

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

C o d e	Assets	2013/9/30		2012/12/31		2012/9/30		2012/1/1	
		Amount	%	Amount	%	Amount	%	Amount	%
	<b>CURRENT LIABILITIES</b>								
1100	Cash and cash equivalents	\$ 6,672,860	6	\$ 16,794,103	14	\$ 10,806,141	10	\$ 16,365,201	14
1110	Financial assets at fair value through profit or loss								
	– current	1,393,671	1	361,327	-	363,748	-	303,286	-
1125	Available-for-Sales financial Assets – current	539,361	1	511,192	1	508,013	1	471,920	1
1147	Bond investments without active market-current	174,306	-	1,008,193	1	1,866,896	2	531,768	1
1150	Notes receivable	20,598	-	31,195	-	46,200	-	40,469	-
1170	Accounts receivable	803,050	1	1,470,752	1	1,554,700	1	1,242,025	1
1180	Accounts receivable due from related parties	28,101	-	50,977	-	28,427	-	101,458	-
1200	Other receivables	1,616,599	2	492,525	1	367,282	-	300,133	-
1220	Current tax asset	471,792	-	291,016	-	270,348	-	273,675	-
130X	Inventories	3,090,340	3	3,160,935	3	3,349,333	3	2,990,885	3
1429	Prepayments	664,831	1	846,206	1	757,707	1	976,100	1
1412	Prepayments for lease	319,218	-	318,565	-	318,565	-	319,201	-
1460	Non-current assets classified as held for sale	-	-	-	-	-	-	1,128,997	1
1470	Other current assets	63,233	-	70,694	-	82,480	-	99,740	-
11XX	Total current assets	<u>15,857,960</u>	<u>15</u>	<u>25,407,680</u>	<u>22</u>	<u>20,319,840</u>	<u>18</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	-	-	1,013,913	1	1,012,127	1	1,006,635	1
1523	Available-for-sale financial assets – non-current	4,800,102	5	5,468,512	5	5,436,025	5	5,040,384	4
1543	Financial assets carried at cost – non-current	774,298	1	718,583	1	799,689	-	680,253	-
1546	Bond investments without – active market – non-current			632,667	-	617,444	-	233,084	-
1550	Investments accounted for using equity method	9,040,385	9	8,811,079	7	8,786,507	8	8,733,465	8
1600	Property, plant and equipment	52,266,179	49	52,946,768	45	52,784,507	47	51,862,701	45
1760	Investment property	2,054,657	2	2,089,416	2	2,101,066	2	1,002,323	1
1780	Intangible assets	7,714,854	7	7,711,555	6	7,693,985	7	7,697,855	7
1840	Deferred tax assets	934,384	1	1,109,266	1	1,038,626	1	966,963	1
1975	Prepaid pension costs	218,607	-	222,666	-	369,271	-	369,869	-
1985	Prepayments for long-term lease	9,557,645	9	9,837,349	8	9,932,580	9	10,225,303	9
1990	Other non-current assets	2,008,807	2	1,902,572	2	1,929,243	2	2,048,808	2
15XX	Total non-current assets	<u>89,891,814</u>	<u>85</u>	<u>92,464,346</u>	<u>78</u>	<u>92,501,070</u>	<u>82</u>	<u>89,867,643</u>	<u>78</u>
1XXX	Total	<u>\$ 105,749,774</u>	<u>100</u>	<u>\$ 117,872,026</u>	<u>100</u>	<u>\$ 112,820,910</u>	<u>100</u>	<u>\$ 115,012,501</u>	<u>100</u>
	<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>								
	<b>CURRENT LIABILITIES</b>								
2100	Short-term borrowings	\$ 7,672,350	7	\$ 9,613,446	8	\$ 9,973,441	9	\$ 10,334,680	9
2110	Short-term notes and bills payable	4,529,642	4	4,648,862	4	4,242,515	4	3,636,195	3
2150	Notes payable	60,331	-	198,522	-	53,356	-	394,705	-
2170	Accounts payable	12,163,313	12	18,687,359	16	13,586,603	12	17,673,048	16
2180	Notes and accounts payable to related parties	57,235	-	170,962	-	54,215	-	157,796	-
2219	Other payables	6,962,414	7	8,439,193	7	8,353,983	8	10,138,084	9
2230	Current tax liabilities	134,752	-	563,223	1	375,182	-	1,152,903	1
2250	Current provisions	4,135	-	16,351	-	16,351	-	-	-
2313	Unearned revenue-current	108,525	-	63,770	-	56,190	-	81,921	-
2310	Advance receipts	7,929,444	8	7,449,114	6	8,003,518	7	6,778,184	6
2321	Bonds, current portion	3,683,812	3	1,200,000	1	-	-	-	-
2322	long-term borrowings, current portion	684,000	1	1,600,000	2	5,988,000	5	3,020,717	3
2399	Other current liability	233,309	-	168,630	-	210,119	-	303,732	-
21XX	Total current liability	<u>44,223,262</u>	<u>42</u>	<u>52,819,432</u>	<u>45</u>	<u>50,913,473</u>	<u>45</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	4,645,387	4	4,616,958	4
2540	Long-term borrowings	20,562,569	19	21,992,207	19	18,857,782	17	18,490,187	16
2550	Non-current provisions	30,416	-	30,213	-	30,146	-	29,943	-
2640	Accrued pension liabilities	535,867	1	545,253	-	446,132	1	461,198	1
2570	Deferred tax liabilities	1,468,012	1	1,446,269	1	1,397,737	1	1,404,405	1
2670	Other non-current liabilities	2,794,843	3	2,710,010	2	2,682,202	2	2,625,517	2
25XX	Total non-current liabilities	<u>26,391,707</u>	<u>25</u>	<u>30,178,889</u>	<u>25</u>	<u>28,059,386</u>	<u>25</u>	<u>27,628,208</u>	<u>24</u>
2XXX	Total liabilities	<u>70,614,969</u>	<u>67</u>	<u>82,998,321</u>	<u>70</u>	<u>78,972,859</u>	<u>70</u>	<u>81,300,173</u>	<u>71</u>
	<b>EQUITY ATTRIBUTABLE TO OWNERS OF PARENT</b>								
	Share capital								
3110	Ordinary share	14,109,761	14	13,698,797	12	13,698,797	12	13,171,921	11
3200	Capital surplus:	3,498,174	3	3,498,174	3	3,498,174	3	3,498,174	3
	Retained earnings								
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	2,849,801	3	3,086,960	2	2,557,007	2	3,705,232	3
3300	Total retained earnings	7,140,003	7	7,207,876	6	6,677,923	6	7,611,836	7
3400	Other equity interest	3,501,665	3	3,773,795	3	3,738,615	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>28,152,493</u>	<u>27</u>	<u>28,081,532</u>	<u>24</u>	<u>27,516,399</u>	<u>24</u>	<u>27,403,057</u>	<u>24</u>
36XX	Non-controlling interests	<u>6,982,312</u>	<u>6</u>	<u>6,792,173</u>	<u>6</u>	<u>6,331,652</u>	<u>6</u>	<u>6,309,271</u>	<u>5</u>
3XXX	Total equity	<u>35,134,805</u>	<u>33</u>	<u>34,873,705</u>	<u>30</u>	<u>33,848,051</u>	<u>30</u>	<u>33,712,328</u>	<u>29</u>
Total		<u>\$ 105,749,774</u>	<u>100</u>	<u>\$ 117,872,026</u>	<u>100</u>	<u>\$ 112,820,910</u>	<u>100</u>	<u>\$ 115,012,501</u>	<u>100</u>

FAR EASTERN DEPARTMENT STORES, LTD  
Consolidated statement of comprehensive income  
From July 1 to Sep. 30, 2013 and 2012, and Year ended Sep. 30, 2013 and 2012  
(In thousands of New Taiwan Dollars, Except Par Value)

C o d e		From July 1 to Sep. 30, 2013		From July 1 to Sep. 30, 2012		Year ended Sep. 30, 2013		Year ended Sep. 30, 2012	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	REVENUES	\$10,655,124	100	\$10,925,685	100	\$33,069,485	100	\$33,704,408	100
5000	COSTS	<u>5,549,285</u>	<u>52</u>	<u>5,828,753</u>	<u>53</u>	<u>17,029,876</u>	<u>51</u>	<u>17,556,217</u>	<u>52</u>
5900	GROSS PROFIT	<u>5,105,839</u>	<u>48</u>	<u>5,096,932</u>	<u>47</u>	<u>16,039,609</u>	<u>49</u>	<u>16,148,191</u>	<u>48</u>
	OPERATING EXPENSES								
6100	Selling	231,338	2	217,494	2	884,032	3	878,764	3
6200	General and administrative	<u>4,731,821</u>	<u>45</u>	<u>4,770,995</u>	<u>44</u>	<u>13,958,861</u>	<u>42</u>	<u>13,805,968</u>	<u>41</u>
6000	Total operating expenses	<u>4,963,159</u>	<u>47</u>	<u>4,988,489</u>	<u>46</u>	<u>14,842,893</u>	<u>45</u>	<u>14,684,732</u>	<u>44</u>
6900	OPERATING INCOME	<u>142,680</u>	<u>1</u>	<u>108,443</u>	<u>1</u>	<u>1,196,716</u>	<u>4</u>	<u>1,463,459</u>	<u>4</u>
	NONOPERATING INCOME AND EXPENSES								
7190	Other income	253,315	3	376,606	4	331,467	1	445,916	1
7020	Other gains and losses	490,259	5	12,484	-	1,087,452	3	87,382	-
7050	Finance costs	( 89,527 )	( 1 )	( 172,639 )	( 2 )	( 390,476 )	( 1 )	( 491,528 )	( 1 )
7060	Share of profit (loss) of associates accounted for using equity method	<u>29,685</u>	<u>-</u>	<u>32,586</u>	<u>-</u>	<u>159,477</u>	<u>1</u>	<u>120,036</u>	<u>1</u>
7000	Total Non-operating income and expenses	<u>683,732</u>	<u>7</u>	<u>249,037</u>	<u>2</u>	<u>1,187,920</u>	<u>4</u>	<u>161,806</u>	<u>1</u>
7900	INCOME BEFORE INCOME TAX	826,412	8	357,480	3	2,384,636	8	1,625,265	5
7950	INCOME TAX EXPENSE	<u>271,170</u>	<u>3</u>	<u>( 59,596 )</u>	<u>( 1 )</u>	<u>620,362</u>	<u>2</u>	<u>425,871</u>	<u>1</u>
8200	NET INCOME	<u>555,242</u>	<u>5</u>	<u>417,076</u>	<u>4</u>	<u>1,764,274</u>	<u>6</u>	<u>1,199,394</u>	<u>4</u>
	OTHER COMPREHENSIVE INCOME								
8310	Other comprehensive income, before tax, exchange differences on translation	( 14,433 )	-	( 50,728 )	( 1 )	88,377	-	( 108,325 )	-
8325	Other comprehensive income, before tax, available-for-sale financial assets	163,149	1	215,039	2	( 318,213 )	( 1 )	431,734	1
8370	Share of other comprehensive income of associates accounted for using equity method	( 20,182 )	-	95,124	1	( 13,955 )	-	158,320	-
8300	Total other comprehensive income, net	<u>128,534</u>	<u>1</u>	<u>259,435</u>	<u>2</u>	<u>( 243,791 )</u>	<u>( 1 )</u>	<u>481,729</u>	<u>1</u>
8500	COMPREHENSIVE INCOME	<u>\$ 683,776</u>	<u>6</u>	<u>\$ 676,511</u>	<u>6</u>	<u>\$ 1,520,483</u>	<u>5</u>	<u>\$ 1,681,123</u>	<u>5</u>
	NET INCOME ATTRIBUTED TO :								
8610	Owners of parent	\$ 481,922	4	\$ 344,351	3	\$ 1,444,595	4	\$ 910,155	3
8620	Non-controlling interests	<u>73,320</u>	<u>1</u>	<u>72,725</u>	<u>1</u>	<u>319,679</u>	<u>1</u>	<u>289,239</u>	<u>1</u>
8600		<u>\$ 555,242</u>	<u>5</u>	<u>\$ 417,076</u>	<u>4</u>	<u>\$ 1,764,274</u>	<u>5</u>	<u>\$ 1,199,394</u>	<u>4</u>
	CONPREHENSIVE INCOME CONTRIBUTED TO :								
8710	Owners of parent	\$ 611,821	6	\$ 619,095	6	\$ 1,172,465	4	\$ 1,430,534	4
8720	Non-controlling interests	<u>71,955</u>	<u>-</u>	<u>57,416</u>	<u>-</u>	<u>348,018</u>	<u>1</u>	<u>250,589</u>	<u>1</u>
8700		<u>\$ 683,776</u>	<u>6</u>	<u>\$ 676,511</u>	<u>6</u>	<u>\$ 1,520,483</u>	<u>5</u>	<u>\$ 1,681,123</u>	<u>5</u>
	EARNINGS PER SHARE								
9750	Basic	<u>\$ 0.34</u>		<u>\$ 0.25</u>		<u>\$ 1.03</u>		<u>\$ 0.65</u>	
9850	Diluted	<u>\$ 0.34</u>		<u>\$ 0.25</u>		<u>\$ 1.03</u>		<u>\$ 0.65</u>	

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

<u>C o d e</u>		Year ended Sep. 30, 2013	Year ended Sep. 30, 2012
	CASH FLOWS FROM (USED IN)		
	OPERATING ACTIVITIES		
A00010	INCOME BEFORE INCOME TAX	\$ 2,384,636	\$ 1,625,265
A20000	Adjustments to reconcile profit(loss)		
A20100	Depreciation expense	2,215,480	2,138,741
A20200	Amortization expense	18,150	26,300
A20300	Gain on reversal of losses on doubtful debts	( 5,696)	21,697
A20400	Net loss (gain) on financial assets or liabilities at fair value through profit or loss	( 18,431)	( 15,954)
A20900	Finance costs	390,476	491,528
A23500	Impairment loss on financial assets	513	-
A29900	Reversal of provisions	( 12,216)	16,351
A29900	Amortization of prepayments	10,650	10,439
A29900	Amortization of prepayments for lease	239,344	239,141
A29900	Reversing unrealized purchase discounts and allowances	( 17,700)	( 18,800)
A29900	Reversing unearned revenue	( 63,770)	( 81,921)
A22300	Share of loss (profit) of associates accounted for using equity method	( 159,477)	( 120,036)
A21200	Interest income	( 97,217)	( 109,794)
A21300	Dividend income	( 234,250)	( 336,122)
A22500	Loss (gain) on disposal of property, plant and equipment, net	35,539	6,628
A22800	Loss (gain) on disposal of intangible assets	2,480	-
A23100	Loss (gain) on disposal of Available-for-Sales financial asset, net	( 379,826)	-
A23700	Loss for market price decline and obsolete and slow-moving inventories	38,228	32,193
A30000	Net changes in operating assets and liabilities		
A31110	Financial assets held for trading	-	( 50,000)
A31130	Notes receivable	10,597	( 5,731)
A31150	Accounts receivable	661,421	( 312,700)
A31160	Notes and accounts receivable due from related parties	22,876	73,031
A31180	Other receivable	147,744	( 61,869)

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<u>C o d e</u>		<u>Year ended Sep. 30, 2013</u>	<u>Year ended Sep. 30, 2012</u>
A31200	Inventories	50,067	( 371,841 )
A31230	Prepayments	181,169	216,785
A31240	Other current assets	7,461	17,260
A31990	Prepaid pension costs	4,059	598
A32130	Notes payable	( 138,191 )	( 341,349 )
A32150	Accounts payable	( 6,524,046 )	( 4,086,445 )
A32160	Notes and accounts payable to related parties	( 113,727 )	( 103,581 )
A32180	Other payables	( 1,528,462 )	( 458,650 )
A32210	Advance receipts	689,762	1,386,502
A32210	Unearned revenue	108,525	56,190
A32240	Accrued pension liabilities	( 9,387 )	( 15,066 )
A32230	Other current liabilities	<u>64,679</u>	<u>( 93,613 )</u>
A33000	Cash inflow (outflow) generated from operations	( 2,018,540 )	( 224,823 )
A33300	Interests paid	( 313,902 )	( 518,492 )
A33100	Interests received	93,064	98,132
A33200	Dividends received	99,117	58,745
A33500	Income taxes refund (paid)	( 1,017,207 )	( 1,325,687 )
AAAA	Net cash flows from (used in) operating activities	<u>( 3,157,468 )</u>	<u>( 1,912,125 )</u>
	CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
B01800	Acquisition of investments accounted for using equity method	( 147,899 )	-
B01200	Acquisition of financial assets carried at cost	( 50,000 )	( 126,000 )
B00600	Decrease (increase) in bond investments without active market	944,658	( 1,733,348 )
B00400	Proceeds from disposal of available-for-sale financial assets	701,854	-
B01300	Proceeds from disposal of financial assets at cost	-	261
B02100	Decrease in prepayments for long-term investment	-	67,336
B02700	Acquisition of property, plant and equipment	( 2,676,942 )	( 4,420,133 )
B02800	Proceeds from disposal of property, plant and equipment	3,581	960
B04100	Decrease (increase) in other receivable	( 1,237,779 )	-
B04500	Acquisition of intangible assets	( 22,954 )	( 23,416 )
B05400	Acquisition of investment property	-	( 18,399 )
B06700	Decrease (increase) in other non-current assets	( 117,821 )	41,416
B07600	Dividends received	<u>222,969</u>	<u>330,930</u>
BBBB	Net cash flows from (used in) investing activities	<u>( 2,380,333 )</u>	<u>( 5,880,393 )</u>
	Cash flows from (used in) financing activities		

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( Continued )

<u>C o d e</u>		<u>Year ended Sep. 30, 2013</u>	<u>Year ended Sep. 30, 2012</u>
C00100	Increase in short-term loans	39,767,771	52,184,037
C00200	Decrease in short-term loans	( 41,768,786 )	( 52,478,735 )
C00500	Increase in short-term notes and bills payable	19,771,211	21,853,869
C00600	Decrease in short-term notes and bills payable	( 19,890,431 )	( 21,247,549 )
C01600	Proceeds from long-term debt	39,204,362	54,200,595
C01700	Repayment of long-term debt	( 41,550,000 )	( 50,865,717 )
C04400	Increase in other non-current liabilities	84,834	56,685
C04500	Dividends paid by parent company	( 129 )	( 1,317,289 )
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>4,578,630</u> )	<u>2,178,365</u>
DDDD	Effect of exchange rate changes on cash and cash equivalents	( <u>4,812</u> )	<u>55,093</u>
EEEE	Net increase (decrease) in cash and cash equivalents	( <u>10,121,243</u> )	( <u>5,559,060</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>\$ 6,672,860</u>	<u>\$10,806,141</u>

(Concluded)