

FAR EASTERN DEPARTMENT STORES, LTD  
CONSOLIDATED BALANCE SHEETS  
June 30, 2013, Dec. 31, 2012, June 30, 2012, and Jan. 1, 2012  
(In thousands of New Taiwan Dollars, Except Par Value)

C o d e	Assets	2013/6/30		2012/12/31		2012/6/30		2012/1/1	
		Amount	%	Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>									
1100	Cash and cash equivalents	\$ 8,184,635	8	\$ 16,794,103	14	\$ 9,841,445	9	\$ 16,365,201	14
1110	Financial assets at fair value through profit or loss								
	— current	372,908	-	361,327	-	356,937	-	303,286	-
1125	Available-for-Sales financial Assets—current	524,236	1	511,192	1	474,600	1	471,920	1
1147	Bond investments without active mark-current	355,678	-	1,008,193	1	2,815,114	3	531,768	1
1150	Notes receivable	13,774	-	31,195	-	39,971	-	40,469	-
1170	Accounts receivable	1,180,043	1	1,470,752	1	1,029,135	1	1,242,025	1
1180	Accounts receivable due from related parties	36,090	-	50,977	-	34,120	-	101,458	-
1200	Other receivables	1,688,730	2	492,525	1	471,435	-	300,133	-
1220	Current tax asset	522,039	-	291,016	-	267,623	-	273,675	-
130X	Inventories	2,603,699	2	3,160,935	3	2,549,365	2	2,990,885	3
1429	Prepayments	601,307	1	846,206	1	727,271	1	976,100	1
1412	Prepayments for lease	319,375	-	318,565	-	318,923	-	319,201	-
1460	Non-current assets classified as held for sale	-	-	-	-	-	-	1,128,997	1
1470	Other current assets	84,840	-	70,694	-	90,649	-	99,740	-
11XX	Total current assets	<u>16,487,354</u>	<u>15</u>	<u>25,407,680</u>	<u>22</u>	<u>19,016,588</u>	<u>17</u>	<u>25,144,858</u>	<u>22</u>
<b>NON-CURRENT ASSETS</b>									
1510	Financial assets at fair value—through profit or loss								
	— non-current	1,017,199	1	1,013,913	1	1,010,314	1	1,006,635	1
1523	Available-for-sale financial assets — non-current	4,652,078	4	5,468,512	5	5,254,399	5	5,040,384	4
1543	Financial assets carried at cost — non-current	776,313	1	718,583	1	803,601	1	680,253	-
1546	Bond investments without—active mark—								
	non-current	548,884	1	632,667	-	481,343	-	233,084	-
1550	Investments accounted for using equity method	9,052,068	8	8,811,079	7	8,775,827	8	8,733,465	8
1600	Property, plant and equipment	52,390,105	49	52,946,768	45	52,986,192	47	51,862,701	45
1760	Investment property	2,066,234	2	2,089,416	2	2,112,753	2	1,002,323	1
1780	Intangible assets	7,720,553	7	7,711,555	6	7,697,925	7	7,697,855	7
1840	Deferred tax assets	942,822	1	1,109,266	1	1,027,980	1	966,963	1
1975	Prepaid pension costs	219,960	-	222,666	-	369,470	-	369,869	-
1985	Prepayments for long-term lease	9,654,543	9	9,837,349	8	10,031,587	9	10,225,303	9
1990	Other non-current assets	2,025,663	2	1,902,572	2	2,027,110	2	2,048,808	2
15XX	Total non-current assets	<u>91,066,422</u>	<u>85</u>	<u>92,464,346</u>	<u>78</u>	<u>92,578,501</u>	<u>83</u>	<u>89,867,643</u>	<u>78</u>
1XXX	Total	<u>\$ 107,553,776</u>	<u>100</u>	<u>\$ 117,872,026</u>	<u>100</u>	<u>\$ 111,595,089</u>	<u>100</u>	<u>\$ 115,012,501</u>	<u>100</u>
<b>LIBILITIES AND STOCKHOLDERS' EQUITY</b>									
<b>CURRENT LIABILITIES</b>									
2100	Short-term borrowings	\$ 8,399,110	8	\$ 9,613,446	8	\$ 10,853,849	10	\$ 10,334,680	9
2110	Short-term notes and bills payable	3,691,579	4	4,648,862	4	4,813,635	4	3,636,195	3
2150	Notes payable	48,102	-	198,522	-	77,668	-	394,705	-
2170	Accounts payable	13,477,804	13	18,687,359	16	13,207,433	12	17,673,048	16
2180	Notes and accounts payable to related parties	82,141	-	170,962	-	84,814	-	157,796	-
2219	Other payables	7,961,984	7	8,439,193	7	9,940,101	9	10,138,084	9
2230	Current tax liabilities	178,836	-	563,223	1	608,029	1	1,152,903	1
2250	Current provisions	4,135	-	16,351	-	-	-	-	-
2313	Unearned revenue-current	86,065	-	63,770	-	50,241	-	81,921	-
2310	Advance receipts	7,518,615	7	7,449,114	6	7,178,657	6	6,778,184	6
2321	Bonds, current portion	3,674,149	3	1,200,000	1	-	-	-	-
2322	long-term borrowings, current portion	984,000	1	1,600,000	2	2,108,000	2	3,020,717	3
2399	Other current liability	223,738	-	168,630	-	168,578	-	303,732	-
21XX	Total current liability	<u>46,330,258</u>	<u>43</u>	<u>52,819,432</u>	<u>45</u>	<u>49,091,005</u>	<u>44</u>	<u>53,671,965</u>	<u>47</u>
<b>NON-CURRENT LIABILITIES</b>									
2530	Bonds payable	1,000,000	1	3,454,937	3	4,635,873	4	4,616,958	4
2540	Long-term borrowings	20,962,255	19	21,992,207	19	20,119,645	18	18,490,187	16
2550	Non-current provisions	30,348	-	30,213	-	30,078	-	29,943	-
2640	Accrued pension liabilities	538,383	1	545,253	-	449,823	1	461,198	1
2570	Deferred tax liabilities	1,463,643	1	1,446,269	1	1,427,612	1	1,404,405	1
2670	Other non-current liabilities	2,774,846	3	2,710,010	2	2,669,513	2	2,625,517	2
25XX	Total non-current liabilities	<u>26,769,475</u>	<u>25</u>	<u>30,178,889</u>	<u>25</u>	<u>29,332,544</u>	<u>26</u>	<u>27,628,208</u>	<u>24</u>
2XXX	Total liabilities	<u>73,099,733</u>	<u>68</u>	<u>82,998,321</u>	<u>70</u>	<u>78,423,549</u>	<u>70</u>	<u>81,300,173</u>	<u>71</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF PARENT</b>									
<b>Share capital</b>									
3110	Ordinary share	13,698,797	13	13,698,797	12	13,171,921	12	13,171,921	11
3150	Stock dividend to be distributed	410,964	-	-	-	526,876	-	-	-
3100	Total capital stock	<u>14,109,761</u>	<u>13</u>	<u>13,698,797</u>	<u>12</u>	<u>13,698,797</u>	<u>12</u>	<u>13,171,921</u>	<u>11</u>
3200	Capital surplus:	3,498,174	4	3,498,174	3	3,498,174	3	3,498,174	3
<b>Retained earnings</b>									
3310	Legal reserve	2,358,917	2	2,189,631	2	2,189,631	2	1,975,319	2
3320	Special reserve	1,931,285	2	1,931,285	2	1,931,285	2	1,931,285	2
3350	Unappropriated earnings	2,373,480	2	3,086,960	2	2,212,656	2	3,705,232	3
3300	Total retained earnings	<u>6,663,682</u>	<u>6</u>	<u>7,207,876</u>	<u>6</u>	<u>6,333,572</u>	<u>6</u>	<u>7,611,836</u>	<u>7</u>
3400	Other equity interest	3,371,766	3	3,773,795	3	3,463,871	3	3,218,236	3
3500	Treasury Shares	( 97,110 )	-	( 97,110 )	-	( 97,110 )	-	( 97,110 )	-
31XX	Total equity attributable to owners of parent	<u>27,546,273</u>	<u>26</u>	<u>28,081,532</u>	<u>24</u>	<u>26,897,304</u>	<u>24</u>	<u>27,403,057</u>	<u>24</u>
36XX	Non-controlling interests	<u>6,907,770</u>	<u>6</u>	<u>6,792,173</u>	<u>6</u>	<u>6,274,236</u>	<u>6</u>	<u>6,309,271</u>	<u>5</u>
3XXX	Total equity	<u>34,454,043</u>	<u>32</u>	<u>34,873,705</u>	<u>30</u>	<u>33,171,540</u>	<u>30</u>	<u>33,712,328</u>	<u>29</u>
Total		<u>\$ 107,553,776</u>	<u>100</u>	<u>\$ 117,872,026</u>	<u>100</u>	<u>\$ 111,595,089</u>	<u>100</u>	<u>\$ 115,012,501</u>	<u>100</u>

FAR EASTERN DEPARTMENT STORES, LTD

Consolidated statement of comprehensive income

From Apr. 1 to June 30, 2013 and 2012, and Year ended June 30, 2013 and 2012

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

C o d e		From Apr. 1 to June 30, 2013		From Apr. 1 to June 30, 2012		Year ended June 30, 2013		Year ended June 30, 2012	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	REVENUES	\$10,917,147	100	\$11,103,588	100	\$22,414,361	100	\$22,778,723	100
5000	COSTS	<u>5,597,241</u>	<u>51</u>	<u>5,800,012</u>	<u>52</u>	<u>11,480,591</u>	<u>51</u>	<u>11,727,464</u>	<u>51</u>
5900	GROSS PROFIT	<u>5,319,906</u>	<u>49</u>	<u>5,303,576</u>	<u>48</u>	<u>10,933,770</u>	<u>49</u>	<u>11,051,259</u>	<u>49</u>
	OPERATING EXPENSES								
6100	Selling	326,094	3	322,561	3	652,694	3	661,270	3
6200	General and administrative	<u>4,686,952</u>	<u>43</u>	<u>4,617,784</u>	<u>42</u>	<u>9,227,040</u>	<u>41</u>	<u>9,034,973</u>	<u>40</u>
6000	Total operating expenses	<u>5,013,046</u>	<u>46</u>	<u>4,940,345</u>	<u>45</u>	<u>9,879,734</u>	<u>44</u>	<u>9,696,243</u>	<u>43</u>
6900	OPERATING INCOME	<u>306,860</u>	<u>3</u>	<u>363,231</u>	<u>3</u>	<u>1,054,036</u>	<u>5</u>	<u>1,355,016</u>	<u>6</u>
	NONOPERATING INCOME AND EXPENSES								
7190	Other income	36,633	-	31,177	-	78,152	-	69,310	-
7020	Other gains and losses	114,310	1	1,129	-	597,193	3	74,898	-
7050	Finance costs	( 145,278 )	( 1 )	( 164,995 )	( 1 )	( 300,949 )	( 1 )	( 318,889 )	( 1 )
7060	Share of profit (loss) of associates accounted for using equity method	<u>113,249</u>	<u>1</u>	<u>1,301</u>	<u>-</u>	<u>129,792</u>	<u>-</u>	<u>87,450</u>	<u>-</u>
7000	Total Non-operating income and expenses	<u>118,914</u>	<u>1</u>	<u>( 131,388 )</u>	<u>( 1 )</u>	<u>504,188</u>	<u>2</u>	<u>( 87,231 )</u>	<u>( 1 )</u>
7900	INCOME BEFORE INCOME TAX	425,774	4	231,843	2	1,558,224	7	1,267,785	5
7950	INCOME TAX EXPENSE	<u>154,267</u>	<u>1</u>	<u>357,409</u>	<u>3</u>	<u>349,192</u>	<u>1</u>	<u>485,467</u>	<u>2</u>
8200	NET INCOME	<u>271,507</u>	<u>3</u>	<u>( 125,566 )</u>	<u>( 1 )</u>	<u>1,209,032</u>	<u>6</u>	<u>782,318</u>	<u>3</u>
	OTHER COMPREHENSIVE INCOME								
8310	Other comprehensive income, before tax, exchange differences on translation	36,287	-	15,441	-	102,810	-	( 57,597 )	-
8325	Other comprehensive income, before tax, available-for-sale financial assets	108,740	1	28,333	-	( 481,362 )	( 2 )	216,695	1
8370	Share of other comprehensive income of associates accounted for using equity method	<u>88,461</u>	<u>1</u>	<u>22,134</u>	<u>-</u>	<u>6,227</u>	<u>-</u>	<u>63,196</u>	<u>-</u>
8300	Total other comprehensive income, net	<u>233,488</u>	<u>2</u>	<u>65,908</u>	<u>-</u>	<u>( 372,325 )</u>	<u>( 2 )</u>	<u>222,294</u>	<u>1</u>
8500	COMPREHENSIVE INCOME	<u>\$ 504,995</u>	<u>5</u>	<u>( \$ 59,658 )</u>	<u>( 1 )</u>	<u>\$ 836,707</u>	<u>4</u>	<u>\$ 1,004,612</u>	<u>4</u>
	NET INCOME ATTRIBUTED TO :								
8610	Owners of parent	\$ 193,209	2	( \$ 72,810 )	( 1 )	\$ 962,673	4	\$ 565,804	2
8620	Non-controlling interests	<u>78,298</u>	<u>-</u>	<u>( 52,756 )</u>	<u>-</u>	<u>246,359</u>	<u>1</u>	<u>216,514</u>	<u>1</u>
8600		<u>\$ 271,507</u>	<u>2</u>	<u>( \$ 125,566 )</u>	<u>( 1 )</u>	<u>\$ 1,209,032</u>	<u>5</u>	<u>\$ 782,318</u>	<u>3</u>
	CONPREHENSIVE INCOME CONTRIBUTED TO :								
8710	Owners of parent	\$ 415,527	4	( \$ 8,504 )	-	\$ 560,644	3	\$ 811,439	3
8720	Non-controlling interests	<u>89,468</u>	<u>1</u>	<u>( 51,154 )</u>	<u>( 1 )</u>	<u>276,063</u>	<u>1</u>	<u>193,173</u>	<u>1</u>
8700		<u>\$ 504,995</u>	<u>5</u>	<u>( \$ 59,658 )</u>	<u>( 1 )</u>	<u>\$ 836,707</u>	<u>4</u>	<u>\$ 1,004,612</u>	<u>4</u>

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C o d e	From Apr. 1 to June 30, 2013		From Apr. 1 to June 30, 2012		Year ended June 30, 2013		Year ended June 30, 2012	
	Amount	%	Amount	%	Amount	%	Amount	%
	EARNINGS PER SHARE							
9750	Basic	<u>\$ 0.14</u>		<u>(\$ 0.05)</u>		<u>\$ 0.71</u>		<u>\$ 0.42</u>
9850	Diluted	<u>\$ 0.14</u>		<u>(\$ 0.05)</u>		<u>\$ 0.70</u>		<u>\$ 0.41</u>

(Concluded)

FAR EASTERN DEPARTMENT STORES, LTD.  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED June 30, 2013 AND 2012  
(In thousands of New Taiwan Dollars)

<u>C o d e</u>	CASH FLOWS FROM (USED IN)	Year ended June 30, 2013	Year ended June 30, 2012
	OPERATING ACTIVITIES		
A00010	INCOME BEFORE INCOME TAX	\$ 1,558,224	\$ 1,267,785
A20000	Adjustments to reconcile profit(loss)		
A20100	Depreciation expense	1,429,787	1,363,220
A20200	Amortization expense	11,677	17,096
A20300	Gain on reversal of losses on doubtful debts	( 2,735)	21,295
A20400	Net loss (gain) on financial assets or liabilities at fair value through profit or loss	( 14,867)	( 7,330)
A20900	Finance costs	300,949	318,889
A29900	Reversal of provisions	( 12,216)	-
A29900	Amortization of prepayments	6,962	6,987
A29900	Amortization of prepayments for lease	159,511	159,425
A29900	Reversing Unrealized purchase discounts and allowances	( 12,500)	( 23,591)
A29900	Reversing unearned revenue	( 63,770)	( 81,921)
A22300	Share of loss (profit) of associates accounted for using equity method	( 129,792)	( 87,450)
A21200	Interest income	( 71,419)	( 69,309)
A21300	Dividend income	( 6,733)	( 1)
A22500	Loss (gain) on disposal of property, plant and equipment	19,603	1,569
A23100	Loss (gain) on disposal of Available-for-Sales financial asset, net	( 379,826)	-
A30000	Net changes in operating assets and liabilities		
A31110	Financial assets held for trading	-	( 50,000)
A31130	Notes receivable	17,421	498
A31150	Accounts receivable	284,428	212,865
A31160	Notes and accounts receivable due from related parties	14,887	67,338
A31180	Other receivable	192,764	( 122,626)
A31200	Inventories	569,736	465,111
A31230	Prepayments	245,330	247,174
A31240	Other current assets	( 14,146)	9,091

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<u>C o d e</u>		<u>Year ended June 30, 2013</u>	<u>Year ended June 30, 2012</u>
A31990	Prepaid pension costs	2,706	399
A32130	Notes payable	( 150,420)	( 317,037)
A32150	Accounts payable	( 5,209,555)	( 4,465,615)
A32160	Notes and accounts payable to related parties	( 88,821)	( 72,982)
A32180	Other payables	( 441,549)	( 701,107)
A32210	Advance receipts	261,161	516,199
A32210	Unearned revenue	86,065	50,241
A32240	Accrued pension liabilities	( 6,870)	( 11,375)
A32230	Other current liabilities	<u>55,108</u>	<u>( 135,154)</u>
A33000	Cash inflow (outflow) generated from operations	( 1,388,900)	( 1,420,316)
A33300	Interests paid	( 235,615)	( 330,601)
A33100	Interests received	58,267	68,206
A33500	Income taxes refund (paid)	<u>( 770,985)</u>	<u>( 1,096,677)</u>
AAAA	Net cash flows from (used in) operating activities	<u>( 2,337,233)</u>	<u>( 2,779,388)</u>
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES			
B00400	Proceeds from disposal of available-for-sale financial assets	701,854	-
B00600	Decrease (increase) in bond investments without active market	736,298	( 2,531,605)
B01200	Acquisition of financial assets carried at cost	( 50,000)	( 126,000)
B01800	Acquisition of investments accounted for using equity method	( 90,000)	-
B02700	Acquisition of property, plant and equipment	( 2,085,309)	( 3,292,470)
B02800	Proceeds from disposal of property, plant and equipment	3,411	363
B04100	Decrease (increase) in other receivable	( 1,254,324)	-
B04500	Acquisition of intangible assets	( 19,612)	( 17,635)
B05400	Acquisition of Investment Property	-	( 18,399)
B06700	Increase in other non-current assets	( 131,626)	( 66,812)
B07600	Dividends received	<u>1</u>	<u>1</u>
BBBB	Net cash flows from (used in) investing activities	<u>( 2,189,307)</u>	<u>( 6,052,557)</u>
Cash flows from (used in) financing activities			
C00100	Increase in short-term loans	25,901,114	35,474,840
C00200	Decrease in short-term loans	( 27,191,932)	( 34,919,234)

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<u>C o d e</u>		<u>Year ended June 30, 2013</u>	<u>Year ended June 30, 2012</u>
C00500	Increase in short-term notes and bills payable	11,914,066	8,255,898
C00600	Decrease in short-term notes and bills payable	( 12,871,349)	( 7,078,458)
C01600	Proceeds from long-term debt	19,950,000	33,644,858
C01700	Repayment of long-term debt	( 21,595,952)	( 32,928,117)
C04400	Decrease in other non-current liabilities	59,992	43,996
C04500	Dividends paid by parent company	( 5)	( 42)
C05800	Dividends paid by consolidated companies to non-controlling interests	( <u>197,462</u> )	( <u>207,531</u> )
CCCC	Net cash flows from (used in) financing activities	( <u>4,031,528</u> )	<u>2,286,210</u>
DDDD	Effect of exchange rate changes on cash and cash equivalents	( <u>51,400</u> )	<u>21,979</u>
EEEE	Net increase (decrease) in cash and cash equivalents	( <u>8,609,468</u> )	( <u>6,523,756</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>\$ 8,184,635</u>	<u>\$ 9,841,445</u>

(Concluded)