Far Eastern Department Stores, Ltd. and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2019 and 2018 and Independent Auditors' Report

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2019 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standards 10 “Consolidated Financial Statements.” Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we have not prepared a separate set of consolidated financial statements of affiliates.

Very truly yours,

FAR EASTERN DEPARTMENT STORES, LTD.

By

DOUGLAS HSU
Chairman

March 27, 2020

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, 2019 and 2018, 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, 2019 and 2018, 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, 2019. 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 matters identified in the Group's consolidated financial statements for the year ended December 31, 2019 are stated as follows:

Evaluation of Impairment Loss of Goodwill

As of December 31, 2019, the goodwill of the Group was NT$2,206,898 thousand, accounting for 2% of total consolidated assets. Under IAS 36, management must test impairment annually.

The goodwill of the Group mainly derives from the merger and acquisition of operating segments in mainland China. When testing goodwill for impairment, management should evaluate whether the recoverable amount is higher than the carrying amount. In determining the recoverable amount, management should estimate the future cash flows from operating segments in mainland China and determine the optimal discount rate. Significant assumptions involve both judgments made by management and material estimation uncertainty. Thus, the evaluation of impairment loss of goodwill is considered 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 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 external valuation specialists mandated by management. We verified the qualification of valuation specialists to ensure their objectivity and assignment were not influenced or restricted and we verified the methodology conducted conform to regulations.

2. We understood the process of management's estimation of the future sales growth rate and profit margin predicted by the operating segments in mainland China.

3. As a consideration for the assessment reliability for year 2020 and succeeding years, we compared the 2019 budget and the actual operating results of the operating segments in mainland China and evaluated the accuracy of management's historical forecast.

4. We confirmed the appropriateness of the discount rate used by management to assess goodwill impairment by using the same evaluation model to calculate the weighted average cost of capital ratio and whether the weighted average cost of capital used by management was significantly different.

<u>Fair Value Evaluation of Investment Properties</u>

As of December 31, 2019, the carrying amount of investment properties of NT$9,086,641 thousand, accounting for 7% of total consolidated assets, is material to the consolidated financial statements. The Group's investment properties are subsequently measured using the fair value model. The fair value evaluation involved management's significant accounting estimation and judgment. Therefore, the fair value evaluation of investment property is considered to be a key audit matter. Refer to Notes 4(i), 5(c) and 16 to the accompanying consolidated financial statements for the relevant detailed information.

The key audit procedures that we performed in respect of the fair value of investment properties are as follows:

1. We evaluated the expertise, competency and independence of external valuation specialists mandated by management. We verified the qualification of valuation specialists to ensure that their objectivity and assignment were not influenced or restricted and we verified the methodology conducted conform to regulations.

2. We reviewed significant lease contracts and compared relevant market rental prices to assess the reasonableness of future cash flow forecasts.

3. We assessed the reasonableness of the valuer's assumptions and methods used in the valuation.

Others 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, 2019 and 2018 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, 2019 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 audit resulting in this independent auditors' report are Shu-Chuan Yeh and Ming-Hsing Cho.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 27, 2020

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, 2019 AND 2018
(In Thousands of New Taiwan Dollars)

	2019		2018	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	$ 13,424,223	10	$ 14,594,847	14
Financial assets at fair value through profit or loss - current (Note 7)	457,256	1	437,747	-
Financial assets at fair value through other comprehensive income - current (Notes 8 and 33)	297,456	-	244,785	-
Financial assets at amortized cost - current (Notes 9 and 33)	1,443,974	1	2,077,919	2
Notes receivable (Note 10)	1,132	-	2,287	-
Trade receivables (Note 10)	744,436	1	1,582,273	2
Trade receivables from related parties (Notes 10 and 32)	161,935	-	155,942	-
Other receivables (Notes 10 and 32)	915,309	1	2,159,355	2
Current tax assets (Note 27)	10,812	-	5,655	-
Inventories (Note 11)	2,780,889	2	2,729,234	3
Prepayments (Notes 18 and 32)	398,558	-	977,014	1
Other current assets (Notes 19 and 32)	110,095	-	85,798	-
Total current assets	20,746,075	16	25,052,856	24
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 8 and 33)	5,030,564	4	3,960,014	4
Financial assets at amortized cost- non-current (Notes 9 and 33)	146,000	-	227,400	-
Investments accounted for using the equity method (Notes 13 and 33)	10,107,165	8	8,678,647	8
Property, plant and equipment (Notes 14, 32 and 33)	34,323,257	26	43,532,941	42
Right-of-use assets (Note 15)	44,764,810	34	-	-
Investment properties (Notes 16 and 33)	9,086,641	7	8,690,640	8
Intangible assets (Note 17)	2,477,815	2	3,449,258	3
Deferred tax assets (Note 27)	589,225	-	772,100	1
Net defined benefit assets (Note 23)	234,035	-	-	-
Long-term prepayments for lease (Notes 18 and 32)	1,060,658	1	7,704,464	8
Other non-current assets (Notes 19 and 32)	1,944,860	2	1,678,021	2
Total non-current assets	109,765,030	84	78,693,485	76
TOTAL	$ 130,511,105	100	$ 103,746,341	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 20, 32 and 33)	$ 9,630,896	7	$ 12,957,612	13
Short-term bills payable (Notes 20 and 33)	3,622,993	3	3,480,365	3
Contract liabilities - current (Notes 25 and 32)	7,770,828	6	7,525,468	7
Notes payable	3,184	-	3,683	-
Trade payables	15,120,910	11	17,579,453	17
Trade payables to related parties (Note 32)	93,455	-	104,999	-
Other payables (Notes 21, 24 and 32)	3,971,660	3	3,687,578	4
Current tax liabilities (Note 27)	772,780	1	609,796	1
Provisions - current (Note 22)	3,000	-	6,592	-
Lease liabilities - current (Notes 15 and 32)	3,381,049	3	-	-
Advance receipts (Note 32)	440,970	-	354,277	-
Current portion of long-term borrowings (Notes 20 and 33)	2,540,000	2	-	-
Other current liabilities (Notes 21 and 32)	315,976	-	320,947	-
Total current liabilities	47,667,701	36	46,630,770	45
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 20 and 33)	14,999,757	12	15,090,000	15
Provisions - non-current (Note 22)	24,823	-	24,909	-
Deferred tax liabilities (Note 27)	2,312,954	2	2,114,362	2
Lease liabilities - non-current (Notes 15 and 32)	25,406,473	19	-	-
Net defined benefit liabilities (Note 23)	738,431	1	808,480	1
Other non-current liabilities (Notes 21 and 32)	457,159	-	1,387,430	1
Total non-current liabilities	43,939,597	34	19,425,181	19
Total liabilities	91,607,298	70	66,055,951	64
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Share capital				
Ordinary shares	14,169,406	11	14,169,406	14
Capital surplus	3,327,466	3	3,315,420	3
Retained earnings				
Legal reserve	3,298,695	3	3,166,880	3
Special reserve	2,865,351	2	2,656,286	2
Unappropriated earnings	1,931,429	1	2,081,772	2
Total retained earnings	8,095,475	6	7,904,938	7
Other equity	5,295,169	4	4,231,252	4
Treasury shares	(97,110)	-	(97,110)	-
Total equity attributable to owners of the Company	30,790,406	24	29,523,906	28
NON-CONTROLLING INTERESTS	8,113,401	6	8,166,484	8
Total equity	38,903,807	30	37,690,390	36
TOTAL	$ 130,511,105	100	$ 103,746,341	100

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, 2019 AND 2018
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2019		2018	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 25 and 32)	$ 37,896,062	100	$ 39,242,551	100
OPERATING COSTS (Notes 11, 26 and 32)	18,253,449	48	19,091,584	49
GROSS PROFIT	19,642,613	52	20,150,967	51
OPERATING EXPENSES (Notes 23, 26 and 32)				
Selling and marketing expenses	891,625	2	923,663	2
General and administrative expenses	14,211,781	38	15,056,030	39
Expected credit loss (gain)	556	-	(16,055)	-
Total operating expenses	15,103,962	40	15,963,638	41
OPERATING PROFIT	4,538,651	12	4,187,329	10
NON-OPERATING INCOME AND EXPENSES				
Other income (Note 26)	376,748	1	530,849	1
Other losses (Notes 14, 17, 26 and 32)	(1,035,197)	(3)	(1,743,179)	(4)
Finance costs (Notes 26 and 32)	(835,329)	(2)	(437,280)	(1)
Share of profit of associates accounted for using the equity method	58,065	-	11,396	-
Total non-operating income and expenses	(1,435,713)	(4)	(1,638,214)	(4)
PROFIT BEFORE INCOME TAX	3,102,938	8	2,549,115	6
INCOME TAX EXPENSE (Note 27)	950,669	2	898,620	2
NET PROFIT FOR THE YEAR	2,152,269	6	1,650,495	4
OTHER COMPREHENSIVE INCOME (Notes 23, 24 and 27)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	1,118,564	3	534,199	2
Remeasurement of defined benefit plans	230,902	-	(50,328)	-
Share of other comprehensive (loss) income of associates accounted for using the equity method	(61,630)	-	409,335	1
Income tax relating to items that will not be reclassified subsequently to profit or loss	(46,260)	-	23,366	-
	1,241,576	3	916,572	3

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FAR EASTERN DEPARTMENT STORES, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2019		2018	
	Amount	**%**	**Amount**	**%**
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	$ 53,578	-	$ (14,562)	-
Share of other comprehensive (loss) income of associates accounted for using the equity method	(57,504)	-	5,267	-
	(3,926)	-	(9,295)	-
Other comprehensive income for the year, net of income tax	1,237,650	3	907,277	3
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 3,389,919	9	$ 2,557,772	7
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	$ 1,781,843	5	$ 1,318,150	3
Non-controlling interests	370,426	1	332,345	1
	$ 2,152,269	6	$ 1,650,495	4
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	$ 3,044,048	8	$ 2,029,426	5
Non-controlling interests	345,871	1	528,346	2
	$ 3,389,919	9	$ 2,557,772	7
EARNINGS PER SHARE (Note 28)				
Basic	$ 1.26		$ 0.94	
Diluted	$ 1.26		$ 0.93	

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, 2019 AND 2018
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company												
			Retained Earnings (Note 24)			Other Equity (Note 24)							
	Share Capital (Note 24)	Capital Surplus (Note 24)	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Available-for-sale Financial Assets	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Gain on Property Revaluation	Treasury Shares (Note 24)	Total	Non-controlling Interests (Note 24)	Total Equity
BALANCE AT JANUARY 1, 2018	$ 14,169,406	$ 3,315,931	$ 3,013,281	$ 2,643,743	$ 2,274,946	$ 86,048	$ 1,421,503	$ -	$ 2,170,970	$ (97,110)	$ 28,998,718	$ 7,859,460	$ 36,858,178
Effect of retrospective application and retrospective restatement	-	-	-	-	92,444	-	(1,421,503)	1,242,300	-	-	(86,759)	-	(86,759)
BALANCE AT JANUARY 1, 2018 AS RESTATEMENT	14,169,406	3,315,931	3,013,281	2,643,743	2,367,390	86,048	-	1,242,300	2,170,970	(97,110)	28,911,959	7,859,460	36,771,419
Appropriation of 2017 earnings													
Legal reserve	-	-	153,599	-	(153,599)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	12,543	(12,543)	-	-	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(1,416,940)	-	-	-	-	-	(1,416,940)	-	(1,416,940)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(220,697)	(220,697)
	-	-	153,599	12,543	(1,583,082)	-	-	-	-	-	(1,416,940)	(220,697)	(1,637,637)
Net profit for the year ended December 31, 2018	-	-	-	-	1,318,150	-	-	-	-	-	1,318,150	332,345	1,650,495
Other comprehensive (loss) income for the year ended December 31, 2018, net of income tax	-	-	-	-	(24,850)	4,606	-	731,520	-	-	711,276	196,001	907,277
Total comprehensive income for the year ended December 31, 2018	-	-	-	-	1,293,300	4,606	-	731,520	-	-	2,029,426	528,346	2,557,772
Adjustments resulting from investments in associates accounted for using the equity method	-	(511)	-	-	(28)	-	-	-	-	-	(539)	(625)	(1,164)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income by associates	-	-	-	-	4,192	-	-	(4,192)	-	-	-	-	-
BALANCE AT DECEMBER 31, 2018	14,169,406	3,315,420	3,166,880	2,656,286	2,081,772	90,654	-	1,969,628	2,170,970	(97,110)	29,523,906	8,166,484	37,690,390
Effect of retrospective application and retrospective restatement	-	-	-	-	(585,446)	-	-	-	-	-	(585,446)	(159,751)	(745,197)
BALANCE AT JANUARY 1, 2019 AS RESTATEMENT	14,169,406	3,315,420	3,166,880	2,656,286	1,496,326	90,654	-	1,969,628	2,170,970	(97,110)	28,938,460	8,006,733	36,945,193
Special reserve under Rule No. 1030006415 issued by the FSC	-	-	-	135,735	(135,735)	-	-	-	-	-	-	-	-
Appropriation of 2018 earnings													
Legal reserve	-	-	131,815	-	(131,815)	-	-	-	-	-	-	-	-
Special reverse	-	-	-	73,330	(73,330)	-	-	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(1,204,400)	-	-	-	-	-	(1,204,400)	-	(1,204,400)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(239,203)	(239,203)
	-	-	131,815	73,330	(1,409,545)	-	-	-	-	-	(1,204,400)	(239,203)	(1,443,603)
Net profit for the year ended December 31, 2019	-	-	-	-	1,781,843	-	-	-	-	-	1,781,843	370,426	2,152,269
Other comprehensive income (loss) for the year ended December 31, 2019, net of income tax	-	-	-	-	198,288	(25,329)	-	1,089,246	-	-	1,262,205	(24,555)	1,237,650
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	1,980,131	(25,329)	-	1,089,246	-	-	3,044,048	345,871	3,389,919
Adjustments resulting from investments in associates accounted for using the equity method	-	12,046	-	-	252	-	-	-	-	-	12,298	-	12,298
BALANCE AT DECEMBER 31, 2019	$ 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

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, 2019 AND 2018
(In Thousands of New Taiwan Dollars)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	$ 3,102,938	$ 2,549,115
Adjustments for:		
Depreciation expenses	5,555,195	2,355,319
Amortization expenses	60,149	51,903
Expected credit loss recognized (reversed) on receivables	556	(16,055)
Net gain on financial assets or liabilities at fair value through profit or loss	(691)	(10,443)
Finance costs	835,329	437,280
Interest income	(90,449)	(128,124)
Dividend income	(286,299)	(152,720)
Share of profit of associates accounted for using the equity method	(58,065)	(11,396)
Loss on disposal of property, plant and equipment	84,473	26,487
Loss on disposal of investment properties	-	90,621
Loss on disposal of intangible assets	1,435	-
Gain on disposal of right-of-use assets	(678)	-
Gain on disposal of investments	(291)	-
Impairment loss recognized on intangible assets	1,095,884	1,630,000
Impairment loss recognized on property, plant and equipment	-	38,047
Unrealized gain on physical and slow-moving inventories	(9,418)	(18,415)
Loss (gain) on changes in fair value of investment properties	151,597	(43,045)
Amortization of prepayments	12,544	5,582
Amortization of prepayments for leases	-	337,503
Reversal of unrealized purchase discounts	(400)	433
Net changes in operating assets and liabilities		
(Increase) decrease in financial assets mandatorily classified as at fair value through profit or loss	(18,527)	69,151
Notes receivable	1,155	(1,156)
Trade receivables	836,753	(465,119)
Trade receivables from related parties	(3,995)	(26,163)
Other receivables	8,008	(319,715)
Inventories	(41,837)	(127,977)
Prepayments	90,044	36,461
Other current assets	(24,297)	(16,730)
Contract liabilities - current	245,360	361,734
Notes payable	(499)	612
Trade payables	(2,458,543)	(705,652)
Trade payables to related parties	(11,544)	(22,881)
Other payables	(519,160)	(718,428)
Provisions	(4,050)	(2,045)
Advance receipts	226,939	120,205
Other current liabilities	(4,971)	56,402
Net defined benefit liabilities	(125,339)	(191,239)
Cash generated from operations	8,649,306	5,189,552
Dividends received	317,922	290,342

(Continued)

FAR EASTERN DEPARTMENT STORES, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)

	2019	2018
Interest paid	$ (854,447)	$ (436,417)
Interest received	109,832	115,480
Income tax returned	2,191	194
Income tax paid	(337,318)	(672,202)
Net cash generated from operating activities	7,887,486	4,486,949
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(4,744)	-
Purchase of financial assets amortized at cost	-	(163,931)
Proceeds from sale of financial assets at amortized cost	715,345	-
Acquisition of investments accounted for using the equity method	(1,605,034)	-
Decrease in prepaid long-term investments	25,383	49,288
Payments for property, plant and equipment	(1,801,799)	(2,257,557)
Proceeds from disposal of property, plant and equipment	39,189	606
Decrease in other receivables	1,225,948	-
Payments for intangible assets	(173,406)	(63,726)
Proceeds from disposal of intangible assets	139	-
Payments for investment properties	(8,015)	-
Increase in other non-current assets	(1,924,566)	(82,785)
Net cash used in investing activities	(3,511,560)	(2,518,105)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	139,427,113	174,720,516
Repayments of short-term borrowings	(142,602,371)	(174,820,679)
Proceeds from short-term bills payable	36,935,184	26,313,358
Repayments of short-term bills payable	(36,792,556)	(25,347,693)
Repayments of bond payables	-	(1,000,000)
Proceeds from long-term borrowings	79,279,757	75,821,898
Repayments of long-term borrowings	(76,830,000)	(77,490,000)
Repayment of the principal portion of lease liabilities	(3,386,357)	-
Decrease in other non-current liabilities	(36,410)	(26,346)
Dividends paid to owners of the Company	(1,202,733)	(1,414,847)
Dividends paid to non-controlling interests	(198,624)	(256,698)
Net cash used in financing activities	(5,406,997)	(3,500,491)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(139,553)	10,010

(Continued)

FAR EASTERN DEPARTMENT STORES, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)

	2019	2018
NET DECREASE IN CASH AND CASH EQUIVALENTS	$ (1,170,624)	$ (1,521,637)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	14,594,847	16,116,484
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 13,424,223	$ 14,594,847

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

1. GENERAL INFORMATION

Far Eastern Department Stores, Ltd. (the "Company" or "FEDS") was incorporated in the Republic of China (ROC) in August 31, 1967, and operates a nationwide chain of department stores. The Company's shares have been listed on the Taiwan Stock Exchange since October 11, 1978.

The consolidated financial statements of the Company and its subsidiaries, collectively referred to as the "Group", are presented in the Company's functional currency, the New Taiwan dollars.

2. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on March 27, 2020.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

   Except for the following, the initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Group's accounting policies:

   1) IFRS 16 "Leases"

      IFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessee and lessor. It supersedes IAS 17 "Leases", IFRIC 4 "Determining whether an Arrangement contains a Lease", and a number of related interpretations. Refer to Note 4 for information relating to the relevant accounting policies.

      Definition of a lease

      The Group elects to apply the guidance of IFRS 16 in determining whether contracts are, or contain, a lease only to contracts entered into (or changed) on or after January 1, 2019. Contracts identified as containing a lease under IAS 17 are not reassessed and are accounted for in accordance with the transitional provisions under IFRS 16.

The Group as lessee

The Group recognizes right-of-use assets or investment properties if the right-of-use assets meet the definition of investment properties, and lease liabilities for all leases on the consolidated balance sheets except for those whose payments under low-value asset and short-term leases are recognized as expenses on a straight-line basis. On the consolidated statements of comprehensive income, the Group presents the depreciation expense charged on right-of-use assets separately from the interest expense accrued on lease liabilities; interest is computed using the effective interest method. On the consolidated statements of cash flows, cash payments for the principal portion of lease liabilities are classified within financing activities; cash payments for the interest portion are classified within operating activities. Prior to the application of IFRS 16, payments under operating lease contracts, including property interest qualified as investment properties, were recognized as expenses on a straight-line basis. Prepaid lease payments for land use rights were recognized as prepayments for leases. The difference between the actual payments and the expenses, as adjusted for lease incentives, was recognized as other payables and other non-current liabilities. Cash flows for operating leases were classified within operating activities on the consolidated statements of cash flows. Leased assets and finance lease payables were recognized on the consolidated balance sheets for contracts classified as finance leases.

The Group elects to apply IFRS 16 retrospectively with the cumulative effect of the initial application of this standard recognized in retained earnings on January 1, 2019. Comparative information is not restated.

Except for the leasehold investment properties mentioned below, lease liabilities were recognized on January 1, 2019 for leases previously classified as operating leases under IAS 17. Lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate on January 1, 2019. Right-of-use assets are measured at an amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments. Except for the following practical expedient which is applied, the Group applies IAS 36 to all right-of-use assets.

Part of leases which was previously accounted for as an operating lease under IAS 17, qualifies as an investment property. A lease liability for that leasehold building is recognized and measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate on January 1, 2019. Related right-of-use assets are presented as investment properties and measured at fair value on that date. Any difference will be recognized under retained earnings, and a special reserve will be appropriated under Rule No. 1030006415 issued by the FSC. No adjustment is made for leasehold, which was previously accounted for as an investment property.

The Group also applies the following practical expedients:

a) The Group accounts for those leases for which the leases term ends on or before December 31, 2019 as short-term leases.

b) The Group excludes initial direct costs from the measurement of right-of-use assets on January 1, 2019.

c) The Group uses hindsight, such as in determining lease terms, to measure lease liabilities.

For leases previously classified as finance leases under IAS 17, the carrying amounts of right-of-use assets and lease liabilities on January 1, 2019 are determined as at the carrying amounts of the respective leased assets and finance lease payables on December 31, 2018.

The weighted average lessee's incremental borrowing rate applied to lease liabilities recognized on January 1, 2019 is 1.71%. The difference between the (i) lease liabilities recognized and (ii) operating lease commitments disclosed under IAS 17 on December 31, 2018 is explained as follows:

The future minimum lease payments of non-cancellable operating lease commitments on December 31, 2018	$ 33,561,329
Less: Recognition exemption for short-term leases	(284,235)
Less: Recognition exemption for leases of low-value assets	(512)
Less: Commitment on lease contract before commencement date of the lease	(3,474,768)
Undiscounted amounts on January 1, 2019	$ 29,801,814
Discounted amounts using the incremental borrowing rate on January 1, 2019	$ 27,031,697
Add: Finance lease liabilities on December 31, 2018	91,331
Add (Less): Adjustments as a result of a different treatment of extension and termination options	3,234,724
Lease liabilities recognized on January 1, 2019	$ 30,357,752

The Group as lessor

The Group does not make any adjustments for leases in which it is a lessor, and it accounts for those leases with the application of IFRS 16 starting from January 1, 2019.

The impact on assets, liabilities and equity as of January 1, 2019 from the initial application of IFRS 16 is set out as follows:

	As Originally Stated on January 1, 2019	**Adjustments Arising from Initial Application**	**Restated on January 1, 2019**
Prepayments	$ 977,014	$ (367,914)	$ 609,100
Investments accounted for using the equity method	8,678,647	(46)	8,678,601
Property, plant and equipment	43,532,941	(9,643,083)	33,889,858
Right-of-use assets	-	39,649,690	39,649,690
Investment properties	8,690,640	537,429	9,228,069
Long-term prepayments for leases	7,704,464	(1,659,632)	6,044,832
Other assets - non-current	1,678,021	120,557	1,798,578
Total effect on assets		$ 28,637,001	
Lease liabilities - current	-	$ 3,360,326	3,360,326
Other payables	3,687,578	(81,693)	3,605,885
Lease liabilities - non-current	-	26,997,426	26,997,426
Other liabilities - non-current	1,387,430	(893,861)	493,569
Total effect on liabilities		$ 29,382,198	
Retained earnings	7,904,938	$ (585,446)	7,319,492
Non-controlling interests	8,166,484	(159,751)	8,006,733
Total effect on equity		$ (745,197)	

2) IFRIC 23 "Uncertainty over Income Tax Treatments"

IFRIC 23 clarifies that when there is uncertainty over income tax treatments, the Group should assume that the taxation authority has full knowledge of all related information when making related examinations. If the Group concludes that it is probable that the taxation authority will accept an uncertain tax treatment, the Group should determine the taxable profit, tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatments used or planned to be used in its income tax filings. If it is not probable that the taxation authority will accept an uncertain tax treatment, the Group should make estimates using either the most likely amount or the expected value of the tax treatment, depending on which method the Group expects to better predict the resolution of the uncertainty. The Group has to reassess its judgments and estimates if facts and circumstances change.

b. The IFRSs endorsed by the Financial Supervisory Commission (FSC) for application starting from 2020

New IFRSs	Effective Date Announced by IASB
Amendments to IFRS 3 "Definition of a Business"	January 1, 2020 (Note 1)
Amendments to IFRS 9, IAS 39 and IFRS 7 "Interest Rate Benchmark Reform"	January 1, 2020 (Note 2)
Amendments to IAS 1 and IAS 8 "Definition of Material"	January 1, 2020 (Note 3)

Note 1: The Group shall apply these amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020 and to asset acquisitions that occur on or after the beginning of that period.

Note 2: The Group shall apply these amendments retrospectively for annual reporting periods beginning on or after January 1, 2020.

Note 3: The Group shall apply these amendments prospectively for annual reporting periods beginning on or after January 1, 2020.

As of the date the consolidated financial statements were authorized for issue, the Group assesses the possible impacts that the application of the aforementioned amendments and the related amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers will have on the Group's financial position and financial performance and will disclose these other impacts when the assessment is completed.

c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2021
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2022

Note: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs as endorsed and issued into effect by the FSC.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments, investment properties which are measured at fair value, and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of the plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for the asset or liability.

c. Classification of current and non-current assets and liabilities

Current assets include:

- Assets held primarily for the purpose of trading;

- Assets expected to be realized within 12 months after the reporting period; and

- Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- Liabilities held primarily for the purpose of trading;

- Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the financial statements are authorized for issue; and

- Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Assets and liabilities that are not classified as current are classified as non-current.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Group and the entities controlled by the Group (i.e., its subsidiaries). When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation. Total comprehensive income of subsidiaries is attributed to the shareholders of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to shareholders of the parent.

See Note 12 and Table 8 for details on subsidiaries, including the percentages of their ownership and main businesses.

Refer to Table 1 for the diagram of intercompany relationships of the consolidated financial statements for the year ended December 31, 2019.

e. Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income; in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations (including the subsidiaries and associates in other countries or subsidiaries which use currencies that are different from the Group) are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income (as appropriate attributed to owners of the Group and non-controlling interests, respectively).

On the disposal of a foreign operation (i.e., a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Group are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests of the subsidiary and is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

f. Inventories

Inventories are stated at the lower of cost or net realizable value, using the retail method. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost on the balance sheet date.

g. Investment in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. The Group uses the equity method of accounting to recognize its investments in associates.

Under the equity method, an investment in an associate is initially recognized at cost and is adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the Group's share of the equity of associates attributable to the Group.

When the Group subscribes for additional new shares of the associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus-changes in the Group's share of equity of associates. If the Group's ownership interest is reduced due to the additional subscription of new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for by the equity method is insufficient, the shortage is debited to retained earnings.

When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for by the equity method and long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

Group discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. If an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the Group continues to apply the equity method and does not remeasure the retained interest.

When the Group transact with its associate, profits and losses resulting from the transactions with the associate are recognized in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

h. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss. Before January 1, 2019, property, plant and equipment also included assets held under finance leases.

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

The depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. For assets which were held under finance leases before January 1, 2019, if their respective lease terms are shorter than their useful lives, such assets are depreciated over their lease terms. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of the property, plant and equipment, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss for the year.

i. Investment properties

Investment properties are properties held to earn rental and/or for capital appreciation. Beginning January 1, 2019, investment properties include right-of-use assets and properties under construction if the definition of investment properties is met; before January 1, 2019, investment properties included properties under construction, properties held under finance leases and property interests under operating leases if the definition of investment properties was met. Investment properties also include land held for a currently undetermined future use.

Freehold investment properties are measured initially at cost, including transaction costs. Beginning January 1, 2019, investment properties acquired through leases are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. With respect to the initial recognition of investment properties acquired through leases before January 1, 2019, refer to Note 16 for the accounting policies for finance leases. All investment properties are subsequently measured using the fair value model. Changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

Investment properties under construction, of which the fair value is not reliably measurable, are measured at cost less accumulated impairment loss until such time as either the fair value becomes reliably measurable or construction is completed (whichever comes earlier).

For a transfer of classification from investment properties to property, plant and equipment, the deemed cost of an item of property for subsequent accounting is its fair value at the commencement of owner-occupation.

For a transfer of classification from property, plant and equipment to investment properties at the end of owner-occupation, any difference between the fair value of an item of property at the transfer date and its previous carrying amount is recognized in other comprehensive income.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

j. Goodwill

Goodwill arising from the acquisition of a business is measured at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributable goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the entity disposes of an operation within that unit, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal, and is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

k. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis during their expected useful life. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.

When the Group has a right to charge for the usage of concession infrastructure (as a consideration for providing construction services in a service concession arrangement), it recognizes this as an intangible asset. The intangible asset is subsequently measured at cost less accumulated amortization and any accumulated impairment loss.

2) Derecognition of intangible assets

On derecognition of the intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss for the year.

l. Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets other than goodwill to determine any indication of impairment loss on these assets. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the smallest group of cash-generating units on a reasonable and consistent allocation basis.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. The impairment loss is recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount (deducting amortization or depreciation) that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

m. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in debt instruments and equity instruments at FVTOCI.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such a financial asset is mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 31: Financial Instruments.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, trade receivables at amortized cost and refundable deposits, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss. Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in equity instruments at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

The Group always recognizes lifetime expected credit losses (ECLs) for trade receivables. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit
or loss.

2) Financial liabilities

a) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

n. Provisions

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

o. Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

Revenue from the sale of goods are recognized as revenue when the goods are shipped or delivered because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables are recognized concurrently.

When other party participates providing in goods or services to customers, the Group obtains control of the specified goods or services before they are transferred to the customers and, therefore, is acting as a principal in the transaction. On the contrary, the other party is acting as an agent. As the principal, the total amount of the consideration that is expected to be obtained in exchange for the transfer of goods or services is recognized as income. As an agent, the amount of any fees or commissions that the other party expected to obtain in exchange for the provision of goods or services, recognized as income. The charge or commission of the Group may be the net amount of the consideration. The income retained by the Group in exchange for goods or services is the amount retained after payment to the other party.

Customer Loyalty Program, the Group offers award credits which can be used for future purchases when the customer shops. The award credits provides a material right to the customer. The transaction price allocated to the award credits is recognized as a contract liability when collected and will be recognized as revenue when the award credits is redeemed or has expired.

p. Leases

2019

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

1) The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

When the Group subleases a right-of-use asset, the sublease is classified by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. However, if the head lease is a short-term lease that the Group, as a lessee, has accounted for applying recognition exemption, the sublease is classified as an operating lease.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

Variable lease payments that do not depend on an index or a rate are recognized as income in the periods in which they are incurred.

When a lease includes both land and building elements, the Group assesses the classification of each element separately as a finance or an operating lease based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the lessee. The lease payments are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of a contract. If the allocation of the lease payments can be made reliably, each element is accounted for separately in accordance with its lease classification. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease unless it is clear that both elements are operating leases; in which case, the entire lease is classified as an operating lease.

2) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets, except for those that meet the definition of investment properties. With respect to the recognition and measurement of right-of-use assets that meet the definition of investment properties, refer to Note 9 for the accounting policies for investment properties.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms. However, if leases transfer ownership of the underlying assets to the Group by the end of the lease terms or if the costs of right-of-use assets reflect that the Group will exercise a purchase option, the Group depreciates the right-of-use assets from the commencement dates to the end of the useful lives of the underlying assets.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate, less any lease incentives receivable. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

2018

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

1) The Group as lessor

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and amortized on a straight-line basis over the lease term.

Lease incentives included in an operating lease are recognized as an asset. The aggregate cost of incentives is recognized as a reduction of rental income on a straight-line basis. Lease incentives included in a finance lease are recognized as a reduction of minimum lease payments.

Contingent rentals are recognized as income in the period in which they are incurred.

2) The Group as lessee

Assets held under finance leases are initially recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheets as a finance lease obligation.

Operating lease payments are recognized as expenses on a straight-line basis over the lease term.

Lease incentives received under operating leases are recognized as liabilities. The aggregate benefit of incentives is recognized as a reduction of rental expenses on a straight-line basis. Lease incentives received under a finance lease are recognized as a reduction of minimum lease payments.

Contingent rentals are recognized as expenses in the period in which they are incurred.

3) Leasehold land for own use

When a lease includes both land and building elements, the Group assesses the classification of each element separately as a finance or an operating lease based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Lessee. The minimum lease payments are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

If the allocation of the lease payments can be made reliably, each element is accounted for separately in accordance with its lease classification. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease unless it is clear that both elements are operating leases; in which case, the entire lease is classified as an operating lease.

q. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than that which is stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

r. Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost and past service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expenses when the plan amendment or curtailment occurs. Remeasurement, comprising actuarial gains and losses (the effect of the changes to the asset ceiling) and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income (loss) is reflected immediately in retained earnings and will not be reclassified subsequently to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

s. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

According to the Income Tax Law, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current period's income tax expenses.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused loss carryforwards to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which utilize the benefit of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred tax for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

When current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

a. Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The calculation of the value in use requires management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

b. Impairment assessment of tangible and intangible assets other than goodwill

For impairment tests of assets, the Group evaluates and decides the independent cash flows of certain assets, useful lives of those assets and their probable future profit or loss based on subjective judgment, asset-usage models and department store industry characteristics. Any change in national and local economic conditions or the Group's strategy may cause a significant impairment loss.

c. Fair value measurements and valuation processes of the investment properties

Third-party qualified valuers were engaged to perform the fair value evaluation of the Group's investment properties using the appropriate valuation techniques for fair value measurements.

The valuers of the Group determined the appropriate inputs by referring to the analyses of the financial position and the operation results of investees, recent transaction prices and prices of the same equity instruments not quoted in active markets in the vicinity of the Group's investment properties. If there are changes in the actual inputs in the future which differ from expectation, the fair value might vary accordingly. The Group updates inputs every quarter to confirm the appropriateness of the fair value measurement.

Information on the valuation techniques and inputs used in determining the fair value of investment properties is disclosed in Note 16.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2019	2018
Cash on hand and revolving funds	$ 176,112	$ 343,068
Checking accounts and demand deposits	4,334,916	5,816,392
Cash equivalents (investments with original maturities of less than 3 months)		
Time deposits	3,856,673	6,608,013
Commercial papers	5,056,522	1,827,374
	$ 13,424,223	$ 14,594,847

The market rate intervals of deposits in bank and commercial papers at the end of the reporting period were as follows:

	December 31	
	2019	2018
Deposits in bank	0.001%-2.500%	0.010%-3.201%
Commercial papers	0.540%-0.590%	0.550%-0.630%

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - CURRENT

	December 31	
	2019	2018
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Beneficiary certificates	$ 346,330	$ 344,481
Listed and over-the-counter (OTC) shares	110,926	93,266
	$ 457,256	$ 437,747

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2019	2018
Investments in equity instruments at FVTOCI		
Domestic investments		
Listed and OTC shares	$ 4,736,737	$ 3,631,653
Unlisted shares	574,766	564,243
	5,311,503	4,195,896
Foreign investments		
Unlisted shares	16,517	8,903
	$ 5,328,020	$ 4,204,799

(Continued)

	December 31	
	2019	2018
Current	$ 297,456	$ 244,785
Non-current	5,030,564	3,960,014
	$ 5,328,020	$ 4,204,799

(Concluded)

a. These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

b. Refer to Note 33 for information relating to investments in equity instruments at FVTOCI pledged as security.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2019	2018
Time deposits with original maturities of more than 3 months	$ 1,390,974	$ 2,024,919
Pledged deposits	199,000	280,000
Money Lodged at Courts	-	400
	$ 1,589,974	$ 2,305,319
Current	$ 1,443,974	$ 2,077,919
Non-current	146,000	227,400
	$ 1,589,974	$ 2,305,319
Gross carrying amount	$ 1,589,974	$ 2,305,319
Less: Allowance for impairment loss	-	-
Amortized cost	$ 1,589,974	$ 2,305,319

a. The credit risk of financial instruments such as bank deposits is measured and monitored by the accounting department. The Group chooses the transaction object and the other party performs good credit with the bank.

b. The ranges of interest rates for financial assets at amortized cost were approximately 0.30%-2.40% and 0.30%-2.10% per annum as of December 31, 2019 and 2018, respectively.

c. Refer to Note 33 for information relating to investments in financial assets at amortized cost pledged as security.

10. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES (INCLUDING RELATED PARTIES)

a. Notes receivable

	December 31	
	2019	**2018**
Operating	$ 1,132	$ 776
Non-operating	1,794	3,305
Less: Allowance for impairment loss	(1,794)	(1,794)
	$ 1,132	$ 2,287

December 31, 2019

	Not Past Due	**Less than 30 Days**	**31 to 60 Days**	**61 to 90 Days**	**Over 90 Days**	**Total**
Expected credit loss rate	0.0600%	0.0000%	100%	100%	100%	
Gross carrying amount	$ 1,129	$ 3	$ -	$ -	$ 1,794	$ 2,926
Loss allowance (Lifetime ECL)	-	-	-	-	(1,794)	(1,794)
Amortized cost	$ 1,129	$ 3	$ -	$ -	$ -	$ 1,132

December 31, 2018

	Not Past Due	**Less than 30 Days**	**31 to 60 Days**	**61 to 90 Days**	**Over 90 Days**	**Total**
Expected credit loss rate	0.0002%-0.0200%	100%	100%	100%	100%	
Gross carrying amount	$ 2,287	$ -	$ -	$ -	$ 1,794	$ 4,081
Loss allowance (Lifetime ECL)	-	-	-	-	(1,794)	(1,794)
Amortized cost	$ 2,287	$ -	$ -	$ -	$ -	$ 2,287

b. Trade receivables

	December 31	
	2019	**2018**
At amortized cost		
Gross carrying amount	$ 1,034,999	$ 1,867,787
Less: Allowance for impairment loss	(128,628)	(129,572)
	$ 906,371	$ 1,738,215

The Group's trade receivables pertained to revenue on credit cards and goods coupons. The average credit period for revenue from credit cards was 2 to 3 days, and for goods coupons, 15 days.

In determining the recoverability of a trade receivable, the Group considered any change in the credit quality of the trade receivable since the date credit was initially granted to the end of the reporting period. Allowances for impairment loss were recognized against trade receivables based on estimated irrecoverable amounts determined with reference to past default experience of the counterparties and an analysis of their current financial position.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecasted direction of economic conditions at the reporting date. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Group's provision matrix.

December 31, 2019

	Not Past Due	Less than 30 Days	31 to 60 Days	61 to 90 Days	Over 90 Days	Total
Expected credit loss rate	0.0700%	2.1600%	6.7200%	8.8200%	100%	
Gross carrying amount	$ 880,024	$ 25,259	$ 1,685	$ 84	$ 127,947	$ 1,034,999
Loss allowance (Lifetime ECL)	(168)	(499)	(7)	(7)	(127,947)	(128,628)
Amortized cost	$ 879,856	$ 24,760	$ 1,678	$ 77	$ -	$ 906,371

December 31, 2018

	Not Past Due	Less than 30 Days	31 to 60 Days	61 to 90 Days	Over 90 Days	Total
Expected credit loss rate	0.0003%-0.0300%	0.0076%-0.1500%	0.2200%-0.3703%	1.0321%-1.2200%	100%	
Gross carrying amount	$ 1,651,442	$ 84,940	$ 1,976	$ 41	$ 129,388	$ 1,867,787
Loss allowance (Lifetime ECL)	(78)	(101)	(4)	(1)	(129,388)	(129,572)
Amortized cost	$ 1,651,364	$ 84,839	$ 1,972	$ 40	$ -	$ 1,738,215

The movements of the loss allowance of trade receivables were as follows:

	2019	2018
Balance at January 1	$ 129,572	$ 132,938
Less: Impairment losses reversed	(914)	(3,366)
Less: Amounts written off	(30)	-
Balance at December 31	$ 128,628	$ 129,572

c. Other receivables

	For the Year Ended December 31	
	2019	2018
At amortized cost		
Gross carrying amount		
Receivables	$ -	$ 1,225,948
Others	1,199,138	1,228,049
Less: Allowance for impairment loss	(283,829)	(294,642)
	$ 915,309	$ 2,159,355

FEDS Development agrees to offer a one-year loan to FENC (China) with a credit of RMB216,700 thousand and also provides an unsecured and interest-free loan to YDEC (Shanghai) with a credit of RMB81,377 thousand. Revolving lines of credit are allowed. As of December 31, 2018, FENC (China) made a drawdown of RMB216,560 thousand and YDEC (Shanghai) made a drawdown of RMB57,377 thousand. The actual borrowing amounts of these loans were recognized as other receivables within the Group. As of December 31, 2019, the whole amount of loan were repaid.

The Group postulated that the potential benefits of the investment will exceed the prospective interest incomes arising from the loan. Thus, the loan's terms of conditions were not regarded only as an independent transaction; the prospective benefits of the Group's investment plans were also taken into consideration. Moreover, as the ultimate parent company of the borrowers is Far Eastern New Century Ltd. (FENC), the Group believes that the borrowers are able to repay the debts without offering pledges in terms of their financial positions.

The following table details the loss allowance of other receivables based on the Group's provision matrix.

December 31, 2019

	Not Past Due	Less than 30 Days	31 to 60 Days	61 to 90 Days	Over 90 Days	Total
Expected credit loss rate	0.0600%	1.4700%	5.2800%	7.1300%	100%	
Gross carrying amount	$ 915,188	$ 130	$ -	$ -	$ 283,820	$ 1,199,138
Loss allowance (Lifetime ECL)	(7)	(2)	-	-	(283,820)	(283,829)
Amortized cost	$ 915,181	$ 128	$ -	$ -	$ -	$ 915,309

December 31, 2018

	Not Past Due	Less than 30 Days	31 to 60 Days	61 to 90 Days	Over 90 Days	Total
Expected credit loss rate	0.0002%-0.0200%	0.0063%-0.1200%	0.1800%-0.3046%	0.8361%-0.9300%	100%	
Gross carrying amount	$ 2,159,325	$ 34	$ -	$ -	$ 294,638	$ 2,453,997
Loss allowance (Lifetime ECL)	(4)	-	-	-	(294,638)	(294,642)
Amortized cost	$ 2,159,321	$ 34	$ -	$ -	$ -	$ 2,159,355

The movements of the loss allowance of other receivables were as follows:

	2019	2018
Balance at January 1	$ 294,642	$ 395,653
Add: Impairment losses recognized	1,470	-
Less: Impairment losses reversed	-	(12,689)
Less: Amounts written off	(2,504)	(83,966)
Foreign exchange gains and losses	(9,779)	(4,356)
Balance at December 31	$ 283,829	$ 294,642

11. INVENTORIES

	December 31	
	2019	2018
Merchandise	$ 2,780,889	$ 2,729,234
Allowance for inventory devaluation	$ 70,908	$ 80,831
Allowance for losses on physical inventory	$ 23,292	$ 22,787
Allowance for unrealized purchase discounts	$ 3,037	$ 3,437

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2019 and 2018 were $17,900,994 thousand and $18,697,764 thousand, respectively.

The cost of goods sold includes:

	For the Year Ended December 31	
	2019	2018
Reversed unrealized loss on physical inventory and slow-moving inventory	$ 9,418	$ 18,415
Reversed (recognized) unrealized purchase discounts	$ 400	$ (433)

12. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

The detailed information of the subsidiaries at the end of reporting period are as follows:

Investor	Investee	Main Businesses	Proportion of Ownership (%) December 31 2019	Proportion of Ownership (%) December 31 2018	Remark
Far Eastern Department Stores, Ltd.	Far Eastern Ai Mai Co., Ltd.	Hypermarket	100	100	
	Bai Yang Investment Co., Ltd.	Investment	100	100	
	Bai Ding Investment Co., Ltd.	Investment	67	67	
	Yu Ming Advertising Agency Co., Ltd.	Advertising and importation of certain merchandise	100	100	
	Far Eastern Hon Li Do Co., Ltd.	Building rental	56	56	
	FEDS Development Ltd.	Investment	54	54	
	Ya Tung Department Stores, Ltd.	Department store	100	100	
	Far Eastern CitySuper Co., Ltd.	Hypermarket	96	96	
	Pacific Liu Tong Investment Co., Ltd.	Investment	35	35	
	Asians Merchandise Company	Trading	100	100	

(Continued)

Investor	Investee	Main Businesses	Proportion of Ownership (%) December 31 2019	2018	Remark
Bai Yang Investment Co., Ltd.	Pacific Liu Tong Investment Co., Ltd.	Investment	2	2	
	FEDS Asia Pacific Development Co., Ltd.	Shopping mall	70	70	
	Bai Ding Investment Co., Ltd.	Investment	33	33	
	FEDS New Century Development Co., Ltd.	Shopping mall	100	100	1)
	FEDS Development Ltd.	Investment	46	46	
	Pacific China Holdings (HK) Limited	Investment	40	40	
	Far Eastern Big City Shopping Malls Co., Ltd.	Department store	40	40	
Bai Ding Investment Co., Ltd.	Pacific Liu Tong Investment Co., Ltd.	Investment	13	13	
	Pacific Sogo Department Stores Co., Ltd.	Department store	1	1	
	Far Eastern Hon Li Do Co., Ltd.	Building rental	44	44	
	Far Eastern CitySuper Co., Ltd.	Hypermarket	-	-	
Yu Ming Advertising Agency Co., Ltd.	Pacific Liu Tong Investment Co., Ltd.	Investment	-	-	
Far Eastern Hon Li Do Co., Ltd.	Pacific Liu Tong Investment Co., Ltd.	Investment	-	-	
FEDS Development Ltd.	Shanghai Bai Ding Consultant & Management Co., Ltd.	Consulting service	100	100	
	Chongqing FEDS Co., Ltd.	Department store	100	100	
Ya Tung Department Stores, Ltd.	Pacific Liu Tong Investment Co., Ltd.	Investment	1	1	
FEDS Asia Pacific Development Co., Ltd.	Pacific Liu Tong Investment Co., Ltd.	Investment	2	2	
FEDS New Century Development Co., Ltd.	Pacific Liu Tong Investment Co., Ltd.	Investment	2	2	
	Chubei New Century Shopping Mall Co., Ltd.	Department store	100	100	1)
Pacific Liu Tong Investment Co., Ltd.	Pacific Sogo Department Stores Co., Ltd.	Department store	79	79	
Pacific Sogo Department Stores Co., Ltd.	Pacific China Holdings (HK) Limited	Investment	60	60	
	Far Eastern Big City Shopping Malls Co., Ltd.	Department store	60	60	
Pacific China Holdings (HK) Limited	Pacific China Holdings Ltd.	Investment	100	100	
Pacific China Holdings Ltd.	Shanghai Pacific Department Stores Co., Ltd.	Department store	73	73	
	Chengdu Quanxing Mansion Pacific Department Store Co., Ltd.	Department store	100	100	5)
	Chongqing Metropolitan Plaza Pacific Department Store Co., Ltd.	Department store	100	100	
	Chongqing Pacific Consultant & Management Co., Ltd.	Consulting service	100	100	
	Bai Fa China Holdings (HK) Ltd.	Investment	100	100	2)
	Pacific (China) Investment Co., Ltd.	Investment	100	100	
Pacific (China) Investment Co., Ltd.	Chengdu FEDS Co., Ltd.	Department store	100	100	4)
	Chengdu Beicheng FEDS Co., Ltd.	Department store	-	-	3)
	Dalian Pacific Department Store Co., Ltd.	Department store	100	100	

(Concluded)

1) As of December 31, 2019, they were still in the startup period.

2) Bai Fa China Holdings (HK) Ltd. applied to discontinue operations in June 2017 due to non-operating plans in the short-term.

3) The board of directors approved to end operations in April 2017, and went into liquidation on October 23, 2018.

4) Considering market demand and supply, Chengdu FEDS Co., Ltd. (Chengdu FEDS) decided to reconstruct and transform the business operating scheme to improve effectiveness. Therefore, Chengdu FEDS has ended their operations since December 23, 2017.

5) The board of directors approved to end operations in April 2019.

b. Subsidiaries excluded from the consolidated financial statements

Investor	Investee	Main Businesses	Proportion of Ownership (%) December 31 2019	2018	Remark
Pacific Sogo Department Stores Co., Ltd.	Pacific Sogo Investment Co., Ltd.	Investment	-	-	1)
	Lian Ching Investment Co., Ltd.	Investment	50	50	2)

1) In November 2008, Pacific Sogo Department Stores Co., Ltd. (SOGO) applied to the Taiwan Taipei District Court (TTDC) for PSIC to be declared bankrupt, and the TTDC ruled PSIC bankrupt on December 30, 2010. On April 8, 2011, PSIC convened the first creditors' meeting. Assets of PSIC had been sold successively since August 22, 2012, and the bankruptcy manager had consecutively completed the allocation of assets of PSIC. The TTDC also ruled that the bankruptcy proceedings be terminated and announced to the public on November 11, 2015. Three years from the date of the announcement, Pacific Sogo Investment Co., Ltd. is regarded as the legal personality eradication on November 11, 2018.

2) The amount of Lian Ching Investment Co., Ltd. had been written off to zero, no liabilities were undertaken by the Group and the accounts are not disclosed in the consolidated financial statements.

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in Associates

	December 31	
	2019	**2018**
Associates that are not individually material	$ 10,107,165	$ 8,678,647

Aggregate information of associates that are not individually material:

	For the Year Ended December 31	
	2019	**2018**
The Group's share of:		
Profit from continuing operations	$ 58,065	$ 11,396
Other comprehensive (loss) income	(119,134)	414,602
Total comprehensive (loss) income for the year	$ (61,069)	$ 425,998

FEDS Development Ltd., Far Eastern New Century (China) Investment Co., Ltd. (FENCI (China)) (subsidiary of FENC) and Oriental Holdings Co., Ltd. (subsidiary of Asia Cement Corporation) jointly invested in Yuan Ding Enterprise (Shanghai) Limited (YDEL (Shanghai)) in order to hold and undertake the real estate development and construction of a commercial building in the Shanghai World Expo district. The investment agreement was already signed.

In February and December 2019, respectively, Yuan Ding Enterprise (Shanghai) Limited (YDEL (Shanghai)) undertook the registration of a capital increase, which resulted in an increase of RMB250,000 thousand (NT$1,138,000 thousand) and RMB107,880 thousand (NT$467,034 thousand), respectively, in the Group's investment account in YDEL (Shanghai). In addition, the proportion of ownership is 20%, with a total investment amount 1,605,034 thousand.

In July 2019 and November 2018, Yuan Hsin Digital Payment Co., Ltd. (YHDP) undertook the registration of a capital reduction to offset the deficit, which resulted in a decrease of 7,324 thousand and 6,806 thousand shares, respectively, in the Group's equity in YHDP.

In June 2018, Ding Ding Integrated Marketing Service Co., Ltd. (DDIM) undertook the registration of a capital reduction to offset the deficit, which resulted in a decrease in the Group's equity in DDIM of 7,080 thousand shares.

Chongqing Pacific Consultant & Management Co., Ltd. (CPCM) invested RMB75,000 thousand in Chengdu Baiyang Industry Co., Ltd. (CDBI) and acquired 33% of the voting rights of CDBI. CPCM signed a contract to ensure long-term cooperation with its Joint Venture Partner, Chengdu Department Emporium Group Co., Ltd. (CDEG), and they agreed that CPCM would pay CDBI a security deposit of RMB425,000 thousand. Under the cooperation contract, the allocation of retained earnings of CDBI to CPCM will be at certain percentages stated in the contract and not at their respective percentages of ownership. The contract further states that CDBI should not be liquidated and CPCM should not transfer its equity (including voting rights) in CDBI to any party. The security deposit of RMB425,000 thousand can be transferred in stages as capital of CDBI and recognized as a long-term investment prepayment. When the percentage of the allocation of retained earnings, which had been requested by CDEG, exceeds a certain percentage of the allocation of retained earnings as stated in the contract, CPCM may simultaneously request to get back 50% of the allocated retained earnings and the security deposit. As of December 31, 2019, CDBI had returned RMB108,308 thousand to CPCM.

The investments in associates accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments were based on the associates' financial statements audited for the same years by other auditors.

Refer to Note 33 for the information on the carrying amounts of investments in associates accounted for using the equity method that were pledged as security.

14. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Buildings and Facilities	Decorative Facilities	Equipment under Finance Leases	Plant, Transportation and Miscellaneous Equipment	Construction in Progress	Total
Cost								
Balance at January 1, 2018	$ 13,720,139	$ 21,783,720	$ 9,624,537	$ 12,543,518	$ 10,461,166	$ 3,257,979	$ 3,267,791	$ 74,658,850
Additions (deductions)	-	-	245,549	342,640	-	179,365	1,506,880	2,274,434
Disposals	-	-	(54,828)	(208,224)	(3,268,803)	(109,054)	-	(3,640,909)
Reclassification	-	-	101,027	28,026	450,373	28,418	(471,573)	136,271
Effect of exchange differences	-	(24,875)	-	(36,967)	-	(1,664)	(31)	(63,537)
Balance at December 31, 2018	$ 13,720,139	$ 21,758,845	$ 9,916,285	$ 12,668,993	$ 7,642,736	$ 3,355,044	$ 4,303,067	$ 73,365,109
Accumulated depreciation and impairment								
Balance at January 1, 2018	$ -	$ (7,329,757)	$ (6,490,671)	$ (9,877,985)	$ (4,945,329)	$ (2,315,883)		$ (30,959,625)
Disposals	-	-	48,386	188,937	3,268,803	107,203		3,613,329
Impairment losses	-	(20,203)	(12,049)	(4,104)	-	(1,691)		(38,047)
Reclassification	-	(465,749)	(656,425)	(847,195)	(284,787)	(243,050)		(2,497,206)
Depreciation expense	-	-	(38)	38	-	(8,631)		(8,631)
Effect of exchange differences	-	23,396	-	33,306	-	1,310		58,012
Balance at December 31, 2018	$ -	$ (7,792,313)	$ (7,110,797)	$ (10,507,003)	$ (1,961,313)	$ (2,460,742)		$ (29,832,168)
Carrying amount at December 31, 2018	$ 13,720,139	$ 13,966,532	$ 2,805,488	$ 2,161,990	$ 5,681,423	$ 894,302	$ 4,303,067	$ 43,532,941
Cost								
Balance at January 1, 2019	$ 13,720,139	$ 21,758,845	$ 9,916,285	$ 12,668,993	$ 7,642,736	$ 3,355,044	$ 4,303,067	$ 73,365,109
Adjustments on initial application of IFRS 16	-	-	-	-	(7,642,736)	-	(3,961,660)	(11,604,396)
Balance at January 1, 2019 (restated)	13,720,139	21,758,845	9,916,285	12,668,993	-	3,355,044	341,407	61,760,713
Additions (deductions)	-	-	391,558	592,886	-	224,958	1,263,413	2,472,815
Disposals	-	(232,324)	(700,814)	(712,248)	-	(562,426)	-	(2,207,812)
Reclassification	-	-	1,008,145	512,721	-	92,503	(1,488,361)	125,008
Effect of exchange differences	-	(55,844)	-	(78,727)	-	(3,421)	(25)	(138,017)
Balance at December 31, 2019	$ 13,720,139	$ 21,470,677	$ 10,615,174	$ 12,983,625	$ -	$ 3,106,658	$ 116,434	$ 62,012,707
Accumulated depreciation and impairment								
Balance at January 1, 2019	$ -	$ (7,792,313)	$ (7,110,797)	$ (10,507,003)	$ (1,961,313)	$ (2,460,742)		$ (29,832,168)
Adjustments on initial application of IFRS 16	-	-	-	-	1,961,313	-		1,961,313
Balance at January 1, 2019 (restated)	-	(7,792,313)	(7,110,797)	(10,507,003)	-	(2,460,742)		(27,870,855)
Disposals	-	232,324	656,798	685,239	-	509,433		2,083,794
Depreciation expense	-	(455,231)	(654,825)	(701,007)	-	(219,664)		(2,030,727)
Reclassification	-	-	-	45	-	-		45
Effect of exchange differences	-	52,831	-	72,710	-	2,752		128,293
Balance at December 31, 2019	$ -	$ (7,962,389)	$ (7,108,824)	$ (10,450,016)	$ -	$ (2,168,221)		$ (27,689,450)
Carrying amount at December 31, 2019	$ 13,720,139	$ 13,508,288	$ 3,506,350	$ 2,533,609	$ -	$ 938,437	$ 116,434	$ 34,323,257

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	17-56 years
Buildings and facilities	5-20 years
Decorative facilities	3-20 years
Equipment under finance leases	15-50 years
Plant, transportation, and miscellaneous equipment	3-12 years

AIMAI evaluated the prospective profits in 2018. The impairment tests were applied to the property, plant and equipment of both branches based on their recoverable amounts, and $38,047 thousand was recognized as an impairment loss.

Refer to Note 33 for the information on the carrying amounts of property, plant and equipment that were pledged as collateral for long/short-term borrowings.

15. LEASE ARRANGEMENTS

a. Right-of-use assets - 2019

	December 31, 2019
Carrying amounts	
Land	$ 11,367,407
Buildings	33,396,243
Plant, transportation, and miscellaneous equipment	1,160
	$ 44,764,810

	For the Year Ended December 31, 2019
Additions to right-of-use assets	$ 2,101,626
Depreciation charge for right-of-use assets	
Land	$ 344,220
Buildings	3,318,910
Plant, transportation, and miscellaneous equipment	1,228
	$ 3,664,358

b. Lease liabilities - 2019

	December 31, 2019
Carrying amounts	
Current	$ 3,381,049
Non-current	$ 25,406,473

Range of discount rate for lease liabilities was as follows:

	December 31, 2019
Land	1.09%-1.75%
Buildings	0.90%-4.35%
Plant, transportation, and miscellaneous equipment	0.92%-1.15%

c. Material lease-in activities and terms

The Group leases certain property and equipment for its retail business with a lease term of 1 to 50 years. In addition to fixed payments, a part of the lease contract also specifies variable lease payments with different conditions. Some stores are leased by acquiring land use rights to build buildings and transfer buildings to lessor unconditionally at the end of the lease terms.

d. Other lease information

2019

	For the Year Ended December 31, 2019
Expenses relating to short-term leases	$ 182,955
Expenses relating to low-value asset leases	$ 69,461
Expenses relating to variable lease payments not included in the measurement of lease liabilities	$ 227,668
Total cash outflow for leases	$ (6,106,960)

The Group has elected to apply the recognition exemption for short-term leases and low-value assets leases and, thus, did not recognize right-of-use assets and lease liabilities for these leases.

2018

The future minimum lease payments of non-cancellable operating lease commitments are as follows:

	December 31, 2018
Not later than 1 year	$ 3,724,940
Later than 1 year and not later than 5 years	12,542,437
Later than 5 years	17,293,952
	$ 33,561,329

The lease payments and sublease payments recognized in profit or loss were as follows:

	For the Year Ended December 31, 2018
Minimum lease payments	$ 3,934,059
Contingent rental payments	170,442
Sublease payments	(61,751)
	$ 4,042,750

16. INVESTMENT PROPERTIES

	Land	Buildings and Facilities	Investment Properties under Construction	Right-of-use Assets	Total
Balance at January 1, 2018	$ 5,670,238	$ 3,067,978	$ -	$ -	$ 8,738,216
Disposals	-	(90,621)	-	-	(90,621)
Gain (loss) on changes in the fair value of investment properties	84,608	(41,563)	-	-	43,045
Balance at December 31, 2018	5,754,846	2,935,794	-	-	8,690,640
Adjustments on initial application of IFRS 16	-	-	-	537,429	537,429
Balance at January 1, 2019 (restated)	5,754,846	2,935,794	-	537,429	9,228,069
Additions	-	45	7,970	-	8,015
Reclassification	-	-	2,154	-	2,154
Loss on changes in the fair value of investment properties	(34,068)	(69,685)	-	(47,844)	(151,597)
Balance at December 31, 2019	$ 5,720,778	$ 2,866,154	$ 10,124	$ 489,585	$ 9,086,641

The investment properties located in the Hualien area were affected by the earthquake which occurred on February 6, 2018, which caused significant damage to the investment properties. The Group demolished the building in March 2018 and recognized loss on disposal of investment properties of $90,621 thousand in 2018.

Right-of-use assets included in investment properties which are units of office spaces located in Taoyuan and subleased under operating leases to others.

Some of the Group’s investment properties were leased out for 1 to 20 years. The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods.

Except for the minimum lease payments, some of the lease contracts also indicate that the lessees should make variable payments which shall be determined at the Consumer Price Index.

The maturity analysis of lease payments receivable under operating leases of investment properties at December 31, 2019 is as follows:

	December 31, 2019
Year 1	$ 764,587
Year 2	698,985
Year 3	638,463
Year 4	494,165
Year 5	487,403
Year 6 onwards	4,359,943
	$ 7,443,546

The future minimum lease payments of non-cancellable operating lease commitments at December 31, 2018 are as follows:

	December 31, 2018
Not later than 1 year	$ 825,529
Later than 1 year and not later than 5 years	2,269,991
Later than 5 years	3,468,739
	$ 6,564,259

The fair values of the investment properties as of December 31, 2019 and 2018 were based on the valuations carried out at those dates, on a recurring basis by independent qualified professional valuers, Hong-Kai Chang, Yi-Chih Chang, Yu-Fen Yeh and Kuang-Ping Tai from Savills Real Estate Appraiser Office, a member of certified ROC real estate appraisers.

Except for undeveloped lands, the fair values of investment properties were measured using the income approach and the significant assumptions used are the increase in the estimated future net cash inflows, or the decrease in discount rates that would result in increases in the fair values.

	December 31	
	2019	2018
Expected future cash inflows	$ 21,454,628	$ 21,577,513
Expected future cash outflows	3,020,664	2,895,472
Expected future cash inflows, net	$ 18,433,964	$ 18,682,041
Discount rate	3.845%-4.345%	3.845%-4.345%

The market rentals in the area where the investment properties are located were between $1 thousand and $2 thousand per ping (i.e., per 3.3 square meters). The market rentals for comparable properties were between $1 thousand and $4 thousand per ping (i.e., per 3.3 square meters).

The expected future cash inflows generated by investment properties referred to rental income, interest income on rental deposits and disposal value. The rental income was extrapolated using the existing lease contracts of the Group and comparative market rentals covering 5-11 years, taking into account the annual rental growth rate. The interest income on rental deposits was extrapolated by the one-year average deposit interest rate, and the disposal value was determined by the direct capitalization method under the income approach. The expected future cash outflows on investment properties included expenditures such as property taxes, insurance premiums, management fees, maintenance costs and replacement allowances. These expenditures were extrapolated on the basis of the current level of expenditures, taking into account the future adjustments to the government-announced land value, the tax rate promulgated under the Construction Cost Index and the House Tax Act and construction costs.

The discount rate was determined with reference to the interest rate for two-year time deposits of Chunghwa Post Co., Ltd. plus 0.75% and the risk premium of investment properties of 2%-2.5%.

Part of the land owned by the Group, where is located in the east of Taiwan, was not developed yet. The fair value of the undeveloped land area was measured by the land development analysis approach. The increase in the estimated total sales price, the increase in the rate of return, or the decrease in the overall capital interest rate would result in increase in the fair value. The significant assumptions used are as follows:

	December 31	
	2019	**2018**
Estimated total sales price	$ 1,511,974	$ 1,965,503
Rate of return	18%-20%	16%-20%
Overall capital interest rate	1.56%-3.08%	1.49%-3.90%

The total sales price is estimated on the basis of the most effective use of land or property available for sale after development is completed, taking into account the related regulations, optimism of domestic macroeconomic prospects, local land use, and comparable market prices.

Refer to Note 33 for the information on the carrying amounts of investment properties pledged as collateral for borrowings.

17. INTANGIBLE ASSETS

	Goodwill	**Computer Software**	**Franchise**	**Total**
Cost				
Balance at January 1, 2018	$ 7,631,973	$ 373,329	$ -	$ 8,005,302
Additions	-	34,784	28,942	63,726
Disposals	-	(210)	-	(210)
Reclassification	-	8,105	-	8,105
Effect of exchange differences	-	(1,130)	-	(1,130)
Balance at December 31, 2018	$ 7,631,973	$ 414,878	$ 28,942	$ 8,075,793

(Continued)

	Goodwill	Computer Software	Franchise	Total
Accumulated amortization and impairment				
Balance at January 1, 2018	$ (2,699,191)	$ (246,595)	$ -	$ (2,945,786)
Impairment losses recognized	(1,630,000)	-	-	(1,630,000)
Amortization expenses	-	(51,903)	-	(51,903)
Disposals	-	210	-	210
Effect of exchange differences	-	944	-	944
Balance at December 31, 2018	$ (4,329,191)	$ (297,344)	$ -	$ (4,626,535)
Carrying amounts at December 31, 2018	$ 3,302,782	$ 117,534	$ 28,942	$ 3,449,258
Cost				
Balance at January 1, 2019	$ 7,631,973	$ 414,878	$ 28,942	$ 8,075,793
Additions	-	48,516	124,890	173,406
Disposals	-	(42,047)	-	(42,047)
Reclassification	-	12,919	-	12,919
Effect of exchange differences	-	(2,246)	-	(2,246)
Balance at December 31, 2019	$ 7,631,973	$ 432,020	$ 153,832	$ 8,217,825
Accumulated amortization and impairment				
Balance at January 1, 2019	$ (4,329,191)	$ (297,344)	$ -	$ (4,626,535)
Impairment losses recognized	(1,095,884)	-	-	(1,095,884)
Amortization expenses	-	(60,149)	-	(60,149)
Disposals	-	40,473	-	40,473
Effect of exchange differences	-	2,085	-	2,085
Balance at December 31, 2019	$ (5,425,075)	$ (314,935)	$ -	$ (5,740,010)
Carrying amounts at December 31, 2019	$ 2,206,898	$ 117,085	$ 153,832	$ 2,477,815

(Concluded)

Goodwill arising on mergers or the acquisition of majority interests in companies is the acquisition cost in excess of the fair value of the identifiable net assets acquired.

The recoverable amount of this cash-generating unit was determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by management, a discount rate of 11.8% and 11.3% per annum and the Group reviews the carrying amount of goodwill by comparing its recoverable amount with its carrying amount to determine whether there is any indication that those assets have suffered an impairment loss. The impairment of goodwill which was related to the operation in mainland China amounted to $1,095,884 thousand and $1,630,000 thousand for the years ended December 31, 2019 and 2018, respectively.

Cash flows of the financial forecast is prepared and based on estimates of annual revenues, gross profit, capital expenditures and other operating costs. Management believed that any reasonably possible change in the key assumptions on which the recoverable amount was based would not cause the aggregate carrying amount of the cash-generating unit to exceed its aggregate recoverable amount.

The following intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Computer software	1-10 years
Franchise	45 years

18. PREPAYMENTS FOR LEASES

	December 31	
	2019	2018
SOGO - BR4 (a)	$ -	$ 4,922,241
FEDS - Xinyi Division A13 - land use right (b)	-	2,173,763
FEDS Asia Pacific Development - Kaohsiung land use right (c)	-	622,971
Dalian Pacific Department Store Co., Ltd. (d)	-	157,076
Far Eastern Ai Mai Co., Ltd. - Hsinchu (e)	-	92,934
Shanghai Pacific Department Stores - land use right (f)	-	76,842
Chubei New Century Shopping Mall Co., Ltd. - land use right (g)	1,060,658	14,335
	$ 1,060,658	$ 8,060,162
Current (recognized in prepayments)	$ -	$ 355,698
Non-current	1,060,658	7,704,464
	$ 1,060,658	$ 8,060,162

a. In January 2007, SOGO constructed a building within the Zhongxiao-Fuxing Station (BR4) of the Muzha line of the Taipei Rapid Transit System under a lease agreement with the Department of Rapid Transit Systems (DRTS), the Department of Finance under the Taipei City Government (TCG) and Hong-Tong Comprehensive Commercial Developing Co., Ltd. (HTCCD) SOGO renewed and signed a new lease agreement before the due date in June 2016. The new lease term is 9 years and 6 months, and the monthly rental for the first year is $20,263 thousand. From the second year onward, the rental will be adjusted in accordance to the conditions formulated in the new lease agreement.

   SOGO paid deposits of $23,637 thousand to the DRTS under the TCG and $38,278 thousand to the Department of Finance under the TCG. SOGO also paid operating deposits of $182,324 thousand to the DRTS under the TCG. SOGO’s total refundable deposits were $244,239 thousand as of December 31, 2019.

   In addition, SOGO made other prepayments under development leasehold rights - HTCCD to obtain the right to lease the building housing SOGO’s Branch BR4. In December 2006, SOGO entered into a lease agreement with HTCCD. Under this agreement, when the amount paid by SOGO exceeds the rental payable, the premium will be deemed as prepaid rental to be deducted from future rental expenses.

b. In September 2003, FEDS acquired the land use rights for No. A13 in Xinyi District of Taipei City, which is owned by the TCG. The total amount of the land use rights was $3,196,888 thousand, and FEDS completed the registration of its acquisition of the land use rights in October 2003. Under the contract, FEDS has the right to use the land for 50 years starting from the completion of the land use rights' registration. The initial monthly rental is $3,771 thousand, to be adjusted annually in accordance with the assessed and publicly announced land value on the contract date. The construction had been completed and transferred to right-of-use assets in 2019.

c. On January 1, 1998, FEDS Asia Pacific Development signed a contract with Asia Cement Corporation (ACC) for the construction of the Kaohsiung Asian Business and Finance Building on the land provided by ACC. Under this contract, FEDS Asia Pacific Development will own the leasehold rights for 50 years starting from the date of the contract and should pay ACC $1,073,000 thousand as the premium for the land use rights. The land use rights are amortized during the land use period. Annual land rental is payable in November of each year for 50 years at 5% of the assessed and publicly announced land value.

   The construction was completed in October 2001, and the building was rented out to FEDS and Vieshow Cinemas Co. The construction cost is amortized over the building occupancy period from October 2001 to December 2047.

d. Owing to the change of business operations of Dalian Pacific Department Store Co., Ltd. (DPDS), DPDS entered into a lease agreement with Dalian Parkland Co., Ltd. and prepaid RMB60,000 thousand to Dalian Parkland Co., Ltd. as rental. The amount of the rental is amortized over the lease term period.

e. In November 2001, under an agreement, AIMAI will lease a hypermarket from Hsinchu Chemical Industrial Co., Ltd. (HCCI). HCCI will provide the land and build the hypermarket. The related construction expenses will be paid by HCCI and AIMAI at the respective ratio of 1:2. The payment (including the previous development expenses) by AIMAI will be regarded as prepaid rental and amortized over the rental period upon the remaining lease term beginning from the opening day (19 years and 3 months). The Hsinchu branch of AIMAI opened in October 2003.

f. Shanghai Pacific Department Store obtained land use rights which are amortized over 30 years on the basis of the straight-line method.

g. On July 8, 2015, Chubei New Century Shopping Mall Co., Ltd. (CBNC) signed a build-operate-transfer (BOT) investment contract with the Hsinchu County Government. The total royalty of this investment contract was $10,000 thousand, and the registration of the acquisition of the land use rights was completed in September 2015. Under the contract, CBNC has the right to use the land for 50 years (including the construction and operation period) from the date that this agreement was signed by both parties. The respective period's rental amount for the land is based on 1% of the land owners' reported value in the construction period and 3% of the land owners' reported value in the operation period. The rental amount will be adjusted in accordance with the assessed and publicly announced land value.

19. OTHER ASSETS

	December 31	
	2019	2018
Refundable deposits	$ 1,347,547	$ 1,422,924
Lease incentives	339,350	186,409
Others	368,058	154,486
	$ 2,054,955	$ 1,763,819

(Continued)

	December 31	
	2019	2018
Current	$ 110,095	$ 85,798
Non-current	1,944,860	1,678,021
	$ 2,054,955	$ 1,763,819

(Concluded)

20. BORROWINGS

a. Short-term borrowings

	December 31	
	2019	2018
Credit loans	$ 8,814,863	$ 12,047,612
Secured loans (Note 33)	816,033	910,000
	$ 9,630,896	$ 12,957,612
Interest rate intervals are as follows:		
Credit loans	0.9000%-4.5675%	0.890%-6.491%
Secured loans	0.9200%-4.1325%	0.920%-1.230%

b. Short-term bills payable

	December 31	
	2019	2018
Commercial papers	$ 3,624,000	$ 3,482,000
Less: Unamortized discount on short-term bills payable	1,007	1,635
	$ 3,622,993	$ 3,480,365

Outstanding short-term bills payable are as follows:

December 31, 2019

Promissory Institutions	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate	Collateral	Carrying Amount of Collateral
Commercial papers						
Mega Bills Finance	$ 924,000	$ 203	$ 923,797	0.730%-1.070%	Shares	$ 678,380
China Bills Finance	850,000	94	849,906	0.500%-1.070%	Shares	119,875
Shanghai Bank	500,000	251	499,749	0.482%	-	-
Grand Finance	400,000	119	399,881	0.900%-1.068%	-	-
International Bills Finance	350,000	223	349,777	0.700%-1.078%	Shares	129,465
Taiwan Bills Finance	200,000	5	199,995	0.700%	-	-
Ta Ching Bill Finance	200,000	38	199,962	0.740%-1.060%	-	-
Taiwan Cooperative Bills Finance	200,000	74	199,926	0.830%	-	-
	$ 3,624,000	$ 1,007	$ 3,622,993			$ 927,720

December 31, 2018

Promissory Institutions	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate	Collateral	Carrying Amount of Collateral
Commercial papers						
Mega Bills Finance	$ 1,083,000	$ 374	$ 1,082,626	0.770%-1.078%	Shares	$ 662,952
China Bills Finance	925,000	522	924,478	0.490%-1.228%	Shares	84,875
Shanghai Bank	500,000	391	499,609	0.600%	-	-
International Bills Finance	274,000	64	273,936	0.680%-1.078%	Shares	91,665
Grand Finance	200,000	17	199,983	0.880%	-	-
Taiwan Cooperative Bills Finance	200,000	94	199,906	0.860%	-	-
Taiwan Bills Finance	150,000	68	149,932	0.750%	-	-
Ta Ching Bill Finance	150,000	105	149,895	0.910%	-	-
	$ 3,482,000	$ 1,635	$ 3,480,365			$ 839,492

c. Long-term borrowings

	December 31	
	2019	2018
Secured loans	$ 10,100,000	$ 10,200,000
Credit loans	6,240,000	4,890,000
Revolving commercial papers	1,199,757	-
	17,539,757	15,090,000
Less: Current portion	2,540,000	-
	$ 14,999,757	$ 15,090,000

Loan expiry date and interest rate intervals are as follows:

	December 31	
	2019	2018
loan maturity	2021/1-2022/12	2020/3-2021/12
Interest rate intervals	0.399%-1.720%	0.900%-1.720%

21. OTHER LIABILITIES

	December 31	
	2019	2018
Other payables		
Payables for purchases of equipment	$ 1,151,893	$ 363,938
Payables for salaries and bonuses	818,122	780,040
Payables for rent	36,445	203,072
Lease incentives	-	970,529
Others	1,965,200	2,263,860
	$ 3,971,660	$ 4,581,439

(Continued)

	December 31	
	2019	2018
Other liabilities		
Deposits received	$ 429,928	$ 466,168
Others	343,207	348,348
	$ 773,135	$ 814,516
Current		
Other payables	$ 3,971,660	$ 3,687,578
Other liabilities	$ 315,976	$ 320,947
Non-current		
Other liabilities	$ 457,159	$ 1,387,430

(Concluded)

22. PROVISIONS

	December 31	
	2019	2018
Dismantling obligation	$ 27,823	$ 31,501
Current	$ 3,000	$ 6,592
Non-current	24,823	24,909
	$ 27,823	$ 31,501

	Dismantling Obligation
Balance at January 1, 2019	$ 31,501
Amount used	(4,307)
Unwinding of discount	629
Balance at December 31, 2019	$ 27,823

23. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Group in ROC of the Group adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The employees of the Group's subsidiaries in mainland China are members of a state-managed retirement benefit plan operated by the local government of mainland China. The Group in mainland China are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

b. Defined benefit plans

The defined benefit plan adopted by Yu Ming Advertising Agency Co., Ltd. (YMAC), Far Eastern Hon Li Do Co., Ltd. (FEHLD), FEDS, AIMAI, Ya Tung Department Stores, Ltd. (YTDS) and SOGO of the Group in accordance with the Labor Standards Law is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company and aforementioned subsidiaries contribute amounts equal to 2%-6% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Group has no right to influence the investment policy and strategy.

The pension costs of YMAC respectively amounted to $12 and $13 thousand in 2019 and 2018, and the accrued pension liabilities on December 31, 2019 and 2018 were both $486 thousand.

FEHLD terminated sales on July 1, 2000. Thus, the employees of FEHLD became the employees of AIMAI. The length of services of the employees at FEHLD is carried forward to accumulate and calculate the defined benefit plans at AIMAI. If the employees retire, the calculation of pension costs would be based on the length of service at FEHLD. The accrued pension liabilities on December 31, 2019 and 2018 amounted to $479 and $778 thousand, respectively. These accrued pension liabilities were provisions for the aforementioned pension.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans are as follows:

	FEDS	**AIMAI**	**YTDS**	**SOGO**
December 31, 2019				
Present value of defined benefit obligation	$ 690,534	$ 263,309	$ 11,215	$ 664,251
Fair value of the plan assets	(924,569)	(29,769)	(10,105)	(161,435)
Net defined benefit (assets) liabilities	$ (234,035)	$ 233,540	$ 1,110	$ 502,816
December 31, 2018				
Present value of defined benefit obligation	$ 667,816	$ 267,662	$ 11,337	$ 636,263
Fair value of the plan assets	(578,815)	(29,626)	(9,517)	(157,904)
Net defined benefit liabilities	$ 89,001	$ 238,036	$ 1,820	$ 478,359

Movements in net defined benefit liabilities are as follows:

	FEDS			AIMAI		
	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit (Assets) Liabilities	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2018	$ 742,897	$ (505,389)	$ 237,508	$ 258,508	$ (22,105)	$ 236,403
Service cost						
Current service cost	7,088	-	7,088	1,740	-	1,740
Net interest expense (income)	9,286	(6,356)	2,930	2,908	(276)	2,632
Recognized in profit or loss	16,374	(6,356)	10,018	4,648	(276)	4,372
Remeasurement						
Return on plan assets (excluding amounts included in net interest)	-	(43,357)	(43,357)	-	(768)	(768)
Actuarial loss						
- changes in demographic assumptions	6,684	-	6,684	16,205	-	16,205
- changes in financial assumptions	8,750	-	8,750	-	-	-
- experience adjustments	33,482	-	33,482	9,176	-	9,176
Recognized in other comprehensive income	48,916	(43,357)	5,559	25,381	(768)	24,613
Contributions from the employer	-	(164,084)	(164,084)	-	(27,352)	(27,352)
Benefits paid	(140,371)	140,371	-	(20,875)	20,875	-
Balance at December 31, 2018	667,816	(578,815)	89,001	267,662	(29,626)	238,036
Service cost						
Current service cost	5,581	-	5,581	1,527	-	1,527
Net interest expense (income)	7,513	(6,544)	969	3,011	(360)	2,651
Recognized in profit or loss	13,094	(6,544)	6,550	4,538	(360)	4,178
Remeasurement						
Return on plan assets (excluding amounts included in net interest)	-	(332,601)	(332,601)	-	(1,036)	(1,036)
Actuarial loss						
- changes in demographic assumptions	10,011	-	10,011	4,567	-	4,567
- changes in financial assumptions	25,992	-	25,992	10,766	-	10,766
- experience adjustments	8,496	-	8,496	6,800	-	6,800
Recognized in other comprehensive income	44,499	(332,601)	(288,102)	22,133	(1,036)	21,097
Contributions from the employer	-	(41,449)	(41,449)	-	(27,491)	(27,491)
Benefits paid	(34,840)	34,840	-	(28,744)	28,744	-
Company account paid	(35)	-	(35)	(2,280)	-	(2,280)
Balance at December 31, 2019	$ 690,534	$ (924,569)	$ (234,035)	$ 263,309	$ (29,769)	$ 233,540

	YTDS			SOGO		
	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2018	$ 11,176	$ (9,005)	$ 2,171	$ 641,256	$ (172,819)	$ 468,437
Service cost						
Current service cost	90	-	90	4,498	-	4,498
Net interest expense (income)	126	(102)	24	8,015	(2,298)	5,717
Recognized in profit or loss	216	(102)	114	12,513	(2,298)	10,215
Remeasurement						
Return on plan assets (excluding amounts included in net interest)	-	(264)	(264)	-	(6,846)	(6,846)
Actuarial loss						
- changes in demographic assumptions	-	-	-	16,185	-	16,185
- changes in financial assumptions	135	-	135	9,084	-	9,084
- experience adjustments	(107)	-	(107)	1,969	-	1,969
Recognized in other comprehensive income	28	(264)	(236)	27,238	(6,846)	20,392
Contributions from the employer	-	(146)	(146)	-	(20,685)	(20,685)
Benefits paid	-	-	-	(44,744)	44,744	-
Company account paid	(83)	-	(83)	-	-	-
Balance at December 31, 2018	11,337	(9,517)	1,820	636,263	(157,904)	478,359
Service cost						
Current service cost	90	-	90	3,618		3,618
Net interest expense (income)	114	(96)	18	7,159	(1,893)	5,266
Recognized in profit or loss	204	(96)	108	10,777	(1,893)	8,884
Remeasurement						
Return on plan assets (excluding amounts included in net interest)	-	(334)	(334)	-	(5,738)	(5,738)
Actuarial loss						
- changes in demographic assumptions	1	-	1	4,221	-	4,221
- changes in financial assumptions	243	-	243	28,266	-	28,266
- experience adjustments	488	-	488	8,956	-	8,956
Recognized in other comprehensive income	732	(334)	398	41,443	(5,738)	35,705
Contributions from the employer	-	(158)	(158)	-	(20,132)	(20,132)
Benefits paid	-	-	-	(24,232)	24,232	-
Company account paid	(1,058)	-	(1,058)	-	-	-
Balance at December 31, 2019	$ 11,215	$ (10,105)	$ 1,110	$ 664,251	$ (161,435)	$ 502,816

Through the defined benefit plans under the Labor Standards Law, the Group is exposed to the following risks:

1) Investment risk: The plan assets are invested in equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments of the plan assets.

3) Salary risk: The present value of the defined benefit obligation is calculated with reference to the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations are as follows:

	FEDS	**AIMAI**	**YTDS**	**SOGO**
December 31, 2019				
Discount rates	0.750%	0.750%	0.750%	0.750%
Expected rates of salary increase	2.000%	1.000%	2.000%	2.250%
December 31, 2018				
Discount rates	1.125%	1.125%	1.000%	1.125%
Expected rates of salary increase	2.000%	1.000%	2.000%	2.250%

If probable, reasonable changes in each of the significant actuarial assumptions occur and all other assumptions remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	FEDS	**AIMAI**	**YTDS**	**SOGO**
December 31, 2019				
Discount rate(s)				
0.25% increase	$ (17,601)	$ (7,310)	$ (243)	$ (19,059)
0.25% decrease	$ 18,275	$ 7,611	$ 252	$ 19,838
Expected rate(s) of salary increase				
0.25% increase	$ 17,730	$ 7,451	$ 245	$ 19,201
0.25% decrease	$ (17,168)	$ (7,192)	$ (237)	$ (18,549)

(Continued)

	FEDS	AIMAI	YTDS	SOGO
December 31, 2018				
Discount rate(s)				
0.25% increase	$ (17,528)	$ (7,501)	$ (267)	$ (18,730)
0.25% decrease	$ 18,207	$ 7,812	$ 277	$ 19,512
Expected rate(s) of salary increase				
0.25% increase	$ 17,728	$ 7,675	$ 270	$ 18,956
0.25% decrease	$ (17,156)	$ (7,406)	$ (261)	$ (18,294)

(Concluded)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	FEDS	AIMAI	YTDS	SOGO
December 31, 2019				
The expected contributions to the plans for the next year	$ 5,417	$ 4,422	$ 144	$ 20,115
The average duration of the defined benefit obligation	10.4 years	11.2 years	8.7 years	11.6 years
December 31, 2018				
The expected contributions to the plans for the next year	$ 5,680	$ 4,648	$ 144	$ 20,746
The average duration of the defined benefit obligation	10.7 years	11.3 years	9.4 years	12 years

24. EQUITY

a. Share capital

Ordinary shares

	December 31	
	2019	2018
Shares authorized (in thousands of shares)	1,750,000	1,750,000
Shares authorized	$ 17,500,000	$ 17,500,000
Shares issued and fully paid (in thousands of shares)	1,416,941	1,416,941
Shares issued	$ 14,169,406	$ 14,169,406

Fully paid ordinary shares, which have a par value of $10, are entitled to one vote and a right to receive dividends per share.

b. Capital surplus

	December 31	
	2019	**2018**
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)		
Issuance in excess of ordinary shares	$ 2,142,074	$ 2,142,074
Treasury share transactions	1,173,346	1,173,346
Changes in percentage of ownership interest in associates	12,046	-
	$ 3,327,466	$ 3,315,420

Note: Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).

c. Retained earnings and dividend policy

According to the Company's Articles of Incorporation, net income should be used to pay its business income tax and offset deficits. From any remaining net income, 10% will be appropriated as a legal reserve, and a special reserve as required by government regulations. After adding prior years' unappropriated earnings, the Company could retain a certain amount for expansion plans and then make the appropriation equally to each shareholder. However, if there is an increase in capital during the year, bonuses appropriated to new shareholders should be allocated based on the resolution passed in the shareholders' meeting. For information about the policies of employees' compensation and remuneration of directors prior to and after the amendments to the Company's Articles of Incorporation, refer to Note 26.

The Company's distribution of dividends would be in consideration of on economic conditions, tax obligations, and operating requirements for cash. For an orderly system of dividend distribution, the dividends are distributed in accordance with the Articles of Incorporation. In addition, improvements of the financial structure and support for investment, capacity expansion or other major capital expenditures are needed. The cash dividends to be distributed should not be below 50% than the current year's post-tax net profit deduction, offsetting losses of previous years, the statutory surplus reserve and the special surplus reserve, except for the improvement of financial structure and the transfer of funds, capacity expansion or other major capital expenditures. The cash dividends to be distributed should not be below 10% of the total cash and share dividends for the current accounting year.

Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Company's paid-in capital. Legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

Under Order No. 1010012865, Order No. 1010047490 and Order No. 1030006415 issued by the FSC and the directive titled Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs, the Company should appropriate or reverse to a special reserve.

The appropriations of earnings for 2018 and 2017, which were approved in the shareholders' meetings on June 25, 2019 and June 21, 2018, respectively, are as follows:

	For the Year Ended December 31	
	2018	**2017**
Legal reserve	$ 131,815	$ 153,599
Special reserve	$ 73,330	$ 12,543
Cash dividends	$ 1,204,400	$ 1,416,940
Dividends per share (NT$)	$ 0.85	$ 1.00

The appropriation of the earnings for 2019 was proposed by the board of directors on March 27, 2020. The appropriations and dividends per share are as follows:

	For the Year Ended December 31, 2019
Legal reserve	$ 125,920
Special reserve	$ (156,088)
Cash dividends	$ 1,133,552
Dividends per share (NT$)	$ 0.80

The appropriation of earnings for 2019 was resolved in the shareholders' meeting held on June 24, 2020.

d. Special reserve

	For the Year Ended December 31	
	2019	**2018**
Beginning at January 1	$ 2,656,286	$ 2,643,743
Appropriation in respect of		
Initial application of IFRS 16	135,735	-
Net increases in the fair value of investment properties	73,330	12,543
Balance at December 31	$ 2,865,351	$ 2,656,286

On the initial application of the fair value model to investment properties and on the initial application of IFRS 16, property leasehold interests which were previously accounted for as operating leases under IAS 17 are recognized as investment properties and measured at fair value, the Company appropriated for a special reserve at an amount equal to the net increase arising from fair value measurement and which was subsequently transferred to retained earnings. The additional special reserve should be appropriated for subsequent net increases in fair value. The amount appropriated may be reversed to the extent that the cumulative net increases in fair value decrease or on the disposal of investment properties. If investment properties were reclassified to property, plant and equipment, the associated special reserve would be reversed in accordance to the subsequent depreciation expense of property, plant and equipment.

e. Other equity items

1) Exchange differences on translating the financial statements of foreign operations

	For the Year Ended December 31	
	2019	2018
Balance at January 1	$ 90,654	$ 86,048
Exchange differences on translating the financial statements of foreign operations	35,266	3,779
Share from associates accounted for using the equity method	(60,595)	827
Balance, at December 31	$ 65,325	$ 90,654

Translation adjustments arising from net assets of foreign operations that translated from the functional currency to New Taiwan dollars were recognized as other comprehensive incomes of exchange differences on translating foreign operations.

2) Unrealized gain (loss) on financial assets at FVTOCI

	For the Year Ended December 31	
	2019	2018
Balance at January 1	$ 1,969,628	$ 1,242,300
Recognized for the year		
Unrealized gain - equity instruments	1,117,155	536,660
Share from associates accounted for using the equity method	(27,909)	194,860
Other comprehensive income recognized for the year	3,058,874	1,973,820
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	-	(4,192)
Balance at December 31	$ 3,058,874	$ 1,969,628

f. Non-controlling interests

	For the Year Ended December 31	
	2019	2018
Balance at January 1	$ 8,166,484	$ 7,859,460
Adjustments on initial application of IFRS 16	(159,751)	-
Balance at January 1 (restated)	8,006,733	7,859,460
Share in profit for the year	370,426	332,345
Other comprehensive income/(loss) during the year		
Cash dividends distributed by subsidiaries	(239,203)	(220,697)
Exchange differences on translating the financial statements of foreign operations	18,312	(18,341)
Unrealized gain (loss) on financial assets at FVTOCI	1,409	(2,461)
Remeasurement of defined benefit plans	(19,543)	(11,161)
Related income tax	3,909	5,566
Share of other comprehensive income of associates accounted for using the equity method	(28,642)	222,398
Adjustments relating to changes of associates accounted for using the equity method	-	(625)
Balance, at December 31	$ 8,113,401	$ 8,166,484

g. Treasury shares

The shares that the subsidiaries held were acquired before the Company Act was amended in 2001. The Company's shares held by its subsidiaries at the end of the reporting period are as follows:

December 31, 2019

Name of Subsidiary	**Number of Shares Held (In Thousands of Shares)**	**Carrying Amount**	**Market Price**
Bai Ding Investment	8,207	$ 97,110	$ 213,771

December 31, 2018

Name of Subsidiary	**Number of Shares Held (In Thousands of Shares)**	**Carrying Amount**	**Market Price**
Bai Ding Investment	8,207	$ 97,110	$ 128,837

Under the Securities and Exchange Act, the Company shall neither pledge treasury shares nor exercise shareholders' rights on these shares, such as the rights to dividends and to vote. The subsidiaries holding treasury shares, however, retain shareholders' rights, except the rights to participate in any share issuances for cash and to vote.

25. REVENUE

	For the Year Ended December 31	
	2019	**2018**
Sales of goods (Note)	$ 22,794,827	$ 23,704,953
Commissions from concessionaires' sales (Note)	11,803,340	12,250,426
Maintenance and promotion fee income	803,134	890,598
Rental income		
Investment properties (Note 16)		
Variable lease payments that do not depend on an index or a rate and contingent rentals	13,264	5,649
Other lease payments	262,704	166,405
	275,968	172,054
Other operating leases		
Variable lease payments that do not depend on an index or a rate	136,898	160,667
Other lease payments	1,243,937	1,251,802
	1,380,835	1,412,469
	1,656,803	1,584,523
Others	837,958	812,051
	$ 37,896,062	$ 39,242,551

Note: Gross revenues is presented as follows:

	For the Year Ended December 31	
	2019	2018
Concessionaires' sales	$ 87,142,195	$ 88,049,625
Sale of goods	23,264,348	24,198,695
	$ 110,406,543	$ 112,248,320

Contract Balances

	December 31, 2019	December 31, 2018	January 1, 2018
Contract liabilities - current			
Sale of goods	$ 7,669,255	$ 7,435,814	$ 7,063,082
Customer loyalty programs	95,772	84,802	83,761
Others	5,801	4,852	393,337
	$ 7,770,828	$ 7,525,468	$ 7,540,180

Refer to Note 10 for the information of notes receivables and trade receivables.

The changes in the balance of contract liabilities primarily result from the timing difference between the Group's performance and the respective customer's payment.

Revenue of the reporting period recognized from the beginning contract liabilities which were satisfied in the previous periods is as follows:

	For the Year Ended December 31	
	2019	2018
From contract liabilities at the start of the year		
Sale of goods	$ 5,836,924	$ 5,612,648
Customer loyalty programs	49,954	59,426
	$ 5,886,878	$ 5,672,074

26. NET PROFIT FOR THE YEAR

Net profit for the year includes the following items:

a. Operating costs

	For the Year Ended December 31	
	2019	2018
Operating costs		
Cost of sales	$ 17,900,994	$ 18,697,764
Rental costs	316,826	355,092
Others	35,629	38,728
	$ 18,253,449	$ 19,091,584

b. Other income

	For the Year Ended December 31	
	2019	2018
Interest income		
Bank deposits	$ 82,585	$ 120,525
Others	7,864	7,599
	90,449	128,124
Dividend income	286,299	152,720
Insurance claim income	-	250,005
	$ 376,748	$ 530,849

c. Other gains and losses

	For the Year Ended December 31	
	2019	2018
Financial assets mandatorily classified as at FVTPL	$ 691	$ 10,443
(Loss) gain arising on changes in fair value of investment properties, net	(151,597)	43,045
Foreign exchange gain (loss), net	16,046	(169,753)
Loss on disposal of property, plant and equipment, net	(84,473)	(26,487)
Loss on disposal of investment properties	-	(90,621)
Gain on disposal of investment	291	-
Impairment loss on intangible assets	(1,095,884)	(1,630,000)
Impairment loss on property, plant and equipment	-	(38,047)
Other gains	330,879	207,019
Other losses	(51,150)	(48,778)
	$ (1,035,197)	$ (1,743,179)

d. Finance costs

	For the Year Ended December 31	
	2019	2018
Interest on lease liabilities	$ 477,029	$ -
Interest on bank loans	412,677	442,384
Interest on bonds	-	19,351
Other interest expense	19,475	33,994
Total interest expenses for financial liabilities measured at fair value through profit or loss	909,181	495,729
Less: Amounts included in the cost of qualifying assets	(74,481)	(58,702)
	834,700	437,027
Add: Reversal of unwinding of discounts on provisions	629	253
	$ 835,329	$ 437,280

Information about capitalized interest is as follows:

	For the Year Ended December 31	
	2019	**2018**
Capitalized interest amount	$ 74,481	$ 58,702
Capitalization rate interval	0.9800%- 1.0200%	0.9800%- 1.0500%

e. Depreciation and amortization

	For the Year Ended December 31	
	2019	**2018**
Property, plant and equipment	$ 2,030,727	$ 2,497,206
Right-of-use assets	3,664,358	-
Less: Adjustments to receipts in advance and depreciation	(139,890)	(141,887)
	5,555,195	2,355,319
Intangible assets (including amortization expenses)	60,149	51,903
	$ 5,615,344	$ 2,407,222
An analysis of deprecation by function		
Operating costs	$ 225,668	$ 94,443
Operating expenses	5,329,527	2,260,876
	$ 5,555,195	$ 2,355,319
An analysis of amortization by function		
Operating expenses	$ 60,149	$ 51,903

f. Operating expenses directly related to investment properties

	For the Year Ended December 31	
	2019	**2018**
Direct operating expenses from investment properties generating rental income	$ 65,378	$ 82,239
Direct operating expenses from investment properties not generating rental income	41,426	56,286
	$ 106,804	$ 138,525

g. Employee benefits expenses

	For the Year Ended December 31	
	2019	2018
Post-employment benefits (Note 23)		
Defined contribution plan	$ 179,323	$ 187,241
Defined benefit plan	19,732	24,732
	199,055	211,973
Other employee benefits	4,156,707	4,187,287
Total employee benefits expenses	$ 4,355,762	$ 4,399,260
An analysis of employee benefits expenses by function		
Operating expenses	$ 4,355,762	$ 4,399,260

h. Employees’ compensation and remuneration of directors

According to the Company’s Articles, the Company accrued employees’ compensation and remuneration of directors at a rate of 2% to 3.5% and no less than 2.5%, respectively, of net profit before income tax, employees’ compensation, and remuneration of directors. The employees’ compensation and remuneration of directors for the years ended December 31, 2019 and 2018, which were approved by the Company’s board of directors on March 27, 2020 and March 20, 2019, respectively, are as follows:

Accrual rate

	For the Year Ended December 31	
	2019	2018
Employees’ compensation	3.2%	3.2%
Remuneration of directors	2.4%	2.4%

Amount

	For the Year Ended December 31	
	2019	2018
	Cash	Cash
Employees’ compensation	$ 74,392	$ 55,384
Remuneration of directors	55,794	41,538

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

There was no difference between the actual amounts of employees’ compensation and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the year ended December 31, 2018 and 2017.

Information on the employees’ compensation and remuneration of directors resolved by the Company’s board of directors in 2019 and 2018 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

27. INCOME TAX

a. Income tax recognized in profit or loss

Major components of income tax expense (benefit) are as follows:

	For the Year Ended December 31	
	2019	**2018**
Current tax		
In respect of the current year	$ 769,421	$ 728,346
Income tax on unappropriated earnings	442	-
Adjustments for the prior years	(38,818)	(241)
	731,045	728,105
Deferred tax		
In respect of the current year	195,609	35,200
Effect of tax rate changes	-	85,957
Adjustments to deferred tax attributable to changes in tax rates and laws	25,570	48,101
Adjustments for the prior years	(1,555)	1,257
	219,624	170,515
Income tax expense recognized in profit or loss	$ 950,669	$ 898,620

A reconciliation of accounting profit and income tax expenses are as follows:

	For the Year Ended December 31	
	2019	**2018**
Profit before income tax from continuing operations	$ 3,102,938	$ 2,549,115
Income tax expense calculated at the statutory rate	$ 883,130	$ 690,816
Nondeductible expenses in determining taxable income	17,516	21,312
Deferred tax effect of earnings of subsidiaries	40,032	(230,173)
Tax-exempt income	(73,524)	(53,307)
Income tax on unappropriated earnings	442	-
Land value increment tax	(9,238)	(23,303)
Unrecognized loss carryforwards	138,127	383,187
Unrecognized deductible temporary differences	(12,783)	7,595
Effect of tax rate changes	-	85,957
Adjustments for prior years' income tax	(40,373)	1,016
Others	7,340	15,520
Income tax expense recognized in profit or loss	$ 950,669	$ 898,620

The Income Tax Act in the ROC was amended in 2018, and the corporate income tax rate was adjusted from 17% to 20%. In addition, the rate of the corporate surtax applicable to the 2018 unappropriated earnings was reduced from 10% to 5%. The applicable tax rate used by the subsidiaries in China is 25%. Tax rates used by other groups operating in other jurisdictions are based on the tax laws in those jurisdictions.

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2019	**2018**
Deferred tax		
In respect of the current year		
Remeasurement on defined benefit plans	$ (46,260)	$ 10,113
Effect of tax rate changes	-	13,253
	$ (46,260)	$ 23,366

c. Current tax assets and liabilities

	December 31	
	2019	**2018**
Current tax assets		
Tax refund receivable	$ 10,291	$ 3,025
Benefits of tax losses to be carried back to recover taxes paid in prior periods	521	2,630
	$ 10,812	$ 5,655
Current tax liabilities		
Income tax payable	$ 772,780	$ 609,796

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities are as follows:

For the year ended December 31, 2019

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
Deferred tax assets					
Temporary differences					
Right-of-use assets	$ 197,475	$ (24,016)	$ -	$ (1,009)	$ 172,450
Differences of pension in determining taxable income	153,858	5,741	(19,193)	-	140,406
Investments in subsidiaries	104,161	(102,550)	-	-	1,611
Others	148,447	(16,448)	-	(215)	131,784
	603,941	(137,273)	(19,193)	(1,224)	446,251
Loss carryforwards	168,159	(25,225)	-	40	142,974
	$ 772,100	$ (162,498)	$ (19,193)	$ (1,184)	$ 589,225

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehen-sive Income	Exchange Differences	Others	Closing Balance
Deferred tax liabilities						
Temporary differences						
Depreciation	$ 914,436	$ 8,275	$ -	$ -	$ -	$ 922,711
Reserve for land revaluation increment tax	508,719	-	-	-	-	508,719
Investment properties	361,470	(9,238)	-	-	-	352,232
Investments in subsidiaries	230,326	15,858	-	(12,214)	-	233,970
Differences of pension in determining taxable	-	19,740	27,067	-	-	46,807
Others	99,411	22,491	-	(2)	126,615	248,515
	$ 2,114,362	$ 57,126	$ 27,067	$ (12,216)	$ 126,615	$ 2,312,954

For the year ended December 31, 2018

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
Deferred tax assets					
Temporary differences					
Lease incentives	$ 209,714	$ (11,539)	$ -	$ (700)	$ 197,475
Differences of pension in determining taxable income	153,976	(23,484)	23,366	-	153,858
Investments in subsidiaries	16,952	87,209	-	-	104,161
Other payables	41,465	(41,465)	-	-	-
Others	142,263	6,333	-	(149)	148,447
	564,370	17,054	23,366	(849)	603,941
Loss carryforwards	155,208	13,386	-	(435)	168,159
	$ 719,578	$ 30,440	$ 23,366	$ (1,284)	$ 772,100

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehen-sive Income	Exchange Differences	Others	Closing Balance
Deferred tax liabilities						
Temporary differences						
Depreciation	$ 823,288	$ 91,148	$ -	$ -	$ -	$ 914,436
Reserve for land revaluation increment tax	508,719	-	-	-	-	508,719
Investment properties	384,773	(23,303)	-	-	-	361,470
Investments in subsidiaries	172,975	59,423	-	(2,072)	-	230,326
Others	25,725	73,687	-	(1)	-	99,411
	$ 1,915,480	$ 200,955	$ -	$ (2,073)	$ -	$ 2,114,362

e. Deductible temporary differences and unused loss carryforwards for which no deferred tax assets were recognized in the consolidated balance sheets

	December 31	
	2019	**2018**
Loss carryforwards		
Expiry in 2029	$ 518,468	$ -
Expiry in 2028	1,383,262	1,451,589
Expiry in 2027	1,990,891	3,184,627
Expiry in 2026	1,008,932	957,341
Expiry in 2025	784,762	812,468
Expiry in 2024	83,290	675,800
Expiry in 2023	129,329	123,329
Expiry in 2022	195,449	189,304
Expiry in 2021	164,662	171,239
Expiry in 2020	174,022	183,485
Expiry in 2019	-	373,159
	$ 6,433,067	$ 8,122,341
Deductible temporary differences	$ 1,419,548	$ 806,834

f. Information about unused loss carryforwards

As of December 31, 2019, information about loss carryforwards are as follows:

Remaining Creditable Amount	**Expiry Year**
$ 549,954	2029
1,669,672	2028
1,998,473	2027
1,374,561	2026
792,371	2025
83,290	2024
129,329	2023
195,449	2022
171,355	2021
183,485	2020
$ 7,147,939	

g. Income tax assessments

Income tax returns for the Group's entities in ROC have been assessed by the tax authorities through 2017.

28. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2019	**2018**
Basic earnings per share	$ 1.26	$ 0.94
Diluted earnings per share	$ 1.26	$ 0.93

Earnings and weighted average number of ordinary shares outstanding used for the computation of earnings per share are as follows:

Net profit for the year

	For the Year Ended December 31	
	2019	**2018**
Profit for the year attributable to owners of the Company	$ 1,781,843	$ 1,318,150
Effect of potentially dilutive ordinary shares:		
Employees' compensation	-	-
Earnings used in the computation of diluted earnings per share	$ 1,781,843	$ 1,318,150

Shares

(In Thousands of Shares)

	For the Year Ended December 31	
	2019	**2018**
Weighted average number of ordinary shares outstanding used in the computation of basic earnings per share	1,408,734	1,408,734
Effect of potentially dilutive ordinary shares:		
Employees' compensation	4,031	4,931
Weighted average number of ordinary shares outstanding used in the computation of dilutive earnings per share	1,412,765	1,413,665

If the Group offered to settle the compensation or bonuses paid to employees in cash or shares, the Group assumed the entire amount of the compensation or bonus will be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, if the effect is dilutive. Such dilutive effect of the potential shares was included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in their meeting in the following year.

29. CASH FLOW INFORMATION

a. Non-cash transactions

For the years ended December 31, 2019 and 2018, the Group entered into the following non-cash investing activities which were not reflected in the consolidated statements of cash flows:

The Group reclassified prepayments for equipment of $127,464 thousand and $127,640 thousand, respectively, as property, plant and equipment (see Note 14).

b. Changes in liabilities arising from financing activities

For the year ended December 31, 2019

	Opening Balance	Cash Flows	Non-cash Changes: New Leases	Non-cash Changes: Change in Exchange Rate	Others	Closing Balance
Short-term borrowings	$ 12,957,612	$ (3,175,258)	$ -	$ (151,458)	$ -	$ 9,630,896
Short-term bills payable	3,480,365	142,628	-	-	-	3,622,993
Long-term borrowings	15,090,000	2,449,757	-	-	-	17,539,757
Lease liabilities (Note 3)	30,357,752	(3,386,357)	2,101,626	(88,641)	(196,858)	28,787,522
Other non-current liabilities	493,569	(36,410)	-	-	-	457,159
	$ 62,379,298	$ (4,005,640)	$ 2,102,626	$ (240,099)	$ (196,858)	$ 60,038,327

For the year ended December 31, 2018

	Opening Balance	Cash Flows	Non-cash Changes: Reclassification	Non-cash Changes: Change in Exchange Rate	Others	Closing Balance
Short-term borrowings	$ 13,084,956	$ (100,163)	$ -	$ (27,181)	$ -	$ 12,957,612
Short-term bills payable	2,514,700	965,665	-	-	-	3,480,365
Long-term borrowings	16,758,102	(1,668,102)	-	-	-	15,090,000
Bonds payable	998,149	(1,000,000)	-	-	1,851	-
Other non-current liabilities	1,588,670	(26,346)	-	-	(174,894)	1,387,430
	$ 34,944,577	$ (1,828,946)	$ -	$ (27,181)	$ (173,043)	$ 32,915,407

30. CAPITAL MANAGEMENT

Under its operating development schemes and related government rules, the Group manages its capital to ensure it can continue to operate as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Group (comprising share capital, capital surplus, retained earnings and other equity). The Group's capital management concerns the capital expenditures for capital structure and relative risks to ensure the optimal capital structure; the Group may adjust the amount of dividends paid to shareholders, the number of new shares issued and the proceeds from borrowings and repayments of borrowings, in order to balance the overall capital structure.

31. FINANCIAL INSTRUMENTS

a. Fair value information - financial instruments not measured at fair value

The financial instruments not measured at fair value are either those with due dates in the near future or those with a future collection value which approximately equals its carrying amount. Thus, the fair value of these financial instruments are estimated at their carrying amounts on the financial reporting date.

b. Fair value information - financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2019

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Beneficiary certificates	$ 346,330	$ -	$ -	$ 346,330
Domestic listed ordinary shares	110,926	-	-	110,926
	$ 457,256	$ -	$ -	$ 457,256
Financial assets at FVTOCI				
Domestic listed ordinary shares	$ 4,736,737	$ -	$ -	$ 4,736,737
Unlisted shares	-	-	591,283	591,283
	$ 4,736,737	$ -	$ 591,283	$ 5,328,020

December 31, 2018

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Beneficiary certificates	$ 344,481	$ -	$ -	$ 344,481
Domestic listed ordinary shares	93,266	-	-	93,266
	$ 437,747	$ -	$ -	$ 437,747
Financial assets at FVTOCI				
Domestic listed ordinary shares	$ 3,631,653	$ -	$ -	$ 3,631,653
Unlisted shares	-	-	573,146	573,146
	$ 3,631,653	$ -	$ 573,146	$ 4,204,799

There were no transfers between Level 1 and 2 in both 2019 and 2018.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the year ended December 31, 2019

Financial Assets	Investment in Equity Instruments at FVTOCI
Balance at January 1, 2019	$ 573,146
Recognized in profit or loss (included in other gains and losses)	(87)
Recognized in other comprehensive income (included in unrealized valuation gain/(loss) on financial assets at FVTOCI)	18,224
Balance at December 31, 2019	$ 591,283

For the year ended December 31, 2018

Financial Assets	Investment in Equity Instruments at FVTOCI
Balance at January 1, 2018	$ -
Adjustments on initial application of IFRS 9	492,191
Balance at January 1, 2018 (restated)	492,191
Recognized in other comprehensive income (included in unrealized valuation gain/(loss) on financial assets at FVTOCI)	80,955
Balance at December 31, 2018	$ 573,146

3) Valuation techniques and inputs applied for Level 3 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Unlisted shares	a) Asset-based approach. Valuation based on the fair value of an investee, calculated through each investment of the investee using the income approach, market approach or a combination of the two approaches, while also taking the liquidity premium into consideration. b) Transaction method of market approach. The approach is a valuation strategy that looks at market ratios of companies with similar profitability at the end of the reporting period, while taking the liquidity premium into consideration.

c. Categories of financial instruments

	December 31	
	2019	2018
Financial assets		
FVTPL		
Mandatorily classified as at FVTPL	$ 457,256	$ 437,747
Financial assets at amortized cost (1)	18,170,249	22,215,229
FVTOCI		
Equity instruments	5,328,020	4,204,799
Financial liabilities		
Amortized cost (2)	50,412,783	53,293,190

1) The balances included the carrying amount of cash and cash equivalents, notes receivable and trade receivables (including related parties), other receivables and refundable deposits, which are measured at amortized cost.

2) The balances included the carrying amount of short-term borrowings, short-term bills payable, notes payable and trade payables (including related parties), other payables, long-term borrowings including the current portion and deposits received, which are measured at amortized cost.

d. Financial risk management objectives and policies

The Group's major financial instruments include equity instruments, trade receivables, trade payables and borrowings. The Group's financial risk management pertains to the management of operations-related market risks (including exchange rate risk, interest rate and other price risks), credit risks and liquidity risks. To reduce financial risk, the Group is committed to identifying, assessing and avoiding the market uncertainties and reducing negative effects of these market changes on the Group's financial performance.

The main financial activities of the Group are governed by the Group's internal management and approved by the board of directors. The financial schemes, which include fund raising plans should be carried out in compliance with the Group's policies.

1) Market risk

a) Exchange rate risk

The Group was exposed to exchange rate risk for holding assets and liabilities denominated in foreign currencies.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the reporting period are as follows:

In Thousands of U.S. Dollars

	December 31	
	2019	**2018**
Assets		
USD	$ 14,409	$ 29,879
Liabilities		
USD	$ 3,900	$ 3,968

Sensitivity analysis

The Group was mainly affected by the floating exchange rates of USD denominated assets and liabilities. The sensitivity analyses below were determined based on the Group's exposure to exchange rates for non-derivative instruments at the end of the reporting period. The change of exchange rates reported to the senior management of the Group was based on a 1% increase or decrease in exchange rate which also denotes the management's assessment for the reasonableness of the fluctuation of exchange rates.

If exchange rates had been 1% higher or lower and all other variables were held constant, the profit before income tax or equity of the Group for 2019 and 2018 would increase/decrease by $3,151 thousand and $7,958 thousand, respectively,

b) Interest rate risk

The Group was exposed to interest rate risk because the entities in the Group borrowed funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period are as follows:

	December 31	
	2019	**2018**
Fair value interest rate risk		
Financial assets	$ 10,503,168	$ 10,740,306
Financial liabilities	31,388,615	9,476,066
Cash flow interest rate risk		
Financial assets	2,662,905	2,026,821
Financial liabilities	28,192,553	22,051,911

Sensitivity analysis

The sensitivity analyses below were determined based on the Group's exposure to interest rates for financial assets and financial liabilities at the end of the reporting period. For sensitivity analysis purposes, the sensitivity rate was adjusted as a result of the volatile financial markets. The measurement of the increase or decrease in the interest rates is based on 100 basis points, which is reported to the senior management denoting the management's assessment for the reasonableness of the fluctuation of the interest rates.

If interest rates had been 100 basis points higher or lower and all other variables had been held constant, the income before income taxes for the years ended December 31, 2019 and 2018 would have decreased/increased by $255,296 thousand and $200,251 thousand, respectively.

c) Other price risks

The Group was exposed to equity price risks involving equity investments in listed companies and beneficial certificates. The Group's investments in listed companies and beneficial certificates should be in compliance with the rule made by the board of directors in order to achieve the goal of risk management and maximize the returns on investments.

Sensitivity analysis

The sensitivity analyses below were determined based on the exposure to equity price risks at the end of the reporting period. For sensitivity analysis purposes, the sensitivity rate was adjusted as a result of the volatile financial market.

If equity prices had been 5% higher or lower, the income before income tax for the years ended December 31, 2019 and 2018 would increase/decrease by $22,863 thousand and $21,887 thousand, respectively, as a result of the changes in fair value of held-for-trading investments. The pre-tax other comprehensive income for the years ended December 31, 2019 and 2018 would have increased/decreased by $266,401 thousand and $210,240 thousand, respectively, as a result of the changes in fair value of available-for-sale financial assets.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. At the end of the reporting period, the Group's credit risk was mainly from trade receivables in operating activities, bank deposits and financial instruments in financial activities.

To maintain the quality of trade receivables, the Group manages credit risk by assessing customers' credit elements, such as financial status, historical transactions, etc., and obtains an adequate amount of collaterals as guarantees from the customers with high credit risk. In addition, the Group reviews the recoverable amount of each trade debt at the end of the reporting period to ensure that adequate allowances are made for irrecoverable amounts. On the credit risk management of bank deposits and other financial instruments, the Group trades with the counterparties comprising banks with high credit ratings.

3) Liquidity risk

Liquidity risk is a risk in which the Group cannot pay cash or use other financial assets to settle the financial liabilities. The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the use of bank borrowings and ensures compliance with loan covenants and it will not damage to the Group's reputation.

On the demand for capital payments for a particular purpose, the Group maintains adequate cash by the way of the long-term finance/borrowings. For the management of cash shortage, the Group monitors cash management and allocates cash appropriately to maintain financial flexibility and ensure the mitigation of liquidity risk.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables are drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group may be required to pay. The tables include both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks' choice to exercise their rights. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment periods.

December 31, 2019

	On Demand or Not Later than 1 Year	1-2 Years	2-3 Years	3-4 Years	4-5 Years	Later than 5 Years	Total
Non-derivative financial liabilities							
Short-term borrowings	$ 9,630,896	$ -	$ -	$ -	$ -	$ -	$ 9,630,896
Short-term bills payable	3,622,993	-	-	-	-	-	3,622,993
Notes payable	3,184	-	-	-	-	-	3,184
Trade payables	15,120,910	-	-	-	-	-	15,120,910
Trade payables to related parties	93,455	-	-	-	-	-	93,455
Other payables	3,971,660	-	-	-	-	-	3,971,660
Lease liabilities	3,576,206	3,407,678	3,048,551	2,830,422	2,258,753	17,399,623	32,521,233
Long-term borrowings (including current portion)	2,540,000	14,739,757	260,000	-	-	-	17,539,757
Deposits received	43,128	283,148	33,400	7,666	7,492	55,094	429,928

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	$ 3,576,206	$11,545,404	$ 7,830,261	$ 3,980,745	$ 2,487,879	$ 3,100,738

December 31, 2018

	On Demand or Not Later than 1 Year	1-2 Years	2-3 Years	3-4 Years	4-5 Years	Later than 5 Years	Total
Non-derivative financial liabilities							
Short-term borrowings	$ 12,957,612	$ -	$ -	$ -	$ -	$ -	$ 12,957,612
Short-term bills payable	3,480,365	-	-	-	-	-	3,480,365
Notes payable	3,683	-	-	-	-	-	3,683
Trade payables	17,579,453	-	-	-	-	-	17,579,453
Trade payables to related parties	104,999	-	-	-	-	-	104,999
Other payables	3,610,910	-	-	-	-	-	3,610,910
Long-term borrowings (including current portion)	-	12,460,000	2,630,000	-	-	-	15,090,000
Deposits received	50,344	227,618	125,821	3,584	7,596	51,205	466,168

The amounts of variable interest rate instruments for both non-derivative financial liabilities mentioned above are subject to change if the changes in variable interest rates differ from those estimates of interest rates determined at the end of the year.

32. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Group and its subsidiaries (which are related parties of the Company) have been eliminated on consolidation and are not disclosed in this note. The transactions between the Group and its related parties, other than those disclosed in other notes, are summarized as follows:

a. The Group's related parties and their relationships

Related Party	Relationship with the Group
Ding Ding Integrated Marketing Service Co., Ltd. (DDIM)	Associate
Chengdu Baiyang Industry Co., Ltd. (CDBI)	Associate
Yuan Hsin Digital Payment Co., Ltd. (YHDP)	Associate
Oriental Securities Corporation (OSC)	Associate
Pacific Department Store Co., Ltd	Associate
Sogo Department Stores Co., Ltd.	Associate
Far Eastern International Leasing Corp. (FEIL)	Associate
Yuan Ding Enterprise (Shanghai) Limited. (YDEL (Shanghai))	Associate (Note)
Yuan Shi Digital Technology Co., Ltd. (YSDT)	The associate of the investor that has significant influence over the Company (the subsidiary of FENC)
Far EasTone Telecommunications Co., Ltd. (FET)	The associate of the investor that has significant influence over the Company (the subsidiary of FENC)
Asia Cement Corporation (ACC)	The associate of the investor that has significant influence over the Company (the associate of FENC)
Far Eastern Electronic Toll Collection Co., Ltd.	The associate of the investor that has significant influence over the Company (the subsidiary of FENC)
New Century InfoComm Tech Co., Ltd.	The associate of the investor that has significant influence over the Company (the subsidiary of FENC)
Yuan Ding Co., Ltd.	The associate of the investor that has significant influence over the Company (the subsidiary of FENC)
Ding Ding Hotel Co., Ltd.	The associate of the investor that has significant influence over the Company (the subsidiary of FENC)

(Continued)

Related Party	Relationship with the Group
Far East Resources Development Co., Ltd.	The associate of the investor that has significant influence over the Company (the subsidiary of FENC)
Far Eastern Technical Consultants Co., Ltd.	The associate of the investor that has significant influence over the Company (the associate of FENC)
Yuan Ding Integrated Information Service (Shanghai) Inc.	The associate of the investor that has significant influence over the Company (the subsidiary of FENC)
Far Eastern Construction Co., Ltd. (FECC)	The associate of the investor that has significant influence over the Company (the subsidiary of FENC)
Far Eastern Apparel Co., Ltd.	The associate of the investor that has significant influence over the Company (the subsidiary of FENC)
YDT Technology International Co., Ltd.	The associate of the investor that has significant influence over the Company (the subsidiary of FENC)
Far Eastern New Century (China) Investment Co., Ltd. (FENCI (China))	The associate of the investor that has significant influence over the Company (the subsidiary of FENC)
Far Eastern General Contractor Inc. (FEG)	The associate of the investor that has significant influence over the Company (the subsidiary of FENC)
Yadong Ready Mixed Concrete Co., Ltd.	The associate of the investor that has significant influence over the Company (the associate of FENC)
Everest Textile Co., Ltd.	The associate of the investor that has significant influence over the Company (the associate of FENC)
Far Eastern New Century Corporation (FENC)	The investor that has significant influence over the Company (investor of FEDS accounted for using the equity method)
Yuan-Ze University	Other related party (the same chairman)
Mr. Xuyuan Zhi Memorial Foundation	Other related party (the same chairman)
Far Eastern Medical Foundation (FEMF)	Other related party (the same chairman)
Oriental Union Chemical Corp.	Other related party (the same chairman)
U-Ming Marine Transport Corp.	Other related party (the same chairman)
Hong-Tong Developing Co., Ltd.	Other related party (related party in substance)
Sogo New Life Foundation	Other related party (related party in substance)
Pacific Sogo Social Welfare Foundation	Other related party (related party in substance)
Far Eastern International Bank (FEIB)	Other related party (the chairman of the Company is its vice chairman)
Ding&Ding Management Consultants Co., Ltd.	Other related party (related party in substance)
CitySuper (Hong Kong)	Other related party (related party in substance of Subsidiary Far Eastern CitySuper)
CitySuper (Labuan) Ltd.	Other related party (investor of Far Eastern CitySuper accounted for using the equity method)
CitySuper Ltd.	Other related party (the parent company of CitySuper (Labuan) Ltd.)
Yuanbo Asset Management Company	Other related party (the subsidiary of FEIL)
Chengdu Zhongtie Ruicheng Building Co., Ltd.	Other related party (mainland cooperative enterprise)
Chengdu Tai Bai Consultant and Management Co., Ltd.	Other related party (mainland cooperative enterprise)
Shanghai Xujiahui Commercial Co., Ltd.	Other related party (mainland cooperative enterprise)
Yu Chang Technical & Commercial Vocational Senior High School (YCVS)	Other related party (related party in substance)
Fu Ming Transport Corporation	Other related party (the subsidiary of ACC)
Yuan Cing Co., Ltd.	Other related party (the subsidiary of FET)

(Concluded)

Note: On February 18, 2019, FEDS Development invested RMB250,000 thousand in YDEC (Shanghai) with a 20% shareholding ratio and the investment was accounted for using the equity method. Therefore, FEDS Development changed from being an "investor with significant influence - associate" into an "associate".

b. Operating revenue

	For the Year Ended December 31	
	2019	2018
Sales of goods (Note)		
The associates of investor that has significant influence over the Group	$ 56,135	$ 63,322
Other related parties	5,017	4,958
Investor that has significant influence over the Group	1,261	1,719
Associates	256	1,155
	$ 62,669	$ 71,154

Note: Sales to related parties and unrelated parties were made under normal terms.

	For the Year Ended December 31	
	2019	2018
Other operating revenue		
Other related parties	$ 68,745	$ 83,160
The associates of investor that has significant influence over the Group	31,942	45,788
Associates	2,304	3,265
	$ 102,991	$ 132,213

c. Operating costs and expenses

	For the Year Ended December 31	
	2019	2018
Operating costs (Note)		
The associates of investor that has significant influence over the Group	$ 131,547	$ 128,884
Other related parties	16,379	15,819
Investor that has significant influence over the Group	61	137
	$ 147,987	$ 144,840

Note: Purchases from related parties and unrelated parties were made under normal terms.

	For the Year Ended December 31	
	2019	2018
Operating expenses (Note)		
The associates of investor that has significant influence over the Group	$ 213,293	$ 762,604
Other related parties	172,575	497,811
Associates	162,739	144,407
Investor that has significant influence over the Group	126,630	115,260
	$ 675,237	$ 1,520,082

Note: The rental pertaining to related parties is based on agreement and is received or paid monthly or yearly.

d. Other gains and losses

	For the Year Ended December 31	
	2019	2018
Other gains and losses - gains		
Associates		
FEIL	$ 129,889	$ 584
Others	733	688
	130,622	1,272
The associates of investor that has significant influence over the Group	22,939	16,683
Other related parties	18,122	18,300
Investor that has significant influence over the Group	464	263
	$ 172,147	$ 36,518
Other gains and losses - losses		
Associates		
OSC	$ 7,132	$ 7,176
Investor that has significant influence over the Group	1	1
	$ 7,133	$ 7,177

	For the Year Ended December 31	
	2019	2018
Interest on lease liabilities		
The associates of investor that has significant influence over the Group	$ 96,566	$ -
Other related parties	1,914	-
	$ 98,480	$ -

e. Receivables from related parties

	December 31	
	2019	2018
Trade receivables, net		
The associates of investor that has significant influence over the Group	$ 75,791	$ 61,195
Other related parties	51,892	53,923
Associates (Note)	30,434	40,066
Investor that has significant influence over the Group	3,818	758
	$ 161,935	$ 155,942

Note: As of December 31, 2019 and 2018, the amounts of allowance for impairment loss on receivables were $123,037 thousand and $125,035 thousand, respectively.

	December 31	
	2019	2018
Other receivables		
The associates of investor that has significant influence over the Group (1)		
FENCI (China)	$ -	$ 969,171
YDEC (Shanghai)	-	256,777
Others	17,999	11,968
	17,999	1,237,916
Associates		
CDBI (2)	128,173	108,414
Others	20,228	28,564
	148,401	136,978
Other related parties (3)	9,223	58,496
Investor that has significant influence over the Group	292	289
	$ 175,915	$ 1,433,679

1) As of December 31, 2019 and 2018, the amounts of finance to related parties were $0 and $1,225,948 thousand, respectively.

2) As of December 31, 2019 and 2018, the amounts of dividend receivable were $58,446 thousand and $60,864 thousand, respectively.

3) As of December 31, 2019 and 2018, the amounts of allowances for impairment loss were $16,181 thousand for both of these dates.

f. Other assets

	December 31	
	2019	2018
Prepayments		
Other related parties	$ 2,888	$ 2,889
The associates of investor that has significant influence over the Group	15	86
	$ 2,903	$ 2,975
Prepayments for lease		
Other related parties	$ -	$ 259,065
Other current assets		
Associates	$ 570	$ 570
The associates of investor that has significant influence over the Group	66	-
	$ 636	$ 570
Other non-current asset		
Leasing incentives		
The associates of investor that has significant influence over the Group	$ 13,768	$ 9,141
Other related parties	1,134	1,314
	$ 14,902	$ 10,455
Refundable deposits		
Associates	$ 129,189	$ 130,848
The associates of investor that has significant influence over the Group	44,817	44,816
	$ 174,006	$ 175,664
Long-term prepayments for lease		
Other related parties		
Hong-Tong Comprehensive Commercial Developing Co., Ltd.	$ -	$ 4,663,176

g. Payables to related parties

	December 31			
	2019		2018	
Trade payables				
The associates of investor that has significant influence over the Group	$	92,039	$	102,277
Other related parties		1,416		2,711
Investor that has significant influence over the Group		-		11
	$	93,455	$	104,999
Other payables				
The associates of investor that has significant influence over the Group	$	253,333	$	273,720
Associates		144,513		294,205
Investor that has significant influence over the Group		50,728		43,320
Other related parties		22,348		25,332
	$	470,922	$	636,577

h. Contract liabilities

	December 31			
	2019		2018	
The associates of investor that has significant influence over the Group	$	484	$	484

i. Other liabilities

	December 31			
	2019		2018	
Advance receipts				
The associates of investor that has significant influence over the Group	$	4,275	$	4,793
Other related parties		3,150		2,959
Associates		149		308
	$	7,574	$	8,060
Other current liabilities				
Associates	$	2,285	$	6,146
Other related parties		1,315		238
The associates of investor that has significant influence over the Group		112		27
	$	3,712	$	6,411

	December 31	
	2019	**2018**
Lease liabilities (Note)		
The associates of investor that has significant influence over the Group		
FECC	$ 3,790,369	$ -
ACC	1,164,096	-
Far East Resources Development Co., Ltd.	1,119,194	-
Others	279,487	-
	6,353,146	-
Other related parties	10,897	-
	$ 6,364,043	$ -

Note: The rental pertaining to related parties is based on agreement and is received or paid monthly or yearly.

	December 31	
	2019	**2018**
Other non-current liabilities		
Leasing incentive		
The associates of investor that has significant influence over the Group	$ -	$ 91,142
Deposits received		
The associates of investor that has significant influence over the Group		
Yuan Ding Co., Ltd.	$ 48,676	$ 36,173
Others	593	673
	49,269	36,846
Other related parties	1,032	1,032
	$ 50,301	$ 37,878
Others		
Other related parties	$ 29,251	$ 29,505

j. Construction projects

The Group’s construction projects valued amount are as follows:

	December 31	
	2019	**2018**
The associates of investor that has significant influence over the Group	$ 1,101,164	$ 805,482
Other related parties	5,775	764
Associates	-	540
	$ 1,106,939	$ 806,786

k. Loans to related parties

The associates of investors which the Group provided financing to and that have significant influence over the Group are as follows:

Related Party	December 31, 2019 Maximum Balance	Ending Balance	Interest Rate (%)	Interest Income
FENCI (China)	$ 1,008,151	$ -	-	$ -
YDEC (Shanghai)	$ 349,716	$ -	-	$ -

Related Party	December 31, 2018 Maximum Balance	Ending Balance	Interest Rate (%)	Interest Income
FENCI (China)	$ 1,926,169	$ 969,171	-	$ -
YDEC (Shanghai)	$ 520,820	$ 256,777	-	$ -

l. Loans from related parties

The Group's financing from other related parties are as follows:

Related Party	December 31, 2019 Maximum Balance	Ending Balance	Interest Rate (%)	Finance Cost
FEIB	$ 500,000	$ -	1.07-1.08	$ 765

Related Party	December 31, 2018 Maximum Balance	Ending Balance	Interest Rate (%)	Finance Cost
FEIB	$ 400,000	$ -	1.15	$ 192

m. Compensation of key management personnel

	For the Year Ended December 31 2019	2018
Short-term employee benefits	$ 139,920	$ 129,097
Post-employment benefits	523	494
	$ 140,443	$ 129,591

The compensation to directors and other key management personnel were determined by the Compensation Committee of the Group in accordance with the individual performance and the market trends.

33. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for goods purchases, long/short-term borrowings, short-term bills payable and administrative proceedings:

	December 31	
	2019	2018
Financial assets at amortized cost	$ 199,000	$ 280,400
Investments accounted for using the equity method	3,569,838	3,504,587
Financial assets at FVTOCI	2,375,340	1,783,290
Property, plant and equipment	17,213,913	17,400,626
Investment properties	624,887	682,999
	$ 23,982,978	$ 23,651,902

34. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant contingencies and unrecognized commitments of the Group as of December 31, 2019 and 2018 are as follows:

a. Significant unrecognized commitments

The amount of unrecognized commitments are as follows:

	December 31	
	2019	2018
Acquisition of property, plant and equipment	$ 2,469,345	$ 3,592,586
Unused letters of credit for purchases	-	500,000
	$ 2,469,345	$ 4,092,586

b. A letter from the Ministry of Economic Affairs (MOEA) on July 28, 2011 stated that the term of the board of directors and supervisors (the “Board”) of SOGO was terminated, and the election of the Board should be held by October 28, 2011. On August 26, 2011, in the shareholders’ meeting, Douglas Hsu, Ching-Wen Huang, Mao-De Huang, Hsiao-Yi Wang and Satoshi Inoue were elected to be the representatives of the Board and Jing-Yi Wang was elected as a supervisor. On September 2, 2011, the registration of the Board was submitted to the MOEA, and on August 30, 2013, the registration of the Board was approved and completed by the MOEA.

For the resolution passed in the shareholders’ meeting, SOGO’s shareholders filed an appeal for an invalid resolution and for the withdrawal of the resolution of the shareholders’ meeting. As of March 17, 2017, many verdicts, including the Year 100 Letter Su No. 3965 verdict made by the TTDC, the Year 104 Letter Tsai Shang No. 90 verdict made by the Supreme Administrative Court (SAC), the Year 101 Letter Kun No. 1589 and No. 1681 verdicts made by the THC, and the Year 106 Letter Tsai Shang No. 86 verdict made by the SAC, confirmed that the shareholders’ meeting was legal and rejected the appeal of the SOGO shareholders.

Also, Heng-Long Li filed an appeal against SOGO and PLTI, alleging that the decisions made in the SOGO shareholders’ meeting on August 26, 2011 were invalid. After the TTDC rejected the appeal in the Year 103 Letter Shang No. 1014 verdict, the THC rejected the appeal once more.

Moreover, the former chairman of PLTI, Heng-Long Li, stated that he appointed Chun-Chih Weng, Chao-Chuan Chu, Shen-Yi Li, Jui-Tsun Liu and Yu-Ying Chin as members of the Board of SOGO to replace Ching-Wen Huang, Satoshi Inoue, Douglas Hsu, Hsiao-Yi Wang and Mao-De Huang. Furthermore, those individuals (Chun-Chih Weng, Chao-Chuan Chu, Shen-Yi Li, Jui-Tsun Liu and Yu-Ying Chin) elected Chun-Chih Weng as the chairman of PLTI and applied to the MOEA for the registration of a change of the Board and supervisor of SOGO on August 8, 2011. However, the application of the registration was rejected by the MOEA, due to the election being held by the former chairman of PLTI, Heng-Long Li. Chun-Chih Weng, Chao-Chuan Chu, Shen-Yi Li, Jui-Tsun Liu and Yu-Ying Chin not only announced publicly that they are the five members of the Board of SOGO but also that they held the SOGO shareholders' meetings on September 5, 2011 and September 6, 2011. However, the decisions made in these two shareholders' meetings on September 5, 2011 and September 6, 2011 were not approved and not consented to by all of SOGO's shareholders. According to the Year 100 Letter Su No. 4224 verdict from the TTDC on January 22, 2014, the TTDC declared that the decisions made in the shareholders' meeting on September 5, 2011 were not approved legally; according to the Year 100 Letter Su No. 4164 verdict on November 28, 2013, the TTDC confirmed that the decisions made in the shareholders' meeting on September 6, 2011 were not approved legally. The THC passed the Year 103 Letter Shang No. 330 verdict on May 31, 2016 rejecting the appeal and confirmed that the resolutions of the shareholders' meeting on September 5, 2011 were not approved legally. Chun-Chih Weng filed an appeal against the judgments. Under Court Reference Year 107 Letter Tai Shang No. 965 verdict, issued by the Taiwan Supreme Court on December 6, 2018, the Court rejected Chun-Chih Weng's appeals and confirmed that the resolutions of the shareholders' meeting on September 5, 2011 were not approved legally. In the Year 103 Letter Shang No. 87 verdict from the THC on August 17, 2016, the THC rejected the appeal and confirmed that the decisions made in the shareholders' meeting on September 6, 2011 were not approved legally. Chun-Chih Weng filed an appeal against the judgments. Under Court Reference Year 107 Letter Tai Shang No. 1591 verdict, issued by the Taiwan Supreme Court on December 13, 2018, the Court rejected Chun-Chih Weng's appeals and confirmed that the resolutions of the shareholders' meeting on September 5, 2011 were not approved legally.

c. Pacific Department Store asserted that SOGO injured the trademark, and raised an appeal to the president Qing-Wen Huang and the general manager Ding-Song WanGuo of SOGO for violation of the trademark law. After being sued by the TTDC (Year 106 Annual detective No. 2264) on November 27, 2017. Under Court Reference Year 106 Zhi Yi Zi Note 70 verdict, issued by the TTDC on December 28, 2018, the Court made the judgment that Qing-Wen Huang and Ding-Song WanGuo were innocent of the filed criminal charges. Taiwan Taipei District Prosecutor's Office appealed to Intellectual Property Court on January 23, 2019. SOGO received a complaint proposed by the Pacific Department Store in January. In the complaint, the president Qing-Wen Huang and the general manager Ding-Song WanGuo were asked to compensate an amount of $72,226,923 thousand, and also to post the judgment on the front pages of several newspapers for 30 days. Pacific Department Store withdrew the criminal case and the criminal case supplementary civil action in April 2019.

35. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

a. In response to the outbreak of 2019 novel coronavirus (COVID-19) in early 2020, the government of the Republic of China took preventive measures and other countries imposed travel restrictions to curb the spread of the epidemic. The Group had to cooperate with local authorities by suspending its stores' operation in Chongqing, China in February 2020. After the assessment and approval by the government of the Republic of China on the COVID-19, most stores resumed operation in March 2020, except catering.

b. AIMAI signed a lease contract with FECC for hypermarket, retail and other businesses, and the lease term is 20 years which was approved by the board of directors on March 26, 2020.

36. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than functional currencies of the Group and the exchange rates between foreign currencies and respective functional currencies are disclosed. The significant assets and liabilities denominated in foreign currencies are as follows:

December 31, 2019

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 10,047	29.9800 (USD:NTD)	$ 301,210
USD	4,362	6.9762 (USD:RMB)	130,774
RMB	91,800	4.2975 (RMB:NTD)	394,509
			$ 826,493
Non-monetary items			
Associates accounted for using the equity method			
RMB	720,532	4.2975 (RMB:NTD)	$ 3,096,485
Financial assets at FVTPL			
USD	294	29.9800 (USD:NTD)	8,816
			$ 3,105,301
Financial liabilities			
Monetary items			
USD	324	29.9800 (USD:NTD)	$ 9,712
USD	3,576	6.9762 (USD:RMB)	107,221
RMB	401	4.2975 (RMB:NTD)	1,725
			$ 118,658

December 31, 2018

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 3,759	30.7150 (USD:NTD)	$ 115,452
USD	26,120	6.8632 (USD:RMB)	802,283
RMB	525,092	4.4753 (RMB:NTD)	2,349,944
			$ 3,267,679

(Continued)

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
Non-monetary items			
Associates accounted for using the equity method			
RMB	$ 399,450	4.4753 (RMB:NTD)	$ 1,787,660
Financial assets at FVTPL			
USD	294	30.2750 (USD:NTD)	8,903
			$ 1,796,563
Financial liabilities			
Monetary items			
USD	150	30.7150 (USD:NTD)	$ 4,618
USD	3,818	6.8632 (USD:RMB)	117,272
RMB	247,992	4.4753 (RMB:NTD)	1,109,837
			$ 1,231,727

(Concluded)

The Group is mainly exposed to RMB. The following information was aggregated by the functional currencies of the Group, and the exchange rates between respective functional currencies and the presentation currency are disclosed. The significant realized and unrealized foreign exchange gains (losses) are as follows:

	For the Year Ended December 31			
	2019		2018	
Functional Currency	Exchange Rate	Net Foreign Exchange Gain	Exchange Rate	Net Foreign Exchange Loss
NTD	1.0000 (NTD:NTD)	$ 15,467	1.0000 (NTD:NTD)	$ (47,489)
RMB	4.4821 (RMB:NTD)	579	4.5599 (RMB:NTD)	(122,264)
		$ 16,046		$ (169,753)

37. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

1) Financing provided to others (Table 2)

2) Endorsements/guarantees provided (Table 3)

3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 4)

4) Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital (Table 5)

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital (None)

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital (None)

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital (None)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 6)

9) Trading in derivative instruments (None)

10) Intercompany relationships and significant intercompany transactions (Table 7)

11) Information on investees (Table 8)

b. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 9)

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year (None)

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year (None)

c) The amount of property transactions and the amount of the resultant gains or losses (None)

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes (Table 3)

e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds (Table 2)

f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services (None)

38. SEGMENT INFORMATION

The Group belongs to a single industry of department stores and supermarkets. Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on geographical information as management structure. The Group's reportable segments under IFRS 8 "Operating Segments" includes ROC and China.

a. Segment revenues and results

	Segment Revenue For the Year Ended December 31		Segment Profit For the Year Ended December 31	
	2019	2018	2019	2018
ROC	$ 35,037,293	$ 36,129,276	$ 4,686,642	$ 4,438,794
China	2,858,769	3,113,275	(147,991)	(251,465)
Total for continuing operations	$ 37,896,062	$ 39,242,551	4,538,651	4,187,329
Interest income			90,449	128,124
Dividend income			286,299	152,720
Other income			-	250,005
Foreign exchange gain (loss), net			16,046	(169,753)
Gain arising on financial assets mandatorily classified as at FVTPL			691	10,443
Loss on disposal of property, plant and equipment, net			(84,473)	(26,487)
Gain on disposal of investment			291	-
Loss on disposal of investment properties			-	(90,621)
(Loss) gain arising on changes in fair value of investment properties, net			(151,597)	43,045
Finance costs			(835,329)	(437,280)
Share of profits of associates accounted for using the equity method			58,065	11,396
Impairment loss on intangible assets			(1,095,884)	(1,630,000)
Impairment loss on property, plant and equipment			-	(38,047)
Other gains			330,879	207,019
Other losses			(51,150)	(48,778)
Profit before income tax			$ 3,102,938	$ 2,549,115

Segment revenue reported above represents revenue generated from external customers. There were no intersegment sales in 2019 and 2018.

b. Total segment assets and liabilities

	December 31	
	2019	2018
Segment assets		
ROC	$ 122,960,061	$ 93,643,355
China	7,551,044	10,102,800
Adjustments and eliminations	-	186
Total consolidated assets	$ 130,511,105	$ 103,746,341
Segment liabilities		
ROC	$ 84,528,379	$ 56,374,554
China	7,078,919	9,681,397
Total consolidated liabilities	$ 91,607,298	$ 66,055,951

c. Revenue from major products

The Group's revenue from its major products and services are as follows:

	For the Year Ended December 31	
	2019	2018
Retail sales revenue	$ 34,598,167	$ 35,955,379
Other operating revenues	3,297,895	3,287,172
	$ 37,896,062	$ 39,242,551

d. Geographical information

The Group operates in two principal geographical areas - ROC and China. The Group's revenue from external customers by geographical location and information about its non-current assets by geographical location are detailed below.

	Revenue from External Customers For the Year Ended December 31		Non-current Assets December 31	
	2019	2018	2019	2018
ROC	$ 35,037,293	$ 36,129,276	$ 91,240,775	$ 61,476,837
China	2,858,769	3,113,275	1,304,799	2,182,977
	$ 37,896,062	$ 39,242,551	$ 92,545,574	$ 63,659,814

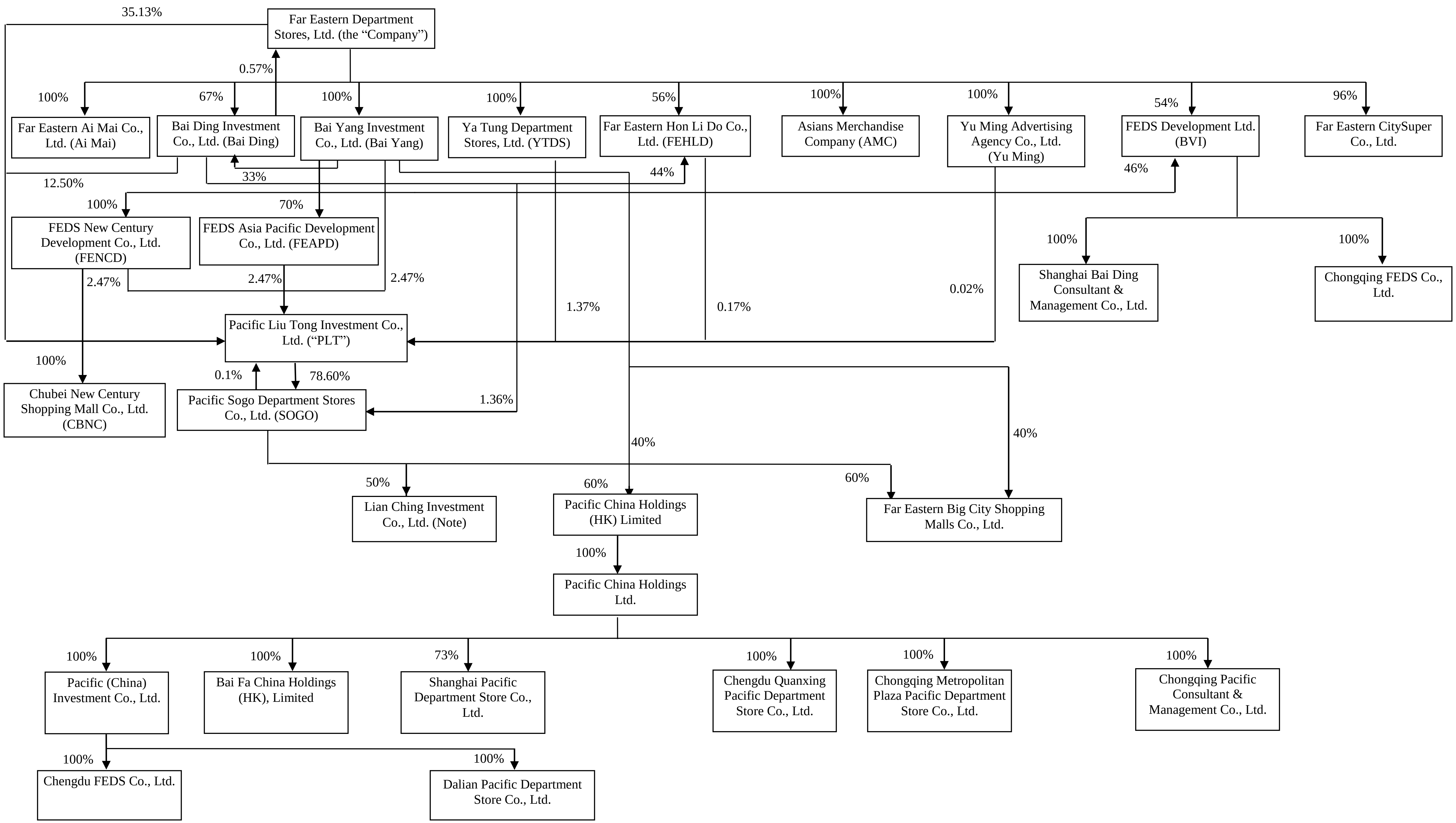
Non-current assets exclude those classified as non-current assets held for sale, financial instruments, and deferred tax assets.

e. Information about major customers

There is no revenue from any individual customer comprising over 10% or more of the Group's gross revenue for 2019 and 2018.

FAR EASTERN DEPARTMENT STORES, LTD. AND SUBSIDIARIES

DIAGRAM OF INTERCOMPANY RELATIONSHIPS
DECEMBER 31, 2019



Note: The amount of Lian Ching Investment Co., Ltd. had been written off to zero, no liabilities were be undertaken by the Group and the accounts are not disclosed in the consolidated financial statement.

FAR EASTERN DEPARTMENT STORES, LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amounts	Reason for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits
													Item	Value		
1	Pacific Sogo Department Stores Co., Ltd.	Pacific China Holdings Ltd.	Other receivables	Y	$ 2,000,000	$ 2,000,000	$ -	-	(Note A)	$ -	Transaction	$ -	-	$ -	$ 4,358,198 (Note B)	$ 4,358,198 (Note B)
2	Chongqing FEDS Co., Ltd.	Chongqing Pacific Consultant & Management Co., Ltd.	Other receivables	Y	730,575 (RMB 170,000 thousand)	730,575 (RMB 170,000 thousand)	689,749 (RMB 160,500 thousand)	4.129436%-4.353514%	(Note A)	-	Transaction	-	-	-	12,316,162 (Note D)	12,316,162 (Note D)
		Dalian Pacific Department Store Co., Ltd.	Other receivables	Y	429,750 (RMB 100,000 thousand)	429,750 (RMB 100,000 thousand)	4,298 (RMB 1,000 thousand)	4.129436%-4.353514%	(Note A)	-	Transaction	-	-	-	12,316,162 (Note D)	12,316,162 (Note D)
		Chengdu FEDS Co., Ltd.	Other receivables	Y	644,625 (RMB 150,000 thousand)	644,625 (RMB 150,000 thousand)	227,768 (RMB 53,000 thousand)	4.129436%	(Note A)	-	Transaction	-	-	-	12,316,162 (Note D)	12,316,162 (Note D)
		Chengdu Quanxing Building Pacific Department Store Co., Ltd.	Other receivables	Y	644,625 (RMB 150,000 thousand)	644,625 (RMB 150,000 thousand)	60,165 (RMB 14,000 thousand)	4.129436%-4.353514%	(Note A)	-	Transaction	-	-	-	12,316,162 (Note D)	12,316,162 (Note D)
		Shanghai Bai Ding Consultant & Management Co., Ltd.	Other receivables	Y	42,975 (RMB 10,000 thousand)	42,975 (RMB 10,000 thousand)	-	-	(Note A)	-	Transaction	-	-	-	12,316,162 (Note D)	12,316,162 (Note D)
3	Chongqing Metropolitan Plaza Pacific Department Store Co., Ltd.	Chongqing FEDS Co., Ltd.	Other receivables	Y	300,825 (RMB 70,000 thousand)	300,825 (RMB 70,000 thousand)	193,388 (RMB 45,000 thousand)	3.87%-4.08%	(Note A)	-	Transaction	-	-	-	12,316,162 (Note D)	12,316,162 (Note D)
4	Pacific China Holding Ltd.	Chengdu FEDS Co., Ltd.	Other receivables	Y	719,520 (US$ 24,000 thousand)	719,520 (US$ 24,000 thousand)	-	3.94713%-4.76375%	(Note A)	-	Transaction	-	-	-	12,316,162 (Note D)	12,316,162 (Note D)
		Pacific China Holdings (HK) Limited	Other receivables	Y	299,800 (US$ 10,000 thousand)	-	-	-	(Note A)	-	Transaction	-	-	-	12,316,162 (Note D)	12,316,162 (Note D)
5	Pacific China Holdings (HK) Limited	Pacific China Holding Ltd.	Other receivables	Y	299,800 (US$ 10,000 thousand)	299,800 (US$ 10,000 thousand)	104,930 (US$ 3,500 thousand)	3.17%-4.05%	(Note A)	-	Transaction	-	-	-	12,316,162 (Note D)	12,316,162 (Note D)
6	Pacific (China) Investment Co., Ltd.	Chongqing FEDS Co., Ltd.	Other receivables	Y	42,975 (RMB 10,000 thousand)	42,975 (RMB 10,000 thousand)	-	-	(Note A)	-	Transaction	-	-	-	12,316,162 (Note D)	12,316,162 (Note D)
7	Shanghai Pacific Department Store Co., Ltd.	Shanghai Xujiahui Shopping Mall (Group) Co., Ltd.	Other receivables	Y	184,363 (RMB 42,900 thousand)	184,363 (RMB 42,900 thousand)	-	-	(Note A)	-	Transaction	-	-	-	289,823 (Note B)	289,823 (Note B)
8	FEDS Development Ltd.	Yuan Ding Enterprise (Shanghai) Co., Ltd.	Other receivables	Y	349,716 (RMB 81,377 thousand)	96,163 (RMB 22,377 thousand)	-	-	(Note A)	-	Transaction	-	-	-	6,158,081 (Note C)	12,316,162 (Note D)
		Far Eastern New Century (China) Investment Co., Ltd.	Other receivables	Y	1,008,151 (RMB 234,590 thousand)	89,775 (RMB 20,890 thousand)	-	-	(Note A)	-	Transaction	-	-	-	6,158,081 (Note C)	12,316,162 (Note D)

Note A: Short-term financing.

Note B: 40% of the financing company's net assets.

Note C: 20% of the financing company's net assets of ultimate parent company, Far Eastern Department Stores, Ltd.

Note D: 40% of the financing company's net assets of ultimate parent company, Far Eastern Department Stores, Ltd.

Note E: The amount of Lian Ching Investment Co., Ltd. had been written off to zero, no liabilities were undertaken by the Group and the accounts are not disclosed in the financial statement.

FAR EASTERN DEPARTMENT STORES, LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Maximum Endorsement/ Guarantee Amounts Allowable	Endorsement/ Guarantee Provided by Parent Company	Endorsement/ Guarantee Provided by A Subsidiary	Endorsement/ Guarantee Provided to Mainland China
		Name	Nature of Relationship (Note F)										
0	Far Eastern Department Stores, Ltd.	FEDS New Century Development Co., Ltd.	2	$ 18,474,243 (Note A)	$ 30,000	$ 30,000	$ -	$ -	-	$ 30,790,406 (Note B)	Y	-	-
		Bai Yang Investment Co., Ltd.	2	18,474,243 (Note A)	400,000	100,000	-	-	-	30,790,406 (Note B)	Y	-	-
		Bai Ding Investment Co., Ltd.	2	18,474,243 (Note A)	700,000	700,000	478,000	-	2	30,790,406 (Note B)	Y	-	-
		FEDS Development Ltd.	2	18,474,243 (Note A)	2,806,128 (US$ 93,600 thousand)	1,499,000 (US$ 50,000 thousand)	-	-	5	30,790,406 (Note B)	Y	-	-
		Chubei New Century Shopping Mall Co., Ltd.	2	18,474,243 (Note A)	3,700,000	3,700,000	-	-	12	30,790,406 (Note B)	Y	-	-
		Far Eastern CitySuper Co., Ltd.	2	18,474,243 (Note A)	160,000	80,000	-	-	-	30,790,406 (Note B)	Y	-	-
		Pacific Sogo Department Stores Co., Ltd.	2	18,474,243 (Note A)	4,986,125	4,683,014	4,683,014	-	15	30,790,406 (Note B)	Y	-	-
1	Pacific Sogo Department Stores Co., Ltd.	Pacific China Holdings Ltd.	2	18,474,243 (Note C)	8,550,296 (US$ 285,200 thousand)	8,550,296 (US$ 285,200 thousand)	3,261,794 (US$ 108,799 thousand)	-	28	30,790,406 (Note B)	-	-	-
		Dalian Pacific Department Store Co., Ltd.	2	18,474,243 (Note C)	335,205 (RMB 78,000 thousand) (US$ 0 thousand)	335,205 (RMB 78,000 thousand) (US$ 0 thousand)	116,033 (RMB 27,000 thousand) (US$ 0 thousand)	-	1	30,790,406 (Note B)	-	-	Y
		Chongqing Metropolitan Plaza Pacific Department Store Co., Ltd.	2	18,474,243 (Note C)	535,650 (US$ 15,000 thousand) (RMB 20,000 thousand)	535,650 (US$ 15,000 thousand) (RMB 20,000 thousand)	64,463 (US$ 0 thousand) (RMB 15,000 thousand)	-	2	30,790,406 (Note D)	-	-	Y
		Far Eastern Department Stores, Ltd.	3	18,474,243 (Note C)	3,242,852	3,043,635	3,043,635	-	10	30,790,406 (Note D)	-	Y	-
2	Pacific China Holdings Ltd.	Chongqing Pacific Consultant & Management Co., Ltd.	2	18,474,243 (Note C)	128,925 (RMB 30,000 thousand)	-	-	-	-	30,790,406 (Note D)	-	-	Y
3	Far Eastern Big City Shopping Malls Co., Ltd.	Pacific Sogo Department Stores Co., Ltd.	3	389,223 (Note A)	154,325	154,325	154,325	-	1	648,704 (Note B)	-	-	-

Note A: The amount is 60% of net assets based on the latest financial statements of the endorser/guarantor.

Note B: The amount is 100% of net assets based on the latest financial statements of the endorser/guarantor.

Note C: The amount is 60% of the net assets based on the latest financial statements of the final parent company - Far Eastern Department Stores, Ltd.

(Continued)

Note D: The amount is 100% of the net assets based on the latest financial statements of the final parent company - Far Eastern Department Stores, Ltd.

Note E: The amount of Lian Ching Investment Co., Ltd. had been written off to zero, no liabilities were undertaken by the Company and the accounts are not disclosed in the financial statement.

Note F: Relationships between the endorsement/guarantee provider and the guaranteed party:

1. Trading partner.
2. The Company that directly and indirectly hold more than 50% of the voting shares.
3. The companies that directly and indirectly hold more than 50% of the Company's voting rights.
4. The Company that directly and indirectly holds more than 90% of the voting shares.
5. Guaranteed by the Company according to the construction contract.
6. An investee company. The guarantees were provided based on the Company's proportionate share in the investee company.
7. Companies in the same industry provide among themselves joint and several securities for as performance guarantees of sales contracts for pre-construction homes pursuant to the Consumer Protection Act.

(Concluded)

TABLE 4

FAR EASTERN DEPARTMENT STORES, LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company	Type and Name of Marketable Securities	Relationship with the Holding Company (Note A)	Financial Statement Account	December 31, 2019 Shares (In Thousands)	December 31, 2019 Carrying Amount	December 31, 2019 Percentage of Ownership (%)	December 31, 2019 Fair Value	Note
Far Eastern Department Stores, Ltd.	Shares							
	Asia Cement Corporation	4	Financial assets at fair value through other comprehensive income - non-current	50,000	$ 2,397,524	1	$ 2,397,524	35,000 thousand shares of Asia Cement Corporation pledged for loans and commercial papers issued of the investor company
	Far Eastern New Century Corporation	3	Financial assets at fair value through other comprehensive income - non-current	19,964	595,937	-	595,937	
	Kaohsiung Rapid Transit Corporation	-	Financial assets at fair value through other comprehensive income - non-current	6,286	36,082	2	36,082	
	Yuan Ding Leasing Corp.	-	Financial assets at fair value through other comprehensive income - non-current	7,309	70,925	9	70,925	
	Yuan Ding Co., Ltd.	4	Financial assets at fair value through other comprehensive income - non-current	3	10	-	10	
	Yuan Shi Digital Technology Co., Ltd.	4	Financial assets at fair value through other comprehensive income - non-current	1,041	571	1	571	
Bai Ding Investment Co., Ltd.	Shares							
	Far Eastern Department Stores, Ltd.	2	Financial assets at fair value through other comprehensive income - current	8,207	213,792	1	213,792	
	Asia Cement Corporation	7	Financial assets at fair value through other comprehensive income - non-current	14,814	710,351	-	710,351	5,200 thousand shares of Asia Cement Corporation pledged for commercial papers issued of the investor company
	Far Eastern New Century Corporation	6	Financial assets at fair value through other comprehensive income - non-current	15,812	471,974	-	471,974	15,000 thousand shares of Far Eastern New Century Corporation pledged for loans of the investor company
	Chung-Nan Textile Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	2,984	89,439	5	89,439	
	Ding Ding Management Consultants Co., Ltd.	8	Financial assets at fair value through other comprehensive income - non-current	273	7,322	5	7,322	
	Yue Ding Industry Co., Ltd.	7	Financial assets at fair value through other comprehensive income - non-current	2,616	44,381	2	44,381	
	Oriental Securities Investment Advisory Co., Ltd.	8	Financial assets at fair value through other comprehensive income - non-current	1	10	-	10	
	Ding Sheng Investment Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	39,600	326,016	18	326,016	
Bai Yang Investment Co., Ltd.	Shares							
	Far Eastern International Bank	8	Financial assets at fair value through other comprehensive income - current	22,688	271,122	1	271,122	
	Asia Cement Corporation	7	Financial assets at fair value through other comprehensive income - non-current	3,849	184,582	-	184,582	
	U-Ming Marine Transport Corp.	8	Financial assets at fair value through other comprehensive income - non-current	200	6,720	-	6,720	
	Oriental Securities Investment Advisory Co., Ltd.	8	Financial assets at fair value through other comprehensive income - non-current	1	10	-	10	
Far Eastern Hon Li Do Co., Ltd.	Beneficiary certificate							
	DWS Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	986	11,584	-	11,584	

(Continued)

Holding Company	Type and Name of Marketable Securities	Relationship with the Holding Company (Note A)	Financial Statement Account	December 31, 2019				Note
				Shares (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Yu Ming Advertising Agency Co., Ltd.	Beneficiary certificate							
	DWS Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,730	$ 32,063	-	$ 32,063	
	Shares							
	Asia Cement Corporation	7	Financial assets at fair value through other comprehensive income - non-current	1,506	72,193	-	72,193	
FEDS New Century Development Co., Ltd.	Beneficiary certificate							
	DWS Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	8,503	99,845	-	99,845	
FEDS Development Ltd.	Shares							
	Kowloon Cement Corp., Ltd.	7	Financial assets at fair value through other comprehensive income - non-current	46	16,517	2	16,517	
Pacific Sogo Department Stores Co., Ltd.	Shares							
	CMC Magnetics Corp.	-	Financial assets at fair value through profit or loss - current	200	1,911	-	1,911	
	Quanta computer Inc.	-	Financial assets at fair value through profit or loss - current	1	46	-	46	
	Pacific Construction Co., Ltd.	-	Financial assets at fair value through profit or loss - current	7,931	88,827	2	88,827	
	DBTEL Inc.	-	Financial assets at fair value through profit or loss - current	10	26	-	26	
	Oriental Union Chemical Corp.	8	Financial assets at fair value through other comprehensive income - current	566	11,886	-	11,886	
	U-Ming Marine Transport Corp.	8	Financial assets at fair value through other comprehensive income - current	430	14,448	-	14,448	
	Pacific Liu Tong Investment Co., Ltd.	1	Financial assets at fair value through other comprehensive income - non-current	800	4,019	-	4,019	
	E-Shou Hi-tech Co., Ltd.	-	Financial assets at fair value through profit or loss - non-current	18,300	-	15	-	
	Tain Yuan Investment Co., Ltd.	-	Financial assets at fair value through profit or loss - non-current	98,000	-	20	-	
	PURETEK Corp.	-	Financial assets at fair value through profit or loss - non-current	119	-	-	-	
	Pacific 88 Co., Ltd.	-	Financial assets at fair value through profit or loss - non-current	16	-	1	-	
	Yuan Shi Digital Technology Co., Ltd.	7	Financial assets at fair value through profit or loss - non-current	1,041	-	1	-	
Pacific Liu Tong Investment Co., Ltd.	Beneficiary certificate							
	DWS Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	17,273	202,838	-	202,838	
Far Eastern Big City Shopping Malls Co., Ltd.	Shares							
	Asia Cement Corporation	7	Financial assets at fair value through profit or loss - current	402	19,276	-	19,276	
	Oriental Union Chemical Corp.	8	Financial assets at fair value through profit or loss - current	40	840	-	840	
Pacific China Holdings Ltd.	Shares							
	Overseas Development Corp.	-	Financial assets at fair value through profit or loss - non-current	2,250	-	15	-	
	Taiwan Ocean Farming Corp.	-	Financial assets at fair value through profit or loss - non-current	2,250	-	15	-	

(Continued)

Note A:

1. Subsidiary of FEDS.
2. Parent company.
3. Investor that has significant influence over the Company.
4. The associate of investor that has significant influence over the Company.
5. Other related party.
6. Investor that has significant influence over FEDS.
7. The associate of investor that has significant influence over FEDS.
8. Other related party of FEDS.

(Concluded)

FAR EASTERN DEPARTMENT STORES, LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST $300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counter party	Relationship	Beginning Balance		Acquisition		Disposal					Ending Balance	
					Shares (In Thousands)	Amount	Shares (In Thousands)	Amount	Shares (In Thousands)	Amount	Carrying Amount	Gain (Loss) on Disposal	Adjusted Item (Note A)	Shares (In Thousands)	Amount
FEDS Development Ltd.	Shares Yuan Ding Enterprise (Shanghai) Co., Ltd.	Investments accounted for using the equity method	-	Associate	-	$ -	-	$ 1,605,034 (Note B)	-	$ -	$ -	$ -	$ (64,673)	-	$ 1,540,361
Bai Yang Investment Co., Ltd.	Shares FEDS New Century Development Co., Ltd.	Investments accounted for using the equity method	-	Subsidiary	150,000	1,569,156	82,000	820,000 (Note C)	-	-	-	-	(2,618)	232,000	2,386,538
FEDS New Century Development Co., Ltd.	Shares Chubei New Century Shopping Mall Co., Ltd.	Investments accounted for using the equity method	-	Subsidiary	118,000	1,171,918	82,000	820,000 (Note D)	-	-	-	-	734	200,000	1,992,652
Far Eastern Department Stores, Ltd.	Shares Ya Tung Department Stores, Ltd.	Investments accounted for using the equity method	-	Subsidiary	21,000	(5,018)	40,000	400,000 (Note E)	20,000	-	-	-	(263,260)	41,000	131,722
Pacific Sogo Department Stores Co., Ltd.	Shares Pacific China Holdings (HK) Limited	Investments accounted for using the equity method	-	Subsidiary	53,520	(120,287)	12,600	384,161 (Note F)	-	-	-	-	(1,543,407)	66,120	(1,279,533)
Pacific China Holdings (HK) Limited	Shares Pacific China Holdings Ltd.	Investments accounted for using the equity method	-	Subsidiary	109,200	(439,800)	21,000	640,500 (Note G)	-	-	-	-	(2,512,393)	130,200	(2,311,693)
Pacific China Holdings Ltd.	Shares Chengdu Quanxing Building Pacific Department Store Co., Ltd.	Investments accounted for using the equity method	-	Subsidiary	-	(580,312)	-	662,634 (Note H)	-	-	-	-	(170,903)	-	(88,581)

Note A: The share of comprehensive income or loss using the equity method, cash dividends and capital reduction were used to offset a deficit.

Note B: There was an increase in cash capital of RMB357,880 thousand.

Note C: There was an increase in cash capital of NT$820,000 thousand.

Note D: There was an increase in cash capital of NT$820,000 thousand.

Note E: There was an increase in cash capital of NT$400,000 thousand.

Note F: There was an increase in cash capital of US$12,600 thousand.

Note G: There was an increase in cash capital of US$21,000 thousand.

Note H: There was an increase in cash capital of US$21,000 thousand.

FAR EASTERN DEPARTMENT STORES, LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST $100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Pacific Sogo Department Stores Co., Ltd.	Sogo Department Stores Co., Ltd.	Associate	$ 123,037	-	$ 123,037	Collection expedited	$ 282	$ 123,037
Chongqing Metropolitan Plaza Pacific Department Store Co., Ltd.	Chongqing FEDS Co., Ltd.	Same ultimate parent company	193,977 (Note B)	-	-	-	-	-
Pacific China Holdings (HK) Limited.	Pacific China Holdings Ltd.	Subsidiary	105,832 (Note B)	-	-	-	-	-
Chongqing FEDS Co., Ltd.	Chongqing Pacific Consultant & Management Co., Ltd.	Same ultimate parent company	692,107 (Note B)	-	-	-	-	-
Chongqing FEDS Co., Ltd.	Chengdu FEDS Co., Ltd.	Same ultimate parent company	228,899 (Note B)	-	-	-	-	-
Chongqing Pacific Consultant & Management Co., Ltd	Chengdu Baiyang Industry Co., Ltd.	Associate	128,173 (Note A)	-	-	-	-	-

Note A: The cash dividend receivable.

Note B: This balance refers to fund lending.

TABLE 7

FAR EASTERN DEPARTMENT STORES, LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars)

Number	Transacting Company	Counter party	Flow of Transaction (Note A)	Status			
				Account	Amount (Note C)	Condition	Ratio to Consolidated Operating Revenue or Assets (Note B)
0	Far Eastern Department Stores, Ltd.	FEDS Asia Pacific Development Co., Ltd.	1	Operating expenses	$ 228,000	Rent was based on market rates and paid monthly	1
1	FEDS Asia Pacific Development Co., Ltd.	Far Eastern Department Stores, Ltd.	2	Operating revenue	(228,000)	Rent was based on market rates and received monthly	1
2	Pacific Sogo Department Stores Co., Ltd.	Far Eastern Big City Shopping Malls Co., Ltd.	3	Operating revenue	(312,597)	Rent was based on market rates and received monthly	1
3	Far Eastern Big City Shopping Malls Co., Ltd.	Pacific Sogo Department Stores Co., Ltd.	3	Operating costs and expenses	312,597	Rent was based on market rates and paid monthly	1

Note A: Flow of transaction:

1. From the Company to the subsidiary.
2. From the subsidiary to the Company.
3. Between subsidiaries.

Note B: If the account of the intercompany transaction is shown in the balance sheet, the ratio is the percentage of the year-end account balance to the total consolidated assets; if the account of the intercompany transaction is shown in the statement of comprehensive income, the ratio is the percentage of the accumulated amount during the year to the total consolidated operating revenues.

Note C: Only an intercompany transaction amounting to more than 1% of total consolidated operating revenues or total consolidated assets is disclosed in this table.

FAR EASTERN DEPARTMENT STORES, LTD. AND SUBSIDIARIES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2019			Net Income (Loss) of the Investee	Share of (Loss) Profit	Note A
				December 31, 2019	December 31, 2018	Shares (In Thousands)	Percentage of Ownership (%)	Carrying Amount			
Far Eastern Department Stores, Ltd.	Bai Yang Investment Co., Ltd.	Taiwan	Investment	$ 8,922,181	$ 8,922,181	924,991	100	$ 9,104,890	$ 6,572	$ 6,603	2
	Oriental Securities Corporation	Taiwan	Securities brokerage	143,652	143,652	140,297	20	1,995,131	250,003	49,151	1
	Pacific Liu Tong Investment Co., Ltd.	Taiwan	Investment	1,764,210	1,764,210	281,734	35	3,781,245	364,972	128,211	2
	Bai Ding Investment Co., Ltd.	Taiwan	Investment	33,357	33,357	119,981	67	2,295,131 (Note B)	157,365	105,118	2
	Far Eastern Ai Mai Co., Ltd.	Taiwan	Hypermarket	1,535,538	1,535,538	87,744	100	1,287,839	4,466	4,466	2
	FEDS Development Ltd.	British Virgin Island	Investment	125,058	125,058	218	54	1,409,738	68,052	42,824	2
	Yu Ming Advertising Agency Co., Ltd.	Taiwan	Advertising and importation of certain merchandise	33,000	33,000	3,500	100	119,878	9,430	9,430	2
	Ya Tung Department Stores, Ltd.	Taiwan	Department store	919,292	519,292	41,000	100	131,722	(7,344)	(7,344)	2
	Ding Ding Integrated Marketing Service Co.	Taiwan	Marketing	64,500	64,500	3,631	10	31,466	(48,697)	(4,870)	1
	Asians Merchandise Company	USA.	Trading	5,316	5,316	950	100	4,495	72	72	2
	Far Eastern Hon Li Do Co., Ltd.	Taiwan	Building rental	40,278	40,278	1,571	56	12,529	573	436	2
	Far Eastern CitySuper Co., Ltd.	Taiwan	Hypermarket	478,269	478,269	47,827	96	36,407	(25,063)	(23,975)	2
	Yuan Hsin Digital Payment Co., Ltd.	Taiwan	Other financing and supporting services	238,292	238,292	11,651	15	82,257	(228,345)	(34,252)	1
Bai Ding Investment Co., Ltd.	Oriental Securities Corporation	Taiwan	Securities brokerage	163,563	163,563	97,116	14	1,381,166	250,003		1
	Pacific Liu Tong Investment Co., Ltd.	Taiwan	Investment	658,129	658,129	100,250	13	1,359,183	364,972		2
	Far Eastern International Leasing Corp.	Taiwan	Leasing	301,125	301,125	22,203	5	323,293	92,784		1
	Pacific Sogo Department Stores Co., Ltd.	Taiwan	Department store	33,490	33,490	11,254	1	148,179	485,212		2
	Yu Ming Trading Co.	Taiwan	Importation of certain merchandise	21,291	21,291	4,901	47	75,735	2,299		1
	Far Eastern Hon Li Do Co., Ltd.	Taiwan	Building rental	28,672	28,672	1,259	44	13,362	573		2
	Far Eastern CitySuper Co., Ltd.	Taiwan	Hypermarket	-	-	2	-	1	(25,063)		2
FEDS Asia Pacific Development Co., Ltd.	Pacific Liu Tong Investment Co., Ltd.	Taiwan	Investment	99,000	99,000	19,800	2	285,653	364,972		2
FEDS New Century Development Co., Ltd.	Pacific Liu Tong Investment Co., Ltd.	Taiwan	Investment	99,000	99,000	19,800	2	285,653	364,972		2
	Chubei New Century Shopping Mall Co., Ltd.	Taiwan	Department store	2,000,000	1,180,000	200,000	100	1,992,652	734		2
Bai Yang Investment Co., Ltd.	FEDS Asia Pacific Development Co., Ltd.	Taiwan	Shopping mall	1,522,761	1,522,761	149,100	70	1,797,473	152,284		2
	Far Eastern International Leasing Corp.	Taiwan	Leasing	1,555,590	1,555,590	132,388	30	1,663,958	92,784		1
	Bai Ding Investment Co., Ltd.	Taiwan	Investment	577,457	577,457	60,019	33	1,163,610	157,365		2
	FEDS New Century Development Co., Ltd.	Taiwan	Shopping mall	2,425,272	1,425,272	232,000	100	2,386,538	7,701		2
	Pacific Liu Tong Investment Co., Ltd.	Taiwan	Investment	99,000	99,000	19,800	2	285,653	364,972		2
	FEDS Development Ltd.	British Virgin Island	Investment	723,946	723,946	185	46	1,200,404	68,052		2
	Pacific China Holdings (HK) Limited	Hong Kong	Investment	3,853,976	3,597,868	44,080	40	(853,022)	(2,202,476)		2
	Far Eastern Big City Shopping Malls Co., Ltd.	Taiwan	Department store	200,000	200,000	20,000	40	259,482	128,438		2
Ya Tung Department Stores, Ltd.	Pacific Liu Tong Investment Co., Ltd.	Taiwan	Investment	55,000	55,000	11,000	1	158,456	364,972		2
Yu Ming Advertising Agency Co., Ltd.	Pacific Liu Tong Investment Co., Ltd.	Taiwan	Investment	1,200	1,200	200	-	2,687	364,972		2
Far Eastern Hon Li Do Co., Ltd.	Pacific Liu Tong Investment Co., Ltd.	Taiwan	Investment	8,400	8,400	1,400	-	18,195	364,972		2
Pacific Liu Tong Investment Co., Ltd.	Pacific Sogo Department Stores Co., Ltd.	Taiwan	Department store	4,469,904	4,469,904	650,817	79	10,155,959	485,212		2
	Pacific Department Store Co., Ltd.	Taiwan	Department store	62,480	62,480	6,840	3	138,250	79,142		1
Pacific Sogo Department Stores Co., Ltd.	Pacific China Holdings (HK) Limited	Hong Kong	Investment	6,117,447	5,733,286	66,120	60	(1,279,533)	(2,202,476)		2
	Pacific Department Store Co., Ltd.	Taiwan	Department store	599,000	599,000	60,296	29	999,129	79,142		1
	Lian Ching Investment Co., Ltd.	Taiwan	Investment	270,641	270,641	26,764	50	-	-		2
	Pacific Venture Investment Ltd.	Hong Kong	Investment	357,050	357,050	100,000	48	-	-		1
	Sogo Department Stores Co., Ltd.	Taiwan	Credit card business	32,984	32,984	7,120	34	-	-		1
	Ding Ding Integrated Marketing Service Co	Taiwan	Marketing	64,500	64,500	3,631	10	31,466	(48,697)		1
	Far Eastern Big City Shopping Malls Co., Ltd.	Taiwan	Department store	300,000	300,000	30,000	60	389,222	128,438		2
	Yuan Hsin Digital Payment Co., Ltd.	Taiwan	Other financing and supporting services	238,292	238,292	11,651	15	82,257	(228,345)		1
Pacific China Holdings (HK) Limited	Pacific China Holdings Ltd.	British Virgin Island	Investment	4,646,900	4,017,320	130,200	100	(2,311,693)	(474,698)		2
Pacific China Holdings Ltd.	Bai Fa China Holdings (HK), Limited	Hong Kong	Investment	46	46	2	100	46	-		2

(Continued)

Note A: 1. Associate.
2. Subsidiary.

Note B: The foreign-currency investments were translated at the rate of US$1:NT$29.98 prevailing on December 31, 2019.

Note C: The amount is the investment accounted for using the equity method to $2,392,241 thousand deduct the parent company shares reclassification to treasury shares of $97,110 thousand.

Note D: The amount of Lian Ching Investment Co., Ltd. had been written off to zero, no liabilities were undertaken by the Group and the accounts are not disclosed in the financial statement.

(Concluded)

TABLE 9

FAR EASTERN DEPARTMENT STORES, LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital (Note A)	Method of Investment (Note F)	Accumulated Outflow of Investment from Taiwan as of January 1, 2019 (Note A)	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2019 (Note A)	Net Income (Loss) of the Investee (Note D)	% Ownership of Direct or Indirect Investment	Share of (Loss) Profit (Note D)	Carrying Amount as of December 31, 2019	Accumulated Repatriation of Investment Income as of December 31, 2019
					Outflow	Inflow						
Shanghai Pacific Department Stores Co., Ltd.	Department store	$ 530,646	2	$ 384,718 (Note B)	$ -	$ -	$ 384,718 (Note B)	$ 97,601	49	$ 18,420	$ 169,543	$ -
Chengdu Quanxing Mansion Pacific Department Store Co., Ltd.	Department store	659,260	2	29,680 (Note B)	-	-	29,680 (Note B)	(173,828)	67	(116,750)	(59,494)	-
Chongqing Metropolitan Plaza Pacific Department Store Co., Ltd.	Department store	89,940	2	89,940 (Note B)	-	-	89,940 (Note B)	(76,952)	67	(51,684)	(187,171)	-
Chongqing Pacific Consultant & Management Co., Ltd.	Consulting services	2,188,540	2	5,996 (Note B)	-	-	5,996 (Note B)	(26,427)	67	(17,749)	756,538	-
Shanghai Pacific Consultant & Management Co., Ltd.	Consulting services	10,493	2	5,142 (Note B)	-	-	5,142 (Note B)	276	33	91	5,999	-
Shanghai Bai Ding Consultant & Management Co., Ltd.	Consulting services	2,998	2	-	-	-	-	232	100	232	11,011	-
Chongqing FEDS Co., Ltd.	Department store	83,944	2	-	-	-	-	112,135	100	112,135	934,628	-
Chengdu Baiyang Industry Co., Ltd.	Department store, logistics and storehouse	966,930	2	-	-	-	-	19,803	22	-	1,130,884	-
Dalian Pacific Department Store Co., Ltd.	Department store	68,759	2	-	-	-	-	(16,709)	67	(11,222)	12,020	-
Pacific (China) Investment Co., Ltd.	Investment	6,475,680	2	-	-	-	-	(69,372)	67	(45,943)	(13,126)	-
Chengdu FEDS Co., Ltd.	Department store	4,017,320	2	-	-	-	-	(47,826)	67	(32,122)	(81,463)	-
Yuan Ding Enterprise (Shanghai) Co., Ltd.	Wholesale of equipment and consulting services	7,578,319	2	-	-	-	-	(99,779)	20	(16,914)	1,540,361	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2019	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
$ - (Note C)	$237,232 (US$7,913 thousand) (Notes A and C)	$ - (Note E)

(Continued)

Note A: Translated at the rate of US$1:NT$29.98 and RMB1:NT$4.2975 prevailing on December 31, 2019.

Note B: The payment was made by Pacific Construction Co., Ltd. (the former shareholder).

Note C: The payment made by the Company and the investment amount approved by the Investment Commission, except for the payment made by subsidiary and the subsidiary's investment amount approved by the Investment Commission.

Note D: The financial report was audited by an international accounting firm with a cooperative working relationship.

Note E: There is no upper limit, as stated in the Principles Governing the Review of Investment or Technical Corporation in Mainland China (No. 10720421530), which was issued by the Industrial Development Bureau, Ministry of Economic Affairs, ROC.

Note F: Three investment types are as follows:

1. The Company made the investment directly.
2. The Company made the investment through a company registered in a third region. The companies registered in a third region were FEDS Development Ltd. and Pacific China Holdings Ltd.
3. Others.

(Concluded)