

The Record of FEDS' 2021 Annual General Shareholders' Meeting

The Speech of Chairman Douglas Hsu

1. In 2020, while under the impact of coronavirus pandemic, the Far Eastern Retail Group delivered an outstanding performance despite the challenging operating environment. With innovative mindset, agile adaptation, restructuring operation model, integrating online and offline channels, enriching customer experiences. Thanks to exuberant private consumption, the Far Eastern Retail Group maintained growth in consolidated revenues.
2. The Far Eastern Retail Group (including Far Eastern Department Stores, Far Eastern SOGO Department Stores, Far Eastern Amart, and Far Eastern City'super) registered consolidated sales of NT\$114.8 billion in 2020. Consolidated net profit was NT\$2.54 billion, up 18% year-on year, earnings per share were NT\$1.38, cash dividend payout for 2020 was NT\$1.1, delivered outstanding result again. Far Eastern Department Stores delivered the record high sales since its inception 54 years ago, pre-tax income also marked new high in the past five years. The pre-tax net income of Far Eastern SOGO Department Stores grew substantially year-on-year, and Far Eastern Amart continued its store expansion, Taichung Shuinan Hyper Mall 3.0 Store was opened on September 23, 2020. City'super also extended its multiple shopping channels to increase customers and enhance business opportunities.
3. In line with changing consumer behaviors, FEDS will further reinforce the development of online shopping, and provide the real-time online services via its APP, online shopping and social media tools. Furthermore, during the past 5 years FEDS has been engaged in restructuring its management model to successfully achieve the four objectives to "construct paperless office, integrate cross-department system, set up KPI, establish EIP" and thus effectively control operating cost and elevate productivity. In the future, FEDS will focus on five major growth engines including "continuous expansion, strengthened customer experiences, innovate management, digital technologies, online shopping developments" to improve competitiveness and growth, and continue to create maximum benefit for its shareholders.
4. After the opening of Hsinyi A13 store on January 19, 2020, the Company tapped into northern Hsinchu to construct the FEDS Chubei Shopping Mall, main building of which was already completed as the first shopping center in Hsinchu County. Far Eastern City'super will also open new store in Chubei. As for cross-strait deployment, the Company will also seek for investment opportunities and targets so as to continue to expand retail scope and scale.
5. In 2020, FEDS maintained its outstanding performance in CSR efforts to be accredited with a record high of 34 domestic and international awards. We also received the "National Sustainable Development Award" by the Executive Yuan for the second time,

making FEDS the Taiwan's first and only retail operator to receive this award twice within three years.

In terms of corporate governance, FEDS has always been a benchmark in the retail industry and ranks among top 20% of corporate governance companies.

As to environmental sustainability, during the past 6 years, FEDS promoted 164 energy saving projects, saving 28.03 million watts.

To fulfill social commitment, FEDS has sponsored 600 non-profit events to care for the under-privileged families, women, children, and environmental protection.

Going forward, FEDS will continue to commit to its CSR endeavors, extend social impact, enhance synergy, and collaborate with the general public to embrace sustainable life styles.

The content of presentation slides

1. FEDS Retail Group
2. Consolidated Financial Performance
3. Online to Offline
4. Business Prospect
5. Corporate Social Responsibility
6. Sustaining Growth Momentum

The content of discussion

FEDS' important resolutions of the Year 2021 shareholders' meeting:

I. REPORTED ITEMS

- (1) 2020 Business Report (please refer to P.3-P.10 of handbook for 2021 AGM).
- (2) Financial report of 2020 (please refer to P.11-P.33 of handbook for 2021 AGM).
- (3) Audit Committee's review report on 2020 business report and financial statements (please refer to P.34 of handbook for 2021 AGM).
- (4) Report of 2020 employees' compensation and directors' remuneration (please refer to P.35 of handbook for 2021 AGM).

II. APPROVING ITEMS

- (1) To accept 2020 business report and financial statements.

Resolution: the result of voting is as follows:

The number of shares represented by the shareholders present at the time of voting (including e-voting) was 1,185,180,852.

Number of votes (including e-voting)		% of votes represented by the shareholders present
Approval	1,166,580,285	98.4
Disapproval	67,571	-
Invalid	0	-
Abstention votes/No votes	18,532,996	1.6

RESOLVED, that the above proposal be and hereby was approved as proposed.

- (2) To approve the proposal for the distribution of 2020 surplus earning.

Resolution: the result of voting is as follows:

The number of shares represented by the shareholders present at the time of voting (including e-voting) was 1,185,180,852.

Number of votes (including e-voting)		% of votes represented by the shareholders present
Approval	1,167,860,195	98.5
Disapproval	80,635	-
Invalid	0	-
Abstention votes/No votes	17,240,022	1.5

RESOLVED, that the above proposal be and hereby was approved as proposed.

III. DISCUSSION AND ELECTION

(1) Proposal to elect directors(including independent directors) of the company.

Resolution: the result of voting is as follows:

Title	Shareholder Number/ID	Name	Votes Received
Director	0000008	Douglas Hsu	1,291,173,308
Director	0136279	Nancy Hsu, Representative of Ding & Ding Management Consultant Corporation	1,222,019,773
Director	0000010	Nicole Hsu, Representative of Far Eastern New Century Corporation	1,173,208,119
Director	0111468	Philby Lee, Representative of Yue Li Investment Corporation	1,143,122,335
Independent Director	R10006****	Eugene You Hsin Chien	1,109,705,942
Independent Director	A10214****	Edward Yung Do Way	1,080,107,199
Independent Director	F12094****	Ding Yu Dong	1,041,632,416

The term of the new directors after the re-election is from July 27, 2021 to July 26, 2024, totaling 3 years.

- (2) Proposal to release the non-competition restriction for directors in Article 209 of the Company Act.

Resolution: the result of voting is as follows:

The number of shares represented by the shareholders present at the time of voting (including e-voting) was 1,185,180,852.

Number of votes (including e-voting)		% of votes represented by the shareholders present
Approval	1,161,822,272	98.0
Disapproval	1,507,971	0.1
Invalid	-	-
Abstention votes/No votes	21,850,609	1.9

RESOLVED, that the above proposal be and hereby was approved as proposed.

IV. Extemporary Motion

None.

V. Adjournment