

FAR EASTERN DEPARTMENT STORES, LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

Jun. 30, 2023, Dec. 31, 2022 and Jun. 30, 2022

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

Code	Assets	2023/6/30		2022/12/31 (Audited)		2022/6/30 (Reviewed)	
		Amount	%	Amount	%	Amount	%
CURRENT ASSETS							
1100	Cash and cash equivalents	\$ 13,062,888	11	\$ 17,254,680	14	\$ 10,878,077	9
1110	Financial assets at fair value through profit or loss - current	282,403	-	284,762	-	447,654	-
1120	Current financial assets at fair value through other comprehensive income	899,148	1	840,485	1	292,030	-
1136	Current financial assets at amortized cost	2,209,284	2	2,210,526	2	1,230,311	1
1150	Notes receivable	2,924	-	471	-	1,115	-
1170	Accounts receivable	727,496	1	1,162,412	1	608,656	1
1180	Accounts receivable due from related parties	83,123	-	152,611	-	80,620	-
1200	Other receivables	644,451	-	703,143	-	922,172	1
1220	Current tax assets	1,099	-	2,746	-	2,586	-
130X	Inventories	2,073,659	2	2,372,926	2	2,261,283	2
1429	Prepayments	303,530	-	267,762	-	367,177	-
1470	Other current assets	57,166	-	56,533	-	72,250	-
11XX	Total current assets	<u>20,347,171</u>	<u>17</u>	<u>25,309,057</u>	<u>20</u>	<u>17,163,931</u>	<u>14</u>
NONCURRENT ASSETS							
1517	Non-current financial assets at fair value through other comprehensive income	4,923,102	4	4,627,437	4	4,866,678	4
1535	Non-current financial assets at amortized cost	73,000	-	123,200	-	149,566	-
1550	Investments accounted for by equity method	9,561,185	8	9,749,294	8	9,831,974	8
1600	Property, plant and equipment	32,964,424	27	33,279,076	26	33,881,860	28
1755	Right-of-use assets	38,114,027	32	39,630,425	31	41,265,594	34
1760	Investment properties	8,951,674	8	8,971,146	7	8,958,105	7
1780	Intangible assets	2,404,367	2	2,413,602	2	2,417,409	2
1840	Deferred tax assets	471,669	-	584,173	-	626,682	1
1975	Net defined benefit asset	318,351	-	285,329	-	218,482	-
1990	Other noncurrent assets	2,059,777	2	1,970,204	2	1,954,006	2
15XX	Total noncurrent assets	<u>99,841,576</u>	<u>83</u>	<u>101,633,886</u>	<u>80</u>	<u>104,170,356</u>	<u>86</u>
1XXX	TOTAL	<u>\$ 120,188,747</u>	<u>100</u>	<u>\$ 126,942,943</u>	<u>100</u>	<u>\$ 121,334,287</u>	<u>100</u>
LIABILITIES AND EQUITY							
CURRENT LIABILITIES							
2100	Short-term debts	\$ 11,355,523	10	\$ 13,722,144	11	\$ 14,156,665	12
2110	Short-term notes and bills payable	994,390	1	1,590,845	1	1,304,361	1
2130	Contract liabilities-Current	9,618,883	8	10,279,939	8	9,534,218	8
2150	Notes payable	1	-	3,500	-	101,350	-
2170	Accounts payables	11,376,276	10	17,050,545	13	8,797,228	7
2180	Notes and accounts payable to related parties	82,100	-	116,859	-	52,897	-
2219	Other payables	5,991,941	5	4,089,361	3	5,491,331	5
2230	Current tax liabilities	538,259	-	626,356	1	306,295	-
2250	Provision-current	3,000	-	3,000	-	3,000	-
2280	Lease liabilities - current	2,933,739	2	3,191,599	3	3,135,553	3
2310	Advance receipts	414,436	-	509,317	-	537,064	-
2322	Long-term borrowings – current portion	-	-	950,000	1	1,960,000	2
2399	Other current liabilities	388,971	-	395,209	-	386,456	-
21XX	Total current liabilities	<u>43,697,519</u>	<u>36</u>	<u>52,528,674</u>	<u>41</u>	<u>45,766,418</u>	<u>38</u>
NONCURRENT LIABILITIES							
2540	Long-term borrowings	13,050,107	11	9,900,000	8	11,770,000	10
2550	Provision-noncurrent	25,614	-	25,500	-	25,386	-
2570	Deferred tax liabilities	2,326,042	2	2,349,887	2	2,363,742	2
2580	Lease liabilities - non-current	19,356,854	16	20,489,572	16	21,470,232	18
2640	Net defined benefit liability	459,981	-	581,832	1	682,506	-
2670	Other noncurrent liabilities	507,454	1	520,214	-	516,335	-
25XX	Total noncurrent liabilities	<u>35,726,052</u>	<u>30</u>	<u>33,867,005</u>	<u>27</u>	<u>36,828,201</u>	<u>30</u>
2XXX	Total liabilities	<u>79,423,571</u>	<u>66</u>	<u>86,395,679</u>	<u>68</u>	<u>82,594,619</u>	<u>68</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY							
Share Capital							
3110	Ordinary share	14,169,406	12	14,169,406	11	14,169,406	12
3200	Capital surplus	3,341,051	3	3,341,024	3	3,341,024	3
Retained earnings							
3310	Legal reserve	3,930,366	4	3,729,018	3	3,729,018	3
3320	Special reserve	2,648,051	2	2,657,978	2	2,657,978	2
3350	Unappropriated earnings	2,553,059	2	2,798,561	2	1,295,259	1
3300	Total retained earnings	9,131,476	8	9,185,557	7	7,682,255	6
3400	Other equity	5,298,855	4	4,940,666	4	5,150,111	4
3500	Treasury stock	(97,110)	-	(97,110)	-	(97,110)	-
31XX	Total equity attributable to owners of the Company	<u>31,843,678</u>	<u>27</u>	<u>31,539,543</u>	<u>25</u>	<u>30,245,686</u>	<u>25</u>
36XX	NON-CONTROLLING INTERESTS	<u>8,921,498</u>	<u>7</u>	<u>9,007,721</u>	<u>7</u>	<u>8,493,982</u>	<u>7</u>
3XXX	Total equity	<u>40,765,176</u>	<u>34</u>	<u>40,547,264</u>	<u>32</u>	<u>38,739,668</u>	<u>32</u>
TOTAL		<u>\$ 120,188,747</u>	<u>100</u>	<u>\$ 126,942,943</u>	<u>100</u>	<u>\$ 121,334,287</u>	<u>100</u>

(Concluded)

FAR EASTERN DEPARTMENT STORES, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

From Apr. 1 to June 30, 2023 and 2022, and Year ended June 30, 2022 and 2021

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

Code		From Apr. 1 to June 30, 2023		From Apr. 1 to June 30, 2022		Year ended June 30, 2023		Year ended June 30, 2022	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	REVENUES	\$ 8,252,635	100	\$ 7,144,766	100	\$ 17,538,255	100	\$ 16,206,939	100
5000	COSTS	<u>3,381,906</u>	<u>41</u>	<u>3,219,458</u>	<u>45</u>	<u>7,503,352</u>	<u>43</u>	<u>7,480,167</u>	<u>46</u>
5900	GROSS PROFIT	<u>4,870,729</u>	<u>59</u>	<u>3,925,308</u>	<u>55</u>	<u>10,034,903</u>	<u>57</u>	<u>8,726,772</u>	<u>54</u>
	OPERATING EXPENSES								
6100	Selling	145,808	2	159,558	2	342,404	2	371,991	3
6200	General and administrative	3,391,086	41	3,475,341	49	6,700,092	38	6,823,708	42
6450	Expected credit loss (Gain)	<u>4,230</u>	<u>-</u>	<u>61</u>	<u>-</u>	<u>10,578</u>	<u>-</u>	<u>72</u>	<u>-</u>
6000	Total operating expenses	<u>3,541,124</u>	<u>43</u>	<u>3,634,960</u>	<u>51</u>	<u>7,053,074</u>	<u>40</u>	<u>7,195,771</u>	<u>45</u>
6900	OPERATING INCOME	<u>1,329,605</u>	<u>16</u>	<u>290,348</u>	<u>4</u>	<u>2,981,829</u>	<u>17</u>	<u>1,531,001</u>	<u>9</u>
	NONOPERATING INCOME AND EXPENSES								
7100	Interest income	46,977	1	17,932	-	89,670	1	34,713	-
7010	Other income	4	-	810	-	4	-	810	-
7020	Other gains and losses	106,885	1	95,275	1	107,156	1	127,282	1
7050	Finance costs	(225,576)	(3)	(211,882)	(3)	(452,717)	(3)	(420,009)	(2)
7060	Share of profit (loss) of associates accounted for using equity method	<u>44,551</u>	<u>1</u>	<u>(85,482)</u>	<u>(1)</u>	<u>78,535</u>	<u>-</u>	<u>(132,791)</u>	<u>(1)</u>
7000	Total Non-operating income and expenses	<u>(27,159)</u>	<u>-</u>	<u>(183,347)</u>	<u>(3)</u>	<u>(177,352)</u>	<u>(1)</u>	<u>(389,995)</u>	<u>(2)</u>
7900	INCOME BEFORE INCOME TAX	1,302,446	16	107,001	1	2,804,477	16	1,141,006	7
7950	INCOME TAX EXPENSE	<u>253,828</u>	<u>3</u>	<u>94,864</u>	<u>1</u>	<u>584,016</u>	<u>3</u>	<u>341,735</u>	<u>2</u>
8200	NET INCOME	<u>1,048,618</u>	<u>13</u>	<u>12,137</u>	<u>-</u>	<u>2,220,461</u>	<u>13</u>	<u>799,271</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	213,717	2	(315,787)	(4)	363,609	2	60,588	-
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method	<u>(11,636)</u>	<u>-</u>	<u>(60,846)</u>	<u>(1)</u>	<u>(2,317)</u>	<u>-</u>	<u>(64,460)</u>	<u>-</u>
8310		<u>202,081</u>	<u>2</u>	<u>(376,633)</u>	<u>(5)</u>	<u>361,292</u>	<u>2</u>	<u>(3,872)</u>	<u>-</u>
	Components of other comprehensive income that will be reclassified to profit or loss								
8361	Other comprehensive income, before tax, exchange differences on translation	20,656	-	(1,204)	-	17,587	-	(50,994)	-
8370	Share of other comprehensive income of associates accounted for using equity method	<u>(34,283)</u>	<u>-</u>	<u>(42,500)</u>	<u>(1)</u>	<u>(25,250)</u>	<u>-</u>	<u>(3,132)</u>	<u>-</u>
8360		<u>(13,627)</u>	<u>-</u>	<u>(43,704)</u>	<u>(1)</u>	<u>(7,663)</u>	<u>-</u>	<u>(54,126)</u>	<u>-</u>
8300	Total other comprehensive income, net	<u>188,454</u>	<u>2</u>	<u>(420,337)</u>	<u>(6)</u>	<u>353,629</u>	<u>2</u>	<u>(57,998)</u>	<u>-</u>
8500	COMPREHENSIVE INCOME	<u>\$ 1,237,072</u>	<u>15</u>	<u>(\$ 408,200)</u>	<u>(6)</u>	<u>\$ 2,574,090</u>	<u>15</u>	<u>\$ 741,273</u>	<u>5</u>
8600	NET INCOME ATTRIBUTED TO :								
8610	Owners of parent	\$ 724,056	9	(\$ 25,844)	-	\$ 1,512,230	9	\$ 510,283	3
8620	Non-controlling interests	<u>324,562</u>	<u>4</u>	<u>37,981</u>	<u>-</u>	<u>708,231</u>	<u>4</u>	<u>288,988</u>	<u>2</u>
		<u>\$ 1,048,618</u>	<u>13</u>	<u>\$ 12,137</u>	<u>-</u>	<u>\$ 2,220,461</u>	<u>13</u>	<u>\$ 799,271</u>	<u>5</u>
8700	COMPREHENSIVE INCOME CONTRIBUTED TO :								
8710	Owners of parent	\$ 907,809	11	(\$ 440,597)	(6)	\$ 1,862,743	11	\$ 472,261	3
8720	Non-controlling interests	<u>329,263</u>	<u>4</u>	<u>32,397</u>	<u>-</u>	<u>711,347</u>	<u>4</u>	<u>269,012</u>	<u>2</u>
		<u>\$ 1,237,072</u>	<u>15</u>	<u>(\$ 408,200)</u>	<u>(6)</u>	<u>\$ 2,574,090</u>	<u>15</u>	<u>\$ 741,273</u>	<u>5</u>
	EARNINGS PER SHARE								
9750	Basic	<u>\$ 0.51</u>		<u>(\$ 0.02)</u>		<u>\$ 1.07</u>		<u>\$ 0.36</u>	
9850	Diluted	<u>\$ 0.51</u>		<u>(\$ 0.02)</u>		<u>\$ 1.07</u>		<u>\$ 0.36</u>	

(Concluded)

FAR EASTERN DEPARTMENT STORES, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

Year ended Jun. 30, 2023 and 2022

(In thousands of New Taiwan Dollars)

<u>C o d e</u>		<u>Year ended June 30,</u> 2023	<u>Year ended June 30,</u> 2022
	CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
A00010	INCOME BEFORE INCOME TAX	\$ 2,804,477	\$ 1,141,006
A20010	Adjustments to reconcile profit(loss)		
A20100	Depreciation expense	2,546,944	2,736,387
A20200	Amortization expense	30,222	37,792
A20300	Expected credit loss (gain)	1,755	72
A20400	Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(4,618)	4,400
A20900	Finance costs	452,717	420,009
A24600	Loss (gain) on change in fair value of investment properties	20,501	20,630
A29900	Amortization of prepayments	2,919	23,520
A21200	Interest income	(89,670)	(34,713)
A21300	Dividend revenue	(4)	(810)
A22300	Share of loss (profit) of associates accounted for using equity method	(78,535)	132,791
A22500	Loss (gain) on disposal of property, plant and equipment, net	2,001	4,730
A23100	Loss (gain) on disposal of investments	494	-
A23800	Loss for market price decline and obsolete and slow-moving inventories	(1,302)	4,628
A29900	Lease liabilities concessions	-	(19,019)
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	6,483	(17,404)
A31130	Notes receivable	(2,453)	(444)
A31150	Accounts receivable	434,798	569,615
A31160	Notes and accounts receivable due from related parties	69,488	89,425
A31180	Other receivable	191,994	130,657
A31200	Inventories	300,569	175,344
A31230	Prepayments	(35,553)	(122,129)
A31240	Other current assets	(633)	(11,765)
A32125	Contract liability-current	(661,056)	(125,766)

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<u>C o d e</u>		<u>Year ended June 30,</u> <u>2023</u>	<u>Year ended June 30,</u> <u>2022</u>
A32130	Notes payable	(\$ 3,499)	\$ 95,520
A32150	Accounts payable	(5,674,269)	(8,009,576)
A32160	Notes and accounts payable to related parties	(34,759)	(43,500)
A32180	Other payables	(293,100)	(662,055)
A32210	Advance receipts	(9,166)	108,544
A32230	Other current liabilities	(6,238)	(8,629)
A32240	Net defined benefit assets	(33,022)	(21,713)
A32240	Net defined benefit liability	(<u>121,851</u>)	(<u>35,935</u>)
A33000	cash inflow (outflow) generated from operations	(184,366)	(3,418,388)
A33200	Dividend received	4	-
A33100	Interests received	94,435	33,811
A33300	Interests paid	(420,225)	(374,042)
A33500	Income tax returned	158	214
A33500	Income tax paid	(<u>576,163</u>)	(<u>474,875</u>)
AAAA	Net cash flows from (used in) operating activities	(<u>1,086,157</u>)	(<u>4,233,280</u>)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES			
B00010	Acquisition of financial assets at fair value through other comprehensive income	(6,833)	(24,077)
B00020	Proceeds from disposal of financial assets at fair value through other comprehensive income	16,240	4,860
B00040	Acquisition of financial assets at amortized cost	(2,676,552)	(2,498,292)
B00050	Proceeds from disposal of financial assets at amortized cost	2,716,848	2,429,913
B02100	Decrease in prepayments for investments	63,175	-
B02700	Acquisition of property, plant and equipment	(1,016,874)	(690,177)
B02800	Proceeds from disposal of property, plant and equipment	6	64
B04500	Acquisition of intangible assets	(16,324)	(26,645)
B05350	Acquisition of Right-of-use assets	(3,850)	(379,432)
B05400	Acquisition of investment properties	(1,029)	(602)
B06700	Increase (decrease) in other non-current assets	(<u>6,812</u>)	(<u>115,310</u>)
BBBB	Net cash flows from (used in) investing activities	(<u>932,005</u>)	(<u>1,299,698</u>)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES			
C00100	Increase in short-term loans	51,139,623	56,774,913
C00200	Decrease in short-term loans	(53,415,624)	(52,587,062)
C00500	Increase in short-term notes and bills payable	6,454,338	9,011,859
C00600	Decrease in short-term notes and bills payable	(7,050,793)	(10,898,204)
C01600	Proceeds from long-term debt	57,050,107	60,040,279

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<u>C o d e</u>		<u>Year ended June 30, 2023</u>	<u>Year ended June 30, 2022</u>
C01700	Repayment of long-term debt	(\$ 54,850,000)	(\$ 63,900,000)
C04020	Repayment of the principal portion of lease liabilities	(1,461,100)	(1,570,264)
C04400	Decrease in other non-current liabilities	(14,683)	(12,299)
CCCC	Net cash flows from (used in) financing activities	(<u>2,148,132</u>)	(<u>3,140,778</u>)
DDDD	Effect of exchange rate changes on cash and cash equivalents	(<u>25,498</u>)	<u>19,743</u>
EEEE	Net increase (decrease) in cash and cash equivalents	(4,191,792)	(8,654,013)
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>\$ 13,062,888</u>	<u>\$ 10,878,077</u>

(Concluded)