

UNI-PRESIDENT ENTERPRISES CORP.

CONSOLIDATED FINANCIAL STATEMENTS

AND REPORT OF INDEPENDENT ACCOUNTANTS

SEPTEMBER 30, 2008

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

REVIEW REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To the Board of Directors and Stockholders of Uni-President Enterprises Corp.

We have reviewed the accompanying consolidated balance sheet of Uni-President Enterprises Corp. and subsidiaries as of September 30, 2008, and the related consolidated statements of income and of cash flows for the nine-month period then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to issue a conclusion on these financial statements based on our review. As described in Note 1(4), we did not review the financial statements of certain subsidiaries which statements reflect total assets of \$42,356,278,000 and total liabilities of \$23,015,734,000, representing 15.30% and 12.68% of the related consolidated totals, respectively as of September 30, 2008, and total operating revenues of \$20,979,593,000, representing 9.02% of the consolidated total operating revenues for the nine-month period then ended. In addition, we also did not review the financial statements of certain investee companies accounted for under the equity method. These long-term investments amounted to \$529,330,000 as of September 30, 2008, and their related net investment income amounted to \$12,070,000 for the nine-month period then ended. The financial statements of these investee companies were reviewed by other auditors whose reports thereon have been furnished to us, and our conclusion expressed herein, insofar as it relates to the amounts included in the financial statements and information disclosed in Note 11 relative to these consolidated subsidiaries and certain investee companies accounted for under the equity method, is based solely on the reports of the other auditors.

Except as discussed in the following paragraph, we conducted our review in accordance with Statement of Auditing Standards No. 36 "Review of Financial Statements" in the Republic of China. A review of interim financial information consists principally of obtaining an understanding of the system for the preparation of interim financial information, applying analytical procedures to financial data, and making inquiries of Company personnel responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements

taken as a whole. Accordingly, we do not express such an opinion.

As described in Note 1(4), the financial statements of certain subsidiaries were consolidated based on their unreviewed financial statements as of and for the nine-month period ended September 30, 2008. Total assets and total liabilities of these subsidiaries amounted to \$174,637,776,000, and \$99,239,365,000, representing 63.10% and 54.65% of the related consolidated totals, respectively as of September 30, 2008, and total net income amounted to \$1,390,449,000, representing 18.21% of the consolidated net income for the nine-month period then ended. In addition, as described in Note 4(10) to the consolidated financial statements, the financial statements of certain long-term investments accounted for under the equity method were not reviewed by independent accountants. Long-term investments in these companies amounted to \$18,124,874,000 as of September 30, 2008, and the related investment income amounted to \$572,805,000 for the nine-month period then ended. These amounts were based solely on their unreviewed financial statements. We were unable to satisfy ourselves as to the carrying value of the investments or the equities in their earnings by other auditing procedures.

Based on our review and the reports of other auditors, except for the effect of such adjustments, if any, as might have been determined to be necessary had the financial statements of certain subsidiaries and investee companies been reviewed by independent accountants as described in the preceding paragraph, we are not aware of any material modifications that should be made to the consolidated financial statements referred to above in order for them to be in conformity with the "Rules Governing the Preparation of Financial Statements by Securities Issuers", generally accepted accounting principles in the Republic of China and the order VI-0960064020 issued by the Financial Supervisory Commission under the Executive Yuan dated November 15, 2007.

As described in Notes 3 and 4(25), effective January 1, 2008, the Company adopted EITF 96-052, " Accounting for Employees' Bonuses and Directors' and Supervisors' Remuneration" prescribed by the R.O.C. Accounting Research and Development Foundation. As a result of the adoption of EITF 96-052, net income decreased by \$618,622,000, whereas basic and diluted earnings per share decreased by \$0.17 and \$0.16, respectively for the nine-month period ended September 30, 2008.

PricewaterhouseCoopers
Tainan, Taiwan
Republic of China
November 10, 2008

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and review report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

UNI-PRESIDENT ENTERPRISES CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(UNAUDITED)

	2008
ASSETS	
Current Assets	
Cash and cash equivalents (Note 4(1))	\$ 33,390,511
Financial assets at fair value through profit or loss - current (Note 4(2))	11,110,865
Available-for-sale financial assets - current (Note 4(3))	30,713
Notes receivable, net (Note 4(4))	3,212,596
Accounts receivable (Note 4(5))	11,973,346
Accounts receivable, net - related parties (Note 5)	1,404,807
Other receivables (Notes 4(6) and 5)	4,704,561
Other financial assets - current (Note 6)	55,199
Inventories (Notes 4(7)(11) and 6)	26,679,427
Prepayments (Note 7)	10,830,923
Deferred income tax assets - current	612,120
Other current assets	1,331,933
Total current assets	105,337,001
Funds and Investments	
Available-for-sale financial assets - non-current (Note 4(3))	6,190,749
Financial assets carried at cost - non-current (Notes 4(8)(16) and 6)	17,499,717
Investments in bonds without active markets - non-current (Note 4(9))	45,000
Long-term equity investments accounted for under the equity method (Notes 4(10) and 6)	24,944,655
Investments in real estate	3,935
Total funds and investments	48,684,056
Other financial assets - non-current (Note 6)	45,620
Property, Plant and Equipment, Net (Notes 4(11)(16), 5 and 6)	
Cost	
Land	10,010,832
Buildings	33,769,485
Machinery and equipment	72,243,259
Piping infrastructure and electricity generation equipment	5,372,989
Transportation equipment	3,468,004
Office equipment	4,469,984
Leased assets	1,575,955
Leasehold improvements	7,798,823
Other equipment	24,105,908
Revaluation increments	3,965,947
Cost and revaluation increments	166,781,186
Less: Accumulated depreciation	(72,510,337)
Accumulated impairment	(158,232)
Construction in progress and prepayments for equipment	7,051,951
Total property, plant and equipment, net	101,164,568
Intangible Assets	
Deferred pension costs	268,348
Other intangible assets (Notes 4(12)(16) and 6)	4,454,561
Total intangible assets	4,722,909
Other Assets	
Assets leased to others (Notes 4(11)(13)(16) and 6)	8,346,084
Idle assets (Notes 4(11)(14)(16) and 6)	1,152,379
Refundable deposits (Notes 6 and 7)	2,190,922
Deferred expenses (Note 4(15))	1,273,802
Long-term notes, accounts and overdue receivables	385
Long-term notes, accounts and overdue receivables - related parties (Note 5)	31,210
Deferred income tax assets - non-current	296,287
Other assets - other (Notes 4(11) and 6)	3,504,202
Total other assets	16,795,271
TOTAL ASSETS	\$ 276,749,425

(Continued)

UNI-PRESIDENT ENTERPRISES CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(UNAUDITED)

	2008
LIABILITIES AND STOCKHOLDERS' EQUITY	
Current Liabilities	
Short-term loans (Notes 4(17) and 6)	\$ 26,999,759
Notes and bills payable (Notes 4(18) and 6)	9,421,363
Financial liabilities at fair value through profit or loss - current (Note 4(19))	2,626
Derivative financial liabilities for hedging - current (Note 10(4))	14,400
Notes payable	1,917,907
Accounts payable (Note 5)	22,185,365
Income tax payable	1,077,433
Accrued expenses (Note 5)	12,060,200
Other payables (Note 5)	9,170,373
Receipts in advance	2,880,586
Long-term liabilities - current portion (Notes 4(20)(21) and 6)	10,999,986
Capital lease payables - current (Note 4(11))	22,123
Other current liabilities	670,775
Total current liabilities	97,422,896
Long-term Liabilities	
Bonds payable (Note 4(20))	4,657,084
Long-term loans (Notes 4(21) and 6)	67,364,074
Long-term notes payable	53,595
Capital lease payables - non-current (Note 4(11))	76,086
Long-term notes, accounts and overdue payable - related parties (Note 5)	205,121
Total long-term liabilities	72,355,960
Reserves	
Land value incremental reserve (Note 4(11))	1,773,357
Other Liabilities	
Accrued pension liabilities	2,468,037
Guarantee deposits received	4,684,925
Other liabilities - other (Note 4(22))	2,871,456
Total other liabilities	10,024,418
Total liabilities	181,576,631
Stockholders' Equity	
Capital	
Common stock (Notes 1 and 4(23))	37,331,420
Capital Reserves (Notes 4(20)(24))	
Additional paid-in capital - treasury stock transactions	9,046
Capital reserve from donated assets	458
Capital reserve from long-term investments	5,343,317
Capital reserve from stock warrants	514,435
Retained Earnings (Notes 4(23)(25))	
Legal reserve	6,912,135
Undistributed earnings	5,058,659
Other Adjustments to Stockholders' Equity	
Asset revaluations (Note 4(11))	1,790,150
Unrealized gain or loss on financial instruments (Notes 4(3)(10), 10(1)(4))	1,216,150
Cumulative translation adjustments	1,325,802
Unrecognized pension cost	(1,086,819)
Total parent company's equity	58,414,753
Minority interest	36,758,041
Total stockholders' equity	95,172,794
Contingent Liability And Commitments (Notes 5 and 7)	
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 276,749,425

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated November 10, 2008.

UNI-PRESIDENT ENTERPRISES CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT FOR EARNINGS PER SHARE DATA)
(UNAUDITED)

	2008	
Operating Revenues (Note 5)		
Sales	\$	232,990,262
Sales returns	(	1,495,899)
Sales discounts	(	5,431,786)
Net Sales		226,062,577
Other operating revenues		6,416,120
Net Operating Revenues		232,478,697
Operating Costs (Note 5)		
Cost of goods sold	(	164,600,548)
Other operating costs	(	3,324,750)
Net Operating Costs		167,925,298)
Gross profit		64,553,399
Operating Expenses (Note 5)		
Sales and marketing expenses	(	43,156,532)
General and administrative expenses	(	9,992,163)
Research and development expenses	(	398,120)
Total Operating Expenses		53,546,815)
Operating income		11,006,584
Non-operating Income and Gains		
Interest income (Note 5)		497,861
Investment income accounted for under the equity method (Note 4(10))		626,335
Dividend income		327,243
Gain on disposal of property, plant and equipment		246,028
Gain on disposal of investments (Note 4(2))		204,884
Rental income (Note 4(13))		279,510
Other non-operating income (Note 5)		2,034,646
Total Non-operating Income and Gains		4,216,507
Non-operating Expenses and Losses		
Interest expense (Notes 4(11) and 10(3))	(	2,958,148)
Loss on valuation of financial assets (Notes 4(2)(19))	(	78,158)
Loss on disposal of property, plant and equipment	(	127,376)
Foreign exchange loss	(	47,182)
Provision for inventory obsolescence and market price declines	(	50,458)
Impairment loss (Notes 4(8)(11)(12)(13)(14)(16))	(	142,785)
Other non-operating losses (Note 5)	(	1,757,315)
Total Non-operating Expenses and Losses		5,161,422)
Income before income tax		10,061,669
Income tax expense	(	2,426,158)
Consolidated net income	\$	7,635,511
Attributable to:		
Equity holders of the Company	\$	4,935,999
Minority interest		2,699,512
	\$	7,635,511
	Before Tax	After Tax
Basic Earnings Per Common Share (in dollars) (Note 4(26))		
Net income	\$	2.70
Diluted Earnings Per Share (in dollars) (Note 4(26))		\$
Net income	\$	2.65
		\$
		1.30

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated November 10, 2008.

UNI-PRESIDENT ENTERPRISES CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(UNAUDITED)

	2008
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Consolidated net income	\$ 7,635,511
Adjustments to reconcile net income to net cash provided by operating activities	
Loss on valuation of financial assets	78,158
Provision for doubtful accounts	80,446
Reversal of allowance for doubtful accounts	(109,380)
Provision for inventory obsolescence and market price declines	50,458
Investment income accounted for under the equity method	(626,335)
Cash dividends from equity subsidiaries	610,285
Gain on disposal of investments	(498,852)
Depreciation	7,216,092
Gain on disposal of property, plant and equipment, assets leased to others, idle assets and other assets	(118,652)
Impairment loss	142,785
Amortization	747,056
Changes in assets and liabilities	
Financial assets at fair value through profit or loss - current	(434,984)
Notes receivable	298,439
Accounts receivable	(2,736,058)
Accounts receivable - related parties	(312,605)
Other receivables	(643,565)
Inventories	(1,350,688)
Prepayments	(3,502,385)
Deferred income tax assets - current	52,928
Other current assets	(763,714)
Deferred pension cost	6,564
Long-term notes, accounts and overdue receivables	28,973
Deferred income tax assets - non-current	(284,525)
Notes payable	(95,889)
Accounts payable	5,217,698
Income tax payable	(275,701)
Accrued expenses	2,695,225
Other payables	(1,339,224)
Receipts in advance	(147,689)
Other current liabilities	115,436
Accrued pension liabilities	(54,443)
Net cash provided by operating activities	11,681,365

(Continued)

UNI-PRESIDENT ENTERPRISES CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(UNAUDITED)

	2008
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
Decrease in available-for-sale financial assets - current	\$ 2,331
Decrease in employees' car loans	6,093
Increase in other receivables - related parties	(30,861)
Decrease in other financial assets - current	4,032
Increase in available-for-sale financial assets - non-current	(1,205,088)
Increase in financial assets carried at cost - non-current	(1,359,358)
Acquisition of long-term investments - non subsidiaries	(834,189)
Proceeds from sale of long-term investments - non subsidiaries	2,843,013
Proceeds from liquidation of subsidiaries	85,338
Decrease in other financial assets - non-current	10,550
Cash acquisition of property, plant and equipment, assets leased to others, idle assets and other assets	(7,711,355)
Proceeds from disposal of property, plant and equipment, assets leased to others, idle assets and other assets	1,210,172
Increase in other intangible assets	(634,966)
Decrease in refundable deposits	132,553
Increase in deferred expenses	(459,537)
Net cash used in investing activities	(7,941,272)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>	
Increase in short-term loans	2,883,666
Decrease in notes and bills payable	(589,276)
Decrease in bonds payable	(4,187,303)
Increase in long-term loans	9,384,920
Decrease in long-term notes, accounts and overdue payables	(432,539)
Increase in long-term notes, accounts and overdue payables - related parties	91,233
Increase in guarantee deposits received	920,490
Increase in other liabilities - other	753,071
Payment of directors' and supervisors' remuneration	(198,306)
Payment of employees' bonuses	(851,964)
Payment of cash dividends	(7,110,746)
Decrease in minority interest	(1,784,207)
Net cash used in financing activities	(1,120,961)
Effect of foreign exchange rate changes on cash	607,865
Net increase in cash and cash equivalents	3,226,997
Cash and cash equivalents at beginning of period	30,163,514
Cash and cash equivalents at end of period	<u>\$ 33,390,511</u>
<u>Supplemental disclosures of cash flow information</u>	
1. Interest paid (excluding capitalized interest)	<u>\$ 2,491,992</u>
2. Income tax paid	<u>\$ 2,124,014</u>
<u>Investing and financing activities with partial cash payment</u>	
1. Proceeds from disposal of long-term investments - non subsidiaries	\$ 2,366,150
Add: Other receivables, beginning of period	2,053,508
Less: Other receivables, end of period	(1,576,645)
Proceeds from disposal of long-term investments - non subsidiaries	<u>\$ 2,843,013</u>
2. Acquisition of property, plant and equipment, assets leased to others, idle assets and other assets	\$ 7,248,948
Add: Other payables, beginning of period	1,097,292
Capital lease payables, beginning of period	113,415
Less :Other payables, end of period	(650,091)
Capital lease payable, end of period	(98,209)
Cash acquisition of property, plant and equipment, assets leased to others, idle assets and other assets	<u>\$ 7,711,355</u>

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated November 10, 2008.

UNI-PRESIDENT ENTERPRISES CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
EXCEPT AS OTHERWISE INDICATED)

1. HISTORY AND ORGANIZATION

- (1) Uni-President Enterprises Corp. (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Law of the Republic of China (R.O.C.) in August 1967 with an initial capital of \$32,000. As of September 30, 2008, the Company’s authorized capital was \$48,000,000, and the paid-in capital was \$37,331,420, consisting of 3,733,142,000 shares of common stock with \$10 (NT dollar) per share. The Company is primarily engaged in the manufacture, processing and sales of various soft drinks, food, animal feeds and flour.
- (2) As of September 30, 2008, the Company and its subsidiaries had approximately 71,800 employees.
- (3) The common shares of the Company have been listed on the Taiwan Stock Exchange since December 1987.

(4) Names of consolidated subsidiaries, their major business activities, the percentage owned by the Company and their changes in 2008 were as follows:

Name of Investors	Name of subsidiaries	Business activities	Percentage owned by the Company	
			September 30, 2008	Note
Uni-President Enterprises Corp.	Cayman President Holdings Ltd.	Professional investment	100.00%	(Note 1)
	Kai Nan Investment Co., Ltd.	"	"	"
	President International Trade and Investment Corp.	"	"	"
	Kai Yu Investment Co., Ltd.	"	"	"
	President Global Corp.	Instant noodle and juice can importation	"	"
	Tone Sang Construction Corp.	Construction of buildings	"	"
	Uni-President Glass Industrial Co., Ltd.	Manufacturing and sales of glass products	"	"
	Uni-President Vendor Corp.	Sales of soft drinks and food	"	"
	U-Chains Enterprises	Distribution center	"	"
	Presco Netmarketing Inc.	Information services	"	"
	Uni-President Dream Parks Corp.	Wholesale and retailing of food, advertising, etc.	"	"

Name of Investors	Name of subsidiaries	Business activities	Percentage owned by the Company	
			September 30, 2008	Note
Uni-President Enterprises Corp.	President	Management of professional baseball	100.00%	(Note 1)
	President Baseball Team Corp.	baseball	"	"
	President Entertainment Corp.	Entertainment business	"	(Note 3)
	President Organics Corp.	Sales of rice, vegetable, tea and drinks, etc.	"	(Note 1) (Note 3)
	President Fair Development Corp.	Operation of shopping mall, department store, international trade, etc.	"	(Note 1) (Note 3)
	Nanlien International Corp.	Import and export trading	99.99%	(Note 1)
	Tung Ho Development Corp.	Entertainment business	99.28%	" (Note 3)
	President Musashino Corp.	Sales of fresh food	90.00%	(Note 1) (Note 3)
	President Natural Industrial Corp.	Sales of healthy food	74.85%	(Note 1)
	Uni-President Development Corp.	General investments	70.00%	" (Note 3)
	President International Development Corp.	Industry investment	69.83%	(Note 1) (Note 3)

Name of Investors	Name of subsidiaries	Business activities	Percentage owned by the Company	
			September 30, 2008	Note
Uni-President Enterprises Corp.	Qware Systems & Services Corp.	Data processing and software design services, etc.	51.34%	(Note 1) (Note 3)
	President Tokyo Corp.	Car rental	51.00%	(Note 1)
	President Nissin Corp.	Processing, manufacturing and sales of vegetable oil	"	"
	Ton Yi Pharmaceutical Corp.	Distribution of pharmaceuticals	"	"
	President Packaging Corp.	Package and container sales	50.59%	"
	President Asia Enterprises Inc.	Operation of supermarket, landed estates and hotels, etc.	50.01%	" (Note 3)
	President Kikkoman Inc.	Manufacturing and sales of soya sauce	50.00%	(Note 1)
	Uni-President Biotechnology Co., Ltd.	Research and development of traditional chinese medicine, wholesale	"	"
	Ton Yi Industrial Corp.	Manufacturing of tins	47.24%	(Note 2) (Note 3)
	President Chain Store Corp.	Operation of supermarkets	45.40%	—

Name of Investors	Name of subsidiaries	Business activities	Percentage owned by the Company	
			September 30, 2008	Note
Cayman President Holdings Ltd.	Uni-President Southeast Asia Holdings Ltd. and its subsidiaries	Professional investment, etc.	100.00%	(Note 1)
	Linkhope Intl. LLC.	General investments	"	"
	Uni-President Foods Corp.	Manufacturing and sales of instant noodles	"	"
	Uni-President International (HK) Co., Ltd.	Trading	"	"
	Uni-President Enterprises China Holdings Ltd. and its subsidiaries	Professional investment, etc.	73.49%	"
	President Energy Development (Cayman Islands) Ltd.	Investment in energy resources	65.79%	" (Note 3)
	Zhangjiagang President Nisshin Food Co., Ltd.	Manufacturing and sales of fats, flour and feeds	60.00%	(Note 1)
Kai Nan Investment Co., Ltd.	Kai Nan (BVI) Investment Co., Ltd. and its subsidiaries	Investment in manufacturing business, etc.	100.00%	"
President International Trade and Investment Corp.	Shanghai President International Food Co., Ltd.	Sales of biscuits and food	"	" (Note 3)

Name of Investors	Name of subsidiaries	Business activities	Percentage owned by the Company	
			September 30, 2008	Note
Kai Yu Investment Co., Ltd.	Kai Yu (BVI) Investment Co., Ltd. and its subsidiaries	Investment in manufacturing business, etc.	100.00%	(Note 1)
	Tung Ang Enterprises Corp.	Sales of soft drinks, etc.	"	"
	Tung Guan Enterprises Co., Ltd.	Sales of livestock products	"	"
	Tung Jun International Corp.	Wholesale of poultry and livestock, etc.	"	"
	U-Fu Asset Management Corporation	Financing	"	"
	Century Quick Services Restaurant Corp.	Operation of fastfood chain restaurant	80.00%	" (Note 3)
	President Global Corp.	Ameripec Inc.	Manufacturing of food	100.00%	(Note 1)
Uni-President Dream Parks Corp.	Uni-Oao Travel Services Corp.	Tours business	"	" (Note 3)
President Fair Development Corp.	Kainan Plywood & Wood Mfg. Co., Ltd.	Manufacturing and sales of wood	"	(Note 1)
Nanlien International Corp.	Cayman Nanlien Holdings Ltd. and its subsidiaries	Professional investment, etc.	"	"
	Nella Limited and its subsidiaries	Trade agency and general investments	"	"
	Wei Lien Enterprises Corp. and its subsidiaries	"	"	"

Name of Investors	Name of subsidiaries	Business activities	Percentage owned by the Company	
			September 30, 2008	Note
Nanlien International Corp.	Uni-President Auto Accessories Corp.	Wholesale of motor vehicle parts and supplies	100.00%	(Note 1)
	Union Chinese Corp. and its subsidiaries	Sales of food	63.78%	"
	Tun Hsiang Enterprises Corp., etc.	"	36.00%~ 100.00%	"
Tung Ho Development Corp.	President Being Corp.	Operation of gymnasium, spa, etc.	100.00%	"
	Uni-Resort Corp.	Operation of restaurants, hotels and gymnasium	"	"
	Gu-Hsiang Co., Ltd.	Operation of restaurants and hotels	—	" (Note 4)
President Natural Industrial Corp.	High Wave Biotech Corp.	Sales of healthy food	100.00%	(Note 1)
President International Development Corp.	President (BVI) International Investment Holdings Ltd. and its subsidiaries	Investment in manufacturing business, etc.	"	"
	Ton Shou Investment Inc.	Professional investment	"	"

Name of Investors	Name of subsidiaries	Business activities	Percentage owned by the Company	
			September 30, 2008	Note
President International Development Corp.	Ton Cheng Investment Inc.	Professional investment	100.00%	(Note 1)
	Ton Yu Investment Inc. and its subsidiaries	Professional investment, etc.	"	"
	President Life Sciences Co., Ltd. and its subsidiaries	Manufacturing of chemical materials and instruments, etc.	"	"
	Presitex Co., Ltd. and its subsidiaries	Manufacturing and sales of clothing, etc.	"	"
	Tung Li Development Co., Ltd.	Land development	50.00%	"
Qware Systems & Services Corporation	Professional E-Commerce (BVI) Services Ltd. and its subsidiaries	Information services	100.00%	"
President Tokyo Corp.	President Tokyo Renting Corp.	Car rental	"	"
President Packaging Corp.	President Packaging (BVI) Corp. and its subsidiaries	Professional investment, etc.	"	"
President Asian Enterprises Inc.	555053 British Columbia Ltd.	Operation of trust	"	"

Name of Investors	Name of subsidiaries	Business activities	Percentage owned by the Company	
			September 30, 2008	Note
Ton-Yi Industrial Corp.	Cayman Ton Yi Industrial Holdings Ltd. and its subsidiaries	Professional investment, etc.	100.00%	(Note 1)
	Tovecan Corp.	Manufacturing of cans, etc.	51.00%	"
President Chain Store Corp.	PCSC (China) Supermarket Limited and its subsidiaries	Professional investment, etc.	100.00%	"
	President Chain Store (BVI) Holdings Co., Ltd. and its subsidiaries	"	"	" (Note 7)
	President Drugstore Business Corp.	Sales of cosmetics and medicine	"	(Note 1)
	Ren-Hui Investment Corp.	Professional investment	"	"
	Capital Inventory Services Corp.	Enterprise management consultancy	"	"
	Wisdom Distribution Services Corp. and its subsidiaries	Delivery of magazines, etc.	"	" (Note 6)

Name of Investors	Name of subsidiaries	Business activities	Percentage owned by the Company	
			September 30, 2008	Note
President Chain Store Corp.	Uni-President Cold Chain Corp. and its subsidiaries	Distribution center	100.00%	(Note 1) (Note 3)
	Uni-President Oven Bakery Corp. and its subsidiaries	Bread retailing, etc.	"	(Note 1)
	Uni-President Department Store Corp.	Retail business	"	"
	President FN Business Corp.	"	"	(Note 1)
	Cold Stone Creamery Taiwan Ltd.	Operation of restaurant	"	"
	President Lanyang Art Center Co., Ltd.	Arts and culture	"	"
	President Transnet Corp.	Distribution business	90.00%	" (Note 3)
	President Information Corp.	Information services	86.00%	(Note 1) (Note 3)
	Mech-President Co. Ltd. and its subsidiaries	Operation of gas stations and manufacturing of elevator, etc.	83.74%	(Note 1) (Note 3)
	President Pharmaceutical Corp.	Wholesale of medicines and medical appliances	73.74%	(Note 1)

Name of Investors	Name of subsidiaries	Business activities	Percentage owned by the Company	
			September 30, 2008	Note
President Chain Store Corp.	AHB Pet Plus Co., Ltd.	Cosmetology for pets	70.00%	(Note 1) (Note 5)
	President Collect Service Co., Ltd.	Collection agent for government institutions	"	(Note 1)
	Retail Support International Corp. and its subsidiaries	Distribution centers, etc.	65.00%	" (Note 3)
	Bank Pro E-Services Technology Company	Information services	58.33%	(Note 1) (Note 3)
	Duskin Serve Taiwan Co., Ltd. and its subsidiaries	Sales of cleaning instruments	51.00%	(Note 1)
	Afternoon Tea Taiwan Corp.	Operation of restaurant	"	" (Note 5)
	Muji (Taiwan) Co., Ltd.	Retail business	"	(Note 1) (Note 3)
	Books.Com.Tw	Network bookstore	50.03%	(Note 1)
	Mister Donut Co., Ltd.	Bread retailing	50.00%	" (Note 7)
	President Starbucks Coffee Corp.	Operation of a chain of coffee shops	"	(Note 1) (Note 3) (Note 7)
	Uni-President Yellowhat Corp.	Wholesale and retail of automotive accessories	"	(Note 1) (Note 3) (Note 7)
	President Direct Marketing	Sales of various merchandise by mail order	—	(Note 6)

(Note 1) The financial statements of certain investee companies reflect total assets and total liabilities amounting to \$174,637,776 and \$99,239,365, representing 63.10% and 54.65% of the related consolidated totals, respectively as of September 30, 2008, and total net income amounted to \$1,390,449, representing 18.21% of the consolidated net income for the nine-month period then ended. Those statements were not reviewed by independent accountants.

(Note 2) As of September 30, 2008, total assets and total liabilities amounted to \$42,356,278 and \$23,015,734, representing 15.30% and 12.68% of the related consolidated totals, respectively, and total operating revenues amounted to \$20,979,593, representing 9.02% of the consolidated operating revenues for the nine-month period then ended. These amounts were based on the financial statements that were reviewed by other independent accountants.

(Note 3) Jointly owned by the Company and the subsidiaries.

(Note 4) Gu-Hsiang Co., Ltd. had been liquidated in January 2008.

(Note 5) New corporation or acquired the majority interest in 2008.

(Note 6) President Direct Marketing was merged and then eliminated by Wisdom Distribution Services Corp. in August 2008.

(Note 7) In accordance with R.O.C. SFAS No. 31, "Accounting for Joint Ventures", President Chain Store Corp. adopted the proportionate consolidation method to account for its share of the respective accounts of certain investees' assets, liabilities, revenues, and expenses in the consolidated financial statements of President Chain Store Corp. The financial statements of certain investees were consolidated based on their unreviewed financial statements.

(5) Subsidiaries not included in the consolidated financial statements: None.

(6) Adjustments for subsidiaries with different balance sheet dates: None.

(7) Special operating risk of foreign subsidiaries: No significant special operating risks which would have impact on the Company.

(8) Nature and extent of the restrictions on fund remittance from subsidiaries to the parent company: None.

(9) Contents of subsidiaries' securities issued by the parent company: None.

(10) Information on convertible bonds and common stock issued by subsidiaries: Please refer to Note 4 (20) Bonds payable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying third-quarter consolidated financial statements of the Company and its subsidiaries (collectively referred herein as the Group) are prepared in accordance with the Gin-Gwen-Jen (6) Letter No. 0960034217 and No. 0960064020 of the Financial Supervisory

Commission, Executive Yuan, R.O.C., dated July 9, 2007 and November 15, 2007, respectively as “Single Period Disclosure for the First Announcement of Third-Quarter Consolidated Financial Statements” and “Simplified Disclosure for the Notes to Third-Quarter Consolidated Financial Statements” and “Rules Governing the Preparation of Financial Statements by Securities Issuers” and accounting principles generally accepted in the Republic of China.

Except for the changes in accounting principles in Note 3, the Group’s significant accounting policies remain the same as disclosed in the notes to consolidated financial statements as of and for the six-month period ended June 30, 2008.

3.CHANGES IN ACCOUNTING PRINCIPLES

Effective January 1, 2008, the Group adopted the EITF 96-052 “Accounting for Employees’ Bonuses and Directors’ and Supervisors’ Remuneration”, prescribed by the R.O.C. Accounting Research and Development Foundation. As a result of the adoption of EITF 96-052, consolidated net income decreased by \$618,622 and basic and diluted earnings per share decreased by \$0.17 and \$0.16 (in NT dollars), respectively for the nine-month period ended September 30, 2008.

4.DETAILS OF SIGNIFICANT ACCOUNTS

(1)Cash and cash equivalents

	<u>September 30, 2008</u>
Cash:	
Cash on hand	\$ 1,194,997
Checking deposits	3,464,370
Demand deposits	13,701,457
Time deposits	<u>12,989,135</u>
	31,349,959
Cash equivalents:	
Commercial papers	<u>2,040,552</u>
	<u>\$ 33,390,511</u>

(2)Financial assets at fair value through profit or loss

	<u>September 30, 2008</u>
Current items:	
Financial assets held for trading	
Mutual funds	\$ 10,853,927
Listed (TSE and OTC) stocks	380,539
Corporate bonds	<u>137,716</u>
	11,372,182
Adjustment of financial assets held for trading	(261,317)
	<u>\$ 11,110,865</u>

The Group recognized net loss of \$392,948 for the nine-month period ended September 30,2008.

(3)Available-for-sale financial assets

	<u>September 30, 2008</u>
Current items:	
Mutual funds	\$ 30,059
Adjustment of available-for-sale financial assets	<u>654</u>
	<u>\$ 30,713</u>
Non-current items:	
Listed (TSE and OTC) stocks	\$ 4,349,955
Corporate bonds	<u>4,500</u>
	4,354,455
Adjustment of available-for-sale financial assets	<u>1,836,294</u>
	<u>\$ 6,190,749</u>

(4)Notes receivable

	<u>September 30, 2008</u>
Notes receivable	\$ 3,309,857
Less: Allowance for doubtful accounts	(97,261)
	<u>\$ 3,212,596</u>

(5)Accounts receivable

	<u>September 30, 2008</u>
Accounts receivable	\$ 12,496,122
Less: Allowance for doubtful accounts	(522,776)
	<u>\$ 11,973,346</u>

(6) Other receivables

	<u>September 30, 2008</u>
Other receivables	\$ 4,741,384
Less: Allowance for doubtful accounts	(36,823)
	<u>\$ 4,704,561</u>

(7) Inventories

	<u>September 30, 2008</u>
Merchandise	\$ 9,240,538
Raw materials	8,009,864
Raw materials in transit	2,160,058
Supplies	1,398,739
Work in process	1,681,979
Livestock in process	28,054
Finished goods	3,699,491
Livestock	14,499
Less: Allowance for decline in value of livestock	(9,215)
By-products	929
Land held for construction	363,288
Construction in progress-land	299,385
Construction in progress-buildings	46,232
Buildings and land held for sale	<u>190,962</u>
	27,124,803
Less: Allowance for price decline and obsolescence in inventories	(445,376)
	<u>\$ 26,679,427</u>

For details of interest capitalized in inventory, please refer to Note 4(11).

(8) Financial assets carried at cost

	<u>September 30, 2008</u>
Non-current items:	
Unlisted stocks	\$ 11,246,277
Emerging stocks	8,138,809
Non-public trading bonds	<u>967,715</u>
	20,352,801
Less: Accumulated impairment	(2,853,084)
	<u>\$ 17,499,717</u>

A. The investments were measured at cost since their fair value cannot be measured reliably.

B. For details of accumulated impairment, please refer to Note 4(16).

(9) Investments in bonds without active markets

	<u>September 30, 2008</u>
Non-current item:	
Finance bonds	<u>\$ 45,000</u>

(10) Long-term equity investments accounted for under the equity method

(a) Details of long-term equity investments accounted for under the equity method are set forth below:

<u>Name of subsidiaries</u>	<u>September 30, 2008</u>	
	<u>Amount</u>	<u>Percentage owned</u>
Jimmailang Beverage (Beijing) Co., Ltd.	\$ 1,479,970	50.00
Cargill President Holding Pte. Ltd.	1,102,720	50.00
Presicarre Corp.	7,836,967	40.00
TTET Union Corp.	995,683	37.64
Eagle Cold Storage Enterprises Co., Ltd.	529,330	34.23
Kuang Chuan Dairy Co., Ltd.	1,207,945	31.25
President Securities Corp.	5,294,768	29.25
Kang Na Hsiung Enterprise Co., Ltd.	665,499	24.80
Scino Pharm Taiwan, Ltd.	848,366	20.77
Others (individually less than 2%)	<u>4,983,407</u>	20.00
		~50.00
	<u>\$24,944,655</u>	

(b) Long-term investment income accounted for under the equity method was \$626,335 for the nine-month period ended September 30, 2008. Except for TTET Union Corp. and 2 other companies, the Company's long-term investments in certain investee companies accounted for under the equity method were based on their financial statements which were not reviewed by independent accountants. As of September 30, 2008, long-term investments in these investee companies was \$18,124,874 and the related investment income recognized was \$572,805 for the nine-month period then ended.

(c) The investee companies adopted R.O.C. SFAS No. 34 "Financial Instruments: Recognition

and Measurement”, and SFAS No. 36 “Financial Instruments: Disclosure and Presentation”. Accordingly, the Company had recognized an unrealized loss on financial instruments of long-term equity investments amounting to \$1,932,471 (classified as unrealized gain or loss on financial instruments) as of September 30, 2008.

(11) Property, plant and equipment

- (a) As of September 30, 2008, the details of revaluation increments and accumulated depreciation property, plant and equipment are listed as follows:

Assets	September 30, 2008	
	Revaluation increments	Accumulated depreciation
Land	\$ 3,758,761	\$ -
Buildings	138,674	9,214,559
Machinery and equipment	38,130	35,970,978
Electrical installations	6,675	3,151,040
Transportation equipment	858	2,334,431
Office equipment	289	3,377,514
Leased assets	-	504,510
Leasehold improvements	-	5,210,982
Other equipment	22,560	12,746,323
	\$ 3,965,947	\$72,510,337

- (b) In the years 1975, 1979, 1981, 1983, 1990, 1995 and 2005, the Company revalued certain property, plant and equipment (including assets leased to others and idle assets) in accordance with the regulations for the Revaluation of Assets in the Republic of China. The amount of appraisal increments credited to asset revaluations was \$2,521,590. The balance of asset revaluation (shown as capital reserve from asset revaluations before the amended “Business Entity Accounting Law”) was \$1,511,316 as of September 30, 2008. In addition, as a result of the adoption of R.O.C. SFAS No. 5 “Long-term Investments under Equity Method”, the Company recognized the unrealized asset revaluation amounting to \$278,834 as of September 30, 2008.
- (c) The balance of provision for land value incremental tax on September 30, 2008 was \$1,773,357.
- (d) Interest expense before capitalization for the nine-month period ended September 30, 2008 was \$3,049,900, and interest capitalized in inventories and property, plant and equipment totaled \$91,752 with interest rates of 2.30%~5.30% for the nine-month period ended

September 30, 2008.

- (e) As of September 30, 2008, the Group owned certain agricultural land amounting to \$1,008,879 for the expansion of plant facilities. This land has yet to be rezoned for industrial purposes. Accordingly, the land title has not been officially transferred to the Group. However, the Company has secured the land deeds and other ownership documents.
- (f) Tung Ho Development Corp. had purchased 56 lots in Da-Pu, which is located in Jiayi, Taiwan from Mr. Tsai Xu Tang in October 2000. The Board of Directors had approved the sale of the land. Tung Ho Development Corp. had sold memberships totaling \$103,680, which are deferred, pending the final disposal of the land. As of September 30, 2008, the book value was \$176,320 (the total cost of \$280,000 less deferred revenue of \$103,680).

(g) Leased assets

The terms of the major leased properties are summarized below:

- (1) Upon the expiration of the lease contract, the title of the leased properties accounted for under capital leases are transferred to the Company at no additional cost.

The rental payments and the leased properties are listed below:

Category of property	Present value discounted on the implicit interest rate	Period
Buildings, piping infrastructure and electricity generation equipment and other equipment	<u>\$ 240,000</u>	August 1997-July 2012, 180 equal monthly payments

- (2) As of September 30, 2008, total amount of future rental payments and their present value are listed as follows:

	Rent Payable	
	Present value of future rental payments	Total future rental payments
10. 1. 2008-9. 30. 2009	\$ 22, 123	\$ 30, 949
10. 1. 2009-9. 30. 2010	24, 440	30, 949
10. 1. 2010-9. 30. 2011	26, 999	30, 949
10. 1. 2011-7. 31. 2012	<u>24, 647</u>	<u>25, 789</u>
	98, 209	<u>\$ 118, 636</u>
Less: Liabilities under capital lease within one year	(22, 123)	
Capital lease payables - non-current	<u>\$ 76, 086</u>	

(h) The accumulated impairment of property, plant and equipment as of September 30, 2008 was \$158,232. Please refer to Note 4(16).

(12)Other intangible assets

As of September 30, 2008, other intangible assets are as follows:

Item	Beginning balance				For the nine-month period ended September 30, 2008							Ending balance		
	Initial cost	Accumulated amortization	Effect of exchange rate changes	Book value	Additions	Amortization	Effect of exchange rate changes	Initial cost	Accumulated amortization	Effect of exchange rate changes	Net book value			
Trademarks	\$ 87,669	(\$ 15,269)	\$ -	\$ 72,400	\$ 1,574	(\$ 2,150)	\$ -	\$ 89,243	(\$ 17,419)	\$ -	\$ 71,824			
Copyrights	14,057	(512)	-	13,545	-	-	-	14,057	(512)	-	13,545			
Land use rights	2,212,549	(99,412)	-	2,113,137	-	(31,595)	-	2,212,549	(131,007)	-	2,081,542			
Land occupancy rights	1,283,063	(61,439)	48,718	1,270,342	233,267	(31,391)	(55,900)	1,516,330	(92,830)	(7,182)	1,416,318			
Others	1,842,453	(855,743)	-	986,710	400,125	(359,973)	-	2,242,578	(1,215,716)	-	1,026,862			
	<u>\$ 5,439,791</u>	<u>(\$ 1,032,375)</u>	<u>\$ 48,718</u>	<u>4,456,134</u>	<u>\$ 634,966</u>	<u>(\$ 425,109)</u>	<u>(\$ 55,900)</u>	<u>\$ 6,074,757</u>	<u>(\$ 1,457,484)</u>	<u>(\$ 7,182)</u>	<u>4,610,091</u>			
Less: Discount on land use rights				(141,985)							(141,985)			
Accumulated impairment				(13,545)							(13,545)			
				<u>\$ 4,300,604</u>							<u>\$ 4,454,561</u>			

For details of accumulated impairment, please refer to Note 4(16).

(13) Assets leased to others

Assets	September 30, 2008						
	Cost			Accumulated depreciation			Net book value
	Historical	Revaluation increment	Total	Historical	Revaluation increment	Total	
Land	\$4,403,276	\$1,580,504	\$5,983,780	\$ -	\$ -	\$ -	\$5,983,780
Buildings	2,760,622	14,075	2,774,697	(455,549)	(13,476)	(469,025)	2,305,672
Machinery and equipment	8,212	-	8,212	(7,463)	-	(7,463)	749
Piping infrastructure and electricity generation equipment	9,776	-	9,776	(8,148)	-	(8,148)	1,628
Office equipment	2,717	-	2,717	(2,496)	-	(2,496)	221
Other equipment	267,260	4,290	271,550	(201,748)	(4,290)	(206,038)	65,512
	<u>\$7,451,863</u>	<u>\$1,598,869</u>	<u>\$9,050,732</u>	<u>(\$ 675,404)</u>	<u>(\$ 17,766)</u>	<u>(\$ 693,170)</u>	8,357,562
Less: Accumulated impairment							(11,478)
							<u>\$8,346,084</u>

(a) Rental revenues for the nine-month period ended September 30, 2008 was \$148,254.

(b) The Group revalued certain assets leased to others in accordance with the Regulations for the Revaluation of Assets in the Republic of China. Please refer to Note 4(11).

(c) For details of accumulated impairment, please refer to Note 4(16).

(14) Idle assets

September 30, 2008

Assets	Cost			Accumulated depreciation			Net book value
	Historical	Revaluation increment	Total	Historical	Revaluation increment	Total	
Land	\$1,015,107	\$ 566	\$1,015,673	\$ -	\$ -	\$ -	\$1,015,673
Buildings	108,231	4,373	112,604	(87,322)	(4,358)	(91,680)	20,924
Machinery and equipment	568,475	-	568,475	(348,361)	-	(348,361)	220,114
Piping infrastructure and electricity generation equipment	5,344	-	5,344	(3,830)	-	(3,830)	1,514
Office equipment	1,659	-	1,659	(1,380)	-	(1,380)	279
Other equipment	58,684	978	59,662	(41,769)	(978)	(42,747)	16,915
	<u>\$1,757,500</u>	<u>\$ 5,917</u>	<u>\$1,763,417</u>	<u>(\$ 482,662)</u>	<u>(\$ 5,336)</u>	<u>(\$ 487,998)</u>	1,275,419
Less: Accumulated impairment							(123,040)
							<u>\$1,152,379</u>

A. The Group revalued certain idle assets in accordance with the Regulations for the Revaluation of Assets in the Republic of China. Please refer to Note 4(11).

B. For details of accumulated impairment, please refer to Note 4(16).

(15) Deferred expenses

	<u>2008</u>
Beginning balance	\$ 1,129,647
Additions	459,537
Amortization	(321,947)
Effect of foreign exchange rate changes	<u>6,565</u>
Ending balance	<u>\$ 1,273,802</u>

The deferred expenses include lease of packing machines. The minimum advance rental payments are amortized over a period of 8~12 years, the estimated economic lives of the packing machines. Other quarterly rental payments and cost based on units-of-production are charged as current expense.

(16) Impairment of assets

After reversal of impairment loss previously recognized, the total accumulated impairment as of September 30, 2008 was \$3,159,379.

Details are set forth below:

<u>Item</u>	<u>September 30, 2008</u>
Recorded as impairment loss:	
Financial assets carried at cost - non-current (Note)	\$ 2,853,084
Property, plant and equipment (Note)	158,232
Other intangible assets-copyrights	13,545
Assets leased to others (Note)	11,478
Idle assets (Note)	<u>123,040</u>
	<u>\$ 3,159,379</u>

The accumulated impairment summarized by department are as follows:

<u>Department</u>	<u>September 30, 2008</u>
Entertainment business	\$ 128,521
Tinplate business	43,017
Foods	215,414
Feeds	13,807
Retail chain stores	510,975
General department	<u>2,247,645</u>
	<u>\$ 3,159,379</u>

(Note) Part of financial assets carried at cost - non-current have been recognized or disposed, property, plant and equipment has been recognized or disposed and idle assets have been recognized, disposed or transferred to property, plant and equipment during the nine-month period ended September 30, 2008. As such, impairment loss of \$142,785 was recognized for the nine-month period ended September 30, 2008.

(17)Short-term loans

	<u>September 30, 2008</u>	<u>Collateral or security</u>
Unsecured bank loans	\$ 24,447,338	—
Secured bank loans	<u>2,552,421</u>	(Note)
	<u>\$ 26,999,759</u>	
Range of interest rates	<u>1.03%~7.98%</u>	

(Note) Collaterals include certificate of deposit-restricted, inventories, financial assets carried at cost - non-current, long-term equity investments accounted for under the equity method, land, buildings, machinery and transportation equipment.

(18)Notes and bills payable

	<u>September 30, 2008</u>	<u>Collateral or security</u>
Commercial papers payable	\$ 9,432,900	(Note)
Less: Prepaid interest	(11,537)	
	<u>\$ 9,421,363</u>	
Range of interest rates	<u>0.25%~3.98%</u>	

The above commercial papers were issued and secured by banks and other financing institutions short-term financing.

(Note) Collaterals include certificate of deposit-restricted, inventories, long-term equity investments accounted for under the equity method, land, buildings, and other assets-other.

(19)Financial liabilities at fair value through profit or loss

	<u>September 30, 2008</u>
Current items:	
Financial liabilities held for trading	
Derivatives	<u>\$ 2,626</u>

(a) The Company recognized net income of \$20,822 for the nine-month period ended September 30, 2008.

(b) The trading items and contract information of derivatives are as follows:

	September 30, 2008	
	Contract Amount	Contract Period
Advance booking forward foreign exchange contracts	USD 2,500,000	8. 2008~10. 2008
Forward exchange contracts	USD 1,000,000	9. 2008~12. 2008

The forward exchange contracts are sell NTD buy USD to hedge the change in exchange rate due to import and export but not adopting the hedge accounting.

(20) Bonds payable

	September 30, 2008	Collateral or security
Unsecured convertible bonds payable	\$ 4,080,000	—
Secured domestic bonds payable	4,913,600	—
	8,993,600	
Less: Discount on bonds payable	(256,516)	
Current portion of bonds payable	(4,080,000)	
	<u>\$ 4,657,084</u>	

A. The Company issued secured domestic bonds in December 2003. The significant terms of the bonds are as follows:

(a) Total issue amount:

The Company issued secured bonds totaling \$700,000, including \$300,000 of A and \$200,000 of B and C bonds.

(b) Issue price: At par value of \$10,000 per bond.

(c) Coupon rate :

The secured domestic bonds consist of three types of bonds, A, B and C.

The coupon rate is determined as follows:

Bonds	Coupon rate
A	If 6M LIBOR < 1.20%, the coupon rate is 6M LIBOR. If 1.20% <= 6M LIBOR <= 2.00%, the coupon rate is 3.50%. If 6M LIBOR > 2.00%, the coupon rate is 5.00% minus 6M LIBOR. The floor of coupon rate is zero.
B	If 6M LIBOR < 1.20%, the coupon rate is 6M LIBOR plus 0.0001%. If 1.20% <= 6M LIBOR <= 2.00%, the coupon rate is 3.50%. If 6M LIBOR > 2.00%, the coupon rate is 5.00% minus 6M LIBOR. The floor of coupon rate is zero.
C	If 6M LIBOR < 1.05%, the coupon rate is 6M LIBOR. If 1.05% <= 6M LIBOR

$\leq 2.00\%$, the coupon rate is 3.25%. If 6M LIBOR $> 2.00\%$, the coupon rate is 4.00% minus 6M LIBOR. The floor of coupon rate is zero.

(d) Term of interest repayment:

The bond interest is calculated and payable every six months starting June 2004 based on the coupon rate.

(e) Repayment term:

The A and B bonds are repayable in December 2008 upon the maturity of the bonds. The C bonds are repayable starting December 2006 to December 2008 in three annual installments at the rate of 30%, 30% and 40%, respectively.

(f) Period: 5 years, from December 24, 2003 to December 24, 2008.

(g) Guarantee Bank:

A and B bonds are guaranteed by Taipei Fubon Bank, and C bonds are guaranteed by Mega International Commercial Bank.

B. The Company issued secured domestic bonds in September 2004. The significant terms of the bonds are as follows:

(a) Total issue amount:

The Company issued secured domestic bonds totaling \$3,500,000, including \$500,000 of A, B, C, D, E, F and G bonds.

(b) Issue price: At par value of \$10,000 per bond.

(c) Coupon rate:

The secured domestic bonds consist of seven types of bonds, A, B, C, D, E, F and G.

The coupon rate is determined as follows:

Bonds	Coupon rate
A, B and C	The coupon rate is 2.14% per annum.
D and E	The coupon rate is $3 \times (5 \text{ Year TWD IRS} - 2 \text{ Year TWD IRS}) + 0.92\%$ per annum. The floor of coupon rate is zero.
F and G	If $(5 \text{ Year TWD IRS} - 2 \text{ Year TWD IRS}) \leq 1.15\%$, then the coupon rate is $3 \times (5 \text{ Year TWD IRS} - 2 \text{ Year TWD IRS}) + 1.1\%$ and the floor of coupon rate is not less than zero. If $(5 \text{ Year TWD IRS} - 2 \text{ Year TWD IRS}) > 1.15\%$, then the coupon rate is 2.1%.

(d) Term of interest repayment:

The interest of A, B and C bonds is calculated and repayable in installments every six months starting March 2005 based on the coupon rate. The interest of D, E, F and G bonds is calculated every three months and repayable in the same way as A, B and C bonds.

(e) Repayment term:

The bonds are repayable in September 2009 upon the maturity of the bonds.

(f) Period: 5 years, from September 1~3, 2004 to September 1~3, 2009.

(g) Guarantee Bank:

The bonds are guaranteed by Chinatrust Financial Holding Co., Ltd. and 12 other financial institutions.

C. The Company issued unsecured convertible bonds at premium price in October 2007 and listed in the OTC on October 29, 2007. The significant terms of the bonds are as follows:

(a) Total issue amount: \$5,000,000.

(b) Issue price: At 103% of par value of \$100 per bond.

(c) Coupon rate: 0%

(d) Repayment term:

In addition to the bondholders converting the bonds to common stocks under the terms of the bonds, the bonds are repayable upon the maturity of the bonds.

(e) Period: 3 years, from October 25, 2007 to October 25, 2010.

(f) Conversion Period:

Except for the closed period, the bonds may be converted into the Company's common stocks on or after November 26, 2007 and on or prior to October 15, 2010. As of September 30, 2008, no bonds have been converted to common stocks.

(g) Conversion price and adjustment:

The conversion price is \$56 (in NT dollars) per share. Except for the common stocks converted from securities with conversion rights or options issued by the Company, the Company shall adjust the conversion price under the terms of the bonds in the cases of new shares issued, stock dividends, free distribution, cash dividends or equity dilution to the original shareholders. As of September 30, 2008, the conversion price was \$50.7 (in NT dollars) per share.

(h) Under the terms of the convertible bonds, all bonds (redeemed, matured and converted) are retired and not to be re-issued. As of September 30, 2008, the convertible bonds in the amount of \$86,400 were repurchased by the Company from the Taiwan Over-The-Counter Securities Exchange.

(i) Under the terms of the bonds, the rights and obligations of the new common stocks converted from the bonds equal to those issued originally.

D. For issued unsecured convertible bonds, the Company separates the conversion rights from the liabilities, which amounted to \$523,481 as "capital reserve-stock warrants" in accordance with the R.O.C SFAS No. 36 "Disclosure and Presentation of Financial Instruments". As of

September 30, 2008, the capital reserve-stock warrants for the bonds redeemed, matured and converted was \$514,435.

(21) Long-term loans

	<u>September 30, 2008</u>	<u>Collateral or security</u>
Unsecured bank loans	\$ 45,198,479	—
Secured bank loans	23,291,703	(Note)
Revolving credit facility	<u>5,800,000</u>	—
	74,290,182	
Less: Prepaid interest	(6,122)	
Current portion of long-term loans	<u>(6,919,986)</u>	
	<u>\$ 67,364,074</u>	
Range of maturity date	<u>2009.9~2025.9</u>	
Range of interest rates	<u>0.25%~7.17%</u>	

(Note) Collaterals include certificate of deposit-restricted, financial assets carried at cost - non-current, long-term equity investments accounted for under the equity method, land, buildings, machinery and equipment, transportation equipment, other equipment and other intangible assets-land use right.

(22) Other liabilities - other

	<u>September 30, 2008</u>
Land use rights payable	\$ 1,750,000
Less: Discount on land use rights payable	(169,056)
	<u>\$ 1,580,944</u>

As of September 30, 2008, land use rights payable and discount are listed as follows:

<u>Year</u>	<u>Land use rights payable</u>	<u>Discount on land use rights payable</u>
October 1~December 31, 2008	\$ —	\$ 13,701
2009	500,000	51,039
2010	250,000	36,544
2011	250,000	28,456
2012~2014 (Note) (for each year \$250,000)	<u>750,000</u>	<u>39,316</u>
	<u>\$ 1,750,000</u>	<u>\$ 169,056</u>

(Note) The Taipei City Government agreed with the payment extended to 2014.

(23)Common stock

The stockholders at their annual stockholders' meeting on June 27, 2008 adopted a resolution to increase capital through unappropriated retained earnings of \$1,777,687. Pursuant to the approval by the Financial Supervisory Commission, Securities and Futures Bureau, the capital increase was effective on August 22, 2008. After the capital increase, the authorized capital was \$48,000,000, and the paid-in capital was \$37,331,420, consisting of 3,733,142,000 shares with a par value of \$10 (in NT dollars) per share.

(24)Capital reserve

(a) The R.O.C. Securities and Exchange Law requires that capital reserve shall be exclusively used to cover accumulated deficit or to increase capital and shall not be used for any other purpose. However, capital reserve arising from paid-in capital in excess of par value on issuance of common stock and donations can be capitalized once a year, provided that the Company has no accumulated deficit and the amount to be capitalized does not exceed 10% of the paid-in capital.

(b) For details of Capital reserve-stock warrants, please refer to Note 4(20) Bonds payable.

(25)Retained earnings

(a) According to the R.O.C. Company Law, the annual net income shall be used initially to cover any accumulated deficit; thereafter 10% of the annual net income shall be set aside as legal reserve until the legal reserve has reached 100% of contributed capital. The legal reserve shall be exclusively used to cover accumulated deficit or, if the balance of reserve exceeds 50% of contributed capital, to increase capital not exceeding 50% of reserve balance and shall not be used for any other purpose.

(b) According to the Company's Articles of Incorporation, 10% of the annual net earnings, after paying all taxes and dues and offsetting any loss of prior years, shall be set aside as legal reserve. The remaining net income and the unappropriated retained earnings from prior years can be distributed in accordance with a resolution passed during a meeting of the Board of Directors and approved at the stockholders' meeting. Of the amount distributed by the Company, stockholders' bonuses shall comprise 50% to 100% of the unappropriated retained earnings. The percentage of cash dividends shall not be less than 30% of dividends distributed. Directors' and supervisors' remuneration shall comprise 2% and at least 0.2% for employees' bonuses.

- (c) The appropriation of 2007 earnings had been resolved by the stockholders' meetings on June 27, 2008. Details are summarized below:

	2007	
	Amount	Dividends per share (in dollars)
Legal reserve	\$ 1,101,699	\$ -
Stock dividends	1,777,687	0.50
Cash dividends	7,110,746	2.00
Directors' and supervisors' remuneration	198,306	-
Employees' cash bonus	851,964	-
Total	<u>\$ 11,040,402</u>	<u>\$ 2.50</u>

There was no difference in the amounts of the 2007 earnings appropriation approved by the stockholders with that proposed by the Board of Directors on April 16, 2008.

- (d) The estimated amounts of employees' bonus and directors' and supervisors' remuneration for the nine-month period ended September 30, 2008 are \$417,167 and \$88,630, respectively. The basis of estimates is based on a certain percentage of 2008 net income after taking into account the legal reserve and other factors, as prescribed under the Company's Articles of Incorporation.

Information on the appropriation of the Company's employees' bonus and directors' and supervisors' remuneration as resolved by the Board of Directors and approved by the stockholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

- (e) As of September 30, 2008, the balance of unappropriated earnings is as follows:

	September 30, 2008
(i) Unappropriated earnings before 1998	\$ 36,165
(ii) Unappropriated earnings in and after 1998	<u>86,495</u>
	<u>\$ 122,660</u>

Consolidated net income in the amount of \$4,935,999 for the nine-month period ended September 30, 2008 cannot be distributed since these amounts have not been approved by the stockholders.

- (f) As of September 30, 2008, the imputation tax credit account balance amounted to \$7,623. The Company appropriated earnings in 2007 as dividends in accordance with the resolution adopted at the stockholders' meeting on June 27, 2008. The estimated creditable ratio was 8.96%. 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 2007 undistributed earnings will be based on the imputation tax credit account balance up to the date of distribution of the dividends.

(26) Earnings per share("eps")

For the nine-month period ended September 30, 2008					
	Amount		Weighted-average number of shares outstanding during the period (shares in thousands)	EPS (in NT dollars)	
	Before tax	After tax		Before tax	After tax
Basic earnings per share					
Net income	\$10,061,669	\$4,935,999	3,733,142	<u>\$2.70</u>	<u>\$1.32</u>
Dilutive effect of common stock equivalents:					
Convertible bonds	94,614	70,961	89,229		
Employees' bonuses	<u>-</u>	<u>-</u>	<u>15,589</u>		
Diluted earnings per share					
Net income	<u>\$10,156,283</u>	<u>\$5,006,960</u>	<u>3,837,960</u>	<u>\$2.65</u>	<u>\$1.30</u>

Effective January 1, 2008, as employees' bonus could be distributed in the form of stock, the diluted EPS computation shall include those estimated shares that would increase from employees' stock bonus issuance in the calculation of the weighted-average number of common shares outstanding during the reporting year, taking into account the dilutive effects of stock bonus on potential common shares; whereas, basic EPS shall be calculated based on the weighted-average number of common shares outstanding during the reporting year that include the shares of employees' stock bonus for the appropriation of prior year earnings, which have already been resolved at the stockholders' meeting held in the reporting year. Since capitalization of employees' capitalization of employees' bonus no longer belongs to distribution of stock dividends, the calculation of basic EPS and diluted EPS for all periods presented shall not be adjusted retroactively. However, the accounting treatment for the appropriation of employees' bonus for 2007 earnings resolved at the stockholders' meeting held in 2008 is still in accordance with the regulations on capitalization of employees' bonus under paragraphs 19 and 39 of R.O.C. SFAS No. 24, "Earnings per Share".

5. RELATED PARTY TRANSACTIONS

(a) Related parties and their relationship with the Company

Name of related parties	Relationship with the Company
Presicarre Corp.	Subsidiary accounted for under the equity method
TTET Union Corp.	"
Ztong Yee Industrial Co., Ltd.	"
Uni-President Land Corporation	An affiliated company of Cayman President Holdings Ltd. (accounted for under the equity method)
Jimmailang Beverage (Beijing) Co., Ltd.	"
Chang-Tung Corporation Limited	A subsidiary of Kai Nan Investment Co., Ltd. (accounted for under the equity method)
President Fuche (Qingdo) Co., Ltd.	An affiliated company of Kai Nan Investment Co., Ltd. (accounted for under the equity method)
Far-Tung Enterprises Corp.	A subsidiary of Nanlien International Corp. (accounted for under the equity method)
Kuan Chang Enterprises Corp.	"
Sin-Tung Co., Ltd.	"
Tung Chang Enterprises Corp.	"
Life Information Service (Shanghai) Ltd.	An affiliated company of Q-Ware Systems & Services Corp. (accounted for under the equity method) (Note 1)
Yamato Collect Service Corporation	An affiliated company of President Collect Service Co., Ltd. (accounted for under the equity method)
Starbucks Coffee International, Inc.	Stockholder of President Coffee Corp. and President Coffee (Cayman) Limited (accounted for under the equity method)
Representatives of Ryohin Keikaku Co., Ltd.	Stockholder of Muji (Taiwan) Co., Ltd. (accounted for under the equity method)
Representative of Duskin Co., Ltd.	Stockholder of Mister Donut Taiwan Co., Ltd. (accounted for under the equity method)
AHB International Inc.	Stockholder of AHB Pet Plus Co., Ltd. (accounted for under the equity method)
Hi-life International Co., Ltd.	A subsidiary of Kuang Chuan Dairy Co., Ltd. (accounted for under the equity method) (Note 2)
Ta Chen Construction & Engineering Corp.	A subsidiary of Prince Housing Development Corp. (accounted for under the equity method) (Note 3)
Toyota Tsusho Corp.	A director of Ton-Yi Industrial Corp.

(Note 1) Merged with Shanghai Hexun Trading Co., Ltd. in May 2008.

(Note 2) Subsidiary accounted for under the equity method.

(Note 3) The Company is a director.

(b) Transactions and balances with related parties

(1) Sales

	For the nine-month period ended September 30, 2008	
	Amount	Percentage of net sales
TTET Union Corp.	\$ 1,987,329	1
Presicarre Corp.	1,575,441	1
Others (Individually less than 10%)	4,768,629	2
	<u>\$ 8,331,399</u>	<u>4</u>

- (i) The collection period for related parties was approximately one month after sales. The collection period for third parties was two weeks after sales for foodstuff, 60~120 days after sales for animal feed products and 10~15 days after sales for soybean products. Except for the collection period mentioned above, other terms of sales were the same for related and third parties.
- (ii) The sales terms of other subsidiaries to related parties were the same for third parties.

(2) Purchases

	For the nine-month period ended September 30, 2008	
	Amount	Percentage of net purchases
Toyota Tsusho Corp.	\$ 5,603,346	3
TTET Union Corp.	1,152,666	1
Others (Individually less than 10%)	859,164	-
	<u>\$ 7,615,176</u>	<u>4</u>

- (i) The terms of purchases and payments of the Company (due within one month) from the related parties were the same with third party suppliers, except for TTET Union Corp. (closes its accounts 30 days from the end of each month).
- (ii) The payment term for purchases of President Musahino Corp. from the related parties was 30~70 days. The payment term of third parties from the related parties was 45~70 days or pays postdated checks due in 45~60 days.
- (iii) The purchase terms of other subsidiaries from related parties were the same for third parties.

(3) Acquisition of property, plant and equipment

	<u>Items</u>	For the nine-month period ended <u>September 30, 2008</u>
Ta Chen Construction & Engineering Corp.	Construction in progress	\$ 2,009,085
Others (Individually less than 10%)	Transportation, office equipment and other equipment	<u>11,902</u>
		<u>\$ 2,020,987</u>

The Group purchased certain property, plant and equipment from other related parties at negotiated prices.

(4) Processing expenses

	For the nine-month period ended <u>September 30, 2008</u>
TTET Union Corp.	<u>\$ 204,739</u>

(5) Other expenses

	For the nine-month period ended <u>September 30, 2008</u>
Hi-Life International Co., Ltd.	\$ 65,863
Kuan Chang Enterprises Corp.	54,152
Presicarre Corp.	35,069
Others (Individually less than 10%)	<u>144,698</u>
	<u>\$ 299,782</u>

(6) Interest income: Please refer to Note 5 (3).

(7) Other income

	For the nine-month period ended <u>September 30, 2008</u>
Management and technical consultancy fees:	
Ztong Yee Industrial Co., Ltd.	\$ 9,000
Others (Individually less than 10%)	<u>8,315</u>
	<u>17,315</u>
Other income:	
Far Tung Enterprises Corp.	24,224
Sin Tung Co., Ltd.	20,359
Jimmailang Beverage (Beijing) Co., Ltd.	17,676
Chang Tung Co., Ltd.	15,915
Others (Individually less than 10%)	<u>45,290</u>
	<u>123,464</u>
	<u>\$ 140,779</u>

(8) Notes receivable

	<u>September 30, 2008</u>	
	<u>Amount</u>	<u>%</u>
Presicarre Corp.	\$ 687,590	5
Hi-life International Co., Ltd.	234,547	2
Others (Individually less than 10%)	<u>482,670</u>	<u>3</u>
	<u>\$1,404,807</u>	<u>10</u>

(9) Accounts receivable

	<u>September 30, 2008</u>	
	<u>Amount</u>	<u>%</u>
Toyota Tsusho Corp.	\$ 822,830	4
Others (Individually less than 10%)	<u>216,756</u>	<u>1</u>
	<u>\$1,039,586</u>	<u>5</u>

(10) Accrued expenses

	September 30, 2008	
	Amount	%
Presicarre Corp.	\$ 70,566	1
Hi-life International Co., Ltd.	43,862	-
TTET Union Corp.	24,098	-
Others (Individually less than 10%)	23,382	-
	<u>\$ 161,908</u>	<u>1</u>

(11) Other payables

	September 30, 2008	
	Amount	%
Ta Chen Construction & Engineering Corp.	\$ 282,967	3
Others (individually less than 10%)	2,977	-
	<u>\$ 285,944</u>	<u>3</u>

(12) Long-term notes payable

	September 30, 2008	
	Amount	%
Ta Chen Construction & Engineering Corp.	<u>\$ 205,121</u>	<u>79</u>

(C) Financing

Loans receivable from related parties (classified as other receivables - related parties and long term notes receivable - related parties):

	For the nine-month period ended September 30, 2008				
	Maximum balance date	Maximum balance	Ending balance	Annual interest rate	Total interest income
President Fuche (Qingdo) Co., Ltd.	2008.08	\$ 33,026	\$ 33,026	6.66% ~8.88%	\$ 171
Uni-President Land Corporation	2008.01	33,375	31,210	7.00%	1,638
Life Information Service (Shanghai) Ltd.	2008.03	17,840	-	-	-
Tung Chang Enterprises Corp.	2008.06	8,500	-	3.00%	63
			<u>\$ 64,236</u>		<u>\$ 1,872</u>

(D) Contingent liabilities and commitments

(i) In September 2003, Muji (Taiwan) Co., Ltd., a subsidiary of President Chain Store Corp.,

- entered into a contract with Ryohin Keikaku Co., Ltd. whereby Muji (Taiwan) Co., Ltd. is authorized to operate “Muji Licensed Store” and make use of their information and sales technology. Under the terms of the contract, Muji (Taiwan) Co., Ltd. shall pay royalty based on a fixed percentage of net sales revenue.
- (ii) Mister Donut Taiwan Co., Ltd., a subsidiary of President Chain Store Corp., signed a logotype and perpetual technical cooperation contract with DUSKIN Co., Ltd. to operate and manage “DUSKIN Mister Donut Franchise Enterprise”. Under the terms of the contract, Mister Donut Taiwan Co., Ltd. shall pay royalty based on a fixed percentage of total sales revenue.
 - (iii) President Coffee Corp., a subsidiary of President Chain Store Corp., signed a contract with Starbucks Corp. to operate Starbucks coffee shops. Under the contract, President Coffee Corp. pays royalties based on total monthly sales.
 - (iv) In 2002, President Collect Service Co., Ltd., a subsidiary of President Chain Store Corp., signed a logotype and perpetual technical cooperation contract with Yamato Collect Service Corporation to operate merchandise distribution and financing business. Under the terms of the contract, President Collect Service Co., Ltd. shall pay royalty based on a fixed percentage of monthly net sales revenue.
 - (v) In November 2007, AHB Pet Plus Co., Ltd., a subsidiary of President Chain Store Corp., signed a logotype and perpetual technical contract with AHB International Inc. whereby AHB Pet Plus Co., Ltd. is authorized to operate cosmetology for pets. Under the terms of the contract, AHB Pet Plus Co., Ltd. shall pay royalty monthly based on a fixed percentage of monthly net sales revenue.
 - (vi) As of September 30, 2008, the endorsements and guarantees provided by the Group amounted to \$1,822,696.

6. PLEDGED ASSETS

As of September 30, 2008, the details of pledged assets were as follows:

Assets	September 30, 2008	Purpose of collateral
Demand deposits, certificate of deposit and short-term bills (Classified as other financial assets-current and non-current)	\$ 100,819	Short-term loans, notes and bills payable, long-term loans and performance guarantees
Inventories	644,206	Short-term loans and notes and bills payable
Financial assets carried at cost - non-current	2,913,570	Short-term loans and long-term loans
Long-term equity investments accounted for under the equity method	3,230,327	Short-term loans, notes and bills payable and long-term loans
Land (Note)	7,849,877	Short-term loans, notes and bills payable and long-term loans
Buildings-net (Note)	8,095,692	Short-term loans, notes and bills payable and long-term loans
Machinery and equipment-net (Note)	647,369	Short-term loans and long-term loans
Transportation equipment-net	330,216	Short-term loans and long-term loans
Other equipment-net	390,512	Long-term loans
Other intangible assets-land occupancy	1,939,557	Long-term loans
Refundable deposits	169,633	Performance guarantees
Other assets-other	807,542	Notes and bills payable
	\$ 27,119,320	

(Note) Including property, plant and equipment, assets leased to others, idle assets and other assets.

7. COMMITMENTS AND CONTINGENT LIABILITIES

As of September 30, 2008, the contingent liabilities and commitments of the Group, in addition to Note 5 (d) were as follows:

- (a) As of September 30, 2008, the remaining balance of contracts signed but unpaid for construction in progress and prepayments for equipment was \$2,259,899.
- (b) As of September 30, 2008, the unused letters of credit amounted to \$3,784,100.
- (c) In July 2000, President Chain Store Corp. signed a perpetual technical cooperation contract (the Contract) with the Southland Corporation. The terms of the Contract are as follows:
 - (1) The Company guarantees that President Chain Store Corp. will fulfill all payments or other obligations due under the Contract to Southland Corporation.

- (2) Without the written approval of Southland Corporation in advance, the Company may not sell, transfer, or pledge the ownership or the assets of President Chain Store Corp.
 - (3) The Company must maintain no less than 40% ownership of President Chain Store Corp.
- (d) In August 2004, the Company borrowed from Chinatrust Bank, BNP PARIBAS, Taiwan Bank, and Standard Chartered Bank under a 5-year syndicated credit facilities agreement consisting of domestic bonds guarantee and unsecured bank loans from August 2, 2004 to August 2, 2009. Under the terms of the loan agreement, the Company agrees that:
- (1) The current ratio computed from the year-end audited non-consolidated financial statements shall not be below 75%.
 - (2) The debt-to-equity ratio computed from the year-end audited non-consolidated financial statements shall not be above 150%.
 - (3) The interest coverage ratio computed from the year-end audited non-consolidated financial statements shall not be below 150%.
 - (4) The year-end audited consolidated tangible stockholders' equity shall not be less than \$30,000,000.
- (e) In September 2005, the Company borrowed from Chinatrust Bank and 7 other banks under a 5-year syndicated credit facilities agreement consisting of domestic bonds guarantee, notes issuance facilities and unsecured bank loans from September 14, 2005 to September 14, 2010. Under the terms of the loan agreement, the Company agrees that:
- (1) The current ratio computed from the year-end audited non-consolidated financial statements shall not be below 75%.
 - (2) The debt-to-equity ratio computed from the year-end audited non-consolidated financial statements shall not be above 150%.
 - (3) The interest coverage ratio computed from the year-end audited non-consolidated financial statements shall not be below 150%.
 - (4) The year-end audited consolidated tangible stockholders' equity shall not be less than \$30,000,000.
- (f) In November 2007, Uni-President Southeast Asia Holdings Ltd. borrowed from Chinatrust Bank and other banks under a 3-year syndicated credit facility agreement from December 19, 2007 to December 19, 2010. Under the terms of the loan agreement, the Company agrees that:
- (1) The current ratio computed from the year-end audited non-consolidated financial statements shall not be below 75%.

- (2) The debt-to-equity ratio computed from the year-end audited non-consolidated financial statements shall not be above 160%.
 - (3) The interest coverage ratio computed from the year-end audited non-consolidated financial statements shall not be below 150%.
 - (4) The year-end audited consolidated tangible stockholders' equity shall not be less than \$30,000,000.
- (g) In March 2007, Sanshui Jianlibao Commerce Co., Ltd. borrowed from Standard Chartered Bank and other banks under a 2-year syndicated credit facility agreement from March 26, 2007 to March 26, 2009. Under the terms of the loan agreement, the Company agrees that:
- (1) The current ratio computed from the year-end audited non-consolidated financial statements shall not be below 75%.
 - (2) The debt-to-equity ratio computed from the year-end audited non-consolidated financial statements shall not be above 160%.
 - (3) The interest coverage ratio computed from the year-end audited non-consolidated financial statements shall not be below 150%.
 - (4) The year-end audited consolidated tangible stockholders' equity shall not be less than \$30,000,000.
- (h) President Entertainment Corp. (PEC) signed a non-public use hillside land development contract with National Property Bureau in January and August of 1999. The National Property Bureau agreed to allow PEC to jointly develop two lots of land with a security deposit of \$33,932 and \$1,139, respectively, and issued the certificates to PEC. PEC replaced the security deposits with time deposit in the same account. The certificates allow PEC to apply for the joint hillside development within a year which may be extended. In addition, within three months from the approval of the application, PEC shall acquire the land. If PEC fails to acquire the land, the National Property Bureau will charge 1% of guarantee fund as penalty each month. If the land is charged or used illegally, the National Property Bureau would charge 25% of public price of the land as compensation.
- (i) President Entertainment Corp. (PEC) signed a non-public use hillside land development contract with the National Property Bureau in July 2001. The National Property Bureau agreed to allow PEC to jointly develop two lots of land with a security deposit of \$63,055 and issued the certificates to PEC. PEC replaced the security deposits with time deposit in the same account. The certificates allow PEC to apply for the joint hillside development within a year which may be extended. In addition, within three months from the approval of the application, PEC shall

acquire the land. If PEC fails to acquire the land, the National Property Bureau will charge 1% of guarantee fund as penalty each month. If the land is changed or used illegally, the National Property Bureau will charge 25% of public price of the land as compensation.

- (j) President Entertainment Corp. (PEC) signed a non-public use hillside land development contract with National Property Bureau in July 2003. The National Property Bureau agreed to allow PEC to jointly develop certain lots of land with a security deposit of \$39,434 and issued the certificates to PEC. PEC replaced the security deposits with time deposit in the same account. The certificates allow PEC to apply for the joint hillside development within two years which may be extended. In addition, within three months from the approval of the application, PEC shall acquire the land. If PEC fails to acquire the land, the National Property Bureau will charge 1% of guarantee fund as penalty each month. If the land is charged or used illegally, the National Property Bureau would charge 25% of public price of the land as compensation.
- (k) Tung Ho Development Co., Ltd. (Tung Ho) entered into a contract with a bank for its members to facilitate consumer bank loans for payments of initiation fees and security deposits. Tung Ho agreed to buy back the membership certificates which was pledged as security if the borrowers default on the loan. As of September 30, 2008, the loans for the initiation fees and security deposits amounted to \$41,412.
- (l) President Musashino Corp. has signed the rental agreements with the Taipei Industrial District and the estimated minimum annual rental expenses is as follows:

<u>Year</u>	<u>Total rental expenses</u>
2008.10.1~2008.12.31	\$ 1,560
2009	6,360
2010	6,480
2011	6,600
2012	6,780
2013~2021 (Present Value \$53,505)	<u>69,120</u>
	<u>\$ 96,900</u>

- (m) Uni-President Development Corp. signed a "Build-Operate-Transfer Contract for the Construction, Development and Operation of a Mass Rapid Transit (MRT) Station" with the Taipei City Government in August 2004. The main contents of the contract are as follows:
- (1) The contract includes the construction, development and operation of an MRT Station including all auxiliary structures and facilities.
 - (2) The Taipei City Government shall provide the right of land located in Shin-Yi District Lot. No. 3 to carry out the contract.
 - (3) The development and operation period is 50 years starting from the time the right of land is registered (date registered - October 15, 2004). On December 31, 2007, the Taipei City

Government agreed that the period shall be extended due to processing of the building capacity compensation and changes in design (for a total of 484 days).

- (4) Uni-President Development Corp. shall pay two kinds of option money:
 - (i) Development option money
Total amount is \$2,500,000 and as of September 30, 2008, Uni-President Development Corp. has paid \$750,000. The remainder will be paid in accordance with the terms of the contract.
 - (ii) Operation option money
Uni-President Development Corp. shall pay operation option money to the Taipei City Government using the progressive increase method one year after the start of commercial operations.
- (5) Uni-President Development Corp. shall pay a performance bond of \$100,000. The performance bond credit was contracted by Taiwan Bank.
- (6) Uni-President Development Corp. shall pay the rent to the Taipei City Government based on a fixed percentage of the proclamation land value one year after the start of commercial operations.
- (7) Uni-President Development Corp. shall obtain the building license within one year and five months after the registration of the right of land, and the occupancy permit within 4 years and four months after the construction of the MRT Station. The construction project shall be completed and approved for operations within 5 years and four months.
- (8) Uni-President Development Corp. shall allow transportation companies to enter and operate within 6 months from the date Uni-President Development Corp. got the building license for the MRT Station.
- (9) Uni-President Development Corp. shall transfer freely the operating right for the MRT Station to the Taipei City Government when the contract expires.
Uni-President Development Corp. also agrees to enter into a new contract with the Taipei City Government to bring the MRT Station back into public ownership 5 years before the end of the contract. The new contract shall be finished within 6 months. In addition, Uni-President Development Corp. shall propose a detailed plan before entering into a new contract with regard to the right and responsibility of the transfer of the MRT Station.

(n) In July 2006, President Tokyo Corp. borrowed from Mega International Commercial Bank and other banks under a 3-year syndicated credit facility agreement including commercial papers guarantee and unsecured bank loans from July 4, 2006 to June 30, 2009. Under the terms of the loan agreement, the Company agrees that:

- (1) The capital ratio computed from the year-end audited non-consolidated financial statements shall be above 8%.
- (2) The interest coverage ratio computed from the year-end audited non-consolidated financial

statements shall not be below 250%.

- (3) The year-end audited consolidated tangible stockholders' equity shall not be less than \$200,000.
- (o) To construct the Tinplate Plant and Tin Mill Black Plate Plant, Ton Yi Industrial Corp. has signed land lease contract with Taiwan Sugar Corp. The term of contract covers the period from July 1, 1993 to March 9, 2048, and the annual rental payments are based on 10% of the annual assessed value of the land. Royalty payments for the land lease are paid 2 to 4 times of rental expenses for the current year on a 20 year basis, and are amortized over a period of 20 years. The unamortized balance of royalty payments is \$13,369 as of September 30, 2008.
- (p) President Chain Store Corp. and Philippine Seven Corporation signed a perpetual technical cooperation contract (the Contract) with Southland Corp. As required by the contract, President Chain Store Corp. shall pay royalties to Southland Corp. based on total monthly sales of President Chain Store Corp.
- (q) The Company and President Chain Store Corp. signed the construction contract with Ta-Chen Construction & Engineering Corp. in 2005 to build the united research building as a donation to National Cheng Kung University. The project approximately costs \$230,000 (including tax) and the Company and President Chain Store Corp. shares 50% of the cost. As of September 30, 2008, the paid construction fee amounted to \$217,206.
- (r) President Chain Store Corp. (PCSC) signed the rental agreements with non-related parties to rent store spaces with lease periods ranging from 3 to 12 years. As of September 30, 2008, PCSC has prepaid rent and guaranteed deposits in the amount of \$1,056,787 and \$1,609,479, respectively. Summary of the estimated annual rental expense of PCSC is as follows:

<u>Year</u>	<u>Total rental expense</u>
2008.10.1 ~ 2008.12.31	\$ 1, 238, 655
2009	6, 894, 168
2010	6, 386, 906
2011	5, 650, 245
2012	4, 649, 540
2013 and thereafter (Present value \$8,971,949)	10, 573, 960
	<u>\$ 35, 393, 474</u>

- (s) In April 2006, Uni-President Department Store Corp. (UDSC) signed a technical guidance confirmation with the Hankyu Department Store, Inc. UDSC shall pay "Technical guidance actual expenses" to Hankyu Department Store, Inc. before opening. UDSC shall also pay a fixed amount of expense as "Technical guidance fixed expenses" to Hankyu Department Store, Inc. each year after opening.
- (t) President Transnet Corp. (PTC) signed agreements for home delivery services with Yamato Transport Corp. on January 24, 2000 for ten years. PTC shall pay royalty monthly based on a fixed percentage of sales revenue.
- (u) In June 2007, Mech-President Corp. (MPC) borrowed from Ta Chong Bank and 13 other Banks under a 5-year syndicated credit facility agreement consisting of purchase gasoline guarantee

and unsecured bank loans from June 22, 2007 to June 22, 2012. Under the terms of the loan agreement, Mech-President Corp. agrees that:

- (1) The current ratio computed from the year-end audited non-consolidated financial statements shall not be below 80%.
- (2) The debt-to-equity ratio computed from the year-end audited non-consolidated financial statements shall not be above 330%.
- (3) The interest coverage ratio computed from the year-end audited non-consolidated financial statements shall not be below 200%.
- (4) The year-end audited non-consolidated stockholders' equity shall not be less than \$600,000.
- (5) The current ratio computed from the year-end audited consolidated financial statements shall not be below 80%.
- (6) The debt-to-equity ratio computed from the year-end audited consolidated financial statements shall not be above 330%.
- (7) The interest coverage ratio computed from the year-end audited consolidated financial statements shall not be below 200%.
- (8) The year-end audited consolidated tangible stockholders' equity shall not be less than \$600,000.
- (9) If any of the financial ratio or regulations above have been violated, MPC shall improve it within six months. Should MPC fail to meet the required financial ratios and regulations by then, it will be considered as a violation of the agreement.
- (10) Under the terms of the loan agreement and before MPC apply for initial public offering (in TSE or OTC), the Company and President Chain Store Corp. shall hold and control no less than 50% ownership of MPC. After MPC becomes a listed or counter company, the Company and President Chain Store Corp. shall hold and control no less than 25% ownership of MPC.

As of September 30, 2008, the debt-to-equity ratio, interest coverage ratio and the non-consolidated stockholders' equity of MPC did not meet the required levels in the agreement. According to the agreement, MPC should meet these requirements within 6 months from the date it failed to comply with such requirements. MPC still failed to meet the requirements and therefore agreed for Ta Chong Bank and 13 other Banks to raise the interest rate due to violation of the agreement. MPC will try to achieve the required terms by controlling supplies on hand, inventories and expenses.

8.SIGNIFICANT CATASTROPHE

None.

9. SUBSEQUENT EVENTS

None.

10.OTHERS

(1)The fair values of the financial instruments

	September 30, 2008		
		Fair value	
		Book value	Quotations in an active market	Estimated using a valuation method technique
<u>Non-derivative financial instruments</u>			
Assets			
Financial assets with book value equal to fair value	\$ 54,741,020	\$ -	\$ 54,741,020
Financial assets at fair value through profit or loss	11,110,865	11,110,865	-
Available-for-sale financial assets	6,221,462	6,221,462	-
Financial assets carried at cost	17,499,717	-	-
Investment in bonds without active markets	45,000	-	-
Other financial assets - non-current	45,620	-	45,620
Refundable deposits	2,190,922	-	2,190,922
Long-term notes, accounts and overdue receivables	31,595	-	31,595
Liabilities			
Financial liabilities with book value equal to fair value	94,525,284	-	94,525,284
Bonds payable	4,657,084	-	4,657,084
Long-term loans	67,364,074	-	67,364,074
Long-term notes payable	258,716	-	258,716
Capital lease payables - non-current	76,086	-	76,086
Guarantee deposits received	4,684,925	-	4,684,925
<u>Derivative financial instruments</u>			
Liabilities			
Forward foreign exchange contracts	2,626	-	2,626
Interest rate swap contracts	14,400	-	14,400

- (a) The methods and assumptions used to estimate the fair values of financial instruments are summarized as follows:
- (i) The due dates of short-term financial instruments are near the balance sheet date. Accordingly, the fair value of short-term financial instruments are estimated based on the amount at the balance sheet date which include the accounts of cash and cash equivalents, notes and accounts receivable, other receivables, other financial assets-current, short-term loans, notes and bills payable, notes and accounts payable, income tax payable, accrued expenses, other payables, current portion of long-term liabilities, capital lease payables-current and other current liabilities.
 - (ii) Available-for-sale financial assets are regarded as quoted in an active market. If the market for a financial asset is not active, an entity establishes fair value by using a valuation technique. The Group's available-for-sale financial instruments pertain to mutual funds, listed companies or corporation bonds; therefore, quoted prices are readily and regularly available from the closing price of stock exchange or the net asset value at the balance sheet date.
 - (iii) The fair value of other financial assets - non-current, refundable deposits and long-term notes, accounts and overdue receivables is based on the discounted value of expected future cash inflows, which are discounted based on the interest rate of one-year time deposit of the Postal Savings System on September 30, 2008.
 - (iv) The fair value of bonds payable, long-term loans, long-term notes payable, capital lease payables - non-current and guarantee deposits received is based on the discounted value of expected future cash flow amounts, which are discounted based on the interest rates of similar long-term loans on September 30, 2008.
 - (v) The fair values of derivative financial instruments which include unrealized gains or losses on unsettled contracts were determined based on the amounts to be received or paid assuming that the contracts were settled as of the reporting date.
- (b) The Group recognized the amount of \$2,914,492 as reduction to stockholders' equity for the changes in fair value of available-for-sale financial assets as of September 30, 2008.

(2) Procedure of financial risk control and hedge

The Group's activities expose it to a variety of financial risks: market risk, credit risk, liquidity risk and cash flow interest rate risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

(3)Information of material financial risk

A. Market risk

(a) Exchange rate risk

Some purchases are valued in US dollars, therefore the fair value changes with market exchange rate. The Group holds equivalent assets and liabilities in foreign currencies, and the period of collection and payment is equivalent to offset the market risk, thus the risk is minimal.

(b) Interest rate risk

The Group entered into interest-rate swap transactions by PVBP (Present Value of Basis Point) method to assess market risk and have set a stop-loss point for any changes of the contract value. This strategy will limit losses in certain amounts and have no significant market risk. Short-term and long-term loans are debts with floating interest rates; however, the risk is minimal due to the insignificant fluctuations. Commercial papers payable have no market risk due to fixed interest rates.

(c) Price risk

The Group entered into equity derivative financial instruments which are affected by changes in market price. The Group has set a stop-loss point in these transactions, therefore, the Group does not expect to have significant market risk.

B. Credit risk

The Group entered into derivative financial instruments with financial institutions with good credit ratings. The Group traded equity derivative financial instruments in centralized trading markets and GreTai Securities Market. The counterparties to the foregoing financial instruments are reputable institutions. The Group also assesses the credit ratings of the counterparties when they trade. The possibility of default by those parties is low. The maximum market value is the carrying amount of derivative financial instruments. Loan guarantees provided by the Company follows “the Endorsements and Guarantees Procedure”. Since the Group has assessed the credit rating of the guaranteed companies, the Company did not require the guaranteed companies to provide collateral. The possible credit risk loss is equal to the guaranteed amount.

C. Liquidity risk

The interest receipts or payments for computing net settlements are notional amounts multiplied by the difference in interest rate on each settlement date. The amounts are insignificant and there are no cash inflows or outflows for principal amounts on settlement date. The Group has sufficient operating capital to meet cash requirements upon settlement date. Therefore, the cash flow risk is low. The available-for-sale financial instruments-mutual funds,

publicly traded stocks or corporation bonds have active markets where the Group can sell financial instruments near their fair value. In the case of financial assets carried at cost without active markets, the liquidity risk is material.

D. Interest change cash flow risk

The interest receipts or payments for computing net settlements are notional amounts multiplied by the difference in interest rate on each settlement date. The amounts are insignificant and there are no cash inflows or outflows for principal amounts on settlement date. The Group has sufficient operating capital to meet cash requirements upon settlement date. Therefore, the cash flow risk is low. Short-term and long-term loans are debts with floating interest rates that change with market interest rate fluctuations. Commercial papers payable have no market risk due to its having fixed interest rates.

E. The information of the derivative financial instruments is disclosed as follows:

<u>Item</u>	<u>September 30, 2008</u>	
	<u>Notional principal amount</u>	<u>Contract period</u>
Interest Rate Swap Contracts	<u>\$ 2,580,000</u>	2003.01~2009.09

The Group entered into derivative financial instruments to manage exposures related to foreign exchange rate and interest rate fluctuations. The loss on derivative financial instruments was \$12,490 as addition to interest expense for the nine-month period ended September 30, 2008.

(4)Bonds and cash flow hedges

The Group bears the risk of floating interest rates, therefore, the fluctuations in interest rates may affect the future cash flow risk in assets and liabilities. Since the Group is concerned with the cash flow risk, the Group entered into an interest rate swap contract to hedge the risk.

<u>Hedged item</u>	<u>Designated for hedging instruments</u>		<u>Period of anticipated cash flow</u>	<u>Period of gain (loss) recognized in income statement</u>
	<u>Financial instruments was designated for hedging instrument</u>	<u>Contract amount September 30, 2008</u>		
Bonds payable	Interest rate swap contracts	<u>\$ 2,580,000</u>	October 2008 to September 2009	October 2008 to September 2009

<u>Item</u>	<u>September 30, 2008</u>
Amount of equity adjustment	<u>\$ 51,651</u>

11.ADDITIONAL DISCLOSURES REQUIRED BY THE SECURITIES AND FUTURE

(1)Related information of significant transactions

Not required for the quarter consolidated financial statements.

(2)Disclosure information of investee company

Not required for the quarter consolidated financial statements.

(3)Disclosure of information on indirect investments in Mainland China

Not required for the quarter consolidated financial statements.

12.SEGMENT INFORMATION

Financial information disclosure by industry segment is not required in interim financial statements.

(4) Intercompany Relationships and Significant Intercompany Transactions
For the nine-month period ended September 30, 2008:

Number (Note 2)	Name of counterparty	Name of transaction parties	Relationship (Note 3)	Subject	Amount	Transaction terms		The percentage of total combined revenue or total assets (Note 4)
						Transaction terms		
0	Uni-President Enterprises Corp.	Uni-President Cold Chain Corp.	1	(Sales)	(\$ 5,143,838)	Closes its accounts 30 days after the end of each month	(2%)	
			1	Accounts receivable	928,078	—	—	
			2	Other expenses	209,959	—	—	
		Tung Ang Enterprises Corp.	1	(Sales)	(4,632,177)	Closes its accounts 28 days after 10 days	(2%)	
			1	Accounts receivable	665,617	—	—	
		Tung Shun Enterprises Corp.	1	(Sales)	(1,359,641)	2 months after sales	(1%)	
			1	Accounts receivable	265,699	—	—	
		Retail Support International Corp.	1	(Sales)	(1,305,677)	Closes its accounts 30 days after the end of each month	(1%)	
			1	Accounts receivable	187,633	—	—	
		President Chain Store Corp.	1	(Sales)	(1,274,066)	Closes its accounts 30 days after the end of each month	(1%)	
			1	Accounts receivable	187,300	—	—	
		Tung Shun Enterprises Corp.	1	(Sales)	(776,590)	2 months after sales	—	
			1	Accounts receivable	235,193	—	—	
		Uni-President Vendor Corp.	1	(Sales)	(440,533)	Closes its accounts 30~60 days after the end of each month	—	
		Tone Chu Enterprises Corp.	1	(Sales)	(426,156)	2 months after sales	—	
		Tung Che Enterprises Corp.	1	(Sales)	(300,746)	"	—	
		Tung Yi Enterprises Corp.	1	(Sales)	(284,655)	2 weeks after sales	—	
		Tung-Hsiang Enterprises Corp.	1	(Sales)	(277,507)	2 months after sales	—	
		Tung Yu Enterprises Corp.	1	(Sales)	(252,854)	2 weeks after sales	—	

Number (Note 2)	Name of counterparty	Name of transaction parties	Relationship (Note 3)	Subject	Transaction terms		The percentage of total combined revenue or total assets (Note 4)	
					Amount	Transaction terms		
0	Uni-President Enterprises Corp.	Uni-President (Vietnam)	1	(Sales)	(	192,193)	1 months after sales	—
		Co., Ltd	2	purchases		159,683	Paid immediately upon receipt	—
		Xin Ya Enterprises Corp.	1	(Sales)	(	141,608)	2 months after sales	—
		Tung Shen Enterprises Corp.	1	(Sales)	(	122,506)	1 months after sales	—
		Hua-Zuo Corp.	1	(Sales)	(	107,973)	"	—
		President Kikkoman Inc.	2	purchases		714,832	one month	—
		President Nisshin Corp.	2	purchases		402,719	15 days	—
		President Packaging Corp.	2	purchases		174,886	one month	—
		Uni-President Dream Parks Corp.	2	Advertising expense		195,944		—
1	Cayman President Holdings Ltd.	Uni-President Southeast Asia Holdings Ltd.	3	Long-term receivables	US	19,510	—	—
2	President International Trade & Investment Corp.	Cayman President Holdings Ltd.	3	Long-term receivables	US	6,630	—	—
3	Nanlien International Corp.	Lien Bo Enterprises Corp.	3	(Sales)	(	874,389)	Closes its accounts 15~60 days after the end of each month	—
4	President Musashino Corp.	Lien Song Enterprises Corp.	3	(Sales)	(	171,542)	12 days after shipping	—
		Uni-President Cold Chain Corp.	3	(Sales)	(	891,344)	Closes its accounts 45 days after the end of each month	—
5	President International Development Corp.	Presitex Co., Ltd.	3	Accounts receivable		227,165	—	—
			3	Other receivables		471,800	—	—
6	Qware Systems & Services Corp.	President Chain Store Corp.	3	(Sales)	(	219,213)	Closes its accounts 45 days after the end of each month	—
7	President Packaging Corp.	Retail Support International Corp.	3	(Sales)	(	149,226)	Closes its accounts 30 days after the end of each month	—

Number (Note 2)	Name of counterparty	Name of transaction parties	Relationship (Note 3)	Subject	Amount	Transaction terms		The percentage of total combined revenue or total assets (Note 4)
						Transaction terms		
8	Ton-Yi Industrial Corp.	Cayman Ton Yi Industrial Holdings	3	(Sales)	(\$ 6,317,473)	45 days after shipping	(3%)	
		Ltd.	3	Accounts receivable	595,933	—	—	
		Tovecan Corp.	3	(Sales)	(106,729)	Closes its accounts 30 days after the end of each month	—	
9	President Chain Store Corp.	Wisdom Distribution Services Corp.	3	Other receivables	303,868	—	—	
10	Uni-President Enterprises China Holdings Ltd.	Kunshan President Enterprises Food Co., Ltd.	3	Other receivables	RMB 170,458	—	—	
		Wuhan President Enterprises Food Co., Ltd.	3	Other receivables	RMB 170,458	—	—	
		Chengdu President Enterprises Food Co., Ltd.	3	Other receivables	RMB 136,366	—	—	
		Guangzhou President Enterprises Co., Ltd.	3	Other receivables	RMB 136,366	—	—	
		Zhengzhou President Enterprises Food Co., Ltd.	3	Other receivables	RMB 115,911	—	—	
		Beijing President Enterprises Drinks & Food Co., Ltd.	3	Other receivables	RMB 88,638	—	—	
		Hefei President Enterprises Co., Ltd.	3	Other receivables	RMB 88,638	—	—	
		Fuzhou President Enterprises Co., Ltd.	3	Other receivables	RMB 68,183	—	—	
		Harbin President Enterprises Co., Ltd.	3	Other receivables	RMB 68,183	—	—	
		Nanchang President Enterprises Co., Ltd.	3	Other receivables	RMB 54,546	—	—	
		Xinjiang President Enterprises Food Co., Ltd.	3	Other receivables	RMB 40,910	—	—	
Shenyang President Enterprises Co., Ltd.	3	Other receivables	RMB 34,092	—	—			

Number (Note 2)	Name of counterparty	Name of transaction parties	Relationship (Note 3)	Subject	Transaction terms		The percentage of total combined revenue or total assets (Note 4)
					Amount	Transaction terms	
11	Zhangjiagang President Nisshin Food Co., Ltd.	Kunshan President Enterprises Food Co., Ltd.	3	(Sales)	(RMB 33,884)	Closes its accounts 60 days after the end of each month	—
		Wuhan President Enterprises Food Co., Ltd.	3	(Sales)	(RMB 31,191)	Closes its accounts 90 days after the end of each month	—
12	Uni-President (Thailand) Ltd.	Uni-President Marketing Ltd.	3	(Sales)	(THD 617,183)	"	—
			3	Accounts receivable	THD 165,156	—	—
13	Uni-President Asia Holdings Ltd.	President Enterprise (China) Investment Co.,Ltd.	3	Other receivables	RMB 179,200	—	—
14	President Enterprises (China) Investment Co., Ltd.	Integrated Marketing & Distribution Co.,Ltd.	3	Other receivables	RMB 25,500	—	—
15	Kunshan President Enterprises Food Co., Ltd.	Hefei President Enterprises Co., Ltd.	3	(Sales)	(RMB 26,066)	Closes its accounts 60 days after the end of each month	—
		Beijing President Food Co., Ltd.	3	Other receivables	RMB 35,000	—	—
16	Hefei President Enterprises Co., Ltd.	Kunshan President Enterprises Food Co., Ltd.	3	(Sales)	(RMB 104,116)	Closes its accounts 60 days after the end of each month	—
			3	Accounts receivable	RMB 23,676	—	—
17	Shenyang President Enterprises Co., Ltd.	Beijing President Food Co., Ltd.	3	(Sales)	(RMB 44,532)	Closes its accounts 15 days after the end of each month	—
18	Zhengzhou President Enterprises Food Co., Ltd.	Beijing President Food Co., Ltd.	3	(Sales)	(RMB 71,879)	Closes its accounts 60 days after the end of each month	—
19	Guangzhou President Enterprises Co., Ltd.	Fuzhou President Enterprises Co., Ltd.	3	(Sales)	(RMB 32,840)	Closes its accounts 30 days after the end of each month	—
		Guangzhou President Healthy Food Technology Co., Ltd	3	Other receivables	RMB 26,000	—	—

Number (Note 2)	Name of counterparty	Name of transaction parties	Relationship (Note 3)	Subject	Transaction terms			The percentage of total combined revenue or total assets (Note 4)
					Amount	Transaction terms		
20	Zhongshan President Enterprises Co., Ltd.	Sanshui Jianlibao Commerce Co., Ltd	3	Receivable-related	RMB 55,000	—	—	
21	Tianjiang President Enterprises Food Co., Ltd.	Sanshui Jianlibao Commerce Co., Ltd	3	Receivable-related	RMB 30,000	—	—	
22	Kai Yu (BVI) Investment Co., Ltd.	Cayman President Holdings Ltd.	3	Other receivables	US 11,080	—	—	
		Zhongshan President Enterprises Co., Ltd.	3	Other receivables	US 5,000	—	—	
23	Tung Ang Enterprises Corp.	Retail Support International Corp.	3	(Sales)	— 1,552,457	Closes its accounts 30 days after the end of each month	(1%)	
			3	Accounts receivable	198,216	—	—	
		Tung Shun Enterprises Corp.	3	(Sales)	(963,358)	77 days after sales	—	
			3	Accounts receivable	346,710	—	—	
		Tung Yu Enterprises Corp.	3	(Sales)	(370,397)	46 days after sales	—	
		Tone Chu Enterprises Corp.	3	(Sales)	(215,062)	Closes its accounts 30 days after the end of each month	—	
		Uni-President Cold Chain Corp.	3	(Sales)	(133,389)	12 days after sales	—	
	3	(Sales)	(105,142)	"	—			
24	Century Quick Services Restaurant Corp.	Uni-President Cold Chain Corp.	3	(Sales)	(207,543)	Closes its accounts 30~55 days after the end of each month	—	
25	Union Chinese Corp.	Lien Bo Enterprises Corp.	3	(Sales)	(241,991)	Closes its accounts 60 days after the end of each month	—	
26	Lien Bo Enterprises Corp.	Retail Support International Corp.	3	(Sales)	(686,774)	Closes its accounts 15~70 days after the end of each month	—	
			3	Accounts receivable	110,316	—	—	

Number (Note 2)	Name of counterparty	Name of transaction parties	Relationship (Note 3)	Subject	Transaction terms		The percentage of total combined revenue or total assets (Note 4)
					Amount	Transaction terms	
27	Shanghai E&P Trading Co., Ltd.	Beijing President Enterprises Drinks & Food Co., Ltd.	3	(Sales)	(RMB 82,088)	Closes its accounts 15 days after the end of each month	—
		Kunshan President Enterprises Food Co., Ltd.	3	(Sales)	(RMB 72,512)	Closes its accounts 60 days after the end of each month	—
		Guangzhou President Enterprises Co., Ltd.	3	(Sales)	(RMB 44,360)	Closes its accounts 30 days after the end of each month	—
		Hefei President Enterprises Co., Ltd.	3	(Sales)	(RMB 27,303)	Closes its accounts 60 days after the end of each month	—
		Wuhan President Enterprises Food Co., Ltd.	3	(Sales)	(RMB 39,328)	"	—
		Zhengzhou President Enterprises Food Co., Ltd.	3	(Sales)	(RMB 24,886)	Closes its accounts 15 days after the end of each month	—
		Rich Universe International Limited	3	(Sales)	(US 115,936)	According to the state of fund	(2%)
28	Rich Universe International Limited	Grand-Prosper(HK) Ltd.	3	(Sales)	(US 42,743)	"	(1%)
		Uni-Splendor Corp.	3	(Sales)	(US 19,216)	"	—
29	Uni-Splendor Corp.	Rich Universe International Limited	3	(Sales)	(US 19,216)	"	—
		Ever-Splendor Electrics (Shenzhen) Co., Ltd.	3	(Sales)	(US 28,240)	"	—
		Grand-Prosper (HK) Ltd.	3	Accounts receivable	US 43,635	—	1%
30	Grand-Prosper (HK) Ltd.	Rich Universe International Limited	3	(Sales)	(HKD 763,105)	According to the state of fund	(1%)
		Uni-Splendor Technology (Huizhou) Corp.	3	(Sales)	(HKD 333,217)	"	(1%)
		Grand-Prosper (HK) Ltd.	3	Accounts receivable	HKD 1,051,719	—	2%
31	Uni-Splendor Technology (Huizhou) Corp.	Grand-Prosper (HK) Ltd.	3	(Sales)	(RMB 679,701)	According to the state of fund	(1%)
32	Ever-Splendor Electrics (Shenzhen) Co., Ltd.	Uni-Splendor Corp.	3	(Sales)	(RMB 650,457)	"	(1%)

Number (Note 2)	Name of counterparty	Name of transaction parties	Relationship (Note 3)	Transaction terms			The percentage of total combined revenue or total assets (Note 4)
				Subject	Amount	Transaction terms	
33	Da Tong Ying Corp.	Uni-Splendor Corp.	3	(Sales)	(\$ 165,630)	According to the state of fund	—
			3	Accounts receivable	101,822	—	—
		Rich Universe International Limited	3	(Sales)	(231,070)	According to the state of fund	—
34	Cayman Ton Yi Industrial Holdings Ltd.		3	Long-term receivables	156,676	—	—
		Fujian Ton Yi Tinplate Co., Ltd.	3	(Sales)	(US 114,169)	45 days after shipping	(2%)
			3	Accounts receivable	US 7,048	—	—
		Jiangsu Ton Yi Tinplate Co., Ltd.	3	(Sales)	(US 87,131)	45 days after shipping	(1%)
			3	Accounts receivable	US 9,406	—	—
35	Jiangsu Ton Yi Tinplate Co., Ltd.	Chengdu Ton Yi Industrial Packaging Co., Ltd.	3	Other receivables	US 4,000	—	—
		Wuxi Ton Yi Industrial Packaging Co.,Ltd.	3	(Sales)	(US 11,127)	Closes its accounts 4 months after the end of each month	—
			3	Accounts receivable	US 3,706	—	—
36	President Information Corp.	Chengdu Ton Yi Industrial Packaging Co., Ltd.	3	(Sales)	(US 3,606)	Closes its accounts 4 months after the end of each month	—
		President Chain Store Corp.	3	(Service revenue)	(488,962)	Closes its accounts 30 days after the end of each month	—
37	Uni-President Cold Chain Corp.		3	Accounts receivable	109,221	—	—
		President Chain Store Corp.	3	(Sales)	(12,649,233)	Closes its accounts 20~70 days after the end of each month	(5%)
38	Retail Support International Corp.		3	Accounts receivable	2,851,538	—	1%
		President Chain Store Corp.	3	(Sales)	(33,924,281)	Closes its accounts 10~54 days after the end of each month	(15%)
			3	Accounts receivable	4,271,164	—	2%
		President Drugstore Business Corp.	3	(Sales)	(2,498,741)	Closes its accounts 50 days after the end of each month	(1%)
			3	Accounts receivable	686,031	—	—
		President Coffee Corp.	3	(Sales)	(289,035)	Closes its accounts 28 days after the end of each month	—
	3	Accounts receivable	149,854	—	—		
	Uni-President Dream Parks Corp.	3	(Sales)	(149,854)	Closes its accounts 30 days after the end of each month	—	

Number (Note 2)	Name of counterparty	Name of transaction parties	Relationship (Note 3)	Subject	Amount	Transaction terms		The percentage of total combined revenue or total assets (Note 4)
						Transaction terms		
39	President Pharmaceutical Corp.	Retail Support International Corp.	3	(Sales)	(\$ 433, 410)	Closes its accounts 30~60 days after the end of each month	—	—
40	Wisdom Distribution Services Corp.	President Chain Store Corp.	3	Accounts receivable	135, 710	—	—	—
			3	(Sales)	(6, 617, 960)	Closes its accounts 17~64 days after the end of each month	(3%)	
41	President Transnet Corp.	President Chain Store Corp.	3	Accounts receivable	1, 663, 546	—	1%	
			3	(Sales)	(487, 742)	Closes its accounts 30 days after the end of each month	—	
42	President Collect Service Co. Ltd.	President Transnet Corp.	3	Other receivables	288, 635	—	—	
43	Vision Distribution Service Corp.	Wisdom Distribution Services Corp.	3	(Sales)	(355, 080)	Closes its accounts 65 days after the end of each month	—	
44	President Coffee Corp.	President Chain Store Corp.	3	(Sales)	(117, 538)	Closes its accounts 30 days after the end of each month	—	
45	President Logistics International Corp.	Retail Support International Corp.	3	(Sales)	(409, 993)	Closes its accounts 20 days after the end of each month	—	
		Uni-President Cold Chain Corp.	3	(Sales)	(392, 461)	Closes its accounts 35 days after the end of each month	—	
		Wisdom Distribution Services Corp.	3	(Sales)	(128, 989)	Closes its accounts 20 days after the end of each month	—	
46	Retail Support Taiwan Corp.	Retail Support International Corp.	3	(Sales)	(171, 121)	Closes its accounts 15~20 days after the end of each month	—	
47	Chieh Shun Transport Corp.	President Transnet Corp.	3	(Sales)	(225, 528)	Closes its accounts 45 days after the end of each month	—	

Note 1: Transactions among the Company and subsidiaries amounted to NT\$100,000 and one side of them are disclosed.

Note 2: The transaction informations of the Company and the consolidated subsidiaries should be noted in column "Number". The number means:

1. Number 0 presents the Company.

2. The consolidated subsidiaries are in order from number 1.

Note 3: The kinds of relationships between the transaction parties are as follows:

1. The Company to the consolidated subsidiary.

2. The consolidated subsidiary to the Company.

3. The consolidated subsidiary to another consolidated subsidiary.

Note 4: The counting to the percentage of transaction amount on consolidated total operating revenues or total assets is as follows. Assets and liabilities are counting at the amount period of consolidated total assets at ending period; Income is counting at the amount of consolidated total revenue at ending period.