

FAR EASTERN DEPARTMENT STORES, LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

Jun. 30, 2020, Dec. 31, 2019 and Jun. 30, 2019

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

Code	Assets	2020/6/30 (Reviewed)		2019/12/31 (Audited)		2019/6/30 (Reviewed)	
		Amount	%	Amount	%	Amount	%
CURRENT ASSETS							
1100	Cash and cash equivalents	\$ 8,263,342	7	\$ 13,424,223	10	\$ 6,410,097	5
1110	Financial assets at fair value through profit or loss - current	448,273	-	457,256	1	455,521	-
1120	Current financial assets at fair value through other comprehensive income	302,256	-	297,456	-	295,953	-
1136	Current financial assets at amortized cost	1,286,250	1	1,443,974	1	1,853,696	2
1150	Notes receivable	11,844	-	1,132	-	11,774	-
1170	Accounts receivable	652,805	1	744,436	1	1,083,087	1
1180	Accounts receivable due from related parties	87,823	-	161,935	-	89,838	-
1200	Other receivables	936,534	1	915,309	1	972,523	1
1220	Current tax assets	8,172	-	10,812	-	10,953	-
130X	Inventories	2,082,749	2	2,780,889	2	2,256,276	2
1429	Prepayments	395,028	-	398,558	-	510,791	-
1470	Other current assets	93,815	-	110,095	-	95,381	-
11XX	Total current assets	<u>14,568,891</u>	<u>12</u>	<u>20,746,075</u>	<u>16</u>	<u>14,045,890</u>	<u>11</u>
NONCURRENT ASSETS							
1517	Non-current financial assets at fair value through other comprehensive income	4,654,998	4	5,030,564	4	5,126,059	4
1535	Non-current financial assets at amortized cost	123,000	-	146,000	-	235,373	-
1550	Investments accounted for by equity method	9,873,735	8	10,107,165	8	9,781,712	8
1600	Property, plant and equipment	33,934,914	28	34,323,257	26	33,960,863	27
1755	Right-of-use assets	44,070,541	36	44,764,810	34	37,723,394	31
1760	Investment properties	9,043,396	7	9,086,641	7	9,196,975	7
1780	Intangible assets	2,534,751	2	2,477,815	2	3,497,448	3
1840	Deferred tax assets	512,564	-	589,225	-	737,171	1
1975	Net defined benefit asset	264,301	-	234,035	-	-	-
1985	Long-term prepayments for lease	1,232,410	1	1,060,658	1	7,046,517	6
1990	Other noncurrent assets	1,938,833	2	1,944,860	2	1,929,056	2
15XX	Total noncurrent assets	<u>108,183,443</u>	<u>88</u>	<u>109,765,030</u>	<u>84</u>	<u>109,234,568</u>	<u>89</u>
1XXX	TOTAL	<u>\$ 122,752,334</u>	<u>100</u>	<u>\$ 130,511,105</u>	<u>100</u>	<u>\$ 123,280,458</u>	<u>100</u>
LIABILITIES AND EQUITY							
CURRENT LIABILITIES							
2100	Short-term debts	\$ 11,995,019	10	\$ 9,630,896	7	\$ 12,591,937	10
2110	Short-term notes and bills payable	3,706,231	3	3,622,993	3	2,877,020	3
2130	Contract liabilities-Current	7,662,331	6	7,770,828	6	7,419,425	6
2150	Notes payable	6,200	-	3,184	-	3,363	-
2170	Accounts payables	9,766,855	8	15,120,910	11	11,405,354	9
2180	Notes and accounts payable to related parties	35,455	-	93,455	-	54,643	-
2219	Other payables	4,358,544	4	3,971,660	3	5,000,105	4
2230	Current tax liabilities	484,375	-	772,780	1	778,675	1
2250	Provision-current	3,000	-	3,000	-	3,000	-
2280	Lease liabilities - current	3,463,167	3	3,381,049	3	3,446,168	3
2310	Advance receipts	471,167	-	440,970	-	293,977	-
2322	Long-term borrowings - current portion	3,799,883	3	2,540,000	2	2,000,000	2
2399	Other current liabilities	310,864	-	315,976	-	283,687	-
21XX	Total current liabilities	<u>46,063,091</u>	<u>37</u>	<u>47,667,701</u>	<u>36</u>	<u>46,157,354</u>	<u>38</u>
NONCURRENT LIABILITIES							
2540	Long-term borrowings	10,240,000	8	14,999,757	12	11,139,788	9
2550	Provision-noncurrent	24,935	-	24,823	-	25,022	-
2570	Deferred tax liabilities	2,328,994	2	2,312,954	2	2,160,991	2
2580	Lease liabilities - non-current	25,055,945	21	25,406,473	19	25,075,939	20
2640	Net defined benefit liability	718,474	1	738,431	1	764,472	1
2670	Other noncurrent liabilities	479,911	-	457,159	-	472,698	-
25XX	Total noncurrent liabilities	<u>38,848,259</u>	<u>32</u>	<u>43,939,597</u>	<u>34</u>	<u>39,638,910</u>	<u>32</u>
2XXX	Total liabilities	<u>84,911,350</u>	<u>69</u>	<u>91,607,298</u>	<u>70</u>	<u>85,796,264</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	3,334,085	3	3,327,466	3	3,315,420	3
Retained earnings							
3310	Legal reserve	3,424,615	3	3,298,695	3	3,298,695	3
3320	Special reserve	2,709,263	2	2,865,351	2	2,865,351	2
3350	Unappropriated earnings	1,223,959	1	1,931,429	1	638,920	1
3300	Total retained earnings	7,357,837	6	8,095,475	6	6,802,966	6
3400	Other equity	4,902,749	4	5,295,169	4	5,402,790	4
3500	Treasury stock	(97,110)	-	(97,110)	-	(97,110)	-
31XX	Total equity attributable to owners of the Company	<u>29,666,967</u>	<u>24</u>	<u>30,790,406</u>	<u>24</u>	<u>29,593,472</u>	<u>24</u>
36XX	NON-CONTROLLING INTERESTS	<u>8,174,017</u>	<u>7</u>	<u>8,113,401</u>	<u>6</u>	<u>7,890,722</u>	<u>6</u>
3XXX	Total equity	<u>37,840,984</u>	<u>31</u>	<u>38,903,807</u>	<u>30</u>	<u>37,484,194</u>	<u>30</u>
TOTAL		<u>\$ 122,752,334</u>	<u>100</u>	<u>\$ 130,511,105</u>	<u>100</u>	<u>\$ 123,280,458</u>	<u>100</u>

(Concluded)

FAR EASTERN DEPARTMENT STORES, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

From Apr. 1 to June 30, 2020 and 2019, and Year ended June 30, 2020 and 2019

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

Code		From Apr. 1 to June 30, 2020		From Apr. 1 to June 30, 2019		Year ended June 30, 2020		Year ended June 30, 2019	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	REVENUES	\$ 7,949,000	100	\$ 8,575,448	100	\$ 16,583,165	100	\$ 17,802,047	100
5000	COSTS	<u>3,848,640</u>	<u>48</u>	<u>3,963,130</u>	<u>46</u>	<u>8,250,892</u>	<u>50</u>	<u>8,383,531</u>	<u>47</u>
5900	GROSS PROFIT	<u>4,100,360</u>	<u>52</u>	<u>4,612,318</u>	<u>54</u>	<u>8,332,273</u>	<u>50</u>	<u>9,418,516</u>	<u>53</u>
	OPERATING EXPENSES								
6100	Selling	158,784	2	176,542	2	348,046	2	394,904	2
6200	General and administrative	3,144,414	40	3,463,268	40	6,539,547	39	7,009,181	40
6450	Expected credit loss (Gain)	<u>447</u>	<u>-</u>	<u>1,096</u>	<u>-</u>	<u>(2,210)</u>	<u>-</u>	<u>1,610</u>	<u>-</u>
6000	Total operating expenses	<u>3,303,645</u>	<u>42</u>	<u>3,640,906</u>	<u>42</u>	<u>6,885,383</u>	<u>41</u>	<u>7,405,695</u>	<u>42</u>
6900	OPERATING INCOME	<u>796,715</u>	<u>10</u>	<u>971,412</u>	<u>12</u>	<u>1,446,890</u>	<u>9</u>	<u>2,012,821</u>	<u>11</u>
	NONOPERATING INCOME AND EXPENSES								
7100	Other income	16,420	-	20,774	-	34,175	-	49,154	-
7020	Other gains and losses	(95,989)	(1)	(318,046)	(4)	(58,473)	-	(382,924)	(2)
7050	Finance costs	(217,334)	(3)	(209,212)	(2)	(440,766)	(3)	(429,262)	(2)
7060	Share of profit (loss) of associates accounted for using equity method	<u>84,083</u>	<u>1</u>	<u>13,729</u>	<u>-</u>	<u>(99,581)</u>	<u>(1)</u>	<u>44,106</u>	<u>-</u>
7000	Total Non-operating income and expenses	<u>(212,820)</u>	<u>(3)</u>	<u>(492,755)</u>	<u>(6)</u>	<u>(564,645)</u>	<u>(4)</u>	<u>(718,926)</u>	<u>(4)</u>
7900	INCOME BEFORE INCOME TAX	583,895	7	478,657	6	882,245	5	1,293,895	7
7950	INCOME TAX EXPENSE	<u>126,475</u>	<u>1</u>	<u>221,152</u>	<u>3</u>	<u>321,943</u>	<u>2</u>	<u>457,940</u>	<u>2</u>
8200	NET INCOME	<u>457,420</u>	<u>6</u>	<u>257,505</u>	<u>3</u>	<u>560,302</u>	<u>3</u>	<u>835,955</u>	<u>5</u>
	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	519,402	6	657,204	8	(396,278)	(2)	1,216,982	7
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method	<u>7,552</u>	<u>-</u>	<u>(1,233)</u>	<u>-</u>	<u>18,938</u>	<u>-</u>	<u>(57,107)</u>	<u>(1)</u>
8310		<u>526,954</u>	<u>6</u>	<u>655,971</u>	<u>8</u>	<u>(377,340)</u>	<u>(2)</u>	<u>1,159,875</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	19,775	-	14,763	-	27,610	-	(6,887)	-
8370	Share of other comprehensive income of associates accounted for using equity method	<u>(28,821)</u>	<u>-</u>	<u>(13,386)</u>	<u>-</u>	<u>(36,488)</u>	<u>-</u>	<u>(6,591)</u>	<u>-</u>
8360		<u>(9,046)</u>	<u>-</u>	<u>1,377</u>	<u>-</u>	<u>(8,878)</u>	<u>-</u>	<u>(13,478)</u>	<u>-</u>
8300	Total other comprehensive income, net	<u>517,908</u>	<u>6</u>	<u>657,348</u>	<u>8</u>	<u>(386,218)</u>	<u>(2)</u>	<u>1,146,397</u>	<u>6</u>
8500	COMPREHENSIVE INCOME	<u>\$ 975,328</u>	<u>12</u>	<u>\$ 914,853</u>	<u>11</u>	<u>\$ 174,084</u>	<u>1</u>	<u>\$ 1,982,352</u>	<u>11</u>
8600	NET INCOME ATTRIBUTED TO :								
8610	Owners of parent	\$ 317,903	4	\$ 229,974	3	\$ 395,794	2	\$ 687,622	4
8620	Non-controlling interests	<u>139,517</u>	<u>2</u>	<u>27,531</u>	<u>-</u>	<u>164,508</u>	<u>1</u>	<u>148,333</u>	<u>1</u>
		<u>\$ 457,420</u>	<u>6</u>	<u>\$ 257,505</u>	<u>3</u>	<u>\$ 560,302</u>	<u>3</u>	<u>\$ 835,955</u>	<u>5</u>
8700	COMPREHENSIVE INCOME CONTRIBUTED TO :								
8710	Owners of parent	\$ 830,805	10	\$ 874,651	10	\$ 3,494	-	\$ 1,859,160	10
8720	Non-controlling interests	<u>144,523</u>	<u>2</u>	<u>40,202</u>	<u>1</u>	<u>170,590</u>	<u>1</u>	<u>123,192</u>	<u>1</u>
		<u>\$ 975,328</u>	<u>12</u>	<u>\$ 914,853</u>	<u>11</u>	<u>\$ 174,084</u>	<u>1</u>	<u>\$ 1,982,352</u>	<u>11</u>
	EARNINGS PER SHARE								
9750	Basic	<u>\$ 0.23</u>		<u>\$ 0.16</u>		<u>\$ 0.28</u>		<u>\$ 0.49</u>	
9850	Diluted	<u>\$ 0.23</u>		<u>\$ 0.16</u>		<u>\$ 0.28</u>		<u>\$ 0.49</u>	

(Concluded)

FAR EASTERN DEPARTMENT STORES, LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

Year ended Jun. 30, 2020 and 2019
(In thousands of New Taiwan Dollars)

<u>C o d e</u>		Year ended June 30, 2020	Year ended June 30, 2019
	CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
A00010	INCOME BEFORE INCOME TAX	\$ 882,245	\$ 1,293,895
A20010	Adjustments to reconcile profit(loss)		
A20100	Depreciation expense	2,883,672	2,782,023
A20200	Amortization expense	41,123	30,092
A20300	Expected credit loss (gain)	(2,210)	1,610
A20400	Net loss (gain) on financial assets or liabilities at fair value through profit or loss	13,293	(4,487)
A20900	Finance costs	440,766	429,262
A22800	Loss (gain) on disposal of Intangible assets	-	1,401
A22900	Gain on modifications of lease	(5)	(714)
A24600	Loss (gain) on change in fair value of investment properties	47,732	40,474
A29900	Amortization of prepayments	12,811	6,450
A21200	Interest income	(34,175)	(49,154)
A22300	Share of loss (profit) of associates accounted for using equity method	99,581	(44,106)
A22500	Loss (gain) on disposal of property, plant and equipment, net	7,355	10,633
A23100	Loss (gain) on disposal of investments	(553)	-
A23700	Impairment of Right-of-use assets	69,793	-
A23800	Loss for market price decline and obsolete and slow-moving inventories	8,264	8,981
A29900	Lease liabilities concessions	(141,129)	-
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)	(13,287)
A31130	Notes receivable	(10,712)	(9,487)
A31150	Accounts receivable	90,945	496,744
A31160	Notes and accounts receivable due from related parties	74,737	67,455
A31180	Other receivable	75,932	242,927
A31200	Inventories	689,876	463,977

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C o d e		Year ended June 30, 2020	Year ended June 30, 2019
A31230	Prepayments	4,830	3,888
A31240	Other current assets	16,280	(9,583)
A32125	Contract liability	(108,497)	(106,043)
A32130	Notes payable	3,016	(320)
A32150	Accounts payable	(5,354,055)	(6,174,099)
A32160	Notes and accounts payable to related parties	(58,000)	(50,356)
A32180	Other payables	(584,571)	(143,134)
A32200	Provisions	-	(3,997)
A32210	Advance receipts	125,074	18,732
A32230	Other current liabilities	(5,112)	(37,260)
A32240	Net defined benefit assets	(30,266)	-
A32240	Net defined benefit liability	(<u>19,957</u>)	(<u>44,008</u>)
A33000	Cash inflow (outflow) generated from operations	(777,277)	(791,491)
A33100	Interests received	32,070	49,362
A33300	Interests paid	(412,689)	(434,467)
A33500	Income tax returned	2,801	2,114
A33500	Income taxes paid	(<u>517,638</u>)	(<u>206,768</u>)
AAAA	Net cash flows from (used in) operating activities	(<u>1,672,733</u>)	(<u>1,381,250</u>)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES			
B00010	Acquisition of financial assets at fair value through other comprehensive income	(29,413)	-
B00020	Proceeds from disposal of financial assets at fair value through other comprehensive income	4,065	-
B00040	Acquisition of financial assets at amortized cost	(826,456)	(1,600,656)
B00050	Proceeds from disposal of financial assets at amortized cost	998,616	1,818,089
B00200	Proceeds from disposal of financial assets at fair value through income	11,603	-
B01800	Acquisition of investments accounted for using equity method	-	(1,138,000)
B02700	Acquisition of property, plant and equipment	(979,930)	(1,066,935)
B02800	Proceeds from disposal of property, plant and equipment	118	38,530
B04200	Decrease in other receivables	-	970,133
B04500	Acquisition of intangible assets	(98,145)	(76,565)
B04600	Proceeds from disposal of intangible assets	-	139
B05400	Acquisition of investment properties	(4,487)	(7,181)
B06700	Increase (decrease) in other non-current assets	(<u>188,434</u>)	(<u>1,013,215</u>)
BBBB	Net cash flows from (used in) investing activities	(<u>1,112,463</u>)	(<u>2,075,661</u>)

(Continued)

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<u>C o d e</u>		<u>Year ended June 30, 2020</u>	<u>Year ended June 30, 2019</u>
	Cash flows from (used in) financing activities		
C00100	Increase in short-term loans	65,919,529	61,281,690
C00200	Decrease in short-term loans	(63,454,470)	(61,680,521)
C00500	Increase in short-term notes and bills payable	17,354,116	17,698,674
C00600	Decrease in short-term notes and bills payable	(17,270,878)	(18,302,019)
C01600	Proceeds from long-term debt	34,970,126	35,479,788
C01700	Repayment of long-term debt	(38,470,000)	(37,430,000)
C04020	Repayment of the principal portion of lease liabilities	(1,415,162)	(1,758,042)
C04400	Decrease in other non-current liabilities	<u>22,752</u>	<u>(20,871)</u>
CCCC	Net cash flows from (used in) financing activities	<u>(2,343,987)</u>	<u>(4,731,301)</u>
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>(31,698)</u>	<u>3,462</u>
EEEE	Net increase (decrease) in cash and cash equivalents	<u>(5,160,881)</u>	<u>(8,184,750)</u>
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>\$ 8,263,342</u>	<u>\$ 6,410,097</u>

(Concluded)