Stock Code 2912

PRESIDENT CHAIN STORE CORP.

2012 ANNUAL GENERAL SHAREHOLDERS' MEETING MEETING AGENDA

(Translation)

June 21, 2012

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PRESIDENT CHAIN STORE CORPORATION
2012 Annual General Shareholders' Meeting Agenda

I. Agenda

Time: 9:00 a.m. on June 21, 2012 (Thursday)
Place: 1F, Training Center, No. 301, Zhongzhen Road, Yongkang District, Tainan City
Parliamentary procedure:

1. Call the Meeting to Order (Report equity represented by attendance)
2. Chairperson Remarks
3. Report Items
   (1): 2011 Business Report
   (2): Supervisors' Review Report on the 2011 Financial Statements
   (3): Implementation of the Company's investments in China
   (4): Implementation of Asset Impairment in 2011
4. Proposed Resolutions
   (1): Adaption of the 2011 Business Report and Financial Statements
5. Discussions and Election
   (1): Proposal for Distribution of 2011 Profits
   (2): Amendments to the Company's Articles of Incorporation
   (3): Amendments to the Operational Procedures for Acquisition and Disposal of Assets
   (4): Amendments to the Operational Procedures for Loaning of Company Funds
   (5): Amendments to the Operational Procedures for Endorsement and Guarantee
   (6): Amendments to the Rules for Election of Directors/Supervisors
   (7): Amendments to the Rules of Procedure for Shareholder Meetings
   (8): Election of Directors and Independent Directors
   (9): Proposal of Release the Prohibition on Directors from Participation in Competitive Business
6. Other Matters and Motions
7. Adjournment

II. 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.

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.

(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.

(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.

(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.

(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.

(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.

(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 General 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**

(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.

V. Other Motions and Preliminary Motions

VI. Dissolution

Appendix I

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 bill 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 "Regulations 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

	Liabilities and Shareholders' Equity	Note	December 31, 2011 Amount	%	December 31, 2010 Amount	%
	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**		21,581,358	41	18,319,352	37
	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**		19,635,754	38	20,750,019	42
	Fixed assets	IV(VII)				
	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**		21,068,936	40	19,838,056	40
15X9	Less: accumulated depreciation		(12,473,410)	(24)	(12,073,247)	(24)
1599	Less: accumulated impairment		(54,689)	-	-	-
15XX	**Total fixed assets - net**		8,540,837	16	7,764,809	16
	Intangible assets					
1750	**Cost of computer software**		222,356	1	171,030	-
	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**		2,298,263	4	2,266,648	5
1XXX	**Total Assets**		$ 52,278,568	100	$ 49,271,858	100

(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 Amount	%	December 31, 2010 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**		25,496,055	49	21,492,215	44
	Long-term liabilities					
2420	**Long-term debt payable**	IV(XIII)	3,400,000	6	5,000,000	10
	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**		2,688,204	5	2,567,442	5
2XXX	**Total liabilities**		31,584,259	60	29,059,657	59
	Shareholders' equity					
	Capital Stock	IV(XVI)				
3110	Capital-common stock		10,396,222	20	10,396,222	21
	Additional paid-in capital					
3240	Gain from assets disposed		5,082	-	5,082	-
	Retained earnings	IV(XVII)				
3310	Legal reserve		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**		20,694,309	40	20,212,201	41
	Commitment or contingence	V&VII				
	Materiality after the period	IX				
	Total Liabilities and Shareholders' Equity		$ 52,278,568	100	$ 49,271,858	100

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~Demecber 31, 2011 and 2010

Currency unit: NT$1,000

(EPS: NT$)

	Item	Note	2011 Amount	2011 %	2010 Amount	2010 %
	Operating revenue					
4110	Sales revenue		$ 118,751,042	97	$ 111,074,306	97
4800	Other operating revenue	V	3,961,683	3	3,589,587	3
4000	**Total operating revenue**		122,712,725	100	114,663,893	100
	Operating cost	IV(III)&V				
5110	Cost of goods sold		(84,437,416)	(69)	(78,741,282)	(69)
5910	**Gross profit**		38,275,309	31	35,922,611	31
	Operating expenses	V				
6100	Selling expenses		(29,221,346)	(24)	(27,612,957)	(24)
6200	General & administrative expenses		(2,979,023)	(2)	(2,782,166)	(2)
6000	**Total operating expenses**		(32,200,369)	(26)	(30,395,123)	(26)
6900	**Operating income**		6,074,940	5	5,527,488	5
	Non-operating income					
7110	Interest income		38,670	-	11,859	-
7121	Investment loss (gain) recognized under equity method	IV(VI)	1,173,243	1	861,330	1
7122	Dividend income		112,649	-	42,558	-
7140	Gain on disposal of investments		111,141	-	244,941	-
7210	Rental income	V	73,788	-	72,467	-
7480	Other income	V	776,456	1	698,551	1
7100	**Total non-operating income**		2,285,947	2	1,931,706	2
	Non-operating expenses and losses					
7510	Interest expenses		(32,084)	-	(34,005)	-
7530	Loss on disposal of fixed assets		(42,747)	-	(15,039)	-
7630	Impairment losses	IV(V)(VIII)	(777,209)	(1)	(729,928)	(1)
7880	Other expenses		(78,382)	-	(51,286)	-
7500	**Total non-operating expenses and losses**		(930,422)	(1)	(830,258)	(1)
7900	**Continuing operation income before tax**		7,430,465	6	6,628,936	6
8110	Income Tax expenses	IV(XV)	(1,078,055)	(1)	(903,179)	(1)
9600	**Net Income**		$ 6,352,410	5	$ 5,725,757	5

			2011 Pre-tax	2011 After tax	2010 Pre-tax	2010 After tax
	Earnings per share	IV(XVIII)				
	Basic earnings per share					
9750	**Net Income**		$ 7.15	$ 6.11	$ 6.38	$ 5.51
	Diluted earnings per share					
9850	**Net Income**		$ 7.13	$ 6.10	$ 6.36	$ 5.50

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~Demecber 31, 2011 and 2010

Currency unit: NT$1,000

	Capital-common stock	Additional paid-in capital	Retained earnings			Cumulative translation adjustment	Net loss not recognized as pension cost	Unrealized gain or loss on financial instrument	Unrealized revaluation gains	Total
			Legal reserve	Special reserve	Retained earnings-unappropriated					
2010										
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	$ 10,396,222	$ 5,082	$ 4,046,004	$ 4,660	$ 5,752,901	($ 222,559)	($ 55,514)	$ 234,124	$ 51,281	$ 20,212,201
2011										
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	$ 10,396,222	$ 5,082	$ 4,618,579	$ -	$ 6,443,247	($ 51,876)	($ 132,771)	($ 634,091)	$ 49,917	$ 20,694,309

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~Demecber 31, 2011 and 2010

Currency unit: NT$1,000

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
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

(To be continued)

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

Currency unit: NT$1,000

	2011	2010
CASH FLOWS FROM INVESTING ACTIVITIES:		
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)
CASH FLOWS FROM FINANCING ACTIVITIES:		
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
Supplement disclosures of cash flow information		
Interest paid	$ 8,540	$ 11,560
Income tax paid	$ 1,295,223	$ 121,696
Investing activities of partial payment on cash:		
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

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

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 "Regulations 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

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

Currency unit: NT$1,000

	Assets	Note	December 31, 2011 Amount	%	December 31, 2010 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**		41,184,876	55	36,454,146	53
	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**		9,515,634	13	11,236,100	16
	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**		41,587,806	56	38,466,546	56
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**		18,763,844	25	16,697,462	24
	Intangible assets	IV(X)				
1750	Cost of computer software		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**		1,141,578	2	921,472	1
	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**		3,767,727	5	3,779,152	6
1XXX	**Total Assets**		$ 74,373,659	100	$ 69,088,332	100

(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 Amount	%	December 31, 2010 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**		42,845,923	58	37,039,202	54
	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**		3,958,774	5	5,526,538	8
	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**		3,345,158	4	3,125,369	4
2XXX	**Total liabilities**		50,149,855	67	45,691,109	66
	Shareholders' equity					
	Capital Stock	IV(XVII)				
3110	Capital-common stock		10,396,222	14	10,396,222	15
	Additional paid-in capital					
3240	Gain from assets disposed		5,082	-	5,082	-
	Retained earnings	IV(XVIII)				
3310	Legal reserve		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**		20,694,309	28	20,212,201	29
3610	Minority Interests		3,529,495	5	3,185,022	5
3XXX	**Total shareholders' equity**		24,223,804	33	23,397,223	34
	Commitment or contingence	V&VII				
	Materiality after the period	IX				
	Total Liabilities and Shareholders' Equity		$ 74,373,659	100	$ 69,088,332	100

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 Income Statement
January 1~Demecber 31, 2011 and 2010

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

	Item	Note	2011 Amount	2011 %	2010 Amount	2010 %
	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**		189,251,568	100	169,916,919	100
	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**		(128,883,601)	(68)	(115,961,128)	(68)
5910	**Gross profit**		60,367,967	32	53,955,791	32
	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**		(51,448,217)	(27)	(46,304,962)	(27)
6900	**Operating income**		8,919,750	5	7,650,829	5
	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**		1,309,675	1	1,475,239	1
	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**		(1,267,767)	(1)	(1,235,182)	(1)
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**		$ 7,158,919	4	$ 6,368,415	4
	Attributed to:					
9601	shareholders of the company		$ 6,352,410	3	$ 5,725,757	3
9602	Minority Interests		806,509	1	642,658	1
			$ 7,158,919	4	$ 6,368,415	4

			Pre-tax	After tax	Pre-tax	After tax
	Earnings per share	IV(XIX)				
	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**		$ 7.64	$ 6.11	$ 6.78	$ 5.51
	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**		$ 7.63	$ 6.10	$ 6.77	$ 5.50

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~Demecber 31, 2011 and 2010

Currency unit: NT$1,000

	Capital-comm on stock	Additional paid-in capital	Retained earnings			Cumulative translation adjustment	Net loss not recognized as pension cost	Unrealized gain or loss on financial instrument	Unrealized revaluation gains	Minority Interests	Total
			Legal reserve	Special reserve	Retained earnings-unappropriated						
2010											
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	$ 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
2011											
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	$ 10,396,222	$ 5,082	$ 4,618,579	$ -	$ 6,443,247	($ 51,876)	($ 132,771)	($ 634,091)	$ 49,917	$ 3,529,495	$ 24,223,804

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 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 Cash Flow
January 1~Demecber 31, 2011 and 2010

Currency unit: NT$1,000

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
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
CASH FLOWS FROM INVESTING ACTIVITIES:		
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~Demecber 31, 2011 and 2010

Currency unit: NT$1,000

	2011	2010
CASH FLOWS FROM FINANCING ACTIVITIES:		
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
Supplement disclosures of cash flow information		
Interest paid	$ 66,787	$ 66,157
Income tax paid	$ 2,111,596	$ 696,616
Investing activities of partial payment on cash		
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
Financing activities which doesn't impact cash flow		
Long-term borrowings – current portion	$ 161,930	$ 161,906

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

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	The Company's business lines include: 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	The Company's business lines include: 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	To meet the Company's business need.

Article No.	Amended Provision	Old Provision	Remark
	25. F214030 Auto and motorcycle spare parts and outfit retail 26. G202010 Parking lot management 27. IZ14011 Public welfare lottery agency 28. JZ99050 Intermediary service 29. IZ99990 Other industrial and commercial service 30. F401161 Cigarette 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 33. F301010 Department store 34. F301020 Supermarket 35. F399010 Convenience store 36. F501030 Beverage shop 37. F501060 Restaurant 38. G902011 2nd class telecommunication business 39. I301010 Information software service 40. I301030 Electronic information supply service 41. F206010 Ironware retail 42. F212011 Gas station 43. F212050 Petroleum product retail 44. JA01990 Other automobile services 45. F212061 CNG station 46. I101090 Food consultation service 47. IZ09010 Management system certification 48. J701020 Theme park 49. F102040 Beverage wholesale 50. F102170 Foods and groceries wholesale	25. F214030 Auto and motorcycle spare parts and outfit retail 26. G202010 Parking lot management 27. IZ14011 Public welfare lottery agency 28. JZ99050 Intermediary service 29. IZ99990 Other industrial and commercial service 30. F401161 Cigarette 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 33. F301010 Department store 34. F301020 Supermarket 35. F399010 Convenience store 36. F501030 Beverage shop 37. F501060 Restaurant 38. G902011 2nd class telecommunication business 39. I301010 Information software service 40. I301030 Electronic information supply service 41. F206010 Ironware retail 42. F212011 Gas station 43. F212050 Petroleum product retail 44. JA01990 Other automobile services 45. F212061 CNG station 46. I101090 Food consultation service 47. IZ09010 Management system certification 48. J701020 Theme park 49. F102040 Beverage wholesale 50. F102170 Foods and groceries wholesale	

Article No.	Amended Provision	Old Provision	Remark
	51. F106020 Daily supplies wholesale 52. I103060 Management advisor. 53. J304010 Book publisher 54. J303010 Magazine (journal) publisher 55. IZ12010 Staffing 56. JA03010 Laundry service. 57. F201010 Retail sale of agricultural products. 58. F501990 Other eating and drinking places not elsewhere classified.	51. F106020 Daily supplies wholesale 52. I103060 Management advisor. 53. J304010 Book publisher 54. J303010 Magazine (journal) publisher 55. IZ12010 Staffing	
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. This proxy can also be issued in electronic form instead.	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	Unless otherwise provided in laws, a shareholder shall be entitled to one voting right for each share held by	To comply with regulations.

Article No.	Amended Provision	Old Provision	Remark
	him/her. The vote can be exercised in written or electronic forms.	him/her.	
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 by directors for their own or others within the scope of the Company's business; (4) Conclusion, alteration or termination of the contract related to lease of business, consignment of business or permanent joint venture; (5) Assignment of all or substantial business or property; (6) Succeeding to another persons' whole business or property which affects the Company's operation materially; (7) Other motions to be resolved by the shareholders' meeting pursuant to laws.	The shareholders' meeting shall resolve the following: (1) Amendments to these Articles; (2) Election and discharge of directors and supervisors; (3) Permitted activities engaged in by directors for their own or others within the scope of the Company's business; (4) Conclusion, alteration or termination of the contract related to lease of business, consignment of business or permanent joint venture; (5) Assignment of all or substantial business or property; (6) Succeeding to another persons' whole business or property which affects the Company's operation materially; (7) Other motions to be resolved by the shareholders' meeting pursuant to laws.	To meet the practical needs
Chapter IV.	Directors, Audit Committee, and Managers	**Directors, Supervisors and Managerial Staff**	To meet the practical needs
Article 17	The Company shall have 12-13 directors ~~and 2 supervisors~~. The term of their service is three years. 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. 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.	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	To comply with regulations.

Article No.	Amended Provision	Old Provision	Remark
		in regard to stocks.	
Article 17-2	The Company may install an Audit 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 Audit Committee is installed.~~ The functions to be assumed by supervisors under the Company Law and Securities and Exchange Act shall be transferred to the Audit Committee. The Audit 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.	The Company may install an Audit 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 Audit Committee is installed. The functions to be assumed by supervisors under the Company Law and Securities and Exchange Act shall be transferred to the Audit Committee. The Audit 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.	To meet the practical needs
Article 19	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.	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.	To accommodate business needs.
Article 21	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	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	To accommodate business needs.

Article No.	Amended Provision	Old Provision	Remark
	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.	a letter of proxy and specify the scope of authorization with respect to the grounds for calling the meeting, provided that a proxy shall act on behalf of no more than one director.	
Article 21-1	The motions shall be recorded in the director's meeting minutes. The meeting minutes shall specify the date and location of the meeting, names of present directors and chairperson, in addition to the gist and result of the parliamentary procedures, and be signed or sealed by the chairperson and record taker. Said meeting minute shall be maintained permanently in the Company together with the directors' attendance book and proxies.	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 permanently in the Company together with the directors' attendance book and proxies.	To meet the practical needs
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	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	To meet the practical needs

Article No.	Amended Provision	Old Provision	Remark
	with full power. The insurance policy shall be taken out by the Board of Directors with full power.	with full power. The insurance policy shall be taken out by the Board of Directors with full power.	
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 and any relevant regulations. (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 29	If the Company has earnings according to its annual final account, the Company may, after paying all taxes, and making up all past losses, set aside a 10% legal reserve, and contribute a special reserve from the balance stated under less item of shareholders' equity in 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: (1) Remuneration to directors~~/supervisors~~: 2% of the	If the Company has earnings according to its annual final account, the Company may, after paying all taxes, and making up all past losses, set aside a 10% legal reserve, and contribute a special reserve from the balance stated under less item of shareholders' equity in 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: (1) Remuneration to directors/supervisors: 2% of the	To meet the practical needs

Article No.	Amended Provision	Old Provision	Remark
	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.	earnings; (2) Employees' bonus: no less than 0.2% of the earnings; (3) Shareholders' dividend and bonus: 80%-100% of the distributable accumulated earnings less the preceding subparagraphs (1) and (2), and 50%-100% of such dividend and bonus shall be granted in the form of cash dividends, and the remainder shall be unallocated earnings.	
Article 33	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 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	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 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	Add the dates of amendments

Article No.	Amended Provision	Old Provision	Remark
	was made on June 22, 2011. 24th amendment was made on June 21, 2012.	was made on June 22, 2011.	

Appendix 8

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		The Company acquires real asset from related parties in accordance with IV-9 and Chapter II of this procedure. The transaction shall be made after the necessary evaluation and documentation completed and approved by the board of directors and recognized by the supervisors.	To comply with regulations.
Chapter I. General Provisions Four - 9 - (1)		The Company acquiring or disposing of securities shall obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price. If the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT$300 million or more, the company shall additionally engage a certified public accountant to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC), Executive Yuan.	To comply with regulations.
Chapter I. General Provisions Four - 9 - (2)		In acquiring or disposing of real property or other fixed assets where the transaction amount reaches 20 percent of the company's paid-in capital or NT$300 million or more, the company, unless transacting with a government agency, engaging others to build on its own land, engaging others to build on	To comply with regulations.

Article No.	Amended Provision	Old Provision	Remark
		rented land, or acquiring or disposing of machinery and equipment for business use, shall obtain an appraisal report from a professional appraiser and shall further comply with the following provisions: 1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors, and the same procedure shall be followed for any future changes to the terms and conditions of the transaction. 2. Where the transaction amount is NT$1 billion or more, appraisals from two or more professional appraisers shall be obtained. 3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price: (1) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount. (2) The discrepancy between the appraisal results of two or more	

Article No.	Amended Provision	Old Provision	Remark
		professional appraisers is 10 percent or more of the transaction amount. 4. No more than 3 months may elapse between the date of the appraisal report issued and the contract execution date if appraising before the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.	
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 price prior to the event. The CPA shall issue opinions according to the Statement of Auditing Standards No. 20 announced by the Accounting Research and Development Foundation.	Where a public company acquires or disposes of memberships or intangible assets and the transaction amount reaches 20 percent or more of paid-in capital or NT$300 million or more, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.	To comply with regulations.
Chapter I. General Provisions Four - 9-(6)	The calculations stated in (1), (2), and (4), above must comply with Article Five - 1 of this procedure. 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.	(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	Under any of the following circumstances, the Company acquiring or disposing of assets and the transaction amount reaches V-2 of this procedure shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as	To comply with regulations.

Article No.	Amended Provision	Old Provision	Remark
	Financial Supervisory Commission within 2 days from 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 over the past one year. (4) The cumulative amount of the same security acquired or disposed over the past one year. 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.	prescribed by regulations within 2 days commencing immediately from the date of occurrence of the event:: (1) The amount of any individual transaction. (2) The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within the preceding year. (3) The cumulative transaction amount of real property acquisitions and disposals respectively within the same development project within the preceding year. (4) The cumulative transaction amount of acquisitions and disposals respectively of the same security within the preceding year. "Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced need not be counted toward the transaction amount.	
Chapter I. General Provisions Five - 2	(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. (2) ~~Investments into Mainland China.~~ (2) Mergers, divestments, business acquisitions, or share exchanges. (3) Derivative transactions accumulating losses more than the aggregate or individual caps prescribed in the respective procedures.	Publicly announce standard for acquiring or disposing of assets: (1) Acquisition or disposal of real property from or to a related party. (2) An investment in the mainland China area. (3) Merger, demerger, acquisition, or transfer of shares. (4) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company. (5) Where an asset transaction other than any of those referred to in the preceding four subparagraphs and the	To comply with regulations.

Article No.	Amended Provision	Old Provision	Remark
	(4) Asset transactions other than the 3 categories described above or investments into Mainland China which amount to more than NTD300 million or 20% of The Company's paid-up capital. However, the following transactions are excluded: 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 the counterparties are unrelated. 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. Calculations of the above amounts shall comply with Article Five - 1 of this procedure.	transaction amount reaches 20 percent or more of paid-in capital or NT$300 million; provided, this shall not apply to the following circumstances: 1. Trading of government bonds. 2. Securities trading by investment professionals on foreign or domestic securities exchanges or over-the-counter markets. 3. Trading of bonds under repurchase/resale agreements. 4. Where the type of asset acquired or disposed is equipment/machinery for business use, the trading counterparty is not a related party, and the transaction amount is less than NT$500 million. 5. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the amount the company expects to invest in the transaction is less than NT$500 million. (Added)	
Chapter I. General Provisions Five - 5	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,	Where any of the following circumstances occurs with respect to a transaction that has already publicly been announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the information	To comply with regulations.

Article No.	Amended Provision	Old Provision	Remark
	within 2 days from the date of occurrence: (1) Any changes, termination, or annulment to the original contract. (2) When mergers, splits, acquisitions, or share exchanges are not completed within the scheduled date. (3) Any changes to the original announcement.	reporting website designated by the FSC within 2 days commencing immediately from the date of occurrence of the event: (1) Change, termination, or rescission of a contract signed in regard to the original transaction. (2) The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract. (Added)	
Chapter I. General Provisions Six - 2	Aggregate and individual limits on property and securities holding: 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: (3) These exclude excesses which have been approved by the subsidiary's board of directors and acknowledged by The Company's board of directors.	Total amounts of real property and securities acquired by each subsidiary for business use, and limits on individual securities are required to abide by the following restriction: (1) For the subsidiary which is not a professional investment company, total amounts of real property acquired by the subsidiary shall not excess 50 percent of paid-in capital or shareholders' equity (whichever the higher); total amounts of securities acquired by the subsidiary shall not excess 150 percent of paid-in capital or shareholders' equity (whichever the higher); each amount of a security invested by the subsidiary shall not excess 50 percent of paid-in capital or shareholders' equity (whichever the higher). (2) For the subsidiary which is a professional investment company, total amounts of real property acquired by the subsidiary shall not excess 50 percent of total assets; total amounts of securities acquired by the subsidiary shall not excess	To meet the practical needs

Article No.	Amended Provision	Old Provision	Remark
		100 percent of total assets; each amount of a security invested by the subsidiary shall not excess 100 percent of total assets. Where each subsidiary excesses the limits on individual securities but has approved by the board of directors and supervisors and recognized by the parent company's board of directors and supervisors, shall not apply.	
Chapter I. General Provisions Seven	I. The Company's subsidiaries shall establish their respective "Asset Acquisition and Disposal Procedures" in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies", promulgated by the Financial Supervisory Commission. These procedures are subject to approval by their respective boards of directors (and Audit Committee, if applicable) , review by their respective Supervisors, and consent of their respective shareholders before taking effect. The same applies to all subsequent revisions. II. Subsidiaries are required to report to The Company all derivative transactions and assets acquired/disposed up till the end of the previous month. 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	Control procedures for the acquisition and disposal of assets by subsidiaries: (1) The subsidiaries of the Company shall establish its procedures for the acquisition or disposal of assets in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" by FSC and this procedure. (2) The subsidiaries of the Company shall compile monthly reports on the status of acquisition or disposal of derivatives trading engaged in up to the end of the preceding month and publicly announced to the Company. (3) 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.	To meet the practical needs

Article No.	Amended Provision	Old Provision	Remark
	paid-up capital or 10% of total assets shall be based on The Company's paid-up capital or total assets.		
Chapter II. Real estate properties acquired from related parties Nine	Chapter II Related party transactions 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 decisioning procedures and rationality reviews described in the previous chapter. Calculations of the above amounts shall comply with Article Four - 9(6). ~~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.	Chapter II Real estate properties acquired from related parties. The Company acquires real property from a related party by purchasing or exchanging. The judgment of a related party is defined in Statement of Financial Accounting Standards No. 6 published by the ARDF. In addition to legal formalities, the substance of the relationship shall also be considered when judging.	To comply with regulations.
Chapter II. Real estate properties acquired from related parties Ten	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, 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: 1. The purpose, necessity, and expected benefits for acquiring or disposing the asset. 2. The reasons for transacting with a related party. 3. Before acquiring real estate properties from related parties, The Company must	When the Company intends to acquire real property from a related party, the company may not proceed until the following matters have been approved by the board of directors and recognized by the supervisors: 1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets. 2. The reason for choosing the related party as a trading counterparty. 3. Information regarding appraisal of the reasonableness of the preliminary transaction terms. 4. The date and price at which the related party originally	1. To comply with regulations. 2. To meet the practical needs

Article No.	Amended Provision	Old Provision	Remark
	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. Expert's valuation or CPA's opinion obtained in accordance with Article Nine of this procedure. 7. Restrictions and other important conditions in this transaction. 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. Transactions which have already been approved by the Audit Committee and passed by the board of directors can be excluded. 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.	acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the company and the related party. 5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization. (Added) 6. Restrictive covenants and other important stipulations associated with the transaction. (Added)	
Chapter II. Real estate properties acquired from related parties Eleven-2-(2)	The Audit Committee shall comply with Article 218 of the Company Act.	2. When the results of the transaction costs that the Company's appraisal conducted in accordance with IV-9-(3) of this procedure are uniformly lower than the transaction	To meet the practical needs

Article No.	Amended Provision	Old Provision	Remark
		price, the following steps shall betaken: (2) Supervisors shall comply with Article 218 of the Company Act.	
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 Audit Committee.	A public company's internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading, and prepare an audit report. If any material violation is discovered, all supervisors shall be notified in writing.	To meet the practical needs
Chapter IV. Mergers, divestments, business acquisitions, or share exchanges XXI	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 the designated website using the proper format within 2 days from the date of directors' resolution:	3. When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for 5 years, and within 2 days commencing immediately from the date of passage of a resolution by the board of directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraphs 1 and 2 of the preceding paragraph to the designated website for reference:	To comply with regulations.
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 to the Audit	The Company shall establish its procedures for the acquisition or disposal of assets in accordance with this procedure and other regulations. After the procedure have been approved by the board of directors, if any director expresses dissent and it is contained in the minutes or a written statement, the company	To meet the practical needs

Article No.	Amended Provision	Old Provision	Remark
	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. 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. 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.	shall submit the director's dissenting opinion to each supervisor. (Added)	
Chapter V. Other Material Issues Twenty Five	These procedures are 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. If a director has expressed objections on record or by issuing a declaration, the company must also circulate that director's objections to the Audit Committee. When the Operational Procedures 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.	After this procedure has been approved by the board of directors, they shall be submitted to each supervisor, and then to a shareholders' meeting for approval; the same applies when the procedures are amended. If any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to each supervisor. (Added) (Added)	To meet the practical needs

Article No.	Amended Provision	Old Provision	Remark
	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.		
Twenty Six	The June 2010 version has been revoked. The revised version dated June 2012	(Added)	Add the dates of amendments

Appendix 9

Contrast Table for Amendments to Operational Procedures for Granting Loans of President Chain Store Corporation

Article No.	Amended Provision	Old Provision	Remark
V.	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 Audit Committee. 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 each supervisor. 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 Granting Loans and execution thereof on a quarterly basis and record the audit in writing. Where they find any material violation of rules, they shall inform Audit Committee in writing immediately.	6. The Company's internal auditors shall audit the Operational Procedures for Granting Loans and execution thereof on a quarterly basis and record the audit in writing. Where they find any material violation of rules, they shall inform each supervisor in writing immediately.	To meet the practical needs
(XI)	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.	(Added)	To meet the practical needs
XII.	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.	(Added)	To meet the practical needs
XIII.	When the Operational Procedures for Granting Loans 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.	(Added)	To meet the practical needs
XIV.	The revised version was revoked in June 2011. The revised version dated June 2012	(Changing the Article No. to 14)	Adding an amendment history and article renumbering.

Appendix 10

Contrast Table for Amendments to Operational Procedures for Guarantee and Endorsement 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 Guarantee and Endorsement and execution thereof on a quarterly basis and record the audit in writing. Where they find any material violation of rules, they shall inform Audit Committee in writing immediately.	The Company's internal auditors shall audit the Operational Procedures for Guarantee and Endorsement and execution thereof on a quarterly basis and record the audit in writing. Where they find any material violation of rules, they shall inform each supervisor 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 Audit Committee. 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 each supervisor. 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	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.	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	When the Operational Procedures for Guarantee and Endorsement 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.	(Added)	To meet the practical needs
Article 15	The revised version was revoked in June 2011. The revised version dated June 2012	(Changing the Article No. to 15)	Adding an amendment history and

Article No.	Amended Provision	Old Provision	Remark
			article renumbering.

Appendix 11

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

Article No.	Amended Provision	Old Provision	Remark
Title	Rules for Election of Directors~~/Supervisors~~ of President Chain Store Corporation	Rules 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.	Except as otherwise provided by law and regulation or by this Corporation's articles of incorporation, elections of directors and supervisors shall be conducted in accordance with these Procedures.	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 open-ballot, cumulative voting method will be used for election of the directors and supervisors at this Corporation. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders. Each share will have voting rights in number equal to the directors or supervisors to be elected, and may be cast for a single candidate or split among multiple 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.	Elections of independent directors at this Corporation shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act and 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 list of director candidates. 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	The number of directors and supervisors will be as specified in this Corporation's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes.	To meet the practical needs

Article No.	Amended Provision	Old Provision	Remark
	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 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.	When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance. 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 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.	
VI.	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. No ballot is produced for those who vote via electronic method.	The ballot shall be prepared and assigned according to attendance certificate numbers by this Corporation, and shall specify the number of each shareholder's voting right.	To meet the practical needs
XI.	Once voting is complete, the ballots shall be added to those that are exercised in writing and in electronic form. The ballots are then counted openly on site, and the result shall be announced by the meeting chairman.	The voting rights shall be calculated on site immediately after the end of the poll, and the chair shall announce on the site the list of persons elected.	To meet the practical needs
XII.	The Company will send the notice for the elected to each director ~~and supervisor~~ elected.	The board of directors of this Corporation shall issue notifications to the persons elected as directors or supervisors.	To meet the practical needs

Appendix 12

Contrast Table for Amendments to Rules of Procedure for Shareholder 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. The total number of shares represented also includes votes which have been exercised in writing and in electronic form.	Attending shareholders may hand in a sign-in card in lieu of signing in. The number of shares in attendance shall be calculated according to the shares indicated by the sign-in cards.	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 ~~managing~~ director to be his proxy. Where the shareholders' meeting is called by any person entitled to hold the meeting other than the Chairman, the chairperson of the meeting shall be assumed by the person.	Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors, and the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the chairperson shall appoint one of the managing directors to act as chair. If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting.	To meet the practical needs

Appendix 13

Table for Shareholding by Directors/Supervisors

I. According to Article 26 of the Securities and Exchange Act, the total shares of registered stock held by all directors of the Company shall be no less than 4% of the Company's total issued shares (41,584,891 shares), and the total shares of registered stock held by all supervisors shall be no less than 4/1000 of the Company's total issued shares (4,158,490 shares).

II. The shares held by individual and all directors and supervisors recorded in the roster of shareholders until the suspension of transfer registration by the shareholders' meeting:

Job title	Name		Shares held
Chairman	Representative of Uni-President Enterprises Corp.	Kao Chin-Yen	471,996,430
Managing director	Representative of Uni-President Enterprises Corp.	Lin Chang-Sheng	471,996,430
Managing director	Representative of Uni-President Enterprises Corp.	Hsu Chun-Jen	471,996,430
Director	Representative of Uni-President Enterprises Corp.	Lin Lung-Yi	471,996,430
Director	Representative of Uni-President Enterprises Corp.	Lo Chih-Hsien	471,996,430
Director	Representative of Uni-President Enterprises Corp.	Yang Wen-Long	471,996,430
Director	Representative of Uni-President Enterprises Corp.	Su Tsung-Ming	471,996,430
Director	Representative of Uni-President Enterprises Corp.	Chang Chien Yun-Huei	471,996,430
Director	Representative of Kao Chyuan Investment Co., Ltd.	Kao Hsiu-Ling	4,538,775
Total			476,535,205

Job title	Name		Shares held
Supervisor		Yin Chien-Li	0
Supervisor	Representative of Kai Yu Investment Co., Ltd.	Wu Chung-Pin	4,203,200
Total			4,203,200

Appendix 14

Rules of Procedure for Shareholder Meetings of President Chain Store Corporation (Before Amendments)

Amended on June 25, 2002

I. The rules of procedures for this Corporation's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

II. "Shareholders" in this procedure means shareholders and their proxies.

III. Attending shareholders may hand in a sign-in card in lieu of signing in. The number of shares in attendance shall be calculated according to the shares indicated by the sign-in cards.

IV. Attendance and voting at shareholders meetings shall be calculated based on numbers of shares.

V. The venue for a shareholders meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.

VI. Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors, and the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the chairperson shall appoint one of the managing directors to act as chair. If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting.

VII. This Corporation may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity. Staff handling administrative affairs of a shareholders meeting shall wear identification cards.

VIII. This Corporation shall record the proceedings of a shareholders meeting in their entirety in audio or video and retain the recording for at least 1 year.

IX. The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

X. If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.
The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors.
The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

XI. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.
A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

XII. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

XIII. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting. When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

XIV. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

XV. When the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote.

XVI. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation. Voting results shall be reported on-site immediately and recorded in writing.

XVII. When a meeting is in progress, the chair may announce a break based on time considerations.

XVIII. Except as otherwise provided in the Company Act and in this Corporation’s articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. Where no present shareholders raise objection upon the chairperson’s inquiry at the time of a vote, the voting shall be deemed passing with the effect as same as that of passage by balloting.

XIX. Where any present shareholders show a dissenting opinion towards the proposal at the time of a vote, the chairperson may ask those showing dissenting opinions and waiving the right to vote to raise their hands or stand up in order to calculate the votes. Where the votes fail to reach the statutory votes or the votes set forth in the Articles of Incorporation, the proposal shall be deemed passing and no voting will be required. When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected and no further voting shall be required.

XX. The chair may direct the proctors (or security personnel) to help maintain order at the meeting place. When proctors (or security personnel) help maintain order at the meeting place, they shall wear an armband bearing the word "Proctor."

XXI. Other matters do not be included in this procedure shall be conducted in accordance with the Company Act, Article of Incorporation and other relevant regulation.

XXII. This procedure and any amendments hereto, shall be implemented after adoption by shareholders meetings.

Appendix 15

Articles of Incorporation of President Chain Store Corporation (Before Amendments)

Amended in June 2011

Chapter I. General Provisions

Article 1. The Company is incorporated as a company limited by shares under the Company Law of the Republic of China and named "President Chain Store Corp.".

Article 2 The Company's business lines include:

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 management
27. IZ14011 Public welfare lottery agency
28. JZ99050 Intermediary service
29. IZ99990 Other industrial and commercial service
30. F401161 Cigarette 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
33. F301010 Department stores
34. F301020 Supermarket

35. F399010 Convenience stores
36. F501030 Beverage shop
37. F501060 Restaurant
38. G902011 2nd class telecommunication business
39. I301010 Information software service
40. I301030 Electronic information supply service
41. F206010 Ironware retail
42. F212011 Gas station
43. F212050 Petrolem product retail
44. JA01990 Other automobile services
45. F212061 CNG station
46. I101090 Food consultation service
47. IZ09010 Management system certification
48. J701020 Theme park
49. F102040 Beverage wholesale
50. F102170 Foods and groceries wholesale
51. F106020 Daily supplies wholesale
52. I103060 Management advisor
53. J304010 Book publisher
54. J303010 Magazine (journal) publisher
55. IZ12010 Staffing

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.

Article 4 Deleted ·

Article 5 The Company may make endorsement/guarantee externally due to the business. In order to meet the need for business, the Company may reinvest in other enterprises and be free from the restriction referred to in Article 13 of the Company Law for no more than 40% of the Company's paid-in capital.

Chapter II. Shares

Article 6 The total capital stock of the Company shall be in the amount of NT$10.5 billion, divided into 1.05 billion shares, at a par value of NT$10, and the unissued shares of them are authorized to be issued by the Board of Directors in installments.

Article 7 The stock certificates of the Company shall be registered and issued after being signed or sealed by no less than three Directors of the Company and after being authenticated by the government authority or by the agency authorized by such authority to deal with the registration of issuance of stock certificates. It is not necessary for the Company to print the stock certificates, provided that it shall be registered at a central custody of securities.

Article 8 If a shareholder transfers his or her stock certificate, the shareholder shall fill in the stock certificate transfer application form signed and sealed by the transferor and

transferee, and apply to the Company for alternation of the entries in the shareholders' roster. Transfer of the stock certificate shall not be set up as a defense against the Company, unless name or title and residence or domicile of the transferee has been recorded in the shareholders' roster.

Article 9 Unless otherwise provided in laws, the procedure for application for reissue of stock certificates, if stock certificates are lost:

(1) The shareholder or the legal owner shall report the event to police authorities for handling or recording, complete the loss of stock application, and send such to the Company;
(2) The applicant shall, within five days, apply to the courts under the Code of Civil Procedure for public announcement of the event, and a copy of the court application and the court acceptance voucher shall be sent to the Company, or the application will be revoked;
(3) Upon expiration of the period of public summon, the applicant may apply to the Company for issue of replacement stocks by attaching the court's judgment declaring the lost stock certificates void.

Article 10 Unless otherwise provided by laws, registration for the transfer of stocks shall be suspended sixty days before any regular shareholders' meeting, thirty days before any temporary shareholders' meeting, or five days before the record date for determination of the shareholders entitled to dividends, bonus or any other profits distribution by the Company.

Chapter III. Shareholders' Meeting

Article 11 Shareholders' meetings of the Company are of two kinds:

I. Regular shareholders' meetings shall be convened once a year by the Board of Directors within six months after the close of each fiscal year.
II. Temporary shareholders' meetings shall be convened according to laws whenever necessary.

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.

Article 13 Unless otherwise provided in laws, written notice shall be sent to all shareholders, thirty days in advance in the case of a regular shareholders' meeting and fifteen days in advance in the case of a temporary shareholders' meetings, and be publicly announced within forty five days before a general shareholders' meeting, in the case of bearer stock holders, and within thirty days before a temporary shareholders' meeting, in the case of bearer stock holders.

Article 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.

Article 15 Unless otherwise provided in laws, a shareholder shall be entitled to one voting right for each share held by him/her.

Article 16 Resolutions at a shareholders' meeting shall, unless otherwise provided for in Company Law, be adopted by a majority of voting rights of the present shareholders who represent a majority of the total issued and outstanding shares.

Article 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 by directors for their own or others within the scope of the Company's business;
(4) Conclusion, alteration or termination of the contract related to lease of business, consignment of business or permanent joint venture;
(5) Assignment of all or substantial business or property;
(6) Succeeding to another persons' whole business or property which affects the Company's operation materially;
(7) Other motions to be resolved by the shareholders' meeting pursuant to laws.

Chapter IV. Directors, Supervisors and Managerial Staff

Article 17 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.

Article 17-1 3 independent directors shall be elected from the directors referred to in the preceding Article in accordance with Article 14-2 and Article 14-3 of the Securities and Exchange Act. The independent directors shall be nominated and elected in accordance with Article 192-1 of the Company Law. The shareholders shall elect independent directors from the list of candidates for independent directors.

Acceptance and publication of nomination of candidates for independent directors shall be handled in accordance with the Company Law and Securities and Exchange Act, et al.. Independent and non-independent directors shall be elected concurrently and the number of the elected shall be calculated separately.

Article 17-2 The Company may install an Audit 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 Audit Committee is installed. The functions to be assumed by supervisors under the Company Law and Securities and Exchange Act shall be transferred to the Audit Committee. The Audit 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.

Article 18 The Directors constitute the Board of Directors. Unless laws or these Articles provide that the business shall be subject to resolution of the shareholders' meeting, the Company shall carry out its business subject to the resolution made by the Board of

Directors.

Article 19 The Directors constitute the Board of Directors and shall elect three Managing Directors from among the Directors by a majority vote at a meeting attended by over two-thirds of the Directors. The managing directors shall elect a Chairman of the Board of Directors among themselves. The Chairman of the Board of Directors shall externally represent the Company and internally execute the Company's business pursuant to laws, these Articles and resolutions of shareholders' meetings and directors' meetings.

Article 20 The Board of Directors shall hold a meeting at least once per quarter. In the case of emergency or upon request of a majority of directors, a temporary meeting may be convened at any time, provided that the first meeting of each term of the Board of Directors shall be called by the director winning the ballots representing the most votes pursuant to laws.

Article 21 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.

Article 21-1 The motions shall be recorded in the director's meeting minutes. The meeting minutes shall specify the date and location of the meeting, names of present directors and chairperson, in addition to the gist and result of the parliamentary procedures, and be signed by the chairperson and record taker. Said meeting minute shall be maintained permanently in the Company together with the directors' attendance book and proxies.

Article 22 The functions of the Supervisors are as follows:

1. Audit the financial condition of the Company;
2. Audit the Company's account books and documents;
3. Inquire the business condition of the Company;
4. Supervise employees' performance of business and investigation on violations of laws and duties;
5. Other functions as authorized by the Company Law.

Article 23 The remuneration to directors (including independent directors)/supervisors shall be paid subject to the normal standards.

Article 23-1 The Company may purchase liability insurance for 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.

Article 24 The Company may have several manager(s). The appointment, removal and remuneration of the manager(s) shall be subject to Article 29 of Company Law. The Company's managers have the right to enter their signatures on behalf of the Company pursuant to the relevant requirements defined by the Company and insofar as they are authorized to do it.

Article 24-1 The Company may retain several advisors subject to the need for business. The appointment, removal and remuneration of the advisors shall be subject to agreement of a majority of the whole directors.

Article 25 Deleted

Chapter V. Accounting

Article 26 The Company identifies that each year from January 1 to December 31 is one fiscal year. It will settle the accounts at the end of each fiscal year.

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.

(1) Business report;
(2) Financial statements;
(3) Motion for allocation of earnings or covering of loss.

Article 28 The dividends and bonuses shall be allocated subject to the various shareholders' shareholding percentage. No dividends or bonuses will be allocated where the Company has no retained earnings.

Article 29 If the Company has earnings according to its annual final account, the Company may, after paying all taxes, and making up all past losses, set aside a 10% legal reserve, and contribute a special reserve from the balance stated under less item of shareholders' equity in 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:

(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.

Article 30 The dividends shall be allocated to the shareholders recorded in the roster of shareholders five days before the record date of allocation of the dividend and bonus.

Article 31 The Company's articles of organization and enforcement rules thereof shall be defined separately.

Article 32 Any matters not provided herein shall be subject to the Company Law and the relevant laws.

Article 33 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 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.

Appendix 16

Operational Procedures for Acquisition and Disposal of Assets of President Chain Store Corporation (Before Amendments)

Amended in June 2010

Chapter I. General Provisions

II. Legal sources:
These Regulations are adopted in accordance with the provisions of Article 36-1 of the Securities and Exchange Act and Regulations Governing the Acquisition and Disposal of Assets by Public Companies.

III. Assets include the following:
1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
2. Real property and other fixed assets.
3. Memberships.
4. Patents, copyrights, trademarks, franchise rights, and other intangible assets.
5. Derivatives.
6. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
7. Other major assets.

IV. Terms used in these Regulations are defined as follows:
1. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, and swap contracts, and compound contracts combining the above products, whose value is derived from assets, interest rates, foreign exchange rates, indexes or other interests. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) agreements.
2. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefore (hereinafter "transfer of shares") under Article 156, paragraph 6 of the Company Act.
3. Related party: As defined in Statement of Financial Accounting Standards No. 6 published by the ROC Accounting Research and Development Foundation (ARDF).
4. Subsidiary: As defined in Statements of Financial Accounting Standards Nos. 5 and 7 published by the ARDF.
5. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or other fixed assets.
6. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.
7. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.

V. Evaluating and operating procedures:

1. Acquiring and disposing fixed assets: apart from the valuations required in IV-9 of this procedure, the developer and the General Affairs Department will engage in bidding, price comparisons, or price negotiations for real estate deals, and the President's approval is needed before execution. For other fixed assets, the respective administrators are authorized to arrange transactions within their given boundaries, subject to proper approval. Acquiring and disposing the non-retail used properties are subject to acknowledgment by the board of directors. Transactions amounting to more than NTD 500 million need to be reported during the shareholders meeting.
2. The Company acquires real asset from related parties in accordance with IV-9 and Chapter II of this procedure. The transaction shall be made after the necessary evaluation and documentation completed and approved by the board of directors and recognized by the supervisors.
3. For securities that are not traded over a centralized exchange market or a securities firm's place of business (except those with open quotes), the Finance Department will engage in price negotiations according to IV-9 of this procedure and submit for the President's approval. The transaction will later be acknowledged by the board of directors.
4. Trading of securities over a centralized exchange market or a securities firm's place of business are subject to compliance with IV-9 of this procedure, and requires written permission from the Head of Finance.
5. Derivative transactions are initiated by the Finance Department after considering the Company's needs and market condition, confirming the instrument and position, analyzing the market information and determining the proper hedging strategy. Finance Department shall submit the evaluation reports to the board of directors for approval before executing.
6. Merger, demerger, acquisition, or transfer of shares shall be evaluated in terms of net worth per share, asset value, technological capabilities, profitability, production capacity, and growth prospects. These deals also need to undergo the procedures, preparations, and documentation outlined in Chapter Four. Unless otherwise permitted by law, all mergers, divestments, and acquisitions must be resolved during the shareholders' meeting. Transfer of shares shall be executed after the approval from the board of directors.
7. For acquisitions and disposals of memberships, the President may authorize an executor to arrange a transaction based on the latest price and IV-9 of this procedure. For acquisitions and disposals of patents, copyrights, trademarks, licenses and other intangible assets, the President may authorize an executor to arrange transactions based on the usual market practice, remaining useful years, effects on existing technology and business, and IV-9 of this procedure.
8. Acquisitions and disposals of other assets are subject to compliance with The Company's internal control policies and levels of approval and reporting authorities.
9. Other matters:
   (2) The Company acquiring or disposing of securities shall obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price. If the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT$300 million or more, the company shall additionally engage a certified public accountant to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC), Executive Yuan.
   (3) In acquiring or disposing of real property or other fixed assets where the transaction amount reaches 20 percent of the company's paid-in capital or NT$300 million or more, the company, unless transacting with a government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of machinery and equipment for business use, shall obtain an appraisal

report from a professional appraiser and shall further comply with the following provisions:

5. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors, and the same procedure shall be followed for any future changes to the terms and conditions of the transaction.
6. Where the transaction amount is NT$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
7. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
   (1) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.
   (2) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.
8. No more than 3 months may elapse between the date of the appraisal report issued and the contract execution date if appraising before the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.

(4) With respect to the acquisition of real property from a related party, except the related party acquired the real property through inheritance or as a gift, more than 5 years will have elapsed from the time the related party signed the contract to obtain the real property to the signing date for the current transaction, and the real property is acquired through signing of a joint development contract with the related party, the Company shall evaluate the reasonableness of the transaction costs and also engage a CPA to check the appraisal and render a specific opinion by the following means:

1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the trading counterparties.
3. Where land and structures thereupon are combined as a single property purchased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding two paragraphs.

(5) Where a public company acquires or disposes of memberships or intangible assets and the transaction amount reaches 20 percent or more of paid-in capital or NT$300 million or more, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the

transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.

(6) Where a public company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

VI. Publicly announce standard:

1. Under any of the following circumstances, the Company acquiring or disposing of assets and the transaction amount reaches V-2 of this procedure shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days commencing immediately from the date of occurrence of the event::
   (5) The amount of any individual transaction.
   (6) The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within the preceding year.
   (7) The cumulative transaction amount of real property acquisitions and disposals respectively within the same development project within the preceding year.
   (8) The cumulative transaction amount of acquisitions and disposals respectively of the same security within the preceding year.

   "Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced need not be counted toward the transaction amount.
2. Publicly announce standard for acquiring or disposing of assets:
   (6) Acquisition or disposal of real property from or to a related party.
   (7) An investment in the mainland China area.
   (8) Merger, demerger, acquisition, or transfer of shares.
   (9) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.
   (10) Where an asset transaction other than any of those referred to in the preceding four subparagraphs and the transaction amount reaches 20 percent or more of paid-in capital or NT$300 million; provided, this shall not apply to the following circumstances:
      6. Trading of government bonds.
      7. Securities trading by investment professionals on foreign or domestic securities exchanges or over-the-counter markets.
      8. Trading of bonds under repurchase/resale agreements.
      9. Where the type of asset acquired or disposed is equipment/machinery for business use, the trading counterparty is not a related party, and the transaction amount is less than NT$500 million.
      10. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the amount the company expects to invest in the transaction is less than NT$500 million.
3. The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by itself and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the prescribed date.
4. At the time of public announcement makes an error or omission to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety.
5. Where any of the following circumstances occurs with respect to a transaction that has already publicly been announced and reported in accordance with the preceding article, a

public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days commencing immediately from the date of occurrence of the event:

(4) Change, termination, or rescission of a contract signed in regard to the original transaction.

(5) The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.

VII. Total amounts of real property and securities acquired by the company and each subsidiary for business use, and limits on individual securities:

1. Total amounts of real property acquired by the company shall not excess 50 percent of paid-in capital or shareholders' equity (whichever the higher); total amounts of securities acquired by the company shall not excess 200 percent of paid-in capital or shareholders' equity (whichever the higher); each amount of a security invested by the company shall not excess 50 percent of paid-in capital or shareholders' equity (whichever the higher). Provided, where the proposal have been approved by the board of directors and recognized by the parent company's board of directors shall not apply.
2. Total amounts of real property and securities acquired by each subsidiary for business use, and limits on individual securities are required to abide by the following restriction:
   (1) For the subsidiary which is not a professional investment company, total amounts of real property acquired by the subsidiary shall not excess 50 percent of paid-in capital or shareholders' equity (whichever the higher); total amounts of securities acquired by the subsidiary shall not excess 150 percent of paid-in capital or shareholders' equity (whichever the higher); each amount of a security invested by the subsidiary shall not excess 50 percent of paid-in capital or shareholders' equity (whichever the higher).
   (2) For the subsidiary which is a professional investment company, total amounts of real property acquired by the subsidiary shall not excess 50 percent of total assets; total amounts of securities acquired by the subsidiary shall not excess 100 percent of total assets; each amount of a security invested by the subsidiary shall not excess 100 percent of total assets.
   (3) Where each subsidiary excesses the limits on individual securities but has approved by the board of directors and supervisors and recognized by the parent company's board of directors and supervisors, shall not apply.

VIII. Control procedures for the acquisition and disposal of assets by subsidiaries:

1. The subsidiaries of the Company shall establish its procedures for the acquisition or disposal of assets in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" by FSC and this procedure.
2. The subsidiaries of the Company shall compile monthly reports on the status of acquisition or disposal of derivatives trading engaged in up to the end of the preceding month and publicly announced to the Company.

IX. Penalties

Where the related personnel violating this procedure and causing the Company be disciplined by the competent authority, the related personnel shall be disciplined according to the personnel management reward and discipline system of the Company.

Chapter Two Real estate properties acquired from related parties

X. Scope and definition:

The Company acquires real property from a related party by purchasing or exchanging. The judgment of a related party is defined in Statement of Financial Accounting Standards No. 6 published by the ARDF. In addition to legal formalities, the substance of the relationship shall also be considered when judging.

XI. Resolution procedure:

When the Company intends to acquire real property from a related party, the company may not proceed until the following matters have been approved by the board of directors and recognized by the supervisors:

1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
2. The reason for choosing the related party as a trading counterparty.
3. Information regarding appraisal of the reasonableness of the preliminary transaction terms.
4. The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the company and the related party.
5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
6. Restrictive covenants and other important stipulations associated with the transaction.

XII. Appraised the reasonableness of the transaction terms

1. When the results of the transaction costs that the Company's appraisal conducted in accordance with IV-9-(3) of this procedure are uniformly lower than the transaction price, the matter shall be handled in compliance with II-2 of this procedure. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:
   (1) Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
      1. Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
      2. Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market practices.
      3. Completed leasing transactions by unrelated parties for other floors of the same property from within the preceding year, where the transaction terms are similar after calculation of reasonable price discrepancies among floors in accordance with standard property leasing market practices.
   (2) Where a public company acquiring real property from a related party provides evidence that the terms of the transaction are similar to the terms of transactions completed for the acquisition of neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.

   Completed transactions for neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transaction for similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property.
2. When the results of the transaction costs that the Company's appraisal conducted in accordance with IV-9-(3) of this procedure are uniformly lower than the transaction price, the following steps shall betaken:

(1) A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where a public company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph of the Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.
(2) Supervisors shall comply with Article 218 of the Company Act.
(3) Actions taken pursuant to subparagraph 1 and subparagraph 2 shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

The company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased at a premium, or they have been disposed of, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.

Chapter Three Controls over derivative transactions

XIII. Trading principles and strategies:

1. Types of derivatives be traded:
   Forward contracts, options contracts, futures contracts, leverage contracts, and swap contracts, and compound contracts combining the above products, whose value is derived from assets, interest rates, foreign exchange rates, indexes or other interests. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) agreements.
2. Operating or hedging strategies:
   The Company's derivative transactions are divided into hedging and trading (non-hedging) purposes. Transactions should be primarily engaged to avoid business risks. The types of derivatives should be selected in the way that mitigates risks on foreign currency income, expenses, assets, or liabilities which arise as a result of business activities. Additionally, derivatives can be traded for "non-hedging purposes" at the proper timing as means of increasing non-operating revenues or reducing non-operating losses. As a priority, the Company should transact with financial institutions it has banking relationships with, in order to avoid credit risks. Each transaction must be determined either for hedging or for trading before taking place. This is to facilitate proper bookkeeping.
3. Segregation of duties
   (1) Finance Department
   Responsible for learning the regulatory implications of each derivative, outlining trading practices, establishing supervisory policies, gathering market information, executing transactions, evaluating positions held on hand, producing assessment reports, and making the necessary announcements and reporting. The bookkeeping, report generation, and record-filing relevant to derivative transactions shall be handled by Finance Department staffs who are not involved in the trading activity.
   (2) Audit Department
   Periodically assesses whether the current risk management policy is appropriate and carried out in accordance with this procedure.
   (3) Legal Department:
   Responsible for reviewing derivative contracts and any related regulations.
4. Essentials of performance evaluation

(1) At the end of each trading day, the Finance Department shall evaluate the gains and losses on remaining positions at market value.
(2) Review periodically and submit the evaluation report to the President or any authorized management.
(3) Performance should be compared against prescribed targets for the management's reference when making the strategic decision.

5. Total amount of derivatives contracts that my be traded, and the maximum loss limit on total trading and for individual contracts as following; the President or management authorized by the President shall be informed with the recommended solution when the loss breaks the stop-loss point.
   (1) Hedging transactions:
      1. Trade limit: the consolidated foreign currency exposure or the net liability (including expected future net exposures).
      2. Maximum loss limit: for individual contract, losses amount excess 20% of contract value for two months; for all contracts, losses amount excess 10% of contract value for two months.
   (2) Trading transactions: the contract amount shall not excess USD 10 million; the maximum loss limit for all contracts is USD 1 million; the maximum loss limit for individual contract is 15% of its contract amount.

XIV. Risk management measures

1. Credit risks:
   The trading counterparties shall consist mainly of correspondent banks or financial institutions; others shall be authorized by the President.
2. Market risks:
   The Finance Department shall periodically assess based on the market value, and monitor any likely impacts on the holding position due to price changes.
3. Liquidity and cash flow risks:
   Choose highly liquid instruments; monitor The Company's cash flow to ensure sufficient cash for settlement.
4. Legal risks:
   The Legal Department's consent must be obtained before signing on any contractual documents.
5. Product risk:
   Acquire the trading counterparties to disclose all risks before make transaction.
6. Operational procedure:
   (1) All derivative traders must be approved by the Head of Finance, and their names need to be notified to the correspondent financial institutions. Unauthorized personnel shall not engage in derivative trading.
   (2) Traders, trade confirmation, and trade settlement personnel must work independently of each other.
   (3) Every operation needs to be authorized and monitored by a proper manager.
7. Personnel responsible for risk supervision and risk control must be assigned under departments different to those who are traders, trade confirmation, and settlement personnel, and shall report to the board of directors or senior supervisors who are not responsible for trading or exposure deciding.
8. Trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. Evaluation reports shall be submitted to senior management personnel authorized by the board of directors.

XV. Internal audit system.

A public company's internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully

derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading, and prepare an audit report. If any material violation is discovered, all supervisors shall be notified in writing.

XVI. Regular evaluation methods and the handling of irregular circumstances

1. Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. Evaluation reports shall be reviewed and submitted to the President and designated management personnel.
2. The President or the management personnel authorized by the board of directors pay continuous attention to monitoring and controlling derivatives trading risk, and periodically evaluate the risk management measures currently employed are appropriate and are faithfully conducted in accordance with this procedure. The board of directors shall periodically evaluate whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the Company's permitted scope of tolerance.
3. The President or the management personnel authorized by the board of directors shall manage derivatives trading in accordance with the following principles:
   (1) Periodically evaluate the risk management measures currently employed are appropriate and are faithfully conducted in accordance with Regulations Governing the Acquisition and Disposal of Assets by FSC and this procedure.
   (2) When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the board of directors.
4. The Company engaging in derivatives trading shall establish a log book in which details of the types and amounts of derivatives trading engaged in, board of directors approval dates, monthly or weekly evaluation reports and the matters periodically evaluated by the board of directors or the management personnel authorized by the board of directors.

Chapter Four Mergers, divestments, business acquisitions, or share exchanges

XVII. The Company that conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage.

XVIII. The Company participating in a merger, demerger, acquisition, or transfer of shares shall prepare a public report to shareholders detailing important contractual content and matters prior to the shareholders meeting and include it along with the expert opinion referred to the preceding paragraph when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply. Where the shareholders meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to any reason, or the proposal is rejected by the shareholders meeting, the Company shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.

XIX. A company and other companies participating in a merger, demerger, or acquisition shall convene a board of directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and

grants consent; A company participating in a transfer of shares shall call a board of directors meeting on the day of the transaction, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

XX. Share exchange ratio or acquisition price

The Companies participating in a merger, demerger, acquisition, or transfer of shares may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:

1. Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.
2. An action, such as a disposal of major assets that affects the company's financial operations.
3. An event, such as a major disaster or major change in technology that affects shareholder equity or share price.
4. An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
5. An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
6. Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.

XXI. Contract contents:

The contract for participation by a public company in a merger, demerger, acquisition, or of shares shall record the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and shall also record the following:

1. Handling of breach of contract.
2. Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
3. The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
4. The manner of handling changes in the number of participating entities or companies.
5. Preliminary progress schedule for plan execution, and anticipated completion date.
6. Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.

XXII. Other matters:

1. Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.
2. After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.
3. When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market

shall prepare a full written record of the following information and retain it for 5 years, and within 2 days commencing immediately from the date of passage of a resolution by the board of directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraphs 1 and 2 of the preceding paragraph to the designated website for reference:

(1) Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.

(2) Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.

(3) Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.

4. Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Company shall sign an agreement with the non-public company whereby the latter is required to abide by XVIII and preceding three paragraphs of this procedure.

Chapter Five. Other material issues

XXIII. The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company headquarters, where they shall be retained for 5 years except where another act provides otherwise.

XXIV. Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall not be a related party of any party to the transaction.

XXV. The Company shall establish its procedures for the acquisition or disposal of assets in accordance with this procedure and other regulations. After the procedure have been approved by the board of directors, if any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to each supervisor.

XXVI. After this procedure has been approved by the board of directors, they shall be submitted to each supervisor, and then to a shareholders' meeting for approval; the same applies when the procedures are amended. If any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to each supervisor.

XXVII. Revisions: The initial version was revoked in June 1990.
The revised version was revoked in June 1991.
The revised version was revoked in June 1992.
The revised version was revoked in June 1995.
The revised version was revoked in June 1996.
The revised version was revoked in June 1997.
The revised version was revoked in June 1999.
The revised version was revoked in June 2003.
The revised version was revoked in June 2007.
The revised version dated June 2010

Appendix 17

Operational Procedures for Granting Loans of President Chain Store Corporation (Before Amendments)

Amended in June 2011

I. The entities to which the Company may loan funds:
The entities which require short-term loan of funds, and a majority of shares of which are held by the Company directly or indirectly

II. Criteria for evaluating granting of fund:
Where the entities which meet the requirement for granting loan need the short-term loan of funds to repay loan, purchase equipment and circulate funds, the Company shall evaluate the validity and essentiality of the loan.

III. Total of granted loan and limit on single counterpart:
1. Total of granted loan: 40% of the Company's net worth
2. Limit on single counterpart: the lower of NT$50,000,000 per company below or 10% of the net worth of the most recent financial statement

IV. Deadline of loan and method to accrue interest:
1. The fund loaning shall be effective for one year and may be repaid in installments.
2. Method to accrue interest: The lending interest rate shall be adjusted subject to the Company's funding cost from time to time, but shall be no less than the average interest rate applicable to the loan from a financial organization, accruing on a monthly basis. In the case of special circustmances, it may be adjusted upon approval of the Board of Directors.

V. Operational Procedures for Loaning Funds:
1. The borrower shall apply for the funds with the Company by submitting the relevant information. Upon examining the application, the Company's finance unit will submit it to the President for approval and have it resolved by the Board of Directors. Meanwhile, the Chairman of Board may be authorized, for a specific borrowing counterparty, within a certain monetary limit resolved by the board of directors, and within a period not to exceed one year, to give loans in installments or to make a revolving credit line available for the counterparty to draw down.
2. Upon resolution of the Board of Directors, the borrower shall sign the "Agreement for Fund Loaning" with the Company and issue the corresponding note to secure the repayment.
3. To disburse the fund under the Agreement, the borrower shall complete the "application form for disbursement" and submit it to the Company.
4. The Company's financial unit shall prepare the memorandum book to control the said fund loaning activities.
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 each supervisor. Meanwhile, it is necessary to complete the correction as scheduled under the plan.
6. The Company's internal auditors shall audit the Operational Procedures for Granting Loans and execution thereof on a quarterly basis and record the audit in writing. Where they find any material violation of rules, they shall inform each supervisor in writing immediately.

VI. Examination on granting of fund:
1. To verify the entity's purpose for the loan and the limit and balance of the loan to be

granted by the Company, and to evaluate the necessity and validity;
2. Repayment plan and evaluated risk for the granted loan;
3. Analyze the financial statements of companies granted the loan;
4. Notes to secure repayment;
5. Submit the application to Board of Directors for resolution.

VII. Publication and declaration:
Publication and declaration of the Company's granting of loan shall be subject to the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies promulgated by Financial Supervisory Commission, Ministry of Finance.

VIII. Follow-up control over granted loan and procedure for processing NPA:
1. Analyze the solvency of the enterprise granted the loan on a periodical basis;
2. Evaluate the granting of loan and provide adequate allowance for bad debt;
3. Follow up the development and cause of NPA on a periodical basis, and appoint the Legal Department to take care of it.

IX. Penalty to managers and persons-in-charge in violation of these Rules:
Where the competent staff fail to comply with these Rules and thereby cause the Company to be disciplined by the competent authority, the staff will be disciplined according to the Company's relevant rules for reward and punishment.

X. Procedure for controlling subsidiaries' granting of loan:
1. Where any subsidiary intends to grant loan to others due to need for business, it shall define the "Operational Procedures for Granting Loan", and submit it to the Board of Directors for approval and report it to the shareholders' meeting for ratification. The same shall apply where it is amended.
2. Subsidiaries shall grant the loan of funds to others subject to the "Operational Procedures for Granting Loan" defined by them individually, and entrust the Company to publish and declare it in accordance with the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies promulgated by Financial Supervisory Commission, Ministry of Finance.
3. Where any subsidiary intends to grant others the loan of more than NT$50,000,000 due to need for business, the loan shall be granted upon approval of the Board of Directors.
4. The granting of loans between the Company and any foreign company in which the Company holds 100% voting right directly or indirectly is free from the limit on 40% of the Company's net worth, and the funding period is also free from the limit of one year or one business cycle.

XI. Revisions: The initial version was revoked in June 1990.
The revised version was revoked in June 1991.
The revised version was revoked in June 1995.
The revised version was revoked in June 1997.
The revised version was revoked in June 1998.
The revised version was revoked in June 2002.
The revised version was revoked in June 2003.
The revised version was revoked in June 2007.
The revised version was revoked in June 2009.
The revised version dated June 2011.

Appendix 18

Operational Procedures for Guarantee and Endorsement of President Chain Store Corporation (Before Amendments)

Amended in June 2011

I. The Company shall make endorsement/guarantee externally in accordance with these Regulations.

II. The endorsement/guarantee made by the Company covers financing, customs duties and others. Other endorsements/guarantees mean those other than the endorsements/guarantees for financing or customs duties.

III. The entities for which the Company may make endorsements/guarantees:
1. Entities which have business relationship with the Company;
2. Subsidiaries in which the Company owns more than a majority of stock with voting right directly or indirectly;
3. Investees in which the Company owns more than a majority of stock with voting right directly or indirectly;
4. Mutual endorsements/guarantees made by the Company for fulfillment of its contractual obligations for another company in the same industry or the joint promoter for purposes of undertaking a construction project, or endorsements/guarantees by the various shareholders of the joint venture to investees subject to the proportion of shares held by them.

IV. Limit of endorsements/guarantees:
1. The aggregate endorsements/guarantees made by the Company and its subsidiaries amount shall be no more than 50% of the Company's net worth.
2. The limit of the endorsement/guarantee to be made by the Company and its subsidiaries for any single entity shall be no more than 20% of the Company's net worth. Notwithstanding, the amount endorsed/guaranteed by the Company for business transactions shall be equivalent to the higher of the purchase or sale amount of the endorsed/guaranteed enterprise.

V. The Operational Procedures for Guarantee and Endorsement:
1. Evaluate the risk and set the limit of the guarantee subject to the endorsed/guaranteed entity's requirement, and make the endorsement/guarantee upon resolution of the board of directors. Notwithstanding, in order to meet the time-limit requirement, the board of directors may authorize the Chairman to grant some limit and the limit as granted shall be reported to the board of directors for ratification later.
2. Where the endorsed/guaranteed entity needs to disburse the endorsement/guarantee amount within the limit, it shall report to the Company the amount of loan, duration and nature of endorsement/guarantee for examination of the Company's financial department and authorization of the head of the accounting unit and decision of the President. Upon making the repayment, the endorsed/guaranteed company shall inform the Company of the repayment to relieve the Company from the liability for endorsement/guarantee.
3. The Company's financial unit shall prepare the memorandum book to control the said endorsements/guarantees activities.
4. The Company's internal auditors shall audit the Operational Procedures for Guarantee and Endorsement and execution thereof on a quarterly basis and record the audit in writing. Where they find any material violation of rules, they shall inform each

supervisor in writing immediately.

5. Where the entity to be endorsed/guaranteed by the Company is a subsidiary whose net worth is less than 1/2 of its paid-in capital, the Company shall review its financial statement quarterly and ask it to propose the financial correction plan.

VI. Detailed examination procedure:

The Company shall examine and evaluate the following before making endorsements/ guarantees:

1. To verify the endorsed/guaranteed entity's purpose for borrowing the loan and the limit and balance of the Company's endorsement/guarantee, and to evaluate the necessity and reasonability thereof;
2. To analyze the guaranteed entity's operation, finance and credit, and the source of repayment, so as to measure the potential risk;
3. To consider the effect to be produced by the aggregate amount of endorsement/guarantee made by the Company on the Company's operational risk, finance and shareholders' equity;
4. To evaluate the value of collaterals, if any. If any collaterals are required, it is necessary to evaluate the value thereof.
5. Where the endorsements/guarantees are made for business transactions, in addition to said issues, it is also necessary to evaluate whether the amount endorsed/guaranteed is equivalent to the transaction amount of the endorsed/guaranteed enterprise
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 each supervisor. Meanwhile, it is necessary to complete the correction as scheduled under the plan.

VII. Hierarchy of decision-making authority and authorization:

1. The Company shall make the endorsements/guarantees upon resolution of the board of directors. Notwithstanding, in order to meet the time-limit requirement, the board of directors may authorize the Chairman to grant the endorsed/guaranteed amount under the limit of 10% of net worth to any single entity, and the limit as granted shall be reported to the board of directors for ratification later.
2. The financial department is authorized to proceed with the guarantees making within the limit approved by the board of directors.
3. When the Company makes any guarantee for a foreign company, the letter of guarantee shall be signed by the representative authorized by the board of directors.

VIII. The Company shall publish and report the endorsements/guarantees in accordance with the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies promulgated by Financial Supervisory Commission, Executive Yuan.

IX. The corporate chops (seals) are exclusively for making endorsements/guarantees which shall be registered at the Ministry of Economic Affairs, and shall be kept by the dedicated personnel upon approval of the board of directors. The same shall apply where the chops are altered. The personnel shall affix the chops or issue notes in accordance with the Company's relevant procedures.

X. Penalty to managers and persons-in-charge in violation of these Rules:

Where the competent staff fails to comply with these Rules and thereby cause the Company to be disciplined by the competent authority, the staff will be disciplined according to the Company's relevant rules for reward and punishment.

XI. Control procedure for endorsements/guarantees made by subsidiaries:

1. The "regulations governing endorsements/guarantees making" defined by the Company's subsidiary shall be approved by the board of directors and submitted to the shareholders' meeting for ratification. The same shall apply where they are amended.
2. Subsidiaries shall make endorsements/guarantees for others subject to the "Operational Procedures for Guarantee and Endorsement" defined by them individually, and entrust the Company to publish and declare it in accordance with the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies promulgated by Financial Supervisory Commission, Ministry of Finance.
3. The Company's subsidiary shall make an endorsement/guarantee of more than 10% of its net worth in order to meet the need for business, if any, subject to prior approval of the Company's board of directors.
4. Where the entity to be endorsed/guaranteed by the Company's subsidiary is a company whose net worth is less than 1/2 of its paid-in capital, the Company's subsidiary shall review its financial statement quarterly and ask it to propose the financial correction plan.

XII. 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.

XIII. 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.

XIV. Revisions: The initial version was revoked in June 1990.
The revised version was revoked in June 1996.
The revised version was revoked in June 1997.
The revised version was revoked in June 1998.
The revised version was revoked in June 1999.
The revised version was revoked in June 2003.
The revised version was revoked in June 2006.
The revised version was revoked in June 2009.
The revised version dated June 2011.

Appendix 19

Rules for Election of Directors/Supervisors of President Chain Store Corporation (Before Amendments)

Amended in June 2011

I. Except as otherwise provided by law and regulation or by this Corporation's articles of incorporation, elections of directors and supervisors shall be conducted in accordance with these Procedures.

II. The open-ballot, cumulative voting method will be used for election of the directors and supervisors at this Corporation. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders. Each share will have voting rights in number equal to the directors or supervisors to be elected, and may be cast for a single candidate or split among multiple candidates.

III. Elections of independent directors at this Corporation shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act and shall be specified in the Articles of Incorporation. The shareholders shall elect independent directors from the list of candidates for independent directors.

IV. The number of directors and supervisors will be as specified in this Corporation's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance. 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 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.

V. Before the election begins, the chair shall appoint a number of persons to perform the respective duties of vote monitoring, calling and counting personnel.

VI. The ballot shall be prepared and assigned according to attendance certificate numbers by this Corporation, and shall specify the number of each shareholder’s voting right.

VII. A voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot. However, when the candidate is a juristic-person shareholder, the name of the juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the juristic-person shareholder and the name of its representative may be entered.

VIII. A ballot is invalid under any of the following circumstances:

1. The ballot was not prepared by the Corporation.
2. A blank ballot is placed in the ballot box.
   3. The writing is unclear and indecipherable or has been altered.
3. The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match.
4. Other words or marks are entered in addition to the candidate's name or shareholder account number.
5. The name of the candidate entered in the ballot is identical to that of another

shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual.

6. The ballot was not placed in the ballot box.
7. The entered columns of candidate's account name or shareholder account number (or identity card number) and the number of voting rights allotted have been altered.
8. More than two candidates are entered in the same ballot.

IX. No supervisors will be elected if the Corporation installs an Audit Committee.

X. Failure to comply with Paragraph 3 or Paragraph 4 of Article 26-3 of the Securities and Exchange Act shall constitute invalid election.

XI. The voting rights shall be calculated on site immediately after the end of the poll, and the chair shall announce on the site the list of persons elected.

XII. The board of directors of this Corporation shall issue notifications to the persons elected as directors or supervisors.

XIII. Other matters not provided herein shall be handled in accordance with the Company Law, the Company's Articles of Incorporation and the relevant laws.

XIV. These procedures and any amendments hereto, shall be implemented after approval by a shareholders meeting.