

The Record of FEDS' 2012 Annual General Shareholders' Meeting

The Speech of Chairman Douglas Hsu

1. The number of FEDS' shareholders now amounts to 81,900 increased by 22,000 from 2011. We appreciate your support. We have made slides for this shareholders' meeting to present you the Company's 2011 business results.
2. In 2011, in spite of the 311 earthquake in Japan, European debt crisis, unemployment rate of 8% in America, the performance of the retail business in Taiwan and Mainland China was excellent. On the consolidated basis, the revenue was NT\$114.7 billion, up by 6.1% YoY. On the stand-alone basis, the parent company, FEDS, increased its revenue by 12.3% YoY to NT\$27.6 billion. Revenues of SOGO and A-mart rose by 4.7% and 9.5%, respectively, compared with 2010. Such outstanding performance of FEDS, SOGO and A-mart was quite praiseworthy.
3. From last December in 2011 to April in 2012, three newly heavy-weight large chain department stores and shopping malls inaugurated their service successfully. Besides, especially in the floor space, FE21' Mega Taichung Store (Top City), FE21' Mega Panchiao Store (Mega City) and Far Eastern SOGO BIG CITY Shopping Mall have around 54,000 pins, 40,000 pins, and 100,000 pins, respectively. It is not quite easy that they were opened in succession within 5 months and the total floor space amounted to around 200,000 pins.
4. Whether the economic growth rate of Taiwan in the second half of this year is high or low is hard to forecast. However, the important thing for retail business is to catch up with the fashion and trend, and serve the customers of different income level. Thus, We are highly confident the Taiwan retail market is moving toward a bright future

The content of presentation slides

1. In the year of 2011 FEDS initiated a new era in retail business
2. The analysis of Far Eastern Retail Group's performance in Taiwan
3. The analysis of Far Eastern Retail Group's performance in China
4. The cross-strait operating strategies and outlook

The content of discussion

FEDS important resolutions of the Year 2011 shareholders' meeting:

I. Matters to be reported

- (1) 2011 Messages to Shareholders (Acknowledged by all attending shareholders)
- (2) Financial report of 2011 (Acknowledged by all attending shareholders)
- (3) Supervisors' audit report on 2011 business report and financial statements (Acknowledged by all attending shareholders)

Shareholder # 0212298 Mr. Liu Tai Ann raised questions with respect to issues of 2011 Messages to shareholders.

Shareholder # 0255593 Mr. Dong Hao-Yun raised questions with respect to issues of the financial report of 2011.

Shareholder # 0255762 Mr. Kong, Fan-Qi raised questions with respect to issues of the financial report of 2011.

The questions were answered by the personnel designated by Chairman.

RESOLVED, that the above proposals were approved for reference.

II. Matters to be approved

- (1) To approve the 2011 financial statements

Shareholder # 0212298 Mr. Liu Tai Ann raised questions with respect to issues of 2011 financial statements.

Upon decision by the Chairman, the questions were answered by the personnel designated by Chairman and the proposal was put through to vote.

RESOLVED, that the above proposals be and hereby were approved as proposed.

The number of share vote approval for the proposal was 759,126,515, which was 84% of votes represented by the shareholders present.

- (2) To approve the proposal for the distribution of 2011 surplus earning.

Shareholder # 0212298 Mr. Liu Tai Ann raised questions with respect to issues of distribution of 2011 surplus earning.

Upon decision by the Chairman, the questions were answered by the personnel designated by Chairman and the proposal was put through to vote.

RESOLVED, that the above proposals be and hereby were approved as proposed.

The number of share vote approval for the proposal was 759,129,507, which was 84% of votes represented by the shareholders present.

III. Discussion and Election

- (1) To approve the capitalization of 2011 stock dividends

Upon decision by the Chairman, the proposal was put through to vote.

RESOLVED, that the above proposals be and hereby were approved as proposed.

The number of share vote approval for the proposal was 747,805,871, which was 82% of votes represented by the shareholders present.

- (2) Proposal to amend certain provisions of the Company's "Rules of Procedure of Stockholders Meeting".

Shareholder # 0212298 Mr. Liu Tai Ann raised questions with respect to issues of the amendments of certain provisions of the Company's "Rules of Procedure of Stockholders Meeting".

Upon decision by the Chairman, the questions were answered by the personnel designated by Chairman and the proposal was put through to vote.

RESOLVED, that the above proposals be and hereby were approved as proposed.

The number of share vote approval for the proposal was 759,116,395, which was 84% of votes represented by the shareholders present.

- (3) Proposal to amend certain provisions of the Company's "Procedures for Acquisition and Disposition of Assets".

Upon decision by the Chairman, the proposal was put through to vote.

RESOLVED, that the above proposals be and hereby were approved as

proposed.

The number of share vote approval for the proposal was 759,114,395, which was 84% of votes represented by the shareholders present.

- (4) Proposal to re-elect the Company's Directors/Supervisors.

The slate of Independent Director Candidates

Nominee	Education	Experience	Present position	Shareholding
<p>CHIEN YOU HSIN</p>	<p>Ph.D., Aeronautics and Astronautics, New York University, USA.</p> <p>Bachelor of Mechanical Engineering, National Taiwan University.</p>	<p>The first Minister, Department of the Environmental Protection Administration, Executive Yuan, R.O.C. (Taiwan)</p> <p>Minister, Ministry of Transportation and Communications</p> <p>Minister, Ministry of Foreign Affairs</p> <p>Senior Advisor, National Security Council</p> <p>Representative, Taipei Representative office in the U.K.</p> <p>National Policy Advisor, Office of the President, R.O.C. (Taiwan)</p> <p>Deputy Secretary General , Office of the President, R.O.C. (Taiwan)</p> <p>Legislator, Legislative Yuan (Member of Parliament)</p> <p>Chairman, International Cooperation and Development Fund</p> <p>Program Advisors, European Bank for Reconstruction and Development</p> <p>Professor and Dean, College of Engineering, Tamkang University</p>	<p>Chairman, Taiwan Institute for Sustainable Energy</p> <p>Chairman, Taiwan Institute for Climate change and Energy</p>	<p style="text-align: center;">0</p>

Nominee	Education	Experience	Present position	Shareholding
EDWARD YUNG DO WAY	Bachelor of Commerce in Accounting, Soochow University MBA, University of Georgia CPA (Taiwan) CPA (Georgia, USA) Certified Internal Auditor (CIA, USA)	1972–1978 University System of Georgia <ul style="list-style-type: none"> ● Accounting Manager, Armstrong State College, Savannah ● Acting Director of Internal Audit, Board of Regents 1979-1981 Deloitte Haskins & Sells, Atlanta <ul style="list-style-type: none"> ● Senior Auditor, 1981-2002 T N Song & Co (member of Arthur Anderson) <ul style="list-style-type: none"> ● Auditor Division Head ● Chairman & CEO ● Audit Managing Partner, Greater China 2003-2007 Deloitte Taiwan <ul style="list-style-type: none"> ● Managing Partner & CEO ● Director, Deloitte Global Board ● Director, Deloitte Greater China Board ● CEO Emeritus Chairman, United Way of Taiwan, R.O.C. Director, The Child Welfare League Foundation	President, Yong Qin Xing Ye Limited Co. Independent Director, DelSolar Co., Ltd.. Independent Director, Apex Biotechnology Corp. Supervisor, Sercomm Corp. Supervisor, Chilisin Electronics Corp. Independent Director, Citibank Taiwan Ltd. Director, Vanguard International Semiconductor Corp. Director, MITAC International Corp. Director, Wowprime Corp.	0

The list of the newly elected Company's Directors and Supervisors with indication of votes received by each of them is as follows

Directors

Shareholder Number	Company	Representative	Votes Received
000008		Douglas Tony Hsu	863,100,239
136279	Ding Ding Management Consultant Corporation	Nancy Hsu	647,265,709
000010	Far Eastern New Century Corporation	Alex Ro	597,122,556
000010	Far Eastern New Century Corporation	Nicole Hsu	546,468,134
005757	Asia Cement Corporation	Jin Lin Liang	515,767,348
A10214****		EDWARD YUNG DO WAY	482,150,014
R10006****		CHIEN YOU HSIN	469,355,252

Supervisors

Shareholder Number	Company	Representative	Votes Received
160562	Oriental Union Chemical Corporation	Charles Wan	566,830,104
111468	Yue-Li Investment Corporation	Philby Chen	513,508,052

- (5) Proposal to lift the restriction on non-competition of the Company's directors as defined in Article 209 of the Company Law.

Upon decision by the Chairman, the proposal was put through to vote.

RESOLVED, that the above proposals be and hereby were approved as proposed.

The number of share vote approval for the proposal was 585,763,968, which was 64% of votes represented by the shareholders present.

IV. Extempore motion: (None)

V. Motion to Adjourn