

FAR EASTERN DEPARTMENT STORES, LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

Mar. 31, 2014, Dec. 31, 2013, Mar. 31, 2013 and Jan. 1, 2013

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

Code	Assets	Mar. 31, 2014		Dec. 31, 2013		Mar. 31, 2013		Jan. 1, 2013	
		Amount	%	Amount	%	Amount	%	Amount	%
	ASSETS								
1100	Cash and cash equivalents	\$ 8,331,154	8	\$ 13,221,405	12	\$ 8,737,755	8	\$ 16,794,103	14
1110	Financial assets at fair value through profit or loss - current	231,577	-	239,974	-	384,979	-	361,327	-
1125	Available-for-sale financial assets - current	481,848	-	552,555	-	525,377	1	511,192	1
1147	Bond investments without active market-current	489,939	1	437,497	-	753,153	1	1,008,193	1
1150	Notes receivable	12,067	-	28,119	-	14,445	-	31,195	-
1170	Accounts receivable	676,516	1	766,445	1	1,460,966	1	1,470,752	1
1180	Accounts receivable due from related parties	64,296	-	57,302	-	45,243	-	50,977	-
1200	Other receivables	1,340,252	1	1,779,487	2	647,927	1	492,525	-
1220	Current tax assets	241,631	-	418,064	-	300,005	-	291,016	-
130X	Inventories	2,931,440	3	2,976,244	3	2,983,144	3	3,160,935	3
1429	Prepayments	989,520	1	771,167	1	838,470	1	846,206	1
1412	Prepayments for lease	319,710	-	319,489	-	319,038	-	318,565	-
1460	Noncurrent asset held for sale	382	-	377	-	-	-	-	-
1470	Other current assets	68,052	-	83,987	-	70,256	-	70,694	-
11XX	Total current assets	<u>16,178,384</u>	<u>15</u>	<u>21,652,112</u>	<u>19</u>	<u>17,080,758</u>	<u>16</u>	<u>25,407,680</u>	<u>21</u>
	NONCURRENT ASSETS								
1510	Financial assets at fair value through profit or loss - noncurrent	-	-	-	-	1,015,610	1	1,013,913	1
1523	Available-for-sale financial assets - noncurrent	4,843,068	5	4,986,339	4	4,542,197	4	5,468,512	5
1543	Financial assets measured at cost - noncurrent	777,974	1	776,374	1	723,099	1	718,583	1
1546	Bond investments without active market - non-current	521,897	-	521,897	1	632,667	-	632,667	-
1550	Investments accounted for by equity method	9,088,894	8	9,050,368	8	8,901,867	8	8,811,079	7
1600	Property, plant and equipment	52,231,317	49	52,166,888	46	52,645,025	48	52,946,768	45
1760	Investment properties	2,730,495	3	3,070,495	3	3,043,814	3	3,043,814	3
1780	Intangible assets	7,713,403	7	7,715,184	7	7,715,352	7	7,711,555	6
1840	Deferred tax assets	956,255	1	940,225	1	1,160,912	1	1,131,574	1
1975	Prepaid pension cost	220,962	-	222,285	-	221,313	-	222,666	-
1985	Long-term prepayments for lease	9,371,138	9	9,464,677	8	9,746,710	9	9,837,349	8
1990	Other noncurrent assets	1,949,863	2	1,920,123	2	1,916,479	2	1,902,572	2
15XX	Total noncurrent assets	<u>90,405,266</u>	<u>85</u>	<u>90,834,855</u>	<u>81</u>	<u>92,265,045</u>	<u>84</u>	<u>93,441,052</u>	<u>79</u>
1XXX	TOTAL	<u>\$ 106,583,650</u>	<u>100</u>	<u>\$ 112,486,967</u>	<u>100</u>	<u>\$ 109,345,803</u>	<u>100</u>	<u>\$ 118,848,732</u>	<u>100</u>
代 碼	LIABILITIES AND EQUITY								
	CURRENT LIABILITIES								
2100	Short-term debts	\$ 9,299,450	9	\$ 7,462,340	7	\$ 6,586,176	6	\$ 9,613,446	8
2110	Short-term notes and bills payable	3,606,794	4	3,047,306	3	3,935,425	4	4,648,862	4
2150	Notes payable	60,184	-	159,194	-	254,035	-	198,522	-
2170	Accounts payables	12,026,814	11	17,693,401	16	14,009,242	13	18,687,359	16
2180	Notes and accounts payable to related parties	56,744	-	151,909	-	90,489	-	170,962	-
2219	Other payables	3,985,460	4	5,252,331	5	6,670,996	6	8,439,193	7
2230	Current tax liabilities	558,016	1	401,874	-	616,341	1	563,223	1
2250	Provision-current	4,135	-	4,135	-	16,351	-	16,351	-
2313	Deferred revenue - current	152,911	-	101,136	-	99,396	-	63,770	-
2310	Advance receipts	8,769,939	8	7,720,500	7	7,789,701	7	7,449,114	6
2321	Bond issued - current portion	-	-	2,493,512	2	3,664,524	3	1,200,000	1
2322	Long-term borrowings - current portion	2,444,780	2	1,445,159	1	800,000	1	1,600,000	1
2399	Other current liabilities	213,849	-	252,891	-	171,769	-	168,630	-
21XX	Total current liabilities	<u>41,179,076</u>	<u>39</u>	<u>46,185,688</u>	<u>41</u>	<u>44,704,445</u>	<u>41</u>	<u>52,819,432</u>	<u>44</u>
	NONCURRENT LIABILITIES								
2530	Bonds issued	1,991,166	2	1,990,702	2	1,000,000	1	3,454,937	3
2540	Long-term borrowings	20,752,000	19	21,841,434	19	22,786,003	21	21,992,207	19
2550	Provision-noncurrent	31,013	-	30,483	-	30,280	-	30,213	-
2640	Accrued pension liabilities	545,458	1	547,479	1	542,293	1	545,253	1
2570	Deferred tax liabilities	1,604,259	1	1,608,841	1	1,563,500	1	1,549,219	1
2670	Other noncurrent liabilities	2,749,768	3	2,841,682	3	2,629,469	2	2,710,010	2
25XX	Total noncurrent liabilities	<u>27,673,664</u>	<u>26</u>	<u>28,860,621</u>	<u>26</u>	<u>28,551,545</u>	<u>26</u>	<u>30,281,839</u>	<u>26</u>
2XXX	Total liabilities	<u>68,852,740</u>	<u>65</u>	<u>75,046,309</u>	<u>67</u>	<u>73,255,990</u>	<u>67</u>	<u>83,101,271</u>	<u>70</u>
	EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY								
	Share Capital								
3110	Ordinary share	14,109,761	13	14,109,761	13	13,698,797	12	13,698,797	12
3200	Capital surplus	3,498,174	4	3,498,174	3	3,498,174	3	3,498,174	3
	Retained earnings								
3310	Legal reserve	2,358,917	2	2,358,917	2	2,189,631	2	2,189,631	2
3320	Special reserve	2,461,168	2	1,931,285	2	1,931,285	2	1,931,285	1
3350	Unappropriated earnings	3,952,002	4	4,095,216	3	4,374,792	4	3,596,568	3
3300	Total retained earnings	<u>8,772,087</u>	<u>8</u>	<u>8,385,418</u>	<u>7</u>	<u>8,495,708</u>	<u>8</u>	<u>7,717,484</u>	<u>6</u>
3400	Other equity	3,443,877	3	3,659,643	3	3,149,448	3	3,773,795	3
3500	Treasury stock	(97,110)	-	(97,110)	-	(97,110)	-	(97,110)	-
31XX	Total equity attributable to owners of the Company	<u>29,726,789</u>	<u>28</u>	<u>29,555,886</u>	<u>26</u>	<u>28,745,017</u>	<u>26</u>	<u>28,591,140</u>	<u>24</u>
36XX	NON-CONTROLLING INTERESTS	8,004,121	7	7,884,772	7	7,344,796	7	7,156,321	6
3XXX	Total equity	<u>37,730,910</u>	<u>35</u>	<u>37,440,658</u>	<u>33</u>	<u>36,089,813</u>	<u>33</u>	<u>35,747,461</u>	<u>30</u>
	TOTAL	<u>\$ 106,583,650</u>	<u>100</u>	<u>\$ 112,486,967</u>	<u>100</u>	<u>\$ 109,345,803</u>	<u>100</u>	<u>\$ 118,848,732</u>	<u>100</u>

FAR EASTERN DEPARTMENT STORES, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Year ended Mar. 31, 2014 and 2013

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

		2014 Year ended Mar. 31		2013 Year ended Mar. 31	
		Amount	%	Amount	%
4000	REVENUES	\$ 11,080,195	100	\$ 11,497,214	100
5000	COSTS	<u>5,428,772</u>	<u>49</u>	<u>5,877,391</u>	<u>51</u>
5900	GROSS PROFIT	<u>5,651,423</u>	<u>51</u>	<u>5,619,823</u>	<u>49</u>
OPERATING EXPENSES					
6100	Selling	349,672	3	326,600	3
6200	General and administrative	<u>4,505,766</u>	<u>41</u>	<u>4,534,442</u>	<u>39</u>
6000	Total operating expenses	<u>4,855,438</u>	<u>44</u>	<u>4,861,042</u>	<u>42</u>
6900	OPERATING INCOME	<u>795,985</u>	<u>7</u>	<u>758,781</u>	<u>7</u>
NONOPERATING INCOME AND EXPENSES					
7190	Other income	25,653	-	41,519	-
7020	Other gains and losses	32,358	1	482,883	4
7050	Finance costs	(112,046)	(1)	(155,671)	(1)
7060	Share of profit (loss) of associates accounted for using equity method	<u>27,884</u>	<u>-</u>	<u>16,543</u>	<u>-</u>
7000	Total Non-operating income and expenses	<u>(26,151)</u>	<u>-</u>	<u>385,274</u>	<u>3</u>
7900	INCOME BEFORE INCOME TAX	769,834	7	1,144,055	10

(Continued)

(Continued)

		2014		2013	
		Year ended Mar. 31		Year ended Mar. 31	
		Amount	%	Amount	%
7950	INCOME TAX EXPENSE	<u>268,402</u>	<u>2</u>	<u>195,890</u>	<u>2</u>
8200	NET INCOME	<u>501,432</u>	<u>5</u>	<u>948,165</u>	<u>8</u>
	OTHER COMPREHENSIVE INCOME				
8310	Other comprehensive income, before tax, exchange differences on translation	22,503	-	66,523	1
8325	Other comprehensive income, before tax, available-for-sale financial assets	(213,978)	(2)	(590,102)	(5)
8370	Share of other comprehensive income of associates accounted for using equity method	(<u>19,705</u>)	<u>-</u>	(<u>82,234</u>)	(<u>1</u>)
8300	Total other comprehensive income, net	(<u>211,180</u>)	(<u>2</u>)	(<u>605,813</u>)	(<u>5</u>)
8500	COMPREHENSIVE INCOME	<u>\$ 290,252</u>	<u>3</u>	<u>\$ 342,352</u>	<u>3</u>
	NET INCOME ATTRIBUTED TO :				
8610	Owners of parent	\$ 386,669	4	\$ 778,224	7
8620	Non-controlling interests	<u>114,763</u>	<u>1</u>	<u>169,941</u>	<u>1</u>
8600		<u>\$ 501,432</u>	<u>5</u>	<u>\$ 948,165</u>	<u>8</u>
	COMPREHENSIVE INCOME CONTRIBUTED TO :				
8710	Owners of parent	\$ 170,903	2	\$ 153,877	1
8720	Non-controlling interests	<u>119,349</u>	<u>1</u>	<u>188,475</u>	<u>2</u>
8700		<u>\$ 290,252</u>	<u>3</u>	<u>\$ 342,352</u>	<u>3</u>
	EARNINGS PER SHARE				
9750	Basic	<u>\$ 0.28</u>		<u>\$ 0.55</u>	
9850	Diluted	<u>\$ 0.27</u>		<u>\$ 0.55</u>	

(Concluded)

FAR EASTERN DEPARTMENT STORES, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

Year ended Mar. 31, 2014 and 2013

(In thousands of New Taiwan Dollars)

<u>C o d e</u>		<u>2014</u> <u>Year ended Mar. 31</u>	<u>2013</u> <u>Year ended Mar. 31</u>
	CASH FLOWS FROM (USED IN)		
	OPERATING ACTIVITIES		
A00010	INCOME BEFORE INCOME TAX	\$ 769,834	\$ 1,144,055
A20000	Adjustments		
A20100	Depreciation expense	729,416	709,415
A20200	Amortization of deferred charges	6,365	5,281
A20300	Gain on reversal of losses on doubtful debts	14	(383)
A20400	Net loss (gain) on financial assets or liabilities at fair value through profit or loss	2,594	(25,349)
A20900	Finance costs	112,046	155,671
A23500	Impairment loss on financial assets	514	-
A29900	Amortization of prepayments	3,519	3,480
A29900	Amortization of prepayments for lease	64,322	79,706
A29900	Reversal unrealized purchase discounts	(28,000)	(23,000)
A29900	Reversal of deferred revenue	(101,136)	(63,770)
A22300	Share of loss (profit) of associates accounted for using equity method	(27,884)	(16,543)
A21200	Interest income	(25,653)	(41,519)
A22500	Loss (gain) on disposal of property, plant and equipment, net	3,737	4,214
A23100	Gains on disposals of investments	-	(379,826)
A23800	Unrealized loss (gain) on physical inventory and slow-moving inventories	(4,526)	(5,725)
A30000	Net changes in operating assets and liabilities		
A31110	Financial assets held for trading	5,803	-
A31130	Notes receivable	16,052	16,750
A31150	Accounts receivable	89,915	9,786
A31160	Notes and accounts receivable due from related parties	(6,994)	5,734
A31180	Other receivable	129,574	(147,874)
A31200	Inventories	77,330	206,516
A31230	Prepayments	(218,774)	7,948

(Continued)

(Continued)

<u>C o d e</u>		<u>2014</u> <u>Year ended Mar. 31</u>	<u>2013</u> <u>Year ended Mar. 31</u>
A31240	Other current assets	15,935	438
A31990	Prepaid pension costs	1,323	1,353
A32130	Notes payable	(99,010)	55,513
A32150	Accounts payable	(5,666,587)	(4,678,117)
A32160	Notes and accounts payable to related parties	(95,165)	(80,473)
A32180	Other payables	(1,120,315)	(527,925)
A32210	Advance receipts	1,112,950	429,787
A32210	Deferred revenue	152,911	99,396
A32240	Accrued pension liabilities	(2,021)	(2,960)
A32230	Other current liabilities	(<u>39,042</u>)	(<u>3,139</u>)
A33000	Cash inflow (outflow) generated from operations	(4,140,953)	(3,055,282)
A33300	Interests paid	(122,095)	(122,686)
A33100	Interests received	41,684	34,374
A33500	Income tax returned	210,212	-
A33500	Income taxes paid	(<u>133,835</u>)	(<u>146,145</u>)
AAAA	Net cash flows from (used in) operating activities	(<u>4,144,987</u>)	(<u>3,289,739</u>)
	CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
B01800	Acquisition of investments accounted for using equity method	-	(90,000)
B00600	Decrease (increase) in bond investments without active market	(52,442)	255,040
B00400	Proceeds from disposal of available-for-sale financial assets	-	701,854
B02700	Acquisition of property, plant and equipment	(494,580)	(1,501,130)
B02800	Proceeds from disposal of property, plant and equipment	1	2,134
B04100	Decrease (increase) in other receivable	271,966	-
B04500	Acquisition of intangible assets	(4,303)	(8,799)
B06700	Decrease (increase) in other non-current assets	(<u>22,185</u>)	(<u>17,599</u>)
BBBB	Net cash flows from (used in) investing activities	(<u>301,543</u>)	(<u>658,500</u>)
	Cash flows from (used in) financing activities		
C00100	Increase in short-term loans	17,190,302	10,423,437
C00200	Decrease in short-term loans	(15,404,276)	(13,551,116)
C00500	Increase in short-term notes and bills payable	6,808,014	3,495,559
C00600	Decrease in short-term notes and bills payable	(6,248,526)	(4,208,996)
C01300	Repayments of bonds	(2,500,000)	-
C01600	Proceeds from long-term debt	11,505,346	14,093,796

(Continued)

(Continued)

<u>C o d e</u>		<u>2014</u> <u>Year ended Mar. 31</u>	<u>2013</u> <u>Year ended Mar. 31</u>
C01700	Repayment of long-term debt	(11,595,159)	(14,100,000)
C04300	Increase in other non-current liabilities	(91,914)	(80,541)
C04500	Dividends paid by parent company	-	(5)
C05800	Dividends paid to non-controlling interests	(<u>122,387</u>)	(<u>197,462</u>)
CCCC	Net cash flows from (used in) financing activities	(<u>458,600</u>)	(<u>4,125,328</u>)
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>14,879</u>	<u>17,219</u>
EEEE	Net increase (decrease) in cash and cash equivalents	(4,890,251)	(8,056,348)
E00100	Cash and cash equivalents at beginning of period	<u>13,221,405</u>	<u>16,794,103</u>
E00200	Cash and cash equivalents at end of period	<u>\$ 8,331,154</u>	<u>\$ 8,737,755</u>

(Concluded)