

The Record of FEDS' 2014 Annual General Shareholders' Meeting

The Speech of Chairman Douglas Hsu

1. The number of FEDS' shareholders now amounts to 87,600 currently. We do appreciate your support. We have made slides for this shareholders' meeting to present you 2013 business results of the Company.
2. E-commerce is getting prevalent, but physical stores still can provide the customers different pleasure of consumption. Thus, Far Eastern Retail Group (FEG) is integrating our physical and virtual stores to create a new operation model. Besides, FEG will devote to using and analyzing the big data to realize, foresee and satisfy the customers' desire in future in order to increase revenue.
3. In spite of slower economic growth rate in European and American areas, three new generation department stores of Far Eastern Retail Group opened in Taiwan not only makes FEDS's consolidated revenue be NT\$125.7 billion, but also makes FEDS's consolidated net income be NT\$2.9 billion, up by 7.7% YoY.
4. In China, the economy is restructuring because of some innovation. In addition, the operation model of FEG in China is also still adjusting. At the turning point with great opportunities, FEG will expand stores at the appropriate time and places to increase our market share.

The content of presentation slides

1. The introduction of Far Eastern Retail Group Framework
2. Consolidated financial performance in 2013
3. Integrated physical and virtual stores to create a dynamic future
4. To fulfill corporate social responsibility

The content of discussion

FEDS's important resolutions of the Year 2014 shareholders' meeting:

- I. Matters to be reported
 - (1) 2013 Messages to shareholders (please refer to P.4-P.11 of handbook for 2014 AGM)

- (2) Financial report of 2013 (please refer to P.12-P.24 of handbook for 2014 AGM)
- (3) Supervisors' audit report on 2013 business report and financial statements (please refer to P.25 of handbook for 2014 AGM)
- (4) Report of the change in measurement after recognition of investment property at a fair value model (please refer to P.26 of handbook for 2014 AGM)
- (5) Report of the amendment of the Company's "Best Practice Principles of Ethical Corporate Management" (please refer to P.27 of handbook for 2014 AGM)

RESOLVED, that the above proposals were approved for reference.

II. Matters to be approved

- (1) To accept the 2013 financial statements.

Resolution:

The number of shares represented by the shareholders present at the time of voting (including e-voting) was 959,646,905.

The result of voting is as follows:

number of votes (including e-voting)			% of votes represented by the shareholders present		
For	Withheld	Non-Votes	For	Withheld	Non-Votes
798,205,723	52,360	161,388,822	83.2%	0%	16.8%

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

- (2) To approve the proposal for the distribution of 2013 surplus earning.

Resolution:

The number of shares represented by the shareholders present at the time of voting (including e-voting) was 959,646,905.

The result of voting is as follows:

number of votes (including e-voting)			% of votes represented by the shareholders present		
For	Withheld	Non-Votes	For	Withheld	Non-Votes
801,016,065	79,356	158,551,484	83.5%	0%	16.5%

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

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 959,646,905.

The result of voting is as follows:

number of votes (including e-voting)			% of votes represented by the shareholders present		
For	Withheld	Non-Votes	For	Withheld	Non-Votes
784,132,426	67,934	175,446,545	81.7%	0%	18.3%

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

- (2) To approve the capitalization of 2013 stock dividends.

Resolution:

The number of shares represented by the shareholders present at the time of voting (including e-voting) was 959,646,905.

The result of voting is as follows:

number of votes (including e-voting)			% of votes represented by the shareholders present		
For	Withheld	Non-Votes	For	Withheld	Non-Votes
800,977,715	129,713	158,539,477	83.5%	0%	16.5%

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

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

Resolution:

The number of shares represented by the shareholders present at the time of voting (including e-voting) was 959,646,905.

The result of voting is as follows:

number of votes (including e-voting)			% of votes represented by the shareholders present		
For	Withheld	Non-Votes	For	Withheld	Non-Votes
784,125,332	87,170	175,434,403	81.7%	0%	18.3%

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

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

Resolution:

The number of shares represented by the shareholders present at the time of voting (including e-voting) was 959,646,905.

The result of voting is as follows:

number of votes (including e-voting)			% of votes represented by the shareholders present		
For	Withheld	Non-Votes	For	Withheld	Non-Votes
784,144,196	66,164	175,436,545	81.7%	0%	18.3%

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

IV. Extempore motion:

None.

V. Motion to Adjourn