



遠東百貨

FAR EASTERN DEPARTMENT STORES



HANDBOOK FOR THE 2022 ANNUAL MEETING OF SHAREOLDERS

JUNE 24, 2022
STOCK CODE : 2903

PLACE:
AUDITORIUM IN THE TAIPEI HERO HOUSE NO.20, CHANGSHA STREET,
SECTION 1, TAIPEI, TAIWAN

TABLE OF CONTENTS

I. SHAREHOLDERS MEETING	1
II. MEETING AGENDA	2
III. REPORTED MATTERS	
1. 2021 BUSINESS REPORT.....	3
2. FINANCIAL REPORT OF 2021 (ATTACHMENT: INDEPENDENT AUDITORS' REPORT BY DELOITTE & TOUCHE).....	11
3. AUDIT COMMITTEE'S REVIEW REPORT FOR 2021 BUSINESS REPORT AND FINANCIAL STATEMENTS....	34
4. REPORT OF 2021 EMPLOYEES' COMPENSATION AND DIRECTORS' REMUNERATION.....	35
5. REPORT OF THE AMENDMENT TO THE PROVISIONS OF " SUSTAINABILITY PRINCIPLES "	36
IV. ACKNOWLEDGED MATTERS	
1. TO ACCEPT 2021 BUSINESS REPORT AND FINANCIAL STATEMENTS	46
2. TO APPROVE THE PROPOSAL FOR THE DISTRIBUTION OF 2021 PROFIT.....	47
V. MATTERS FOR DISCUSSION	
1. PROPOSAL TO AMEND THE PROVISIONS IN THE " ARTICLES OF INCORPORATION. "	48
2. PROPOSAL TO AMEND THE PROVISIONS OF THE "RULES OF PROCEDURE OF STOCKHOLDERS MEETING"	50
3. PROPOSAL TO AMEND THE PROVISIONS OF THE "ELECTION PROCEDURES OF DIRECTORS"	57
4. PROPOSAL TO AMEND THE PROVISIONS OF THE COMPANY'S " PROCEDURES FOR ACQUISITION OR DISPOSITION OF ASSETS"	60
5. PROPOSAL TO AMEND THE PROVISIONS OF THE COMPANY'S "PROCEDURES FOR LENDING CAPITAL TO OTHERS " , AND " PROCEDURES FOR ENDORSEMENTS AND GUARANTEES"	69
VI. EXTEMPORARY MOTION	72
VII. RULES AND REGULATIONS	
1. ARTICLES OF INCORPORATION	73
2. RULES OF PROCEDURE OF SHAREHOLDERS' MEETING.....	80

VIII. APPENDICES

1. SHAREHOLDING OF DIRECTORS.....84

2. IMPACT OF THE STOCK DIVIDEND DISTRIBUTION ON OPERATING RESULTS, EPS AND SHAREHOLDERS’
RETURN ON INVESTMENT.....85

*The English version is the translation of the Chinese version and if there is any conflict between the meaning of terms in the Chinese version and English translation, the meaning of the Chinese version shall prevail.

Far Eastern Department Stores LTD.

I. Shareholders Meeting

1. Holding means :
Visual communication assisted shareholders meeting
2. Shareholders meeting date : 2022/06/24 9:00AM
3. Shareholders meeting location :
Auditorium in The Taipei Hero house,
No. 20, Sec. 1, Changsha St., Zhongzheng District,
Taipei City
4. Webinar platform :
TDCC (<https://www.stockvote.com.tw>)

Far Eastern Department Stores LTD.

II. Meeting Agenda

Call Meeting to Order

Chairman Remarks

Reported Matters

Acknowledged Matters

Matters for Discussion

Extemporaneous Motion

Adjournment

III. Reported Matters

1. 2021 Business Report

Preface

The world's political and economic landscape in 2021 was still under the impact of Covid-19 pandemic as well as the escalating U.S.-China conflict. Furthermore, geopolitical risk, global net zero, and issues regarding joining CPTPP have all been dictating the world's future political and economic situation. According to IMF's forecast, world economic growth in 2021 is projected to be 5.9%, reverting to the pre-pandemic level that reaches full recovery. Along with high penetration of vaccination, coupled with stimulus measures by most governments, the world economy is expected to maintain recovery and continue to turn upward in 2022.

In line with the global recovery, Taiwan's economy also outperformed and registered 6.28% growth in 2021, a record high in 11 years. The accumulated turnover to five major export markets also marked historical high, up more than 20% growth. Stock index grew 23%, GDP per capita has exceeded for the first time to US\$30,000, coupled with the rise in minimum wage, compensation to military and civil servants, and teachers, increase bonuses distributed by profitable listed companies, all attributed to the increase of dispensable income that boosted private consumption. If the next pandemic could stabilize, on top of stronger exports and private investments, Taiwan's economic performance will remain steady growth.

Department Store revenues were impacted severely by the government's level three epidemic alert. According to statistics of the Ministry of Economic Affairs, department stores are listed as the most impacted industry by the pandemic. To boost domestic consumption, the government launched quintuple stimulus vouchers to encourage private consumption. However, department store revenues still reported negative growth, consolidated revenues in 2021 were NT\$342.6 billion, down 3.2% year on year. Facing the impact of the pandemic, Far Eastern Department Stores (FEDS) quickly adjusted its operating model, maintained communications with the public via FEDS APP, social media, and online shopping, as well as ensuring a safe shopping environment for the people. In 2021, FEDS registered sales of NT\$46.9 billion and operating profit of NT\$1.74 billion, still delivering profit despite the pandemic challenges.

Innovation of technologies and impact of the pandemic have quickly shifted

operating environment of the retail industry into the new normal. Far Eastern Department Stores will continue to strengthen its organizational resilience and take timely actions to be in advantageous position in the dynamic landscape and enhance competitive advantage. During the past year, our outstanding performances received 27 awards recognitions, both at home and abroad. Despite the pandemic restrictions, we opened Zhubei Store successfully. Looking into the future, FEDS shall continue to innovate and transform, stay committed to sustainable initiatives, focus on benefiting the environment, society, and economy during our operations, enhance the ability to create sustainable value, lay the foundation for sustainable operation, and develop growth opportunities for our businesses.

Operating Report of 2021

Under the guidance of the Board of Directors and the management team, the Company continued to deliver an outstanding performance in 2021 and recorded consolidated sales of NT\$112.3 billion (according to IFRS, consolidated revenues were NT\$35.3 billion). Consolidated net profit was NT\$1.91 billion, company alone net profit was NT\$1.21 billion, and earnings per share were NT\$0.86. According to the 3rd Board Meeting of the 19th Board of Directors of FEDS, total cash dividend for 2021 was NT\$0.9. Operating result of the Far Eastern Retail Group in 2021 is summarized as follows:

(1) Far Eastern Department Stores

1. Expand operation deployment, successfully completed the opening of Zhubei Store, operation sites increase to 12 stores island-wide, which will drive growth momentum.
2. Proactive pandemic prevention, build safe shopping environment, in addition to daily health tracking of staff, also conduct periodic sanitization of sales space, and implement name registration twice upon entering, we are Taiwan's first department store to conduct name registration twice.
3. Integrate multiple channels, provide convenient shopping to the public, establish "Easy Convenient" speedy pickup stands at each branch store, launch "Stay Home" area at online website, various measures altogether to satisfy people's needs under the pandemic.
4. Adjust merchandise mix, maintain shopping traction, each branch store conducts brand and counter adjustments at different scales, also apply digital media, live streaming to introduce merchandise with fashion tips and trends, allowing people to be fashionist while staying at home and

enjoy easy shopping.

5. To embrace digital trends, introduce FEDS APP 3.0, based on the core concept of “more frequent and more engaging use” to launch tier system for new members, also increase new functions that includes merchandise redemption, shopping record inquiry, etc. to provide more convenient digital services.
6. To highlight foreign ambience, each branch store sponsored totally 89 exotic gourmets cuisine and local agriculture product exhibitions, inviting people to experience like traveling abroad and effectively boost revenue growth.
7. Expedite digitized management, create more efficient operation and service process. Presently, 91 digital management systems were completed to elevate productivity of staff and mobilize the department store’s management of personnel and administration.
8. Strive for sustainable development, set up retailing benchmark, participate in the carbon reduction contest by the Economic Ministry and ranked top in the service industry. Also sponsored 580 CSR events, optimize resources and strength of retail channels to fulfill our commitment to and caring for the society.

(2) Far Eastern SOGO Department Stores

1. Despite the impact of the pandemic, the company maintained stable revenues and registered profit. Sales were NT\$41.2 billion in 2021, and pre-tax income grew year on year to stand at NT\$1.46 billion.
2. Altogether 552 counters were introduced and modified, which will attribute to revenue growth in 2022.
3. Under the impact of the pandemic, with the rise of stay-at-home economies, sales of household items, home appliances, massage chairs, and supermarket grew considerably during the past year, and maintained stable performance this year, yet revenues of supermarket continued to grow.
4. Post-Covid 19 era, consumers focus more on home, health, sports, and leisure areas, therefore FEDS will expand relevant merchandise and brand collection as well as actively promote digital marketing and delivery services in addition to store renovations and strong merchandise mix.
5. The government issued NT\$5,000 of stimulus vouchers, the three most favorite spending categories were home appliances, cosmetics, and sports, driving the revenue growth in the fourth quarter.

6. During the anniversary sale, through using SOGO APP, digital promotion, in-store gifts, and stimulus vouchers, had accelerated sales to NT\$11.33 billion, up 4.8% year-over-year.
7. On May 31, 2022, Chongqing Metropolitan Plaza Pacific Store plans to cease operation. SOGO will expedite to improve revenues of Shanghai Xuhui Store in Shanghai and Chiangbei Store in Chongqing to boost profits.

(3) Far Eastern Ai-Mai

1. Strengthen the development of online shopping and delivery channels to create more convenient service model. Revenues were NT\$10.4 billion in 2021
2. In response to changing environment, here are four major strategies to deal with competitions:
 - 1) Introduce “In Shop” (Introduce Nitori into Taoyuan Store).
 - 2) Enrich customer experience (Parent-child club/cooking studio/ handmade Mother’s Day cake).
 - 3) Expand delivery and service opportunities:
 - a. Partnered with foodpanda for exclusive affiliate marketing in April.
 - b. Launched ETMall online shopping platform in June.
 - 4) Membership management and digital upgrade:
 - a. Replace and install new POS, elevate store efficiency.
 - b. Introduce automatic self-checkout to facilitate customers and lower labor cost.
 - c. Combine big data of Happy Go membership.
 - d. Optimize APP, integrate personalized voucher services, and customer segment marketing
3. Ai-Mai’s counter pandemic measures during level three epidemic alert period:
 - 1) Strict control of inventory risk:
 - a. Stop purchasing new merchandise.
 - b. Advance clearance of summer merchandize
 - c. Strict control of restocking in branch stores.
 - d. Coordinate with suppliers to return goods.
 - 2) Increase contactless channels:
 - a. Foodpanda to quickly expand delivery services.
 - b. Expand the new ET Mall online shopping platform and increase shipping from Fengyuan Store warehouse.
 - c. LINE group purchase and real-time customer services.

- 3) Cross-industry cooperation to capture the ghost festival revenues:
 - a. As temples are not opened during the pandemic period, customers need not to leave home as the Pudu offerings can be arranged via home delivery.
 - b. Exclusive co-branding with Taiwan's third largest Mazu Temple in Lukang.
 - c. Form alliance with OKmart to expand sales channels and advertisement exposure.

Business Plan

Facing with the dynamic retailing environment, we have also advanced with time, constantly adjust, and continue to drive growth momentum into operation, merchandise, management, and services. Also, with the help of digital technologies, increase customer stickiness, elevate customer satisfaction, and continue to deliver excellent performance. Major operational focus in 2022 is summarized as follows:

(1)Far Eastern Department Stores

1. With the grand opening of FEDS Zhubei Store, nearly 350 brand counters were recruited, immersing in culture, aesthetics, lifestyle, and art elements to create a hospitable and aesthetic department store that appeals to family visits, we also add another fresh element to the FEDS retail branch.
2. Strengthen the analysis of Happy Go membership database, use FEDS APP and each branch store's social media platform to maintain close contacts with customers, via customer segmentation to launch more targeted merchandise proposals and marketing campaigns.
3. Stay with fashion trend, maintain competitive momentum, and creates unique features, each branch store continues to conduct various brand adjustments along with market trend, elevate merchandising power, and further boost operating performance.
4. Taiwan's consumers are highly interested in featured cultures, merchandise, and gourmet cuisines of different areas. Each store continues to sponsor exotic cultural, local specialties and artistic creativity fairs etc. to attract customers. With local products, featured culture, and interactive experiences, customers feel very engaged to local culture.
5. To increase interactions with sales space and promote the store image as local philanthropic platform and community exchange center, each branch store organizes CSR events and art exhibitions, etc. during

festivals. With more interactive atmosphere to strengthen consumer stickiness, making FEDS the first choice of sales destination to satisfy daily necessities.

6. Continue to promote digitization, control expenses, strengthen data security, and respond to the risk of climate change, implement energy and water preservation, decrease packaging waste, and build up a green working environment.

(2)Far Eastern SOGO Department Stores

1. In operation, SOGO engages in renovation of sales space, introduce new merchandise, elevate services, and expand digital marketing; in management, SOGO aims to elevate operating income, continues to save expenses, and increases operating profit.
2. Far Eastern SOGO Department Store celebrates its 35th anniversary this year. In addition to enhance various marketing events, its operation department is also promoting “Three Goodies Five Enjoyments” to fortify customer attraction and services. Entering the altruistic consumption era, ESG has become index for brand elevation and strategic execution of SOGO’s sustainable operations.
3. Establish ten major indexes of operating task, including ten directives: build up safe shopping environment, execute timely responses in customer attraction plan to increase customer visits, integrate convenient delivery model of people and products, and set up merchandise database, etc.
4. In reference to talent management, SOGO continues to expedite staff rotation to elevate competitiveness, enrich manpower of merchandise department, and strengthen the organization.
5. Focus of tasks in mainland China:
 - 1) Chongqing Longxin Store prepares to be opened.
 - 2) Elevate the efficiency of digital transformation, customer relationship management system, business invitation, and various expenditures.
 - 3) With intense market competition, each store strengthens strategies to ensure, maintain, and stabilize merchandises.
 - 4) Keep steady operation of Xuhui and Chiangbei Stores to elevate profit.

(3)Far Eastern Ai-Mai

1. How to elevate customer visits: Cross-industry alliance, introduce new customer base
 - 1) Cooperate with TESLA to establish superchargers (total 40 supercharger stations island-wide):

- a. Completed – 5 stations in Shuinan Store, Fuxing Store, Feng Yuan Store, Sanchong Store, and Tainan Store.
 - b. Work in Progress – Nanya Store, and Taoyuan Store.
- 2) Work with OKmart:
 - a. Fee collection business – Collect water bills, electricity bills, parking fees, etc. (January~February total 713 receipts).
 - b. Online shopping store delivery and shipping business (January~February total 5,903 pieces).
- 2. Pandemic has changed shopping behaviors: Intensify delivery services
 - 1) E-commerce (Same-day delivery, 20,000 items).
 - 2) Quick E-commerce (30-minute delivery, 5,000 items).
- 3. Automatic order system to replace manual one in branch store, expected to launch online in second quarter of 2022:
 - 1) Elevate accuracy of ordering.
 - 2) Save operating time of store ordering.
 - 3) Streamline each store's organizational levels.
- 4. Category management –focusing on:
 - 1) Strictly control the number of merchandises, expedite to eliminate low turnover merchandise.
 - 2) Continue to examine major items and develop new merchandises to satisfy customer needs.

Future Prospective

Covid-19 pandemic has expedited the dynamics in the world and driven through the volatile retailing landscape. Facing fast changing operating environment, Far Eastern Department Stores maintains its flexible operating system and mechanism to keep operations in order; meanwhile also continues to cultivate agility to gain early insight of environmental changes, and quickly adopt responding actions. Once the enterprise is equipped with key capabilities to ride through future changes, it may get closer to fulfill the needs of the consumers and the market, create higher and longer-term value for them, thus, to maintain leading position, and ensure the company's continuous growth.

In the era of Artificial Intelligence, digital technologies is key to move forward, also to boost the prosperous development of global industries and enterprises. In the digital operation model, data are the most critical assets. In line with growth of enterprise, increase of customers, the acquired data also grow. Through analyzing data from various sources, we may tap into consumers' shopping behaviors and preferences, and create personalized shopping experiences based on customer's shopping journey, provide high quality services, assist in

elevating operating efficiency, also strengthen customer loyalty and satisfaction.

As climate issues are gaining traction, each nation has been committed to conducting changes in society and lifestyle so to delay the speed of global warming. Far Eastern Department Stores have already begun to evaluate the possible risks and opportunities brought by climate change to business operations, and through innovations of products, services, and business model to gradually undergo operating adjustments, find out solutions closer to future realistic situations, while promoting global sustainable development and low-carbon economy, to fulfill eco-friendly operations, and achieve environmental sustainability.

Enterprises used to focus on outpacing their peers. Now they must stay ahead of the game, plan early and set the new operating model to outrun the dynamics of the macro-environment. To better prepare for the future, Far Eastern Department Stores will continue to innovate and maintain its leading position in the retailing industry, and adopt with market changes and industry development trends, take the right action at the right time, and through continuous expansion of stores to seek new investment opportunities, expand operational scale and scope. The most important strategy is to expedite on digital transformation, seize future development of business model via digitization, become the new momentum of business growth, ensure sustainable prosperity and lasting excellence, and continue to create maximum value and reward for stockholders.

2. Financial report of 2021.

Explanation:

The 2021 Financial Statements are on page 12-33.

- (1) Consolidated balance sheets (December 31, 2021)
- (2) Consolidated statement of comprehensive income (January 1, 2021~ December 31, 2021)
- (3) Consolidated statements of changes in equity (January 1, 2021 ~December 31, 2021)
- (4) Consolidated statements of cash flows (January 1, 2021~ December 31, 2021)
- (5) Balance sheets (December 31, 2021)
- (6) Statement of comprehensive income (January 1, 2021~ December 31, 2021)
- (7) Statements of changes in equity (January 1, 2021~ December 31, 2021)
- (8) Statements of cash flows (January 1, 2021~ December 31, 2021)

Independent auditor's reports by Deloitte & Touche are on page 12-16 and page 24-27.

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Far Eastern Department Stores, Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Far Eastern Department Stores, Ltd. and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in the Group's consolidated financial statements for the year ended December 31, 2021 is stated as follows:

Evaluation of Impairment Loss of Goodwill

As of December 31, 2021, the goodwill of the Group originated from the merger contract signed between Far Eastern Ai Mai Co., Ltd. (Ai Mai), a subsidiary of the Group, and GEANT Group (France) in 2000. Each party obtained 50%-50% ownership with Far Eastern Ai Mai Co., Ltd. as the surviving entity at the time. The Group acquired the other 50% ownership in 2006 due to the consideration of the retail business strategy, and the amount of goodwill generated was NT\$437,462 thousand. However, due to the impact of the COVID-19 pandemic in 2021 and the changes in retail business, the Group has considered whether the carrying amount of the goodwill from the time the retail business was acquired exceeds the recoverable amount. Since management's subjective judgment on the recoverable amount involves significant uncertainties, the carrying amount of goodwill may be overestimated; thus, we considered the evaluation of impairment loss of goodwill as a key audit matter. For the accounting policy related to impairment loss of the goodwill, refer to Notes 4 (j), 5(a) and 17 to the accompanying consolidated financial statements.

The main audit procedures that we performed in respect of the impairment loss of goodwill were as follows:

1. We evaluated the expertise, competency and independence of the independent appraisers contracted by the management to perform an impairment test.
2. We obtained an understanding of the process of management's estimation of the future sales growth rate and the profit margin forecast by the operating segments in Far Eastern Ai Mai Co., Ltd.
3. We confirmed the appropriateness of the discount rate used by management and assessed the impairment of goodwill by using the same evaluation model to calculate the weighted average cost of capital ratio used by management.

Other Matter

We have also audited the parent company only financial statements of Far Eastern Department Stores, Ltd. as of and for the years ended December 31, 2021 and 2020 on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including members of the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial

statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Shu-Chuan Yeh and Ming-Hsing Cho.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 4, 2022

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

FAR EASTERN DEPARTMENT STORES, LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

ASSETS	2021		2020	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	\$ 19,532,090	15	\$ 14,791,434	12
Financial assets at fair value through profit or loss - current (Note 7)	434,650	-	450,046	-
Financial assets at fair value through other comprehensive income - current (Notes 8 and 34)	262,709	-	278,539	-
Financial assets at amortized cost - current (Notes 9 and 34)	1,184,222	1	1,171,058	1
Notes receivable (Note 10)	671	-	1,864	-
Trade receivables (Note 10)	1,178,651	1	600,242	-
Trade receivables from related parties (Notes 10 and 32)	169,643	-	124,738	-
Other receivables (Notes 10 and 32)	904,572	1	1,007,684	1
Current tax assets (Note 27)	991	-	1,063	-
Inventories (Note 11)	2,441,255	2	2,374,459	2
Prepayments (Notes 18 and 32)	265,776	-	211,102	-
Other current assets (Notes 19 and 32)	60,485	-	103,887	-
Total current assets	<u>26,435,715</u>	<u>20</u>	<u>21,116,116</u>	<u>16</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 8 and 34)	4,815,595	4	4,659,302	4
Financial assets at amortized cost - non-current (Notes 9 and 34)	123,000	-	24,000	-
Investments accounted for using the equity method (Notes 13 and 34)	10,151,421	8	10,164,724	8
Property, plant and equipment (Notes 14, 32 and 34)	33,782,868	26	33,945,566	26
Right-of-use assets (Note 15)	39,551,296	30	42,712,637	33
Investment properties (Notes 16 and 34)	8,978,133	7	9,021,607	7
Intangible assets (Note 17)	2,428,534	2	2,581,127	2
Deferred tax assets (Note 27)	597,004	1	572,186	1
Net defined benefit assets (Note 23)	196,769	-	205,863	-
Long-term prepayments for lease (Notes 18, 33 and 34)	1,844,391	1	1,517,865	1
Other non-current assets (Notes 19 and 33)	1,822,585	1	1,902,776	2
Total non-current assets	<u>104,291,596</u>	<u>80</u>	<u>107,307,653</u>	<u>84</u>
TOTAL	<u>\$130,727,311</u>	<u>100</u>	<u>\$128,423,769</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 20, 32 and 33)	\$ 9,868,799	8	\$ 9,045,746	7
Short-term bills payable (Notes 20 and 33)	3,190,706	3	3,729,003	3
Contract liabilities - current (Notes 25 and 32)	9,659,984	7	8,121,734	6
Notes payable	5,830	-	6,626	-
Trade payables	16,806,804	13	15,844,472	12
Trade payables to related parties (Note 32)	96,397	-	68,101	-
Other payables (Notes 21, 24 and 32)	3,768,878	3	3,721,330	3
Current tax liabilities (Note 27)	470,027	-	485,553	1
Provisions - current (Note 22)	3,000	-	3,000	-
Lease liabilities - current (Notes 15 and 32)	3,189,336	3	3,473,928	3
Advance receipts (Note 32)	517,771	-	510,474	1
Current portion of long-term borrowings (Notes 20 and 33)	-	-	299,933	-
Other current liabilities (Notes 21 and 32)	395,085	-	373,784	-
Total current liabilities	<u>47,972,617</u>	<u>37</u>	<u>45,683,684</u>	<u>36</u>
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 20 and 33)	17,589,721	13	15,139,828	12
Provisions - non-current (Note 22)	25,272	-	25,047	-
Deferred tax liabilities (Note 27)	2,295,710	2	2,348,055	2
Lease liabilities - non-current (Notes 15 and 32)	21,763,708	17	24,335,088	19
Net defined benefit liabilities (Note 23)	718,441	1	737,454	-
Other non-current liabilities (Notes 21 and 32)	526,684	-	366,325	-
Total non-current liabilities	<u>42,919,536</u>	<u>33</u>	<u>42,951,797</u>	<u>33</u>
Total liabilities	<u>90,892,153</u>	<u>70</u>	<u>88,635,481</u>	<u>69</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Share capital				
Ordinary shares	14,169,406	11	14,169,406	11
Capital surplus	3,340,982	3	3,338,791	2
Retained earnings				
Legal reserve	3,611,319	3	3,424,615	3
Special reserve	2,619,569	2	2,709,263	2
Unappropriated earnings	2,216,433	1	2,695,084	2
Total retained earnings	8,447,321	6	8,828,962	7
Other equity	5,188,031	4	4,953,871	4
Treasury shares	(97,110)	-	(97,110)	-
Total equity attributable to owners of the Company	31,048,630	24	31,193,920	24
NON-CONTROLLING INTERESTS	<u>8,786,528</u>	<u>6</u>	<u>8,594,368</u>	<u>7</u>
Total equity	<u>39,835,158</u>	<u>30</u>	<u>39,788,288</u>	<u>31</u>
TOTAL	<u>\$130,727,311</u>	<u>100</u>	<u>\$128,423,769</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.

FAR EASTERN DEPARTMENT STORES, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 25 and 32)	\$35,308,464	100	\$37,287,949	100
OPERATING COSTS (Notes 11, 26 and 32)	<u>17,898,398</u>	<u>51</u>	<u>18,580,671</u>	<u>50</u>
GROSS PROFIT	<u>17,410,066</u>	<u>49</u>	<u>18,707,278</u>	<u>50</u>
OPERATING EXPENSES (Notes 23, 26 and 32)				
Selling and marketing expenses	868,950	2	987,735	3
General and administrative expenses	12,908,103	37	13,639,718	36
Expected credit loss (gain)	<u>367</u>	<u>-</u>	<u>(5,139)</u>	<u>-</u>
Total operating expenses	<u>13,777,420</u>	<u>39</u>	<u>14,622,314</u>	<u>39</u>
OPERATING PROFIT	<u>3,632,646</u>	<u>10</u>	<u>4,084,964</u>	<u>11</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 26)	57,683	-	66,244	-
Other income (Note 26)	318,847	1	312,581	1
Other losses (Notes 14, 15, 17, 26 and 32)	(748,359)	(2)	(651,295)	(2)
Finance costs (Notes 26 and 32)	(796,860)	(2)	(851,591)	(2)
Share of profit of associates accounted for using the equity method	<u>(27,562)</u>	<u>-</u>	<u>39,868</u>	<u>-</u>
Total non-operating income and expenses	<u>(1,196,251)</u>	<u>(3)</u>	<u>(1,084,193)</u>	<u>(3)</u>
PROFIT BEFORE INCOME TAX	2,436,395	7	3,000,771	8
INCOME TAX EXPENSE (Note 27)	<u>531,079</u>	<u>2</u>	<u>455,874</u>	<u>1</u>
NET PROFIT FOR THE YEAR	<u>1,905,316</u>	<u>5</u>	<u>2,544,897</u>	<u>7</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 23, 24 and 27)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	169,399	1	(384,300)	(1)
Remeasurement of defined benefit plans	(48,000)	-	(96,805)	-

(Continued)

FAR EASTERN DEPARTMENT STORES, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
Share of other comprehensive income of associates accounted for using the equity method	\$ 79,079	-	\$ 31,283	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>9,648</u>	<u>-</u>	<u>19,377</u>	<u>-</u>
	<u>210,126</u>	<u>1</u>	<u>(430,445)</u>	<u>(1)</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	4,859	-	(25,068)	-
Share of other comprehensive (loss) income of associates accounted for using the equity method	<u>(6,726)</u>	<u>-</u>	<u>25,525</u>	<u>-</u>
	<u>(1,867)</u>	<u>-</u>	<u>457</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>208,259</u>	<u>1</u>	<u>(429,988)</u>	<u>(1)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 2,113,575</u>	<u>6</u>	<u>\$ 2,114,909</u>	<u>6</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 1,208,100	3	\$ 1,939,139	5
Non-controlling interests	<u>697,216</u>	<u>2</u>	<u>605,758</u>	<u>2</u>
	<u>\$ 1,905,316</u>	<u>5</u>	<u>\$ 2,544,897</u>	<u>7</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 1,411,154	4	\$ 1,525,741	4
Non-controlling interests	<u>702,421</u>	<u>2</u>	<u>589,168</u>	<u>2</u>
	<u>\$ 2,113,575</u>	<u>6</u>	<u>\$ 2,114,909</u>	<u>6</u>
EARNINGS PER SHARE				
Basic	<u>\$0.86</u>		<u>\$1.38</u>	
Diluted	<u>\$0.86</u>		<u>\$1.37</u>	

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

FAR EASTERN DEPARTMENT STORES, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company											
	Retained Earnings (Note 24)					Other Equity (Note 24)						
						Exchange Differences on Translating the Financial Statements of	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other	Gain on Property Revaluation	Treasury Shares (Note 24)	Total	Non-controlling Interests (Note 24)	Total Equity
	Share Capital (Note 24)	Capital Surplus (Note 24)	Legal Reserve	Special Reserve	Unappropriated Earnings	Foreign Operations	Comprehensive Income					
BALANCE AT JANUARY 1, 2020	\$ 14,169,406	\$ 3,327,466	\$ 3,298,695	\$ 2,865,351	\$ 1,931,429	\$ 65,325	\$ 3,058,874	\$ 2,170,970	\$ (97,110)	\$30,790,406	\$ 8,113,401	\$38,903,807
Appropriation of 2019 earnings												
Legal reserve	-	-	125,920	-	(125,920)	-	-	-	-	-	-	-
Special reserve	-	-	-	(156,088)	156,088	-	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(1,133,552)	-	-	-	-	(1,133,552)	-	(1,133,552)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	(117,859)	(117,859)
	-	-	125,920	(156,088)	(1,103,384)	-	-	-	-	(1,133,552)	(117,859)	(1,251,411)
Net profit for the year ended December 31, 2020	-	-	-	-	1,939,139	-	-	-	-	1,939,139	605,758	2,544,897
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	(71,064)	3,225	(345,559)	-	-	(413,398)	(16,590)	(429,988)
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	1,868,075	3,225	(345,559)	-	-	1,525,741	589,168	2,114,909
Adjustments resulting from investments in associates accounted for using the equity method	-	11,325	-	-	-	-	-	-	-	11,325	9,658	20,983
Disposal of investments in equity instruments designated as at fair value through other comprehensive income by associates	-	-	-	-	(1,036)	-	1,036	-	-	-	-	-
BALANCE AT DECEMBER 31, 2020	14,169,406	3,338,791	3,424,615	2,709,263	2,695,084	68,550	2,714,351	2,170,970	(97,110)	31,193,920	8,594,368	39,788,288
Appropriation of 2020 earnings												
Legal reserve	-	-	186,704	-	(186,704)	-	-	-	-	-	-	-
Special reverse	-	-	-	(89,694)	89,694	-	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(1,558,635)	-	-	-	-	(1,558,635)	-	(1,558,635)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	(510,016)	(510,016)
	-	-	186,704	(89,694)	(1,655,645)	-	-	-	-	(1,558,635)	(510,016)	(2,068,651)
Net profit for the year ended December 31, 2021	-	-	-	-	1,208,100	-	-	-	-	1,208,100	697,216	1,905,316
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	(27,314)	(2,615)	226,789	6,194	-	203,054	5,205	208,259
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	1,180,786	(2,615)	226,789	6,194	-	1,411,154	702,421	2,113,575
Adjustments resulting from investments in associates accounted for using the equity method	-	2,191	-	-	-	-	-	-	-	2,191	(245)	1,946
Disposal of investments in equity instruments designated as at fair value through other comprehensive income by associates	-	-	-	-	(3,792)	-	3,792	-	-	-	-	-
BALANCE AT DECEMBER 31, 2021	\$ 14,169,406	\$ 3,340,982	\$ 3,611,319	\$ 2,619,569	\$ 2,216,433	\$ 65,935	\$ 2,944,932	\$ 2,177,164	\$ (97,110)	\$31,048,630	\$ 8,786,528	\$39,835,158

The accompanying notes are an integral part of the consolidated financial statements.

FAR EASTERN DEPARTMENT STORES, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 2,436,395	\$ 3,000,771
Adjustments for:		
Depreciation expense	5,230,418	5,790,171
Amortization expense	79,021	83,971
Expected credit loss (gain) recognized on receivables	367	(5,139)
Loss on financial assets and liabilities at fair value through profit or loss	163	11,520
Finance costs	796,860	851,591
Interest income	(57,683)	(66,244)
Dividend income	(318,847)	(312,581)
Share of loss (gain) of associates accounted for using the equity method	27,562	(39,868)
Loss on disposal of property, plant and equipment	5,270	17,035
Loss on disposal of intangible assets	28	-
Gain on lease modifications	(73)	(5,935)
Gain on disposal of investments	(4,330)	(553)
Impairment loss recognized on intangible assets	437,462	6,384
Impairment loss recognized on property, plant and equipment	252,499	16,853
Impairment loss recognized on right-of-use assets	231,371	613,770
Unrealized gain on physical and slow-moving inventories	(2,463)	(32)
Loss on changes in fair value of investment properties	44,277	71,617
Amortization of prepayments	61,219	39,674
Concession on lease liabilities	(227,979)	(280,698)
Recognized (reversal) of unrealized purchase discounts	389	(210)
Net changes in operating assets and liabilities		
Increase in financial assets mandatorily classified as at fair value through profit or loss	(18,979)	(15,360)
Notes receivable	1,193	(732)
Trade receivables	(581,023)	144,075
Trade receivables from related parties	(42,437)	38,282
Other receivables	83,609	(120,004)
Inventories	(64,722)	406,672
Prepayments	(25,076)	188,606
Other current assets	43,402	6,208
Contract liabilities - current	1,538,250	350,906
Notes payable	(796)	3,442
Trade payables	962,332	723,562
Trade payables to related parties	28,296	(25,354)
Other payables	194,707	(58,840)
Advance receipts	157,631	239,964

(Continued)

FAR EASTERN DEPARTMENT STORES, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
Other current liabilities	\$ 15,687	\$ 57,808
Net defined benefit liabilities	<u>(42,606)</u>	<u>(53,507)</u>
Cash generated from operations	11,241,394	11,677,825
Dividends received	441,004	431,307
Interest paid	(746,919)	(796,027)
Interest received	51,314	62,228
Income tax returned	287	2,801
Income tax paid	<u>(616,711)</u>	<u>(690,968)</u>
Net cash generated from operating activities	<u>10,370,369</u>	<u>10,687,166</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(37,894)	(41,279)
Proceeds from sale of financial assets at fair value through other comprehensive income	66,595	46,717
Purchase of financial assets amortized at cost	(3,785,778)	(1,305,880)
Proceeds from sale of financial assets at amortized cost	3,672,710	1,706,277
Acquisition of investments accounted for using the equity method	(42,358)	-
Proceeds from sale of financial assets at fair value through profit or loss	38,542	11,603
Payments for property, plant and equipment	(2,317,029)	(2,011,132)
Proceeds from disposal of property, plant and equipment	13,793	1,473
Payments for intangible assets	(156,329)	(193,635)
Acquisition of right-of-use assets	(152,185)	(110,833)
Acquisition of investment properties	(803)	(6,583)
Increase in other non-current assets	<u>(311,585)</u>	<u>(509,118)</u>
Net cash used in investing activities	<u>(3,012,321)</u>	<u>(2,412,390)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	102,360,062	115,681,868
Repayments of short-term borrowings	(101,516,029)	(116,326,590)
Proceeds from short-term bills payable	22,533,679	35,197,389
Repayments of short-term bills payable	(23,071,976)	(35,091,379)
Proceeds from long-term borrowings	126,399,960	103,720,004
Repayments of long-term borrowings	(124,250,000)	(105,820,000)
Repayment of the principal portion of lease liabilities	(2,990,437)	(2,957,964)
Decrease in other non-current liabilities	(42,940)	(90,834)
Dividends paid to owners of the Company	(1,556,294)	(1,131,061)
Dividends paid to non-controlling interests	<u>(495,016)</u>	<u>(117,859)</u>
Net cash used in financing activities	<u>(2,628,991)</u>	<u>(6,936,426)</u>

(Continued)

FAR EASTERN DEPARTMENT STORES, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>\$ 11,599</u>	<u>\$ 28,861</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,740,656	1,367,211
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>14,791,434</u>	<u>13,424,223</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 19,532,090</u>	<u>\$ 14,791,434</u>

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Far Eastern Department Stores, Ltd.

Opinion

We have audited the accompanying financial statements of Far Eastern Department Stores, Ltd. (the "Company"), which comprise the balance sheets as of December 31, 2021 and 2020, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in the Company's financial statements for the year ended December 31, 2021 is stated as follows:

Impairment of goodwill from the investment in subsidiaries

As of December 31, 2021, the investment accounted for using the equity method of the Company amounted to NT\$21,058,586 thousand, representing 27%, of the total assets, which was significant to the Company's financial statements. The important component of goodwill originated from the merger contract signed between FAR EASTERN AI MAI CO., LTD. (AI MAI), a subsidiary of the Company under the equity method, and GEANT Group (France) in 2000. Each party obtained 50%-50% ownership with FAR EASTERN AI MAI CO., LTD. as the surviving entity at the time. The Company acquired the other 50% ownership in 2006 due to the consideration of the retail business strategy, and goodwill was generated. However, due to the impact of the COVID-19 pandemic in 2021 and the changes in retail business, the Company has considered whether the carrying amount of the goodwill from the time the retail business was acquired exceeds the recoverable amount. Since management's subjective judgment on the recoverable amount involves significant uncertainties, the carrying amount of goodwill may be overestimated; Thus, we considered the evaluation of impairment loss of goodwill as a key audit matter. For the accounting policy related to impairment loss of the goodwill, refer to Notes 4 (f), 5 and 11 to the accompanying financial statements.

The key audit procedures that we performed in respect of the impairment loss of goodwill are as follows:

1. We evaluated the expertise, competency and independence of the independent appraisers contracted by the management to perform an impairment test.
2. We obtained an understanding of the process of management's estimation of the future sales growth rate and the profit margin forecast by the operating segments in Far Eastern Ai Mai Co., Ltd.
3. We confirmed the appropriateness of the discount rate used by management and assessed the impairment of goodwill by using the same evaluation model to calculate the weighted average cost of capital ratio used by management.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Shu-Chuan Yeh and Ming-Hsing Cho.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 4, 2022

Notice to Readers

The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

FAR EASTERN DEPARTMENT STORES, LTD.

BALANCE SHEETS DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

ASSETS	2021		2020	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	\$ 965,361	1	\$ 812,706	1
Financial assets at amortized cost - current (Notes 8 and 30)	25,508	-	25,424	-
Trade receivables (Note 9)	556,103	1	246,868	-
Trade receivables from related parties (Notes 9 and 29)	91,986	-	75,243	-
Other receivables (Notes 9 and 29)	280,143	-	255,872	1
Inventories (Note 10)	406,593	1	353,129	1
Prepayments (Note 29)	236,804	-	247,525	-
Other current assets (Note 16)	8,686	-	60,981	-
Total current assets	<u>2,571,184</u>	<u>3</u>	<u>2,077,748</u>	<u>3</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 7 and 30)	2,903,935	4	2,845,620	4
Investments accounted for using the equity method (Notes 11 and 30)	21,086,222	27	20,054,557	26
Property, plant and equipment (Notes 12, 30 and 31)	17,627,670	22	18,176,915	23
Right-of-use assets (Note 13 and 29)	23,901,501	31	24,929,817	32
Investment properties (Notes 14 and 30)	9,067,580	12	9,023,303	11
Intangible assets (Note 15)	59,660	-	69,628	-
Deferred tax assets (Note 23)	80,496	-	80,218	-
Net defined benefit assets (Note 19)	196,701	-	205,863	-
Other non-current assets (Notes 16 and 29)	514,881	1	562,571	1
Total non-current assets	<u>75,438,646</u>	<u>97</u>	<u>75,948,492</u>	<u>97</u>
TOTAL	<u>\$78,009,830</u>	<u>100</u>	<u>\$78,026,240</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 17 and 30)	\$ 4,800,000	6	\$ 4,650,000	6
Short-term bills payable (Note 17)	1,549,515	2	2,449,280	3
Contract liabilities - current (Note 21)	3,938,860	5	3,202,942	4
Trade payables	4,237,424	6	3,822,290	5
Trade payables to related parties (Note 29)	50,629	-	49,983	-
Other payables (Notes 18 and 29)	1,664,367	2	1,827,132	3
Current tax liabilities (Note 23)	101,329	-	111,095	-
Lease liabilities - current (Notes 13 and 29)	945,167	1	941,237	1
Advance receipts (Note 29)	202,282	1	243,905	-
Current portion of long-term borrowings (Notes 17 and 30)	-	-	299,933	1
Other current liabilities (Notes 18 and 29)	160,013	-	128,603	-
Total current liabilities	<u>17,649,586</u>	<u>23</u>	<u>17,726,400</u>	<u>23</u>
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 17 and 30)	13,949,720	18	12,999,828	16
Deferred tax liabilities (Note 23)	2,132,730	2	2,183,467	3
Lease liabilities - non-current (Notes 13 and 29)	13,145,744	17	13,844,089	18
Other non-current liabilities (Notes 18 and 29)	83,420	-	78,536	-
Total non-current liabilities	<u>29,311,614</u>	<u>37</u>	<u>29,105,920</u>	<u>37</u>
Total liabilities	<u>46,961,200</u>	<u>60</u>	<u>46,832,320</u>	<u>60</u>
EQUITY				
Share capital				
Ordinary shares	14,169,406	18	14,169,406	18
Capital surplus	3,340,982	4	3,338,791	4
Retained earnings				
Legal reserve	3,611,319	5	3,424,615	4
Special reserve	2,619,569	3	2,709,263	4
Unappropriated earnings	2,216,433	3	2,695,084	3
Total retained earnings	8,447,321	11	8,828,962	11
Other equity	5,188,031	7	4,953,871	7
Treasury shares	(97,110)	-	(97,110)	-
Total equity	<u>31,048,630</u>	<u>40</u>	<u>31,193,920</u>	<u>40</u>
TOTAL	<u>\$78,009,830</u>	<u>100</u>	<u>\$78,026,240</u>	<u>100</u>

The accompanying notes are an integral part of the financial statements.

FAR EASTERN DEPARTMENT STORES, LTD.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 21 and 29)	\$10,013,982	100	\$11,037,055	100
OPERATING COSTS (Notes 10, 22 and 29)	<u>3,918,627</u>	<u>39</u>	<u>4,405,831</u>	<u>40</u>
GROSS PROFIT	<u>6,095,355</u>	<u>61</u>	<u>6,631,224</u>	<u>60</u>
OPERATING EXPENSES (Notes 22 and 29)				
Selling and marketing expenses	374,713	4	355,331	3
General and administrative expenses	3,973,921	40	4,288,347	39
Expected credit loss	<u>2,535</u>	<u>-</u>	<u>801</u>	<u>-</u>
Total operating expenses	<u>4,351,169</u>	<u>44</u>	<u>4,644,479</u>	<u>42</u>
OPERATING PROFIT	<u>1,744,186</u>	<u>17</u>	<u>1,986,745</u>	<u>18</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 22)	130	-	933	-
Other income (Note 22)	201,956	2	181,578	2
Other gains and losses (Notes 22 and 29)	(342,600)	(3)	65,005	-
Finance costs (Notes 22 and 29)	(438,433)	(4)	(466,377)	(4)
Share of profit of subsidiaries and associates accounted for using the equity method	<u>221,348</u>	<u>2</u>	<u>462,395</u>	<u>4</u>
Total non-operating income and expenses	<u>(357,599)</u>	<u>(3)</u>	<u>243,534</u>	<u>2</u>
PROFIT BEFORE INCOME TAX	1,386,587	14	2,230,279	20
INCOME TAX EXPENSE (Note 23)	<u>178,487</u>	<u>2</u>	<u>291,140</u>	<u>2</u>
NET PROFIT FOR THE YEAR	<u>1,208,100</u>	<u>12</u>	<u>1,939,139</u>	<u>18</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 19, 20 and 23)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	(30,278)	-	(71,053)	(1)
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	58,315	-	(255,429)	(2)

(Continued)

FAR EASTERN DEPARTMENT STORES, LTD.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
Share of other comprehensive (loss) income of subsidiaries and associates accounted for using the equity method	\$ 171,943	2	\$ (109,861)	(1)
Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>6,055</u>	-	<u>14,211</u>	-
	<u>206,035</u>	<u>2</u>	<u>(422,132)</u>	<u>(4)</u>
Items that may be reclassified subsequently to profit or loss:				
Share of other comprehensive income (loss) of subsidiaries and associates accounted for using the equity method	<u>(2,981)</u>	-	<u>8,734</u>	-
	<u>(2,981)</u>	-	<u>8,734</u>	-
Other comprehensive (loss) income for the year, net of income tax	<u>203,054</u>	<u>2</u>	<u>(413,398)</u>	<u>(4)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 1,411,154</u>	<u>14</u>	<u>\$ 1,525,741</u>	<u>14</u>
EARNINGS PER SHARE, NT\$				
Basic	<u>\$ 0.86</u>		<u>\$ 1.38</u>	
Diluted	<u>\$ 0.86</u>		<u>\$ 1.37</u>	

The accompanying notes are an integral part of the financial statements.

(Concluded)

FAR EASTERN DEPARTMENT STORES, LTD.

STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	Retained Earnings (Notes 19, 20 and 23)					Other Equity (Note 20)				
	Share Capital	Capital Surplus			Unappropriated	Exchange Differences on Translating the Financial Statements of	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other	Gain on Property	Treasury Shares	Total Equity
	(Note 20)	(Note 20)	Legal Reserve	Special Reserve	Earnings	Foreign Operations	Comprehensive Income	Revaluation	(Note 20)	
BALANCE AT JANUARY 1, 2020	\$14,169,406	\$ 3,327,466	\$ 3,298,695	\$ 2,865,351	\$ 1,931,429	\$ 65,325	\$ 3,058,874	\$ 2,170,970	\$ (97,110)	\$30,790,406
Appropriation of 2019 earnings										
Legal reserve	-	-	125,920	-	(125,920)	-	-	-	-	-
Special reserve	-	-	-	(156,088)	156,088	-	-	-	-	-
Cash dividends	-	-	-	-	(1,133,552)	-	-	-	-	(1,133,552)
	-	-	125,920	(156,088)	(1,103,384)	-	-	-	-	(1,133,552)
Net profit for the year ended December 31, 2020	-	-	-	-	1,939,139	-	-	-	-	1,939,139
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	(71,064)	3,225	(345,559)	-	-	(413,398)
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	1,868,075	3,225	(345,559)	-	-	1,525,741
Adjustments resulting from investments in associates accounted for using the equity method	-	11,325	-	-	-	-	-	-	-	11,325
Disposal of investments in equity instruments designated as at fair value through other comprehensive income by associates	-	-	-	-	(1,036)	-	1,036	-	-	-
BALANCE AT DECEMBER 31, 2020	14,169,406	3,338,791	3,424,615	2,709,263	2,695,084	68,550	2,714,351	2,170,970	(97,110)	31,193,920
Appropriation of 2020 earnings										
Legal reserve	-	-	186,704	-	(186,704)	-	-	-	-	-
Special reverse	-	-	-	(89,694)	89,694	-	-	-	-	-
Cash dividends	-	-	-	-	(1,558,635)	-	-	-	-	(1,558,635)
	-	-	186,704	(89,694)	(1,655,645)	-	-	-	-	(1,558,635)
Net profit for the year ended December 31, 2021	-	-	-	-	1,208,110	-	-	-	-	1,208,100
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	(27,314)	(2,615)	226,789	6,194	-	203,054
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	1,180,786	(2,615)	226,789	6,194	-	1,411,154
Adjustments resulting from investments in associates accounted for using the equity method	-	2,191	-	-	-	-	-	-	-	2,191
Disposal of investments in equity instruments designated as at fair value through other comprehensive income by subsidiary	-	-	-	-	(3,792)	-	3,792	-	-	-
BALANCE AT DECEMBER 31, 2021	\$14,169,406	\$ 3,340,982	\$ 3,611,319	\$ 2,619,569	\$ 2,216,433	\$ 65,935	\$ 2,944,932	\$ 2,177,164	\$ (97,110)	\$31,048,630

The accompanying notes are an integral part of the financial statements.

FAR EASTERN DEPARTMENT STORES, LTD.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 1,386,587	\$ 2,230,279
Adjustments for:		
Depreciation expense	1,972,608	2,034,760
Amortization expense	42,530	50,182
Expected credit loss recognized on receivables	2,535	801
Amortization of prepayments	1,721	1,576
Finance costs	438,433	466,377
Share of profit of subsidiaries and associates accounted for using the equity method	(221,348)	(462,395)
Interest income	(130)	(933)
Dividend income	(201,956)	(181,578)
Loss on disposal of property, plant and equipment	2,199	5,157
Loss on disposal of investment properties	335	116
Impairment loss of non-financial assets	437,462	6,307
Gain on changes in fair value of investment properties	(42,435)	(19,544)
Concession on lease liabilities	(170,191)	(113,828)
Net changes in operating assets and liabilities		
Notes receivable	-	3
Trade receivables	(311,850)	98,078
Trade receivables from related parties	(16,743)	4,291
Other receivables	(24,191)	23,407
Inventories	(53,464)	159,847
Prepayments	10,721	(31,839)
Other current assets	52,295	3,826
Contract liabilities	735,918	178,416
Notes payable and trade payables	415,134	210,254
Trade payables from related parties	646	(6,960)
Other payables	22,485	31,563
Advance receipts	29,475	145,551
Other current liabilities	31,410	(25,885)
Net defined benefit liabilities	(21,116)	(42,881)
Cash generated from operations	4,519,070	4,764,948
Interest paid	(411,284)	(445,758)
Interest received	130	933
Dividends received	625,330	321,015
Income tax paid	(233,213)	(296,462)
Net cash generated from operating activities	<u>4,500,033</u>	<u>4,344,676</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(25,508)	(25,424)
Proceeds from sale of financial assets at amortized cost	25,424	25,271
Acquisition of investments accounted for using the equity method	(1,500,000)	-
Payments for property, plant and equipment	(572,647)	(760,367)

(Continued)

FAR EASTERN DEPARTMENT STORES, LTD.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
Proceeds from disposal of property, plant and equipment	\$ 89	\$ 484
Payments for investment properties	(2,177)	(6,819)
Increase in other non-current assets	46,642	(55,669)
Acquisition of right-of-use assets	(117,836)	(97,504)
Payments for intangible assets	<u>(22,465)</u>	<u>(27,035)</u>
Net cash used in investing activities	<u>(2,168,478)</u>	<u>(947,063)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	58,270,000	73,550,000
Repayments of short-term borrowings	(58,120,000)	(73,900,000)
Proceeds from short-term bills payable	12,916,598	26,283,806
Repayments of short-term bills payable	(13,816,363)	(26,333,838)
Proceeds from long-term borrowings	133,249,959	111,250,004
Repayments of long-term borrowings	(132,600,000)	(112,250,000)
Repayment of the principal portion of lease liabilities	(527,684)	(570,201)
Increase (decrease) in other non-current liabilities	4,884	(21,978)
Dividends paid	<u>(1,556,294)</u>	<u>(1,131,061)</u>
Net cash used in financing activities	<u>(2,178,900)</u>	<u>(3,123,268)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	152,655	274,345
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	<u>812,706</u>	<u>538,361</u>
CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u>\$ 965,361</u>	<u>\$ 812,706</u>

The accompanying notes are an integral part of the financial statements.

(Concluded)

3. Audit Committee's review report for 2021 business report and financial statements.

Audit Committee's Review Report

To the 2022 General Shareholders Meeting of Far Eastern Department Stores Ltd., In accordance with Article 14-4 of Securities and Exchange Act and Article 219 of the Company Law, we have examined the Business Report, the Resolution for Distribution of Profit, and Financial Statements which had been certified by Deloitte & Touche, submitted by the Board of Directors for the year ending 2021 and found them in order.

The Convener of the Audit Committee: Edward Yung Do Way

May 11, 2022

4. Report of 2021 employees' compensation and Directors' remuneration

1. Pursuant to the Article 27 of the Company's "Articles of Incorporation", if the Company profits for the year, the Company shall allocate from 2% to 3.5% of it for the employees' compensation, and the maximum of 2.5% of it for Directors' compensation. However, the company's accumulated losses shall reserve the amount of covering in advance. A company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash. The ratio and amount of actual distribution shall be approved by the board of directors, and in addition thereto a report of such distribution shall be submitted to the shareholders meeting.
2. 2021 employees' compensation and Directors' remuneration were calculated as NT\$47,002,973 and NT\$35,252,230 respectively. The aforesaid items will be paid in cash.
3. The proposal of compensation had been approved by the 3rd meeting of the 19th term Board of Directors.

5. Report of the amendment to the provisions of “Sustainability Principles”

1. In order to fulfill FEDS’s corporate social responsibility initiatives and to promote economic, environmental, and social advancement for purposes of sustainable development, FEDS hereby amends the principles in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" published by the Taiwan Stock Exchange Corporation ("TWSE"). Please refer to the attachment for details.
2. Please review.

Section	Proposed Changes	Current Articles
Title	<u>Sustainability Principles</u> (the "Principles") of Far Eastern Department Stores Ltd. (FEDS)	<u>Corporate Social Responsibility Principles</u> (the "Principles") of Far Eastern Department Stores Ltd. (the "FEDS")
Article 1	In order to fulfill FEDS's corporate social responsibility initiatives and to promote economic, environmental, and social advancement for purposes of sustainable development, FEDS hereby promulgates the Principles in accordance with " <u>Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies</u> "	In order to fulfill FEDS's corporate social responsibility initiatives and to promote economic, environmental, and social advancement for purposes of sustainable development, FEDS hereby promulgates the Principles in accordance with " <u>Corporate Social Responsibility Best Practice Principles for Taiwan Stock Exchange Corporation/GreTai Securities Market Listed Companies</u> ".
Article 2	The Principles apply to entire operations of FEDS (hereinafter referred to as the "Company"). <u>In the course of business operations, the Company shall identify stakeholders of the Company and understand their reasonable expectations, needs, and rights through communication. While pursuing sustainable operations and profits, the Company shall give due consideration to environmental, social, and corporate governance factors and incorporate such factors into the Company's management guidelines and operating activities.</u>	The Principles apply to entire operations of FEDS (hereinafter referred to as the "Company"). The Company gives due consideration to the rights and interests of stakeholders and actively fulfills its corporate social responsibility in the course of the business operations so as to give due consideration to the environment, society, and corporate governance.
Article 3 (Original Article 5)	For the purpose of managing <u>corporate sustainable development</u> initiatives, the Company shall establish <u>governance frameworks to promote corporate sustainable development and establish an</u> exclusively (or concurrently) dedicated unit to be in charge of proposing and enforcing <u>corporate sustainable development</u> policies, systems, or relevant management guidelines, and concrete <u>action</u> plans.	For the purpose of managing <u>corporate social responsibility</u> initiatives, the Company shall establish an exclusively (or concurrently) dedicated unit to be in charge of proposing and enforcing the corporate <u>social responsibility</u> policies, systems, or relevant management guidelines, and concrete <u>promotional</u> plans.
Article 4	<u>The Company shall conduct risk assessments on environmental, social</u>	

	<u>and corporate governance issues related to its operations in accordance with the materiality principle, and establish relevant risk management policies or strategies to manage economic, environmental, and social risks and impacts.</u>	(New)
Article 5 (Original Article 3)	To implement corporate sustainable development initiatives, the Company sets out the principles below: 1.) Exercise corporate governance. 2.) Foster a sustainable environment. 3.) Preserve public welfare. 4.) Enhance disclosure of corporate <u>sustainable development</u> information.	To implement corporate sustainable development initiatives, the Company sets out the principles below: 1.) Exercise corporate governance. 2.) Foster a sustainable environment. 3.) Preserve public welfare. 4) Enhance disclosure of corporate <u>social responsibility</u> information.
Article 6 (Original Article 4)	<p>The directors of the Company shall exercise the due care of good administrators to urge the Company to perform its corporate <u>sustainable development</u> initiatives, examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its corporate <u>sustainable development</u> policies.</p> <p><u>The Company shall give full consideration to the interests of stakeholders, including the following matters, in the Company's performance of its corporate sustainable development initiatives:</u></p> <p>1. <u>Formulating a "Sustainable Strategy Blueprint" and management guidelines of corporate sustainable development.</u></p> <p>2. <u>Integrating sustainable development into the Company's operating activities and development directions and determine concrete action plans for corporate sustainable development.</u></p> <p>3. <u>Ensuring the timeliness and accuracy of the disclosure of corporate sustainable development information.</u></p> <p><u>The Company shall provide</u></p>	<p>The directors of the Company shall exercise the due care of good administrators to urge the Company to perform its corporate <u>social responsibility</u> initiatives, examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its corporate <u>social responsibility</u> policies.</p>

	<u>corporate sustainable training for relevant personnel.</u>	
Article 7 (Original Article 6)	The Company shall comply with relevant laws and regulations, avoid engaging in unfair competition, not tolerate bribery or corruption to maintain a fair competition environment	The Company shall comply with relevant laws and regulations, avoid engaging in unfair competition, not tolerate bribery or corruption to maintain a fair competition environment
Article 8 (Original Article 7)	The Company shall follow relevant environmental laws when engaging in business operations to reduce the impact on the natural environment.	The Company shall follow relevant environmental laws when engaging in business operations to reduce the impact on the natural environment.
Article 9 (Original Article 8)	<p>The Company shall <u>follow relevant environmental laws, regulations, and international standards to establish environment management systems, including:</u></p> <ol style="list-style-type: none"> <u>1. Collecting relevant information to evaluate the impact of the Company's business operations on the natural environment.</u> <u>2. Establishing measurable goals for environmental sustainability and examine whether the development of such goals should be maintained and whether it is still relevant.</u> <u>3. Making concrete plans or actions and examine the results.</u> <p><u>The Company shall establish a dedicated unit or assign dedicated personnel for drafting, promoting, and maintaining relevant environment management systems and concrete action plans and shall hold environment education courses for relevant personnel.</u></p> <p><u>When engaging in business operations and internal management, the Company shall take into account the effect of business operations on ecological efficiency and endeavor to achieve the Company's environmental goals</u></p>	<u>The Company shall endeavor to utilize all resources more efficiently.</u>

	<u>to reduce the impact on the natural environment and human beings.</u>	
Article <u>10</u> (Original Article 12)	The Company shall <u>evaluate the potential risks and opportunities of climate change on its operations and adopt measures for climate-related issues.</u>	The Company shall <u>monitor the risks and opportunities of climate change on its operations and enforce its greenhouse gas emissions inventories.</u>
Article <u>11</u> (Original Article 9)	The Company shall endeavor to utilize all resources more efficiently <u>and reduce the energy consumption of its products and services and water consumption to lower the impact on the environment.</u>	The Company shall endeavor to utilize all resources more efficiently.
Article <u>12</u> (Original Article 10)	The Company in operation shall avoid polluting water, air and land, and adopt appropriate practical pollution prevention and control measures.	The Company in operation shall avoid polluting water, air and land, and adopt appropriate practical pollution prevention and control measures.
Article <u>13</u> (Original Article 11)	The Company shall focus on water management, waste disposal, recycling, green environment, green procurement, and other measures.	The Company shall focus on water management, waste disposal, recycling, green environment, green procurement, and other measures.
Article <u>14</u>	<p><u>The Company shall adopt standards or guidelines generally used in Taiwan and abroad to gather statistics on greenhouse gas emissions, water consumption, energy consumption, and waste and make disclosures thereof. The scope of greenhouse gas emissions shall include the following:</u></p> <p><u>1. Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the Company.</u></p> <p><u>2. Indirect greenhouse gas emissions: emissions resulting from the generation of electricity from external sources, heating, or steam.</u></p> <p><u>3. Other indirect greenhouse gas emissions: emissions from the Company's activities that are not indirect energy emissions and originate from sources owned or controlled by other companies.</u></p>	(New)

	<p><u>The Company shall establish policies for energy conservation, carbon reduction, greenhouse gas reduction, water conservation, or other waste management, include the obtaining of carbon credits in the Company's carbon reduction strategies, and be promoted accordingly to minimize the impact of the Company's business operations on climate change.</u></p>	
<p>Article 15 (Original Article 13)</p>	<p>The Company shall comply with relevant labor laws and regulations <u>as well as the International Bill of Human Rights</u>, protect the legal rights and interests of employees, and shall not commit violations against the fundamental labor rights. <u>The Company shall also provide employees information on the labor laws and the rights they enjoy in the countries where the Company has business operations.</u></p> <p><u>The Company shall establish and review management policies and procedures related to human rights.</u></p> <p>The Company shall ensure that its human resource policies do not contain differential treatments based on gender, race, <u>socioeconomic status</u>, age, or marital and family status, so as to achieve equality in <u>employment, benefits, remuneration, hiring conditions, training, evaluation, and promotion opportunities.</u></p>	<p>The Company shall comply with relevant labor laws and regulations, protect the legal rights and interests of employees, and shall not commit violations against the fundamental labor rights.</p> <p>The Company shall ensure that their human resource policies do not contain differential treatments based on gender, race, age, or marital and family status, so as to achieve equality in <u>compensation</u>, hiring conditions, training, and promotion opportunities.</p>
<p>Article 16</p>	<p><u>The Company shall establish a two-way communication channel between the management and employees, respect the rights of employee representatives to bargain in good faith, and, by reasonable means, inform employees of operation changes that might have material impacts.</u></p> <p><u>The Company shall provide an effective and appropriate grievance mechanism with respect to matters</u></p>	<p>(New)</p>

	<u>adversely impacting the rights and interests of the labor force, in order to ensure equality and transparency of the grievance process.</u>	
Article 17 (Original Article 14)	The Company shall provide safe and healthful work environments for its employees, <u>including necessary health and first-aid measures,</u> endeavor to curb dangers to employees' safety and health, and <u>organize training on safety and health for relevant personnel to prevent occupational accidents.</u>	The Company shall provide safe and healthful work environments for its employees, and shall endeavor to curb dangers to employees' safety and health and to prevent occupational accidents.
Article 18 (Original Article 15)	The Company shall create an environment conducive to the development of its employees' careers and establish effective training programs to foster career skills. <u>The Company shall formulate and implement reasonable remuneration policies and benefit programs, ensure that relevant plans support the strategic aims of the organization and align with the interests of stakeholders, and reflect the business performance and achievements in the employee remuneration or benefits.</u>	The Company shall create an environment conducive to the development of their employees' careers and establish effective training programs to foster career skills.
Article 19 (Original Article 16)	The Company shall ensure the quality of its products and services by following the laws and regulations of the government and relevant standards of <u>its industry.</u> <u>The Company shall follow relevant laws, regulations, or international guidelines for the safety and compliance of its products or services, trade secrets of customers, marketing, and advertising and shall not deceive, mislead, or commit fraud.</u>	The Company shall ensure the quality of its products and services by following the laws and regulations of the government and relevant standards of <u>their industries.</u>
Article 20 (Original Article 17)	The Company <u>shall assess the impact of its procurement on society as well as the environment of its suppliers' communities and shall cooperate with its suppliers and business partners to jointly</u>	The Company shall cooperate with its suppliers and business partners to jointly implement the corporate <u>social responsibility</u> initiative.

	<p>implement the corporate <u>sustainable development</u> initiative.</p> <p>The Company shall establish <u>supplier management policies</u>, and <u>when the Company enters into a contract with any of its major suppliers, the contract should include terms stipulating mutual compliance with the corporate sustainable development policies of both parties.</u></p> <p>The Company shall avoid <u>conducting transactions with suppliers who violate the Company's sustainable development policies.</u> The contract may be terminated or rescinded if the supplier violates the <u>Company's supplier management policies and causes significant negative impact on society and the environment of the community of the supply source.</u></p>	
<p>Article 21 (Original Article 18)</p>	<p><u>The Company shall evaluate the impact of its business operations on communities and adequately employ personnel from the location of its business operations to enhance community acceptance.</u></p> <p>The Company shall, through <u>investments</u>, commercial activities, non-cash property endowments, volunteering service or other professional services, <u>dedicate resources to organizations that commercially resolve social or environmental issues or</u> participate in events held by <u>citizen organizations</u>, charities and local government agencies relating to community development to promote community development.</p>	<p>The Company shall, through commercial activities, non-cash property endowments, volunteering service or other professional services, participate in events held by charities and local government agencies relating to community development to promote community development.</p>
<p>Chapter 5</p>	<p>Enhancing Disclosure of Corporate <u>Sustainable Development</u> Information</p>	<p>Enhancing Disclosure of Corporate <u>Social Responsibility</u> Information</p>
<p>Article 22</p>	<p>The Company shall disclose information according to relevant laws, and shall disclose relevant and</p>	<p>The Company shall disclose information according to relevant laws, and shall disclose relevant and</p>

(Original Article 19)	reliable information relating to its corporate <u>sustainable development</u> initiatives to improve information transparency.	reliable information relating to its corporate <u>social responsibility</u> initiatives to improve information transparency.
Article 23 (Original Article 20)	<p><u>The Company shall bases on the requirements of relevant laws and regulations to formulate internationally widely recognized standards or guidelines when producing corporate sustainability reports to disclose the status of the implementation and performance of its corporate sustainable development initiatives. The Company shall also obtain a third-party assurance or verification for the reports to enhance the reliability of the information in its sustainability reports.</u></p> <p><u>The disclosure of corporate sustainable development information should include:</u></p> <ol style="list-style-type: none"> <u>1. The policy, system, or relevant management guidelines and concrete action plans for implementing corporate sustainable development initiatives.</u> <u>2. Major stakeholders and their concerns.</u> <u>3. Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare, and promotion of economic development.</u> <u>4. Future improvements and goals.</u> 	The Company shall issue corporate social responsibility reports, to disclose the status of its implementation of the corporate social responsibility policy.
Article 24	<u>The Company shall monitor the development of domestic and foreign corporate sustainable development standards and the</u>	

	<u>change of business environment so as to examine and improve its established corporate sustainable development framework and to obtain better results from the promotion of corporate sustainable development.</u>	(New)
Article 25 (Original Article 21)	The Principles herein take effect after approval at the directors' meeting <u>and should be reported to the shareholders' meeting.</u> The same applies for any amendments.	The Principles herein take effect after approval at the directors' meeting. The same applies for any amendments.

IV. Acknowledge Matters

1. To accept 2021 business report and financial statements.

The Board of Directors proposes and recommends that each shareholder votes for the acceptance of 2021 business report and financial statements.

Explanatory Notes:

1. FEDS's 2021 business report and financial statements (including consolidated balance sheets, consolidated statements of comprehensive income, consolidated statements of changes in equity, consolidated statements of cash flows, and balance sheets, statements of comprehensive income, statements of changes in equity, statements of cash flows) have been audited by independent auditors, Shu-Chuan Yeh and Ming-Hsing Cho of Deloitte & Touche (please refer to P.3-P.33) , and have been examined by and determined to be correct and accurate by the Audit Committee of FEDS. We thereby submit this report.
- 2 Please approve the above-mentioned business report and financial statements.

Resolution:

2. To approve the proposal for the distribution of 2021 profit.

The Board of Directors proposes and recommends that each shareholder votes for the distribution of 2021 profit.

Explanatory Notes:

1. All the closing transactions as of December 31, 2021 have been completely closed, and have been audited by the accounting firm, Deloitte and Touche. We thereby submit the proposal for distribution of 2021 profits:

1.	Unappropriated earnings of January 1, 2021	NT\$ 1,039,439,215
2.	Net Income for the year ended December 31, 2021	1,208,100,440
3.	The adjustments of retained earnings for by using equity method	(3,793,279)
4.	Recognizing the re-measurements of defined benefit plans in retained earnings	(27,314,273)
5.	The amount of the sum of the current after-tax net income and other item accounted to undistributed earnings (=2-3-4)	1,176,992,888
6.	10% legal reserve (=5*10%)	(117,699,289)
7.	Special reserve	(38,409,455)
8.	Distributable net profit(=1+5-6-7)	2,060,323,359
9.	Earnings distribution (NT\$0.9 per share)	(1,275,246,530)
10.	Un-appropriated earnings after distribution(=8-9)	785,076,829

2. The distribution of 2021 dividends composes of 2021 surplus earning in priority, and the undistributed profit from 1998 to 2020 in case 2021 surplus earning are insufficient to cover 2021 dividends.
3. After being approved at the annual General Shareholders' meeting (2022), 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 2021 profits.

Resolution

V. Matters for Discussion

1. Proposal to amend the provisions in the “Articles of Incorporation”

Board of Directors proposes:

Explanatory Notes:

1. To ensure a more flexible method for the convening of the company's shareholders' meeting, the company has revised the provisions, pursuant to the Article 172-2 Paragraph 1 of the Company Act, which is stipulated that the shareholders' meeting may be summoned by way of a video conference and other method announced by the central competent authority
2. The amended provisions are shown in the attached comparison table.
3. Please approve the proposal.

Resolution:

Section	Proposed Changes	Current Articles
Article 12	<p>Notices of General Shareholders' Meeting shall be in writing and delivered to the shareholders along with a public notice 30 days before the General Shareholders' Meeting and 15 days before the Extraordinary Shareholders' Meeting. The said notices shall specify the date, place and reasons for calling the shareholders' meeting. <u>The shareholders' meeting shall be held by video conference or other methods announced by the authority.</u></p>	<p>Notices of General Shareholders' Meeting shall be in writing and delivered to the shareholders along with a public notice 30 days before the General Shareholders' Meeting and 15 days before the Extraordinary Shareholders' Meeting. The said notices shall specify the date, place and reasons for calling the shareholders' meeting.</p>
Article 30	<p>These Articles of Incorporation were drafted on August 2, 1967, and came into effect following its approval by a resolution of the General Shareholders' Meeting and the competent authorities. Amendments shall take effect following their approval at the Shareholders' Meetings.</p> <p>(Omitted)</p> <p><u>Forty-ninth amendment of June 24, 2022</u></p>	<p>These Articles of Incorporation were drafted on August 2, 1967, and came into effect following its approval by a resolution of the General Shareholders' Meeting and the competent authorities. Amendments shall take effect following their approval at the Shareholders' Meetings.</p> <p>(Omitted)</p> <p><u>Forty-eighth amendment of June 24, 2020</u></p>

2. Proposal to amend the provisions of the “Rules of Procedure of Stockholders Meeting”.

Board of Directors proposes:

Explanatory Notes:

1. In order to comply with the operation and refer to “Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings” announced by Taiwan Stock Exchange Corporation on March 8, 2022, it is proposed to amend the certain provisions of “Rules of Procedure of Stockholders Meeting”.
2. The amended provisions are shown in the attached comparison table.
3. Please approve the proposed resolutions.

Resolution:

Section	Proposed Changes	Current Articles
Article 2	<p>The location for stockholders' meeting shall be the Company's place of business or a place convenient for attendance by stockholders (or by proxies) that is suitable to holding of this meeting. The meeting shall be held between 9:00AM and 3:00PM.</p> <p><u>Changes to how this Corporation convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice.</u></p> <p>This Corporation shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention. The time during which shareholder attendance registrations will be accepted shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. <u>For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.</u></p> <p>The Company at a stockholders' meeting shall adopt the electronic transmission as one of the methods for exercising the voting power. The method for exercising the voting power shall be described in the shareholders' meeting notice to be given to the</p>	<p>The location for stockholders' meeting shall be the Company's place of business or a place convenient for attendance by stockholders (or by proxies) that is suitable to holding of this meeting. The meeting shall be held between 9:00AM and 3:00PM.</p> <p>This Corporation shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention. The time during which shareholder attendance registrations will be accepted shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.</p> <p>The Company at a stockholders' meeting shall adopt the electronic transmission as one of the methods for exercising the voting power. The method for exercising the voting power shall be described in the shareholders' meeting notice to be given to the shareholders. A shareholder who</p>

	<p>shareholders. A shareholder who exercises his/her/its voting power at a shareholders meeting by way of electronic transmission shall be deemed to have attended the said shareholders' meeting in person. <u>When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting on-site or online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.</u></p> <p>Shareholders (or by proxies) shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification. The stockholders (or proxies) when attending the meeting shall wear admission badge and hand in signed attendance form.</p> <p><u>Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.</u></p> <p>The Company may appoint lawyers, accountants or related personnel to attend the stockholders' meeting.</p>	<p>exercises his/her/its voting power at a shareholders meeting by way of electronic transmission shall be deemed to have attended the said shareholders' meeting in person, but shall be deemed to have waived his/her/its voting power in respect of any extemporary motion(s) and/or the amendment(s) and/or substitute to the contents of the original proposal(s) at the said shareholders' meeting.</p> <p>Shareholders (or by proxies) shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification. The stockholders (or proxies) when attending the meeting shall wear admission badge and hand in signed attendance form.</p> <p><u>The attendance to a shareholders' meeting shall be determined subject to shares. The present shares shall be calculated based on the attendance cards as furnished, in addition to the shares exercising voting right in electronic form.</u></p> <p>The Company may appoint lawyers, accountants or related personnel to attend the stockholders' meeting.</p> <p>The personnel in charge of</p>
--	--	--

	<p>The personnel in charge of handling the affairs of the meeting shall wear identification badge or armband.</p> <p>For a stockholders' meeting convened by the board of directors, the chairman of the board of directors shall preside at the meeting. If the chairman of the board of directors is on leave or unable to exert the rights, the vice-chairman of the board of directors shall preside instead. If the position of vice-chairman is vacant or the vice-chairman is on leave or unable to exert the rights the chairman of the board of directors shall designate a director to preside at the meeting. If no director is so designated, the chairman of the meeting shall be elected by the board of directors from among themselves. When a director serves as chair, the director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair. For a stockholders' meeting convened by any other person having the convening right, he/she shall act as the chairman of that meeting; if there are two or more persons having the convening right, the chairman of the meeting shall be elected from among themselves.</p> <p>The complete processes of the meeting shall be recorded by voice and video recorders and all the records shall be kept by the Company for a minimum period of at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation. <u>Where a</u></p>	<p>handling the affairs of the meeting shall wear identification badge or armband.</p> <p>For a stockholders' meeting convened by the board of directors, the chairman of the board of directors shall preside at the meeting. If the chairman of the board of directors is on leave or unable to exert the rights, the vice-chairman of the board of directors shall preside instead. If the position of vice-chairman is vacant or the vice-chairman is on leave or unable to exert the rights the chairman of the board of directors shall designate a director to preside at the meeting. If no director is so designated, the chairman of the meeting shall be elected by the board of directors from among themselves. When a director serves as chair, the director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair. For a stockholders' meeting convened by any other person having the convening right, he/she shall act as the chairman of that meeting; if there are two or more persons having the convening right, the chairman of the meeting shall be elected from among themselves.</p> <p>The complete processes of the meeting shall be recorded by voice and video recorders and all the records shall be kept by the Company for a minimum period of at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.</p>
--	--	--

	<u>shareholders meeting is held online, this Corporation shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by this Corporation, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.</u>	
Article 8-1	<u>Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chairman declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in article 5, 7 and 8 do not apply.</u>	(New)
Article 11	<p><u>When this Corporation convenes a virtual shareholders meeting, after the chairman declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.</u></p> <p>In regards to the resolution of proposals, unless otherwise provided for in the relevant law and regulation or Company's articles of incorporation, resolution shall be passed by a majority of the voting rights represented by the stockholders (or proxies) attending the meeting.</p> <p><u>All ballots on proposals and elections shall be voted at once, and shall be counted at once.</u></p>	<p>In regards to the resolution of proposals, unless otherwise provided for in the relevant law and regulation or Company's articles of incorporation, resolution shall be passed by a majority of the voting rights represented by the stockholders (or proxies) attending the meeting.</p> <p>The proposal(s) should been put to vote. The Chairman can decide that the resolution of</p>

	<p><u>after the chairman announces the voting session ends.</u></p> <p>If there are amendments or substitute proposals for the same proposal, the sequence of which to be put to vote shall be decided by the chairperson. If one of the two proposals has been approved, the other proposal shall be deemed rejected without requirement to put it to vote.</p> <p>The results of voting and election shall be announced on the spot after the vote counting and be kept for records.</p> <p><u>In the event of a virtual shareholders meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chairman has announced the meeting adjourned.</u></p>	<p>proposal(s) should been put to vote one by one, or the resolution of proposals including the proposal to re-elect the directors and supervisors should been put to vote several times or one time with counting of votes by each proposal.</p> <p>If there are amendments or substitute proposals for the same proposal, the sequence of which to be put to vote shall be decided by the chairperson. If one of the two proposals has been approved, the other proposal shall be deemed rejected without requirement to put it to vote.</p> <p>The results of voting and election shall be announced on the spot after the vote counting and be kept for records.</p>
Article 13	<p><u>In the event of a virtual shareholders meeting, when declaring the meeting open, the chairman shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the</u></p>	

	<p><u>meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date.</u></p> <p><u>When encountering force majeure during the meeting, the chairman may decide to suspend the meeting and announce the time for the continuation of the meeting as appropriate.</u></p>	<p>The meeting shall be adjourned if encountering an air-raid alarm during the meeting. The meeting shall resume one hour after the alarm is lifted</p>
--	---	--

3. Proposal to amend the provisions of the “Election Procedures of Directors”.

Board of Directors proposes:

Explanatory Notes:

1. According to the company's operation practice and the reference example of the "Director Election Procedures of xxx Co., Ltd." issued by Taiwan Stock Exchange Co., Ltd., some provisions of the company's "Election Procedures of Board of Directors" are revised, as shown in the comparison attached.
2. Please approve the proposed resolutions.

Resolution:

Section	Proposed Changes	Current Articles
Article 3	<p>The election of <u>Board of Directors</u> shall be pursued according to the number of position required. The independent directors and non-independent directors shall be elected with the number of selectees calculated separately; those candidates receiving more voting rights shall be elected as Directors. If there are more than two candidates obtaining the same number of vote but the number of position offered is limited, a draw shall be made amongst the two candidates to determine. The chairperson shall conduct the drawing for the candidate who is absent.</p> <p>(The rest of article 3 is omitted.)</p>	<p>The election of <u>independent directors and non-independent directors</u> shall be pursued according to the number of position required. The independent directors and non-independent directors shall be elected at the same election with the number of selectees calculated separately; those candidates receiving more voting rights shall be elected as Directors. If there are more than two candidates obtaining the same number of vote but the number of position offered is limited, a draw shall be made amongst the two candidates to determine. The chairperson shall conduct the drawing for the candidate who is absent.</p> <p>(The rest of article 3 is omitted.)</p>
Article 6	<p>If the candidate is a natural person, the voters shall fill out the ballot with the name of the candidate. If the candidate is the government or <u>institutional stockholder</u>, the ballot shall be filled out with the name of government or institution. If the <u>candidate is the representative of the government or institutional stockholder</u>, the names of the government or institutional stockholder and its representative both shall be filled out on the ballot.</p>	<p>If the candidate is a natural person with the stockholder status, the voters shall fill out the ballot with the name and stockholder number of the candidate. If the candidate is not of the stockholder status, the ballot shall be filled out with the name and international identification number or passport number of the candidate. If the candidate is the government or <u>juristic stockholder</u>, the ballot shall be filled out with the number, the name of government or juristic person and the representative name. If there are more than one representative, all the representative names shall be listed.</p>

Section	Proposed Changes	Current Articles
Article 7	<p>The ballot shall be considered invalid in any of the following situations:</p> <ol style="list-style-type: none"> 1. Not the ballot provided under the rules herein 2. One ballot with more than two candidate names listed 3. Blank ballot 4. Ballot <u>with not only candidate's number of voting rights allocated but also with other writing</u> 5. Written characters blurred and not legible 6. Incorrect <u>candidate's name</u> on the ballot 7. <u>The total number of voting rights allocated by voters on the ballots exceeds the number of voting rights they hold.</u> 	<p>The ballot shall be considered invalid in any of the following situations:</p> <ol style="list-style-type: none"> 1. Not the ballot provided under the rules herein 2. One ballot with more than two candidate names listed 3. Blank ballot 4. Ballot <u>not filled out according to article 6 or ballot with unrelated writing to this election</u> 5. Written characters blurred and not legible 6. Incorrect <u>candidate information</u> on the ballot
Article 13	(Deleted)	The elected directors shall be given the election notification by the board of directors.
<u>Article 13</u>	<p><u>(Revised the Article No.)</u> The rules herein take effect after approval at the stockholders' meeting. The same apply for any amendments.</p>	<p>The rules herein take effect after approval at the stockholders' meeting. The same apply for any amendments.</p>

4. Proposal to amend the provisions of the Company's “Procedures For Acquisition And Disposition Of Assets”

Board of Directors proposes

Explanatory Notes:

In order to comply with the amendments of “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” announced by official letter No.1110380465 of the Financial Supervisory Commission (“FSC”) dated January 28, 2022. The Company’s “Procedures for Acquisition and Disposition of Assets” is revised, as shown in the comparison attached.

Resolution:

Section	Proposed Changes	Current Articles
Article 6	<p>(Omitted)</p> <p>2) Experts' opinions</p> <p>a) The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event first obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is twenty percent (20%) of the Company's paid-in capital or NT\$300 million or more, the Company shall also engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted price of securities that have an active market, or where otherwise provided by regulations of Competent Authorities.</p> <p>(The rest of article 6 is omitted.)</p>	<p>(Omitted)</p> <p>2) Experts' opinions</p> <p>a) The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event first obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is twenty percent (20%) of the Company's paid-in capital or NT\$300 million or more, the Company shall also engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF). This requirement does not apply, however, to publicly quoted price of securities that have an active market, or where otherwise provided by regulations of Competent Authorities.</p> <p>(The rest of article 6 is omitted.)</p>
Article 7	<p>(Omitted)</p> <p>2) Valuation reports</p> <p>In the case of real property, equipment or right-of-use assets</p>	<p>(Omitted)</p> <p>2) Valuation reports</p> <p>In the case of real property, equipment or right-of-use assets</p>

	<p>thereof acquired or disposed by the Company other than as a result of transactions with a domestic government agency, entrusted construction on the Company's own property, entrusted construction on land leased by the Company, or acquisition or disposition of equipment and facilities or right-of-use assets thereof for business operation purposes, where their transaction value is the amount equivalent to twenty per cent (20%) of the Company's paid-in capital or NT\$ 300 million or above, the Company shall firstly require professional appraiser prior to the date of occurrence of the event to furnish their valuation report (which report shall specify the matters set out in Appendix from the Regulations Governing the Acquisition and Disposal of Assets by Public Companies); furthermore, the following provisions shall be complied with:</p> <p>a)~ b) (Omitted)</p> <p>c) Where the appraisal prices from professional appraiser come under one of the following, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, accountants shall be required to provide their opinions in respect of the reasons for such discrepancy and the fairness of the transaction price:</p>	<p>thereof acquired or disposed by the Company other than as a result of transactions with a domestic government agency, entrusted construction on the Company's own property, entrusted construction on land leased by the Company, or acquisition or disposition of equipment and facilities or right-of-use assets thereof for business operation purposes, where their transaction value is the amount equivalent to twenty per cent (20%) of the Company's paid-in capital or NT\$ 300 million or above, the Company shall firstly require professional appraiser prior to the date of occurrence of the event to furnish their valuation report (which report shall specify the matters set out in Appendix from the Regulations Governing the Acquisition and Disposal of Assets by Public Companies); furthermore, the following provisions shall be complied with:</p> <p>a)~ b) (Omitted)</p> <p>c) Where the appraisal prices from professional appraiser come under one of the following, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, accountants shall be engaged to handle the matter pursuant to the provisions of Auditing Standards No. 20 promulgated by ARDF; furthermore the said accountants</p>
--	---	--

		shall be required to provide their opinions in respect of the reasons for such discrepancy and the fairness of the transaction price: (The rest of article 7 is omitted.)
Article 8	<p>Related Parties Transaction</p> <p>1) When a public company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the company's total assets, the company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of this Article. In deciding whether the other party to the transaction is a related party, in addition to the forms as provided by law, the Company shall also consider the substantive relationship.</p> <p>2) Evaluation and Procedures <u>a)</u> The Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of</p>	<p>Related Parties Transaction</p> <p>1) When a public company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the company's total assets, the company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of this Article. In deciding whether the other party to the transaction is a related party, in addition to the forms as provided by law, the Company shall also consider the substantive relationship.</p> <p>2) Evaluation and Procedures The Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's</p>

	<p>the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements etc., or subscription or repurchase of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Audit Committee and then by the board of directors :</p> <p><u>i)</u> The purpose, necessity and anticipated benefit of the acquisition or disposal of the asset.</p> <p><u>ii)</u> Reasons for transacting with related parties;</p> <p><u>iii)</u> With respect to the acquisition of real property or right-of-use assets thereof from a related party, information relating to the appraisal of the fairness of the proposed transaction conditions pursuant to items 3) a) and d) herein;</p> <p><u>iv)</u> Date and price of acquisition by the related party, party to the transaction and relationship between the said party and the Company and related party;</p> <p><u>v)</u> Forecast of monthly cash income within one (1) year from the date of the contract; furthermore evaluation shall be conducted in respect of the necessity of the transaction and</p>	<p>total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements etc., or subscription or repurchase of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Audit Committee and then by the board of directors :</p> <p><u>a)</u> The purpose, necessity and anticipated benefit of the acquisition or disposal of the asset.</p> <p><u>b)</u> Reasons for transacting with related parties;</p> <p><u>c)</u> With respect to the acquisition of real property or right-of-use assets thereof from a related party, information relating to the appraisal of the fairness of the proposed transaction conditions pursuant to items 3) a) and d) herein;</p> <p><u>d)</u> Date and price of acquisition by the related party, party to the transaction and relationship between the said party and the Company and related party;</p> <p><u>e)</u> Forecast of monthly cash income within one (1) year from the date of the contract; furthermore evaluation shall be conducted in respect of the necessity of the transaction and</p>
--	--	--

	<p>the fairness of the use of fund; and <u>vi) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the Article 8, paragraph 1 herein</u> <u>vii) Restrictions on this transaction and other key contractual issues.</u></p> <p><u>b) When a matter is submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</u></p> <p><u>c) If the Company or a subsidiary thereof that is not a domestic public company will have a transaction set out in paragraph 1 and the transaction amount will reach 10 percent or more of the public company's total assets, the Company shall submit the materials mentioned in paragraph 1 to the shareholders meeting for approval before the transaction contract may be entered into and any payment made. However, this restriction does not apply to transactions between the Company and its parent company or</u></p>	<p>the fairness of the use of fund; and <u>f) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the Article 8, paragraph 1 herein</u> <u>g) Restrictions on this transaction and other key contractual issues.</u></p> <p>When a matter is submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p>
--	---	--

	<u>subsidiaries or between its subsidiaries.</u> (The rest of article 8 is omitted.)	(The rest of article 8 is omitted.)
Article 9	<p>Acquisition or Disposition of Intangible Assets or its Right-of-use Asset or Club Membership</p> <p>1) Evaluation and Process</p> <p>a) Acquisition or disposition of club memberships shall be by way of suggestions in respect of transaction conditions and prices, taking into consideration fair market price, and compiled into analysis report. Where the transaction is NT\$ 3 million or below, the said analysis report shall be submitted to the General Manager for approval before submitting to the board of directors at the immediate following meeting for review. Where the transaction is above NT\$ 3 million, the approval of the board of directors shall be required before proceeding with the same.</p> <p>b) Acquisition or disposition of intangible assets or right-of-use assets thereof shall be by way of suggestions in respect of transaction conditions and prices, taking into consideration expert's valuation report or fair market price, and compiled into analysis reports, <u>and submitted to the General Manager. The procedure for determining the authorized amount shall be in accordance with Article 7, Sec. 3).</u></p>	<p>Acquisition or Disposition of Intangible Assets or its Right-of-use Asset or Club Membership</p> <p>1) Evaluation and Process</p> <p>a) Acquisition or disposition of club memberships shall be by way of suggestions in respect of transaction conditions and prices, taking into consideration fair market price, and compiled into analysis report. Where the transaction is NT\$ 3 million or below, the said analysis report shall be submitted to the General Manager for approval before submitting to the board of directors at the immediate following meeting for review. Where the transaction is above NT\$ 3 million, the approval of the board of directors shall be required before proceeding with the same.</p> <p>b) Acquisition or disposition of intangible assets or right-of-use assets thereof shall be by way of suggestions in respect of transaction conditions and prices, taking into consideration expert's valuation report or fair market price, and compiled into analysis reports. <u>Where the transaction is NT\$ 3 million or below, the said analysis report shall be submitted to the General Manager for approval before submitting to the board of directors at the immediate following meeting for review. Where the transaction is above NT\$ 3 million, the approval</u></p>

	<p>2) Expert's Valuation Report</p> <p>a) Expert's valuation report shall be required in the case of acquisition or disposition of intangible assets or its right-of-use asset or club membership.</p> <p>b) Where the transaction amount for acquisition or disposition of intangible assets or its right-of-use asset or club membership exceeds twenty per cent (20%) of the Company's paid-in capital or NT\$300 million, except in transaction with a government agency, accountants shall, prior to the date of occurrence of the event, be engaged to provide an opinion with respect to the fairness of the transaction price.</p> <p>(The rest of article 9 is omitted.)</p>	<p>of the board of directors shall be required before proceeding with the same.</p> <p>2) Expert's Valuation Report</p> <p>a) Expert's valuation report shall be required in the case of acquisition or disposition of intangible assets or its right-of-use asset or club membership.</p> <p>b) Where the transaction amount for acquisition or disposition of intangible assets or its right-of-use asset or club membership exceeds twenty per cent (20%) of the Company's paid-in capital or NT\$300 million, except in transaction with a government agency, accountants shall, prior to the date of occurrence of the event, be engaged to provide an opinion with respect to the fairness of the transaction price; the said accountants shall undertake the same in conformity with Auditing Standards No. 20 promulgated by the ARDF.</p> <p>(The rest of article 9 is omitted.)</p>
Article 9-1	<p>The calculation of transaction amount refer to Article 6, Article 7, Article 8-1) and Article 9 shall be done in accordance with Article 12-1) g) herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction.</p> <p>Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.</p> <p>The calculation of transaction amount</p>	<p>The calculation of transaction amount refer to Article 6, Article 7, Article 8-1) and Article 9 shall be done in accordance with Article 12-1) g) herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction.</p> <p>Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.</p> <p>The calculation of transaction amount</p>

	<p>refer to Article 8-2) shall be done in accordance with Article 12-1) g) herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the <u>Shareholders Meeting or Audit Committee</u> and then by the board of directors need not be counted toward the transaction amount.</p>	<p>refer to Article 8-2) shall be done in accordance with Article 12-1) g) herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the Audit Committee and then by the board of directors need not be counted toward the transaction amount.</p>
Article 12	<p>Procedure for Public Disclosure of Information</p> <p>1) Items to be publicly disclosed and standard for public disclosure and report</p> <p>a)~e) (Omitted)</p> <p>f) Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution or investments in the mainland China area, where their transaction amounts reach twenty per cent (20%) of the Company's paid-in capital or equal or greater than NT\$ 300 million, with the following exceptions:</p> <p>i) Sale and purchase of domestic government bonds <u>or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan</u></p> <p>ii) Sale and purchase of bonds with call or put options, or subscription or repurchase of money market funds issued by domestic securities investment trust enterprises.</p> <p>(The rest of article 12 is omitted.)</p>	<p>Procedure for Public Disclosure of Information</p> <p>1) Items to be publicly disclosed and standard for public disclosure and report</p> <p>a)~e) (Omitted)</p> <p>f) Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution or investments in the mainland China area, where their transaction amounts reach twenty per cent (20%) of the Company's paid-in capital or equal or greater than NT\$ 300 million, with the following exceptions:</p> <p>i) Sale and purchase of domestic government bonds</p> <p>ii) Sale and purchase of bonds with call or put options, or subscription or repurchase of money market funds issued by domestic securities investment trust enterprises.</p> <p>(The rest of article 12 is omitted.)</p>

5. Proposal to amend the provisions of the Company's "Procedures for Lending Capital to Others", and "Procedures for Endorsements and Guarantees".

Board of Directors proposes:

Explanatory Notes:

Pursuant to the "Q&A on Stipulation Governing Funding Loans and Endorsements and Guarantees of Public Listed Companies" issued by the Securities and Futures Bureau of the Financial Supervisory Commission on 24 December 2021, which revised the stipulated announcement standard for the new funding loans and endorsements and guarantees of public listed companies or their subsidiaries when the funding amounts reach certain criterion, and according to which the provisions of both Article 8 of the Company's "Procedures for Capital Lending to Others" and "Procedures for Endorsements and Guarantees" of the Company are amended in the comparison attached.

Procedures for Lending Capital to Others

Section	Proposed Changes	Current Articles
Article 8	<p>(Procedure for Public Notices and Announcement)</p> <p>The Company shall before the 10th day of each month publish and report the loans it and its subsidiaries extended and their balance amounts as of the end of last month.</p> <p>When limits of the Company's loans extended set below have occurred, the Company shall publish and report them within two days commencing immediately from the date of occurrence:</p> <p>1) The balance of any and all loans extended by the Company and its subsidiaries has reached 20% or more of the Latest Net Worth of the Company; or</p> <p>2) The balance of loans extended by the Company and its subsidiaries to an individual company has reached 10% of the Latest Net Worth of the Company; or</p> <p>3) Any additional loan extended by the Company or its subsidiary exceeds</p> <p>(The rest of article 8 is omitted.)</p>	<p>(Procedure for Public Notices and Announcement)</p> <p>The Company shall before the 10th day of each month publish and report the loans it and its subsidiaries extended and their balance amounts as of the end of last month.</p> <p>When limits of the Company's loans extended set below have occurred, the Company shall publish and report them within two days commencing immediately from the date of occurrence:</p> <p>1) The balance of any and all loans extended by the Company and its subsidiaries has reached 20% or more of the Latest Net Worth of the Company; or</p> <p>2) The balance of loans extended by the Company and its subsidiaries to an individual company has reached 10% of the Latest Net Worth of the Company; or</p> <p>3) Any additional individual loan extended by the Company or its subsidiary exceeds</p> <p>(The rest of article 8 is omitted.)</p>

Procedures for Endorsements and Guarantees

Section	Proposed Changes	Current Articles
Article 8	<p>The Company shall before the 10th day of each month publish and report the endorsements/ guarantees it and its subsidiaries provided and their balance amounts as of the end of last month. Where limits of the Company's endorsements/guarantees set below have occurred, the Company shall publish and report within two days commencing immediately from the date of occurrence:</p> <p>1) The aggregate balance of endorsements/guarantees provided by the Company and its subsidiaries has reached 50% or more of the Company's latest net worth; or</p> <p>2) The balance of endorsements/guarantees provided by the Company and its subsidiaries for an individual company has reached 20% or more of the Company's latest net worth; or</p> <p>3) The balance of endorsements/guarantees provided by the Company and its subsidiaries for an individual company has reached Ten Million New Taiwan Dollars (NT\$10,000,000) or more and the aggregate amount of all endorsements/guarantees, the booking value of any investment accounted for using equity method, and balance of loans to, such company has reached 30% of the Company's latest net worth; or</p> <p>4) The additional endorsement/guarantee provided by the Company or its subsidiary has reached Thirty Million New Taiwan Dollars (NT\$30,000,000) or more and has reached 5% or more of the Company's latest net worth.</p> <p>(The rest of article 8 is omitted.)</p>	<p>The Company shall before the 10th day of each month publish and report the endorsements/ guarantees it and its subsidiaries provided and their balance amounts as of the end of last month. Where limits of the Company's endorsements/guarantees set below have occurred, the Company shall publish and report within two days commencing immediately from the date of occurrence:</p> <p>1) The aggregate balance of endorsements/guarantees provided by the Company and its subsidiaries has reached 50% or more of the Company's latest net worth; or</p> <p>2) The balance of endorsements/guarantees provided by the Company and its subsidiaries for an individual company has reached 20% or more of the Company's latest net worth; or</p> <p>3) The balance of endorsements/guarantees provided by the Company and its subsidiaries for an individual company has reached Ten Million New Taiwan Dollars (NT\$10,000,000) or more and the aggregate amount of all endorsements/guarantees, the booking value of any investment accounted for using equity method, and balance of loans to, such company has reached 30% of the Company's latest net worth; or</p> <p>4) The additional individual endorsement/guarantee provided by the Company or its subsidiary has reached Thirty Million New Taiwan Dollars (NT\$30,000,000) or more and has reached 5% or more of the Company's latest net worth.</p> <p>(The rest of article 8 is omitted.)</p>

VI. Extemporaneous Motion

VII. Rules and Regulations

1. Articles of Incorporation of Far Eastern Department Stores Ltd.(the “Company”)

The latest amendment on June 24, 2020

Chapter 1 General Provisions

Article 1 The Company is duly incorporated under the provisions of the Company Law of the Republic of China, and shall be called: Far Eastern Department Stores Ltd.

Article 2 The Company's businesses are as follows :

1. General merchandise, silk nylon, cotton cloth, candies cookies, cans, entertainment appliances, hardware, furniture, decorations, hand-made local products, stationery, library appliances, CD/DVD, camera appliances, children toys (excluding gambling, porn game and air-soft gun) , shoe/ hat/ raining garment, medicine/medical equipment, cigarette /wine, rice/corn, salt, the import and export of beverage, clocks/watches/glasses/camera's business & maintenances, electronic business & maintenances, Children's entertainment playground/facility business (excluding gambling, porn game and play gun), restaurants, food courts, beverage stores, film developer shop, and advertisement business(permitted business);
2. To operate gourmet grocery market, fresh food business, frozen vegetable, frozen meat/fish, dry food, and all kinds of flavoring sources;
3. To operate all kinds of product distribution, product classification and storage business;
4. The import and sales of vendor machines and measurement devices;
5. Authorizing a construction companies to build , commercial buildings and residential buildings for leasing and selling;
6. The business of gold and jewelry;
7. The business of tape recorder, radar CD player, and lets and sales of film tape, and CD/DVD;
8. The sales, import and export business, and dealer business of vehicles and vehicles parts (for example, seats, vehicles refresher, wax, car accessories and etc.);
9. Vehicles repair and the operation and management of parking lot;
10. To operate gas station to supply gasoline, diesel fuel, the food and beverages in automatic vendor machine;
11. The business of art gallery and the deal of its works and antiques;
12. The business, repair, bidding and import and export business of all kind of wire and wireless telecom appliances;
13. The business of hair salon and various kinds of beauty services;
14. The entrusted management business of department stores and the stores in international and general tourist hotels;
15. The business of computer & telecom instrument/services;
16. JZ99030 photo shooting industry;
17. JZ99090 various kind services of festivities;
18. J701040 Leisure and entertaining activities;

- 19. F401161 the import of tobacco;
- 20. F401171 the import of liquor;
- 21. Except where permits are required, to run operations not forbidden or limited by laws and regulations.

- Article 3 The Corporation may provide guarantee in accordance to the regulations set out in the "Procedure for Endorsements and Guarantees"
- Article 4 Where the Company invests in other companies and becomes a shareholder with limited liability, its total investment may exceed 40% of its paid-up capital as stipulated under Article 13 of the Company Law, subject to approval of the Board of Directors.
- Article 5 The Company is incorporated in New Taipei City, the Republic of China; the Board of Directors may by resolution approve the establishment of domestic and international branches where it deems necessary.
- Article 6 The Company's Organization Chart should be adopted separately.

Chapter 2 Share Capital

- Article 7 The Company's total capital shall be Seventeen Billion and Five hundred Million New Taiwan Dollar (NT\$17,500,000,000) divided into 1,750,000,000 shares of NT\$10 each. The Board of Directors is authorized to issue the un-issued shares in separate trenches. Out of the above total capital amount, One Hundred Million New Taiwan Dollar (NT\$100,000,000) shall be divided into 10,000,000 shares of NT\$10 each, to be issued as warrants for employees to subscribe.
- Article 8 Shares issued by the Company are not required to be evidenced by share certificates, provided that they shall be recorded at the Securities Central Depository Enterprises.

The Company can issue special shares.

In the event of the Company merging with another company, matters relating to the merger need not be approved by way of a resolution of the special shareholders meeting.
- Article 9 Matters relating to the Company's shares shall be dealt with according to the provisions of "Regulations Governing Handling of Stock Affairs by Public Companies" and the relevant laws and regulations.
- Article 10 Registration of share transfer shall be closed within 60 days prior to General Shareholders' Meeting, or with 30 days prior to Extraordinary Shareholders' Meeting or within 5 days prior to the record date on which Company distributes the dividends or bonuses.

Chapter 3 Shareholders' Meeting

Article 11 The Shareholders' Meetings shall be General or Extraordinary Shareholders' Meetings. :

1. General Shareholders' Meeting shall be held once a year within 6 months of the end of the Company's financial year.
2. A Special Shareholders' meeting shall be convened in accordance with laws and regulations.

Article 12 Notices of General Shareholders' Meeting shall be in writing and delivered to the shareholders along with a public notice 30 days before the General Shareholders' Meeting and 15 days before the Extraordinary Shareholders' Meeting. The said notices shall specify the date, place and reasons for calling the shareholders' meeting.

Article 13 Unless otherwise stipulated by the Company Law, a quorum shall be present at the shareholders' meeting if shareholders representing more than half of the shares issued by the Company are in attendance and resolutions at the said assembly shall be passed if approved by a majority of the shareholders in attendance.

Article 14 Shareholders may by way of power of attorney appoint proxies to attend the said shareholders' meeting. Except for trust enterprises or share registration agencies approved by the securities management authorities, when one shareholder is entrusted by two or more shareholders, the voting right represented by the said shareholder shall not exceed 3% of the voting rights of total shares issued. Where it has so exceeded, the voting right in excess shall not be included.

Unless otherwise stipulated by the Company Law, attendance of shareholder's proxies shall be in accordance with the provisions of "Regulation Governing the Use of Proxies For Attendance of Shareholders' Meeting of Public Companies".

Article 15 Unless otherwise stipulated by the Company Law and the Articles of Incorporation, shareholders' meeting shall be conducted in accordance with the Company's regulations for shareholders' meeting.

Article 16 Minutes and resolutions of shareholders' meeting shall be recorded and signed by or affixed with the seal of the chairman of the meeting. The said minutes and resolutions shall specify the date and place of the shareholders' meeting, number of shares represented by the shareholders (or proxies) present at the meeting; number of voting rights represented; name of the chairman of the shareholders' meeting; resolutions and the manner in which they are passed. The said minutes and resolutions shall be kept, together with the register of shareholders' attendance and the proxies' powers of attorney, in compliance with the law.

Chapter 4 Directors and Managers

- Article 17 There shall be 5 to 9 Directors of the Company, who are elected and appointed from the persons with legal capacity at the shareholders' meeting. The total shares number of the registered shares of the Company held by all of the Directors shall be determined according to the provisions of "Rules and Review Procedures for Director and Supervisor Ownership Ratios at Public Companies".

Among the directors in the preceding paragraph have three independent directors.

In accordance with Article 192-1 of the Company Act, the Company shall adopt a candidate nomination system for election of the directors, and the shareholders shall elect the directors from among the nominees listed in the roster of candidates. Independent and non-independent directors shall be elected at the same time but on separate ballots.

- Article 17-1 Pursuant to Article 14-4 of the Securities and Exchange Act, the Company will establish an Audit Committee. The Audit Committee shall make up of the entire number of independent directors, is responsible of executing powers relegated to supervisors by the Company Act, Securities and Exchange Act and other laws and regulations.

The organizing members, exercise of powers and other matters to be abided by the Audit Committee shall follow related laws, regulations or rules or regulation of the Company. The organization regulations of the Audit Committee shall be adopted by the Board of Director.

- Article 18 The respective appointments of Directors are for a period of 3 years. They may be reappointed following their re-election.

- Article 19 The Board of Directors of the Company shall comprise the directors. A Chairman shall be elected from among the Director to represent the company. Where the Chairman has taken leave or is unable to perform his duties for any reasons, the Chairman shall appoint a Director to act on his behalf, failing which the Board of Directors shall nominate from among them a person to act on behalf of the Chairman of the Company.

- Article 20 Meetings of the Board of Directors, which shall be held quarterly, shall be convened by the Chairman. Unless otherwise stipulated by the Company Law, a quorum shall be present at the Board of Directors if it is attended by more than half of the Directors, and a resolution passed if approved by a majority of the Directors in attendance. The Chairman may, in case of emergency, convene meetings of the Board at any time.

When a Director is unable to personally attend the meeting of the Board of Directors, he may entrust another Director to represent him in accordance with law.

The notice of meeting of board of directors could be served by way of writing document, e-mail or fax.

- Article 21 (Deleted.)
- Article 22 The compensation of Directors shall be decided by the Shareholders' Meeting.
- Article 23 The Company shall have a General Manager and a number of Vice Presidents, Junior Vice Presidents and Managers. The appointment and dismissal of the above staff shall be by way of a majority at the meetings of the Board of Directors, subject to more than half of the Directors are in attendance of the said meetings.
- Article 24 The Chairman and the General Manager shall handle the daily affairs of the Company in compliance with the resolution of the Board of the Directors.

Chapter 5 Accounting

- Article 25 The Company's fiscal year shall commence on the First of January of each year, and ends on the Thirty-first of December of the same year. The final accounts are settled at the end of the Company's fiscal year.
- Article 26 The Board of Directors shall in accordance with law furnish various documents and statements and their reports shall be submitted for approval at the General Shareholders' Meeting.
- Article 27 If the Company profits for the year, the Company shall allocate from 2% to 3.5% of it for the employees' compensation, and the maximum of 2.5% of it for Directors' compensation. However, the company's accumulated losses shall reserve the amount of covering in advance. A company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation distributed in the form of shares or in cash, and the ratio, amount method and shares of actual distribution; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

Article 28 Apart from paying all its income taxes in the case where there are profits at the end of the year, the Company shall make up for accumulated losses in past years. Where there is still balance, 10% of the amount of the sum of the current after-tax net income and other item accounted to undistributed earnings shall be set aside by the Company as legal reserve. Subject to certain business conditions under which the Company may retain a portion, the Company may distribute to the shareholders the bonus which is the remainder based on shareholdings after deducting special reserve as required by law together with undistributed profits from previous years.

The distribution of dividends shall take into consideration the changes in the outlook for the Company's businesses, the lifespan of the various products or services that have an impact on future capital needs and taxation. Dividends shall be paid aimed at maintaining the stability of dividend distributions. Save for the purposes of improving the financial structure, reinvestments, production expansion or other capital expenditures in which capital is required, when distributing shareholders' dividend, the dividend payout ratio each fiscal year shall be no less than fifty percent (50%) of the final surplus which is the sum of after-tax profit of the fiscal year to withhold previous loss, if any, legal reserve and special reserve as required by law; the cash dividends shall not be less than 10% of bonus to the shareholders distributed in the same year.

Article 29 All matters not covered herein shall be undertaken in accordance with the Company Law of the Republic of China and the other relevant law and regulations.

Chapter 6 Supplementary Provisions

Article 30 These Articles of Incorporation were drafted on August 2, 1967, and came into effect following its approval by a resolution of the General Shareholders' Meeting and the competent authorities. Amendments shall take effect following their approval at the Shareholders' Meetings

First amendment on December 20, 1967;
Second amendment on October 2, 1968;
Third amendment on July 29, 1969;
Fourth amendment on August 26, 1969;
Fifth amendment on February 19, 1970;
Sixth amendment on June 26, 1970;
Seventh amendment on August 21, 1972;
Eighth amendment on March 30, 1973;
Ninth amendment on May 2, 1974;

Tenth amendment on May 30, 1975;
Eleventh amendment on April 19, 1976;
Twelfth amendment on March 25, 1977;
Thirteenth amendment on March 6, 1978;
Fourteenth amendment on April 6, 1979;
Fifteenth amendment on April 18, 1980;
Sixteenth amendment on April 9, 1981;
Seventeenth amendment on April 15, 1982;
Eighteenth amendment on November 29, 1982;
Nineteenth amendment on May 12, 1983;
Twentieth amendment on May 12, 1984;
Twenty-first amendment on May 6, 1985;
Twenty-second amendment on May 7, 1986;
Twenty-third amendment on April 30, 1987;
Twenty-fourth amendment on April 28, 1988;
Twenty-fifth amendment on April 29, 1989;
Twenty-sixth amendment on April 30, 1990;
Twenty-seventh amendment on May 2, 1991;
Twenty-eighth amendment on April 24, 1992;
Twenty-ninth amendment on April 30, 1993;
Thirtieth amendment on April 7, 1994;
Thirty-first amendment on April 15, 1995;
Thirty-second amendment on May 10, 1996;
Thirty-third amendment on May 9, 1997;
Thirty-fourth amendment on May 18, 1998;
Thirty-fifth amendment on May 12, 1999;
Thirty-sixth amendment on May 10, 2000;
Thirty-seventh amendment on May 9, 2001;
Thirty-eighth amendment on May 31, 2002;
Thirty-ninth amendment on June 10, 2003;
Fortieth amendment on June 2, 2006;
Forty-first amendment of June 9, 2010
Forty-Second amendment of June 23, 2011
Forty-third amendment of June 20, 2013
Forty-fourth amendment of June 20, 2014
Forty-fifth amendment of June 22, 2015
Forty-sixth amendment of June 17, 2016
Forty-seventh amendment of June 21, 2018
Forty-eighth amendment of June 24, 2020

*In case of any discrepancy between this English translation and the Chinese text of this document, the Chinese text shall prevail.

2. Rules of Procedure of Shareholders' Meeting for Far Eastern Department Stores Ltd (the "Company").

The latest amendment on June 24, 2020

- 1) The stockholders' meeting of the Company shall be held according to the rules herein.
- 2) The location for stockholders' meeting shall be the Company's place of business or a place convenient for attendance by stockholders (or by proxies) that is suitable to holding of this meeting. The meeting shall be held between 9:00AM and 3:00PM.

This Corporation shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention. The time during which shareholder attendance registrations will be accepted shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.

The Company at a stockholders' meeting shall adopt the electronic transmission as one of the methods for exercising the voting power. The method for exercising the voting power shall be described in the shareholders' meeting notice to be given to the shareholders. A shareholder who exercises his/her/its voting power at a shareholders meeting by way of electronic transmission shall be deemed to have attended the said shareholders' meeting in person, but shall be deemed to have waived his/her/its voting power in respect of any extemporaneous motion(s) and/or the amendment(s) and /or substitute to the contents of the original proposal(s) at the said shareholders' meeting.

Shareholders (or by proxies) shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification. The stockholders (or proxies) when attending the meeting shall wear admission badge and hand in signed attendance form.

The attendance to a shareholders' meeting shall be determined subject to shares. The present shares shall be calculated based on the attendance cards as furnished, in addition to the shares exercising voting right in electronic form.

The Company may appoint lawyers, accountants or related personnel to attend the stockholders' meeting.

The personnel in charge of handling the affairs of the meeting shall wear identification badge or armband.

For a stockholders' meeting convened by the board of directors, the chairman of the board of directors shall preside at the meeting. If the chairman of the board of directors is on leave or unable to exert the rights, the vice-chairman of the board of directors shall preside instead. If the position of vice-chairman is vacant or the vice-chairman is on leave or unable to exert the rights the chairman of the board of directors shall designate a director to preside at the meeting. If no director is so designated, the chairman of the meeting shall be elected by the board of directors from among themselves. When a director serves as chair, the director shall be one

who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair. For a stockholders' meeting convened by any other person having the convening right, he/she shall act as the chairman of that meeting; if there are two or more persons having the convening right, the chairman of the meeting shall be elected from among themselves.

The complete processes of the meeting shall be recorded by voice and video recorders and all the records shall be kept by the Company for a minimum period of at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

- 3) The chairperson shall announce starting of the meeting when the attending stockholders (or proxies) represent more than half of the total shares issued in public. The chairperson may announce postponement of meeting if the legal quorum is not present after the designated meeting time. Such postponement is limited to two times and the aggregated postponed time shall not exceed one hour. If quorum is still not present after two postponements but the attending stockholders (or proxies) represent more than one third of the total shares issued in public, tentative resolution/s may be passed with respect to ordinary resolution/s by a majority of those present. After proceeding with the aforesaid tentative resolutions, the chairperson may put the tentative resolutions for re-voting over the meeting if and when the shares represented by the attending stockholders (or proxies) reached the legal quorum.
- 4) If the stockholders' meeting is convened by the board of directors, the agenda shall be designated by the board of directors. The meeting shall proceed in accordance with the designated agenda and shall not be amended without resolutions. If the meeting is convened by person, other than the board of directors, having the convening right, the provision set out in the preceding paragraph shall apply mutatis mutandis. Except with stockholders' resolution, the chairperson shall not declare adjournment of the meeting before the first two matters set out in the agendas (including extemporary motions) are concluded. During the meeting, if the chairperson declares adjournment of the meeting in violation of the preceding rule, a new chairperson may be elected by a resolution passed by majority of the attending stockholders to continue the meeting. When the meeting is adjourned by resolution, the stockholders shall not elect another chairperson to continue the meeting at the same location or another venue.
- 5) The stockholders (or proxies) shall complete statement slip setting out the number of his/her attendance card, name and statement brief before speaking, and the chairperson will designate the order in which each person is to speak during the session. No statement will be considered to have been made if the stockholders (or proxies) merely complete the statement slip without speaking at the meeting. If there are any discrepancies between the content of the statement slip and the speech made, the statement to be adopted shall be the statement confirmed.
- 6) Any proposal for the agendas shall be submitted in written form. Except for the proposals set out in the agenda, any proposal by the stockholders (or proxies) to amend, substitute or to initiate extemporary motions with respect to the original proposal shall be seconded by other stockholders (or proxies). The same rule shall apply to any proposal to amend the agenda and motion to adjourn the meeting. The shares represented by the proponents and the seconders shall reach 100,000.

- 7) The explanation of proposal shall be limited to 5 minutes. The statement of inquiry and reply shall be limited to 3 minutes per person. The time may be extended for 3 minutes with the chairperson's permission. The chairperson may restrain stockholders (or proxies) from speaking if that stockholders (or proxies) speak overtime, speak beyond the allowed frequency or content of the speech is beyond the scope of the proposal. When a stockholder (or proxy) is speaking, other stockholder (or proxy) shall not interrupt without consent of the chairperson and the speaking stockholder (or proxy). Any disobedient of the preceding rule shall be prohibited by the chairperson.

Article 15 of this meeting rule shall apply if the disobedient do not follow the chairperson's instructions.

- 8) For the same proposal, each person shall not speak more than 2 times. When a juristic person is a stockholder, only one representative shall be appointed to attend the meeting, if more than two representatives were appointed to attend the meeting, only one representative is allowed to speak.
- 9) After speaking by the attending stockholder (or proxy), the chairperson may reply in person or assign relevant officer to reply. Over the proposal discussion, the chairperson may conclude the discussion in a timely manner and where necessary announce discussion is closed.
- 10) For proposal in which discussion has been concluded or closed, the chairperson shall submit it for voting. No discussion or voting shall proceed for matters unrelated to the proposals. The personnel responsible for overseeing and counting of the votes for resolutions shall be appointed by the chairperson with the consent of the stockholders (or proxies). The person responsible for vote overseeing shall be of the stockholder status.
- 11) In regards to the resolution of proposals, unless otherwise provided for in the relevant law and regulation or Company's articles of incorporation, resolution shall be passed by a majority of the voting rights represented by the stockholders (or proxies) attending the meeting.

The proposal(s) should been put to vote. The Chairman can decide that the resolution of proposal(s) should been put to vote one by one, or the resolution of proposals including the proposal to re-elect the directors should been put to vote several times or one time with counting of votes by each proposal.

If there are amendments or substitute proposals for the same proposal, the sequence of which to be put to vote shall be decided by the chairperson. If one of the two proposals has been approved, the other proposal shall be deemed rejected without requirement to put it to vote.

The results of voting and election shall be announced on the spot after the vote counting and be kept for records.

- 12) During the meeting, the chairperson may at his/her discretion declare time for break.
- 13) The meeting shall be adjourned if encountering an air-raid alarm during the meeting. The meeting shall resume one hour after the alarm is lifted.

- 14) The chairperson may maintain the meeting order by instructing the security guards. The security guards shall wear the armband for identification when helping maintaining the venue order.
- 15) The stockholders (or proxies) shall obey the instructions of the chairperson and security guards in terms of maintaining the order. The chairperson or security guards may exclude the persons disturbing the stockholders' meeting from the meeting.
- 16) For matters not governed by the rules specified herein, shall be governed according to Company Law, Stock Exchange Law and the other related laws and regulations.
- 17) The rules herein take effect after approval at the stockholders' meeting; the same apply for any amendments.

VIII. Appendices

1. Shareholding of Directors.

Book closure date (April 26th, 2022)

Book closure date (April 28th, 2022)

Title	Name	Representative	Shareholdings	Ratio of Shareholding (%)
Chairman	Douglas Tong Hsu	-	1,779,835	0.13
Directors	Ding Ding Management Consultant	Nancy Hsu	73,009	0.01
	Far Eastern New Century Corporation	Nicole Hsu	241,769,702	17.06
	U-Li Investment Company	Philby Lee	1,769,001	0.12
Independent Directors	Edward Yung Do Way		-	-
	Chien You Hsin		-	-
	Dong, Ding Yu		-	-
Total shares owned by all Directors			245,391,547	17.32
The total legal registered shares owned by all Directors			34,006,574	2.40

Note 1: The total issued and outstanding shares on the book closure date: 1,416,940,589 shares.

Note 2: The shareholding of all directors meet the minimum required combined shareholding.

Note 3: The shares held by each individual representative appointed are not counted in the calculation of the combined shareholding of all directors.

2. Impact of the stock dividend distribution on operating results, EPS and shareholders' return on investment.

Unit: NT \$

Item \ Year		2022 (Estimate)
Paid-in Capital (beginning of the year)		14,169,405,890
Stock & Cash Dividend Distribution	Cash Dividend (NT\$/per share)	0.90
	Stock Dividend from Retained Earnings	0.00
	Stock Dividend from Capital Surplus	0.00
Variance in Business Performance	Operating Income	Not applicable (note)
	% Change in Operating Income	
	Net Income	
	% Change in Net Income	
	Earnings Per Share	
	% Change in EPS	
	Average Return on Investment (%) (Reciprocal of Average P/E Ratio)	
Pro Forma EPS & P/E Ratio	If Retained Earnings Pro Forma Earnings Per Share Distributed in Cash Dividend	Pro Forma Earnings Per Share
		Pro Forma Average Yearly Return on Investment
	If Capital Surplus not Distributed in Stock Dividend	Pro Forma Earnings Per Share
		Pro Forma Average Yearly Return on Investment
	If Retained Earnings & Capital Surplus Distributed in Cash Dividend rather than Stock Dividend	Pro Forma Earnings Per Share
		Pro Forma Average Yearly Return on Investment

Note: * As we do not disclose our financial forecast information of 2022, in compliance with relevant Government regulations, there is no need to provide this information.