

PRESIDENT CHAIN STORE CORP.
2012 ANNUAL
GENERAL SHAREHOLDERS' MEETING
MINUTES



June 21, 2012

(Translation)

2012 ANNUAL SHAREHOLDERS' MEETING AGENDA (Translation)

Time: 9:00 a.m., June 21, 2012 (Thursday)

Venue: 1F, Training Center, No. 301, Zhongzhen Road, Yongkang District, Tainan City

Parliamentary procedure:

I. Call the meeting to order

II. Chairperson's speech (skipped)

III. Report items:

1. 2011 Business Report

Explanation:

The 2011 business report is attached as Appendix I.

2. Supervisors' Review Report on the 2011 Financial Statements.

Explanation:

The 2011 Supervisors' Review Report is attached as Appendix II.

3. Report of the Company's investment in China

Explanation:

The status of the Company's investment in China is attached as Appendix III.

4. Report of Asset Impairment in 2011

Explanation:

The Company recognized the impairment totaling NT\$777,208,818 in accordance with the Statement of Financial Accounting Standards No. 34 and No. 35.

IV. Proposed Resolutions

(Proposed by the Board)

1. To adopt of the 2011 Business Report and Financial Statements.

Explanation:

- (1)PCSC's 2011 Financial Statements, including Balance Sheets, Income Statements, Statements of the changes in Shareholders' Equity, and Cash Flow Statements, were audited by external auditor, PRICEWATERHOUSECOOPER Taiwan.
- (2)The above-mentioned statements have been approved by the Board and examined by the supervisors.
- (3)The 2011 Business Report and Financial Statements are attached as Appendix I 、 Appendix IV and the 2011 annual report.

Resolution: Resolved, that the above proposal be and hereby was approved and proposed.

V. Discussion and Election

(Proposed by the Board)

1. To approve the Proposal for Distribution of 2011 Profits.

Explanation:

- (1) The 2011 Profit Allocation Proposal is attached as Appendix V.
- (2) The Company's distributable earnings for 2011 are NT\$5,039,184,716. The cash dividend to be distributed is NT\$4.8 per share. It is proposed that the Board of PCSC authorized to resolve the ex-dividend date and distribution record date.

Resolution: Resolved, that the above proposal be and hereby was approved and proposed.

(Proposed by the Board)

2. To revise Articles of Incorporation.

Explanation:

- (1) To conform to the amendment of external regulations and operational needs, the amendments to Articles of Incorporation are proposed accordingly.
- (2) The proposed amendments to the Articles of Incorporation is attached as Appendix VII.

Resolution: Resolved, that the above proposal be and hereby was approved and proposed.

(Proposed by th Board)

3. To revise the Operational Procedures for Acquisition and Disposal of Assets.

Explanation:

- (1) To conform to the amendment of external regulations, the inauguration of independent directors and Audit Committee, and operational needs, the amendments to the Operational Procedures for Acquisition and Disposal of Assets are proposed accordingly.
- (2) The proposed amendments to the Operational Procedures for Acquisition and Disposal of Assets is attached as Appendix VIII.

Resolution: Resolved, that the above proposal be and hereby was approved and proposed.

(Proposed by the Board)

4. To revise the Operational Procedures for Loaning of Company Funds.

Explanation:

- (1) To conform to the amendment of external regulations, the inauguration of independent directors and Audit Committee, and operational needs, the amendments to the Operational Procedures for Loaning of Company Funds are proposed accordingly.
- (2) The proposed amendments to the Operational Procedures for Loaning of Company Funds is attached as Appendix IX.

Resolution: Resolved, that the above proposal be and hereby was approved and proposed.

(Proposed by the Board)

5. To revise the Operational Procedures for Endorsements and Guarantees.

Explanation:

- (1) To conform to the amendment of external regulations, the inauguration of independent directors and Audit Committee, and operational needs, the amendments to the Operational Procedures for Endorsements and Guarantees are proposed accordingly.
- (2) The proposed amendments to the Operational Procedures for Endorsements and Guarantees is attached as Appendix X.

Resolution: Resolved, that the above proposal be and hereby was approved and proposed.

(Proposed by the Board)

6. To revise the Operational Procedures for Election of Directors/Supervisors.

Explanation:

- (1) To conform to the amendment of external regulations, the inauguration of independent directors and audit committee, and operational needs, the Operational Procedures for Election of Directors/Supervisors will be amended to the Operational Procedures for Election of Directors.
- (2) The proposed amendments to the Operational Procedures for Election of Directors is attached as Appendix XI.

Resolution: Resolved, that the above proposal be and hereby was approved and proposed.

(Proposed by the Board)

7. To revise the Rules of Procedure for Shareholders Meetings.

Explanation:

- (1) To conform to the operational needs, the amendments to the Rules of Procedure for Shareholders Meetings are proposed accordingly.
- (2) The proposed amendments to the Rules of Procedure for Shareholders Meetings is attached as Appendix XII.

Resolution: Resolved, that the above proposal be and hereby was approved and proposed.

(Proposed by the Board)

8. To elect the 10th term of Directors and Independent Directors.

Explanation:

- (1) The term of the 9th Board of Directors and Supervisors will be expired on 9 June 2012. The Board of Directors resolved that 13 directors (including 3 independent directors) will be elected at this Annual Shareholders' meeting. The new Board will serve the three-year term from 21 June 2012 to 20 June 2015.
- (2) The Company proposes to assemble the Audit Committee consisting entirely of independent directors to replace existing supervisors in accordance with the relevant regulation. The Audit Committee will be assembled as soon as independent directors are elected.
- (3) According to the relevant regulation, the election of independent directors is conducted under the candidate nomination system. The qualifications of the 3 nominated independent directors have been reviewed by the Board. The academic background, experience and relevant information of each candidate are as follows:

Independent Director Candidates	Academic and career experience	Shares holding
Doctor Wang, Wen-Yeu	Current employment: Professor of Collage of Law, National Taiwan University Education: Doctor of Law, Stanford University Career experience: Formerly a member of the Fair Trade Commission, a Director of Taiwan Cooperative Bank, a Supervisor of Taiwan Futures Exchange Corporation, and a member of the Public Listing Review Board	0 shares
Doctor Chen, M.David	Current employment: Professor of Department of Finance and International Business, Fu Jen Catholic University Education: Doctor of Accounting, University of Illinois at Urbana-Champaign Career experience: Formerly a Managing Director of Bank of Taiwan, a member of Taiwan Futures Exchange Disciplinary Committee, and a member of Taiwan Securities Exchange Public Listing Review Board	0 shares
Doctor Shu, Pei-Gi	Current employment: Vice President of College of Management, Fu Jen Catholic University Education: Doctor of Business Administration, National Chengchi University Career experience: Formerly a Chief of Corporate Governance and Corporate Ethics Center, Fu Jen Catholic University	0 shares

Election Results:

Election results of directors:

Account	Name	Vote received	Election result
1	Uni-President Enterprise Corp.	809,652,589	Elected
	Representative: Kao, Chin-Yen		
1	Uni-President Enterprise Corp.	808,878,946	Elected
	Representative: Lin, Chang-Sheng		
1	Uni-President Enterprise Corp.	808,092,797	Elected
	Representative: Lin, Lung-Yi		
1	Uni-President Enterprise Corp.	808,019,477	Elected
	Representative: Lo, Chih-Hsieh		
2303	Kao Chyuan Investment Co., Ltd.	808,005,853	Elected
	Representative: Kao, Hsiu-Ling		
1	Uni-President Enterprise Corp.	807,979,853	Elected
	Representative: Su, Tsung-Ming		
1	Uni-President Enterprise Corp.	807,908,717	Elected
	Representative: Wu, Chung-Pin		
1	Uni-President Enterprise Corp.	807,858,797	Elected
	Representative: Yang, Wen-Long		
1	Uni-President Enterprise Corp.	807,598,797	Elected
	Representative: Chen, Jui -Tang		
1	Uni-President Enterprise Corp.	807,572,797	Elected
	Representative: Hsieh, Chien-Nan		

Election results of independent directors.

Name	Vote received	Election result
Wang, Wen-Yeu	835,926,789	Elected
Chen, M.David	835,926,789	Elected
Shu, Pei-Gi	835,926,789	Elected

(Proposed by the Board)

9. To release the Prohibition on Directors from Participation in Competitive Business

Explanation:

- (1) Amongst the newly elected directors, some have simultaneously undertaken directors or managerial positions in other companies that engage in similar business activities as do the Company. Their involvements are not considered to constitute any conflicts to the Company; for this reason, we agree to remove restrictive clauses on directors' involvements in competing businesses to conform to regulations.

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

Name	Current Position with Other Company
Kao, Chin-Yen	Chairman : Uni-President Enterprises Corp. ; Ton Yi Industrial Corp. ; TTET Union Corp. ; President Fair Development Corp. ; President International Development Corp. ; Guang Dan Commodity Corp. Director : Tainan Spinning Co., Ltd. ; Kao Chyuan Inv. Co., Ltd. ; President Chain Store (Labuan) Holdings Ltd. ; PCSC (China) Drugstore Ltd. ; President Chain Store (BVI) Holdings Ltd. ; Han Tech Venture Capital Corp. ; Uni-President China Holdings Ltd. (Cayman) ; Kai Yu(BVI) Investment Co., Ltd. ; Global Strategic Investment Inc. ; President Energy Development (Cayman Islands) Ltd. ; Cayman President Holdings Ltd.
Lin, Chang-Sheng	Chairman : President Baseball Team Corp. ; President Pharmaceutical Corp. ; Ton Yi Pharmaceutical Corp. ; President Coffee Corp. ; Uni-President Department Store Corp. ; Uni-President Cold Chain Corp. ; President Life Sciences Co., Ltd. ; President Century Corp. ; Uni-President Biotechnologies Co., Ltd. ; Kai Yu Investment Co., Ltd. ; Kai Nan Investment Co., Ltd. ; Tong Yu Investment Corp. ; Tong Ren Corp. ; Changjiagang President Nisshin Food Co., Ltd. ; President Enterprises (China) Investment Co., Ltd. ; Shanghai President Coffee Co., Ltd. ; President Chain Store (Shanghai) Ltd.. ; Uni-President Development Corp. ; President (Sanghai) Health Product Trading Company Ltd. ; President Global Corp. Vice Chairman : President Nisshin Corp. Director : Uni-President Enterprises Corp. ; President Coffee (Cayman) Holdings Ltd. ; Nanlien International Corp. ; President Kikkoman Inc. ; President Entertainment Corp. ; Tone Sang Construction Corp. ; Ton Yi Industrial Corp. ; TTET Union Corp. ; Mech-President Corp. ; Tung Ho Development Corp. ; Uni-Resort Corp. ; President Fair Development Corp. ; President International Development Corp. ; Scino Pharm Taiwan Ltd. ; CDIB & Partners Investment Holding Corp. ; Tong Ting Gas Corp. ; Kuan Tang Industrial Harbor Corp. ; Uni-Splendor Corp. ; Uni-President Assets

Name	Current Position with Other Company
	<p>Management Co., Ltd. ; Kunshan President Kikkoman Biotechnology Co., Ltd. ; XIANG LU INDUSTRIES LTD. ; Uni-President China Holdings Ltd.(Cayman) ; Uni-President Foodstuff (BVI) Holdings Ltd. ; President International Trade & Investment Corp. ; President Chain Store (BVI) Holdings Ltd. ; President Chain Store (Labuan) Holdings Ltd. ; PCSC (China) Drugstore Ltd. ; Uni-President Asia Holding Ltd. ; Presiclerc limited ; President (BVI) International Investment Holdings Ltd. ; UNI-PRESIDENT LOGISTICS(BVI) HOLDINGS LIMITED ; President Energy Development (Cayman Islands) Ltd. ; President Life Sciences Cayman Co., Ltd.</p> <p>President : Kai Nan Investment Co., Ltd. ; Kai Yu Investment Co., Ltd.</p>
Lin, Lung-Yi	<p>Chairman : Uni-President Glass Industrial Co., Ltd. ; Uni-President Organics Corp.</p> <p>Vice Chairman : President Enterprises (China) Investment Co., Ltd.</p> <p>Director : Ton Yi Industrial Corp. ; Nanlien International Corp. ; President Entertainment Corp. ; Tone Sang Construction Corp. ; Retail Support International Corp. ; President Nisshin Corp. ; Mech-President Corp. ; Tung Ho Development Corp. ; Uni-Resort Corp. ; President Tokyo Corp. ; President Tokyo Auto Leasing Corp. ; President Kikkoman Inc. ; Kai Yu Investment Co., Ltd. ; President Fair Development Corp. ; President International Development Corp. ; Kai Nan Investment Co., Ltd. ; President Transnet Corp. ; Uni-President Development Corp. ; Uni-Home Tech. Corp. ; President Drugstore Business Corp. ; President Century Corp. ; President Collect Service Co., Ltd. ; Grand Bills Finance Corp. ; Scino Pharm Taiwan Ltd. ; Uni-President China Holdings Ltd.(Cayman) ; Changjiagang President Nisshin Food Co., Ltd. ; President Cosmed Chain Store (Shen Zhen) Co, Ltd. ; President Energy Development (Cayman Islands) Ltd.</p>
Lo, Chih-Hsieh	<p>Chairman : Presco Netmarketing Inc. ; Weilih Food Corp. ; President Packaging Corp. ; Uni-President Dream Parks Corp. ; Uni-OAO Travel Service Corp. ; Xin-Ya Enterprises Corp. ; Tung-Hsiang Enterprises Corp. ; Tung-Shun Enterprises Corp. ; President Natural Industrial Corp. ; Foshan Sanshui jianlibao Commerce Co., Ltd. ; Uni-President China Holdings Ltd.(Cayman) ; Uni-President (Vietnam) Co., Ltd ; Uni-President (Thailand) Ltd. ; Uni-President (Philippines) Corp. ; Xinjiang President Enterprises Food Co. ; Beijing President Food Co., Ltd. ; Wuhan President Enterprises Food Co. ; Kunshan President Enterprises Food Co. ; Kunming President Enterprises Corp. ; Chengdu President Enterprises Food Co., Ltd. ; Guangzhou President Enterprises Co., Ltd. ; Shenyang President Enterprises Co., Ltd. ; Hefei President Enterprises Co., Ltd. ; Beijing President Enterprises Drinks & Food Co., Ltd. ; Fuzhou President Enterprises Co., Ltd. ; Nanchang President Enterprises Co., Ltd. ; President (Shanghai) Trading Co., Ltd. ; Zhengzhou President Enterprises Co., Ltd. ; Bama President Mineral Water Co., Ltd. ; Champ Green (Shanghai) Consulting Co. Ltd. ; Champ Green Capital Limited ; Harbin President Enterprises Co., Ltd. ; Zixi President Enterprises Drinks & Food Co., Ltd. ; Chengdu unifies the skillful noodle restaurant dining culture</p>

Name	Current Position with Other Company
	<p>limited company ; Changsha President Enterprises Co., Ltd. ; Zhanjiang President Enterprise Co., Ltd. ; Nanning President Enterprise Co., Ltd. ; Taizhou President Enterprises Co., Ltd. ; Chongqing President Enterprise Co., Ltd. ; Changchun President Enterprise Co., Ltd. ; Uni-President Shanghai Pearly Century Co., Ltd. ; Shanghai Ruxin Leather Products Co., Ltd. ; Shijiezhuanng President Enterprise Co., Ltd. ; Hainan President Enterprise Co., Ltd. ; Wuxue President Mineral Water Co., Ltd. ; Jinan President Enterprise Co., Ltd. ; Baiyin President Enterprise Co., Ltd. ; Xuzhou President Enterprise Co., Ltd. ; Guiyang President Enterprises Co., Ltd. ; Akesu President Enterprise Co., Ltd. ; Hangzhou President Enterprise Co., Ltd.</p> <p>Vice Chairman : President Kikkoman Inc. ; President Enterprises (China) Investment Co., Ltd. ; Yantai North Andre Juice Co., Ltd. ; Jinmailang Beverage (Beijing) Co., Ltd.</p> <p>Director : Uni-President Enterprises Corp. ; Uni-President Development Corp. ; Ton Yi Industrial Corp. ; President Baseball Team Corp. ; Nanlien International Corp. ; Uni-President Cold Chain Corp. ; President Entertainment Corp. ; Tung Ho Development Corp. ; Uni-President Organics Corp. ; President Fair Development Corp. ; Tait Marketing & Distribution Co., Ltd. ; Retail Support International Corp. ; President Nisshin Corp. ; Kai Yu Investment Co., Ltd. ; Kai Nan Investment Co., Ltd. ; Tong Yu Investment Corp. ; President Coffee Corp. ; Kuang Chuan Dairy Co., Ltd. ; Kuang Chuan Foods Co., Ltd. ; Hi-Life International Co., Ltd. (to be appointed) ; Grand Bills Finance Corp. ; Scino Pharm Taiwan Ltd. ; President International Development Corp. ; PK Venture Capital Corp. ; Uni-President Glass Industrial Co., Ltd. ; Presicarre Corp. ; Ming Da Enterprises Co., Ltd. ; Uni-Splendor Corp. ; Tainan Spinning Retail & Distribution Co., Ltd. ; Shanghai Uni-President Dream Parks Trading Corp. ; Changjiagang President Nisshin Food Co. ; Kunshan President Kikkoman Biotechnology Co., Ltd. ; President Kikkoman Zhenji Foods Co., Ltd. ; Cargill-President (Dongguan) Feed Protein Technology Co., Ltd ; Uni-President Hong Kong Holdings Limited ; President Energy Development (Cayman) Ltd. ; PT ABC President Enterprises Indonesia ; Cargill President Holdings Pte Ltd. ; Uni-President Southeast Asia Holdings Ltd. ; Uni-Champion Logistics Development Co. ; Tone Sang Construction Corp.</p> <p>President : Uni-President Enterprises Corp. ; Presco Netmarketing Inc.</p>
Kao, Hsiu-Ling	<p>Chairman : Kao Chyuan Investment Co., Ltd. ; President Being Corp.</p> <p>Director : President Investment Trust Corp. ; Scino Pharm Taiwan Ltd. ; Ton Yi Industrial Corp.</p>
Su, Tsung-Ming	<p>Director : President International Development Corp. ; Uni-President China Holdings Ltd. (Cayman) ; Kanh Na Hsiung Enterprise Co., Ltd. ; United Venture Capital Corp. ; Compliance Certification Services Inc. ; Tainan Spinning Retail & Distribution Co., Ltd. ; Origene Technologies Inc. ; AndroSciences Corp. ; SYNergy ScienTech Corp. ; President Fair Development Corp. ; Outlook Investment Pte Ltd. ; Uni-Home Tech Corp. ; Tanvex Biologics,</p>

Name	Current Position with Other Company
	Inc. ; Uni-President Hong Kong Holdings Limited ; President Tokyo Corp. ; President Tokyo Auto Leasing Corp. ; President Life Sciences Co., Ltd. ; Puppetmotion Entertainment Co., Ltd. ; Scino Pharm Taiwan Inc. ; Tong Yu Investment Corp. President : President International Development Corp. ; President Life Sciences Co., Ltd.
Wu, Chung-Pin	Director : Kuang Chuan Dairy Co., Ltd. (to be appointed) ; Kuang Chuan Foods Co., Ltd. (to be appointed) ; Hi-Life International Co., Ltd. (to be appointed)
Yang, Wen-Long	Director : Uni-President Vendor Corp. ; Tait Marketing & Distribution Co., Ltd. ; President International Development Corp. ; President Enterprises (China) Investment Co., Ltd. ; Uni-President (Thailand) Ltd. ; Uni-President Marketing Co., Ltd. ; Uni-President (Vietnam) Co., Ltd. ; PT ABC President Enterprises Indonesia ; Saigon Beverages Joint Stock Company ; Foshan Sanshui jianlibao Commerce Co., Ltd. ; Ton Yi Industrial Corp.
Chen, Jui -Tang	Director : President Musashino Corp. ; Capital Inventory Services Corp.
Hsieh , Chien-Nan	Chairman : Taiwan Rakuten Ichiba,Inc. ; President Insurance Brokers Co., LTD ; Q-ware Systems & Services Corp. ; Q-ware Communications Corp. Director : Diamond Point Integrated Marketing Service Co. ; Uni-President Cold-Chain Corp. ; Retail Support International Corp. ; Capital Inventory Services Corp. ; Wisdom Distribution Service Corp. ; President Being Corp. ; Ren-Hui Investment Corp. ; Books.com. Co., Ltd. ; Chieh-Shuen Logistics International Corp. ; Retail Support Taiwan Corp. ; President Logistics International Corp. ; Bank Pro E-Service Technology Co., Ltd. ; President Information Corp. ; Philippine Seven Corp. ; President Chain Store (Hong Kong) Holdings Limited ; President Chain Store (Shanghai) Ltd. ; Shenzhen Cosmed-Livzon Pharmacy Chain Store Co., Ltd. President : Books.com. Co., Ltd.
Wang, Wen-Yu	Independent Director : Global Unichip Corp. ; Cosmos Bank
Chen, M.David	Director : AMPOC FAR-EAST CO., LTD. ; Kedge Construction Co., Ltd. ; Global Mall Co., Ltd.
Shu, Pei-Gi	None

Resolution: Resolved, that the above proposal be and hereby was approved and proposed.

IV. Other Motions and Preliminary Motions

V. Dissolution

2011 Business Report

Ladies and gentlemen:

Even though most businesses were challenged by the difficult economic environment toward the second half of 2011, President Chain Stores Management has overcome this challenge with an innovative business model that improved the quality of our retail outlets, strengthened the brand, and broadened our virtual distribution network. Combined with the cross-selling efforts of our subsidiaries, we delivered consolidated revenues totaling NTD 189.25 billion and profits totaling NTD 7.16 billion in 2011; both were record highs.

In terms of product lines, President Chain Store aimed to satisfy consumers' trends and arising awareness towards healthy diet by offering a broad range of light meals made fresh to order. These products were 100% made with Taiwanese rice, and supported by the full cooperation of Taiwanese farmers to ensure premium quality. In the future, we will continue devoting resources to integrate modern technologies with traditional agriculture, and deliver consumers the best food experience. In 2011, the fresh brewed coffee offered by CITY CAFÉ attracted a broader range of customers to deliver nearly 30% revenue growth, whereas 7-SELECT gave customers more varieties of fashionable designs to choose from at affordable prices.

As part of our business development efforts, we continued to build 7nET as a virtual extension to our physical retail network. This shopping platform, supported by a comprehensive retail network and a robust logistic system, will provide consumers a more convenient way to shop. In 2011, "ibon" services were expanded further to include laundry services, which contribute further to our efforts of building 7-ELEVEn stores with full community services.

With regards to business investments, we have taken the initiative to expand the coverage of our PCSC. As at the end of 2011, the PCSC had a total of 7,006 stores. In The Philippines, the number of 7-ELEVEn stores reached 600 in July 2011; in Taiwan, the number of Cosmed stores exceeded 350, making it the 3rd largest retail chain owned by the PCSC; last but not least, the cosmetic brand - "My Beauty Diary" by President Pharmaceutical was sold to 10 overseas markets including China, Japan, Korea, and USA. We will continue to focus on expanding our overseas reach in the future.

President Chain Store has long been committed in fulfilling social responsibilities. Its efforts can be seen in disaster rescues, care for the disadvantaged, and environmental protection. When the tsunami broke out in Japan and the flood in Thailand, 7-ELEVEn immediately launched a fund-raising platform and worked with charity organizations from local and abroad to channel all donated funds for reconstruction.

Furthermore, in response to the government's environmental protection policies, 7-ELEVEn spearheaded the issuance of electronic invoices ahead of all other retailers since December 19 2011. The Company's efforts in fulfilling the corporate responsibilities have been recognized by the public. In 2011, we once again won the commendation for "Most Admired Company in Taiwan" by Commonwealth Magazine, as well as the "Corporate Responsibility Award" and the "Corporate Hero for Taiwan Environment Award" by Global Views Monthly Magazine.

Looking forward in 2012, 7-ELEVEn will continue working toward becoming a self-serviced convenience restaurant chain. By integrating the functionalities of our 7NET shopping website and the ibon station, we shall offer more differentiated products and better innovative services to achieve sustainable business growth, while establishing our image as consumers' ideal community service provider.

As for our invested businesses, we shall see performance improve as we achieve greater resource integration and synergies. In The Philippines, we strive to bring 7-ELEVEn to 1,000 stores by 2013. In Shanghai, the brand Starbucks has been long-established and provides the key foundation on which President Chain Store may develop its restaurant business. As for 7-ELEVEn Shanghai, we will be offering more varieties of fresh food and services on top of our ambitious store expansion, thereby giving local consumers a whole new consumer experience.

Improving corporate governance and creating corporate value have always been President Chain Store's long term goals. In August 2011, President Chain Store assembled its Remuneration Committee; later on in 2012, independent directors will be introduced into the governance structure to form an Audit Committee. In the future, the Company will continue to fulfill its unshakable mission, namely “determined to be the most outstanding retailer, achieve the mission for providing the most convenient services in life, and perform a good citizen’s responsibility”, and will make every endeavor to provide consumers with convenient life, seek stable profitability for franchisees, create happy work environments for employees, and increase corporate value.

Chairman: Kao Chin-Yen President: Hsu Chung-Jen Chief Accountant: Lai Hsin-Ti

Appendix II

President Chain Store Corp.
Supervisors' review report

I hereby state as following:

I have examined the business report, financial statements and proposal for allocation of earnings for 2011 submitted by the Board of Directors and consider that they should be accurate and correct, and hereby present this report in accordance with Article 219 of the Company Law.

To:

General Shareholders' Meeting of PRESIDENT CHAIN STORE CORP. 2012

President Chain Store Corp.

Supervisor: Yin Chien-Li

March 22, 2012

President Chain Store Corp.
Supervisors' review report

I hereby state as following:

I have examined the business report, financial statements and proposal for allocation of earnings for 2011 submitted by the Board of Directors and consider that they should be accurate and correct, and hereby present this report in accordance with Article 219 of the Company Law.

To:

General Shareholders' Meeting of PRESIDENT CHAIN STORE CORP. 2012

President Chain Store Corp.

Supervisor: Kai Yu Investment Co., Ltd.

Institutional Representative: Wu Chung-in

March 22, 2012

Appendix III

President Chain Store Corp.

Statistics of Investment in China 2011

Unit: USD dollar

Name of Investee in China	Investment in 2011	Accumulated Investment	Indirect Shareholding
Shanghai President Starbucks Coffee Corp.		2,000,000	30%
Presiclerc(Beijing) Supermarket Co., Ltd.		2,217,625	36.94%
President Chain Store (Shanghai) Ltd.	21,639,527	36,272,956	100%
Mister Donut Shanghai Co., Ltd.	1,875,000	5,437,187	50%
PCSC Afternoon Tea Shanghai Ltd.	1,978,800	4,528,800	51%
President Cosmed Chain Store (Shen Zhen) Co., Ltd.		8,696,008	65%
Wuhan Uni-President Oven Fresh Bakery Co., Ltd.		4,794,980	100%
Shan Dong President Yinzuo Commercial Limited		4,078,354	55%
PCSC (Sichuan) Hypermarket Limited		10,150,000	100%
PCSC (Chengdu) Hypermarket Limited		13,012,500	100%
Shanghai Cold Stone Ice Cream Corporation		14,454,640	100%
Shanghai President Logistic Co., Ltd.		2,000,000	100%
Sato (Shanghai) Catering Mathematics Co., Ltd.	1,300,000	1,835,811	81%
President Royal Host (Shanghai) Ltd.		1,020,510	51%
Total	26,793,327	110,499,371	

Appendix IV

Independent Auditor's Report

(101) MOF.FS.Tzi No. 10003414

To: President Chain Store Corporation

We have audited the accompanying balance sheet of President Chain Store Corporation as of December 31, 2011 and 2010 and the related statements of income, changes in shareholders' equity, and cash flows for the periods of January 1~December 31, 2011 and 2010. The financial statements are the responsibility of the management. Our responsibility is to express an opinion on the financial statements based on our audits. The investment income/loss recognized for some of the long-term equity investment valued with Equity Method in 2011 and 2010 and the information disclosure of the invested company in conformity with Note XI to Financial Statements were valued in accordance with the financial statements audited by other CPAs of the invested company instead of us. The net investment income recognized in accordance with the financial statements audited by other CPAs amounted to NT\$183,815,000 and NT\$44,208,000 in 2011 and 2010, respectively. The relevant long-term equity investment amounted to NT\$682,997,000 and NT\$441,865,000 on December 31, 2011 and 2010, respectively.

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

In our opinion, based on our audit and the audit report issued by other CPAs, the financial statements of President Chain Store Corporation as of December 31, 2011 and 2010, and the results of its operations and its cash flows for the years then ended, in conformity with the "Guidelines Governing the Preparation of Financial Reports by Securities Issuers," and accounting principles generally accepted in the Republic of China.

We have issued an unqualified opinion on the 2011 and 2010 consolidated financial statements of President Chain Store Corporation.

PRICEWATERHOUSECOOPERS

Chen Mei-Tzu

CPA

Tseng Hui-Chin

Former SEC, Ministry of Finance

Certificate No.: (82) Tai-chai-Jen (VI) No. 39230

(79) Tai-chai-Jen (I) No. 27815

March 23, 2012

President Chain Store Corp.
Balance Sheet
December 31, 2011 and 2010

Currency unit: NT\$1,000

			December 31, 2011		December 31, 2010	
Current assets						
1100	Cash and cash equivalence	IV(I)	\$ 9,811,022	19	\$ 4,626,008	9
1310	Financial assets-current-whose changes in fair value are recognized in earnings	IV(II)	6,350,000	12	9,060,250	18
1140	Net accounts receivable	V	523,775	1	457,829	1
1178	Other receivables	V	977,328	2	813,207	2
120X	Inventories	IV(III)	3,658,771	7	2,931,645	6
1260	Prepayments	VII	132,515	-	147,000	-
1298	Other Current assets - others	IV(XV)	127,947	-	283,413	1
11XX	Total current assets		<u>21,581,358</u>	<u>41</u>	<u>18,319,352</u>	<u>37</u>
Funds and long-term investments						
1450	Financial assets in available-for-sale—non current	IV(IV)	898,243	2	1,533,932	3
1480	Financial assets measured at cost - noncurrent	IV(V)	7,667,281	15	8,613,020	17
1421	Long-term investments (Equity method)	IV(VI)&V	11,070,230	21	10,603,067	22
14XX	Total funds and long-term investments		<u>19,635,754</u>	<u>38</u>	<u>20,750,019</u>	<u>42</u>
Fixed assets						
Costs						
1501	Land		1,432,614	3	1,432,614	3
1521	House and building		906,835	2	906,835	2
1571	Operating equipment		12,288,978	23	11,844,551	24
1631	Lease improvement		6,378,052	12	5,589,022	11
1681	Other equipment		7,083	-	9,660	-
15X8	Revaluation increments		55,374	-	55,374	-
15XY	Total costs		<u>21,068,936</u>	<u>40</u>	<u>19,838,056</u>	<u>40</u>
15X9	Less: accumulated depreciation		(12,473,410)	(24)	(12,073,247)	(24)
1599	Less: accumulated impairment		(54,689)	-	-	-
15XX	Total fixed assets - net		<u>8,540,837</u>	<u>16</u>	<u>7,764,809</u>	<u>16</u>
Intangible assets						
1750	Cost of computer software		<u>222,356</u>	<u>1</u>	<u>171,030</u>	<u>-</u>
Other assets						
1800	Assets leased to others	IV(IX)VII	1,248,400	2	1,262,561	3
1820	Refundable deposits	VII	1,034,589	2	995,245	2
1888	Other assets - others	IV(XV)	15,274	-	8,842	-
18XX	Total other assets		<u>2,298,263</u>	<u>4</u>	<u>2,266,648</u>	<u>5</u>
1XXX	Total Assets		<u>\$ 52,278,568</u>	<u>100</u>	<u>\$ 49,271,858</u>	<u>100</u>
Liabilities and Shareholders' Equity		Note	Amount	%	Amount	%

(To be continued)

President Chain Store Corp.
Balance Sheet
December 31, 2011 and 2010

Currency unit: NT\$1,000

	Liabilities and Shareholders' Equity	Note	December 31, 2011		December 31, 2010	
			Amount	%	Amount	%
Current liabilities						
2120	Notes payable		\$ 282,884	1	\$ 168,893	-
2130	Note payable-related parties	V	4,516,270	9	3,848,885	8
2140	Accounts payable		374,165	1	302,886	1
2150	Accounts payable-related parties	V	6,598,356	13	5,536,314	11
2160	Income tax payable	IV(XV)	604,528	1	792,563	2
2170	Payable expenses	IV(X)&V	2,876,295	5	2,536,808	5
2228	Other accounts payable-other	IV(XI)	8,111,258	15	6,523,484	13
2260	Unearned receipts	IV(XII)(XIII)	2,132,299	4	1,782,382	4
21XX	Total current liabilities		<u>25,496,055</u>	<u>49</u>	<u>21,492,215</u>	<u>44</u>
Long-term liabilities						
2420	Long-term debt payable	IV(XIII)	<u>3,400,000</u>	<u>6</u>	<u>5,000,000</u>	<u>10</u>
Other liabilities						
2810	Accrued pension liabilities	IV(XIV)	474,243	1	357,617	1
2820	Guarantee Deposit received		1,865,516	3	1,853,952	4
2880	Other liabilities-other		348,445	1	355,873	-
28XX	Total other liabilities		<u>2,688,204</u>	<u>5</u>	<u>2,567,442</u>	<u>5</u>
2XXX	Total liabilities		<u>31,584,259</u>	<u>60</u>	<u>29,059,657</u>	<u>59</u>
Shareholders' equity						
Capital Stock						
3110	Capital-common stock	IV(XVI)	10,396,222	20	10,396,222	21
Additional paid-in capital						
3240	Gain from assets disposed		5,082	-	5,082	-
Retained earnings						
3310	Legal reserve	IV(XVII)	4,618,579	9	4,046,004	8
3320	Special reserve		-	-	4,660	-
3350	Retained earnings-unappropriated		6,443,247	12	5,752,901	12
Other adjustments in SH's equity						
3420	Cumulative translation adjustment		(51,876)	-	(222,559)	-
3430	Net loss not recognized as pension cost	IV(XIV)	(132,771)	-	(55,514)	-
3450	Unrealized gain or loss on financial instrument	IV(IV)	(634,091)	(1)	234,124	-
3460	Unrealized revaluation gains		49,917	-	51,281	-
3XXX	Total shareholders' equity		<u>20,694,309</u>	<u>40</u>	<u>20,212,201</u>	<u>41</u>
Commitment or contingency						
Materiality after the period						
Total Liabilities and Shareholders' Equity						
			<u>\$ 52,278,568</u>	<u>100</u>	<u>\$ 49,271,858</u>	<u>100</u>

Please refer to the notes to financial statements and the audit report dated March 23, 2012 by CPA Chen Mei-Tzu and Tseng Hui-Chin of PRICEWATERHOUSECOOPERS

Chairman: Kao Chin-Yen

President: Hsu Chun-Jen

Chief Accountant: Lai Hsin-Ti

President Chain Store Corp.
Income Statements
January 1~December 31, 2011 and 2010

Currency unit: NT\$1,000

(EPS: NT\$)

Item	Note	2011		2010	
		Amount	%	Amount	%
Operating revenue					
4110		\$ 118,751,042	97	\$ 111,074,306	97
4800	V	3,961,683	3	3,589,587	3
4000		<u>122,712,725</u>	<u>100</u>	<u>114,663,893</u>	<u>100</u>
Operating cost					
5110	IV(III)&V	(84,437,416)	(69)	(78,741,282)	(69)
5910		<u>38,275,309</u>	<u>31</u>	<u>35,922,611</u>	<u>31</u>
Gross profit					
Operating expenses					
6100	V	(29,221,346)	(24)	(27,612,957)	(24)
6200		(2,979,023)	(2)	(2,782,166)	(2)
6000		<u>(32,200,369)</u>	<u>(26)</u>	<u>(30,395,123)</u>	<u>(26)</u>
6900		<u>6,074,940</u>	<u>5</u>	<u>5,527,488</u>	<u>5</u>
Operating income					
Non-operating income					
7110		38,670	-	11,859	-
7121	IV(VI)				
		1,173,243	1	861,330	1
7122		112,649	-	42,558	-
7140					
		111,141	-	244,941	-
7210	V	73,788	-	72,467	-
7480	V	776,456	1	698,551	1
7100		<u>2,285,947</u>	<u>2</u>	<u>1,931,706</u>	<u>2</u>
Non-operating expenses and losses					
7510		(32,084)	-	(34,005)	-
7530		(42,747)	-	(15,039)	-
7630	IV(V)(VIII)	(777,209)	(1)	(729,928)	(1)
7880		(78,382)	-	(51,286)	-
7500		<u>(930,422)</u>	<u>(1)</u>	<u>(830,258)</u>	<u>(1)</u>
7900		<u>7,430,465</u>	<u>6</u>	<u>6,628,936</u>	<u>6</u>
8110	IV(XV)	(1,078,055)	(1)	(903,179)	(1)
9600		<u>\$ 6,352,410</u>	<u>5</u>	<u>\$ 5,725,757</u>	<u>5</u>
Earnings per share					
Basic earnings per share					
9750	IV(XVIII)	<u>\$ 7.15</u>	<u>\$ 6.11</u>	<u>\$ 6.38</u>	<u>\$ 5.51</u>
Diluted earnings per share					
9850		<u>\$ 7.13</u>	<u>\$ 6.10</u>	<u>\$ 6.36</u>	<u>\$ 5.50</u>

Please refer to the notes to financial statements and the audit report dated March 23, 2012 by CPA Chen Mei-Tzu and Tseng Hui-Chin of PRICEWATERHOUSECOOPERS

Chairman: Kao Chin-Yen

President: Hsu Chun-Jen

Chief Accountant: Lai Hsin-Ti

President Chain Store Corp.
Statement of Change in Shareholders' Equity
January 1~December 31, 2011 and 2010

Currency unit: NT\$1,000

	Capital-common stock	Additional paid-in capital	Retained earnings		Retained earnings-unappro- priated	Cumulative translation adjustment	Net loss not recognized as pension cost	Unrealized gain or loss on financial instrument	Unrealized reevaluation gains	Total
			Legal reserve	Special reserve						
<u>2010</u>										
Balance at January 1, 2010	\$ 10,396,222	\$ 5,082	\$ 3,640,091	\$ -	\$ 4,180,357	\$ 56,081	(\$ 4,660)	\$ 595,033	\$ 52,646	\$ 18,920,852
Appropriation and distribution of retained earnings in 2009 (Note):										
Legal reserve	-	-	405,913	-	(405,913)	-	-	-	-	-
Provision of Special reserve	-	-	-	4,660	(4,660)	-	-	-	-	-
Cash dividends	-	-	-	-	(3,742,640)	-	-	-	-	(3,742,640)
Net income of 2010	-	-	-	-	5,725,757	-	-	-	-	5,725,757
Changes in unrealized revaluation increment of fixed assets	-	-	-	-	-	-	-	-	(1,365)	(1,365)
Unrealized gain or loss on financial assets	-	-	-	-	-	-	-	(360,909)	-	(360,909)
Changes in translation adjustments to foreign long-term investments	-	-	-	-	-	(278,640)	-	-	-	(278,640)
Changes in net loss not recognized as pension cost	-	-	-	-	-	-	(50,854)	-	-	(50,854)
Balance at December 31, 2010	<u>\$ 10,396,222</u>	<u>\$ 5,082</u>	<u>\$ 4,046,004</u>	<u>\$ 4,660</u>	<u>\$ 5,752,901</u>	<u>(\$ 222,559)</u>	<u>(\$ 55,514)</u>	<u>\$ 234,124</u>	<u>\$ 51,281</u>	<u>\$ 20,212,201</u>
<u>2011</u>										
Balance at January 1, 2011	\$ 10,396,222	\$ 5,082	\$ 4,046,004	\$ 4,660	\$ 5,752,901	(\$ 222,559)	(\$ 55,514)	\$ 234,124	\$ 51,281	\$ 20,212,201
Appropriation and distribution of retained earnings in 2010 (Note):										
Legal reserve	-	-	572,575	-	(572,575)	-	-	-	-	-
Special reserve (Reverse)	-	-	-	(4,660)	4,660	-	-	-	-	-
Cash dividends	-	-	-	-	(5,094,149)	-	-	-	-	(5,094,149)
Net income of 2011	-	-	-	-	6,352,410	-	-	-	-	6,352,410
Changes in unrealized revaluation increment of fixed assets	-	-	-	-	-	-	-	-	(1,364)	(1,364)
Unrealized gain or loss on financial assets	-	-	-	-	-	-	-	(868,215)	-	(868,215)
Changes in translation adjustments to foreign long-term investments	-	-	-	-	-	170,683	-	-	-	170,683
Changes in net loss not recognized as pension cost	-	-	-	-	-	-	(77,257)	-	-	(77,257)
Balance at December 31, 2011	<u>\$ 10,396,222</u>	<u>\$ 5,082</u>	<u>\$ 4,618,579</u>	<u>\$ -</u>	<u>\$ 6,443,247</u>	<u>(\$ 51,876)</u>	<u>(\$ 132,771)</u>	<u>(\$ 634,091)</u>	<u>\$ 49,917</u>	<u>\$ 20,694,309</u>

Note: In respect of proposals of distribution of 2010 and 2009 earnings, bonus to employees amounted to \$309,471 and \$218,913 and remuneration to directors and supervisors amounted to \$51,578 and \$36,486, respectively, which have been deducted from the statements of incomes for the years ended December 31, 2010 and 2009.

Please refer to the notes to financial statements and the audit report dated March 23, 2012 by CPA Chen Mei-Tzu and Tseng Hui-Chin of PRICEWATERHOUSECOOPERS

Chairman: Kao Chin-Yen

President: Hsu Chun-Jen

Chief Accountant: Lai Hsin-Ti

President Chain Store Corp.
Statement of Cash Flows
January 1~December 31, 2011 and 2010

Currency unit: NT\$1,000

	2011	2010
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Net Income	\$ 6,352,410	\$ 5,725,757
Adjustments to reconcile net income to net cash provided by operating activities		
Loss on valuation of financial asset	250	445
Uncollectible account	23,013	6,029
Depreciation	1,923,839	1,748,365
Accumulated depreciation – assets leased to other	14,161	14,167
Amortization	125,190	142,340
Gain on disposal of financial assets measured at cost (	80,115 ) (	227,045)
Financial assets measured at cost - impairment losses	722,520	729,928
Cash dividend from Long-term investments (Equity method)	1,083,509	628,245
Net investment gain recognized under the equity method (	1,173,243 ) (	861,330)
Gain on disposal of long-term equity investments under the equity method (	1,275)	-
Net loss from the disposal of fixed assets	42,747	15,039
Impairment loss of fixed assets	54,689	-
Changes in assets and liabilities:		
Financial assets at fair value through profit or loss	2,710,000 (	1,800,000)
Accounts receivable (	65,946 ) (	116,356)
Other receivables (	187,134 ) (	204,051)
Inventories (	727,126)	14,299
Prepayments	14,485	20,794
Deferred income tax assets (	29,133 ) (	614)
Other current assets	167,362 (	6,100)
Notes payable	781,376 (	134,736)
Accounts payable	1,133,321 (	234,096)
Income tax payable (	188,035)	782,097
Payable expenses	339,487	511,873
Other accounts payable	1,647,882	465,632
Unearned receipts	349,917	235,765
Accrued pension liabilities	25,785 (	426)
Other liabilities	7,077	8,748
Net cash provided by operating activities	15,067,013	7,464,769

Statement of Cash Flows
January 1~December 31, 2011 and 2010

Currency unit: NT\$1,000

	2011	2010
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Proceeds refunded for the invested company's de-capitalization valued at cost	\$ 33,333	\$ -
Proceeds from disposal of financial assets carried at cost	270,000	252,853
Payment for acquisition of long-term investments under equity method	(454,738)	(893,111)
Proceeds from capital reduction of long-term investment under equity method	-	223,441
Proceeds from liquidation of long-term investment under equity method	34,221	7,355
Disposition of long-term investments under equity method	5,024	-
Purchase of fixed assets	(2,895,484)	(1,845,114)
Proceeds from disposal of fixed assets	22,203	33,647
Purchase of computer software	(174,629)	(28,647)
Increase in refundable deposits	(39,344)	(21,237)
Increase in other assets- other	-	4,959
Net cash used by investing activities	(3,199,414)	(2,265,854)
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>		
Borrowing of long-term loans	16,000,000	22,300,000
Repayment of long-term loans	(17,600,000)	(24,400,000)
Cash dividend distributed	(5,094,149)	(3,742,640)
Increase in guarantee deposits received	11,564	(33,767)
Net cash outflow from financing activities	(6,682,585)	(5,876,407)
Cash and cash equivalence increase (decrease)	5,185,014	(677,492)
Balance of cash and cash equivalents- beginning	4,626,008	5,303,500
Balance of cash and cash equivalents-ending	\$ 9,811,022	\$ 4,626,008
<u>Supplement disclosures of cash flow information</u>		
Interest paid	\$ 8,540	\$ 11,560
Income tax paid	\$ 1,295,223	\$ 121,696
<u>Investing activities of partial payment on cash:</u>		
Total payment for purchase of fixed assets	\$ 2,835,376	\$ 1,964,265
Add: balance of accounts payable on equipment - beginning	551,997	432,846
Less: balance of accounts payable on equipment - ending	(491,889)	(551,997)
Cash purchase of property, plant and equipment	\$ 2,895,484	\$ 1,845,114

ase refer to the notes to financial statements and the audit report dated March 23, 2012 by CPA Chen Mei-Tzu and Tseng Hui-Chin of PRICEWATERHOUSECOOPERS

Chairman: Kao Chin-Yen

President: Hsu Chun-Jen

Chief Accountant: Lai Hsin-Ti

Independent Auditor's Report

(101) MOF.FS.Tzi No. 11003549

To: President Chain Store Corporation

We have audited the accompanying balance sheet of President Chain Store Corporation and subsidiaries as of December 31, 2011 and 2010 and the related statements of income, retained earnings, and cash flows for the years then ended. These financial statements are the responsibility of the management. Our responsibility is to express an opinion on the financial statements based on our audits. The subsidiary's financial statements included in the consolidated financial statements were audited by other CPAs instead of us. Therefore, the amount of the financial statements reported is based on the audit reports of other CPAs. The subsidiary's total assets amounted to NT\$3,043,155,000 and NT\$2,531,900,000 representing 4.09 % and 3.66% of total consolidated assets on December 31, 2011 and 2010, respectively. The net operating income amounted to NT\$7,401,412,000 and NT\$6,292,617,000 representing 3.91% and 3.70% of total consolidated net operating income in 2011 and 2010, respectively. The 2011 long-term equity investment gain and loss valued with Equity Method of President Chain Store Co., Ltd. and subsidiaries is recognized in accordance with the financial statements audited by the accounting firm contracted by the invested company instead of this CPA firm. The net investment loss recognized in 2011 in accordance with the financial statements audited by other accounting firm amounted to NT\$4,343,000 and with a relevant long-term equity investment balance of NT\$81,637,000 booked.

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

In our opinion, based on our audit and the audit report issued by other CPAs, the financial statements of President Chain Store Corporation and its subsidiaries as of December 31, 2011 and 2010, and the results of its operations and its cash flows for the years then ended in conformity with the “Guidelines Governing the Preparation of Financial Reports by Securities Issuers” and accounting principles generally accepted in the Republic of China.

PRICEWATERHOUSECOOPERS

Chen Mei-Tzu

CPA

Tseng Hui-Chin

Former SEC, Ministry of Finance

Certificate No.: (82) Tai-chai-Jen (VI) No. 39230
(79) Tai-chai-Jen (I) No. 27815

March 23, 2012

Consolidated Balance Sheet
December 31, 2011 and 2010

Currency unit: NT\$1,000

	Assets	Note	December 31, 2011		December 31, 2010	
			Amount	%	Amount	%
Current assets						
1100	Cash and cash equivalence	IV(I)	\$ 16,380,040	22	\$ 10,806,847	16
1310	Financial assets-current-whose changes in fair value are recognized in earnings	IV(II)	7,520,591	10	10,143,908	15
1140	Net accounts receivable	V	3,609,497	5	2,730,017	4
1164	Other receivables	V	1,884,593	3	1,806,147	2
120X	Inventories	IV(III)	10,468,975	14	9,259,690	13
1260	Prepayments	VII	1,042,895	1	1,127,994	2
1281	Other current assets	IV(XVI)	278,285	-	579,543	1
11XX	Total current assets		<u>41,184,876</u>	<u>55</u>	<u>36,454,146</u>	<u>53</u>
Funds and long-term investments						
1450	Financial assets in available-for-sale-non current	IV(IV)	995,325	1	1,854,622	3
1480	Financial assets measured at cost - noncurrent	IV(V)	7,751,278	11	8,699,938	12
1421	Long-term investments (Equity method)	IV(VI)	769,031	1	681,540	1
14XX	Total funds and long-term investments		<u>9,515,634</u>	<u>13</u>	<u>11,236,100</u>	<u>16</u>
Fixed assets						
		IV(VIII)(X), VI & VII				
Costs						
1501	Land		2,208,284	3	2,207,181	3
1521	House and building		2,974,959	4	2,699,539	4
1551	Transportation equipment		3,543,743	5	2,920,296	4
1571	Operating equipment		18,160,000	24	17,086,770	25
1631	Lease improvement		10,844,236	15	9,832,917	14
1681	Other equipment		3,801,210	5	3,664,469	6
15X8	Revaluation increments		55,374	-	55,374	-
15XY	Total costs		<u>41,587,806</u>	<u>56</u>	<u>38,466,546</u>	<u>56</u>
15X9	Less: accumulated depreciation		(23,532,544)	(32)	(22,101,394)	(32)
1599	Less: accumulated impairment		(92,182)	-	(12,405)	-
1670	Construction in progress and prepayments for equipment		800,764	1	344,715	-
15XX	Total fixed assets - net		<u>18,763,844</u>	<u>25</u>	<u>16,697,462</u>	<u>24</u>
Intangible assets						
1750	Cost of computer software	IV(X)	370,400	1	300,953	-
1760	Goodwill		588,472	1	397,800	1
1780	Other intangible assets		182,706	-	222,719	-
17XX	Total intangible assets		<u>1,141,578</u>	<u>2</u>	<u>921,472</u>	<u>1</u>
Other assets						
1800	Assets leased to others	IV(IX)	960,844	1	971,735	2
1810	Idling assets		171,706	-	177,306	-
1820	Refundable deposits	VI&VII	2,047,623	3	1,970,447	3
1888	Other assets - others	IV(XVI)	587,554	1	659,664	1
18XX	Total other assets		<u>3,767,727</u>	<u>5</u>	<u>3,779,152</u>	<u>6</u>
1XXX	Total Assets		<u>\$ 74,373,659</u>	<u>100</u>	<u>\$ 69,088,332</u>	<u>100</u>

(To be continued)

President Chain Store Corp. and Subsidiaries
Consolidated Balance Sheet
December 31, 2011 and 2010

Currency unit: NT\$1,000

	Assets	Note	December 31, 2011		December 31, 2010	
			Amount	%	Amount	%
Current liabilities						
2100	Short-term debt	IV(XI)	\$ 2,759,583	4	\$ 1,460,587	2
2110	Short-term notes and bills payable		240,000	-	395,919	-
2120	Notes payable	V	1,849,533	3	1,018,570	1
2140	Accounts payable		15,299,066	21	13,602,095	20
2150	Accounts payable-related parties	V	2,557,973	3	2,524,931	4
2160	Income tax payable	IV(XVI)	962,191	1	1,116,953	2
2170	Payable expenses	IV(XII)&V	6,392,853	9	5,584,840	8
2228	Other accounts payable-other	IV(XIII)	9,752,068	13	8,687,694	13
2260	Unearned receipts		2,870,726	4	2,485,707	4
2270	Long-term liabilities - current portion	IV(XIV)&V	161,930	-	161,906	-
21XX	Total current liabilities		<u>42,845,923</u>	<u>58</u>	<u>37,039,202</u>	<u>54</u>
Long-term liabilities						
2420	Long-term debt payable	IV(XIV)	3,795,015	5	5,387,704	8
2450	Long-term notes payable and accounts payable – related party	V	163,759	-	138,834	-
24XX	Total long-term liabilities		<u>3,958,774</u>	<u>5</u>	<u>5,526,538</u>	<u>8</u>
Other liabilities						
2810	Accrued pension liabilities	IV(XV)	734,302	1	624,265	1
2820	Guarantee Deposit received		2,165,781	3	2,087,816	3
2888	Other liabilities-other		445,075	-	413,288	-
28XX	Total other liabilities		<u>3,345,158</u>	<u>4</u>	<u>3,125,369</u>	<u>4</u>
2XXX	Total liabilities		<u>50,149,855</u>	<u>67</u>	<u>45,691,109</u>	<u>66</u>
Shareholders' equity						
Capital Stock						
3110	Capital-common stock	IV(XVII)	10,396,222	14	10,396,222	15
Additional paid-in capital						
3240	Gain from assets disposed		5,082	-	5,082	-
Retained earnings						
3310	Legal reserve	IV(XVIII)	4,618,579	6	4,046,004	6
3320	Special reserve		-	-	4,660	-
3350	Retained earnings-unappropriated		6,443,247	9	5,752,901	8
Other adjustments in SH's equity						
3420	Cumulative translation adjustment		(51,876)	-	(222,559)	-
3430	Net loss not recognized as pension cost	IV(XV)	(132,771)	-	(55,514)	-
3450	Unrealized gain or loss on financial instrument	IV(IV)	(634,091)	(1)	234,124	-
3460	Unrealized revaluation gains		49,917	-	51,281	-
361X	Total shareholders' equity of the parent company		<u>20,694,309</u>	<u>28</u>	<u>20,212,201</u>	<u>29</u>
3610	Minority Interests		3,529,495	5	3,185,022	5
3XXX	Total shareholders' equity		<u>24,223,804</u>	<u>33</u>	<u>23,397,223</u>	<u>34</u>
Commitment or contingency						
Materiality after the period						
Total Liabilities and Shareholders' Equity						
			<u>\$ 74,373,659</u>	<u>100</u>	<u>\$ 69,088,332</u>	<u>100</u>

lease refer to the notes to consolidated financial statements and the audit report dated March 23, 2012 by CPA Chen Mei-Tzu and Tseng Hui-Chin of PRICEWATERHOUSECOOPERS

Chairman: Kao Chin-Yen

President: Hsu Chun-Jen

Chief Accountant: Lai Hsin-Ti

President Chain Store Corp. and Subsidiaries
Consolidated Income Statement
January 1~December 31, 2011 and 2010

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

Item	Note	2011		2010	
		Amount	%	Amount	%
Operating revenue	V				
4110 Sales revenue		\$ 174,961,995	92	\$ 158,314,056	93
4800 Other operating revenue		14,289,573	8	11,602,863	7
4000 Total operating revenue		<u>189,251,568</u>	<u>100</u>	<u>169,916,919</u>	<u>100</u>
Operating cost	IV(III)(IIX)&V				
5110 Cost of goods sold		(120,117,797)	(63)	(108,951,887)	(64)
5800 Operating Cost		(8,765,804)	(5)	(7,009,241)	(4)
5000 Total operating cost		<u>(128,883,601)</u>	<u>(68)</u>	<u>(115,961,128)</u>	<u>(68)</u>
5910 Gross profit		<u>60,367,967</u>	<u>32</u>	<u>53,955,791</u>	<u>32</u>
Operating expenses	IV(IIX)&V				
6100 Selling expenses		(43,388,813)	(23)	(39,310,250)	(23)
6200 General & administrative expenses		(8,059,404)	(4)	(6,994,712)	(4)
6000 Total operating expenses		<u>(51,448,217)</u>	<u>(27)</u>	<u>(46,304,962)</u>	<u>(27)</u>
6900 Operating income		<u>8,919,750</u>	<u>5</u>	<u>7,650,829</u>	<u>5</u>
Non-operating income					
7110 Interest income		84,758	-	29,451	-
7122 Dividend income		112,648	-	42,572	-
7140 Gain on disposal of investments		118,918	-	335,076	-
7210 Rental income		87,387	-	83,686	-
7480 Other income		905,964	1	984,454	1
7100 Total non-operating income		<u>1,309,675</u>	<u>1</u>	<u>1,475,239</u>	<u>1</u>
Non-operating expenses and losses					
7510 Interest expenses		(95,411)	-	(88,359)	-
7521 investment loss recognized under equity method	IV(VI)	(35,313)	-	(140,610)	-
7530 Loss on disposal of fixed assets		(74,575)	-	(44,658)	-
7630 Impairment losses	IV(VIII)(X)	(812,955)	(1)	(757,831)	(1)
7880 Other expenses		(249,513)	-	(203,724)	-
7500 Total non-operating expenses and losses		<u>(1,267,767)</u>	<u>(1)</u>	<u>(1,235,182)</u>	<u>(1)</u>
7900 Continuing operation income before tax		8,961,658	5	7,890,886	5
8110 Income Tax expenses	IV(XVI)	(1,802,739)	(1)	(1,522,471)	(1)
9600XX Net income		<u>\$ 7,158,919</u>	<u>4</u>	<u>\$ 6,368,415</u>	<u>4</u>
Attributed to:					
9601 shareholders of the company		\$ 6,352,410	3	\$ 5,725,757	3
9602 Minority Interests		806,509	1	642,658	1
		<u>\$ 7,158,919</u>	<u>4</u>	<u>\$ 6,368,415</u>	<u>4</u>
Earnings per share	IV(XIX)	Pre-tax	After tax	Pre-tax	After tax
Basic earnings per share					
9710 Continuing Operation Income		\$ 8.62	\$ 6.89	\$ 7.59	\$ 6.13
9740AA Minority Interests		(0.98)	(0.78)	(0.81)	(0.62)
9750 Net Income		<u>\$ 7.64</u>	<u>\$ 6.11</u>	<u>\$ 6.78</u>	<u>\$ 5.51</u>
Diluted earnings per share					
9810 Continuing Operation Income		\$ 8.61	\$ 6.88	\$ 7.58	\$ 6.12
9840AA Minority Interests		(0.98)	(0.78)	(0.81)	(0.62)
9850 Net Income		<u>\$ 7.63</u>	<u>\$ 6.10</u>	<u>\$ 6.77</u>	<u>\$ 5.50</u>

Please refer to the notes to consolidated financial statements and the audit report dated March 23, 2012 by CPA Chen Mei-Tzu and Tseng Hui-Chin of PRICEWATERHOUSECOOPERS

Chairman: Kao Chin-Yen

President: Hsu Chun-Jen

Chief Accountant: Lai Hsin-Ti

President Chain Store Corp. and Subsidiaries
Consolidated Statement of Retained Earnings
January 1~December 31, 2011 and 2010

Currency unit: NTS1,000

	Retained earnings										
	Capital-comm on stock	Additional paid-in capital	Legal reserve	Special reserve	Retained earnings- unappropriated	Cumulative translation adjustment	Net loss not recognized as pension cost	Unrealized gain or loss on financial instrument	Unrealized revaluation gains	Minority Interests	Total
<u>2010</u>											
Balance at January 1, 2010	\$ 10,396,222	\$ 5,082	\$ 3,640,091	\$ -	\$ 4,180,357	\$ 56,081	(\$ 4,660)	\$ 595,033	\$ 52,646	\$ 2,872,934	\$ 21,793,786
Appropriation and distribution of retained earnings in 2009 (Note):											
Legal reserve	-	-	405,913	-	(405,913)	-	-	-	-	-	-
Provision of Special reserve	-	-	-	4,660	(4,660)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(3,742,640)	-	-	-	-	-	(3,742,640)
Changes in unrealized revaluation increment of fixed assets	-	-	-	-	-	-	-	(1,365)	-	-	(1,365)
Unrealized gain or loss on financial assets	-	-	-	-	-	-	-	(360,909)	-	-	(360,909)
Changes in net loss not recognized as pension cost	-	-	-	-	-	-	(50,854)	-	-	-	(50,854)
Changes in translation adjustments to foreign long-term investments	-	-	-	-	-	(278,640)	-	-	-	-	(278,640)
Statement of Minority Equity	-	-	-	-	-	-	-	-	-	(330,570)	(330,570)
Net income - 2010	-	-	-	-	5,725,757	-	-	-	-	642,658	6,368,415
Balance at December 31, 2010	<u>\$ 10,396,222</u>	<u>\$ 5,082</u>	<u>\$ 4,046,004</u>	<u>\$ 4,660</u>	<u>\$ 5,752,901</u>	<u>(\$ 222,559)</u>	<u>(\$ 55,514)</u>	<u>\$ 234,124</u>	<u>\$ 51,281</u>	<u>\$ 3,185,022</u>	<u>\$ 23,397,223</u>
<u>2011</u>											
Balance at January 1, 2011	\$ 10,396,222	\$ 5,082	\$ 4,046,004	\$ 4,660	\$ 5,752,901	(\$ 222,559)	(\$ 55,514)	\$ 234,124	\$ 51,281	\$ 3,185,022	\$ 23,397,223
Appropriation and distribution of retained earnings in 2010 (Note):											
Legal reserve	-	-	572,575	-	(572,575)	-	-	-	-	-	-
Special reserve (Reverse)	-	-	-	(4,660)	4,660	-	-	-	-	-	-
Cash dividends	-	-	-	-	(5,094,149)	-	-	-	-	-	(5,094,149)
Net income - 2011	-	-	-	-	6,352,410	-	-	-	-	806,509	7,158,919
Changes in unrealized revaluation increment of fixed assets	-	-	-	-	-	-	-	(1,364)	-	-	(1,364)
Unrealized gain or loss on financial assets	-	-	-	-	-	-	-	(868,215)	-	-	(868,215)
Changes in translation adjustments to foreign long-term investments	-	-	-	-	-	170,683	-	-	-	-	170,683
Changes in net loss not recognized as pension cost	-	-	-	-	-	-	(77,257)	-	-	-	(77,257)
Statement of Minority Equity	-	-	-	-	-	-	-	-	-	(462,036)	(462,036)
Balance at December 31, 2011	<u>\$ 10,396,222</u>	<u>\$ 5,082</u>	<u>\$ 4,618,579</u>	<u>\$ -</u>	<u>\$ 6,443,247</u>	<u>(\$ 51,876)</u>	<u>(\$ 132,771)</u>	<u>(\$ 634,091)</u>	<u>\$ 49,917</u>	<u>\$ 3,529,495</u>	<u>\$ 24,223,804</u>

President Chain Store Corp. and Subsidiaries
Consolidated Statement of Cash Flow
January 1~December 31, 2011 and 2010

Currency unit: NT\$1,000

	2011	2010
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Net income	\$ 7,158,919	\$ 6,368,415
Adjustments to reconcile net income to net cash provided by operating activities		
Loss on valuation of financial asset	(1,065)	2,107
Uncollectible account	32,028	5,662
Loss on market decline of inventory	33,413	28,356
Depreciation	4,099,386	3,686,102
Accumulated depreciation – assets leased to other	10,891	14,170
Amortization	324,791	330,799
Gain on disposal of financial assets measured at cost	(80,159)	(315,283)
Impairment loss of non-financial assets	812,955	757,831
Investment losses valued with the Equity Method	35,313	140,610
Cash dividend of the long-term equity investment valued with equity method	12,724	8,067
Net loss from the disposal of fixed assets	74,575	44,658
Changes in assets and liabilities:		
Financial assets at fair value through profit or loss	2,624,382	(1,847,217)
Accounts receivable	(911,508)	(501,645)
Other receivables	(78,446)	1,076,656
Inventories	(1,242,698)	(1,339,491)
Prepayments	85,099	(227,072)
Deferred income tax assets	(11,763)	(13,078)
Other current assets	327,036	(27,856)
Notes payable	830,963	(8,684)
Accounts payable	1,730,013	2,000,597
Income tax payable	(154,762)	814,472
Payable expenses	808,013	1,289,437
Other accounts payable	1,357,390	186,259
Unearned receipts	385,019	(161,213)
Accrued pension liabilities	32,780	91,967
Net cash provided by operating activities	18,295,289	12,404,626
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Proceeds from disposal of financial assets carried at cost	275,342	252,853
Proceeds refunded for the invested company's de-capitalization valued at cost	33,333	-
Payment for acquisition of long-term investments under equity method	(134,980)	(127,070)
Proceeds from liquidation of long-term investment under equity method	-	7,355
Purchase of fixed assets	(6,813,621)	(4,452,242)
Proceeds from disposal of fixed assets	247,357	268,232
Increase in intangible assets	(425,311)	(159,060)
Increase in refundable deposits	(77,176)	(144,445)
Increase in other assets- other	(94,840)	(91,070)
Net cash used by investing activities	(6,989,896)	(4,445,447)

(To be continued)

President Chain Store Corp. and Subsidiaries
Consolidated Statement of Cash Flow
January 1~December 31, 2011 and 2010

Currency unit: NT\$1,000

	2011	2010
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>		
Increase (decrease) in short-term loans	\$ 1,298,996	(\$ 1,497,742)
Increase (decrease) in short-term notes and bills payable	(155,919)	83,168
Borrowing of long-term loans	16,079,321	22,382,257
Repayment of long-term loans	(17,669,283)	(24,615,933)
Increase (decrease) in Long-term notes payable and accounts payable	22,222	(5,270)
Increase (decrease) in guarantee deposits received	77,965	(3,913)
Cash dividend distributed	(5,094,149)	(3,742,640)
Decrease of minority Interest	(462,036)	(330,570)
Net cash outflow from financing activities	(5,902,883)	(7,730,643)
Accumulated effect of foreign exchange rate on financial statements	170,683	(278,640)
Cash and cash equivalence increase (decrease)	5,573,193	(50,104)
BALANCE OF CASH AND CASH EQUIVALENTS- beginning	10,806,847	10,856,951
BALANCE OF CASH AND CASH EQUIVALENTS- ending	\$ 16,380,040	\$ 10,806,847
<u>Supplement disclosures of cash flow information</u>		
Interest paid	\$ 66,787	\$ 66,157
Income tax paid	\$ 2,111,596	\$ 696,616
<u>Investing activities of partial payment on cash</u>		
Total payment for purchase of fixed assets	\$ 6,520,603	\$ 5,173,390
Add: beginning balance of account payable on equipment	1,438,222	717,074
Less: ended balance of account payable on equipment	(1,145,204)	(1,438,222)
	\$ 6,813,621	\$ 4,452,242
<u>Financing activities which doesn't impact cash flow</u>		
Long-term borrowings – current portion	\$ 161,930	\$ 161,906

lease refer to the notes to consolidated financial statements and the audit report dated March 23, 2012 by CPA Chen Mei-Tzu and Tseng Hui-Chin of PRICEWATERHOUSECOOPERS

Chairman: Kao Chin-Yen

President: Hsu Chun-Jen

Chief Accountant: Lai Hsin-Ti

Appendix V

Table for allocation of earnings for 2011

Unit: NTD

Item	Amount
Income	6,352,409,725
Less: Legal reserve	(635,240,973)
Less: Special reserve	(768,821,630)
Earnings distributable	4,948,347,122
Add: Retained earnings-unappropriated in previous year	90,837,594
Accumulated distributable earnings	5,039,184,716
Less: Earnings to be allocated in 2011 Cash dividends to be distributed were NT\$4,800 per 1,000 shares.	4,990,186,824
Retained earnings-unappropriated, ending	48,997,892

Note:

1. The earnings of 2011 were allocated as the first priority in the current year, and the deficit was made up by the earnings unappropriated in last period.
2. The total cash dividends allocated to each individual shareholder were rounded off to NT\$.
3. The fractional stocks less than NT\$1 in the allocation were transferred to Employee Welfare Committee.
4. The cash bonus to be allocated to employees totaled NT\$296,900,827; and remuneration to directors/supervisors totaled NT\$98,966,943.

Chairman: Kao Chin-Yen

President: Hsu Chun-Jen

Chief Accountant: Lai Hsin-Ti

Appendix VI

Effect of Dividend Distribution on the Company's Business Performance, EPS and ROE

N/A. The Company does not distribute dividends this year.

Information About Employees; Bonus and Remuneration to Directors/Supervisors

According to SFC's official letter under Ching-Kuan-Chen-6-Tze No. 0960013218 dated March 30, 2007, the allocation of earnings proposed by the Board of Directors is disclosed as following:

- I. The cash bonus to be allocated to employees totaled NT\$296,900,827; and remuneration to directors/supervisors totaled NT\$98,966,943. The bonus to employees was distributed in cash.
- II. For the year ended December 31, 2011, estimated accrued bonus to employees and remuneration to directors and supervisors amounted to NT\$296,900,827 and NT\$98,966,943 respectively, The total of employees' bonus and remuneration to directors and supervisors to be allocated is not different from the estimated accrued bonus to employees and remuneration to directors and supervisors.

Appendix VII

Contrast Table for Amendments to Articles of Incorporation of President Chain Store Corporation

Article No.	Amended Provision	Old Provision	Remark
Article 2	<p>The Company's business lines include:</p> <ol style="list-style-type: none"> 1. F203020 Tobacco and alcohol retail 2. F206020 Daily supplies retail 3. F203010 Foods, groceries 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 Photographing 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 	<p>The Company's business lines include:</p> <ol style="list-style-type: none"> 1. F203020 Tobacco and alcohol retail 2. F206020 Daily supplies retail 3. F203010 Foods, groceries 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 Photographing 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 	<p>To meet the Company's business need.</p>

Article No.	Amended Provision	Old Provision	Remark
	management	management	
	27. IZ14011 Public welfare lottery agency	27. IZ14011 Public welfare lottery agency	
	28. JZ99050 Intermediary service	28. JZ99050 Intermediary service	
	29. IZ99990 Other industrial and commercial service	29. IZ99990 Other industrial and commercial service	
	30. F401161 Cigarette products importer	30. F401161 Cigarette products importer	
	31. F401171 Alcohol products importer	31. F401171 Alcohol products importer	
	32. ZZ99999 Any business not prohibited or restricted by laws and regulations other than the business requiring special approval	32. ZZ99999 Any business not prohibited or restricted by laws and regulations other than the business requiring special approval	
	33. F301010 Department store	33. F301010 Department store	
	34. F301020 Supermarket	34. F301020 Supermarket	
	35. F399010 Convenience store	35. F399010 Convenience store	
	36. F501030 Beverage shop	36. F501030 Beverage shop	
	37. F501060 Restaurant	37. F501060 Restaurant	
	38. G902011 2 nd class telecommunication business	38. G902011 2 nd class telecommunication business	
	39. I301010 Information software service	39. I301010 Information software service	
	40. I301030 Electronic information supply service	40. I301030 Electronic information supply service	
	41. F206010 Ironware retail	41. F206010 Ironware retail	
	42. F212011 Gas station	42. F212011 Gas station	
	43. F212050 Petroleum product retail	43. F212050 Petroleum product retail	
	44. JA01990 Other automobile services	44. JA01990 Other automobile services	
	45. F212061 CNG station	45. F212061 CNG station	
	46. I101090 Food consultation service	46. I101090 Food consultation service	
	47. IZ09010 Management system certification	47. IZ09010 Management system certification	
	48. J701020 Theme park	48. J701020 Theme park	
	49. F102040 Beverage wholesale	49. F102040 Beverage wholesale	
	50. F102170 Foods and groceries wholesale	50. F102170 Foods and groceries wholesale	
	51. F106020 Daily supplies wholesale	51. F106020 Daily supplies wholesale	
	52. I103060 Management advisor.	52. I103060 Management advisor.	
	53. J304010 Book publisher	53. J304010 Book publisher	
	54. J303010 Magazine (journal)	54. J303010 Magazine (journal)	

Article No.	Amended Provision	Old Provision	Remark
	<p>publisher</p> <p>55. IZ12010 Staffing</p> <p><u>56. JA03010 Laundry service.</u></p> <p><u>57. F201010 Retail sale of agricultural products.</u></p> <p><u>58. F501990 Other eating and drinking places not elsewhere classified.</u></p>	<p>publisher</p> <p>55. IZ12010 Staffing</p>	
Article 3	The Company's head office is based in 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 managing directors.	The Company's head office is based in 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 managing directors.	To accommodate business needs.
Article 12	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/her power and authority for any cause, he shall designate one managing director to act on his/her behalf. Where the Chairman fails to designate a proxy, the Managing Directors shall elect among themselves an acting chairperson of the meeting.	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/her power and authority for any cause, he shall designate one managing director to act on his/her behalf. Where the Chairman fails to designate a proxy, the Managing Directors shall elect among themselves an acting chairperson of the meeting.	To accommodate business needs.
Article 14	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. <u>This proxy can also be issued in electronic form instead.</u>	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.	To comply with regulations.
Article 15	Unless otherwise provided in laws, a shareholder shall be entitled to one voting right for each share held by him/her. <u>The vote can be exercised in written or electronic forms.</u>	Unless otherwise provided in laws, a shareholder shall be entitled to one voting right for each share held by him/her.	To comply with regulations.
Article 16-1	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	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	To meet the practical needs

Article No.	Amended Provision	Old Provision	Remark
	<p>by directors for their own or others within the scope of the Company's business;</p> <p>(4) Conclusion, alteration or termination of the contract related to lease of business, consignment of business or permanent joint venture;</p> <p>(5) Assignment of all or substantial business or property;</p> <p>(6) Succeeding to another persons' whole business or property which affects the Company's operation materially;</p> <p>(7) Other motions to be resolved by the shareholders' meeting pursuant to laws.</p>	<p>by directors for their own or others within the scope of the Company's business;</p> <p>(4) Conclusion, alteration or termination of the contract related to lease of business, consignment of business or permanent joint venture;</p> <p>(5) Assignment of all or substantial business or property;</p> <p>(6) Succeeding to another persons' whole business or property which affects the Company's operation materially;</p> <p>(7) Other motions to be resolved by the shareholders' meeting pursuant to laws.</p>	
Chapter IV.	Directors, <u>Auditing Committee</u> , and Managers	Directors, Supervisors and Managerial Staff	To meet the practical needs
Article 17	<p>The Company shall have 12-13 directors and 2 supervisors. The term of their service is three years. <u>Candidates shall be selected by way of nomination. During the shareholders meeting, directors will be elected from the list of director candidates in accordance with the methods specified in Article 198 of the Company Law.</u> 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.</p>	<p>The Company shall have 12-13 directors and 2 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.</p>	To comply with regulations.
Article 17-2	<p>The Company may install an Auditing Committee in accordance with Article 14-4 and Article 181-2 of Securities and Exchange Act. The supervisors shall be discharged on the same day when the Auditing Committee is installed. The functions to be assumed by supervisors under the Company Law and Securities and Exchange Act shall be transferred to the Auditing</p>	<p>The Company may install an Auditing Committee in accordance with Article 14-4 and Article 181-2 of Securities and Exchange Act. The supervisors shall be discharged on the same day when the Auditing Committee is installed. The functions to be assumed by supervisors under the Company Law and Securities and Exchange Act shall be transferred to the Auditing</p>	To meet the practical needs

Article No.	Amended Provision	Old Provision	Remark
	<p>Committee.</p> <p>The Auditing Committee shall consist of the whole independent directors, which shall be no less than three members. One of them shall be the convener, and at least one of them shall be specialized in accounting or finance. The Company's Board of Directors may install other functional committees, and the organizational charts shall be defined by the Board of Directors.</p>	<p>Committee.</p> <p>The Auditing Committee shall consist of the whole independent directors, which shall be no less than three members. One of them shall be the convener, and at least one of them shall be specialized in accounting or finance. The Company's Board of Directors may install other functional committees, and the organizational charts shall be defined by the Board of Directors.</p>	
Article 19	<p>The Directors constitute the Board of Directors and shall elect a Chairman of the Board 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.</p>	<p>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.</p>	To accommodate business needs.
Article 21	<p>Where the Chairman fails to exercise his/her authority with cause, the Chairman shall appoint a managing director to be his/her proxy. Where any director fails to attend the meeting and appoints a proxy to attend the meeting on behalf of him/her, he/she 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.</p>	<p>Where the Chairman fails to exercise his/her authority with cause, the Chairman shall appoint a managing director to be his/her proxy. Where any director fails to attend the meeting and appoints a proxy to attend the meeting on behalf of him/her, he/she 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.</p>	To accommodate business needs.
Article 21-1	<p>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 <u>signed or sealed</u> by the chairperson and record taker. Said meeting minute shall be</p>	<p>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 record taker. Said meeting minute shall be maintained</p>	To meet the practical needs

Article No.	Amended Provision	Old Provision	Remark
	maintained permanently in the Company together with the directors' attendance book and proxies.	permanently in the Company together with the directors' attendance book and proxies.	
Article 22	Deleted.	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.	To meet the practical needs
Article 23	The remuneration to directors (including independent directors) /supervisors shall be paid subject to the normal standards.	The remuneration to directors (including independent directors)/supervisors shall be paid subject to the normal standards.	To meet the practical needs
Article 23-1	The Company may purchase liability insurance for directors (including independent directors) , supervisors and important officers during their tenure against the indemnity to be borne by them in the scope of business carried out by them. The insurance policy shall be taken out by the Board of Directors with full power. The insurance policy shall be taken out by the Board of Directors with full power.	The Company may purchase liability insurance for directors (including independent directors), supervisors and important officers during their tenure against the indemnity to be borne by them in the scope of business carried out by them. The insurance policy shall be taken out by the Board of Directors with full power. The insurance policy shall be taken out by the Board of Directors with full power.	To meet the practical needs
Article 27	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 an ordinary shareholders' meeting pursuant to Article 228 of the Company Law <u>and any relevant regulations</u> . (1) Business report; (2) Financial statements; (3) Motion for allocation of earnings or covering of loss.	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 an ordinary 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.	To meet the practical needs
Article	If the Company has earnings	If the Company has earnings	To meet the

Article No.	Amended Provision	Old Provision	Remark
29	<p>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 the year. Where the balance stated below the items of shareholders' equity is reversed later, the reversed amount may be included into the allocation of earnings in the 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:</p> <ol style="list-style-type: none"> (1) Remuneration to directors/supervisors: 2% 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. 	<p>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 the year. Where the balance stated below the items of shareholders' equity is reversed later, the reversed amount may be included into the allocation of earnings in the 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:</p> <ol style="list-style-type: none"> (1) Remuneration to directors/supervisors: 2% 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. 	practical needs
Article 33	<p>These Articles of Incorporation were made upon agreement of all incorporators on June 4, 1987 and enforced as of the date when the competent authority approves registration of these Articles. 1st amendment was made on June 26, 1990. 2nd amendment was made on June 28, 1991. 3rd amendment was</p>	<p>These Articles of Incorporation were made upon agreement of all incorporators on June 4, 1987 and enforced as of the date when the competent authority approves registration of these Articles. 1st amendment was made on June 26, 1990. 2nd amendment was made on June 28, 1991. 3rd amendment was</p>	Add the dates of amendments

Article No.	Amended Provision	Old Provision	Remark
	<p>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 December 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. 20th amendment was made on June 13, 2008. 21st amendment was made on June 10, 2009. 22nd amendment was made on June 15, 2010. 23rd amendment was made on June 22, 2011. <u>24th amendment was made on June 21, 2012.</u></p>	<p>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 December 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. 20th amendment was made on June 13, 2008. 21st amendment was made on June 10, 2009. 22nd amendment was made on June 15, 2010. 23rd amendment was made on June 22, 2011.</p>	

Appendix VIII

Contrast Table for Amendments to Operational Procedures for Acquisition and Disposal of Assets of President Chain Store Corporation

Article No.	Amended Provision	Old Provision	Remark
Chapter I. General Provisions Four - 2	<u>Fixed asset acquisitions and disposals with related parties</u> are subject to compliance with Article Four - 9 and Chapter Two of this procedure. After completing the necessary evaluation and documentation, transactions <u>must be agreed by the Audit Committee and passed by the board of directors and acknowledged by Supervisors</u> before execution.	<u>Real estate acquisitions and disposals with related parties</u> are subject to compliance with Article Four - 9 and Chapter Two of this procedure. After completing the necessary evaluation and documentation, transactions must be passed by the board of directors and acknowledged by Supervisors before execution.	To comply with regulations.
Chapter I. General Provisions Four - 9 - (1)	To acquire or dispose securities, The Company must obtain the audited or auditor-reviewed financial statements of the securities issuer <u>prior to the transaction</u> . This is to provide reference for the transaction price. Acquisitions or disposals amounting to more than 20% of paid-up capital or NT\$ 300 million must be supported by CPA's opinions with regards to the rationality of the transaction price <u>prior to the event</u> . <u>If the CPA requires an expert's opinion, it must be sought in accordance with the Statement on Auditing Standards No. 20 announced by the Accounting Research and Development Foundation</u> . This excludes securities that are openly quoted in active markets or circumstances where the Financial Supervisory Commission (FSC), Executive Yuan, has regulated otherwise.	To acquire or dispose securities, The Company must obtain the audited or auditor-reviewed financial statements of the securities issuer <u>beforehand</u> . This is to provide reference for the transaction price. Transactions amounting to more than 20% of paid-up capital or NT\$ 300 million must be supported by CPA's opinions with regards to the rationality of the transaction price. This excludes securities that are openly quoted in active markets or circumstances where the Financial Supervisory Commission (FSC), Executive Yuan, has regulated otherwise.	To comply with regulations.
Chapter I. General Provisions Four - 9 - (2)	Except for transactions with government institutions, constructions on purchased land, constructions on leased land, and acquisitions or disposals of operational machinery, all other acquisitions or disposals of real estate properties and fixed assets amounting to more than 20% of the company's paid up capital or NTD300 million must be	Except for transactions with government institutions, constructions on purchased land, constructions on leased land, and acquisitions or disposals of operational machinery, all other acquisitions or disposals of real estate properties and fixed assets amounting to more than 20% of the company's paid up capital or NTD300 million must be	To comply with regulations.

Article No.	Amended Provision	Old Provision	Remark
	<p>supported by valuation reports, issued by professional valuers prior to the event (see Attachment One for the required details). These valuation reports must also comply with the following:</p> <ol style="list-style-type: none"> 1. If, for any special reasons, that the company needs to adopt the restrictive pricing, specific pricing, or special pricing approach to provide references to the transaction price, then the transaction must be resolved by the board of directors. All future changes to the transaction term are also subject to the above procedures. 2. For transactions that amount to more than NTD1 billion, quotations from at least two professional valuers are needed. 3. <u>Except the circumstances where the valuation is higher than the price acquired, or lower than the price disposed,</u> the valuation concluded by professional valuers exhibits any of the following, then a certified public accountant must be engaged to proceed according to the Statement on Auditing Standards No.20 published by the Accounting Research and Development Foundation; in addition, the CPA needs to provide opinions with regards to the variation and the appropriateness of the transaction price: <ol style="list-style-type: none"> (1) When the estimated value differs from the transaction amount by more than 20%. (2) When the values estimated by 2 or more professional valuers differ by more than 10%. 4. The valuer's report cannot be dated more than three months from the contract date. However, if the announced 	<p>supported by valuation reports, issued by professional valuers prior to the event (see Attachment One for the required details). These valuation reports must also comply with the following:</p> <ol style="list-style-type: none"> 1. If, for any special reasons, that the company needs to adopt the restrictive pricing, specific pricing, or special pricing approach to provide references to the transaction price, then the transaction must be resolved by the board of directors. All future changes to the transaction term are also subject to the above procedures. 2. For transactions that amount to more than NTD1 billion, quotations from at least two professional valuers are needed. 3. If the valuation concluded by professional valuers exhibits any of the following, then a certified public accountant must be engaged to proceed according to the Statement on Auditing Standards No.20 published by the Accounting Research and Development Foundation; in addition, the CPA needs to provide opinions with regards to the variation and the appropriateness of the transaction price: <ol style="list-style-type: none"> (1) When the estimated value differs from the transaction amount by more than 20%. (2) When the values estimated by 2 or more professional valuers differ by more than 10%. 4. If value is estimated before the date of contract establishment, the report date and the contract date must not be 	

Article No.	Amended Provision	Old Provision	Remark
	current value of land remains applicable and the report date is no more than 6 months apart from the contract date, the valuation can be supported by a written opinion from the original valuer.	more than three months apart. However, if the announced current value of land remains applicable and the report date is no more than 6 months apart from the contract date, the valuation can be supported by a written opinion from the original valuer.	
Chapter I. General Provisions Four - 9-(4)	Acquisitions or disposals of memberships or other intangible assets amounting to more than 20% of paid-up capital or NT\$ 300 million must be supported by CPA's opinions with regards to the rationality of the transaction <u>price prior to the event</u> . The CPA shall issue opinions according to the Statement of Auditing Standards No. 20 announced by the Accounting Research and Development Foundation.	Acquisitions or disposals of memberships or other intangible assets amounting to more than 20% of paid-up capital or NT\$ 300 million must be supported by CPA's opinions with regards to the rationality of the transaction price. The CPA shall issue opinions according to the Statement of Auditing Standards No. 20 announced by the Accounting Research and Development Foundation.	To comply with regulations.
Chapter I. General Provisions Four - 9-(6)	The calculations stated in (1), (2), and (4), above must comply with <u>Article Five - 1</u> of this procedure. <u>The one-year timeframe counts back from the day the transaction occurred. Transactions which have already been supported by expert's valuation or CPA's opinions can be excluded.</u>	(Added)	To comply with regulations.
Chapter I. General Provisions Five - 1	If The Company's asset acquisition or disposal involves any one of the following, and the amount of which exceeds the limits stated in Article Five - 2 of this procedure, then The Company must update all relevant information onto the website designated by the Financial Supervisory Commission within 2 days <u>from the date of occurrence</u> , using the prescribed format: (1) The amount of each transaction. (2) The cumulative amount of similar assets acquired from or disposed to the same counterparty over the past one year. (3) The cumulative amount of the same development project acquired or disposed	If The Company's asset acquisition or disposal involves any one of the following, and the amount of which exceeds the limits stated in Article Five - 2 of this procedure, then The Company must update all relevant information onto the website designated by the Financial Supervisory Commission within 2 days after the date of occurrence, using the prescribed format: (1) The amount of each transaction. (2) The cumulative amount of similar assets acquired from or disposed to the same counterparty over the past one year. (3) The cumulative amount of the same development project acquired or disposed	To comply with regulations.

Article No.	Amended Provision	Old Provision	Remark
	<p>over the past one year.</p> <p>(4) The cumulative amount of the same security acquired or disposed over the past one year.</p> <p>The one-year timeframe mentioned above dates back one year from the date the current transaction takes place. Transactions which have already been announced can be excluded.</p>	<p>over the past one year.</p> <p>(4) The cumulative amount of the same security acquired or disposed over the past one year.</p> <p>The one-year timeframe mentioned above dates back one year from the date the current transaction takes place. Transactions which have already been announced can be excluded.</p>	
<p>Chapter I. General Provisions Five - 2</p>	<p>(1) Real estate or non-real estate properties acquired from or disposed to related parties, which amount to more than 20% of paid-up capital, 10% of total assets, or NTD 300 million. This excludes trading of government bonds, or bond repurchases/resales.</p> <p>(2) Investments into Mainland China.</p> <p>(2) Mergers, divestments, business acquisitions, or share exchanges.</p> <p>(3) Derivative transactions accumulating losses more than the aggregate or individual caps prescribed in the respective procedures.</p> <p>(4) Asset transactions other than the 3 categories described above <u>or investments into Mainland China</u> which amount to more than NTD300 million or 20% of The Company's paid-up capital. However, the following transactions are excluded:</p> <ol style="list-style-type: none"> 1. Trading of government bonds. 2. Securities trading by professional investors in domestic and overseas securities exchanges or through the business premises of securities firms. 3. Trading of bonds with repurchase and resale arrangements. 4. Acquisitions or disposals of operational machinery and 	<p>(1) Real estate properties acquired from related parties.</p> <p>(2) Investments into Mainland China.</p> <p>(3) Mergers, divestments, business acquisitions, or share exchanges.</p> <p>(4) Derivative transactions accumulating losses more than the aggregate or individual caps prescribed in the respective procedures.</p> <p>(5) Asset transactions other than the 4 categories described above which amount to more than NTD300 million or 20% of the company's paid up capital. However, the following transactions are excluded:</p> <ol style="list-style-type: none"> 1. Trading of government bonds. 2. Securities trading by professional investors in domestic and overseas securities exchanges or through the business premises of securities firms. 3. Trading of bonds with repurchase and resale arrangements. 4. Acquisitions or disposals of operational machinery and equipment amounting to less than NTD500 million, where 	<p>To comply with regulations.</p>

Article No.	Amended Provision	Old Provision	Remark
	<p>equipment amounting to less than NTD500 million, where the counterparties are unrelated.</p> <p>5. Acquisitions of real estate properties in the form of construction on purchased land, construction on leased land, joint construction with separate ownership, joint construction with proportional holding, or joint construction with partial sale, which the company expects to invest less than NTD500 million in capital.</p> <p><u>Calculations of the above amounts shall comply with Article Five - 1 of this procedure.</u></p>	<p>the counterparties are unrelated.</p> <p>5. Acquisitions of real estate properties in the form of construction on purchased land, joint construction with separate ownership, joint construction with proportional holding, or joint construction with partial sale, which the company expects to invest less than NTD500 million in capital.</p> <p><u>(Added)</u></p>	
Chapter I. General Provisions Five - 5	<p>If any of the following circumstances arise after The Company has announced or reported its transactions, it must update all relevant information to the website designated by the Financial Supervisory Commission, Executive Yuan, within 2 days <u>from the date of occurrence</u>:</p> <p>(1) Any changes, termination, or annulment to the original contract.</p> <p>(2) When mergers, splits, acquisitions, or share exchanges are not completed within the scheduled date.</p> <p><u>(3) Any changes to the original announcement.</u></p>	<p>If any of the following circumstances arise after The Company has announced or reported its transactions, it must update all relevant information to the website designated by the Financial Supervisory Commission, Executive Yuan, within 2 days <u>after the date of occurrence</u>:</p> <p>(1) <u>Any</u> changes, termination, or annulment to the original contract.</p> <p>(2) When mergers, splits, acquisitions, or share exchanges are not completed within the scheduled date.</p> <p><u>(Added)</u></p>	To comply with regulations.
Chapter I. General Provisions Six - 2	<p>Aggregate and individual limits on property and securities holding:</p> <p>2. Total limits on purchases of non-operational real estate properties and securities, and limits on individual securities investments, which are applicable to The Company's subsidiaries:</p> <p>(3) These exclude excesses which have been approved by the subsidiary's board of directors and acknowledged by The Company's board of directors.</p>	<p>Aggregate and individual limits on property and securities holding:</p> <p>2. Total limits on purchases of non-operational real estate properties and securities, and limits on individual securities investments, which are applicable to The Company's subsidiaries:</p> <p>(3) These exclude excesses which have been approved by the subsidiary's board of directors and supervisors, and acknowledged by The Company's board of directors</p>	To meet the practical needs

Article No.	Amended Provision	Old Provision	Remark
Chapter I. General Provisions Seven	<p>I. The Company's subsidiaries shall establish their respective "Operational Procedures for Acquisition and Disposal of Assets" in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies", promulgated by the Financial Supervisory Commission. <u>These procedures are subject to approval by their respective boards of directors (and Audit Committee, if applicable)</u>, review by their respective Supervisors, and consent of their respective shareholders <u>before taking effect</u>. The same applies to all subsequent revisions.</p> <p>II. Subsidiaries are required to report to The Company all derivative transactions and assets acquired/disposed up till the end of the previous month.</p> <p>III. If the subsidiary is non-public listed, any assets acquired or disposed by which that are subject to reporting must be notified to The Company on the date of occurrence. The Company will then publish these transactions onto the designated website. For subsidiaries, whether transactions exceed 20% of paid-up capital or 10% of <u>total assets</u> shall be based on The Company's paid-up capital <u>or total assets</u>.</p>	<p>and supervisors.</p> <p>I. The Company's subsidiaries shall establish their respective "Operational Procedures for Acquisition and Disposal of Assets" in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies", promulgated by the Financial Supervisory Commission. <u>Once approved by the board of directors, these procedures are submitted to Supervisors</u> for review and proposed for shareholders' consent. The same applies to all subsequent revisions.</p> <p>II. Subsidiaries are required to report to The Company all derivative transactions and assets acquired/disposed up till the end of the previous month.</p> <p>III. If the subsidiary is non-public listed, any assets acquired or disposed by which that are subject to reporting must be notified to The Company on the date of occurrence. The Company will then publish these transactions onto the designated website. For subsidiaries, whether transactions exceed 20% of paid-up capital shall be based on The Company's paid-up capital.</p>	To meet the practical needs
Chapter II. Real estate properties acquired from related parties Nine	<p>Chapter II <u>Related party transactions</u></p> <p><u>Assets acquired from or disposed to related parties that amount to more than 10% of total assets must be supported by experts' valuations or CPAs' opinions, in addition to any relevant decision procedures and rationality reviews described in the previous chapter.</u></p>	<p>Chapter II <u>Real estate properties acquired from related parties.</u></p> <p><u>Real estate properties acquired from related parties</u> include those that are acquired in the way of purchase or exchange. Related parties are subject to the definitions stated in the Statement of Financial Accounting Standards No. 6, published by the Accounting</p>	To comply with regulations.

Article No.	Amended Provision	Old Provision	Remark
	<p><u>Calculations of the above amounts shall comply with Article Four - 9(6).</u> Related parties are subject to the definitions stated in the Statement of Financial Accounting Standards No. 6, published by the Accounting Research and Development Foundation. When determining whether a counterparty is a related party, The Company must take into consideration its actual relationship in addition to the regulatory definitions.</p>	<p>Research and Development Foundation. When determining whether a counterparty is a related party, The Company must take into consideration its actual relationship in addition to the regulatory definitions.</p>	
<p>Chapter II. Real estate properties acquired from related parties Ten</p>	<p>Real estate or non-real estate properties acquired from <u>or disposed to related parties, which amount to more than 20% of paid-up capital, 10% of total assets, or NTD 300 million, need to be approved by the Audit Committee with the following information; they are also subject to board of directors' approval before contract signing and payments:</u></p> <ol style="list-style-type: none"> 1. The purpose, necessity, and expected benefits for <u>acquiring or disposing</u> the asset. 2. The reasons for transacting with a related party. 3. <u>Before acquiring real estate properties from related parties, The Company must</u> evaluate whether the underlying terms are reasonable. 4. The date, price, and counterparty from whom the asset is acquired; the relationship between the company and the related party etc. 5. A cash projection report for the next year starting from the contract month; comment on the necessity of the transaction and the rationality of capital usage. 6. <u>Expert's valuation or CPA's opinion obtained in accordance with Article</u> 	<p>To acquire real estate properties from related parties, <u>the following information must be submitted to and passed by the board of directors, and acknowledged by supervisors, before proceeding with the transaction:</u></p> <ol style="list-style-type: none"> 1. The purpose, necessity, and expected benefits of the real estate acquisition. 2. The reasons for transacting with a related party. 3. Evaluation on the rationality of the underlying transaction terms. 4. The date, price, and counterparty from whom the asset is acquired; the relationship between the company and the related party etc. 5. A cash projection report for the next year starting from the contract month; comment on the necessity of the transaction and the rationality of capital usage. <u>(Added)</u> 6. <u>Restrictions and other important conditions in this transaction. (Added)</u> 	<ol style="list-style-type: none"> 1. To comply with regulations. 2. To meet the practical needs

Article No.	Amended Provision	Old Provision	Remark
	<p><u>Nine of this procedure.</u></p> <p>7. Restrictions and other important conditions in this transaction.</p> <p><u>Calculation of the transaction amount stated above should comply with Article Five - 1 of this procedure. The one-year timeframe counts back from the day the transaction occurred.</u></p> <p><u>Transactions which have already been approved by the Audit Committee and passed by the board of directors can be excluded.</u></p> <p><u>With regards to acquisitions or disposals of operational machinery between The Company and its parent company or subsidiaries, the board of directors may authorize the Chairman to act at his/her discretion within a certain credit, and have the board of directors acknowledge this decision on a later date.</u></p>		
Chapter II. Real estate properties acquired from related parties Eleven	Rationality of the underlying transaction terms: 2. (2) <u>The Audit Committee</u> must proceed according to Article 218 of the Company Law.	Rationality of the underlying transaction terms: 2. (2) <u>The Supervisor</u> must proceed according to Article 218 of the Company Law.	To meet the practical needs
Chapter III. Fourteen	Internal audit personnel must regularly assess the appropriateness of internal controls over derivative transactions, and conduct audits on the Trading Department on a monthly basis with respect to compliance to these procedures. Audit findings shall be compiled into formal reports. Major violations need to be informed in writing to the <u>Audit Committee</u> .	Internal audit personnel must regularly assess the appropriateness of internal controls over derivative transactions, and conduct audits on the Trading Department on a monthly basis with respect to compliance to these procedures. Audit findings shall be compiled into formal reports. Major violations need to be informed in writing to <u>each Supervisor</u> .	To meet the practical needs
Chapter IV. Mergers, divestments, business acquisitions, or share exchanges Twenty One	3. For mergers, divestments, acquisitions, or share exchanges involving a public-listed company, or one whose shares are traded at securities firms, the following information must be documented and kept for 5 years. Items (1) and (2) must be reported	3. For mergers, divestments, acquisitions, or share exchanges involving a public-listed company, or one whose shares are traded at securities firms, the following information must be documented and kept for 5 years. Items (1) and (2) must be reported	To comply with regulations.

Article No.	Amended Provision	Old Provision	Remark
	to the designated website using the proper format within 2 days <u>from the date</u> of directors' resolution:	to the designated website using the proper format within 2 days <u>after the date</u> of directors' resolution:	
Chapter V. Other Material Issues Twenty Four	For asset acquisition or disposal decisions that are subject to approval by the board of directors, as required by internal procedures or by law, for which a director has expressed objections on record or by issuing a declaration, The Company must forward that director's objections <u>to the Audit Committee and take into consideration the opinions of each independent director. Any objections or qualified opinions raised by independent directors must be addressed in the board of directors meeting minutes.</u> <u>Items that are subject to the board of directors' approval in Article Four of this procedure must be agreed by more than half of all Audit Committee members before submitting to the board of directors.</u> <u>If the proposal is not agreed by more than half of all Audit Committee members, it can still be effected with the support of more than two thirds of all directors; in this case, the Audit Committee's resolution must be stated in board of directors' meeting minutes. The terms "all Audit Committee members" and "all directors" mentioned above refer to those who are currently in active duty.</u>	For asset acquisition or disposal decisions that are subject to approval by the board of directors, as required by internal procedures or by law, for which a director has expressed objections on record or by issuing a declaration, The Company must forward that director's objections for review by <u>each Supervisor.</u> (Added)	To meet the practical needs
Chapter V. Other Material Issues Twenty Five	These procedures are <u>agreed by the Audit Committee</u> , passed by the board of directors, and resolved during the shareholders meeting before taking effect; the same applies to all subsequent revisions. If a director has expressed objections on record or by issuing a declaration, the company must also circulate that director's objections to the <u>Audit Committee.</u> <u>When the Operational Procedures</u>	Once these procedures have been passed by the board of directors, it needs to be circulated <u>among Supervisors</u> and proposed for approval during the shareholders meeting. The same applies to all subsequent revisions. If a director has expressed objections on record or by issuing a declaration, the company must also circulate that director's objections to <u>every Supervisor.</u> (Added)	To meet the practical needs

Article No.	Amended Provision	Old Provision	Remark
	<u>for Acquisition and Disposal of Assets is being discussed among the board of directors, independent directors' opinions must be fully taken into consideration. Any objections or qualified opinions made by independent directors must be shown in the board of directors meeting minutes.</u> <u>All amendments or revisions to the Operational Procedures for Acquisition and Disposal of Assets must be agreed by more than half of all Audit Committee members, and are subject to board of directors' resolution.</u>	(Added)	
Twenty Six	<u>The June 2010 version has been revoked.</u> <u>The revised version dated June 2012</u>	(Added)	Add the dates of amendments

Contrast Table for Amendments to Operational Procedures for Loaning of Company Funds of President Chain Store Corporation

Article No.	Amended Provision	Old Provision	Remark
Vd.	5. Where the balance of the loan exceeds the limit due to change in circumstances, it is necessary to define the corrective action plan and submit the relevant plan to <u>Audit Committee</u> . Meanwhile, it is necessary to complete the correction as scheduled under the plan.	5. Where the balance of the loan exceeds the limit due to change in circumstances, it is necessary to define the corrective action plan and submit the relevant plan to <u>each supervisor</u> . Meanwhile, it is necessary to complete the correction as scheduled under the plan.	To meet the practical needs
	6. The Company's internal auditors shall audit the Operational Procedures for Loaning of Company Funds and execution thereof on a quarterly basis and record the audit in writing. Where they find any material violation of rules, they shall inform <u>Audit Committee</u> in writing immediately.	6. The Company's internal auditors shall audit the Operational Procedures for Loaning of Company Funds and execution thereof on a quarterly basis and record the audit in writing. Where they find any material violation of rules, they shall inform <u>each supervisor</u> in writing immediately.	To meet the practical needs
(XI)	<u>Any matters not provided herein shall proceed according to the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" promulgated by Financial Supervisory Commission, Executive Yuan.</u>	(Added)	To meet the practical needs
XII.	<u>These procedures shall be agreed by the Audit Committee, passed by the board of directors, and resolved during the shareholders meeting before taking effect; the same applies to all subsequent revisions.</u>	(Added)	To meet the practical needs
XIII.	<u>When the Operational Procedures for Loaning of Company Funds are being discussed among the board of directors, the opinions of the independent directors must be fully taken into consideration. Any opinions regarding the consents or objections made by independent directors must be shown in the board of directors meeting minutes.</u>	(Added)	To meet the practical needs
XIV.	<u>The revised version was revoked in June 2011.</u> <u>The revised version dated June 2012</u>	(Changing the Article No. to 14)	Adding an amendment history and article renumbering.

Appendix X

Contrast Table for Amendments to Operational Procedures for Endorsements and Guarantees of President Chain Store Corporation

Article No.	Amended Provision	Old Provision	Remark
4 section of Article 5	The Company’s internal auditors shall audit the Operational Procedures for Endorsements and Guarantees and execution thereof on a quarterly basis and record the audit in writing. Where they find any material violation of rules, they shall inform <u>Audit Committee</u> in writing immediately.	The Company’s internal auditors shall audit the Operational Procedures for Endorsements and Guarantees and execution thereof on a quarterly basis and record the audit in writing. Where they find any material violation of rules, they shall inform <u>each supervisor</u> in writing immediately.	To meet the practical needs
6 section of Article 6	Where the endorsed/guaranteed entity fails to comply with the Procedure or balance of the endorsed/guaranteed amount exceeds the limit due to change in circumstances, it is necessary to define the corrective action plan and submit the relevant plan to <u>Audit Committee</u> . Meanwhile, it is necessary to complete the correction as scheduled under the plan.	Where the endorsed/guaranteed entity fails to comply with the Procedure or balance of the endorsed/guaranteed amount exceeds the limit due to change in circumstances, it is necessary to define the corrective action plan and submit the relevant plan to <u>each supervisor</u> . Meanwhile, it is necessary to complete the correction as scheduled under the plan.	To meet the practical needs
Article 12	Any matters not provided herein shall proceed according to the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” promulgated by Financial Supervisory Commission, Executive Yuan and the relevant laws and regulations.	Any matters not provided herein shall be handled in accordance with the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” promulgated by Financial Supervisory Commission, Executive Yuan and the relevant laws and regulations.	To meet the practical needs
Article 13	<u>These procedures shall be agreed by the Audit Committee, passed by the board of directors, and resolved during the shareholders meeting before taking effect; the same applies to all subsequent revisions.</u>	The Regulations shall be ratified upon resolution of the board of directors, and enforced upon ratification of the shareholders’ meeting. The same shall apply where they are amended.	To meet the practical needs
Article 14	<u>When the Operational Procedures for Endorsements and Guarantees are being discussed among the board of directors, the opinions of the independent directors must be fully taken into consideration. Any opinions regarding the consents or objections made by independent directors must be shown in the board of directors meeting minutes.</u>	(Added)	To meet the practical needs
Article 15	<u>The revised version was revoked in June 2011.</u> <u>The revised version dated June 2012</u>	(Changing the Article No. to 15)	Adding an amendment history and article renumbering.

Appendix XI

Contrast Table for Amendments to Operational Procedures for Election of Directors/Supervisors of President Chain Store Corporation

Article No.	Amended Provision	Old Provision	Remark
Title	Operational Procedures for Election of Directors/Supervisors of President Chain Store Corporation	Operational Procedures for Election of Directors/Supervisors of President Chain Store Corporation	To meet the practical needs
I.	Unless otherwise provided in laws or the Articles of Incorporation, the Company's directors and supervisors shall be elected in accordance with these Regulations.	Unless otherwise provided in laws or the Articles of Incorporation, the Company's directors and supervisors shall be elected in accordance with these Regulations.	To meet the practical needs
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.	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.	To meet the practical needs
III.	The independent directors shall be nominated and elected in accordance with Article 192-1 of the Company Law and the election rules shall be specified in the Articles of Incorporation. Shareholders shall elect directors from the list of director candidates.	The independent directors shall be nominated and elected in accordance with Article 192-1 of the Company Law and the election shall be specified in the Articles of Incorporation. The shareholders shall elect independent directors from the list of candidates for independent directors.	To meet the practical needs
IV.	The Company's directors and Supervisors are elected by shareholders meeting from a <u>list of director candidates</u> . The Article of Incorporation specifies the number of directorships. Candidates who receive the highest number of votes are elected as directors or independent directors or supervisors . If 2 or more candidates receive the same number of votes, they shall draw for the remaining seats available. The meeting chairman will draw on behalf of those who are absent during the meeting. 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 to by the candidates who win the votes only following those won by them. Where the elected directors or	The ones who are elected by the shareholders' meeting from competent candidates and win more votes shall be elected to be the independent directors, non-independent directors or supervisors in turn according to the quorum referred to in the Company's Articles of Incorporation and the ballots statistics. 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 behalf of them. 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	To meet the practical needs

Article No.	Amended Provision	Old Provision	Remark
	<p>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.</p>	<p>succeeded to by the candidates who win the votes only following those 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.</p>	
VI.	<p>The ballots shall be produced by the Company and assigned with numbers according to the attendance certificate numbers, and shall specify the number of each shareholder's voting right. <u>No ballot is produced for those who vote via electronic method.</u></p>	<p>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.</p>	To meet the practical needs
XI.	<p>Once voting is complete, <u>the ballots shall be added to those that are exercised in writing and in electronic form.</u> The ballots are then counted openly on site, and the result shall be announced by the meeting chairman.</p>	<p>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.</p>	To meet the practical needs
XII.	<p>The Company will send the notice for the elected to each director and supervisor elected.</p>	<p>The Company will send the notice for the elected to each director and supervisor elected.</p>	To meet the practical needs

Appendix XII

Contrast Table for Amendments to Rules of Procedure for Shareholders Meetings of President Chain Store Corporation

Article No.	Amended Provision	Old Provision	Remark
III.	Shareholders shall furnish the sign-in card to replace the sign-in when attending the shareholders' meeting, which shall be based to calculate the number of attending shares. <u>The total number of shares represented also includes votes which have been exercised in writing and in electronic form.</u>	Shareholders shall furnish the sign-in card to replace the sign-in when attending the shareholders' meeting, which shall be based to calculate the number of attending shares.	To comply with regulations.
VI.	Unless otherwise provided in 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 authority with cause, he shall appoint a <u>managing director</u> 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.	Unless otherwise provided in 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 authority with cause, he shall appoint a <u>managing director</u> 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.	To meet the practical needs

