

PRESIDENT CHAIN STORE CORP.

General shareholders' meeting 2008

Parliamentary Manual



June 13, 2007

PRESIDENT CHAIN STORE CORP.

General Shareholders' Meeting of PRESIDENT CHAIN STORE CORP. 2008

I. Agenda

Time: 9:00 a.m. on June 13, 2008 (Friday)

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

I. 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 2007

2nd motion

Cause of motion : Supervisors' review report for the statement of final accounts in 2007.

3rd motion

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

4th motion

Cause of Motion: Report on the Impairment of assets in 2007.

5th motion

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

(IV) Ratification and discussion

1st motion

Cause of Motion: Please ratify the statement of final accounts in 2007. (Proposed by the Board)

2nd motion

Cause of Motion: Please resolve the earning distribution in 2007. (Proposed by the Board)

3rd motion

Cause of Motion: Please resolve the amendments to Articles of Incorporation. (Proposed by the Board)

(V) Election

Cause of Motion: election of supervisor to fill a vacancy of the 8th Board. (Proposed by the Board)

(VI) Preliminary motions

(VII) Dissolution

II. Report

1st motion

Cause of motion: Report on operation in 2007.

Content: Report on operation of the Company in 2007 is shown on page 8(Appendix I).

2nd motion

Cause of motion : Supervisors' review report for the statement of final accounts in 2007.

Content: 1. The statement of final accounts of the Company in 2007 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 on page 9~10 (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, 2007, please refer to Appendix III.

4th motion

Cause of Motion: Report on the Impairment of assets in 2007.

Content: The Company recognized loss from impairment of assets amounted to NT\$499,176,757 in 2007 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 on page 12~16 (Appendix IV).

III. Ratification and discussion

1st motion

(Proposed by the Board)

Cause of Motion: Please ratify the statement of final accounts in 2007.

- Content: 1. The statement of final accounts in 2007, 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 2007 was shown on page 8 (Appendix I). Financial statements and notes to financial statements are displayed on page 17~30(Appendix 5) and on Pages 66-96 and Pages 104–137 of the annual report.

Resolution:

2nd motion

(Proposed by the Board)

Cause of Motion: Please resolve the earning distribution in 2007.

- Content: 1. The table of earning distribution in 2007 was shown on page 31(Appendix VI).
2. Earning attributable to shareholders of the Company in 2007 amounted to NT\$3,286.99 million and the Board plans to pay cash dividend of NT3.2 per share. The Board asks for a General Meeting to authorize for setting the ex-dividend day and the dividend payment day.

Resolution:

3rd motion

(Proposed by the Board)

Cause of Motion: Please resolve the amendments to Articles of Incorporation.

- Content:
1. Propose to add a number of businesses for business needs: “Hardware retailer stores”, “Petroleum stations”, “ Petroleum products retailing”, “Other automobile services”, and “Natural gas stations”. (Article II).
 2. Amendment date (Article XXXIII)
 3. Table showing the original and the new provisions was shown on page 8 32~34(Appendix VII).
 4. The motion is proposed for decision.

Resolution:

IV. Election

(Proposed by the Board)

Cause of Motion: election of supervisor to fill a vacancy of the 8th Board.

- Content:**
1. Nan Shan Life Insurance Co., Ltd. resigned as Supervisor on June 13, 2008, and resulted in only one Supervisor seat in the Company.
 2. The Board proposed to hold an election of supervisor to fill the vacancy pursuant to Article 216 of the Company Act that “public companies shall elect at least two supervisors”, and the Articles of Incorporation of the Company that “The Company shall hold two seats of Supervisors”.
 3. One supervisor shall be elected, whose term of office shall commence from June 13, 2008 to June 13, 2009.
 4. The Board hereby asks for decision.

V. Preliminary motions

VI. Dissolution

Appendix 1

Business report 2007

In 2007, the operation environment was characterized by skyrocketing oil and consumer prices that significantly affected the disposable incomes and consumption confidence of people. The retailing industry as a whole only grew by 3.45% over 2006. Yet, President Chain Store Corporation performed well with the effort of all in the enterprise. As of December 31, 2007, 7-ELEVEn had 4,705 stores across Taiwan with revenue amounting to NT\$102,364 million with growth of gross profit and corporate earnings by 31.01% and 4.74%, which were record high in 10 years, respectively. Consolidated revenue with the subsidiaries amounted to NT\$141,982 million, indicated the sustained enlargement of business scale.

In the operation of convenience stores, the Company made the supply of freshly brewed and exotic coffee easily available to the consumers under the slogan that “the whole city is our café” and hence launched the operation of the City Café. This move was highly received by consumers. In addition, the Company also helped consumers in solving the problems of carrying coin change by introducing a new device for payment, the icash wave. This new device is the combination of credit card and e-purse so that consumers do not have to bring change for shopping. This is indeed a new experience. Furthermore, the Company took another step forward to turning 7-ELEVEn into a community city through the installation of a new generation digital platform- the ibon, in 4,600 stores that integrates invoicing, bonus redemption, payment, mobile office and other functions, so that the virtual operation space of 7-ELEVEn expanded tremendously.

In long-term, new retailing enterprises including Uni-President Department Store Corp.(Hankyu), President FN Business Corp. (Plaza), Cold Stone Creamery Taiwan Ltd.(Cold stone) and Marks & Spencer Taiwan opened to business in 2007. With their launches into business, United Chain Store Corporation could further deploy their retailing network. In overseas development, revenues in Shan Dong President Yinzuo Supermarket and Shanghai President Starbucks Coffee Corp. grew substantially. This achievement allowed President Chain Store Corporation to lay a new milestone for overseas operation.

The Company also made the best effort to be a corporate citizen. In 2007, more than 4,000 7-ELEVEn stores supported the “save energy; save the world” campaign in Summer by turning off lights. This move helped to save energy and demonstrated the concerned of the Company for environmental protection, a win/win game. For long time, the Company has actively participated in social charities and made all 7-ELEVEn stores channels for charitable donations, round-the-clock. These stores put together the love of the people to their society all year round and together helped 59 social charity groups to raise almost NT\$900 million charity funds for helping the disadvantaged. The effort and giving of the Company has earned the support and recognition of all social sectors. In 2007, the Company was cited by CommonWealth Magazine as the Third Benchmark Enterprise in Reputation out of some 1,100 enterprises and was conferred the “CommonWealth Corporate Citizen Award”.

The effort of President Chain Store Corporation in business stimulated the development and improvement of the retailing industry of Taiwan. From substantive channels to virtual channels, from gourmet food to fashion stores, the Company allows 1 out of 4 people in Taiwan to interact with any of its stores or locations of the chain each day.

Indeed, the Company and the living of the consumers are intertwined. In 2008, the Company will have 4,900 7-ELEVEn stores in Taiwan. Through product differentiation and innovation in convenience store operation, the Company will attract more consumers to bolster the competitive power of 7-ELEVEn so that the concept to the chain store as a part of the community can further be materialized and intact. Nonetheless, new businesses including Afternoon Tea Taiwan Co., Ltd., Rakuten Taiwan Co., Ltd., and Pet Plus Co., Ltd. will be introduced in 2008 too in order to satisfy the needs of the consumers of different lifestyles and for sustaining the development of the enterprise in scope and in size.

In the future, President Chain Store Corporation will persist to create value for the shareholders, to improve the well-being of its employees, to enhance customer satisfaction, and to propel society forward. The Company will lay down a solid foundation for perpetuating the operation.

Chairman  President  Chief Accountant 

Appendix 2

President Chain Store Corporation Supervisors' Report

The Board of Directors has prepared and submitted the Company's 2007 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 2008

President Chain Store Corporation
Supervisor: Ying, Chien Li



March 25, 2008

President Chain Store Corporation

Supervisors' Report

The Board of Directors has prepared and submitted the Company's 2007 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 2008

President Chain Store Corporation
Supervisor: Nan Shan Life Insurance Company, Ltd.
Representative: Tse, Koon Hang Ada



March 25, 2008

Appendix 3

PRESIDENT CHAIN STORE CORP.
Statistics on the Investment in Mainland China in 2007

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 (Shautou) Ltd.	2,469,991	48.78%
Presiclerc (Qingdao) Ltd.	3,085,000	48.87%
Presiclerc (Beijing) Ltd.	2,217,625	36.90%
President Cosmed Chain Store (Shen Zhen) Co.,Ltd	3,932,000	65%
Shan Dong President Yinzuo Commercial Limited	4,078,354	55%
PCSC (SICHUAN) Hypermarket Limited	10,130,000	100%
PCSC (CHENGDU) Hypermarket Limited	12,962,500	100%
Shanghai Cold Stone Ice Cream Corporation	5,154,640	100%
Total	46,030,110	

Appendix 4

President Chain Store Corp.

Contrast table for amendments to parliamentary rules of directors' meetings

Amended provisions	Existing provisions	Contents
<p>Article V The Board designates the “Strategic Planning Group” as the function for <u>administering convention and related business</u>, prepares the agenda for the Board meetings, and provides materials for the meeting in <u>full detail</u>, and delivers such materials by giving notice or 7 days before the scheduled date of meeting.</p> <p>Where the directors may suggest the materials for the meeting provided are <u>insufficient</u>, they may request the <u>administrative</u> arm of the parliamentary unit for supplementary information. The parliamentary unit shall not decline such request. If, however, the directors hold that the information available in insufficient for the meeting, they may petition for postponement of the meeting at the approval of the Board.</p>	<p>Article V The parliamentary unit shall be the “strategic planning group” designated by the Company’s Board of Directors. The parliamentary unit shall draft the directors’ meeting parliamentary procedures and provide <u>sufficient</u> information, and send them out altogether when calling a meeting or within 7 days prior to the meeting.</p> <p>Where directors consider that the parliamentary information is not sufficient, they may ask the parliamentary unit for supplementing the information. Where directors consider that the information about motions is not sufficient, the examination on the motions may be postponed subject to the Board of Directors’ resolution.</p>	<p>Adjustment of the wording for clarity.</p>
<p>Article VII The following issues shall be discussed in the Board of Directors’ meeting:</p> <ol style="list-style-type: none"> I. The Company’s business plan. II. Annual financial report and semi-annual financial report. 	<p>Article VII The following issues shall be discussed in the Board of Directors’ meeting:</p> <ol style="list-style-type: none"> I. The Company’s business plan. II. Annual financial report and semi-annual financial report. 	<p>Adjustment of the wording for clarity.</p>

Amended provisions	Existing provisions	Contents
<p>III. Internal control system defined or amended pursuant to Article 14-1 of the Securities and Exchange Act.</p> <p>IV. The regulations governing acquisition or disposition of assets, derivatives transactions, granting of loans, making of endorsement or guarantee enacted or amended pursuant to Article 36-1 of the Securities and Exchange Act.</p> <p>V. Offering, issue or private placement of equity securities.</p> <p>VI. Appointment and dismissal of financial, accounting or internal audit supervisors.</p> <p>VII. Pursuant to Article XIV-III of the Securities and Exchanges Act, other issues to be resolved by the General Meeting or referred to the Board by the General Meeting under applicable legal rules or the Corporate Charter or issues ruled by competent authority as material.</p>	<p>III. Internal control system defined or amended pursuant to Article 14-1 of the Securities and Exchange Act.</p> <p>IV. The regulations governing acquisition or disposition of assets, derivatives transactions, granting of loans, making of endorsement or guarantee enacted or amended pursuant to Article 36-1 of the Securities and Exchange Act.</p> <p>V. Offering, issue or private placement of equity securities.</p> <p>VI. Appointment and dismissal of financial, accounting or internal audit supervisors.</p> <p>VII. Issues <u>to be resolved</u> by shareholders' meetings or submitted to the Board of Directors according to Article 14-3 of the Securities and Exchange Act, other laws or regulations, or material issues required by the competent authority.</p>	
<p>Article VIII Unless specified in Section I of the previous article that specific issues shall be discussed in Board Meeting, the Board may <u>authorized</u> relevant ranks in the corporate hierarchy with explicitly stated content for discussion under the law or the corporate charter. Such authorized bodies shall report to the Board the status and result of the discussion.</p>	<p>Article VIII Except the issues to be submitted to the Board of Directors' meeting for debate as referred to in Paragraph I of said Article herein, where the Board of Directors authorizes the authority of the Board of Directors pursuant to laws or the Company's articles of incorporation between sessions of the Board of Directors' meetings, it is necessary to specify expressly the hierarchy, contents and issues of the authorization and no general authorization shall be</p>	<p>Adjustment of the wording for clarity.</p>

Amended provisions	Existing provisions	Contents
	granted, and it is necessary to report the execution thereof to the Board of Directors.	
<p>Article IX An attendance book shall be provided for present directors to affix their signatures when the Board of Directors' meeting is held. Directors shall attend the Board of Directors' meeting personally. Where any director cannot attend the meeting personally, he may appoint another director to attend the meeting on behalf of him pursuant to the Company's articles of incorporation. Directors taking part in the meeting in the form of video conference shall be deemed attending the meeting personally, provided that they shall fax the attendance forms to replace the affixation of signature into the attendance book. Where any director appoints another director to attend the meeting on behalf of him, he shall issue a letter of proxy and specify the scope of authorization with respect to the grounds for calling the meeting. The proxy referred to in the 2nd paragraphs shall act on behalf of no more than one person.</p>	<p>Article IX An attendance book shall be provided for present directors to affix their signatures when the Board of Directors' meeting is held. Directors shall attend the Board of Directors' meeting personally. Where any director cannot attend the meeting personally, he may appoint another director to attend the meeting on behalf of him pursuant to the Company's articles of incorporation. Directors taking part in the meeting in the form of video conference shall be deemed attending the meeting personally, provided that they shall fax the attendance forms to replace the affixation of signature into the attendance book. Where any director appoints another director to attend the meeting on behalf of him, he shall issue a letter of proxy and specify the scope of authorization with respect to the grounds for calling the meeting. The proxy referred to in the preceding II paragraphs shall act on behalf of no more than one person.</p>	Adjustment of the wording for clarity.
<p>Article XII In the event that less than half of the Directors are still present after the scheduled time of Board meeting, the Chairman may announce to postpone the meeting for no more than 2 instances. If no quorum could be qualified in the two postponed meetings, the Chairman <u>may</u> call for a new round of session pursuant to Article III-II.</p>	<p>Article XII Where present directors are less than a majority of the whole directors at the meeting time, the chairperson may announce a postponement of the meeting, provided that <u>the meeting shall not be postponed more than twice</u> and the postponement shall not be more than one hour in total. Where present directors are still less than a majority of the</p>	For keeping flexibility in the postponement of meetings, the Chairman may elect to call for a new round of session without the constraints of time and thereby relevant provisions and

Amended provisions	Existing provisions	Contents
	whole directors after the meeting is postponed for twice, the chairperson shall call the meeting again pursuant to Paragraph 2 of Article III herein.	wording were amended.
<p>Article XIII</p> <p>The Directors shall follow the <u>agenda</u> set for the meeting. The agenda may be modified at the consent of more than half of the Directors in session.</p> <p>The Chairman shall not announce to adjourn the meeting without the consent of more than half of the Directors in session. If less than half of the Directors in session showed up in the course of the Board meeting, the Chairman may announce to suspend the meeting and apply the provision mentioned in <u>Section I</u> of the previous article.</p>	<p>Article XIII</p> <p>The Board of Directors' meeting shall follow the parliamentary <u>content</u> scheduled in the notice of the meeting, provided that the procedure may be altered subject to a majority of present directors' approval.</p> <p>The chairperson shall not adjourn the meeting unless <u>the parliamentary content scheduled in the preceding paragraph</u> is approved by a majority of the present directors.</p> <p>Where seated directors are less than a majority of the present directors in the process of the meeting, the chairperson may announce a suspension of the meeting and apply the preceding Article.</p>	Adjustment of the wording for clarity.
<p>Article XIV</p> <p>Where the chairperson considers that the debate of a motion may be put to a vote, he may announce a suspension of the debate and put the motion to vote. In balloting on specific motion, The Chairman may consult the Directors in session, and <u>pass the motion if there is no adverse opinion</u>.</p> <p>The votes may be decided by the chairperson in any of the following manners, provided that where any present director expresses dissent, they shall be decided in the manner determined subject to a majority of the present directors' opinion:</p> <p>I. By raising hands;</p>	<p>Article XIV</p> <p>Where the chairperson considers that the debate of a motion may be put to a vote, he may announce a suspension of the debate and put the motion to vote. Where no present directors raise objection upon the chairperson's inquiry before a motion is put to a vote in the meeting, the motion shall be deemed passing with the effect as same as that of passage by votes.</p> <p>The votes may be decided by the chairperson in any of the following manners, provided that where any present director expresses dissent, they shall be decided in the manner determined subject to a majority of the present directors' opinion:</p>	<p>I. Adjustment of the wording for clarity.</p> <p>II. To avoid the Chairman having to proceed passing a motion at the consultation of the minority seats of Directors in session with no adverse opinion, the provision is amended as further to the consent of the Directors in session, the monitoring of balloting and the counting of votes shall be stated in the rules for parliamentary procedure.</p> <p>III. According to a Letter issued by the Ministry of Economic</p>

Amended provisions	Existing provisions	Contents
<p>II. By roll-call voting; III. By voting. <u>Directors in session as mentioned in the previous 2 sections shall not include the requirement of Article XVI-1 on Directors not entitled to vote.</u></p>	<p>I. By raising hands; II. By roll-call voting; III. By voting.</p>	<p>Affairs, Directors present in Board meeting but shall avoid any conflict of interest in voting shall be counted for qualifying a quorum. However, Article 206-1 of the Company Act requires that whether there were more than half of the Directors in session vote in favor of particular motion, such directors elected not to vote in order to avoid the conflict of interest are not counted as directors attending the meeting whereby counted to qualify for a quorum. The addition of Section IV explicitly stated that "Directors in session as a whole" as</p>

Amended provisions	Existing provisions	Contents
		referred to include directors who elect not to vote in order to avoid any conflict of interest for clarification.
<p>Article XVI</p> <p>Where any of the following may apply, the Directors <u>may present a statement and answer to questions</u> but are not entitled to take part in the discussion and balloting. In addition, such Directors <u>shall be excused from the discussion and balloting</u>, and shall not act a proxy for other Directors and vote in the name of the on behalf of their principals:</p> <p>I. Where the director has any interest with himself or the corporation he acts on behalf of with respect to any motion and it is thereby likely that the Company's interest will be infringed.</p> <p>II. Where the director considers that he should abstain the voting voluntarily.</p> <p>The directors who are prohibited from exercising voting right in resolution made by the Board of Directors pursuant to the requirements provided in the preceding paragraph shall be included into the present directors.</p>	<p>Article XVI</p> <p>In the event of any of the following circumstances, a director shall not take part in the debate and voting or exercise the voting right on behalf of other directors:</p> <p>I. Where the director has any interest with himself or the corporation he acts on behalf of with respect to any motion and it is thereby likely that the Company's interest will be infringed.</p> <p>II. Where the director considers that he should abstain the voting voluntarily.</p> <p>The directors who are prohibited from exercising voting right in resolution made by the Board of Directors pursuant to the requirements provided in the preceding paragraph shall be included into the present directors.</p>	<p>The opinions and answers from Directors who are involved in issues entailing a conflict of interest may be helpful for other Directors in understanding the issues and motions. Therefore, the provisions for allowing such Directors to present opinions and response to questions are explicitly stated. To avoid possible interference or influence in the discussion and balloting on the motions, such Directors shall be excused when the discussion and balloting is in progress</p>

Amended provisions	Existing provisions	Contents
		further to the requirements of other applicable laws.
<p>Article XVII The motions shall be recorded in the meeting minutes. The meeting minutes shall specify the following:</p> <ol style="list-style-type: none"> I. Term No. (Year No.), time and location of the meeting. II. Chairperson's name. III. Directors' attendance, including the names and number of the present directors, directors taking leave and absent directors. IV. Names and job titles of attendants. V. Recorder's name. VI. Reported issues: reporter's name and job title, and important opinion of directors, experts and other persons. VII. Discussed issues: Methods to resolve the various motions and resolutions, abstract of directors', supervisors', experts' and other personnel's speech, dissent or qualified opinion which is recorded or stated in writing. VIII. Preliminary motions: Proposers' names, methods to resolve motions and resolutions, abstract of directors', experts' and other personnel's speech, or dissenting or qualified 	<p>Article XVII The motions shall be recorded in the meeting minutes. The meeting minutes shall specify the following:</p> <ol style="list-style-type: none"> I. Term No. (Year No.), time and location of the meeting. II. Chairperson's name. III. Directors' attendance, including the names and number of the present directors, directors taking leave and absent directors. IV. Names and job titles of attendants. V. Recorder's name. VI. Reported issues: reporter's name and job title, and important opinion of directors, experts and other persons. VII. Discussed issues: Methods to resolve the various motions and resolutions, abstract of directors', supervisors', experts' and other personnel's speech, dissent or qualified opinion which is recorded or stated in writing. VIII. Preliminary motions: Proposers' names, methods to resolve motions and resolutions, abstract of directors', experts' and other personnel's speech, or dissenting or qualified 	Adjustment of the wording for clarity.

Amended provisions	Existing provisions	Contents
<p>opinion which is recorded or stated in writing. IX. Other notes to be specified.</p> <p>The attendance book of the Board of Director's meeting shall constitute a part of the meeting minutes, which shall be maintained permanently <u>in the duration of the Company's existence.</u></p> <p>The meeting minutes shall be signed or sealed by the chairperson or recorder and submitted to each director and supervisor within 20 days upon the meeting, which shall also be included in the Company's important files and maintained permanently in the duration of the Company's existence. The meeting minutes referred to in Paragraph I may be produced and distributed in electronic form.</p>	<p>opinion which is recorded or stated in writing. IX. Other notes to be specified.</p> <p>The attendance book of the Board of Director's meeting shall constitute a part of the meeting minutes, which shall be maintained <u>permanently.</u> The meeting minutes shall be signed or sealed by the chairperson or recorder and submitted to each director and supervisor within 20 days upon the meeting, which shall also be included in the Company's important files and maintained <u>permanently</u> in the duration of the Company's existence. The meeting minutes referred to in Paragraph I may be produced and distributed in electronic form.</p>	
<p>Article XVIII The entire procedure of the Board meeting shall be voice recorded and videotaped for archiving. Such records shall be retained for at least 5 years in electronic storage mode. In the event of lawsuits pertinent to any meeting of the Board during the said retention years, the said voice records and videotaped records shall be retained until the <u>final settlement of the law suits.</u></p> <p>If the Board meeting is held in the form of videoconferencing, the <u>audiovisual</u> data shall be taken as part of the minutes of the meeting on</p>	<p>Article VIII The Board of Directors' meeting shall be recorded by tape or video in full and <u>the tape or video recording shall be maintained for at least one year.</u> Where any legal action arises from the resolutions made by the Board of Directors' meeting prior to expiration of the specific time limit referred to in the preceding paragraph, the relevant tape or video recording shall be maintained continuously, <u>free from the requirements referred to in the preceding paragraph.</u></p> <p>Where the meeting is held in the form of videoconference, the <u>tape or video recordings</u> for the meeting shall constitute a part of the meeting minutes</p>	<p>Adjustment of the wording for clarity.</p>

Amended provisions	Existing provisions	Contents
record, and shall be kept under safe custody <u>in line with the life span of the Company.</u>	and be maintained <u>permanently.</u>	
<p>Article XIX The managing directors of the Board of Directors, if any, may apply Article II, Paragraph 2 of Article III, Articles IV-VI, Article IX, and Articles XI-XVIII herein mutatis mutandis. <u>If a session of the Standing Committee of the Board is to be held within 7 days, the executive directors may be notified within 2 days in advance.</u></p>	<p>Article XIX The managing directors of the Board of Directors, if any, may apply Article II, Paragraph 2 of Article III, Articles IV-VI, Article IX, and Articles XI-XVIII herein mutatis mutandis.</p>	<p>Where a session of the Board Standing Committee may be called for within 7 days, the provisions in Article III-II may be applicable. Specify the reasons for such meeting and notify the Executive Directors 7 days in advance. If there is difficulty in actual operation, provide exceptions in the provisions whereby 2 days notice is acceptable.</p>

Appendix 5

Independent Auditor's Report

(97) Tsai-Shen-Bao-Zhi No. 07002889

To: President Chain Store Corporation

We have audited the balance sheets of President Chain Store Corporation prepared on December 31, 2007 and 2006, the income statements, statements of change in shareholders' equity and statements of cash flow covering the period of January 1 to December 31, 2007 and 2006. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our review. For the long-term investment of the company valued with the equity method in 2007 and 2006, the investment income/loss recognized and the investees disclosed in Note 11 was based on the certified financial statements of the investees without our audit. Investment income/loss based on the 2007 and 2006 financial statements certified by other CPAs amounted to NT\$105,727 thousand and NT\$83,178 thousand. As of December 31, 2007 and 2006, the long-term investment amounted to NT\$617,265 thousand and NT\$602,660 thousand, respectively.

We conducted the audit in accordance with the standards of the Audit of Financial Statements and the accounting principles generally accepted in the Republic of China. These principles and standards required the undersigned to plan and perform the audit to obtain reasonable assurance that the financial statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Based on our audits and the reports of other auditors, it is our opinion that the financial statements, which are referred to in the first paragraph present fairly, in all materials aspects, the financial position of President Chain Store Corporation, as of December 31, 2007 and 2006 and the result of its operations and its cash flows for the periods of January 1 to December 31, 2007 and 2006. The above materials conform to 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 the principle under Financial Accounting Standard No. 34 on “Financial Instruments: Recognition and Measurement” and No. 36 on “Financial Instruments: Disclosure and Presentation” effective January 1, 2006 on the accounting of its financial instruments. The Company has also adopted the newly amended Financial Accounting Standard No. 5 on “Long-term Investment under Equity Method” whereby goodwill is subject to annual impairment instead of amortization.

We have also audited President Chain Store Corporation’s consolidated financial statements of for the period ending in 2007 and 2006, and have expressed a modified unqualified opinion thereon.

PRICEWATERHOUSECOOPERS

CPA:



J. P. Tsai, CPA



Chen Mei-Tzu, CPA

Approval Document
issued by Securities and
Futures Commission
(now Securities and
Futures Bureau) of
Ministry of Finance:

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

: (82) Tai-Tsai-Cheng (VI) No. 39230

March 11, 2008

President Chain Store Corporation

Balance Sheet

At the End of Dec. 31, 2007 and 2006

Unit : NT\$ '000

	<u>2007</u>	<u>2006</u>		<u>2007</u>	<u>2006</u>
Assets			Liabilities and Shareholders' Equity		
Current assets			Current liability		
Cash and cash equivalents	\$5,878,691	\$3,238,414	Derivative financial liabilities for hedging—current	\$5,070	\$-
Financial assets—current—whose changes in fair value are recognized in earnings	2,690,000	131,073	Notes payable	668,869	1,086,381
Bond portfolios with no active market—current	-	20,000	Notes payable-related parties	801,107	1,457,735
Net accounts receivable	351,697	301,572	Accounts payable	268,964	191,285
Other receivable	406,462	427,335	Accounts payable-related parties	5,211,898	4,992,827
Inventories	2,992,748	2,880,782	Income taxes payable	641,120	662,224
Prepayments	842,100	668,050	Accrued expenses	2,269,906	2,421,968
Other current assets – other	<u>189,943</u>	<u>217,094</u>	Other accounts payable	5,553,230	4,557,458
Total current assets	<u>13,351,641</u>	<u>7,884,320</u>	Advance receipts	1,030,519	1,023,146

The accompanying notes constituted an integral part of the financial statements.
Please refer to the report of independent accountants dated March 11, 2008.

Chairman: Kao Chin-Yuan

President: Hsu Chung-Jen

Chief Accountant: Lai Hsin-Ti

Funds and long-term investments			Current portion of long-term liabilities	<u>1,100,000</u>	<u>900,000</u>
Available-for-sale financial assets – non current	739,868	514,718	Total current liabilities	<u>17,550,683</u>	<u>17,293,024</u>
Financial assets measured at cost – non current	11,809,168	12,381,271	Long-term liability		
Long-term investments (Equity method)	<u>6,728,202</u>	<u>6,352,509</u>	Derivative financial liabilities for hedging – non current	-	14,994
Total funds and long-term investments	<u>19,277,238</u>	<u>19,248,498</u>	Corporate bonds	-	1,100,000
			Long-term debt	<u>6,700,000</u>	=
Fixed assets			Total long-term liabilities	<u>6,700,000</u>	<u>1,114,994</u>
Costs			Other liability		
Land	1,534,726	1,534,725	Accrued pension liabilities	357,894	358,480
Building	931,189	930,971	Guarantee Deposit received	<u>1,774,455</u>	<u>1,569,094</u>
Machinery and equipment	9,742,905	8,486,401	Total other liabilities	<u>2,132,349</u>	<u>1,927,574</u>
Lease improvement	4,609,762	3,986,263	Total liabilities	<u>26,383,032</u>	<u>20,335,592</u>
Other equipment	<u>12,659</u>	<u>13,241</u>			
Total costs	16,831,241	14,951,601	Shareholders' equity		
Less: accumulated depreciation	(9,186,707)	(8,101,857)	Capital		
Construction in progress and prepayments for equipment	=	<u>1,578</u>	Paid-in Capital	9,151,604	9,151,604
Total net fixed assets	<u>7,644,534</u>	<u>6,851,322</u>	Retained earnings		

The accompanying notes constituted an integral part of the financial statements.
Please refer to the report of independent accountants dated March 11, 2008.

Chairman: Kao Chin-Yuan

President: Hsu Chung-Jen

Chief Accountant: Lai Hsin-Ti

Intangible assets			Legal reserve	2,925,882	2,543,649
Cost of computer software	<u>90,380</u>	<u>73,097</u>	Special reserve	-	531
Other assets			Unappropriated retained earnings	3,649,236	3,921,243
Assets leased to others	1,306,976	999,648			
Idle assets	-	321,498	Other adjustment in SH's equity		
Refundable deposit	957,408	937,603	Unrealized revaluation gains	469,191	359,191
Other assets-other	<u>9,335</u>	<u>2,780</u>	Cumulative translation adjustment	<u>58,567</u>	<u>6,956</u>
Total other assets	<u>2,273,719</u>	<u>2,261,529</u>	Total shareholders' equity	<u>16,254,480</u>	<u>15,983,174</u>
Total Assets	<u>\$42,637,512</u>	<u>\$36,318,766</u>	Total Liabilities and Shareholders' Equity	<u>\$42,637,512</u>	<u>\$36,318,766</u>

The accompanying notes constituted an integral part of the financial statements.
Please refer to the report of independent accountants dated March 11, 2008.

Chairman: Kao Chin-Yuan

President: Hsu Chung-Jen

Chief Accountant: Lai Hsin-Ti

President Chain Store Corporation
Income Statement
For the period ended Dec. 31, 2007 and 2006

Expressed in NT\$ '000

	<u>2007</u>		<u>2006</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Operating revenue</u>				
Net sales	\$98,885,377	97%	\$96,628,741	97%
Other operating revenue	<u>3,478,464</u>	<u>3%</u>	<u>3,350,877</u>	<u>3%</u>
Total operating revenue	102,363,841	100%	99,979,618	100%
<u>Operating cost</u>				
Cost of goods sold	<u>(70,619,544)</u>	<u>-69%</u>	<u>(69,736,937)</u>	<u>-70%</u>
Gross profit	<u>31,744,297</u>	<u>31%</u>	<u>30,242,681</u>	<u>30%</u>
<u>Operating expenses</u>				
Selling expenses	(24,445,774)	-24%	(22,789,148)	-23%
General and administration expenses	<u>(2,444,990)</u>	<u>-2%</u>	<u>(2,939,532)</u>	<u>-3%</u>
Total operating expenses	<u>(26,890,764)</u>	<u>-26%</u>	<u>(25,728,680)</u>	<u>-26%</u>
Operating income	<u>4,853,533</u>	<u>5%</u>	<u>4,514,001</u>	<u>5%</u>
<u>Non-operating income</u>				
Gain on valuation of financial assets	3,607	0%	7,734	0%
Dividend Income	48,656	0%	191,251	0%
Gain on disposal of investments	99,257	0%	-	-
Rental income	60,249	0%	46,059	0%
Other income	<u>695,324</u>	<u>1%</u>	<u>658,910</u>	<u>1%</u>
Total non-operating income	<u>907,093</u>	<u>1%</u>	<u>903,954</u>	<u>1%</u>
<u>Non-operating expenses</u>				
Interest expenses	(87,170)	0%	(68,770)	0%

The accompanying notes constituted an integral part of the financial statements.
Please refer to the report of independent accountants dated March 11, 2008.

Chairman: Kao Chin-Yuan

President: Hsu Chung-Jen

Chief Accountant: Lai Hsin-Ti

Investment loss(equity method)	(285,905)	0%	(79,287)	0%
Loss on disposal of fixed assets	(34,008)	0%	(20,516)	0%
Loss on disposal of investments	-	-	(17,984)	0%
Impairment losses	(499,177)	0%	(127,297)	0%
Other expenses	<u>(44,300)</u>	<u>0%</u>	<u>(46,513)</u>	<u>0%</u>
Total non-operating expenses	<u>(950,560)</u>	<u>-1%</u>	<u>(360,367)</u>	<u>0%</u>
Income before tax	4,810,066	5%	5,057,588	5%
Income Tax	(1,187,653)	-1%	(1,235,633)	-1%
Cumulative effect of changes in accounting principles	-	-	373	0%
Net Income After Tax	<u>\$3,622,413</u>	<u>4%</u>	<u>\$3,822,328</u>	<u>4%</u>
Earnings per share	(pre-tax)	(after tax)	(pre-tax)	(after tax)
Net income	<u>\$5.26</u>	<u>\$3.96</u>	<u>\$5.53</u>	<u>\$4.18</u>

The accompanying notes constituted an integral part of the financial statements.
Please refer to the report of independent accountants dated March 11, 2008.

Chairman: Kao Chin-Yuan

President: Hsu Chung-Jen

Chief Accountant: Lai Hsin-Ti

President Chain Store Corporation
Statement of Changes in Shareholders' Equity
January 1 to December 31, 2007 and 2006

Currency expression: NTD 1,000

	Retained Earnings				Other Adjustments		Total
	Common Stocks	Legal Reserve	Special Reserve	Unappropriated earnings	Unrealized gains/losses of financial instruments	Cumulative translation adjustment	
<u>January 1 to December 31, 2006</u>							
Balance at Jan. 1, 2006	\$ 9,151,604	\$ 2,178,381	\$ 55,758	\$ 3,787,913	\$ -	(\$ 531)	\$ 15,173,125
Appropriation of earning of 2005 :							
Legal reserve	-	365,268	-	(365,268)	-	-	-
Special reserve	-	-	(55,227)	55,227	-	-	-
Employee bonus	-	-	-	(200,559)	-	-	(200,559)
Remunerations to directors and supervisors	-	-	-	(66,853)	-	-	(66,853)
Cash dividends	-	-	-	(3,111,545)	-	-	(3,111,545)
Total net income in 2006	-	-	-	3,822,328	-	-	3,822,328
Financial assets for sales valuation adjustment	-	-	-	-	359,191	-	359,191
Adjustments of conversion from foreign long-term investments	-	-	-	-	-	<u>7,487</u>	<u>7,487</u>
Balance at Dec. 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>\$ 15,983,174</u>
<u>January 1 to December 31, 2007</u>							
Balance at Jan. 1, 2007	\$ 9,151,604	\$ 2,543,649	\$ 531	\$ 3,921,243	\$ 359,191	\$ 6,956	\$ 15,983,174
Appropriation of earning of							

The accompanying notes constituted an integral part of the financial statements. Please refer to the report of independent accountants dated March 11, 2008.

Chairman: Kao Chin-Yuan

President: Hsu Chung-Jen

Chief Accountant: Lai Hsin-Ti

President Chain Store Corporation
Statement of Changes in Shareholders' Equity
January 1 to December 31, 2007 and 2006

Currency expression: NTD 1,000

	Retained Earnings				Other Adjustments		Total
	Common Stocks	Legal Reserve	Special Reserve	Unappropriated earnings	Unrealized gains/losses of financial instruments	Cumulative translation adjustment	
2006 :							
Legal reserve	-	382,233	-	(382,233)	-	-	-
Special reserve	-	-	(531)	531	-	-	-
Employee bonus	-	-	-	(275,250)	-	-	(275,250)
Remunerations to directors and supervisors	-	-	-	(34,406)	-	-	(34,406)
Cash dividends	-	-	-	(3,203,062)	-	-	(3,203,062)
Total net income in 2007	-	-	-	3,622,413	-	-	3,622,413
Financial assets for sales valuation adjustment	-	-	-	-	110,000	-	110,000
Adjustments of conversion from foreign long-term investments	=	=	=	=	=	51,611	51,611
Balance at Dec.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>\$ 16,254,480</u>

The accompanying notes constituted an integral part of the financial statements. Please refer to the report of independent accountants dated March 11, 2008.

Chairman: Kao Chin-Yuan

President: Hsu Chung-Jen

Chief Accountant: Lai Hsin-Ti

President Chain Store Corporation
Statement of Cash Flow
 January 1 to December 31, 2007 and 2006

Currency expression: NT1,000

	<u>2007</u>	<u>2006</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Net Income:	\$3,622,413	\$3,822,328
Adjustments to reconcile net income to net cash provided by operating activities:		
Loss (Gain) on valuation of financial assets	(3,607)	(7,734)
Decrease of allowance for uncollectible accounts	(168)	(6,685)
Allowance for reduction of inventory to market	(9,437)	(56,530)
Depreciation	1,727,239	1,675,866
Amortization	77,935	254,908
Gain on disposal of financial assets measured at cost	(119,747)	-
Financial assets measured at cost- impairment losses	499,177	127,297
Cash dividend from long-term investment under equity method	307,362	234,690
Investment loss (gain) recognized under equity method	285,905	79,287
Gain on disposal of long-term investment (equity method)	-	(52,380)
Loss (gain) on disposal of fixed assets	34,008	20,516
Changes in assets and liabilities:		
Accounts receivable	(50,125)	80,690
Other accounts receivable	21,041	(30,781)
Inventories	(102,529)	(68,786)
Prepaid expense	(174,050)	18,809
Other current assets-others assets	22,812	(101,841)
Deferred income tax	3,064	16,911
Notes payable	(1,074,140)	1,034,441
Accounts payable	296,750	751,298
Income tax payable	(21,104)	54,381
Accrued expenses	(152,062)	366,679
Other accounts payable	887,261	704,105
Advance receipts	7,373	177,541
Accured pension liabilities	(586)	(1,272)
Net cash provided by operating activities	<u>6,084,785</u>	<u>9,093,738</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
(Increase) Decrease in Financial assets — current — whose changes in fair value are recognized in earnings	(2,555,320)	(118,386)
Acquisition of financial assets measured at cost	(269,055)	(570,000)
Proceeds from disposal of financial assets measured at	361,415	7,697

cost

Capital reduction for cost method investment	66,947	-
Acquisition of long-term investment-equity method	(1,009,057)	(1,143,979)
Proceeds from disposal of long-term investment-equity method	-	94,989
Decrease of bond portfolios with no active market	20,000	40,000
Purchase of fixed assets	(2,446,952)	(1,554,848)
Proceeds from disposal of fixed assets	15,174	46,794
Purchase of computer software	(90,380)	-
Increase in refundable deposits	(19,805)	(58,728)
Increase in other assets-other	(10,118)	-
Net cash used by investing activities	(5,937,151)	(3,256,461)

	2007	2006
<u>Cash flows from financing activities</u>		
Increase in guarantee deposit received	\$ 205,361	\$ 224,028
Increase (decrease) in long-term loans	6,700,000 (	1,320,000)
Payback of corporate bond	(900,000) (	200,000)
Payment of cash dividends	(3,203,062) (	3,111,545)
Payment of directors' remuneration & employees' bonus	(309,656) (	267,412)
Net cash inflows (outflows) from financing	2,492,643 (	4,674,929)
Net increase (decrease) in cash and cash equivalent	2,640,277	1,162,348
Beginning balance of cash and cash equivalent	3,238,414	2,076,066
Ended balance of cash and cash equivalent	\$ 5,878,691	\$ 3,238,414
<u>Supplement disclosures of cash flow information</u>		
Interest paid	\$ 101,577	\$ 70,456
Income tax paid	\$ 1,205,693	\$ 1,164,341
<u>Investing activities of partial payment on cash</u>		
Purchase of property, plant and equipment	\$ 2,555,463	\$ 1,621,945
Add: beginning balance of account payable on equipment	278,844	211,747
Less: ended balance of account payable on equipment	(387,355) (	278,844)
Cash paid in the year	\$ 2,446,952	\$ 1,554,848

The accompanying notes constituted an integral part of the financial statements. Please refer to the report of independent accountants dated March 11, 2008.

Chairman: Kao Ching-Yuan

Manager: Hsu Chung-Ren

Chief Accountant: Lai Hsin-Ti

Auditor's Report

(97) Chai.Shen.Bao.Tzi No. 07003200

To: President Chain Store Corporation

We have audited the accompanying balance sheets of President Chain Store Corporation and subsidiaries as of December 31, 2007 and the related statements of income, shareholders' equity and cash flows for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of some of the subsidiaries were not audited by other CPAs instead of us; therefore, our opinion on the amounts listed in the consolidated financial statements are the responsibility of the respective auditor, in which, the total assets amounted to \$1,453,044 thousand and \$1,246,196 thousand on December 31, 2007 and 2006, that represented 2.54% and 2.53% of the consolidated assets, respectively. The net income in the period of January 1 to December 31 amounted to \$3,642,000 thousand and \$2,845,636 thousand that represented 2.57% and 2.14% of the consolidated net income, respectively. The investment income of the Company and its subsidiaries from long-term investment under equity method and the relevant information about investees, as disclosed in Note XI to these financial statements, was valued and disclosed according to the financial statements audited and certificated by the other CPAs appointed by the investees respectively covering the same period. We did not audit or certify those financial statements. The long-term equity investment amounted to \$244,349 thousand and \$191,519 thousand on December 31, 2007 and 2006, respectively. The investment profit recognized in accordance with the audit of other CPAs amounted to \$61,748 thousand and \$53,508 thousand in 2007 and 2006, respectively.

We conducted the audit in accordance with the standards on the "Audit of Financial Statements" and the accounting principles generally accepted in the Republic of China. These principles and standards required the undersigned to plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the other CPAs' reports provide a reasonable basis for the opinion as stated.

In our opinion, which is based on our audit and the reports of other auditors, the financial statements in the first paragraph fairly present the financial position of President Chain Store Corporation and its subsidiaries as of December 31, 2007 and 2006. The financial statements additionally fairly present and the results of their operations and their cash flows for the period of January 1 to December 31, 2007 and 2006, in conformity with “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 and its subsidiaries have adopted the principle under Finance Accounting Standards No. 34 on the “Financial Instruments: Recognition and Measurement” and No. 36 on the “Financial Instruments: Disclosure and Presentation” effective on January 1, 2006 on the accounting of its financial instruments. The Company has also adopted the newly amended Finance Accounting Standards No. 5 on “Long-term Investments under the Equity Method” whereby goodwill is subject to annual impairment instead of amortization.

PRICEWATERHOUSECOOPERS

CPA:

 

J. P. Tsai, CPA

 

Chen Mei-Tzu, CPA

Approval Document
issued by Securities and
Futures Commission
(now Securities and
Futures Bureau) of
Ministry of Finance:

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

: (82) Tai-Tsai-Cheng (VI) No. 39230

March 11, 2008

President Chain Store Corp. & Subsidiaries

Consolidated Balance Sheet

At the end of Dec. 31, 2007 and 2006

Currency unit: NT\$1,000

	Dec. 31, 2007		Dec. 31, 2006			Dec. 31, 2007		Dec. 31, 2006	
	Amount	%	Amount	%		Amount	%	Amount	%
Assets						Liabilities and Shareholders' Equity			
Currents Assets						Current liabilities			
1100 Cash and cash equivalence (Note IV (I))	\$ 8,770,296	15	\$ 6,095,851	12	2100 Short-Term debt	\$ 1,448,978	3	\$ 1,215,758	2
1310 Financial assets which change in fair values are recognized as gains or losses-current (Note IV(2))	3,650,678	6	1,421,770	3	2110 Short-term bills payable	509,456	1	502,333	1
1140 Net account receivables (Note V)	2,252,675	4	2,175,152	4	2200 Derivative financial liabilities for hedging-current (Note X)	5,070	-	-	-
1160 Other accounts receivable (Note V)	795,397	2	814,272	2	2120 Notes payable (Note V)	1,434,584	2	2,744,318	5
120X Inventory (Note IV (3))	7,524,707	13	6,363,162	13	2140 Account payables	9,340,157	16	8,193,771	17
1260 Prepayments	1,240,005	2	1,034,180	2	2150 Accounts payable - related parties (Note V)	1,900,468	3	1,753,803	3
1280 Other current assets (Note IV (16))	423,424	1	393,472	1	2160 Income taxes payable (Note IV (16))	795,612	1	814,626	2
11XX Total current assets	<u>24,657,182</u>	<u>43</u>	<u>18,297,859</u>	<u>37</u>	2170 Accrued expenses (Notes IV (11) and V)	3,807,818	7	3,639,426	7
Funds and investments					2210 Other accounts payable (Note IV (12))	6,684,334	12	5,395,771	11
1450 Financial assets available for sales-noncurrent (Note IV (4))	739,867	1	522,623	1	2260 Advance receipts	1,237,465	2	1,321,644	3
1480 Financial assets measured at cost-non current (Note IV(5))	12,485,634	22	13,190,071	27	2270 Current portion of long-term liabilities (Notes IV (13), (14) & V)	<u>1,529,664</u>	<u>3</u>	<u>1,265,608</u>	<u>3</u>
1421 Long-term equity investment under the Equity Method (Notes IV (6) & V)	852,795	1	768,977	2	21XX Total current liabilities	<u>28,693,606</u>	<u>50</u>	<u>26,847,058</u>	<u>54</u>
14XX Total funds and investments	<u>14,078,296</u>	<u>24</u>	<u>14,481,671</u>	<u>30</u>	Long-term liability				
Fixed assets (Notes IV (8), IV (10), V & VI)					2430 Derivative financial liabilities for hedging-non current (Note X)	-	-	14,994	-
Cost					2410 Corporate bond (Note IV (13))	-	-	1,100,000	2
1501 Lands	2,251,524	4	2,022,086	4	2420 Long-term debt (Note IV (14))	7,560,699	13	858,653	2
1521 Building	2,223,326	4	2,059,821	4	2450 Long-term note payable - related parties (Note V)	79,721	-	116,532	-
1551 Transportation vehicles	2,128,341	4	1,950,287	4	24XX Total long-term liabilities	<u>7,640,420</u>	<u>13</u>	<u>2,090,179</u>	<u>4</u>
1571 Machinery and equipment	12,779,434	22	11,338,839	23	Other liabilities				
1631 Improvement on lease	7,484,479	13	6,157,135	13	2810 Pension accrual liabilities (Note 4(15))	520,924	1	511,364	1
1681 Other equipments	2,746,014	5	1,687,160	3	2820 Guarantee deposit received	1,986,894	4	1,772,856	4
15XY Cost and revaluation	29,613,118	52	25,215,328	51	2880 Other liabilities - others	28,606	-	-	-
15X9 Less: accumulated depreciations	(15,107,170)	(26)	(12,911,638)	(26)	28XX Other total liabilities	<u>2,536,424</u>	<u>5</u>	<u>2,284,220</u>	<u>5</u>
1599 Less: cumulative impairment	(3,033)	-	-	-	2XXX Total liabilities	<u>38,870,450</u>	<u>68</u>	<u>31,221,457</u>	<u>63</u>
1670 Construction in process and prepayment for equipment	182,502	-	145,488	-	Shareholders' equity				
15XX Net fixed assets	<u>14,685,417</u>	<u>26</u>	<u>12,449,178</u>	<u>25</u>	3110 Stock capital (Note IV (17))				
Intangible assets					3110 Common shares	9,151,604	16	9,151,604	19
1750 Computer software cost	120,554	-	73,097	-	3310 Retained earnings (Note X (18))				
1760 Goodwill	266,645	1	276,597	1	3310 statutory reserve	2,925,882	5	2,543,649	5
1780 Other intangibles	208,819	-	60,047	-	3320 special reserve	-	-	531	-
17XX Total intangible assets	<u>596,018</u>	<u>1</u>	<u>409,741</u>	<u>1</u>	3350 Unallotted retained earnings	3,649,236	6	3,921,243	8
Other assets					Shareholders' equity and other				
1800 Assets leased to others (Notes IV (8) &	1,008,617	2	1,061,352	2	3450 Unrealized revaluation gains (Notes III	469,191	1	359,191	1

President Chain Store Corp. & Subsidiaries

Consolidated Balance Sheet

At the end of Dec. 31, 2007 and 2006

Currency unit: NT\$1,000

		<u>Dec. 31, 2007</u>		<u>Dec. 31, 2006</u>				<u>Dec. 31, 2007</u>		<u>Dec. 31, 2006</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>			<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Assets</u>						<u>Liabilities and Shareholders' Equity</u>					
	VII)						and X)				
1810	Idle Assets	-	-	321,931	1	3420	Accumulated conversion adjustments	58,567	-	6,956	-
1820	Refundable deposit (Note VII)	1,726,223	3	1,632,947	3	3610	Minority equity	<u>2,154,992</u>	<u>4</u>	<u>2,030,580</u>	<u>4</u>
1880	Other assets - other (Note IV (6))	<u>528,169</u>	<u>1</u>	<u>580,532</u>	<u>1</u>	3XXX	Total shareholders' Equity	<u>18,409,472</u>	<u>32</u>	<u>18,013,754</u>	<u>37</u>
18XX	Other total assets						Undertakings or contingent liabilities (Notes V and VII)				
		<u>3,263,009</u>	<u>6</u>	<u>3,596,762</u>	<u>7</u>						
1XXX	Total assets	<u>\$ 57,279,922</u>	<u>100</u>	<u>\$ 49,235,211</u>	<u>100</u>	1XXX	Total liabilities and shareholders' equity	<u>\$ 57,279,922</u>	<u>100</u>	<u>\$ 49,235,211</u>	<u>100</u>

President Chain Store Corp. & Subsidiaries
Consolidated Income Statement
For the period of January 1 to December 31, 2007 and 2006

Currency expression: NT\$1,000
(EPS: NT\$)

	2007		2006	
	Amount	%	Amount	%
Operating revenue (Note V)				
4110 Net sales	\$ 134,042,809	94	\$ 125,487,012	94
4800 Other operating revenue	<u>7,938,831</u>	<u>6</u>	<u>7,457,564</u>	<u>6</u>
4000 Total operating revenue	<u>141,981,640</u>	<u>100</u>	<u>132,944,576</u>	<u>100</u>
Cost of operation				
5110 Cost of goods sold (Notes IV (20) & V)	(<u>98,323,983</u>)	(<u>69</u>)	(<u>93,041,700</u>)	(<u>70</u>)
5910 Gross Profit	<u>43,657,657</u>	<u>31</u>	<u>39,902,876</u>	<u>30</u>
Operating expenses (Notes IV (20) and V)				
6100 Selling expenses	(<u>31,571,469</u>)	(<u>22</u>)	(<u>28,083,109</u>)	(<u>21</u>)
6200 General and administration expenses	(<u>7,034,793</u>)	(<u>5</u>)	(<u>6,700,076</u>)	(<u>5</u>)
6000 Total operating expenses	(<u>38,606,262</u>)	(<u>27</u>)	(<u>34,783,185</u>)	(<u>26</u>)
6900 Operating income	<u>5,051,395</u>	<u>4</u>	<u>5,119,691</u>	<u>4</u>
Non-operating income				
7110 Interest income	59,598	-	31,775	-
7310 Loss (Gain) on valuation of financial assets	3,058	-	10,744	-
7122 Dividend Income	51,572	-	191,994	-
7140 Gain from disposal of investments	117,302	-	5,675	-
7210 Rental income	93,556	-	83,482	-
7480 Miscellaneous	<u>1,108,392</u>	<u>1</u>	<u>788,823</u>	<u>1</u>
7100 Total non-operating income	<u>1,433,478</u>	<u>1</u>	<u>1,112,493</u>	<u>1</u>
Non-operating expenses				
7510 Interest expenses	(<u>194,533</u>)	-	(<u>164,284</u>)	-
7521 Investment loss (Equity Method) (Note IV (6))	(<u>104,310</u>)	-	(<u>37,397</u>)	-
7530 Loss from disposal of fixed assets	(<u>57,313</u>)	-	(<u>40,493</u>)	-
7570 Allowance for reduction of inventory to market	(<u>62,258</u>)	-	(<u>24,498</u>)	-
7630 Impairment (Notes V (5), (10))	(<u>638,540</u>)	(<u>1</u>)	(<u>322,074</u>)	(<u>1</u>)
7880 Other expenses	(<u>128,554</u>)	-	(<u>111,192</u>)	-
7500 Total non-operating expenses	(<u>1,185,508</u>)	(<u>1</u>)	(<u>699,938</u>)	(<u>1</u>)
7900 Income before tax	5,299,365	4	5,532,246	4
8110 Income tax expense (Note IV (16))	(<u>1,497,161</u>)	(<u>1</u>)	(<u>1,491,698</u>)	(<u>1</u>)
8900 Earnings of continued operations	3,802,204	3	4,040,548	3
9300 Accumulated effects from changes in accounting principles (Note III)	-	-	<u>9,773</u>	-
9600XX Consolidated total net income (loss)	<u>\$ 3,802,204</u>	<u>3</u>	<u>\$ 4,050,321</u>	<u>3</u>
From:				
9601 Consolidated total net income (loss)	\$ 3,622,413	3	\$ 3,822,328	3
9602 Minority equity net income (loss)	<u>179,791</u>	-	<u>227,993</u>	-
	<u>\$ 3,802,204</u>	<u>3</u>	<u>\$ 4,050,321</u>	<u>3</u>
	<u>Pre-tax</u>	<u>After-tax</u>	<u>Pre-tax</u>	<u>After-tax</u>
Basic EPS (Note IV (19))				
9710 Earnings of continued operations	\$ 5.79	\$ 4.16	\$ 6.05	\$ 4.43
9740AA Minority equity	(<u>0.32</u>)	(<u>0.20</u>)	(<u>0.38</u>)	(<u>0.25</u>)
9750 Net income after tax	<u>\$ 5.47</u>	<u>\$ 3.96</u>	<u>\$ 5.67</u>	<u>\$ 4.18</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. & Subsidiaries
Consolidated Statement of Retained Earnings
Jan. 1 to Dec. 31, 2007 and 2006

Currency expression: NT\$1,000

	Retained Earnings							Minority equity	Total
	Paid-in Capital	<u>Legal reserve</u>	<u>special reserve</u>	<u>Unallotted retained earnings</u>	<u>Unrealized revaluation gains</u>	<u>Cumulative translation adjustments</u>			
<u>2006</u>									
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>	
<u>2007</u>									
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. & Subsidiaries
Consolidated Statement of Cash Flow
For the period of January 1 to December 31, 2007 and 2006

	Currency expression: NT\$1,000	
	2007	2006
<u>Cash flow from operating activities</u>		
Consolidated total net income (loss)	\$ 3,802,204	\$ 4,050,321
Adjustment items		
Loss (Gain) on valuation of financial assets	(3,058)	(10,744)
Allowance for reduction of inventory to market	62,258	24,498
Depreciations	3,135,196	2,889,646
Depreciation of leased assets	9,496	18,168
Amortizations	296,548	404,672
Proceeds from disposal of financial assets under cost method	(119,747)	-
Financial assets measured at cost- impairment losses	630,922	173,552
Cash dividend from long-term investment under equity method	28,415	-
Investment loss under the equity method	104,310	37,397
Goodwill-impairment loss	-	148,522
Fixed assets and idling assets-impairment loss	7,617	-
Loss on disposal of fixed assets	57,313	40,493
Change in asset and liability		
Accounts receivable	(77,523)	(468,812)
Other receivables	18,875	11,299
Inventories	(1,223,803)	(528,742)
Prepayments	(205,825)	(62,819)
Deferred income tax assets	(37,346)	(22,111)
Other current assets	6,651	(83,678)
Note payables	(1,309,734)	1,145,206
Account payables	1,293,051	937,419
Income tax payables	(19,014)	96,827
Accrued expenses	168,391	485,835
Other accounts payable	1,086,425	850,076
Advance receipts	(84,179)	307,015
Accrued pension liabilities	9,560	1,438
Other liabilities - others	28,606	-
Net cash provided by operating activities	7,665,609	10,445,478
<u>Cash flow from investing activities</u>		
Increase in financial assets whose changes in fair value are recognized in earnings	(2,225,850)	(429,237)
Acquisition of long-term investment under equity method	(307,492)	(156,870)
Acquisition of financial assets measured at cost	(269,055)	(570,000)
Proceeds from disposal of financial assets measured at cost	361,415	7,697
Capital reduction for cost method investment	66,947	-
Purchase of fixed assets	(4,895,148)	(3,269,556)
Proceed from disposal of fixed assets	33,828	59,284
Increase in other intangible assets	(283,692)	(17,772)
Increase in refundable deposits	(93,276)	(76,405)
Increase in other assets	(146,027)	(406,260)
Net cash used for investing activities	(7,758,350)	(4,859,119)

(To be continued)

Cash flow from financing

Increase in short-term debts	\$	233,220	\$	473,016
Increase (Decrease) in short-term notes and bills payable		7,123	(	186,670)
Increase (decrease) in long-term loans		6,729,291	(	1,091,980)
Payback of corporate bonds	(	900,000)	(	200,000)
Increase in guarantee deposits received		214,038		200,032
Payment of cash dividends	(	3,203,062)	(	3,111,545)
Payment of directors' remuneration & employees' bonus	(	309,656)	(	267,412)
Increase (Decrease) in minority interest	(	55,379)		120,547
Net cash inflows (outflows) from financing activities		<u>2,715,575</u>	(	<u>4,064,012</u>)
Cumulative translation adjustments		<u>51,611</u>		<u>7,487</u>
Net increase (decrease) in cash and cash equivalent		2,674,445		1,529,834
Beginning balance of cash and cash equivalence		<u>6,095,851</u>		<u>4,566,017</u>
Ended balance of cash and cash equivalence	\$	<u>8,770,296</u>	\$	<u>6,095,851</u>

Supplementary disclosure of cash flow information

Interest paid	\$	<u>176,182</u>	\$	<u>136,850</u>
Income tax paid	\$	<u>1,462,550</u>	\$	<u>1,350,447</u>

Investing and financing activities of partial payment on cash

Purchase of property, plant and equipment	\$	5,097,287	\$	3,357,557
Less: ended balance of account payable on equipment	(	713,199)	(	511,060)
Add: beginning balance of accounts payable on equipment		<u>511,060</u>		<u>423,059</u>
Cash purchase of property and equipment	\$	<u>4,895,148</u>	\$	<u>3,269,556</u>

Appendix 6

President Chain Store Corp. Allocation of earnings for 2006

Title	Unit: NTD Amount
Income after tax 2007	3,622,413,079
Less: Legal reserve fund	(362,241,308)
Distributable earnings	3,260,171,771
Add: Unallocated earnings for the previous year	26,823,153
Cumulative distributable earnings	3,286,994,924
Less: Proposed allocation 2007	
Remuneration to directors and supervisors	(32,601,718)
Employees' bonus	(260,813,742)
Shareholders' cash dividend is NT\$3,200 per 1000 shares	(2,928,513,395)
Unallocated earnings - end	65,066,069

Remarks:

1. The earnings for this year shall be distributed from the earnings of 2007 and any deficit shall be made up by the unallocated earnings of the previous period.
2. The remuneration to directors, supervisors and employees' bonus shall be granted in cash this year.
3. The total cash dividend paid to each individual shareholder shall be no less than one dollar.
4. The odd amounts less than one NT dollar in the allocation of cash dividends shall be included into Employee Fringe Benefits Commission.

Appendix 7

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</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,</p>	<p>Add business lines to meet the Company's need in business</p>

Provision	Amended provisions	Existing provisions	Contents
	<p>fixtures retail.</p> <p>XXII. F207030 Sanitary appliances retail.</p> <p>XXIII. F401010 International trade.</p> <p>XXIV. JA01010 Motor repair service.</p> <p>XXV. F214030 Auto and motorcycle spare parts and outfit retail.</p> <p>XXVI. G202010 Parking lot management</p> <p>XXVII. IZ14011 Public welfare lottery agency.</p> <p>XXVIII. JZ99050 Intermediary service</p> <p>XXIX. IZ99990 Other industrial and commercial service (agent of enrollment information, registration form, tickets sold on a consignment basis, collection of goods on a consignment, collection of payment commissioned by enterprises).</p> <p>XXX. F401161 Cigarette products importer.</p> <p>XXXI. F401171 Alcohol drinks importer.</p> <p>XXXII. Any business not prohibited or restricted by laws and regulations other than the business requiring special approval.</p> <p>XXXIII. F301010 Department store.</p> <p>XXXIV. F301020 Supermarket.</p> <p>XXXV. F399010 Convenience store.</p> <p>XXXVI. F501030 Beverage shop.</p> <p>XXXVII. F501060 Restaurant.</p> <p>XXXVIII. G902011 2nd class telecommunication business.</p> <p>XXXIX. I301010 Information software service.</p> <p>XL. I301030 Electronic information supply service.</p> <p>XLI. F206010 Hardware retailer store</p> <p>XLII. F212011 Petroleum stations.</p> <p>XLIII. 212050 Petroleum products retailing</p> <p>XLIV. JA01990 Other automobile services.</p>	<p>kitchenware and fixtures retail.</p> <p>XXII. F207030 Sanitary appliances retail.</p> <p>XXIII. F401010 International trade.</p> <p>XXIV. JA01010 Motor repair service.</p> <p>XXV. F214030 Auto and motorcycle spare parts and outfit retail.</p> <p>XXVI. G202010 Parking lot management</p> <p>XXVII. IZ14011 Public welfare lottery agency.</p> <p>XXVIII. JZ99050 Intermediary service</p> <p>XXIX. IZ99990 Other industrial and commercial service (agent of enrollment information, registration form, tickets sold on a consignment basis, collection of goods on a consignment, collection of payment commissioned by enterprises).</p> <p>XXX. F401161 Cigarette products importer.</p> <p>XXXI. F401171 Alcohol drinks importer.</p> <p>XXXII. Any business not prohibited or restricted by laws and regulations other than the business requiring special approval.</p> <p>XXXIII. F301010 Department store.</p> <p>XXXIV. F301020 Supermarket.</p> <p>XXXV. F399010 Convenience store.</p> <p>XXXVI. F501030 Beverage shop.</p> <p>XXXVII. F501060 Restaurant.</p> <p>XXXVIII. G902011 2nd class telecommunication business.</p> <p>XXXIX. I301010 Information software service.</p> <p>XL. I301030 Electronic information supply service.</p>	

Provision	Amended provisions	Existing provisions	Contents
	XLV. F212061 Natural gas stations		
Article XXXIII	<u>Addition to the original provision: 20th amendment to the Company's articles of incorporation was made on June 13, 2008.</u>	<p>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.</p> <p>1st amendment was made on June 26, 1990. 2nd amendment was made on June 28, 1991. 3rd amendment was made on May 29, 1992. 4th amendment was made on August 21, 1992. 5th amendment was made on May 26, 1993. 6th amendment was made on May 20, 1994. 7th amendment was made on Dec. 27, 1994. 8th amendment was made on May. 16, 1996. 9th amendment was made on May 20, 1997. 10th amendment was made on May 21, 1998. 11th amendment was made on June 10, 1999. 12th amendment was made on June 15, 2000. 13th amendment was made on June 12, 2001. 14th amendment was made on June 25, 2002. 15th amendment was made on June 24, 2003. 16th amendment was made on June 29, 2004. 17th amendment was made on June 14, 2005. 18th amendment was made on June 14, 2006. 19th amendment was made on June 15, 2007.</p>	Dates of additions and amendments

Appendix 8

President Chain Store Corp.

Information about employees' bonus and remuneration to directors/supervisors in allocation of earnings for 2007 proposed by the Board of Directors :

According to the official letter of Securities and Futures Bureau under Tai-Tsai-Cheng-6-Tze No. 0920000457 dated January 30, 2003, the Company hereby discloses the information about employees' bonus and remuneration to directors/supervisors in allocation of earnings for 2007 proposed by the Board of Directors as follows:

1. The total employees' bonus proposed to be allocated is NT\$260,813,742, and the total remuneration to directors/supervisors proposed to be allocated is NT\$32,601,718.
2. Quantity of employees' stock dividends proposed to be allocated and proportion thereof in recapitalization of earnings:
The employees' bonus will be granted in cash.
3. The initial EPS was NT\$3.96 per share. Imputed EPS is NT\$3.64 per share after allocation of employees' bonus and remuneration to directors/supervisors as proposed.

Appendix 9

Table for shareholding by directors/supervisors

1. According to Article 26 of the Securities and Exchange Act, the total shares of registered stock held by all directors of the Company shall be no less than 4% of the Company's total issued shares (36,606,417 shares), and the total shares of registered stock held by all supervisors shall be no less than 4/1000 of the Company's total issued shares (3,660,642 shares).
2. The shares held by individuals and all directors and supervisors recorded in the roster of shareholders until the suspension of transfer registration by the shareholders' meeting:

Job title	Name		Shares held
Chairman	Representative of Kao Chuan Inv. Co.	Kao, Chin-Yuan	2,912,872
Managing director	Representative of Uni-President Enterprises Corp.	Lin, Chang-Sheng	415,489,816
Managing director	Representative of Uni-President Enterprises Corp.	Hsu, Chung-Jen	415,489,816
Director	Representative of Uni-President Enterprises Corp.	Lin, Lung-Yi	415,489,816
Director	Representative of Uni-President Enterprises Corp.	Lo Chih-Hsien	415,489,816
Director	Representative of Uni-President Enterprises Corp.	Yang, Wen-Long	415,489,816
Director	Representative of Uni-President Enterprises Corp.	Su, Tsung-Ming	415,489,816
Director	Representative of Uni-President Enterprises Corp.	Wu, Kuo-Hsuan	415,489,816
Director	Representative of Uni-President Enterprises Corp.	Chang Jen, Yun Huei	415,489,816
Total			418,402,688

Job title	Name		Shares held
Supervisor	Representative of Nan Shan Life Insurance Co. Ltd	Tse, Koon Hang Ada	16,241,814
Supervisor		Ying Chien-Li	0
Total			16,241,814

Appendix 10

Parliamentary Rules of Shareholders' Meetings of President Chain Store Corp.

Amended on June 25, 2002

- I. Unless otherwise provided in the laws, the parliamentary rules of the shareholders' meetings of the Company shall be subject to these Rules.
- II. The shareholders referred to herein shall mean the shareholders per se and proxy appointed by them.
- III. Shareholders shall furnish the sign-in card to replace the sign-in when attending the shareholders' meeting, which shall be used to calculate the number of attended shares.
- IV. The attendance and voting at a shareholders' meeting shall be calculated based on shares.
- V. The shareholders' meeting shall be held at the Company's location or other locations convenient for shareholders to attend the meeting, and no earlier than 9:00 a.m. or no later than 3:00 p.m. on the day of meeting.
- VI. Unless otherwise provided in the laws, the shareholders' meeting shall be called by the Board of Directors and chaired by the Chairman of the Board. Where the Chairman of the Board fails to exercise his power with causes, he shall appoint a managing director to be his proxy. Where the shareholders' meeting is called by any person entitled to hold the meeting other than the Chairman, the chairperson of the meeting shall be assumed by the person.
- VII. The Company may appoint the attorneys-at-law, CPAs or the relevant personnel retained by it to attend the shareholders' meeting. The staff in charge of the shareholders' meeting shall wear identification badges.
- VIII. The shareholders' meeting shall be recorded by tape or video in full and the tape or video recording shall be maintained for at least one year.
- IX. The chairperson may announce opening of the meeting at the meeting time, provided that where present shareholders are less than a majority of the whole shareholders representing total issued shares at the meeting time, the chairperson may announce postponement of the meeting, and the meeting shall not be postponed for more than twice and the postponement shall not be more than one hour in total. Where present shareholders are still less than a majority of the whole shareholders but more than one-thirds of shareholders representing the total issued shares after the meeting is postponed for twice, it may make a preliminary resolution pursuant to Article 175 of the Company Law. Where the present shareholders are more than a majority of the whole shareholders representing the total issued shares before conclusion of the meeting, the chairperson may resubmit the preliminary resolution to the meeting for voting pursuant to Article 174 of the Company Law.

- X. Where the shareholders' meeting is held by the Board of Directors, the meeting shall follow the parliamentary procedure set by the Board of Directors, and the agenda shall not be altered unless upon resolution of the shareholders' meeting. Where the shareholders' meeting is held by any person entitled to hold the meeting other than the Board of Directors, the requirements referred to in the preceding paragraph shall apply. The chairperson shall not adjourn the parliamentary procedures referred to in the preceding two paragraphs before the conclusion and resolution of motions (including preliminary motions), provided that where the chairperson adjourns the meeting arbitrarily and thereby violates the parliamentary rules, another chairperson may be elected subject to the agreement of a majority of the present shareholders to continue chairing the meeting.
- XI. Any present shareholder shall complete the speech form specifying the intent of his speech, shareholders' account number (or attendance certificate number) and account name before giving any speech. The priority of speech shall be determined by the chairperson. Where any present shareholder only submits the speech form but does not give the speech, he shall be deemed never giving the speech. In the event of an inconsistency in the contents of speech and those specified in the speech form, the contents of speech shall prevail. Unless subject to the prior consent of the chairperson and shareholder giving the speech, the other shareholders shall not interfere with any shareholders' speech, and the chairperson shall prevent any shareholders from interfering with other shareholders' speech, if any.
- XII. Unless subject to the chairperson's prior consent, each shareholder shall not make a speech to the same motion for more than twice, and each speech shall not be more than five minutes. Where any shareholder's speech violates said requirement or is beyond the scope of the motion, the chairperson shall prohibit him from giving the speech.
- XIII. Where a corporation is appointed to attend the shareholders' meeting, the corporation may designate only one person to attend the meeting on behalf of it. Where the corporation designates more than two representatives to attend the meeting, only one of them may make a speech to the same motion.
- XIV. After any present shareholder makes a speech, the chairperson may, personally or appoint the relevant personnel to, respond to the speech.
- XV. Where the chairperson considers that the debate of a motion may be put to vote, he may announce suspension of the debate and put the motion to vote.
- XVI. Scrutineers and ballot counters in the process of voting shall be appointed by the chairperson, provided that the scrutineers shall be shareholders. The voting result shall be reported on the spot and recorded.
- XVII. The chairperson may determine the time to announce break in the process of the meeting.
- XVIII. Unless otherwise provided in Company Law and the Company's articles of incorporation, the voting of motions shall pass subject to agreement of a majority of present shareholders. Where no present shareholders raise objection upon the chairperson's inquiry in the process of voting, the voting shall be deemed passing with the effect as same as that of passage by balloting.
- XIX. Where any present shareholders show dissent opinion towards the motions in the process of voting, the chairperson may ask

those showing dissent opinion and waiving the right to vote to raise their hands or stand up in order to calculate the votes. Where the votes fail to reach the statutory votes or the votes set forth in the Company's articles of incorporation, the motion shall be deemed passing and no voting will be required. Where there is any proposal for amendments or alternate proposal with respect to the same motion, the chairperson shall consolidate the proposal with the original motion and decide the order of voting, provided that where any one of the proposals passes, the other proposals shall be deemed revoked and no further voting will be required.

- XX. The chairperson may direct inspecting personnel (or security guards) to help maintain the order at the meeting. The inspecting personnel (or security guards) shall wear the badges specifying "inspectors" when maintaining the order at the meeting.
- XXI. Any matters not provided herein shall be subject to the Company Law, the Company's articles of incorporation and other relevant laws and regulations.
- XXII. These Rules shall be enforced upon passing the shareholders' meeting. The same shall apply where these Rules are amended.

Appendix 11

Regulations Governing Election of Directors and Supervisors of President Chain Store Corp.

Amended in December 1994

- I. The Company's directors and supervisors shall be elected in accordance with these Regulations.
- II. The election of the Company's directors and supervisors shall be subject to roll-call and cumulative voting. Names of the candidates may be replaced by the shareholder's attendance certificate number printed on the ballots. In the process of electing directors and supervisors, the number of votes exercisable in respect of one share shall be the same as the number of directors and supervisors to be elected, and the total number of votes per share may be consolidated for election of one candidate or may be split for election of two or more candidates.
- III. The ones who win more votes shall be elected to be the directors or supervisors according to the quorum referred to in the Company's Articles of Incorporation. Where the ballots won by two persons or more represent the same voting rights and the quorum is exceeded, the elected shall be determined after the persons winning the same ballots cast lots. Where the persons are absent, the chairperson shall cast the lot on their behalf. The shareholders who are elected to be directors or supervisors in the manner referred to in the preceding paragraph shall decide to assume directors or supervisors to their sole discretion, and the vacancies left by them shall be succeeded by the candidates who win the votes only following those who won by them. Where the elected directors or supervisors waive to assume the directors or supervisors prior to the registration with the competent authority, the vacancies left by them shall be succeeded to by the candidates who win the votes only following those won by them.
- IV. When the election commences, the chairperson shall designate several scrutineers, ballot callers and ballot recorders dedicated to performing the various tasks.
- V. The ballots shall be produced by the Company and assigned number according to attendance certificate numbers, and shall specify the number of each shareholder's voting right.
- VI. Electors shall specify the candidate's name in the box of "candidate" and also denote the shareholder account number. Where the candidate is a corporation, it is also necessary to specify the corporation's name and representative and denote the corporation's name and its representative's name.

- VII. In the event of any of the following circumstances, ballots shall become invalid:
1. Where the ballots are not those produced by the Company;
 2. Where ballots cast into the ballot box remain blank;
 3. Where the writing is too illegible to be recognizable, or is altered illegally;
 4. Where the candidate's name does not match the roster of shareholders;
 5. Where there are other words on the ballots in addition to the candidate's name and shareholder account name;
 6. Where the candidate's name is identical with another shareholder's name and no shareholder account number is specified for recognition.
- VIII. The ballots shall be counted and announced upon completion of the voting. The ballot counting result shall be announced by the chairperson on the spot.
- IX. The Company will send the notice for the elected to each director and supervisor elected.
- X. Other matters not provided herein shall be handled in accordance with the Company Law, the Company's Articles of Incorporation and the relevant laws.
- XI. These Regulations shall be enforced upon agreement of the shareholders' meeting. The same shall apply where these Regulations are amended.

Appendix 12

Parliamentary Rules of Directors' Meetings of President Chain Store Corp. (Before Amendments)

Amended in December 2006

- Article I. These Rules are enacted in accordance with Paragraph 8 of Article 26-3 of the "Securities and Exchange Act" (hereinafter referred to as the "Act").
- Article II. The parliamentary contents, operational procedures, notes to be specified in the minutes, publication and compliance provided in the parliamentary rules of Board of Directors of President Chain Store Corp. (hereinafter referred to as "the Company") shall be defined in accordance with these Rules.
- Article III. The Board of Directors shall hold a meeting at least once per quarter.
In calling a meeting of the Board of Directors, a notice setting forth therein the subject(s) to be discussed at the meeting shall be given to each director within 7 days prior to the meeting, provided that in the case of emergency, the meeting may be convened at any time.
Unless in the case of emergency or with justified reasons, the circumstances referred to in Paragraph 1 of Article 7 herein shall be enumerated in the grounds for calling the meeting and be prohibited from being proposed as a preliminary motion.
- Article IV. The directors' meeting shall be held at the Company's location and during the Company's business hours, or the location and time convenient for directors to attend the meeting and suitable for calling of the meeting.
- Article V. The parliamentary unit shall be the "strategic planning group" designated by the Company's Board of Directors. The parliamentary unit shall draft the directors' meeting parliamentary procedures and provide sufficient information, and send them out altogether when calling a meeting or within 7 days prior to the meeting.
Where directors consider that the parliamentary information is not sufficient, they may ask the parliamentary unit for supplementing the information. Where directors consider that the information about motions is not sufficient, the examination on the motions may be postponed subject to the Board of Directors' resolution.

Article VI. The parliamentary procedures of the Company's periodical directors' meetings shall include the following at least:

1. Report:
 - (1) Business report
 - (2) Financial report
 - (3) Audit report
 - (4) Other important reports
 - (5) The previous meeting minutes and execution thereof
2. Ratification and Discussion
 - (1) The issues discussed in the previous meeting as reserved
 - (2) The issues scheduled to be discussed in this meeting
3. Preliminary motions ◦

Article VII. The following issues shall be discussed in the Board of Directors' meeting:

1. The Company's business plan.
2. Annual financial report and semi-annual financial report.
3. Internal control system defined or amended pursuant to Article 14-1 of the Securities and Exchange Act.
4. The regulations governing acquisition or disposition of assets, derivatives transactions, granting of loans, making of endorsement or guarantee enacted or amended pursuant to Article 36-1 of the Securities and Exchange Act.
5. Offering, issue or private placement of equity securities.
6. Appointment and dismissal of financial, accounting or internal audit supervisors.
7. Issues to be resolved by shareholders' meetings or submitted to the Board of Directors according to Article 14-3 of the Securities and Exchange Act, other laws or regulations, or material issues required by the competent authority.

Article VIII. Except the issues to be submitted to the Board of Directors' meeting for debate as referred to in Paragraph I of said Article herein, where the Board of Directors authorizes the authority of the Board of Directors pursuant to laws or the Company's articles of incorporation between sessions of the Board of Directors' meetings, it is necessary to specify expressly the hierarchy, contents and issues of the authorization and no general authorization shall be granted, and it is necessary to report the execution thereof to the Board of Directors.

- Article IX. An attendance book shall be provided for present directors to affix their signatures when the Board of Directors' meeting is held. Directors shall attend the Board of Directors' meeting personally. Where any director cannot attend the meeting personally, he may appoint another director to attend the meeting on behalf of him pursuant to the Company's articles of incorporation. Directors taking part in the meeting in the form of video conference shall be deemed attending the meeting personally, provided that they shall fax the attendance forms to replace the affixation of signature into the attendance book. Where any director appoints another director to attend the meeting on behalf of him, he shall issue a letter of proxy and specify the scope of authorization with respect to the grounds for calling the meeting. The proxy referred to in the preceding II paragraphs shall act on behalf of no more than one person.
- Article X. The Board of Directors' meeting shall be called and chaired by the Chairman of the Board, provided that the first meeting of each term of the Board of Directors shall be called by the director winning the ballots representing the most votes in the shareholders' meeting, and the chairperson thereof shall be assumed by the person entitled to hold the meeting. Where there are more than two persons entitled to hold the meeting, the chairperson shall be elected among them.
- Where the Chairman of the Board takes leave or fails to exercise his authority for reasons, the Vice Chairman shall be his proxy. Where the Vice Chairman also takes leave or fails to exercise his authority with causes, the Chairman shall appoint a managing director to be his proxy. Where there is no managing director, one director shall be appointed to be the proxy. Where Chairman does not appoint any proxy, the proxy shall be elected among the managing directors or directors.
- Article XI. When calling the Board of Directors' meeting, the parliamentary unit may inform the managerial personnel of the relevant departments who do not assume the position of directors to attend the meeting. If necessary, it may also invite CPAs, attorneys-at-law or other experts to attend the meeting.
- Article XII. Where present directors are less than a majority of the whole directors at the meeting time, the chairperson may announce a postponement of the meeting, provided that the meeting shall not be postponed more than twice and the postponement shall not be more than one hour in total. Where present, directors are still less than a majority of the whole directors after the meeting is postponed for twice, the chairperson shall call the meeting again pursuant to Paragraph 2 of Article III herein.

- Article XIII. The Board of Directors' meeting shall follow the parliamentary content scheduled in the notice of the meeting, provided that the procedure may be altered subject to a majority of present directors' approval.
The chairperson shall not adjourn the meeting unless the parliamentary content scheduled in the preceding paragraph is approved by a majority of the present directors.
Where seated directors are less than a majority of the present directors in the process of the meeting, the chairperson may announce a suspension of the meeting and apply the preceding Article.
- Article XIV. Where the chairperson considers that the debate of a motion may be put to a vote, he may announce a suspension of the debate and put the motion to vote.
Where no present directors raise objection upon the chairperson's inquiry before a motion is put to a vote in the meeting, the motion shall be deemed passing with the effect as same as that of passage by votes.
The votes may be decided by the chairperson in any of the following manners, provided that where any present director expresses dissent, they shall be decided in the manner determined subject to a majority of the present directors' opinion:
1. By raising hands;
 2. By roll-call voting;
 3. By voting.
- Article XV. Unless otherwise provided in the Securities and Exchange Act, Company Law and the Company's articles of incorporation, the motions proposed in the Board of Directors' meeting shall be resolved subject to attendance of a majority of the whole directors and agreement of a majority of the present directors. The resolution shall be reported on the spot and recorded.
- Article XVI. In the event of any of the following circumstances, a director shall not take part in the debate and voting or exercise the voting right on behalf of other directors:
1. Where the director has any interest with himself or the corporation he acts on behalf of with respect to any motion and thereby it is likely that the Company's interest will be infringed;
 2. Where the director considers that he should avoid the voting voluntarily.
- The directors who are prohibited from exercising voting right in resolution made by the Board of Directors pursuant to the requirements provided in the preceding paragraph shall be included into the present directors.
- Article XVII. The motions shall be recorded in the meeting minute. The meeting minute shall specify the following:
1. Term No. (Year No.) and time/location of the meeting

2. Chairperson's name
3. Directors' attendance, including the names and number of the present directors, directors taking leave and absent directors
4. Names and job titles of attendants
5. Recordker's name
6. Reported issues: reporter's name and job title, and important opinion of directors, experts and other persons
7. Discussed issues: Methods to resolve the various motions and resolutions, abstract of directors', supervisors', experts' and other personnel's speech, dissent or qualified opinion which is recorded or stated in writing
8. Preliminary motions: Proposers' names, methods to resolve motions and resolutions, abstract of directors', experts' and other personnel's speech, or dissent or qreserved opinion which is recorded or stated in writing
9. Other notes to be specified.

The attendance book of the Board of Director's meeting shall constitute a part of the meeting minute, which shall be maintained permanently.

The meeting minute shall be signed or sealed by the chairperson and recorder and submitted to each director and supervisor within 20 days upon the meeting, which shall also be included in the Company's important files and maintained permanently in the duration of the Company's existence. The meeting minutes referred to in Paragraph 1 may be produced and distributed in electronic form.

Article XVIII. The Board of Directors' meeting shall be recorded by tape or video in full and the tape or video recording shall be maintained for at least five years and in electronic form. Where any legal action arises from the resolutions made by the Board of Directors' meeting prior to expiration of the specific time limit referred to in the preceding paragraph, the relevant tape or video recording shall be maintained continuously free from the requirements referred to in the preceding paragraph.

Where the meeting is held in the form of video conference, the tape or video recordings for the meeting shall constitute a part of the meeting minute and be maintained permanently.

Article XIX. The managing directors of the Board of Directors, if any, may apply Article 2, Paragraph 2 of Article 3, Articles 4-6, Article 9, and Articles 11-18 herein mutatis mutandis.

Article XX. Enactment of, and amendments to, these Rules shall be subject to the approval of the Board of Directors and reported to the shareholders' meeting.

Appendix 13

Articles of Incorporation of President Chain Store Corp. (Before Amendments)

Chapter I. General Provisions

- Article I. The Company is incorporated as a company limited by shares under the Company Law of the Republic of China and named "President Chain Store Corp."
- Article II. The Company's business lines include:
1. F203020 Tobacco and wine retail
 2. F206020 Daily supplies retail
 3. F203010 Foods and beverage retail
 4. F208040 Cosmetics retail
 5. F399990 Other retails
 6. IZ01010 Photocopy
 7. F201070 Flowers and plants retail
 8. F209060 Education, musical instruments and entertainment appliances retail
 9. JE01010 Lease
 10. IE01010 Agent of telecommunication subscribers' numbers
 11. I401010 General advertising service
 12. F207050 Fertilizer retail
 13. F210010 Timepiece retail
 14. F210020 Eyeglasses retail
 15. F216010 Photographic equipment retail
 16. JZ99030 Photography
 17. F204110 Clothe, dresses, shoes, hats, umbrellas and apparels retail
 18. A102060 Food supply
 19. F213010 Electric appliances retail
 20. F208031 Medical facilities retail
 21. F205040 Furniture, bedding, kitchenware and fixtures retail

22. F207030 Sanitary appliances retail
23. F401010 International trade
24. JA01010 Motor repair service
25. F214030 Auto and motorcycle spare parts and outfit retail
26. G202010 Parking lot management
27. IZ14011 Public welfare lottery agency
28. JZ99050 Intermediary service
29. IZ99990 Other industrial and commercial service (agent of enrollment information, registration form, tickets sold on a consignment basis, collection of goods on a consignment, collection of payment commissioned by enterprises)
30. F401161 Cigarette products importer
31. F401171 Alcohol drinks
32. Any business not prohibited or restricted by laws and regulations other than the business requiring special approval
33. F301010 Department store
34. F301020 Supermarket
35. F399010 Convenience store
36. F501030 Beverage shop
37. F501060 Restaurant
38. G902011 2nd class telecommunication business
39. I301010 Information software service
40. I301030 Electronic information supply service

Article III. The Company's head office is located at Taipei City and may, when necessary, set up branch offices within and outside of the territory of the Republic of China according to the resolution adopted at the meeting of the Managing Directors.

Article IV. (Deleted)

Article V. The Company may make endorsement/guarantee externally due to the business. In order to meet the need for business, the Company may reinvest in other enterprises and be free from the restriction referred to in Article 13 of the Company Law for no more than 40% of the Company's paid-in capital.

Chapter II. Shares

- Article VI. The total capital stock of the Company shall be in the amount of NT\$9,600,000,000, divided into 960,000,000 shares, at a par value of NT\$10, and the unissued shares of them are authorized to be issued by the Board of Directors in installments.
- Article VII. The stock certificates of the Company shall be registered and issued after being signed or sealed by no less than three Directors of the Company and after being authenticated by the government authority or by the agency authorized by such authority to deal with the registration of issuance of stock certificates. It is not necessary for the Company to print the stock certificates pursuant to Article 162-2 of the Company Law.
- Article VIII. If a shareholder transfers his or her stock certificate, the shareholder shall fill in the stock certificate transfer application form signed and sealed by the transferor and transferee, and apply to the Company for alternation of the entries in the shareholders' roster. Transfer of the stock certificate shall not be set up as a defense against the Company, unless the procedure of transfer is completed.
- Article IX. Unless otherwise provided in laws, the procedure for application for reissue of stock certificates, if stock certificates are lost:
- (1) The shareholder or the legal owner shall report the event to police authorities for handling or recordation, complete the loss of stock application, and send such to the Company;
 - (2) The applicant shall, within five days, apply to the courts under the Code of Civil Procedure for public announcement of the event, and a copy of the court application and the court acceptance voucher shall be sent to the Company, or the application will be revoked;
 - (3) Upon expiration of the period of public summon, the applicant may apply to the Company for issue of replacement stocks by attaching the court's judgment declaring the lost stock certificates void.
- Article X. Unless otherwise provided by laws, registration for the transfer of stocks shall be suspended sixty days before any general shareholders' meeting, thirty days before any temporary shareholders' meeting, or five days before the record date for determination of the shareholders entitled to dividends, bonus or any other profits distributed by the Company.

Chapter III. Shareholders' Meeting

- Article XI. Shareholders' meetings of the Company are of two kinds:
1. General shareholders' meetings shall be convened once a year by the Board of Directors within six months

after the close of each fiscal year.

2. Temporary shareholders' meetings shall be convened according to the Company Law of the Republic of China whenever necessary

Article XII. During the session of a shareholders' meeting, the Chairman of the Board of Directors shall be the chairperson of the meeting. Where the Chairman of the Board of Directors is on leave or absent or cannot exercise his power and authority for any cause, he shall designate one managing director to act on his behalf. Where the Chairman fails to designate his proxy, the Managing Directors shall elect among themselves an acting chairperson of the meeting.

Article XIII. Unless otherwise provided in laws, written notice shall be sent to all shareholders, thirty days in advance in the case of a general shareholders' meeting and fifteen days in advance in the case of a temporary shareholders' meetings, and be publicly announced within forty five days before a general shareholders' meeting, in the case of bearer stock holders, and within thirty days before a temporary shareholders' meeting, in the case of bearer stock holders.

Article XIV. If a shareholder is unable to attend a shareholders' meeting for any cause, he/she may execute and issue a proxy pursuant to Article 177 of the Company Law and the competent authority's requirements and specify the scope of the proxy.

Article XV. Unless otherwise provided in laws, a shareholder shall be entitled to one voting right for each share held by him/her.

Article XVI. Resolutions at a shareholders' meeting shall, unless otherwise provided for in Company Law, be adopted by a majority of voting rights of the present shareholders who represent a majority of the total issued and outstanding shares.

Article XVI-1. The shareholders' meeting shall resolve the following:

1. Amendments to these Articles;
2. Election and discharge of directors and supervisors;
3. Permitted activities engaged in by directors for their own or others within the scope of the Company's business;
4. Conclusion, alteration or termination of the contract related to lease of business, consignment of business or permanent joint venture;
5. Assignment of all or substantial business or property;
6. Succeeding to another persons' whole business or property which affects the Company's operation materially;
7. Other motions to be resolved by the shareholders' meeting pursuant to laws.

Chapter IV. Directors, Supervisors and Managerial Staff

- Article XVII. The Company shall have nine directors and two supervisors, who shall be elected from persons with legal capacity at a shareholders' meeting. The term of office of the directors and supervisors shall be three years. The directors and supervisors shall be eligible for re-election pursuant to Article 198 of the Company Law. The total shares of registered stock held by the directors and supervisors shall not be less than a prescribed percentage of the issued and outstanding shares of the Company. The percentage and audit implementation rules thereof are determined pursuant to the regulations of government authority in regard to stocks.
- Article XVIII. The Directors constitute the Board of Directors. Unless laws or these Articles provide that the business shall be subject to resolution of the shareholders' meeting, the Company shall carry out its business subject to the resolution made by the Board of Directors.
- Article XIX. The Directors constitute the Board of Directors and shall elect three Managing Directors from among the Directors by a majority vote at a meeting attended by over two-thirds of the Directors. The managing directors shall elect a Chairman of the Board of Directors among themselves. The Chairman of the Board of Directors shall externally represent the Company and internally execute the Company's business pursuant to laws, these Articles and resolutions of shareholders' meetings and directors' meetings.
- Article XX. The Board of Directors shall hold a meeting at least once per quarter. In the case of emergency or upon request of a majority of directors, a temporary meeting may be convened at any time, provided that the first meeting of each term of the Board of Directors shall be called by the director winning the ballots representing the most votes pursuant to laws.
- Article XXI. Where the Chairman fails to exercise his authority for reasons, the Chairman shall appoint a managing director to be his proxy. Where any director fails to attend the meeting and appoints a proxy to attend the meeting on behalf of him, he shall issue a letter of proxy and specify the scope of authorization with respect to the grounds for calling the meeting, provided that a proxy shall act on behalf of no more than one director.
- Article XXI-1. The motions shall be recorded in the director's meeting minutes. The meeting minutes shall specify the date and location of the meeting, names of present directors and chairperson, in addition to the gist and result of the parliamentary procedures, and be signed by the chairperson and recorder. Said meeting minutes shall be maintained permanently in the Company together with the directors' attendance book and proxies.
- Article XXII. The functions of the Supervisors are as follows:
1. audit the financial condition of the Company;
 2. audit the Company's account books and documents;

3. inquire the business condition of the Company;
4. supervise employees' performance of business and investigation on violations of laws and duties;
5. other functions as authorized by the Company Law.

Article XXIII. The remuneration to directors/supervisors shall be paid subject to the normal standard.

Article XXIII-1. The Company may purchase liability insurance against the indemnity due to any directors, supervisors or important officers with respect to the scope of business executed by them in the duration of their term of office. The enrollment of the insurance program shall be handled by the Board of Directors with full power.

Article XXIV. The Company may have several manager(s). The appointment, removal and remuneration of the manager(s) shall be subject to Article 29 of Company Law. The Company's managers have the right to enter their signatures on behalf of the Company pursuant to the relevant requirements defined by the Company and insofar as they are authorized to do it.

Article XXIV-1. The Company may retain several advisors subject to the need for business. The appointment, removal and remuneration of the advisors shall be subject to agreement of a majority of the whole directors.

Article XXV. (Deleted)

Chapter V. Accounting

Article XXVI. The Company identifies that each year from January 1 to December 31 is one fiscal year, and it will settle the accounts at the end of each fiscal year.

- Article XXVII. At the end of each fiscal year, the Board of Directors shall prepare the following reports and, send them to the meeting of shareholders for their recognition after sending them to the Supervisors for auditing and submitting auditing report thirty days before a general shareholders' meeting pursuant to Article 228 of the Company Law.
1. Business report;
 2. Financial statements;
 3. Motion for allocation of earnings or covering of loss.
- Article XXVIII. The dividends and bonus shall be allocated subject to the various shareholders' shareholding percentage. No dividends or bonus will be allocated where the Company has no retained earnings.
- Article XXIX. If the Company has earnings according to its annual final account, the Company may, after paying all taxes, and making up all past losses, set aside a 10% legal reserve, and contribute a special reserve from the balance stated under less item of shareholders' equity in then year, and where the balance stated under less item of shareholders' equity is reversed later, the reversed amount may be included into the allocation of earnings in then year. If the remainder, if any, and unallocated accumulated earnings for prior year, shall be referred to as distributable accumulated earnings, which shall be allocated according to the motion drafted by the Board of Directors subject to the need for business or reinvestment in the industrial circumstance and approved at a general shareholders' meeting.
- The Company's distributable accumulated earnings shall be allocated on the basis of the following proportions resolved by the shareholders' meeting:
- (1) Remuneration to directors/supervisors: 1% of the earnings;
 - (2) Employees' bonus: no less than 0.2% of the earnings;
 - (3) Shareholders' dividend and bonus: 80%-100% of the distributable accumulated earnings less the preceding subparagraphs (1) and (2), and 50%-100% of such dividend and bonus shall be granted in the form of cash dividends, and the remainder shall be unallocated earnings.
- Article XXX. The dividends shall be allocated to the shareholders recorded in the roster of shareholders five days before the record date of allocation of the dividend and bonus.
- Article XXXI. The Company's articles of organization and enforcement rules thereof shall be defined separately.
- Article XXXII. Any matters not provided herein shall be subject to the Company Law and the relevant laws.

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.

1st amendment was made on June 26, 1990.

2nd amendment was made on June 28, 1991.

3rd amendment was made on May 29, 1992.

4th amendment was made on August 21, 1992.

5th amendment was made on May 26, 1993.

6th amendment was made on May 20, 1994.

7th amendment was made on Dec. 27, 1994.

8th amendment was made on May 16, 1996.

9th amendment was made on May 20, 1997.

10th amendment was made on May 21, 1998.

11th amendment was made on June 10, 1999.

12th amendment was made on June 15, 2000.

13th amendment was made on June 12, 2001.

14th amendment was made on June 25, 2002.

15th amendment was made on June 24, 2003.

16th amendment was made on June 29, 2004.

17th amendment was made on June 14, 2005.

18th amendment was made on June 14, 2006.

19th amendment was made on June 15, 2007.