

FAR EASTERN DEPARTMENT STORES, LTD. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
Mar. 31, 2020, Dec. 31, 2019 and Mar. 31, 2019  
(In thousands of New Taiwan Dollars, Except Par Value)

Code	Assets	2020/3/31 (Reviewed)		2019/12/31 (Audited)		2019/3/31 (Reviewed)	
		Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>							
1100	Cash and cash equivalents	\$ 11,874,828	9	\$ 13,424,223	10	\$ 4,875,837	4
1110	Financial assets at fair value through profit or loss - current	447,594	-	457,256	1	439,101	-
1120	Current financial assets at fair value through other comprehensive income	273,827	-	297,456	-	271,111	-
1136	Current financial assets at amortized cost	1,205,312	1	1,443,974	1	2,560,482	2
1150	Notes receivable	3,394	-	1,132	-	1,781	-
1170	Accounts receivable	476,717	1	744,436	1	1,268,571	1
1180	Accounts receivable due from related parties	132,799	-	161,935	-	155,794	-
1200	Other receivables	871,018	1	915,309	1	901,501	1
1220	Current tax assets	10,926	-	10,812	-	3,717	-
130X	Inventories	2,818,837	2	2,780,889	2	2,852,400	2
1429	Prepayments	509,254	1	398,558	-	618,438	1
1470	Other current assets	92,391	-	110,095	-	86,640	-
11XX	Total current assets	<u>18,716,897</u>	<u>15</u>	<u>20,746,075</u>	<u>16</u>	<u>14,035,373</u>	<u>11</u>
<b>NONCURRENT ASSETS</b>							
1517	Non-current financial assets at fair value through other comprehensive income	4,167,998	3	5,030,564	4	4,493,466	4
1535	Non-current financial assets at amortized cost	123,000	-	146,000	-	223,400	-
1550	Investments accounted for by equity method	9,914,822	8	10,107,165	8	9,838,816	8
1600	Property, plant and equipment	34,084,522	27	34,323,257	26	33,791,136	27
1755	Right-of-use assets	44,947,586	35	44,764,810	34	38,751,777	31
1760	Investment properties	9,062,779	7	9,086,641	7	9,237,404	8
1780	Intangible assets	2,525,041	2	2,477,815	2	3,474,516	3
1840	Deferred tax assets	522,032	-	589,225	-	759,086	1
1975	Net defined benefit asset	247,629	-	234,035	-	-	-
1985	Long-term prepayments for lease	1,146,026	1	1,060,658	1	6,655,651	5
1990	Other noncurrent assets	1,943,826	2	1,944,860	2	1,846,932	2
15XX	Total noncurrent assets	<u>108,685,261</u>	<u>85</u>	<u>109,765,030</u>	<u>84</u>	<u>109,072,184</u>	<u>89</u>
1XXX	TOTAL	<u>\$ 127,402,158</u>	<u>100</u>	<u>\$ 130,511,105</u>	<u>100</u>	<u>\$ 123,107,557</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>							
<b>CURRENT LIABILITIES</b>							
2100	Short-term debts	\$ 14,348,235	11	\$ 9,630,896	7	\$ 10,888,822	9
2110	Short-term notes and bills payable	3,276,702	3	3,622,993	3	3,761,582	3
2130	Contract liabilities-Current	7,882,921	6	7,770,828	6	7,794,356	6
2150	Notes payable	3,484	-	3,184	-	3,248	-
2170	Accounts payables	8,653,550	7	15,120,910	11	11,939,116	10
2180	Notes and accounts payable to related parties	32,785	-	93,455	-	52,043	-
2219	Other payables	3,216,736	3	3,971,660	3	3,141,644	2
2230	Current tax liabilities	891,466	1	772,780	1	806,912	1
2250	Provision-current	3,000	-	3,000	-	3,000	-
2280	Lease liabilities - current	3,825,306	3	3,381,049	3	3,375,044	3
2310	Advance receipts	522,007	-	440,970	-	326,571	-
2322	Long-term borrowings – current portion	2,600,000	2	2,540,000	2	2,000,000	2
2399	Other current liabilities	277,373	-	315,976	-	300,960	-
21XX	Total current liabilities	<u>45,533,565</u>	<u>36</u>	<u>47,667,701</u>	<u>36</u>	<u>44,393,298</u>	<u>36</u>
<b>NONCURRENT LIABILITIES</b>							
2540	Long-term borrowings	15,009,642	12	14,999,757	12	11,289,161	9
2550	Provision-noncurrent	24,879	-	24,823	-	24,966	-
2570	Deferred tax liabilities	2,320,341	2	2,312,954	2	2,131,336	2
2580	Lease liabilities - non-current	25,237,915	20	25,406,473	19	25,993,675	21
2640	Net defined benefit liability	726,559	-	738,431	1	770,944	1
2670	Other noncurrent liabilities	446,686	-	457,159	-	491,233	-
25XX	Total noncurrent liabilities	<u>43,766,022</u>	<u>34</u>	<u>43,939,597</u>	<u>34</u>	<u>40,701,315</u>	<u>33</u>
2XXX	Total liabilities	<u>89,299,587</u>	<u>70</u>	<u>91,607,298</u>	<u>70</u>	<u>85,094,613</u>	<u>69</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>							
Share Capital							
3110	Ordinary share	14,169,406	11	14,169,406	11	14,169,406	11
3200	Capital surplus	3,327,474	3	3,327,466	3	3,315,420	3
Retained earnings							
3310	Legal reserve	3,298,695	3	3,298,695	3	3,166,880	3
3320	Special reserve	2,865,351	2	2,865,351	2	2,792,021	2
3350	Unappropriated earnings	2,009,320	1	1,931,429	1	1,818,491	1
3300	Total retained earnings	8,173,366	6	8,095,475	6	7,777,392	6
3400	Other equity	4,389,967	4	5,295,169	4	4,758,113	4
3500	Treasury stock	(97,110)	-	(97,110)	-	(97,110)	-
31XX	Total equity attributable to owners of the Company	<u>29,963,103</u>	<u>24</u>	<u>30,790,406</u>	<u>24</u>	<u>29,923,221</u>	<u>24</u>
36XX	NON-CONTROLLING INTERESTS	<u>8,139,468</u>	<u>6</u>	<u>8,113,401</u>	<u>6</u>	<u>8,089,723</u>	<u>7</u>
3XXX	Total equity	<u>38,102,571</u>	<u>30</u>	<u>38,903,807</u>	<u>30</u>	<u>38,012,944</u>	<u>31</u>
	TOTAL	<u>\$ 127,402,158</u>	<u>100</u>	<u>\$ 130,511,105</u>	<u>100</u>	<u>\$ 123,107,557</u>	<u>100</u>

(Concluded)

## FAR EASTERN DEPARTMENT STORES, LTD. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Year ended Mar. 31, 2020 and 2019

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

<u>Code</u>		2020 Year ended Mar. 31		2019 Year ended Mar. 31	
		Amount	%	Amount	%
4000	REVENUES	\$ 8,634,165	100	\$ 9,226,599	100
5000	COSTS	<u>4,402,252</u>	<u>51</u>	<u>4,420,401</u>	<u>48</u>
5900	GROSS PROFIT	<u>4,231,913</u>	<u>49</u>	<u>4,806,198</u>	<u>52</u>
	OPERATING EXPENSES				
6100	Selling	189,262	2	218,362	2
6200	General and				
	administrative	3,395,133	40	3,545,913	39
6450	Expected credit loss				
	(Gain)	( <u>2,657</u> )	-	( <u>514</u> )	-
6000	Total operating				
	expenses	<u>3,581,738</u>	<u>42</u>	<u>3,764,789</u>	<u>41</u>
6900	OPERATING INCOME	<u>650,175</u>	<u>7</u>	<u>1,041,409</u>	<u>11</u>
	NONOPERATING INCOME				
	AND EXPENSES				
7190	Other income	17,755	-	28,380	-
7020	Other gains and losses	37,516	1	( 64,878 )	( 1 )
7050	Finance costs	( 223,432 )	( 3 )	( 220,050 )	( 2 )
7060	Share of profit (loss) of				
	associates accounted				
	for using equity				
	method	( <u>183,664</u> )	( <u>2</u> )	( <u>30,377</u> )	( <u>1</u> )
7000	Total Non-operating				
	income and				
	expenses	( <u>351,825</u> )	( <u>4</u> )	( <u>226,171</u> )	( <u>2</u> )
7900	INCOME BEFORE INCOME				
	TAX	298,350	3	815,238	9
7950	INCOME TAX EXPENSE	<u>195,468</u>	<u>2</u>	<u>236,788</u>	<u>3</u>
8200	NET INCOME	<u>102,882</u>	<u>1</u>	<u>578,450</u>	<u>6</u>

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Code		2020		2019	
		Year ended Mar. 31		Year ended Mar. 31	
		Amount	%	Amount	%
	OTHER COMPREHENSIVE INCOME				
	Components of other comprehensive income that will not be reclassified to profit or loss				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(\$ 915,680)	( 10)	\$ 559,778	6
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method	<u>11,386</u>	<u>-</u>	( <u>55,874</u> )	<u>-</u>
8310		( <u>904,294</u> )	( <u>10</u> )	<u>503,904</u>	<u>6</u>
	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Other comprehensive income, before tax, exchange differences on translation	7,835	-	( 21,650)	-
8370	Share of other comprehensive income of associates accounted for using equity method	( <u>7,667</u> )	<u>-</u>	<u>6,795</u>	<u>-</u>
8360		<u>168</u>	<u>-</u>	( <u>14,855</u> )	<u>-</u>
8300	Total other comprehensive income, net	( <u>904,126</u> )	( <u>10</u> )	<u>489,049</u>	<u>6</u>
8500	COMPREHENSIVE INCOME	( <u>\$ 801,244</u> )	( <u>9</u> )	<u>\$ 1,067,499</u>	<u>12</u>
8600	NET INCOME ATTRIBUTED TO :				
8610	Owners of parent	\$ 77,891	1	\$ 457,648	5
8620	Non-controlling interests	<u>24,991</u>	<u>-</u>	<u>120,802</u>	<u>1</u>
		<u>\$ 102,882</u>	<u>1</u>	<u>\$ 578,450</u>	<u>6</u>
8700	COMPREHENSIVE INCOME CONTRIBUTED TO :				
8710	Owners of parent	( \$ 827,311)	( 9)	\$ 984,509	11
8720	Non-controlling interests	<u>26,067</u>	<u>-</u>	<u>82,990</u>	<u>1</u>
		( <u>\$ 801,244</u> )	( <u>9</u> )	<u>\$ 1,067,499</u>	<u>12</u>
	EARNINGS PER SHARE				
9750	Basic	<u>\$ 0.06</u>		<u>\$ 0.32</u>	
9850	Diluted	<u>\$ 0.06</u>		<u>\$ 0.32</u>	

(Concluded)

**FAR EASTERN DEPARTMENT STORES, LTD. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

Year ended Mar. 31, 2020 and 2019

(In thousands of New Taiwan Dollars)

<u>C o d e</u>		<u>2020</u> <u>Year ended Mar. 31</u>	<u>2019</u> <u>Year ended Mar. 31</u>
	CASH FLOWS FROM (USED IN)		
	OPERATING ACTIVITIES		
A00010	Income before income tax	\$ 298,350	\$ 815,238
A20010	Adjustments to reconcile profit(loss)		
A20100	Depreciation expense	1,445,367	1,403,504
A20200	Amortization expense	19,419	14,137
A20300	Expected credit loss (gain)	( 2,657)	514
A20400	Net loss (gain) on financial assets or liabilities at fair value through profit or loss	25,022	( 1,354)
A20900	Finance costs	223,432	220,050
A24600	Loss (gain) on fair value adjustment of investment property	24,692	-
A29900	Amortization of prepayments	6,991	4,946
A21200	Interest income	( 17,755)	( 28,380)
A22300	Share of loss (profit) of associates accounted for using equity method	183,664	( 30,377)
A22500	Loss (gain) on disposal of property, plant and equipment, net	3,837	884
A22900	Gain on modifications of lease arrangements	( 5)	-
A23800	Unrealized loss (gain) on physical inventory and slow-moving inventories	( 2,875)	( 1,292)
A30000	Net changes in operating assets and liabilities		
A31115	Decrease (increase) in financial assets at fair value through profit or loss, measured at fair value	( 15,360)	-
A31130	Notes receivable	( 2,262)	506
A31150	Accounts receivable	267,022	312,495
A31160	Notes and accounts receivable due from related parties	29,480	859
A31180	Other receivable	51,624	280,877
A31200	Inventories	( 35,073)	( 121,874)
A31230	Prepayments	( 110,673)	( 11,217)
A31240	Other current assets	17,704	( 842)
A32125	Contract liability	112,093	268,888

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<u>C o d e</u>		<u>2020</u> <u>Year ended Mar. 31</u>	<u>2019</u> <u>Year ended Mar. 31</u>
A32130	Notes payable	\$ 300	(\$ 435)
A32150	Accounts payable	( 6,467,360)	( 5,640,337)
A32160	Notes and accounts payable to related parties	( 60,670)	( 52,956)
A32180	Other payables	( 582,718)	( 481,686)
A32200	Provisions	-	( 405)
A32210	Advance receipts	123,641	11,862
A32230	Other current liabilities	( 38,603)	( 19,987)
A32240	Net defined benefit assets	( 13,594)	-
A32240	Net defined benefit liability	( <u>11,872</u> )	( <u>37,536</u> )
A33000	Cash inflow (outflow) generated from operations	( 4,528,839)	( 3,093,918)
A33100	Interests received	15,165	29,606
A33300	Interests paid	( 207,601)	( 226,015)
A33500	Income tax returned	-	2,114
A33500	Income taxes paid	( <u>2,201</u> )	( <u>13,169</u> )
AAAA	Net cash flows from (used in) operating activities	( <u>4,723,476</u> )	( <u>3,301,382</u> )
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES			
B00010	Acquisition of financial assets at fair value through other comprehensive income	( 29,413)	-
B00040	Acquisition of financial assets at amortized cost	-	( 478,563)
B00050	Proceeds from disposal of financial assets at amortized cost	261,662	-
B01800	Acquisition of investments accounted for using equity method	-	( 1,138,000)
B02700	Acquisition of property, plant and equipment	( 476,565)	( 452,021)
B02800	Proceeds from disposal of property, plant and equipment	73	38,305
B04200	Decrease in other receivables	-	970,133
B04500	Acquisition of intangible assets	( 66,687)	( 36,854)
B04600	Proceeds from disposal of intangible assets	-	139
B05400	Acquisition of investment properties	( 830)	( 7,181)
B06700	Increase (decrease) in other non-current assets	( <u>93,310</u> )	( <u>632,072</u> )
BBBB	Net cash flows from (used in) investing activities	( <u>405,070</u> )	( <u>1,736,114</u> )
Cash flows from (used in) financing activities			
C00100	Increase in short-term loans	34,317,647	41,054,329
C00200	Decrease in short-term loans	( 29,569,970)	( 43,209,917)
C00500	Increase in short-term notes and bills payable	7,447,754	8,680,977
C00600	Decrease in short-term notes and bills payable	( 7,794,045)	( 8,399,760)
C01600	Proceeds from long-term debt	21,689,885	18,379,161
C01700	Repayment of long-term debt	( 21,620,000)	( 20,180,000)

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<u>C o d e</u>		<u>2020</u> <u>Year ended Mar. 31</u>	<u>2019</u> <u>Year ended Mar. 31</u>
C04020	Repayment of the principal portion of lease liabilities	(\$ 868,461)	(\$ 1,038,339)
C04400	Decrease in other non-current liabilities	( <u>10,473</u> )	( <u>2,336</u> )
CCCC	Net cash flows from (used in) financing activities	<u>3,592,337</u>	( <u>4,715,885</u> )
DDDD	Effect of exchange rate changes on cash and cash equivalents	( <u>13,186</u> )	<u>34,371</u>
EEEE	Net increase (decrease) in cash and cash equivalents	( 1,549,395 )	( 9,719,010 )
E00100	Cash and cash equivalents at beginning of period	<u>13,424,223</u>	<u>14,594,847</u>
E00200	Cash and cash equivalents at end of period	<u>\$ 11,874,828</u>	<u>\$ 4,875,837</u>

(Concluded)