

FAR EASTERN DEPARTMENT STORES, LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
Jun. 30, 2021, Dec. 31, 2020 and Jun. 30, 2020
(In thousands of New Taiwan Dollars, Except Par Value)

Code	Assets	2021/6/30 (Reviewed)		2020/12/31 (Audited)		2020/6/30 (Reviewed)	
		Amount	%	Amount	%	Amount	%
CURRENT ASSETS							
1100	Cash and cash equivalents	\$ 8,237,475	7	\$ 14,791,434	12	\$ 8,263,342	7
1110	Financial assets at fair value through profit or loss - current	433,107	-	450,046	-	448,273	-
1120	Current financial assets at fair value through other comprehensive income	262,044	-	278,539	-	302,256	-
1136	Current financial assets at amortized cost	2,184,020	2	1,171,058	1	1,286,250	1
1150	Notes receivable	10,343	-	1,864	-	11,844	-
1170	Accounts receivable	390,466	-	600,242	-	652,805	1
1180	Accounts receivable due from related parties	85,912	-	124,738	-	87,823	-
1200	Other receivables	575,454	1	1,007,684	1	936,534	1
1220	Current tax assets	821	-	1,063	-	8,172	-
130X	Inventories	2,150,614	2	2,374,459	2	2,082,749	2
1429	Prepayments	312,914	-	211,102	-	395,028	-
1470	Other current assets	94,310	-	103,887	-	93,815	-
11XX	Total current assets	<u>14,737,480</u>	<u>12</u>	<u>21,116,116</u>	<u>16</u>	<u>14,568,891</u>	<u>12</u>
NONCURRENT ASSETS							
1517	Non-current financial assets at fair value through other comprehensive income	5,304,951	4	4,659,302	4	4,654,998	4
1535	Non-current financial assets at amortized cost	124,000	-	24,000	-	123,000	-
1550	Investments accounted for by equity method	10,190,635	8	10,164,724	8	9,873,735	8
1600	Property, plant and equipment	33,587,984	28	33,945,566	26	33,934,914	28
1755	Right-of-use assets	41,213,276	34	42,712,637	33	44,070,541	36
1760	Investment properties	8,968,135	7	9,021,607	7	9,043,396	7
1780	Intangible assets	2,613,055	2	2,581,127	2	2,534,751	2
1840	Deferred tax assets	532,360	1	572,186	1	512,564	-
1975	Net defined benefit asset	220,898	-	205,863	-	264,301	-
1985	Long-term prepayments for lease	1,730,806	2	1,517,865	1	1,232,410	1
1990	Other noncurrent assets	1,848,502	2	1,902,776	2	1,938,833	2
15XX	Total noncurrent assets	<u>106,334,602</u>	<u>88</u>	<u>107,307,653</u>	<u>84</u>	<u>108,183,443</u>	<u>88</u>
1XXX	TOTAL	<u>\$ 121,072,082</u>	<u>100</u>	<u>\$ 128,423,769</u>	<u>100</u>	<u>\$ 122,752,334</u>	<u>100</u>
LIABILITIES AND EQUITY							
CURRENT LIABILITIES							
2100	Short-term debts	\$ 13,342,184	11	\$ 9,045,746	7	\$ 11,995,019	10
2110	Short-term notes and bills payable	2,197,111	2	3,729,003	3	3,706,231	3
2130	Contract liabilities-Current	8,305,194	7	8,121,734	6	7,662,331	6
2150	Notes payable	6,200	-	6,626	-	6,200	-
2170	Accounts payables	5,712,165	5	15,844,472	12	9,766,855	8
2180	Notes and accounts payable to related parties	17,620	-	68,101	-	35,455	-
2219	Other payables	4,675,387	4	3,721,330	3	4,358,544	4
2230	Current tax liabilities	221,987	-	485,553	1	484,375	-
2250	Provision-current	3,000	-	3,000	-	3,000	-
2280	Lease liabilities - current	3,352,837	3	3,473,928	3	3,463,167	3
2310	Advance receipts	486,384	-	510,474	1	471,167	-
2322	Long-term borrowings – current portion	-	-	299,933	-	3,799,883	3
2399	Other current liabilities	382,976	-	373,784	-	310,864	-
21XX	Total current liabilities	<u>38,703,045</u>	<u>32</u>	<u>45,683,684</u>	<u>36</u>	<u>46,063,091</u>	<u>37</u>
NONCURRENT LIABILITIES							
2540	Long-term borrowings	16,188,442	13	15,139,828	12	10,240,000	8
2550	Provision-noncurrent	25,159	-	25,047	-	24,935	-
2570	Deferred tax liabilities	2,360,073	2	2,348,055	2	2,328,994	2
2580	Lease liabilities - non-current	22,996,176	19	24,335,088	19	25,055,945	21
2640	Net defined benefit liability	708,474	1	737,454	-	718,474	1
2670	Other noncurrent liabilities	311,416	-	366,325	-	479,911	-
25XX	Total noncurrent liabilities	<u>42,589,740</u>	<u>35</u>	<u>42,951,797</u>	<u>33</u>	<u>38,848,259</u>	<u>32</u>
2XXX	Total liabilities	<u>81,292,785</u>	<u>67</u>	<u>88,635,481</u>	<u>69</u>	<u>84,911,350</u>	<u>69</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	3,338,878	3	3,338,791	2	3,334,085	3
Retained earnings							
3310	Legal reserve	3,611,319	3	3,424,615	3	3,424,615	3
3320	Special reserve	2,619,569	2	2,709,263	2	2,709,263	2
3350	Unappropriated earnings	1,619,579	1	2,695,084	2	1,223,959	1
3300	Total retained earnings	<u>7,850,467</u>	<u>6</u>	<u>8,828,962</u>	<u>7</u>	<u>7,357,837</u>	<u>6</u>
3400	Other equity	5,597,447	5	4,953,871	4	4,902,749	4
3500	Treasury stock	(97,110)	-	(97,110)	-	(97,110)	-
31XX	Total equity attributable to owners of the Company	<u>30,859,088</u>	<u>26</u>	<u>31,193,920</u>	<u>24</u>	<u>29,666,967</u>	<u>24</u>
36XX	NON-CONTROLLING INTERESTS	<u>8,920,209</u>	<u>7</u>	<u>8,594,368</u>	<u>7</u>	<u>8,174,017</u>	<u>7</u>
3XXX	Total equity	<u>39,779,297</u>	<u>33</u>	<u>39,788,288</u>	<u>31</u>	<u>37,840,984</u>	<u>31</u>
TOTAL		<u>\$ 121,072,082</u>	<u>100</u>	<u>\$ 128,423,769</u>	<u>100</u>	<u>\$ 122,752,334</u>	<u>100</u>

(Concluded)

FAR EASTERN DEPARTMENT STORES, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

From Apr. 1 to June 30, 2021 and 2020, and Year ended June 30, 2021 and 2020

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

Code		From Apr. 1 to June 30, 2021		From Apr. 1 to June 30, 2020		Year ended June 30, 2021		Year ended June 30, 2020	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	REVENUES	\$ 7,083,303	100	\$ 7,949,000	100	\$ 16,425,524	100	\$ 16,583,165	100
5000	COSTS	<u>3,673,433</u>	<u>52</u>	<u>3,848,640</u>	<u>48</u>	<u>8,262,997</u>	<u>50</u>	<u>8,250,892</u>	<u>50</u>
5900	GROSS PROFIT	<u>3,409,870</u>	<u>48</u>	<u>4,100,360</u>	<u>52</u>	<u>8,162,527</u>	<u>50</u>	<u>8,332,273</u>	<u>50</u>
	OPERATING EXPENSES								
6100	Selling	124,480	2	158,784	2	336,261	2	348,046	2
6200	General and administrative	3,188,372	45	3,144,414	40	6,452,676	40	6,539,547	39
6450	Expected credit loss (Gain)	(705)	-	447	-	1,310	-	(2,210)	-
6000	Total operating expenses	<u>3,312,147</u>	<u>47</u>	<u>3,303,645</u>	<u>42</u>	<u>6,790,247</u>	<u>42</u>	<u>6,885,383</u>	<u>41</u>
6900	OPERATING INCOME	<u>97,723</u>	<u>1</u>	<u>796,715</u>	<u>10</u>	<u>1,372,280</u>	<u>8</u>	<u>1,446,890</u>	<u>9</u>
	NONOPERATING INCOME AND EXPENSES								
7100	Interest income	14,042	-	16,420	-	29,577	-	34,175	-
7020	Other gains and losses	(22,915)	-	(95,989)	(1)	42,293	-	(58,473)	-
7050	Finance costs	(198,873)	(2)	(217,334)	(3)	(397,601)	(2)	(440,766)	(3)
7060	Share of profit (loss) of associates accounted for using equity method	<u>15,709</u>	<u>-</u>	<u>84,083</u>	<u>1</u>	<u>105,505</u>	<u>1</u>	<u>(99,581)</u>	<u>(1)</u>
7000	Total Non-operating income and expenses	<u>(192,037)</u>	<u>(2)</u>	<u>(212,820)</u>	<u>(3)</u>	<u>(220,226)</u>	<u>(1)</u>	<u>(564,645)</u>	<u>(4)</u>
7900	INCOME BEFORE INCOME TAX	(94,314)	(1)	583,895	7	1,152,054	7	882,245	5
7950	INCOME TAX EXPENSE	<u>13,901</u>	<u>-</u>	<u>126,475</u>	<u>1</u>	<u>264,548</u>	<u>2</u>	<u>321,943</u>	<u>2</u>
8200	NET INCOME	<u>(108,215)</u>	<u>(1)</u>	<u>457,420</u>	<u>6</u>	<u>887,506</u>	<u>5</u>	<u>560,302</u>	<u>3</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	283,465	4	519,402	6	649,653	4	(396,278)	(2)
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method	<u>230</u>	<u>-</u>	<u>7,552</u>	<u>-</u>	<u>8,633</u>	<u>-</u>	<u>18,938</u>	<u>-</u>
8310		<u>283,695</u>	<u>4</u>	<u>526,954</u>	<u>6</u>	<u>658,286</u>	<u>4</u>	<u>(377,340)</u>	<u>(2)</u>
	Components of other comprehensive income that will be reclassified to profit or loss								
8361	Other comprehensive income, before tax, exchange differences on translation	10,250	-	19,775	-	17,935	-	27,610	-
8370	Share of other comprehensive income of associates accounted for using equity method	(7,844)	-	(28,821)	-	(14,191)	-	(36,488)	-
8360		<u>2,406</u>	<u>-</u>	<u>(9,046)</u>	<u>-</u>	<u>3,744</u>	<u>-</u>	<u>(8,878)</u>	<u>-</u>
8300	Total other comprehensive income, net	<u>286,101</u>	<u>4</u>	<u>517,908</u>	<u>6</u>	<u>662,030</u>	<u>4</u>	<u>(386,218)</u>	<u>(2)</u>
8500	COMPREHENSIVE INCOME	<u>\$ 177,886</u>	<u>3</u>	<u>\$ 975,328</u>	<u>12</u>	<u>\$ 1,549,536</u>	<u>9</u>	<u>\$ 174,084</u>	<u>1</u>
8600	NET INCOME ATTRIBUTED TO :								
8610	Owners of parent	(\$ 126,204)	(1)	\$ 317,903	4	\$ 577,008	3	\$ 395,794	2
8620	Non-controlling interests	<u>17,989</u>	<u>-</u>	<u>139,517</u>	<u>2</u>	<u>310,498</u>	<u>2</u>	<u>164,508</u>	<u>1</u>
		<u>(\$ 108,215)</u>	<u>(1)</u>	<u>\$ 457,420</u>	<u>6</u>	<u>\$ 887,506</u>	<u>5</u>	<u>\$ 560,302</u>	<u>3</u>
8700	CONPREHENSIVE INCOME CONTRIBUTED TO :								
8710	Owners of parent	\$ 151,998	2	\$ 830,805	10	\$ 1,223,716	7	\$ 3,494	-
8720	Non-controlling interests	<u>25,888</u>	<u>1</u>	<u>144,523</u>	<u>2</u>	<u>325,820</u>	<u>2</u>	<u>170,590</u>	<u>1</u>
		<u>\$ 177,886</u>	<u>3</u>	<u>\$ 975,328</u>	<u>12</u>	<u>\$ 1,549,536</u>	<u>9</u>	<u>\$ 174,084</u>	<u>1</u>
	EARNINGS PER SHARE								
9750	Basic	(\$ 0.09)		\$ 0.23		\$ 0.41		\$ 0.28	
9850	Diluted	<u>(\$ 0.09)</u>		<u>\$ 0.23</u>		<u>\$ 0.41</u>		<u>\$ 0.28</u>	

(Concluded)

FAR EASTERN DEPARTMENT STORES, LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
Year ended Jun. 30, 2021 and 2020
(In thousands of New Taiwan Dollars)

<u>C o d e</u>		<u>Year ended June 30,</u> <u>2021</u>	<u>Year ended June 30,</u> <u>2020</u>
	CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
A00010	INCOME BEFORE INCOME TAX	\$ 1,152,054	\$ 882,245
A20010	Adjustments to reconcile profit(loss)		
A20100	Depreciation expense	2,625,112	2,883,672
A20200	Amortization expense	42,773	41,123
A20300	Expected credit loss (gain)	1,310	(2,210)
A20400	Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(5,826)	13,293
A20900	Finance costs	397,601	440,766
A22800	Loss (gain) on disposal of Intangible assets	28	-
A22900	Gain (loss) on modifications of lease	(45)	(5)
A24600	Loss (gain) on change in fair value of investment properties	53,930	47,732
A29900	Amortization of prepayments	32,485	12,811
A21200	Interest income	(29,577)	(34,175)
A22300	Share of loss (profit) of associates accounted for using equity method	(105,505)	99,581
A22500	Loss (gain) on disposal of property, plant and equipment, net	2,237	7,355
A23100	Loss (gain) on disposal of investments	(4,267)	(553)
A23700	Impairment of Right-of-use assets	-	69,793
A23800	Loss for market price decline and obsolete and slow-moving inventories	7,858	8,264
A29900	Lease liabilities concessions	(17,563)	(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	27,032	(3,757)
A31130	Notes receivable	(8,479)	(10,712)
A31150	Accounts receivable	206,181	90,945
A31160	Notes and accounts receivable due from related parties	39,806	74,737
A31180	Other receivable	490,172	75,932
A31200	Inventories	215,987	689,876

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C o d e		Year ended June 30, 2021	Year ended June 30, 2020
A31230	Prepayments	(\$ 101,072)	\$ 4,830
A31240	Other current assets	9,577	16,280
A32125	Contract liability-current	183,460	(108,497)
A32130	Notes payable	(426)	3,016
A32150	Accounts payable	(10,132,307)	(5,354,055)
A32160	Notes and accounts payable to related parties	(50,481)	(58,000)
A32180	Other payables	(461,762)	(584,571)
A32210	Advance receipts	52,703	125,074
A32230	Other current liabilities	9,192	(5,112)
A32240	Net defined benefit assets	(15,035)	(30,266)
A32240	Net defined benefit liability	(<u>28,980</u>)	(<u>19,957</u>)
A33000	Cash inflow (outflow) generated from operations	(5,411,827)	(765,674)
A33100	Interests received	29,392	32,070
A33300	Interests paid	(368,137)	(412,689)
A33500	Income tax returned	287	2,801
A33500	Income tax paid	(<u>476,281</u>)	(<u>517,638</u>)
AAAA	Net cash flows from (used in) operating activities	(<u>6,226,566</u>)	(<u>1,661,130</u>)
	CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
B00010	Acquisition of financial assets at fair value through other comprehensive income	(18,189)	(29,413)
B00020	Proceeds from disposal of financial assets at fair value through other comprehensive income	38,506	4,065
B00040	Acquisition of financial assets at amortized cost	(2,013,846)	(826,456)
B00050	Proceeds from disposal of financial assets at amortized cost	899,379	998,616
B02700	Acquisition of property, plant and equipment	(813,587)	(979,930)
B02800	Proceeds from disposal of property, plant and equipment	37	118
B04500	Acquisition of intangible assets	(74,757)	(98,145)
B05350	Acquisition of Right-of-use assets	(88,420)	-
B05400	Acquisition of investment properties	(458)	(4,487)
B06700	Increase (decrease) in other non-current assets	(<u>153,444</u>)	(<u>188,434</u>)
BBBB	Net cash flows from (used in) investing activities	(<u>2,224,779</u>)	(<u>1,124,066</u>)
	Cash flows from (used in) financing activities		
C00100	Increase in short-term loans	50,684,493	65,919,529
C00200	Decrease in short-term loans	(46,340,430)	(63,454,470)
C00500	Increase in short-term notes and bills payable	11,944,838	17,354,116
C00600	Decrease in short-term notes and bills payable	(13,476,730)	(17,270,878)

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<u>Code</u>		<u>Year ended June 30, 2021</u>	<u>Year ended June 30, 2020</u>
C01600	Proceeds from long-term debt	\$ 63,248,681	\$ 34,970,126
C01700	Repayment of long-term debt	(62,500,000)	(38,470,000)
C04020	Repayment of the principal portion of lease liabilities	(1,593,940)	(1,415,162)
C04400	Decrease in other non-current liabilities	(<u>54,909</u>)	(<u>22,752</u>)
CCCC	Net cash flows from (used in) financing activities	<u>1,912,003</u>	(<u>2,343,987</u>)
DDDD	Effect of exchange rate changes on cash and cash equivalents	(<u>14,617</u>)	(<u>31,698</u>)
EEEE	Net increase (decrease) in cash and cash equivalents	(6,553,959)	(5,160,881)
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>\$ 8,237,475</u>	<u>\$ 8,263,342</u>

(Concluded)