

President Chain Store Corp. and Subsidiaries  
Consolidated Financial Statements and Independent Auditor's  
Report  
2012Q2 and 2011Q2  
(Stock Code 2912)

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President Chain Store Corp. and Subsidiaries  
Consolidated Financial Statements & Independent Auditor's Report of 2012Q2 and  
2011Q2  
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Independent Auditor's Report

(101) MOF.FS.Tzi No. 12000584

To: President Chain Store Corp

We have audited the consolidated balance sheets of the President Chain Store Company and its subsidiaries as of June 30, 2012 and 2011, and the consolidated income statements, statements of changes in stockholders' equity, and cash flows statement for the period of January 1 and June 30, 2011 and 2012. The consolidated financial statements are the responsibility of the management. Our responsibility is to express an opinion on the financial statements based on our audits.

We conducted our review in accordance with Statements of Auditing Standards No. 36 "Engagements to Review Financial Statements" except for the events disclosed in the following paragraph. We have not audited the financial statements in accordance with generally accepted auditing standards, but rather analyzed, compared, and examined; therefore, we cannot have an opinion issued accordingly.

As stated in Note II (I) and IV (VI) to the consolidated financial statements, some of the business entities included in the 2012Q2 and 2011Q2 financial statements of the Company and its subsidiaries, and the long-term equity investment valued with Equity Method and the related information disclosed in Note XI are valued and disclosed in accordance with the unaudited financial statements of the invested company. Up to June 30, 2012 and 2011, the relevant total assets amounted to NT\$29,813,293,000 and NT\$26,920,672,000 (including long-term equity investment valued with Equity Method for an amount of NT\$848,093,000 and NT\$732,362,000), representing 36% and 37% of the consolidated assets; also, the total liabilities amounted to NT\$20,809,625,000 and NT\$19,193,758,000, representing 35% and 37% of the consolidated liabilities. The net income of January 1 ~ June 30 2012 and 2011 was NT\$806,282,000 and NT\$985,683,000, representatively, representing 21% and 24% of the consolidated net income.

In our opinion, except for the business entities included in the consolidated financial statements

referred to above, the long-term equity investment valued with the Equity Method, and the transfer investment disclosed in Note XI may need 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.

President Chain Store Corporation plans to have the consolidated financial statements of the company and subsidiaries prepared in accordance with the "International Financial Reporting Standards (IFRSs)" approved by Financial Supervisory Commission, Executive Yuan since January 1<sup>st</sup>, 2013 and "Regulations Governing the Preparation of Financial Reports By Securities Issuers" applicable in 2013. President Chain Store Corporation has the information of IFRSs implementation disclosed in Note XIII in accordance with the FSC.jen.shen.tzi No. 090004943 Letter dated February 2<sup>nd</sup>, 2010. The requirements of IFRSs could be changed; therefore, the impact of IFRSs implementation can only be identified in actual practice.

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 Corp. and Subsidiaries  
Consolidated Balance Sheet  
June 30, 2012 and 2011

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

Unit: NT\$1000

	Assets	Note	June 30, 2012		June 30, 2011	
			Amount	%	Amount	%
<b>Current assets</b>						
1100	Cash and cash equivalence	IV(I)	\$ 18,342,820	22	\$ 16,992,171	23
1310	Financial assets-current-whose changes in fair value are recognized in earnings	IV(II)	9,766,143	12	8,601,423	12
1140	Net accounts receivable	V	4,126,269	5	2,842,579	4
1160	Other receivables	V	2,784,112	3	2,070,256	3
120X	Inventory	IV(III)	10,242,113	13	8,987,023	12
1260	Prepayments	VII	1,368,209	2	1,220,016	1
1280	Other current assets	IV (XVI)	453,464	1	627,953	1
11XX	<b>Total current assets</b>		<u>47,083,130</u>	<u>58</u>	<u>41,341,421</u>	<u>56</u>
<b>Funds and investments</b>						
1450	Financial assets in available-for-sale – non current	IV(IV)	1,012,034	1	1,389,291	2
1480	Financial assets measured at cost - noncurrent	IV(V)	7,689,848	10	8,403,830	11
1421	Long-term investments (Equity method)	IV(VI)	848,093	1	732,362	1
14XX	<b>Total funds and investments</b>		<u>9,549,975</u>	<u>12</u>	<u>10,525,483</u>	<u>14</u>
<b>Fixed assets</b>						
		IV (VIII), VI and VII				
<b>Costs</b>						
1501	Land		2,147,838	2	2,207,003	3
1521	Building		3,035,763	4	2,834,133	4
1551	Transportation equipment		3,843,136	5	3,231,206	4
1571	Operating equipment		18,259,461	22	17,538,075	24
1631	Lease improvement		11,292,760	14	10,178,456	14
1681	Other equipment		3,988,429	5	3,783,491	5
15X8	Revaluation increments		55,374	-	55,374	-
15XY	<b>Total costs and revaluation</b>		<u>42,622,761</u>	<u>52</u>	<u>39,827,738</u>	<u>54</u>
15X9	Less: accumulated depreciation		( 24,043,339 )	( 30 )	( 23,008,679 )	( 31 )
1599	Less: accumulated impairment		( 54,126 )	-	( 9,402 )	-
1670	Construction in progress and prepayments for equipment		1,350,988	2	376,435	1
15XX	<b>Net Fixed assets</b>		<u>19,876,284</u>	<u>24</u>	<u>17,186,092</u>	<u>24</u>
<b>Intangible assets</b>						
1750	Cost of computer software		326,716	-	239,278	-
1760	Goodwill	IV (X)	610,523	1	452,656	1
1780	Intangible assets		176,085	-	211,311	-
17XX	<b>Total Intangible assets</b>		<u>1,113,324</u>	<u>1</u>	<u>903,245</u>	<u>1</u>
<b>Other assets</b>						
1800	Assets leased to others	IV (IX)	1,045,365	1	966,289	1
1810	Idling assets		171,706	-	171,698	-
1820	Refundable deposits	VI and VII	2,078,039	3	2,003,788	3
1880	Other assets - others	IV (XVI)	892,585	1	582,940	1
18XX	<b>Total other assets</b>		<u>4,187,695</u>	<u>5</u>	<u>3,724,715</u>	<u>5</u>
1XXX	<b>Total Assets</b>		<u>\$ 81,810,408</u>	<u>100</u>	<u>\$ 73,680,956</u>	<u>100</u>

(To be continued)

President Chain Store Corp. and Subsidiaries  
Consolidated Balance Sheet  
June 30, 2012 and 2011

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

Unit: NT\$1000

Liabilities and Shareholders' Equity	Note	June 30, 2012		June 30, 2011		
		Amount	%	Amount	%	
<b>Current liabilities</b>						
2100	Short-term debt	IV (XI)	\$ 2,602,237	3	\$ 2,274,268	3
2110	Short-term notes payable		284,984	1	150,000	-
2120	Note payable	V	1,844,609	2	1,080,072	1
2140	Accounts payable		16,832,153	21	13,161,014	18
2150	Accounts payable-related parties	V	2,639,720	3	2,567,802	4
2160	Income tax payable	IV (XVI)	855,577	1	866,967	1
2170	Accrued expenses	IV (XII)	6,698,744	8	6,020,396	8
2210	Other accounts payable	IV (XIII)	16,154,816	20	14,408,398	20
2260	Unearned receipts		3,157,895	4	2,767,276	4
2270	Long-term liabilities - current portion	IV (XIV), and V	164,380	-	162,903	-
21XX	<b>Total current liabilities</b>		<u>51,235,115</u>	<u>63</u>	<u>43,459,096</u>	<u>59</u>
<b>Long-term liabilities</b>						
2420	Long-term debt payable	IV(XIV)	4,547,719	6	5,503,950	8
2450	Long-term notes payable and accounts payable – related party	V	145,020	-	146,992	-
24XX	<b>Total Long-term liabilities</b>		<u>4,692,739</u>	<u>6</u>	<u>5,650,942</u>	<u>8</u>
<b>Other liabilities</b>						
2810	Accrued pension liabilities	IV(XV)	724,053	1	607,182	1
2820	Guarantee Deposit received		2,296,472	3	2,141,943	3
2880	Other liabilities-other		454,135	-	405,389	-
28XX	<b>Total other liabilities</b>		<u>3,474,660</u>	<u>4</u>	<u>3,154,514</u>	<u>4</u>
2XXX	<b>Total liabilities</b>		<u>59,402,514</u>	<u>73</u>	<u>52,264,552</u>	<u>71</u>
<b>Shareholders' equity</b>						
<b>Capital Stock</b>						
3110	Capital-common stock	IV (XVII)	10,396,222	13	10,396,222	14
<b>Additional paid-in capital</b>						
3240	Gain from assets disposed		5,082	-	5,082	-
<b>Retained earnings</b>						
3310	Legal reserve	IV (XVIII)	5,253,820	6	4,618,579	6
3320	Special reserve		768,822	1	-	-
3350	Retained earnings-unappropriated		3,480,792	4	3,737,857	5
<b>Other adjustments in shareholders' equity</b>						
3420	Cumulative translation adjustment		( 85,160 )	-	( 256,580 )	-
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	-
361X	<b>Total shareholders' equity of the parent company</b>		<u>19,119,796</u>	<u>23</u>	<u>18,265,037</u>	<u>25</u>
3610	Minority equity		3,288,098	4	3,151,367	4
3XXX	<b>Total shareholders' equity</b>		<u>22,407,894</u>	<u>27</u>	<u>21,416,404</u>	<u>29</u>
<b>Commitment or contingency</b>						
		V and VII				
<b>Total Liabilities and Shareholders' Equity</b>						
			<u>\$ 81,810,408</u>	<u>100</u>	<u>\$ 73,680,956</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 Corp. and Subsidiaries**

**Consolidated Income Statement**

**January 1 ~ June 30, 2012 and 2011**

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

Unit: NT\$1000

(Except for earnings per share in NTD)

Items	Note	January 1 ~ June 30, 2012		January 1 ~ June 30, 2011	
		Amount	%	Amount	%
<b>Operating revenue</b>	V				
4110 Sales revenue		\$ 92,812,934	92	\$ 83,464,846	93
4800 Other operating revenue		8,079,251	8	6,357,110	7
4000 <b>Total operating revenue</b>		<u>100,892,185</u>	<u>100</u>	<u>89,821,956</u>	<u>100</u>
<b>Operating cost</b>	V(III)(XX) and V				
5110 Cost of goods sold		( 65,374,257 )	( 65 )	( 55,669,736 )	( 62 )
5800 Operating Cost		( 4,927,531 )	( 5 )	( 3,917,835 )	( 4 )
5000 <b>Total operating cost</b>		<u>( 70,301,788 )</u>	<u>( 70 )</u>	<u>( 59,587,571 )</u>	<u>( 66 )</u>
5910 <b>Gross profit</b>		<u>30,590,397</u>	<u>30</u>	<u>30,234,385</u>	<u>34</u>
<b>Operating expenses</b>	IV (XX), and V				
6100 Marketing expense		( 22,139,824 )	( 22 )	( 20,956,414 )	( 24 )
6200 General & administrative expenses		( 4,336,824 )	( 4 )	( 4,675,715 )	( 5 )
6000 <b>Total operating expenses</b>		<u>( 26,476,648 )</u>	<u>( 26 )</u>	<u>( 25,632,129 )</u>	<u>( 29 )</u>
6900 <b>Net income</b>		<u>4,113,749</u>	<u>4</u>	<u>4,602,256</u>	<u>5</u>
<b>Non-operating income</b>					
7110 Interest income		48,850	-	31,513	-
7121 Investment loss (gain) recognized under equity method	IV(VI)	9,483	-	-	-
7122 Dividend income		234,352	-	92,369	-
7140 Gain on disposal of investments		5,075	-	85,688	-
7480 Other income		632,130	1	443,686	1
7100 <b>Total non-operating income</b>		<u>929,890</u>	<u>1</u>	<u>653,256</u>	<u>1</u>
<b>Non-operating expense and loss</b>					
7510 Interest expenses		( 53,419 )	-	( 45,304 )	-
7521 Investment loss recognized under equity method	IV(VI)	-	-	( 22,014 )	-
7530 Loss on disposal of fixed assets		( 26,279 )	-	( 33,312 )	-
7630 Impairment losses	IV(V)	( 60,259 )	-	( 70,509 )	-
7880 Other expenses		( 183,228 )	-	( 146,102 )	-
7500 <b>Total Non-operating expense and loss</b>		<u>( 323,185 )</u>	<u>-</u>	<u>( 317,241 )</u>	<u>-</u>
7900 <b>Net income before tax of the continuing department</b>		4,720,454	5	4,938,271	6
8110 Income Tax expenses	IV (XVI)	( 914,066 )	( 1 )	( 890,087 )	( 1 )
9600XX <b>Consolidated income</b>		<u>\$ 3,806,388</u>	<u>4</u>	<u>\$ 4,048,184</u>	<u>5</u>
<b>Attributable to:</b>					
9601 Consolidated net income		\$ 3,431,794	4	\$ 3,647,020	4
9602 Minority equity income		374,594	-	401,164	1
		<u>\$ 3,806,388</u>	<u>4</u>	<u>\$ 4,048,184</u>	<u>5</u>
		Before tax	After ax	Before tax	After ax
<b>Earnings per share</b>	IV (IX)				
<b>Basic earnings per share</b>					
9710 Net income of the continuing department		\$ 4.54	\$ 3.66	\$ 4.75	\$ 3.90
9740AA Minority equity		( 0.46 )	( 0.36 )	( 0.48 )	( 0.39 )
9750 <b>Net Income</b>		<u>\$ 4.08</u>	<u>\$ 3.30</u>	<u>\$ 4.27</u>	<u>\$ 3.51</u>
<b>Diluted earnings per share</b>					
9810 Net income of the continuing department		\$ 4.54	\$ 3.66	\$ 4.74	\$ 3.89
9840AA Minority equity		( 0.46 )	( 0.36 )	( 0.48 )	( 0.39 )
9850 <b>Net Income</b>		<u>\$ 4.08</u>	<u>\$ 3.30</u>	<u>\$ 4.26</u>	<u>\$ 3.50</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 Corp. and Subsidiaries  
Consolidated Statement of Retained Earnings  
January 1 ~ June 30, 2012 and 2011

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

Unit: NT\$1000

	Retained earnings										Total
	Capital-common stock	Additional paid-in capital	Legal reserve	Special reserve	Retained earnings-unappropriated	Cumulative translation adjustment	Net loss not recognized as pension cost	Unrealized gain or loss on financial instrument	Revaluation increments	Minority equity	
<u>January 1 ~ June 30, 2011</u>											
Balance at January 1, 2011	\$ 10,396,222	\$ 5,082	\$ 4,046,004	\$ 4,660	\$ 5,752,901	(\$ 222,559 )	(\$ 55,514 )	\$ 234,124	\$ 51,281	\$ 3,185,022	\$ 23,397,223
Appropriation and distribution of retained earnings in 2010 (Note):											
Provision of Legal reserve	-	-	572,575	-	( 572,575 )	-	-	-	-	-	-
Special reserve (Reverse)	-	-	-	( 4,660 )	4,660	-	-	-	-	-	-
Cash dividend	-	-	-	-	( 5,094,149 )	-	-	-	-	-	( 5,094,149 )
Net income on January 1~June 30, 2011	-	-	-	-	3,647,020	-	-	-	-	401,164	4,048,184
Changes in unrealized revaluation increment of fixed assets	-	-	-	-	-	-	-	( 682 )	-	-	( 682 )
Unrealized gain or loss on financial assets	-	-	-	-	-	-	( 465,332 )	-	-	-	( 465,332 )
Changes in translation adjustments to foreign long-term investments	-	-	-	-	-	( 34,021 )	-	-	-	-	( 34,021 )
Changes in minority equity	-	-	-	-	-	-	-	-	-	( 434,819 )	( 434,819 )
Balance at June 30, 2011	<u>\$ 10,396,222</u>	<u>\$ 5,082</u>	<u>\$ 4,618,579</u>	<u>\$ -</u>	<u>\$ 3,737,857</u>	<u>(\$ 256,580 )</u>	<u>(\$ 55,514 )</u>	<u>(\$ 231,208 )</u>	<u>\$ 50,599</u>	<u>\$ 3,151,367</u>	<u>\$ 21,416,404</u>
<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	\$ 3,529,495	\$ 24,223,804
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 )
Total consolidated profit and loss on January 1~June 30, 2012	-	-	-	-	3,431,794	-	-	-	-	374,594	3,806,388
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 )
Changes in minority equity	-	-	-	-	-	-	-	-	-	( 615,991 )	( 615,991 )
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>\$ 3,288,098</u>	<u>\$ 22,407,894</u>

Note: The bonuses to employees were \$296,901 and \$309,471; also, the remunerations to directors and supervisors were \$98,967 and \$51,578 in 2011 and 2010, respectively, which had been deducted from the consolidated income statement of 2011 and 2010, respectively.

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 Corp. and Subsidiaries  
Consolidated Statement of Cash Flow  
January 1 ~ June 30, 2012 and 2011

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

Unit: NT\$1000

	January 1 ~ June 30, 2012	January 1 ~ June 30, 2011
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>		
Consolidated income	\$ 3,806,388	\$ 4,048,184
Adjustments		
Gain on valuation of financial asset	( 20,243 )	( 12,273 )
Uncollectible account	8,215	4,994
Loss on valuation of inventories	30,611	11,591
Depreciation expense	2,074,913	1,827,778
Amortizations	175,903	214,244
Gain on disposal of financial assets measured at cost	( 138 )	( 80,115 )
Financial assets measured at cost- impairment losses	60,072	71,696
Investment loss recognized under equity method	( 9,483 )	22,014
Cash dividend of the long-term equity investment valued with equity method	16,440	12,723
Loss on disposal of fixed assets	26,279	33,312
Gain on reversal of impairment of fixed assets	-	( 1,187 )
Changes in assets and liabilities		
Financial assets at fair value through income statement	( 2,225,309 )	1,554,758
Accounts receivable	( 516,772 )	( 117,556 )
Other receivables	( 907,734 )	( 264,109 )
Inventory	196,251	261,076
Prepayments	( 325,314 )	( 92,022 )
Other current assets	( 165,719 )	( 55,502 )
Deferred income tax assets	( 12,402 )	( 1,304 )
Note payable	( 4,924 )	61,502
Accounts payable	1,614,834	( 398,210 )
Income tax payable	( 106,614 )	( 249,986 )
Accrued expenses	305,891	435,556
Other accounts payable	1,346,937	1,128,159
Unearned receipts	287,169	281,569
Accrued pension liabilities	( 10,249 )	( 17,083 )
Other liabilities-other	9,060	( 7,899 )
Net cash provided by operating activities	5,654,062	8,671,910
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>		
Proceeds from disposal of financial assets carried at cost	402	270,000
Proceeds from capital reduction of financial assets measured at cost	-	33,333
Collected long-term equity investment accounted for with the equity method	( 86,020 )	( 85,980 )
Proceeds paid for the purchase of fixed assets	( 3,310,732 )	( 2,893,565 )
Proceeds from disposal of fixed assets	77,521	53,800
Increase in intangible assets	( 227,265 )	( 100,304 )
Increase in refundable deposits	( 30,416 )	( 33,341 )
Increase in other assets- other	( 220,241 )	( 8,979 )
Net cash outflow from investing activities	( 3,796,751 )	( 2,765,036 )

(To be continued)

President Chain Store Corp. and Subsidiaries  
Consolidated Statement of Cash Flow  
January 1 ~ June 30, 2012 and 2011

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

Unit: NT\$1000

	January 1 ~ June 30, 2012	January 1 ~ June 30, 2011
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES:</u></b>		
Increase/Decrease in short-term loans	(\$ 157,346)	\$ 813,681
Increase (decrease) in short-term notes and bills payable	44,984	( 245,919 )
Long-term loans	6,420,302	8,738,393
Repayment of long-term borrowings	( 5,683,887 )	( 8,612,992 )
Increase in guarantee deposits received	130,691	54,127
Decrease of minority Interest	( 615,991 )	( 434,819 )
Net cash provided by financing activities	138,753	312,471
Effect of foreign exchange rate	( 33,284 )	( 34,021 )
Cash and cash equivalents increase	1,962,780	6,185,324
Beginning balance of cash and cash equivalents	16,380,040	10,806,847
Ended balance of cash and cash equivalents	\$ 18,342,820	\$ 16,992,171
<b><u>Supplement disclosures of cash flow information</u></b>		
Current interest paid	\$ 27,331	\$ 27,050
Current income tax paid	\$ 1,033,099	\$ 1,121,461
<b><u>Investing activities of partial payment on cash</u></b>		
Total payment for purchase of fixed assets	\$ 3,376,357	\$ 2,391,961
Add: beginning balance of accounts payable on equipment	1,145,204	1,438,222
Less: ended balance of account payable on equipment	( 1,210,829 )	( 936,618 )
Cash paid during the period	\$ 3,310,732	\$ 2,893,565
<b><u>Financing activities which doesn't impact cash flow</u></b>		
Declared but unpaid cash dividends	\$ 4,990,186	\$ 5,094,149
Long-term liabilities - current portion	\$ 164,380	\$ 162,903

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 Corp. and Subsidiaries  
Notes to Consolidated financial statements  
June 30, 2012 and 2011

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

Unit: NT\$1000

(Except otherwise specified)

I Company History

- (I) The Company was incorporated on June 10, 1987 according to the Company Law of the Republic of China for the investment and business operation of chain stores, the retailing and trade of canned goods and books/newspaper/magazines, and the importing/exporting agency/distribution/trade of the aforementioned products. The Company's stock shares were authorized for listing and trade on the Taiwan Stock Exchange in August 1997. There were 43,300 employees on the payroll of the Company on June 30, 2012.
- (II) Uni-President Enterprises Corp. is the parent and the ultimate parent of the Company.

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 generally accepted accounting principles in the Republic of China. The major accounting policies are enumerated as follows:

(I) Consolidated financial statements basis of preparation

1. Principle for the composition of consolidated financial statements

The accompany consolidated financial statements include invested companies where the Company holds over 50% voting stock shares directly or indirectly and the Company has the controlling interest, which are prepared on a quarterly basis. The material transactions and assets and liabilities accounts of the Company and the subsidiaries are written off against each other.

The financial statements of the subsidiaries and the jointly controlled entities, 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 are audited by the Company's auditors.

The subsidiaries and the jointly controlled entities included in the consolidated financial statements as of June 30, 2012, except for Retail Support International Corp., Mech-President Corp., and Wisdom Distribution Service Corp., are based on their audited financial statements and/or are based on their unaudited financial statements.

2. Subsidiaries in the consolidated financial statements and the change in shareholding ratio were as follows:

Investment Company	Name of Subsidiary	Nature of business	Shareholding ratio		Remarks
			June 30, 2012	June 30, 2011	
The Company	President Chain Store (BVI) Holdings Ltd.	Professional investment company	100.00	100.00	
The Company	PCSC (China) Drugstore Limited	Professional investment company	100.00	100.00(1)	
The Company	Wisdom Distribution Service Corp.	Logistics of Magazines	100.00	100.00	
The Company	President Drugstore Business Corp.	Retailing of medicines and daily items	100.00	100.00	
The Company	Ren-Hui Investment Corp.	Professional investment company	100.00	100.00	
The Company	Capital Inventory Services Corp.	Management consulting	100.00	100.00	
The Company	President YiLan Art and Culture Corp.	Art and cultural exhibition	100.00	100.00	
The Company	Cold Stone Creamery Taiwan Ltd.	Ice cream stores	100.00	100.00	
The Company	President Chain Store Corporation Insurance Brokers Co., Ltd. (formerly known as President FN Business Corp.)	Life and property insurance	100.00	100.00	
The Company	21 Century Enterprise Co., Ltd.	Chain restaurants	100.00	100.00	
The Company	President Being Corp.	Sports	100.00	100.00	
The Company	Uni-President Oven Bakery Corp.	Bread and pastry retailer	100.00	100.00	
The Company	President Chain Store Tokyo Marketing Corporation	Management consulting	100.00	100.00	
The Company	President Musashino Corp.	Foods industry	90.00	90.00	
The Company	Q-ware Systems & Services Corp.	Business management consulting	86.76	86.76	

Investment Company	Name of Subsidiary	Nature of business	Shareholding ratio		Remarks
			June 30, 2012	June 30, 2011	
		services			
The Company	President Information Corp.	Business management consulting services	86.00	56.00	
The Company	President SATO Co., Ltd.	Dietary	81.00	81.00	
The Company	Mech-President Corp.	Gas station and elevator installation	80.87	80.87	
The Company	President Pharmaceutical Corp.	Wholesaling and retailing of drugs	73.74	73.74	
The Company	President Collect Services Co., Ltd.	Bill collection service	70.00	70.00	
The Company	Uni-President Department Store Corp.	Department stores	70.00	70.00	
The Company	President Transnet Corp.	Delivery service	70.00	70.00	
The Company	Pet Plus Co., Ltd.	Pet Beauty Shop	70.00	70.00	
The Company	Uni-President Cold-Chain Corp.	Low-temperature foods logistics including frozen foods	60.00	60.00	
The Company	Bank Pro E-Service Technology Co., Ltd.	Business management consulting services	53.33	53.33	
The Company	Duskin Serve Taiwan Co.	Selling and renting of cleaning instruments	51.00	51.00	

Investment Company	Name of Subsidiary	Nature of business	Shareholding ratio		Remarks
			June 30, 2012	June 30, 2011	
The Company	Afternoon Tea Taiwan Co., Ltd.	Dietary	51.00	51.00	
The Company	Books.com. Co., Ltd.	Online bookstore	50.03	50.03	
The Company	Muji (Taiwan) Co., Ltd.	Department store retailing	51.00	51.00(2)	
The Company	Retail Support International Corp.	Room-temperature food logistics	25.00	25.00(2)	
President Chain Store (BVI) Holdings Ltd.	President Chain Store (Labuan) Holdings Ltd.	Professional investment company	100.00	100.00	
President Chain Store (BVI) Holdings Ltd.	President Chain Store (Hong Kong) Holdings Limited	Professional investment company	100.00	100.00	
President Chain Store (BVI) Holdings Ltd.	PCSC (Vietnam) Supermarket Ltd.	Retail Hypermarket	51.00	51.00	
President Chain Store (BVI) Holdings Ltd.	Presiclerc Limited	Professional investment company	97.86	48.93(3)	
PCSC (China) Drugstore Limited	President Cosmed Chain Store (Shen Zhen) Co., Ltd.	Retailing of medicines and daily items	65.00	65.00	
Wisdom Distribution Service Corp.	President Logistics International Corp.	Trucking	20.00	20.00	
Wisdom Distribution Service Corp.	Vision Distribution Service Corp.	Magazines and book publishing industry	60.00	60.00	
Uni-President Cold-Chain Corp.	President Logistics International Corp.	Trucking	25.00	25.00	

Investment Company	Name of Subsidiary	Nature of business	Shareholding ratio		Remarks
			June 30, 2012	June 30, 2011	
Uni-President Cold-Chain Corp.	Uni-President Logistics (BVI) Holdings Limited	Professional investment company	100.00	100.00	
Retail Support International Corp.	Retail Support Taiwan Corp.	Foods room temperature logistics & delivery	51.00	51.00	
Retail Support International Corp.	President Logistics International Corp.	Trucking	49.00	49.00	
Retail Support Taiwan Corp.	President Logistics International Corp.	Trucking	6.00	6.00	
President Logistics International Corp.	Chieh-Shuen Logistics International Corp.	Trucking	100.00	100.00	
Duskin Serve Taiwan Co.	Duskin China (BVI) Holdings Limited	Professional investment company	100.00	100.00	
Books.com. Co., Ltd.	Books.com. (BVI) Ltd.	Professional investment company	100.00	100.00(4)	
Mech-President Corp.	Safety Elevator Corp.	Elevator installation and repair & maintenance	100.00	100.00	
Mech-President Corp.	President Jing Corp.	Gas station and other Automobile services	60.00	60.00	
President Pharmaceutical Corp.	President Pharmaceutical (Hong Kong) Holdings Limited	Professional investment company	100.00	100.00	
President Pharmaceutical (Hong Kong) Holdings Limited.	President (Sanghai) Health Product Trading Company Ltd.	Merchandiser	100.00	100.00	

Investment Company	Name of Subsidiary	Nature of business	Shareholding ratio		Remarks
			June 30, 2012	June 30, 2011	
President Cosmed Chain Store (Shenzhen) Co., Ltd.	Shenzhen Cosmed-Livzon Pharmacy Chain Store Co., Ltd	Retailing of medicines and daily items	100.00	100.00	
President Chain Store (Labuan) Holdings Ltd.	Philippine Seven Corporation	Chain store operation	56.59	56.59	
Philippine Seven Corporation	Convenience Distribution Corporation	Logistics & delivery	100.00	100.00	
President Chain Store (Hong Kong) Holdings Limited	President Chain Store (Shanghai) Ltd.	Chain store operation	100.00	100.00	
President Chain Store (Hong Kong) Holdings Limited	Shanghai President Logistic Co., Ltd.	Logistics & delivery	100.00	100.00	
President Chain Store (Hong Kong) Holdings Limited	Wuhan Uni-President Oven Fresh Bakery Co., Ltd.	Bread and pastry retailer	100.00	100.00	
President Chain Store (Hong Kong) Holdings Limited	PCSC Afternoon Tea Cayman Ltd.	Professional investment company	51.00	51.00	
President Chain Store (Hong Kong) Holdings Limited	Shan Dong President Yinzuo Commercial Limited	Retail Hypermarket	55.00	55.00	
President Chain Store (Hong Kong) Holdings Limited	PCSC (Sichuan) Hypermarket Limited	Retail Hypermarket	100.00	100.00	
President Chain Store (Hong Kong) Holdings Limited	PCSC (Chengdu) Hypermarket Limited	Retail Hypermarket	100.00	100.00	
President Chain Store (Hong Kong) Holdings Limited	Shanghai Cold Stone Ice Cream Corporation	Ice cream stores	100.00	100.00	

Investment Company	Name of Subsidiary	Nature of business	Shareholding ratio		Remarks
			June 30, 2012	June 30, 2011	
President Chain Store (Hong Kong) Holdings Limited	SATO (Shanghai) Catering Mathematics Co., Ltd.	Dietary	81.00	81.00	
President Chain Store (Hong Kong) Holdings Limited	President Royal Host (Shanghai) Ltd.	Dietary	51.00	51.00	
PCSC Afternoon Tea Cayman Ltd.	PCSC Afternoon Tea Shanghai Ltd.	Dietary	100.00	100.00	
Presiclerc Limited	Presiclerc (Beijing) Supermarket Co., Ltd.	Retail Hypermarket	75.50	75.50(3)	
Books.com. (BVI) Ltd.	Beijing Books Consulting Co.	Online bookstore	100.00		-(4)

- (1) The Company had the organizational structure adjusted in 2011 with the equity of PCSC (China) Drugstore Limited held by PCSC (China) Limited transferred to the Company. The equity of Shan Dong President Yinzuo Commercial Limited held by PCSC (China) Supermarket Limited was transferred to President Chain Store (Hong Kong) Holdings Limited. PCSC (China) Limited and PCSC (China) Supermarket Limited were both liquidated.
  - (2) The Company controls the finance, operation, and human resources policy of Retail Support International Corp. and Muji (Taiwan) Co., Ltd.; therefore, they are deemed as subsidiaries of the Company and are included in the consolidated financial statements according to Statements of Financial Accounting Standards No. 7 “Consolidated Financial Statements”. The Company increased its holdings in Muji (Taiwan) Co., Ltd. in FY2011.
  - (3) Subsidiary of the Company - President Chain Store (BVI) Holdings Ltd. paid cash to acquire the majority stock shares of Presiclerc Limited in China in May 2012 and incorporated it in the consolidated financial statements from the date of obtaining control.
  - (4) Subsidiary of the Company – Book.com. Co., Ltd. paid cash to acquire the entire stock shares of Beijing Books in China in May 2012 and incorporated it in the consolidated financial statements from the date of obtaining control.
3. The syndicated controlled entities in the consolidated financial statements

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

Investment Company	The name of the joint venture	Nature of business	June 30, 2012	June 30, 2011	Remarks
The Company	Mister Donut Taiwan Corp.	Bread and pastry retailer	50.00	50.00	
The Company	President Coffee Corp.	Coffee Chain Store	30.00	30.00	
The Company	Uni-President Yellow Hat Corp.	Auto parts & sundries	-	30.00(1)	
President Chain Store (Hong Kong) Holdings Limited	Mister Donut Shanghai Co., Ltd.	Bread and pastry retailer	50.00	50.00	
President Chain Store (Hong Kong) Holdings Limited	President Coffee (Cayman) Holdings Ltd.	Professional investment company	30.00	30.00	
President Coffee (Cayman) Holdings Ltd.	Shanghai President Starbucks Coffee Corp.	Coffee Chain Store	100.00	100.00	
Uni-President Logistics (BVI) Holdings Limited	Zhejiang Uni-Champion Logistics Development Co., Ltd.	Logistics & delivery	50.00	50.00	

(1) The Company sold entire equity interest in 2011 with the gain and loss of the invested company excluded from the consolidated income statement then.

(2) The Company had included the invested companies referred to above in the consolidated financial statements by account titles in accordance with their audited financial statements proportionally and the SFAS No. 31 "Interests in Joint Ventures."

4. Subsidiaries that are not included in the consolidated financial statements: None

5. Adjustment and process for subsidiaries with different fiscal year: None

6. Overseas subsidiary's special risks: No significant operating special risk

7. The nature and level of restriction on capability of subsidiaries in transferring fund to parent company: None.

8. The securities of parent company held by subsidiary: None

9. Issuance of convertible bond and stock shares by subsidiaries: Subsidiaries did not issue convertible bond and stock shares that affected the shareholder's equity of the Company.

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

For the conversion of overseas subsidiary's financial statements, all asset and liability accounts are translated in accordance with the exchange rate on the balance sheet date. In terms of shareholder's equity, the beginning retained earnings are carried forward while others are translated in accordance with the historical exchange rates. Dividends are translated in accordance with the exchange rate on the declaration date; also, income and expense accounts are translated in accordance with the weighted average exchange rates. Translation differences are booked in the "Cumulative translation adjustments" as an adjustment to shareholders'

equity.

(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 foreign monetary assets or liabilities are adjusted at yearend according to the spot exchange rate on the Balance Sheet date and with the difference of exchange from the adjustment debited or credited to Income Statement.
3. The foreign non-monetary assets or liabilities that are valued at the fair value and with the fluctuation booked in Income Statement are adjusted at yearend according to the spot exchange rate on the Balance Sheet date and with the difference of exchange from the adjustment debited or credited to Income Statement. The foreign non-monetary assets or liabilities that are valued at the fair value and with the fluctuation debited or credited to Shareholder's Equity are adjusted at yearend according to the spot exchange rate on the Balance Sheet date and with the difference of exchange from the adjustment debited or credited to Shareholder's Equity. The foreign non-monetary assets or liabilities that are not valued at the fair value are valued according to the historical exchange rate on the transaction date.

(IV) Current and noncurrent assets and liabilities

The business cycle of the engineering business of Mech-President Corp., the company's subsidiary, is usually for over one year; therefore, the engineering-related assets and liabilities are classified as current and noncurrent in accordance with the business cycle while other account titles are classified in accordance with the one-year time.

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;

(V) 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.

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

1. The accounting for equity is based on the transaction date; the accounting for beneficiary certificate is based on the delivery date. Financial instrument is valued at the fair value for preliminary recognition.
2. Financial assets and liabilities in which changes in fair value are recognized as gains or losses shall be estimated on the basis of fair value and in which changes are recognized as gains or losses. For stocks with public quotations in open markets, the fair value shall be the price at close in open market as of the balance sheet day. For open-ended funds, the fair value shall be the net asset value of the funds as of the balance sheet day.

(VII) Financial assets in available-for-sale

1. The accounting for equity investment is based on the transaction date. Financial instrument is valued at the fair value for preliminary recognition including transaction cost for acquisition or issuance.
2. Financial assets in available-for-sale are estimated on the basis of fair value. Any change in the value is recognized as adjustments to shareholders' equity. Accumulated interest or loss is recognized while the financial assets are written off from the book. The fair value of stocks with public quotations in open 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.

(VIII) 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.

(IX) Accounts receivable, Other receivables

1. Notes and accounts receivable were the claims occurred from the sales of goods. Other receivables are receivables other than notes and account receivables. Notes and accounts receivable and other receivables are initially recognized at fair value.
2. The Company and the subsidiaries 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.

(X) Inventory

1. Inventories are booked at actual cost. The consolidated business entity in chained store operation has cost cleared in accordance with the retail method, while the other subsidiaries apply the cost method of justifying to the business operation.
2. Inventory has been valued at yearend in accordance with the Lower of Cost or Net Realizable Value Method. The comparison of cost and net realizable value shall be conducted under Item by Item Method. Net Realizable Value means the estimated market value deducted by initial investment cost and marketing expense.

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

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

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

1. Fixed assets are booked at cost except for those items with reassessment arranged. The interest of the expense occurred in preparing the fixed assets for use is capitalized.
2. Depreciation of fixed assets is computed using the straight-line method over the estimated service lives based on the nature of assets. Buildings and constructions have 50 to 55 years of service. Other assets have 1 to 15 years of service.
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.

(XIII) Intangible assets

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

(XIV) Impairment of non-financial assets

1. The Company and the subsidiaries have the collectability of the assets with a sign of impairment loss assessed on the Balance Sheet date. If the collectable amount is less than the book value of the assets, impairment loss must be recognized. The 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.

(XV) Pension plan

1. Pension costs under defined benefit pension plan are recognized on the basis of actuarial calculations. Net pension cost covers the cost of service in current period, interest, expected return on fund assets, and the amortizations of unrecognized transitional net payment obligations and pension incomes or losses. Unrecognized net transition obligation is amortized in accordance with the average remaining amortization period.
2. Defined Contribution Pension Plan, accrual pension amount are recognized as pension cost of the year.

(XVI) Income Tax

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

(XVII) Employee bonus and remuneration to Directors and Supervisors

President Chain Store Corporation 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. The Company has based on the fair share value (closing price) on the day before the shareholder's meeting in the following year of the financial statements and the ex-right and ex-dividend amount to count stock dividend in accordance with Accounting Research & Development Foundation (97) Kee.mi.tzi No. 127 Letter "Stock Dividend to the Employees of the Listed/OTC Companies" dated March 31, 2008.

(XVIII) Revenue and cost

Revenue shall be recognized in the process of gaining profits and recognized as realized or to be realized. Related costs are recognized with corresponding items of revenue. Expenses are stated for the current period if mean-end consequence is established.

(XIX) Delivery day accounting

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

(XX) Accounting estimations

The Company prepared its consolidated 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.

(XXI) Consolidated

The Company has the merger processed in accordance with Stateements of Financial Accounting Standards No. 25 "Business Combinations"

(XXII) Operating segment

The information of the Company and subsidiaries 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 Statements of Financial Accounting Standards No. 41 "Operating Segments."

III Reasons and effect of change in accounting principle

(I) Accounts receivable, Other receivables

The Company and its subsidiaries have adopted the newly amended Statements of Financial Accounting Standards No. 34 "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

said accounting principle change does not significantly affect the company's and subsidiary's consolidated net income and earnings per share in January 1~June 30, 2011.

(II) Operating segment

The Company and the subsidiaries had adopted the newly published Statements of Financial Accounting Standards No. 41 "Operating Segments" 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 consolidated net income and earnings per share of the Company and its subsidiaries in 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>
Cash and petty cash for stores	\$ 2,148,527	\$ 693,126
Current account deposits and checking account deposits	7,656,588	4,988,550
Deposit account	2,385,225	2,393,929
Cash equivalent- Short term bills	<u>6,152,480</u>	<u>8,916,566</u>
	<u>\$ 18,342,820</u>	<u>\$ 16,992,171</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	\$ 9,744,124	\$ 8,588,223
Valuation Adjustment	<u>22,018</u>	<u>13,200</u>
	<u>\$ 9,766,142</u>	<u>\$ 8,601,423</u>

The Company and subsidiaries had recognized net income for an amount of \$24,780 and \$17,846 on January 1~June 30, 2012 and 2011, respectively.

(III) Inventory

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Commodities	\$ 10,161,262	\$ 8,937,804
Raw material and work-in-process goods	<u>222,772</u>	<u>138,707</u>
	10,384,034	9,076,511
Less: Allowance for inventory devaluation and obsolescence	<u>( 141,921)</u>	<u>( 89,488)</u>
	<u>\$ 10,242,113</u>	<u>\$ 8,987,023</u>

Inventory expenses and loss recognized in the year:

	January 1 ~ June 30, 2012	January 1 ~ June 30, 2011
Cost of goods sold	\$ 64,422,502	\$ 54,867,130
Defective products	756,959	658,260
Loss on valuation	30,611	11,591
Other	164,185	132,755
	<u>\$ 65,374,257</u>	<u>\$ 55,669,736</u>

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

	June 30, 2012	June 30, 2011
Listed stocks	\$ 1,620,499	\$ 1,620,499
Valuation Adjustment	( 608,465)	( 231,208)
	<u>\$ 1,012,034</u>	<u>\$ 1,389,291</u>

(V) Financial assets measured at cost - noncurrent

	June 30, 2012	June 30, 2011
Stocks with no public quotation	\$ 10,279,098	\$ 10,348,126
Less: accumulated impairment	( 2,589,250)	( 1,944,296)
Total	<u>\$ 7,689,848</u>	<u>\$ 8,403,830</u>

1. The holding of the Company and the subsidiaries are booked at the cost since there is no public quotation available and no reliable fair value for reference.
2. The Company and subsidiaries had recognized impairment loss without possibility of recovery for an amount of \$60,072 and \$71,696 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 Development Corp.	\$ 617,982	20.00	\$ 586,246	20.00
Intergrated Marketing Communications Co., Ltd.	165,390	44.45	85,788	30.00
President Organics Corp. and etc.	64,721	36.67	60,328	36.67
		~49.00		~49.00
	<u>\$ 848,093</u>		<u>\$ 732,362</u>	

The Company had recognized long-term equity investment income with Equity Method for an amount of \$9,483 and \$22,014 on January 1~June 30, 2012 and 2011, respectively, in accordance with the unaudited financial reports of the invested companies.

(VII) Investment of joint venture

The company's investment ratio in the joint venture by account title is as follows. Please refer to Note II (I)3. for the investment object of the joint venture in details.

	January 1 ~ June 30, 2012	January 1 ~ June 30, 2011
Current assets	<u>\$ 1,219,689</u>	<u>\$ 964,725</u>
Non-Current assets	<u>\$ 763,581</u>	<u>\$ 534,505</u>
Current liabilities	<u>\$ 917,053</u>	<u>\$ 730,275</u>
Income	<u>\$ 2,144,305</u>	<u>\$ 1,639,794</u>
Cost and expense	<u>\$ 1,810,705</u>	<u>\$ 1,416,716</u>

(VIII) Fixed assets

	Initial cost	Revaluation increments	June 30, 2012 Accumulated depreciation	Accumulated impairment	Book value
Land	\$ 2,147,838	\$ -	\$ -	\$ -	\$ 2,147,838
Building	3,035,763	55,374	( 1,084,350)	-	2,006,787
Transportation equipment	3,843,136	-	( 2,311,173)	-	1,531,963
Operating equipment	18,259,461	-	( 12,159,808)	( 22,984)	6,076,669
Lease improvement	11,292,760	-	( 6,193,664)	( 5,041)	5,094,055
Other equipment	3,988,429	-	( 2,294,344)	( 26,101)	1,667,984
Construction in progress and prepayments for equipment	<u>1,350,988</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,350,988</u>
	<u>\$43,918,375</u>	<u>\$55,374</u>	<u>(\$24,043,339)</u>	<u>(\$54,126)</u>	<u>\$19,876,284</u>

	Initial cost	Revaluation increments	June 30, 2011 Accumulated depreciation	Accumulated impairment	Book value
Land	\$ 2,207,003	\$ -	\$ -	\$ -	\$ 2,207,003
Building	2,834,133	55,374	( 939,577)	-	1,949,930
Transportation equipment	3,231,206	-	( 2,078,775)	-	1,152,431
Operating equipment	17,538,075	-	( 12,044,852)	( 1,623)	5,491,600
Lease improvement	10,178,456	-	( 5,927,615)	( 6,607)	4,244,234
Other equipment	3,783,491	-	( 2,017,860)	( 1,172)	1,764,459

Construction in progress and prepayments for equipment	<u>376,435</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>376,435</u>
	<u>\$40,148,799</u>	<u>\$55,374</u>	<u>(\$23,008,679)</u>	<u>(\$ 9,402)</u>	<u>\$17,186,092</u>

(IX) Assets leased to others

	<u>June 30, 2012</u>		
	<u>Initial cost</u>	<u>Accumulated depreciation</u>	<u>Book value</u>
Land	\$ 787,848	\$ -	\$ 787,848
Building	<u>347,472</u>	<u>( 89,955)</u>	<u>257,517</u>
	<u>\$ 1,135,320</u>	<u>(\$ 89,955)</u>	<u>\$ 1,045,365</u>

	<u>June 30, 2011</u>		
	<u>Initial cost</u>	<u>Accumulated depreciation</u>	<u>Book value</u>
Land	\$ 726,554	\$ -	\$ 726,554
Building	<u>309,556</u>	<u>( 69,821)</u>	<u>239,735</u>
	<u>\$ 1,036,110</u>	<u>(\$ 69,821)</u>	<u>\$ 966,289</u>

(X) Material merger and goodwill

Merger

The Company's board of directors had resolved in March 2012 to acquire 48.93% shareholding of Presiclerc Limited through President Chain Store (BVI) Holdings Ltd. for a total of 97.86% shareholding afterwards for an amount of \$186,667,000 (RMB 40,000,000). The settlement date was May 15<sup>th</sup>, 2012. As of June 30, 2012, the amortization of the purchase price is in process. The company has appointed experts to carry out the assessment of the net fair value of the identifiable assets.

1. Presiclerc Limited is a pure holding company and invested in Presiclerc Farbao (Beijing) Supermarket Co., Ltd. in 2003 for the investment and management of the supermarket chains in Beijing.
2. The trade contract does not have contingent proceeds, stock options, commitments, and any material asset disposition decisions due to the acquisition.
3. Pro forma supplemental information of consolidated profit and loss and results of operations

The business performance of Presiclerc Limited has been included in the Company's consolidated income statement since May 15<sup>th</sup>, 2012. The 2012 pro forma consolidated Q2 income statement is based on the assumption that the Company had the business performance of Presiclerc Limited consolidated from January 1<sup>st</sup>, 2012. For the preparation of the comparative income statement, the consolidation is assumed to be initiated at the beginning of the prior fiscal year for comparison. The related pro forma consolidated

income statement is as follows:

	January 1 ~ June 30, 2012		January 1 ~ June 30, 2011	
	Amount	%	Amount	%
Operating revenue	\$ 101,614,253	100	\$ 90,698,670	100
Operating cost	( 70,861,540)	( 70)	( 60,271,470)	( 66)
Gross profit	30,752,713	30	30,427,200	34
Operating expenses	( 26,665,381)	( 26)	( 25,874,122)	( 29)
Net income	4,087,332	4	4,553,078	5
Non-operating income	929,962	1	654,036	1
Non-operating expenses	( 323,682)	-	( 317,552)	-
Net income before tax of the continuing department	4,693,612	5	4,889,562	6
Income Tax expenses	( 914,066)	( 1)	( 890,087)	( 1)
Net Income	<u>\$ 3,779,546</u>	<u>4</u>	<u>\$ 3,999,475</u>	<u>5</u>
Attributable to:				
Consolidated net income	\$ 3,421,878	4	\$ 3,628,744	4
Minority equity income	<u>357,668</u>	<u>-</u>	<u>370,731</u>	<u>1</u>
	<u>\$ 3,779,546</u>	<u>4</u>	<u>\$ 3,999,475</u>	<u>5</u>

  

	June 30, 2012		June 30, 2011	
	Before tax	After ax	Before tax	After ax
Pro forma basic earnings per share				
Net income (NTD)	<u>\$ 4.07</u>	<u>\$ 3.29</u>	<u>\$ 4.25</u>	<u>\$ 3.49</u>
Pro forma diluted earnings per share				
Net income (NTD)	<u>\$ 4.07</u>	<u>\$ 3.29</u>	<u>\$ 4.25</u>	<u>\$ 3.49</u>

### Goodwill

The Company evaluates the impairment of goodwill that is acquired in a business merger annually. If goodwill results from the business merger of the year, it should be tested for impairment at the end of the year. The Company had not recognized a goodwill impairment loss in the first half of 2012 and 2011.

#### (XI) Short-term-term debt payable

	June 30, 2012	June 30, 2011
Credit loan	\$ 1,957,237	\$ 1,369,268
Collateralized borrowings	645,000	905,000
Total	<u>\$ 2,602,237</u>	<u>\$ 2,274,268</u>
Interest rates interval	<u>0.97% ~ 7.4%</u>	<u>0.92% ~ 6.9%</u>

#### (XII) Accrued expenses

	June 30, 2012	June 30, 2011
Payable salaries and bonuses	\$ 2,143,218	\$ 2,015,949
Payable incentives for franchisee	624,785	579,882
Bonus payable to employees and remuneration	624,858	575,816

payable to directors and supervisors		
Labor insurance and health insurance premiums payable	239,648	181,788
Rent payable	120,486	109,957
Accrued pension liabilities	118,241	106,342
Payable fees for system development and maintenance	24,960	60,357
Other accrued expenses	<u>2,802,548</u>	<u>2,390,305</u>
	<u>\$ 6,698,744</u>	<u>\$ 6,020,396</u>

(XIII) Other accounts payable

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Store collections	\$ 7,281,524	\$ 6,104,337
Cash dividends payable	4,990,186	5,094,149
Payable for acquisition of fixed assets	1,210,829	936,618
Collections of accounts receivable	847,318	468,499
Other	<u>1,824,959</u>	<u>1,804,795</u>
	<u>\$ 16,154,816</u>	<u>\$ 14,408,398</u>

(XIV) Long-term debt payable

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Credit loan	\$ 4,400,000	\$ 5,100,000
Guaranteed loan	202,236	143,371
Other Long-term debt payable	<u>-</u>	<u>300,000</u>
	4,602,236	5,543,371
Less: Current portion	<u>( 54,517)</u>	<u>( 39,421)</u>
	<u>\$ 4,547,719</u>	<u>\$ 5,503,950</u>
Annual Interest rate	<u>0.9% ~ 2.88%</u>	<u>0% ~ 2.45%</u>

1. The credit loans referred to above are contracted for 2~3 years, and the revolving line of credit can be used within the total credit amount.
2. The “other long-term loan” is the revolving fund loaned to the subsidiary, Mech-President Corp., without interest accrual by Taiwan CPC Corporation. The loan was secured with a letter of guarantee issued by a bank and it had been repaid in full in April, 2012.

(XV) Pension Plan

1. The company and domestic subsidiaries have instituted the regulations for the defined pension plan under the “Labor Standards Law” applicable to the years of services of employees before July 1, 2005, the day that the new “Labor Pension Act” has come into full force, such regulations are also applicable to employees who elect to continue the calculation of their subsequent years of service under the “Labor Standard Law.” Pension payment for each employee who has qualified for retirement is based on the average salary of six months prior to the retirement. Each service year within fifteen years is granted with two pension points and then one pension point for each service year thereafter is granted and with maximum 45 pension points available for each employee. The Company and domestic subsidiaries have pension fund appropriated monthly for an amount equivalent to 2%~8.9% of monthly salary and the pension reserve is deposited in the bank account of Pension Reserve Committee with the Trust Department of Bank of Taiwan. The pension plan of Philippine Seven Corporation, the

subsidiary, is with relative defined contribution fund.

2. The company and domestic subsidiaries have provided a defined contribution to the pension plan according to “Labor Pension Act” on July 1, 2005 for the benefit of native employees. The company and domestic subsidiaries shall contribute the amount equivalent to 6% of the monthly salary of respective native employees to the individual pension accounts of the employees at Labor Insurance Bureau in accordance with the “Labor Pension Act”.
3. The company’s subsidiaries in Mainland China have provided a defined contribution to the pension plan according to the local pension insurance policy for the benefit of employees. The subsidiaries in Mainland China shall contribute an amount equivalent to a certain percentage of monthly salary that is reserved and managed by local government. The Company has no further obligation except for making pension fund contribution monthly.
4. The Company and its subsidiaries recognized pension cost and endowment insurance for \$526,580 and \$454,585 on January 1~June 30, 2012 and 2011, respectively, in accordance with the aforementioned pension plan.

(XVI) Income Tax

1. Income tax and Income tax payable:

	January 1 ~ June 30, 2012	January 1 ~ June 30, 2011
Net income tax payable	\$ 855,560	\$ 866,955
Net changes of deferred income tax assets (current)	( 12,402)	( 1,304)
Underestimated (overestimated) income tax in prior periods	21,091	( 14,168)
Prepaid income tax	49,817	38,604
Income Tax expenses	<u>\$ 914,066</u>	<u>\$ 890,087</u>
Net income tax payable:		
Income tax refund receivable (booked in “Other receivables” account)	<u>\$ 17</u>	<u>\$ 12</u>
Income tax payable	<u>\$ 855,577</u>	<u>\$ 866,967</u>

2. Deferred income tax assets (current):

	June 30, 2012		June 30, 2011	
	Amount	Effect of income tax	Amount	Effect of income tax
<u>Current (booked in the account of other current assets)</u>				
Inventory devaluation and obsolescence	\$ 137,156	\$ 23,315	\$ 94,617	\$ 16,085
Bad debt	29,691	5,047	94,236	16,300
Unrealized sales discount	172,803	29,377	76,805	13,057
Other	239,908	54,187	287,297	60,161
Loss carryforwards	87,298	14,841	35,000	5,950
Investment tax credits		<u>1,551</u>		<u>5,485</u>
		128,318		117,038
Less: valuation allowance		<u>( 14,437)</u>		<u>( 18,187)</u>
		<u>\$ 113,881</u>		<u>\$ 98,851</u>

Non-Current (booked in the account of other assets-others)

Overseas investment losses	\$ 1,284,778	\$ 218,412	\$ 845,087	\$ 143,665
Unrealized expenses	93,217	15,847	137,355	31,120
Pension tax difference	121,717	20,692	124,134	21,103
Unrealized gain on financial instrument	( 45,772)	( 7,781)	-	-
Other	170,425	28,972	47,587	8,090
Loss carryforwards	3,164,014	537,886	3,396,764	582,912
Investment tax credits		<u>1,191</u>		<u>6,060</u>
		815,219		792,950
Less: valuation allowance		<u>( 720,337)</u>		<u>( 705,899)</u>
		<u>\$ 94,882</u>		<u>\$ 87,051</u>

3. Tax Administration had the Company's business profit tax return audited up to 2009.
4. Up to June 30, 2012, investment tax credit generated by the Company and its subsidiaries pursuant to the Statute for Upgrading Industries was listed as follows:

<u>Deduction item</u>	<u>Total deductible amount</u>	<u>Unconsumed deductible balance</u>	<u>Final deduction year</u>
Personnel training	\$ 326	\$ 326	2013
Automation equipment and technology	4,326	2,416	2013

5. The subsidiary's loss carryforwards was for an amount of \$3,251,312 on June 30, 2012 and it can be carried forward to the year of 2020.
6. 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	<u>3,453,969</u>	<u>3,711,034</u>
Total	<u>\$ 3,480,792</u>	<u>\$ 3,737,857</u>

7. Two-in-one tax:

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Shareholder's tax credit balance	<u>\$ 1,159,018</u>	<u>\$ 952,563</u>

	<u>2011 (estimated)</u>	<u>2010 (actual)</u>
Tax credit ratio of retained earnings distributed	<u>20.62%</u>	<u>20.45%</u>

(XVII) 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.

(XVIII) 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 20, 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:

	<u>2011</u>		<u>2010</u>	
	<u>Amount</u>	EPS (NT\$)	<u>Amount</u>	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	<u>98,967</u>		<u>51,578</u>	
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.

(XIX) Earnings per share

January 1 ~ June 30, 2012

Weighted Earnings per share

	Amount		average outstanding shares (,000 shares)	(Unit: NT\$)	
	Before tax	After tax		Before tax	After tax
Basic earnings (losses) per share	\$ 4,243,331	\$ 3,431,794	1,039,622	\$ 4.08	\$ 3.30
Impact of common stock with potential dilution on employee's bonus					
Bonus to employees	-	-	1,252		
Diluted earnings per share	\$ 4,243,331	\$ 3,431,794	1,040,874	\$ 4.08	\$ 3.30

	January 1 ~ June 30, 2011		Weighted average outstanding shares (,000 shares)	Earnings per share (Unit: NT\$)	
	Amount			Before tax	After tax
	Before tax	Before tax			
Basic earnings (losses) per share	\$ 4,438,795	\$ 3,647,020	1,039,622	\$ 4.27	\$ 3.51
Impact of common stock with potential dilution on employee's bonus					
Bonus to employees			1,261		
Diluted earnings per share	\$ 4,438,795	\$ 3,647,020	1,040,883	\$ 4.26	\$ 3.50

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.

- (XX) Human resources spending, depreciation, depletion and amortization  
Human resources spending, depreciations, depletion and amortization are recognized as operating expenses:

	January 1 ~ June 30, 2012		
	Classified as operating cost	Classification of operating expense	Total
Personnel expenses			
Salaries	\$ 1,698,414	\$ 5,887,761	\$ 7,586,175
Labor and health insurance	144,121	497,561	641,682

Pension expenses	82,404	444,176	526,580
Other personnel expenses	47,152	342,474	389,626
	<u>\$ 1,972,091</u>	<u>\$ 7,171,972</u>	<u>\$ 9,144,063</u>
Depreciation expense	<u>\$ 353,269</u>	<u>\$ 1,721,644</u>	<u>\$ 2,074,913</u>
Depletion expense	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Amortization expense	<u>\$ 14,105</u>	<u>\$ 161,798</u>	<u>\$ 175,903</u>

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

## V Related Party Transactions

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

<u>Name of related parties</u>	<u>Relations with the Company and its subsidiaries</u>
Uni-President Enterprises Corp.	Parent company
Presco Netmarketing Inc.	Subsidiaries of Uni-President Enterprises Corp.
President Development Corp.	//
Uni-President Dream Parks Corp.	//
President Baseball Team Corp.	//
President Fair Development Corp.	//
President Tokyo Corp.	//
Tung Ang Enterprises Corp.	Sub-subsidiaries of Uni-President Enterprises Corp.
Tung Guan Enterprises Co., Ltd.	//
Lien Bo Enterprises Corp.	//
President Packaging Corp.	Investees of Uni-President Enterprises Corp. under the Equity Method
Kuang Chuan Dairy Co., Ltd.	//
Kanh Na Hsiung Enterprise Co., Ltd.	//
Tait Marketing & Distribution Co., Ltd.	//
Tung Chang Enterprises Corp.	Investees of Uni-President Enterprises Corp. under the Equity Method
Wine-Well International Corp.	//
Presicarre Corp.	The Company is a director
Q-ware Communications Co., Ltd	//

Name of related parties	Relations with the Company and its subsidiaries
Weilih Food Industrial Co., Ltd.	One of the Company's directors is Chairman of this company
President Organics Corp.	Investees of the Company under the Equity Method
Hi-life International Co., Ltd.	Investees of Kuang Chuan Dairy Co., Ltd. under the Equity Method
Cayenne Entertainment Technology Co., Ltd.	An affiliate of the Company is the company's director

(II) Major transactions with related parties

1. Sales revenue

	January 1 ~ June 30, 2012		January 1 ~ June 30, 2011	
	Amount	Total percentage of net sales	Amount	Total percentage of net sales
Hi-life International Co., Ltd.	\$ 150,646	-	\$ 131,016	-
Uni-President Enterprises Corp.	39,928	-	37,328	-
Uni-President Dream Parks Corp.	39,845		46,364	
Other	133,745	-	147,941	-
	<u>\$ 364,164</u>	<u>-</u>	<u>\$ 362,649</u>	<u>-</u>

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

2. Other operating revenue

	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 Enterprises Corp.	\$ 233,769	3	\$ 229,045	4
Presco Netmarketing Inc.	199,983	2	153,141	2
Other	76,918	1	74,891	1
	<u>\$ 510,670</u>	<u>6</u>	<u>\$ 457,077</u>	<u>7</u>

3. 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

Uni-President Enterprises Corp.	\$ 6,628,864	10	\$ 6,355,092	11
Tung Ang Enterprise Corp.	1,102,081	2	1,124,591	2
Lien Bo Enterprises Corp.	392,350	1	373,126	1
Cayenne Entertainment Technology Co., Ltd.	194,567	-	206,079	-
Weilih Food Industry Co., Ltd.	171,745		135,971	
Kuang Chuan Dairy Co., Ltd.	169,762	-	164,243	-
President Packaging Corp.	154,813	-	139,244	-
Q-ware Communications Co., Ltd.	150,618	-	144,194	-
Other	<u>517,737</u>	<u>1</u>	<u>499,746</u>	<u>1</u>
	<u>\$ 9,482,537</u>	<u>14</u>	<u>\$ 9,142,286</u>	<u>15</u>

Purchase terms and conditions of the Company and its subsidiaries from the related party are the same as the general suppliers.

4. Operating expenses

	January 1 ~ June 30, 2012		January 1 ~ June 30, 2011	
	Amount	Total percentage of the subject amount (%)	Amount	Total percentage of the subject amount (%)
<u>Rent expense</u>				
President Development Corp.	\$ 230,926	5	\$ 248,716	6
President Fair Development Corp.	50,635	1	46,498	1
Uni-President Enterprises Corp.	38,045	1	37,618	1
Other	<u>25,136</u>	<u>1</u>	<u>23,688</u>	<u>1</u>
	<u>\$ 344,743</u>	<u>8</u>	<u>\$ 356,520</u>	<u>9</u>

5. Receivable (payable to) from related parties

	June 30, 2012		June 30, 2011	
	Amount	Percentage of the amount under the same account title	Amount	Percentage of the amount under the same account title
<u>Accounts receivable</u>				
Hi-life International Co., Ltd.	\$ 62,344	2	\$ 58,683	2
Uni-President Enterprises Corp.	59,846	1	58,680	2
Other	<u>72,255</u>	<u>2</u>	<u>67,556</u>	<u>3</u>
	<u>\$ 194,445</u>	<u>5</u>	<u>\$ 184,919</u>	<u>7</u>
<u>Other receivables</u>				
Presicarre Corp.	\$ 196,170	7	\$ 81,899	4
Uni-President Enterprises Corp.	137,750	5	151,958	7
Other	<u>63,689</u>	<u>2</u>	<u>48,496</u>	<u>3</u>
	<u>\$ 397,609</u>	<u>14</u>	<u>\$ 282,353</u>	<u>14</u>
<u>Note and account payables</u>				
Uni-President Enterprises Corp.	\$ 1,908,852	9	\$ 1,630,157	10
Tung Ang Enterprise Corp.	228,613	1	254,444	2

Lien Bo Enterprises Corp.	130,363	1	108,998	1
President Tokyo Corp.	65,354	-	76,499	1
Other	631,894	3	616,490	4
	<u>\$ 2,965,076</u>	<u>14</u>	<u>\$ 2,686,588</u>	<u>18</u>

#### 6. Property transaction - Purchase of fixed assets

The subsidiaries, President Transnet Corp., President Logistics International Corp., and Chieh-Shuen Logistics International Corp., purchased transportation equipment from the related party in the first half of 2012 and 2011 as follows:

	January 1 ~ June 30, 2012	January 1 ~ June 30, 2011
President Tokyo Corp.	<u>\$ 36,973</u>	<u>\$ 28,483</u>

The aforementioned purchase of transportation equipment for business operation was with installment payment made for three years. The installment payable to President Tokyo Corp. on June 30, 2012 and 2011 were as follows:

	June 30, 2012	June 30, 2011
Installments payable	\$ 262,268	\$ 279,312
Installments payable discount	( 7,386)	( 8,839)
Net amount	254,882	270,473
Less: Current portion	( 109,862)	( 123,481)
	<u>\$ 145,020</u>	<u>\$ 146,992</u>

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

#### 7. Commitment

The duration of the lease contract for operating offices signed by the Company and its subsidiaries with related parties is 5-10 years. The payment of rental is handled in accordance with the signed lease contract. As of June 30, 2012, estimated rentals payable in future years are as follows:

<u>Lease term</u>	<u>Total rent amount</u>
July 1 ~ December 31, 2012	\$ 180,438
2013	360,875
2014	360,875
2015	360,875
2016	380,875
2017 and thereafter	<u>1,442,799</u>
	<u>\$ 3,086,737</u>

#### VI Pledged Assets

Collateral provided by the company and subsidiary as follows:

Assets	June 30, 2012	June 30, 2011	Guarantee
Land	\$ 368,869	\$ 368,869	Long-term and short-term debt and guarantee credit
Building	300,790	408,670	Long-term and short-term debt and guarantee credit
Transportation equipment	525,302	514,240	Long-term debt payable and long-term installment payable
Operating equipment and other equipment	-	2,057	Long-term debt payable
Mortgaged time deposit	51,913	142,690	Contract security deposit
	<u>\$ 1,246,874</u>	<u>\$ 1,436,526</u>	

## VII Commitment or contingency

Except for Note V, the Company and the subsidiaries have the following commitments made up to June 30, 2012:

- (I) The Company has a long-term technical collaboration agreement signed with Philippine Seven Corporation, President Chain Store (Shanghai) Ltd., and 7-ELEVEN Inc. in the United States. The Company and subsidiary are obliged to pay technical royalty for an amount equivalent to a percentage of store monthly sales throughout the contracted period.
- (II) The company has President International Building leased to a non-related party (Booked in the "Lease assets" account):
1. Arcade: A lease signed for 18 years and 6.5 months from June 15, 2005 and the rent is for an amount equivalent to a percentage of the monthly sales.
  2. Office: The lease is for a period of five years from November 1, 2007 to October 31, 2012. The Company has the following projections in rental incomes for the various years:

Lease term	Total rent amount
January 7 ~ October 31, 2012	<u>\$ 5,388</u>

- (III) In order to build the transportation hub for home-delivery, President Transnet Corp. entered in a construction and equipment agreement with a non-related party. The total price was \$760,000. As of June 30, 2012, the unpaid (estimated) amount approximated to \$504,081.
- (IV) President Musashino Corp. had a plant construction agreement signed with an unrelated party with the construction in progress for an amount of \$611,500 and an estimated payable amount of \$36,050 on June 30, 2012.
- (X) The Company and the subsidiaries have stores and business sites leased from the unrelated party and with lease agreements signed for a period of 3~20 years accordingly. The Company and the subsidiaries have rent advanced and security made for an amount of \$430,580 and \$1,784,298, respectively, on June 30, 2012; moreover, they are booked in the account of "Prepayment" and "Refundable deposits" respectively. The estimated annual rental expenses of the Company and its subsidiaries are as follows:

Lease term	Total rent amount
July 1 ~ December 31, 2012	<u>\$ 6,817,054</u>



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

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

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

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

The Company and its subsidiaries had the available-for-sale financial assets adjusted to shareholder's equity for an amount of \$16,709 and (\$465,332) for the period of January 1 ~ June 30, 2012 and 2011, respectively.

(III) Interest rate risk position

The financial liabilities of the Company and its subsidiaries with the risk of fair value due to changes in the interest rate as of June 30, 2012 and 2011 amounted to \$4,100,000 and \$5,100,000, respectively; also, the financial liabilities with the risk of cash flow due to changes in interest rate amounted to \$3,644,339 and \$ 2,567,639, respectively.

(IV) Control of Financial Risks and Hedge strategy

1. The risk control and hedge strategy of the Company and the subsidiaries are to prevent operating risk. To this end, the Company and the subsidiaries have 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) Investments of the Company and its subsidiaries in available-for-sale financial assets are stocks of listed/OTC companies that are influenced by market prices.
- (2) Most of investments of the Company and its subsidiaries in funds are quasi money market funds and the holding period of short-term notes is quite short. After the assessment, there should be no significant market risk.
- (3) Long-term debts of the Company and its subsidiaries bear interest at fixed rates and are deemed no significant market risks due to revolving use with short periods.
- (4) Some of businesses of the Company and its subsidiaries are denominated in certain non-functional currencies and consequently affected by fluctuation of exchange rates. Information on assets and liabilities denominated in foreign currencies significantly affected by fluctuation of exchange rates is summarized as follows:

	June 30, 2012		June 30, 2011	
	Amount in foreign currency (,000)	Exchang e rate	Amount in foreign currency (,000)	Exchang e rate
(Foreign currency: Functional currency)				
Financial assets				
<u>Monetary items</u>				
JPY:NT\$	185,059	0.3750	318	0.3573
HKD:NT\$	4,337	3.853	-	3.702
<u>Non-monetary assets</u>				
JPY:NT\$	455,100	0.3750	468,600	0.3573
HKD:NT\$	30,018	3.853	11,617	3.702
Financial liabilities				
<u>Monetary items</u>				
EUR: NT\$	1,504	37.56	45,165	44.14
JPY: NT\$	473,088	0.3750	321,702	0.3573
USD: NT\$	3,281	29.88	4,200	28.73

2. Credit Risk

- (1) The financial assets with the change in fair value recognized as gain or loss; also, the financial assets in available-for-sale of the Company and the subsidiaries are traded in

the open market, or, are traded with the reputable parties without a breach of contract expected.

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

### 4. Cash Flow Risks deriving from interest rate fluctuation

- (1) The Company’s and subsidiary’s investments in short-term notes are fixed-interest-rate instruments with the purpose of receiving interest income. Therefore, there is no cash flow risk resulting from changes in interest rate during the holding period.
- (2) 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.
- (3) The investment in equity of the Company and the subsidiaries is not an interest rate product; therefore, there is not a cash flow risk from the change in interest rate expected.
- (4) Some of loans borrowed by the Company and its subsidiaries are debts bearing interest at floating rates. Therefore, the change in market interest rate will cause changes in the effective loan interest rate. Under the circumstances, future cash flow will change too. Cash outflow of the Company and its subsidiaries will increase by \$36,443 for an increase of market interest rate by 1%.

XI Supplementary Disclosure

(I). Information on major trade

(The information disclosure of the invested company, except for Retail Support International Corp., Wisdom Distribution Service Corp., and Mech-President Corp., is based on the unaudited or un-reviewed financial statements of the invested company)

The Company's significant transactions in the first half of 2012 are disclosed as follows:

1. Loans to third parties: None.
2. Endorsement and guarantee for third party:

No.	Endorsing company	Endorsed 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

Holding company	Type and title of marketable securities	Affiliation with security issuers	Account titles	Yearend holdings / Shares	Book value	Proportion of shareholding	Market price	Remarks
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	<u>1,000,000</u> 8,000,000	-	<u>1,000,206</u> <u>\$ 8,018,656</u>	
			Add: Valuation Adjustment		<u>18,656</u> <u>\$ 8,018,656</u>			
	President Securities Corp.	Investees of Uni-President Enterprises Corp. under the Equity	Financial assets in available-for-sale-non current	34,567,837	\$ 140,534	2.69	\$ 515,061	

Duskin Co., Ltd.	Method				
Chimei Innolux Corporation	None.	"	300,000	125,072	0.45
		"	18,556,967	<u>948,261</u>	0.25
				1,213,867	
		Add: Valuation Adjustment		<u>( 299,711)</u>	
				<u>\$ 914,156</u>	<u>\$ 914,156</u>

Holding company	Type and title of marketable securities	Affiliation with security issuers	Account titles	Yearend holdings / Shares	Book value	Proportion of shareholding	Market price	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	<u>273,638</u>	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	<u>396,683</u>	36.67~ 100.00	<u>387,268</u>	
					<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 III)	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.	The Company is a director	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, except for Retail Support International Corp., Wisdom Distribution Service Corp., and Mech-President Corp., is based on the unaudited or un-reviewed financial statements of the invested company)

## 1. Invested company:

Investment Company	Name of invested company	Area	Main Business	The amount of the original investment			Ending shareholdings			Net income (loss) of the invested company		PCSC's 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
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	NT\$	(\$ 106,194)	NT\$	(\$ 106,055)	Subsidiary
President Chain Store Corporation	President Drugstore Business Corp.	Taiwan	Retailing of medicines and daily items	NT\$	288,559	NT\$	288,559	40,000,000	100.00	NT\$	594,649	NT\$	73,100	NT\$	73,101	Subsidiary
President Chain Store Corporation	President Transnet Corp. Corporation	Taiwan	Delivery service	NT\$	711,576	NT\$	711,576	69,999,999	70.00	NT\$	819,444	NT\$	133,565	NT\$	93,183	Subsidiary
President Chain Store Corporation	Mech-President Corp.	Taiwan	Gas station and elevator installation	NT\$	904,475	NT\$	904,475	55,858,815	80.87	NT\$	673,515	NT\$	39,137	NT\$	31,650	Subsidiary
President Chain Store Corporation	President Pharmaceutical Corporation	Taiwan	Wholesale and retail of medicines and medical equipment	NT\$	330,216	NT\$	330,216	19,909,765	73.74	NT\$	588,990	NT\$	215,545	NT\$	158,943	Subsidiary
President Chain Store Corporation	President Development Corp.	Taiwan	Operation of transportation depots and facilities	NT\$	720,000	NT\$	720,000	72,000,000	20.00	NT\$	617,982	NT\$	52,578	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\$	( 58,726)	NT\$	( 41,408)	Subsidiary
President Chain Store Corporation	President Musashino Corp. Corporation	Taiwan	Foods industry	NT\$	520,141	NT\$	520,141	48,519,891	90.00	NT\$	539,808	NT\$	( 8,077)	NT\$	( 6,895)	Subsidiary
President Chain Store Corporation	Uni-President Cold-Chain Corp.	Taiwan	Low-temperature foods logistics including frozen foods	NT\$	237,437	NT\$	237,437	19,563,272	60.00	NT\$	393,557	NT\$	137,482	NT\$	82,651	Subsidiary
President Chain Store Corporation	President Information Corp.	Taiwan	Business management consulting services	NT\$	320,741	NT\$	320,741	25,714,475	86.00	NT\$	455,240	NT\$	55,784	NT\$	47,956	Subsidiary
President Chain Store Corporation	Q-ware Systems & Services Corp. Corporation	Taiwan	Business management consulting services	NT\$	332,482	NT\$	332,482	24,382,921	86.76	NT\$	302,601	NT\$	45,135	NT\$	39,159	Subsidiary
President Chain Store Corporation	President Coffee Corp. Corporation	Taiwan	Coffee Chain Store	NT\$	59,400	NT\$	59,400	10,691,337	30.00	NT\$	210,207	NT\$	204,940	NT\$	61,482	Note 1
President Chain Store Corporation	Muji (Taiwan) Co., Ltd. Corporation	Taiwan	Japanese department store & retail	NT\$	133,367	NT\$	133,367	8,431,269	51.00	NT\$	258,158	NT\$	48,771	NT\$	24,934	Subsidiary
President Chain Store Corporation	Wisdom Distribution Service Corp. Corporation	Taiwan	Logistics of Magazines	NT\$	50,000	NT\$	50,000	10,847,421	100.00	NT\$	183,777	NT\$	17,008	NT\$	17,355	Subsidiary
President Chain Store Ltd.	Books.com. Co., Ltd.	Taiwan	Online bookstore	NT\$	100,400	NT\$	100,400	9,999,999	50.03	NT\$	197,500	NT\$	132,043	NT\$	66,036	Subsidiary

Investment Company Corporation	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)		Remarks		
				Currency	End of the period		Currency	Quantity of share	Ratio	Currency	Book value	Currency	Amount		Currency	Amount
President Chain Store Corporation	YiLan Art and Culture Corporation	Taiwan	Art and cultural exhibition	NT\$	150,000	NT\$	150,000	15,000,000	100.00	NT\$	188,456	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\$	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\$	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	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\$	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\$	( 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\$	( 8,445)	NT\$	( 13,308)	Note 2

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
Retail Support International Corp.	President Logistics International Corp.	Other	skipped	NT\$		- NT\$	-	-	- NT\$	\$	456,473 NT\$	- 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 NT\$	- 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) NT\$	Subsidiary of a subsidiary
President Chain Store (BVI) Holdings Ltd.	Presiclerc Limited, etc.	British Virgin Islands	Professional investment	NT\$	749,292 NT\$		560,029	-	- NT\$		188,111 NT\$		- 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 NT\$	- 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) NT\$	- 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) NT\$	- 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 NT\$	- 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) NT\$	- 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 NT\$	- 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 NT\$	- 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\$		- 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 NT\$	- 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) NT\$	- Note
President Pharmaceutical Corp.	President Pharmaceutical (Hong Kong) Holdings Limited.	H.K.	Professional investment	NT\$	89,654 NT\$		32,012	-	100 NT\$		84,472 NT\$		- NT\$	- Note
Uni-President Cold-Chain Corp., etc.	Uni-President Logistics (BVI) Holdings Limited, etc.	Other	skipped	NT\$		- NT\$	-	-	- NT\$		167,758 NT\$		- NT\$	- skipped
Uni-President Logistics (BVI) Holdings Limited, etc.	Zhejiang Uni-Champion Logistics Development Co.,	Other	skipped	NT\$		- NT\$	-	-	- NT\$		134,606 NT\$		- NT\$	- skipped

Investment Company	Name of invested company Ltd., etc.	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)					
				Currency	End of the period	Currency	End of the previous period	Quantity of share	Ratio	Currency	Book value	Currency	Amount	Currency	Amount	Remarks
President Pharmaceutical (Hong Kong) Holdings Limited., etc.	President (Shanghai) Health Product Trading Company Ltd., etc.	Other	skipped	NT\$	-	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	Endorsed 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)	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, except for Retail Support International Corp., Wisdom Distribution Service Corp., and Mech-President Corp., is based on the unaudited or un-reviewed 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	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
International Corp.	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	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
International Corp.	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			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
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.	8,245,776	115,020	55,142,867	771,000	47,164,348	659,125	658,885	239	60	16,224,295	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)	Status of trade		Special terms and conditions of trade and reasons		Note receivable (payable), accounts receivable (payable)		
				Amount	Percentage to total purchase (sales)	Unit price	Credit term	Balance	Total percentage of the accounts and notes receivable (payable) (%)	
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 Subsidiary	Parent company	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 International Corp.	President Chain Store Corporation	Parent company	"	( 26,452,100)	( 89)	OA 10~54 days	"	"	4,354,106	81
President Drugstore Business Corp.	President Drugstore Business Corp.	Subsidiaries of President Chain Store Company	"	( 2,713,233)	( 9)	OA 45~60 days	"	"	893,720	17
President Coffee Corp.	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
President Coffee Corp.	Uni-President Enterprises Corp.	Ultimate parent company	Purchase	1,364,052	5	OA 30~95 days	"	"	( 322,686)	( 4)
President Coffee Corp.	Tung Ang Enterprise Corp.	Affiliate	"	1,101,643	4	OA 30 days	"	"	( 216,958)	( 2)
President Coffee Corp.	Lien Bo Enterprises Corp.	Affiliate	"	392,350	1	OA 15~70 days	"	"	( 130,363)	( 1)
President Pharmaceutical Corp.	President Pharmaceutical Corp.	Subsidiaries of President Chain Store Company	"	710,977	3	OA 30~80 days	"	"	( 345,159)	( 4)
President Packaging Corp.	President Packaging Corp.	Affiliate	"	153,049	1	OA 30~50 days	"	"	( 66,564)	( 1)
President Packaging Corp.	Weilih Food Industrial Co., Ltd.	Affiliate	"	171,745	1	OA 30~60 days	"	"	( 85,473)	( 1)

Buying (selling) companies	Counter party	Relation	Purchase (sales)	Status of trade		Special terms and conditions of trade and reasons		Note receivable (payable), accounts receivable (payable)		
				Amount	Percentage to total purchase (sales)	Credit term	Unit price	Credit term	Balance	Total percentage of the accounts and notes receivable (payable) (%)
	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:

Company of receivables on book	Counter party	Relation	Balance of Receivables With Related Party	Turnover Rate	Overdue Receivables with Related Parties		Receivables with Related Party After Period Collection	Allowance for bad debt
					Amount	Processing by		
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 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
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	54,278	-	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	5,223	-	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.	Trade of commodities	89,640	Invest in Mainland China by the invested company in third country	31,374	8,266	-	89,640	73.74	15,420	81,335	- Note 6
Zhejiang 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
Presiclere (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

4. Business relations, transactions, and trade amount between parent company and subsidiaries and among subsidiaries

January 1~June 30, 2012

Trader	Trade party	Relationship with the trader	Transactions		Trade terms and conditions	Percentage of consolidated total revenues or total assets (%)
			Account	Amount		
President Chain Store Corporation	Retail Support International Corp.	Parent company to subsidiary	Cost of goods sold	\$ 27,082,342	OA 10~54 days	27%
		"	Note and account payables	6,229,925		8%
		"	Other receivables	171,580		0%
		"	Other operating revenue	353,129		0%
		"	Other income	125,274		0%
	Uni-President Cold-Chain Corp.	"	Packaging expense and other expense	159,463		0%
		"	Cost of goods sold	11,616,600	OA 20~70 days	11%
		"	Note and account payables	4,208,677		5%
		"	Other receivables	190,415		0%
		"	Other income	79,548		0%
Wisdom Distribution Service Corp.	"	Freight charges	16,688		0%	
	"	Cost of goods sold	5,319,836	OA 30~60 days	5%	
	"	Note and account payables	1,390,977		2%	

Trader	Trade party	Relationship with the trader	Transactions		Trade terms and conditions	Percentage of consolidated total revenues or total assets (%)
			Account	Amount		
		"	Other receivables	130,654		0%
		"	Freight charges	17,735		0%
		"	Prepaid materials	222,408		0%
	Books.com. Co., Ltd.	"	Other receivables	106,646	OA 30 days	0%
		"	Other operating revenue	90,950		0%
	President Transnet Corp.	"	Accounts payable	63,022	OA 30 days	0%
		"	Other operating revenue	36,691		0%
	President Information Corp.	"	Information system process and maintenance expense	285,430	OA 30 days	0%
		"	Accrued expenses	44,398		0%
	Capital Inventory Services Corp.	"	Inventory count expense	69,710	OA 60 days	0%
		"	Accrued expenses	28,875		0%
	President Coffee Corp.	"	Note and account payables	31,606	OA 30 days	0%
		"	Other receivables	129,408		0%
		"	Rent income	17,023		0%
	Duskin Serve Taiwan Co.	"	Cleaning fees	76,702	OA 30 days	0%
		"	Accrued expenses	12,096		0%
	Bank Pro E-Service Technology Co., Ltd.	"	Handling charges	18,756	OA 30 days	0%
	Presco Netmarketing Inc.	"	Other operating revenue	199,835	OA 30 days	0%
		"	Other receivables	13,374		0%
	President Chain Store (BVI) Holdings Ltd.	"	Other income	58,591		0%
Retail Support International Corp.	President Logistics International Corp.	Subsidiary to subsidiary	Freight charges	338,499	OA 20 days	0%
		"	Other accounts payable	63,364		0%

January 1~June 30, 2012

		Transactions			Percentage of consolidated total revenues or total assets (%)	
Trader	Trade party	Relationship with the trader	Account	Amount	Trade terms and conditions	
Retail Support International Corp.	President Drugstore Business Corp.	Subsidiary to subsidiary	Accounts receivable	893,720	OA 45~60 days	1%
			Sales revenue	2,713,233		3%
	Retail Support Taiwan Corp.	"	Other accounts payable	27,586	OA 15~20 days	0%
			Other expense	135,653		0%
	President Coffee Corp.	"	Sales revenue	280,737	OA 15~28 days	0%
			Accounts receivable	52,542		0%
	President Pharmaceutical Corp.	"	Cost of goods sold	710,977	OA 30~70 days	1%
			Accounts payable	345,159		0%
	President Transnet Corp.	"	Cost of goods sold	111,957	OA 30~45 days	0%
			Accounts payable	40,830		0%
Uni-President Cold-Chain Corp.	President Musashino Corp.	"	Cost of goods sold	791,491	OA 45 days	1%
			Accounts payable	297,548		0%
	President Logistics International Corp.	"	Freight charges	452,271	OA 20 days	0%
			Accrued expenses	15,807		0%
President Information Corp.	President Transnet Corp.	"	Accounts receivable	12,462	OA 60 days	0%
			Services	30,863		0%

Wisdom Distribution Service Corp.	Vision Distribution Service Corp.	//	Note and account payables	254,615 OA 65 days	0%	
		//	Cost of goods sold	352,129	0%	
		//	Freight charges	126,869	0%	
President Transnet Corp.	Q-ware Communications Co., Ltd.	//	Cost of goods sold	138,620 OA 60 days	0%	
		//	Accounts payable	21,043	0%	
	President Collect Services Co. Ltd.	//	Operating revenue	112,353 OA 45 days	0%	
		//	Other accounts payable	20,681	0%	
		//	Cost of goods sold	260,388 OA 40~65 days	0%	
	Chieh-Shuen Logistics International Corp.	Chieh-Shuen Logistics International Corp.	//	Accrued expenses	37,316	0%
			//	Freight charges	272,820	0%
		Bank Pro E-Service Technology Co., Ltd.	//	System service charges	19,153 OA 45 days	0%
President Information Corp.			//	System service charges	53,257	0%
			Mech-President Corp.	//	Fuel expense	24,440 OA 45 days
21 Century Enterprise Co., Ltd.	Uni-President Cold-Chain Corp.	//	Accounts receivable	14,645 OA 50 days	0%	
		//	Sales revenue	101,992	0%	
Chieh-Shuen Logistics International Corp.	President Logistics International Corp.	//	Accounts receivable	54,601 OA 20 days	0%	
		//	Sales revenue	136,343	0%	
	//	Freight charges	15,680	0%		

January 1~June 30, 2011

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

January 1~June 30, 2011

		Transactions			Percentage of consolidated total revenues or total assets (%)	
Trader	Trade party	Relationship with the trader	Account	Amount	Trade terms and conditions	
Retail Support International Corp.	President Coffee Corp.	Subsidiary to subsidiary	Sales revenue	\$ 252,962	OA 15~28 days	0%
		"	Accounts receivable	47,534		0%
	Tung Ang Enterprises Corp.	"	Cost of goods sold	1,085,972	OA 30 days	1%
		"	Accounts payable	243,198		0%
	Lien Bo Enterprises Corp.	Affiliate	Cost of goods sold	375,128	OA 15~70 days	0%
		"	Accounts payable	108,998		0%
	President Packaging Corp.	"	Cost of goods sold	137,893	OA 30~50 days	0%
		"	Accounts payable	59,612		0%
	Weilih Food Industrial Co., Ltd.	"	Cost of goods sold	136,684	OA 30~60 days	0%
		"	Accounts payable	49,590		0%
Uni-President Cold-Chain Corp.	President Pharmaceutical Corp.	Subsidiary to subsidiary	Cost of goods sold	635,442	OA 30~70 days	1%
		"	Accounts payable	281,554		0%
	President Musashino Corp.	"	Cost of goods sold	692,098	OA 45 days	1%
		"	Accounts payable	267,885		0%
	President Logistics International Corp.	"	Freight charges	414,132		0%
		"	Accrued expenses	86,051	OA 20 days	0%

	Hi-life International Co., Ltd.	Incorporation	Sales revenue	124,044	OA 45 days	0%
		"	Accounts receivable	27,210		0%
Wisdom Distribution Service Corp.	Vision Distribution Service Corp.	Subsidiary to subsidiary	Note and account payables	113,740		1%
		"	Cost of goods sold	247,750	OA 65 days	0%
	Cayenne Entertainment Technology Co., Ltd.	"	Note and account payables	39,502		0%
		"	Cost of goods sold	206,079	OA 60 days	0%
	President Logistics International Corp.	"	Accrued expenses	21,011		0%
		"	Freight charges	107,871	OA 20 days	0%
	Q-ware Communications Co., Ltd.	"	Note and account payables	43,323		0%
		"	Cost of goods sold	138,845	OA 60 days	0%
President Transnet Corp.	Chieh-Shuen Logistics International Corp.	"	Freight charges	255,526	OA 40 days	0%
		"	Accrued expenses	76,619		0%

## XII Operating segment information

### (I) General information

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

The Company's operating decision-makers operate the business from industrial and regional views. As to the industrial view, the Company focuses on operation of convenience stores, distribution and logistics. As to the regional view, since main operations are located in Taiwan and Mainland China, the Company concentrates on these two areas. The Convenience Store Business operated in Taiwan area is the main operating focus of the Company, for which a separate operating segment is set for performance review. All operations in Mainland China are deemed a single operating segment.

The Convenience Store Business, Distribution Business Group and Logistics Business Group are the main source of revenue among operating segments disclosed by the Company. Other operating segments include the Food and Beverage Business Group, China Business Group and Support Business Group. The Support Business Group mainly offer service related to businesses of the Company and its subsidiaries, such as system maintenance and development service and fresh food production and supply service, etc.

### (II) The measurement of departmental information

The Company's operating decision-makers evaluate the performance of operating segments based on operating revenue and income before tax for performance review.

### (III) Information of departmental profit and loss, assets

Reportable segment information provided to main operating decision-makers is as follows:

	January 1 ~ June 30, 2012					Total
	Convenient stores	Distribution Business Group	Logistics Business Group	Other operating segments	Adjustment and elimination	
Net external revenue	\$ 65,559,986	\$ 25,610,626	\$ 1,720,323	\$ 8,001,250	\$ -	\$ 100,892,185
Internal segment revenue	127,261	2,156,202	48,683,515	2,346,069	( 53,313,047)	-
Departmental income	<u>\$ 65,687,247</u>	<u>\$ 27,766,828</u>	<u>\$ 50,403,838</u>	<u>\$ 10,347,319</u>	<u>(\$ 53,313,047)</u>	<u>\$ 100,892,185</u>
Segment operating income (Note)	<u>\$ 3,978,755</u>	<u>\$ 1,064,285</u>	<u>\$ 354,375</u>	<u>(\$ 55,677)</u>	<u>(\$ 621,284)</u>	<u>\$ 4,720,454</u>

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

(Note) In accordance with the requirement of (99) Chi-Mi-Tzu No. 151 stipulated by Accounting Research and Development Foundation in Taiwan dated June 28, 2010, corporations should disclose the measured amount of assets of reportable segments in accordance with requirements set forth in Section 24 of "Operating Segments" in SFAS No. 41. Since the Company's measured amounts of assets was not provided to operating decision-makers, the measured amount of assets for assets to be disclosed was zero.

(IV) Information on reconciliation of profit/loss and assets of segments

Since external revenue and profit/loss of segments provided to main operating decision-makers are measured in the same way where revenue and income before tax in the financial statements are measured, no reconciliation is required.

### XIII Adopt IFRSs related matters

According to the requirements of Financial Supervisory Commission of the Executive Yuan (referred to as “the FSC” hereinafter), public companies that have stock traded on a stock exchange market or securities dealer’s business premises must have financial statements composed in accordance with the international financial reporting standards (IFRSs), international accounting standard, interpretations, and announcements authorized by the FSC since the fiscal year of 2013.

The Company will have the following information disclosed before implementing IFRSs in accordance with the FSC.Decree.Review No. 0990004943 Order of the FSC dated February 2, 2010:

#### (I) Contents and implementation of IFRSs plan

The Company has a work team organized and the IFRSs conversion plan implemented with the content and implementation detailed as follows:

Work items of the conversion plan	Implementation of the conversion plan
1. Organize a work team.	Have been completed
2. Define the implementation of IFRSs conversion plan.	Have been completed
3. Complete identifying the difference between the existing accounting policies and IFRSs.	Have been completed
4. Complete identifying IFRSs consolidated entity.	Have been completed
5. Complete assessing the impact of IFRS 1 “Initial implementation of International Financial Reporting Standards” exemptions and options on the company.	Have been completed
6. Complete assessing the necessary adjustments to the information system.	Have been completed
7. Complete assessing the necessary adjustment to the internal control.	Have been completed
8. Establish IFRSs accounting policies	Have been completed
9. Determine the exemptions and options of IFRS 1 “Initial implementation of International Financial Reporting Standards.”	Have been completed
10. Complete composing financial statement on the IFRSs billing date.	Have been completed
11. Complete composing comparative financial information of the IFRSs 2012.	It is ongoing in accordance with the project schedule.
12. Complete adjusting relevant internal control (including financial reporting process and related information systems).	Have been completed

#### (II) Significant variations between the concurrent accounting policy and the accounting policy governing the composition of financial statements in accordance with IFRSs and the

"Regulations Governing the Preparation of Financial Reports By Securities Issuers" and the impact.

The Company has the material variations of accounting policies assessed in accordance with the IFRSs recognized by the Financial Supervisory Commission and the "Criteria Governing the Preparation of Financial Reports by Securities Issuers" applicable in 2013. However, the Company's current assessment result could be affected by the announcement and amendment of the IFRSs recognized by the Financial Supervisory Commission and the amendment of the "Regulations Governing the Preparation of Financial Reports By Securities Issuers" that is different from the actual variation and impact of the accounting policies resulted after the adoption of the FIRSs.

The Company assesses the material variation between the concurrent accounting policy and the accounting policy governing the composition of financial statements in accordance with IFRSs and the "Regulations Governing the Preparation of Financial Reports By Securities Issuers;" also, considers the impact of the exemptions (Please refer to Note XIII (III)) selected by the Company in accordance with IFRSs No. 1 "Initial application of the IFRSs" as follows:

1. Adjustment of material variations of the Balance Sheet on January 1, 2012

	R.O.C. Accounting Standards	Affected amount	IFRSs	Remark
Net accounts receivable	\$ 3,609,497	\$ 97,259	\$ 3,706,756	(1)
Other receivables	1,884,593	30,435	1,915,028	(2)
Prepaid expenses	1,042,895	( 2,035)	1,040,860	(2)
Deferred income tax assets-current	131,721	( 131,721)	-	(11)
Financial assets in available-for-sale – non current	995,325	7,157,626	8,152,951	(3)
Financial assets at cost	7,751,278	( 7,143,300)	607,978	(3)
Long-term investments (Equity method)	769,031	88,409	857,440	(3)(12)
Net Fixed assets, Lease assets	19,896,394	( 1,197,384)	18,699,010	(4)
Investment properties	-	1,197,384	1,197,384	(4)
Intangible assets - deferred pension cost	21,201	( 21,201)	-	(5)
Intangible assets-land-use rights	76,341	( 76,341)	-	(6)
Deferred income tax assets-non current	64,640	601,581	666,221	(11)
Long-term prepaid rent	-	76,341	76,341	(6)
Other assets - others	522,914	( 8,926)	513,988	(5)
Other	37,607,829	-	37,607,829	
<b>Total Assets</b>	<b>\$74,373,659</b>	<b>\$ 668,127</b>	<b>\$75,041,786</b>	
Accrued expenses	\$ 6,392,853	\$ 933,868	\$ 7,326,721	(2)(7)
Accrued pension liabilities	734,302	1,730,612	2,464,914	(5)
Deferred income tax	-	( 4,237)	( 4,237)	(11)

liabilities-non current				
Other liabilities	445,075	332,166	777,241	(1)(10)
Other	42,577,625	-	42,577,625	
<b>Total liabilities</b>	<b>50,149,855</b>	<b>2,992,409</b>	<b>53,142,264</b>	
Retained earnings	6,443,247	( 2,188,630)	4,254,617	(1)(2) (3)(5) (7)(8) (9)(10)
Cumulative translation adjustment	( 51,876)	51,876	-	(8)
Unrealized gain or loss on financial instrument	( 634,091)	22,498	( 611,593)	(3)
Unrealized revaluation gains	49,917	( 49,917)	-	(9)
Net loss not recognized as pension cost	( 132,771)	132,771	-	(5)
Other	15,019,883	-	15,019,883	
Minority equity	3,529,495	( 292,880)	3,236,615	(12)
<b>Total shareholders' equity</b>	<b>24,223,804</b>	<b>( 2,324,282)</b>	<b>21,899,522</b>	
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$74,373,659</b>	<b>\$ 668,127</b>	<b>\$75,041,786</b>	

#### Reasons for adjustment

##### (1) Customer loyalty programmers

For the sales incentive plan signed between the Company and customers (the Company provides customers with gift points or the equivalents for the purchase of certain goods for a certain amount), all related fair value collected or receivable of the merchandises sold should be recognized in accordance with the Accounting Standards of the R.O.C. including the estimated cost and liabilities related to the free gifts and the equivalents. According to International Financial Reporting Standards Interpretation No. 13 "Customer Royalty Program," the gift points provided to customers at the time of sales for exchanging free goods or discounted goods in the future is a transaction type that contains a number of identifiable items. Enterprises sell two types of products to customers including merchandise or labor service and gift points. In terms of gift points, enterprises shall estimate and defer the corresponding fair value by referring to the historical records of the probability of customer's exchanging gift points and with the income recognized when it is exchanged by customers. The Company had adjusted down allowance for sales discount by \$97,259 on the conversion date and adjusted up deferred income by \$377,268 (booked in the "Other liabilities" account) and adjusted down retained earnings by \$230,135.

##### (2) Leases

The Company's long-term lease agreement is with a variable rent adjusted annually, which is recognized as expense or income in accordance with the agreed upon rent each term and in conformity with the R.O.C. Accounting Standards. However, according to IFRSs No. 17 "Lease," the Company is to have the contracted rent

recognized as expense or income each term in accordance with the Straight Line Method throughout the lease period. Under the circumstance, the Company adjusted up other receivable by \$30,435 on the conversion date, adjusted up expense payable by \$706,535, adjusted down prepaid rent by \$2,035, and adjusted down retained earnings by \$408,430.

(3) Financial assets at cost noncurrent

- A. The Company had unlisted/Non-OTC stock shares and emerging stock shares valued at the cost and booked in the "Financial assets valued at cost" account in accordance with the "Regulations Governing the Preparation of Financial Reports By Securities Issuers" before amendment on July 7, 2011. According to International Accounting Standards No. 39 "Financial Instruments: recognition and valuation," the equity instrument that is without an active market but the fair value can be measured reliably (meaning the variability of the reasonable fair value estimation interval of the equity instrument is insignificant, or, the probability of the various estimates in the interval can be assessed reasonably and can be used to estimate the fair value) should be measured at the fair value. The Company was therefore on the conversion date having the "financial assets valued at cost" designated as the "available-for-sale financial assets" in accordance with the "Regulations Governing the Preparation of Financial Reports By Securities Issuers" amended on December 22, 2011. The spread between the fair value on the conversion date and the book value debited or credited to the "Other general profit or loss" account.
- B. The Company and subsidiaries do not have investment that is with less than 20% shareholding and insignificant according to the criteria of the R.O.C. Accounting Standard valued with Equity Method. However, if the investment is significant according to IFRSs No. 28 "Investment in Affiliated Enterprises," it should be valued with Equity Method. The Company and subsidiaries have the qualified "Financial assets valued at cost - noncurrent" reclassified on the conversion date as affiliated enterprise's investment.
- C. The Company has financial assets valued at cost adjusted down by \$7,143,300 on the conversion date, adjusted up available-for-sale financial assets by \$7,157,626, adjusted financial instrument unrealized profit and loss by \$22,498, adjusted down long-term equity investment - Equity Method by \$16,403, and adjusted down retained earnings by \$24,575.

(4) Investment properties

The Company's real estate for lease is booked as "Other assets" in accordance with the Accounting Standards of the R.O.C. According to International Accounting Standard No. 40 "Investment Property," the real estate in compliance with the definition of investment property should be booked as "Investment Property." The Company has adjusted up the invested real estate for \$1,197,384 on the conversion date.

(5) Pension

- A. According to the Accounting Standard of the R.O.C., the excess of the accumulated benefit obligation on the Balance Sheet Date over the fair value of pension fund assets should be recognized as the floor limit of pension liability; however, the said floor limit is not defined in International Accounting

Standards No. 19 "Employee Benefits."

- B. According to the Accounting Standards of the R.O.C. the Company's pension actuarial gains and losses is recognized as current net pension cost in accordance with the buffer-zone method. According to the IFRSs No. 1 "First-time Adoption of International Financial Reporting Standards" and the "Regulations Governing the Preparation of Financial Reports By Securities Issuers" applicable in 2013, the Company decides to have the cumulative actuary profit and loss related to employee's welfare recognized in a lump sum and booked in the "Retained earnings" account on the conversion date.
- C. According to the Company's accounting policies, the unrecognized net transitional benefit obligation is amortized in accordance with the average remaining service lives of the employees who expect to receive pension benefits and a straight-line method. The Company has qualified for the implementation of International Financial Reporting Standards for the first time without the application of International Accounting Standard No. 19 "Employee Benefits" transitional provisions; therefore, there is not any unrecognized transactional liability.
- D. The Company has the accrued pension liability adjusted up by \$1,730,612 on the conversion date, adjusted down deferred pension cost by \$21,201, adjusted down net loss of unrecognized pension cost by \$132,771, adjusted down prepaid pension by \$8,926, and adjusted down retained earnings by \$1,393,431.

(6) Right to land use

According to the R.O.C. Accounting Standard, right to land use is an intangible asset. However, according to IFRSs No. 17 "Lease transaction," right to land use is classified as long-term prepaid rent. Therefore, right to land use is reclassified as long-term prepaid rent on the conversion date. The Company has adjusted down right to land use by \$76,341 due to this transaction and adjusted up long-term prepaid rent by \$76,341.

(7) Employee Benefits

The current accounting standards of the R.O.C. do not expressly regulate the recognition of the accumulated unused vacation bonuses. The Company recognizes the expense at the time of payment made. According to International Accounting Standard No. 19 "Employee Benefits," the accumulated unused vacation bonus expenses shall be estimated at the end of the reporting period. Therefore, the Company has adjusted up expense payable by \$227,333 on the conversion date and adjusted down retained earnings by \$159,048.

(8) Cumulative translation adjustment

According to the IFRSs No. 1 "First-time Adoption of International Financial Reporting Standards" and the "Regulations Governing the Preparation of Financial Reports By Securities Issuers" applicable in 2013, all foreign operating institutions may identify individually and adjust retroactively the cumulative translation effect of each foreign operating institution on the conversion date without complying with IAS NO.21 "Impact of Foreign Exchange" and recognize the cumulative translation effect as zero on the conversion date. The Company therefore has adjusted down the cumulative translation effect by \$51,876 on the conversion date and adjusted down retained earnings by \$51,876.

(9) Unrealized revaluation gains

According to the IFRSs No. 1 "First-time Adoption of International Financial Reporting Standards" and the "Regulations Governing the Preparation of Financial Reports By Securities Issuers" applicable in 2013, the Company may choose to have the fair value recognized as the cost of the fixed assets on the conversion date. The said fair value can be the amount reappraised in accordance with generally accepted accounting principle. The Company therefore has adjusted down the unrealized appraisal amount by \$49,917 on the conversion date and adjusted up retained earnings by \$41,431.

(10) Gains from the sale and lease-back

According to the R.O.C. Accounting Standard, gains from sale and lease-back are to be recognized by installment. However, according to IAS No. 17, if the sale and lease-back transaction forms an operating lease and it is based on a fair value, all profits and losses should be recognized immediately. The Company therefore adjusted down unrealized sale and lease-back profit for \$45,102 on the conversion date (booked in the "Other liability" account) and adjusted up retained earnings by \$37,434.

(11) Income Tax

A. According to the Accounting Standards of the R.O.C., deferred income tax assets and liabilities are classified into the current and noncurrent category in accordance with the classification of the related liabilities or assets. The deferred income tax liabilities or assets that are not classified as the assets or liability on the financial statements are classified as current or noncurrent in accordance with the expected deferred income tax liabilities or assets settlement or realization period. According to International Accounting Standard No. 1 "Presentation of Financial Statements," enterprises shall not have deferred income tax assets or liabilities classified as current assets or liabilities. The Company therefore adjusted down deferred income tax assets - current by \$131,721.

B. The Company has adjusted up deferred income tax assets - noncurrent by \$469,860 and adjusted up deferred income tax liability - noncurrent by \$4,237 for the significant variations in accounting principles of IFRS.

(12) Long-term investment and minority equity

The Company, subsidiaries, and wholly-owned invested companies have adjusted up long-term equity investment - equity method by \$104,812 and adjusted down minority equity by \$292,880 for the significant variations in accounting principles of IFRS.

(13) Special reserve

According to FSC.far.No. 1010012865 Letter dated April 6, 2012, the Company has decided to have the unrealized appraisal increment and cumulative translation effect transferred to unappropriated retained earnings; however, the retained earnings net effect resulted from the first-time adoption of international financial reporting standards on the conversion date is negative; therefore, it is unnecessary to have special reserve appropriated.

2. The adjustment of material variations on balance sheet on June 30, 2012 general profit

and loss variations is in process by the Company in accordance with IFRSs conversion plan and is expected to be completed in 2013.

(III) The Company has selected the exemption items in accordance with the IFRSs No. 1 "First-time Adoption of International Financial Reporting Standards" and the "Regulations Governing the Preparation of Financial Reports By Securities Issuers" applicable in 2013.

1. Business Combinations

For the business combinations occurred prior to the day converting to IFRSs (referred to as the "conversion date" hereinafter), the Company decides not to apply the IFRSs No. 3 "Business Combinations" retroactively.

2. Recognized cost

For the real estate, manufacturing plants, and equipment that are appraised prior to the conversion date in accordance with the R.O.C. generally accepted accounting principle, the Company decides to have the appraisal value recognized as the cost on the appraisal day.

3. Lease

The Company decides to comply with the transitional requirements of IFRSs No. 4 "Determining whether an Arrangement contains a Lease." Therefore, the Company determines whether lease is included in the arrangement of the day in accordance with the practice and conditions on the conversion date.

4. Employee Benefits

The Company has decided to have the cumulative actuary effect related to employee's welfare plan transferred to retained earnings in a lump sum on the conversion date. Also, the Company has decided to disclose actual welfare obligation present value, planned assets fair value, project gains and loss, and information of experience adjustment in response to the requirement of IAS No. 19 "Employee Benefits" Paragraph 120A(P) in accordance with the deferred amount in each accounting period since the conversion date.

5. Cumulative translation effect

The Company has determined to recognize the cumulative translation effect of foreign operating institutions as zero on the conversion date. The exchange spread resulted thereafter will be processed in accordance with IAS No. 21 "Effect of changes in exchange rates of foreign currencies."

6. Identification of financial instrument recognized

The Company was therefore on the conversion date having some "financial assets" designated as the "available-for-sale financial assets."

7. Borrowing Costs

The Company has determined to comply with the transitional requirements of IAS No. 23 "Borrowing Costs" paragraph 27 and 28 amended in 2007 since the conversion date.

8. Stock-based Payment

The Company has decided not to comply with IFRSs No. 2 retroactively for the stock-based payment from the capital increased by cash that is reserved for the subscription of employees prior to the conversion day.

9. The Company has qualified for the first time after the subsidiaries

The Company on the billing date will exercise exemption and apply the amount of the transfer investment with IFRS applied as the balance sheet base of the subsidiaries on the billing date.

The exemption alternatives referred to above could be affected by the publication of the governing regulations by the competent authorities, changes in economic environment, and the change in assessing the impact of the exemptions by the Company that causes differences from the actual choice of exemption during conversion.