

PRESIDENT CHAIN STORE CORP.

General shareholders' meeting 2009 Parliamentary Minutes



June 10, 2009

PRESIDENT CHAIN STORE CORP.

General Shareholders' Meeting of PRESIDENT CHAIN STORE CORP. 2009

I. Agenda

Time: 9:00 a.m. on June 10, 2009 (Wednesday)

Place: Education & Training Center at 1F., No.301, Jhongjheng Rd., Yongkang City, Tainan County

Attendance: The shareholders and proxies in session representing 832,327,518 shares or 90.95% of 915,160,436 outstanding shares.

Chairman: Director Kao Chin-Yuan

Recorded by: Chen Ping-Hung

Parliamentary procedure:

- I. Opening Announcement (Report equity represented by attendance)
- II. Chairperson's speech (skipped)
- III. Report

1st motion

Cause of motion: Report on operation in 2008.

Content: Report on operation of the Company in 2008 is shown in Appendix I.

2nd motion

Cause of motion : Supervisors' review report for the statement of final accounts in 2008.

Content: 1. The statement of final accounts of the Company in 2008 was audited by certified public accountants and reviewed by the supervisors with the issuance of supervisors' review report.

2. The supervisors' review report is shown in Appendix II.

3rd motion

Cause of Motion: Report of the Company's investment in Mainland China.

Content: Investment by the Company in Mainland China as of December 31, 2008 is show in Appendix III.

4th motion

Cause of Motion: Report on the Impairment of assets in 2008.

Content: The Company recognized loss from impairment of assets amounted to NT\$55,948,934 in 2008 in accordance with Statement of Financial Accounting Standards (SFAS) No. 34.

5th motion

Cause of Motion: Report on amendment to the parliamentary procedure for Board of Directors.

Content: 1. The Company amended the "Parliamentary Procedure for Board of Directors of President Chain Store Corporation" in response to the "Regulations Governing Board Meetings of Public Companies" promulgated by Financial Supervisory Commission of the Executive Yuan.

2. Table showing the comparison of the original and the new provisions after the amendment is shown in Appendix IV.

IV. Ratification

1st motion

(Proposed by the Board)

Cause of Motion: Please ratify the statement of final accounts in 2008.

- Content: 1. The statement of final accounts in 2008, including reports on operation and financial statements. The financial statements have been audited by certified public accountants.
2. The aforementioned statements were passed by the Board and reviewed by the Supervisors.
 3. Report on Operation in 2008 was shown in Appendix I. Financial statements and notes to financial statements are displayed in Appendix 5 and on Pages 60-96 and Pages 97–137 of the annual report.
 4. The motion is proposed for decision.

V. Discussion and Election

1nd motion

(Proposed by the Board of Director)

Cause of Motion: Please resolve the income distribution in 2008.

- Content: 1. The table of income distribution in 2008 was shown in Appendix VI.
2. Earning attributable to shareholders of the Company in 2008 amounted to NT\$3,232.77 million and the Board plans to pay cash dividend of NT2.04 per share and stock dividend of NT1.36 per share. The Board asks for a General Meeting to authorize for setting the ex-dividend day and the dividend payment day.
 3. The impact of stock dividends for the company's operating performance, earning per shares and return on equity. Please refer to page 35(Appendix VII)

4. The motion is proposed for decision.

Resolution: Resolved, the General Meeting hereby acts in favor of the motion, with the unanimity of the shareholders in session.

2nd motion

(Proposed by the Board of Directors)

Cause of Motion: Please resolve distribution of the Company's 2008 earnings in the form of stock dividends.

- Content: 1. Proposal to appropriate NTD 1,244,618,190 from distributable earnings for the issuance of 124,461,819 new ordinary shares; equivalent to issuing 136 shares against no payments for every thousand shares.
2. Once the issuance of stock dividends is approved by the authority, the Board of Directors shall be authorized to set a distribution base date for the newly issued shares. The stock dividends will be distributed according to the ownership proportions recorded in the shareholders registry on the distribution base date, and all shareholders will be notified.
3. In cases where existing shareholders are allocated portions of a share, the shareholders may choose to consolidate shareholdings within five days after the distribution base date; after which, portions less than one share are reimbursed by cash proportionally to face value and rounded to the nearest dollar. Any portions of a share leftover will be subscribed by the Company's Employee Benefits Committee at face value.
4. New shares issued in the form of stock dividends bear the same rights and obligations as existing ordinary shares.
5. Following the issuance of new shares, the Company's paid-up capital amounts to NTD 10,396,222,550.

6.For your joint approval.

Resolution: Resolved, the General Meeting hereby acts in favor of the motion, with the unanimity of the shareholders in session.

3th motion

(Proposed by the Board of Directors)

Cause of Motion: Please resolve amendment of the Company's Memorandum of Association.

Content:1.To facilitate further business development, we hereby propose to include the following business activities: "I101090 Food Consultation", "IZ09010 Management System Certification", "J701020 Amusement Park", "F102040 Wholesale of Beverages", "F102170 Wholesale of Sundry Foods", and "F106020 Wholesale of Daily Necessities".

2.Amend authorized capital from NTD 9.6 billion to NTD 10.5 billion.

3.Add the memorandum amendment date under Article 33.

4.For amendment comparisons, please refer to pages 36~39 (Appendix VIII) of this manual

5.For your joint approval.

Resolution: Resolved, the General Meeting hereby acts in favor of the motion, with the unanimity of the shareholders in session.

4th motion

(Proposed by the Board of Directors)

Cause of Motion: Please resolve amendment of the Company's procedures for lending funds to others.

Content:1.To align with the latest "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" announced by The Financial Supervisory Commission, Executive Yuan, on 15 January 2009, we hereby propose to amend the Company's

procedures for lending funds to others.

2. For amendment comparisons, please refer to page 40 (Appendix 9) of this manual.

3. For your joint approval.

Resolution: Resolved, the General Meeting hereby acts in favor of the motion, with the unanimity of the shareholders in session.

5th motion

(Proposed by the Board of Directors)

Cause of Motion: Please resolve amendment of the Company's procedures for making endorsements/guarantees.

Content: 1. To align with the latest "Regulations Governing Lending of Funds and Making of Endorsements/Guarantees by Public Companies" announced by The Financial Supervisory Commission, Executive Yuan, on 15 January 2009, we hereby propose to amend the Company's procedures for making endorsements / guarantees.

2. For amendment comparisons, please refer to pages 41~42 (Appendix 10) of this manual.

3. For your joint approval.

Resolution: Resolved, the General Meeting hereby acts in favor of the motion, with the unanimity of the shareholders in session.

6th motion

(Proposed by the Board of Directors)

Cause of Motion: Please resolve re-election of the Company's Directors and Supervisors.

Content: 1. The Company's 8th Board of Directors and Supervisors are approaching the third year expiry of their term on 13 June 2009.

2. In accordance with the Company Act and the Company's Memorandum of Association, we hereby propose to re-elect Directors and Supervisors during this year's General Shareholders' Meeting. A

total of 9 directors and 2 supervisors shall be elected, whose terms of service starts on 10 Jun 2009 and expires on 9 Jun 2012.

3.For your joint approval.

Resolution: Resolved, the General Meeting hereby acts in favor of the motion, with the unanimity of the shareholders in session.

7th motion

(Proposed by the Board of Directors)

Cause of Motion: Please resolve removal of restrictions on Directors' participation in competing businesses.

Content: 1. In compliance with Article 209 of the Company Act: "Directors must disclose and obtain permission from the General Shareholders' Meeting any material involvements within the business operations of the company but for the benefit of directors themselves or others".

2. Several of our newly elected directors may also simultaneously act as directors or managers of the Company's invested companies performing similar business activities. For compliance concerns, we hereby propose to remove restrictions relating to participations in competing businesses.

3. For your joint approval.

Resolution: Resolved, the General Meeting hereby acts in favor of the motion, with the unanimity of the shareholders in session.

The removal of restrictions on Directors' participation competing is as follow:

Name	Current Position in other Companies
Kao, Chin Yen	<p>Chairman: Uni-President Enterprises Corp.; Ton Yi Industrial Corp.; TTET Union Corp.; Tong-Jeng Development Corp.; President International Development Corp.; Scino Pharm Taiwan Ltd.; Guang Dan Commodity Corp.; Uni-President Development Corp.; Kao Chyuan Inv. Co. Ltd.</p> <p>Director: Tainan Spinning Co. Ltd.; Prince Housing Development Co. Ltd.; Ta Chen Construction & Engineering Corp.; PCSC (China) Limited; President Chain Store (Labuan) Holdings Ltd.; PCSC (China) Drugstore Limited; PCSC (China) Restaurant Limited; PCSC (China) Supermarket Limited; President Chain Store (BVI) Holdings Ltd.; Han Tech Venture Capital Corporation; Uni-President China Holdings Ltd.; Kai Yu (BVI) Investment Co., Ltd.; Global Strategic Investment Inc.; President Energy Development (Cayman Islands) Ltd.; Cayman President Holdings Ltd.</p>
Lin, Chang Sheng	<p>Chairman: President Baseball Team Corp.; President Natural Industrial Corp.; President Pharmaceutical Corp.; Ton Yi Pharmaceutical Corp.; President Coffee Corp.; President Transnet Corp.; Uni-President Department Store Corp.; Uni-President Cold-Chain Corp.; President Life Sciences Co., Ltd.; President Collect Service Co., Ltd.; Kainan Plywood & Wood Mfg. Co., Ltd.; Uni-President Biotechnology Co., Ltd.; Kai Yu Investment Co., Ltd.; Kai Nan Investment Co., Ltd.; Tong Yu Investment Corp.; Tong Shou Investment Corp.; Tong Cheng Investment Corp.; Tong Ren Corp. Limited; Xinjiang President Enterprises Food Co., Ltd.; Tianjing President Enterprises Food Co., Ltd.; Meishan President Feed & Oil Co., Ltd.; Zhongshan President Enterprises Co., Ltd.; Guangzhou President Enterprises Co., Ltd.; Zhengzhou President Enterprises Co., Ltd.; Changjiagang President Nisshin Food Co., Ltd.; Beijing President Enterprises Drinks & Food Co., Ltd.; Nanchang President Enterprises Co., Ltd.; President Enterprises (China) Investment Co., Ltd.; Beijing President Food Co., Ltd.; Chengdu President Enterprises Food Co., Ltd.; Kunshan President Enterprises Food Co., Ltd.; Kunming President Enterprise Food Co., Ltd.; Wuhan President Enterprises Food Co., Ltd.; Harbin President Enterprises Co., Ltd.; Hefei President Enterprises Co., Ltd.; Shenyang President Enterprises Co., Ltd.; Shanghai President International Food Co., Ltd.; Fuzhou President Enterprises Co., Ltd.; Shanghai Songjiang President Enterprises Co., Ltd.; Guangzhou President Healthy Food Technology Co., Ltd.; President (Shanghai) Trading Co., Ltd.; Shanghai President Starbucks Coffee Corp.; Wuhan Uni-President Oven Fresh Bakery Co., Ltd.; President Global Corp.; Uni-President (Vietnam) Co., Ltd.</p> <p>Vice Chairman: President Nisshin Corp.; President Kikkoman Inc.; Toppoly Optoelectronics Corp.</p> <p>Director: Uni-President Enterprises Corp.; President Coffee (Cayman) Holdings Ltd.; Uni-President Oven Bakery (BVI) Investment Co., Ltd.; Nanlien International Corp.; President Entertainment Corp.; Tone Sang Construction Corp.; Ztong Yee Industrial Co., Ltd.; Presicarre Corp.; Ton Yi Industrial Corp.; TTET Union Corp.; Mech-President Corp.; Prince Housing Development Corp.; Ta Chen Construction & Engineering Corp.; Uni-President Development Corp.; Tong-Ho Development Corp.; Uni-Resort Corp.; Tong-Jeng Development Corp.; President International</p>

	<p>Development Corp.; Scino Pharm Taiwan Ltd.; President Tokyo Corp.; President Tokyo Auto Leasing Corp.; CDIB & Partners Investment Holding Corp.; Presitex Co., Ltd.; Synergy Sciencetech Corp.; Tong Ting Gas Corp.; Kuan Tang Industrial Harbor Corp.; Uni-Splendor Corp.; Union Chinese Corp.; Dayeh Takashimaya Department Store Inc.; Uni-President Assets Management Co., Ltd.; Chongqing Carrefour Hypermarket Chainstore Co., Ltd.; Tianjin Fuye Commercial Co., Ltd.; Kunshan President Kikkoman Biotechnology Co., Ltd.; Xiang Lu Industrial Ltd.; Guangzhou Jiaguang Supermarket Co., Ltd.; Ztong Yee (Tianjin) Industrial Co.; Uni-President China Holdings Ltd.; T & T Supermarket Inc.; Kai Nan (BVI) Investment Co., Ltd.; Uni-President Southeast Asia Holdings Ltd.; President International Trade & Investment Corp.; President Chain Store (BVI) Holdings Ltd.; PCSC (China) Limited; President Chain Store (Labuan) Holdings Ltd.; PCSC (China) Drugstore Limited; PCSC (China) Supermarket Limited; PCSC (China) Restaurant Limited; Uni-President Asia Holding Ltd.; Uni-President Logistics (BVI) Holdings Limited; President (BVI) International Investment Holdings Ltd. ; President Energy Development (Cayman Islands) Ltd.</p> <p>President: Kai Yu Investment Co., Ltd.; Kai Nan Investment Co., Ltd.</p>
Hsu, Chung Jen	<p>Chairman: President Drugstore Business Corp.; Ren-Hui Investment Corp.; Capital Inventory Services Corp.; Wisdom Distribution Service Corp.; President YiLan Art & Culture Corp.; President Information Corp.; BankPro E-Service Technology Co.; Duskin Serve Taiwan Co. Ltd.; Mister Donut Taiwan Corp.; Muji Taiwan Co. Ltd.; Retail Support International Corp.; President Cosmed Chain Store (Shen Zhen) Co., Ltd.; T&T Supermarket Inc.; PCSC (SICHUAN) Hypermarket Limited; President FN Business Corporation; Cold Stone Creamery Taiwan Ltd.; Uni-President Oven Bakery Corp.; Shenzhen Cosmed-Livzon Pharmacy Chain Store Co., Ltd.; PCSC (CHENGDU) Hypermarket Limited; Shanghai Cold Stone Ice Cream Corporation; Afternoon Tea Taiwan Co., Ltd.; Rakuten Taiwan Co, Ltd.; Pet Plus Co., Ltd.; 21 Century Enterprise Co., Ltd.; President Being Corp.</p> <p>Director: President Transnet Corp.; President Collect Service Co. Ltd.; Uni-President Cold-Chain Corp.; Uni-President Department Store Corp.; Mech-President Corp.; President Coffee Corp.; President Pharmaceutical Corp.; Uni-President Development Corp.; Tong-Ho Development Corp.; Presicarre Corp.; Tong-Jeng Development Corp.; President Baseball Team Corp.; Ton Yi Pharmaceutical Corp.; Philippine Seven Corp.; Presiclerc Limited; President Coffee (Cayman) Holdings Ltd.; Shanghai President Starbucks Coffee Corp.; President International Development Corp.; Dayeh Takashimaya Department Store Inc.; Nanlien International Corp.; Shan Dong President Yinzuo Commercial Limited; eASPNet Inc.; Duskin China (BVI) Holding Limited; PK Venture Capital Corp.</p> <p>President: Ren-Hui Investment Corp.</p>
Lin, Lung Yi	<p>Chairman: Uni-President Glass Industrial Co., Ltd.; President Organics Co.; A-Spine Asia Co., Ltd.; Qingdao President Feed & Livestock Co., Ltd.</p> <p>Vice Chairman: Uni-President (Vietnam) Co., Ltd.; President Enterprises (China) Investment Co., Ltd.</p> <p>Director: Ton Yi Industrial Corp.; Nanlien International Corp.; President Entertainment Corp.; Tone Sang Construction Corp.;</p>

	<p>Retail Support International Corp.; President Nisshin Corp.; Mech-President Corp.; Prince Housing Development Corp.; Ta Chen Construction & Engineering Corp.; Tong-Ho Development Co., Ltd.; Uni-Resort Corp.; President Tokyo Corp.; President Tokyo Auto Leasing Corp.; President Kikkoman Inc.; Kai Yu Investment Co. Ltd.; Tong-Jeng Development Corp.; President International Development Corp.; PK Venture Capital Corp.; Kai Nan Investment Co. Ltd.; President Transnet Corp.; Uni-President Development Corp.; Tong Yu Investment Corp.; Tong Shou Investment Corp.; Tong Cheng Investment Corp.; Presitex Co., Ltd.; Uni-Splendor Corp.; Kanh Na Hsiung Enterprise Co., Ltd.; President Life Sciences Co., Ltd.; Kainan Plywood & Wood Mfg. Co., Ltd.; Uni-President China Holdings Ltd.; Xinjiang President Enterprises Food Co., Ltd.; Beijing President Food Co., Ltd.; Tianjing President Enterprises Food Co., Ltd.; Meishan President Feed & Oil Co., Ltd.; Zhongshan President Enterprises Co., Ltd.; Guangzhou President Enterprises Co., Ltd.; Zhengzhou President Enterprise Co., Ltd.; Changjiagang President Nisshin Food Co., Ltd.; Beijing President Enterprises Drink & Food Co., Ltd.; Nanchang President Enterprises Co., Ltd.; Chengdu President Enterprises Food Co., Ltd.; Kunshan President Enterprises Food Co., Ltd.; Kunming President Enterprise Food Co., Ltd.; Wuhan President Enterprises Food Co., Ltd.; Harbin President Enterprises Co., Ltd.; Hefei President Enterprises Co., Ltd.; Shenyang President Enterprises Co., Ltd.; Fuchou President Co., Ltd.; Shanghai Songjiang President Enterprises Co., Ltd.; Tianjin Fuye Commercial Co., Ltd.; Guangzhou President Heathly Food Technology Co., Ltd.; President Cosmed Chain Store(Shen Zhen) Co., Ltd.; Outlook Investment Pte Ltd. ; President Energy Development (Cayman Islands) Ltd.</p> <p>Supervisor: Presicarre Corp.; Charng Yang Development Co., Ltd.; Carrefour Stores (Taiwan) Co., Ltd.; Ztong Yee Industrial Co.; Grand Bills Finance Corp.; Scino Pharm Taiwan. Limited; President Collect Service Co. Ltd.; Ztong Yee (Tianjin) Industrial Co., Ltd.</p>
Lo, Chih Hsien	<p>Chairman: Presco Netmarketing Inc.; WEI LIH FOOD INDUSTRIAL CO., LTD; President Packaging Corp.; President Musashino Corp.; Uni-President Dream Parks Corp.; Uni-OAO Travel Service Corp.; XinYa Enterprises Corp.; Tung Hsiang Enterprises Corp.; Tung Shun Enterprises Corp.; Grand Star Investment Ltd.; Sanshui Jianlibao Commerce Co., Ltd.; Uni-President China Holdings Ltd.; Uni-President (Thailand) Ltd.; Uni-President Foods Corp. ; Uni-President (Philippines) Corp.</p> <p>Vice Chairman: President Enterprises (China) Investment Co., Ltd.; Zhejiang Uni-Champion Logistics Development Co., Ltd.</p> <p>Director: Uni-President Enterprise Corp.; Ton Yi Industrial Corp.; President Baseball Team Corp.; Nanlien International Corp.; Uni-President Cold-Chain Corp.; President Entertainment Corp.; Tong-Ho Development Corp.; President Organics Co.; Tong-Jeng Development Corp.; Tait Marketing & Distribution Co., Ltd.; President International Development Corp.; Uni-President Glass Industrial Co., Ltd.; Retail Support International Corp.; President Nisshin Corp.; President Kikkoman Inc.; Kai Yu Investment Co., Ltd.; Kai Nan Investment Co., Ltd.; Tong Yu Investment Corp.; Tong Shou Investment Corp.; Tong Cheng Investment Corp.; Muji Taiwan Co. Ltd.; President Coffee Corp.; Uni-President Vender Corp.; President Investment Trust Corp.; Kuang Chuan Dairy Co., Ltd.; Kuang Chuan Foods Co., Ltd.;</p>

	<p>Guangzhou President Heathly Food Technology Co., Ltd.; Xinjiang President Enterprises Food Co., Ltd.; Beijing President Enterprises Drinks & Food Co., Ltd.; Wuhan President Enterprises Food Co., Ltd.; Kunshan President Enterprises Food Co., Ltd.; Kunming President Enterprise Food Co., Ltd.; Chengdu President Enterprises Food Co., Ltd.; Meishan President Feed & Oil Co., Ltd.; Guangzhou President Enterprises Co., Ltd.; Shenyang President Enterprises Co., Ltd.; Changjiagang President Nisshin Food Co., Ltd.; Qingdao President Feed & Livestock Co., Ltd.; Harbin President Enterprises Co., Ltd.; Hefei President Enterprises Co., Ltd.; Shanghai President International Food Co., Ltd.; Kunshan President Kikkoman Biotechnology Co., Ltd.; Beijing Food Co., Ltd.; Fuchou President Co., Ltd.; Nanchang President Enterprises Co., Ltd.; Cargill-President (Dongguan) Feed Protein Technology Co., Ltd.; Beijing President Kirin Beverage Co., Ltd.; President (Shanghai) Trading Co., Ltd.; Zhengzhou President Enterprise Co., Ltd.; JV-JinMailang Beverage (Beijing) Co., Ltd.; Suzhou President Packaging Co., Ltd.; Yantai North Andre Juice Co., Ltd.; Uni-President International (HK) Co., Ltd. ; CHAMP GREEN CAPITAL LIMITED; Uni-President (Vietnam) Co., Ltd.; PT ABC President Enterprises Indonesia; Linkhope Intl. LCC.; Cargill President Holdings Pte Ltd.</p> <p>Supervisor: Kao Chyuan Inv. Co., Ltd. President: Uni-President Enterprises Corp.</p>
Yang, Wen Lung	<p>Chairman: Uni-President Vender Corp.; Tung Ang Enterprise Corp. Director: Tait Marketing & Distribution Co., Ltd.; President International Development Corp.; Tung-Li Enterprises Corp.; Mao-Tung Corp.; Tung-Huang Enterprises Corp.; President Enterprise (China) Investment Co., Ltd.; Uni-President (Thailand) Ltd.; Uni-President Marketing Co., Ltd.; Uni-President (Vietnam) Co., Ltd. ; PT ABC President Enterprises Indonesia ; Saigon Beverages Joint Stock Company ; Sanshui Jianlibao Commerce Co., Ltd.; Ming-Ching Foods Enterprise Co., Ltd. Supervisor: Ton Yi Industrial Corp.; Tung Yi Enterprises Corp.; Chi-Chyang Corp.</p>
Su, Tsung Ming	<p>Director: President International Development Corp.; Uni-president China Holding Ltd.; Kanh Na Hsiung Enterprise Co., Ltd.; ICE Art Corp.; A-Spine Asia Co., Ltd.; United Venture Capital Corp.; Compliance Certification Services Inc.; Synergy Sciencetech Corp.; Origene Technologies Inc.; AndroSciences Corp.; Aurora Imaging Technology, Inc.; U-Systems Inc.; Times Online Limited; Promontoria Holding Cooperatie U.A.; Jizhan Medical Technology (Xiament) Co., Ltd.; Kunshan SYnergy ScienTech Co., Ltd; Tong-Li Development Corp.; Tong-Jeng Development Corp.; Outlook Investment Pte Ltd.; Uni-Home Tech Corp.; China Technology Venture Company Ltd. Supervisor: Toppoly Optoelectronics Corp.; Swenc Technology Co., Ltd.; Tong Ting Gas Corp.; Kuan Tang Industrial Harbor Corp.; Presitex Co., Ltd.; Uni-President Development Corp.; Tong Yu Investment Corp.; Tong Shou Investment Corp.; Tong Cheng Investment Corp.; Uni-Splendor Corp.; Grand Bills Finance Corp.; President Tokyo Corp.; President Tokyo Auto Leasing Corp.; Presco Netmarketing Inc.; Scino Pharm Taiwan. Ltd. President: President International Development Corp.; President Life Sciences Co., Ltd.</p>
Chang Jen ,	<p>Director: President Cosmed Chain Store (Shen Zhen) Co., Ltd.; Shan Dong President Yinzuo Commercial Limited; PCSC</p>

Yun-Huei	(SICHUAN) Hypermarket Limited; Presiclere Limited; PCSC (CHENGDU) Hypermarket Limited; Uni-President Oven Bakery Corp.; Wuhan Uni-President Oven Fresh Bakery Co., Ltd.; Shenzhen Cosmed-Livzon Pharmacy Chain Store Co., Ltd; Shanghai Cold Stone Ice Cream Corporation; Afternoon Tea Taiwan Co., Ltd.; 21 Century Enterprise Co., Ltd. President: PCSC (SICHUAN) Hypermarket Limited; PCSC (CHENGDU) Hypermarket Limited
Hong, Ho-I	None

V. Preliminary motions

VI. Dissolution

Appendix 1

Business report 2008

Dear Shareholders,

In 2008, the impact of the sub-prime mortgage crisis in the U.S. spread throughout the global economy, making for a challenging business environment. Undaunted by the unfavorable environment, PCSC is still working hard. At the end of 2008, PCSC attained a total of 4,800 7-ELEVEn stores and revenue of NT\$102.2 billion. Gross profit reached record highs by hitting 32%. The consolidated revenue amounted to NT\$145.9 billion, continuing to show a growing momentum.

In response to the growing popularity of LOHAS (Lifestyles of Health and Sustainability), PCSC has been working actively to promote consumption of lighter, healthier food in our convenience store operations. PCSC has developed a wide range of new sandwiches, salads, rice-balls and cold noodles, and has expanded its range of Japanese-style Kanto stew products to include more vegetables, so that consumers can enjoy healthy food choices. There have also been some revolutionary new developments in our private label products. By the end of 2008, City Café, fresh-brewed coffee, was available in 2,500 stores, establishing 7-ELEVEn as Taiwan's largest coffee chain, and making it easy and convenient for consumers to enjoy a cup of delicious, high-quality coffee anywhere, anytime. Our private label product lines expand to beverages, stationeries and household goods; the total number of product items now exceeds 200, providing consumers with a wide range of high-quality, reasonable products to choose from. In 2008, the first joint marketing activity in which the various President Group brands – including President Starbucks Coffee, Muji, Cold Stone Creamery, Cosmed, and Mister Donut – collaborated on a point redemption scheme; the response to this activity from consumers has been very positive. In addition, PCSC has deployed more than 4,700 “ibon” kiosks, which serve as a convenient, multi-function digital service platform, providing a range of services that include ticket sales, loyalty points redemption, credit card and utility bill payment, mobile office services, etc. ibon kiosks have enabled 7-ELEVEn to provide services beyond the geographical restriction and made virtual service provision has grown broader and more diversified. With the introduction of a wide range of new services, 7-ELEVEn is well on the way to fulfilling its corporate vision of becoming a full-function community service center.

Turning to PCSC's long-term investment activities in Taiwan, in line with the company's management philosophy – which emphasizes satisfying consumers' needs – in 2008 PCSC introduced the Pet Plus, Afternoon Tea and Rakuten brands, which have helped to flesh out PCSC's business lines in the Taiwan market. As regards overseas investments, PCSC now has over a hundred Shandong supermarkets operating in China, constituting the largest supermarket chain in Shandong Province; Shanghai Starbucks continues to post steady earnings growth; PCSC is also expanding the operations of its Shanghai Cold Stone and Afternoon Tea brands in the China market. While continuing to pursue sustainable development, PCSC has never forgotten its obligations to society, and has continued to play an important role in charity and environmental protection activities. As part of PCSC's special activities to mark Earth Day and contribute to the combating of global warming, PCSC has adopted a consistent policy of keeping the external lights of all 7-ELEVEn stores throughout Taiwan switched off during the day, thereby saving around 2,868,000 kWh of electricity every year, and also helping to cut carbon dioxide emissions. Working in collaboration with Ching Jing Farm, PCSC has arranged for the planting of over 2,000 cherry trees, as part of its contribution towards saving the planet. In 2008, PCSC was once again included in Commonwealth magazine's list of the 10 most admired companies in Taiwan; PCSC

has headed the magazine's rankings of the largest retail firms in Taiwan for 14 years in a row, and has also been awarded Commonwealth magazine's Excellence in Corporate Social Responsibility award, along with Global Views magazine's Corporate Social Responsibility Award, in recognition of the company's commitment to making a positive contribution to society.

2009 will be another challenging year, but we are confident that, with dedication and hard work, the company will be able to achieve great things; as long as we make the effort to look around us and to think carefully, market opportunities will always be there. In the coming year, PCSC will continue to work actively to develop new products and services that meet our customers' real needs, and to further enhance our overall operational performance.

The opening of the first branch of 7-ELEVEn in Shanghai in April 2009 marked a further strengthening of PCSC's retail operations in China. We are confident that 7-ELEVEn will lead a transformation of the convenience store business in the Shanghai region, giving Shanghai's consumers a whole new shopping experience, and making 7-ELEVEn a welcome new neighbor for Shanghai's citizens.

In the future, PCSC will continue to adhere to its core principles: maintaining strong corporate governance, and creating value for shareholders, while at the same time working to satisfy the full range of consumers' needs, contributing to social progress, and fulfilling the company's responsibilities as a good corporate citizen, thereby laying solid foundation for PCSC's sustainable development.

Chairman 高清恩 President 徐重仁 Chief Accountant

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Appendix 2

President Chain Store Corporation Supervisors' Report

The Board of Directors has prepared and submitted the Company's 2008 Operation Report, Financial Statements, and proposal for appropriation of profit to us. The above have been further examined as being correct and accurate by the undersigned, the supervisor of President Chain Store Corp. According to Article 219 of the Company Law, we hereby submit this report.

To:
General Shareholders' Meeting in 2009

President Chain Store Corporation
Supervisor: Ying, Chien Li



March 20, 2009

Appendix 3

PRESIDENT CHAIN STORE CORP.

Statistics on the Investment in Mainland China in 2008

Currency: in USD

Name of investee in China	Accumulated amount of investment	Proportion of indirect shareholding
Shanghai President Starbucks Coffee Corp.	2,000,000	30%
Presiclerc (Qingdao) Ltd.	3,185,000	48.87%
Presiclerc (Beijing) Ltd.	2,217,625	36.90%
President Cosmed Chain Store (Shen Zhen) Co.,Ltd	6,787,051	65%
Shan Dong President Yinzuo Commercial Limited	4,078,354	55%
PCSC (SICHUAN) Hypermarket Limited	10,130,000	100%
PCSC (CHENGDU) Hypermarket Limited	13,012,500	100%
Shanghai Cold Stone Ice Cream Corporation	14,454,640	100%
Total	55,865,170	

Appendix 4

President Chain Store Corp.

Amendment Comparison Table of Parliamentary Standards of the Board of Directors' Meeting

Original provisions	Amended provisions
Title: The Parliamentary Rules of the Board of Directors' Meeting of Presedent Chain Store Corp.	Title: The Parliamentary Standards of the Board of Directors' Meeting of Presedent Chain Store Corp.
<p>Article I</p> <p>The rules were enacted in accordance with Paragraph 8 of Article 26-3 of the Securities and Exchange Act (hereinafter referred to as the "SEA").</p>	<p>Article I (<u>Basis for the Parliamentary Standards</u>)</p> <p><u>To facilitate sound governance from the Company's Board of Directors, robust supervision and enhanced managerial functionality, the Standards shall be established based on Article 2 of "Regulations Governing Procedures for Board of Directors' Meetings of Public Companies" and serve as basis for compliance.</u></p>
<p>Article II</p> <p>The main parliamentary contents, procedures, required minute details, announcements, and other compliance issues in the parliamentary rules of the Board of Directors' meeting of Presedent Chain Store Corp. (hereinafter referred to as the Company) shall comply with the rles.</p>	<p>Article II (<u>Applicability of the Standards</u>)</p> <p>The main agenda, procedures, required minute details, announcements, and other compliance issues in the parliamentary standards of Board of Directors' meeting of President Chain Store Corp. (hereinafter referred to as the Company) shall comply with <u>the Standards</u>.</p>
<p>Article III</p> <p>The Company's Board of Directors' meetings shall be held at least four times a year, and once every quarter. All Directors and Supervisors shall be informed at least seven days prior to the Board of Directors' meeting with</p>	<p>Article III (<u>Convention and Notification of the Board of Directors' Meetings</u>)</p> <p><u>The Company's Board of Directors' meetings are held once every quarter.</u></p>

Original provisions	Amended provisions
<p>the meeting agenda clearly stated. However, meetings can be convened whenever required to deal with urgent matters.</p> <p>Except for unforeseen emergencies or instances with justifiable reasons, items under Paragraph 1 of Article 7 shall be disclosed upfront in meeting agenda and shall not be raised as provisional motion.</p>	<p>All Directors and Supervisors shall be informed at least seven days prior to the Board of Directors' meeting with the meeting agenda clearly stated. However, meetings can be convened whenever required to deal with urgent matters.</p> <p>Except for unforeseen emergencies or instances with justifiable reasons, items under <u>Article 7</u> shall be disclosed upfront in meeting agenda and must not be raised as provisional motion.</p>
<p>Article V</p> <p>The Company's Board of Directors appointed the "Strategic Planning Group" to administrate meetings. This unit sets agenda for Board of Directors' meetings, provides the relevant materials, and mails them as a convention notice or seven days before the meeting.</p> <p>Directors may request for additional information from the meeting administrator if existing materials were insufficient, and the meeting administrator must not refuse. If information on the proposed motion was deemed insufficient by the Directors, the motion may be postponed with resolution from the Board of Directors.</p>	<p>Article V (<u>Convention notice and convention materials</u>)</p> <p>The Company's Board of Directors appointed the "<u>Management Planning Unit</u>" to administrate meetings. This unit sets agenda for Board of Directors' meetings, provides the relevant materials, and mails them as a convention notice or seven days before the meeting.</p> <p>Directors may request for additional information from the meeting administrator if existing materials were insufficient, and the meeting administrator must not refuse. If information on the proposed motion was deemed insufficient by the Directors, the motion may be postponed with resolution from the Board of Directors.</p>
<p>Article VIII</p> <p>Apart from the mandatory discussions listed under Paragraph 1 of said Article herein, the level of authority and jurisdiction granted to the Board of Directors, either by regulations or by</p>	<p>Article VIII (<u>Principles of Authority for the Board of Directors</u>)</p> <p>Aart from the mandatory discussions listed under <u>Article 7</u>, the level of authority and jurisdiction granted to the Board of Directors, either by</p>

Original provisions	Amended provisions
<p>the Articles of Association, shall be clearly outlined. The updated business progress shall be reported to the Board of Directors.</p>	<p>regulations or by the Articles of Association, shall be clearly outlined. The updated business progress must be reported to the Board of Directors.</p>
<p>Article X Board of Directors' meetings shall be convened by the Company Chairperson, who shall also act as the Chairperson of the meetings. However, the first meetings of every new Board of Directors are convened by the Director receiving the highest votes during the shareholders' meeting, who shall also assume the responsibility of Chairperson of the meeting. If there are more than two convenors, the Chairperson of the meeting shall be appointed through joint referral. If the Chairperson is absent or is unable to exercise the delegated authorities for certain reasons, the Deputy Chairperson shall act on his/her behalf. If there is no Deputy Chairperson or if the Deputy Chairperson is also absent or unable to exercise the delegated authorities, the Chairperson shall appoint one Managing Director to act on his/her behalf. If there is no Managing Director, a Director shall be appointed; if the Chairperson does not appoint a deputy, a deputy shall be jointly appointed by Managing Directors or Directors.</p>	<p>Article X (Chairperson and Deputy Chairperson of the Board of Directors) Board of Directors' meetings shall be convened by the Company Chairperson, who shall also act as the Chairperson of the meetings. However, the first meetings of every new Board of Directors are convened by the Director receiving the highest votes during the shareholders' meeting, who shall also assume the responsibility of Chairperson of the meeting. If there are more than two convenors, the Chairperson of the meeting must be appointed through joint referral. <u>If the Chairperson is absent or is unable to exercise the delegated authorities for certain reasons, the Chairperson shall appoint one Managing Director to act on his/her behalf; if the Chairperson does not appoint a deputy, a deputy shall be jointly appointed by Managing Directors or Directors.</u></p>
<p>Article XII If more than half of the total Directors are absent when the meeting commences, the Chairperson of the</p>	<p>Article XII (<u>Convention of Board of Directors' Meeting</u>) If more than half of the total Directors are absent when the meeting</p>

Original provisions	Amended provisions
<p>meeting may postpone the meeting, subject to a maximum of two postponements. If attendance remains inadequate after two postponements, the Chairperson of the meeting may act according to Paragraph 2 of Article 3 and re-convene the meeting.</p>	<p>commences, the Chairperson of the meeting may postpone the meeting, subject to a maximum of two postponements. If attendance remains inadequate after two postponements, the Chairperson of the meeting may act according to Paragraph 2 of Article 3 and re-convene the meeting. <u>“Total Directors” mentioned above is calculated based on the number of active directors.</u></p>
<p>Article XIII The Board of Directors' meetings shall progress according to the planned procedures of the convention notice; however, meeting procedures may be changed subject to more than half of all present Directors' approval. The Chairperson of the meeting may not dismiss the meeting unless agreed by more than half of all present Directors. While motion is in progress during the Board of Directors' meeting, if the number of seated Directors is less than half of all present Directors, the Chairperson of the meeting shall suspend the meeting and act according to the previous Article.</p>	<p>Article XIII (<u>Discussion of Motions</u>) The Board of Directors' meetings shall progress according to the planned procedures of the convention notice; however, meeting procedures may be changed subject to more than half of all present Directors' approval. The Chairperson of the meeting may not dismiss the meeting unless agreed by more than half of all present Directors. While motion is in progress during the Board of Directors' meeting, if the number of seated Directors is less than half of all present Directors, the Chairperson of the meeting must suspend the meeting and act according to <u>Article 12</u>.</p>
<p>Article XIV The Chairperson of the meeting may announce to close all discussions and call for voting if the motion being discussed is deemed to have reached a decidable state. While voting is in progress during the Board of Directors' meeting, the</p>	<p>Article XIV (<u>Voting and Methods of Supervising and Counting Votes</u>) The Chairperson of the meeting may announce to close all discussions and call for voting if the motion being discussed is deemed to have reached a decidable state. While voting is in progress during the</p>

Original provisions	Amended provisions
<p>Chairperson of the meeting seeks objections from all present Directors and the motion is considered passed if no objections are raised.</p> <p>The voting and the supervising and counting of votes of a Board of Directors' meeting motion may take form in any one of the following ways. If objections arise from any present participants, the majority's opinion prevails:</p> <p>(1) Show of Hands vote (2) Roll-call vote (3) Ballot vote</p> <p>"All Present Directors" mentioned in the previous two sections exclude Directors who are ineligible to exercise their voting interests, as sepecified under Paragraph 1 of Article 16.</p>	<p>Board of Directors' meeting, the Chairperson of the meeting seeks objections from all present Directors and the motion is considered passed if no objections are raised.</p> <p>The Chairperson of the Board of Directors' meeting may choose one of the following methods to vote on a motion. If objections arise from any present participants, the majority's opinion prevails:</p> <p><input type="radio"/> Show of Hands vote <input type="radio"/> Roll-call vote <input type="radio"/> Ballot vote</p> <p><u>If the voting of motions requires the appointment of vote examiners and counters, they shall be appointed by the Chairperson of the meeting.</u></p> <p><u>The vote examiner shall possess the identity of a director.</u></p> <p>"All Present Directors" mentioned in the previous two sections exclude Directors who are ineligible to exercise their voting interests, as sepecified under Paragraph 1 of Article XVI</p>
<p>Article XVI</p> <p>If any one of the following conditions applies to a Director during a motion, the Director may only express opinions and answer queries and may not participate in the discussion or voting of the motion. The director must disassociate himself from the discussion and voting, and must not exercise voting interests on behalf of other Directors:</p> <p>1. Possible conflict of interest or the interests of the represented</p>	<p>Article XVI (<u>Avoidance of Directors' Conflicting Interests</u>)</p> <p>If a Director is found to be involved in meeting motions in any of the following ways, the Director may only express opinions and answer queries and may not participate in the discussion or voting. The director must disassociate himself from the discussion and voting, and must not exercise voting interests on behalf of other Directors:</p> <p>1. Possible conflict of interest or the</p>

Original provisions	Amended provisions
<p>corporate shareholder, against the interests of the Company.</p> <p>2. The Director has deemed the avoidance of conflicting interests necessary.</p> <p>The Board of Directors Resolution shall include Directors who are not eligible to exercise voting interests due to the above reason as “All Present Directors”</p>	<p>interests of the represented corporate shareholder, against the interests of the Company.</p> <p>2. The Director has deemed the avoidance of conflicting interests necessary.</p> <p>The Board of Directors Resolution shall <u>treat</u> the Directors who are not eligible to exercise voting interests due to the above reason <u>in accordance with Paragraph 2 of Articles 206 and Paragraph 2 of Articles 180 of the Company Act.</u></p>
<p>Article XXX</p> <p>Enactments and amendments to these meeting rules shall be subject to the approval of the Board of Directors and report to the shareholders’ meeting.</p>	<p>Article XXX (<u>Supplementary Standards</u>)</p> <p>Enactments of the Rules of Parliamentary Procedure shall be subject to the approval of the Board of Directors and report to the shareholders’ meeting. <u>The Board of Directors is authorized to make subsequent amendments through joint resolution.</u></p>
<p>None</p>	<p>“Provision titles” were added to each Article</p>

Appendix 5

Independent Auditor's Report

(98) Tsai-Shen-Bao-Zhi No. 08003009

To: President Chain Store Corporation

We have audited the accompanying balance sheet of the President Chain Store Corporation as of December 31, 2008 and 2007 and the related statements of income, retained earnings, and cash flow for the years then ended. The financial statements are the responsibility of the management. Our responsibility is to express an opinion on the financial statements based on our audits. The investment income/loss recognized for some of the long-term equity investment valued with equity method in 2008 and 2007 and the information disclosure of the invested company in conformity with Note XI to Financial Statements were valued in accordance with the financial statements audited by other CPAs of the invested company instead of us. The net investment income recognized in accordance with the financial statements audited by other CPAs amounted to NT\$122,025,000 and NT\$105,727,000 in 2008 and 2007, respectively. The relevant long-term equity investment amounted to NT\$756,049,000 and NT\$617,265,000 on December 31, 2008 and 2007, respectively.

We have planned and conducted our audit in accordance with "Guidelines Governing the audit of financial statements by CPA" and generally accepted accounting principle of the R.O.C. to ensure the financial statements are presented without material errors. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on our audit and the audit report issued by other CPAs, the financial statements of President Chain Store Corporation as of December 31, 2008 and 2007, and the results of its operations and its cash flows for the years then ended are in conformity with the "Guidelines Governing the Preparation of Financial Reports by Securities Issuers," "Business Accounting Law," "Business Accounting Guidelines" and accounting principles generally accepted in the Republic of China.

As stated in Note III, 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 "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 expense and liability according to the law or obligation of assumption once

the amount of cost can be reasonably estimated.

We have issued an unqualified opinion on the 2008 and 2007 consolidated financial statements of President Chain Store Corporation.

PRICEWATERHOUSE COOPER

CPA

Chang Ming-Hui, CPA

Tsai Chin-Pao, CPA

Former SEC, Ministry of Finance

Certificate No.: (81) Tai-Tsai-Cheng (VI) No. 79059

(76) Tai-Tsai-Cheng (I) No. 11412

March 16, 2009

President Chain Store Corporation
Balance Sheet
At the End of Dec. 31, 2008 and 2007

Unit: NTS 1,000

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		Dec. 31, 2008		Dec. 31, 2007				31, 2008		Dec. 31, 2007	
		Amount	%	Amount	%			Amount	%	Amount	%
Assets											
Current assets											
1100	Cash and cash equivalents (Note IV (I))	\$ 5,511,944	12	\$ 5,878,691	14	2200	Derivative financial liabilities for hedging - current (Note X)	\$ -	-	\$ 5,070	-
1310	Financial assets – current – whose changes in fair value are recognized in earnings (Note IV(II))	6,150,257	13	2,690,000	6	2120	Notes payable	1,204,623	2	668,869	2
1140	Net accounts receivable	636,768	1	351,697	1	2130	Notes payable-related parties (Note V)	3,697,432	8	801,107	2
1160	Other receivable (Note V)	373,155	1	406,462	1	2140	Accounts payable	1,927,846	4	268,964	1
120X	Inventories (Note IV (III))	3,294,205	7	2,992,748	7	2150	Accounts payable-related parties (Note V)	3,780,791	8	5,211,898	12
1260	Prepayments (Note VII)	737,133	2	842,100	2	2160	Income taxes payable (Note IV (XV))	275,156	1	641,120	1
1280	Other current assets – other (Note IV (XV))	216,453	-	189,943	-	2170	Accrued expenses (Notes IV (IX) & V)	1,804,740	4	2,269,906	5
11XX	Total current assets	16,919,915	36	13,351,641	31	2210	Other accounts payable (Note IV (X))	5,102,882	11	5,553,230	13
Funds and long-term investments						2260	Advance receipts (Note IV(XI))	1,449,046	3	1,030,519	2
1450	Available-for-sale financial assets – non current (Note IV (IV))	524,157	1	739,868	2	2270	Current portion of long-term liabilities (Note IV(XII))	-	-	1,100,000	3
1480	Financial assets measured at cost – non current (Note IV (V))	11,495,959	24	11,809,168	27	21XX	Total current liabilities	19,242,516	41	17,550,683	41
1421	Long-term investments (Equity method) (Notes IV (VI) & V)	7,791,808	17	6,728,202	16	2420	Long-term liability	9,100,000	19	6,700,000	16
1425	Payments for long-term investmets	35,648	-	-	-	24XX	Total long-term liabilities	9,100,000	19	6,700,000	16
14XX	Total funds and long-term investments	19,847,572	42	19,277,238	45	2810	Other liability	339,057	1	357,894	1
Fixed assets (Note IV (VII))						2820	Accrued pension liabilities (Note IV (XIV))	1,903,229	4	1,774,455	4
Costs						2880	Guarantee Deposit received	98,147	-	-	-
1501	Land	1,431,598	3	1,534,726	4	28XX	Other liabilities-other	2,340,433	5	2,132,349	5
1521	Building	905,216	2	931,189	2	2XXX	Total other liabilities	30,682,949	65	26,383,032	62
1571	Machinery and equipment	10,894,687	23	9,742,905	23	Shareholders' equity					
1631	Lease improvement	4,878,664	10	4,609,762	11	Capital (Note IV (XVI))					
1681	Other equipment	11,243	-	12,659	-	3110	Paid-in Capital	9,151,604	19	9,151,604	21
15X8	Revaluation increments	55,374	-	-	-	Retained earnings (Note IV (XVII))					
15XY	Total costs	18,176,782	38	16,831,241	40	3310	Legal reserve	3,288,123	7	2,925,882	7
15X9	Less: accumulated depreciation	(10,396,494)	(22)	(9,186,707)	(22)	3350	Unappropriated retained earnings	3,584,747	8	3,649,236	9
1670	Construction in progress and prepayments for equipment	23,580	-	-	-	Other adjustment in SH's equity					
15XX	Total net fixed assets	7,803,868	16	7,644,534	18	3460	Unrealized revaluation gains	54,010	-	-	-
Intigable assets						3450	Unrealized gains on financial assets (Notes III & X)	258,551	1	469,191	1
1750	Cost of computer software	273,206	1	90,380	-	3420	Cumulative translation adjustment	110,608	-	58,567	-
Other assets						3XXX	Total shareholders' equity	16,447,643	35	16,254,480	38
1800	Assets leased to others (Notes IV (VIII) & VII)	1,290,897	3	1,306,976	3	Commitment or contingency (Notes V & VII)					
1820	Refundable deposit (Note VII)	982,474	2	957,408	3	1XXX	Total Liabilities and Shareholders' Equity	\$ 47,130,592	100	\$ 42,637,512	100
1880	Other assets-other	12,660	-	9,335	-						
18XX	Total other assets	2,286,031	5	2,273,719	6						
1XXX	Total Assets	\$ 47,130,592	100	\$ 42,637,512	100						

Please refer to the notes to the consolidated financial statements and the audit report date March 16, 2009 by CPA Chang Ming-Hui and Tsai Chin-Pao of PRICEWATERHOUSECOOPERS

Chairman: Kao Chin-Yen

Manager: Hsu Chung-Jen

Chief Accountant: Lai Hsin-Ti

President Chain Store Corporation
Income Statement
For the period ended Dec. 31, 2008 and 2007

Expressed in NT\$ 1,000

	<u>2008</u>		<u>2007</u>	
	Amount	%	Amount	%
Operating revenue				
4110 Net sales	\$ 98,437,069	96	\$ 98,885,377	97
4800 Other operating revenue (Note V)	<u>3,754,189</u>	<u>4</u>	<u>3,478,464</u>	<u>3</u>
4000 Total operating revenue	102,191,258	100	102,363,841	100
Operating cost				
5110 Cost of goods sold	(69,456,344)	(68)	(70,619,544)	(69)
5910 Gross profit	<u>32,734,914</u>	<u>32</u>	<u>31,744,297</u>	<u>31</u>
Operating expenses (Notes IV (XIX) & V)				
6100 Selling expenses	(25,573,274)	(25)	(24,445,774)	(24)
6200 General and administration expenses	(2,554,713)	(3)	(2,444,990)	(2)
6000 Total operating expenses	<u>(28,127,987)</u>	<u>(28)</u>	<u>(26,890,764)</u>	<u>(26)</u>
6900 Operating income	<u>4,606,927</u>	<u>4</u>	<u>4,853,533</u>	<u>5</u>
Non-operating income				
7310 Gain on valuation of financial assets	230	-	3,607	-
7122 Dividend Income	146,261	-	48,656	-
7130 Gain on disposal of fixed assets	96,790	-	-	-
7140 Gain on disposal of investments	33,224	-	99,257	-
7210 Rental income (Note V)	74,815	-	60,249	-
7480 Other income (Note V)	<u>698,466</u>	<u>1</u>	<u>695,324</u>	<u>1</u>
7100 Total non-operating income	<u>1,049,786</u>	<u>1</u>	<u>907,093</u>	<u>1</u>
Non-operating expenses				
7510 Interest expenses	(154,248)		(87,170)	
7521 Investment loss (equity method) (Note IV (VI))	(509,898)		(285,905)	
7530 Loss on disposal of fixed assets	-		(34,008)	
7630 Impairment losses (Note IV (V))	(559,489)	(1)	(499,177)	(1)
7880 Other expenses	<u>(51,334)</u>	<u>-</u>	<u>(44,300)</u>	<u>-</u>
7500 Total non-operating expenses	<u>(1,274,969)</u>	<u>(1)</u>	<u>(950,560)</u>	<u>(1)</u>
7900 Income before tax	4,381,744			
8110 Income Tax (Note IV (XV))	<u>(862,063)</u>	<u>(1)</u>	<u>(1,187,653)</u>	<u>(1)</u>
9600 Net Income After Tax	<u>\$ 3,519,681</u>	<u>3</u>	<u>\$ 3,665,890</u>	<u>4</u>
	<u>(pre-tax)</u>	<u>(after tax)</u>	<u>(pre-tax)</u>	<u>(after tax)</u>
Earnings per share (Note IV (XVIII))				
9750 Net Income	<u>\$ 4.79</u>	<u>\$ 3.85</u>	<u>\$ 5.26</u>	<u>\$ 3.96</u>
Diluted earnings per share				
9850 Net income	<u>\$ 4.77</u>	<u>\$ 3.84</u>	<u>\$ 5.26</u>	<u>\$ 3.96</u>

Chairman: Kao Chin-Yen

President: Hsu Chung-Jen

Chief Accountant: Lai Hsin-Ti

President Chain Store Corporation
Statement of Cash Flows
For the period ended Dec. 31, 2008 and 2007

Unit: NT\$ 1,000
2007

	2008		2007
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>			
Net Income:	\$ 3,519,681	\$	3,622,413
Adjustments to reconcile net income to net cash provided by operating activities:			
Loss (Gain) on valuation of financial assets	(229)	(	3,607)
Decrease of allowance for uncollectible accounts	(2,801)	(	168)
Allowance for reduction of inventory to market	-	(	9,437)
Depreciation	1,778,671		1,713,069
Depreciation of leased assets	14,170		14,170
Amortization	22,783		77,935
Gain on disposal of financial assets measured at cost	321	(	119,747)
Financial assets measured at cost- impairment losses	559,489		499,177
Cash dividend from long-term investment under equity method	315,143		307,362
Investment loss (gain) recognized under equity method	509,898		285,905
Loss (gain) on disposal of fixed assets	(96,790)		34,008
Changes in assets and liabilities:			
(Increase) Decrease in Financial assets— current— whose changes in fair value are recognized in earnings	(3,460,028)	(	2,555,320)
Accounts receivable	(285,071)	(	50,125)
Other accounts receivable	36,108		21,041
Inventories	(301,457)	(	102,529)
Prepayments	104,967	(	174,050)
Other current assets-others	(21,571)		22,812
Deferred income tax assets	(4,939)		3,064
Notes payable	3,432,079	(	1,074,140)
Accounts payable	227,775		296,750
Income tax payable	(365,964)	(	21,104)
Accrued expenses	(465,166)	(	152,062)
Other accounts payable	(433,725)		887,261
Advance receipts	418,527		7,373
Accrued pension liabilities	(18,837)	(	586)
Net cash provided by operating activities	5,483,034		3,529,465

President Chain Store Corporation
Statement of Cash Flows
For the period ended Dec. 31, 2008 and 2007

Unit: NT\$ 1,000
2007

	<u>2008</u>	
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Acquisition of financial assets measured at cost	(\$ 380,000)	(\$ 269,055)
Proceeds from disposal of financial assets measured at cost	133,399	361,415
Capital reduction for cost method investment	-	66,947
Acquisition of long-term investment-equity method	(1,836,605)	(1,009,057)
Increase of prepayments for long-term investments	(35,648)	-
Decrease of bond portfolios with no active market	-	20,000
Purchase of fixed assets	(2,098,010)	(2,446,952)
Proceeds from disposal of fixed assets	394,238	15,174
Purchase of computer software	(205,609)	(90,380)
Increase in refundable deposits	(25,066)	(19,805)
Increase in other assets- other	(3,325)	(10,118)
Net cash used by investing activities	(4,056,626)	(3,381,831)
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>		
Increase (decrease) in long-term loans	2,400,000	6,700,000
Payback of corporate bond	(1,100,000)	(900,000)
Increase in guarantee deposit received	128,774	205,361
Payment of cash dividends	(2,928,513)	(3,203,062)
Payment of employees' bonus	(260,814)	(275,250)
Payment of directors' remuneration	(32,602)	(34,406)
Net cash provided by financing activities	(1,793,155)	2,492,643
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT	(366,747)	2,640,277
BEGINNING BALANCE OF CASH AND CASH EQUIVALENT	5,878,691	3,238,414
ENDED BALANCE OF CASH AND CASH EQUIVALENT	\$ 5,511,944	\$ 5,878,691
<u>Supplement disclosures of cash flow information</u>		
Interest paid	\$ 163,848	\$ 101,577
Income tax paid	\$ 1,232,966	\$ 1,205,693
<u>Investing activities of partial payment on cash</u>		
Purchase of property, plant and equipment	\$ 2,081,387	\$ 2,555,463
Add: beginning balance of account payable on equipment	387,355	278,844
Less: ended balance of account payable on equipment	(370,732)	(387,355)
Cash purchase of property, plant and equipment	\$ 2,098,010	\$ 2,446,952

Please refer to the notes to financial statements and the audit report dated March 16, 2009 by CPA Chang Ming-Hui
and Tsai Chin-Pao of PRICEWATERHOUSECOOPERS

Chairman: Kao Chin-Yen

President: Hsu Chung-Jen

Chief Accountant: Lai Hsin-Ti

Independent Auditor's Report

(98) FAR No. 08003754

To: President Chain Store Corporation

We have audited the accompanying balance sheet of President Chain Store Corporation and subsidiaries as of December 31, 2008 and 2007 and the related statements of income, retained earnings, and cash flows for the years then ended. These financial statements are the responsibility of the management. Our responsibility is to express an opinion on the financial statements based on our audits. The subsidiary's financial statements included in the consolidated financial statements were audited by other CPAs instead of us. Therefore, the amount of the financial statements reported is based on the audit reports of other CPAs. The subsidiary's total assets amounted to NT\$2,173,618 thousand and NT\$1,453,044 thousand representing 3.41% and 2.54% of total consolidated assets on December 31, 2008 and 2007, respectively. The net operating income amounted to NT\$4,393,695 thousand and NT\$3,642,000 thousand representing 3.01% and 2.57% of total consolidated net operating income in 2008 and 2007, respectively. The investment income/loss recognized for some of the long-term equity investment valued with Equity Method in 2008 and 2007 and the information disclosure of the invested company in conformity with Note XI to Financial Statements were valued in accordance with the financial statements audited by other CPAs of the invested company instead of us. The relevant long-term equity investment amounted to NT\$245,298 thousand and NT\$244,349 thousand on December 31, 2008 and 2007, respectively. Net investment income recognized in accordance with the financial statements audited by other CPAs amounted to NT\$77,609 thousand and NT\$61,748 thousand in 2008 and 2007, respectively.

Our audit in accordance with "Guidelines Governing the audit of financial statements by CPA" and generally accepted auditing principle of the R.O.C. to ensure the financial statements are presented without material errors. We have planned and conducted An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on our audit and the audit report issued by other CPAs, the financial statements of President Chain Store Corporation as of December 31, 2008 and 2007, and the results of its operations and its cash flows for the years then ended in conformity with the “Guidelines Governing the Preparation of Financial Reports by Securities Issuers” and accounting principles generally accepted in the Republic of China.

As stated in Note III, President Chain Store Corporation and subsidiaries have adopted, Effective on January 1, 2008, the principles under Accounting Research and Development Foundation in Taiwan (96) Kee. mi. tzi No. 052 Letter “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.

PRICEWATERHOUSE COOPER

CPA

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Tsai Chin-Pao, CPA

Former SEC, Ministry of Finance

Certificate No.: (81) Tai-Tsai-Cheng (VI) No. 79059

(76) Tai-Tsai-Cheng (I) No. 11412

March 16, 2009

President Chain Store Corp. and Subsidiaries
Consolidated Balance Sheet
At the end of Dec. 31, 2008 and 2007

		Dec. 31, 2008		Dec. 31, 2007				Unit : NT\$ 1,000			
		Amount	%	Amount	%			Amount	%		
<u>Assets</u>						<u>Liabilities and Shareholders' equity</u>					
Current assets						Liability					
1100	Cash and cash equivalents (Note IV (I))	\$ 9,133,700	14	\$ 8,770,296	15	2100	Short-term debt	\$ 1,983,834	3	\$ 1,448,978	3
1310	Financial assets whose changes in fair value are recognized in earnings-current (Note IV (II))	6,881,851	11	3,650,678	6	2110	Short-term notes and bills payable	339,630	1	509,456	1
1320	Financial assets in available-for-sale - current	1,000	-	-	-	2200	Derivative financial liabilities for hedging-current (Note X)	-	-	5,070	-
1140	Net accounts receivable (Note V)	2,307,877	4	2,252,675	4	2120	Notes payable (Note V)	2,347,968	4	1,434,584	2
1160	Other receivable (Note V)	1,685,139	3	795,397	2	2140	Accounts payable	12,380,632	19	9,340,157	16
120X	Inventories (Note IV (III))	8,366,875	13	7,524,707	13	2150	Accounts payable-related parties (Note V)	2,037,800	3	1,900,468	3
1260	Prepayments	1,333,656	2	1,240,005	2	2160	Income taxes payable (Note IV (XVI))	466,822	1	795,612	1
1280	Other current assets (Note IV (XVI))	380,797	-	423,424	1	2170	Accrued expenses (Notes IV (XI) & V)	3,806,696	6	3,807,818	7
11XX	Total current assets	30,090,895	47	24,657,182	43	2210	Other accounts payable (Note IV (XII))	6,393,053	10	6,684,334	12
1450	Funds and long-term investments	525,796	1	739,867	1	2260	Advance receipts	1,974,905	3	1,237,465	2
1480	Available-for-sale financial assets— non current (Note IV (IV))	12,115,984	19	12,485,634	22	2270	Long-term liabilities-current portion (Notes IV (XIII) (XIV) & V)	411,197	1	1,529,664	3
1421	Long-term investments (Equity method) (Note IV (VI) & V)	1,201,175	2	852,795	1	21XX	Total current liabilities	32,142,537	51	28,693,606	50
1425	Prepaid long-term investment	35,648	-	-	-	2420	Long-term liabilities	9,983,543	16	7,560,699	13
14XX	Total funds and long-term investments	13,878,603	22	14,078,296	24	2450	Long-term loans (Note IV (XIV))	95,690	-	79,721	-
501	Fixed assets (Note IV (VIII) (X) 、 V & VI)					24XX	Long-term notes and accounts payable-related parties (Note V)	10,079,233	16	7,640,420	13
501	Cost					2810	Total long-term liabilities	495,425	1	520,924	1
510	Land	2,151,840	3	2,251,524	4	2820	Other liabilities	2,103,500	3	1,986,894	4
520	Building	2,375,186	4	2,223,326	4	2880	Accrued pension liabilities (Note IV (XV))	121,519	-	28,606	-
550	Transportation equipment	2,299,219	3	2,128,341	4	28XX	Guarantee deposit received	2,720,444	4	2,536,424	5
570	Operating equipment	14,551,747	23	12,779,434	22	2XXX	other liabilities-other	44,942,214	71	38,870,450	68
630	Lease improvement	8,353,471	13	7,484,479	13	3110	Total liabilities				
680	Other equipment	2,943,756	5	2,746,014	5	3110	Shareholders' equity				
85X	Revaluation increments	55,374	-	-	-	3110	Capital (Note IV (XVII))				
85XY	Cost and revaluation	32,730,593	51	29,613,118	52	3110	Common stock	9,151,604	14	9,151,604	16
85X9	Less: accumulated depreciation	(17,571,562)	(28)	(15,107,170)	(26)	3310	Retained earnings (Note IV (XVIII))	3,288,123	5	2,925,882	5
8599	Less: accumulated impairment	(20,303)	-	(3,033)	-	3350	Legal reserve	3,584,747	6	3,649,236	6
8670	Construction in progress and prepayments for equipment	340,530	1	182,502	-	3460	Unappropriated earnings	54,010	-	-	-
85XX	Total net fixed assets	15,479,258	24	14,685,417	26	3460	Other adjustments in shareholders' equity				
85XX	Intangible assets					3450	Unrealized revaluation increments	258,551	-	469,191	1
8750	Cost of computer software	392,045	1	120,554	-	3420	Unrealized revaluation gains (Notes III & X)	110,608	-	58,567	-
8760	Goodwill	348,492	1	266,645	1	3610	Cumulative translation adjustment	2,337,787	4	2,154,992	4
8780	Other intangible assets	212,244	-	208,819	-	3XXX	Minority interest	18,785,430	29	18,409,472	32
87XX	Total intangible assets	952,781	2	596,018	1		Total shareholders' equity				
8800	Other assets						Commitment and contingent liability (Notes V & VII)				
8800	Assets leased to others (Note IV (IX) & VII)	994,582	1	1,008,617	2						
8810	Idle assets	974	-	-	-						
8820	Redundable deposit (Note VII)	1,788,842	3	1,726,223	3						
8880	Other assets-other (Note IV(XVI))	541,709	1	528,169	1						
88XX	Total other assets	3,326,107	5	3,263,009	6						
8XXX	Total assets	\$ 63,727,644	100	\$ 57,279,922	100	1XXX	Liabilities and shareholders' equity	\$ 63,727,644	100	\$ 57,279,922	100

Please refer to the notes to the consolidated financial statements and the audit report date March 16, 2009 by CPA Chang Ming-Hui and Tsai Chin-Pao of PRICEWATERHOUSECOOPERS

Chairman: Kao Chin-Yen

Manager: Hsu Chung-Jen

Chief Accountant: Lai Hsin-Ti

President Chain Store Corp. and Subsidiaries
Consolidated Income Statement
For the period ended Dec. 31, 2008 and 2007

Expressed in NT 1,000

	2008		2007	
	Amount	%	Amount	%
Operating revenue (Note V)				
4110 Net sales	\$ 141,152,973	97	\$ 134,042,809	94
4800 Other operating revenue	<u>4,746,144</u>	<u>3</u>	<u>7,938,831</u>	<u>6</u>
4000 Total operating revenue	145,899,117	100	141,981,640	100
Operating cost				
5110 Cost of goods sold (Notes IV(XII) & V)	(99,255,637)	(68)	(98,323,983)	(69)
5910 Gross profit	<u>46,643,480</u>	<u>32</u>	<u>43,657,657</u>	<u>31</u>
Operating expenses (Notes IV(XX) & V)				
6100 Selling expenses	(34,530,144)	(24)	(31,571,469)	(22)
6200 General and administration expenses	(6,359,042)	(4)	(7,034,793)	(5)
6000 Total operating expenses	(40,889,186)	(28)	(38,606,262)	(27)
6900 Operating income	<u>5,754,294</u>	<u>4</u>	<u>5,051,395</u>	<u>4</u>
Non-operating income				
7110 Interest Income	112,146	-	59,598	-
7310 Gain on valuation of financial assets	1,800	-	3,058	-
7122 Dividend Income	146,261	-	51,572	-
7130 Gain on disposal of fixed assets	36,243	-	-	-
7140 Gain on disposal of investments	51,261	-	117,302	-
7210 Rental Income	78,187	-	93,556	-
7480 Others	<u>221,196</u>	<u>-</u>	<u>1,108,392</u>	<u>1</u>
7100 Total non-operating income	<u>647,094</u>	<u>-</u>	<u>1,433,478</u>	<u>1</u>
Non-operating expenses				
7510 Interest expenses	(297,451)	-	(194,533)	-
7521 Loss on investments (equity method) (Note IV (VI))	(140,349)	-	(104,310)	-
7530 Loss on disposal of fixed assets	-	-	(57,313)	-
7540 Loss on disposal of investment	(11,239)	-	-	-
7570 Allowance for reduction of inventory to market	(45,271)	-	(62,258)	-
7630 Impairment Loss (Note IV(V) (X))	(631,914)	(1)	(638,540)	(1)
7880 Others	(368,166)	-	(128,554)	-
7500 Total non-operating expenses	(1,494,390)	(1)	(1,185,508)	(1)
7900 Income before tax	4,906,998	3	5,299,365	4
8110 Income Tax (Note IV (XVI))	(1,304,328)	(1)	(1,497,161)	(1)
9600XX Net Income After Tax	<u>\$ 3,602,670</u>	<u>2</u>	<u>\$ 3,802,204</u>	<u>3</u>
Attributed to:				
9601 Shareholders of the Company	\$ 3,519,681	2	\$ 3,622,413	3
9602 Minority Interests	<u>82,989</u>	<u>-</u>	<u>179,791</u>	<u>-</u>
	<u>\$ 3,602,670</u>	<u>2</u>	<u>\$ 3,802,204</u>	<u>3</u>
	(pre-tax)	(after tax)	(pre-tax)	(after tax)
Earnings per share (in NT \$ dollars) (Note IV(XIX))				
9710 Net Income After Tax	\$ 5.36	\$ 3.94	\$ 5.79	\$ 4.16
9740AA Minority Interests	(0.57)	(0.09)	(0.32)	(0.20)
9750 Shareholders of the Company	<u>\$ 4.79</u>	<u>\$ 3.85</u>	<u>\$ 5.47</u>	<u>\$ 3.96</u>
Diluted earnings per share				
9850 Net Income	<u>\$ 4.77</u>	<u>\$ 3.84</u>	<u>\$ 5.47</u>	<u>\$ 3.96</u>

Please refer to the notes to the consolidated financial statements and the audit report date March 16, 2009
by CPA Chang Ming-Hui and Tsai Chin-Pao of PRICEWATERHOUSECOOPERS

Chairman: Kao Chin-Yen

Manager: Hsu Chung-Jen

Chief Accountant: Lai Hsin-Ti

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2006									
Balance at January 1, 2006	\$ 9,151,604	\$ 2,178,381	\$ 55,758	\$ 3,787,913	\$ -	(\$ 531)	\$ 1,682,040	\$ 16,855,165	
Appropriation of earnings in 2005:									
Legal reserve	-	365,268	-	(365,268)	-	-	-	-	
Reversion of special reserve	-	-	(55,227)	55,227	-	-	-	-	
Employee bonuses	-	-	-	(200,559)	-	-	-	(200,559)	
Remuneration to Directors & Supervisors	-	-	-	(66,853)	-	-	-	(66,853)	
Cash dividends	-	-	-	(3,111,545)	-	-	-	(3,111,545)	
Total consolidated net income(loss) in 2006	-	-	-	3,822,328	-	-	227,993	4,050,321	
Adjustments on unrealized gains/losses of financial instruments	-	-	-	-	359,191	-	-	359,191	
Adjustments of conversion from foreign long-term investments	-	-	-	-	-	7,487	-	7,487	
Statement of Minority Equity	-	-	-	-	-	-	120,547	120,547	
Balance at December 31, 2006	<u>\$ 9,151,604</u>	<u>\$ 2,543,649</u>	<u>\$ 531</u>	<u>\$ 3,921,243</u>	<u>\$ 359,191</u>	<u>\$ 6,956</u>	<u>\$ 2,030,580</u>	<u>\$ 18,013,754</u>	
2007									
Balance at January 1, 2007	\$ 9,151,604	\$ 2,543,649	\$ 531	\$ 3,921,243	\$ 359,191	\$ 6,956	\$ 2,030,580	\$ 18,013,754	
Appropriation of earnings in 2006:									
Legal reserve	-	382,233	-	(382,233)	-	-	-	-	
Reversion of special reserve	-	-	(531)	531	-	-	-	-	
Employee bonuses	-	-	-	(275,250)	-	-	-	(275,250)	
Remuneration to Directors & Supervisors	-	-	-	(34,406)	-	-	-	(34,406)	
Cash dividends	-	-	-	(3,203,062)	-	-	-	(3,203,062)	
Total consolidated net income(loss) in 2007	-	-	-	3,622,413	-	-	179,791	3,802,204	
Adjustments on unrealized gains/losses of financial instruments	-	-	-	-	110,000	-	-	110,000	
Adjustments of conversion from foreign long-term investments	-	-	-	-	-	51,611	-	51,611	
Statement of Minority Equity	-	-	-	-	-	-	(55,379)	(55,379)	
Balance at December 31, 2007	<u>\$ 9,151,604</u>	<u>\$ 2,925,882</u>	<u>\$ -</u>	<u>\$ 3,649,236</u>	<u>\$ 469,191</u>	<u>\$ 58,567</u>	<u>\$ 2,154,992</u>	<u>\$ 18,409,472</u>	

The accompanying notes constituted an integral part of the financial statements. Please refer to the report of independent accountants, Tsai Ching-Pao and Chen Mei-Tzu, CPAs of PRICEWATERHOUSECOOPERS on March 11, 2008.

Chairman: Kao Chin-Yen

President: Hsu Chung-Jen

Chief Accountant: Lai Hsin-Ti

President Chain Store Corp. and Subsidiaries
Consolidated Statement of Cash Flows
For the period ended Dec. 31, 2008 and 2007

Unit: NT\$ 1,000

<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	<u>2008</u>	<u>2007</u>
Consolidated Net Income	\$ 3,602,670	\$ 3,802,204
Adjustments to reconcile net income to net cash provided by operating activities		
Loss (Gain) on valuation of financial assets	(1,800)	(3,058)
Alllowance for reduction of inventory to market	45,271	62,258
Depreciation	3,186,923	3,135,196
Depreciation of leased assets	14,035	9,496
Amortization	223,870	296,548
Gain on disposal of financial assests measured at cost	-	(119,747)
Financial assests measured at cost- impairment losses	617,265	630,922
Cash dividend from long-term investment under equity method	42,290	28,415
Investment loss (gain) recognized under equity method	140,349	104,310
Impairment loss of fixed assets and idling assets	14,649	7,617
Loss on disposal of fixed assets	(36,243)	57,313
Changes in assets and liabilities:		
Increase in financial assets whose changes in fair value are recognized in earnings	(3,229,373)	(2,225,850)
Accounts receivable	(55,202)	(77,523)
Other accounts receivable	(889,742)	18,875
Inventories	(887,439)	(1,223,803)
Prepayments	(93,651)	(205,825)
Deferred income tax	(13,435)	(37,346)
Other current assets	42,627	6,651
Notes payable	913,384	(1,309,734)
Accounts payable	3,177,807	1,293,051
Income tax payable	(328,790)	(19,014)
Accrued expenses	(1,122)	168,391
Other accounts payable	17,866	1,086,425
Advance receipts	737,440	(84,179)
Accured pension liabilities	(25,499)	9,560
Other liabilities-other	(6,378)	28,606
Net cash provided by operating activities	<u>7,207,772</u>	<u>5,439,759</u>

President Chain Store Corp. and Subsidiaries
Consolidated Statement of Cash Flows
For the period ended Dec. 31, 2008 and 2007

Unit: NT\$ 1,000

	2008	2007
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Increase in financial assets in available-for-sale	(\$ 2,639)	\$ -
Acquisition of long-term investment-cost method	(380,000)	(269,055)
Proceeds from disposal of financial assets measured at cost	133,399	361,415
Capital reduction for cost method investment	-	66,947
Acquisition of long-term investment-equity method	(575,260)	(307,492)
Increase in prepaid long-term investment	(35,648)	-
Purchase of fixed assets	(4,717,919)	(4,895,148)
Proceeds from disposal of fixed assets	659,191	33,828
Increase in intangible assets	(399,935)	(283,692)
Increase in refundable deposit	(62,619)	(93,276)
Increase in other assets	(194,838)	(146,027)
Net cash used for investing activities	<u>(5,576,268)</u>	<u>(5,532,500)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>		
Increase in short-term debt	534,856	233,220
(Decrease) Increase in short-term notes and bills payable	(169,826)	7,123
(Decrease) Increase in long-term loans	2,420,346	6,729,291
Payback of corporate bond	(1,100,000)	(900,000)
Increase in guarantee deposit received	116,606	214,038
Payment of cash dividends	(2,928,513)	(3,203,062)
Payment of employees' bonus	(260,814)	(275,250)
Payment of directors' remuneration	(32,602)	(34,406)
Increase in minority interest	99,806	(55,379)
Net cash provided by financing activities	<u>(1,320,141)</u>	<u>2,715,575</u>
Cumulative translation adjustment	52,041	51,611
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT	363,404	2,674,445
BEGINNING BALANCE OF CASH AND CASH EQUIVALENT	<u>8,770,296</u>	<u>6,095,851</u>
ENDED BALANCE OF CASH AND CASH EQUIVALENT	<u>\$ 9,133,700</u>	<u>\$ 8,770,296</u>
 <u>Supplement disclosures of cash flow information</u>		
Interest paid	<u>\$ 266,724</u>	<u>\$ 176,182</u>
Income tax paid	<u>\$ 1,489,513</u>	<u>\$ 1,462,550</u>
<u>Investing and financing activities of partial payment on cash:</u>		
Purchase of property, plant and equipment	\$ 4,414,721	\$ 5,097,287
Add: beginning balance of account payable on equipment	713,199	511,060
Less: ended balance of account payable on equipment	(410,001)	(713,199)
Cash purchase of property, plant and equipment	<u>\$ 4,717,919</u>	<u>\$ 4,895,148</u>

Please refer to the notes to the consolidated financial statements and the audit report date March 16, 2009
by CPA Chang Ming-Hui and Tsai Chin-Pao of PRICEWATERHOUSECOOPERS

Chairman: Kao Chin-Yen

Manager: Hsu Chung-Jen

Chief Accountant: Lai Hsin-Ti

Appendix 6

President Chain Store Corp. Allocation of earnings for 2008

Title	Unit: NTD Amount
Income after tax 2008	3,519,680,603
Less: Legal reserve fund	(351,968,060)
Distributable earnings	3,167,712,543
Add: Unallocated earnings for the previous year	65,066,069
Cumulative distributable earnings	<u>3,232,778,612</u>
Less: Proposed allocation 2008	
Cash dividends of \$2,040 per 1000 shares	1,866,927,289
Stock dividends of 136 shares per 1000 shares	1,244,618,190
Unallocated earnings - end	<u><u>121,233,133</u></u>

- Note: 1. The earnings distribution plan will first distribute 2008 earnings; any shortfalls will be reimbursed by previous undistributed earnings.
2. Cash dividends are distributed to individual shareholders to the nearest dollar.
3. Distribution of shares less than \$1 will be transferred to the Employee Benefits Committee.
4. Distribution of employees' cash bonus is planned at NTD190,062,753, while directors' remuneration is planned at NTD31,677,125.

Appendix 7

Impacts of the upcoming stock dividends toward the Company's business performance, earnings per share, and return on shareholders' equity:

According to the regulations announced by The Securities and Futures Bureau in Notice (89) TAI CAI ZHENG 1 ZI DI 00371 dated 1 February 2000, the Company did not produce and publish its 2009 financial projections, hence is not required to disclose such information.

Information relating to the disbursement of employee bonus and directors' remuneration approved by the Company's Board of Directors

In compliance with the regulations announced by The Financial Supervisory Commission in Motice JIN GUAN ZHENG ZI DI 6-0960013218 dated 30 Mar 2007, earnings distributions approved by The Board of Directors are disclosed below:

1. Proposed to distribute employee cash bonus totaling NTD 190,062,753 and directors' remuneration totaling NTD 31,677,125. Employee cash bonus shall be disbursed entirely in cash.
2. Employee bonus for the year 2008 is estimated at NTD 191,805,356 while directors' remuneration amounts to NTD 31,967,559. The proposed disbursement of employee bonus and directors' remuneration was less than the estimated disbursement of employee bonus and directors' remuneration by an amount of \$2,033,037; this difference arose because the estimated disbursements were calculated based on unaudited profit / loss figures while the proposed disbursements were adjusted based on audited figures. The difference between the actual and estimated disbursements shall be used to offset current period expenses once the proposal is approved during The Annual General Meeting.

Appendix 8

President Chain Store Corp.

Contrast table for amendments to the Company's articles of incorporation

Provision	Amended provisions	Existing provisions	Contents
Article II	<p>The Company's business lines include:</p> <p>I. F203020 Tobacco and alcohol retail.</p> <p>II. F206020 Daily supplies retail.</p> <p>III. F203010 Foods and beverage retail.</p> <p>IV. F208040 Cosmetics retail.</p> <p>V. F399990 Other retails.</p> <p>VI. IZ01010 Photocopy.</p> <p>VII. F201070 Flowers and plants retail.</p> <p>VIII. F209060 Education, musical instruments and entertainment appliances retail.</p> <p>IX. JE01010 Lease.</p> <p>X. IE01010 Agent of telecommunication subscribers' numbers.</p> <p>XI. I401010 General advertising service.</p> <p>XII. F207050 Fertilizer retail.</p> <p>XIII. F210010 Timepiece retail.</p> <p>XIV. F210020 Eyeglasses retail.</p> <p>XV. F216010 Photographic equipment retail.</p> <p>XVI. JZ99030 Photography.</p> <p>XVII. F204110 Clothes, dresses, shoes, hats, umbrellas and retail apparel.</p> <p>XVIII. A102060 Food supply.</p> <p>XIX. F213010 Electric appliances retail.</p> <p>XX. F208031 Medical facilities retail.</p> <p>XXI. F205040 Furniture, bedding, kitchenware and fixtures retail.</p> <p>XXII. F207030 Sanitary appliances retail.</p>	<p>The Company's business lines include:</p> <p>I. F203020 Tobacco and alcohol retail.</p> <p>II. F206020 Daily supplies retail.</p> <p>III. F203010 Foods and beverage retail.</p> <p>IV. F208040 Cosmetics retail.</p> <p>V. F399990 Other retails.</p> <p>VI. IZ01010 Photocopy.</p> <p>VII. F201070 Flowers and plants retail.</p> <p>VIII. F209060 Education, musical instruments and entertainment appliances retail.</p> <p>IX. JE01010 Lease.</p> <p>X. IE01010 Agent of telecommunication subscribers' numbers.</p> <p>XI. I401010 General advertising service.</p> <p>XII. F207050 Fertilizer retail.</p> <p>XIII. F210010 Timepiece retail.</p> <p>XIV. F210020 Eyeglasses retail.</p> <p>XV. F216010 Photographic equipment retail.</p> <p>XVI. JZ99030 Photography.</p> <p>XVII. F204110 Clothes, dresses, shoes, hats, umbrellas and retail apparel.</p> <p>XVIII. A102060 Food supply.</p> <p>XIX. F213010 Electric appliances retail.</p> <p>XX. F208031 Medical facilities retail.</p> <p>XXI. F205040 Furniture, bedding, kitchenware and fixtures retail.</p> <p>XXII. F207030 Sanitary appliances retail.</p>	<p>Add business lines to meet the Company's need in business</p>

Provision	Amended provisions	Existing provisions	Contents
	XXIII. F401010 International trade. XXIV. JA01010 Motor repair service. XXV. F214030 Auto and motorcycle spare parts and outfit retail. XXVI. G202010 Parking lot management XXVII. IZ14011 Public welfare lottery agency. XXVIII. JZ99050 Intermediary service XXIX. IZ99990 Other industrial and commercial service XXX. F401161 Cigarette products importer. XXXI. F401171 Alcohol drinks importer. XXXII. Any business not prohibited or restricted by laws and regulations other than the business requiring special approval. XXXIII. F301010 Department store. XXXIV. F301020 Supermarket. XXXV. F399010 Convenience store. XXXVI. F501030 Beverage shop. XXXVII. F501060 Restaurant. XXXVIII. G902011 2 nd class telecommunication business. XXXIX. I301010 Information software service. XL. I301030 Electronic information supply service. XLI. F206010 Hardware retailer store XLII. F212011 Petroleum stations. XLIII. 212050 Petroleum products retailing XLIV. JA01990 Other automobile services. XLV. F212061 Natural gas stations	XXIII. F401010 International trade. XXIV. JA01010 Motor repair service. XXV. F214030 Auto and motorcycle spare parts and outfit retail. XXVI. G202010 Parking lot management XXVII. IZ14011 Public welfare lottery agency. XXVIII. JZ99050 Intermediary service XXIX. IZ99990 Other industrial and commercial service XXX. F401161 Cigarette products importer. XXXI. F401171 Alcohol drinks importer. XXXII. Any business not prohibited or restricted by laws and regulations other than the business requiring special approval. XXXIII. F301010 Department store. XXXIV. F301020 Supermarket. XXXV. F399010 Convenience store. XXXVI. F501030 Beverage shop. XXXVII. F501060 Restaurant. XXXVIII. G902011 2 nd class telecommunication business. XXXIX. I301010 Information software service. XL. I301030 Electronic information supply service. XLI. F206010 Hardware retailing XLII. F212011 Filling station operation XLIII. F212050 Petroleum products retailing XLIV. JA01990 Other automobile-related service XLV. F212061 Natural gas stations XLVI. I101090 Food Consultation. XLVII. IZ09010 Management System Certification	

Provision	Amended provisions	Existing provisions	Contents
		XLVIII. J701020 Amusement Park. XLIX. F102040 Wholesale of Beverages. L. F102170 Wholesale of Sundry Foods. LI. F106020 Wholesale of Daily Necessities. LII. IZ09010 Management System Certification LIII. J701020 Amusement Park. LIV. F102040 Wholesale of Beverages. LV. F102170 Wholesale of Sundry Foods. LVI. F106020 Wholesale of Daily Necessities. LVII. I101090 Food Consultation.	
Article VI	The company's capital is 9.6 billion NT dollars. The outstanding shares are 0.96 billion and par value per share is 10 NT dollars. Among which unalotted shares will be authorize by the Board to issue.	The company's capital is 10.5 billion NT dollars. The outstanding shares are 1.05 billion and par value per share is 10 NT dollars. Among which unalotted shares will be authorize by the Board to issue.	Capital of additions
Article XXXIII	These Articles were enacted subject to agreement of all incorporators on June 4, 1987, and enforced as of the date when the competent authority approved them. 1 st amendment was made on June 26, 1990. 2 nd amendment was made on June 28, 1991. 3 rd amendment was made on May 29, 1992. 4 th amendment was made on August 21, 1992. 5 th amendment was made on May 26, 1993. 6 th amendment was made on May 20, 1994. 7 th amendment was made on Dec. 27, 1994. 8 th amendment was made on May. 16, 1996. 9 th amendment was made on May 20, 1997. 10 th amendment was made on May 21, 1998.	<u>Addition to the original provision: 21th amendment to the Company's articles of incorporation was made on June 10, 2009.</u>	Dates of additions and amendments

Provision	Amended provisions	Existing provisions	Contents
	11 th amendment was made on June 10, 1999. 12 th amendment was made on June 15, 2000. 13 th amendment was made on June 12, 2001. 14 th amendment was made on June 25, 2002. 15 th amendment was made on June 24, 2003. 16 th amendment was made on June 29, 2004. 17 th amendment was made on June 14, 2005. 18 th amendment was made on June 14, 2006. 19 th amendment was made on June 15, 2007. 20 th amendment was made on June 30, 2008.		

Appendix 9

President Chain Store Corp. Amendment Comparison Table of Procedures for Lending Funds to Others

Original policy	Amended policy	Description
<p>V. Lending procedure: 5. If the outstanding loan balance exceeds the granted limit due to unforeseen developments, a rectification plan must be established and presented to each Supervisor.</p>	<p>V. Lending procedure: 5. If the outstanding loan balance exceeds the granted limit, <u>or should the counterparty become ineligible for the loan</u> due to unforeseen developments, a rectification plan must be established, presented to each Supervisor, <u>and carried out according to schedule until completion.</u></p>	<p>Amended according to “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies”.</p>
<p>X. Controlling procedures on loans to subsidiaries: 4. None.</p>	<p>X. Controlling procedures on loans to subsidiaries: 4. Loans between 100% owned foreign subsidiaries of the Company (either directly or indirectly) are not subject to the maximum loan quantum of 40% of net worth. Also the loan quantum is not restricted to one year or one operating cycle</p>	<p>Amended according to “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” to remove restrictions on maximum loan quantum (40% of net worth) and maximum loan tenors (one year or one operating cycle) when lending between 100% owned foreign companies with dominant voting interests.</p>

Appendix 10

President Chain Store Corp.

Amendment Comparison Table of Procedures for Making Endorsements/Guarantees

Original policy	Amended policy	Description
<p>III. The Company may provide endorsements / guarantees to the following parties:</p> <p>4. Guarantee to industry peers for undertaking construction jobs as specified in contract terms, or guarantee to joint ventures proportionally to the respective ownership interests of each investor.</p>	<p>III. The Company may provide endorsements / guarantees to the following parties:</p> <p>4. Guarantee to industry peers <u>or joint contractors</u> for undertaking construction jobs as specified in contract terms, or guarantee to joint ventures <u>by all investors</u> proportionally to the respective ownership interests of each investor.</p>	<p>Amended according to “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” to remove restrictions on guarantees to industry peers and include joint contractors. Specified that guarantees to jointly invested companies may be provided only when all investors have agreed to share risks and guarantee proportionally to their respective ownership interests for the most effective use of capital.</p>
<p>VI. Endorsement / guarantee procedures: None.</p>	<p>VI. Endorsement/guarantee procedures:</p> <p>6. If the amount endorsed / guaranteed exceeded the maximum cap or should the guaranteed party become ineligible due to unforeseen changes, a rectification plan must be established, presented to each Supervisor, and carried out accordingly until completion.</p>	<p>Amended according to “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies”.</p>

Original policy	Amended policy	Description
VIII. All matters relating to the company’s endorsements and guarantees must be disclosed and announced in accordance with “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” announced by the Securities and Futures Supervisory Commission, Executive Yuan.	VIII. All matters relating to the company’s endorsements and guarantees must be disclosed and announced in accordance with “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” announced by the <u>Financial Supervisory Commission, Executive Yuan.</u>	Policies amended to accommodate changes to the names of the local authorities.
XI. Endorsement / guarantee procedures for subsidiaries: 2. Subsidiaries of the Company must adhere to their own “Endorsement / Guarantee Procedures” before making endorsements / guarantees to others. Disclosures and announcements shall be made by the Company in accordance with “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” announced by the Securities and Futures Supervisory Commission, Executive Yuan.	XI. Endorsement / guarantee procedures for subsidiaries: 2. Subsidiaries of the Company must adhere to their own “Endorsement / Guarantee Procedures” before making endorsements / guarantees to others. Disclosures and announcements shall be made by the Company in accordance with “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” announced by the <u>Financial Supervisory Commission, Executive Yuan.</u>	
XII. All matters not specified in these procedures are subject to the governance of “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” announced by the Securities and Futures Supervisory Commission, Executive Yuan.	XII. All matters not specified in these procedures are subject to the governance of “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” announced by the <u>Financial Supervisory Commission, Executive Yuan.</u>	