TSE：2912

ANNUAL REPORT 2001





PRESIDENT CHAIN STORE CORPORATION

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TEL: 886-6-258-7151

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Address: 11F, No.91, Jungshan 2nd Rd., Kaohsiung, Taiwan
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Web Site ：http://www.pscnet.com.tw

Auditors
Company: PriceWaterhouse Coopers
Auditors: Lai Chun-tien & Yang Ming-chu
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TEL: 886-2-2729-6666
Web Site: http://www.pwcglobal.com
Web Site of PCSC: http://www.7-11.com.tw

http://www.7-11.com.tw

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Letter to Shareholders



Kao,Chin Yen
Chairman



Hsu, Chung Jen
President

I. Letter to Shareholders

Dear Shareholders

President Chain Store Corp. (PCSC) always pursues "Your Convenient Neighborhood" as a goal. A review of the year 2001 demonstrated that the global economic slowdown, weaker interest rates and a depreciated New Taiwanese Dollar had great impact on Taiwan's economy. This presented unprecedented challenges to Taiwan's businesses. The economic downturn is the worst in the past 50 years. However PCSC still attained its goal of establishing and operating a total of 2,908 stores, with net profits of NT$64.79 billion, an increase of 13% despite a continued difficult business environment. Net profits increased 3.2% to NT$1.843 billion, which attained 91.41% of the annual forecast. Other publicly listed companies' experienced an average of 7.46% decline in revenues and the average net profit decline 81.14%. The retail and hospitality industries also experienced a negative growth of 1.60%. PCSC outperformed most companies and industries.

Review PCSC's overall performance of the fiscal year, it emphasized the following points:

1. Cultivate global purchasing and enhance product differentiation

PCSC carries on well-known world brands to 7-11 stores through global purchasing, which progress in product assortment and differentiation. It enabled consumers enjoying high-quality products from overseas at the same time. The Hokkaido King Crab home delivery campaign was a success example and became one of the hottest items in Taiwan. Customers can taste delicious Hokkaido king crabs without visiting Hokkaido Japan. Customers could order the crab in any 7-11 stores and the crab would be delivered to the designated address. In the future we will keep on launching similar campaigns through global purchase to meet customer needs.

2. Developing fresh food markets and further expanding store services

PCSC intends to offer customers more hygienic and wide-ranging fresh food products for lunch and dinner, so we launched a new item called "Japanese lunch box" for food service in June 2000. The lunch box items have risen from 300 boxes to more than 1,500 boxes per store monthly sales after one and a half years. This outcome proves that the new products are highly recognized by customers. Since consumers consider our products as high-value and economical, then there is definitely a niche market for fresh food. The total sales of Seven Eleven Japan (SEJ) fresh food is more than doubled compared with Taiwan convenient store. Furthermore, there is a changing trend in Taiwanese life style that showed more people tend to dine out. PCSC is confident to play an important role and gain majority of the fresh food market share in the future.

3. Enhancing value-added services and forming community service centers

PCSC's goal is to provide customers with top quality services. We would like to build up our store image based on community service centers with multiple functions that provide convenience to our customers. In addition to increase bill collecting services, we provide customers with secure and convenient banking services by cooperating with the China Trust Commercial Bank and the Grand Commercial Bank to install 1,550 ATM machines in 7-Eleven stores at the end of 2003. Furthermore, PCSC cooperated with Microsoft Taiwan to establish the first XML e-commerce platform in the retail industry, which offers customers a convenient pick-up service for online shopping through a secure purchasing mechanism in June 2001. This advances the capabilities of our web site and meets consumers' purchasing needs. PCSC joined strategic alliances with HiTRUST.com and Acer Cyber Center Services to offer small and medium sized businesses an easy way to start an online business in August 2001. PCSC Internet shopping cooperated with 60 Internet suppliers by the end of 2001.

PCSC will put more efforts to reach a higher benchmark by offering the best quality products and excellent services to our customers. We appreciate the support and guidance of shareholders in 21st century. Our annual target is to reach NT$72.3 billion in revenues and a net profit of NT$3 billion. "Pursuing the best quality, services and contributing to society" is our corporate mission and managerial principle, which is the momentum that sustains our business success in 2002.

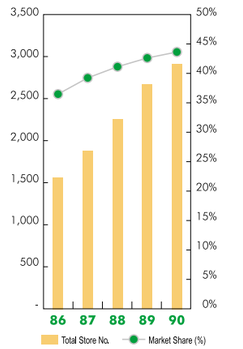


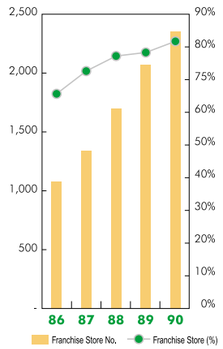
Overall Performance



Overall Performance

Item	Year 2000	Year 2001	Growth Rate（%）
Overall Performance			
Total Store No.	2,638	2,908	10.24%
Market Share（%）	42.68%	43.92%	-
Franchise Store No.	2,055	2,369	15.28%
Franchise Store（%）	77.90%	81.46%	-



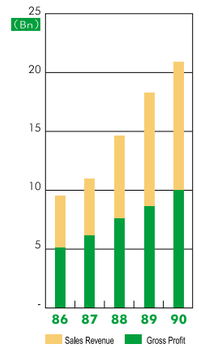


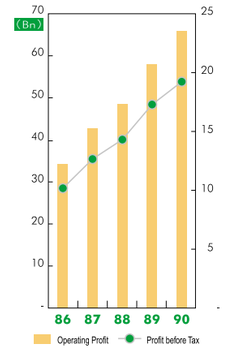


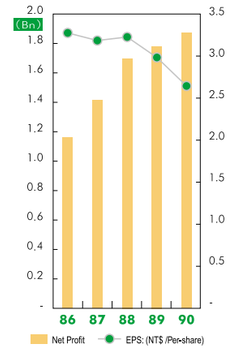




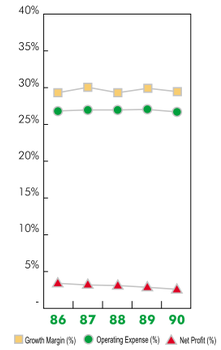
Item	Year 2000	Year 2001	Growth Rate（%）
Financial Results (NT$K)			
Sales Revenue	57,282,098	64,787,924	13.10%
Gross Profit	17,359,058	19,237,510	10.82%
Operating Profit	2,242,278	2,390,722	6.62%
Profit before Tax	2,434,626	2,398,374	-1.49%
Net Profit	1,785,644	1,842,748	3.20%
EPS：(NT$/Per-share)			
Weighted-average Number of Shares Outstanding	603,173,483	693,649,505	-
Unretroacted	2.91	2.66	-
Retroacted	2.57	-	-

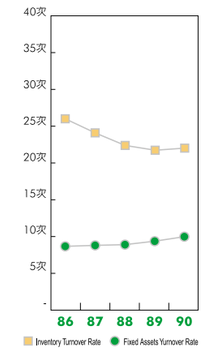






Item	Year 2000	Year 2001
Ratio Analysis：		
Growth Margin（%）	30.30%	29.69%
Operating Expense（%）	26.39%	26.00%
Net Profit（%）	4.25%	3.70%
ROA	11.20%	9.84%
ROE	21.76%	19.63%
Inventory Turnover Rate	21.31%	21.56%
Fixed Assets Turnover Rate	9.85%	10.79%







Corporate Overview







II. Corporate Overview

II-1. Company Profile

a. Established on June 10, 1987

b. Company Address: 8F, #8, Tong-hsing Rd., Songshan District, Taipei; Tel: (02) 2747-8711

c. Company History:

1987 > PCSC was established within Uni-President Enterprises Corporation's Convenience Store Division.

1988 > Introduced Electronic Ordering System (EOS) to increase distribution efficiency and create business opportunities.

1989 > The 300th store opened, and PCSC became the third largest 7-Eleven Chain in the world.

1990 > Partnered with Ryoshoku Ltd. and established Retail Support International, a professional distribution company First opened up the franchise application to employees and public individual to join 7-11

1991 > 100th franchise store opened.

1992 > Awarded the second annual Social Movement Leader Award.

1993 > Awarded the 1993 MCEI Marketing Excellence Award for the promotion of the 30-Hour Anti-Famine campaign.

1994 > Duskin Serve Taiwan Co., Ltd. was established by joint venture with Duskin Japan.Awarded the 1994 MCEI Marketing Excellence Award for the promotion of the Anti-Child Prostitution Social Movement.

1995 > 1000th store opened.
> Established President Drugstore Business Corp. and President Direct Marketing Corp.

1996 > POS system was completed and implemented to satisfy customers' needs and gather market information.

1997 > Implemented the GOT ordering system to improve ordering skills through graphical analysis.
> Introduced New Financial/Accounting System to attain effective accounting processes.
> PCSC listed on the Taiwan Stock Exchange.
> Awarded Area License Agreement with Starbucks Coffee Inc. to establish President Coffee Corporation. Starbucks Taiwan

1998 > Copres Corp. established in cooperation with France PPR Group.
> Established Capital Inventory Services Corp.

1999 > Opened stores to peripheral islands in Penghu and Kinmen.
> 2000th store opened.
> Established Wisdom Distribution Service Corp, President Transnet Corp, President Musashino Corp and Uni-President Cold Chain Corp.

2000 > Began e-commerce services including payment and pick-up at store, payment first and home delivery, pick-up at store and on-line payment.
> Signed Taiwan area permanent license agreement with 7-Eleven Inc.
> Established President Yamako Corp. and Shanghai President Coffee Co., Ltd.
> Awarded ISO9002 international standard certification
Invested in 7-Eleven Philippines (PSC) to extend overseas operations.
> Awarded the 2000 MCEI Marketing Excellence Award for innovation and changing Taiwan's consumer behavior with the 7-Eleven utility payment service.

2001& As of 2002/ 04/30 > Established President Technology Corp., President Engineering Technology Corp. and Uni-President Takashimamy Co., Ltd.
> ATM machines installed in 7-11 store and provided convenient and safe financial services to customers.
> Special "sport marketing" campaign, which successfully provided customers to reserve the " 34th Baseball World Cup" entry ticket in 7-11 stores.
> Hokkaido King Crab was successfully imported from Japan as the result of aggressive international products exploring.
> Awarded ISO14001 international standard certification.
> Successfully launched a new "People Lunch Box" product at the end of 2001. It provides customers with high quality and economical meal selection, which extended PCSC's business into fresh food market.
> Paribas dissolved the supervisor of PCSC.
> PCSC first issued secured corporate bonds, total 700 million.
> Established PCSC distribution sub group with four major share servicesprojects - accounting procedure, information system, human resources and central purchasing.
> 3000th store opened.

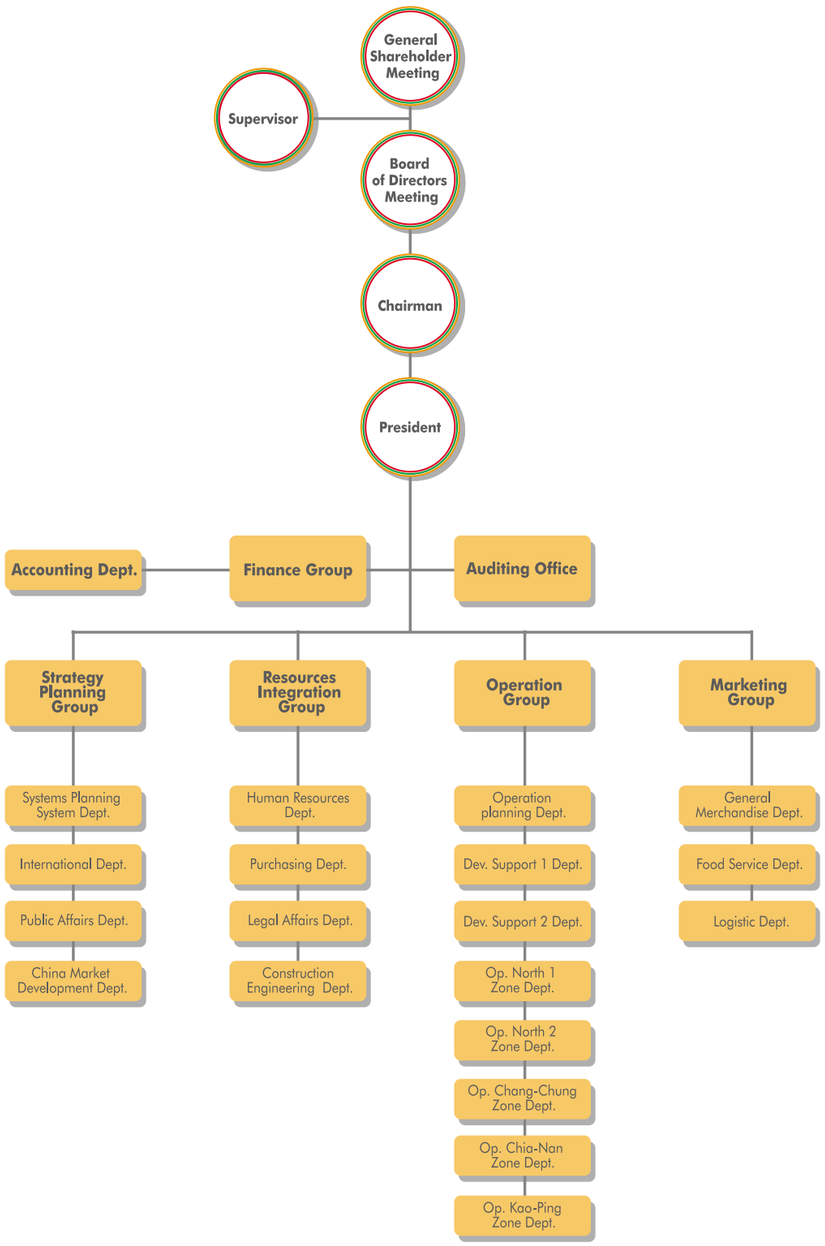




PCSC Organization

II-2. PCSC Organization

a. Corporate Structure







President Engineering Technology Corp.

President Yamako Corp.

President Technology Corp.

Uni-President Cold-Chain Corp.

Wisdom Distribution Service Corp.

President Musashino Corp.

Capital Inventory Services Corp.

President Information Corp.

President Packaging Co., Ltd.

Retail Support International Corp.

統一超商 PCSC

Duskin Serve Taiwan Co., Ltd.

President Drugstore Business Corp.

President Coffee Corp.

President Transnet Corp.

Phippine Seven Corp.

Uni-President Takashimaya Co., Ltd.

President Direct Marketing Corp.

Mech-President Corp.

Shanghai President Coffee Corp.

Uni-President Yellow Hat Co., Ltd.

Uni-President Organics Corp.

Uni-President Organics Corp.

Uni-President Oven Bakery Corp.

Books.com Co., Ltd.

T&T Supermarket Inc.







Directors, Supervisors & Chief Officers



（2） Name, Applicable Date and Share Holding Information of Chairman, Managing Director, Director, Supervisor and Senior manager

1.Information of Directors and Supervisors

31/ 12 / 2001

Title / Name	Elected Date	Term	Share Holding Since of Elected		Current Share Holding		Spouse and Minor Share Holding		Education and Experience	Current Position in other Companies	Managers who are shareholders' spouse or relatives		
			Shares	%	Shares	%	Shares	%			Title	Name	Relation
Chairman Kao, Chin Yen (Note 1)	89.06.15	3 Years	258,282,551	50.01	307,115,671	44.28	820,508	0.12	Lincoln University Honorary Ph.D.; Sun Yat-Sen University Honorary Ph.D.;Cheng Kung University Honorary Ph.D.;	(Note 4)	–	–	–
Managing Director Lin, Chang Sheng (Note 1)	89.06.15	3 Years	258,282,551	50.01	307,115,671	44.28	–	–	Cheng Kung University	(Note 4)	–	–	–
Managing DirectorYen, Po Ming (Note1)	89.06.15	3 Years	258,282,551	50.01	307,115,671	44.28	–	–	Chung Hsing University	(Note 4)	–	–	–
Director Lin, Lung Yi (Note 1)	89.06.15	3 Years	258,282,551	50.01	307,115,671	44.28	1,616	–	Cheng Kung University	(Note 4)	–	–	–
Director Hsu, Chung Jen (Note 1)	89.06.15	3 Years	258,282,551	50.01	307,115,671	44.28	–	–	Waseda University, MBA	(Note 4)	–	–	–
Director Huang, Xian Yan (Note 1)	89.06.15	3 Years	258,282,551	50.01	307,115,671	44.28	–	–	Chung Yuan University	(Note 4)	–	–	–
Director Lo, Chih Hsieh (Note 1)	89.06.15	3 Years	258,282,551	50.01	307,115,671	44.28	676,766	0.10	UCLA, MBA	(Note 4)	–	–	–
Director Tsuei, Jung (Note 2)	89.06.15	3 Years	127,000	0.02	170,586	0.02	–	–	Massachusetts Institute of Technology, MBA	(Note 4)	–	–	–
Director Hwang, Tsing Yuan (Note 3)	89.06.15	3 Years	1,359,775	0.26	1,343,200	0.19	397,828	0.06	Nihon University, Ph.D.	(Note 4)	–	–	–
Supervisor Tu, Te Cheng (Note 1)	89.06.15	3 Years	258,282,551	50.01	27,3674,019	45.37	–	–	Houston University, MBA	(Note 4)	–	–	–

(Note 1) / Uni-President Enterprises Corp. Representative

(Note 2) / Far East Air Transport Representative

(Note 3) / Wei Heng Representative

(Note 4) / Directors and supervisors, who hold positions in the other companies, please refer to Page 34

2. Directors and Supervisors of Major Shareholders of PCSC's Legal Entity Shareholders

31 / 12 /2001

Major PCSC's of Legal Entity Shareholders	Major shareholders of Legal Entity
Uni-President Enterprise Corp.	San Hsing Spinning Company; Giant Attempt Ltd.; Kao Chyuan Investment Co.; Chau Chih Investment Co.; PC Wu; YJ Wu; PM Ho; HH Yei; KH Cheng; HJ Liu.
Far East Air Transport	Nan Shan Life Insurance; Yuan Man Investment Corp; Yuan Pao Investment Corp.; China Development Industrial Bank Inc.; China Airlines Ltd.; Yageo Corp.; Bermuda AIG Group.
Wei Heng Company Ltd	British Virgin Islands Chien Rue Corp.; MC Tsai; RM Huang; SH Kuo; RH Huang.

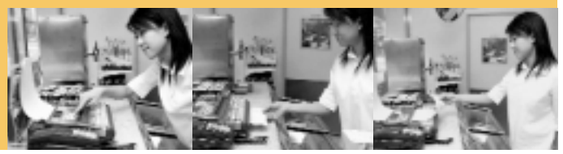
3. The Information of Chief Officers:

31 / 12 / 2001

Title	Name	Date of Appointed	Current Share Holding		Spouse and Minor Share Holding		Major Education	Current Position in other Companies	Managers are spouse or within 2 degrees of consanguinity to each other		
			Share	%	Share	%			Title	Name	relation
President	Hsu, Chung Jen	76.07.01	15,539	0.002	–	–	Waseda University, MBA	(Note)	–	–	–
Vice-President	Wu, Kuo Hsuan	88.01.01	1,320	–	–	–	Fortune Institute of Technology	(Note)	–	–	–
Vice-President	Huang, Chien Li	88.01.01	8,736	–	11,122	0.002	Kaohsiung First University of Science and Technology	(Note)	–	–	–
Vice-President	Hsieh, Chine Nan	89.09.01	3,378	–	193	–	Chung Yuan Christian University	(Note)	–	–	–
Chief Financial Officer	Chen, Fu Tang	88.01.01	12,284	0.002	900	–	Kaohsiung First University of Science and Technology	(Note)	–	–	–
Chief Marketing Officer	Chen, Jui Tang	89.01.01	0	–	–	–	National Taiwan UniversityTainan Commercial	(Note)	–	–	–
Chief Auditing Officer	Lin, Wen Ching	88.01.01	219	–	–	–	Vocational Senior High School	(Note)	–	–	–

(Note)/ Current Position in other companies of chief officers, please refer to Page 37









（3）Information of Directors & Supervisors

	With experience for more than five years in business, finance legal or areas required by the business of the Company.	Not an employee of the Company; nor a director, supervisor or employee of the affiliated companies of the Company.	Not a shareholder of natural person directly or indirectly owning more than 1% of the Company's outstanding shares nor one of the Company's top 10 shareholders of natural person.	Not a spouse to nor having relationship within two degrees of lineal consanguinity with any person specified in columns 2 and 3	Not a director, supervisor or employee of a shareholder of legal entity of the company directly or indirectly owning more than 5% of the company's outstanding shares nor one of the Company's top 5 shareholders of legal entity.	Not a director, supervisor, manager or shareholder holding more than 5% of the outstanding shares of certain companies or institutions which have financial or business relationship with the Company	Not an owner, partner, director, supervisor, manager of any sole proprietor, partnership, company or institution and his/her spouse, or the specialist and his/her spouse, which provided finance, commerce, legal consultation and services to the Company or its affiliated companies within one year
Chairman Kao, Chin Yen	V		V				V
Managing Director Lin, Chang Sheng	V		V	V			V
Managing DirectorYen, Po Ming	V		V				V
Director Lin, Lung Yi	V		V				V
Director Hsu, Chung Jen	V		V	V			V
Director Huang, Xian Yan	V		V	V			V
Director Lo, Chih Hsieh	V						V
Director Tsuei, Jung	V	V	V	V	V	V	V
Director Hwang, Tsing Yuan	V	V	V		V	V	V
Supervisor Tu, Te Cheng	V		V	V	V		V

"V" indicates meeting conditions specified above









Capital & Shares



II - 3 Capital & Shares

a. Sources of Capital

Unit: Share/ NT$

Month/ Year	Price/ Share	Authorized Value	Authorized Amount	Issued Shares	Issue Amount	Sources of Capital	Non-Monetary Capital Expansion	Date of Approval & Approval Document No.
07/2000	10	620,000,000	6,200,000,000	603,173,483	6,031,734,830	Capitalization of Profits	None	07/04/2000 (89) Tai-Tsai-Cheng No.57437
07/2001	10	900,000,000	9,000,000,000	693,649,505	6,936,495,050	Capitalization of Profits	None	07/17/2001 (90) Tai-Tsai-Cheng No.145869

b. Authorized Capital (Issued & Un-issued)

Unit: Share/ NT$

Type of Share	Authorized Capital			Un-issued Shares	Total	Remark
	Total Share					
	Listed	Non-Listed	Total			
Common Share	693,649,505	–	693,649,505	206,350,495	900,000,000	–

c. Net Worth, Earning, Dividends and Market Price Per Share

Unit: Share/ NT$

Item \ year		2000	2001	2002 (Jan. ~ Mar.)
Market Price Per Share	Highest Market Price	169.00	103.00	74.00
	Lowest Market Price	79.00	53.00	59.50
	Average Market Price	113.85	77.50	64.49
Net Worth Per Share	Before Distribution	14.59	14.39	14.95
	After Distribution	12.68	14.39	–
Earnings Per Share	Weighted Average Shares	603,173,483	693,649,505	693,649,505
	EPS (Unretroacted)	2.96	2.66	0.56
	EPS (Retroacted)	2.57	2.66	–
Dividends Per Share	Cash Dividends	1.00	Note 1	–
	Stock Dividends (from Retained Earnings)	1.50	Note 1	–
	Stock Dividends (from Capital Surplus)	–	Note 1	–
	Accumulated Undistributed Dividends	–	Note 1	–
Return on Investment	Price / Earning Ratio	38.46	29.14	115.16
	Price / Dividend Ratio	113.85	–	–
	Cash Dividend Yield Rate	0.88%	–	–

Note 1: Subject to shareholders' meeting resolution.



Dividend Policy & Bonds



d. Dividend Policy and Details:

1. Dividend policy:
The dividend policy is proposed in the Board of Directors meeting in regard to current industry conditions, company's present and future operations and investments. The proportion of the dividend paid out ranges from 20% to 50% of earnings. The dividend policy resolution is proposed by Board of Directors meeting that considers business circumstances, future operation and investment factors of the Corporation. The policy states that the Board of Director remuneration is 0.2% and employees bonus is 0.2% of net profit. Total ratio of dividend paid out ranges between 80% to 100% after Board of Directors remuneration and employees' bonuses are deducted. Cash dividend ranges from 20% to 50% of total dividends paid out. The total paid out ratio may be adjusted according to the company's current situation and the approval by the shareholders in shareholders' meeting.

2. The proposal of distribution net profits was adopted during the Meeting of the Board of Directors in 2001. The outcomes are as follows:

(1) Cash dividend:
Cash dividends of NT$776,887,445 (NT$1.12 per 1,000 shares) will be allotted on a specific date to be determined, after being approved by the Board of Directors at Annual Shareholders' Meeting.

(2) Stock dividend:
Totaling NT$783,823,940. Each ordinary shareholder will be entitled to receive a stock dividend of 113 common shares for each 1,000 common shares held by such shareholder, subject to the specific date to be determined, after being approved by the competent authority and the Board of Directors at the Annual Shareholders' Meeting.

e. The impact of business performance and EPS resulted from 2002 stock dividend allotment
According to the "Guidelines for Disclosure of Financial Forecasts by Public Companies", the Corporation is not obligated to disclose its 2002 financial forecast information. Hence, according to amended and promulgated guideline by the Securities and Exchange Commission, Ministry of Finance, on 1st of January 2000 per order Ref. No. (1) Taiwan-Finance-Securities 00371, the Corporation is not obligated to disclose the information on this topic.

II - 4. Issuance of Corporate Bonds, Preference Shares, Global Depository Receipts, Employee Stock Option and Mergers and Acquisitions 2001.

a. Corporate Bonds:

Types of Corporate Bonds		P.C.S.C. First Corporate Bond Issuance
Issuance date		January 16-January 18, 2002
Face value		NT$1 million: one type
Issuance and transaction location		—
Issuance value		Company debt issued at full face value
Total amount		NT$700 million divided into Issues A, B, and C due to different issuance dates; Issue A at NT$300 million, Issues B and C each at NT$200 million.
Coupon rate		2.80%.
Term		The terms of Company debt issues are 5 years, detailed below: Issue A: January 16, 2002 to January 16, 2007 Issue B: January 17, 2002 to January 17, 2007 Issue C: January 18, 2002 to January 18, 2007
Guarantor institution		Issue A: China Development Bank; Issues B and C: Chunglun branch of the Bank of Taiwan.
Trustee		Grand Commercial Bank
Issuing institution		N/A
Attesting lawyer		Su Yan-wei, Esq.
Attesting accountant		PriceWaterhouse Coopers: Accountants Lai Chun-tian, Yang Ming-chu
Repayment method		Bullet
Unpaid principal		NT$700 million
Provisions regarding redemption or early repayment		N/A
Restrictive provisions		N/A
Name of credit rating agency, rating date, Company debt rating		N/A
Other rights	As of the printing of the Annual Report, converted (exchange or exercised) common stock, overseas depository receipts or value of other stock	N/A
	Issuance and conversion (exchange or options exercised) methods	N/A
Effect of methods of stock issuance, conversion, trading, or exercising of options, and issuance provisions on liquidity and shareholder prerogatives and interests		N/A
Name of guarantor institution handling exchange		N/A

b. Preferred stock handling circumstances: None
c. Overseas depository receipts handling circumstances: None
d. Employee stock option handling circumstances: None
e. Mergers and acquisitions handling circumstances: None











Operation







Ⅲ. Operation



Ⅲ-1. Businesses

a. Business Scope

1. Major Business Items

(1) Operation of convenience stores and supermarkets

(2) Specialty goods, tobacco, wine and grocery.

(3) Photocopy, mail order, flower, phone card, cassette, videocassette, publication and magazines as well as video rental.

(4) Musician, arts and sports tickets consignments, daily transportation tickets; business advertisement consignments; fax; stock auditing services and bill collection; mobile phone handset, phone number (CT2, mobile, etc.), and pager.

(5) Toys, fertilizers, clocks and watches, glasses, photo equipment and film development. Postal stamps (non-postal business), coins, clothes, lights, bulbs and fluorescent tubes, potted plants, rice, cosmetics, games, cassettes, models and targets.

(6) Medical equipment, kitchen and bath accessory, pens, stationery and office supplies.

(7) Leather goods (purses, briefcases, wallets and belts), accessories (neckties, tie bars, cuff-links, suspenders, hand kerchiefs, hats, sunglasses, watches, silk scarves, shawls and neckerchiefs).

(8) Deodorants, cleaners, porch supplies, public lavatory cleaners, equipment sale and rental.

(9) Import/export, merchandize and mail order of the aforementioned products.

(10) JA01010 automotive repair services.

(11) JA01030 automotive service.

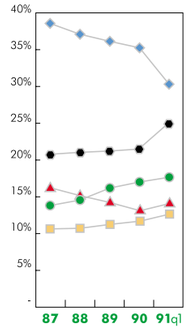
(12) F214030 automotive and motor bike accessory retail.

(13) G202010 parking lot operations.

(14) IZ14011 lottery ticket.

(15) JZ99050 agency service.

(16) IZ99990 other services (agent for enrollment regulations, applications, ticket sales, receiving materials on behalf of others and collection on behalf of other businesses).



2. Product Sales and Proportion in Recent Two Years

Unit: NT$K

Major Sales Category	2000		2001	
	Amount	%	Amount	%
Food Services	6,530,623	11.62%	7,679,340	12.10%
Publication	9,076,555	16.15%	10,563,295	16.65%
Beverage	20,210,089	35.96%	22,410,727	35.33%
Non-Food	12,257,565	21.81%	14,014,862	22.09%
Food	7,817,640	13.91%	8,430,384	13.29%
Other	314,728	0.56%	341,799	0.54%
Gross Revenue	56,207,200	100.00%	63,440,407	100.00%
Sales Discount	(5,494)	-	(5,841)	-
Sales Revenue	56,201,706	-	63,434,566	-
Other Operating Revenue	1,080,392	-	1,353,358	-
Total Revenue	57,282,098	-	64,787,924	-

Operation Perspective



3. New Products Development

PCSC always applies its managerial principle of "creating the best to satisfy customer demands". PCSC will keep on innovating retailing platforms, developing new products and services consistently, which delivers more convenient and diverse choices to consumers. The nationwide economic downturn is recovering gradually in 2002. However, PCSC will continue treating customer satisfaction as its first priority and reward the consumer with the advantages that accrue from reduced operating costs.

PCSC focused on the development of fresh food products and increased its overseas procurement in 2001. Fresh food products created a differentiated niche market for convenience stores. PCSC introduced its bento boxes, which increased more market opportunities in 2000. We pioneered low-cost, high-quality "national bento boxes", leading the market and public sentiment in 2001. Sales of fresh food items keeps on escalating in 2002, we will strive harder to develop appealing products that offer consumers diverse choices and advance our competitiveness.

Taiwan is a member of WTO now, international purchase plays an important role in differentiating products and leveraging store profit margins. PCSC successfully launched several best-selling products in 2001, including imported 7D dried mangoes from the Philippines and king crab from Hokkaido. This allows Taiwanese consumers enjoying renowned international goods and accomplishing our marketing strategy of "becoming neighbors with the whole world." We put more efforts in international purchase in the following areas:

（1）Continuous cultivation of international products

Building upon existing foundations, we will develop international specialty products effectively and proactively, and establish long-term relationships with current manufacturers through team merchandising. Hence, there are more high quality, high-value, and distinctive products to be provided to customers.

（2）Enhancing new products research abilities

We are utilizing the Internet service in the electronic marketplace to gather supplementary information of global products and capture the latest product trends. The information will serve as references as we acquire and launch new products to Taiwan. We will trim down product acquisition costs and increase margins by upgrading our product research ability.

（3）7-Eleven family global procurement

We will continue our cooperative relationships with the 7-Eleven family members, improving and strengthening infrastructure of communication channels, as well as sharing product information and purchasing power to lower product costs and source the best quality products. The global procurement of 7-Eleven families will enhance our bargain power efficiently.

b. Technology and Research and Development Overview

1. In order to fulfill the most up-to-date consumer needs, strengthen marketing system, and secure 7-Eleven's competency, we undertook the first phase development and comprehensive online deployment of a POS system with the Nomura Research Institute of Japan in 1996. We founded the President Technology Corp. and devoted in POS system integration, application and development in 2001. This allows PCSC concentrating on development of second-generation POS system and localization.
2. Development costs of second-generation POS are estimated at NT$553,001,000. The investments of second-generation POS facilities, POS research and development amounted to NT$165,369,000 as of April 30, 2002.

III - 2 Market and Merchandise Overview and Analysis

a. Market Analysis

1. Major products and service area development

The Company continues to focus on new product development and services. We would like to combine finance, information, general daily services in our stores to proceed as multi-functional "community service centers." In order to meet different customers' demands, our total number of store reached 2,908 and services were extended to every region of Taiwan, including peripheral islands like Penghu, Kinmen, and Orchid Island at the end of December 2001. We offer customers the most friendly, convenient services, 24- hours a day, 7 days a week.

2. Market share, future market demand and supply, potential

（1）Market share





Within the convenience store industry, PCSC is the current market leader and is recognized as the No. one brand by customers, with 43.92% of market share.

（2）Future market demand, supply and potential

Many local and foreign economists predict the global economy will slightly rise in 2002 following a U.S. recovery. Plus, with a continued economic stimulation program by the government, we expect Taiwan's economic situation to recover this year and consumer spending will also stabilize. Moreover, after Taiwan joined the WTO, it will deregulate internal products and raw material trading. The above conditions will create an opportunity for the convenience store industry, and will stimulate market for future expansion.

3. Annual projection

Based on the domestic and global economic trend, as well as the capability of PCSC, we have pro-actively established the following objectives this year. We have confidence that we will achieve these targets.

（1）Sales target: NT$72.3 billion

（2）Net profit: NT$3 billion

（3）Total store number: 3,135

4.Competitiveness and prospects

The advantages and disadvantages analysis on the Company's future growth are as follows:

（1）Advantages:

A. After Taiwan joined the WTO, international product imports will be deregulated. This will benefit us by introducing well-known world brand products and extend the search for raw materials for the fast food sector through united global purchasing. By doing so we can gain the competitive edge of a differentiated product line and lowered costs.
B. Taiwan's GDP level has gradually increased over the years in accordance to the demand of convenience stores, which indicates the rising potential for the convenience store market.
C. PCSC updates its new products and services to meet customers' daily needs constantly, which increases the store value and customer recognition.
D. Government continues to pursue economic stimulation policies, it is expected that consumers would have the tendency to spend more.
E. The Company possesses a team with professional technical know-how, as well as innovative capability.
F. PCSC possesses an integrated distribution network, which links production to consumer.
G. Electronic, information and Internet systems assist us to gather market information effectively, integrate resources and speed up dissemination, which bring benefits to both the company and customers.
H. PCSC operates around 3000 stores island-wide, which comprises a strong distribution network. And, our partnership with Japan Takkyubin will assist our company's future e-commerce development and further integrate our distribution network.

（2）Disadvantages

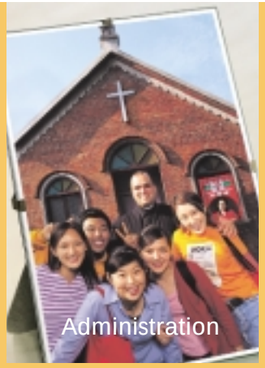
A. After Taiwan joined the WTO, more international retailer and wholesalers will be introduced into Taiwan. We believe this will bring new international competitors into the market and boost the competition for domestic wholesale and retail markets.
B. There are various retail business models that create new competitors such as hypermarkets, shopping malls and wind breeze centers that joined the market. We believe it makes a certain level of impact on the retail market.
C. Government statutory changes will increase operating costs, such as sexual discrimination and environmental protection laws.

（3）Responsive strategies

PCSC will continue to uphold its faith and stabilize growth through our management philosophy. In order to achieve this, we will fully utilize past experiences and know-how, successful and professional distribution channel capacities, a well-organized win-win franchise system, and innovate new products to appeal customers. A dynamic operation sub-system, an effective and well-constructed distribution system, and an informative and updated POS system will help us to enhance our competitiveness, innovate, and sustain our business model consistently.

b. Major product usage and production processes





Administration

1. Major product usage: general daily necessity.
2. Production procedure: not applicable

c. Major raw materials supply: not applicabled.

d. List of major vendors & clients in 2000-2001

1. List of clients who account for more than 10% of total sales in 2000 and 2001:
   PCSC is classified in retail industry, and the consumers are general publics. No one is qualified for more than 10% of total sales in recent two years.
2. List of vendors who account for more than 10% of net receiving goods in 2000 and 2001.

Unit: NT$K,%

Year	2000		2001	
Vendor	Amount	%	Amount	%
Retail Support International Corp.	13,617,274	34%	15,280,112	33%
Uni-President Cold Chain Corp.	4,700,539	12%	6,537,045	14%

e. 2000-2001 amount of production: N/A

f. Production figures for 2000-2001: same as "Product Sales and Proportion in Recent Two Years" on page 17

III - 3 Employee Information

Year		2000	2001	4/30/2002
Number of employees	RC Store employees	2,140	2,210	2,107
	Management staff	1,037	1,092	1,215
	Part-time employee	2,740	2,916	2,485
	Total	5,917	6,218	5,807
Average age		28	28	29.4
Average years of employment		3.91	4.13	4.58
Educational level Ratio breakdown	Ph.D.	-	-	-
	MS/MA	1.85	2.44	2.37
	BS/BA	35.86	37.75	37.98
	High School	61.25	58.86	58.11
	Below High School	1.04	0.95	1.54

III - 4 Environmental Protection Expenditures

a. Overview of environmental protection expenditures

Since the Company is engaged in the daily necessity and grocery retail business. Any expired goods are treated and disposed of according to relevant regulations. A portion of the Company's stores violated noise control and waste disposal regulations during year 2001and 2002. These stores were fined NT$289,000 and NT$78,000 respectively by the relevant county and city authorities.





Unit: NT$

Year/Item	Pollution Violatons	Fines or punishment
2001	Violations of noise control and waste disposal regulations	289,079
As of 4/30/2002	Violations of noise control and waste disposal regulations	78,285

b. Policies for Improvement

The Company asked each 7-11 store to make effective improvement, and instituted more stringent public outreach programs.

III - 5 Employee Relations

a. Benefits

1. Well-organized employees scheme
   PCSC had its own "employees scheme" which puts employees in a priority position with fairness and in an equitable manner.
2. Competitive benefits
   PCSC intends to meet employees' needs by offering a number of benefit schemes. The benefit schemes include special expense compensation, abroad trips for senior employees, health examinations, an employee shareholding trust, association support, libraries, employees discounts, weddings and funerals supplemental support, paid parental leave, female employee lodging support, employee group insurance, employee travel services and an Employee Welfare Committee to provide a variety of benefit schemes.
3. Group integrated training system
   PCSC, with all subsidiaries, will build up a continuous learning scheme, which was organized by the Capital Inventory Services Corporation. The scheme contains a six-fold professional training program that emphasizes "customer satisfaction, foreign-language training, professional skills, distribution management, leadership training, and workshops." This training program provides PSCS and its subsidiaries a well-organized professional training program that satisfies employee's personal improvement and other needs.
4. Internal career development
   PCSC provides special incentive programs for employees to join our franchise system.
5. A safe and secure working environment
   PCSC offers employees a safe and secure working environment.

b. Employees Relations

1. Employees communication line
   PCSC responds employees queries through call centers and e-mails in the headquarters. We also set up an employee discussion board on our Intranet and have established an incentive brainstorm scheme to consulate and get work feedback from employees daily.
2. Employees' communication line
   PCSC always treats its employees as the Company's greatest asset. We cooperate with employees for the company's future growth and to reach future goals. Therefore, we believe employees' career development is extremely important and we have a good retention rate in the industry.
3. Employees' disputes: none

c. Retirement

1. PCSC has always been in compliance with the Labor Standards Law in setting up a retirement plan. We also established a retirement supervision committee to inspect the superannuating books entry and payment.
2. According to the Company's internal retirement scheme and receive superannuation, any employee who has worked over 15 years and is 55 years old, or worked over 25 years is qualified to apply for retirement



Contracts & Assets

III - 6 Important contracts

Name of Contract	Contracting Party	Term of Agreement	Summary	Obligations
Area Licensing Agreement	7-ELEVEn	July 20, 2000 ~ perpetual	1.Within the term of agreement, the PCSC is authorized by 7-Eleven Inc. with the special rights to operate "chain stores" business in the licensed area, and right to use 7-Eleven's systems, logos, business know-how, trademarks, and services. 2.PCSC shall pay royalty fees to 7-Eleven Inc. in monthly base.	PCSC is obligated to well manage and operating convenience store business within the licensed area. PCSC is not allow to operating the convenience store business outside of licensed area and within one-year time after terminated the contract.
Long-term Debt	Dah An Bank	90.11.06~93.11.06	NT$500 Million Credit Loan	None
Long-term Debt	The Shanghai Commercial & Saving Bank	89.10.16~91.07.20	NT$200 Million Credit Loan	Term Loan
Long-term Debt	The Shanghai Commercial & Saving Bank	89.12.29~91.07.20	NT$100 Million Credit Loan	Term Loan
Long-term Debt	China Trust Commercial Bank	90.05.30~93.05.30	NT$500 Million Credit Loan	None
Long-term Debt	E Sun Bank	90.12.28~92.12.28	NT$300 Million Credit Loan	None
Long-term Debt	Taipei Bank	91.03.28~93.03.28	NT$300 Million Credit Loan	None
Long-term Debt	Chang Hwa Bank	89.11.16~92.11.16	NT$200 Million Credit Loan	Term Loan
Long-term Debt	Far East International Bank	90.12.26~92.12.26	NT$500 Million Credit Loan	None

III - 7 Litigation or Un-litigation Proceedings: N/A

III - 8 Acquisition or Disposition of Assets

a. Acquisition of Assets

Unit：NT$K/As of 04/30/2002

Name of the company	Acquisition Date	Price	Counterparties	Relationship With Co.	Purpose
President Chain Store Corp.					
Asia Pacific Bond Fund	90.01~91.02	1,833,000	Asia Pacific Securities Investment Trust Co., Ltd.	N/A	Short-Term Investment
Tai-Yu Long-River Bond Fund	90.03~91.04	1,329,000	Tai-Yu Securities Investment Trust Co., Ltd	N/A	Short-Term Investment
James Bond Fund	90.03~91.04	1,068,242	President Investment Trust Corp.	N/A	Short-Term Investment
President Home Run Bond Fund	90.01~90.11	764,000	President Investment Trust Corp.	N/A	Short-Term Investment
En Trust Phoenix Bond Fund	90.04~90.11	610,000	EnTrust Investment Trust Corp.	N/A	Short-Term Investment
1699 Bond Fund	90.01~91.01	1,873,000	Sheng Hua Securities Investment Trust Co., Ltd.	N/A	Short-Term Investment
The Forever Fund	90.01~91.04	692,000	Reliance Securities Investment Trust Co., Ltd	N/A	Short-Term Investment
TIIM Bond Fund	90.02~91.04	2,169,000	Taiwan International Investment Management Co., Ltd	N/A	Short-Term Investment
Trustwell Dashin Bond Fund	90.01~91.03	1,475,000	Truswell Securities Investment Trust Co., Ltd.	N/A	Short-Term Investment
Barits Bond Fund	90.04~91.02	965,000	Barits Securities Investment Co., Ltd	N/A	Short-Term Investment
Union Bond Fund	90.02~90.10	360,000	Union Securities Investment Trust Co., Ltd.	N/A	Short-Term Investment
Polaris Deli Bond Fund	90.04~90.05	525,000	Polaris International Securities Investment Trust Co., Ltd.	N/A	Short-Term Investment
Safe Income Bond	90.01~90.07	1,184,000	Capital Investment Trust Co., Ltd.	N/A	Short-Term Investment
Prudentail Bond Fund	90.03~91.04	1,058,010	Prudential Securities Investment Trust Company Limited	N/A	Short-Term Investment
Apollo Solomon Bond Fund	90.02~91.04	688,000	Apollo Securities Investment Trust Co., Ltd.	N/A	Short-Term Investment
Presdner Taiwan Bond Dam Fund	90.01~91.02	427,000	Dresdner Asset Management (Taiwan) Ltd.	N/A	Short-Term Investment
JTH Sun Bond Fund	90.07~91.04	988,000	Jih Sun Securities Investment Trust Co., Ltd.	N/A	Short-Term Investment
Prudential Funancial Fund	90.02~90.10	610,202	Prudential Financial Securities Investment Trust Enterprise	N/A	Short-Term Investment
NITC Taiwan Bond Fund	90.08~90.08	428,000	National Investment Trust Co., Ltd.	N/A	Short-Term Investment

(Forward)





Unit：NT$K/As of 04/30/2002

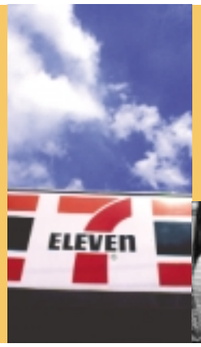
Name of the company	Acquisition Date	Price	Counterparties	Relationship With Co.	Purpose
President Chain Store Corp.					
President Transnet Corp.	90.08	56,910	Uni-President Enterprise Corp.	Major Shareholder	Long-Term Investment
	90.08	113,820	President International Development Corp.	Subsidiary (holding 3.33%)	Long-Term Investment
	90.08	116,000	President Transnet Corp.	-	Long-Term Investment
	91.02	160,000	President Transnet Corp.	-	Long-Term Investment
Sum		446,730			
President Chain Store (BVI) Holding Ltd.	90.02	97,080	President Chain Store (BVI) Holding Ltd.	-	Long-Term Investment
	90.12	175,345	President Chain Store (BVI) Holding Ltd.	-	Long-Term Investment
	91.03	313,699	President Chain Store (BVI) Holding Ltd.	-	Long-Term Investment
Sum		586,124			
Uni-President Cold Chain Corp.					
James Bond Fund	90.01~91.04	2,510,500	President Investment Trust Corp.	N/A	short-Term Investment
Income Bond Fund	90.01~91.04	537,500	First Global Investment Trust Co., Ltd.Prudential	N/A	short-Term Investment
Prudential Bond Fund	90.01~91.03	729,000	Securities Investment Trust Company Limited	N/A	short-Term Investment
Income II Bond Fund	90.03~91.01	317,000	First Global Investment Trust Co., Ltd.	N/A	short-Term Investment
President Home Run Bond Fund	90.12~91.01	362,000	President Investment Trust Corp.	N/A	short-Term Investment
Ta Chong Bond Fund	90.01~91.04	460,000	Ta Chong Investment Trust Corp.	N/A	short-Term Investment
Wisdom Distribution Service Corp.					
Union Bond Fund	90.05~91.03	411,000	Union Securities Investment Trust Co., Ltd.	N/A	short-Term Investment
James Bond Fund	90.07~90.10	392,500	President Investment Trust Corp.	N/A	short-Term Investment
Tai-Yu Long-River Bond Fund	90.10~91.04	306,000	Tai-Yu Securities Investment Trust Co., Ltd.	N/A	short-Term Investment
President Musashino Corp.					
President Home Run Bond Fund	90.11~91.01	390,000	President Investment Trust Corp.	N/A	short-Term Investment

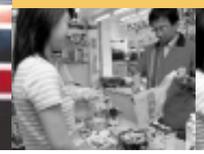
















Capital Projection& Implementation

b. Disposition of Assets

Unit：NT$K/As of 04/30/2002

Name of the company	Acquisition Date	Disposition Date	Ending balance	Disposition Price	Gain (loss) from disposal	Counterparties	Relationship With Co.
President Chain Store Corp.							
Asia Pacific Bond Fund	89.12~91.02	90.01~91.03	184,000	1,722,871	3,871	Asia Pacific Securities Investment Trust Co., Ltd.	N/A
Tai-Yu Long-River Bond Fund	90.03~91.01	90.04~91.03	290,000	1,043,418	4,418	Tai-Yu Securities Investment Trust Co., Ltd.	N/A
James Bond Fund	90.03~90.12	90.04~91.03	150,000	920,180	1,939	President Investment Trust Corp.	N/A
President Home Run Bond Fund	90.01~90.11	90.03~90.12	0	766,106	2,106	President Investment Trust Corp.	N/A
En Trust Phoenix Bond Fund	90.04~90.11	90.04~91.04	0	614,992	4,992	EnTrust Investment Trust Corp.	N/A
1699 Bond Fund	89.12~90.08	90.01~90.09	205,000	1,884,724	6,724	Sheng Hua Securities Investment Trust Co., Ltd.	N/A
The Forever Fund	90.01~90.11	90.03~91.03	90,000	606,455	4,455	Reliance Securities Investment Trust Co., Ltd.	N/A
TIIM Bond Fund	90.02~90.09	90.03~90.10	209,000	1,966,273	6,273	Taiwan International Investment Management Co., Ltd.	N/A
Trustwell Dashin Bond Fund	90.01~90.11	90.01~91.03	50,000	1,428,616	3,616	Truswell Securities Investment Trust Co., Ltd	N/A
Shinkong Chin Fund	89.12~90.08	90.01~90.09	0	380,219	1,219	Shinkong Investment Trust Co., Ltd.	N/A
Barits Bond Fund	90.04~91.02	90.04~91.03	0	968,806	3,806	Barits Securities Investment Co., Ltd	N/A
Union Bond Fund	90.02~90.10	90.02~90.12	50,000	310,949	949	Union Securities Investment Trust Co., Ltd.	N/A
Polaris Deli Bond Fund	90.04~90.05	90.04~90.09	0	530,386	5,386	Polaris International Securities Investment Trust Co., Ltd.	N/A
Safe Income Bond	90.01~90.07	90.01~90.08	0	1,186,484	2,484	Capital Investment Trust Co., Ltd.	N/A
Prudentail Bond Fund	90.03~91.01	90.03~91.03	191,000	870,157	3,147	Prudential Securities Investment Trust Company Limited	N/A
Apollo Solomon Bond Fund	89.12~91.04	90.01~91.04	0	742,445	4,445	Apollo Securities Investment Trust Co., Ltd.	N/A
FundPresdner Taiwan Bond Dam Fund	90.01~91.02	90.01~91.04	0	427,832	832	Dresdner Asset Management (Taiwan) Ltd.	N/A
JTH Sun Bond Fund	90.07~91.02	90.08~91.03	99,000	890,640	1,640	Jih Sun Securities Investment Trust Co., Ltd.	N/A
Prudential Funancial Fund	90.02~90.10	90.03~91.03	0	612,109	1,907	Prudential Financial Securities Investment Trust Enterprise	N/A
NITC Taiwan Bond Fund	90.08~90.08	90.08~90.09	0	428,982	982	National Investment Trust Co., Ltd.	N/A
Uni-President Cold Chain Corp.							
James Bond Fund	89.12~91.04	90.01~91.04	283,766	2,271,806	3,337	President Investment Trust Corp.	N/A
Income Bond Fund	89.12~91.04	90.01~91.04	0	555,447	605	First Global Investment Trust Co., Ltd.	N/A
Prudential Bond Fund	89.12~91.03	90.01~91.03	0	746,405	894	Prudential Securities Investment Trust Company Limited	N/A
Income II Bond Fund	90.03~91.01	90.03~91.01	0	317,323	322	First Global Investment Trust Co., Ltd	N/A
President Home Run Bond Fund	90.12~91.01	90.12~91.01	0	362,232	232	President Investment Trust Corp.	N/A
Ta Chong Bond Fund	90.01~91.04	90.01~91.04	0	430,405	405	Ta Chong Investment Trust Corp.	N/A
Wisdom Distribution Service Corp.							
Union Bond Fund	89.12~91.03	90.06~91.04	33,000	389,310	1,238	Union Securities Investment Trust Co., Ltd.	N/A
James Bond Fund	90.07~90.10	90.07~90.11	0	393,009	509	President Investment Trust Corp.	N/A

Ⅳ. Capital Projection & Implementation

IV - 1 Capital Projection

a. Source of Capital

Issuance	Issuance Date	Term	Coupon rate	Amount
Corporate Bond	Issue A: January 16, 2002	5 years	2.80%	Issue A: NT$300 million
	Issue B: January 17, 2002			Issue B: NT$200 million
	Issue C: January 18, 2002			Issue C: NT$200 million

b. Use of Capital

Projection	Use of Capital	Complete Date	Amount	Proceeding
Pay off debt	Pay off long-term debt	2002Q1	NT$700 million	2002Q1

c. Date of Posting on TSE's Web Site: 01/08/2002 (Approval date by the Securities and Futures Commission)

IV - 2 Status of Implementation & Benefits

a. Status of Implementation: According to financial plan, the company scheduled to pay off the long-term debt NT$ 700 million at the first quarter of year 2002. The break down were NT$ 300 million paid to China Development Industrial Bank (CDIB), NT$ 200 million to Taipei Bank and NT$ 200 million to China Trust Commercial Bank.

b. Benefits

Loan Agency	Interest Rate (%)	Terms of Agreement	Load Applications	Sum	2002 Q1 Amount Paid	2002 Q1 Reduced Interest (NT$ 1,000)	2002 Q2 Amount Paid	2002 Q2 Reduced Interest (NT$ 1,000)	2002 Q3 Amount Paid	2002 Q3 Reduced Interest (NT$ 1,000)	2002 Q4 Amount Paid	2002 Q4 Reduced Interest (NT$ 1,000)	Total Amount Paid	Total Reduced Interest (NT$ 1,000)
CDIB	5.16%	3 years	Mid-term Circulation	300 million	300 million	1,181.25		1,181.25		1,181.25		1,181.25	300 million	4,725
Taipei Bank	5.90%	2 years	General Circulation	200 million	200 million	1,158.00		1,158.00		1,158.00		1,158.00	200 million	4,630
China Trust Commercial Bank	4.75%	3 years	Mid-term Circulation	500 million	200 million	583.00		582.00		583.00		582.00	200 million	2,330
Total				1 billion	700 million	2,922.25		2,920.25		2,922.25		2,920.25	700 million	11,685

Note: Reduced interest is based on the original loan interest minus 3.585% (cost of corporate bond issued).

Financial Information





Ⅴ. Financial Information

Ⅴ - 1 Brief Balance Sheet & Income Statement (1997~2002Q1)

a. Brief Balance Sheet

Unit: NT$K

Item \ Year		Financial Summary in Five-Years (Note 1) 1997	1998	1999	2000	2001(Note 2)	As of 04/30/2002
Current Assets		$3,303,888	$3,601,103	$5,643,427	$5,254,155	$7,030,734	$6,848,971
Long-Term Investment		1,234,340	2,074,905	2,517,858	6,164,126	7,712,817	8,096,899
Fixed Assets		4,307,627	5,315,538	5,712,483	5,919,020	6,090,404	5,983,012
Other Assets		413,996	486,261	553,334	630,801	697,004	823,183
Current Liabilities	Unallotted	3,280,354	4,242,946	5,856,109	6,912,483	7,930,303	7,930,303
	Allotted	3,530,622	4,713,304	6,494,536	7,579,046	Not yet allotted	-
Long-term Debt		-	-	-	1,204,415	2,400,000	2,300,000
Other Debt		726,827	828,155	958,087	1,053,077	1,134,103	1,151,668
Authorized Capital		3,540,780	4,376,404	5,164,157	6,031,735	6,936,495	6,935,495
Capital Reserve		32,101	41,314	50,071	74,871	73,005	73,005
RetainedEarnings	Unallotted	1,679,789	1,988,988	2,398,678	2,653,517	2,882,998	3,273,346
	Allotted	593,897	730,877	892,673	1,082,194	Not yet allotted	-
Cumulative Transaction Adjustment		-	-	-	38,004	87,248	87,248
Total Assets		9,259,851	11,477,807	14,427,102	17,968,102	21,530,959	21,752,065
Total Liabilities	Unallotted	4,007,181	5,071,101	6,814,196	9,169,975	11,551,213	11,381,971
	Allotted	4,257,449	5,541,459	7,452,623	9,836,538	Not yet allotted	-
Total Shareholders' Equity	Unallotted	5,252,670	6,406,706	7,612,906	8,798,127	9,979,746	10,370,094
	Allotted	5,002,402	5,936,348	6,974,479	8,131,564	Not yet allotted	

Note 1: The financial summary has been audited and certified by PWC.

Note 2: Year 2001 earnings are subject to change after shareholders' meeting resolution.

b. Brief Income Statement

Unit : NT$K

Item \ Year		Financial Summary in Five-Years (Note 1) 1997	1998	1999	2000	2001	As of 04/30/2002
Sales		$34,194,162	$41,948,252	$49,719,254	$57,282,098	$64,787,924	$16,586,282
Gross Profit		9,961,852	12,514,033	14,654,121	17,359,058	19,237,510	4,734,821
Operating Profit		1,064,425	1,404,702	1,520,281	2,242,278	2,390,722	509,174
Non-operating Income		531,727	621,079	750,638	798,747	693,640	174,791
Non-operating Expense		81,043	254,901	106,147	606,399	685,988	168,847
Pre-Tax Profit		1,515,109	1,770,880	2,164,772	2,434,626	2,398,374	515,118
Net Profit		1,158,327	1,404,304	1,674,692	1,785,644	1,842,748	390,348
Earning Per Share (NT$)	Unretroacted	3.27	3.21	3.24	2.96	2.66	0.56
	Retroacted	1.67	2.02	2.41	2.57	2.66	0.56

Note 1: The financial summary has been audited and certified by PWC.

Note 2: Year 2001 earnings are subject to change after shareholders' meeting resolution.

c. Auditor's Opinions (1997~2002Q1)

Year	Audit Firm	CPA	Audit Opinion
1997	PriceWaterhouse Coopers	Huang Ming-Yu & Yang Ming-chu	Unqualified
1998	PriceWaterhouse Coopers	Huang Ming-Yu & Yang Ming-chu	Unqualified
1999	PriceWaterhouse Coopers	Lai Chun-tien & Yang Ming-chu	Unqualified
2000	PriceWaterhouse Coopers	Lai Chun-tien & Yang Ming-chu	Modified Unqualified
2001	PriceWaterhouse Coopers	Lai Chun-tien & Yang Ming-chu	Modified Unqualified
2002Q1	PriceWaterhouse Coopers	Lai Chun-tien & Yang Ming-chu	Review Report

Note: Financial reports were audited by PWC in Year 2002 1st Quarter. The profit and loss listed in long-term investments based on equity method and materials such as Note 11 were subitted by the invested companies, not reviewed and audited by CPAs. Hence the accountants submitted the review report.

d. Explanation of Changing Accountants in the Last 5 Years

In coordination to the internal adjustment of PriceWaterhouse Coopers Taiwan (PWC), the company changed the auditing CPAs to Lai Chun-tien and Yang Ming-chu from 2000.






Financial Analysis

Financial Analysis

V - 2 Financial Ratio Analysis (1997~2002Q1)

			Five-Years Financial Ratio Analysis (Note 1)					As of 03/30/2002
Item / Year			1997	1998	1999	2000	2001	
Capital Structure Analysis	Debt Ratio (%)		43.27	44.18	47.23	50.16	53.65	52.33
	Long-term Capital to Fixed Asset (%)		121.94	120.53	133.27	168.99	203.27	211.77
Liquidity Analysis	Current Ratio (%)		100.72	84.87	96.37	74.86	87.70	86.36
	Quick Ratio (%)		59.64	43.95	60.19	37.92	51.29	55.29
	Time Interest Earned (Times)		80.12	70.08	84.67	63.63	18.93	15.15
Operating Performance Analysis	Average Collection Turnover (Times)(Note 2)		-	-	-	-	-	-
	Average Collection Days (Note 2)		-	-	-	-	-	-
	Average Inventory Turnover (Times)		26.07	24.24	22.39	21.31	21.56	6.00
	Average Inventory Turnover Days		14.00	15.00	16.00	17.00	17.00	2.48
	Average Payment Turnover (Times)		11.84	11.44	10.37	9.60	10.21	15.00
	Fixed Assets Turnover (Times)		8.51	8.72	9.02	9.85	10.79	2.75
	Total Assets Turnover (Times)		4.06	4.05	3.84	3.57	3.28	0.77
Profitability Analysis	Return on Assets (%)		13.94	13.73	13.08	11.31	9.84	1.93
	Return on Shareholder's Equity (%)		24.21	24.09	23.89	21.76	19.63	3.84
	Ratio to Paid-Up Capital (%)	Operating Profit	30.06	32.10	29.44	37.17	34.47	7.34
		Pre-Tax Profit	42.79	40.46	41.92	40.36	34.58	7.43
	Net Profit to Net Sales (%)		3.39	3.35	3.37	3.12	2.84	2.35
	Earnings Per Share (Dollar)	Unretroacted	3.27	3.21	3.24	2.96	2.66	0.56
		Retroacted	1.67	2.02	2.41	2.57	2.66	0.56
Cash Flow	Cash Flow Ratio (%)		64.91	67.07	62.89	62.54	41.45	30.16
	Cash Flow Adequacy Ratio (%)		126.22	116.59	125.09	142.87	130.16	167.89
	Cash Flow Reinvestment Ratio (%)		23.79	26.54	27.43	23.75	15.14	12.95
Leverage	Operating Leverage		2.98	2.82	2.91	2.35	2.33	2.49
	Financial Leverage		1.02	1.02	1.02	1.02	1.06	1.08

Note 1: The financial summary is audited by PWC.

Note 2: Not applicable due to the nature of the retail business.

Note 3: The financial analysis calculation formula is listed below:

1. Capital Structure Analysis
   (1) Debts ratio = Total Liabilities / Total Assets
   (2) Long-term fund to fixed assets= (Shareholders' Equity + Long-term Liabilities)/ Net Properties

2. Liquidity Analysis
   (1) Current ratio = Current Assets / Current Liabilities
   (2) Quick ratio = (Current Assets - Inventories - Prepaid Expenses) / Current Liabilities
   (3) Times interest earned = Earnings before Interest and Taxes / Interest Expenses

3. Operating Performance Analysis
   (1) Average collection turnover = Net Sales / Average Trade Receivables
   (2) Average collection days = 365 / Receivables Turnover rate
   (3) Average inventory turnover = Cost of Sales / Average Inventory
   (4) Average inventory turnover days = 365 / Inventory Turnover rate
   (5) Average payment turnover = Cost of Sales / Average Trade Payables
   (6) Fixed assets turnover = Net Sales / Net Properties
   (7) Total assets turnover = Net Sales / Total Assets

4. Profitability Analysis
   (1) Return on total assets = {Net Income + Interest Expenses * (1 - Effective tax rate)} / Average Total Assets
   (2) Return ratio on stockholders' equity = Net Income / Average Shareholders' Equity
   (3) Net Profit to net sales = Net Income / Net Sales
   (4) Earnings per share = (Net Income - Preferred Stock Dividend) / Weighted Average Number of Shares Outstanding

5. Cash flow
   (1) Cash flow ratio = Net Cash Provided by Operating Activities / Current Liabilities
   (2) Cash flow adequacy ratio = Five-year sum of cash from operations / Five-year sum of capital expenditures, inventory additions, and cash dividends
   (3) Cash flow reinvestment ratio = (Cash Provided by Operating Activities - Cash Dividends) / (Gross Plant + Investment + Other Assets + Working Capital)

6. Leverage
   (1) Operating leverage = (Net Sales - Variable Cost) / Income from Operations
   (2) Financial leverage = Income from Operations / (Income from Operations - Interest Expenses)

V - 3 Supervisor's Report: Please refer to page 38

V - 4 Year 2001 Financial Statements and Report of Independent Accountants : Please refer to page 39 ~ 70

V - 5 Year 2001 Consolidated Financial Statements : Please refer to page 71 ~ 76





Other Financial Disclosures

V - 6 Review and Analysis of Financial Status and Operation Results

a. Plans of Major Capital Expenditure and Funds Projection

(a) Major Capital Expenditure and Funds Projection

Unit: NT$K

Project Content	Actual or Projection of Funds	Actual or Projected Completion Date	Total Capital Required	Actual or Projected Capital Expenditure						
				2000	2001	2002	2003	2004	2005	2006
Investing New Store	Working Capital and Financial Institution	According to Each Year Plan	3,406,983	603,709	632,699	438,078	438,078	438,078	438,078	438,078
POS facilities	Working Capital and Financial Institution	According to the Year Plan	1,303,468	153,961	156,402	198,621	198,621	198,621	198,621	198,621
Remodel Existing Store	Working Capital and Financial Institution	According to the Year Plan	2,096,992	225,938	294,309	315,349	315,349	315,349	315,349	315,349
Construction in Progress	Working Capital and Financial Institution	According to the Year Plan	327,750	-	-	109,250	109,250	109,250	-	-

(b) Benefit of Projection

1. Expectation of Cumulative Sales Volume, Revenue and Gross Profit

Unit: NT$K

Year	Item	Sales Revenue	Gross Profit
2002	Investing New Store	2,826,000	822,931
2003	Investing New Store	2,826,000	830,844
2004	Investing New Store	2,826,000	837,909
2005	Investing New Store	2,826,000	842,148
2006	Investing New Store	2,826,000	842,148

2. Explanation of Benefit

The benefits of POS facilities:

(1) Tracking customer needs and improve marketing strategies.

(2) Supervise inventory level and reduce out-of-stock rate.

(3) Improve business quality and improve business competitiveness.

b. Liquidity

(a) Latest Two-Years Liquidity Analysis

Year	31 /12 / 2001	31 / 12 / 2000	Increase (Decrease) Ratio
Cash Flow Ratio	41.45%	62.54%	(33.72%)
Cash Flow Adequacy Ratio	130.16%	142.87%	(8.90%)
Cash Flow Reinvestment Ratio	15.14%	23.75%	(36.25%)

Explanation of Increase (Decrease) Shifting Ratio:

In 2001, PCSC actively expanded subsidiaries and increase loans to meet capital demand, which resulted in reduced cash flow ratio and cash reinvestment ratio compared to previous years.







(b) Cash Flow Analysis for the Coming Year

Unit: NT$K

Initial Cash Balance (1)	Annual Projected Cash Inflow From Operation (2)	Annual Project Cash Outflow (3)	Project Cash Balance Surplus (Shortage) (1) + (2) − (3)	Plans of Cash Shortage	
				Investment Plan	Finance Plan
1,000,747	71,025,360	70,832,797	1,193,310	—	—

c. Comparison of Operation Analysis

(a) Comparison of Operation Performance Analysis

Unit: NT$K, %

Item / Year	2001	2000	Increase(Decrease) Amount	Difference Ratio (%)
Net Revenue	64,787,924	57,282,098	7,505,826	13.10
Cost of Goods Sold	(45,550,414)	(39,923,040)	(5,627,374)	14.10
Gross Profit	19,237,510	17,359,058	1,878,452	10.82
Operating Expenses	(16,846,788)	(15,116,780)	(1,730,008)	11.44
Operating Profit	2,390,722	2,242,278	148,444	6.62
Non-Operating Income	693,640	798,747	(105,107)	(13.16)
Non-Operating Expenses	(685,988)	(606,399)	(79,589)	13.12
Pre-Tax Profit	2,398,374	2,434,626	(36,252)	(1.49)
Income Tax	(555,626)	(648,982)	93,356	(14.38)
Net Profit	1,842,748	1,785,644	57,104	3.20

(b) Gross Profit Difference Analysis:

Not applicable (the difference not more than 20%)

V - 7 Financial Forecast and Operation Results (2000 ~ 2001)

a. Financial Forecast and Operation Results (2000 ~ 2001)

Unit: NT$K

Item	2000 Financial Forecast &Operation Results				2001Financial Forecast &Operation Results				2000 Financial Forecast (Reviewed by CPA) Note1
	2000 Financial Forecast (Reviewed by CPA)		2000 Financial Report (Audited by CPA)		2000 Financial Forecast (Reviewed by CPA)		2000 Financial Report (Audited by CPA)		
	Original	Revised	Amount	Complete (%)	Original	Revised	Amount	Complete (%)	
Net Revenue	56,254,530	-	57,282,098	101.83	66,429,044	-	64,787,924	97.53	-
Cost of Goods Sold	39,490,779	-	39,923,040	101.09	46,495,256	-	45,550,414	97.97	-
Gross Profit	16,763,751	-	17,359,058	103.55	19,933,788	-	19,237,510	96.51	-
Operating Expenses	14,866,661	-	15,116,780	101.68	17,595,615	-	16,846,788	95.74	-
Operating Profit	1,897,090	-	2,242,278	118.20	2,338,173	-	2,390,722	102.25	-
Non-Operating Income	637,557	-	798,747	125.28	614,755	-	693,640	112.83	-
Non-Operating Expenses	129,381	-	606,399	468.69	246,753	-	685,988	278.01	-
Pre-Tax Profit	2,405,266	-	2,434,626	101.22	2,706,175	-	2,398,374	88.63	-
Net Profit	1,862,618	-	1,785,644	95.87	2,015,833	-	1,842,748	91.41	-

Note 1: According to Taiwan Stock Exchange Corporate financial forecast information disclosure terms. The company has an option not to disclosure the financial forecast in year 2002.

b. Explain the Discrepancies Between Forecast and Actual Results.

Forecast and actual results for PCSC's annual audit report in 2000 and 2001 are below 20%. According to Taiwan Stock Exchange Corporate financial forecast information disclosure terms, the company does not require to explain the discrepancies between forecast and actual results.



Specific Notes

Ⅵ. Specific Notes

Ⅵ-1. Affiliates Information

(a) Coasolidated Business Report of Affiliation Enterprises, 2001: please refer to page 77～88.

(b) Affiltation Report, 2001: please refer to page 89 ～ 94.

Ⅵ-2. Internal Control Implementation

(a) Internal Control Statement: please refer to page 96.

(b) Disclosure of accountant's review in internal control system per demand by Securities & Futures Commission: Not Applicable.

Ⅵ-3. If Directors or Supervisors Disagree the Decision Made by Board of Directors:

As of the printing date of the annual report, there's no written record or statement indicting any directors and supervisors who do not agree the decision made by board of director this year.

Ⅵ-4. Private Placement Securities: Not Applicable.

Ⅵ-5. Subsidiaries Holding or Disposing of PCSC Common Shares:

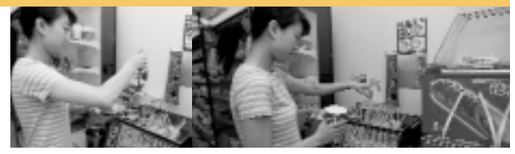
Unit: NT$ K; Shares: %

Subsidiary Name (Note)	Paid-in Capital	Capital Source	Holding Percentage	Transaction Date	Acquisition		Disposal		Investment Income or Loss	Balance as of April 30, 2002		Pledged Condition	Balance of Guarantee Provided by PCSC	Balance of Financing Provide by PCSC
					No. of Shares	Amount	No. of Shares	Amount		No. of Shares	Amount			
Ren-Hui Invest-ment Corp.	198,000	Initial Subsc-ription	100%	May 9, 2001 - May 30, 2001	140,000	9,984								
				91	_	_								
				June 8, 2001 - July 31, 2001			206,389	15,993	592					
				91			_	_	_					
										0	0	_	_	_

Note: With the exception of the Ren-Hui Investment, other subsidiaries didn't hold or dispose of company PCSC common stock as of April 30, 2002.

Ⅵ-6. Other Necessary Supplement：None.

Ⅶ. Items Described in Part 2, Paragraph 2, Article 36 of the Securities Regulation：not applicable.



PCSC

034 PCSC Directors and Supervisor Who Possess Positions in Other Companies

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071 Consolidated Financial Statements

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089 Affiliation Report

095 Internal Control Statement

PCSC Directors and Supervisor Who Possess Positions in Other Companies

Name	Current Position in Other Companies
Kao, Chin Yen	**Chairman:** Mospec Semiconductor Corp. ; Ton Yi Industrial Corp. ; TTET Union Corp. ; President Investment Corp. ; Guang Dan Commodity Corp. ; Grand Commercial Bank ; Kai Yu Investment Co., Ltd. ; Tong-Jeng Developgment Corp. ; President International Development Corp. ; Scinopharm Taiwan. Limited. ; Latin America Development Corp. ; Kai Nan Investment Co., Ltd. ; Scino Pham Biochemical Technology ; Tong Li Development Corp. ; President Life Sciences Co., Ltd. ; G-Advanced Semiconductor Technology Corp. ; SYNergy ScienTech Corp. ; Uni-President Takashimaya Co., Ltd. ; Kao Chyuan Inv. Co. ; President Chain Store (BVI) Holding Ltd. ; President Global Corp. ; PRCC (Bermuda)I,Ltd. ; Zhuhai Kirin President Brewery Co., Ltd. **Vice Chairman:** Uni-President Enterprise Corp. ; Chonqaing Carrefour Hypermarket Chainstore Co., Ltd. ; Jiafu (Tianjin) International Trading Co., Ltd. **Director:** President Entertainment Corp. ; Han Tech Venture Inc. ; President Pharmaceutical Corp. ; Ton Yi Pharmaceutical Corp. ; CDIB & Partner Investment Holding Corp. ; Tonpal Optoelectronics Inc. ; PK Venture Capital Corp.. ; Presitex Co., Ltd. ; Hong Kong President Holding Limited ; Cayman President Holdings Ltd. ; Unisebaco S.A ; Presitex.Corp.,S.A ; Global Strategic Investment Inc. ; President Energy Develop.(Cayman) Ltd. ; Kai-Yu (BVI) Investment Co.,Ltd
Lin, Chang Sheng	**Chairman:** President Baseball Team Corp. ; Retail Support International Corp. ; President Natural Industrial Co. ; Parabola Creative Inc. ; President Organics Corp. ; Presicarre Corp. ; President Pharmaceutical Corp. ; Ton Yi Pharmaceutical Corp. ; Allianz President General Insurance Co., Ltd. ; President Coffee Corp. ; Qware System & Services Corp. ; Copres Corp. ; President Transnet Corp. ; Uni-President Dream Parks Corp. ; Uni-President Oven Bakery Corp. ; Presitex Co., Ltd. ; President Medical Technologies Corp., Ltd. ; Uni-President Yellow Hat Corp. ; Xinjiang President Enterprises Food Co., Ltd. ; Tianjing President Enterprises Food Co., Ltd. ; Meishan President Feed & Oil Co., Ltd. ; Zhongshan President Enterprises Co., Ltd. ; Guangazhou President Enterprises Food Co., Ltd. ; Zhangjiagang President Nisshin Food Co., Ltd. ; Qingdao President Feed & Livestock Co., Ltd. ; Beijing President Enterprises Drink &Food Co., Ltd. ; NanchangPresident Enterprises Co., Ltd. ; President Enterprise (Chain) Investment Co., Ltd. ; Chengdu President Enterprises Food Co., Ltd. ; Kunshan president Enterprises Food Co., Ltd. ; Wuhan President Enterprises Food Co., Ltd. ; Harbin President Enterprises Co., Ltd. ; Hefei President Enterprises Co., Ltd. ; Shenyang President Enterprises Co., Ltd. ; Shanghai President International Foods Co., Ltd. ; Tianjin President International Foods Co., Ltd. ; Guangazhou President Convenience Store Co., Ltd. ; Shanghai President Coffee Corp. ; Fuchou President Co., Ltd. ; Shanghai Fwuso Tai Industry Co., Ltd. ; UNI-Hometech Corp. ; Uni-President Vietnam.,Ltd. ; Uni-President (USA) Inc. **Vice Chairman:** Tonpal Optoelectronics Inc. ; Shanghai President Enterprises Livestock Food Co., Ltd. ; Beijing President Food Co., Ltd. ; Ningbo Malting Co., Ltd. ; Unisebaco S.A ; Presitex Corp.., S.A **Director:** Uni-President Enterpries Corp. ; Nanlien International Corp. ; President Entertainment Corp. ; Tone Sang Construction Corp. ; President Nisshin Corp. ; Ztong Yee Industrial Co. ; President Kikkoman Inc. ; Mospec Semiconductor Corp. ; Ton Yi Industrial Corp. ; TTET Union Corp. ; Mech President Corp. ; President Investment Corp. ; Prince Housing Development ; Kai Yu Investment Co., Ltd. ; Tung Ho Development Co., Ltd. ; Sino-Aerospace Investment Corp. ; Tong-Jeng Develpgment Corp. ; President International Development Corp. ; President Tokyo Corp. ; Latin America Development Corp. ; Kai Nan Investment Co., Ltd. ; PK Venture Capital Corp. ; Gu Hsiang Co., Ltd ; Tong Ting Gas Corporation. ; Taiwan Genome Sciences, Inc. ; Tong Li Development Corp. ; President Life Sciences Co., Ltd. ; Fuku UniversalCo., Ltd. ; SYNergy ScienTech Corp. ; Kanh Na Hsiung Enterprise Co., Ltd. ; Swenc Technology Co., Ltd. ; G-Advanced Semiconductor Technology Corp. ; Uni-President Auto Accessories Corp. ; Century Quick Service Restaurant Corp. ; Hongtung Venture Capital Co., Ltd. ; Uni-President Takashimaya C., Ltd. ; President Direct Marketing Corp. ; Dayeh Takashimaya Deparment Store Inc. ; Zhuhai Kirin President Brewery Co., Ltd. ; Chonqaing Carrefour Hypermarket Chainstore Co., Ltd. ; Jiafu (Tianjin) International Trading Co., Ltd. ; Ever Splenndor Electrics(Shenzhen)Co., Ltd. ; Xiang Lu Industries Ltd. ; Xiang Lu Petrochhemicals(Xiamen)Co., Ltd. ; Hong Kong President Holding Limited ; Ztong Yee(Tianjin) Industrial Co., Ltd ; PRCC (Bermuda)I,Ltd. ; Outlook Investment PTE LTD. ; eASPNet Taiwan Inc. ; Uni-President (Thailand) Co.,Ltd. ; President Energy Develop.(Cayman) Ltd. ; President International Trade & Investment Corp. **President :** Uni-President Enterpries Corp. ; Kai Yu Investment Co., Ltd. ; Kai Nan Investment Co., Ltd.

PCSC Directors and Supervisor Who Possess Positions in Other Companies

Name	Current Position in Other Companies
Yen, Po Ming	**Chairman:** President Yamako Corp. ; President Musashino Corp. ; Wei Lian Enterprises Corp. ; Nella Limited ; Kunshan President Kikkoman Biotechnology Co., Ltd. **Vice Chairman:** Nanlien International Corp. ; Union Chinese Corp. **Director:** President Kikkoman Inc. ; Presicarre Corp. ; Kai Yu Investment Co., Ltd. ; President International Development Corp. ; Uni-President Dream Parks Corp. ; Kai Nan Investment Co., Ltd. ; Uni-President Auto Accessories Corp. ; Kuan Chang Enterprises Corp. ; Huang Yi Enterprises Corp. ; Liang Tung Enterprises Corp. ; Gu Hsiang Co., Ltd ; Tone Chu Enterprises Corp. ; Beijing President Food Co., Ltd. ; Beijing President Enterprises Drink &Food Co., Ltd. ; NanchangPresident Enterprises Co., Ltd. ; President Enterprise (Chain) Investment Co., Ltd. ; Zhuhai Kirin President Brewery Co., Ltd. ; Ningbo Malting Co., Ltd. ; Shanghai President Coffee Corp. ; Fuchou President Co., Ltd. ; Shanghai Fwuso Tai Industry Co., Ltd. ; Xiang Lu Petrochhemicals(Xiamen)Co., Ltd. ; Cargill-President(Dongguan)Feed Protein Techology Co., Ltd. ; Outlook Investment PTE LTD. ; President Energy Develop.(Cayman) Ltd.
Lin, Lung Yi	**Chairman:** Uni-President Cold Chain Corp. ; Uni-President Glass Industrial Co., Ltd. ; Uni-President (Philippines) Co., **Vice Chairman:** RFM President Land Corp. **Director:** President Baseball TCold Chain Corp. ; Nanlien International Corp. ; President Entertainment Corp. ; Tone Sang Construction Corp. ; Retail Support International Corp. ; President Nisshin Corp. ; Parabola Creative Inc. ; Mech President Corp. ; Prince Housing Development Corp. ; Grand Commercial Bank ; Tung Ho Development Co., Ltd. ; U-Chains Enterprises Corp. ; Tong-Jeng Developgment Corp. ; President International Development Corp. ; President Organics Corp. ; President Transnet Corp. ; Uni-President Oven Bakery Corp. ; President Life Sciences Co., Ltd. ; President Biosystems Co., Ltd. ; Presitex Co., Ltd. ; Century Quick Service Restaurant Corp. ; President Drugstore Business Corp. ; Shanghai President Enterprises Livestock Food Co., Ltd. ; Xinjiang President Enterprises Food Co., Ltd. ; Beijing President Food Co., Ltd. ; Tianjing President Enterprises Food Co., Ltd. ; Meishan President Feed & Oil Co., Ltd. ; Zhongshan President Enterprises Co., Ltd. ; Guangazhou President Enterprises Food Co., Ltd. ; Zhangjiagang President Nisshin Food Co., Ltd. ; Qingdao President Feed & Livestock Co., Ltd. ; Beijing President Enterprises Drink &Food Co., Ltd. ; NanchangPresident Enterprises Co., Ltd. ; President Enterprise (Chain) Investment Co., Ltd. ; Chengdu President Enterprises Food Co., Ltd. ; Kunshan president Enterprises Food Co., Ltd. ; Wuhan President Enterprises Food Co., Ltd. ; Harbin President Enterprises Co., Ltd. ; Hefei President Enterprises Co., Ltd. ; Shenyang President Enterprises Co., Ltd. ; Tianjin President International Foods Co., Ltd. ; Ever Splenndor Electrics(Shenzhen)Co., Ltd. ; Fuchou President Co., Ltd. ; Shanghai Fwuso Tai Industry Co., Ltd. ; Uni-President International (HK) Co., Ltd. ; Uni-President Vietnam.,Ltd. ; Uni-President (Thailand) Co.,Ltd. **Supervisor:** President Kikkoman Inc. ; Mospec Semiconductor Corp. ; Presicarre Corp. ; Ton Yi Industrial Corp. ; Kai Yu Investment Co., Ltd. ; Ztong Yee Industrial Co. ; Grand Bills Finance Corp. ; Scinopharm Taiwan. Limited. ; Tonpal Optoelectronics Inc. ; Uni-President Dream Parks Corp. ; Kai Nan Investment Co., Ltd. ; Gu Hsiang Co., Ltd ; Scino Pham Biochemical Technology ; Ztong Yee(Tianjin) Industrial Co., Ltd ; UNI-Hometech Corp. ; PT ABC President Enterprises Indonesia ; President Energy Develop.(Cayman) Ltd. **Exec. Vice President:** Vice President ; Uni-President Enterpries Corp.
Hsu, Chung Jen	**Chairman:** President Direct Marketing Corp. ; President Drugstore Business Corp. ; Ren-Hui Investment Corp. ; Capital Inventory Services Corp. ; Wisdom Distribution Service Corp. ; Duskin Serve Taiwan Co. Ltd. ; President Technology Corp. ; President Engineering Technology Corp. ; President Packaging Co., Ltd. ; Books.com.co.Ltd ; President Information Corp. ; BankPro E-Service Technology Company. **Director:** President Transnet Corp. ; Uni-President Cold Chain Corp. ; President Musashino Corp. ; Mech President Corp. ; Uni-President Oven Bakery Corp. ; President Yamako Corp. ; President Coffee Corp. ; Retail Support International Corp. ; Nanlien International Corp. ; Uni-President Dream Parks Corp. ; President Pharmaceutical Corp. ; Ton Yi Pharmaceutical Corp. ; Uni-President Takashimaya C., Ltd. ; Shanghai President Coffee Corp. ; Digital United Inc. ;

PCSC Directors and Supervisor Who Possess Positions in Other Companies

Name	Current Position in Other Companies
Hsu, Chung Jen	**Director:** eASPNet Inc. ; President International Development Corp. ; Latin America Development Corp. ; Copres Corp. ; Tonpal Optoelectronics Inc. ; Dayeh Takashimaya Deparment Store Inc. ; Digital United Inc.(Seednet) ; Philippine Seven Corp. **President:** Ren-Hui Investment Corp.
Huang, Xian Yan	**Chairman:** AIM Service Uni-President Co., Ltd. **Director:** Nanlien International Corp. ; Retail Support International Corp. ; President Natural Industrial Co. ; President Information Corp. ; President International Development Corp. ; President Coffee Corp. ; Qware System & Services Corp. ; President Organics Corp. ; Pcyber.com. Co., Ltd. ; Uni-President Dream Parks Corp. ; BankPro E-Service Technology Company ; Uni-President Oven Bakery Corp. ; 365Uol.com.Co., Ltd ; Century Quick Service Restaurant Corp. ; President Transnet Corp. ; eASPNet Taiwan Inc. **Vice President:** Uni-President Enterprises Corp.
Lo, Chih Hsieh	**Chairman:** Pcyber.com. Co., Ltd. ; Xin Ya Enterprises Corp. ; Tung Sheng Enterprises Corp. ; Tung Shun Enterprises Corp. **Director:** Parabola Creative Inc. ; President Organics Corp. ; Uni-President Cold Chain Corp. ; President Transnet Corp. ; Pcyber.com. Co., Ltd. ; Uni-President Dream Parks Corp. ; President International Development Corp. ; President Investment Trust Corp. ; Tianjin President International Foods Co., Ltd. ; Xiang Lu Petrochhemicals(Xiamen)Co., Ltd. ; Uni-President International (HK) Co., Ltd. ; Uni-President (Thailand) Co.,Ltd. **Supervisor:** Kao Chyuan Inv. Co. **Vice President:** Uni-President Enterprises Corp.
Tsuei, Jung	**Chairman:** Far Eastern Air Transport Corp. **Exec. Director:** AIG Investment Corporation (Asia) Ltd. Taiwan Barnch **Director:** TransAsia AirWays Corp.
Hwang, Tsing Yuan	**Managing Director:** Taiwan Television Enterprise Ltd. **Director:** United Microelectronics Corp.
Tu, Te Cheng	**Chairman:** President Capital Management Corp. **Director:** President International Development Corp. ; www.3maoKIDS.com ; South Epitaxy Corp. ; United Venture Capital Corporation ; Cclab Laboratry Co., Ltd. ; Tong-Jeng Development Corp. ; G-Advanced Semiconductor Technology Corp. ; Xiang Lu Petrochhemicals(Xiamen)Co., Ltd. ; HAINAN SCI-POWER ELECTRONIC INFORMATION GROUP LTD ; Super Bright Investment Inc. ; China Technology Venture Company Ltd. **Supervisor:** President Coffee Corp. ; Copres Corp. ; Presitex Co., Ltd. ; BankPro E-Service Technology Company ; Tong Ting Gas Corporation. ; President Life Sciences Co., Ltd. ; Fuku UniversalCo., Ltd. ; SYNergy ScienTech Corp. ; Kanh Na Hsiung Enterprise Co., Ltd. ; Emerging Display Technologing Corp. ; Univision Technology Inc. ; Swenc Technology Co., Ltd. ; President Biosystems Co., Ltd. **Exec. Vice President:** President International Development Corp.

Note: Above information as of 12/31/2001

PCSC Chief Officers Who Possess Positions in Other Companies

Name	Current Position in Other Companies
Hsu, Chung Jen	**Chairman:** President Direct Marketing Corp. ; President Drugstore Business Corp. ; Ren-Hui Investment Corp. ; Capital Inventory Services Corp. ; Wisdom Distribution Service Corp. ; Duskin Serve Taiwan Co. Ltd. ; President Technology Corp. ; President Engineering Technology Corp. ; President Packaging Co., Ltd. ; Books.com.co.Ltd ; President Information Corp. ; BankPro E-Service Technology Company **Director:** President Transnet Corp. ; Uni-President Cold Chain Corp. ; President Musashino Corp. ; Mech President Corp. ; Uni-President Oven Bakery Corp. ; President Yamako Corp. ; President Coffee Corp. ; Retail Support International Corp. ; Nanlien International Corp. ; Uni-President Dream Parks Corp. ; President Pharmaceutical Corp. ; Ton Yi Pharmaceutical Corp. ; Uni-President Takashimaya C., Ltd. ; Shanghai President Coffee Corp. ; Digital United Inc. ; eASPNet Inc. ; President International Development Corp. ; Latin America Development Corp. ; Copres Corp. ; Tonpal Optoelectronics Inc. ; Dayeh Takashimaya Deparment Store Inc. ; Digital United Inc.(Seednet) ; Philippine Seven Corp. **President:** Ren-Hui Investment Corp.
Wu, Kuo Hsuan	**Director:** Ren-Hui Investment Corp. ; Capital Inventory Services Corp. ; Wisdom Distribution Service Corp. ; President Engineering Technology Corp. ; Uni-President Cold Chain Corp. ; Allianz President General Insurance Co., Ltd. ; Philippine Seven Corp.
Huang, Chien Li	**Director:** President Drugstore Business Corp. ; Capital Inventory Services Corp. ; Duskin Serve Taiwan Co. Ltd. ; President Technology Corp. ; President Engineering Technology Corp. ; Mech President Corp. **Supervisor:** Ren-Hui Investment Corp.
Hsieh, Chien Nan	**Chairman:** President Logistic International Corp. ; Retail Support Taiwan Corp. **Director:** President Direct Marketing Corp. ; President Drugstore Business Corp. ; Ren-Hui Investment Corp. ; Capital Inventory Services Corp. ; Wisdom Distribution Service Corp. ; Duskin Serve Taiwan Co. Ltd. ; President Technology Corp. ; President Engineering Technology Corp. ; Uni-President Cold Chain Corp. ; Uni-President Oven Bakery Corp. ; President Packaging Co., Ltd. ; President Information Corp. ; Retail Support International Corp. ; President Organics Corp. ; Uni-President Yellow Hat Corp. ; Philippine Seven Corp.
Chen, Fu Tang	**Director:** Philippine Seven Corp. ; President Investment Trust Corp. **Supervisor:** President Direct Marketing Corp. ; Capital Inventory Services Corp. ; Wisdom Distribution Service Corp. ; President Transnet Corp. ; President Technology Corp. ; Uni-President Oven Bakery Corp. ; Books.com.co.Ltd
Chen, Jui Tang	**Director:** President Direct Marketing Corp. ; Wisdom Distribution Service Corp. ; Duskin Serve Taiwan Co. Ltd. ; President Musashino Corp. ; Uni-President Oven Bakery Corp. ; President Yamako Corp. ; President Organics Corp. ; Books.com.co.Ltd ; Philippine Seven Corp.
Lin, Wen Ching	**Director:** Allianz President Life Insurance Co., Ltd. **Supervisor:** President Drugstore Business Corp. ; Duskin Serve Taiwan Co. Ltd. ; President Engineering Technology Corp.

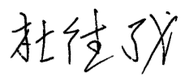
Note: Above information as of 12/31/2001

Supervisors' Report

SUPERVISORS' REPORT

The Board of Directors have prepared and submitted to us the Company's 2001 Operation Report, Financial Statements, and proposal for allocating profit. The above have been further examined as being correct and accurate by the undersigned, the supervisor of President Chain Store Corp. According to Article 219 of the Company Law, we hereby submit this report.

President Chain Store Corp
Supervisor: Tu, Te Cheng



May 28, 2002

Financial Statements and Report of Independent Accountants

Year, 2001 and 2000

REPORT OF INDEPENDENT ACCOUNTANTS

To President Chain Store Corp.

We have audited the accompanying balance sheet of President Chain Store Corp. as of December 31, 2001 and 2000, and the related statements of income, of changes in stockholders' equity and of cash flows for the years then ended. The financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of certain long-term investments, accounted for under the equity method, which statements reflected total cost of NT$80,551 thousand and NT$692,531 thousand as of December 31, 2001 and 2000, respectively, and net investment loss in the amount of NT$18,499 thousand and net investment income in the amount of NT$493 thousand for the years then ended. These statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion herein, insofar as it relates to the amounts included for these long-term investments is based solely upon the reports of other auditors.

We conducted our audits in accordance with the "Rules Governing Examination of Financial Statements by Certified Public Accountants" and generally accepted auditing principles in the Republic of China. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based upon our audits and the reports of other auditors, the accompanying financial statements referred to above present fairly the financial position of President Chain Store Corp. as of December 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended, in conformity with generally accepted accounting principles in the Republic of China.
We have also audited the consolidated financial statements of President Chain Store Corp. and its subsidiaries for the year ended December 31, 2001. Our report on the consolidated financial statements was unqualified.

PriceWaterhouse Coopers

BALANCE SHEET December 31 of 2001 & 2000 (Expressed in Thousands of New Taiwan Dollars)

	2001		2000	
	Amount	%	Amount	%
ASSETS				
Current Assets				
Cash and cash equivalent (Notes 2 and 4(1))	$1,000,747	5	$682,988	4
Short-term investments (Notes 2 and 4(2))	2,233,566	11	902,569	5
Accounts receivable-third parties (Notes 2 and 5)	290,032	1	318,842	2
Other receivables-third parties (Notes 2 and 5)	587,627	3	596,873	3
Inventories (Notes 2 and 4(3))	2,216,227	10	2,008,490	11
Prepayments (Notes 4(9), 5 and 7)	702,535	3	744,393	4
	7,030,734	33	5,254,155	29
Long-term Investments (Notes 2 and 4(4))	7,712,817	36	6,164,126	34
Property, Plant and Equipment (Notes 2, 4(5), 5 and 6)				
Cost:				
Land	1,860,184	9	1,860,184	10
Buildings	772,201	3	772,201	4
Operating equipment	5,526,387	26	4,947,137	27
Leasehold improvement	2,291,309	11	2,081,525	12
Other equipment	55,921	-	115,931	1
Cost and revaluation	10,506,002	49	9,776,978	54
Less: Accumulated depreciation	(4,446,865)	(21)	(3,874,278)	(21)
Construction in progress and advance to suppliers	31,267	-	16,320	-
	6,090,404	28	5,919,020	33
Other Assets				
Guarantee deposits (Note 7)	682,108	3	616,950	4
Other (Note 4(9))	14,896	-	13,851	-
	697,004	3	630,801	4
TOTAL ASSETS	$21,530,959	100	$17,968,102	100

The accompanying notes are an integral part of the financial statements.
Please refer to the report of independent accountants dated March 1, 2002.

President Chain Store Corporation
Financial Statements and Report of Independent Accountants
Year, 2001 and 2000

BALANCE SHEET December 31 of 2001 & 2000 (Expressed in Thousands of New Taiwan Dollars)

	2001		2000	
	Amount	%	Amount	%
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current Liabilities				
Commercial paper payable	$598,202	3	$-	-
Notes payable-third parties (Note 5)	785,254	4	1,170,076	7
Accounts payable-third parties	1,352,949	6	1,217,899	7
Accounts payable-related parties (Note 5)	2,343,960	11	2,055,276	11
Income tax payable (Notes 2 and 4(9))	248,382	1	405,137	2
Accrued expenses (Notes 4(6) and 5)	978,632	4	976,732	5
Other payables (Note 4(6))	1,003,731	5	903,299	5
Cash in advance	106,000	-	98,252	1
Current portion of long-term liabilities (Note 4(7))	600,000	3	85,812	-
	8,017,110	37	6,912,483	38
Long-term Liabilities				
Long-term loans (Note 4(7))	2,400,000	11	1,204,415	7
Other Liabilities				
Provision for retirement plan (Notes 2 and 4(8))	370,165	2	367,539	2
Customers' deposits	763,938	4	685,538	4
	1,134,103	6	1,053,077	6
TOTAL LIABILITIES	11,551,213	54	9,169,975	51
Stockholders' Equity				
Common stock (Note 4(10))	6,936,495	32	6,031,735	34
Capital reserve				
Gain on disposal of property, plant and equipment	73,005	-	73,005	-
Long-term investments	-	-	1,866	-
Retained earnings (Note 4(11))				
Legal reserve	1,066,507	5	890,422	5
Unappropriated	1,816,491	9	1,763,095	10
Cumulative translation adjustment	87,248	-	38,004	-
	9,979,746	46	8,798,127	49
Contingent Liabilities and Commitments (Notes 5 and 7)				
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$21,530,959	100	$17,968,102	100

The accompanying notes are an integral part of the financial statements.
Please refer to the report of independent accountants dated March 1, 2002.

STATEMENT OF INCOME

Years Ended December 31 of 2001 & 2000

(Expressed in Thousands of New Taiwan Dollars Except for Earnings Per Share Amount)

	2001		2000	
	Amount	%	Amount	%
Operating Revenues				
Gross sales (Notes 2 and 5)	$63,440,407	98	$56,207,200	98
Less: Sales allowance	(5,841)	-	(5,494)	-
Net sales	63,434,566	98	56,201,706	98
Other (Notes 2 and 5)	1,353,358	2	1,080,392	2
	64,787,924	100	57,282,098	100
Operating Costs				
Cost of goods sold (Notes 2 and 5)	(45,550,414)	(70)	(39,923,040)	(70)
Gross Profit	19,237,510	30	17,359,058	30
Operating Expenses (Note 5)				
Selling expenses	(15,251,218)	(24)	(13,739,174)	(24)
Administrative and general expenses	(1,595,570)	(2)	(1,377,606)	(2)
	(16,846,788)	(26)	(15,116,780)	(26)
Operating Income	2,390,722	4	2,242,278	4
Other Income				
Interest income	21,390	-	36,544	-
Gain on disposal of property, plant and equipment	1,875	-	25,176	-
Gain on sale of investments	101,657	-	192,638	-
Rental income (Note 5)	58,844	-	60,157	-
Gain on recovery of short-term investment revaluation	34,051	-	-	-
Others (Note 5)	475,823	1	484,232	1
	693,640	1	798,747	1
Other Expenses				
Interest expenses	(133,742)	-	(38,875)	-
Loss from investments (Notes 2 and 4(4))	(465,726)	(1)	(519,475)	(1)
Loss on disposal of property, plant and equipment	(42,141)	-	(37,941)	-
Others	(44,379)	-	(10,108)	-
	(685,988)	(1)	(606,399)	(1)
Income Before Income Taxes	2,398,374	4	2,434,626	4
Income Taxes Expenses (Note 4(9))	(555,626)	(1)	(648,982)	(1)
Net Income	$1,842,748	3	$1,785,644	3
Earnings Per Common Share (in dollars) (Note 4(12))				
Net income	$2.66		$2.57	

The accompanying notes are an integral part of the financial statements.
Please refer to the report of independent accountants dated March 1, 2002.

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

(Expressed in Thousands of New Taiwan Dollars)

		Capital Reserve		Retained Earnings			
For the year ended December 31, 2000	Common stock	Gain on disposal of property, plant and equipment	Long-term Investments	Legal reserve	Unappropriated	Cumulative translation adjustment	Total
Balance at January 1, 2000	$5,164,157	$48,205	$1,866	$723,642	$1,675,036	$-	$7,612,906
Distribution of net income of 1999：							
Appropriation of legal reserve	-	-	-	166,780	(166,780)	-	-
Employees' bonuses	-	-	-	-	(30,020)	-	(30,020)
Directors' and supervisors' renumeration	-	-	-	-	(30,021)	-	(30,021)
Issuance of stock dividends	867,578	-	-	-	(867,578)	-	-
Issuance of cash dividends	-	-	-	-	(578,386)	-	(578,386)
Net income for 2000	-	-	-	-	1,785,644	-	1,785,644
Gain on disposal of property, plant and equipment transferred to capital reserve	-	24,800	-		(24,800)	-	-
Cumulative translation adjustment	-	-	-	-	-	38,004	38,004
Balance at December 31, 2000	$6,031,735	$73,005	$1,866	$890,422	$1,763,095	$38,004	$8,798,127
For the year ended December 31, 2001							
Balance at January 1, 2001	$6,031,735	$73,005	$1,866	$890,422	$1,763,095	$38,004	$8,798,127
Distribution of net income of 2000：							
Appropriation of legal reserve	-	-	-	176,085	(176,085)	-	-
Employees' bonuses	-	-	-	-	(31,695)	-	(31,695)
Directors' and supervisors' renumeration	-	-	-	-	(31,695)	-	(31,695)
Issuance of stock dividends	904,760	-	-	-	(904,760)	-	-
Issuance of cash dividends	-	-	-	-	(603,173)	-	(603,173)
Net income for 2001	-	-	-	-	1,842,748	-	1,842,748
Cumulative translation adjustment	-	-	-	-	-	49,244	49,244
Adjustment of capital reserve due to the Company's disproportionate subscription to the subsidiaries issuance of new shares	-	-	(1,866)	-	(41,944)	-	(43,810)
Balance at December 31, 2001	$6,936,495	$73,005	$-	$1,066,507	$1,816,491	$87,248	$9,979,746

The accompanying notes are an integral part of the financial statements.
Please refer to the report of independent accountants dated March 1, 2002

STATEMENT OF CASH FLOWS

Years Ended December 31of 2001 & 2000 (Expressed in Thousands of New Taiwan Dollars)

	2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$1,842,748	$1,785,644
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	1,150,071	1,067,574
Amortization	3,104	2,485
(Reversal) loss of short-term investments decline in market value	(34,052)	258,476
Investment loss recognized under equity method	280,197	279,793
Loss on permanent decline in value of long-term investments	191,051	-
Cash dividends from equity subsidiaries	3,360	61,026
Gain on sale of investments	(38,907)	(4,004)
Loss on disposal of property, plant and equipment	42,141	12,765
Casualty loss	25,202	-
Changes in assets and liabilities:		
(Increase) decrease in assets		
Accounts receivable	28,810	(141,116)
Other receivables	63,028	(200,462)
Inventories	(258,354)	(270,575)
Prepatments	41,944	(46,643)
Increase (decrease) in liabilities		
Notes payable	(384,822)	(163,915)
Accounts payable	423,734	438,980
Income tax payable	(156,755)	153,590
Accrued expenses	1,900	258,486
Other payables	88,493	2,803
Cash in advance	7,748	12,595
Deferred income tax	(199)	(268)
Provision for retirement plan	2,626	(13,674)
Net cash provided by operating activities	3,323,068	3,493,560
CASH FLOWS FROM INVEST ACTIVITIES		
(Increase) Decrease in short - term investments	(1,296,945)	631,229
Cash purchase of property, plant and equipment	(1,320,249)	(1,276,073)
Proceeds from disposal of property, plant and equipment	17,744	66,716
Increase in long-term investments-subsidiaries	(1,506,854)	(934,642)
Increase in long-term investments - non - subsidiaries	(712,091)	(3,135,981)
Proceeds from sale of long - term investments	239,987	125,544
Increase in guarantee deposits	(65,158)	(76,368)
Increase in other assets	(4,036)	(3,460)
Net cash used for investing activities	(4,647,602)	(4,603,035)

(Forward)

STATEMENT OF CASH FLOWS

Years Ended December 31of 2001 & 2000 (Expressed in Thousands of New Taiwan Dollars)

	2001	2000
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of cash dividends	($603,173)	($578,386)
Increase in commercial paper payable	598,202	-
Increase in long - erm loans	1,709,773	1,290,227
Increase in customers' deposits	78,400	108,664
Payments of employees' bonuses and directors' and supervisors' remuneration	(63,390)	(85,154)
Payments of property, plant and equipment purchased last year	(77,519)	(101,386)
Net cash provided by financing activities	1,642,293	633,965
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENT	317,759	(475,511)
CASH AND CASH EQUIVALENT, BEGINNING OF YEAR	682,988	1,158,498
CASH AND CASH EQUIVALENT, END OF YEAR	$1,000,747	$682,987
Supplemental disclosures of cash flow information		
Interest paid	$132,936	$36,466
Income taxes paid	$712,580	$495,392
Investing and financing activities of partial payment on cash:		
Purchase of property, plant and equipment	$1,409,705	$1,353,592
Less: other payables	(89,458)	(77,519)
Cash purchase of property, plant and equipment	$1,320,247	$1,276,073

The accompanying notes are an integral part of the financial statements.
Please refer to the report of independent accountants dated March 1, 2002.

NOTES TO FINANCIAL STATEMENTS

December 31, 2001 and 2000

(Expressed in Thousands of New Taiwan Dollars Except for Otherwise Indicated)

1. History and Organization

President Chain Store Corp. was incorporated as a company limited by shares under the provisions of the Company Law of the Republic of China on June 10, 1987. The Company is engaged in the operations of convenience stores and retails of foods, cans and household goods etc. The common shares of the Company have been listed on the Taiwan Stock Exchange since August, 1997.

2. Summary of Significant Accounting Policies

1. Cash equivalents

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates.

2. Foreign currency transactions and translation

The Company maintains its accounts in New Taiwan dollars. Foreign currency transactions are measured and recorded in New Taiwan dollars using the exchange rate in effect on the transaction dates. Any change in the exchange rate between the date of transactions and the settlement date which results in an exchange gain or loss is charged to income for the period. Receivables and other monetary assets and liabilities denominated in foreign currencies are translated into New Taiwan dollars at the exchange rates prevailing at balance sheet date and the unrealized exchange gain or loss is included in income for the period.

3. Short-term investments

Short-term investments are stated at the lower of cost or market value. Cost is determined by the moving-average method. Any excess of aggregate over the market value is recognized in the current period. The fair value of listed stocks is estimated based on the average closing price of the last month during the accounting period. The fair value of mutual fund is estimated based on the net worth at balance sheet date.

4. Allowance for doubtful accounts

Allowance for bad debts is determined based on evaluation of the collectibility of accounts receivable and other receivables.

5. Inventories

Inventories are recorded at actual cost when acquired and are stated at the lower of cost, which is determined by retail method, and market value at balance sheet date.

6. Long-term investments

Long-term investments in which the Company owns less than 20% of the voting rights of the investee company and has no ability to exercise significant influence on the investee company's operational decisions are stated at the lower of cost or market value method, for listed investee company and the cost method if the investee company is not listed. The unrealized loss resulting from the decline in market value is shown under shareholders' equity. However, when it becomes evidently clear that there has been a permanent impairment in value and the chance of recovery is minimal, loss is recognized in the current year's net income.

Long-term investments in which the Company owns at least 20% of the voting rights of the investee company are accounted for by the equity method unless the Company can not exercise significant influence over the investee company, in which case, the investment is accounted for at the lower of cost or market value. The difference between the acquisition cost and the Company's share of the investee's net book value on the date of acquisition is amortized between 5 and 10 years under the straight line method.

Consolidated financial statements are prepared to include all majority own subsidiaries under one of following circumstances.

(1) The subsidiaries total assets and total operating revenues constitute more than 10% of the respective accounts of the Company.

(2) When total assets and total operating revenues of all majority owned and non-consolidated subsidiaries have exceeded 30% of those of the Company, subsidiaries with total assets and total operating revenues in excess of 3% of the respective accounts of the Company are consolidated.

The cost of disposal long-term of investments is determined by the weighted average method.

When the Company's proportionate interest in any equity investee company changes after the equity investee company issues additional shares, the variance between the investment cost and the Company's proportionate share of the net asset of the investee company is adjusted first to capital reserve. If the capital reserve arising from long-term investment is not sufficient, retained earnings is debited.

For foreign investments accounted for under the equity method, the Company's proportionate share of the foreign investee company's cumulative translation adjustment resulting from translating the foreign investee company's financial statements into New Taiwan dollars is recognized by the Company and is included in a cumulative translation adjustments account in the Company's shareholders' equity.

7. Property, plant and equipment

Property, plant and equipment are stated at cost. Interest incurred in connection with the purchase or construction required to bring the assets to the condition and location for its intended use is capitalized.

Depreciation is computed over the economic useful lives of depreciable assets using the straight-line method, except for leasehold improvement which is amountized over the leased period. Fully depreciated assets still in use are depreciated based on the residual value over the estimated remaining useful lives. The useful lives of major fixed assets are 3~8 years, except for buildings which are 30~55 years.

Maintenance and repairs are expensed as incurred. Major renewals, betterments and additions are capitalized and depreciated. When an asset is sold or retired, the cost and accumulated deprecation are removed from the respective accounts and the resulting gain or loss is recorded in current non-operating income or loss. Prior to January 1, 2001, gains on disposal of property, plant and equipment, net of applicable income tax, of the Company is transferred to capital reserve in the current year.

8. Retirement plan and cost

The Company has a funded defined benefit retirement plan covering all regular employees. Retirement benefits are based on years of service and six month average salaries before retirement. The Company makes monthly contribution based on 2%~4.42% of employees monthly salaries to Central Trust of China, the trustee of the retirement fund. The retirement fund balance is not reflected in the Company's financial report.

Net periodic pension cost which is computed based on an actuarial valuation includes service cost, interest cost, expected return on plan assets, amortization of unrecognized net transition asset.

9. Revenues and costs

Sales revenue is recognized when the earning process is finished and earning is realized or realizable; the costs and expenses associated with the revenue are recorded as incurred.

10. Income tax

Income tax is provided based on accounting income after adjusting for permanent differences, includes deferred tax resulting from temporary differences at tax credits and loss carryforwards. The tax effect of taxable temporary differences is recorded as a deferred tax liability; while the tax

effect of deductible temporary differences, net operating loss carryforwards and income tax credits are recorded as deferred tax assets. A valuation allowance for deferred tax assets is provided when it is more likely considered that the tax benefit will not be realized. Deferred tax asset or liability are classified into current or noncurrent items in accordance with the nature of balance-sheet account or the period of expected realization.

The 10% additional income tax on undistributed earnings are recognized on the day of the resolution of distribution by the stockholders' meeting.

Adjustments of prior years' income tax liabilities are included in current year's income tax expense.

11.Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements. Actual results could differ from those assumptions and estimates.

3. Change in Accounting Principle : None.

4. Details of Significatnt Accounts

1. Cash and Cash Equivalent

	December 31, 2001	December 31, 2000
Cash on hand	$184,642	$367,187
Checking deposits and demand deposits	766,185	246,014
Commercial paper with resale agreement	49,920	69,786
	$1,000,747	$682,987

The annual interest rate of commercial paper ranged from 2.3% and 4.9% as of December 31, 2001 and 2000, respectively; with maturity date due within three months.

2. Short - term Investments

	December 31, 2001	December 31, 2000
Common stocks of listed companies	$602,063	$574,320
Mutual funds	1,939,413	670,210
	2,541,476	1,244,530
Less: Valuation allowance	(307,910)	(341,961)
	$2,233,566	$902,569

3. Inventories

	December 31, 2001	December 31, 2000
Merchandises	$2,216,227	$2,008,490

All of the inventories as of December 31, 2001and 2000 are not pledged.

4. Long - term Investments

Name of subsidiaries	December 31, 2001 Amount	December 31, 2001 Percentage owned	December 31, 2000 Amount	December 31, 2000 Percentage owned
Equity method:				
President Chain Store (BVI) Corp.	$1,179,960	100.00	$939,875	100.00
Ren-Hui Investment Corp.	146,261	99.99	135,733	99.99
Mech-President Corp.	147,290	66.30	81,065	19.00
President Transnet Corp.	161,680	80.00	79,683	35.00
Uni-President Cold-Chain Corp.	293,596	60.00	73,905	30.00
Uni-President Takashimaya Co., Ltd.	123,255	50.00	-	-
President Drugstore Business Corp.	174,424	99.99	69,225	99.99
President Information Corp.	113,138	54.17	40,889	30.00
President Direct Marketing Corp.	106,808	25.00	51,901	14.00
President Musashino Corp.	306,117	60.00	48,089	35.00
Wisdom Distribution Service Corp. and others	606,182	15.00~99.99	364,511	20.00~99.99
	3,358,711	2.28	1,884,876	2.28
Cost or the lower of cost or market:				
President Securities Corp	140,534		140,534	
Cost method:				
President International Development Corp.	500,000	3.33	500,000	3.33
Scino Pharm Taiwan Ltd.	-	-	200,000	7.41
Allianz President Life Insurance Co., Ltd.	202,064	10.10	174,769	5.46
Dayeh Takashimaya Taiwan Inc.	270,000	16.67	-	-
Tonpal Optoelectronics Corp.	2,299,197	10.36	2,299,197	10.36
New Centrury Info Comm Co., Ltd.	424,000	0.89	424,000	0.89
KaoHsiung Rapid Transit Corp.	203,714	2.46	142,860	2.86
Allianz President General Insurance Co., Ltd.	314,597	0.02~15.00	369,390	0.02~15.00
and others	4,213,572		4,110,216	
Prepaid stock subscription:				
Uni-President Yellow Hat Co., Ltd.	-	-	28,500	-
Preparatory Office	$7,712,817		$6,164,126	

(1) The long-term investments loss recognized under the equity method based on the audited financial statements of the investee companies was $280,197 and $279,793 in 2001 and 2000, respectively.

(2) Due to the capital reduction or continuous operation losses of Allianz President Life Insurance Co., Ltd. and Copres Corp., the Company recognized a loss of $191,051 in the year of 2001.

(3) Uni-President Cold-Chain Corp., Mech-President Corp., President Transnet Corp., President Musashino Corp., Wisdom Distribution Service Corp. and President Chain Store (BVI) Corp. were included in the preparation of consolidated financial statements. The other companies in which the Company's voting rights exceed 50% were not included in the preparation of consolidated financial statements because these companies did not meet the criteria for consolidation.

5. Property, Plant and Equipment

	December 31, 2001		
	Cost	Accumulated depreciation	Book value
Land	$1,860,184	$-	$1,860,184
Buildings	772,201	(110,448)	661,753
Operating equipment	5,526,387	(2,999,203)	2,527,184
Leasehold improvement	2,291,309	(1,289,365)	1,001,944
Other equipment	55,921	(47,849)	8,072
Construction in progress and advances to suppliers	31,267	-	31,267
	$10,537,269	($4,446,865)	$6,090,404

	December 31, 2000		
	Cost	Accumulated depreciation	Book value
Land	$1,860,184	$-	$1,860,184
Buildings	772,201	(96,605)	675,596
Operating equipment	4,947,137	(2,516,559)	2,430,578
Leasehold improvement	2,081,525	(1,173,898)	907,627
Other equipment	115,931	(87,216)	28,715
Construction in progress and advances to suppliers	16,320	-	16,320
	$9,793,298	($3,874,278)	$5,919,020

6. Accrued Expenses and Other Payables

	December 31, 2001	December 31, 2000
Accrued salaries and bonus	$434,939	$417,764
Accrued incentive for franchisee	277,079	218,082
Bills collected for others	625,555	626,148
Other	644,790	618,037
	$1,982,363	$1,880,031

7. Long - term Loans

Name of creditors	Payment term	December 31, 2001	December 31, 2000
The Shanghai Commercial & Savings Bank	Lump sum payment due on July 20, 2002	$400,000	$400,000
The Shanghai Commercial & Savings Bank	Lump sum payment due on November 16, 2002	200,000	-
Chang Hwa Commercial Bank	Lump sum payment due on November 16, 2003	300,000	300,000
Far Eastern International Bank	Lump sum payment due on December 26, 2003	500,000	-
	Lump sum payment due on December 29, 2002	-	300,000
E. Sun Commercial Bank	Lump sum payment due on December 28, 2003	300,000	-
Dah An Commercial Bank	Lump sum payment due on November 06, 2004	500,000	-
Chinatrust Commercial Bank	Lump sum payment due on May 30, 2004	500,000	-
Taipei Commercial Bank	Lump sum payment due on November 16, 2002	-	290,227
China Development Industrial Bank			
- Long-term loans	Lump sum payment due on August 12, 2004	200,000	-
- Commercial paper payable	Renewable at short-term maturity	100,000	-
		3,000,000	1,290,227
Less : Current portion of long-term loans		(600,000)	(85,812)
		$2,400,000	$1,204,415
Interest rates		3.20%~6.04%	6.30%~6.65%

As of December 31, 2001, the repayments of these long-term loans are summarized as follows :

Period	Amount
2002	$600,000
2003	1,100,000
2004	1,300,000
	$3,000,000

8. Retirement Plan

（1）The pension expenses for 2001 and 2000 were $42,722 and $22,750, respectively. As of December 31, 2001 and 2000, the retirement fund balance with the Central Trust of China was $93,987 and $52,168, respectively.

（2）The details of net periodic pension cost for the period ended December 31, 2001 and 2000 are as follows:

	December 31,2001	December 31,2000
Service cost	$31,481	$29,895
Interest cost	17,931	16,941
Expected return on plan assets	（3,000）	（983）
Amortization of the unrecognized net Obligation at transition	（5,961）	（6,954）
Amortization of the net gain of unrecognized pension assets	（2,912）	（10,907）
Net periodic pension cost	$37,539	$27,992

(3) The funded status of the plan at December 31, 2001 and 2000 is as follows:

	December 31,2001	December 31,2000
Benefit obligation:		
Vested benefit obligation	$-	$-
Nonvested benefit obligation	（187,184）	（116,798）
Accumulated benefit obligation	（187,184）	（116,798）
Additional benefit based on future salaries	（227,344）	（195,051）
Projected benefit obligation	（414,528）	（311,849）
Plan assets at fair value	93,987	52,168
Plan funded status	（320,541）	（259,681）
Unrecognized net transition obligation	（52,653）	（58,614）
Unrecognized plan assets gain	2,805	（54,486）
Accrued prepaid cost	（$370,389）	（$372,781）
Vested benefit	$-	$-

The assumptions used of the plan are as follows:

Discount rate	4.25%	5.75%
Rate of increase in compensation levels	4.25%	5.50%
Expected return on plan assets	4.00%	5.75%

9. Deferred Income Tax and Income Tax

(1) Adjustments for corporate income tax expenses and income tax payable are as follows:

	2001	2000
Income tax payable	$248,382	$405,137
Net change amount of deferred income tax assets	（198）	（268）
Under provision of prior years' income tax	（24,158）	301
Income tax withheld	2,364	5,878
Prepaid income tax	329,236	237,934
Income tax expense	$555,626	$648,982
The details of income tax expense:		
Current income tax expense	$515,237	$648,982
10% income tax on undistributed retainedearnings	40,389	-
	$555,526	$648,982

(2) Deferred income tax assets as of December 31, 2001 and 2000 are as follows:

	December 31,2001	December 31,2000
a. Deferred income tax assets:		
Net deferred income tax assets-current	$1,698	$1,611
Net deferred income tax assets-non-current	$31,208	$10,700
Allowance for deferred income tax assets	（28,589）	（8,193）
	$2,619	$2,507
b. The details of deferred income tax assets resulting from temporary differences are as follows:		
Employee welfare fund, etc.	$17,266	$16,471
Investment loss	$114,355	$32,771

(3) The Company's income tax returns for the year through 1999 have been assessed by the Tax Authority.

10. Common Stock

(1) On June 12, 2001, the stockholders at their meeting resolved to capitalize unappropriated retained earnings of $904,760 which was approved by the Ministry of Economics Affaires (MOEA) on August 27, 2001.

(2) The Company's authorized common stock was 900,000,000 and 620,000,000 shares, and issued outstanding common stock was 693,649,505 and 603,173,483 shares with a par value of $10 (dollar) per share as of December 31, 2001 and 2000, respectively.

11. Retained Earnings

(1) Under the Company's Articles of Incorporation, as amended on June 12, 2001, after paying all taxes and dues and offsetting prior year's losses, 10% of the Company's current year's earnings shall be set aside as legal reserve and an amount equal to the total of the cumulative translation adjustment, unrealized loss on long-term investments, etc, that resulted to the net reduction of the shareholders' equity as of the end of the current year shall be set aside as special reserve. The remaining current year's earnings and the accumulated unappropriated earnings from prior years shall be distributed in accordance with a resolution passed by a meeting of the Board of Directors and approved at the stockholders' meeting. Of the amount distributed by the Company, 2% of the remaining current year's earnings should be allocated for directors' and supervisors' remuneration, not less than 0.2% of that should be allocated for employees' bonuses and 80% to 100% of the accumulated unappropriated earnings after deducting directors' and supervisors' remuneration and employees' bonuses will be distributed as the dividends to stockholders, of which 20% to 50% shall be distributed in the form of cash..

(2) According to the Company's Articles of Incorporation prior to the above amendment, 10% of the annual net earnings, after offsetting any loss of prior years and paying all taxes and dues, shall be set aside as legal reserve and appropriated as special earnings reserve. The remaining net earnings can be distributed in accordance with a resolution passed by a meeting of the Board of Directors and approved at the stockholders' meeting. Of the amount distributed by the Company, 80% to 100% should be distributed as stockholders' bonuses (20% to 50% distributed by cash dividend) 2% of the remaining earnings should be distributed as directors' and supervisors' remuneration and not less than 0.2% should be distributed as employees' bonuses.

(3) In accordance with the ROC Company Law, 10% of annual earnings should be appropriated as a legal reserve until the accumulated legal reserve equals the total paid-in capital of the Company. The legal reserve may only be used to offset deficits or increase capital.

(4) As of December 31, 2001 and 2000 the balance of unappropriated earnings are as follows:

	December 31, 2001	December 31,2000
Unappropriated earnings for and before 1997	$2,251	$2,251
Unappropriated earnings for and after 1998	1,814,240	1,760,844
	$1,816,491	$1,763,095

(5) As of December 31, 2001 and 2000, the balance of the shareholder's creditable tax account and the actual or expected tax credit percentages of unappropriated earnings are as follows:

	December 31,2001	December 31,2000
The balance of the shareholders' creditable tax account	$401,602	$251,956

	2001	2000
The expected or actual tax credit percentages of unappropriated Earnings	22.14%	33.33%

The amount of deductible tax distributable by the Company to its shareholders shall be limited to an amount not exceeding the amount of the imputation tax credit account balance on the date of distribution of the dividends. Accordingly, the actual creditable ratio for the distribution of 2001 undistributed earnings will be based on the imputation tax credit account balance up to the date of distribution of the dividends.

12. Earnings Per Common Share

	2001	2000
Net income (A)	$1,842,748	$1,785,644
Beginning outstanding shares	603,173,483	516,415,654
Capitalized unappropriated retained earnings during 2000	-	86,757,829
Capitalized unappropriated retained earnings during 2001	90,476,022	-
Ending outstanding shares (B)	693,649,505	603,173,483
Capitalized unappropriated retained earnings during 2001	-	90,476,022
Weighted average number of shares during year after retroactive adjustment (C)	693,649,505	693,649,505
Earnings per share (NT dollars) (A/B)	$2.66	$2.96
Earnings per share after retroactive adjustment (NT dollars) (A/C)	$2.66	$2.57

13. Certain accounts of the Company's financial statements in the year of 2000 were reclassified to con form with the presentation of 2001 financial statements.

5. Related Party Transactions

1. Related parties and their relationship with the Company

Name of related parties	Relationship with the Company
Uni-President Enterprises Corp.	Shareholder of the Company
President Direct Marketing Corp.	Subsidiary accounted by equity method
President Drugstore Business Corp.	〃
Wisdom Distribution Service Corp.	〃
Mech-President Corp.	〃
President Transnet Corp.	〃
President Packaging Co., Ltd.	〃
Duskin Serve Taiwan Co., Ltd.	〃
President Coffee Corp.	〃
Capital Inventory Services Corp.	〃
President Information Corp.	〃
President Technology Corp.	〃
President Engineering Technology Corp.	〃
Uni-President Cold-Chain Corp.	〃
Presidnet Musashino Corp.	〃
President Chain Store (BVI) Corp.	〃
Retail Support International Corp.	〃
Shen Hung Corp.	A subsidiary of Nanlien International Corp. (accounted by equity method)
Nanlien International Corp.	〃
President Digital Network Crop.	〃
President Kikkoman Inc.	〃
Parabola Creative Inc.	〃
Chao Fu Enterprises Corp.	A subsidiary of Nanlien International Corp. (accounted by equity method)
Kai-Mao Enterprises Corp.	A subsidiary of Nanlien International Corp. (accounted by equity method) (The relation was disappeared when it dissolved in 2000)
Tone-Yi Enterprises Corp.	〃
Allianz President Life Insurance Co., Ltd.	The Company is one of the directors of the related party
Allianz President General Insurance Co., Ltd.	〃
Copres Corp.	The Company is one of the directors of the related party
President International Development Corp.	〃
Life Information Services Co., Ltd.	Associated company
President Coffee (Cayman) Holdings Ltd	Affiliated company

2. Significant transactions with related parties are as follows:

(1) Sales

	2001		2000	
	Amount	Percentage of net sales	Amount	Percentage of net sales
Uni-President Enterprises Corp.	$39,057	-	$127,958	-
Other	27,881	-	7,425	-
	$66,938	-	$135,383	-

The sales terms to Uni-President Enterprises Corp. were at costs plus service charge of 0.8% to 1% of cost. The collection terms of charge was 30~45 days.

(2) Other operating revenue-sales bonus

	2001		2000	
	Amount	Percentage	Amount	Percentage
Retail Support International Corp.	$140,330	15	$140,709	18
Uni-President Enterprises Corp.	54,781	6	45,715	6
Other	46,587	5	42,219	6
	$241,698	26	$228,643	30

The sales bonus includes the bonus for special display, new product promotion, advertisement subsidy and store logo subsidy revenue, etc. The calculation and the collection are the same as other suppliers except the revenue of the store logo subsidy was generated only from Uni-President Enterprises Corp. and President Kikkoman Inc.

(3) Purchases (net of purchases bonus and delivery subsidies)

	2001		2000	
	Amount	Percentage of net purchases	Amount	Percentage of net purchases
Retail Support International Corp.	$15,280,112	33	$13,617,274	34
Uni-President Cold- Chain Corp.	6,537,045	14	4,700,539	12
Uni-President Enterprises Corp.	2,199,676	5	1,842,048	5
Wisdom Distribution Service Corp.	2,796,441	6	1,233,959	3
Other	1,265,103	3	1,659,696	3
	$28,078,377	61	$23,053,516	57

1. The Company purchases are at regular price, except for Retail Support International Corp., Shen Hung Corp., Uni-President Cold-Chain Corp. & Wisdom Distribution Service Corp. In addition, the terms for purchase bonus and delivery subsidies are same as other suppliers. All payment terms for related parties are at regular terms.
2. The terms and conditions for purchases and delivery from Retail Support International Corp., Shen Hung Corp., Uni-President Cold-Chain Corp. & Wisdom Distribution Service Corp. were based on the delivery contract. Under the agreement, all the merchandises and retail items except tax free goods, purchased by the Company and delivered by the above suppliers are accounted as purchasing by the Company; the costs for goods purchased are based on cost plus basis. From the year of 2001, the tax free goods purchased from Wisdom Distribution Service Corp. is accounted on the same basis.

(4) EOS process revenue (accounted as deduction of costs of goods sold)

	2001		2000	
	Amount	Percentage	Amount	Percentage
Uni-President Cold-Chain Corp.	$130,359	49	$91,327	39
Uni-President Enterprises Corp.	85,158	32	84,044	36
Retail Support International Corp.	44,829	17	40,638	18
Other	736	-	1,987	1
	$261,118	98	$217,996	94

(5) Operating Expenses

	2001		2000	
	Amount	Percentage	Amount	Percentage
1. Freight expense				
Retail Support International Corp.	$312,260	99	$268,628	64
Wisdom Distribution Service Corp.	-	-	119,643	28
Other	-	-	14,419	3
	$312,260	99	$402,690	95
2. Cleanliness service expense				
Duskin Serve Taiwan. Co., Ltd.	$35,109	42	$31,391	50

	2001		2000	
	Amount	Percentage	Amount	Percentage
3. Retail items (accounted as packing and other expense)				
Retail Support International Corp.	$237,565	58	$211,851	52
4. Retail checking expense				
Capital Inventory Services Corp.	$105,250	100	$100,282	100
5. Electronic ordering system management charges				
President Information Corp.	$369,273	87	$248,761	69
President Technology Corp.	55,580	13	-	-
	$424,853	100	$248,761	69
6. Repair and professional service charges				
President Engineering Technology Corp.	$49,747	10	$-	-
7. Training expense				
Capital Inventory Services Corp.	$41,605	42	$9,024	9

(6) Other Income

	2001		2000	
	Amount	Percentage	Amount	Percentage
1. Subsidy for electronic ordering system (accounted as other income-others)				
Retail Support International Corp.	$89,014	48	$82,591	53
Uni-President Cold-Chain Corp.	49,090	26	29,984	19
Uni-President Enterprises Corp.	14,112	8	10,128	7
Other	14,169	8	6,962	4
	$166,385	90	$129,665	83

The calculation and the collection terms are the same as other suppliers.

2. Rental income				
President Coffee Corp.	$13,956	24	$11,775	20
President Direct Marketing Corp.	10,835	18	10,962	18
Other	6,567	11	15,105	25
	$31,358	53	$37,842	63

(7) Assets (Liabilities) Accounts

	December 31, 2001		December 31, 2000	
	Amount	Percentage	Amount	Percentage
Accounts receivable				
Retail Support International Corp.	$87,498	30	$36,090	11
Uni-President Enterprises Corp.President	3,984	1	13,802	4
Packaging Co., Ltd.	-	-	12,364	4
Other	11,890	4	5,085	2
	$103,372	35	$67,341	21
Other receivables				
Retail Support International Corp.	$208,386	36	$247,279	41
Uni-President Cold-Chain Corp.	66,929	11	52,995	9
Uni-President Enterprises Corp. Other	46,621	8	17,383	3
Other	48,854	8	89,275	15
	$370,790	63	$406,932	68
Prepayment for goods				
Retail Support International Corp.	$91,200	59	$39,986	34
Notes and accounts payable				
Retail Support International Corp.	$1,545,5104	34	$1,432,040	35
Uni-President Cold-Chain Corp.	86,810	11	465,448	11
Wisdom Distribution Service Corp.	303,392	7	150,535	4
Uni-President Enterprise Corp.	179,468	4	272,468	6
Other	118,308	3	85,788	2
	$2,633,488	59	$2,406,279	58
Accrued expenses				
Retail Support International Corp.	$18,694	2	$20,417	2
President Information Corp.	34,976	4	23,574	2
President Engineering Technology Corp.	21,168	2	-	-
Other	11,624	1	32,152	3
	$86,462	9	$76,143	7

(8) Property transactions

1. According to the stock acquisition and disposal contracts, in which the transaction prices had been appraised by the security analyst, the Company acquired and disposed long-term investments from and to related parties in the year of 2001.

A. Acquisition of marketable securities

Name of related parties	Name of marketable securities	Number of shares	Transaction amount
Uni-President Enterprises Corp.	Uni-President Cold-Chain Corp.	7,139,880	$186,137
	President Musashino Corp.	10,440,000	114,840
	President Transnet Corp.	5,250,000	56,910
	Retail Support International Corp.	2,200,000	84,414
	President Information Corp.	2,400,000	53,184
	Mech-President Corp.	31,219,000	85,540
	Uni-President Oven Bakery Corp.	3,600,000	38,700
	President Yamako Corp.	1,657,500	17,818
President International Development Corp.	President Transnet Corp.	10,500,000	113,820
Nanlien International Corp.	President Information Corp.	500,000	11,080
	Uni-President Organic Corp.	1,000,000	7,190
			$769,633

B. Disposal of marketable securities

Name of related parties	Name of marketable securities	Number of shares	Transaction amount	Gain from disposal
Uni-President Enterprises Corp.	Parabola Creative Inc.	135,000	$1,110	$27
	Scino Pharm Taiwan Ltd.	20,000,000	239,600	38,881
			$240,710	$38,908

2. The Company sold shares of Digital United Inc. to its subsidiary, President China Store (BVI) Corp., at book value of $120,000, to facilitate the oversea IPO. of Digital Network Corp. in January, 2000.

(9) Endorsement and guarantee

The amount endorsed and guaranteed for related parties as of December 31, 2001 are as follows:

Mech-President Corp.	$750,000
President Drugstore Business Corp.	270,000
President Transnet Corp.	280,000
President Packaging Co., Ltd.	134,495
	$1,434,495
President Chain Store (BVI) Corp.	USD3,500

(10) Commitments

According to the "PEC National Building Construction Contract" dated November 1998, the Company, and seven companies (including the Uni-President Enterprises Corp.) will construct PEC National Building with an estimated cost of $5,566,188. The Company's commitment is 5% of the total cost.

6. Pledged Assets

As of December 31, 2001 and 2000, the pledged assets were as follows:

	December 31, 2001	December 31,2000	Purpose of collateral
Land	$290,487	$290,487	Short-term loans and secured loan
Buildings-net	117,541	120,353	Short-term loans and secured loan
	$408,028	$410,840	

7. Contingent Liabilities and Commitments

(1) According to the franchise agreement with The Southland Corporation, the monthly franchise payment to The Southland Corporation is based on monthly sales.

(2) The Company signed the rental agreements with non-related parties to rent store spaces with lease periods ranged from 3 to 12 years. As of December 31, 2001, the Company has pre-paid rent and guaranteed deposits in the amount of $518,657 and $635,713, respectively. Summary of the estimated annual rental expenses of the Company is as follows:

Year	Total rental expenses
2002	$3,317,169
2003	3,198,278
2004	2,896,701
2005	2,396,905
2006 and thereafter	5,485,633
	$17,294,686

(3) As of December 31, 2001, the Company, jointly with other investors, endorsed and guaranteed loans of Kao Hsiung Rapid Transit Corp. at the amount of $100,000.

8. Significant Casualty Loss: None.

9. Significant Subsequent Event

The Company issued 5-year period first secured bonds on January 8, 2002. The bonds were issued at face value amounted to $700,000, and were fully collected in January 2002. This bond issue was approved by the SFC.

10. Other

(1) Information of Investment on Derivative Financial Instruments

The Company has no derivative financial instruments transactions in 2001 and 2000.

(2) Fair Value of Non-derivative Financial Instruments

	December 31, 2001	
	Book value	Fair value
Financial assets		
Financial assets of the same book and fair value	$1,893,547	$1,893,547
Short-term investments	2,233,566	2,252,377
Long-term investments	7,712,817	7,282,443
Guaranteed deposits	666,966	600,150
Financial liabilities		
Financial liabilities of the same book and fair value	$7,311,110	$7,311,110
Long-term loans	3,000,000	2,649,225
Customers deposits	763,938	672,742
Provision for retirement plan	370,165	320,541

a. The fair values of the short-term financial instruments, which include cash and cash equivalents, accounts receivable, other receivables, pledged assets, commercial paper payable, notes payable and accounts payable, income tax payable, accrued expenses and other payables, are their book values at balance sheet date due to their short maturities.

b. The fair values of short-term investments in listed stocks are estimated based on the closing price at balance sheet date. The fair value of short-term open-end fund is based on the fund's net asset value at balance sheet date.

c. The fair values of long-term investments in listed stocks are estimated based on the closing price at balance sheet date. The fair values of long-term investments in equity securities without market price accounted for under the equity method are their underlying equity in the net assets based on the audited financial statements of the investee companies.

The fair values of long-term investments in equity securities without market price accounted at cost are their underlying equity in the net assets based on the unaudited financial statement of the investee companies.

d. The fair values of long-term loans are based on the discounted value of expected future cash inflow and the discount rate is based on the rate of long-term loans of the Company.

e. The fair values of guaranteed deposits and customers' deposit are based on the discounted value of expected future cash inflow and the discount rate is based on the fixed rate of one year time deposit in the post office at December 31, 2001.

f. The fair values of provision for retirement plan is based on the funding status presented on the actuarial report measured at December 31, 2001.

11. Disclosure of Other Information

A. Related information of significant transactions

(1) Lending to others: None

(2) Endorsements and guarantees for others:

Name of parties being guaranteed	Relationship with the Company	Ceiling of guarantee for single party (Note)	Maximum outstanding guarantee amount during the year ended 31st December, 2001	Outstanding guarantee amount at 31st December, 2001	Amount of guarantee with collateral placed	Ratio of accumulated guarantee amount to net asset value of the Company (%)	Ceiling of the outstanding guarantees for the respective party (Note)
Name of the company ／ President Chain Store Corp.							
Mech-President Corp.	A majority-owned subsidiary	$1,995,949	$750,000	$750,000	—	7.52%	$4,989,873
President Drugstore Business Corp.	A majority-owned subsidiary	1,995,949	270,000	270,000	—	2.71%	$4,989,873
President Transnet Corp.	A majority-owned subsidiary	1,995,949	280,000	280,000	—	2.81%	$4,989,873
President Packaging Co., Ltd.	Joint investment	1,995,949	134,495	134,495	—	1.35%	$4,989,873
President Chain Store (BVI) Corp.	A majority-owned subsidiary	1,995,949	USD3,500	USD3,500	—	1.23%	$4,989,873
KaoHsiung Rapid Transit Corp.	Joint investment	1,995,949	100,000	100,000	—	1.00%	$4,989,873

Note: The ceiling of total outstanding guarantees and guarantee for single party is 50% and 20% of the Company's capital, respectively.

(3) Marketable securities held at 31st December, 2001.

Name and type of marketable securities	Relationship of the issuers with the Company	General ledger account	Number of shares	Book value	Percentage	Market value
Name of the company ／ President Chain Store Corp.						
Ton Yi Industrial Corp.	Common board chairman	Short-term Investments	3,261,059	$73,571	-	$13,158
First Commerical Bank	-		1,314,967	85,267	-	27,245
Taiwan Semiconductor Manufacturing Co., Ltd.	-		700,000	76,300	-	58,617
United Microelectornics Corp.	-		805,000	65,119	-	38,525
Grand Pacific Petrochemical Corp.	-		-	301,806	-	179,815
Apollo Solomon Bond Fund	-		13,396,220	140,000	-	142,738
Prudential Financial Return Fund	-		22,927,518	290,202	-	289,925
The Forever Fund	-		17,474,373	230,000	-	231,116
Prudential Bond Fund	-		7,631,865	108,000	-	108,611
Income Bond etc.	-		-	1,171,211	-	1,143,816
				2,541,476		
		Deduct:Valuation allowance		〈307,910〉		
				$2,233,566		

(4) Accumulated additions or disposals of marketable securities exceeding NT$100,000 or 20% of contributed capital:

Name of marketable securities	General ledger account	Counter-parties	Relationship	Beginning balance		Additions（NT$）		Disposals				Other adjustment (Note 1)	Ending balance	
				Number of shares	Amount	Number of shares	Amount	Number of shares	Proceeds from disposal (Note 5)	Book value	Gain (loss) from disposal		Number of shares	Amount
Name of the company ／ President Chain Store Corp.														
Asia Pacific Bond Fund	Short-term Investments	NA	NA	6,300,517	$70,000	138,513,116	$1,569,000	144,813,633	$1,624,508	$1,639,000	$3,508		-	-
Tai-Yu Long-River Bond Fund	〃	〃	〃	-	-	71,060,937	749,000	71,060,937	751,269	749,000	2,269		-	-
James Bond Fund	〃	〃	〃	-	-	66,389,191	918,242	64,118,528	887,874	886,242	1,632		2,270,663	32,000
President Government Bond Fund	〃	〃	〃	-	-	60,604,789	764,000	60,604,789	766,106	764,000	2,106		-	-
En Trust Phoenix Bond Fund	〃	〃	〃	-	-	45,656,137	610,000	38,703,357	518,529	515,000	3,529		6,952,780	95,000
1699 Bond Fund	〃	〃	〃	19,454,172	210,000	158,677,407	1,748,000	171,012,685	1,884,724	1,878,000	6,724		7,118,894	80,000
The Forever Fund	〃	〃	〃	-	-	46,525,007	602,000	29,050,634	373,374	372,000	1,374		17,474,373	230,000
TIIM Bond Fund	〃	〃	〃	-	-	162,193,772	2,050,000	155,201,417	1,966,273	1,960,000	6,273		6,992,355	90,000
TIIM Bond Fund	〃	〃	〃	-	-	24,770,393	269,000	24,770,393	273,728	269,000	4,278		-	-
Trustwell Dashin Bond Fund	〃	〃	〃	-	-	125,608,889	1,425,000	117,861,755	1,337,720	1,335,000	2,720		7,747,134	90,000
Shinkong Chin Fund	〃	〃	〃	15,913,051	200,000	12,940,575	179,000	28,853,626	380,219	379,000	1,219		-	-
Barits Bond Fund	〃	〃	〃	-	-	79,010,318	865,000	70,358,785	771,137	769,000	2,137		8,651,533	96,000
Union Bond Fund	〃	〃	〃	-	-	33,235,052	360,000	28,700,481	310,949	310,000	949		4,534,571	50,000
Ta Chong Bond Fund	〃	〃	〃	-	-	26,030,277	299,000	21,823,577	249,276	249,000	276		4,206,700	50,000
Polaris Deli Bond Fund	〃	〃	〃	-	-	38,934,113	525,000	38,934,113	530,386	525,000	5,386		-	-
Safe Income Bond	〃	〃	〃	-	-	90,628,103	1,184,000	90,628,103	1,186,484	1,184,000	2,484		-	-
Prudentail Bond Fund	〃	〃	〃	-	-	59,620,084	835,000	51,988,219	729,037	727,000	2,037		7,631,865	108,000
Apollo Solomon Bond Fund	〃	〃	〃	4,925,672	50,000	32,852,016	339,000	24,381,468	249,726	249,000	726		13,396,220	140,000
Presdner Taiwan Bond Dam Fund	〃	〃	〃	-	-	31,589,240	328,000	31,589,240	328,457	328,000	457		-	-
JTH Sun Bond Fund	〃	〃	〃	-	-	51,882,929	640,000	51,882,929	641,253	640,000	1,253		-	-
Grand Cathy Stable Bond Fund	〃	〃	〃	-	-	15,820,225	160,000	15,820,225	162,567	160,000	2,567		-	-
China I.R. Fnd	〃	〃	〃	-	-	9,845,196	100,000	9,845,196	100,030	100,000	30		-	-
Prudential Funancial Fund	〃	〃	〃	-	-	21,872,866	290,522	21,872,866	290,740	290,522	218		-	-
Prudential Funancial Fund	〃	〃	〃	-	-	48,409,078	610,202	25,481,560	320,612	320,000	612		22,927,518	290,202
5599 Bond Fund	〃	〃	〃	-	-	13,541,689	136,500	13,541,689	137,240	136,500	740		-	-
Shinkong Chi-Shin Fund	〃	〃	〃	-	-	14,594,911	189,000	14,594,911	189,763	189,000	763		-	-
NITC Taiwan Bond Fund	〃	〃	〃	-	-	33,830,463	428,000	33,830,463	428,982	428,000	982		-	-
Books.com Co., Ltd.	Long-term Investments	Original Subscription	-	-	-	10,000,000	100,400	-	-	-	-	〈70,555〉	10,000,000	29,845
Uni-President Takashimaya Co., Ltd.	〃	〃	-	-	-	12,500,000	125,000	-	-	-	-	〈1,745〉	12,500,000	123,255
President Drugstore Business Corp.	〃	〃	-	19,800,000	69,226	-	120,000	-	-	-	-	〈14,802〉	19,800,000	174,424
President Transnet Corp.	〃	Note 3	Note 3	12,250,000	79,683	27,350,000	286,730	-	-	-	-	〈204,733〉	39,600,000	161,680
President Musashino Corp.	〃	Note 2	Note 2	5,940,000	48,089	23,940,000	249,840	-	-	-	-	8,188	29,880,000	306,117
Uni-President Cold-Chain Corp.	〃	Note 2	Note 2	5,940,000	73,905	8,339,760	186,137	-	-	-	-	33,554	14,279,760	293,596
Dayeh Takashimaya Taiwan Inc.	〃	Note 4	-	-	-	20,000,000	270,000	-	-	-	-		20,000,000	270,000
Scino Pharm Taiwan Ltd.	〃	Note 2	Note 2	20,000,000	200,000	-	-	20,000,000	238,881	200,000	38,881		-	-

Note 1: Include investment income (loss) and adjustment of capital reserve due to the Company's disproportionate subscription to the subsidiaries issuance of new shares.
Note 2: $135,000 is original subscription; $114,840 is the amount bought from Uni-President Enterprises Corp.
Note 3: $116,000 is original subscription; $113,820 and $56,910 are the amounts bought from Uni-President Enterprises Corp. and President International Development Corp., respectively.
Note 4: Takashimaya Co., Ltd.
Note 5: Net of security-transaction tax.

(5) Real estate acquired exceeding NT$100,000 or 20% of contributed capital: None.

(6) Proceeds from disposals of real estate exceeding NT$100,000 or 20% of contributed capital: None

(7) Purchases from and sales to related parties exceeding NT$100,000 or 20% of contributed capital:

Name of the counterparty	Relationship with the counterparty	Description of the transactions (NT$) Purchases (sales)	Amount	% of total purchases (sales)	Credit terms	Disclosure of non-standard transaction terms Price	Terms	Accounts or notes receivable (payable) Balance	% of total accounts or notes receivable (payable)	Note
Name of the Company ／President Chain Store Corp.										
Retail Support International Corp.	Investee company accounted for under the equity method	Purchases	$15,280,112	33	15-40 days after the month of billing	Note 1	No significant difference	⟨$1,545,510⟩	34	Note 2
Uni-President Cold-Chain Corp.	〃	〃	6,537,045	14	15-30 days after the month of billing	Note 1	No significant difference	⟨486,810⟩	11	
Wisdom Distribution Service Corp.	〃	〃	2,796,441	6	15-25 days after the month of billing	Note 1	No significant difference	⟨303,392⟩	7	
Uni-President Enterprises Corp.	Shareholder of the Company	〃	2,199,676	5	15-30 days after the month of billing	No significant difference	No significant difference	⟨179,468⟩	4	
Nanlien International Corp.	A subsidiary of Uni-President Enterprises Corp.	〃	503,434	1	15-20 days after the month of billing	No significant difference	No significant difference	⟨28,737⟩	1	
President Musashino Corp.	Investee company accounted for under the equity method	〃	569,821	1	15 days after the month of billing	No significant difference	No significant difference	⟨41,174⟩	1	
President Transnet Corp.	〃	〃	118,552	-	15-60 days after the month of billing	No significant difference	No significant difference	⟨20,958⟩	-	
Retail Support International Corp.	〃	Other operating income	140,330	-	15-40 days after the month of billing	No significant difference	No significant difference	87,498	30	

Note 1 : Based on cost plus basis

Note 2 : Prepayment for goods as of December 31,2001 is $91,200.

(8) Receivables from related parties exceeding NT$100,000 or 20% of contributed capital:

Name of the Company	Name of the counterparty	Relationship with the counterparty	(NT$) Balance of receivables from related parties at 31st December, 2001		Turnover rate	Overdue receivables Amount	Action adopted for overdue accounts	Subsequent collections		Bad debts allowance provided
President Chain Store Corp.	Retail Support International Corp.	Investee company accounted for under the equity method	Accounts receivable	$87,498	NA	-	-	Accounts receivable	$87,498	$-
			Other receivables	$203,386				Other receivables	$163,983	

Receivables not collected amounted to $44,403 represents commissions receivable for recycle of plastic bottles. The receivables will not be collected until the environment protection institutes certify the recycled bottles.

(9) Transactions of financial instruments: None.

B. Related information of investment:

(1) Related information of investee companies:

The investee company Name	Address	Major operating activities	(NT$) (See Note 2) Accumulated capital infusion as at 31st December, 2001	2000	Holding status Shares	Percentage	Boaok value	Net income (loss) of investee company	Investment income (loss) recognized by the Company	Relationship with the Company
Name of the company ／President Chain Store Corp.										
President Packaging Co., Ltd.	Tainan, Taiwan	Paking and selling of container	$26,016	$26,016	4,062,659	26.02%	$52,733	$38,853	$ 9,842	Affiliated Company
Duskin Serve Taiwan Co., Ltd.	Taipei, Taiwan	Selling and renting of cleaning instruments	153,000	153,000	15,300,000	51.00%	32,306	2,808	1,432	The Company's subsidiary
President Drugstore Business Corp.	Taipei, Taiwan	Selling of drugs and cosmetics	396,000	276,000	19,800,000	99.99%	174,424	⟨17,828⟩	⟨14,802⟩	The Company's subsidiary
President Direct Marketing Corp.	Taipei, Taiwan	Selling of house hold goods by catalogs	50,000	50,000	7,000,000	99.99%	50,473	⟨2,308⟩	⟨1,427⟩	The Company's subsidiary
Ren-Hui Investment Corp.	Taipei, Taiwan	Professional investment	198,000	198,000	19,800,000	99.99%	146,261	10,528	10,528	The Company's subsidiary
President Coffee Corp.	Taipei, Taiwan	Selling of Coffee	99,000	99,000	9,900,000	50.00%	50,090	⟨26,127⟩	⟨13,064⟩	Affiliated Company
Capital Inventory Services Corp.	Taipei, Taiwan	Inventory consulting	30,000	30,000	3,729,000	99.99%	50,706	10,312	10,095	The Company's subsidiary
Mech-President Corp.	Tainan, Taiwan	Gas station and electric wire	276,940	191,400	43,759,000	66.30%	147,290	⟨1,363⟩	⟨19,316⟩	The Company's subsidiary
Wisdom Distribution Service Corp.	Taipei, Taiwan	Delivery of magazine	50,000	50,000	7,540,000	99.99%	99,805	21,529	21,134	The Company's subsidiary
Uni-President Organics Corp.	Taipei, Taiwan	Selling of agricultural goods	27,190	20,000	3,000,000	30.00%	13,915	⟨24,557⟩	⟨4,911⟩	
Uni-President Cold-Chain Corp.	Tainan, Taiwan	Delivery of cold or freezed food	237,437	51,300	14,279,760	60.00%	293,596	99,594	33,554	The Company's subsidiary
President Musashino Corp.	Taipei, Taiwan	Food cooking and research	309,240	59,400	29,880,000	60.00%	306,117	27,262	10,037	The Company's subsidiary
President Information Corp.	Taipei, Taiwan	Information con sulting	100,264	36,000	7,150,000	54.17%	113,138	25,960	7,985	The Company's subsidiary
President Transnet Corp.	Taipei, Taiwan	Delivery and selling of food and merchandise	409,230	122,500	39,600,000	80.00%	161,680	⟨369,759⟩	⟨204,733⟩	The Company's subsidiary
President Yamako Corp.	Tainan, Taiwan	Bakery	34,393	16,575	3,315,000	51.00%	31,371	⟨9,664⟩	⟨2,986⟩	The Company's subsidiary
Uni-President Oven Bakery Corp.	Tainan, Taiwan	Selling of bread	110,700	72,000	10,800,000	60.00%	84,863	⟨61,608⟩	⟨25,903⟩	The Company's subsidiary
President Chain Store (BVI) Corp.	BVI	Professional investment	1,207,067	934,642	37,442,749	100.00%	1,179,960	⟨81,585⟩	⟨81,585⟩	The Company's subsidiary
Retail Support International Corp.	Chung-Li, Taiwan	Delivery of food	91,414	7,000	5,000,000	25.00%	106,808	85,963	17,685	Affiliated Company
Uni-President Yellow Hat Co., Ltd.	Taipei, Taiwan	Selling of car compo-nents	28,500	28,500	2,850,000	15.00%	24,545	⟨26,369⟩	⟨3,955⟩	
Books.com Co., Ltd.	Taipei, Taiwan	Internet bookstore	100,400	-	10,000,000	50.025%	29,845	⟨60,168⟩	⟨28,594⟩	The Company's subsidiary

⟨Forward⟩

The investee company			(NT$) (See Note 2) Accumulated capital infusion as at 31st December,		Holding status			Net income (loss) of investee company	Investment income (loss) recognized by the Company	Relationship with the Company
Name	Address	Major operating activities	2001	2000	Shares	Percentage	Book value			
Name of the company ／ President Chain Store Corp.										
President Technology Corp.	Taipei, Taiwan	Wholesale of electric products and machine	50,000	-	5,000,000	100.00%	50,270	270	270	The Company's subsidiary
President Engineering Technology Corp.	Taipei, Taiwan	install of electric products and machine	35,000	-	3,500,000	70.00%	35,261	261	261	The Company's subsidiary
Uni-President Takashimaya Co., Ltd.	Taipei, Taiwan	Department stores and restaurants	125,000	-	12,500,000	50.00%	123,255	(3,489)	(1,745)	
Name of the company ／ Retail Support Taiwan Corp.										
Shen Hung Corp.	Taipei, Taiwan	Delivery of food	15,300	15,300	1,759,500	51.00%	24,063	10,578	-	
President Logistics Transportation Corp.	Chung-Li, Taiwan	Delivery	36,000	26,000	3,500,000	58.33%	40,396	8,377	-	
Name of the company ／ President Chain Store (BVI) Corp.										
President Coffee (Cayman) Holdings Ltd.	British Cayman Islands	Professional investment	USD3,000	USD3,000	-	50.00%	USD1,354	(USD1,552)	-	Affiliated Company
President Chain Store (Labuan) Holdings Ltd.	Labuan Island	Professional investment	USD19,910	USD19,910	-	100.00%	USD17,871	(USD1,640)	-	The Company's indirect subsidiaries
Name of the company ／ President Coffee (Cayman) Holdings Ltd.										
Shanghai President Coffee Corp.	Shang-Hai, China	Selling of Coffee	USD4,000	USD4,000	-	100.00%	USD2,151	(USD1,041)	-	Affiliated Company
Name of the company ／ President Chain Store (Lobuan) Holdings Ltd.										
Phippine Seven Corp.	Philippine	Selling of house hold goods	USD19,882	USD19,882	119,575,008	50.40%	USD17,847	(PESO36,682)	-	The Company's indirect subsidiaries
Name of the company ／ Philippine Seven Corp.										
Convenience Distribution Inc.	Philippine	Delivery and storeage	PESO38,000	PESO7,500	3,800,000	100.00%	PESO42,585	(PESO459)	-	The Company's indirect subsidiaries
Store Sites Holdings Inc.	Philippine	Professional investment	PESO42,742	PESO42,742	40,000	40.00%	PESO43,152	PESO950	-	
Name of the company ／ Mech-President Corp.										
Shanghai President Machine Corp.	Shang-Hai, China	Manufacturing of elevators, machanic	$17,182	$-	-	100.00%	$17,064	$-	-	
Safety Elevator Corp.	Tainan, Taiwan	garages and car-wash machines Intstall of elevators	1,000	1,000	100	99.99%	698	(35)	-	

2. As either the total assets or sales of the investee companies, which the Company has direct or indirect control over, do not exceed 10% of those of the Company, only the following information are disclosed:

(1) Lending to others:None.

(2) Endorsements and guarantees for others: None.

Name of the company	Name of parties being guaranteed	Relationship with the Company	Ceiling of guarantee for single party (Note)	Maximum outstanding guarantee amount during the year ended 31st December, 2001	Outstanding guarantee amount at 31st December, 2001	Amount of guarantee with collateral placed	Ratio of accumulated guarantee amount to net asset value of the Company (%) (Note)	Ceiling of the outstanding guarantees for the respective party (Note)
President Chain Store (BVI) Corp.	Shanghai President Coffee Corp.	Joint investment	USD6,752	USD3,500	USD3,500	-	10.37%	USD16,881

Note: The ceiling of total outstanding guarantees and guarantee for single party is 50% and 20% of President Chain Store (BVI) Corp's. capital, respectively.

(3) Marketable securities held at 31st December, 2001:

Name of the company	Name of marketable securities	(NT$) Relationship of the issuers with the Company	General ledger account	31st December, 2001 Number of shares	Book value	Percentage	Market value
President Direct Marketing Corp.	Asia Pacific Bond Fund etc.	-	Short-term Investments	-	$76,604	-	$69,670
Ren-Hui Investment Corp.	Acer Inc. etc.	-		-	158,730	-	57,886
	Trustwell Dashin Bond Fund etc.	-		-	86,310	-	88,379
Capital Inventory Services Corp.	James Bond Fund etc.	-		-	46,953	-	48,367
Wisdom Distribution Service Corp.	Union Bond etc.	-		-	69,000	-	69,122
President Drugstore Business Corp.	En Trust Kirin Bond Fund	-		400,000	4,000	-	4,030
President Information Corp.	James Bond Fund etc.	-		-	39,827	-	41,642
Uni-President Cold-Chain Corp.	〃	-		-	64,136	-	64,261
President Packaging Co., Ltd.	〃	-		-	7,000	-	7,003
Retail Support International Corp.	〃	-		-	113,247	-	113,309
Shen Hung Corp.	〃	-		-	4,487	-	4,493
President Logistics Transportation Corp.	James Bond Fund	-		-	73,498	-	73,664
President Coffee Corp.	〃	-		-	60,019	-	58,202
President Transnet Corp.	Quality Growth Fund	-		200,000	2,000	-	930
Uni-President Oven Bakery Corp.	Home-Run Bond Fund	-		4,822,297	61,219	-	61,937
President Engineering Technology Corp.	Prudential Bond Fund	-		704,747	100,000	-	10,029
President Yamako Corp.	Money MGM'T Fund	-		220,454	3,000	-	3,024

(4) Accumulated additions or disposals of marketable securities exceeding NT$100,000 or 20% of contributed capital:

Name of marketable securities	General ledger account	Counterparties	Relationship	Beginning balance Number of shares	Beginning balance Amount	(NT$) Additions Number of shares	(NT$) Additions Amount	Disposals Number of shares	Disposals Proceeds from disposal	Disposals Book value	Disposals Gain (loss) from disposal	Ending balance Number of shares	Ending balance Amount
Name of the company ／Retail Support International Corp.													
Home-Run Bond Fund	Short-term Investments	NA	NA	6,110,738	$74,770	124,319,117	$1,560,600	130,342,305	$1,637,137	$1,634,245	$2,892	87,550	$1,125
James Bond Fund	〃	〃	〃	-	-	202,442,229	2,811,153	194,524,564	2,703,559	2,699,187	4,372	7,917,665	111,966
NTTC Bond Fund	〃	〃	〃	-	-	2,945,519	442,740	2,944,476	442,910	442,583	327	1,043	157
Name of the company ／Wisdom Distribution Service Corp. etc.													
NTTC Bond Fund	〃	〃	〃	105,531	15,000	939,565	140,000	1,045,096	155,731	155,000	731	-	-
Home-Run Bond Fund	〃	〃	〃	1,229,368	15,000	13,413,949	170,000	14,643,317	185,771	185,000	771	-	-
En Trust Phoenix Bond Fund	〃	〃	〃	-	-	9,866,923	135,000	7,384,333	101,134	101,000	134	2,482,590	34,000
Union Bond Fund	〃	〃	〃	961,461	10,123	18,675,327	206,000	16,489,052	181,984	181,123	861	3,147,736	35,000
Tai-Yu Long-River Bond Fund	〃	〃	〃	-	-	13,489,276	145,000	13,489,276	145,189	145,000	189	-	-
JTH Sun Bond Fund	〃	〃	〃	-	-	13,814,480	170,000	13,814,480	170,537	170,000	537	-	-
James Bond Fund	〃	〃	〃	-	-	28,192,788	392,500	28,192,788	393,009	392,500	509	-	-
Name of the company ／Uni-President Cold-Chain Corp.													
James Bond Fund	〃	〃	〃	3,099,473	41,735	121,863,322	1,688,000	122,200,450	1,693,135	1,690,735	2,400	2,762,345	39,000
Income Bond Fund	〃	〃	〃	1,190,715	17,342	30,832,143	457,500	32,022,858	475,358	474,842	516	-	-
Prudential Bond Fund	〃	〃	〃	1,218,721	16,511	50,445,550	699,000	51,664,271	716,370	715,511	859	-	-
Income II Bond Fund	〃	〃	〃	-	-	20,214,816	267,000	19,985,998	264,208	263,938	270	228,818	3,062
Home Fund Bond Fund	〃	〃	〃	-	-	16,531,546	212,000	14,810,311	190,000	189,926	74	1,721,235	22,074
Ta Chong Bond Fund	〃	〃	〃	-	-	31,839,145	370,000	31,839,145	370,349	370,000	349	-	-
Name of the company ／President Information Corp.													
James Bond Fund	〃	〃	〃	2,530,114	34,075	13,478,430	186,000	15,724,619	216,959	216,075	884	283,934	4,000
Name of the company ／President Drugstore Business Corp.													
James Bond Fund	〃	〃	〃	-	-	13,923,119	193,000	13,923,119	193,554	193,000	554	-	-
Name of the company ／Uni-President Oven Bakery Corp.													
Home Run Bond Fund	〃	〃	〃	6,721,079	82,128	6,597,067	84,000	8,495,849	108,000	104,909	3,091	4,822,297	61,219

C. Disclosure of investment in mainland China:

(1) Basic information as of and for the nine-month periods ended 31st December, 2001:

Share of the investee company in mainland China	Main activities of investee company	Capital	Investment method	Accumulated amount remitted out from Taiwan at the beginning of the period	Transactions during the period: Remitted amount	Transactions during the period: Collected amount	Accumulated amount remitted out from Taiwan at the end of the period	Percentage directly or indirectly owned by the Company
Shanghai President Coffee Corp.	Selling of coffee	USD4,000	Invested by the Company's subsidiary	USD2,000	$ -	$ -	USD2,000	50%

Investment income (loss) recognized during the period	Book value of investment at the end of the period	Investment income collected as of the end of the period	Accumulated amount wired out from Taiwan to Mainland China as of the end of the period	Investment amount approved by FIC of MOEA	Ceiling of investment amount of the Company
(USD 520)	USD 1,076	–	USD 2,000	USD 2,000	3,493,924

(2) Major transactions with the investee company in mainland China: None.

12. Segment Information: None

CONSOLIDATED BALANCE SHEET December 31 of 2001& 2000

(Expressed in Thousands of New Taiwan Dollars)

	2001 Amount	2001 %	2000 Amount	2000 %
ASSETS				
Current Assets				
Cash and cash equivalent (Notes 2 and 4(1))	$1,672,779	7	$682,988	4
Short-term investments (Notes 2 and 4(2))	2,367,633	10	902,569	5
Accounts receivable-third parties (Notes 2 and 5)	456,893	2	318,842	2
Other receivables-third parties (Notes 2, 4(9) and 5)	672,934	3	596,873	3
Inventories (Notes 2 and 4(3))	2,538,042	10	2,008,490	11
Prepayments (Notes 4(9), 5, 6 and 7)	820,159	3	744,393	4
Total Current Assets	8,528,440	35	5,254,155	29
Long-term Investments (Notes 2 and 4(4))	5,978,701	24	6,164,126	34
Property, Plant and Equipment				
(Notes 2, 4(5), 5, 6 and 7)				
Cost:				
Land	2,202,189	9	1,860,184	10
Buildings	1,062,488	4	772,201	4
Operating equipment	6,185,535	25	4,947,137	27
Leasehold improvement	2,764,404	11	2,081,525	12
Other equipment	1,024,830	4	115,931	1
Cost and revaluation	13,239,446	53	9,776,978	54
Less: Accumulated depreciation	(5,008,261)	(20)	(3,874,278)	(21)
Construction in progress and advance to suppliers	215,355	1	16,320	-
	8,446,540	34	5,919,020	33
Intangible Assets				
Trademarks and Tradenames	12,500	-	-	-
Franchise (Note 7)	6,858	-	-	-
Goodwill	23,170	-	-	-
Total Intangible Assets	42,528	-	-	-
Other Assets				
Guarantee deposits (Note 7)	849,936	4	616,950	4
Other (Note 4(9))	817,409	3	13,851	-
	1,667,345	7	630,801	4
TOTAL ASSETS	$24,663,554	100	$17,968,102	100

The accompanying notes are an integral part of the financial statements.
Please refer to the report of independent accountants dated March 1, 2002.

CONSOLIDATED BALANCE SHEET

December 31 of 2001 & 2000 (Expressed in Thousands of New Taiwan Dollars)

	2001 Amount	2001 %	2000 Amount	2000 %
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current Liabilities				
Short-term Loan	$188,812	1	$ -	-
Commercial paper payable	917,659	4	-	-
Notes payable-third parties (Note 5)	822,045	3	1,170,076	7
Accounts payable-third parties	2,417,857	10	1,217,899	7
Accounts payable-related parties (Note 5)	1,771,470	7	2,055,276	11
Income tax payable (Notes 2 and 4(9))	284,821	1	405,137	2
Accrued expenses (Notes 4(6) and 5)	1,278,805	5	976,732	5
Other payables (Note 4(6))	1,121,054	5	903,299	5
Cash in advance	106,000	-	98,252	1
Current portion of long-term liabilities (Note 4(7) and 5)	795,638	3	85,812	-
Total Current Liabilities	9,704,161	39	6,912,483	38
Long-term Liabilities				
Long-term loans (Note 4(7))	2,942,904	12	1,204,415	7
Long-term payables-related parties (Note 5)	240,206	1	-	-
Total Long-term Liabilities	3,183,110	13	1,204,415	7
Other Liabilities				
Provision for retirement plan (Notes 2 and 4(8))	411,664	2	367,539	2
Customers' deposits	764,605	3	685,538	4
Total Other Liabilities	1,176,269	5	1,053,077	6
TOTAL LIABILITIES	14,063,540	57	9,169,975	51
Stockholders' Equity				
Common stock (Note 4(10))	6,936,495	28	6,031,735	34
Capital reserve				
Gain on disposal of property, plant and equipment (Note 2)	73,005	-	73,005	-
Long-term investments	-	-	1,866	-
Retained earnings (Note 4(11))				
Legal reserve	1,066,507	4	890,422	5
Unappropriated	1,816,491	8	1,763,095	10
Cumulative translation adjustment	87,248	-	38,004	-
Minority Interest in Subsidiaries	620,268	3	-	-
Total Stockholders' Equity	10,600,014	43	8,798,127	49
Contingent Liabilities and Commitments (Notes 5 and 7)				
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$24,663,554	100	$17,968,102	100

CONSOLIDATED STATEMENT OF INCOME

Years Ended December 31of 2001 & 2000 (Expressed in Thousands of New Taiwan Dollars Except for Earnings Per Share Amount)

	2001 Amount	2001 %	2000 Amount	2000 %
Operating Revenues				
Gross sales (Notes 2 and 5)	$69,553,299	98	$56,207,200	98
Less: Sales allowance	(43,832)	-	(5,494)	-
Net sales	69,509,467	98	56,201,706	98
Other (Notes 2 and 5)	1,353,358	2	1,080,392	2
	70,862,825	100	57,282,098	100
Operating Costs				
Cost of goods sold (Notes 2 and 5)	(49,474,731)	(70)	(39,923,040)	(70)
Gross Profit	21,388,094	30	17,359,058	30
Operating Expenses (Note 5)				
Selling expenses	(16,684,311)	(23)	(13,739,174)	(24)
Administrative and general expenses	(2,645,199)	(4)	(1,377,606)	(2)
	(19,329,510)	(27)	(15,116,780)	(26)
Operating Income	2,058,584	3	2,242,278	4
Other Income				
Interest income	35,637	-	36,544	-
Gain on disposal of property, plant and equipment	2,640	-	25,176	-
Gain on sale of investments	114,918	-	192,638	-
Rental income (Note 5)	74,879	-	60,157	-
Gain on recovery of short-term investment revaluation	33,609	-	-	-
Others (Note 5)	507,694	1	484,232	1
	769,377	1	798,747	1
Other Expenses				
Interest expenses	(207,723)	-	(38,875)	-
Loss from investments (Notes 2 and 4(4))	(250,023)	(1)	(519,475)	(1)
Loss on disposal of property, plant and equipment	(47,546)	-	(34,473)	-
Others	(53,418)	-	(13,576)	-
	(558,710)	(1)	(606,399)	(1)
Income Before Income Taxes	2,269,251	3	2,434,626	4
Income Taxes Expenses (Note 4(9))	(539,368)	-	(648,982)	(1)
	1,729,883	3	1,785,644	3
Minority Interest in Loss of Subsidiaries	112,865	-	-	-
Net Income	$1,842,748	3	$1,785,644	3
Earnings Per Common Share (in dollars) (Note 4(12))				
Net income	$2.50		$2.57	
Minority Interest in Subsidiaries	0.16		-	
	$2.66		$2.57	

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

Years Ended December 31of 2001 & 2000 (Expressed in Thousands of New Taiwan Dollars)

		Capital Reserve		Retained Earnings				
For the year ended December 31, 2000	Common stock	Gain on disposal of property, plant and eqipment	Long-term Investments	Legal reserve	Unappropriated	Cumulative translation adjustment	Minority Interest	Total
Balance at January 1, 2000	$5,164,157	$48,205	$1,866	$723,642	$1,675,036	$-	$-	$7,612,906
Distribution of net income of 1999：								
Appropriation of legal reserve	-	-	-	166,780	(166,780)	-	-	-
Employees' bonuses	-	-	-	-	(30,020)	-	-	(30,020)
Directors' and supervisors' renumeration	-	-	-	-	(30,021)	-	-	(30,021)
Issuance of stock dividends	867,578	-	-	-	(867,578)	-	-	-
Issuance of cash dividends	-	-	-	-	(578,386)	-	-	(578,386)
Net income for 2000	-	-	-	-	1,785,644	-	-	1,785,644
Gain on disposal of property, plant and equipment transferred to capital reserve	-	24,800	-	-	(24,800)	-	-	-
Cumulative translation adjustment	-	-	-	-	-	38,004	-	38,004
Balance at December 31, 2000	$6,031,735	$73,005	$1,866	$890,422	$1,763,095	$38,004	$-	$8,798,127
For the year ended December 31, 2001								
Balance at January 1, 2001	$6,031,735	$73,005	$1,866	$890,422	$1,763,095	$38,004	$-	$8,798,127
Distribution of net income of 2000：								
Appropriation of legal reserve	-	-	-	176,085	(176,085)	-	-	-
Employees' bonuses	-	-	-	-	(31,695)	-	-	(31,695)
Directors' and supervisors' renumeration	-	-	-	-	(31,695)	-	-	(31,695)
Issuance of stock dividends	904,760	-	-	-	(904,760)	-	-	-
Issuance of cash dividends	-	-	-	-	(603,173)	-	-	(603,173)
Net income for 2001	-	-	-	-	1,842,748	-	-	1,842,748
Cumulative translation adjustment	-	-	-	-	-	49,244	-	49,244
Adjustment of capital reserve due to the Company's disproportionate subscription to the subsidiaries issuance of new shares	-	-	(1,866)	-	(41,944)	-	-	(43,810)
Minority Interest in Subsidiaries	-	-	-	-	-	-	620,268	620,268
Balance at December 31, 2001	$6,936,495	$73,005	$-	$1,066,507	$1,816,491	$87,248	$620,268	$10,600,014

CONSOLIDATED STATEMENT OF CASH FLOWS

Years Ended December 31of 2001 & 2000 (Expressed in Thousands of New Taiwan Dollars)

	2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$1,842,748	$1,785,644
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	1,407,397	1,067,574
Amortization	99,619	2,485
(Reversal) loss of short-term investments decline in market value	(33,609)	258,476
Investment loss recognized under equity method	65,326	279,793
Loss on permanent decline in value of long-term investments	191,051	-
Cash dividends from equity subsidiaries	3,360	61,026
Gain on sale of investments	(38,907)	(4,004)
Loss on disposal of property, plant and equipment	44,906	12,765
Casualty loss	25,240	-
Changes in assets and liabilities:(Increase) decrease in assets		
Accounts receivable	60,865	(141,116)
Other receivables	36,582	(200,462)
Inventories	(352,103)	(270,575)
Prepayments	38,831	(46,643)
Increase (decrease) in liabilities		
Notes payable	(64,954)	(163,915)
Accounts payable	15,359	438,980
Income tax payable	(137,086)	153,590
Accrued expenses	98,490	258,486
Other payables	86,611	2,803
Cash in advance	4,470	12,595
Deferred income tax	(51,812)	(268)
Provision for retirement plan	42,416	(13,674)
Net cash provided by operating activities	3,384,800	3,493,560
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase) Decrease in short-term investments	(1,263,842)	631,229
Cash purchase of property, plant and equipment	(1,923,571)	(1,276,073)
Proceeds from disposal of property, plant and equipment	34,121	66,716
Increase in long-term investments-subsidiaries	(464,097)	(934,642)
Increase in long-term investments-non-subsidiaries	(836,941)	(3,135,981)
Proceeds from sale of long-term investments	239,987	125,544
Increase in guarantee deposits	(83,550)	(76,368)
Increase in other assets	(68,171)	(3,460)
Increase in consolidated debit	(277,984)	-
Net cash used for investing activities	(4,644,048)	(4,603,035)

(forward)

Consolidated Financial Statements

Year, 2001 and 2000

(Expressed in Thousands of New Taiwan Dollars)

	2001	2000
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	$141,906	$-
Payments of cash dividends	575,178	-
Increase in commercial paper payable	1,975,646	1,290,227
Increase in long-term loans	78,660	108,664
Increase in customers' deposits	(603,173)	(578,386)
Payments of employees' bonuses and directors' and supervisors' remuneration	(63,390)	(85,154)
Payments of property, plant and equipment purchased last year	(179,080)	(101,386)
Decrease in Minority Interest in Subsidiaries	(189,926)	-
Net cash provided by financing activities	1,735,821	633,965
Adjustment of currency exchange	49,244	-
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENT	525,817	(475,510)
CASH AND CASH EQUIVALENT, BEGINNING OF YEAR	1,146,962	1,158,498
CASH AND CASH EQUIVALENT, END OF YEAR	$1,672,779	$682,988
Supplemental disclosures of cash flow information		
Interest paid	$153,800	$36,466
Income taxes paid	$750,537	$495,392
Investing and financing activities of partial payment on cash:		
Purchase of property, plant and equipment	$2,471,791	$1,353,592
Less: other payables	(548,220)	(77,519)
Cash purchase of property, plant and equipment	$1,923,571	$1,276,073

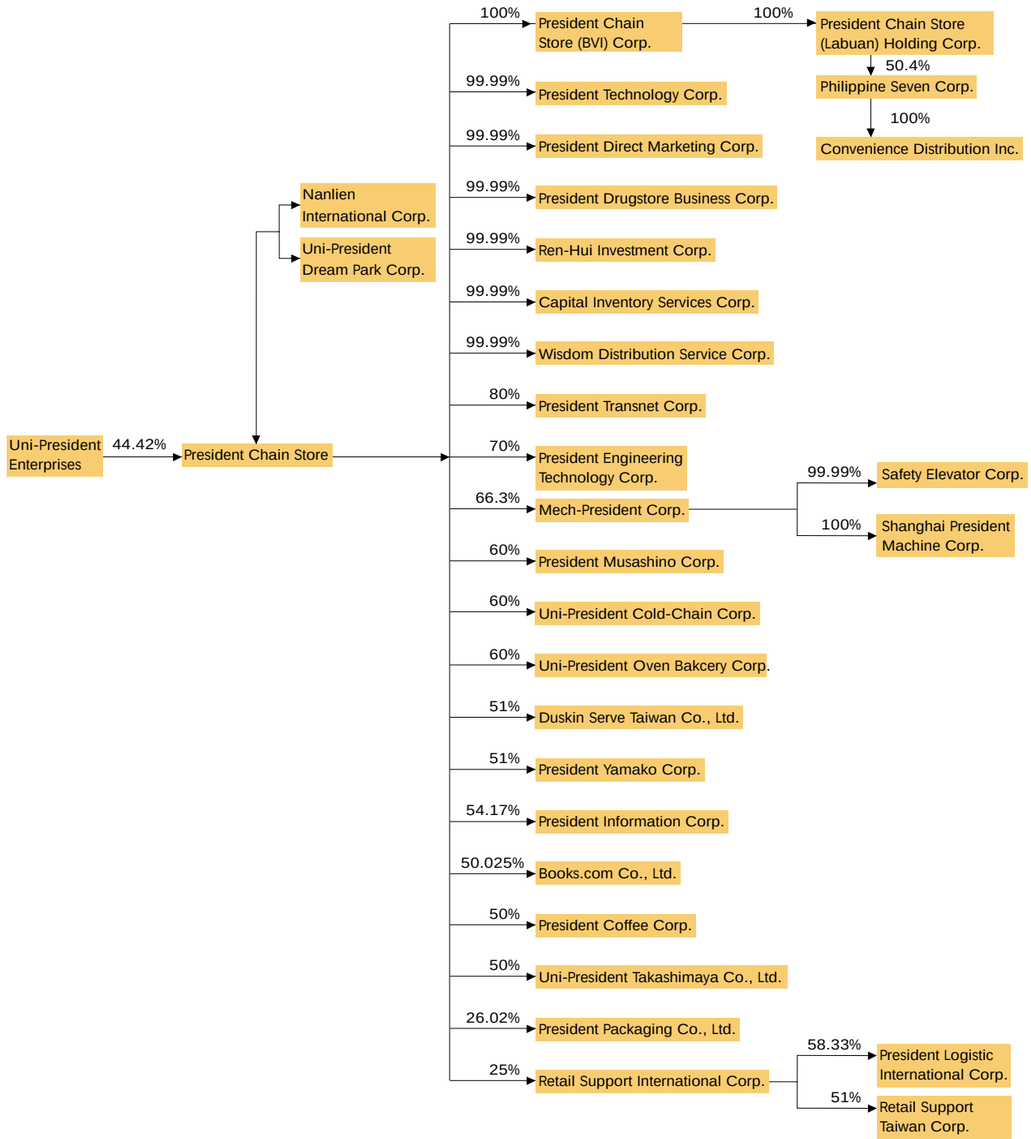
Consolidated Business Report of Affiliated Enterprises

December 31,2001

1. The overview of the affiliates

(1) The overview of the organization of the affiliates

A. The organizational chart of the affiliates



B. President Chain Store Corp. presumed to have a relationship of control and subordination under Article 369-3 of the Company Law with the following companies, and the details are as follows:

Name of the affiliated enterprise	Name of shareholders or directors in common	Total shareholding %
Nanlien International Corp.	Hsu, Chung Jen; Yen, Po Ming; Lin, Chang Sheng; Huang, Xian Yan; Lin, Lung Yi	99.99%
Uni-President Dream Park Corp.	Lin, Chang Sheng; Yen, Po Ming; Hsu, Chung Jen, Lo Chin Hsien; Huang, Xian Yan	99.99%

C. President Chain Store Corp. has a direct or indirect control over the management of the personnel, financial or business operation of the following companies, and is considered to be the controlling company under Article 369-2 of the Company Law.

Name of the affiliated enterprise	Relationship
President Coffee Corp.	The appointee of President Chain Store Corp. is engaged as general manager of the affiliated enterprise.
Retail Suppory International Corp.	The appointee of President Chain Store Corp. is engaged as general manager of the affiliated enterprise.
Uni-President Takashimaya Co., Ltd.	The appointee of President Chain Store Corp. is voted as the chairman of the affiliated enterprise.
President Packaging Co., Ltd.	The appointee of President Chain Store Corp. is voted as the chairman of the affiliated enterprise.

(2) The information of the affiliates

Expressed in Thousand of New Taiwan Dollars

Name of the Company	Date of incorporation	Address	Paid-in capital	Main business items
President Chain Store (BVI) Corp.	1998.07.09	Tropic Isle Building, P.O. Box 438, Road Town, Trotola, British Virgin Islands	USD 37,443 (Note)	Professional Investment
President Direct Marketing Corp.	1995.09.18	8F, No.8 Tung Hsing Rd., Taipei, Taiwan	70,000	Selling of household goods by catalogs
President Drugstore Business Corp.	1995.07.27	7F, No.8 Tung Hsing Rd., Taipei, Taiwan	198,000	Selling of drugs and cosmetics
Ren-Hui Investment Corp.	1996.12.20	8F, No.8 Tung Hsing Rd., Taipei, Taiwan	198,000	Professional Investment
Capital Inventory Service Corp.	1998.04.13	B2, No.8 Tung Hsing Rd., Taipei, Taiwan	37,290	Inventory consulting
Wisdom Distribution Service	1999.01.11	8F, No.8 Tung Hsing Rd., Taipei, Taiwan	75,400	Delivery of magazine
Duskin Serve Taiwan Co., Ltd.	1994.10.28	8F, No.8 Tung Hsing Rd., Taipei, Taiwan	300,000	Selling and renting of cleaning instruments
Mech-President Corp.	1991.12.09	No.112, Hai-Liao, Hai-Liao Tsuen, An-Din Hsiang, Tainan Hsien, Taiwan	660,000	Gas station and electric wire
President Musashino Corp.	1999.03.11	8F, No.8 Tung Hsing Rd., Tapiei Taiwan	498,000	Food cooking and research

Note: The exchange rates as of Dec. 31, 2002 are as follows: USD:NT＝1:34.95 and PESO:NT＝1:0.6780.

President Chain Store Corporation
Consolidated Business Report of Affiliated Enterprises
December 31,2001

Expressed in Thousand of New Taiwan Dollars

Name of the Company	Date of incorporation	Address	Paid-in capital	Main business items
President Yamako Corp.	2000.10.16	6F, No.1-30, Madow-Ko Li, Madow Township, Tainan Hsien, Taiwan	65,000	Bakery
Uni-President Oven Bakery Corp.	2000.11.20	12F, No.8 Tung Hsing Rd., Taipei, Taiwan	180,000	Selling of bread
Books. Com Co., Ltd.	1995.12.27	5F, No.219, Tun-Hua South Road, Sec 1, Taipei, Taiwan	199,900	Internet bookstore
Uni-President Cold-Chain Corp.	1999.01.22	No.340, Tzu Chiang Rd., Yungkang City, Tainan, Taiwan	237,996	Delivery of cold or freezed food
Uni-President Takashimaya Co., Ltd.	2000.10.08	9F, No.560, Chung Hsiao E. Rd., Sec. 4 Taipei, Taiwan	250,000	Department stores and restaurants
President Technology Corp.	2000.06.29	8F, No.8 Tung Hsing Rd., Tapiei Taiwan	50,000	Wholesale of electric products and machines
President Engineering Technology Corp.	2000.08.02	8F, No.8 Tung Hsing Rd., Tapiei Taiwan	50,000	Install electric products and machines
President Packaging Co., Ltd.	1994.07.20	No.117-26 Liouanli, Jiali, Tainan, Taiwan	156,160	Packing and selling of container
President International Corp.	1997.08.27	6F, No.8 Tung Hsing Rd., Taipei, Taiwan	132,000	Information consulting
President Coffee Corp.	1997.11.03	8F, No.8 Tung Hsing Rd., Taipei, Taiwan	198,000	Selling of coffee
Retail Support International Corp.	1990.09.13	10F-1, No.560, Sec.4 Chung Hsiao E. Rd., Taipei, Taiwan	200,000	Delivery of food
President Logistics Transportation Corp.	1998.02.11	No.22 Alley 2, Lane 1, Long Hsiang St, Chung Li, Tao Yuan	60,000	Delivery of food
Retail Support Taiwan Corp.	1997.04.16	11F-1 No.815, Sec.5 Chung Hsiao E. Rd., Taipei, Taiwan	34,500	Delivery of food
President Chain Store (Labuan) Holding Ltd.	2000.10.24	Level 7(E),Main Office Tower, Financial Labuan, Jalan Merdeka, 87000 Labuan, F.T. Labuan, Malaysia	USD 19,910 (Note)	Professional investment
Philippine Seven Corp.	1982.11.24	7/F The Columbia Tower, Ortigas Avenue Mandaluyong City 1501, Philippines	PESO 237,938 (Note)	Selling of household goods
Convenience Distribution Inc.	1988.09.17	No. 8 Mercury Avenue Libis , Quezon City, Philippines	PESO 38,080 (Note)	Delivery and storeage
President Transnet Corp.	2000.01.24	13F, No.137 Cheng Kung Rd., Sanchung, Taipei Taiwan	495,000	Delivery and selling of food and merchandise
Nanlien International Corp.	1979.04.04	12F, No.560 Sec. 4 Chang Hsiao E. Rd., Taipei, Taiwan	1,000,000	Trading
Uni-President Dream Park Corp.	2000.05.23	1F, No.321, Sec. 2, LinAn Rd., Tainan, Taiwan	31,000	Advertisement, food sales art activities

Note: The exchange rates as of Dec. 31, 2002 are as follows: USD:NT＝1:34.95 and PESO:NT＝1:0.6780.

(3) The information of companies presumed to have a relationship of control and subordination:

Expressed in Thousand of New Taiwan Dollars

Name of the subordinate company		Nanlien International Corp.	Uni-President Dream Park Corp.
Reason that affiliation is presumed		Majority of directors of the subordinate company are the same with those of President Chain Store Corp.	Majority of directors of the subordinate company are the same with those of President Chain Store Corp.
Name of common directors		Uni-President Enterprises Corp. Representatives：Lin, Chang Sheng; Yen, Po Ming; Hsu, Chung Jen; Huang, Xian Yan; Lin, Lung Yi	Uni-President Enterprises Corp. Representatives：Lin, Chang Sheng; Yen, Po Ming; Hsu, Chung Jen; Huang, Xian Yan; Lo, Chih Hsien
Shareholding status	Shares	308,117,671(Note)	308,117,671(Note)
	%	44.42%	44.42%
Date of incorporation		1979.04.04	2000.05.23
Address		12F No.560, Sec.4 Chung Hsiao E. Rd., Taipei, Taiwan	1F, No. 321, Sec.2, LinAn Rd., Tainan, Taiwan
Paid-in Capital		1,000,000	31,000
Main business items		Trading	Advertisement, food sales, and art activities

Note: Since the directors are all representatives appointed by the juristic person, the number of shares indicates hold by the juristic person.

(4) The overall industries covered by the business operated by the affiliates

The business of President Chain Store Corp. and its affiliated enterprises includes: retailing, investment services, distribution, freight and manufacture, etc. The mutual dealings and devision of work among each affiliate are as follows:

1. Capital Inventory Service：The company provides President Chain Store Corp. with store inventory audit services and staff training programs, etc.
2. Wisdom Distribution Service Corp.：The company sells and distributes magazine and software merchandises to President Chain Store Corp.
3. President Information Corp.：The company provides President Chain Store Corp. and its affiliated enterprises with information system services.
4. President Packaging Co., Ltd.：The company is the supplier of paper cup of President Chain Store Corp.
5. Retail Support International Corp.：The company is the supplier and distributor of President Chain Store Corp.
6. President Musashino Corp.：The company is the supplier and distributor of President Chain Store Corp.
7. Uni-President Cold-Chain Corp.：The company is the supplier and distributor of President Chain Store Corp. .
8. President Technology Corp.：The company installs and maintains the POS system for President Chain Store Corp. .
9. President Engineering Technology Corp.：The company decorates the stores and maintains the leasehold improvement for President Chain Store Corp. .

(5) The information of the directors, supervisors, general manager of the affiliates

Name of the company /Title	Representative	Shareholding status	
		Shares	%
President Chain Store (BVI) Corp.			
Chairman	Representative of President Chain Store Corp.: Kao, Chin Yen	37,442,749	100.00
President Direct Makreting Corp.			
Chairman	Representative of President Chain Store Corp.: Hsu, Chung Jen	6,999,993	99.99
Director	Representatives of President Chain Store Corp.: Lin, Chang Sheng, Hsien, Po Chung, Chen, Jui Tang, Victor Lai, Hsieh, Chien Nan Tseng, Farn Bing	6,999,993	99.99
Supervisor	Representative of President Chain Store Corp.: Chen, Fu Tang	6,999,993	99.99
General Manager	Tseng, Farn Bing	1	—
President Drugstore Business Corp.			
Chairman	Representative of President Chain Store Corp.: Hsu Chung, Jen	19,799,994	99.99
Director	Representatives of President Chain Store Corp.: Lin, Yung Yi, Huang, Chien Li, Tsai Du Chuan, Victor Lai, Hsieh Chien Nan	19,799,994	99.99
Supervisor	Representative of President Chain Store Corp.: Lin, Wen Ching	19,799,994	99.99
General Manager	Tsai, Du Chuan	1	—
Ren-Hui Investment Corp.			
Chairman	Representative of President Chain Store Corp.: Hsu, Chung Jen	19,799,994	99.99
Director	Representatives of President Chain Store Corp.: Hsien, Chien Nan, Wu, Kuo Hsuan, Hsieh Po Chung, Victor Lai, Chang Jen, Yun Huai	19,799,994	99.99
Supervisor	Representative of President Chain Store Corp.: Huang, Chien Li	19,799,994	99.99
General Manager	Hsu, Chung Jen	1	—
Capital Inventory Service Corp.			
Chairman	Representative of President Chain Store Corp.: Hsu Chung, Jen	3,728,994	99.99
Director	Representatives of President Chain Store Corp.: Hsieh, Chien Nan, Wu, Kuo Hsuan, Huang, Chien Li, Wang, Wen Kue, Victor Lai	3,728,994	99.99
Supervisor	Representative of President Chain Store Corp.: Chen, Fu Tang	3,728,994	99.99
General Manager	Wang, Wen Kuei	1	—
Wisdom Distribution Service Corp.			
Chairman	Representative of President Chain Store Corp.: Hsu, Chung Jen	7,539,994	99.99
Director	Representatives of President Chain Store Corp.: Victor Lai; Wu, Kuo Hsuan; Hsieh, Po Chung; Chen, Jui Tang; Hsieh, Chien Nan	7,539,994	99.99
Supervisor	Representative of President Chain Store Corp.: Chen, Fu Tang	7,539,994	99.99
General Manager	Hsieh, Po Chung	1	—

Consolidated Business Report of Affiliated Enterprises

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Name of the company / Title	Representative	Shareholding status	
		Shares	%
President Transnet Corp.			
Chairman	Representative of Uni-President Enterprises Corp.: Lin, Chang Sheng	9,899,998	20.00
Director	Representatives of Uni-President Enterprises Corp.: Yeh, Po Rong; Huang, Xian Yan	9,899,998	20.00
Director	Representatives of President Chain Store Corp.: Hsu, Chung Jen; Voctor Lai; Kawada Hiroshi	39,599,997	80.00
Supervisor	Representative of Uni-President Enterprises Corp.: Huang, Chun Huang	9,899,998	20.00
Supervisor	Representative of President Chain Store Corp.: Chen, Fu Tang	39,599,997	80.00
General Manager	Kawada Hiroshi	–	–
Duskin Service Taiwan Co., Ltd.			
Chairman	Representative of President Chain Store Corp.: Hsu, Chung Jen	15,299,995	51.00
Director	Representatives of President Chain Store Corp.: Hsieh, Chien Nan; Huang, Chien Li; Chen, Jui Tang	15,299,995	51.00
Director	Representatives of Duskin Co., Ltd.:Yoichi Ito; Komai Teruo; Okai Kazuo; Ohkuma Keisuke	14,700,000	49.00
Supervisor	Representative of Duskin Co., Ltd.: Hiroshi Yamagishi	14,700,000	49.00
Supervisor	Representative of President Chain Store Corp.: Lin, Wen Ching	15,299,995	51.00
General Manager	Okai Kazuo	–	–
President Technology Corp.			
Chairman	Representative of President Chain Store Corp.: Hsu Chung, Jen	4,999,992	99.99
Director	Representatives of President Chain Store Corp.: Lee, Chin Ming; Hsieh, Chien Nan; Voctor Lai; Huang, Chien Li; Wang; Wen Kuei; Hsieh, Po Chung	4,999,992	99.99
Supervisor	Representative of President Chain Store Corp.: Chen, Fu Tang	4,999,992	99.99
General Manager	Lee Chin Ming	1	–
President Engineering Technology Corp.			
Chairman	Representative of President Chain Store Corp.: Hsu, Chung Jen	3,499,995	70.00
Director	Representatives of Sanden Corporation: Takabashi Hajime, Tadenuma Akira	1,500,000	30.00
Director	Representatives of President Chain Store Corp.: Hsieh, Chien Nan; Wu, Kuo Hsuan; Huang, Chien Li; Yokomuro Isao	3,499,995	70.00
Supervisor	Representative of President Chain Store Corp.: Lin, Wen Ching	3,499,995	70.00
Supervisor	Representative of Sanden Corporation: Tsukada Masataka	1,500,000	30.00
General Manager	Yokomuro Isao	–	–

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Name of the company / Title	Representative	Shareholding status	
		Shares	%
Uni-President Cold-Chain Corp.			
Chairman	Representative of Uni-President Enterprises Corp.: Lin, Lung Yi	4,759,916	20.00
Director	Representative of Uni-President Enterprises Corp.: Lo, Chin Hsien	4,759,916	20.00
Director	Representatives of President Chain Store Corp.: Hsu, Chung Jen; Mao, Feng Yi; Lee, Hong Bin; Wu, Kuo Hsuan; Hsieh, Chien Nan	14,279,760	60.00
Director	Representatives of Nanlien International Corp.: Lee, Tong Liang; Tu, Ju Ken	4,759,920	20.00
Supervisor	Representative of President Chain Store Corp.: Yin, Chien Li	14,279,760	60.00
General Manager	Chen, Dong Ho	–	–
President Musashino Corp.			
Chairman	Representative of President Chain Store Corp.: Yen, Po Ming	29,879,996	60.00
Director	Representative of Asia Frozen Food Corp.: Lin, Chang Chi	4,980,000	10.00
Director	Representatives of President Chain Store Corp.: Hsu, Chung Jen; Chen, Jui Tang; Huang, Ming Yong	29,879,996	60.00
Director	Representatives of Musashino Corp.: Yukio Kobayashi; Ishimasa Katsuyuki	14,940,000	30.00
Supervisor	Representative of President Chain Store Corp.: Yin, Chien Li	14,940,000	30.00
Supervisor	Representative of Musashino Corp.: Taguchi Takehige	29,978,996	60.00
General Manager	Ishimasa Katsuyuki	–	–
Mech-President Corp.			
Chairman	Y.L. Fang	427,000	0.65
Director	Representatives of President Chain Store Corp.: Huang, Chien Li; Hsu, Chung Jen; Lin, Tsung Ming; M. J. Liou; Hung, Po Chao	43,759,000	66.30
Director	Representatives of Uni-President Enterprises Corp.: Lin, Chang Sheng; Lin, Lung Yi	13,200,000	20.00
Director	Representative of Da Ya Cable Corp.: S.Y. Shen	4,800,000	7.27
Supervisor	Representative of President Chain Store Corp.: Huang, Chun Huang	43,759,000	66.30
General Manager	M.J. Liou	41,500	0.06
Uni-President Oven Bakery Corp.			
Chairman	Representative of Uni-President Enterprises Corp.: Lin, Chang Sheng	7,199,998	40.00
Director	Representatives of Uni-President Enterprises Corp.: Lin, Lung Li; Huang, Xian Yan	7,199,998	40.00
Director	Representatives of President Chain Store Corp.: Hsu, Chung Jen; Hsieh, Chien Nan; Chen, Jui Tang; Cheng, Jen Shao; Arther, Cheng	10,799,997	60.00
Supervisor	Representative of President Chain Store Corp.: Chen, Fu Tang	7,199,998	40.00
General Manager	Arther, Cheng	1	–

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Name of the company / Title	Representative	Shareholding status	
		Shares	%
President Packaging Co., Ltd.			
Chairman	Representative of President Chain Store Corp.: Hsu, Chung Jen	4,062,659	26.02
Director	Representatives of President Chain Store Corp.: Hsieh, Chien Nan	4,062,659	26.02
Director	Representatives of Yihrong Investment Corp: Lee, Jun Hsiao; Lee Ruei Chin; Lee Ruei Tse; Lai, Yeong Yuan	3,139,440	20.10
Director	Representatives of Uni-President Enterprises Corp.: Chen, Ming Shan; Hsieh, Chih Peng	3,926,170	25.14
Supervisor	Representative of Uni-President Enterprises Corp.: Yang, Po Hsun	3,926,170	25.14
General Manager	Lee, Ruei Chin	–	–
President Yamako Corp.			
Chairman	Representative of President Chain Store Corp.: Yen, Po Ming	3,314,998	51.00
Director	Representatives of Yamako Co., Ltd.: Shiraha Kiyoshi; Tanaka Shuichi	2,599,999	40.00
Director	Representative of Mitsubishi Corp.: Yoshiaki Satoh	325,000	5.00
Director	Representatives of President Chain Store Corp.: Hsu, Chung Jen; Chen, Jung Wu; Chen, Jui Tang	3,314,998	51.00
Supervisor	Representative of President Chain Store Corp.: Yin, Chien Li	3,314,998	51.00
Supervisor	Rresentative of Yamako Co., Ltd.: Mizuno Hoshihiko	2,599,999	40.00
General Manager	Chen, Jung Wu	–	–
Books.com Co., Ltd.			
Chairman	Representative of President Chain Store Corp.: Hsu, Chung Jen	10,000,000	50.025
Director	Representatives of President Chain Store Corp.: Hsieh, Po Chung; Victor Lai; Chen, Jui Tang	10,000,000	50.025
Director	Representative of Clever Investment Co., Ltd.: Shou-Hui Chang	363,000	1.82
Director	Di-Jung Lin	2,081,000	10.41
Director	Terry Chang	1,283,000	6.42
Supervisor	Representative of President Chain Store Corp.: Chen, Fu Tang	10,000,000	50.025
Supervisor	Representative of Clever Investment Co., Ltd.: Li-Ching Lin	363,000	1.82
General Manager	Terry Chang	1,283,000	6.42

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Name of the company / Title	Representative	Shareholding status	
		Shares	%
President Information Corp.			
Chairman	Representative of President Chain Store Corp.: Hsu, Chung Jen	7,150,000	54.17
Director	Representatives of President Chain Store Corp.: Victor Lai; Fang, Mu Shing	7,150,000	54.17
Director	Representative of Uni-President Enterprises Corp.: Huang, Xian Yan	1,320,000	10.00
Director	Representative of Prince Housing & Development Corp: Chuang. Nan Tien	1,320,000	10.00
Director	Representative of Grand Commercial Bank: Chen, Chang Wen	660,000	5.00
Director	Representative of Retail Support International Corp: Hsieh, Chien Nan	330,000	2.50
Director	Representative of Q-Ware System & Service Corp.: Chuang, Jong Jen	1,320,000	10.00
Supervisor	Representative of Uni-President Enterprises Corp.: Wang, Haw Tarng	1,320,000	10.00
General Manager	Victor Lai	–	–
President Coffee Corp.			
Chairman	Representative of Uni-President Enterprises Corp.: Lin, Chang Sheng	8,909,998	45.00
Director	Representative of Uni-President Enterprises Corp.: Huang, Xian Yan	8,909,998	45.00
Director	Representatives of President Chain Store Corp.: Hsu, Chung Jen; Chang Jen, Yu Huei; K.Y. John Hsu	9,899,998	50.00
Director	Representative of Starbucks Coffee International Inc.: Man, Yiu Kwong	990,000	5.00
Supervisor	Representative of Starbucks Coffee International Inc.: Peter Maslen	990,000	5.00
Supervisor	Representative of Uni-President Enterprises Corp.: Tu, Te Cheng	8,909,998	45.00
General Manager	K.Y. John Hsu	–	–
Retail Support International Corp.			
Chairman	Representative of Uni-President Enterprises Corp.: Lin, Chang Sheng	4,000,000	20.00
Director	Representative of Uni-President Enterprises Corp.: Lin, Lung Li	4,000,000	20.00
Director	Representatives of President Chain Store Corp.: Hsu, Chung Jen; Hsieh, Chien Nan	4,999,997	25.00
Director	Representatives of Mitsubishi Corp. (Taiwan) Ltd.: Tsunao Kijima; Komori Yutaka	3,000,000	15.00
Director	Representative of RYOSHOKU Ltd.: Chikafusa Shimizu	2,000,000	10.00
Director	Representative of Nanlien International Corp: Huang, Xian Yan	4,000,000	20.00
Supervisor	Representative of Nanlien International Corp: Huang, Chun Huang	4,000,000	20.00
Supervisor	Representative of Mitsubishi Corp. (Taiwan) Ltd: Shishuke Tokue	3,000,000	15.00
General Manager	Sheu, Jinn Bin	–	–

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Name of the company / Title	Representative	Shareholding status	
		Shares	%
President Logistics Transportation Corp.			
Chairman	Representative of Retail Support International Corp: Hsieh, Chien Nan	3,499,994	58.33
Director	Representatives of Retail Support International Corp: Sheu, Jinn Bin; Perng, Shyan Show; Wu, Tsan Shyan	3,499,994	58.33
Director	Representative of Uni-President Cold-Chain Corp: Chen, Dong Ho	1,000,000	16.67
Director	Representatives of Wisdom Distribution Service Corp: Hsieh, Po Chung; Chiu, Te Chi	1,000,000	16.67
Director	Representative of Retail Support Taiwan Corp.: Lin, Ming Fang	500,000	8.33
Supervisor	Representative of Retail Support International Corp: Huang, Feng Tay	3,499,994	58.33
Supervisor	Representative of Uni-President Cold-Chain Corp: Su, Kun Pin	1,000,000	16.67
General Manager	Perng, Shyan Show	–	–
Retail Support Taiwan Corp.			
Chairman	Representative of Retail Support International Corp: Hsieh, Chien Nan	1,759,498	51.00
Director	Representatives of Retail Support International Corp: Sheu, Jinn Bin; Komori Yutaka	1,759,498	51.00
Director	Representative of FSG Co.: Lin Ming Fang	1,014,299	29.40
Director	Representative of Grand Fountain Co., Ltd.: Huang, Wei Yu	676,199	19.60
Supervisor	Representative of Grand Fountain Co., Ltd.: Cheng, Yueh Kuei	676,199	19.60
Supervisor	Representative of Retail Support International Corp: Huang, Teng Tay	1,759,498	51.00
General Manager	Lin, Ming Fang	–	–
President Chain Store (Labuan) Holding Ltd.			
Director	President Chain Store (BVI) Corp.	19,910,000	100.00
Philippine Seven Corp.			
Chairman	Vicente T. Pationo	24,380,550	10.28
Director	Representatives of President Chain Store (Labuan) Holding Ltd: Hsu, Chung Jen; Yang, Yen Sen; Hsieh, Chien Nan; Chen, Jui Tang; Chen, Fu Tang; Wu, Kuo Hsuan	119,575,008	50.40
Director	Representative of Asian Holdings Corp.: Diana P. Aguilar	29,208,750	12.31
Director	Representative of Progressive Development Corp.: Jorge L. Araneta	20,163,080	8.50
Director	Representative of Agus Philippine Holdings Corp.: Manuel U. Ramos	4,912,178	2.07
Director	Representative of Anglo Philippine Holdings Corp.: Alfredo C. Ramos	4,333,381	1.83
General Manager	Yang, Yen Sen	1	–

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Name of the company / Title	Representative	Shareholding status	
		Shares	%
Convenience Distribution Inc.			
Chairman	Representative of Philippine Seven Corp. : Yang, Yen Sen	3,808,000	100.00
Director	Representatives of Philippine Seven Corp. : Jose Victor P. Pationo; Sam Liu; Maaaie T. JAO; Liwayway T. Fernandez	3,808,000	100.00
General Manager	Jose Victor P. Pationo	–	–
Nanlien International Corp.			
Chairman	Representative of Uni-President Enterprises Corp.: Lee, Tong Liang	99,999,994	99.99
Director	Representatives of Uni-President Enterprises Corp.: Yen, Po Ming; Lin, Chang Sheng; Yen, Po Rong; M.J. Liou; Hsu, Chung Jen; Huang, Xian Yan; Zhong, Quing Zong; Tu, Ju Ken; Lin, Lung Yi	99,999,994	99.99
Supervisor	Representative of Uni-President Enterprises Corp.: Lin, Chung Sheng	99,999,994	99.99
General Manager	Tu, Ju Ken	–	–
Uni-President Dream Park Corp.			
Chairman	Representative of Uni-President Enterprises Corp.: Lin, Chang Sheng	3,099,993	99.99
Director	Representatives of Uni-President Enterprises Corp.: Yen, Po Ming; Hsu, Chung Jen; Lo, Chih Hsien; Huang, Xian Yan; Yang, Ming Jing	3,099,993	99.99
Supervisor	Representative of Uni-President Enterprises Corp.: Lin, Lung Yi	3,099,993	99.99
General Manager	Yang, Ming Jing	–	–
Uni-President Takashimaya Co., Ltd.			
Chairman	Representative of President Chain Store Corp.: Kao, Chin Yen	-	-
Director	Representatives of President Chain Store Corp.: Lin, Chang Sheng; Hsu, Chung Jen; Yeh, Chih Chung	12,499,997	50.00
Director	Representative of: Hitoshi Hanehira; Akiyoshi Iida	12,499,997	50.00
Director	Shinichi Hagiwara	1	-
Director	Hideshi Mizuno	1	-
Supervisor	Representative of President Chain Store Corp.: Tseng, Farn Bing	-	-
Supervisor	Representative of Takashimaya Co., Ltd.: Jali Matsuoka	-	-
General Manager	Shinichi Hagiwara	1	-
Safery Elevator Corp.			
Chairman	Representative of Mech-President Corp.: C.M. Wong	99,994	99.99
Director	Representatives of Mech-President Corp.: M.J. Liou; Wang, Yin Yu	99,994	99.99
Supervisor	Representative of Mech-President Corp.: C.Y. Lee	99,994	99.99
General Manager	C.M. Wong	-	-
Shanghai President Machine Corp.			
Chairman	Representative of Mech-President Corp.: M.J. Liou	-	100.00
Director	Representative of Mech-President Corp.: Huang, Jung Tsai	-	100.00
General Manager	M.J. Liou	-	-

Consolidated Business Report of Affiliated Enterprises

December 31,2001

2. The overview of the operations of the affiliates

The financial condition and operational results of each affiliate are as follows:

(Expressed in Thousand of New Taiwan Dollars)

Name of the company	Pain-in Capital	Total Assets	Total Liabilities	Net Value	Operating Revenue	Operating Income	Net Income	EPS (In NTD)
President Chain Store (BVI) Corp. (Note)	1,308,624	1,179,960	–	1,179,960	188	82	(84,360)	
Ren-Hui Investment Corp.	198,000	146,460	198	146,261	11,314	10,531	10,528	0.53
Capital Inventory Services Corp.	37,290	84,424	33,718	50,706	156,537	12,339	10,312	2.77
President Drugstore Business Corp.	198,000	436,852	262,428	174,423	1,427,527	(25,334)	(17,828)	
President Direct Marketing Corp.	70,000	168,018	117,727	50,291	380,933	(11,003)	(2,491)	
Wisdom Distribution Service Corp.	75,400	624,275	524,470	99,805	3,124,619	17,215	21,529	2.86
President Technology Corp.	50,000	79,985	29,715	50,270	60,388	(275)	270	0.05
President Transnet Corp.	495,000	689,312	686,404	2,908	385,590	(347,052)	(369,759)	
President Engineering Technology Corp.	50,000	118,740	68,374	50,366	84,809	98	366	0.07
Mech-President Corp.	660,000	930,403	749,979	180,424	3,361,680	(6,332)	190	
President Musashino Corp.	498,000	739,208	251,651	487,557	568,656	15,370	27,262	0.73
Uni-President Cold-Chain Corp.	237,996	1,259,424	913,885	345,539	6,909,109	122,514	99,594	4.18
Uni-President Oven Backery Corp.	180,000	177,777	59,221	118,556	334,147	(57,573)	(61,608)	
President Information Corp.	132,000	353,602	191,615	161,987	628,222	38,639	25,960	1.97
Duskin Serve Taiwan Co., Ltd.	300,000	99,125	35,780	63,345	195,102	(8)	2,808	0.09
President Yamako Corp.	65,000	97,839	42,645	55,195	17,769	(17,892)	(9,664)	(1.49)
Books.com Co., Ltd.	199,900	127,129	67,469	59,659	169,084	(54,018)	(60,168)	
President Coffee Corp.	198,000	790,979	690,799	100,180	1,367,446	(11,142)	(26,127)	
Uni-President Takashimaya Co., Ltd.	250,000	249,072	2,561	246,511	–	(5,917)	(3,489)	
President Packgine Co., Ltd.	156,160	862,205	659,513	202,693	672,013	73,586	38,853	2.49
Retail Support International Corp.	200,000	2,907,145	2,585,843	321,302	16,256,652	76,314	85,963	4.30
President Chain Store (Labuan) Holding Co., Ltd. (Note)	695,855	624,586	–	624,586	10	(157)	(57,316)	
Philippine Seven Corp.(Note)	161,322	724,525	270,154	454,372	1,983,103	(56,161)	(24,870)	
Safety Elevator Corp.	1,000	929	231	699	1,665	1,665	(45)	
Shanghai President Machine (Note)	34,601	–	–	–	–	–	–	
Convenience Distribution Inc.(Note)	25,818	31,202	2,588	28,614	32,795	670	52	0.01
President Logistic International Corp.	60,000	231,637	163,709	67,928	251,936	11,864	8,377	1.40
Retail Suppory Taiwan Corp.	34,500	71,013	24,097	49,916	154,553	13,297	10,578	3.07
Nanlien International Corp.	1,000,000	3,288,092	2,007,324	1,280,768	7,546,652	170,040	192,576	1.93
Uni-President Dream Park Corp.	31,000	154,602	122,737	31,865	852,860	3,798	1,207	0.39

Note：The numbers are transferred into NTD using the foreigt exchange rate as of Dec. 31, 2001.
(USD:NTD＝1:34.95 PESO:NTD＝1:0.6780)

Affiliation Report

For the Year Ended December 31, 2001

THE DECLARATION OF AFFILIATION REPORT

The affiliation report of President Chain Store Corporation for the year ended December 31, 2001 was prepared in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises", and the information disclosed in the report is in accordance with the notes to the financial statements for the year ended December 31, 2001.

C Y Kao

Kao, Chin Yen

Chairman

President Chain Store Corporation

March 1, 2002

REPORT OF INDEPENDENT ACCOUNTANTS

March 1, 2002

To: The Board of Directors and Shareholders of

President Chain Store Corporation

We have reviewed the financial information included in the affiliation report of President Chain Store Corporation for the year ended December 31, 2001. Our review was made in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises".

Based on our review, we are not aware of any material modifications that should be made to the financial information included in the affiliation report for it to be in conformity with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises".

PriceWaterhouse Coopers

President Chain Store Corporation
Affiliation Report
For the Year Ended December 31, 2001

(Expressed in Thousands of New Taiwan Dollars Except as Otherwise Indicated)

1. The relationship between the subordinate company and the controlling company

(1) President Chain Store Corp. is the subordinate company of Uni-President Enterprise Corp., and the details are as follows:

Name of the controlling company	Reason for the control	Details of Shareholding and pledges			Directors/Supervisors/ Managerial officers appointed by the controlling company	
		Number of Shares	Percentage	Number of shares pledged	Title	Name
Uni-President Enterprises Corp.	Uni-President Enterprises Corp. obtains a majority of directorships of President Chain Store Corp.	308,117,671	44.42	–	Chairman	Kao, Chin Yen
					Managing Director	Yen, Po Ming
					Managing Director	Lin, Chang Sheng
					Director (General Manager)	Hsu, Shung Jen
					Director	Lin, Lung Yi
					Director	Huang, Xian Yan
					Director	Lo, Chih Hsieh
					Supervisor	Tu, Te Cheng

(2) President Chain Store Corp. is presumed to have a relationship of control and subordination with Nanlien International Corp. and Uni-President Dream Park Corp., and the details are as follows:

Name of the controlling company	Reason for the control	Details of Shareholding and pledges			Details of common directors	
		Number of Shares	Percentage	Number of shares pledged	Title	Name
Nanlien International Corp.	Majority of directors of Nanlien International Corp. are directors of President Chain Store Corp.	—	—	—	Director	Hsu, Shung Jen
					Managing Director	Yen, Po Ming
					Managing Director	Lin, Chang Sheng
					Director	Huang, Xian Yan
					Director	Lin, Lung Yi
Uni-President Dream Park Corp.	Majority of directors of Uni-President Dream Park Corp. are directors of President Chain Store Corp.	—	—	—	Chairman	Lin, Chang Sheng
					Director	Yen, Po Ming
					Director	Hsu, Chung Jen
					Director	Lo, Chih Hsien
					Director	Huang, Xian Yan

2. President Chain Store Corp. has the following transactions with Uni-President Corp., Nanlien International Corp. and Uni-President Dream Park Corp.

(1) Purchases (sales) of goods

Name of the controlling company		Uni-President Enterprises Corp.		Nanlien International Corp.
Description of the transactions	Purchases (sales)	Purchases	Sales	Purchases
	Amount	2,199,676	39,057	503,434
	% of total pur chases (sales)	5%	—	1%
	Gross profit	—	—	—
Transaction terms with the controlling company	Price	Note1	Note2	Note1
	Credit terms	15-30 days after the month of billing	Note2	15-20 days after the month of billing
Ordinary transaction terms	Price	Note1	NA	Note1
	Credit terms	Note1	NA	15-45 days after the month of billing
Disclosure of non-standard terms		No Significant difference	NA	No Significant difference
Accounts or notes receivable (payable)	Balance	(179,468)	3,984	(28,737)
	% of total accounts or notes receivable (payable)	4%	1%	1%
Overdue accounts receivables	Amount	—	—	—
	Method of treatment	—	—	—
	Allowances set aside for bad debt	—	—	—

Note1 : No significant difference

Note2 : The sales terms were at costs plus service charge of 0.8% to 1% of cost. The collection terms of charge was 30-45 days.

(2) Property transactions

According to the stock acquisition and disposal contracts, in which the transaction prices had been appraised by the security analyst, President Chain Store Corp. acquired and disposed long-term investments from and to Uni-President Enterprises Corp. and Nanlien International Corp. in the year of 2001.

A. Acquisition of marketable securities

(Expressed in Thousands of New Taiwan Dollars Except as Otherwise Indicated)

Name of the controlling or subordinate company	Name of marketable securities	Number of shares	Transaction amount
Uni-President Enterprises Corp.	Uni-President Cold-Chain Corp.	7,139,800	$186,137
	President Musashino Corp.	10,440,000	114,840
	President Transnet Corp.	5,250,000	56,910
	Retail Support International Corp.	2,200,000	84,414
	President Information Corp.	2,400,000	53,184
	Mech-President Corp.	31,219,000	85,540
	Uni-President Oven Bakery Corp.	3,600,000	38,700
	President Yamako Corp.	1,657,500	17,818
			$637,543
Nanlien International Corp.	President Information Corp.	500,000	$11,080
	Uni-President Organic Corp.	1,000,000	7,190
			$18,270

B. Disposal of marketable securities

Name of the controlling or subordinate company	Name of marketable securities	Number of shares	Transaction amount	Gain from disposal
Uni-President Enterprises Corp.	Parabola Creative Inc.	135,000	$1,110	$27
	Scino Pharm Taiwan Ltd.	20,000,000	239,600	38,881
			$240,710	$38,908

(3) Financing: None.

(4) Asset leasing: None.

Affiliation Report

For the Year Ended December 31, 2001

(5) Other significant business transactions:

Name of the controlling company		Uni-President Enterprises Corp.	Nanlien International Corp.	Uni-President Enterprises Corp.	Nanlien International Corp.
Description of the transactions	Account	Other operating income	Other operating income	Other revenue	Other revenue
	Amount	54,781	2,932	14,112	1,883
	% of total the Account	5.78%	0.31%	7.59%	1.01%
Transaction terms with the controlling company	Price	NA	NA	NA	NA
	Credit term	30-45 days after the month of billing	30-45 days after the month of billing	30-45 days after the month of billing	30-45 days after the month of billing
Ordinary transaction terms	Price	Note	Note	Note	Note
	Credit term	Note	Note	Note	Note
Disclosure of non-standard terms		Note	Note	Note	Note
Note		—	—	—	—

Note:No significant difference

3. Endorsements and guarantees : None.

4. Other significant information which had an impact on financial or business operation : None.

Internal Control Statement

Internal Control Statement

March 28, 2002

PCSC inspected its internal control system through self-evaluation from January 1, 2001 to December 31, 2001. The results are presented in the following statements.

1. PCSC recognizes the establishment; implementation and maintenance of the internal control system are the responsibility of top management. Hence we established the system to achieve reasonable assurance for effective operation (including profitability, performance and asset security), reliability of financial reports and compliance to laws and regulations.

2. Internal control system has its limitation, regardless of how well the system is planned. It may only provide reasonable assurance to the three objectives described above. Furthermore, the internal control system may be affected in accordance to the changes of circumstances and conditions. The internal control has self-monitor function to detect the system, once the malfunction is identified, company will make instant modification.

3. PCSC follows the guideline set by the Ministry of Finance - the Securities and Futures Commission, which established Internal Control System for Listed Companies (hereinafter referred to as "Guideline"). The internal control system is to determine the effectiveness of the company design and execution. The Guideline employs criteria that categorize internal control into 5 comprising elements based on the process. They are (1) control environment; (2)-risk review; (3) control operations; (4) information and communications; and (5) supervision. Each element is comprised of several items. Please refer to the Guideline for item details.

4. The company has adopted the internal control criteria to review the effectiveness of design and implementation of the internal control system.

5. Based on the review, the company believes the design and implementation of internal control system for the period described, including operating effectiveness and efficiency, reliability of financial reports and compliance to laws and regulations, was effective so as to provide reasonable assurance for meeting the aforementioned objectives.

6. The statement constitutes the key part of annual corporate prospectus and is open to the public. Frauds and non-disclosure in the published statement is punishable based on Article 20, 32, 171 and 147 of the Securities Regulation.

7. The Statement is approved by the Board of Directors on March 28, 2002 with 9 attending directors agree unanimously.

President Chain Store Corporation (PCSC)

Chairman: Kao, Chin Yen

President: Hsu. Chung Jen

President Chain Store Corporation (PCSC)

President : Kao, Chin Yen

Editor: PCSC Financial Group
Wayne Yee
Cheng Ya Yun



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