

The Record of FEDS' 2013 Annual General Shareholders' Meeting

The Speech of Chairman Douglas Hsu

1. The number of FEDS' shareholders now amounts to 92,400 increased by 10,000 from 2012. We do appreciate your support. We have made slides for this shareholders' meeting to present you 2012 business results of the Company.
2. In spite of European debt crisis and American slower economic growth rate, three new generation department stores of Far Eastern Retail Group opened in Taiwan not only makes FEDS's consolidated revenue be NT\$126.1 billion, up by 10.1% YoY, but also attracts some players in China to discuss the opportunities of cooperation with FEDS.
3. With 1.3 billion of population in China, China's middle-class is expected to account for 40% of its total population in the future; therefore, the purchasing power and GDP will be increased in the coming years. We keep extremely optimistic attitude toward the China retail market; at the same time, we are currently evaluating the new store planning.
4. Whether Taiwan GDP in the second half of this year is high or low is hard to forecast. However, most important of all, retail players shall seek after fashionable trends and serve all type of customers. Thus, we are highly confident that the Taiwan retail market is moving toward a bright future.

The content of presentation slides

1. The introduction of Far Eastern Retail Group Framework
2. Consolidated financial performance in 2012
3. The operation and outlook of physical stores and GOHAPPY
4. Building integrated physical and virtual stores for future success

The content of discussion

FEDS's important resolutions of the Year 2013 shareholders' meeting:

- I. Matters to be reported
 - (1) 2012 Messages to shareholders (please refer to P.4-P.10 of handbook for

2013 AGM)

- (2) Financial report of 2012 (please refer to P.11-P.19 of handbook for 2013 AGM)
- (3) Supervisors' audit report on 2012 business report and financial statements (please refer to P.20 of handbook for 2013 AGM)
- (4) Report of the amendment of certain provisions of the Company's " Meeting Rules of Board of Directors" (please refer to P.21-P.24 of handbook for 2013 AGM)
- (5) Report of the establishment of the Company's "Code of Ethics" and "Best Practice Principles of Ethical Corporate Management" (please refer to P.25-P.34 of handbook for 2013 AGM)
- (6) The adjustments of Retained Earnings and Special Reserve in accordance with the adoption of International Financial Reporting Standards (please refer to P.35 of handbook for 2013 AGM)

Shareholder # 0212298 Mr. Liu Tai Ann raised questions with respect to the advices of FEDS's operation.

The questions were answered by Chairman and acknowledged by all attending shareholders.

RESOLVED, that the above proposals were approved for reference.

II. Matters to be approved

- (1) To accept the 2012 financial statements

Resolution: The number of shares represented by the shareholders present at the time of voting (including e-voting) was 875,373,882 and 753,549,294 votes (including e-voting) were cast for the proposal, which was 86.1% of votes represented by the shareholders present.

- (2) To approve the proposal for the distribution of 2012 surplus earning.

Resolution: The number of shares represented by the shareholders present at the time of voting (including e-voting) was 875,373,882 and 753,534,141 votes (including e-voting) were cast for the proposal, which was 86.1% of votes represented by the shareholders present.

Shareholder # 0212298 Mr. Liu Tai Ann raised questions with respect to the advices of FEDS's operation.

The questions were answered by Chairman and acknowledged by all attending shareholders.

III. Discussion

- (1) Proposal to amend the certain provisions of the Company's "Articles of Incorporation".

Resolution: The number of shares represented by the shareholders present at the time of voting (including e-voting) was 875,373,882 and 753,536,747 votes (including e-voting) were cast for the proposal, which was 86.1% of votes represented by the shareholders present.

- (2) To approve the capitalization of 2012 stock dividends.

Resolution: The number of shares represented by the shareholders present at the time of voting (including e-voting) was 875,373,882 and 753,501,755 votes (including e-voting) were cast for the proposal, which was 86.1% of votes represented by the shareholders present.

- (3) Proposal to amend the certain provisions of the Company's "Procedures for Endorsements and Guarantees" and Company's "Procedures for Lending of Capital to Others".

Resolution: The number of shares represented by the shareholders present at the time of voting (including e-voting) was 875,373,882 and 753,509,560 votes (including e-voting) were cast for the proposal, which was 86.1% of votes represented by the shareholders present.

- (4) Proposal to amend the certain provisions of the "Election Procedures of Directors and Supervisors".

Resolution: The number of shares represented by the shareholders present at the time of voting (including e-voting) was 875,373,882 and 753,493,917 votes (including e-voting) were cast for the proposal, which was 86.1% of votes

represented by the shareholders present.

IV. Extempore motion:

Shareholder # 0212298 Mr. Liu Tai Ann raised questions with respect to the SOGO and leisure activities of FEDS's employees.

The questions were answered by Chairman and acknowledged by all attending shareholders.

V. Motion to Adjourn