

**MINUTES**  
**OF**  
**2006 REGULAR SHAREHOLDERS' MEETING**  
**OF**  
**PRESIDENT CHAIN STORE CORP.**  
( Translated Version )

Time and Date of Meeting: 10:00 a.m., June 14, 2006

Place of Meeting: 2F., No.252, Sec. 3, Beishen Rd., Shengkeng Township, Taipei County 222, Taiwan (R.O.C.)

Total outstanding shares of President Chain Store Corp. (PCSC): 915,160,436 shares

Total shares represented by shareholders present: 852,323,388 shares

Percentage of shares held by shareholders present: 93.13%

Chairman: Hsu, Chung Jen, Director

Recorder: Cheng, Yea-Yun

**Meeting Procedure**

- A. The voting shares represented by the attending shareholders constituted a quorum, and the Chairman called the meeting to order.
- B. Introductory speech delivered by the Chairman.
- C. Reported Items
  - I. Reported the business operations of 2005 ( Attachment I ).
  - II. Supervisor's report ( Attachment II ).

III. Reported the investments in Mainland China:

As of the end of 2005, PCSC invested in the following companies in Mainland China:

Names of the Investees	Investing Amount	Percentage of Controlling Shares
President Starbucks Coffee Shanghai Corp.	USD 2,000,000	30%
Presiclerc (Shautou) Ltd.	2,469,991	48.21%
Presiclerc (Qingdao) Ltd.	2,185,000	48.21%
Presiclerc (Beijing) Ltd.	2,217,625	36.40%
President Cosmed Chain Store (Shen Zhen) Co.,Ltd.	3,932,000	65%
Shan Dong President Yinzuo Commercial Limited	4,078,354	55%
PCSC (SICHUAN) Hypermarket Limited	6,200,000	100%
Total	<u>USD 23,082,970</u>	

IV. Reported the disposal of the Ex-Office Building.

1. In accordance with “Acquisition or Disposal of Assets” procedures, disposal of assets not for operating use with amount exceeding NT\$0.5 billion, the Company shall report the details of transaction to the meeting of shareholders.
2. Because PCSC had already moved to President World Trade Center Building, PCSC disposed the Ex-Office Building to President Securities Corp. and its affiliates for NT \$821,544,000 after referring to the asset appraisal report.

D. Resolutions

- I. The 2005 Business Report (Attachment I) and Financial Statements (Attachment III) were submitted at the meeting for acceptance.

Explanation: 1. PCSC’s 2005 Financial Statements were audited by Certified Independent Auditors, reviewed by the Supervisor, and approved at the Board of Directors’ Meeting.

2. The 2005 Business Report is attached hereto as Attachment I, and Financial Statements as Attachment III and pages from 61 to 87 , and pages from 95 to 132 in the Annual Report (Chinese version).

Upon solicitation of comments by the Chairman, there was no objection raised and the resolution was adopted unanimously by the shareholders present:

Resolved, that the 2005 Business Report and Financial Statements hereby are accepted

as submitted.

- II. The proposal for distribution of 2005 profits was submitted at the meeting for discussion and approval.

Explanation: 1. According to the Article of Incorporation, PCSC will first pay bonus to employees, and remuneration to directors and supervisors out of PCSC's 2005 un-appropriated retained earnings. Then 80% to 100% of the remaining portion will be subject to distribution as shareholders dividends, and of which cash dividends will account for 50% to 100%.

2. To avoid over expansion of capital and to enhance stable long-term performance, the Board of Directors proposed that the shareholders dividends to be composed of 100% cash dividends.

3. The 2005 Profit Allocation Proposal is displayed as follows:

	Unit: NT\$
<b>Net Income of 2005</b>	<b>3,652,685,011</b>
Less: 10% Legal Reserve	(365,268,501)
Plus: Reversal of Special Reserve	<u>55,227,276</u>
<b>2005 Earnings Available for Distribution</b>	<b>3,342,643,786</b>
Plus: Un-appropriated Retained Earnings of Previous Years	<u>135,227,669</u>
<b>Earnings Available for Distribution as of December 31, 2005</b>	<b>3,477,871,455</b>
Distirbution Items:	
- 2% Remuneration to Directors and Supervisors (in cash)	(66,852,876)
- 6% Bonus to Employees (in cash)	(200,558,627)
- Cash Dividends to Common Shareholders (NT\$3.4 per share)	<u>(3,111,545,482)</u>
<b>Unappropriated Earnings</b>	<b><u><u>98,914,470</u></u></b>

Upon solicitation of comments by the Chairman, there was no objection raised and the resolution was adopted unanimously by the shareholders present:

Resolved, that the distribution of 2005 profits hereby is approved as proposed, and the Board of Directors is authorized to determine the record date and distribution date. In addition, the calculation of cash dividend to individual shareholder will be rounded to the dollar.

III. The proposal to approve modification of current Articles of Incorporation was submitted at the meeting for discussion and approval.

Explanation:

1. In regard to the company's future operations, the Board proposed to include the following lines of business that the company can engage into in its Articles: telecommunication.
2. The revision of some words in the current Articles of Incorporation was proposed in order to comply with the provisions of the Company Law.
3. In regard to the company's future operations, the Board proposed to decrease the proportion of the remuneration to directors and supervisors.
4. The date of amendments was proposed to include in the Articles.

Resolved, that the modification of current Articles of Incorporation hereby is approved as proposed.

IV. The proposal to revise the corporate policy "Endorsement and Guarantee Procedures" was submitted at the meeting for discussion and approval.

Explanation:

1. The revision of "Endorsement and Guarantee Procedures" was proposed in order to comply with the amended "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies", which was promulgated by the Financial Supervisory Commission on December 29, 2005.

Resolved, that the revision of corporate policy "Endorsement and Guarantee Procedures" hereby is approved as proposed.

V. The Election of Eighth Director and Supervisor

Explanation:

1. By June 24, 2006, the seventh term of Directors and Supervisors will be fully serving their three-year term.
2. According to the provisions of Article 195, 198 and 217 of the Company Law, as well as the corporate policy, the eighth term of Directors and Supervisors shall be elected at the meeting of shareholders.
3. Nine Directors and two Supervisors were elected in the meeting of shareholders. The term of office is from June 14, 2006 to June 13, 2009. The seventh term of Directors and Supervisors was discharged on June 14, 2006.

## Result of Election

	No.	Name	Representative	Shares
Director	2303	Kao Chuan Co. Ltd.	Kao, Chin Yen	431,483,904
Director	1	Uni-President Enterprise Corp.	Lin, Chang Sheng	431,456,904
Director	1	Uni-President Enterprise Corp.	Lin, Lung Yi	431,451,261
Director	1	Uni-President Enterprise Corp.	Hsu, Chung Jen	431,453,925
Director	1	Uni-President Enterprise Corp.	Lo, Chih Hsieh	431,446,500
Director	1	Uni-President Enterprise Corp.	Yang, Wen Lung	431,443,701
Director	1	Uni-President Enterprise Corp.	Wu, Kuo Hsuan	431,442,315
Director	1	Uni-President Enterprise Corp.	Tu, Te Cheng	431,443,314
Director	1	Uni-President Enterprise Corp.	Chang Jen, Yu Huei	431,441,487
Supervisor	27	Nan Shan Life Insurance	ADA K.H. Tse	431,454,479
Supervisor	R100695120	Ying, Chien Li		431,448,479

VI. Special Motions: None.

VII. Meeting Adjourned

## ATTACHMENT I

### Business Report

Please refer to "Letter to Shareholders", Page 13 of the 2005 Annual Report

## ATTACHMENT II

### Supervisor's Report

The Board of Directors have prepared and submitted the Company's 2005 Operation Report, Financial Statements, and proposal for allocating profits to us. The above have been further examined as being correct and accurate by the undersigned, the supervisor of President Chain Store Corp. According to Article 219 of the Company Law, we hereby submit this report.

President Chain Store Corp.  
Supervisor: Tu, Te Cheng

March 31, 2006

## **Supervisor's Report**

The Board of Directors have prepared and submitted the Company's 2005 Operation Report, Financial Statements, and proposal for allocating profits to us. The above have been further examined as being correct and accurate by the undersigned, the supervisor of President Chain Store Corp. According to Article 219 of the Company Law, we hereby submit this report.

President Chain Store Corp.  
Supervisor: Ying, Chien Li

March 31, 2006

### **ATTACHMENT III**

#### **Report of Independent Accountants and Financial Statements**

Please refer to 2005 Annual Report

### **ATTACHMENT IV**

#### **Comparison Table of Articles of Incorporation Before and After Modification**

Omitted