

Press Release for 2015 Annual General Shareholders' Meeting of Far Eastern Department Stores Ltd.

Building New Omni-Channel Consumption Model!!

FEDS (2903) Annual General Shareholders' Meeting was held

Date: 9:00 am, Monday, June 22, 2015

Venue: Auditorium in the Taipei Hero House

2014 marked a remarkable year for Far Eastern Department Stores (FEDS) with outstanding performance of its new generation stores. Banqiao Mega City, Taichung Top City and Hsinchu Big City all registered historical high revenues and reported gains. In particular, Taichung Top City marked the record of "achieving NT\$10 billion sales within 3 years". FEDS delivered outstanding performances in "consolidated, individual and new stores revenues", thanks to the leadership and joint efforts of the management team that contributed to total 56 stores across the Strait.

■ **Financial Results: 2014 consolidated net profit was NT\$2.16 billion, and record high cash dividend payout ratio**

The Far Eastern Retail Group registered consolidated sales of NT\$127.2 billion in 2014, among which FEDS accounted for NT\$42.3 billion, a growth of 6.7% year on year, mainly attributed by the outstanding performance of Banqiao Mega City and Taichung Top City. Consolidated net profit was NT\$2.16 billion, and earnings per share was NT\$1.07, cash dividend for 2014 was NT\$1, and FEDS recorded high cash dividend payout ratio. Pacific SOGO Department Stores also performed well to record NT\$44 billion of sales in 2014, grew 6.5% YoY.

■ **Business Prospects: Building New Omni-Channel Consumption Model**

Coping with rapid changes in life style and living environment, people's urges to seek for beauty, gourmet, health, and convenience has remained the same. Therefore, Far Eastern Retail Group is committed to enhancing its advertisement on mobile devices and software plus hardware facilities to entice consumers' five senses and shopping desire. Furthermore, through APP and social media including Line and Facebook, customers can easily search for review and assessment of various merchandises to make their purchase needs. In future, the Company will provide customized discount through Big Data and LBS (location-based service) in order to offer more convenient shopping via integrated mobile payment and multiple delivery channels.

■ **Expansion Plan: Three new stores in the upcoming three years, to add 231,350 square meters of sales space, approximate growth of 30%**

After successfully opened three CITY shopping malls in Taiwan, FEDS is expected to open 3 more stores between 2017 and 2018 in Taipei, norther Hsinchu and Kaohsiung, adding sales space of 231,350 square meters, a growth of 31% to expand market share.

As to the China market, we will transfer our success story of Taiwan's CITY shopping malls, taking into consideration of the retail consumption characteristics, regional competition and market niche of major cities in mainland, select appropriate timing and location for further expansion, and aim to become leading retail brand in the Greater China region.

■ **CSR Efforts and Initiatives: Retain leadership in Taiwan's listed chain department store that seeks for sustainable growth**

FEDS has long committed to CSR initiatives. Our efforts in Corporate Governance received the highest A++ result in 2014 Information Disclosure and Transparency Ranking. FEDS Headquarters located within Banqiao Mega Tower obtained Green Building silver award from the Construction and Planning Agency of the Interior Ministry for sustainable environment conservation. Bureau of Energy, Ministry of Economic Affairs, awarded FEDS the best energy savings performance in department stores. Moreover, FEDS branch stores sponsored more than 200 non-profit CSR events in 2014. We are publishing our FEDS CSR Report in July 2015, a milestone for the retail industry as Taiwan's first report by listed chain department stores.