VIII. SPECIFIC NOTES

1. Affiliates Information:

1-1 Consolidated Business Report of Affiliates, 2008: Please refer to the attached 2008 annual report disc.

1-2 Affiliation Report, 2008: Please refer to the attached 2008 annual report disc.

2. Private Placement Securities: None (in the most recent year and up to the published date of this Annual Report)

3. Balance of PCSC Securities Acquired, Disposed of and Held by Subsidiaries : None (in the most recent year and up to the published date of this Annual Report)

4. Other Necessary Supplements: None

5. Clause Described in Part 2, Section 2, Article 36 of the Securities and Exchange Act:

In the most recent year and up to the published date of this Annual Report, PSCS has not experienced any events as described in Part 2, Section 2, Article 36 of the Securities Exchange Act that has major impacts to shareholders' equity or share prices.

IX. ADDITIONAL DISCLOSURES

1. Key Performance Indicators

	2008	2007
Net operating margin (%)	4.51%	4.74%
Net profit margin (%)	3.44%	3.54%
EPS (NT$)	3.85	3.96
ROE (%)	21.53%	22.47%
Inventory turnover (times)	22.09	24

2. Estimation Bases for the Valuation Allowance on the Balance Sheet

2-1 Allowance for doubtful accounts

Appropriate provisions are allocated in accordance with the collection possibility of accounts receivable and other accounts receivable based on their balances at the end of the period.

2-2 Inventory

PCSC books the inventory at the actual costs. Retailing method is applied. Appropriate provisions of allowances for losses have been allocated for idle inventory or the inventory that may be obsolete. The losses due to idle inventory are recognized as losses of the period.

2-3 Financial assets

a. Financial assets whose changes in fair values are recognized in the income statements

(1) Trade date accounting is practiced on equities. Settlement date accounting is practiced on beneficiary certificates. Financial assets are measured in terms of fair values for original recognition.

(2) Financial assets and liabilities whose changes in fair value are recognized in the income statements are measured in terms of fair values and their value changes are recognized as gains or losses of the period. The fair values of listed shares are measured by the closing prices in open market on the balance sheet date. The fair values of open-end funds are measured by the net asset value of the funds on the balance sheet date.

b. Available-for-sale financial assets

(1) Trade date accounting is practiced on equities. For original recognitions, the financial assets are measured by their fair values plus the transaction costs at acquisition or issuing.

(2) Available-for-sale financial assets are recognized at their fair values and the changes in their values are recognized as adjustments to shareholders' equities. The fair values of listed shares are measured by the closing price in the open market on the balance sheet date.

(3) Impairment losses are recognized when there is objective evidence of impairment. When the amount of the impairment decreases afterwards, the decrease in impairments of equity product are recognized as adjustments to shareholders' equities.

c. Bond investments with no liquid markets

(1) Settlement date accounting is practiced. For original recognition, financial assets are measured by their fair values (buying cost) plus transaction costs of acquisition or issuing.

(2) Bond investments with no liquid markets are measured by cost after amortizations.

(3) Impairment losses are recognized when there is objective evidence of impairment. When the amount of the impairment decreases afterwards and the decrease is evidently related to the events that occur after the impairment, the company shall reverse the impairment loss and recognize it as period gains (losses). The reversal shall not render the book value larger than the post-amortization costs without the recognition of the impairment.

d. Financial assets valued at costs

(1) Trade date accounting is practiced. For original recognition, financial assets are measured by their fair values (buying cost) plus transaction costs of acquisition or issuing.

(2) Impairment losses are recognized when there is objective evidence of impairment. The amount of impairment is irreversible.

e. Derivatives

(1) For trading purposes:

The values of the option products are recognized by their fair values on trade date. The values of non-option products are recognized as zero as their fair values on trade date.

The fair values are based on the balance sheet date, and the changes in fair values should be recognized in both balance sheet and income statement.

(2) For hedging purposes:

When the financial products qualify for hedge accounting, the changes in fair values should be recognized as profits or losses of the period based on their hedging relations by netting off the fair values (median values) of hedging tools and hedged items. The accounting treatments are as follows:

(i) Fair Value Hedging:

When hedging instruments are measured by their fair values or when their book values are adjusted to exchange rate fluctuations, the resulting gains (losses) are immediately recognized as gains (losses) of the period. If the hedged items produce gains or loss due to hedged risks, the book values of the hedged items should be adjusted and the resulting gains (losses) are immediately recognized as gains (losses) of the period.

(ii) Cash Flow Hedging:

The gains (losses) of the hedging instruments are recognized as adjustments to shareholders' equities.

f. Long-term Investments under the equity method

(1) Long-term investments in which the Company owns at least 20% of the voting rights of the investee or have significant influence over the investee are valued under the equity method. If the acquisition cost exceeds the Company's share of the investee's net book value on the date of acquisition, the surplus is recognized as goodwill. Impairment tests are carried out annually. Amortization of impairment loss on goodwill during the previous year is not allowed to adjust. For the investees that the Company owns over 50% of the voting rights or have control power, they should be valued under the equity method and be included in the consolidated statements for the interim and annual consolidated finanacial reports. Starting from January 1, 2008, quarterly consolidated financial statements have also been compiled in the first and third quarter of each year.

(2) For the long-term Investments in which the Company exercises significant influence but has no control power, the recognition of investment losses has the upper limit of the book value of investments in the investees and the advanced amounts to the investees reaching zero. However, if the Company has endorsement to the investee or intends to continue supporting the investee, investment losses will be recognized in proportion to shareholding.

(3) For offshore investments valued under the equity method, cumulative translation adjustment resulting from translating the offshore investee's financial statement is recognized as adjustment to shareholder's equity of PCSC.

3. Target and Methods for Hedge Accounting

3-1 For hedging purposes:

When the financial products qualify for hedge accounting, the changes in fair values should be recognized as profits or losses of the period based on their hedging relations by netting off the values of hedging tools and hedged items. The accounting treatments are as follows:

a. Fair Value Hedging:

When hedging instruments are measured by their fair values or when their book values are adjusted to exchange rate fluctuations, the resulting gains (losses) are immediately recognized as gains (losses) of the period. If the hedged items produce gains or loss due to hedged risks, the book values of the hedged items should be adjusted and the resulting gains (losses) are immediately recognized as gains (losses) of the period.

b. Cash Flow Hedging:

The gains (losses) of the hedging instruments are recognized as adjustments to shareholders' equities.

3-2 The Company may see fluctuations of the future cash flows of the FRNs (floating rate notes) it issued, due to the changes of the market interest rates risks. To hedge against such market risks, the Company has entered an interest-rate swap contract as follows.

Unit: NT$1,000

Hedged Items	Assigned hedging tools			Cash flow period	Incurred loss recognition into income statement
	Financial instruments assigned as hedging tools	Fair value			
		Dec 31, 2008	Dec 31, 2007		
Corporate bonds payable	Interest rate swaps	$ -	($ 5,070)	June 2003~June 2008	2006 ~2008

Items	Dec 31, 2008	Dec 31, 2007
Adjustments to Shareholder's Equity	$ 5,070	$ 9,924
Translation of Shareholder's Equity to Gains (Losses) of the Period	$ -	$ -
Translation of Shareholder's Equity to Non-Financial Assets (Liabilities)	$ -	$ -

4. Certificates Issued by Competent Authorities to Personnel Relevant to Financial Information Transparency

4-1 Number of employees who own professional certificates:

Certified Internal Auditor (CIA): one

Enterprise Internal Control Basic Ability Exam: four

4-2 Professional training of employees:

Accounting managers: Publicly Traded Company Finance and Accounting Administrator Professional Certificate Course (55 hours)

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