

FAR EASTERN DEPARTMENT STORES, LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

Mar. 31, 2021, Dec. 31, 2020 and Mar. 31, 2020

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

Code	Assets	2021/3/31 (Reviewed)		2020/12/31 (Audited)		2020/3/31 (Reviewed)	
		Amount	%	Amount	%	Amount	%
CURRENT ASSETS							
1100	Cash and cash equivalents	\$ 9,750,650	8	\$ 14,791,434	12	\$ 11,874,828	9
1110	Financial assets at fair value through profit or loss - current	466,666	-	450,046	-	447,594	-
1120	Current financial assets at fair value through other comprehensive income	271,720	-	278,539	-	273,827	-
1136	Current financial assets at amortized cost	1,671,648	1	1,171,058	1	1,205,312	1
1150	Notes receivable	2,201	-	1,864	-	3,394	-
1170	Accounts receivable	483,263	1	600,242	-	476,717	1
1180	Accounts receivable due from related parties	98,330	-	124,738	-	132,799	-
1200	Other receivables	606,233	1	1,007,684	1	871,018	1
1220	Current tax assets	1,236	-	1,063	-	10,926	-
130X	Inventories	2,705,987	2	2,374,459	2	2,818,837	2
1429	Prepayments	340,063	-	211,102	-	509,254	1
1470	Other current assets	98,910	-	103,887	-	92,391	-
11XX	Total current assets	<u>16,496,907</u>	<u>13</u>	<u>21,116,116</u>	<u>16</u>	<u>18,716,897</u>	<u>15</u>
NONCURRENT ASSETS							
1517	Non-current financial assets at fair value through other comprehensive income	5,027,700	4	4,659,302	4	4,167,998	3
1535	Non-current financial assets at amortized cost	24,000	-	24,000	-	123,000	-
1550	Investments accounted for using the equity method	10,247,861	8	10,164,724	8	9,914,822	8
1600	Property, plant and equipment	33,849,623	28	33,945,566	26	34,084,522	27
1755	Right-of-use assets	42,240,315	34	42,712,637	33	44,947,586	35
1760	Investment properties	9,001,213	7	9,021,607	7	9,062,779	7
1780	Intangible assets	2,607,784	2	2,581,127	2	2,525,041	2
1840	Deferred tax assets	559,348	1	572,186	1	522,032	-
1975	Net defined benefit asset	211,323	-	205,863	-	247,629	-
1985	Long-term prepayments for lease	1,620,384	1	1,517,865	1	1,146,026	1
1990	Other noncurrent assets	1,875,174	2	1,902,776	2	1,943,826	2
15XX	Total noncurrent assets	<u>107,264,725</u>	<u>87</u>	<u>107,307,653</u>	<u>84</u>	<u>108,685,261</u>	<u>85</u>
1XXX	TOTAL	<u>\$ 123,761,632</u>	<u>100</u>	<u>\$ 128,423,769</u>	<u>100</u>	<u>\$ 127,402,158</u>	<u>100</u>
LIABILITIES AND EQUITY							
CURRENT LIABILITIES							
2100	Short-term debts	\$ 10,064,139	8	\$ 9,045,746	7	\$ 14,348,235	11
2110	Short-term notes and bills payable	2,531,323	2	3,729,003	3	3,276,702	3
2130	Contract liabilities-Current	8,355,500	7	8,121,734	6	7,882,921	6
2150	Notes payable	6,404	-	6,626	-	3,484	-
2170	Accounts payables	11,493,671	9	15,844,472	12	8,653,550	7
2180	Notes and accounts payable to related parties	33,735	-	68,101	-	32,785	-
2219	Other payables	3,226,678	3	3,721,330	3	3,216,736	3
2230	Current tax liabilities	713,826	1	485,553	1	891,466	1
2250	Provision-current	3,000	-	3,000	-	3,000	-
2280	Lease liabilities - current	3,420,550	3	3,473,928	3	3,825,306	3
2310	Advance receipts	500,623	-	510,474	1	522,007	-
2322	Long-term borrowings – current portion	299,959	-	299,933	-	2,600,000	2
2399	Other current liabilities	381,317	-	373,784	-	277,373	-
21XX	Total current liabilities	<u>41,030,725</u>	<u>33</u>	<u>45,683,684</u>	<u>36</u>	<u>45,533,565</u>	<u>36</u>
NONCURRENT LIABILITIES							
2540	Long-term borrowings	14,359,332	12	15,139,828	12	15,009,642	12
2550	Provision-noncurrent	25,103	-	25,047	-	24,879	-
2570	Deferred tax liabilities	2,355,888	2	2,348,055	2	2,320,341	2
2580	Lease liabilities - non-current	23,799,654	19	24,335,088	19	25,237,915	20
2640	Net defined benefit liability	712,446	1	737,454	-	726,559	-
2670	Other noncurrent liabilities	318,438	-	366,325	-	446,686	-
25XX	Total noncurrent liabilities	<u>41,570,861</u>	<u>34</u>	<u>42,951,797</u>	<u>33</u>	<u>43,766,022</u>	<u>34</u>
2XXX	Total liabilities	<u>82,601,586</u>	<u>67</u>	<u>88,635,481</u>	<u>69</u>	<u>89,299,587</u>	<u>70</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY							
Share Capital							
3110	Ordinary share	14,169,406	11	14,169,406	11	14,169,406	11
3200	Capital surplus	3,338,878	3	3,338,791	2	3,327,474	3
Retained earnings							
3310	Legal reserve	3,424,615	3	3,424,615	3	3,298,695	3
3320	Special reserve	2,709,263	2	2,709,263	2	2,865,351	2
3350	Unappropriated earnings	3,398,746	3	2,695,084	2	2,009,320	1
3300	Total retained earnings	<u>9,532,624</u>	<u>8</u>	<u>8,828,962</u>	<u>7</u>	<u>8,173,366</u>	<u>6</u>
3400	Other equity	5,321,927	4	4,953,871	4	4,389,967	4
3500	Treasury stock	(97,110)	-	(97,110)	-	(97,110)	-
31XX	Total equity attributable to owners of the Company	<u>32,265,725</u>	<u>26</u>	<u>31,193,920</u>	<u>24</u>	<u>29,963,103</u>	<u>24</u>
36XX	NON-CONTROLLING INTERESTS	<u>8,894,321</u>	<u>7</u>	<u>8,594,368</u>	<u>7</u>	<u>8,139,468</u>	<u>6</u>
3XXX	Total equity	<u>41,160,046</u>	<u>33</u>	<u>39,788,288</u>	<u>31</u>	<u>38,102,571</u>	<u>30</u>
TOTAL		<u>\$ 123,761,632</u>	<u>100</u>	<u>\$ 128,423,769</u>	<u>100</u>	<u>\$ 127,402,158</u>	<u>100</u>

(Concluded)

FAR EASTERN DEPARTMENT STORES, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Year ended Mar. 31, 2021 and 2020

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

Code		2021		2020	
		Year ended Mar. 31		Year ended Mar. 31	
		Amount	%	Amount	%
4000	REVENUES	\$ 9,342,221	100	\$ 8,634,165	100
5000	COSTS	<u>4,589,564</u>	<u>49</u>	<u>4,402,252</u>	<u>51</u>
5900	GROSS PROFIT	<u>4,752,657</u>	<u>51</u>	<u>4,231,913</u>	<u>49</u>
	OPERATING EXPENSES				
6100	Selling	211,781	2	189,262	2
6200	General and administrative	3,264,304	35	3,395,133	40
6450	Expected credit loss (Gain)	<u>2,015</u>	<u>-</u>	<u>(2,657)</u>	<u>-</u>
6000	Total operating expenses	<u>3,478,100</u>	<u>37</u>	<u>3,581,738</u>	<u>42</u>
6900	OPERATING INCOME	<u>1,274,557</u>	<u>14</u>	<u>650,175</u>	<u>7</u>
	NON-OPERATING INCOME AND EXPENSES				
7100	Interest income	15,535	-	17,755	-
7020	Other gains and losses	65,208	1	37,516	1
7050	Finance costs	<u>(198,728)</u>	<u>(2)</u>	<u>(223,432)</u>	<u>(3)</u>
7060	Share of profit (loss) of associates accounted for using equity method	<u>89,796</u>	<u>1</u>	<u>(183,664)</u>	<u>(2)</u>
7000	Total Non-operating income and expenses	<u>(28,189)</u>	<u>-</u>	<u>(351,825)</u>	<u>(4)</u>
7900	INCOME BEFORE INCOME TAX	1,246,368	14	298,350	3
7950	INCOME TAX EXPENSE	<u>250,647</u>	<u>3</u>	<u>195,468</u>	<u>2</u>
8200	NET INCOME	<u>995,721</u>	<u>11</u>	<u>102,882</u>	<u>1</u>

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Code		2021		2020	
		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	366,188	4	(915,680)	(10)
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method	<u>8,403</u>	<u>-</u>	<u>11,386</u>	<u>-</u>
8310		<u>374,591</u>	<u>4</u>	<u>(904,294)</u>	<u>(10)</u>
	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Other comprehensive income, before tax, exchange differences on translation	7,685	-	7,835	-
8370	Share of other comprehensive income of associates accounted for using equity method	<u>(6,347)</u>	<u>-</u>	<u>(7,667)</u>	<u>-</u>
8360		<u>1,338</u>	<u>-</u>	<u>168</u>	<u>-</u>
8300	Other comprehensive income , net of income tax	<u>375,929</u>	<u>4</u>	<u>(904,126)</u>	<u>(10)</u>
8500	COMPREHENSIVE INCOME	<u>\$ 1,371,650</u>	<u>15</u>	<u>(\$ 801,244)</u>	<u>(9)</u>
8600	NET INCOME ATTRIBUTED TO :				
8610	Owners of parent	\$ 703,212	8	\$ 77,891	1
8620	Non-controlling interests	<u>292,509</u>	<u>3</u>	<u>24,991</u>	<u>-</u>
		<u>\$ 995,721</u>	<u>11</u>	<u>\$ 102,882</u>	<u>1</u>
8700	CONPREHENSIVE INCOME CONTRIBUTED TO :				
8710	Owners of parent	\$ 1,071,718	12	(\$ 827,311)	(9)
8720	Non-controlling interests	<u>299,932</u>	<u>3</u>	<u>26,067</u>	<u>-</u>
		<u>\$ 1,371,650</u>	<u>15</u>	<u>(\$ 801,244)</u>	<u>(9)</u>
	EARNINGS PER SHARE				
9750	Basic	<u>\$ 0.50</u>		<u>\$ 0.06</u>	
9850	Diluted	<u>\$ 0.50</u>		<u>\$ 0.06</u>	

(Concluded)

FAR EASTERN DEPARTMENT STORES, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

Year ended Mar. 31, 2021 and 2020

(In thousands of New Taiwan Dollars)

<u>Code</u>		<u>2021</u> <u>Year ended Mar. 31</u>	<u>2020</u> <u>Year ended Mar. 31</u>
	CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
A00010	Income before income tax	\$ 1,246,368	\$ 298,350
A20010	Adjustments to reconcile profit(loss)		
A20100	Depreciation expense	1,318,236	1,445,367
A20200	Amortization expense	22,283	19,419
A20300	Expected credit loss (gain)	2,015	(2,657)
A20400	Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(5,653)	25,022
A20900	Finance costs	198,728	223,432
A22800	Losses on disposals of intangible assets	28	-
A24600	Loss (gain) on fair value adjustment of investment property	20,394	24,692
A29900	Amortization of prepayments	18,341	6,991
A21200	Interest income	(15,535)	(17,755)
A22300	Share of loss (profit) of associates accounted for using equity method	(89,796)	183,664
A22500	Loss (gain) on disposal of property, plant and equipment, net	318	3,837
A29900	Lease liabilities concessions	(8,646)	-
A23800	Unrealized loss (gain) on physical inventory and slow-moving inventories	(3,561)	(2,875)
A22900	Gain on modifications of lease arrangements	-	(5)
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	(10,967)	(15,360)
A31130	Notes receivable	(337)	(2,262)
A31150	Accounts receivable	113,907	267,022
A31160	Notes and accounts receivable due from related parties	26,910	29,480
A31180	Other receivable	403,323	51,624
A31200	Inventories	(327,967)	(35,073)

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<u>Code</u>		<u>2021</u> <u>Year ended Mar. 31</u>	<u>2020</u> <u>Year ended Mar. 31</u>
A31230	Prepayments	(128,654)	(110,673)
A31240	Other current assets	4,977	17,704
A32125	Contract liability- current	233,766	112,093
A32130	Notes payable	(222)	300
A32150	Accounts payable	(4,350,801)	(6,467,360)
A32160	Notes and accounts payable to related parties	(34,366)	(60,670)
A32180	Other payables	(368,068)	(582,718)
A32210	Advance receipts	28,258	123,641
A32230	Other current liabilities	7,533	(38,603)
A32240	Net defined benefit assets	(5,460)	(13,594)
A32240	Net defined benefit liability	(<u>25,008</u>)	(<u>11,872</u>)
A33000	Cash inflow (outflow) generated from operations	(1,729,656)	(4,528,839)
A33100	Interests received	15,450	15,165
A33300	Interests paid	(180,675)	(207,601)
A33500	Income taxes paid	(<u>431</u>)	(<u>2,201</u>)
AAAA	Net cash flows from (used in) operating activities	(<u>1,895,312</u>)	(<u>4,723,476</u>)
	CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
B00010	Acquisition of financial assets at fair value through other comprehensive income	(11,711)	(29,413)
B00020	Proceeds from disposal of financial assets at fair value through other comprehensive income	16,336	-
B00040	Acquisition of financial assets at amortized cost	(650,987)	(41,421)
B00050	Proceeds from disposal of financial assets at amortized cost	149,252	300,727
B02700	Acquisition of property, plant and equipment	(577,009)	(476,565)
B02800	Proceeds from disposal of property, plant and equipment	-	73
B04500	Acquisition of intangible assets	(48,984)	(66,687)
B05350	Acquisition of Right-of-use assets	(88,381)	-
B05400	Acquisition of investment properties	-	(830)
B06700	Increase (decrease) in other non-current assets	(<u>82,112</u>)	(<u>93,310</u>)
BBBB	Net cash flows from (used in) investing activities	(<u>1,293,596</u>)	(<u>407,426</u>)
	Cash flows from (used in) financing activities		
C00100	Increase in short-term loans	25,125,419	34,317,647
C00200	Decrease in short-term loans	(24,089,377)	(29,569,970)
C00500	Increase in short-term notes and bills payable	6,492,285	7,447,754
C00600	Decrease in short-term notes and bills payable	(7,689,965)	(7,794,045)
C01600	Proceeds from long-term debt	28,269,530	21,689,885

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<u>Code</u>		<u>2021</u> <u>Year ended Mar. 31</u>	<u>2020</u> <u>Year ended Mar. 31</u>
C01700	Repayment of long-term debt	(29,050,000)	(21,620,000)
C04020	Repayment of the principal portion of lease liabilities	(857,346)	(868,461)
C04400	Decrease in other non-current liabilities	(<u>47,887</u>)	(<u>10,473</u>)
CCCC	Net cash flows from (used in) financing activities	(<u>1,847,341</u>)	<u>3,592,337</u>
DDDD	Effect of exchange rate changes on cash and cash equivalents	(<u>4,535</u>)	(<u>10,830</u>)
EEEE	Net decrease in cash and cash equivalents	(5,040,784)	(1,549,395)
E00100	Cash and cash equivalents at beginning of period	<u>14,791,434</u>	<u>13,424,223</u>
E00200	Cash and cash equivalents at end of period	<u>\$ 9,750,650</u>	<u>\$ 11,874,828</u>

(Concluded)