

FAR EASTERN DEPARTMENT STORES, LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

Mar. 31, 2023, Dec. 31, 2022 and Mar. 31, 2022

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

Code	Assets	2023/3/31		2022/12/31		2022/3/31	
		Amount	%	Amount	%	Amount	%
CURRENT ASSETS							
1100	Cash and cash equivalents	\$ 12,481,118	10	\$ 17,254,680	14	\$ 13,496,718	11
1110	Financial assets at fair value through profit or loss - current	280,645	-	284,762	-	435,291	-
1120	Current financial assets at fair value through other comprehensive income	847,256	1	840,485	1	310,551	-
1136	Current financial assets at amortized cost	2,020,768	2	2,210,526	2	552,866	1
1150	Notes receivable	1,804	-	471	-	2,226	-
1170	Trade receivable	729,033	1	1,162,412	1	641,097	1
1180	Trade receivable due from related parties	81,794	-	152,611	-	77,526	-
1200	Other receivables	446,526	-	703,143	-	852,773	1
1220	Current tax assets	2,838	-	2,746	-	1,143	-
130X	Inventories	2,491,055	2	2,372,926	2	2,646,603	2
1429	Prepayments	351,226	-	267,762	-	414,610	-
1470	Other current assets	52,984	-	56,533	-	68,308	-
11XX	Total current assets	<u>19,787,047</u>	<u>16</u>	<u>25,309,057</u>	<u>20</u>	<u>19,499,712</u>	<u>16</u>
NON-CURRENT ASSETS							
1517	Non-current financial assets at fair value through other comprehensive income	4,770,494	4	4,627,437	4	5,156,696	4
1535	Non-current financial assets at amortized cost	173,200	-	123,200	-	126,133	-
1550	Investments accounted for using the equity method	9,810,249	8	9,749,294	8	10,203,777	8
1600	Property, plant and equipment	33,099,692	27	33,279,076	26	34,179,582	27
1755	Right-of-use assets	38,902,564	32	39,630,425	31	41,992,097	34
1760	Investment properties	8,959,194	8	8,971,146	7	8,973,458	7
1780	Intangible assets	2,413,982	2	2,413,602	2	2,427,920	2
1840	Deferred tax assets	536,620	1	584,173	-	668,335	1
1975	Net defined benefit assets	307,597	-	285,329	-	206,716	-
1990	Other non-current assets	2,016,283	2	1,970,204	2	1,830,736	1
15XX	Total non-current assets	<u>100,989,875</u>	<u>84</u>	<u>101,633,886</u>	<u>80</u>	<u>105,765,450</u>	<u>84</u>
1XXX	TOTAL	<u>\$ 120,776,922</u>	<u>100</u>	<u>\$ 126,942,943</u>	<u>100</u>	<u>\$ 125,265,162</u>	<u>100</u>
LIABILITIES AND EQUITY							
CURRENT LIABILITIES							
2100	Short-term debts	\$ 11,458,035	9	\$ 13,722,144	11	\$ 10,556,357	8
2110	Short-term notes and bills payable	1,437,182	1	1,590,845	1	1,907,480	2
2130	Contract liabilities-Current	9,802,817	8	10,279,939	8	9,651,994	8
2150	Notes payable	3,500	-	3,500	-	3,894	-
2170	Trade payables	11,550,594	10	17,050,545	13	11,720,176	9
2180	Notes and accounts payable to related parties	67,578	-	116,859	-	52,909	-
2219	Other payables	3,585,867	3	4,089,361	3	3,935,246	3
2230	Current tax liabilities	912,982	1	626,356	1	701,942	1
2250	Provisions-current	3,000	-	3,000	-	3,000	-
2280	Lease liabilities - current	3,114,856	3	3,191,599	3	3,178,832	3
2310	Advance receipts	503,843	-	509,317	-	584,101	-
2322	Long-term borrowings – current portion	-	-	950,000	1	1,960,000	2
2399	Other current liabilities	388,335	-	395,209	-	398,923	-
21XX	Total current liabilities	<u>42,828,589</u>	<u>35</u>	<u>52,528,674</u>	<u>41</u>	<u>44,654,854</u>	<u>36</u>
NON-CURRENT LIABILITIES							
2540	Long-term borrowings	\$ 12,785,373	11	\$ 9,900,000	8	\$ 13,919,730	11
2550	Provision-non-current	25,557	-	25,500	-	25,329	-
2570	Deferred tax liabilities	2,343,886	2	2,349,887	2	2,390,158	2
2580	Lease liabilities - non-current	19,792,387	16	20,489,572	16	22,064,996	18
2640	Net defined benefit liability	555,769	-	581,832	1	695,084	-
2670	Other non-current liabilities	561,048	1	520,214	-	530,327	-
25XX	Total noncurrent liabilities	<u>36,064,020</u>	<u>30</u>	<u>33,867,005</u>	<u>27</u>	<u>39,625,624</u>	<u>31</u>
2XXX	Total liabilities	<u>78,892,609</u>	<u>65</u>	<u>86,395,679</u>	<u>68</u>	<u>84,280,478</u>	<u>67</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY							
Share Capital							
3110	Ordinary share	14,169,406	12	14,169,406	11	14,169,406	11
3200	Capital surplus	3,341,051	3	3,341,024	3	3,341,024	3
Retained earnings							
3310	Legal reserve	3,729,018	3	3,729,018	3	3,611,319	3
3320	Special reserve	2,657,978	2	2,657,978	2	2,619,569	2
3350	Unappropriated earnings	3,586,879	3	2,798,561	2	2,752,677	2
3300	Total retained earnings	<u>9,973,875</u>	<u>8</u>	<u>9,185,557</u>	<u>7</u>	<u>8,983,565</u>	<u>7</u>
3400	Other equity	5,107,282	4	4,940,666	4	5,564,645	5
3500	Treasury shares	(97,110)	-	(97,110)	-	(97,110)	-
31XX	Total equity attributable to owners of the Company	<u>32,494,504</u>	<u>27</u>	<u>31,539,543</u>	<u>25</u>	<u>31,961,530</u>	<u>26</u>
36XX	NON-CONTROLLING INTERESTS	<u>9,389,809</u>	<u>8</u>	<u>9,007,721</u>	<u>7</u>	<u>9,023,154</u>	<u>7</u>
3XXX	Total equity	<u>41,884,313</u>	<u>35</u>	<u>40,547,264</u>	<u>32</u>	<u>40,984,684</u>	<u>33</u>
TOTAL		<u>\$ 120,776,922</u>	<u>100</u>	<u>\$ 126,942,943</u>	<u>100</u>	<u>\$ 125,265,162</u>	<u>100</u>

(Concluded)

FAR EASTERN DEPARTMENT STORES, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Year ended Mar. 31, 2023 and 2022

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

Code		2023		2022	
		Year ended Mar. 31		Year ended Mar. 31	
		Amount	%	Amount	%
4000	REVENUE	\$ 9,285,620	100	\$ 9,062,173	100
5000	COSTS	<u>4,121,446</u>	<u>44</u>	<u>4,260,709</u>	<u>47</u>
5900	GROSS PROFIT	<u>5,164,174</u>	<u>56</u>	<u>4,801,464</u>	<u>53</u>
	OPERATING EXPENSES				
6100	Selling	196,596	2	212,433	2
6200	General and administrative	3,309,006	36	3,348,367	37
6450	Expected credit loss (Gain)	<u>6,348</u>	<u>-</u>	<u>11</u>	<u>-</u>
6000	Total operating expenses	<u>3,511,950</u>	<u>38</u>	<u>3,560,811</u>	<u>39</u>
6900	OPERATING INCOME	<u>1,652,224</u>	<u>18</u>	<u>1,240,653</u>	<u>14</u>
	NON-OPERATING INCOME AND EXPENSES				
7100	Interest income	42,693	-	16,781	-
7020	Other gains and losses	271	-	32,007	-
7050	Finance costs	(227,141)	(2)	(208,127)	(2)
7060	Share of profit (loss) of associates accounted for using equity method	<u>33,984</u>	<u>-</u>	<u>(47,309)</u>	<u>-</u>
7000	Total Non-operating income and expenses	<u>(150,193)</u>	<u>(2)</u>	<u>(206,648)</u>	<u>(2)</u>
7900	Profit BEFORE INCOME TAX	1,502,031	16	1,034,005	12
7950	INCOME TAX EXPENSE	<u>330,188</u>	<u>4</u>	<u>246,871</u>	<u>3</u>
8200	NET Profit	<u>1,171,843</u>	<u>12</u>	<u>787,134</u>	<u>9</u>

(Continued)

(Continued)

Code		2023		2022	
		Year ended Mar. 31		Year ended Mar. 31	
		Amount	%	Amount	%
	OTHER COMPREHENSIVE INCOME (LOSS)				
	Items that will not be reclassified subsequently to profit or loss:				
8316	Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	\$ 149,892	2	\$ 376,375	4
8320	Share of other comprehensive income of associates accounted for using the equity method	9,319	-	(3,614)	-
8310		<u>159,211</u>	<u>2</u>	<u>372,761</u>	<u>4</u>
	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translating the financial statements of foreign operations	(3,069)	-	(49,790)	-
8370	Share of other comprehensive (loss) income of associates accounted for using the equity method	9,033	-	39,368	-
8360		<u>5,964</u>	<u>-</u>	<u>(10,422)</u>	<u>-</u>
8300	Other comprehensive income , net of income tax	<u>165,175</u>	<u>2</u>	<u>362,339</u>	<u>4</u>
8500	COMPREHENSIVE INCOME	<u>\$ 1,337,018</u>	<u>14</u>	<u>\$ 1,149,473</u>	<u>13</u>
8600	NET PROFIT ATTRIBUTED TO :				
8610	Owners of the Company	\$ 788,174	9	\$ 536,127	6
8620	Non-controlling interests	383,669	4	251,007	3
		<u>\$ 1,171,843</u>	<u>13</u>	<u>\$ 787,134</u>	<u>9</u>
8700	COMPREHENSIVE INCOME ATTRIBUTABLE TO :				
8710	Owners of the Company	\$ 954,934	10	\$ 912,858	10
8720	Non-controlling interests	382,084	4	236,615	3
		<u>\$ 1,337,018</u>	<u>14</u>	<u>\$ 1,149,473</u>	<u>13</u>
	EARNINGS PER SHARE				
9750	Basic	<u>\$ 0.56</u>		<u>\$ 0.38</u>	
9850	Diluted	<u>\$ 0.56</u>		<u>\$ 0.38</u>	

(Concluded)

FAR EASTERN DEPARTMENT STORES, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

Year ended Mar. 31, 2023 and 2022

(In thousands of New Taiwan Dollars)

<u>Code</u>		<u>2023</u> <u>Year ended Mar. 31</u>	<u>2022</u> <u>Year ended Mar. 31</u>
	CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
A00010	Profit before income tax	\$ 1,502,031	\$ 1,034,005
A20010	Adjustments to reconcile profit(loss)		
A20100	Depreciation expense	1,277,836	1,364,053
A20200	Amortization expense	14,960	19,222
A20300	Expected credit loss (gain) recognized on receivables	6,348	11
A20400	Net loss (gain) on financial assets and liabilities at fair value through profit or loss	(2,805)	3,408
A20900	Finance costs	227,141	208,127
A24600	Loss (gain) on fair value adjustment of investment property	12,537	5,277
A29900	Amortization of prepayments	1,473	13,351
A21200	Interest income	(42,693)	(16,781)
A22300	Share of loss (profit) of associates accounted for using equity method	(33,984)	47,309
A22500	Loss (gain) on disposal of property, plant and equipment	804	1,209
A23100	Loss (gain) on disposal of investments	529	-
A23800	Unrealized loss (gain) on physical and slow-moving inventories	(12,006)	(2,574)
A29900	Lease liabilities concessions	-	(10,652)
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	6,393	(4,049)
A31130	Notes receivable	(1,333)	(1,555)
A31150	Accounts receivable	433,299	537,395
A31160	Notes and accounts receivable due from related parties	70,817	92,298
A31180	Other receivables	252,677	38,903
A31200	Inventories	(106,123)	(202,774)
A31230	Prepayments	(83,357)	(161,109)
A31240	Other current assets	3,549	(7,823)

(Continued)

(Continued)

<u>Code</u>		<u>2023</u> <u>Year ended Mar. 31</u>	<u>2022</u> <u>Year ended Mar. 31</u>
A32125	Contract liability- current	(\$ 477,122)	(\$ 7,990)
A32130	Notes payable	-	(1,936)
A32150	Accounts payable	(5,499,951)	(5,086,628)
A32160	Notes and accounts payable to related parties	(49,281)	(43,488)
A32180	Other payables	(355,990)	(534,915)
A32210	Advance receipts	35,547	108,946
A32230	Other current liabilities	(6,874)	3,838
A32240	Net defined benefit assets	(22,268)	(9,947)
A32240	Net defined benefit liabilities	(26,063)	(23,357)
A33000	Cash inflow (outflow) generated from operations	(2,873,909)	(2,638,226)
A33100	Interest received	40,381	20,730
A33300	Interest paid	(214,952)	(177,670)
A33500	Income tax paid	(2,889)	(1,127)
AAAA	Net cash flows from (used in) operating activities	(3,051,369)	(2,796,293)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES			
B00010	Purchase of financial assets at fair value through other comprehensive income	(1,768)	(14,974)
B00020	Proceeds from sale of financial assets at fair value through other comprehensive income	1,755	2,683
B00040	Purchase of financial assets at amortized cost	(1,311,675)	(1,613,641)
B00050	Proceeds from disposal of financial assets at amortized cost	1,453,843	2,249,882
B02700	Acquisition of property, plant and equipment	(551,705)	(468,244)
B02800	Proceeds from disposal of property, plant and equipment	3	20
B04500	Acquisition of intangible assets	(15,340)	(18,554)
B05350	Acquisition of Right-of-use assets	(1,118)	(45,565)
B05400	Acquisition of investment properties	(585)	(602)
B06700	Increase (decrease) in other non-current assets	(2,239)	(1,084)
BBBB	Net cash flows from (used in) investing activities	(428,829)	89,921
Cash flows from (used in) financing activities			
C00100	Proceeds from short-term borrowings	24,302,569	19,666,948
C00200	Repayments of short-term borrowings	(26,583,152)	(19,150,390)
C00500	Proceeds from short-term bills payable	3,112,451	4,714,242
C00600	Repayments of short-term bills payable	(3,266,114)	(5,997,468)
C01600	Proceeds from long-term borrowings	26,885,373	27,890,009
C01700	Repayments of long-term borrowings	(24,950,000)	(29,600,000)

(Continued)

(Continued)

C04020	Repayment of the principal portion of lease liabilities	(837,037)	(915,991)
C04400	Decrease in other non-current liabilities	<u>\$ 39,872</u>	<u>\$ 2,672</u>
CCCC	Net cash flows from (used in) financing activities	(<u>1,296,038</u>)	(<u>3,389,978</u>)
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>2,674</u>	<u>60,978</u>
EEEE	Net decrease in cash and cash equivalents	(4,773,562)	(6,035,372)
E00100	Cash and cash equivalents at beginning of period	<u>17,254,680</u>	<u>19,532,090</u>
E00200	Cash and cash equivalents at end of period	<u>\$ 12,481,118</u>	<u>\$ 13,496,718</u>

(Concluded)