

FAR EASTERN DEPARTMENT STORES, LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

Jun. 30, 2018, Dec. 31, 2017 and Jun. 30, 2017

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

| Code        | Assets  | 2018/6/30<br>(Reviewed) |            | 2017/12/31<br>(Audited) |            | 2017/6/30<br>(Reviewed) |            |
|-------------|---|-------------------------|------------|-------------------------|------------|-------------------------|------------|
|             |   | Amount                  | %          | Amount                  | %          | Amount                  | %          |
|             | <b>CURRENT ASSETS</b>   |                         |            |                         |            |                         |            |
| 1100        | Cash and cash equivalents   | \$ 7,916,464            | 8          | \$ 16,116,484           | 15         | \$ 7,755,825            | 8          |
| 1110        | Financial assets at fair value through profit or loss - current               | 482,333                 | 1          | 496,455                 | 1          | 501,293                 | 1          |
| 1120        | Current financial assets at fair value through other comprehensive income     | 245,357                 | -          | -                       | -          | -                       | -          |
| 1125        | Available-for-sale financial assets - current                                 | -                       | -          | 233,523                 | -          | 497,623                 | -          |
| 1136        | Current financial assets at amortized cost                                    | 1,774,842               | 2          | -                       | -          | -                       | -          |
| 1147        | Bond investments without active market-current                                | -                       | -          | 1,914,388               | 2          | 1,481,133               | 2          |
| 1150        | Notes receivable  | 13,670                  | -          | 1,131                   | -          | 12,100                  | -          |
| 1170        | Accounts receivable   | 834,379                 | 1          | 1,113,758               | 1          | 399,578                 | -          |
| 1180        | Accounts receivable due from related parties                                  | 139,360                 | -          | 126,364                 | -          | 155,467                 | -          |
| 1200        | Other receivables   | 1,737,237               | 2          | 1,784,033               | 2          | 1,645,690               | 2          |
| 1220        | Current tax assets  | 3,059                   | -          | 3,079                   | -          | 83,789                  | -          |
| 130X        | Inventories   | 2,278,943               | 2          | 2,583,275               | 2          | 2,328,269               | 2          |
| 1429        | Prepayments   | 1,037,169               | 1          | 870,134                 | 1          | 927,748                 | 1          |
| 1470        | Other current assets  | 54,283                  | -          | 69,068                  | -          | 97,772                  | -          |
| 11XX        | Total current assets  | <u>16,517,096</u>       | <u>17</u>  | <u>25,311,692</u>       | <u>24</u>  | <u>15,886,287</u>       | <u>16</u>  |
|             | <b>NONCURRENT ASSETS</b>  |                         |            |                         |            |                         |            |
| 1517        | Non-current financial assets at fair value through other comprehensive income | 3,883,507               | 4          | -                       | -          | -                       | -          |
| 1523        | Available-for-sale financial assets - noncurrent                              | -                       | -          | 2,944,887               | 3          | 3,525,558               | 4          |
| 1535        | Non-current financial assets at amortized cost                                | 227,000                 | -          | -                       | -          | -                       | -          |
| 1543        | Financial assets measured at cost - noncurrent                                | -                       | -          | 608,037                 | -          | 608,494                 | 1          |
| 1546        | Bond investments without active market - non-current                          | -                       | -          | 227,000                 | -          | 227,000                 | -          |
| 1550        | Investments accounted for by equity method                                    | 8,751,967               | 9          | 8,444,059               | 8          | 8,263,906               | 8          |
| 1600        | Property, plant and equipment   | 43,402,098              | 45         | 43,699,225              | 41         | 44,175,606              | 45         |
| 1760        | Investment properties   | 8,675,713               | 9          | 8,738,216               | 8          | 8,803,796               | 9          |
| 1780        | Intangible assets   | 5,045,835               | 5          | 5,059,516               | 5          | 6,248,958               | 6          |
| 1840        | Deferred tax assets   | 747,745                 | 1          | 719,578                 | 1          | 831,911                 | 1          |
| 1985        | Long-term prepayments for lease   | 7,984,216               | 8          | 8,176,674               | 8          | 8,413,285               | 8          |
| 1990        | Other noncurrent assets   | 1,527,135               | 2          | 1,779,567               | 2          | 1,795,975               | 2          |
| 15XX        | Total noncurrent assets   | <u>80,245,216</u>       | <u>83</u>  | <u>80,396,759</u>       | <u>76</u>  | <u>82,894,489</u>       | <u>84</u>  |
| 1XXX        | TOTAL   | <u>\$ 96,762,312</u>    | <u>100</u> | <u>\$ 105,708,451</u>   | <u>100</u> | <u>\$ 98,780,776</u>    | <u>100</u> |
|             | <b>LIABILITIES AND EQUITY</b>   |                         |            |                         |            |                         |            |
|             | <b>CURRENT LIABILITIES</b>  |                         |            |                         |            |                         |            |
| 2100        | Short-term debts  | \$ 11,600,316           | 12         | \$ 13,084,956           | 12         | \$ 12,945,665           | 13         |
| 2110        | Short-term notes and bills payable  | 2,602,518               | 3          | 2,514,700               | 3          | 2,989,982               | 3          |
| 2130        | Contract liabilities-Current  | 7,699,956               | 8          | -                       | -          | -                       | -          |
| 2150        | Notes payable   | 4,024                   | -          | 3,071                   | -          | 3,390                   | -          |
| 2170        | Accounts payables   | 11,714,095              | 12         | 18,285,105              | 17         | 10,396,350              | 11         |
| 2180        | Notes and accounts payable to related parties                                 | 68,773                  | -          | 127,880                 | -          | 51,180                  | -          |
| 2219        | Other payables  | 5,605,361               | 6          | 4,250,840               | 4          | 4,940,125               | 5          |
| 2230        | Current tax liabilities   | 522,525                 | -          | 539,394                 | 1          | 280,692                 | -          |
| 2250        | Provision-current   | 4,788                   | -          | 6,828                   | -          | 5,083                   | -          |
| 2310        | Advance receipts  | -                       | -          | 7,456,419               | 7          | 7,492,924               | 8          |
| 2313        | Deferred revenue - current  | -                       | -          | 83,761                  | -          | 58,037                  | -          |
| 2320        | Long-term bonds payable - current portion                                     | 999,084                 | 1          | 998,149                 | 1          | -                       | -          |
| 2322        | Long-term borrowings - current portion  | 1,500,000               | 2          | 3,500,000               | 3          | 4,015,830               | 4          |
| 2399        | Other current liabilities   | 276,177                 | -          | 264,545                 | -          | 244,966                 | -          |
| 21XX        | Total current liabilities   | <u>42,597,617</u>       | <u>44</u>  | <u>51,115,648</u>       | <u>48</u>  | <u>43,424,224</u>       | <u>44</u>  |
|             | <b>NONCURRENT LIABILITIES</b>   |                         |            |                         |            |                         |            |
| 2530        | Bonds issued  | -                       | -          | -                       | -          | 997,215                 | 1          |
| 2540        | Long-term borrowings  | 12,891,124              | 13         | 13,258,102              | 13         | 13,395,200              | 14         |
| 2550        | Provision-noncurrent  | 26,585                  | -          | 26,465                  | -          | 28,122                  | -          |
| 2570        | Deferred tax liabilities  | 2,112,962               | 2          | 1,915,480               | 2          | 2,086,557               | 2          |
| 2640        | Net defined benefit liability   | 810,032                 | 1          | 945,908                 | 1          | 891,774                 | 1          |
| 2670        | Other noncurrent liabilities  | 1,502,397               | 2          | 1,588,670               | 1          | 2,290,788               | 2          |
| 25XX        | Total noncurrent liabilities  | <u>17,343,100</u>       | <u>18</u>  | <u>17,734,625</u>       | <u>17</u>  | <u>19,689,656</u>       | <u>20</u>  |
| 2XXX        | Total liabilities   | <u>59,940,717</u>       | <u>62</u>  | <u>68,850,273</u>       | <u>65</u>  | <u>63,113,880</u>       | <u>64</u>  |
|             | <b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>                           |                         |            |                         |            |                         |            |
|             | Share Capital   |                         |            |                         |            |                         |            |
| 3110        | Ordinary share  | 14,169,406              | 15         | 14,169,406              | 13         | 14,169,406              | 14         |
| 3200        | Capital surplus   | 3,315,866               | 3          | 3,315,931               | 3          | 3,315,927               | 3          |
|             | Retained earnings   |                         |            |                         |            |                         |            |
| 3310        | Legal reserve   | 3,166,880               | 3          | 3,013,281               | 3          | 3,013,281               | 3          |
| 3320        | Special reserve   | 2,656,286               | 3          | 2,643,743               | 3          | 2,643,743               | 3          |
| 3350        | Unappropriated earnings   | 1,370,798               | 2          | 2,274,946               | 2          | 1,154,364               | 1          |
| 3300        | Total retained earnings   | 7,193,964               | 8          | 7,931,970               | 8          | 6,811,388               | 7          |
| 3400        | Other equity  | 4,142,923               | 4          | 3,678,521               | 3          | 3,837,086               | 4          |
| 3500        | Treasury stock  | (97,110)                | -          | (97,110)                | -          | (97,110)                | -          |
| 31XX        | Total equity attributable to owners of the Company                            | <u>28,725,049</u>       | <u>30</u>  | <u>28,998,718</u>       | <u>27</u>  | <u>28,036,697</u>       | <u>28</u>  |
| 36XX        | NON-CONTROLLING INTERESTS   | <u>8,096,546</u>        | <u>8</u>   | <u>7,859,460</u>        | <u>8</u>   | <u>7,630,199</u>        | <u>8</u>   |
| 3XXX        | Total equity  | <u>36,821,595</u>       | <u>38</u>  | <u>36,858,178</u>       | <u>35</u>  | <u>35,666,896</u>       | <u>36</u>  |
| (Concluded) | TOTAL   | <u>\$ 96,762,312</u>    | <u>100</u> | <u>\$ 105,708,451</u>   | <u>100</u> | <u>\$ 98,780,776</u>    | <u>100</u> |

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

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

From Apr. 1 to June 30, 2018 and 2017, and Year ended June 30, 2018 and 2017

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

| Code |   | From Apr. 1 to June 30,<br>2018 |             | From Apr. 1 to June 30,<br>2017 |             | Year ended June 30,<br>2018 |             | Year ended June 30,<br>2017 |             |
|------|---|---------------------------------|-------------|---------------------------------|-------------|-----------------------------|-------------|-----------------------------|-------------|
|      |   | Amount                          | %           | Amount                          | %           | Amount                      | %           | Amount                      | %           |
| 4000 | REVENUES  | \$ 8,864,156                    | 100         | \$ 9,353,827                    | 100         | \$18,210,564                | 100         | \$19,036,805                | 100         |
| 5000 | COSTS   | <u>4,149,708</u>                | <u>47</u>   | <u>4,598,960</u>                | <u>49</u>   | <u>8,584,546</u>            | <u>47</u>   | <u>9,333,750</u>            | <u>49</u>   |
| 5900 | GROSS PROFIT  | <u>4,714,448</u>                | <u>53</u>   | <u>4,754,867</u>                | <u>51</u>   | <u>9,626,018</u>            | <u>53</u>   | <u>9,703,055</u>            | <u>51</u>   |
|      | OPERATING EXPENSES  |                                 |             |                                 |             |                             |             |                             |             |
| 6100 | Selling   | 185,762                         | 2           | 233,735                         | 2           | 402,075                     | 2           | 497,752                     | 3           |
| 6200 | General and administrative  | 3,687,468                       | 42          | 3,984,243                       | 43          | 7,386,460                   | 41          | 7,997,016                   | 42          |
| 6450 | Expected credit loss (Gain)   | 314                             | -           | -                               | -           | (13,160)                    | -           | -                           | -           |
| 6000 | Total operating expenses  | <u>3,873,544</u>                | <u>44</u>   | <u>4,217,978</u>                | <u>45</u>   | <u>7,775,375</u>            | <u>43</u>   | <u>8,494,768</u>            | <u>45</u>   |
| 6900 | OPERATING INCOME  | <u>840,904</u>                  | <u>9</u>    | <u>536,889</u>                  | <u>6</u>    | <u>1,850,643</u>            | <u>10</u>   | <u>1,208,287</u>            | <u>6</u>    |
|      | NONOPERATING INCOME AND EXPENSES  |                                 |             |                                 |             |                             |             |                             |             |
| 7190 | Other income  | 34,262                          | -           | 16,568                          | -           | 63,765                      | -           | 31,568                      | -           |
| 7020 | Other gains and losses  | ( 346,047)                      | ( 4)        | 3,660                           | -           | ( 370,092)                  | ( 2)        | ( 100,025)                  | ( 1)        |
| 7050 | Finance costs   | ( 98,006)                       | ( 1)        | ( 112,690)                      | ( 1)        | ( 199,950)                  | ( 1)        | ( 227,300)                  | ( 1)        |
| 7060 | Share of profit (loss) of associates<br>accounted for using equity method   | <u>34,935</u>                   | <u>1</u>    | <u>( 91,445)</u>                | <u>( 1)</u> | <u>40,420</u>               | <u>-</u>    | <u>( 95,778)</u>            | <u>-</u>    |
| 7000 | Total Non-operating income and<br>expenses  | <u>( 374,856)</u>               | <u>( 4)</u> | <u>( 183,907)</u>               | <u>( 2)</u> | <u>( 465,857)</u>           | <u>( 3)</u> | <u>( 391,535)</u>           | <u>( 2)</u> |
| 7900 | INCOME BEFORE INCOME TAX  | 466,048                         | 5           | 352,982                         | 4           | 1,384,786                   | 7           | 816,752                     | 4           |
| 7950 | INCOME TAX EXPENSE  | <u>204,817</u>                  | <u>2</u>    | <u>220,034</u>                  | <u>3</u>    | <u>552,578</u>              | <u>3</u>    | <u>395,358</u>              | <u>2</u>    |
| 8200 | NET INCOME  | <u>261,231</u>                  | <u>3</u>    | <u>132,948</u>                  | <u>1</u>    | <u>832,208</u>              | <u>4</u>    | <u>421,394</u>              | <u>2</u>    |
|      | OTHER COMPREHENSIVE INCOME  |                                 |             |                                 |             |                             |             |                             |             |
|      | Components of other comprehensive<br>income that will not be reclassified to<br>profit or loss                                      |                                 |             |                                 |             |                             |             |                             |             |
| 8316 | Unrealized gains (losses) from<br>investments in equity instruments<br>measured at fair value through<br>other comprehensive income | 441,216                         | 5           | -                               | -           | 458,264                     | 3           | -                           | -           |
| 8320 | Share of other comprehensive income of<br>associates and joint ventures<br>accounted for using equity method                        | 400,122                         | 4           | -                               | -           | 400,913                     | 2           | -                           | -           |
| 8349 | Income tax related to components of<br>other comprehensive income that<br>will not be reclassified to profit or<br>loss             | -                               | -           | -                               | -           | 13,271                      | -           | -                           | -           |
| 8310 |   | <u>841,338</u>                  | <u>9</u>    | <u>-</u>                        | <u>-</u>    | <u>872,448</u>              | <u>5</u>    | <u>-</u>                    | <u>-</u>    |
|      | Components of other comprehensive<br>income that will be reclassified to profit or<br>loss  |                                 |             |                                 |             |                             |             |                             |             |
| 8361 | Other comprehensive income, before<br>tax, exchange differences on<br>translation   | ( 21,665)                       | -           | ( 1,526)                        | -           | ( 22,417)                   | -           | 37,543                      | -           |
| 8362 | Other comprehensive income,<br>before tax, available-for-sale<br>financial assets   | -                               | -           | ( 475,173)                      | ( 5)        | -                           | -           | 38,457                      | 1           |
| 8370 | Share of other comprehensive<br>income of associates accounted<br>for using equity method   | <u>6,267</u>                    | <u>-</u>    | <u>( 7,803)</u>                 | <u>-</u>    | <u>5,691</u>                | <u>-</u>    | <u>( 2,877)</u>             | <u>-</u>    |
| 8360 |   | <u>( 15,398)</u>                | <u>-</u>    | <u>( 484,502)</u>               | <u>( 5)</u> | <u>( 16,726)</u>            | <u>-</u>    | <u>73,123</u>               | <u>1</u>    |
| 8300 | Total other comprehensive income,<br>net  | <u>825,940</u>                  | <u>9</u>    | <u>( 484,502)</u>               | <u>( 5)</u> | <u>855,722</u>              | <u>5</u>    | <u>73,123</u>               | <u>1</u>    |
| 8500 | COMPREHENSIVE INCOME  | <u>\$ 1,087,171</u>             | <u>12</u>   | <u>( \$ 351,554)</u>            | <u>( 4)</u> | <u>\$ 1,687,930</u>         | <u>9</u>    | <u>\$ 494,517</u>           | <u>3</u>    |
| 8600 | NET INCOME ATTRIBUTED TO :  |                                 |             |                                 |             |                             |             |                             |             |
| 8610 | Owners of parent  | \$ 186,137                      | 2           | \$ 118,605                      | 1           | \$ 576,552                  | 3           | \$ 360,239                  | 2           |
| 8620 | Non-controlling interests   | <u>75,094</u>                   | <u>1</u>    | <u>14,343</u>                   | <u>-</u>    | <u>255,656</u>              | <u>1</u>    | <u>61,155</u>               | <u>-</u>    |
|      |   | <u>\$ 261,231</u>               | <u>3</u>    | <u>\$ 132,948</u>               | <u>1</u>    | <u>\$ 832,208</u>           | <u>4</u>    | <u>\$ 421,394</u>           | <u>2</u>    |
|      | EARNINGS PER SHARE  |                                 |             |                                 |             |                             |             |                             |             |
| 8700 | COMPREHENSIVE INCOME CONTRIBUTED TO :   |                                 |             |                                 |             |                             |             |                             |             |
| 8710 | Owners of parent  | 810,548                         | 9           | ( 351,862)                      | ( 4)        | 1,230,095                   | 7           | 401,925                     | 2           |
| 8720 | Non-controlling interests   | <u>276,623</u>                  | <u>3</u>    | <u>308</u>                      | <u>-</u>    | <u>457,835</u>              | <u>2</u>    | <u>92,592</u>               | <u>1</u>    |
|      |   | <u>\$ 1,087,171</u>             | <u>12</u>   | <u>( \$ 351,554)</u>            | <u>( 4)</u> | <u>\$ 1,687,930</u>         | <u>9</u>    | <u>\$ 494,517</u>           | <u>3</u>    |
|      | EARNINGS PER SHARE  |                                 |             |                                 |             |                             |             |                             |             |
| 9750 | Basic   | <u>\$ 0.13</u>                  |             | <u>\$ 0.08</u>                  |             | <u>\$ 0.41</u>              |             | <u>\$ 0.26</u>              |             |
| 9850 | Diluted   | <u>\$ 0.13</u>                  |             | <u>\$ 0.08</u>                  |             | <u>\$ 0.41</u>              |             | <u>\$ 0.26</u>              |             |

# FAR EASTERN DEPARTMENT STORES, LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

Year ended Jun. 30, 2018 and 2017

(In thousands of New Taiwan Dollars)

| C o d e |  | Year ended June<br>30, 2018 | Year ended June 30,<br>2017 |
|---------|--|-----------------------------|-----------------------------|
|         | CASH FLOWS FROM (USED IN) OPERATING<br>ACTIVITIES  |                             |                             |
| A00010  | INCOME BEFORE INCOME TAX   | \$ 1,384,786                | \$ 816,752                  |
| A20010  | Adjustments to reconcile profit(loss)  |                             |                             |
| A20100  | Depreciation expense   | 1,214,146                   | 1,337,128                   |
| A20200  | Amortization expense   | 25,033                      | 20,816                      |
| A20300  | Reversal of expected credit loss (gain)  | ( 13,160 )                  | -                           |
| A20300  | Bad debt expense   | -                           | 30                          |
| A20400  | Net loss (gain) on financial assets or<br>liabilities at fair value through profit<br>or loss              | ( 13,727 )                  | 3,022                       |
| A20900  | Finance costs  | 199,950                     | 227,300                     |
| A22700  | Loss (gain) on disposal of investment<br>properties  | 90,621                      | -                           |
| A23500  | Impairment loss on financial assets  | -                           | 1,027                       |
| A23700  | Loss (gain) on disposal of property,<br>plant and equipment, net   | -                           | 2,022                       |
| A24600  | Loss (gain) on change in fair value of<br>investment properties  | ( 28,118 )                  | ( 56,996 )                  |
| A29900  | Amortization of prepayments  | 9,818                       | 14,991                      |
| A29900  | Amortization of prepayments for<br>lease   | 163,142                     | 162,842                     |
| A29900  | Reversal of deferred revenue   | -                           | ( 92,267 )                  |
| A21200  | Interest income  | ( 63,765 )                  | ( 31,459 )                  |
| A21300  | Dividend income  | -                           | ( 109 )                     |
| A22300  | Share of loss (profit) of associates<br>accounted for using equity method                                  | ( 40,420 )                  | 95,778                      |
| A22500  | Loss (gain) on disposal of property,<br>plant and equipment, net   | 14,411                      | 181,985                     |
| A22800  | Loss (gain) on disposal of Intangible<br>assets  | -                           | 1,112                       |
| A23000  | Loss (gain) on disposal of non-current<br>assets classified as held for sale                               | -                           | ( 6,628 )                   |
| A23100  | Loss (gain) on disposal of investments   | -                           | ( 3,958 )                   |
| A23800  | Loss for market price decline and<br>obsolete and slow-moving<br>inventories                               | 12,108                      | 9,025                       |
| A30000  | Net changes in operating assets and<br>liabilities   |                             |                             |
| A31115  | Decrease (increase) in financial assets<br>at fair value through profit or loss,<br>measured at fair value | 27,849                      | -                           |
| A31130  | Notes receivable   | ( \$ 12,539 )               | \$ 3,794                    |
| A31150  | Accounts receivable  | 282,748                     | 351,511                     |
| A31160  | Notes and accounts receivable due<br>from related parties  | ( 12,996 )                  | 7,618                       |

( Continued )

( Continued )

| Code   |  | Year ended June<br>30, 2018 | Year ended June 30,<br>2017 |
|--------|--|-----------------------------|-----------------------------|
| A31180 | Other receivable   | 184,905                     | 247,843                     |
| A31200 | Inventories  | 292,224                     | 423,812                     |
| A31230 | Prepayments  | 15,796                      | 45,709                      |
| A31240 | Other current assets   | 14,785                      | ( 18,455 )                  |
| A32125 | Contract liability   | 235,084                     | -                           |
| A32130 | Notes payable  | 953                         | ( 34,502 )                  |
| A32150 | Accounts payable   | ( 6,571,010 )               | ( 5,854,324 )               |
| A32160 | Notes and accounts payable to related parties                            | ( 59,107 )                  | ( 62,637 )                  |
| A32180 | Other payables   | ( 432,074 )                 | ( 905,565 )                 |
| A32200 | Provisions   | ( 2,047 )                   | ( 13,513 )                  |
| A32210 | Advance receipts   | -                           | 5,533                       |
| A32210 | Deferred revenue   | -                           | 58,037                      |
| A32230 | Other current liabilities  | 11,632                      | ( 33,689 )                  |
| A32240 | Net defined benefit liability  | ( 122,605 )                 | ( 91,145 )                  |
| A33000 | Cash inflow (outflow) generated from operations                          | ( 3,191,577 )               | ( 3,187,560 )               |
| A33100 | Interests received   | 72,719                      | 27,794                      |
| A33200 | Dividends received   | -                           | 53,574                      |
| A33300 | Interests paid   | ( 201,240 )                 | ( 209,335 )                 |
| A33500 | Income taxes returned  | 194                         | 3,237                       |
| A33500 | Income taxes paid  | ( 399,856 )                 | ( 629,537 )                 |
| AAAA   | Net cash flows from (used in) operating activities                       | ( 3,719,760 )               | ( 3,941,827 )               |
|        | CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES                           |                             |                             |
| B00050 | Proceeds from disposal of financial assets at amortized cost             | 139,546                     | -                           |
| B00300 | Acquisitions of available-for-sale financial assets                      | -                           | ( 92,331 )                  |
| B00400 | Proceeds from disposal of available-for-sale financial assets            | -                           | 80,160                      |
| B00600 | Acquisition of investments in debt instrument without active market      | -                           | ( 891,623 )                 |
| B01800 | Acquisition of investments accounted for using equity method             | -                           | ( 136,655 )                 |
| B02100 | Decrease in prepayments for long-term investment                         | 49,288                      | 36,393                      |
| B02600 | Proceeds from disposal of non-current assets classified as held for sale | -                           | 12,643                      |
| B02700 | Acquisition of property, plant and equipment                             | ( 915,065 )                 | ( 859,849 )                 |
| B02800 | Proceeds from disposal of property, plant and equipment                  | 875                         | 1,404                       |
| B04500 | Acquisition of intangible assets   | ( 7,760 )                   | ( 16,594 )                  |
| B05400 | Acquisition of investment properties                                     | -                           | ( 1,004 )                   |
| B06700 | Increase (decrease) in other non-current assets                          | 83,672                      | 100,707                     |
| BBBB   | Net cash flows from (used in) investing activities                       | ( 649,444 )                 | ( 1,766,749 )               |
|        | Cash flows from (used in) financing activities                           |                             |                             |
| C00100 | Increase in short-term loans   | \$ 87,082,989               | \$ 65,321,222               |
| C00200 | Decrease in short-term loans   | ( 88,733,975 )              | ( 62,081,383 )              |
| C00500 | Increase in short-term notes and bills payable                           | 11,530,283                  | 16,008,543                  |
| C00600 | Decrease in short-term notes and bills payable                           | ( 11,442,465 )              | ( 15,709,507 )              |

( Continued )

( Continued )

| <u>C o d e</u> |  | <u>Year ended June<br/>30, 2018</u> | <u>Year ended June 30,<br/>2017</u> |
|----------------|--|-------------------------------------|-------------------------------------|
| C01600         | Proceeds from long-term debt                                 | 30,353,022                          | 28,177,564                          |
| C01700         | Repayment of long-term debt                                  | ( 32,720,000 )                      | ( 31,694,200 )                      |
| C04400         | Decrease in other non-current liabilities                    | ( 15,971 )                          | ( 23,541 )                          |
| C04500         | Dividends paid by parent company                             | ( 94 )                              | ( 108 )                             |
| CCCC           | Net cash flows from (used in) financing activities           | ( <u>3,946,211</u> )                | ( <u>1,410</u> )                    |
| DDDD           | Effect of exchange rate changes on cash and cash equivalents | <u>115,395</u>                      | ( <u>44,130</u> )                   |
| EEEE           | Net increase (decrease) in cash and cash equivalents         | ( 8,200,020 )                       | ( 5,754,116 )                       |
| E00100         | Cash and cash equivalents at beginning of period             | <u>16,116,484</u>                   | <u>13,509,941</u>                   |
| E00200         | Cash and cash equivalents at end of period                   | <u>\$ 7,916,464</u>                 | <u>\$ 7,755,825</u>                 |

(Concluded)