

The Record of FEDS' 2016 Annual General Shareholders' Meeting

The Speech of Chairman Douglas Hsu

1. The number of FEDS' shareholders now amounts to 90,000 currently. We do appreciate your support. We have made slides for this shareholders' meeting to present you the business results and transformation of the Company in 2015.
2. The Far Eastern Retail Group (FERG) registered consolidated sales of NT\$125.7 billion in 2015, consolidated net profit was NT\$2.15 billion, earnings per share was NT\$1.2 and the cash dividend was NT\$1 per share, the cash yields breaks our records in the past few years. FEDS sales expand to 43.35 billion, up by 3% YoY. Pacific SOGO Department Stores, A-mart and City Super also had good performance last year. Worth to talk about the City Super, which provides organic and healthy merchandise, has a growth of 6% of sales.
3. Because of the variety of retail, the most important point is to keep changing; our team were training and training again. The transformation of retails has to understand the psychology of customers and provides smart shopping experience with high technology. With the development of technology, retail has become smart retails. FEDS adjusts our operation strategy positively, leads the Far Eastern Retail Group to transform into technology retails.

The content of presentation slides

1. The Introduction of Far Eastern Retail Group
2. Consolidated Financial Performance in 2015
3. Technology Retails
4. The Expansion Plan
5. The Subsidiary Company Plan
6. The Effort to Fulfill Corporate Social Responsibility

The content of discussion

FEDS' important resolutions of the Year 2016 shareholders' meeting:

1. Discussion
 - (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 912,610,093.

| Number of votes (including e-voting) | | % of votes represented by the shareholders present |
|--------------------------------------|-------------|--|
| Approval | 874,889,720 | 95.9 |
| Disapproval | 314,098 | - |
| Invalid | 0 | - |
| Abstention votes/No votes | 37,406,275 | 4.1 |

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

II. Matters to be reported

- (1) 2015 Messages to shareholders (please refer to P.7-P.12 of handbook for 2016 AGM)
- (2) Financial report of 2015 (please refer to P.13-P.28 of handbook for 2016 AGM)
- (3) Supervisors' audit report on 2015 business report and financial statements (please refer to P.29 of handbook for 2016 AGM)
- (4) Report of directors' and employees' compensation (please refer to P.30 of handbook for 2016 AGM)
- (5) Report of company's share buyback (please refer to P.31 of handbook for 2016 AGM)
- (6) Report of the amendment of certain provisions of the company's "Code of Ethic" and "Best Practice Principal of Ethical corporate management" (please refer to P.32~39 of handbook for 2016 AGM)

RESOLVED, that the above proposals were approved for reference.

III. Matters to be approved

- (1) To accept the 2015 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 912,610,093.

| Number of votes (including e-voting) | | % of votes represented by the shareholders present |
|--------------------------------------|-------------|--|
| Approval | 871,802,637 | 95.5 |
| Disapproval | 307,375 | - |
| Invalid | 0 | - |
| Abstention votes/No votes | 40,500,081 | 4.5 |

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

- (2) To approve the proposal for the distribution of 2015 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 912,610,093.

| Number of votes (including e-voting) | | % of votes represented by the shareholders present |
|--------------------------------------|-------------|--|
| Approval | 874,946,864 | 95.9 |
| Disapproval | 318,302 | - |
| Invalid | 0 | - |
| Abstention votes/No votes | 37,344,927 | 4.1 |

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

- IV. Extempore motion:

None.

- V. Motion to Adjourn