

FAR EASTERN DEPARTMENT STORES, LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

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

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

Code	ASSETS	2020/9/30 (Reviewed)		2019/12/31 (Audited)		2019/9/30 (Reviewed)	
		Amount	%	Amount	%	Amount	%
	CURRENT ASSETS						
1100	Cash and cash equivalents	\$ 7,656,819	6	\$ 13,424,223	10	\$ 7,722,560	6
1110	Financial assets at fair value through profit or loss - current	444,593	-	457,256	1	462,208	-
1120	Current financial assets at fair value through other comprehensive income	284,200	-	297,456	-	294,360	-
1136	Current financial assets at amortized cost	1,140,771	1	1,443,974	1	1,457,212	1
1150	Notes receivable	8,082	-	1,132	-	7,884	-
1170	Accounts receivable	509,162	1	744,436	1	1,109,372	1
1180	Accounts receivable due from related parties	97,054	-	161,935	-	124,952	-
1200	Other receivables	808,599	1	915,309	1	956,617	1
1220	Current tax assets	3,053	-	10,812	-	10,739	-
130X	Inventories	3,107,343	3	2,780,889	2	3,409,227	3
1429	Prepayments	454,217	-	398,558	-	618,397	1
1470	Other current assets	97,719	-	110,095	-	100,515	-
11XX	Total current assets	<u>14,611,612</u>	<u>12</u>	<u>20,746,075</u>	<u>16</u>	<u>16,274,043</u>	<u>13</u>
	NONCURRENT ASSETS						
1517	Non-current financial assets at fair value through other comprehensive income	4,414,198	4	5,030,564	4	4,654,338	4
1535	Non-current financial assets at amortized cost	23,000	-	146,000	-	123,400	-
1550	Investments accounted for by equity method	9,993,598	8	10,107,165	8	9,681,018	8
1600	Property, plant and equipment	34,077,800	28	34,323,257	26	33,958,086	27
1755	Right-of-use assets	44,182,504	36	44,764,810	34	36,784,283	30
1760	Investment properties	9,023,030	7	9,086,641	7	9,169,337	7
1780	Intangible assets	2,576,615	2	2,477,815	2	3,511,956	3
1840	Deferred tax assets	511,352	-	589,225	-	728,865	1
1975	Long-term prepayments for lease	273,579	-	234,035	-	-	-
1985	Other noncurrent assets	1,457,162	1	1,060,658	1	7,363,261	6
1990	Total noncurrent assets	<u>1,913,414</u>	<u>2</u>	<u>1,944,860</u>	<u>2</u>	<u>1,930,310</u>	<u>1</u>
15XX	Non-current financial assets at amortized cost	<u>108,446,252</u>	<u>88</u>	<u>109,765,030</u>	<u>84</u>	<u>107,904,854</u>	<u>87</u>
1XXX	TOTAL	<u>\$ 123,057,864</u>	<u>100</u>	<u>\$ 130,511,105</u>	<u>100</u>	<u>\$ 124,178,897</u>	<u>100</u>
	LIABILITIES AND EQUITY						
	CURRENT LIABILITIES						
2100	Short-term debts	\$ 9,443,848	8	\$ 9,630,896	7	\$ 12,702,932	10
2110	Short-term notes and bills payable	3,620,943	3	3,622,993	3	3,763,994	3
2130	Contract liabilities-Current	8,018,338	7	7,770,828	6	7,418,576	6
2150	Notes payable	4,271	-	3,184	-	116,485	-
2170	Accounts payable	11,369,834	9	15,120,910	11	12,067,877	10
2180	Notes and accounts payable to related parties	30,891	-	93,455	-	54,798	-
2219	Other payables	3,617,099	3	3,971,660	3	3,900,206	3
2230	Current tax liabilities	455,062	-	772,780	1	688,702	1
2250	Current provisions	3,000	-	3,000	-	3,000	-
2280	Current lease liabilities	3,483,242	3	3,381,049	3	3,366,738	3
2310	Advance receipts	499,575	1	440,970	-	317,367	-
2322	Long-term borrowings - current portion	1,499,522	1	2,540,000	2	2,000,000	2
2399	Other current liabilities	325,573	-	315,976	-	297,618	-
21XX	Total current liabilities	<u>42,371,198</u>	<u>35</u>	<u>47,667,701</u>	<u>36</u>	<u>46,698,293</u>	<u>38</u>
	NONCURRENT LIABILITIES						
2540	Long-term borrowings	13,610,000	11	14,999,757	12	12,379,824	10
2550	Provision-noncurrent	24,991	-	24,823	-	25,079	-
2570	Deferred tax liabilities	2,347,338	2	2,312,954	2	2,166,619	2
2580	Lease liabilities - non-current	25,066,995	20	25,406,473	19	24,197,655	19
2640	Net defined benefit liability	715,057	1	738,431	1	748,884	1
2670	Other noncurrent liabilities	371,913	-	457,159	-	481,742	-
25XX	Total noncurrent liabilities	<u>42,136,294</u>	<u>34</u>	<u>43,939,597</u>	<u>34</u>	<u>39,999,803</u>	<u>32</u>
2XXX	Total liabilities	<u>84,507,492</u>	<u>69</u>	<u>91,607,298</u>	<u>70</u>	<u>86,698,096</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 retained earnings	2,037,837	1	1,931,429	1	1,096,017	1
3300	Total retained earnings	<u>8,171,715</u>	<u>6</u>	<u>8,095,475</u>	<u>6</u>	<u>7,260,063</u>	<u>6</u>
3400	Other equity	4,662,165	4	5,295,169	4	4,920,603	4
3500	Treasury stock	(97,110)	-	(97,110)	-	(97,110)	-
31XX	Total equity attributable to owners of the Company	<u>30,240,261</u>	<u>24</u>	<u>30,790,406</u>	<u>24</u>	<u>29,568,382</u>	<u>24</u>
36XX	NON-CONTROLLING INTERESTS	<u>8,310,111</u>	<u>7</u>	<u>8,113,401</u>	<u>6</u>	<u>7,912,419</u>	<u>6</u>
3XXX	Total equity	<u>38,550,372</u>	<u>31</u>	<u>38,903,807</u>	<u>30</u>	<u>37,480,801</u>	<u>30</u>
	TOTAL	<u>\$ 123,057,864</u>	<u>100</u>	<u>\$ 130,511,105</u>	<u>100</u>	<u>\$ 124,178,897</u>	<u>100</u>

(Concluded)

FAR EASTERN DEPARTMENT STORES, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

From Jul. 1 to Sep. 30, 2020 and 2019, and Year ended Sep. 30, 2020 and 2019

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

Code		From Jul. 1 to Sep. 30, 2020		From Jul. 1 to Sep. 30, 2019		Year ended Sep. 30, 2020		Year ended Sep. 30, 2019	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	REVENUES	\$ 8,506,084	100	\$ 8,308,453	100	\$ 25,089,249	100	\$ 26,110,500	100
5000	COSTS	<u>3,993,951</u>	<u>47</u>	<u>3,813,145</u>	<u>46</u>	<u>12,244,843</u>	<u>49</u>	<u>12,196,676</u>	<u>47</u>
5900	GROSS PROFIT	<u>4,512,133</u>	<u>53</u>	<u>4,495,308</u>	<u>54</u>	<u>12,844,406</u>	<u>51</u>	<u>13,913,824</u>	<u>53</u>
	OPERATING EXPENSES								
6100	Selling	190,991	2	146,134	2	539,037	2	541,038	2
6200	General and administrative	3,400,320	40	3,558,719	43	9,939,867	40	10,567,900	40
6450	Expected credit loss (Gain)	<u>4,151</u>	<u>-</u>	<u>(707)</u>	<u>-</u>	<u>1,941</u>	<u>-</u>	<u>903</u>	<u>-</u>
6000	Total operating expenses	<u>3,595,462</u>	<u>42</u>	<u>3,704,146</u>	<u>45</u>	<u>10,480,845</u>	<u>42</u>	<u>11,109,841</u>	<u>42</u>
6900	OPERATING INCOME	<u>916,671</u>	<u>11</u>	<u>791,162</u>	<u>9</u>	<u>2,363,561</u>	<u>9</u>	<u>2,803,983</u>	<u>11</u>
	NONOPERATING INCOME AND EXPENSES								
7100	Interest income	14,785	-	18,412	-	48,960	-	67,566	-
7010	Other income	312,581	4	285,030	4	312,581	1	285,030	1
7020	Other gains and losses	7,967	-	(299,266)	(4)	(50,506)	-	(682,190)	(3)
7050	Finance costs	(206,791)	(3)	(205,959)	(2)	(647,557)	(2)	(635,221)	(2)
7060	Share of profit (loss) of associates accounted for using equity method	<u>58,846</u>	<u>1</u>	<u>12,806</u>	<u>-</u>	<u>(40,735)</u>	<u>-</u>	<u>56,912</u>	<u>-</u>
7000	Total Non-operating income and expenses	<u>187,388</u>	<u>2</u>	<u>(188,977)</u>	<u>(2)</u>	<u>(377,257)</u>	<u>(1)</u>	<u>(907,903)</u>	<u>(4)</u>
7900	INCOME BEFORE INCOME TAX	1,104,059	13	602,185	7	1,986,304	8	1,896,080	7
7950	INCOME TAX EXPENSE	<u>143,374</u>	<u>2</u>	<u>131,887</u>	<u>1</u>	<u>465,317</u>	<u>2</u>	<u>589,827</u>	<u>2</u>
8200	NET INCOME	<u>960,685</u>	<u>11</u>	<u>470,298</u>	<u>6</u>	<u>1,520,987</u>	<u>6</u>	<u>1,306,253</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	(254,307)	(3)	(473,308)	(6)	(650,585)	(2)	743,674	3
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method	<u>(3,233)</u>	<u>-</u>	<u>(9,364)</u>	<u>-</u>	<u>15,705</u>	<u>-</u>	<u>(66,471)</u>	<u>-</u>
8310		<u>(257,540)</u>	<u>(3)</u>	<u>(482,672)</u>	<u>(6)</u>	<u>(634,880)</u>	<u>(2)</u>	<u>677,203</u>	<u>3</u>
	Components of other comprehensive income that will be reclassified to profit or loss								
8361	Other comprehensive income, before tax, exchange differences on translation	(23,426)	-	36,852	-	4,184	-	29,965	-
8370	Share of other comprehensive income of associates accounted for using equity method	<u>29,669</u>	<u>-</u>	<u>(27,871)</u>	<u>-</u>	<u>(6,819)</u>	<u>-</u>	<u>(34,462)</u>	<u>-</u>
8360		<u>6,243</u>	<u>-</u>	<u>8,981</u>	<u>-</u>	<u>(2,635)</u>	<u>-</u>	<u>(4,497)</u>	<u>-</u>
8300	Total other comprehensive income, net	<u>(251,297)</u>	<u>(3)</u>	<u>(473,691)</u>	<u>(6)</u>	<u>(637,515)</u>	<u>(2)</u>	<u>672,706</u>	<u>3</u>
8500	COMPREHENSIVE INCOME	<u>\$ 709,388</u>	<u>8</u>	<u>(\$ 3,393)</u>	<u>-</u>	<u>\$ 883,472</u>	<u>4</u>	<u>\$ 1,978,959</u>	<u>8</u>
8600	NET INCOME ATTRIBUTED TO :								
8610	Owners of parent	\$ 813,557	9	\$ 457,097	6	\$ 1,209,351	5	\$ 1,144,719	4
8620	Non-controlling interests	<u>147,128</u>	<u>2</u>	<u>13,201</u>	<u>-</u>	<u>311,636</u>	<u>1</u>	<u>161,534</u>	<u>1</u>
		<u>\$ 960,685</u>	<u>11</u>	<u>\$ 470,298</u>	<u>6</u>	<u>\$ 1,520,987</u>	<u>6</u>	<u>\$ 1,306,253</u>	<u>5</u>
8700	CONPREHENSIVE INCOME CONTRIBUTED TO :								
8710	Owners of parent	\$ 573,294	7	(\$ 25,090)	-	\$ 576,788	3	\$ 1,834,070	7
8720	Non-controlling interests	<u>136,094</u>	<u>1</u>	<u>21,697</u>	<u>-</u>	<u>306,684</u>	<u>1</u>	<u>144,889</u>	<u>1</u>
		<u>\$ 709,388</u>	<u>8</u>	<u>(\$ 3,393)</u>	<u>-</u>	<u>\$ 883,472</u>	<u>4</u>	<u>\$ 1,978,959</u>	<u>8</u>
	EARNINGS PER SHARE								
9750	Basic	<u>\$ 0.58</u>		<u>\$ 0.32</u>		<u>\$ 0.86</u>		<u>\$ 0.81</u>	
9850	Diluted	<u>\$ 0.58</u>		<u>\$ 0.32</u>		<u>\$ 0.86</u>		<u>\$ 0.81</u>	

(Conclude)

FAR EASTERN DEPARTMENT STORES, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

Year ended Sep. 30, 2020 and 2019

(In thousands of New Taiwan Dollars)

Code		Year ended Sep. 30, 2020	Year ended Sep. 30, 2019
	CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
A00010	INCOME BEFORE INCOME TAX	\$ 1,986,304	\$ 1,896,080
A20010	Adjustments to reconcile profit(loss)		
A20100	Depreciation expense	4,337,720	4,162,658
A20200	Amortization expense	62,790	45,076
A20300	Expected credit loss (gain)	1,941	903
A20400	Net loss (gain) on financial assets or liabilities at fair value through profit or loss	16,973	(776)
A20900	Finance costs	647,557	635,221
A22800	Loss (gain) on disposal of Intangible assets	-	1,456
A22900	Loss (gain) on disposal of Right-of-use assets	(5,934)	(693)
A24600	Loss (gain) on change in fair value of investment properties	68,716	68,112
A29900	Amortization of prepayments	23,918	10,894
A21200	Interest income	(48,960)	(67,566)
A21300	Dividend income	(312,581)	(285,030)
A22300	Share of loss (profit) of associates accounted for using equity method	40,735	(56,912)
A22500	Loss (gain) on disposal of property, plant and equipment, net	14,333	49,138
A23100	Loss (gain) on disposal of investments	(553)	(5)
A23700	Impairment loss recognized on Right-of-use assets	69,793	-
A23800	Loss for market price decline and obsolete and slow-moving inventories	16,148	17,144
A29900	Lease liabilities concessions	(222,443)	-
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)	(23,680)
A31130	Notes receivable	(6,950)	(5,597)
A31150	Accounts receivable	235,158	469,964
A31160	Notes and accounts receivable due from related parties	64,881	32,648
A31180	Other receivable	123,056	250,817

(Continued)

(Continued)

Code		Year ended Sep. 30, 2019	Year ended Sep. 30, 2018
A31200	Inventories	(342,602)	(697,137)
A31230	Prepayments	(54,278)	(88,879)
A31240	Other current assets	12,376	(14,717)
A32125	Contract liability	247,510	(106,892)
A32130	Notes payable	1,087	6,567
A32150	Accounts payable	(3,751,076)	(5,511,576)
A32160	Notes and accounts payable to related parties	(62,564)	(50,201)
A32180	Other payables	(274,898)	142,546
A32200	Provisions	-	(3,997)
A32210	Advance receipts	197,043	75,924
A32230	Other current liabilities	9,597	(23,329)
A32240	Net defined benefit assets	(39,544)	-
A32240	Net defined benefit liability	(23,374)	(59,596)
A33000	Cash inflow (outflow) generated from operations	3,016,519	868,565
A33100	Interests received	49,724	69,454
A33200	Dividends received	386,427	304,209
A33300	Interests paid	(605,852)	(637,430)
A33500	Income taxes returned	2,801	2,191
A33500	Income taxes paid	(672,839)	(304,686)
AAAA	Net cash flows from (used in) operating activities	2,176,780	302,303
	CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
B00010	Acquisition of financial assets at fair value through other comprehensive income	(37,178)	-
B00020	Proceeds from disposal of financial assets at fair value through other comprehensive income	15,956	-
B00040	Acquisition of financial assets at amortized cost	(932,330)	(1,896,735)
B00050	Proceeds from disposal of financial assets at amortized cost	1,356,558	2,619,169
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)
B02100	Decrease in prepayments for long-term investment	-	25,383
B02700	Acquisition of property, plant and equipment	(1,481,923)	(1,594,635)
B02800	Proceeds from disposal of property, plant and equipment	122	39,377
B04200	Decrease in other receivable	-	970,133
B04500	Acquisition of intangible assets	(161,615)	(101,735)
B04600	Disposal of intangible assets	-	139
B05350	Acquisition of Right-of-use assets	(112,474)	-

(Continued)

(Continued)

Code		Year ended Sep. 30, 2019	Year ended Sep. 30, 2018
B05400	Acquisition of investment properties	(5,105)	(7,181)
B06700	Increase (decrease) in other non-current assets	(437,644)	(1,368,743)
BBBB	CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	(1,784,030)	(2,452,828)
	CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
C00100	Increase in short-term loans	93,399,354	117,999,854
C00200	Decrease in short-term loans	(93,554,692)	(118,171,221)
C00500	Increase in short-term notes and bills payable	26,686,658	27,907,937
C00600	Decrease in short-term notes and bills payable	(26,688,708)	(27,624,308)
C01600	Proceeds from long-term debt	72,039,765	54,619,824
C01700	Repayment of long-term debt	(74,470,000)	(55,330,000)
C04020	Repayment of the principal portion of lease liabilities	(2,262,783)	(2,655,041)
C04400	Decrease in other non-current liabilities	(85,246)	(11,827)
C04500	Dividends paid by parent company	(1,133,530)	(1,204,400)
C05800	Dividends paid to non-controlling interests	(77,282)	(198,624)
CCCC	Net cash flows from (used in) financing activities	(6,146,464)	(4,667,806)
DDDD	Effect of exchange rate changes on cash and cash equivalents	(13,690)	(53,956)
EEEE	Net increase (decrease) in cash and cash equivalents	(5,767,404)	(6,872,287)
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>\$ 7,656,819</u>	<u>\$ 7,722,560</u>

(Concluded)