

FAR EASTERN DEPARTMENT STORES, LTD
CONSOLIDATED BALANCE SHEETS
March 31, 2013 AND 2012
(In thousands of New Taiwan Dollars, Except Par Value)

C o d e	Assets	2013/03/31		2012/12/31		2012/03/31		2012/01/01		C o d e	LIBILITIES AND STOCKHOLDERS' EQUITY	2013/03/31		2012/12/31		2012/03/31		2012/01/01	
		Amount	%	Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%	Amount	%
	CURRENT ASSETS										CURRENT LIABILITIES								
1100	Cash and cash equivalents	\$ 8,737,755	8	\$ 16,794,103	14	\$ 8,718,594	8	\$ 16,365,201	14	2100	Short-term borrowings	\$ 6,586,176	6	\$ 9,613,446	8	\$ 8,678,053	8	\$ 10,334,680	9
1110	Financial assets at fair value through profit or loss—current	384,979	-	361,327	-	322,195	-	303,286	-	2110	Short-term notes and bills payable	3,935,425	4	4,648,862	4	3,266,222	3	3,636,195	3
1125	Available-for-Sales financial Assets—current	525,377	1	511,192	1	494,649	1	471,920	1	2150	Notes payable	254,035	-	198,522	-	198,530	-	394,705	-
1147	Bond investments without active mark—current	753,153	1	1,008,193	1	365,642	-	531,768	1	2170	Accounts payable	14,009,242	13	18,687,359	16	11,186,570	11	17,673,048	16
1150	Notes receivable	14,445	-	31,195	-	2,696	-	40,469	-	2180	Notes and accounts payable to related parties	90,489	-	170,962	-	65,983	-	157,796	-
1170	Accounts receivable	1,460,966	1	1,470,752	1	993,323	1	1,242,025	1	2219	Other payables	6,670,996	6	8,439,193	7	8,000,004	8	10,138,084	9
1180	Accounts receivable due from related parties	45,243	-	50,977	-	37,932	-	101,458	-	2230	Current tax liabilities	616,341	1	563,223	1	1,138,257	1	1,152,903	1
1200	Other receivables	647,927	1	492,525	1	641,157	1	300,133	-	2250	Current provisions	16,351	-	16,351	-	-	-	-	-
1220	Current tax asset	300,005	-	291,016	-	267,695	-	273,675	-	2313	Unearned revenue-current	99,396	-	63,770	-	51,747	-	81,921	-
130X	Inventories	2,983,144	3	3,160,935	3	2,939,698	3	2,990,885	3	2310	Advance receipts	7,789,701	7	7,449,114	6	7,546,525	7	6,778,184	6
1429	Prepayments	838,470	1	846,206	1	933,460	1	976,100	1	2321	Bonds, current portion	3,664,524	4	1,200,000	1	-	-	-	-
1412	Prepayments for lease	319,038	-	318,565	-	318,800	-	319,201	-	2322	long-term borrowings, current portion of	800,000	1	1,600,000	2	6,667,778	6	3,020,717	3
1460	Non-current assets classified as held for sale	-	-	-	-	1,128,997	1	1,128,997	1	2399	Other current liability	171,769	-	168,630	-	282,960	-	303,732	-
1470	Other current assets	70,256	-	70,694	-	76,635	-	99,740	-	21XX	Total current liability	44,704,445	42	52,819,432	45	47,082,629	44	53,671,965	47
11XX	Total current assets	17,080,758	16	25,407,680	22	17,241,473	16	25,144,858	22		NON-CURRENT LIABILITIES								
	NON-CURRENT ASSETS									2530	Bonds payable	1,000,000	1	3,454,937	3	4,626,397	4	4,616,958	4
1510	Financial assets at fair value through profit or loss—non-current	1,015,610	1	1,013,913	1	1,008,485	1	1,006,635	1	2540	Long-term borrowings	22,786,003	21	21,992,207	19	16,667,113	16	18,490,187	16
1523	Available-for-sale financial assets—non-current	4,542,197	4	5,468,512	5	5,206,017	5	5,040,384	4	2550	Non-current provisions	30,280	-	30,213	-	30,010	-	29,943	-
1543	Financial assets carried at cost—non-current	723,099	1	718,583	1	676,423	1	680,253	-	2640	Accrued pension liabilities	542,293	1	545,253	-	453,178	1	461,198	1
1546	Bond investments without active mark—non-current	632,667	-	632,667	-	233,112	-	233,084	-	2570	Deferred tax liabilities	1,460,288	1	1,446,269	1	1,445,444	1	1,404,405	1
1550	Investments accounted for using equity method	8,901,867	8	8,811,079	7	8,802,209	8	8,733,465	8	2670	Other non-current liabilities	2,629,469	2	2,710,010	2	2,520,006	2	2,625,517	2
1600	Property, plant and equipment	52,645,025	49	52,946,768	45	52,163,175	49	51,862,701	45	25XX	Total non-current liabilities	28,448,333	26	30,178,889	25	25,742,148	24	27,628,208	24
1760	Investment property	2,077,811	2	2,089,416	2	994,772	1	1,002,323	1	2XXX	Total liabilities	73,152,778	68	82,998,321	70	72,824,777	68	81,300,173	71
1780	Intangible assets	7,715,352	7	7,711,555	6	7,694,676	7	7,697,855	7		EQUITY ATTRIBUTABLE TO OWNERS OF PARENT								
1840	Deferred tax assets	1,139,307	1	1,109,266	1	969,295	1	966,963	1	3110	Share capital								
1975	Prepaid pension costs	221,313	-	222,666	-	369,670	-	369,869	-	3200	Ordinary share	13,698,797	13	13,698,797	12	13,171,921	12	13,171,921	11
1985	Prepayments for long-term lease	9,746,710	9	9,837,349	8	10,130,967	9	10,225,303	9	3200	Capital surplus:	3,498,174	3	3,498,174	3	3,498,174	3	3,498,174	3
1990	Other non-current assets	1,916,479	2	1,902,572	2	2,111,101	2	2,048,808	2		Retained earnings								
15XX	Total non-current assets	91,277,437	84	92,464,346	78	90,359,902	84	89,867,643	78	3310	Legal reserve	2,189,631	2	2,189,631	2	1,975,319	2	1,975,319	2
										3320	Special reserve	1,931,285	2	1,931,285	1	1,931,285	1	1,931,285	1
										3350	Unappropriated earnings	3,856,424	3	3,086,960	3	4,343,846	5	3,705,232	4
										3300	Total retained earnings	7,977,340	7	7,207,876	6	8,250,450	8	7,611,836	7
										3400	Other equity interest	3,149,448	3	3,773,795	3	3,399,565	3	3,218,236	3
										3500	Treasury Shares	(97,110)	-	(97,110)	-	(97,110)	-	(97,110)	-
										31XX	Total equity attributable to owners of parent	28,226,649	26	28,081,532	24	28,223,000	26	27,403,057	24
										36XX	Non-controlling interests	6,978,768	6	6,792,173	6	6,553,598	6	6,309,271	5
										3XXX	Total equity	35,205,417	32	34,873,705	30	34,776,598	32	33,712,328	29
1XXX	Total	\$ 108,358,195	100	\$ 117,872,026	100	\$ 107,601,375	100	\$ 115,012,501	100	Total	\$ 108,358,195	100	\$ 117,872,026	100	\$ 107,601,375	100	\$ 115,012,501	100	

FAR EASTERN DEPARTMENT STORES, LTD.

Consolidated statement of comprehensive income

YEARS ENDED March 31, 2013 AND 2012

(In thousands of New Taiwan Dollars, Except Par Value)

Code		Year ended March 31			
		2013		2012	
		Amount	%	Amount	%
4000	REVENUES	\$ 11,497,214	100	\$ 11,675,135	100
5000	COSTS	<u>5,883,350</u>	<u>51</u>	<u>5,927,452</u>	<u>51</u>
5900	GROSS PROFIT	<u>5,613,864</u>	<u>49</u>	<u>5,747,683</u>	<u>49</u>
	OPERATING EXPENSES				
6100	Selling	326,600	3	338,709	3
6200	General and administrative	<u>4,540,088</u>	<u>39</u>	<u>4,417,189</u>	<u>37</u>
6000	Total operating expenses	<u>4,866,688</u>	<u>42</u>	<u>4,755,898</u>	<u>40</u>
6900	OPERATING INCOME	<u>747,176</u>	<u>7</u>	<u>991,785</u>	<u>9</u>
	NONOPERATING INCOME AND EXPENSES				
7100	Interest income	41,519	-	38,133	-
7020	Other gains and losses	482,883	4	73,769	-
7050	Finance costs	(155,671)	(1)	(153,894)	(1)
7060	Share of profit (loss) of associates accounted for using equity method	<u>16,543</u>	<u>-</u>	<u>86,149</u>	<u>1</u>
7000	Total Non-operating income and expenses	<u>385,274</u>	<u>3</u>	<u>44,157</u>	<u>-</u>
7900	INCOME BEFORE INCOME TAX	1,132,450	10	1,035,942	9

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Code		Year ended March 31			
		2013		2012	
		Amount	%	Amount	%
7950	INCOME TAX EXPENSE	<u>194,925</u>	<u>2</u>	<u>128,058</u>	<u>1</u>
8200	NET INCOME	<u>937,525</u>	<u>8</u>	<u>907,884</u>	<u>8</u>
	OTHER COMPREHENSIVE INCOME				
8310	Other comprehensive income, before tax, exchange differences on translation	66,523	1	(73,038)	(1)
8325	Other comprehensive income, before tax, available-for-sale financial assets	(590,102)	(5)	188,362	2
8370	Share of other comprehensive income of associates accounted for using equity method	(82,234)	(1)	41,062	-
8300	Total other comprehensive income, net	(605,813)	(5)	156,386	1
8500	COMPREHENSIVE INCOME	<u>\$ 331,712</u>	<u>3</u>	<u>\$ 1,064,270</u>	<u>9</u>
	NET INCOME ATTRIBUTED TO :				
8610	Owners of parent	\$ 769,464	7	\$ 638,614	6
8620	Non-controlling interests	<u>168,061</u>	<u>1</u>	<u>269,270</u>	<u>2</u>
8600		<u>\$ 937,525</u>	<u>8</u>	<u>\$ 907,884</u>	<u>8</u>
	CONPREHENSIVE INCOME CONTRIBUTED TO :				
8710	Owners of parent	\$ 145,117	1	\$ 819,943	7
8720	Non-controlling interests	<u>186,595</u>	<u>2</u>	<u>244,327</u>	<u>2</u>
8700		<u>\$ 331,712</u>	<u>3</u>	<u>\$ 1,064,270</u>	<u>9</u>
	EARNINGS PER SHARE				
9750	Basic	<u>\$ 0.56</u>		<u>\$ 0.47</u>	
9850	Diluted	<u>\$ 0.56</u>		<u>\$ 0.47</u>	

(Concluded)

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED March 31, 2013 AND 2012

(In thousands of New Taiwan Dollars)

C o d e		Year ended March 31	
		2013	2012
	CASH FLOWS FROM (USED IN)		
	OPERATING ACTIVITIES		
A00010	INCOME BEFORE INCOME TAX	\$ 1,132,450	\$ 1,035,942
A20000	Adjustments to reconcile profit(loss)		
A20100	Depreciation expense	721,020	635,148
A20200	Amortization expense	5,281	8,045
A20300	Reversal of impairment loss on trade receivables	(383)	(624)
A20400	Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(25,349)	(20,759)
A20900	Finance costs	155,671	153,894
A29900	Amortization of prepayments	3,480	3,512
A29900	Amortization of prepayments for lease	79,706	74,347
A29900	Reversing Unrealized purchase discounts and allowances	(23,000)	(33,071)
A29900	Reversing unearned revenue	(63,770)	(81,921)
A22300	Share of loss (profit) of associates accounted for using equity method	(16,543)	(86,149)
A21200	Interest income	(41,519)	(38,133)
A23800	Reversal of write-down of inventories	(5,725)	(13,552)
A22500	Loss (gain) on disposal of property, plant and equipment	4,214	1,988
A23100	Loss (gain) on disposal of Available-for-Sales financial asset, net	(379,826)	-
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	16,750	37,773
A31150	Accounts receivable	9,786	248,702
A31160	Notes and accounts receivable due from related parties -	5,734	63,526
A31180	Other receivable	(147,874)	(341,472)
A31200	Inventories	206,516	97,810
A31230	Prepayments	7,948	40,359
A31240	Other current assets	438	23,105
A31990	Prepaid pension costs	1,353	199

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C o d e		Year ended March 31	
		2013	2012
A32130	Notes payable	55,513	(196,175)
A32150	Accounts payable	(4,678,117)	(6,486,478)
A32160	Notes and accounts payable to related parties	(80,473)	(91,813)
A32180	Other payables	(527,925)	(1,027,357)
A32210	Advance receipts	429,787	825,856
A32210	Unearned revenue	99,396	51,747
A32240	Accrued pension liabilities	(2,960)	(8,020)
A32230	Other current liabilities	<u>3,139</u>	<u>(20,772)</u>
A33000	Cash inflow (outflow) generated from operations	(3,055,282)	(5,144,343)
A33300	Interests paid	(122,686)	(176,656)
A33100	Interests received	34,374	39,205
A33500	Income taxes refund (paid)	<u>(146,145)</u>	<u>(116,150)</u>
AAAA	Net cash flows from (used in) operating activities	<u>(3,289,739)</u>	<u>(5,397,944)</u>
	CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
B00400	Proceeds from disposal of available-for-sale financial assets	701,854	-
B00600	Decrease in bond investments without active market	255,040	166,098
B01800	Acquisition of investments accounted for using equity method	(90,000)	-
B02700	Acquisition of property, plant and equipment	(1,501,130)	(1,893,637)
B02800	Proceeds from disposal of property, plant and equipment	2,134	51
B04500	Acquisition of intangible assets	(8,799)	(5,204)
B06700	Increase in other non-current assets	<u>(17,599)</u>	<u>(65,929)</u>
BBBB	Net cash flows from (used in) investing activities	<u>(658,500)</u>	<u>(1,798,621)</u>
	Cash flows from (used in) financing activities		
C00100	Increase in short-term loans	10,423,437	17,687,979
C00200	Decrease in short-term loans	(13,551,116)	(19,294,116)
C00500	Increase in short-term notes and bills payable	3,495,559	1,750,938
C00600	Decrease in short-term notes and bills payable	(4,208,996)	(2,120,911)
C01600	Proceeds from long-term debt	14,093,796	17,686,667
C01700	Repayment of long-term debt	(14,100,000)	(15,862,680)

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		Year ended March 31	
		<u>2013</u>	<u>2012</u>
C04400	Decrease in other non-current liabilities	(80,541)	(105,511)
C04500	Dividends paid by parent company	(5)	(42)
C05800	Dividends paid by consolidated companies to non-controlling interests	(<u>197,462</u>)	(<u>205,958</u>)
CCCC	Net cash flows from (used in) financing activities	(<u>4,125,328</u>)	(<u>463,634</u>)
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>17,219</u>	<u>13,592</u>
EEEE	Net increase (decrease) in cash and cash equivalents	(<u>8,056,348</u>)	(<u>7,646,607</u>)
E00100	Cash and cash equivalents at beginning of period	<u>16,794,103</u>	<u>16,365,201</u>
E00200	Cash and cash equivalents at end of period	<u>\$ 8,737,755</u>	<u>\$ 8,718,594</u>

(Concluded)