funds and investments						
1450	Financial assets in available-for-sale-non current	IV(IV)	914,156	2	1,226,161	2
1480	Financial assets measured at cost - noncurrent	IV(V)	7,606,946	13	8,318,106	15
1421	Long-term investments (Equity method)	IV(VI)	10,973,645	19	10,168,788	19
14XX	Total funds and investments		<u>19,494,747</u>	<u>34</u>	<u>19,713,055</u>	<u>36</u>
Fixed assets						
Costs						
1501	Land		1,371,320	2	1,432,614	2
1521	Building		864,630	2	906,836	2
1571	Operating equipment		12,414,787	22	12,029,177	22
1631	Lease improvement		6,582,367	11	5,883,363	11
1681	Other equipment		7,811	-	9,660	-
15X8	Revaluation increments		55,374	-	55,374	-
15XY	Total costs and revaluation		<u>21,296,289</u>	<u>37</u>	<u>20,317,024</u>	<u>37</u>
15X9	Less: accumulated depreciation		(12,816,750)	(22)	(12,313,989)	(22)
1599	Less: accumulated impairment		(21,013)	-	-	-
15XX	Net Fixed assets		<u>8,458,526</u>	<u>15</u>	<u>8,003,035</u>	<u>15</u>
Intangible assets						
1750	Cost of computer software		<u>203,253</u>	<u>-</u>	<u>107,940</u>	<u>-</u>
Other assets						
1800	Assets leased to others	IV (VIII), and VII	1,329,714	2	1,255,480	2
1820	Refundable deposits	VII.	1,035,063	2	1,024,369	2
1888	Other assets - others		11,708	-	7,892	-
18XX	Total other assets		<u>2,376,485</u>	<u>4</u>	<u>2,287,741</u>	<u>4</u>
1XXX	Total Assets		<u>\$ 57,527,449</u>	<u>100</u>	<u>\$ 54,937,322</u>	<u>100</u>

(To be continued)

President Chain Store Corporation
Balance Sheet
June 30, 2012 and 2011

(Unit: NT\$1000)

Liabilities and Shareholders' Equity	Note	June 30, 2012		June 30, 2011	
		Amount	%	Amount	%
Current liabilities					
2120	Note payable	\$ 372,265	1	\$ 184,426	-
2130	Note payable-related parties	V. 4,820,008	8	3,998,080	7
2140	Accounts payable	369,928	1	303,488	1
2150	Accounts payable-related parties	V. 7,804,619	13	7,427,969	13
2160	Income tax payable	537,052	1	605,325	1
2170	Accrued expenses	IV (IX), and V 2,474,017	4	2,509,870	5
2210	Other accounts payable	IV (X) 13,061,416	23	11,987,597	22
2260	Unearned receipts	IV (XI) 2,145,543	4	1,982,400	4
21XX	Total current liabilities	<u>31,584,848</u>	<u>55</u>	<u>28,999,155</u>	<u>53</u>
Long-term liabilities					
2420	Long-term debt payable	IV (XII) 4,100,000	7	5,100,000	9
Other liabilities					
2810	Accrued pension liabilities	470,385	1	353,502	1
2820	Guarantee Deposit received	1,907,734	3	1,868,362	3
2888	Other liabilities-other	344,686	1	351,266	1
28XX	Total other liabilities	<u>2,722,805</u>	<u>5</u>	<u>2,573,130</u>	<u>5</u>
2XXX	Total liabilities	<u>38,407,653</u>	<u>67</u>	<u>36,672,285</u>	<u>67</u>
Shareholders' equity					
Capital Stock					
3110	Capital-common stock	10,396,222	18	10,396,222	19
Additional paid-in capital					
3240	Gain from assets disposed	5,082	-	5,082	-
Retained earnings					
3310	Legal reserve	5,253,820	9	4,618,579	8
3320	Special reserve	768,822	1	-	-
3350	Retained earnings-unappropriated	3,480,792	6	3,737,857	7
Other adjustments in shareholders' equity					
3420	Cumulative translation adjustment	(85,160)	-	(256,580)	(1)
3430	Net loss not recognized as pension cost	(132,771)	-	(55,514)	-
3450	Unrealized gain or loss on financial instrument	IV(IV) (616,246)	(1)	(231,208)	-
3460	Unrealized revaluation gains	49,235	-	50,599	-
3XXX	Total shareholders' equity	<u>19,119,796</u>	<u>33</u>	<u>18,265,037</u>	<u>33</u>
Commitment or contingency					
Total Liabilities and Shareholders' Equity					
		<u>\$ 57,527,449</u>	<u>100</u>	<u>\$ 54,937,322</u>	<u>100</u>

Please refer to the notes to financial statements and the audit report dated August 27, 2012 by CPA Hsiao Chun-Yuan and Tseng Hui-Chin of PRICEWATERHOUSECOOPERS.

Chairman: Kao Chin-Yen

President: Chen Jui-Tang

Chief Accountant: Lai Hsin-Ti

President Chain Store Corporation
Income Statement
January 1 ~ June 30, 2012 and 2011

(Unit: NT\$1000)
(Except for earnings per share in NTD)

Items	Note	January 1 ~ June 30, 2012		January 1 ~ June 30, 2011	
		Amount	%	Amount	%
Operating revenue					
4110		\$ 63,428,073	97	\$ 56,526,945	97
4800	V.	2,259,174	3	1,929,309	3
4000		Total operating revenue	100	58,456,254	100
Operating cost					
5110	IV (III), and V	(46,494,176)	(71)	(39,961,520)	(68)
5910		Gross profit	29	18,494,734	32
Operating expenses					
6100	V.	(14,885,577)	(23)	(13,997,336)	(24)
6200		(1,588,563)	(2)	(1,479,100)	(3)
6000		Total operating expenses	(25)	15,476,436	(27)
6900		Net income	4	3,018,298	5
Non-operating income					
7121	IV(VI)	605,355	1	696,727	1
7122		234,352	-	92,369	-
7140		1,701	-	82,990	-
7310		18,657	-	11,545	-
7480	V.	521,100	1	470,450	1
7100		Total non-operating income	2	1,354,081	2
Non-operating expense and loss					
7510		(14,337)	-	(16,516)	-
7530		(23,762)	-	(23,494)	-
7630	IV(V)	(60,072)	-	(71,696)	-
7880		(23,170)	-	(43,427)	-
7500		Total Non-operating expense and loss	-	155,133	-
7900		Net income before tax of the continuing department	6	4,217,246	7
8110		(546,961)	(1)	(570,226)	(1)
9600		Net Income	5	3,647,020	6
		<u>Before tax</u>	<u>After ax</u>	<u>Before tax</u>	<u>After ax</u>
Earnings per share					
Basic earnings per share					
9750		\$ 3.83	\$ 3.30	\$ 4.06	\$ 3.51
Diluted earnings per share					
9850		\$ 3.82	\$ 3.30	\$ 4.05	\$ 3.50

Please refer to the notes to financial statements and the audit report dated August 27, 2012 by CPA
Hsiao Chun-Yuan and Tseng Hui-Chin of PRICEWATERHOUSECOOPERS

Chairman: Kao Chin-Yen

President: Chen Jui-Tang

Chief Accountant: Lai Hsin-Ti

President Chain Store Corporation
Statement of Change in Shareholders' Equity
January 1 ~ June 30, 2012 and 2011

(Unit: NT\$1000)

	Capital- common stock	Additional paid-in capital	Retained earnings			Cumulative translation adjustment	Net loss not recognized as pension cost	Unrealized gain or loss on financial instrument	Unrealized revaluation gains	Total
			Legal reserve	Special reserve	Retained earnings-una ppropriated					
<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):										
Provision of Legal reserve	-	-	572,575	-	(572,575)	-	-	-	-	-
Special reserve (Reverse)	-	-	-	(4,660)	4,660	-	-	-	-	-
Cash dividend	-	-	-	-	(5,094,149)	-	-	-	-	(5,094,149)
January 1~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>
<u>January 1 ~ June 30, 2012</u>										
Balance at January 1, 2012	\$ 10,396,222	\$ 5,082	\$ 4,618,579	\$ -	\$ 6,443,247	(\$ 51,876)	(\$ 132,771)	(\$ 634,091)	\$ 49,917	\$ 20,694,309
Appropriation and distribution of retained earnings in 2011 (Note):										
Provision of Legal reserve	-	-	635,241	-	(635,241)	-	-	-	-	-
Special reserve	-	-	-	768,822	(768,822)	-	-	-	-	-
Cash dividend	-	-	-	-	(4,990,186)	-	-	-	-	(4,990,186)
January 1~June 30, 2012	-	-	-	-	3,431,794	-	-	-	-	3,431,794
Changes in unrealized revaluation increment of fixed assets	-	-	-	-	-	-	-	-	(682)	(682)
Unrealized gain or loss on financial assets	-	-	-	-	-	-	-	17,845	-	17,845
Changes in translation adjustments to foreign long-term investments	-	-	-	-	-	(33,284)	-	-	-	(33,284)
Balance at June 30, 2012	<u>\$ 10,396,222</u>	<u>\$ 5,082</u>	<u>\$ 5,253,820</u>	<u>\$ 768,822</u>	<u>\$ 3,480,792</u>	<u>(\$ 85,160)</u>	<u>(\$ 132,771)</u>	<u>(\$ 616,246)</u>	<u>\$ 49,235</u>	<u>\$ 19,119,796</u>

Note: In respect of proposals of distribution of 2011 and 2010 earnings, bonus to employees amounted to \$296,901 and \$309,471 and remuneration to directors and supervisors amounted to \$98,967 and \$51,578, respectively, which have been deducted from the statements of incomes for the years ended December 31, 2011 and 2010.

Please refer to the notes to financial statements and the audit report dated August 27, 2012 by CPA Hsiao Chun-Yuan and Tseng Hui-Chin of PRICEWATERHOUSECOOPERS

Chairman: Kao Chin-Yen

President: Chen Jui-Tang

Chief Accountant: Lai Hsin-Ti

President Chain Store Corporation
Statement of Cash Flow
January 1 ~ June 30, 2012 and 2011

(Unit: NT\$1000)

	January 1 ~ June 30, 2012		January 1 ~ June 30, 2011
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>			
Net Income	\$ 3,431,794	\$	3,647,020
Adjustments			
Gain on valuation of financial asset	(18,657 )	(	11,545)
Bad debt expense (transferred to income)	4,777	(	197)
Depreciation expense	1,018,237		926,004
Accumulated depreciation – assets leased to other	7,297		7,080
Amortizations	32,506		73,179
Financial assets measured at cost- impairment losses	60,072		71,696
Gain on disposal of financial assets measured at cost	(138 )	(	80,115)
Investment loss (gain) recognized under equity method	(605,355 )	(	696,727)
Cash dividend of long-term equity investment valued with Equity Method	1,413,876		1,083,549
Net loss from the disposal of fixed assets	23,762		23,494
Changes in assets and liabilities			
Financial assets at fair value through income statement	(1,650,000)		2,000,000
Accounts receivable	(29,169)		58,571
Other receivables	(1,630,265 )	(	1,346,239)
Inventory	58,550	(	68,491)
Prepayments	(217,146 )	(	143,354)
Other current assets	23,426	(	15,553)
Deferred income tax assets	3,799	(	8,395)
Note payable	393,119		164,728
Accounts payable	1,202,026		1,892,257
Income tax payable	(67,476 )	(	187,238)
Accrued expenses	(402,278 )	(	26,938)
Other accounts payable	193,335		508,845
Unearned receipts	13,244		200,018
Accrued pension liabilities	(3,858 )	(	4,115)
Other liabilities-other	2,642		4,272
Net cash provided by operating activities	3,258,120		8,071,806

(To be continued)

President Chain Store Corporation
Statement of Cash Flow
January 1 ~ June 30, 2012 and 2011

(Unit: NT\$1000)

	January 1 ~ June 30, 2012	January 1 ~ June 30, 2011
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Proceeds from disposal of financial assets carried at cost	\$ 402	\$ 270,000
Proceeds from capital duction of financial assets measured at cost	-	33,333
Collected long-term equity investment proceeds valued with Equity Method	(744,425)	(178,345)
Proceeds from liquidation of long-term investment under equity method	-	34,221
Cost of computer software	(12,453)	(9,138)
Proceeds paid for the purchase of fixed assets	(1,297,360)	(1,365,977)
Proceeds from disposal of fixed assets	8,616	29,812
Increase in refundable deposits	(474)	(29,124)
Net cash outflow from investing activities	(2,045,694)	(1,215,218)
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>		
Long-term loans	5,990,000	8,600,000
Repayment of long-term borrowings	(5,290,000)	(8,500,000)
Increase in guarantee deposits received	42,218	14,410
Net cash provided by financing activities	742,218	114,410
Cash and cash equivalents increase	1,954,644	6,970,998
Beginning balance of cash and cash equivalents	9,811,022	4,626,008
Ended balance of cash and cash equivalents	\$ 11,765,666	\$ 11,597,006
<u>Supplement disclosures of cash flow information</u>		
Current interest paid	\$ 3,762	\$ 4,432
Current income tax paid	\$ 610,638	\$ 765,861
<u>Investing activities of partial payment on cash</u>		
Proceeds paid for the purchase of fixed assets	\$ 1,063,997	\$ 1,227,096
Add: beginning balance of accounts payable on equipment	491,889	551,997
Less: ended balance of account payable on equipment	(258,526)	(413,116)
Proceeds paid	\$ 1,297,360	\$ 1,365,977
<u>Financing activities which doesn't impact cash flow and Investing activities</u>		
Declared but unpaid cash dividends	\$ 4,990,186	\$ 5,094,149

Please refer to the notes to financial statements and the audit report dated August 27, 2012 by CPA
Hsiao Chun-Yuan and Tseng Hui-Chin of PRICEWATERHOUSECOOPERS

Chairman: Kao Chin-Yen

President: Chen Jui-Tang

Chief Accountant: Lai Hsin-Ti

President Chain Store Corporation

Notes to financial statements

June 30, 2012 and 2011

(Unit: NT\$1000)

(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. The Company’s stock shares were authorized for listing and trade on the Taiwan Stock Exchange in August 1997.
- (II) Uni-President Enterprises Corp. is the parent and the ultimate parent of the Company.
- (III) There were 8,885 employees (including part-time) on the payroll of the Company on June 30, 2012.

II Notes to principal accounting policy

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

(I) Current and noncurrent assets and liabilities

1. Assets that are in conformity with the following terms are classified as current assets; assets other than current assets are noncurrent assets:
 - (1) Assets from business operations that are expected to be cashed, depleted, or sold in the business cycle.
 - (2) It is held for trading purposes.
 - (3) Assets that are to be cashed in twelve months after the Balance Sheet date;
 - (4) Cash and cash equivalents, except for the cash and cash equivalents used for exchange and debt liquidation or restrictive cash and cash equivalent for over twelve months after the Balance Sheet date;
2. Liabilities that are in conformity with the following terms are classified as current liability; liabilities other than current liability are noncurrent liability:
 - (1) Debts from business operations and that are expected to be liquidated in the business

cycle.

- (2) It is held for trading purposes.
- (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) Equivalent cash

Cash equivalents are short-term investments with high liquidity and in compliance with the following requirements:

1. It can be converted to a rated amount of cash at any time.
2. Will be due soon and its value will not be affected by interest rate changes.

The Company has the statement of cash flow composed on the basis of cash and cash equivalents.

(III) Foreign currency exchanges

1. Foreign currency transactions are booked according to the spot exchange rate and the difference with actual payment shall be recognized as current profit and loss.
2. The assets or liabilities in foreign currency are valued and adjusted at yearend in accordance with the spot exchange rate and with the exchange differences recognized as exchange profit or loss. However, the exchange difference from long-term foreign currency advances as investment with foreign operations is debited or credited to the 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 shall be estimated on the basis of fair value and in which changes are recognized as gains or losses. The fair value of the open-ended fund is the net asset value of the fund on the Balance Sheet date.

(V) 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.

(VI) 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.

(VII) Financial assets at cost

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.

(VIII) Inventory

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. If the offshore investment is valued according to the Equity Method, the "cumulative adjustment" from the conversion of the invested company's financial statements is debited or credited to Shareholder's Equity.

(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. Depreciation of fixed assets is computed using the straight-line method over the estimated service 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 and it is amortized in accordance with the estimated useful years, maximum 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 recoverable amount is the net fair value of an asset or its value in use, whichever is higher. When the previously recognized asset impairment no longer exists, it should be reversed within the scope of the loss amount recognized.
2. The collectability of goodwill, intangible with uncertain useful years, and intangible not yet ready for use must be assessed periodically. An impairment loss should be recognized while the collectible value is less than the book value of the assets. Recognized impairment of goodwill shall not be reversed.

(XIII) Pension plan

1. Pension costs under defined benefit pension plan are recognized on the basis of actuarial calculations. Net pension cost covers the cost of service in current period, interest, anticipated return on fund assets, and the amortizations of unrecognized transitional net payment obligations and pension incomes or losses. Unrecognized transitional net payment obligations are amortized for a period of 15 years.
2. 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 levy of 10% income tax on retained earnings-unappropriated under the new Tax Code is recognized as income tax expenses incurred in the year of shareholders meeting resolution.

(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. Related costs are recognized with corresponding items of revenue.

(XVII) Delivery day accounting

The Company has adopted the principle of delivery day accounting where applicable. Changes in fair values of asset transactions between the transaction day and the delivery day carried at cost or cost after amortization will not be recognized. For assets whose change in fair value are recognized as gains or losses, such changes shall be recognized as current gains or losses. For assets available for sales, such changes shall be recognized as adjustments to shareholder 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 the necessary estimation, assessment and disclosures on the amount stated or contingencies, including certain assumptions and estimations. The actual results may vary from the assumptions and estimations.

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: Recognition and Measurement” 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.

IV Notes to major account titles

(I) Cash and cash equivalence

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Petty Cash for stores	\$ 1,778,934	\$ 478,414
Current account deposits and checking account deposits	3,139,054	2,152,331
Deposit account	1,309,592	820,118
Equivalent cash		
Short term bills	5,538,086	8,146,143
	<u>\$ 11,765,666</u>	<u>\$ 11,597,006</u>

(II) Financial assets-current-whose changes in fair value are recognized in earnings

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Financial assets held for trading		
Open-ended funds	\$ 8,000,000	\$ 7,060,000
Valuation Adjustment	18,656	11,794
	<u>\$ 8,018,656</u>	<u>\$ 7,071,794</u>

The Company had recognized net income of \$20,220 and \$14,420 on January 1~June 30, 2012 and 2011, respectively.

(III) Inventory

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Commodities	\$ 3,600,221	\$ 3,000,136

Inventory expenses and loss recognized in the year:

	<u>January 1 ~ June 30, 2012</u>	<u>January 1 ~ June 30, 2011</u>
Cost of goods sold	\$ 45,704,073	\$ 39,254,767
Defective products	667,816	597,873
Other	122,287	108,880
	<u>\$ 46,494,176</u>	<u>\$ 39,961,520</u>

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

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Listed company's stock	\$ 1,213,867	\$ 1,213,867
Valuation Adjustment	(99,711)	12,294
	<u>\$ 914,156</u>	<u>\$ 1,226,161</u>

(V) Financial assets measured at cost - noncurrent

	June 30, 2012	June 30, 2011
Stocks with no public quotation	\$ 10,194,657	\$ 10,253,920
Less: accumulated impairment	(2,587,711)	(1,935,814)
Total	<u>\$ 7,606,946</u>	<u>\$ 8,318,106</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 \$60,072 for the financial assets that are valued at the cost on January 1~June 30, 2012 and 2011, respectively.

(VI) Long-term investments (Equity method)

<u>Invested company</u>	June 30, 2012		June 30, 2011	
	Amount	Proportion of shareholding	Amount	Proportion of shareholding
President Chain Store (BVI) Holdings Ltd.	\$ 3,292,884	100.00	\$ 2,873,423	100.00
President Transnet Corp.	819,444	70.00	705,253	70.00
Mech-President Corp.	673,515	80.87	678,371	80.87
President Development Corp.	617,982	20.00	586,246	20.00
President Drugstore Business Corp.	594,649	100.00	639,638	100.00
President Pharmaceutical Corp.	588,990	73.74	480,065	73.74
Uni-President Department Store Corp.	559,332	70.00	672,763	70.00
President Musashino Corp.	539,808	90.00	544,726	90.00
President Information Corp.	455,240	86.00	214,669	56.00
Uni-President Cold-Chain Corp.	393,557	60.00	361,989	60.00
Q-ware Systems & Services Corp.	302,601	86.76	288,925	86.76
Muji (Taiwan) Co., Ltd.	258,158	51.00	221,318	51.00
President Coffee Corp.	210,207	30.00	195,753	30.00
Books.com. Co., Ltd.	197,500	50.03	176,123	50.03
President YiLan Art and Culture Corp.	188,456	100.00	187,176	100.00
Wisdom Distribution Service Corp.	183,777	100.00	215,666	100.00
Intergrated Marketing Communications Co., Ltd.	165,390	44.45	85,788	30.00
Ren-Hui Investment Corp.	137,657	100.00	202,742	100.00
Retail Support International Corp.	134,789	25.00	125,350	25.00
Duskin Serve Taiwan Co.	131,971	51.00	125,045	51.00
Cold Stone Creamery Taiwan Ltd.	131,055	100.00	133,982	100.00
Bank Pro E-Service Technology Co., Ltd., etc.	396,683	36.67~ 100.00	453,777	30.00~ 100.00
	<u>\$ 10,973,645</u>		<u>\$ 10,168,788</u>	

1. The Company had recognized long-term equity investment income with Equity Method for an amount of \$605,355 and \$696,727 on January 1~June 30, 2012 and 2011, respectively, in accordance with the unaudited financial reports of the invested companies.
2. 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.
3. The financial statements of the companies invested in by the Company that are valued with the Equity Method directly or indirectly, except for the financial statements of Capital Inventory Services Corp., President Being Corp., Philippine Seven Corp., and PCSC (Vietnam) Supermarket Limited, are audited by other certified public accountants and/or are audited by the Company's auditors.

(VII) Fixed assets

	<u>June 30, 2012</u>				Book value
	Initial cost	Revaluation increments	Accumulated depreciation	Accumulated impairment	
Land	\$ 1,371,320	\$ -	\$ -	\$ -	\$ 1,371,320
Building	864,630	55,374	(210,388)	-	709,616
Operating equipment	12,414,787	-	(8,702,218)	(21,013)	3,691,556
Lease improvement	6,582,367	-	(3,897,486)	-	2,684,881
Other equipment	7,811	-	(6,658)	-	1,153
	<u>\$ 21,240,915</u>	<u>\$ 55,374</u>	<u>(\$ 12,816,750)</u>	<u>(\$ 21,013)</u>	<u>\$ 8,458,526</u>

	<u>June 30, 2011</u>				Book value
	Initial cost	Revaluation increments	Accumulated depreciation	Accumulated impairment	
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>\$ -</u>	<u>\$ 8,003,035</u>

(VIII) Assets leased to others

	<u>June 30, 2012</u>		Book value
	Initial cost	Accumulated depreciation	
Land	\$ 976,377	\$ -	\$ 976,377
Building	466,298	(112,961)	353,337

\$ 1,442,675	(\$ 112,961)	\$ 1,329,714
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	June 30, 2011		
	Initial cost	Accumulated depreciation	Book value
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>

(IX) Accrued expenses

	June 30, 2012	June 30, 2011
Payable salaries and bonuses	\$ 780,733	\$ 788,563
Payable incentives for franchisee	624,785	579,882
Bonus payable to employees and remuneration payable to directors and supervisors	545,364	539,233
Payable fees for system development and maintenance	69,358	128,983
Other	453,777	473,209
	<u>\$ 2,474,017</u>	<u>\$ 2,509,870</u>

(X) Other accounts payable

	June 30, 2012	June 30, 2011
Store collections	\$ 7,281,524	\$ 6,104,337
Cash dividends payable	4,990,186	5,094,149
Payable for acquisition of fixed assets	258,526	413,116
Other	531,180	375,995
	<u>\$ 13,061,416</u>	<u>\$ 11,987,597</u>

(XI) Unearned receipts

	June 30, 2012	June 30, 2011
Advances from gift certificates	\$ 1,075,564	\$ 990,690
I-Cash cards	718,044	734,321
Collections of merchandise cards	172,532	167,432
Other	179,403	89,957
	<u>\$ 2,145,543</u>	<u>\$ 1,982,400</u>

(XII) Long-term debt payable

June 30, 2012	June 30, 2011
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Credit loan	\$ 4,100,000	\$ 5,100,000
Annual Interest rate	<u>0.90%~1.08%</u>	<u>0.76%~0.88%</u>

The credit loans of the Company referred to above is contracted for 2~3 years. The Company may use the revolving line of credit within the total credit amount.

(XIII) Pension Plan

1. The company and has instituted the regulations for the defined pension plan under the “Labor Standards Law” applicable to the years of services of employees before July 1, 2005, the day that the new “Labor Pension Act” has come into full force, such regulations are also applicable to employees who elect to continue the calculation of their subsequent years of service under the “Labor Standard Law”. Pension payment for each employee who has qualified for retirement is based on the average salary of six months prior to the retirement. Each service year within fifteen years is granted with two pension points and then one pension point for each service year thereafter is granted and with maximum 45 pension points available for each employee. The Company has pension reserve appropriated monthly for an amount equivalent to 8.4%~9.4% 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 a net pension cost of \$76,773 and \$72,075 recognized for the January 1 ~ June of 2012 and 2011, respectively, according to the aforementioned pension plan; also, the pension reserve account in Bank of Taiwan was with a balance of \$1,148,108 and \$1,010,208 booked on June 30, 2012 and 2011, respectively.
2. The company has provided a defined contribution to the pension plan according to “Labor Pension Act” on July 1, 2005 for the benefit of native employees. The Company is to contribute a labor pension to the employee’s personal account with the Bureau of Labor on a monthly basis for an amount equivalent to 6% of the salary in accordance with the “Labor Pension Act.” Pension is paid on a monthly basis or in a lump sum in accordance with the employee’s personal pension account or the benefits accrued. The Company had recognized pension cost for an amount of \$81,993 and \$71,883 on January 1~June 30, 2012 and 2011, respectively, in accordance with the defined contribution pension plan.

(XIV) Income Tax

1. Income tax and Income tax payable:

	January 1 ~ June 30, 2012	January 1 ~ June 30, 2011
Income tax payable	\$ 537,052	\$ 605,325
Changes in net deferred income tax assets (current) resulted from temporary difference	3,799 (	8,395)
Underestimated (overestimated) income tax in prior periods	3,196 (	28,134)
Prepaid income tax	2,914	1,430
Income Tax expenses	<u>\$ 546,961</u>	<u>\$ 570,226</u>
Income Tax expenses:		
Income Tax expenses in current period	\$ 546,961	\$ 563,857

Additional 10% income tax expense levied on the retained earnings-unappropriated	-	6,369
Income Tax expenses	<u>\$ 546,961</u>	<u>\$ 570,226</u>

2. Deferred income tax assets (liabilities) are as follows:

	<u>June 30, 2012</u>		<u>June 30, 2011</u>	
	Amount	Effect of income tax	Amount	Effect of income tax
<u>Current items</u>				
(booked in the account of other current assets)				
Unrealized sales discount	\$ 116,214	\$ 19,756	\$ 76,805	\$ 13,057
Bad debt	28,031	4,765	1,227	209
Employee Benefits	2,489	<u>423</u>	4,978	<u>846</u>
		<u>\$ 24,944</u>		<u>\$ 14,112</u>
<u>Non-current items</u>				
(booked in the account of other assets-others)				
Overseas investment losses	\$ 1,238,940	\$ 210,620	\$ 832,813	\$ 141,578
Unrealized expenses	58,398	9,928	32,465	5,519
Impairment loss of fixed assets	21,013	3,572		-
Unrealized gain on financial instrument	(45,772)	<u>(7,781)</u>		<u>-</u>
		216,339		147,097
Less: valuation allowance		<u>(210,620)</u>		<u>(141,578)</u>
		<u>\$ 5,719</u>		<u>\$ 5,519</u>

3. Tax Administration had the Company's business profit tax return audited up to 2009.

4. Details of retained earnings-unappropriated are shown as follows:

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Retained earnings-unappropriated before 1997	\$ 26,823	\$ 26,823
Retained earnings-unappropriated after 1998	3,453,969	3,711,034
Total	<u>\$ 3,480,792</u>	<u>\$ 3,737,857</u>

5. Two-in-one tax:

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Shareholder's tax credit balance	\$ 1,159,018	\$ 952,563
	<u>2011</u>	<u>2010</u>
Actual imputation credit ratio	<u>20.62%</u>	<u>20.45%</u>

(XV) Capital Stock

The Company's authorized capital stock as of June 30, 2012 and 2011 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, appropriates 10% of the annual earnings after paying all the taxes and losses as legal reserve. Also, appropriates special surplus for an amount equivalent to the amount debited to shareholders' equity of the year. The reversal of the amount debited to shareholders' equity in the subsequent years shall be transferred to the annual earnings of the year for distribution. The Board of Directors is to propose in the Shareholder's Meeting for the distribution of the remaining earnings of the year and the unallocated retained earnings, in which, the remuneration to directors and supervisors is for 1% of the earnings of the year and a bonus to employees for not less than 0.2% of the earnings of the year. Dividend and bonuses to shareholders is for 80%~100% of the retained earnings net of the remunerations to directors and supervisors and bonuses to employees, in which, 50%~100% is paid with cash; also, the remaining earnings are unappropriated.

A resolution was reached in the shareholder's meeting on June 22, 2011 having the Company's Articles of Association modified with the remunerations to directors and supervisors increased from 1 % of the annual earnings to 2% of the annual earnings.

2. Legal surplus is used only for offsetting losses and distributing stock dividend or cash prorated to shareholdings, provided that the distributed stock dividend and cash is limited to 25% of the amount the legal surplus exceeding the paid-in capital.
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 21, 2012 and June 22, 2011, respectively, as follows:

	2011		2010	
	Amount	EPS (NT\$)	Amount	EPS (NT\$)
Legal reserve	\$ 635,241		\$ 572,575	
Special reserve (Reverse)	768,822		(4,660)	
Cash dividend	4,990,186	\$ 4.80	5,094,149	\$ 4.90
Cash bonus to employees	296,901		309,471	
Remuneration to directors and supervisors	98,967		51,578	
Total	<u>\$ 6,790,117</u>		<u>\$ 6,023,113</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. 2011 Earnings distribution of the Company is stated as above. Bonus to employees and remuneration to directors and supervisors were in conformity with the amount recognized on the financial statements for the year ended December 31, 2011.

5. The Company's estimated bonus to employees in the first half of 2012 and 2011 amounted to \$186,347 and \$196,939; also, the estimated remunerations to directors and supervisors amounted to \$62,116 and \$32,823. It was estimated and appropriated in accordance with the percentage (6% and 2%) defined in the Articles of Incorporation and net income; also, by referring to the distribution ratio of prior periods and legal surplus.

(XVII) Earnings per share

	January 1 ~ June 30, 2012			Earnings per share	
	Amount		Weighted average outstanding shares (,000 shares)	(Unit: NT\$)	
	Before tax	After ax		Before tax	After ax
Basic earnings per share					
Earnings for shareholders of common stock	\$3,978,755	\$3,431,794	1,039,622	<u>\$3.83</u>	<u>\$ 3.30</u>
Impact of common stock with potential dilution on employee's bonus					
Bonus to employees	-	-	1,252		
Diluted earnings per share	<u>\$3,978,755</u>	<u>\$3,431,794</u>	<u>1,040,874</u>	<u>\$3.82</u>	<u>\$ 3.30</u>
	January 1 ~ June 30, 2011				
	Amount		Weighted average outstanding shares (,000 shares)	(Unit: NT\$)	
	Before tax	After ax		Before tax	After ax
Basic earnings per share					
Earnings for shareholders of common stock	\$4,217,246	\$3,647,020	1,039,622	<u>\$4.06</u>	<u>\$ 3.51</u>
Impact of common stock with potential dilution on employee's bonus					
Bonus to employees	-	-	1,261		
Diluted earnings per share	<u>\$4,217,246</u>	<u>\$3,647,020</u>	<u>1,040,883</u>	<u>\$4.05</u>	<u>\$ 3.50</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 hiring, depreciation, depletion, and amortization expenses of the Company are operating expenses and are summarized as follows:

	January 1 ~ June 30, 2012	January 1 ~ June 30, 2011
Personnel expenses		
Salaries	\$ 2,420,749	\$ 2,246,136
Labor insurance and health insurance premiums	177,806	154,589
Pension expenses	158,766	143,958
Other personnel expenses	153,960	147,104
	<u>\$ 2,911,281</u>	<u>\$ 2,691,787</u>
Depreciation expense	<u>\$ 1,018,237</u>	<u>\$ 926,004</u>
Amortization expense	<u>\$ 32,506</u>	<u>\$ 73,179</u>

V Related Party Transactions

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

Name of related parties	Relationship with the company
Uni-President Enterprises Corp.	Parent company
Tung Ang Enterprises Corp.	Invested companies accounted for under the equity method by President Chain Store Company
Presco Netmarketing Inc.	"
President Fair Development Corp.	"
Tung Guan Enterprises Co.,Ltd.	"
President Baseball Team Corp.	"
President Drugstore Business Corp.	Subsidiary
Wisdom Distribution Service Corp.	"
Duskin Serve Taiwan Co.	"
Capital Inventory Services Corp.	"
President Information Corp.	"
Uni-President Cold-Chain Corp.	"
President Chain Store (BVI) Holdings Ltd.	"
President Transnet Corp.	"

Bank Pro E-Service Technology Co., Ltd.	//
Books.com. Co., Ltd.	//
Uni-President Department Store Corp.	//
Q-ware Systems & Services Corp.	//
21 Century Enterprise Co., Ltd.	//
President Pharmaceutical Corp.	//
President Coffee Corp.	Invested company has the company's valued with Equity Method.
Retail Support International Corp.	//
Q-ware Communications Co., Ltd	A director of the company
Presicarre Corp.	//

There is not any material transactions conducted with other related party. Please refer to Note XI (II) "Transfer Investment Information" for the name and relationship referred to above.

(II) Major transactions with related parties

1. Other operating revenue

(1) Sales bonus income

	January 1 ~ June 30, 2012		January 1 ~ June 30, 2011	
	Amount	Total percentage of the subject amount (%)	Amount	Total percentage of the subject amount (%)
Retail Support International Corp.	\$ 353,129	35	\$ 248,291	29
Other	65,270	6	50,684	6
	<u>\$ 418,399</u>	<u>41</u>	<u>\$ 298,975</u>	<u>35</u>

(2) Commission income of collection business

	January 1 ~ June 30, 2012		January 1 ~ June 30, 2011	
	Amount	Total percentage of the subject amount (%)	Amount	Total percentage of the subject amount (%)
Presco Netmarketing Inc.	\$ 199,835	19	\$ 152,779	16
Books.com. Co., Ltd.	90,950	9	83,194	9
Other	46,824	5	49,448	6
	<u>\$ 337,609</u>	<u>33</u>	<u>\$ 285,421</u>	<u>31</u>

2. Purchase (net of purchase incentives)

	January 1 ~ June 30, 2012		January 1 ~ June 30, 2011	
	Amount	Ratio to the total purchase amount (net) of the Company	Amount	Ratio to the total purchase amount (net) of the Company
Retail Support International Corp.	\$ 27,082,342	58	\$ 21,325,645	52
Uni-President Cold-Chain Corp.	11,616,600	25	10,581,077	26
Wisdom Distribution Service Corp.	5,319,836	11	5,188,521	13
Uni-President Enterprises Corp.	1,432,423	3	1,439,485	4
Other	205,822	-	509,623	1
	<u>\$ 45,657,023</u>	<u>97</u>	<u>\$ 39,044,351</u>	<u>96</u>

- (1) Except for Retail Support International Corp., Uni-President Cold-Chain Corp., and Wisdom Distribution Service Corp., the purchases referred to above are based on general pricing; also, the incentive ratio of purchases and collections are the same as the 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)

	January 1 ~ June 30, 2012		January 1 ~ June 30, 2011	
	Amount	Total percentage of the subject amount (%)	Amount	Total percentage of the subject amount (%)
Uni-President Cold-Chain Corp.	\$ 100,655	63	\$ 106,303	66
Other	58,073	37	55,498	34
	<u>\$ 158,728</u>	<u>100</u>	<u>\$ 161,801</u>	<u>100</u>

4. Operating expenses

(1) Stores supplies (Booked in the “packaging expense and other expenses”)

	January 1 ~ June 30, 2012		January 1 ~ June 30, 2011	
	Amount	Percentage of the amount under the same account title	Amount	Percentage of the amount under the same account title
Retail Support International Corp.	\$ 159,463	37	\$ 108,999	34

(2) E-ordering system processing fee, etc.

	January 1 ~ June 30, 2012		January 1 ~ June 30, 2011	
	Amount	Percentage of the amount under the same account title	Amount	Percentage of the amount under the same account title
President Information Corp.	\$ 285,430	64	\$ 276,453	59

5. Non-operating income

	January 1 ~ June 30, 2012		January 1 ~ June 30, 2011	
	Amount	Percentage of the amount under the same account title	Amount	Percentage of the amount under the same account title
Retail Support International Corp.	\$ 131,349	25	\$ 123,083	26
Uni-President Cold-Chain Corp.	79,548	15	76,828	16
President Chain Store (BVI) Holdings Ltd.	58,591	11	70,953	15
President Coffee Corp.	11,937	2	9,247	2
President Drugstore Business Corp.	9,763	2	9,158	2
Other	65,413	13	70,458	15
	\$ 356,601	68	\$ 359,727	76

The Company collected electronic ordering system processing fees and other subsidies from Uni-President Cold-Chain Corp. and Wisdom Distribution Service Corp.

6. Receivable (payable to) from related parties

	June 30, 2012		June 30, 2011	
	Amount	Total percentage of the subject amount (%)	Amount	Total percentage of the subject amount (%)
(1) <u>Other receivables</u>				
President Drugstore Business Corp.	\$ 306,621	12	\$ 268,905	13
Presicarre Corp.	196,170	8	81,899	4
Uni-President Cold-Chain Corp.	190,415	7	144,855	7
Retail Support International Corp.	171,580	7	45,284	2
President Pharmaceutical Corp.	156,070	6	87,329	4
Wisdom Distribution Service Corp.	130,654	5	134,706	6
President Coffee Corp.	129,408	5	100,395	5
Books.com. Co., Ltd.	106,646	4	91,580	4
Other	572,066	21	263,994	11
	<u>\$ 1,959,630</u>	<u>75</u>	<u>\$ 1,218,947</u>	<u>56</u>

The Other Receivables referred to above on June 30, 2012 and 2011 include dividends receivable for NT\$1,619,729 and NT\$165,448, respectively.

	June 30, 2012		June 30, 2011	
	Amount	Total percentage of the subject amount (%)	Amount	Total percentage of the subject amount (%)
(2) <u>Prepayments</u>				
Wisdom Distribution Service Corp.	<u>\$ 222,408</u>	<u>64</u>	<u>\$ 142,018</u>	<u>49</u>
(3) <u>Note and account payables</u>				
Retail Support International Corp.	\$ 6,229,925	47	\$ 5,772,564	48
Uni-President Cold-Chain Corp.	4,208,677	31	3,601,177	30
Wisdom Distribution Service Corp.	1,390,977	10	1,506,336	13
Uni-President Enterprises Corp.	490,491	4	291,518	2
Other	304,557	2	254,454	3
	<u>\$ 12,624,627</u>	<u>94</u>	<u>\$ 11,426,049</u>	<u>96</u>

(4) <u>Accrued expenses</u>				
President Information Corp.	\$ 44,398	2	\$ 68,566	3
Capital Inventory Services Corp.	28,875	1	28,379	1
Other	38,972	1	32,287	1
	<u>\$ 112,245</u>	<u>4</u>	<u>\$ 129,232</u>	<u>5</u>

7. Endorsement and guarantee

The endorsement and guarantee of the company made for related party up to June 30, 2012 and 2011:

	June 30, 2012	June 30, 2011
Uni-President Department Store Corp.	\$ 2,219	\$ 2,022
Wisdom Distribution Service Corp.	50,000	50,000
Q-ware Communications Co., Ltd.	29,978	22,540
	<u>\$ 82,197</u>	<u>\$ 74,562</u>
Presiclerc(Beijing) Supermarket Co., Ltd.	<u>-</u>	<u>RMB B11,082,000</u>

8. Commitments

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 \$680,004 up to May 2017. There is a payable for an amount of \$332,751 on June 30, 2012.

VI Pledged Assets

None.

VII Commitment or contingency

- (I) The Company has a long-term technical collaboration agreement signed with 7-ELEVEN Inc. in the U.S. The company is obliged to pay technical royalty for an amount equivalent to certain percentage of monthly sales revenue throughout the contract period.
- (II) The company has President International Building leased to a non-related party (Booked in the "Lease assets" account):
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 rent amount</u>
January 7 ~ October 31, 2012	<u>\$ 5,388</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 the rent and deposit made for an amount of \$118,205 and \$1,025,732, respectively, on June 30, 2012 in accordance with the agreement signed; moreover, they are booked in the account of “Prepayment” and “Refundable deposits” respectively. The Company expects that future annual rental expenses are payable as follows:

<u>Lease term</u>	<u>Total rent amount</u>
July 1 ~ December 30, 2012	\$ 2,444,417
2013	4,796,339
2014	4,492,358
2015	4,116,043
2016	3,647,721
2017 and thereafter (discounted value \$9,398,863)	<u>9,770,594</u>
	<u>\$ 29,267,472</u>

VIII Loss from major accidents

None.

IX Materiality after the period

None.

X Other

(I) The fair value of financial instruments

<u>Financial instruments</u>	<u>June 30, 2012</u>		
	<u>Book value</u>	<u>Fair value</u>	
		<u>The market amount</u>	<u>The estimated amount</u>
<u>Non-Derivatives financial instruments</u>			
<u>Assets</u>			
Financial assets with equal fair value and book value	\$ 14,921,426	\$ -	\$ 14,921,426
Financial assets at fair value through income statement	8,018,656	8,018,656	-
Financial assets at cost	7,606,946	-	-
Financial assets in available-for-sale	914,156	914,156	-
Refundable deposits	1,035,063	-	1,003,938
<u>Liabilities</u>			
Financial liabilities with equal fair value and book value	\$ 28,902,253	\$ -	\$ 28,902,253
Long-term debt payable	4,100,000	-	4,100,000
Guarantee Deposit received	1,907,734	-	1,859,206

Financial instruments	June 30, 2011		
	Book value	Fair value	
		The market amount	The estimated amount
<u>Non-Derivatives financial instruments</u>			
<u>Assets</u>			
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	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

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 profit and 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 \$15,913 and (\$307,771) on January 1~June 30, 2012 and 2011, respectively.

(III) Interest rate risk position

As of June 30, 2012 and 2011, the Company's financial liabilities with fair value risk due to changes in interest rate were \$4,100,000 and \$5,100,000, respectively. Financial liability of the cash flow risk without changes in interest rate.

(IV) Control of Financial Risks and Hedge strategy

1. The risk management policy adopted by the Company aims at hedging off operational risks. 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) Most of the Company's investments in funds are quasi money market funds and the holding period of short-term notes is quite short. After assessment, there should be no significant market risk.
- (2) The Company's investments in available-for-sale financial assets are stocks of listed/OTC companies that are influenced by market prices.
- (3) The Company's long-term debts bear interest at fixed rates and are deemed to have no significant market risks due to revolving use with short periods.
- (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:

(Foreign currency: Functional currency)	June 30, 2012		June 30, 2011
	Foreign currency	Exchange rate	Foreign currency
Financial assets			
<u>Non-monetary assets</u>			
JPY: NT\$	455,100,000	0.375	468,600,000
<u>Long-term investments (Equity method)</u>			
USD: NT\$	111,636,000	29.88	100,556,000

2. Credit Risk

- (1) Financial assets that change in fair values are recognized as gains or losses and Financial assets in available-for-sale are traded publicly, or, traded with reputable party; therefore, no breach of contract expected from the trade party.
- (2) The Company offers loan guarantees and commitments in accordance with the "Operational Procedures for Endorsements and Guarantees" 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) Financial instruments that change in fair value are recognized as gains and losses and financial assets in available-for-sale invested by the Company have public quotations in open market. As such, they are expected to be disposed of quickly at prices approximating to fair value in the market without difficulty. Therefore, there is no significant risk of liquidity anticipated.
- (2) The Company's investment in financial assets at cost noncurrent is without public quotation in market; therefore, significant liquidity risk is expected.
- (3) The payables of the Company is 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 Risks deriving from interest rate fluctuation

- (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) Most of the Company's investments in funds are quasi money market funds. After assessment, there should be no significant cash flow risk resulting from changes in interest rate.

XI Supplementary Disclosure

1. Information on major trade

(The information disclosure of the invested company is based on the unaudited financial statements of the invested company)

Disclosure on major transactions of the Company in the first quarter of 2012 is specified as follows:

1. Loans to third parties: None.

2. Endorsement and guarantee for third party:

No.	Endorsing company	Company Name	Relation	Limit of guarantee to particular enterprise (note 2)	Maximum Balance in current period	Balance at ending	Guarantee with Collateral	Accumulated amount of guarantee in proportion to the net asset value stated in the financial statements of the most recent period	Upper limit for guarantee (note 2)	Remarks
0	President Chain Store Corporation	Wisdom Distribution Service Corp.	Subsidiary	\$ 3,823,959	\$ 50,000	\$ 50,000	\$ -	0.26	\$ 9,559,898	
0	President Chain Store Corporation	Uni-President Department Store Corp.	Subsidiary	3,823,959	2,558	2,219	-	0.01	9,559,898	
0	President Chain Store Corporation	Q-ware Communications Co., Ltd.	Note 1	3,823,959	29,978	29,978	-	0.16	9,559,898	

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

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

3. Marketable securities at yearend

<u>Holding company</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>
The Company	First Bank Holdings Family Money Market Fund	None.	Financial assets-current-whose changes in fair value are recognized in earnings	2,901,124	\$ 500,000	-	\$ 501,004	
	UPAMC James Bond Market Money Fund	"	"	49,468,523	800,000	-	800,050	
	Polaris Depot money market funds	"	"	43,073,000	500,000	-	501,012	
	Mega money market funds, the international Silmarullion	"	"	82,883,689	1,000,000	-	1,003,829	
	Yuanta Cosmos money market funds	"	"	92,427,137	1,350,000	-	1,355,120	
	ING Taiwan Money Market Fund	"	"	63,545,321	1,000,000	-	1,003,559	
	Jih Sun money market funds	"	"	35,064,835	500,000	-	501,872	
	Shinkong lucky-star money market funds	"	"	33,443,250	500,000	-	501,829	
	Eastspring Inv Well Pool Money Market	"	"	64,616,180	850,000	-	850,175	
	Taishin 1699 Money Market Funds	"	"	76,457,276	1,000,000	-	1,000,206	
					8,000,000	-	\$ 8,018,656	
			Add: Valuation Adjustment		18,656			
					\$ 8,018,656			
	President Securities Corp.	Investees of Uni-President Enterprises Corp. under the Equity Method	Financial assets in available-for-sale-non current	34,567,837	\$ 140,534	2.69	\$ 515,061	
	Duskin Co., Ltd.	None.	"	300,000	125,072	0.45	170,845	
	Chimei Innolux Corporation	"	"	18,556,967	948,261	0.25	228,250	
					1,213,867		\$ 914,156	
			Add: Valuation Adjustment		(299,711)			
					\$ 914,156			

Holding company	Type and title of marketable securities	Affiliation with security issuers	Account titles	Yearend holdings / Shares	Book value	Proportion of shareholding	Market price / Net equity	Remarks
The Company	Presicarre Corp.	The Company is a director	Financial assets measured at cost-noncurrent	130,801,027	\$ 5,395,902	19.50	skipped	
	President Fair Development Corp.	"	"	209,000,000	1,496,406	19.00	skipped	
	President International Development Corp.	"	"	44,100,000	441,000	3.33	skipped	
	Tung Ho Development Corp., etc.	skipped	skipped	skipped	273,638	skipped	skipped	
					<u>\$ 7,606,946</u>			
	President Chain Store (BVI) Holdings Ltd.	Subsidiary	Long-term investments (Equity method)	128,461,973	\$ 3,292,884	100.00	\$ 3,292,745	
	President Drugstore Business Corp.	"	"	40,000,000	594,649	100.00	594,648	
	President Transnet Corp.	"	"	69,999,999	819,444	70.00	800,914	
	Mech-President Corp.	"	"	55,858,815	673,515	80.87	626,228	
	President Pharmaceutical Corp.	"	"	19,909,765	588,990	73.74	428,129	
	Uni-President Department Store Corp.	"	"	111,999,999	559,332	70.00	559,632	
	President Musashino Corp.	"	"	48,519,891	539,808	90.00	490,873	
	Uni-President Cold-Chain Corp.	"	"	19,563,272	393,557	60.00	387,929	
	President Information Corp.	"	"	25,714,475	455,240	86.00	346,417	
	Q-ware Systems & Services Corp.	"	"	24,382,921	302,601	86.76	289,448	
	Muji (Taiwan) Co., Ltd.	"	"	8,431,269	258,158	51.00	205,625	
	Wisdom Distribution Service Corp.	"	"	10,847,421	183,777	100.00	187,037	
	Books.com. Co., Ltd.	"	"	9,999,999	197,500	50.03	197,538	
	President YiLan Art and Culture Corp.	"	"	15,000,000	188,456	100.00	185,148	
	Duskin Serve Taiwan Co.	"	"	10,200,000	131,971	51.00	131,868	
	Ren-Hui Investment Corp.	"	"	53,194,997	137,657	100.00	137,657	
	Cold Stone Creamery Taiwan Ltd.	"	"	12,244,390	131,055	100.00	132,102	
	President Development Corp.	Investees of the Company under the Equity Method	"	72,000,000	617,982	20.00	617,980	
	President Coffee Corp.	"	"	10,691,337	210,207	30.00	210,207	
	Retail Support International Corp.	"	"	6,430,000	134,789	25.00	133,241	
	Intergrated Marketing Communications Co., Ltd.	"	"	17,199,999	165,390	44.45	164,065	
	Uni-President Oven Bakery Corp., etc.	skipped	"	skipped	396,683	36.67	387,268	
						~100.00		
					<u>\$10,973,645</u>		<u>\$ 10,506,699</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	Relation	Beginning		Bought		Sold			Disposition gain	Other adjustment (Note 3)	Ended	
					Quantity of share	Amount	Quantity of share	Amount	Quantity of share	Selling price	Carrying cost			Quantity of share	Amount
The Company	Eastspring Inv Well Pool Money Market	Note 1	Not applicable.	Not applicable.	76,289,289	\$ 1,000,000	64,616,180	\$ 850,000	76,289,289	\$1,000,351	\$ 1,000,000	\$ 351	\$ -	64,616,180	\$ 850,000
	UPAMC James Bond Market Money Fund	"	"	"	31,020,449	500,000	111,473,260	1,800,000	93,025,186	1,500,980	1,500,000	980	-	49,468,523	800,000
	Prudential money market fund	"	"	"	32,756,170	500,000	71,926,323	1,100,000	104,682,493	1,600,233	1,600,000	233	-	-	-
	Polaris Depot money market funds	"	"	"	-	-	43,073,000	500,000	-	-	-	-	-	43,073,000	500,000
	First Bank Holdings Family Money Market Fund	"	"	"	-	-	2,901,124	500,000	-	-	-	-	-	2,901,124	500,000
	Taishin 1699 Money Market Funds	"	"	"	-	-	76,457,276	1,000,000	-	-	-	-	-	76,457,276	1,000,000
	President Chain Store (BVI) Holdings Ltd.	Note 2	Cash capital increase	"	106,575,196	2,782,507	21,886,777	647,405	-	-	-	-	(137,028)	128,461,973	3,292,884

Note 1: Recognized as "Financial assets-current-whose changes in fair value are recognized in earnings".

Note 2: Recognized as "Long-term investments (Equity method)".

Note 3: Current investment profit and loss recognized with the Equity Method and cumulative translation adjustments

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 purchase amount and sale amount with the related parties exceeding NT\$100 million or 20% of the paid-in capital:

Buying (selling) companies	Counter party	Relation	Status of trade		Percentage to total purchase (sales)	Credit term	Special terms and conditions of trade and reasons		Note receivable (payable), accounts receivable (payable)		Remarks
			Purchase (sales)	Amount			Unit price	Credit term	Balance	Total percentage of the accounts and notes receivable (payable) (%)	
The Company	Retail Support International Corp.	Investees of the Company under equity method	Purchase	\$27,082,342	58	OA 10~54 days	Note 1	No significant differences	(\$6,229,925)		47
	Uni-President Cold-Chain Corp.	Subsidiary	"	11,616,600	25	OA 20~70 days	"	"	(4,208,677)		31
	Wisdom Distribution Service Corp.	Subsidiary	"	5,319,836	11	OA 30~60 days	"	"	(1,390,977)		10
	Uni-President Enterprises Corp.	Parent company	"	1,432,423	3	OA 30~40 days	No significant differences	"	(490,491)		4
	Q-ware Systems & Services Corp.	Subsidiary	"	175,765	-	OA 45 days	Note 2	"	(71,320)		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. Receivables from related parties exceeding NT\$100 million or 20% of the paid-in capital: None:

Account receivable company	Counter party	Relation	Receivables from related parties	Turnover rate	Overdue receivables from related parties		Post collection of accounts receivable from affiliates	Allowance for bad debt
					Amount	Process		
President Chain Store Corporation	President Drugstore Business Corp.	Subsidiary	Other receivables \$306,621	Note	\$ -	-	\$ 306,621	\$ -
	Uni-President Cold-Chain Corp.	"	Other receivables \$190,415	"	-	-	190,415	-
	President Pharmaceutical Corp.	"	Other receivables \$156,070	"	-	-	156,070	-
	Wisdom Distribution Service Corp.	"	Other receivables \$130,654	"	-	-	130,654	-
	Books.com. Co., Ltd.	"	Other receivables \$106,646	"	-	-	106,646	-
	Retail Support International Corp.	Investees of the Company under equity method	Other receivables \$171,580	"	-	-	171,580	-
	President Coffee Corp.	"	Other receivables \$129,408	"	-	-	129,408	-
	Presicarre Corp.	A director of the company	Other receivables \$196,170	"	-	-	196,170	-

Note: It is mainly the dividends receivable and purchase incentives receivable; therefore, it is not applicable.

9. Trading of Derivative Products: None.

(II). Transfer Investment Information

(The information disclosure of the invested company is based on the unaudited financial statements of the invested company)

1. Invested company:

Name of Investment Company	Name of invested company	Area	Main Business	The amount of the original investment		End of the previous period	Ending shareholdings		Book value	Net income (loss) of the invested company		PCSC's s recognized investment gain (loss)		Remarks	
				Currency	End of the period		Currency	Ratio		Currency	Amount	Currency	Amount		
President Chain Store Corporation	President Chain Store (BVI) Holdings Ltd.	British Virgin Islands	Professional investment company	NT\$	\$ 4,578,686	NT\$	\$ 3,931,281	128,461,973	100.00	NT\$	\$ 3,292,884				Subsidiary
President Chain Store Corporation	President Drugstore Business Corp.	Taiwan	Retailing of medicines and daily items	NT\$		NT\$	288,559	40,000,000	100.00	NT\$	594,649		NT\$	73,101	Subsidiary
President Chain Store Corporation	President Transnet Corp.	Taiwan	Delivery service	NT\$		NT\$	711,576	69,999,999	70.00	NT\$	819,444		NT\$	93,183	Subsidiary
President Chain Store Corporation	Mech-President Corp.	Taiwan	Gas station and elevator installation	NT\$		NT\$	904,475	55,858,815	80.87	NT\$	673,515		NT\$	31,650	Subsidiary
President Chain Store Corporation	President Pharmaceutical Corp.	Taiwan	Wholesale and retail of medicines and medical equipment	NT\$		NT\$	330,216	19,909,765	73.74	NT\$	588,990		NT\$	158,943	Subsidiary
President Chain Store Corporation	President Development Corp.	Taiwan	Operation of transportation depots and facilities	NT\$		NT\$	720,000	72,000,000	20.00	NT\$	617,982		NT\$	10,516	Note 1
President Chain Store Corporation	Uni-President Department Store Corp.	Taiwan	Department stores	NT\$	1,680,000	NT\$	1,680,000	111,999,999	70.00	NT\$	559,332	(	NT\$	41,408)	Subsidiary
President Chain Store Corporation	President Musashino Corp.	Taiwan	Foods industry	NT\$		NT\$	520,141	48,519,891	90.00	NT\$	539,808	(	NT\$	6,895)	Subsidiary
President Chain Store Corporation	Uni-President Cold-Chain Corp.	Taiwan	Low-temperature foods logistics including frozen foods	NT\$		NT\$	237,437	19,563,272	60.00	NT\$	393,557		NT\$	82,651	Subsidiary
President Chain Store Corporation	President Information Corp.	Taiwan	Business management consulting services	NT\$		NT\$	320,741	25,714,475	86.00	NT\$	455,240		NT\$	47,956	Subsidiary
President Chain Store Corporation	Q-ware Systems & Services Corp.	Taiwan	Business management consulting services	NT\$		NT\$	332,482	24,382,921	86.76	NT\$	302,601		NT\$	39,159	Subsidiary
President Chain Store Corporation	President Coffee Corp.	Taiwan	Coffee Chain Store	NT\$		NT\$	59,400	10,691,337	30.00	NT\$	210,207		NT\$	61,482	Note 1
President Chain Store Corporation	Muji (Taiwan) Co., Ltd.	Taiwan	Japanese department store & retail	NT\$		NT\$	133,367	8,431,269	51.00	NT\$	258,158		NT\$	24,934	Subsidiary
President Chain Store Corporation	Wisdom Distribution Service Corp.	Taiwan	Logistics of Magazines	NT\$		NT\$	50,000	10,847,421	100.00	NT\$	183,777		NT\$	17,355	Subsidiary

Name of Investment Company	Name of invested company	Area	Main Business	The amount of the original investment		End of the previous period	Ending shareholdings			Net income (loss) of the invested company		PCSC's s recognized investment gain (loss)		PCSC's s recognized investment gain (loss)		Remarks		
				Currency	End of the period		Currency	End of the period	Quantity of share	Ratio	Currency	Book value	Currency	Amount	Currency		Amount	Currency	Amount
President Chain Store Corporation	Books.com. Co., Ltd.	Taiwan	Online bookstore	NT\$	100,400	NT\$	100,400	9,999,999	50.03	NT\$	197,500	NT\$	66,036	NT\$	132,043	NT\$	66,036	Subsidiary
President Chain Store Corporation	President YiLan Art and Culture Corp.	Taiwan	Art and cultural exhibition	NT\$	150,000	NT\$	150,000	15,000,000	100.00	NT\$	188,456	NT\$	17,384	NT\$	17,223	NT\$	17,384	Subsidiary
President Chain Store Corporation	Retail Support International Corp.	Taiwan	Foods room temperature logistics & delivery	NT\$	91,414	NT\$	91,414	6,430,000	25.00	NT\$	134,789	NT\$	23,435	NT\$	94,108	NT\$	23,435	Note 1
President Chain Store Corporation	Duskin Serve Taiwan Co.	Taiwan	Cleaning products trade and cleaning service	NT\$	102,000	NT\$	102,000	10,200,000	51.00	NT\$	131,971	NT\$	22,942	NT\$	44,786	NT\$	22,942	Subsidiary
President Chain Store Corporation	Ren-Hui Investment Corp.	Taiwan	Professional investment company	NT\$	728,037	NT\$	728,037	53,194,997	100.00	NT\$	137,657	NT\$	112	NT\$	112	NT\$	112	Subsidiary
President Chain Store Corporation	Cold Stone Creamery Taiwan Ltd.	Taiwan	Ice cream stores	NT\$	170,000	NT\$	170,000	12,244,390	100.00	NT\$	131,055	NT\$	4,449	NT\$	5,496	NT\$	4,449	Subsidiary
President Chain Store Corporation	Intergrated Marketing Communications Co., Ltd.	Taiwan	Data Processing Services	NT\$	172,000	NT\$	85,980	17,199,999	44.45	NT\$	165,390	NT\$	(2,267)	NT\$	(5,738)	NT\$	(2,267)	Note 1
President Chain Store Corporation	Uni-President Oven Bakery Corp., etc.	Other	skipped	NT\$	1,801,693	NT\$	1,790,693	-	-	NT\$	396,683	NT\$	(13,308)	NT\$	(8,445)	NT\$	(13,308)	Note2

Note 1: The invested company valued with equity method by the Company.

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

Investment Company	Name of invested company	Area	Main Business	The amount of the original investment			Ending shareholdings			Net income (loss) of the invested company		The Company's recognized investment gain (loss)		Remarks	
				Currency	End of the period	Currency	End of the previous period	Quantity of share	Ratio	Currency	Book value	Currency	Amount		Currency	Amount
Retail Support International Corp.	President Logistics International Corp.	Other	skipped	NT\$	-	NT\$	-	-	-	NT\$	\$ 456,473	NT\$	-	-	skipped
President Chain Store (BVI) Holdings Ltd.	President Chain Store (Labuan) Holdings Ltd.	Other	Professional investment	NT\$	618,048	NT\$	618,048	20,684,321	100	NT\$	719,074	NT\$	62,725	-	Subsidiary of a subsidiary
President Chain Store (BVI) Holdings Ltd.	President Chain Store (Hong Kong) Holdings Limited	H.K.	Professional investment	NT\$	2,961,341	NT\$	2,691,840	99,107,805	100	NT\$	2,048,037	NT\$	(101,921)	-	Subsidiary of a subsidiary
President Chain Store (BVI) Holdings Ltd.	Presiclerc Limit., etc.	British Virgin Islands	Professional investment	NT\$	749,292	NT\$	560,029	-	-	NT\$	188,111	NT\$	-	-	Note
President Chain Store (Labuan) Holdings Ltd.	Philippine Seven Corp.	Philippines	Food and supplies retail	NT\$	617,210	NT\$	617,210	196,160,457	57	NT\$	704,579	NT\$	116,352	-	Subsidiary of a subsidiary
President Chain Store (Hong Kong) Holdings Limited	President Chain Store (Shanghai) Ltd.	China	Chained convenient stores	NT\$	1,338,114	NT\$	1,083,836	-	100	NT\$	613,568	NT\$	(200,023)	-	Subsidiary of a subsidiary
President Chain Store (Hong Kong) Holdings Limited	Mister Donut Shanghai Co., Ltd.	China	Food retailing	NT\$	162,463	NT\$	162,463	-	50	NT\$	83,642	NT\$	(26,894)	-	Note
President Chain Store (Hong Kong) Holdings Limited	President Coffee (Cayman) Holdings Ltd.	Cayman Island	Professional investment	NT\$	53,784	NT\$	53,784	-	30	NT\$	582,733	NT\$	511,850	-	Note
President Chain Store (Hong Kong) Holdings Limited	Cold Stone Creamery Taiwan Ltd.	China	Sale of ice cream	NT\$	431,905	NT\$	431,905	-	100	NT\$	94,493	NT\$	(9,713)	-	Subsidiary of a subsidiary
President Chain Store (Hong Kong) Holdings Limited	PCSC (Chengdu) Hypermarket Limited	China	Wholesaling and retailing of goods	NT\$	387,320	NT\$	387,320	-	100	NT\$	187,016	NT\$	16,476	-	Subsidiary of a subsidiary
President Chain Store (Hong Kong) Holdings Limited	Shan Dong President Yinzuo Commercial Limited	China	Wholesaling and retailing of goods	NT\$	121,861	NT\$	121,861	-	55	NT\$	453,673	NT\$	25,228	-	Subsidiary of a subsidiary
President Chain Store (Hong Kong) Holdings Limited	PCSC Afternoon Tea Cayman Ltd., etc.	Other	skipped	NT\$	-	NT\$	-	-	-	NT\$	8,123	NT\$	-	-	skipped
President Coffee (Cayman) Holdings Ltd.	Shanghai President Starbucks Coffee Corp.	China	Coffee and accessories trade	NT\$	179,280	NT\$	179,280	-	30	NT\$	448,997	NT\$	539,198	-	Note
Duskin Serve Taiwan Co.	Duskin China (BVI) Holdings Limited	Other	Professional investment	NT\$	23,023	NT\$	23,023	7,000	100	NT\$	21,082	NT\$	(35)	-	Note
President Pharmaceutical Corp.	President (Hong Kong) Holdings Limited.	H.K.	Professional investment	NT\$	89,654	NT\$	32,012	-	100	NT\$	84,472	NT\$	-	-	Note
Uni-President Cold-Chain Corp., etc.	Uni-President Logistics (BVI) Holdings Limited, etc.	Other	skipped	NT\$	-	NT\$	-	-	-	NT\$	167,758	NT\$	-	-	skipped
Uni-President Logistics (BVI) Holdings Limited, etc.	Zhejiang Uni-Champion Logistics Development Co., Ltd., etc.	Other	skipped	NT\$	-	NT\$	-	-	-	NT\$	134,606	NT\$	-	-	skipped

Investment Company	Name of invested company	Area	Main Business skipped	The amount of the original investment		End of the previous period	Ending shareholdings			Net income (loss) of the invested company		The Company's recognized investment gain (loss)				
				Currency	End of the period		Currency	Quantity of share	Ratio	Currency	Book value	Currency	Amount	Currency	Amount	Remarks
Pharmaceutical (Hong Kong) Holdings Limited., etc.	President (Shanghai) Health Product Trading Company Ltd., etc	Other		NT\$	-	NT\$	-	-	-	-	120,886 NT\$	-	NT\$	-	-	skipped

Note: Investees of the Company under equity method

2. The invested companies directly or indirectly controlled by the Company are disclosed as follows:

(1) Loans to third party:

No.	Lending company	Borrower	Inter account	Maximum amount	Ending balance	Interest rates interval	Nature of the loans	Trade amount	Reasons for short-term financing	Allowance for bad debt	Name of collateral	Value	Limit of loans to particular borrower (Note 1)	Limit of total loans (Note 1)	Remarks
1	President Chain Store (Shanghai) Ltd.	SATO (Shanghai) Catering Mathematics Co., Ltd.	Other receivables	\$ 23,428	\$ -	-	Note 2	\$ -	- Working capital	\$ -	-	\$ -	\$ 50,000	\$ 222,177	Note 3
1	President Chain Store (Shanghai) Ltd.	Presiclerc(Beijing) Supermarket Co.	Other receivables	47,242	47,242	-	Note 2	-	- Working capital	-	-	-	50,000	222,177	Note 3
2	Presiclerc Limited	Presiclerc(Beijing) Supermarket Co.	Long-term debt payable	317,939	317,939	-	Note 2	-	- Working capital	-	-	-	-	-	-
3	President Chain Store (Hong Kong) Holdings Limited	Presiclerc(Beijing) Supermarket Co.	Other receivables	47,808	47,808	2.55%	Note 2	-	- Working capital	-	-	-	50,000	766,042	

Note 1: External capital lending is limited to 40% of the net worth; capital lending to one individual is limited to 10% of the net worth but may not exceed NT\$50,000,000.

Note 2: Necessary for granting short-term loans.

Note 3: Actual amount of loan at yearend is \$0.

(2) Endorsement and guarantee for third party:

No.	Endorsing company	Company Name	Relation	Limit of guarantee to particular enterprise (note)	Maximum Balance in current period	Balance at ending	Guarantee with Collateral	Accumulated amount of guarantee in proportion to the net asset value stated in the financial statements of the most recent period	Upper limit for guarantee (note)	Remarks
1	Wisdom Distribution Service Corp.	President Drugstore Business Corp.	Subsidiaries of President Chain Store Company	52,384	7,000	7,000	7,000	2.67	130,960	

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

(3) Marketable securities at yearend (Ending carrying amounts less than \$100,000 were stated aggregately.)

(The information disclosure of the invested company is based on the unaudited financial statements of the invested company)

Holding company	Type and title of marketable securities	Affiliation with security issuers	Account titles	Ending shareholdings	Book value	Proportion of shareholding	Market price / Net equity	Remarks
Bank Pro E-Service Technology Co., Ltd	ING Taiwan Bond Fund	None.	Financial assets-current-whose changes in fair value are recognized in earnings	1,332,374	15,801	skipped	15,801	
Books.com. Co., Ltd.	Hua Nan Phoenix money market funds	"	"	1,907,851	30,099	"	30,099	
Capital Inventory Services Corp.	Taiwan's first gold money market funds	"	"	662,471	9,800	"	9,800	
Chieh-Shuen Logistics International Corp.	Eastspring Inv Well Pool Money Market, etc.	"	"	skipped	14,518	"	14,518	
President YiLan Art and Culture Corp.	Prudential money fund Verbatim., etc	"	"	"	140,961	"	140,961	
President Coffee Corp.	Polaris Depot money market funds., etc.	"	"	"	655,000	"	655,000	
President Information Corp.	Fuhua Bond Fund, etc.	"	"	"	221,250	"	221,250	
President Logistics International Corp.	UPAMC JAMES BOND Fund	"	"	"	122,208	"	122,208	
President Pharmaceutical Corp.	Fuhua money market funds	"	"	16,224,294	227,195	"	227,195	
Ren-Hui Investment Corp.	NITC Family	"	"	199,957	34,531	"	34,531	
Retail Support International Corp.	Taishin 1699 Bond Funds	"	"	skipped	381,303	"	381,303	
Retail Support Taiwan Corp.	First Bank Holdings Family Money Market Fund	"	"	108,569	18,749	"	18,749	
Uni-President Oven Bakery Corp.	Fuhua Bond Fund	"	"	3,583,690	50,000	"	50,000	
Vision Distribution Service Corp.	UPAMC JAMES BOND Fund	"	"	5,094,263	82,389	"	82,389	
Q-ware Systems & Services Corp.	Fuhua money market funds	"	"	skipped	202,182	"	202,182	
Ren-Hui Investment Corp.	Chimei Innolux Corporation	"	Financial assets in available-for-sale — non current	7,957,569	97,878	10.88	97,878	
President Chain Store (BVI) Holdings Ltd., etc.	Global Strategic Investment., etc	"	Financial assets at cost	skipped	82,901	skipped	skipped	

Holding company	Type and title of marketable securities	Affiliation with security issuers	Account titles	Ending shareholdings	Book value	Proportion of shareholding	Market price / Net equity	Remarks
President Pharmaceutical Corp., etc.	President Pharmaceutical (Hong Kong) Holdings Limited., etc.	"	Long-term investments (Equity method)	skipped	165,807	"	"	
President Coffe (Cayman) Holdings Ltd.	Shanghai President Starbucks Coffee Corp.	None.	Long-term investments (Equity method)	skipped	1,496,655	100	1,349,448	
PCSC Afternoon Tea Cayman Ltd., etc.	PCSC Afternoon Tea Shanghai Ltd., etc.	"	"	"	80,220	skipped	skipped	
President Chain Store (Hong Kong) Holdings Limited	President Chain Store (Shanghai) Ltd.	"	"	"	2,023,249	"	"	
President Chain Store (Labuan) Holdings Ltd.	Philippine Seven Corp.	"	"	196,160,457	704,579	56.59	683,164	
President Cosmed Chain Store (Shen Zhen) Co., Ltd., etc.	Shenzhen Cosmed-Livzon Pharmacy Chain Store Co., Ltd.	"	"	skipped	65,293	skipped	skipped	
Retail Support International Corp., etc	President Logistics International Corp., etc.	"	"	"	156,817	"	"	
President Logistics International Corp.	Chieh-Shuen Logistics International Corp.	"	"	17,300,000	200,758	"	"	
Philippine Seven Corp.	Retail Distribution & warehousing, etc.	"	"	skipped	110,724	"	"	
Uni-President Cold-Chain Corp., etc	President Logistics International Corp., etc.	"	"	"	216,005	"	"	
Wisdom Distribution Service Corp.	Vision Distribution Service Corp., etc	"	"	"	100,378	"	"	

(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	Relation	Beginning		Bought		Sold			Disposition gain	Other adjustment (Note II)	Ended	
					Quantity of share	Amount	Quantity of share	Amount	Quantity of share	Selling price	Carrying cost			Quantity of share	Amount
Chieh-Shuen Logistics International Corp.	Eastspring Inv Well Pool Fund	Note 1	Not applicable.	Not applicable.	1,298,328	17,013	17,077,467	224,150	17,346,528	227,800	227,625	175	4	1,029,266	13,542
	UPAMC JAMES BOND Fund	Note 1	Not applicable.	Not applicable.	1,274,323	20,540	7,799,468	125,800	9,007,443	145,500	145,356	144	(8)	66,348	976
President Coffee Corp.	Polaris Depot money market funds	Note 1	Not applicable.	Not applicable.	8,628,947	100,000	17,210,089	200,000	17,241,840	200,369	200,000	369		8,597,196	100,000
	Union Money Market funds	Note 1	Not applicable.	Not applicable.	7,851,142	100,000	15,659,022	200,000	15,687,764	200,367	200,000	367		7,822,400	100,000
	Eastspring Inv Well Pool Money Market	Note 1	Not applicable.	Not applicable.	7,628,929	100,000	22,838,915	300,000	22,867,501	300,352	300,000	352		7,600,344	100,000
	Fuhua money market funds	Note 1	Not applicable.	Not applicable.	-	-	21,451,344	300,000	14,310,221	200,208	200,000	208		7,141,123	100,000
	First Bank Money Market Fund	Note 1	Not applicable.	Not applicable.	6,785,135	100,000	20,311,740	300,000	20,336,647	300,317	300,000	317		6,760,228	100,000
	Taishin really lucky money market funds	Note 1	Not applicable.	Not applicable.	-	-	18,583,275	200,000	14,870,875	160,118	160,000	118		3,712,400	40,000
	ING Taiwan Money Market Fund	Note 1	Not applicable.	Not applicable.	1,906,360	30,000	20,935,335	330,000	22,841,694	360,208	360,000	208		-	-
	Jih Sun money market funds	Note 1	Not applicable.	Not applicable.	7,012,967	100,000	16,080,098	230,000	16,106,263	230,208	230,000	208		6,986,802	100,000
President Logistics International Corp.	UPAMC JAMES BOND Fund	Note 1	Not applicable.	Not applicable.	3,136,595	50,562	13,351,748	215,700	12,057,541	194,660	194,596	64	(7)	4,430,802	71,659
	Eastspring Inv Well Pool Money Market	Note 1	Not applicable.	Not applicable.	3,126,672	40,984	16,872,915	221,750	16,157,659	212,250	212,185	65	-	3,841,928	50,549
Wisdom Distribution Service Corp.	UPAMC JAMES BOND Fund	Note 1	Not applicable.	Not applicable.	8,382,099	135,169	15,488,699	250,000	23,870,799	385,246	385,000	246	(169)	-	-

Trade company	Type and title of marketable securities	Account titles	Counter party	Relation	Beginning		Bought		Sold		Carrying cost	Disposition gain	Other adjustment (Note II)	Ended	
					Quantity of share	Amount	Quantity of share	Amount	Quantity of share	Selling price				Quantity of share	Amount
Retail Support International Corp.	UPAMC JAMES BOND Fund	Note 1	Not applicable.	Not applicable.	-	-	6,338,436	102,400	5,101,700	82,408	82,400	8	2	1,236,736	20,002
	First Holdings Family Bond Fund	Note 1	Not applicable.	Not applicable.	67,266	11,574	3,923,807	676,800	2,794,255	481,777	481,708	69	20	1,196,818	206,686
	Capital Income Fund	Note 1	Not applicable.	Not applicable.	-	-	6,418,980	100,000	6,418,980	100,008	100,000	8		-	-
	Jih Sun money market funds	Note 1	Not applicable.	Not applicable.	-	-	18,091,607	236,600	6,272,758	82,008	82,000	8	15	11,818,849	154,615
Vision Distribution Service Corp.	UPAMC JAMES BOND Fund	Note 1	Not applicable.	Not applicable.	4,414,002	71,147	9,102,624	147,000	8,422,363	136,069	135,954	115	196	5,094,263	82,389
President Information Corp.	Yuanta Wan-tai Fund	Note 1	Not applicable.	Not applicable.	3,888,697	56,798	11,141,251	163,000	10,867,613	159,000	158,679	321	(93)	4,162,335	61,026
President Pharmaceutical Corp.	Fuhua money market funds	Note 1	Not applicable.	Not applicable.	8,245,775	115,020	55,142,867	771,000	47,164,348	659,125	658,885	239	60	16,224,294	227,195
President Drugstore Business Corp.	Jih Sun money market funds	Note 1	Not applicable.	Not applicable.	-	-	11,761,589	168,000	11,761,589	168,042	168,000	42		-	-
	First Bank Holdings Family Money Market Fund	Note 1	Not applicable.	Not applicable.	-	-	1,009,214	174,000	1,009,214	174,069	174,000	69		-	-
	Union Money Market funds	Note 1	Not applicable.	Not applicable.	-	-	12,292,396	157,000	12,292,396	157,043	157,000	43		-	-
President Chain Store (BVI) Holdings Ltd.	President Chain Store (Hong Kong) Holdings Limited	Note 3	Cash capital increase	Not applicable.	90,088,347	1,881,212	9,019,458	269,501	-	-	-	-	(102,676)	99,107,805	2,048,037
	Presiclerc Limited	Note 3	Cash capital increase	Not applicable.	18,039,500	-	18,039,500	189,264	-	-	-	-	(15,368)	36,079,000	173,896
President Chain Store (Hong Kong) Holdings Limited	President Chain Store (Shanghai) Ltd.	Note 3	Cash capital increase	Not applicable.	-	560,099	-	254,278	-	-	-	-	(200,809)	-	613,568

Note 1: Recognized as “Financial assets-current-whose changes in fair value are recognized in earnings”.

Note 2: The valuation of financial assets that are with the changes in fair value recognized as profit and loss including investment profit and loss and cumulative translation adjustments.

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

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

Acquirity company	Property name	Trading Day or Date of occurrence	Trade amount	Payment	Counter party	Relation	Previous transfer data for counterparties who are related parties					Purpose of acquisition and application	Other matters agreed
							Owner	Relationship with the issuer	Transfer date	Amount	Price references		
President Musashino Corp.	Building	May.1, 2011	\$278,500	An amount of \$250,650 has been paid	Chuan-Hsin Construction	None.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Reference to the market condition and negotiation between the two parties	Operation purpose	None.

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

(7) The purchase amount and sale amount with the related parties exceeding NT\$100 million or 20% of the paid-in capital:

Buying (selling) companies	Counter party	Relation	Purchase (sales)	Amount	Percentage to total purchase (sales)	Credit term	Special terms and conditions of trade and reasons		Balance	Ratio of accounts and notes receivable (payable) to total AR/AP
							Unit price	Credit term		
Chieh-Shuen Logistics International Corp.	President Transnet Corp.	Subsidiaries of President Chain Store Company	Logistics income	(260,388)	(64)	OA 40 days	No significant differences	No significant differences	92,145	62
President Coffee Corp.	President Logistics International Corp.	Parent company	"	(136,343)	(33)	OA 20 days	"	"	54,601	37
President Coffee Corp.	Tung Chang Enterprises Corp.	Affiliate	Purchase	322,820	29	OA 30 days	"	"	(99,198)	(28)
President Drugstore Business Corp.	Retail Support International Corp.	Invested companies accounted for under the equity method by the President Chain Store Company	"	298,256	27	OA 30 days	"	"	(46,510)	(13)
President Drugstore Business Corp.	Retail Support International Corp.	Invested companies accounted for under the equity method by the President Chain Store Company	"	3,154,757	98	OA 52 days	"	"	(893,068)	(99)
President Information Corp.	President Chain Store Corporation	Parent company	Services	(353,150)	(76)	OA 30 days	"	"	103,772	71
President Logistics International Corp.	Uni-President Cold-Chain Corp.	Subsidiaries of President Chain Store Company	Logistics income	(442,235)	(43)	OA 20 days	"	"	84,134	41
President Logistics International Corp.	Retail Support International Corp.	Parent company	"	(333,004)	(32)	OA 20 days	"	"	2,075	31
President Logistics International Corp.	Wisdom Distribution Service Corp.	Affiliate	"	(144,026)	(14)	OA 20 days	"	"	32,766	16
President Logistics International Corp.	Chieh-Shuen Logistics International Corp.	Subsidiary	Purchase	136,343	14	OA 20 days	"	"	(56,273)	(43)
President Musashino Corp.	Uni-President Cold-Chain Corp.	Subsidiaries of President Chain Store Company	Sales	(787,611)	(100)	OA 45 days	"	"	297,644	100
Retail Support	President Chain Store	Parent company	"	(26,452,100)	(89)	OA 10~54	"	"	4,354,106	81

International Corp.	Corporation					days				
	President Drugstore Business Corp.	Subsidiaries of President Chain Store Company	"	(2,713,233)	(9)	OA 45~60 days	"	"	893,720	17
	President Coffee Corp.	Invested companies accounted for under the equity method by the President Chain Store Company	"	(280,737)	(1)	OA 15~28 days	"	"	52,542	1
	Uni-President Enterprises Corp.	Ultimate parent company	Purchase	1,364,052	5	OA 30~95 days	"	"	(322,686)	(4)
	Tung Ang Enterprise Corp.	Affiliate	"	1,101,643	4	OA 30 days	"	"	(216,958)	(2)
	Lien Bo Enterprises Corp.	Affiliate	"	392,350	1	OA 15~70 days	"	"	(130,363)	(1)
	President Pharmaceutical Corp.	Subsidiaries of President Chain Store Company	"	710,977	3	OA 30~80 days	"	"	(345,159)	(4)
	President Packaging Corp.	Affiliate	"	153,049	1	OA 30~50 days	"	"	(66,564)	(1)
	Weilih Food Industrial Co., Ltd.	Affiliate	"	171,745	1	OA 30~60 days	"	"	(85,473)	(1)
	President Transnet Corp.	Subsidiaries of President Chain Store Company	"	111,957	-	OA 30~45 days	"	"	(40,830)	-
Uni-President Cold-Chain Corp.	President Musashino Corp.	Subsidiaries of President Chain Store Company	"	791,491	9	OA 45 days	"	"	(297,548)	(7)
	Uni-President Enterprises Corp.	Ultimate parent company	"	3,818,870	43	OA 30-55 days	"	"	(1,075,871)	(27)
	President Chain Store Corporation	Parent company	Sales	(11,759,919)	(99)	OA 20-70 days	"	"	4,274,183	98
	Kuang Chuan Dairy Co., Ltd.	Affiliate	Purchase	115,256	1	OA 65 days	"	"	(56,147)	(1)
	Hi-life International Co., Ltd.	Affiliate	Sales	(143,479)	(1)	OA 45 days	"	"	60,827	1
Q-ware Systems & Services Corp.	President Chain Store Corporation	Parent company	"	(188,606)	(56)	OA 40 days	"	"	90,236	80
Wisdom Distribution Service Corp.	President Chain Store Corporation	Parent company	"	(5,603,359)	(94)	OA 30~60 days	"	"	1,593,746	92
	Cayenne Entertainment Technology Co., Ltd.	An affiliate of the Company is the company's director	Purchase	194,567	4	OA 60 days	"	"	(28,315)	(1)
	Q-ware Communications Co., Ltd.	Subsidiaries of President Chain Store Company	"	138,620	3	OA 60 days	"	"	(21,043)	(1)
	Vision Distribution Service Corp.	Subsidiary	"	352,129	7	OA 65 days	"	"	(254,615)	(9)
President Pharmaceutical Corp.	Retail Support International Corp.	Invested companies accounted for under the equity method by the President Chain Store Company	Sales	(676,350)	(43)	OA 30~80 days	No significant differences	No significant differences	448,264	54
Vision Distribution Service Corp.	Wisdom Distribution Service Corp.	Parent company	"	(241,254)	(32)	OA 65 days	"	"	349,884	52
President Transnet Corp.	Retail Support International Corp.	Invested companies accounted for under the equity method by the President Chain Store Company	"	(119,887)	(4)	OA 30~45 days	"	"	43,229	6
21 Century Enterprise Co., Ltd.	Uni-President Cold-Chain Corp.	Subsidiaries of President Chain Store Company	"	(101,992)	(23)	OA 50 days	"	"	14,645	18

(8) Receivables from related parties exceeding NT\$100 million or 20% of the paid-in capital: None:

Account receivable company	Counter party	Relation	Receivables from related parties	Turnover rate	Overdue receivables from related parties		Post collection of accounts receivable from affiliates	Allowance for bad debt
					Amount	Process		
Books.com. Co., Ltd.	President Chain Store Corporation	Parent company	\$ 163,115	19.10	\$ -	-	\$ 127,917	\$ -
President Musashino Corp.	Uni-President Cold-Chain Corp.	Subsidiaries of President Chain Store Company	297,644	2.78	-	-	297,644	-
President Pharmaceutical Corp.	Retail Support International Corp.	Invested companies accounted for under the equity method by the President Chain Store Company	434,777	1.50	-	-	32,061	-
President Collect Services Co. Ltd.	President Transnet Corp.	Subsidiaries of President Chain Store Company	251,912	1.00	-	-	246,896	-
Retail Support International Corp.	President Chain Store Corporation	Parent company	4,354,106	6.45	-	-	2,509,900	-
Retail Support International Corp.	President Drugstore Business Corp.	Subsidiaries of President Chain Store Company	893,720	3.28	-	-	893,720	-
Uni-President Cold-Chain Corp.	President Chain Store Corporation	Parent company	4,274,183	3.07	-	-	4,274,183	-
Vision Distribution Service Corp.	Wisdom Distribution Service Corp.	Parent company	349,884	99.06	-	-	9,979	-
Wisdom Distribution Service Corp.	President Chain Store Corporation	Parent company	1,593,746	3.52	-	-	1,593,746	-
President Information Corp.	President Chain Store Corporation	Parent company	103,772	3.51	-	-	59,740	-

(9) Trading of Derivative Products: None.

(III) Information on investment in Mainland China

1. The invested company in Mainland China:

Names of investees in Mainland China	Main Business	Paid-up Capital	Investment Method	The cumulative amount of investment remitted from Taiwan as of the period began	Current remitted or recovered amount of investment		The cumulative amount of investment remitted from Taiwan as of the period began	The Company's directly or indirectly invested shareholding	Investment Profit or Loss for Current Period	Ending investment book value	Investment income remitted back to Taiwan as of the period ended	Remarks
					Remitted	Recovered						
PCSC Afternoon Tea Shanghai Ltd.	Food retailing	279,903	Invest in Mainland China by the invested company in third country (Note 4)	136,441	-	-	136,441	51.00	(20,946)	20,171		- Note 6
Shanghai President Starbucks Coffee Corp.	Coffee and accessories trade	366,516	Invest in Mainland China by the invested company in third country (Note 1)	59,760	-	-	59,760	30.00	152,356	448,997		- Note 6
President Cosmed Chain Store (Shen Zhen) Co., Ltd.	Commodities retails	472,422	Invest in Mainland China by the invested company in third country (Note 5)	259,837	-	-	259,837	65.00	(10,467)	41,945		- Note 6
President Chain Store (Shanghai) Ltd.	Chain store operation	1,388,915	Invest in Mainland China by the invested company in third country (Note 3)	1,083,836	254,278	-	1,338,114	100.00	(200,023)	613,568		- Note 6
Mister Donut Shanghai Co., Ltd.	Food retailing	493,020	Invest in Mainland China by the invested company in third country (Note 3)	162,463	-	-	162,463	50.00	(13,447)	83,642		- Note 6
Wuhan Uni-President Oven Fresh Bakery Co., Ltd.	Food retailing	269,279	Invest in Mainland China by the invested company in third country (Note 3)	143,275	-	-	143,275	100.00	(12,029) (	102,285)		- Note 6
Shanghai President Logistic Co., Ltd.	Logistics	59,760	Invest in Mainland China by the invested company in third country (Note 3)	59,760	-	-	59,760	100.00	(1,375)	30,641		- Note 6
Shanghai Cold Stone Ice Cream Corporation	Sale of ice cream	431,905	Invest in Mainland China by the invested company in third country (Note 3)	431,905	-	-	431,905	100.00	(9,713)	94,493		- Note 6
PCSC (Sichuan) Hypermarket Limited	Wholesaling and retailing of goods	377,936	Invest in Mainland China by the invested company in third country (Note 3)	302,685	-	-	302,685	100.00	(11,563)	19,343		- Note 6
PCSC (Chengdu) Hypermarket Limited	Wholesaling and retailing of goods	472,420	Invest in Mainland China by the invested company in third country (Note 3)	387,320	-	-	387,320	100.00	16,476	187,016		- Note 6
SATO (Shanghai) Catering Mathematics Co., Ltd.	Japanese cuisine	114,872	Invest in Mainland China by the invested company in third country (Note 3)	52,947	-	-	52,947	81.00	(8,471)	24,029		- Note 6
President Royal Host (Shanghai) Ltd.	Japanese cuisine	75,013	Invest in Mainland China by the invested company in third country (Note 3)	30,493	15,223	-	45,716	51.00	(8,158)	15,502		- Note 6

Shan Dong President Yinzuo Commercial Limited	Wholesaling and retailing of goods	283,452	Invest in Mainland China by the invested company in third country (Note 3)	121,861	-	-	121,861	55.00	13,875	453,673	- Note 6
President (Sanghai) Health Product Trading Company Ltd. Zhejiang	Trade of commodities	89,640	Invest in Mainland China by the invested company in third country	31,374	58,266	-	89,640	73.74	15,420	81,335	- Note 6
Uni-Champion Logistics Development Co., Ltd.	Logistics and warehouse	188,969	Invest in Mainland China by the invested company in third country	88,667	-	-	88,667	30.00	369	77,470	- Note 6
Duskin (Shanghai) Cleaning Products Rental Co.	Sale of cleaning products	133,480	Invest in Mainland China by the invested company in third country	20,011	-	-	20,011	8.00	-	20,011	- Note 6
Presiclerc(Beijing) Supermarket Co.	Food processing, packing and sales	236,211	Invest in Mainland China by the invested company in third country (Note 2)	-	-	-	-	73.88	(17,772)	(8,757)	- Note 6

Note 1: The investment in Mainland China is made through President Coffee (Cayman) Holdings Ltd., the invested company of President Chain Store (BVI) Holdings Ltd.

Note 2: The investment in Mainland China is made through Presiclerc Limited, the invested company of President Chain Store (BVI) Holdings Ltd.

Note 3: The investment in Mainland China is made through President Chain Store (Hong Kong) Holdings Limited, the invested company of President Chain Store (BVI) Holdings Ltd.

Note 4: The investment in Mainland China is made through PCSC Afternoon Tea Cayman Ltd., the invested company of President Chain Store (BVI) Holdings Ltd.

Note 5: The investment in Mainland China is made through PCSC (China) Drugstore Limited

Note 6: Valuation is based on the unaudited financial statements composed by each invested company.

Company Name	The cumulative amount of investment remitted from Taiwan to Mainland China as of the period ended	Investment amount approved by the Investment Commission MOEAIC	Investment amount approved by the Investment Commission MOEAIC
President Chain Store Corporation	\$ 2,812,369	\$ 4,354,780	\$ 11,471,878
President Pharmaceutical Corp.	89,640	89,640	348,356
Duskin Serve Taiwan Co.	20,916	20,916	155,138
Uni-President Cold-Chain Corp.	88,735	88,735	387,930

2. The Company has the following investment transactions conducted in Mainland China directly or indirectly including the price, payment terms, unrealized profit and loss, and other information that is helpful to understanding the impact of investment in Mainland China on the financial statements:

- (1) Purchase amount and percentage and the related accounts payable amount and percentage: None
- (2) Sale amount and percentage and the related accounts receivable amount and percentage: None
- (3) Property transaction amount and the amount of profit and loss: None
- (4) Ending balance and purpose of notes endorsement or collateral provided: None
- (5) Maximum balance, yearend balance, interest rate interval, and total interest amount of fund financing: Please refer to Note XI(II) Transfer investment business information 2(1) for details.
- (6) Other transactions that have a significant effect on the profit or loss or financial positions: 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 Corporation
Cash and cash equivalence
June 30, 2012

(Unit: NT\$1000)

Items	Summary	Amount
Petty Cash for stores		\$ 1,778,934
Current account deposits and checking account deposits		3,139,054
Deposit account - NT\$	Due on Aug. 03, 2012~July, 09, 2013; 0.88% ~ 1.065% annum rate	1,309,592
Equivalent cash		
Short term bills	Due in one month; 0.68%~0.74% annum rate	5,538,086
		<u>\$ 11,765,666</u>

(Blank hereunder)

President Chain Store Corporation
Financial assets with changes in fair value booked as profit or loss - current statement
June 30, 2012

(Unit: NT\$1000)

Name of financial instrument	Summary	Shares	Face value (NT\$)	Total amount	Interest rate	Acquisition cost	Fair value		Remarks
							Unit price (NT\$)	Total amount	
Domestic open-type fund									
Yuanta Wan-tai Fund		92,427,137	\$ 10	\$ 924,271	Not applicable	\$ 1,350,000	\$ 14.6615	\$ 1,355,120	
UPAMC JAMES BOND Fund		49,468,523	10	494,685	"	800,000	16.1729	800,050	
Jih Sun Bond Fund		35,064,835	10	350,648	"	500,000	14.3127	501,872	
Polar Treasury Fund		43,073,000	10	430,730	"	500,000	11.6317	501,012	
Eastspring Inv Well Pool Fund		64,616,180	10	646,162	"	850,000	13.1573	850,175	
Taishin 1699 Funds		76,457,276	10	764,573	"	1,000,000	13.0819	1,000,206	
Mega Int'l Diamond Fund		82,883,689	10	828,837	"	1,000,000	12.1113	1,003,829	
ING Fund		63,545,321	10	635,453	"	1,000,000	15.7928	1,003,559	
ShinKong Chi Shin Fund		33,443,250	10	334,433	"	500,000	15.0054	501,829	
First Holdings Family Fund		2,901,124	10	29,011	"	500,000	17.2693	501,004	
						8,000,000		<u>\$ 8,018,656</u>	
Valuation Adjustment						18,656			
						<u>\$ 8,018,656</u>			

President Chain Store Corporation
Statement of Inventory
June 30, 2012

(Unit: NT\$1000)

<u>Items</u>	<u>Summary</u>	<u>Amount</u>		<u>Remarks</u>
		<u>Costs</u>	<u>Market price</u>	
Commodities		<u>\$ 3,600,221</u>	<u>\$ 3,796,465</u>	Market price is the net cash value

(Blank hereunder)

President Chain Store Corporation
Financial assets carried at cost - non-current statement
January 1 ~ June 30, 2012

(Unit: NT\$1000)

Name	Beginning		Increase of the year		Decrease of the year (Note)		Ended		Collateral and mortgage
	Quantity of share	Book value	Quantity of share	Amount	Quantity of share	Amount	Quantity of share	Book value	
Stocks with no public quotation									
Presicarre Corp.	130,801,027	\$ 6,818,529	-	\$ -	-	\$ -	130,801,027	\$ 6,818,529	None.
President Fair Development Corp.	209,000,000	2,321,500	-	-	-	-	209,000,000	2,321,500	"
President Development Corp.	44,100,000	441,000	-	-	-	-	44,100,000	441,000	"
Kaohsiung Rapid Transit Corp.	20,000,000	203,714	-	-	-	-	20,000,000	203,714	"
Tong-Ho Development Corp.	19,930,000	199,300	-	-	-	-	19,930,000	199,300	"
President Investment Trust Corp., etc.	skipped	<u>210,877</u>	skipped	-	skipped	<u>(263)</u>	skipped	<u>210,614</u>	"
Subtotal		10,194,920		<u>\$ -</u>		<u>(\$ 263)</u>		10,194,657	
Accumulated impairment		<u>(2,527,639)</u>		<u>(\$ 60,072)</u>		<u>\$ -</u>		<u>(2,587,711)</u>	
		<u>\$ 7,667,281</u>						<u>\$ 7,606,946</u>	

Note: Please refer to Note IV (V).

President Chain Store Corporation
Statement of Long-term equity investments (Equity method)
January 1 ~ June 30, 2012

(Unit: NT\$1000)

Name	Beginning amount		Increase of the year		Decrease of the year		Ending balance			Market price or net equity		
	Quantity of share	Amount	Quantity of share	Amount	Quantity of share	Amount	Quantity of share	Proportion of shareholding	Amount	Unit price (NT\$)	Total amount	Collateral and mortgage
President Chain Store (BVI) Holdings Ltd.	106,575,196	\$ 2,782,507	21,886,777	\$ 647,405	-	(\$ 137,028)	128,461,973	100.00%	\$ 3,292,884	\$ 25.63	\$ 3,292,745	None.
President Transnet Corp.	70,000,000	793,006	-	93,183	1)	(66,745)	69,999,999	70.00%	819,444	11.44	800,914	"
Mech-President Corp.	55,858,816	679,289	-	31,650	1)	(37,424)	55,858,815	80.87%	673,515	11.21	626,228	"
President Development Corp.	72,000,000	607,466	-	10,516	-	-	72,000,000	20.00%	617,982	8.58	617,980	"
President Drugstore Business Corp.	40,000,000	825,948	-	73,101	-	(304,400)	40,000,000	100.00%	594,649	14.87	594,648	"
President Pharmaceutical Corp.	19,909,765	585,963	-	158,943	-	(155,916)	19,909,765	73.74%	588,990	21.50	428,129	"
Uni-President Department Store Corp.	112,000,000	600,740	-	-	1)	(41,408)	111,999,999	70.00%	559,332	5.00	559,632	"
President Musashino Corp.	48,519,891	556,407	-	-	-	(16,599)	48,519,891	90.00%	539,808	10.12	490,873	"
President Information Corp.	25,714,476	463,855	-	47,956	1)	(56,571)	25,714,475	86.00%	455,240	13.47	346,417	"
Uni-President Cold-Chain Corp.	19,563,272	456,790	-	82,651	-	(145,884)	19,563,272	60.00%	393,557	19.83	387,929	"
Q-ware Systems & Services Corp.	24,382,922	320,742	-	39,159	1)	(57,300)	24,382,921	86.76%	302,601	11.87	289,448	"
Muji (Taiwan) Co., Ltd.	8,431,269	270,321	-	24,934	-	(37,097)	8,431,269	51.00%	258,158	24.39	205,625	"
President Coffee Corp.	10,691,337	263,122	-	61,482	-	(114,397)	10,691,337	30.00%	210,207	19.66	210,207	"
Books.com. Co., Ltd.	10,000,000	231,464	-	66,036	1)	(100,000)	9,999,999	50.03%	197,500	19.75	197,538	"
President YiLan Art and Culture Corp.	15,000,000	221,442	-	17,384	-	(50,370)	15,000,000	100.00%	188,456	12.34	185,148	"
Wisdom Distribution Service Corp.	10,847,421	258,313	-	17,355	-	(91,891)	10,847,421	100.00%	183,777	17.24	187,037	"
Intergrated Marketing Communications Co., Ltd.	8,598,000	81,637	8,601,999	86,020	-	(2,267)	17,199,999	44.45%	165,390	9.54	164,065	"
Ren-Hui Investment Corp.	53,194,997	136,750	-	907	-	-	53,194,997	100.00%	137,657	2.59	137,657	"
Retail Support International Corp.	6,430,000	152,442	-	23,435	-	(41,088)	6,430,000	25.00%	134,789	20.72	133,241	"
Duskin Serve Taiwan Co.	10,200,000	143,270	-	22,942	-	(34,241)	10,200,000	51.00%	131,971	12.93	131,868	"
Cold Stone Creamery Taiwan Ltd.	12,244,390	145,585	-	4,449	-	(18,979)	12,244,390	100.00%	131,055	10.79	132,102	"
Uni-President Oven Bakery Corp., etc.	skipped	493,171	1,100,000	66,158	-	(162,646)	skipped	skipped	396,683	skipped	387,268	"
		<u>\$ 11,070,230</u>		<u>\$ 1,575,666</u>		<u>(\$ 1,672,251)</u>			<u>\$ 10,973,645</u>			

President Chain Store Corporation
Fixed assets statement
January 1 ~ June 30, 2012

(Unit: NT\$1000)

Items	Beginning amount	Current increase	Current decrease	Current transfer (Note)	Ending balance	Collateral and mortgage	Remarks
Costs							
Land	\$ 1,432,614	\$ -	\$ -	(\$ 61,294)	\$ 1,371,320		None.
Building							
Costs	906,835	-	-	(42,205)	864,630		"
Revaluation increments	55,374	-	-	-	55,374		"
Operating equipment	12,288,978	546,309	(420,500)	-	12,414,787		"
Lease improvement	6,378,052	525,315	(321,000)	-	6,582,367		"
Other equipment	7,083	1,221	(493)	-	7,811		"
Construction in progress and prepayments for equipment	-	-	-	-	-		"
	21,068,936	<u>\$ 1,072,845</u>	<u>(\$ 741,993)</u>	<u>(\$ 103,499)</u>	21,296,289		
Accumulated depreciation							
Building							
Costs	(\$ 209,562)	(\$ 9,575)	\$ -	\$ 14,888	(\$ 204,249)		
Revaluation increments	(5,457)	(682)	-	-	(6,139)		
Operating equipment	(8,491,224)	(579,811)	368,817	-	(8,702,218)		
Lease improvement	(3,760,084)	(428,783)	291,381	-	(3,897,486)		
Other equipment	(7,083)	(68)	493	-	(6,658)		
	(12,473,410)	<u>(\$ 1,018,919)</u>	<u>\$ 660,691</u>	<u>\$ 14,888</u>	(12,816,750)		
Accumulated impairment	(54,689)	<u>\$ -</u>	<u>\$ 33,676</u>	<u>\$ -</u>	(21,013)		
	<u>\$ 8,540,837</u>				<u>\$ 8,458,526</u>		

Note: Part of the real estate is leased out currently with the related costs booked in the "Leased assets" account.

(Blank hereunder)

President Chain Store Corporation
Statement of Long-term debt payable
June 30, 2012

(Unit: NT\$1000)

Creditor	Summary	Borrowing amount	Contract duration	Interest rate	Mortgage or security	Remarks
First Commercial Bank	Credit loan	\$ 710,000	June 15, 2012 ~ June 15 2014	1.08%	None.	
Canadian Bank of Nova Scotia Co., Ltd.	"	1,000,000	Feb. 24, 2012 ~ Feb. 24. 2014	0.98%	"	
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	"	690,000	July 31, 2011 ~ July 31, 2014	0.90%	"	
E. Sun bank	"	300,000	Nov. 08, 2011 ~ Nov. 08, 2013	1.03%	"	
Taipei Fubon Bank	"	1,400,000	Nov. 09, 2011 ~ Nov. 09, 2013	1.03%	"	
		<u>\$ 4,100,000</u>				

President Chain Store Corporation
Operating income statement
January 1 ~ June 30, 2012

(Unit: NT\$1000)

Items	Amount	Remarks
Store revenues	\$ 63,428,073	Revenues generated from the sales of foods, canned foods, beverages, and necessities.
Other operating revenue	2,259,174	It includes commission income for agency business and sales bonus collected from supplies.
	<u>\$ 65,687,247</u>	

(Blank hereunder)

President Chain Store Corporation
Statement of Operating Cost
January 1 ~ June 30, 2012

(Unit: NT\$1000)

Items	Amount
Inventory at beginning	\$ 3,658,771
Current purchase	47,091,396
Purchase bonuses from suppliers	(497,042)
Compensation for deterioration of goods	(158,728)
Inventory at ending	(3,600,221)
Operating cost	<u>\$ 46,494,176</u>

(Blank hereunder)

President Chain Store Corporation
Statement of Marketing Expense
January 1 ~ June 30, 2012

(Unit: NT\$1000)

Items	Amount	Remarks
Performance bonuses for franchisee	\$ 6,450,223	
Rent expense	2,684,906	
Salary expenses	1,576,035	
Utilities	1,005,574	
Depreciations	998,869	
Other expense	2,169,970	The balance of each subject account did not exceed 5% of the total amount.
	<u>\$ 14,885,577</u>	

(Blank hereunder)