The Record of FEDS' 2017 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 2016.

2. The Far Eastern Retail Group registered consolidated sales of NT$121.5 billion in 2016. Consolidated net profit was NT$1.49 billion, and cash dividend payout for 2016 was NT$0.7. Among which, parent company Far Eastern Department Stores (FEDS) continued to deliver outstanding performance to record annual revenues of NT$43.39 billion, Far Eastern city'super also performed well and introduced sub-brand LOG-ON, continuing to strengthen the layout of the supermarket channel and scale.

3. In line with the rapid development of big data and IoT (Internet of Things) triggering the birth of new retailing, FEDS is committed to analyzing data through technology, and then understanding more about consumer habits into new retailing, and creating convenient shopping experiences for the consumers.

4. In 2016, FEDS has outperformed others in various CSR perspectives and received domestic and international recognitions in more than 11 categories. Each awarded category represented "Innovation Spirit' and「Long Term Involvement" qualities. In corporate governance, FEDS has long been the only representing member of IGDS from Taiwan. During the forum hosted last year, twenty-one department stores leaders from ten countries were invited to jointly discuss the future of retail.

The content of presentation slides

1. The Introduction of Far Eastern Retail Group
2. Consolidated Financial Performance in 2016
3. Technology Retails
4. The Expansion Plan
5. The Effort to Fulfill Corporate Social Responsibility

The content of discussion

FEDS' important resolutions of the Year 2017 shareholders' meeting:

I.   Matters to be reported

   (1) 2016 Messages to shareholders (please refer to P.3-P.8 of handbook for 2017 AGM)

   (2) Financial report of 2016 (please refer to P.9-P.28 of handbook for 2017 AGM)

   (3) Supervisors' audit report on 2016 business report and financial statements (please refer to P.29 of handbook for 2017 AGM)

   (4) Report of directors' and employees' compensation (please refer to P.30 of handbook for 2017 AGM)

   RESOLVED, that the above proposals were approved for reference.

II. Matters to be approved

   (1) To accept the 2016 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 912,290,923.

Number of votes (including e-voting)		% of votes represented by the shareholders present
Approval	874,817,700	95.9
Disapproval	529,560	0.1
Invalid	0	0
Abstention votes/No votes	36,943,663	4.0

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

(2) To approve the proposal for the distribution of 2016 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 912,290,923.

Number of votes (including e-voting)		% of votes represented by the shareholders present
Approval	878,199,892	96.3
Disapproval	652,806	0.1
Invalid	0	0
Abstention votes/No votes	33,438,225	3.6

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

III. Discussion

(1) 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 912,290,923.

Number of votes (including e-voting)		% of votes represented by the shareholders present
Approval	878,312,580	96.3
Disapproval	518,854	0.1
Invalid	0	0
Abstention votes/No votes	33,459,489	3.6

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

IV. Extempore motion:

None.

V. Motion to Adjourn