

The Record of FEDS' 2015 Annual General Shareholders' Meeting

The Speech of Chairman Douglas Hsu

1. The number of FEDS' shareholders now amounts to 86,000 currently. We do appreciate your support. We have made slides for this shareholders' meeting to present you 2014 business results of the Company.
2. The Far Eastern Retail Group (FERG) registered consolidated sales of NT\$127.2 billion in 2014, up by 1.2% YoY, among which FEDS accounted for 33% amounted to NT\$42.3 billion, a growth of 6.7% year on year; Pacific SOGO Department Stores accounted for 34% amounted to NT\$44 billion, grew 6.5% YoY; A-mart accounted for 15% amounted to NT\$18.7 billion, and FEDS China and Pacific China accounted for 13%. FEDS consolidated net profit was NT\$2.16 billion, and earnings per share was NT\$1.07.
3. Because of the quick expansion of e-commerce sales and the effect of anticorruption policy, our performance in China market in 2014 was under our expectation. Thus, all existing stores in China need to be transformed and the planning of store expansion will be cautious in the future. However, as a result of the policy of urbanization in China, national income will be increased. The potential of high consumption spending in China can be expected. Therefore, FERG will keep the aggressive strategy of expansion and making the transformation in China.

The content of presentation slides

1. The Introduction of Far Eastern Retail Group
2. Consolidated Financial Performance in 2014
3. The New Consumption Patterns to Satisfy Consumers' Natures
4. The Expansion Plan
5. The Effort to Fulfill Corporate Social Responsibility

The content of discussion

FEDS's important resolutions of the Year 2015 shareholders' meeting:

- I. Matters to be reported
 - (1) 2014 Messages to shareholders (please refer to P.4-P.11 of handbook for 2015 AGM)
 - (2) Financial report of 2014 (please refer to P.12-P.26 of handbook for 2015 AGM)

- (3) Supervisors' audit report on 2014 business report and financial statements (please refer to P.27 of handbook for 2015 AGM)

RESOLVED, that the above proposals were approved for reference.

II. Matters to be approved

- (1) To accept the 2014 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 1,006,815,143.

Number of votes (including e-voting)		% of votes represented by the shareholders present
Approval	878,005,185	87.2
Disapproval	102,706	0
Invalid	0	0
Abstention votes/No votes	128,707,252	12.8

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

- (2) To approve the proposal for the distribution of 2014 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 1,006,815,143.

Number of votes (including e-voting)		% of votes represented by the shareholders present
Approval	881,926,165	87.6
Disapproval	115,643	0
Invalid	0	0
Abstention votes/No votes	124,773,335	12.4

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

III. Discussion and Election

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

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 1,006,815,143.

Number of votes (including e-voting)		% of votes represented by the shareholders present
Approval	881,017,196	87.5
Disapproval	905,331	0.1
Invalid	0	0
Abstention votes/No votes	124,892,616	12.4

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

- (2) Proposal to amend the certain provisions of the Company's "Election Procedures of Directors and Supervisors".

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 1,006,815,143.

Number of votes (including e-voting)		% of votes represented by the shareholders present
Approval	865,199,675	85.9
Disapproval	164,868	0
Invalid	0	0
Abstention votes/No votes	141,450,600	14.1

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

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

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 1,006,815,143.

Number of votes (including e-voting)		% of votes represented by the shareholders present
Approval	881,753,559	87.6
Disapproval	168,968	0
Invalid	0	0
Abstention votes/No votes	124,892,616	12.4

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 Endorsements and Guarantees" and Company's "Procedures for Lending of Capital to Others".

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 1,006,815,143.

Number of votes (including e-voting)		% of votes represented by the shareholders present
Approval	881,738,210	87.6
Disapproval	183,126	0
Invalid	0	0
Abstention votes/No votes	124,893,807	12.4

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

- (5) Proposal to re-elect the Company's Directors.

Please elect: the result of voting is as follows:

Election result:

Title	Shareholder Number/ID	Name	Votes Received
Director	000008	Douglas Tong Hsu	1,036,306,099
Director	136279	Nancy Hsu, Representative of Ding & Ding Management Consultants Co.	951,579,239
Director	000010	Nicole Hsu, Representative of Far Eastern New Century Corporation	843,265,372
Director	000010	Yvonne Li, Representative of Far Eastern New Century Corporation	794,323,799
Director	111468	Philby Chen, Representative of Yue-Li Investment Corporation	788,103,900

Title	Shareholder Number/ID	Name	Votes Received
Director	005757	Jin Lin Liang, Representative of Asia Cement Corporation	776,323,269
Independent Director	R10006****	CHIEN YOU HSIN	739,191,970
Independent Director	A10214****	EDWARD YUNG DO WAY	729,928,580
Independent Director	Q10022****	Raymond R. M. Tai	702,870,336

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

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 1,006,815,143.

Number of votes (including e-voting)		% of votes represented by the shareholders present
Approval	834,770,624	82.9
Disapproval	366,295	0
Invalid	0	0
Abstention votes/No votes	171,678,224	17.1

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

IV. Extempore motion:

None.

V. Motion to Adjourn