



Minutes of 2019 Annual General Shareholders' Meeting of Far Eastern Department Stores

Date: Tuesday, 25 June 2019

Time: 9:00 a.m. Taipei time

Place: Auditorium in the Taipei Hero House

No. 20, Changsha Street, Section 1, Taipei, Taiwan

Shareholders present:

Total shares (including e-voting) represented by shareholders present: 971,703,762 shares, which was 68.98% of total number of outstanding shares 1,408,733,585 shares.

Attendee Directors: Mr. Douglas T. Hsu, Mrs. Nancy Hsu, Mrs. Jin Lin Lian
Mrs. Philby Lee, Mr. You Hsin Chien, Mr. Raymond R. M. Tai,
Mr. Edward Yung Do Way

Chairman: Mr. Douglas T. Hsu, Chairman of the Board of Directors

Recorder: Mr. James Tang

The aggregate shareholding of the shareholders present constituted a quorum.

The Chairman called the meeting to order.

The speech of Chairman (omitted)

The speech of invited observers (none)

I. Matters to be Reported:

1. 2018 Business Report (please refer to P.2-P.8 of handbook for 2019 AGM)
2. Financial report of 2018 (please refer to P.9-P.31 of handbook for 2019 AGM)
3. Audit Committee's review report on 2018 business report and financial statements (please refer to P.32 of handbook for 2019 AGM)
4. Report of directors' and employees' compensation (please refer to P.33 of handbook for 2019 AGM)

RESOLVED, that the above proposals were approved for reference.

II. Matters to be Approved:

1. To accept 2018 business report and financial statements.

The Board of Directors proposes and recommends that each shareholder votes for the acceptance of 2018 business report and financial statements.

Explanatory Notes:

- (1) FEDS's 2018 business report and financial statements, including balance sheet, income statement, statement of changes in shareholders' equity, and statement of cash flows, has been audited by independent auditors, Shu-Chuan Yeh and Ming-Hsing Cho of Deloitte & Touche, and has been examined by and determined to be correct and accurate by Audit Committee of FEDS. We thereby submit this report.
- (2) Please approve the above-mentioned business report and 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 971,703,762.

Number of votes (including e-voting)		% of votes represented by the shareholders present
Approval	920,364,307	94.7
Disapproval	276,675	-
Invalid	0	-
Abstention votes/No votes	51,062,780	5.3

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

2. To approve the proposal for the distribution of 2018 surplus earning.

The Board of Directors proposes and recommends that each shareholder votes for the distribution of 2018 surplus earning.

Explanatory Notes:

- (1) All the closing transactions as of December 31, 2018 have been completely closed, and have been audited by the accounting firm, Deloitte and Touche. We thereby submit the proposal for distribution of 2018 profits:

1.	Unappropriated earnings of January 1, 2018	NT\$ 691,862,560
2.	Effect of retrospective application	92,443,816
3.	Adjusted un-appropriated earnings as of January 1, 2018(1+2)	784,306,376
4.	The adjustments of retained earnings for by using equity method	(27,208)
5.	Disposal of investments in equity instruments at fair value through other comprehensive income, cumulative profit and loss transferred directly to retained earnings	4,191,500
6.	Recognizing the re-measurements of defined benefit plans in retained earnings	(24,849,865)
7.	Un-appropriated earnings after adjustments(3-4+5-6)	763,620,803
8.	Net Income for the year ended December 31, 2018	1,318,150,315
9.	10% legal reserve (=8*10%)	(131,815,032)
10.	Special reserve	(73,329,992)
11.	Distributable net profit(7+8-9-10)	1,876,626,094
12.	Earnings distribution (NT\$0.85 per share)	(1,204,399,501)
13.	Un-appropriated earnings after distribution(=11-12)	672,226,593

- (2) The distribution of 2018 dividends composes of 2018 surplus earning in priority, and the undistributed profit from 1998 to 2017 in case 2018 surplus earning are insufficient to cover 2018 dividends, and then the undistributed profit before 1997 in case the surplus earning from 1997 to 2017 are insufficient to cover 2018 dividends.
- (3) After being approved at the annual General Shareholders' meeting (2019), the cash dividends to holders of common share will be distributed on the record date to be determined by Chairman authorized by the Board of Directors. Cash dividends allocated to each shareholder should be calculated to round down to full NT dollar (decimal places should be ignored). The sum of the amount lower than NT\$1 paid to each shareholder should be reclassified to other income. According to Article 28-2 of the ROC Securities and Exchange Law and other relevant regulations, the total numbers of common shares outstanding may change, and the ultimate cash to be distributed to each common share may need to be adjusted accordingly. It is proposed that the Board of Directors of FEDS be authorized to adjust the cash to be distributed to each common share based on the total amount of profits resolved to be distributed, the amount of earnings resolved to be capitalized, and the number of actual common shares outstanding on the record date for distribution.
- (4) Please approve the above-mentioned proposal for the distribution of 2018 profits.

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 971,703,762.

Number of votes (including e-voting)		% of votes represented by the shareholders present
Approval	924,900,203	95.2
Disapproval	305,629	-
Invalid	0	-
Abstention votes/No votes	49,497,930	4.8

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 "Procedures For Acquisition And Disposition Of Assets"

The Board of Directors proposes and recommends that each shareholder votes for the amendments of certain provisions of the Company's "Procedures For Acquisition And Disposition Of Assets".

Explanatory Notes:

- (1) In order to comply with the amendments of "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" announced by official letter No. 1070341072 of the Financial Supervisory Commission ("FSC") dated November 26, 2018, and to operate in coordination with the Company's reorganization, it is proposed to amend the "Procedures For Acquisition And Disposition Of Assets.
- (2) To amend article 2 、 3 、 5 、 7 、 8 、 9 、 9-1 、 12 and 14.
- (3) Please approve the proposed resolutions.

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 971,703,762.

Number of votes (including e-voting)		% of votes represented by the shareholders present
Approval	924,847,728	95.2
Disapproval	350,734	-
Invalid	0	-
Abstention votes/No votes	46,505,300	4.8

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

2. Proposal to amend the certain provisions of the Company's "Procedures For Endorsements and Guarantees of Far Eastern Department Stores Ltd"

The Board of Directors proposes and recommends that each shareholder votes FOR the amendments of certain provisions of the Company's "Procedures For Endorsements and Guarantees of Far Eastern Department Stores Ltd".

Explanatory Notes:

- (1) In order to comply with the amendments of "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" announced by official letter No. 1080304826 of the Financial Supervisory Commission ("FSC") dated March 7, 2019, and to operate in coordination with the Company's reorganization, it is proposed to amend the

Procedures For Endorsements and Guarantees of Far Eastern Department Stores Ltd.

- (2) To amend article 8.
- (3) Please approve the proposed resolutions.

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 971,703,762.

Number of votes (including e-voting)		% of votes represented by the shareholders present
Approval	924,839,181	95.2
Disapproval	353,373	-
Invalid	0	-
Abstention votes/No votes	46,511,208	4.8

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

3. Proposal to amend the certain provisions of the Company's "Procedures for Lending of Capital to Others of Far Eastern Department Stores Ltd."

The Board of Directors proposes and recommends that each shareholder votes FOR the amendments of certain provisions of the Company's "Procedures for Lending of Capital to Others of Far Eastern Department Stores Ltd".

Explanatory Notes:

- (1) In order to comply with the amendments of "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" announced by official letter No. 1080304826 of the Financial Supervisory Commission ("FSC") dated March 7, 2019, and to operate in coordination with the Company's reorganization, it is proposed to amend the "Procedures for Lending of Capital to Others of Far Eastern Department Stores Ltd".
- (2) To amend article 2 and 8.
- (3) Please approve the proposed resolutions.

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 971,703,762.

Number of votes (including e-voting)		% of votes represented by the shareholders present
Approval	924,843,273	95.2
Disapproval	349,281	-
Invalid	0	-
Abstention votes/No votes	46,511,208	4.8

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

Shareholder # 0359696 raised questions about the operation and finance of company. The questions were answered by Company.

IV. Extemporary motion

None

V. Motion to Adjourn