

MINUTES
OF
2005 REGULAR SHAREHOLDERS' MEETING
OF
PRESIDENT CHAIN STORE CORP.
(Translated Version)

Time and Date of Meeting: 9:30 a.m., June 14, 2005

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: 817,601,709 shares

Percentage of shares held by shareholders present: 89.34%

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 2004 (Attachment I).
 - II. Supervisor's report (Attachment II).
 - III. Reported the establishment of rules of procedure for board meeting(Attachment III).

PCSC established “the rules of procedure for board meeting” in accordance with the rules for corporate governance built by Taiwan Stock Exchange Corp..

IV. Reported the investments in Mainland China:

As of the end of 2004, PCSC invested in the following companies in Mainland China:

Names of the Investees	Investing Amount	Percentage of Controlling Shares
Shanghai President Coffee Corp.	USD 2,000,000	30%
Presiclerc(Shautou) Ltd.	2,469,991	47.74%
Presiclerc(Qingdao) Ltd	2,185,000	47.74%
Presiclerc(Beijing) Ltd.	1,308,625	31.03%
President Cosmed Chain Store (Shen Zhen) Co., Ltd.	1,965,000	65%
Total	USD 9,928,616	

V. Reported the acquisition of President World Trade Center Buliding.

1. In accordance with “Acquisition or Disposal of Assets” procedures, acquisition 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. PCSC acquired the President World Trade Center Buliding from President construction Corp. for NT\$1,639,704,668 after referring to the asset appraisal report. This buliding will be used to be the future PCSC headquarters to enhance the communication efficiency within the PCSC group.

D. Resolutions

- I. The 2004 Business Report (Attachment I) and Financial Statements (Attachment IV) were submitted at the meeting for acceptance.

Explanation: 1. PCSC’s 2004 Financial Statements were audited by Certified Independent Auditors, reviewed by the Supervisor, and approved at the Board of Directors’ Meeting.

2. The 2003 Business Report is attached hereto as Attachment I, and Financial Statements as Attachment IV and pages from 56 to 81 in the Annual Report.

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

Resolved, that the 2004 Business Report and Financial Statements hereby are accepted as submitted.

- II. The proposal for distribution of 2004 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 2004 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.

The 2004 Profit Allocation Proposal is displayed as follows:

- 3.

	Unit: NT\$
Net Income of 2004	3,047,397,582
Less: Adjustment of capital reserve due to the PCSC's disproportionate subscription to the subsidiaries issuance of new shares	(1,529,767)
10% Legal Reserve	(304,586,782)
Special Reserve	<u>(55,758,241)</u>
2004 Earnings Available for Distribution	2,685,522,792
Plus: Un-appropriated Retained Earnings of Previous Years	<u>356,317,553</u>
Earnings Available for Distribution as of December 31, 2004	3,041,840,345
Distirbution Items:	
- 2% Bonus to Directors and Supervisors (in cash)	(53,710,456)
- 2% Bonus to Employees (in cash)	(107,420,912)
- Cash Dividends to Common Shareholders (NT\$3 per share)	<u>(2,745,481,308)</u>
Unappropriated Earnings	<u>135,227,669</u>

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

Resolved, that the distribution of 2004 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 real situations, the Board proposed to include the article" remuneration of director and supervisor is to be given in general standard".

2. The date of amendments was proposed to include in the Articles.

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

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

E. Special Motions : None.

G. Meeting Adjourned

Hsu, Chung Jen,
Director

Cheng, Yea-Yun
Recorder

ATTACHMENT I

Business Report

Please refer to "Letter to Shareholders", Page 4 of the Annual Report

ATTACHMENT II

Supervisor's Report

The Board of Directors has prepared and submitted to the Supervisor the Company's 2004 Business Report, Financial Statements, and proposed for allocation of 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 Corporation

Supervisor Tu, Te Cheng

March 8, 2005

Supervisor's Report

The Board of Directors has prepared and submitted to the Supervisor the Company's 2004 Business Report, Financial Statements, and proposed for allocation of 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 Corporation

Supervisor Ying, Chien Li

March 8, 2005

ATTACHMENT III

Report of Independent Accountants and Financial Statements

Please refer to Page 50~55 of the Annual Report

ATTACHMENT IV

Comparison Table of Articles of Incorporation Before and After Modification

Omitted