

President Chain Store Corporation

Financial Report

2012Q3 and 2011Q3

(Stock Code 2912)

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President Chain Store Corporation
Financial statements of 2012Q1~Q3 and 2011Q1~Q3
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Independent Auditor's Report

(101) MOF.FS.Tzi No. 12001623

To: President Chain Store Corp

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

We conducted 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 IV (VI) to Financial Statement, for the long-term equity investments valued with Equity Method of President Chain Store Co., Ltd., September 30, 2012 and 2011, the investment gains and the transfer investment disclosed in Note XI were valued and disclosed in accordance with the invested company's uncertified financial statements over the same period. As of September 30, 2012 and 2011, the balance of the related long-term equity investment were NT\$11,682,075,000 and NT\$10,905,688,000. As of January 1~September 30, 2012 and 2011, the net income from equity investment were NT\$1,092,891,000 and NT\$1,088,762,000, respectively.

Based on our review, except for the potential adjustment and disclosure required for the equity investment valued with Equity Method and the investees in Note XI as referred to in the first paragraph after the publication of the audited financial statements, all transactions are found in conformity with the "Regulations Governing the Preparation of Financial Reports By Securities Issuers," and accounting principles generally accepted in the Republic of China. We conducted the audit in accordance with the standards on the Audit of Financial Statements and the accounting principles generally accepted in the Republic of China.

We have issued a qualified opinion on the January 1~September 30, 2012 and 2011 consolidated financial statements of President Chain Store Corporation.

PRICEWATERHOUSECOOPERS

CPA Hsiao Chun-Yuan
 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

October 26, 2012

President Chain Store Corporation

Balance Sheet

September 30, 2012 and 2011

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

(Unit: NT\$1000)

	Assets	Note	September 30, 2012		September 30, 2011	
			Amount	%	Amount	%
Current assets						
1100	Cash and cash equivalence	IV(I)	\$ 11,669,308	21	\$ 9,222,442	19
1310	Financial assets-current-whose changes in fair value are recognized in earnings	IV(II)	6,823,477	12	4,352,806	9
1140	Net accounts receivable		514,127	1	411,601	1
1160	Other receivables	V.	1,040,129	2	1,133,417	2
120X	Inventory	IV(III)	3,385,166	6	3,121,383	6
1260	Prepayments	V and VII	490,366	1	164,201	-
1280	Other current assets	IV(XIV)	117,405	-	108,428	-
11XX	Total current assets		<u>24,039,978</u>	<u>43</u>	<u>18,514,278</u>	<u>37</u>
Funds and investments						
1450	Financial assets in available-for-sale— non current	IV(IV)	940,092	2	944,429	2
1480	Financial assets measured at cost - noncurrent	IV(V)	7,579,098	14	8,284,753	17
1421	Long-term investments (Equity method)	IV(VI) and V	11,832,127	21	10,905,688	22
14XX	Total funds and investments		<u>20,351,317</u>	<u>37</u>	<u>20,134,870</u>	<u>41</u>
Fixed assets						
Costs						
1501	Land		1,380,439	2	1,432,614	3
1521	Building		879,531	2	906,835	2
1571	Operating equipment		12,527,598	22	12,173,966	25
1631	Lease improvement		6,601,578	12	6,091,370	12
1681	Other equipment		7,811	-	7,660	-
15X8	Revaluation increments		55,374	-	55,374	-
15XY	Total costs and revaluation		<u>21,452,331</u>	<u>38</u>	<u>20,667,819</u>	<u>42</u>
15X9	Less: accumulated depreciation		(12,933,009)	(23)	(12,399,834)	(25)
1599	Less: accumulated impairment		(21,013)	-	-	-
1670	Construction in progress and prepayments for equipment		-	-	16,454	-
15XX	Net Fixed assets		<u>8,498,309</u>	<u>15</u>	<u>8,284,439</u>	<u>17</u>
Intangible assets						
1750	Cost of computer software		<u>295,489</u>	<u>1</u>	<u>118,210</u>	<u>-</u>
Other assets						
1800	Assets leased to others	IV (VIII), and VII	1,307,324	2	1,251,940	3
1820	Refundable deposits	VII	1,038,411	2	1,029,937	2
1888	Other assets - others	IV(XIV)	10,965	-	7,416	-
18XX	Total other assets		<u>2,356,700</u>	<u>4</u>	<u>2,289,293</u>	<u>5</u>
1XXX	Total Assets		<u>\$ 55,541,793</u>	<u>100</u>	<u>\$ 49,341,090</u>	<u>100</u>

(To be continued)

President Chain Store Corporation
Balance Sheet

September 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	September 30, 2012		September 30, 2011	
		Amount	%	Amount	%
Current liabilities					
2120		\$ 930,529	1	\$ 181,476	-
2130	Note payable-related parties	5,497,390	10	3,867,523	8
2140	Accounts payable	403,018	1	347,967	1
2150	Accounts payable-related parties	7,440,995	13	7,154,770	15
2160	Income tax payable	193,026	-	364,829	1
2170	Accrued expenses	2,650,437	5	2,684,127	5
2210	Other accounts payable	9,279,908	17	6,274,259	13
2260	Unearned receipts	2,128,733	4	2,025,952	4
21XX	Total current liabilities	<u>28,524,036</u>	<u>51</u>	<u>22,900,903</u>	<u>47</u>
Long-term liabilities					
2420	Long-term debt payable	<u>3,000,000</u>	<u>6</u>	<u>4,000,000</u>	<u>8</u>
Other liabilities					
2810	Accrued pension liabilities	454,867	1	353,508	1
2820	Guarantee Deposit received	1,924,539	3	1,876,307	4
2880	Other liabilities-other	342,548	1	349,727	-
28XX	Total other liabilities	<u>2,721,954</u>	<u>5</u>	<u>2,579,542</u>	<u>5</u>
2XXX	Total liabilities	<u>34,245,990</u>	<u>62</u>	<u>29,480,445</u>	<u>60</u>
Shareholders' equity					
Capital Stock					
3110	Capital-common stock	10,396,223	19	10,396,223	21
Additional paid-in capital					
3240	Gain from assets disposed	5,082	-	5,082	-
Retained earnings					
3310	Legal reserve	5,253,820	9	4,618,579	9
3320	Special reserve	768,822	1	-	-
3350	Retained earnings-unappropriated	5,645,571	10	5,547,109	11
Other adjustments in shareholders' equity					
3420	Cumulative translation adjustment	(85,161)	-	(123,695)	-
3430	Net loss not recognized as pension cost	(132,771)	-	(55,515)	-
3450	Unrealized gain or loss on financial instrument	(604,677)	(1)	(577,396)	(1)
3460	Unrealized revaluation gains	48,894	-	50,258	-
3XXX	Total shareholders' equity	<u>21,295,803</u>	<u>38</u>	<u>19,860,645</u>	<u>40</u>
Commitment or contingency					
Total Liabilities and Shareholders' Equity					
		<u>\$ 55,541,793</u>	<u>100</u>	<u>\$ 49,341,090</u>	<u>100</u>

Please refer to the notes to financial statements and the audit report dated October 26, 2012 by CPA Hsiao Chun-Yuan and Tseng Hui-Chin of PRICEWATERHOUSECOOPERS

Chairman: Kao Chin-Yen

President: Chen Jui-Tang

Chief Accountant: Lai Hsin-Ti

President Chain Store Corporation
Income Statement
January 1 ~ September 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 ~ September 30, 2012		January 1 ~ September 30, 2011	
		Amount	%	Amount	%
Operating revenue					
4110		\$ 98,143,621	97	\$ 87,815,240	97
4800	V.	3,330,011	3	2,917,102	3
4000		<u>101,473,632</u>	<u>100</u>	<u>90,732,342</u>	<u>100</u>
Operating cost					
5110	IV(III) and V	(71,953,405)	(71)	(62,254,763)	(69)
5910		<u>29,520,227</u>	<u>29</u>	<u>28,477,579</u>	<u>31</u>
Gross profit					
Operating expenses					
6100	IV(XVIII) and V	(23,029,096)	(23)	(21,654,208)	(24)
6200		(2,148,098)	(2)	(2,260,739)	(2)
6000		<u>(25,177,194)</u>	<u>(25)</u>	<u>(23,914,947)</u>	<u>(26)</u>
6900		<u>4,343,033</u>	<u>4</u>	<u>4,562,632</u>	<u>5</u>
Net income					
Non-operating income					
7110		32,995	-	26,354	-
7121	IV(VI)	1,131,589	1	1,088,762	1
7122		241,904	-	112,649	-
7140		10,405	-	101,206	-
7210		57,345	-	56,797	-
7310		23,478	-	2,556	-
7480	V.	675,080	1	582,079	1
7100		<u>2,172,796</u>	<u>2</u>	<u>1,970,403</u>	<u>2</u>
Total non-operating income					
Non-operating expense and loss					
7510		(23,338)	-	(24,141)	-
7530		(29,267)	-	(33,311)	-
7630	IV(V)	(128,838)	-	(105,048)	-
7880		(33,971)	-	(60,606)	-
7500		<u>(215,414)</u>	<u>-</u>	<u>(223,106)</u>	<u>-</u>
7900		<u>6,300,415</u>	<u>6</u>	<u>6,309,929</u>	<u>7</u>
Net income before tax of the continuing department					
8110	IV(XIV)	(703,842)	-	(853,657)	(1)
9600		<u>\$ 5,596,573</u>	<u>6</u>	<u>\$ 5,456,272</u>	<u>6</u>
Net Income					
Earnings per share					
Basic earnings per share					
9750	IV(XVII)	<u>\$ 6.06</u>	<u>\$ 5.38</u>	<u>\$ 6.07</u>	<u>\$ 5.25</u>
Diluted earnings per share					
9850		<u>\$ 6.05</u>	<u>\$ 5.37</u>	<u>\$ 6.06</u>	<u>\$ 5.24</u>

Please refer to the notes to financial statements and the audit report dated October 26, 2012 by CPA Hsiao Chun-Yuan and Tseng Hui-Chin of PRICEWATERHOUSECOOPERS

Chairman: Kao Chin-Yen

President: Chen Jui-Tang

Chief Accountant: Lai Hsin-Ti

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

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

(Unit: NT\$1000)

	January 1 ~ September 30, 2012	January 1 ~ September 30, 2011
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Net Income	\$ 5,596,573	\$ 5,456,272
Adjustments		
Gain on valuation of financial asset	(23,478)	(2,556)
Bad debt expense (transferred to income)	(7,898)	(1,498)
Depreciation expense	1,528,683	1,413,099
Accumulated depreciation – assets leased to other	10,978	10,621
Amortizations	44,764	98,377
Gain on disposal of financial assets measured at cost	(138)	(80,115)
Financial assets measured at cost- impairment losses	128,838	105,048
Cash dividend of long-term equity investment valued with Equity Method	1,413,937	1,083,509
Investment loss (gain) recognized under equity method	(1,131,589)	(1,088,762)
Net loss from the disposal of fixed assets	29,267	33,311
Changes in assets and liabilities		
Financial assets at fair value through income statement	(450,000)	4,710,000
Accounts receivable	9,648	46,228
Other receivables	(54,903)	(318,712)
Inventory	273,605	(189,738)
Prepayments	(357,851)	(17,201)
Deferred income tax assets	(574)	(12,738)
Other current assets	13,897	187,723
Note payable	1,628,765	31,221
Accounts payable	871,492	1,663,537
Income tax payable	(411,502)	(427,734)
Accrued expenses	(225,858)	147,319
Other accounts payable	1,513,744	(110,641)
Unearned receipts	(3,566)	243,570
Accrued pension liabilities	(19,376)	(4,109)
Other liabilities-other	4,029	7,133
Net cash provided by operating activities	10,381,487	12,983,164

(To be continued)

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

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

(Unit: NT\$1000)

	<u>January 1 ~ September 30, 2012</u>	<u>January 1 ~ September 30, 2011</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Proceeds from capital duction of financial assets measured at cost	\$ -	\$ 33,333
Proceeds from disposal of financial assets carried at cost	402	270,000
Collected long-term equity investment proceeds valued with Equity Method	(1,130,781)	(454,741)
Proceeds from liquidation of long-term investment under equity method	-	34,221
Proceeds paid for the purchase of fixed assets	(1,965,919)	(2,158,900)
Proceeds from disposal of fixed assets	24,553	39,974
Cost of computer software	(116,471)	(44,131)
Increase in refundable deposits	(3,822)	(34,692)
Net cash outflow from investing activities	<u>(3,192,038)</u>	<u>(2,314,936)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>		
Cash dividend distributed	(4,990,186)	(5,094,149)
Long-term loans	8,990,000	12,600,000
Repayment of long-term borrowings	(9,390,000)	(13,600,000)
Increase in guarantee deposits received	59,023	22,355
Net cash outflow from financing activities	<u>(5,331,163)</u>	<u>(6,071,794)</u>
Cash and cash equivalents increase	1,858,286	4,596,434
Beginning balance of cash and cash equivalents	9,811,022	4,626,008
Ended balance of cash and cash equivalents	<u>\$ 11,669,308</u>	<u>\$ 9,222,442</u>
<u>Supplement disclosures of cash flow information</u>		
Current interest paid	<u>\$ 5,282</u>	<u>\$ 6,955</u>
Current income tax paid	<u>\$ 1,115,918</u>	<u>\$ 1,294,129</u>
<u>Investing activities of partial payment on cash</u>		
Proceeds paid for the purchase of fixed assets	\$ 1,620,825	\$ 2,020,316
Add: beginning balance of accounts payable on equipment	491,889	551,997
Less: ended balance of account payable on equipment	(146,795)	(413,413)
Cash paid during the period	<u>\$ 1,965,919</u>	<u>\$ 2,158,900</u>

Please refer to the notes to financial statements and the audit report dated October 26, 2012 by CPA Hsiao Chun-Yuan and Tseng Hui-Chin of PRICEWATERHOUSECOOPERS ◦

Chairman: Kao Chin-Yen

President: Chen Jui-Tang

Chief Accountant: Lai Hsin-Ti

President Chain Store Corporation
Notes to financial statements

January 1 ~ September 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) President Chain Store Corporation (hereinafter referred to as “the Company”) was incorporated on June 10, 1987 for the investment and operation of chain convenient stores; also, retailing and trade of household sundries including canned foods, books, newspaper, and magazines; also, the import/export, agent, distribution, and trade of the aforementioned products. The Company’s stock shares were authorized for listing and trade on the Taiwan Stock Exchange in August 1997.
- (II) Uni-President Enterprises Corp. is the parent and the ultimate parent of the Company.
- (III) There were 8,715 employees (including part-time) on the payroll of the Company on September 30, 2012.

II. Notes to principal accounting policy

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

(I) Current and noncurrent assets and liabilities

- 1. Assets that are in conformity with the following terms are classified as current assets; assets other than current assets are noncurrent assets:
 - (1) Assets from business operations that are expected to be cashed, depleted, or sold in the business cycle.
 - (2) It is held for trading purposes.
 - (3) Assets that are to be cashed in twelve months after the Balance Sheet date;
 - (4) Cash and cash equivalents, except for the cash and cash equivalents used for exchange and debt liquidation or restrictive cash and cash equivalent for over twelve months after the Balance Sheet date;
- 2. Liabilities that are in conformity with the following terms are classified as current liability; liabilities other than current liability are noncurrent liability:
 - (1) Debts from business operations and that are expected to be liquidated in the business cycle.
 - (2) It is held for trading purposes.
 - (3) Liabilities that are to be liquidated in twelve months after the Balance Sheet date;
 - (4) Liabilities that cannot be postponed unconditionally for over twelve months after the Balance Sheet date;

(II) Equivalent cash

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

- 1. It can be converted to a rated amount of cash at any time.

2. Will be due soon and its value will not be affected by interest rate changes.

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

(III) Foreign currency exchanges

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

(IV) Financial assets at fair value through income statement

1. The accounting for equity is based on the transaction date; the accounting for beneficiary certificate is based on the delivery date. Financial instrument is valued at the fair value for preliminary recognition.
2. Financial assets at fair value shall be estimated on the basis of fair value and in which changes are recognized as gains or losses. The fair value of the open-ended fund is the net asset value of the fund on the Balance Sheet date.

(V) Accounts receivable, Other receivables

1. Notes and accounts receivable were the claims occurred from the sales of goods. Other receivables are receivables other than notes and account receivables. Notes and accounts receivable and other receivables are initially recognized at fair value.
2. The Company at the balance sheet date assesses whether there is objective evidence indicating the major individual financial asset with impairment and the minor individual financial assets with impairment individually or jointly. Recognize a impairment loss with supporting evidence. The amount of impairment is the difference between the book value of financial assets and the present value of the estimated future cash flow discounted at the original effective interest rate. If the amount of impairment decreased during the subsequent periods and the decrease significantly related to an event occurring after recognizing impairment loss, the previously recognized impairment of the financial assets amount should be reversed. The reversal should not cause the book value of financial assets greater than the cost after amortization but before recognizing impairment. The impairment amount reversed is recognized as current profit or loss.

(VI) Financial assets in available-for-sale

1. The accounting for equity investment is based on the transaction date. Financial instrument is valued at the fair value for preliminary recognition including transaction cost for acquisition or issuance.
2. Financial assets in available-for-sale are estimated on the basis of fair value. Any change in the value is recognized as adjustments to shareholders' equity. Accumulated interest or loss is recognized while the financial assets are written off from the book. The fair value of stocks with public quotations in centralized markets is their respective price at close of the open market as of the balance sheet day.
3. Recognize as impairment loss with incriminating evidence. Should there be decrease in the amount of subsequent impairment, recognize as adjustments to shareholders' equity for the decrease in impairment of equity items.

(VII) Financial assets at cost

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

(VIII) Inventory

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

(IX) Long-term investments (Equity method)

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

(X) Fixed assets

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 3 to 10 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.

(XI) Intangible assets

Computer software is booked at the cost and it is amortized in accordance with the estimated useful years, maximum 3 years, and Straight Line Method.

(XII) Impairment of non-financial assets

1. The Company has the collectability of the assets with a sign of impairment loss assessed on the Balance Sheet date. If the collectable amount is less than the book value of the assets, impairment loss must be recognized. The recoverable amount is the net fair value of an asset or its value in use, whichever is higher. When the previously recognized asset impairment no longer exists, it should be reversed within the scope of the loss amount recognized.
2. The collectability of goodwill, intangible with uncertain useful years, and intangible not yet ready for use must be assessed periodically. An impairment loss should be recognized while the collectible value is less than the book value of the assets. Recognized impairment of goodwill shall not be reversed.

(XIII) Pension plan

1. Pension costs under defined benefit pension plan are recognized on the basis of actuarial calculations. Net pension cost covers the cost of service in current period, interest, anticipated return on fund assets, and the amortizations of unrecognized transitional net payment obligations and pension incomes or losses. Unrecognized transitional net payment obligations are amortized for a period of 15 years.
2. Defined Contribution Pension Plan, accrual pension amount are recognized as pension cost of the year.

(XIV) Income Tax

1. The accounting process of income tax includes the amortization in the same year and different years. The overestimated and underestimated income tax in prior periods are debited or credited to the income tax expenses in current period. Compute deferred income tax liability or assets in accordance with the newly announced tax law or amendment. The effect of deferred income tax liability and assets is recognized as the income expense (income) of the continuing department in the year.

2. The levy of 10% income tax on retained earnings-unappropriated under the new Tax Code is recognized as income tax expenses incurred in the year of shareholders meeting resolution.

(XV) Employee bonus and remuneration to Directors and Supervisors

President Chain Store Corporation has adopted, Effective on January 1, 2008, the principles under Accounting Research and Development Foundation in Taiwan (96) Kee.mi.tzi No. 052 Letter dated March 16, 2007 “Accounting Process for Employee bonus and Remuneration to Directors and Supervisors” to have the expected cost of bonus to employees and remuneration to directors and supervisors recognized as an expense and liability according to the law or obligation of assumption once the amount of cost can be reasonably estimated. The amount of difference between the actual distribution authorized by the shareholder’s meeting and the estimated distribution is booked in the Income Statement in the following year. 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.

(XVI) Revenue and cost

Revenue shall be recognized in the process of gaining profits and recognized as realized or to be realized. Related costs are recognized with corresponding items of revenue. Related costs are recognized with corresponding items of revenue.

(XVII) Delivery day accounting

The Company has adopted the principle of delivery day accounting where applicable. Changes in fair values of asset transactions between the transaction day and the delivery day carried at cost or cost after amortization will not be recognized. For assets whose change in fair value are recognized as gains or losses, such changes shall be recognized as current gains or losses. For assets available for sales, such changes shall be recognized as adjustments to shareholder equity.

(XVIII) Operating segment

The information of the Company’s operating segment and the internal management report provided to the operational decision-maker are reported in a consistent manner. The operational decision-maker is responsible for allocating resources to the operating segment and to assess its performance.

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

(XIX) Accounting estimations

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

III. Reasons and effect of change in accounting principle

(I) Accounts receivable, Other receivables

The Company has adopted the newly amended Financial Accounting Standards No. 34 “Accounting for Financial Instruments: Recognition and Measurement” since January 1, 2011, to have the claims of notes and accounts receivable and other receivables that are with objective evidence of impairment recognized as impairment loss (bad debts). The change in accounting principle did not affect the net income and earnings per share of the Company in 2011 Q1~Q3.

(II) Operating segment

The Company has adopted the newly published Financial Accounting Standards No. 41 “Accounting for Operating Segment Information Disclosures” since January 1, 2011 to replace the primary Financial Accounting Standards No. 20 “Accounting for Segment Information Disclosures.” The Company for the first time, when applicable, has the departmental information of prior year restated in accordance with the Standards. The change in accounting principle did not affect the net income and earnings per share of the Company in 2011Q3.

IV. Notes to major account titles

(I) Cash and cash equivalence

	September 30, 2012	September 30, 2011
Petty Cash for stores	\$ 2,820,329	\$ 556,821
Current account deposits and checking account deposits	3,427,187	2,129,248
Deposit account	1,313,059	819,946
Equivalent cash		
Short term bills	<u>4,108,733</u>	<u>5,716,427</u>
	<u>\$ 11,669,308</u>	<u>\$ 9,222,442</u>

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

	September 30, 2012	September 30, 2011
Financial assets held for trading		
Open-ended funds	\$ 6,800,000	\$ 4,350,000
Valuation Adjustment	<u>23,477</u>	<u>2,806</u>
	<u>\$ 6,823,477</u>	<u>\$ 4,352,806</u>

The company had recognized net income for an amount of \$33,745 and \$23,647 in 2012Q1~Q3 and 2011Q1~Q3.

(III) Inventory

	September 30, 2012	September 30, 2011
Commodities	<u>\$ 3,385,166</u>	<u>\$ 3,121,383</u>

Inventory expenses and loss recognized in the year:

	January 1~September 30, 2012	January 1~September 30, 2011
Cost of goods sold	\$ 70,744,870	\$ 61,197,016
Defective products	1,017,789	893,010
Other	190,746	164,737
	<u>\$ 71,953,405</u>	<u>\$ 62,254,763</u>

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

	September 30, 2012	September 30, 2011
Listed stocks	\$ 1,213,867	\$ 1,213,867
Valuation Adjustment	(273,775)	(269,438)
	<u>\$ 940,092</u>	<u>\$ 944,429</u>

(V) Financial assets at cost – noncurrent

	September 30, 2012	September 30, 2011
Stocks with no public quotation	\$ 10,235,576	\$ 10,253,920
Accumulated impairment	(2,656,478)	(1,969,167)
	<u>\$ 7,579,098</u>	<u>\$ 8,284,753</u>

1. The holding of the Company is booked at the cost since there is no public quotation available and no reliable fair value for reference.
2. The company's financial assets valued at the cost are with impairment loss occurred and without possibility of recovery; therefore, an impairment loss of \$128,838 and \$105,048 was recognized for January 1~September 30, 2012 and January 1~September 30, 2011, respectively

(VI) Long-term investments (Equity method)

<u>Invested company</u>	September 30, 2012		September 30, 2011	
	Amount	Proportion of shareholding	Amount	Proportion of shareholding
President Chain Store (BVI) Holdings Ltd.	\$ 3,707,680	100.00	\$ 2,926,671	100.00
President Transnet Corp.	875,419	70.00	755,679	70.00
Mech-President Corp.	689,401	80.87	688,439	80.87
President Drugstore Business Corp.	674,110	100.00	734,492	100.00
President Pharmaceutical Corp.	664,367	73.74	532,003	73.74
President Development Corp.	622,024	20.00	594,325	20.00
Uni-President Department Store Corp.	528,984	70.00	637,615	70.00
President Musashino Corp.	512,690	90.00	553,978	90.00
President Information Corp.	473,509	86.00	459,309	86.00
Uni-President Cold-Chain Corp.	459,460	60.00	424,393	60.00
Q-ware Systems & Services Corp.	321,402	86.76	305,458	86.76

<u>Invested company</u>	September 30, 2012		September 30, 2011	
	Amount	Proportion of shareholding	Amount	Proportion of shareholding
Muji (Taiwan) Co., Ltd.	271,556	51.00	238,238	51.00
President Coffee Corp.	244,957	30.00	237,714	30.00
Books.com. Co., Ltd.	226,892	50.03	210,156	50.03
President YiLan Art and Culture Corp.	197,663	100.00	204,938	100.00
Wisdom Distribution Service Corp.	190,052	100.00	235,612	100.00
Integrated Marketing Communications Co., Ltd.	162,255	44.45	83,033	30.00
Retail Support International Corp.	150,052	25.00	139,868	25.00
Cold Stone Creamery Taiwan Ltd.	144,123	100.00	148,024	100.00
Duskin Serve Taiwan Co., Ltd	141,549	51.00	133,340	51.00
Ren-Hui Investment Corp.	124,678	100.00	138,337	100.00
Bank Pro E-Service Technology Co., Ltd	109,264	53.33	99,955	53.33
Uni-President Oven Bakery Corp., etc.	340,040	36.67~ 100.00	424,111	30.00~ 100.00
	<u>\$ 11,832,127</u>		<u>\$ 10,905,688</u>	

1. The Company had recognized net investment income of long-term equity investment valued with Equity Method in the first three quarters of 2012 and 2011 for an amount of NT\$1,131,589 and NT\$1,088,762, respectively. The valuation and recognition of accounts are based on the certified financial statements of Retail Support International Corp. and the uncertified financial statements of other invested companies.
2. The Company has the invested companies that are with over 50% voting stock shares held and has the wholly owned subsidiaries included in the consolidated financial statements.
3. The financial statements of the companies invested in by the Company that are valued with the Equity Method directly or indirectly, except for the financial statements of Capital Inventory Services Corp., President Being Corp., Philippine Seven Corp., and PCSC (Vietnam) Supermarket Limited, are audited by other certified public accountants and/or are audited by the Company's auditors.

(VII) Fixed assets

	September 30, 2012				
	Initial cost	Revaluation increments	Accumulated depreciation	Accumulated impairment	Book value
Land	\$ 1,380,439	\$ -	\$ -	\$ -	\$ 1,380,439
Building	879,531	55,374	(220,847)	-	714,058
Operating equipment	12,527,598	-	(8,709,966)	(21,013)	3,796,619
lease improvement	6,601,578	-	(3,995,487)	-	2,606,091
Other equipment	7,811	-	(6,709)	-	1,102
	<u>\$ 21,396,957</u>	<u>\$ 55,374</u>	<u>(\$ 12,933,009)</u>	<u>(\$ 21,013)</u>	<u>\$ 8,498,309</u>

September 30, 2011					
	Initial cost	Revaluation increments	Accumulated depreciation	Accumulated impairment	Book value
Land	\$ 1,432,614	\$ -	\$ -	\$ -	\$ 1,432,614
Building	906,835	55,374	(210,052)	-	752,157
Operating equipment	12,173,966	-	(8,446,347)	-	3,727,619
Lease improvement	6,091,370	-	(3,735,775)	-	2,355,595
Other equipment	7,660	-	(7,660)	-	-
Prepayments for equipment	16,454	-	-	-	16,454
	<u>\$ 20,628,899</u>	<u>\$ 55,374</u>	<u>(\$ 12,399,834)</u>	<u>\$ -</u>	<u>\$ 8,284,439</u>

(VIII) Assets leased to others

September 30, 2012			
	Initial cost	Accumulated depreciation	Book value
Land	\$ 967,259	\$ -	\$ 967,259
Building	451,397	(111,332)	340,065
	<u>\$ 1,418,656</u>	<u>(\$ 111,332)</u>	<u>\$ 1,307,324</u>

September 30, 2011			
	Initial cost	Accumulated depreciation	Book value
Land	\$ 915,084	\$ -	\$ 915,084
Building	424,091	(87,235)	336,856
	<u>\$ 1,339,175</u>	<u>(\$ 87,235)</u>	<u>\$ 1,251,940</u>

(IX) Accrued expenses

	September 30, 2012	September 30, 2011
Payable salaries and bonuses	\$ 951,802	\$ 895,703
Payable incentives for franchisee	513,808	482,622
Bonus payable to employees and remuneration payable to directors and supervisors	699,462	653,216
Payable fees for system development and maintenance	73,982	245,209
Other	411,383	407,377
	<u>\$ 2,650,437</u>	<u>\$ 2,684,127</u>

(X) Other accounts payable

	September 30, 2012	September 30, 2011
Store collections	\$ 8,647,714	\$ 5,433,077
Payable for acquisition of fixed assets	146,795	413,413
Other	485,399	427,769
	<u>\$ 9,279,908</u>	<u>\$ 6,274,259</u>

(XI) Unearned receipts

	September 30, 2012	September 30, 2011
Advances from gift certificates	\$ 1,024,976	\$ 984,098
I-Cash cards	706,575	712,903
Collections of merchandise cards	190,943	219,614
Other	206,239	109,337
	<u>\$ 2,128,733</u>	<u>\$ 2,025,952</u>

(XII) Long-term debt payable

	September 30, 2012	September 30, 2011
Credit loan	<u>\$ 3,000,000</u>	<u>\$ 4,000,000</u>
Annual Interest rate	<u>0.92% ~ 1.12%</u>	<u>0.67% ~ 0.95%</u>

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

(XIII) Pension Plan

1. The company and has instituted the regulations for the defined pension plan under the “Labor Standards Law” applicable to the years of services of employees before July 1, 2005, the day that the new “Labor Pension Act” has come into full force, such regulations are also applicable to employees who elect to continue the calculation of their subsequent years of service under the “Labor Standard Law”. Each employee shall be entitled to 2 basis points for each year of service to the company for 15 years or less. One basis point will be added to each additional year of service beyond the said period of 15 years up to the maximum of 45 basis points. Pensions will be payable on the basis of the average basic salaries of the employee within the last six months prior to retirement and the length of service. The Company has pension reserve appropriated monthly for an amount equivalent to 8.4%~9.4% of monthly salary and the pension reserve is deposited in the bank account of Pension Reserve Committee with the Trust Department of the Bank of Taiwan. The company had a net pension cost of \$114,614 and \$107,056 recognized for the January 1~September 30, 2012 and 2011, respectively, according to the aforementioned pension plan; also, the pension reserve account in Bank of Taiwan was with a balance of \$1,170,159 and \$1,045,183 booked on September 30, 2012 and 2011, respectively.
2. The company has provided a defined contribution to the pension plan according to “Labor Pension Act” on July 1, 2005 for the benefit of native employees. The Company is to contribute a labor pension to the employee’s personal account with the Bureau of Labor on a monthly basis for an amount equivalent to 6% of the salary in accordance with the “Labor Pension Act.” Pension is paid on a monthly basis or in a lump sum in accordance with the employee’s personal pension account or the benefits accrued. Pension costs under the defined pension plan were recognized as \$124,448 and \$111,004 in the first three quarters of 2012 and 2011, respectively.

(XIV) Income Tax

1. Income tax and Income tax payable:

	January 1 ~ September 30,___ <u>2012</u>	January 1 ~ September 30,___ <u>2011</u>
Income tax payable	\$ 193,026	\$ 364,829
Changes in net deferred income tax assets (current) resulted from temporary difference	(574)	(12,738)
Underestimated (overestimated) income tax in prior periods	3,196	(28,148)
Prepaid income tax	<u>508,194</u>	<u>529,714</u>
Income Tax expenses	<u>\$ 703,842</u>	<u>\$ 853,657</u>
Income Tax expenses:		
Income Tax expenses in current period	\$ 703,842	\$ 847,288
Additional 10% income tax expense levied on the retained earnings-unappropriated	<u>-</u>	<u>6,369</u>
Income Tax expenses	<u>\$ 703,842</u>	<u>\$ 853,657</u>

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

	September 30, 2012		September 30, 2011	
	Amount	Effect of income tax	Amount	Effect of income tax
<u>Current items</u>				
(booked in the account of other current assets)				
Unrealized sales discount	\$ 132,799	\$ 22,576	\$ 96,785	\$ 16,453
Bad debt	31,468	5,350	1,205	205
Employee Benefits	2,489	423	4,978	846
		<u>\$ 28,349</u>		<u>\$ 17,504</u>
<u>Non-current items</u>				
(booked in the account of other assets-others)				
Overseas investment losses	\$ 1,129,814	\$ 192,068	\$ 914,419	\$ 155,451
Unrealized expenses	64,102	10,897	38,055	6,469
Impairment loss of fixed assets	21,013	3,572	-	-
Unrealized gain on financial instrument	(53,051)	(9,019)	-	-
		197,518		161,920
Less: valuation allowance		(192,068)		(155,451)
		<u>\$ 5,450</u>		<u>\$ 6,469</u>

3. Tax Administration had the Company's business profit tax return audited up to 2010.
4. The Company's investment tax credits derived in accordance with the Promotion of Private Sectors Participating in Infrastructure Act were as follows:

Deduction item	Total deductible amount	Current tax credits	Unconsumed deductible balance	Last credit year
Major public constructions and etc.	<u>\$ 156,000</u>	<u>(\$ 156,000)</u>	<u>\$ -</u>	<u>-</u>

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

	September 30, 2012	September 30, 2011
Retained earnings-unappropriated before 1997	\$ 26,823	\$ 26,823
Retained earnings-unappropriated after 1998	<u>5,618,748</u>	<u>5,520,286</u>
Total	<u>\$ 5,645,571</u>	<u>\$ 5,547,109</u>

6. Two-in-one tax:

September 30, 2012	September 30, 2011
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Shareholder's tax credit balance	\$ 175,122	\$ 20,750
	<u>2011</u>	<u>2010</u>
Actual imputation credit ratio	<u>20.62%</u>	<u>20.45%</u>

(XV) Capital Stock

The Company's authorized capital stock as of September 30, 2012 and 2011 amounted to \$10,500,000, respectively, representing 1,050,000,000 shares at NT\$10 par value each. The shares issued and outstanding were 1,039,622,255 shares.

(XVI) Retained earnings

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

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

2. Legal surplus is used only for offsetting losses and distributing stock dividend or cash prorated to shareholdings, provided that the distributed stock dividend and cash is limited to 25% of the amount the legal surplus exceeding the paid-in capital.
3. In accordance with applicable laws and regulations, a special reserve must be made from after-tax earnings in the current year equivalent to the debit balance of any account shown in shareholders' equity. The special reserve may be appropriated to the extent that the net debit balance is reversed upon approval of shareholders' meeting.
4. The Company's distribution of earnings in 2011 and 2010 was resolved in the shareholder's meeting on June 21, 2012 and June 22, 2011, respectively, as follows:

	<u>2011</u>		<u>2010</u>	
	Amount	EPS (NT\$)	Amount	EPS (NT\$)
Legal reserve	\$ 635,241		\$ 572,575	
Special reserve (Reverse)	768,822		(4,660)	
Cash dividend	4,990,186	\$ 4.80	5,094,149	\$ 4.90
Cash bonus to employees	296,901		309,471	
Remuneration to directors and supervisors	98,967		51,578	
Total	<u>\$ 6,790,117</u>		<u>\$ 6,023,113</u>	

Please visit the “Market Observation Post System” for the bonus to employees and remuneration to directors and supervisors authorized by the Board of Directors and resolved in shareholder’s meeting. 2011 Earnings distribution of the Company is stated as above. Bonus to employees and remuneration to directors and supervisors were in conformity with the amount recognized on the financial statements for the year ended December 31, 2011.

5. The Company’s estimated bonus to employees in the first three quarters of 2012 and 2011 amounted to \$301,921 and \$294,639; also, the estimated remunerations to directors and supervisors amounted to \$100,640 and \$49,106. It was estimated and appropriated in accordance with the percentage (6% and 2%) defined in the Articles of Incorporation and net income; also, by referring to the distribution ratio of prior periods and legal surplus.

(XVII) Earnings per share

	January 1 ~ September 30, 2012				
	Amount		Weighted average outstanding shares (,000 shares)	Earnings per share (Unit: NT\$)	
	Before tax	After ax		Before tax	After ax
Basic earnings per share					
Earnings for shareholders of common stock	\$ 6,300,415	\$5,596,573	1,039,622	<u>\$ 6.06</u>	<u>\$ 5.38</u>
Impact of common stock with potential dilution on employee’s bonus	-	-	1,984		
Diluted earnings per share	<u>\$ 6,300,415</u>	<u>\$5,596,573</u>	<u>1,041,606</u>	<u>\$ 6.05</u>	<u>\$ 5.37</u>

	January 1 ~ September 30, 2011				
	Amount		Weighted average outstanding shares (,000 shares)	Earnings per share	
	Before tax	Before tax		Before tax	After ax
Basic earnings per share					
Earnings for shareholders of common stock	\$ 6,309,929	\$5,456,272	1,039,622	<u>\$ 6.07</u>	<u>\$ 5.25</u>
Impact of common stock with potential dilution on employee’s bonus	-	-	1,748		
Diluted earnings per share	<u>\$ 6,309,929</u>	<u>\$5,456,272</u>	<u>1,041,370</u>	<u>\$ 6.06</u>	<u>\$ 5.24</u>

The option for stock dividend has been made available as a bonus to employees; therefore, bonus to employees is paid with stock dividend for the computation of earnings per share. The diluted earnings per share are computed in accordance with the common stock with potential dilution on employee's bonus and the weighted average outstanding stock shares. The basic earnings per share are computed in accordance with the common stock shares available for distribution in prior year resolved in the shareholder's meeting included in the weighted average outstanding stock shares.

(XVIII) Human resources spending, depreciation and amortization

The hiring, depreciation, and depletion expenses of the Company are operating expenses and are summarized as follows:

	January 1 ~ September 30, 2012	January 1 ~ September 30, 2011
Personnel expenses		
Salaries	\$ 3,696,365	\$ 3,401,225
Labor insurance and health insurance premiums	269,033	237,346
Pension expenses	239,062	218,060
Other personnel expenses	245,264	226,840
	<u>\$ 4,449,724</u>	<u>\$ 4,083,471</u>
Depreciation (Note)	<u>\$ 1,528,683</u>	<u>\$ 1,413,099</u>
Amortization expense	<u>\$ 44,764</u>	<u>\$ 98,377</u>

Note: The depreciation expense of the leased assets for an amount of \$10,978 and \$10,621 in January 1 ~ September 30, 2012 and 2011 was excluded.

V. Related Party Transactions

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

<u>Name of related parties</u>	<u>Relationship with the company</u>
Uni-President Enterprises Corp.	Parent company
Presco Netmarketing Inc.	Investees of Uni-President Enterprises Corp. under the Equity Method
	President Chain Store Corporation
Tung Guan Enterprises Co., Ltd.	//
Tung Ang Enterprises Corp.	//
President Drugstore Business Corp.	Subsidiary
Wisdom Distribution Service Corp.	//
Duskin Serve Taiwan Co.	//
Capital Inventory Services Corp.	//
President Information Corp.	//
Uni-President Cold-Chain Corp.	//
President Chain Store (BVI) Holdings Ltd.	//
President Transnet Corp.	//
Books.com. Co., Ltd.	//
Uni-President Department Store Corp.	//
Q-ware Systems & Services Corp.	//
Muji (Taiwan) Co., Ltd.	//
President Coffee Corp.	Investees of the Company under the Equity Method
Retail Support International Corp.	//
Q-ware Communications Co., Ltd	A director of the Company

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

(II) Major transactions with related parties

1. Other operating revenue

	January 1 ~ September 30, 2012		January 1 ~ September 30, 2011	
	Amount	Total percentage of the subject amount (%)	Amount	Total percentage of the subject amount (%)
(1) <u>Sales bonus income</u>				
Retail Support International Corp.	\$ 487,479	33	\$ 399,028	31
Other	90,465	6	61,913	5

<u>\$ 577,944</u>	<u>39</u>	<u>\$ 460,941</u>	<u>36</u>
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(2) Commission income of collection business

Presco Netmarketing Inc.	\$ 284,104	18	\$ 237,294	18
Books.com. Co., Ltd.	132,551	9	124,614	9
Other	<u>70,459</u>	<u>5</u>	<u>65,889</u>	<u>5</u>
	<u>\$ 487,114</u>	<u>32</u>	<u>\$ 427,797</u>	<u>32</u>

2. Purchase (net of purchase incentives)

	January 1 ~ September 30, 2012		January 1 ~ September 30, 2011	
	Amount	Ratio to the total purchase amount (net) of the Company	Amount	Ratio to the total purchase amount (net) of the Company
Retail Support International Corp.	<u>\$ 41,149,000</u>	<u>57</u>	<u>\$ 33,602,375</u>	<u>53</u>
Uni-President Cold-Chain Corp.	18,370,172	25	16,816,749	26
Wisdom Distribution Service Corp.	8,183,687	11	7,594,018	12
Uni-President Enterprises Corp.	2,226,982	3	2,189,178	3
Other	<u>330,229</u>	<u>-</u>	<u>56,932</u>	<u>1</u>
	<u>\$70,260,070</u>	<u>96</u>	<u>\$60,959,252</u>	<u>95</u>

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

(2) The Company's purchases from Retail Support International Corp., Uni-President Cold-Chain Corp., and Wisdom Distribution Service Corp. are processed in accordance with the terms and conditions in the merchandises and instruments delivery agreement signed. According to a written agreement, the Company's taxable merchandises and store supplies delivered by the related party are booked as a purchase transaction. The aforementioned purchase cost is computed in accordance with the agreed upon rate.

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

	January 1 ~ September 30, 2012		January 1 ~ September 30, 2011	
	Amount	Total percentage of the subject amount (%)	Amount	Total percentage of the subject amount (%)
Uni-President Cold-Chain Corp.	<u>\$ 150,761</u>	<u>63</u>	<u>\$ 165,105</u>	<u>65</u>
Retail Support International Corp.	68,239	28	66,965	26

Uni-President Enterprises Corp.	21,705	9	22,664	9
	<u>\$ 240,705</u>	<u>100</u>	<u>\$ 254,734</u>	<u>100</u>

4. Operating expenses

	January 1 ~ September 30, 2012		January 1 ~ September 30, 2011	
	Amount	Percentage of the amount under the same account title	Amount	Percentage of the amount under the same account title
(1) <u>Cleaning fees</u>				
Duskin Serve Taiwan Co., Ltd.	\$ 127,648	67	\$ 91,851	58
(2) <u>Stores supplies (Booked in the “packaging expense and other expenses”)</u>				
Retail Support International Corp.	\$ 249,945	43	\$ 163,421	29
(3) <u>Stocktaking fees for the stores</u>				
Capital Inventory Services Corp.	\$ 104,018	100	\$ 106,564	100
(4) <u>E-ordering system processing fee, etc.</u>				
President Information Corp.	\$ 412,979	65	\$ 487,020	65

5. Non-operating income

	January 1 ~ September 30, 2012		January 1 ~ September 30, 2011	
	Amount	Total percentage of the subject amount (%)	Amount	Total percentage of the subject amount (%)
Retail Support International Corp.	\$ 198,028	29	\$ 167,990	29
Uni-President Cold-Chain Corp.	127,363	19	121,896	21
President Chain Store (BVI) Holdings Ltd.	79,392	12	105,954	18
President Coffee Corp.	18,518	3	14,481	2
President Drugstore Business Corp.	14,521	2	14,206	2
Other	95,346	14	102,223	18
	<u>\$ 533,168</u>	<u>79</u>	<u>\$ 526,750</u>	<u>90</u>

Th Receivable (payable to) from related parties

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	September 30, 2012		September 30, 2011	
	Amount	Total percentage of the subject amount (%)	Amount	Total percentage of the subject amount (%)
(1) <u>Other receivables</u>				
Wisdom Distribution Service Corp.	\$ 100,712	10	\$ 136,753	12
Uni-President Enterprises Corp.	38,594	4	80,155	7
Uni-President Cold-Chain Corp.	38,580	4	22,852	2
Retail Support International Corp.	38,138	4	22,770	2
President Chain Store (BVI) Holdings Ltd.	21,965	2	19,209	2
President Coffee Corp.	18,213	2	12,650	1
Other	83,295	8	80,419	7
	<u>\$ 339,497</u>	<u>34</u>	<u>\$ 374,808</u>	<u>33</u>
(2) <u>Prepayments</u>				
Wisdom Distribution Service Corp.	<u>\$ 356,065</u>	<u>73</u>	<u>\$ -</u>	<u>-</u>
(3) <u>Note and account payables</u>				
Retail Support International Corp.	\$ 6,342,846	45	\$ 5,712,548	49
Uni-President Cold-Chain Corp.	4,149,296	29	3,405,196	29
Wisdom Distribution Service	1,591,673	11	1,350,297	12

Corp.				
Uni-President Enterprises Corp.	529,800	4	266,043	2
Other	324,770	2	288,209	3
	<u>\$ 12,938,385</u>	<u>91</u>	<u>\$ 11,022,293</u>	<u>95</u>
(4) <u>Accrued expenses</u>				
Capital Inventory Services Corp.	\$ 26,559	1	\$ 28,667	1
Duskin Serve Taiwan Co., Ltd.	24,795	1	9,706	-
President Information Corp.	19,769	1	137,667	5
Other	38,127	1	15,606	1
	<u>\$ 109,250</u>	<u>4</u>	<u>\$ 191,646</u>	<u>7</u>

7. Property transactions - Purchase of long-term equity investment

<u>Counter party</u>	January 1 ~ September 30, 2011		
	<u>Underlying</u>	<u>Stock shares purchased</u>	<u>Amount</u>
Uni-President Enterprises Corp.	Muji (Taiwan) Co., Ltd.	1,243,000	\$ 92,090
	President Information Corp.	8,970,166	226,712
			<u>\$ 318,802</u>

The price of the above-mentioned transaction of equity purchase was negotiated and agreed on by the both parties.

8. Endorsement and guarantee

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

	September 30, 2012	September 30, 2011
Uni-President Department Store Corp.	\$ 2,234	\$ 2,281
Wisdom Distribution Service Corp.	50,000	50,000
Q-ware Communications Co., Ltd.	24,343	29,978
	<u>\$ 76,577</u>	<u>\$ 82,259</u>
Presiclerc(Beijing) Supermarket Co., Ltd.	-	<u>RMB 11,082,000</u>

9. Commitments

The Company has an agreement signed with President Information Corp. for development & maintenance of the applied software system to provide e-ordering system operation and system maintenance service between the company and business premises with a contracted amount of \$752,865 up to May 2017. As of September 30, 2012, the amount the Company has not estimated or paid totaled \$261,852.

VI Pledged Assets

None.

VII. Commitment or contingency

- (I) The company has a long-term technical collaboration agreement signed with 7-ELEVEN Inc. in the U.S. The company is obliged to pay technical royalty for an amount equivalent to

certain percentage of monthly sales revenue throughout the contract period.

(II) The company has President International Building leased to a non-related party (Booked in the “Lease assets” account):

1. Arcade: It is for a lease term of 18 years and 6.5 months from June 15, 2005 on for an amount equivalent to certain percentage of sales revenue.
2. Office: The lease is for a period of five years from October 1, 2012 to October 31, 2017. The Company has the following projections in rental incomes for the various years:

<u>Lease term</u>	<u>Total rent amount</u>
October 1, 2012 to December 31, 2012.	\$ 4,155
2013	24,928
2014	24,928
2015	25,053
2016	25,676
January 1, 2012 to October 31, 2012.	19,257
	<u>\$ 123,997</u>

(III) The Company has stores and business sites leased from the unrelated party and with lease agreements signed for a period of 3~20 years accordingly. The Company have prepaid the rent and deposit made for an amount of \$124,263 and \$1,028,791, respectively, on September 30, 2012 in accordance with the agreement signed; moreover, they are booked in the account of “Prepayment” and “Refundable deposits” respectively. The Company expects that future annual rental expenses are payable as follows:

<u>Lease term</u>	<u>Total rent amount</u>
October 1, 2012 to December 31, 2012.	\$ 1,240,072
2013	4,905,654
2014	4,635,079
2015	4,281,637
2016	3,826,511
2017 and thereafter (discounted value \$10,246,105)	10,654,229
	<u>\$ 29,543,182</u>

VIII. Loss from major accidents

None.

IX. Materiality after the period

None.

X. Other

(I) The fair value of financial instruments

<u>Financial instruments</u>	<u>September 30, 2012</u>		
	<u>Book value</u>	<u>Fair value</u>	
		<u>The market amount</u>	<u>The estimated amount</u>
<u>Non-Derivatives financial instruments</u>			

Assets			
Financial assets with equal fair value and book value	\$ 13,223,564	\$ -	\$ 13,223,564
Financial assets at fair value through income statement	6,823,477	6,823,477	-
Financial assets at cost	7,579,098	-	-
Financial assets in available-for-sale	940,092	940,092	-
Refundable deposits	1,038,411	-	1,004,940
Liabilities			
Financial liabilities with equal fair value and book value	\$ 26,202,277	\$ -	\$ 26,202,277
Long-term debt payable	3,000,000	-	3,000,000
Guarantee Deposit received	1,924,539	-	1,872,424

	September 30, 2011		
		Fair value	
	Book value	The market amount	The estimated amount
<u>Financial instruments</u>			
<u>Non-Derivatives financial instruments</u>			
Assets			
Financial liabilities with equal fair value and book value	\$ 10,767,460	\$ -	\$ 10,767,460
Financial assets at fair value through income statement	4,352,806	4,352,806	-
Financial assets at cost	8,284,753	-	-
Financial assets in available-for-sale	944,429	944,429	-
Refundable deposits	1,029,937	-	997,465
Liabilities			
Financial liabilities with equal fair value and book value	\$ 20,510,122	\$ -	\$ 20,510,122
Long-term debt payable	4,000,000	-	4,000,000
Guarantee Deposit received	1,876,307	-	1,826,604

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

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

4. The fair value of long-term debt payable applied in cycle is estimated according to the book value since the effect of discount value is insignificant.

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

The assets available for sales of the company in the first three quarters of 2012 and 2011 were debited/credited to shareholders' equity for an amount of \$41,849 and (\$589,503), respectively.

(III) Interest rate risk position

As of September 30, 2012 and 2011, the Company's financial liabilities with fair value risk due to changes in interest rate were \$3,000,000 and \$4,000,000, respectively.

(IV) Control of Financial Risks and Hedge strategy

1. The risk management policy adopted by the Company aims at hedging off operational risks. To this end, the Company has financial hedge position denied for the operation of derivatives. The selection of instruments by the Company for trade must be able to prevent the interest expense, assets, and liabilities risk of business operation.
2. In terms of supervising and managing derivatives, the trade position of derivatives is managed by the Finance Department and with the market price evaluated periodically. For any nonconforming transaction and gain/loss identified, a responsive measure must be activated and the Board of Directors must be informed immediately. The department also evaluates the performance of the derivatives regularly to ensure their conformity to company policy in operations and the risks so assumed are within the toleration threshold of the company.

(V) Information on primary financial risk

1. Market Risk

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

(Foreign currency: Functional currency)	September 30, 2012		September 30, 2011	
	Foreign currency	Exchange rate	Foreign currency	Exchange rate
Financial assets				
<u>Non-monetary assets</u>				
JPY: NT\$	471,600,000	0.378	475,200,000	0.397
<u>Long-term investments (Equity method)</u>				
USD: NT\$	124,859,000	29.30	97,965,000	30.48

2. Credit Risk

- (1) Financial assets that change in fair values are recognized as gains or losses and Financial assets in available-for-sale are traded publicly, or, traded with reputable party; therefore, no breach of contract expected from the trade party.
- (2) The Company offers loan guarantees and commitments in accordance with the “Operational Procedures for Endorsements and Guarantees” and it is mainly for the Company’s subsidiaries and joint ventures. Since the Company was in a firm control over the credit standings of those corporations, the Company did not request collateral from them. If those corporations fail to fulfill contracts, the credit risks so incurred would be the amounts of guarantees.

3. Liquidity Risk

- (1) Financial instruments that change in fair value are recognized as gains and losses and financial assets in available-for-sale invested by the Company have public quotations in open market. As such, they are expected to be disposed of quickly at prices approximating to fair value in the market without difficulty. Therefore, there is no significant risk of liquidity anticipated.
- (2) The Company’s investment in financial assets at cost noncurrent is without public quotation in market; therefore, significant liquidity risk is expected.
- (3) The payables of the Company is mostly due in 90 days. The loan quota is implemented revolvingly. The Company’s working capital is sufficient enough to support the fund demand of the company without material liquidity risk expected.

4. Cash flow risk from change in interest rate

- (1) The investment in equity of the Company is not an interest rate product; therefore, there is not a cash flow risk from the change in interest rate expected.
- (2) The Company’s investments in short-term notes are fixed-interest-rate instruments with the purpose of receiving interest income. Therefore, there is no cash flow risk resulting from changes in interest rate during the holding period.
- (3) Most of the Company’s investments in funds are quasi money market funds. After assessment, there should be no significant cash flow risk resulting from changes in interest rate.

XI. Supplementary Disclosure

(I) Information on major trade

(For the invested company's disclosure the information, it is based on the certified financial statements of Retail Support International Corp. and the uncertified financial statements of other invested companies).

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

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

No.	Endorsing company	Company Name	Relation	Limit of guarantee to particular enterprise (note 2)	Maximum Balance in current period	Balance at ending	Guarantee with Collateral	Accumulated amount of guarantee in proportion to the net asset value stated in the financial statements of the most recent period	Upper limit for guarantee (note 2)	Remarks
0	President Chain Store Corporation	Wisdom Distribution Service Corp.	Subsidiary	\$ 4,259,161	\$ 50,000	\$ 50,000	\$ -	0.23	\$10,647,902	
0	President Chain Store Corporation	Uni-President Department Store Corp.	Subsidiary	4,259,161	2,558	2,234	-	0.01	10,647,902	
0	President Chain Store Corporation	Q-ware Communications Co., Ltd.	Note 1	4,259,161	29,978	24,343	-	0.11	10,647,902	

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	UPAMC James Bond Market Money Fund	None.	Financial assets-current-whose changes in fair value are recognized in earnings	98,861,605	\$ 1,600,000	-	\$ 1,601,765		
	Polaris Depot money market funds	"	"	43,073,000	500,000	-	501,908		
	Mega money market funds, the international Silmarullion	"	"	82,883,689	1,000,000	-	1,005,661		
	Yuanta Cosmos money market funds	"	"	92,427,137	1,350,000	-	1,357,625		
	Shinkong lucky-star money market funds	"	"	33,443,250	500,000	-	502,729		
	Eastspring Inv Well Pool Money Market	"	"	64,616,180	850,000	-	851,732		
	Taishin 1699 Money Market Funds	"	"	76,457,276	<u>1,000,000</u>	-	<u>1,002,057</u>		
						6,800,000		<u>\$ 6,823,477</u>	
				Add: Valuation Adjustment		<u>23,477</u>			
						<u>\$ 6,823,477</u>			
President Securities Corp.		Investees of Uni-President Enterprises Corp. under the Equity Method	Financial assets in available-for-sale — non current	35,604,872	\$ 140,534	2.69	\$ 564,337		
Duskin Co., Ltd.		None.	"	300,000	125,072	0.45	178,123		
Chimei Innolux Corporation		"	"	18,556,967	<u>948,261</u>	0.25	<u>197,632</u>		
					1,213,867		<u>\$ 940,092</u>		
			Add: Valuation Adjustment		(273,775)				
					<u>\$ 940,092</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.	A director of the company	Financial assets measured at cost-noncurrent	130,801,027	\$ 5,395,902	19.50	skipped	
	President Fair Development Corp.	"	"	209,000,000	1,468,098	19.00	skipped	
	President International Development Corp.	"	"	44,100,000	441,000	3.33	skipped	
	Tung Ho Development Corp., etc.	skipped	skipped	skipped	<u>274,098</u>	skipped	skipped	
					<u>\$ 7,579,098</u>			
	President Chain Store (BVI) Holdings Ltd.	Subsidiary	Long-term investments (Equity method)	138,899,045	\$ 3,707,680	100.00	\$ 3,616,209	
	President Drugstore Business Corp.	"	"	40,000,000	674,110	100.00	674,110	
	President Transnet Corp.	"	"	69,999,999	875,419	70.00	1,219,920	
	Mech-President Corp.	"	"	55,858,815	689,401	80.87	794,008	
	President Pharmaceutical Corp.	"	"	22,121,963	664,367	73.74	682,813	
	Uni-President Department Store Corp.	"	"	111,999,999	528,984	70.00	755,450	
	President Musashino Corp.	"	"	48,519,891	512,690	90.00	516,040	
	Uni-President Cold-Chain Corp.	"	"	19,563,272	459,460	60.00	756,007	
	President Information Corp.	"	"	25,714,475	473,509	86.00	424,034	
	Q-ware Systems & Services Corp.	"	"	24,382,921	321,402	86.76	355,289	
	Muji (Taiwan) Co., Ltd.	"	"	13,995,907	271,556	51.00	429,295	
	Wisdom Distribution Service Corp.	"	"	10,847,421	190,052	100.00	193,021	
	Books.com. Co., Ltd.	"	"	9,999,999	226,892	50.03	453,481	
	President YiLan Art and Culture Corp.	"	"	15,000,000	197,663	100.00	194,527	
	Duskin Serve Taiwan Co., Ltd.	"	"	10,200,000	141,549	51.00	277,660	
	Ren-Hui Investment Corp.	"	"	53,194,997	124,678	100.00	124,678	
	Cold Stone Creamery Taiwan Ltd.	"	"	12,244,390	144,123	100.00	144,073	
	Bank Pro E-Service Technology Co., Ltd.	"	"	7,200,000	109,264	53.33	188,401	
	President Development Corp.	Investees of the Company under the Equity Method	"	72,000,000	622,024	20.00	3,110,111	
	President Coffee Corp.	"	"	10,691,337	244,957	30.00	816,524	
	Retail Support International Corp.	"	"	6,430,000	150,052	25.00	593,712	
	Integrated Marketing Communications Co., Ltd.	"	"	17,199,999	162,255	44.45	361,479	
	Uni-President Oven Bakery Corp., etc.	skipped	"	skipped	<u>340,040</u>	36.67	<u>507,599</u>	
						~100.00		
					<u>\$11,832,127</u>		<u>\$ 17,188,441</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	160,866,342	2,600,000	93,025,186	1,500,980	1,500,000	980	-	98,861,605	1,600,000
	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	501,578	500,000	1,578	-	-	-
	Taishin 1699 Money Market Funds	"	"	"	-	-	76,457,276	1,000,000	-	-	-	-	-	76,457,276	1,000,000
	ING Taiwan Money Market Fund	"	"	"	63,545,321	1,000,000	-	-	63,545,321	1,004,664	1,000,000	4,664	-	-	-
	Jih Sun money market funds	"	"	"	35,064,835	500,000	-	-	35,064,835	502,462	500,000	2,462	-	-	-
	President Chain Store (BVI) Holdings Ltd.	Note 2	Cash capital increase	"	106,575,196	2,782,507	32,323,849	954,343	-	-	-	-	(29,170)	138,899,045	3,707,680

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)	Special terms and conditions of trade and reasons			Note receivable (payable), accounts receivable (payable)		Remarks
			Purchase (sales)	Amount		Credit term	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	\$41,149,000	57	OA 10~54 days	Note 1	No significant differences	(\$6,342,846)	45	
	Uni-President Cold-Chain Corp.	Subsidiary	"	18,370,172	25	OA 20~70 days	"	"	(4,149,296)	29	
	Wisdom Distribution Service Corp.	Subsidiary	"	8,183,687	11	OA 30~60 days	"	"	(1,591,673)	11	
	Uni-President Enterprises Corp.	Parent company	"	2,226,982	3	OA 30~40 days	No significant differences	"	(529,800)	4	
	Q-ware Systems & Services Corp.	Subsidiary	"	259,616	-	OA 45 days	Note 2	"	(62,504)	4	

	Tung Guan Enterprises Co., Ltd.	Affiliate	"	120,282	-	OA 55 days	No significant differences	"	(40,056)	3	
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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	Wisdom Distribution Service Corp.	Subsidiary	Other receivables \$100,712	Note	\$ -	-	\$ 100,712	\$ -

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

9. Trading of Derivative Products: None.

(II) Transfer Investment Information

(For the invested company's disclosure the information, it is based on the certified financial statements of Retail Support International Corp. and the uncertified financial statements of other invested companies).

1. Invested company:

Investment Company	Name of invested company	Area	Main Business	The amount of the original investment			End of the previous period	Ending shareholdings			Net income (loss) of the invested company		PCSC's s recognized investment gain (loss)		Remarks	
				Currency	End of the period	Currency		Quantity of share	Ratio	Currency	Book value	Currency	Amount	Currency		Amount
President Chain Store Corporation Holdings Ltd.	President Chain Store (BVI) Corporation	British Virgin Islands	Professional investment company	NT\$	\$ 4,885,624	NT\$	\$ 3,931,281	138,899,045	100.00	NT\$	\$ 3,707,680	NT\$	\$ 1,893	NT\$	\$ 1,803	Subsidiary
President Chain Store Corporation	President Chain Store Drugstore Corporation Business Corp.	Taiwan	Retailing of medicines and daily items	NT\$	288,559	NT\$	288,559	40,000,000	100.00	NT\$	674,110	NT\$	152,562	NT\$	152,562	Subsidiary
President Chain Store Corporation	President Chain Store Transnet Corp.	Taiwan	Delivery service	NT\$	711,576	NT\$	711,576	69,999,999	70.00	NT\$	875,419	NT\$	209,322	NT\$	149,158	Subsidiary
President Chain Store Corporation	President Chain Store Mech-President Corp.	Taiwan	Gas station and elevator installation	NT\$	904,475	NT\$	904,475	55,858,815	80.87	NT\$	689,401	NT\$	58,782	NT\$	47,537	Subsidiary
President Chain Store Corporation	President Chain Store Pharmaceutical Corporation Corp.	Taiwan	Wholesale and retail of medicines and medical equipment	NT\$	330,216	NT\$	330,216	22,121,963	73.74	NT\$	664,367	NT\$	317,765	NT\$	234,320	Subsidiary
President Chain Store Corporation	President Chain Store Development Corporation Corp.	Taiwan	Operation of transportation depots and facilities	NT\$	720,000	NT\$	720,000	72,000,000	20.00	NT\$	622,024	NT\$	72,790	NT\$	14,558	Note 1
President Chain Store Corporation	Uni-President Chain Store Department Corporation Store Corp.	Taiwan	Department stores	NT\$	1,680,000	NT\$	1,680,000	111,999,999	70.00	NT\$	528,984	NT\$	(102,749)	NT\$	(71,755)	Subsidiary
President Chain Store Corporation	President Chain Store Musashino Corporation Corp.	Taiwan	Foods industry	NT\$	520,141	NT\$	520,141	48,519,891	90.00	NT\$	512,690	NT\$	(37,451)	NT\$	(34,013)	Subsidiary
President Chain Store Corporation	Uni-President Chain Store Cold-Chain Corporation Corp.	Taiwan	Low-temperature foods logistics including frozen foods	NT\$	237,437	NT\$	237,437	19,563,272	60.00	NT\$	459,460	NT\$	246,940	NT\$	148,554	Subsidiary
President Chain Store Corporation	President Chain Store Information Corporation Corp.	Taiwan	Business management consulting services	NT\$	320,741	NT\$	320,741	25,714,475	86.00	NT\$	473,509	NT\$	77,007	NT\$	66,226	Subsidiary
President Chain Store Corporation	Q-ware Systems Chain Store & Services Corporation Corp.	Taiwan	Business management consulting services	NT\$	332,482	NT\$	332,482	24,382,921	86.76	NT\$	321,402	NT\$	66,805	NT\$	57,960	Subsidiary
President Chain Store Corporation	President Chain Store Coffee Corporation	Taiwan	Coffee Chain Store	NT\$	59,400	NT\$	59,400	10,691,337	30.00	NT\$	244,957	NT\$	320,774	NT\$	96,232	Note 1
President Chain Store Corporation	Muji (Taiwan) Chain Store Co., Ltd. Corporation	Taiwan	Japanese department store & retail	NT\$	133,367	NT\$	133,367	13,995,907	51.00	NT\$	271,556	NT\$	74,881	NT\$	38,333	Subsidiary
President Chain Store Corporation	Wisdom Chain Store Distribution Service Corp.	Taiwan	Logistics of Magazines	NT\$	50,000	NT\$	50,000	10,847,421	100.00	NT\$	190,052	NT\$	22,993	NT\$	23,630	Subsidiary

Investment Company	Name of invested company	Area	Main Business	The amount of the original investment			End of the previous period	Ending shareholdings			Net income (loss) of the invested company			PCSC's s recognized investment gain (loss)		Remarks
				Currency	End of the period	Currency		Quantity of share	Ratio	Currency	Book value	Currency	Amount	Currency	Amount	
President Chain Store Corporation	Books.com. Co., Ltd.	Taiwan	Online bookstore	NT\$	100,400	NT\$	100,400	9,999,999	50.03	NT\$	226,892	NT\$	190,685	NT\$	95,428	Subsidiary
President Chain Store Corporation	President YiLan Art and Culture	Taiwan	Art and cultural exhibition	NT\$	150,000	NT\$	150,000	15,000,000	100.00	NT\$	197,663	NT\$	26,602	NT\$	26,590	Subsidiary
President Chain Store Corporation	Retail Support International	Taiwan	Foods room temperature logistics & delivery	NT\$	91,414	NT\$	91,414	6,430,000	25.00	NT\$	150,052	NT\$	154,856	NT\$	38,698	Note 1
President Chain Store Corporation	Duskin Serve Taiwan	Taiwan	Cleaning products trade and cleaning service	NT\$	102,000	NT\$	102,000	10,200,000	51.00	NT\$	141,549	NT\$	63,882	NT\$	32,580	Subsidiary
President Chain Store Corporation	Ren-Hui Investment	Taiwan	Professional investment company	NT\$	728,037	NT\$	728,037	53,194,997	100.00	NT\$	124,678	NT\$	262	NT\$	262	Subsidiary
President Chain Store Corporation	Cold Stone Creamery	Taiwan	Ice cream stores	NT\$	170,000	NT\$	170,000	12,244,390	100.00	NT\$	144,123	NT\$	17,467	NT\$	17,517	Subsidiary
President Chain Store Corporation	Bank Pro E-Service Technology	Taiwan	Business management consulting services	NT\$	74,304	NT\$	74,304	7,200,000	53.33	NT\$	109,264	NT\$	35,366	NT\$	18,861	Subsidiary
President Chain Store Corporation	Integrated Marketing Communications	Taiwan	Data Processing Services	NT\$	172,000	NT\$	85,980	17,199,999	44.45	NT\$	162,255	NT\$	(13,359)	NT\$	(5,402)	Note 2
President Chain Store Corporation	Uni-President Oven Bakery	Other	skipped	NT\$	1,765,889	NT\$	1,716,389	-	-	NT\$	340,040	NT\$	(27,833)	NT\$	(18,050)	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		Currency	End of the previous period	Ending shareholdings			Net income (loss) of the invested company		The Company's recognized investment gain (loss)		Remarks					
				Currency	period			Quantity of share	Ratio	Currency	Book value	Currency	Amount	Currency		Amount				
Retail Support International Corp.	President Logistics International Corp.	Other	skipped	NT\$	\$	-	NT\$	\$	-	-	NT\$	\$	478,508	NT\$	\$	-	skipped			
President Chain Store (BVI) Holdings Ltd.	President Chain Store (Labuan) Holdings Ltd.	Other	Professional investment	NT\$		606,051	NT\$		606,051	20,684,321	100	NT\$		924,123	NT\$		284,998	NT\$	-	Subsidiary of a subsidiary
President Chain Store (BVI) Holdings Ltd.	President Chain Store (Hong Kong) Holdings Limited	H.K.	Professional investment	NT\$		3,209,863	NT\$		2,639,589	109,551,632	100	NT\$		2,220,446	NT\$	(	172,402)	NT\$		Subsidiary of a subsidiary
President Chain Store (BVI) Holdings Ltd.	Presiclerc Limited., etc	British Virgin Islands	Professional investment	NT\$		-	NT\$		-	-	-	NT\$		169,209	NT\$		-	NT\$		skipped
President Chain Store (Labuan) Holdings Ltd.	Philippine Seven Corp.	Philippines	Food and supplies retail	NT\$		605,230	NT\$		605,230	192,259,311	55	NT\$		699,240	NT\$		160,609	NT\$		Subsidiary of a subsidiary
President Chain Store (Hong Kong) Holdings Limited	President Chain Store (Shanghai) Ltd.	China	Chained convenient stores	NT\$		1,339,803	NT\$		1,062,798	-	100	NT\$		535,476	NT\$	(	291,849)	NT\$		Subsidiary of a subsidiary
President Chain Store (Hong Kong) Holdings Limited	Mister Donut Shanghai Co., Ltd.	China	Food retailing	NT\$		159,310	NT\$		159,310	-	50	NT\$		72,601	NT\$	(	46,280)	NT\$		Subsidiary of a subsidiary
President Chain Store (Hong Kong) Holdings Limited	President Coffee (Cayman) Holdings Ltd.	Cayman Island	Professional investment	NT\$		52,740	NT\$		52,740	-	30	NT\$		617,694	NT\$		684,862	NT\$		Note
President Chain Store (Hong Kong) Holdings Limited	Shanghai Cold Stone Ice Cream Corporation	China	Sale of ice cream	NT\$		701,862	NT\$		423,521	-	100	NT\$		371,482	NT\$	(	12,802)	NT\$		Subsidiary of a subsidiary
President Chain Store (Hong Kong) Holdings Limited	PCSC (CHENGDU)Hypermarket Limited	China	Wholesaling and retailing of goods	NT\$		379,801	NT\$		379,801	-	100	NT\$		187,538	NT\$		17,230	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\$		119,496	NT\$		119,496	-	55	NT\$		362,059	NT\$		46,311	NT\$		Subsidiary of a subsidiary
President Chain Store (Hong Kong) Holdings Limited	PCSC Afternoon Tea Cayman Ltd., etc.	Other	skipped	NT\$		-	NT\$		-	-	-	NT\$	(	20,014)	NT\$		-	NT\$		skipped
President Coffee (Cayman) Holdings Ltd.	Shanghai President Starbucks Coffee Corp.	China	Coffee and accessories trade	NT\$		175,800	NT\$		175,800	-	100	NT\$		1,673,681	NT\$		850,749	NT\$		Note
Duskin Serve Taiwan Co., Ltd	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\$		99,807	NT\$		32,012	-	100	NT\$		99,807	NT\$		31,714	NT\$		Note
Uni-President Cold-Chain Corp., etc.	Uni-President Logistics (BVI) Holdings Limited, etc.	Other	skipped	NT\$		-	NT\$		-	-	-	NT\$		169,791	NT\$		-	NT\$		skipped
Uni-President Logistics (BVI) Holdings Limited, etc.	Zhejiang Uni-Champion Logistics	Other	skipped	NT\$		-	NT\$		-	-	-	NT\$		109,941	NT\$		-	NT\$		skipped

Investment Company	Name of invested company	Area	Main Business	The amount of the original investment		End of the previous period	Ending shareholdings			Book value	Net income (loss) of the invested company		The Company's recognized investment gain (loss)		Remarks	
				Currency	End of the period		Currency	Quantity of share	Ratio		Currency	Amount	Currency	Amount		
President Pharmaceutical (Hong Kong) Holdings Limited., etc.	Development Co., Ltd., etc. President (Sanghai) Health Product Trading Company Ltd., etc	Other	skipped	NT\$	-	NT\$	-	-	-	NT\$	152,314	NT\$	-	NT\$	-	skipped

Note: Investees of the Company and the subsidiaries 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)
1	Presiclerc Corp.	Presiclerc(Beijing) Supermarket Co., Ltd.	Long-term debt payable	\$ 310,919	\$310,919	-	Note 2	\$ -	Working capital	\$ -	-	-	\$ -	\$ -
2	President Chain Store (Hong Kong) Holdings Limited	Presiclerc(Beijing) Supermarket Co., Ltd.	Other receivables	46,880	46,880	2.55%	Note 2	-	Working capital	-	-	-	87,900	751,164

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 USD3,000,000.

Note 2: Necessary for granting short-term loans.

(2) Endorsement and guarantee for third party:

No.	Endorsing company	Company Name	Relation	Limit of guarantee to particular enterprise (note 2)	Maximum Balance in current period	Balance at ending	Guarantee with Collateral	Accumulated amount of guarantee in proportion to the net asset value stated in the financial statements of the most recent period	Upper limit for guarantee (note)	Remarks
1	Wisdom Distribution Service Corp.	President Drugstore Business Corp.	Subsidiaries of President Chain Store Corporation	\$ 52,384	\$ 7,000	\$ 7,000	\$ 7,000	2.67	\$ 130,960	

Note: Total external endorsements and guarantees are for 50% of the Company's net value; the endorsements and guarantees to one enterprise are for 20% of the Company's net value. The Company's net value is based on the most recent independent auditor's report.

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

(For the invested company's disclosure the information, it is based on the certified financial statements of Retail Support International Corp. and the uncertified financial statements of other invested companies).

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
Capital Inventory Services Corp.	Taiwan's first gold money market funds	None.	Financial assets-current-whose changes in fair value are recognized in earnings	662,471	9,817	skipped	9,817	
Chieh-Shuen Logistics International Corp.	Eastspring Inv Well Pool Money Market, etc.	"	"	skipped	38,974	"	38,974	
President YiLan Art and Culture Corp.	Prudential money fund Verbatim., etc	"	"	"	141,220	"	141,220	
President Coffee Corp.	Polaris Depot money market funds., etc.	"	"	"	300,000	"	300,000	
President Information Corp.	Fuh-Hwa Bond Fund, etc.	"	"	"	182,628	"	182,628	
President Logistics International Corp.	UPAMC JAMES BOND Fund	"	"	"	38,353	"	38,353	
President Pharmaceutical Corp.	Fuhua money market funds	"	"	15,680,768	219,973	"	219,973	
Ren-Hui Investment Corp.	NITC Family	"	"	199,957	34,592	"	34,592	
Retail Support International Corp.	UPAMC JAMES BOND Fund	"	"	skipped	270,425	"	270,425	
Retail Support Taiwan Corp.	First Bank Holdings Family Money Market Fund	"	"	92,338	15,974	"	15,974	
Uni-President Oven Bakery Corp.	Fuh-Hwa Bond Fund	"	"	3,583,690	50,000	"	50,000	
Vision Distribution Service Corp.	UPAMC JAMES BOND Fund	"	"	4,024,689	65,208	"	65,208	
Q-ware Systems & Services Corp.	Eastspring Inv Well Pool Money Market, etc.	"	"	skipped	291,153	"	291,153	
Ren-Hui Investment Corp.	Chimei Innolux Corporation	"	Financial assets in available-for-sale — non current	7,957,569	109,417	10.88	109,417	
Duskin China (BVI) Holdings Limited	Duskin (Shanghai) Cleaning Products Rental Corp.	"	Financial assets at cost	7,000	19,623	15	5,017	
President Chain Store (BVI) Holdings Ltd.	Global Strategic Investment Corp.	"	"	1,500,000	17,719	skipped	17,719	
President Pharmaceutical Corp., etc.	President Pharmaceutical (Hong Kong) Holdings Limited., etc.	"	Long-term investments (Equity method)	skipped	195,595	skipped	skipped	
President Coffe (Cayman) Holdings Ltd.	Shanghai President Starbucks Coffee Corp.	"	"	-	1,673,681	100 "		
PCSC Afternoon Tea Cayman Ltd., etc.	PCSC Afternoon Tea Shanghai Ltd., etc.	"	"	skipped	53,270	skipped "		
President Chain Store (Hong Kong) Holdings Limited	President Coffe (Cayman) Holdings Ltd., etc.	"	"	"	2,126,836	" "		
President Chain Store (BVI) Holdings Ltd.	President Chain Store (Hong Kong) Holdings Limited, etc.	"	"	"	3,313,778	" "		
President Chain Store (Labuan) Holdings Ltd.	Philippine Seven Corp.	"	"	192,259,311	699,240	55.35	369,897	
President Cosmed Chain Store (Shen Zhen) Co., Ltd., etc.	Shenzhen Cosmed-Livzon Pharmacy Chain Store Co., Ltd.	"	"	skipped	64,014	skipped	skipped	
Retail Support International Corp., etc	President Logistics International Corp., etc.	"	"	"	171,335	" "		
President Logistics International Corp.	Chieh-Shuen Logistics International Corp.	"	"	17,300,000	210,807	100 "		
Philippine Seven Corp.	Retail Distribution & warehousing, etc.	"	"	"	108,901	skipped "		
Uni-President Cold-Chain Corp., etc	Uni-President Logistics (BVI) Holdings Limited, etc.	"	"	"	135,044	" "		
Wisdom Distribution Service Corp.	Vision Distribution Service Corp., etc	"	"	"	103,573	" "		

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

Trade company	Type and title of marketable securities	Account titles	Counter party	Relation	Beginning		Bought		Sold			Disposition gain	Other adjustment (Note II)	Ended	
					Quantity of share	Amount	Quantity of share	Amount	Quantity of share	Selling price	Carrying cost			Quantity of share	Amount
Chieh-Shuen Logistics International Corp.	Eastspring Inv Well Pool Fund	Note 1	Not applicable.	Not applicable.	1,298,328	17,018	24,642,882	323,800	24,113,472	316,920	316,726	194	(1)	1,827,738	24,092
President Coffee Corp.	UPAMC JAMES BOND Fund	Note 1	Not applicable.	Not applicable.	1,274,324	20,540	12,159,438	196,440	12,515,249	202,250	202,094	156	(4)	918,512	14,882
	Polaris Depot money market funds	Note 1	Not applicable.	Not applicable.	8,628,947	100,000	25,792,086	300,000	25,839,036	300,546	300,000	546	-	8,581,997	100,000
	Union Money Market funds	Note 1	Not applicable.	Not applicable.	7,851,142	100,000	23,467,801	300,000	23,510,165	300,542	300,000	542	-	7,808,779	100,000
	Eastspring Inv Well Pool Money Market	Note 1	Not applicable.	Not applicable.	7,628,929	100,000	25,876,721	340,000	33,505,650	440,391	440,000	391	-	-	-
	Fuhua money market funds	Note 1	Not applicable.	Not applicable.	-	-	22,878,101	320,000	22,878,101	320,242	320,000	242	-	-	-
	First Bank Money Market Fund	Note 1	Not applicable.	Not applicable.	6,785,135	100,000	21,661,814	320,000	28,446,950	420,446	420,000	446	-	-	-
	Taishin really lucky money market funds	Note 1	Not applicable.	Not applicable.	-	-	24,146,430	260,000	24,146,430	260,139	260,000	139	-	-	-
	ING Taiwan Money Market Fund	Note 1	Not applicable.	Not applicable.	1,906,360	30,000	27,894,495	440,000	29,800,854	470,233	470,000	233	-	-	-
	Jih Sun money market funds	Note 1	Not applicable.	Not applicable.	7,012,967	100,000	32,128,341	460,000	32,167,029	460,302	460,000	302	-	6,974,279	100,000
President Logistics International Corp.	Capital Income Fund	Note 1	Not applicable.	Not applicable.	-	-	8,968,878	140,000	8,968,878	140,044	140,000	44	-	-	-
	UPAMC JAMES BOND Fund	Note 1	Not applicable.	Not applicable.	3,136,596	50,562	21,267,095	343,760	22,728,046	367,280	367,164	116	(9)	1,675,645	27,149
	Eastspring Inv Well Pool Money Market	Note 1	Not applicable.	Not applicable.	3,126,672	40,984	26,201,934	344,600	28,478,629	374,500	374,374	126	(6)	849,977	11,204

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
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)	-	-
Retail Support International Corp.	UPAMC JAMES BOND Fund	Note 1	Not applicable.	Not applicable.	-	-	20,730,946	335,500	11,046,240	178,621	178,600	21	13	9,684,707	156,913
	First Bank Holdings Family Money Market Fund	Note 1	Not applicable.	Not applicable.	67,266	11,574	4,502,584	776,800	4,569,850	788,488	788,373	115	(1)	0	0
	Capital Income Fund	Note 1	Not applicable.	Not applicable.	-	-	28,819,580	450,000	21,559,056	336,532	336,497	35	9	7,260,523	113,512
	Taishin 1699 Bond Funds	Note 1	Not applicable.	Not applicable.	-	-	46,478,162	608,250	46,478,162	608,330	608,250	80		-	
Vision Distribution Service Corp.	UPAMC JAMES BOND Fund	Note 1	Not applicable.	Not applicable.	4,414,002	71,147	13,608,867	219,954	13,998,180	226,380	225,954	425	61	4,024,689	65,208
President Information Corp.	Yuanta Wan-tai Fund	Note 1	Not applicable.	Not applicable.	3,888,697	56,798	14,480,320	212,000	16,318,526	239,000	238,536	465	(144)	2,050,491	30,119
	UPAMC JAMES BOND Fund	Note 1	Not applicable.	Not applicable.	4,600,687	74,156	6,497,747	105,000	7,797,288	126,000	125,537	463	(133)	3,301,147	53,486
President Pharmaceutical Corp.	Fuhua money market funds	Note 1	Not applicable.	Not applicable.	8,245,776	115,020	82,967,716	1,161,000	75,532,724	1,056,625	1,056,159	466	112	15,680,768	219,973
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	-	-	-
Retail Support Taiwan Corp.	First Holdings Family Bond Fund	Note 1	Not applicable.	Not applicable.	124,186	21,360	892,842	154,100	924,691	159,568	159,488	80	2	92,338	15,974

Trade company	Type and title of marketable securities	Account titles	Counter party	Relation	Beginning		Bought		Sold			Other adjustment (Note II)	Ended	
					Quantity of share	Amount	Quantity of share	Amount	Quantity of share	Selling price	Carrying cost		Disposition gain	Quantity of share	Amount
President Chain Store (BVI) Holdings Ltd.	President Chain Store (Hong Kong) Holdings Limited	Note 3:	Cash capital increase	Not applicable.	90,088,347	1,844,696	19,463,284	570,274	-	-	-	(194,524)	109,551,631	2,220,446
	Presiclerc Corp.	Note 3:	Cash capital increase	Not applicable.	18,039,500	-	18,039,500	185,590	-	-	-	(30,616)	36,079,000	154,974
President Chain Store (Hong Kong) Holdings Limited	President Chain Store (Shanghai) Ltd.	Note 3:	Cash capital increase	Not applicable.	-	549,227	-	277,005	-	-	-	(290,756)	-	535,476
	Cold Stone Creamery Taiwan Ltd.	Note 3:	Cash capital increase	Not applicable.	-	102,490	-	278,341	-	-	-	(9,349)	-	371,482

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:

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	2011.5.1	\$278,500	An amount of \$278,500 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.
President Transnet Corp.	Prepayment for construction	2012.1.1~2012.9.1	496,144	An amount of \$496,144 has been paid	Consolidated construction, etc.	"	"	"	"	"	"	"	"

(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) income	Status of trade		Credit term	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 Corporation	Logistics income	(412,380)	(63)	OA 40 days	No significant differences	No significant differences	112,718	64
	President Logistics International Corp.	Parent company	"	(222,695)	(34)	OA 20 days	"	"	62,181	35
President Coffee Corp.	Tung Chang Enterprises Corp.	Affiliate	Purchase	478,760	29	OA 30 days	"	"	(103,742)	(30)
	Retail Support International Corp.	Investees of President Chain Store Corporation under the Equity Method	"	411,593	25	OA 30 days	"	"	(56,774)	(17)
President Drugstore Business Corp.	Retail Support International Corp.	Investees of President Chain Store Corporation under the Equity Method	"	4,848,384	98	OA 52 days	"	"	(1,146,132)	(99)
President Information Corp.	President Chain Store Corporation	Parent company	Services	(538,724)	(77)	OA 30 days	"	"	106,057	69
President Logistics International Corp.	Uni-President Cold-Chain Corp.	Subsidiaries of President Chain Store Corporation	Logistics income	(695,764)	(43)	OA 20 days	"	"	83,658	41
	Retail Support International Corp.	Parent company	"	(518,971)	(32)	OA 20 days	"	"	59,468	29
	Wisdom Distribution Service Corp.	Affiliate	"	(217,828)	(13)	OA 20 days	"	"	34,059	17
	Chieh-Shuen Logistics International Corp.	Subsidiary	Purchase	222,695	15	OA 20 days	"	"	(66,971)	(42)
President Musashino Corp.	Uni-President Cold-Chain Corp.	Subsidiaries of President Chain Store Corporation	Sales	(1,296,139)	(100)	OA 45 days	"	"	375,474	100
Retail Support International Corp.	President Chain Store Corporation	Parent company	"	(40,528,308)	(89)	OA 10~54 days	"	"	4,357,433	77
	President Drugstore Business Corp.	Subsidiaries of President Chain Store Corporation	"	(4,165,375)	(9)	OA 45~60 days	"	"	1,146,867	20
	President Coffee Corp.	Invested companies accounted for under the equity method by the President Chain Store Corporation	"	(438,498)	(1)	OA 15~28 days	"	"	68,424	1
	Uni-President Enterprises Corp.	Ultimate parent company	Purchase	2,091,285	5	OA 30~95 days	"	"	(277,490)	(3)
	Tung Ang Enterprise Corp.	Affiliate	"	1,764,706	4	OA 30 days	"	"	(207,451)	(2)
	Lien Bo Enterprises Corp.	Affiliate	"	587,916	1	OA 15~70 days	"	"	(130,854)	(1)
	President Pharmaceutical Corp.	Subsidiaries of President Chain Store Corporation	"	1,073,691	2	OA 30~80 days	"	"	(351,299)	(4)
	President Packaging Corp.	Affiliate	"	228,550	1	OA 30~50 days	"	"	(64,722)	(1)
	Weilih Food Industrial Co., Ltd.	Affiliate	"	252,410	1	OA 30~60 days	"	"	(81,624)	(1)
	President Transnet Corp.	Subsidiaries of President Chain Store Corporation	"	170,548	-	OA 30~45 days	"	"	(44,956)	-
	Tait Marketing & Distribution Co., Ltd.	Affiliate	"	152,695	-	OA 30~90 days	"	"	(80,202)	(1)
Uni-President Cold-Chain Corp.	Uni-President Oven Bakery Corp.	Subsidiaries of President Chain Store Corporation	"	130,693	1	OA 50 days	"	"	(30,269)	(1)
	President Musashino Corp.	Subsidiaries of President Chain Store Corporation	"	1,300,386	8	OA 45 days	"	"	(375,380)	(9)
	Uni-President Enterprises Corp.	Ultimate parent company	"	6,020,543	35	OA 30~55 days	"	"	(1,045,033)	(25)
	Kuang Chuan Dairy Co., Ltd.	Affiliate	"	193,676	1	OA 65 days	"	"	(74,600)	(2)

	Hi-life International Co., Ltd.	Affiliate	Sales	(227,222)	(1)	OA 45 days	"	"	56,288	1
	President Chain Store Corporation	Parent company	"	(18,594,500)	(99)	OA 20-70 days	"	"	4,217,650	97
Q-ware Systems & Services Corp.	President Chain Store Corporation	Parent company	"	(369,116)	(73)	OA 40 days	"	"	83,631	75
Wisdom Distribution Service Corp.	President Chain Store Corporation	Parent company	"	(8,575,522)	(96)	OA 30~60 days	"	"	1,776,878	93
	Cayenne Entertainment Technology Co., Ltd.	An affiliate of the Company is the company's director	Purchase	250,039	3	OA 60 days	"	"	(20,459)	(1)
	Q-ware Communications Co., Ltd.	Subsidiaries of President Chain Store Corporation	"	194,167	2	OA 60 days	"	"	(18,883)	(1)
	Vision Distribution Service Corp.	Subsidiary	"	646,384	8	OA 65 days	"	"	(307,875)	(11)
President Pharmaceutical Corp.	Retail Support International Corp.	Investees of President Chain Store Corporation under the Equity Method	Sales	(1,019,914)	(42)	OA 75 days	No significant differences	No significant differences	444,130	54
Vision Distribution Service Corp.	Wisdom Distribution Service Corp.	Parent company	"	(587,879)	(47)	OA 65 days	"	"	694,477	74
President Transnet Corp.	Retail Support International Corp.	Investees of President Chain Store Corporation under the Equity Method	"	(127,927)	(3)	OA 30~45 days	"	"	85,258	8
21 Century Enterprise Co., Ltd.	Uni-President Cold-Chain Corp.	Subsidiaries of President Chain Store Corporation	"	(113,674)	(30)	OA 50 days	"	"	6,775	8
Capital Inventory Services Corp.	President Chain Store Corporation	Parent company	"	(154,464)	(90)	OA 60 days	"	"	30,964	89
Duskin Serve Taiwan Co., Ltd.	President Chain Store Corporation	Parent company	"	(139,878)	(26)	OA 45~60 days	"	"	38,137	32
Uni-President Oven Bakery Corp.	Uni-President Cold-Chain Corp.	Subsidiaries of President Chain Store Corporation	"	(133,802)	(44)	OA 50 days	"	"	30,561	60

(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		Overdue receivables from related parties		Receivables from related parties		Allowance for bad debt
			Amount	Turnover rate	Amount	Process	Collection After the Balance Sheet	Date	
Books.com. Co., Ltd.	President Chain Store Corporation	Parent company	\$ 177,017	18.12	\$ -	-	-	\$ 147,315	\$ -
President Musashino Corp.	Uni-President Cold-Chain Corp.	Subsidiaries of President Chain Store Corporation	375,474	4.02	-	-	-	375,474	-
President Pharmaceutical Corp.	Retail Support International Corp.	Investees of President Chain Store Corporation under the Equity Method	444,130	2.30	-	-	-	61,242	-
President Collect Services Co. Ltd.	President Transnet Corp.	Subsidiaries of President Chain Store Corporation	822,404	1.00	-	-	-	822,404	-
Retail Support International Corp.	President Chain Store Corporation	Parent company	4,357,433	9.87	-	-	-	5,992,100	-
Retail Support International Corp.	President Drugstore Business Corp.	Subsidiaries of President Chain Store Corporation	1,146,867	4.37	-	-	-	1,146,867	-
Uni-President Cold-Chain Corp.	President Chain Store Corporation	Parent company	4,217,650	4.88	-	-	-	4,217,650	-
Vision Distribution Service Corp.	Wisdom Distribution Service Corp.	Parent company	694,477	4.06	-	-	-	162,304	-
Wisdom Distribution Service Corp.	President Chain Store Corporation	Parent company	1,776,878	4.83	-	-	-	1,776,878	-
Chieh-Shuen Logistics International Corp.	President Transnet Corp.	Subsidiaries of President Chain Store Corporation	112,718	4.00	-	-	-	49,023	-
President Information Corp.	President Chain Store Corporation	Parent company	106,057	4.08	-	-	-	15,579	-

(9) Trading of Derivative Products: None.

(III) Information on investment in Mainland China

1. The invested company in Mainland China:

Names of investees in Mainland China	Main Business	Paid-up Capital	Investment Method	The cumulative amount of investment remitted from Taiwan as of the period began	Current remitted or recovered amount of investment		The cumulative amount of investment remitted from Taiwan as of the period began	The Company's directly or indirectly invested shareholding	Investment Profit or Loss for Current Period	Ending investment book value	Investment income remitted back to Taiwan as of the period ended	Remarks
					Remitted	Recovered						
PCSC Afternoon Tea Shanghai Ltd.	Food retailing	273,769	Invest in Mainland China by the invested company in third country (Note 4)	133,793	-	-	133,793	51.00	(21,732)	18,821	-	Note 6
Shanghai President Starbucks Coffee Corp.	Coffee and accessories trade	358,483	Invest in Mainland China by the invested company in third country (Note 1)	58,600	-	-	58,600	30.00	220,693	502,104	-	Note 6
President Cosmed Chain Store (Shen Zhen) Co., Ltd.	Commodities retails	462,069	Invest in Mainland China by the invested company in third country (Note 5)	254,793	-	-	254,793	65.00	(10,053)	41,178	-	Note 6
President Chain Store (Shanghai) Ltd.	Chain store operation	1,358,482	Invest in Mainland China by the invested company in third country (Note 3)	1,062,798	277,005	-	1,339,803	100.00	(291,849)	535,476	-	Note 6
Mister Donut Shanghai Co., Ltd.	Food retailing	483,450	Invest in Mainland China by the invested company in third country (Note 3)	159,310	-	-	159,310	50.00	(23,140)	72,601	-	Note 6
Wuhan Uni-President Oven Fresh Bakery Co., Ltd.	Food retailing	263,379	Invest in Mainland China by the invested company in third country (Note 3)	140,494	-	-	140,494	100.00	(20,745)	(107,621)	-	Note 6
Shanghai President Logistic Co., Ltd.	Logistics	58,600	Invest in Mainland China by the invested company in third country (Note 3)	58,600	-	-	58,600	100.00	(1,401)	28,897	-	Note 6
Shanghai Cold Stone Ice Cream Corporation	Sale of ice cream	701,862	Invest in Mainland China by the invested company in third country (Note 3)	423,521	278,341	-	701,862	100.00	(12,802)	371,482	-	Note 6
PCSC (Sichuan) Hypermarket Limited	Wholesaling and retailing of goods	369,655	Invest in Mainland China by the invested company in third country (Note 3)	296,809	-	-	296,809	100.00	(21,483)	5,513	-	Note 6
PCSC (CHENGDU) Hypermarket Limited	Wholesaling and retailing of goods	462,069	Invest in Mainland China by the invested company in third country (Note 3)	379,801	-	-	379,801	100.00	17,230	187,538	-	Note 6
SATO (Shanghai) Catering Mathematics Co., Ltd.	Japanese cuisine	115,576	Invest in Mainland China by the invested company in third country (Note 3)	51,919	-	-	51,919	81.00	(12,770)	21,552	-	Note 6
President Royal Host (Shanghai) Ltd.	Japanese cuisine	73,557	Invest in Mainland China by the invested company in third country (Note 3)	29,901	14,928	-	44,829	51.00	(11,121)	12,117	-	Note 6
Shan Dong President Yinzuo Commercial Limited	Wholesaling and retailing of goods	277,241	Invest in Mainland China by the invested company in third country (Note 3)	119,496	-	-	119,496	55.00	25,471	362,059	-	Note 6
President (Sanghai) Health Product Trading Company Ltd.	Trade of commodities	87,900	Invest in Mainland China by the invested company in third country	30,765	57,135	-	87,900	73.74	31,711	98,248	-	Note 6

Names of investees in Mainland China	Main Business	Paid-up Capital	Investment Method	The cumulative amount of investment remitted from Taiwan as of the period began	Current remitted or recovered amount of investment		The cumulative amount of investment remitted from Taiwan as of the period began	The Company's directly or indirectly invested shareholding	Investment Profit or Loss for Current Period	Ending investment book value	Investment income remitted back to Taiwan as of the period ended	Remarks
					Remitted	Recovered						
Zhejiang Uni-Champion Logistics Development Co., Ltd.	Logistics and warehouse	184,828	Invest in Mainland China by the invested company in third country	86,946	-	-	86,946	30.00	2,615	78,181	-	Note 6
Duskin (Shanghai) Cleaning Products Rental Co. Ltd.	Sale of cleaning products	130,893	Invest in Mainland China by the invested company in third country	19,623	-	-	19,623	8.00	-	19,623	-	Note 6
Presiclerc(Beijing) Supermarket Co., Ltd.	Food processing, packing and sales	231,034	Invest in Mainland China by the invested company in third country (Note 2)	-	-	-	-	73.88	(29,126)	(141,551)	-	Note 6
Beijing Books Consulting Co. Ltd.	Consulting	440	Invest in Mainland China by the invested company in third country	900	-	-	900	50.03	(728)	182	-	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 MOEA	Investment amount approved by the Investment Commission MOEA
President Chain Store Corporation	\$ 3,107,500	\$ 4,628,658	\$ 12,777,482
President Pharmaceutical Corp.	99,807	99,807	409,688
Duskin Serve Taiwan Co., Ltd	19,623	19,623	166,596
Uni-President Cold-Chain Corp.	81,409	81,409	453,604

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

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

XII. Operating segment information

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