

FAR EASTERN DEPARTMENT STORES, LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

Sep. 30, 2021, Dec. 31, 2020 and Sep. 30, 2020

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

Code	Assets	2021/9/30 (Reviewed)		2020/12/31 (Audited)		2020/9/30 (Reviewed)	
		Amount	%	Amount	%	Amount	%
CURRENT ASSETS							
1100	Cash and cash equivalents	\$ 10,499,005	9	\$ 14,791,434	12	\$ 7,656,819	6
1110	Financial assets at fair value through profit or loss - current	432,518	-	450,046	-	444,593	-
1120	Current financial assets at fair value through other comprehensive income	254,157	-	278,539	-	284,200	-
1136	Current financial assets at amortized cost	1,237,266	1	1,171,058	1	1,140,771	1
1150	Notes receivable	7,681	-	1,864	-	8,082	-
1170	Accounts receivable	649,703	1	600,242	-	509,162	1
1180	Accounts receivable due from related parties	83,718	-	124,738	-	97,054	-
1200	Other receivables	569,221	1	1,007,684	1	808,599	1
1220	Current tax assets	31,995	-	1,063	-	3,053	-
130X	Inventories	2,938,652	2	2,374,459	2	3,107,343	3
1429	Prepayments	343,450	-	211,102	-	454,217	-
1470	Other current assets	58,776	-	103,887	-	97,719	-
11XX	Total current assets	<u>17,106,142</u>	<u>14</u>	<u>21,116,116</u>	<u>16</u>	<u>14,611,612</u>	<u>12</u>
NONCURRENT ASSETS							
1517	Non-current financial assets at fair value through other comprehensive income	4,866,064	4	4,659,302	4	4,414,198	4
1535	Non-current financial assets at amortized cost	123,000	-	24,000	-	23,000	-
1550	Investments accounted for by equity method	10,157,201	8	10,164,724	8	9,993,598	8
1600	Property, plant and equipment	33,647,086	27	33,945,566	26	34,077,800	28
1755	Right-of-use assets	40,604,473	33	42,712,637	33	44,182,504	36
1760	Investment properties	8,949,056	7	9,021,607	7	9,023,030	7
1780	Intangible assets	2,877,299	2	2,581,127	2	2,576,615	2
1840	Deferred tax assets	514,270	1	572,186	1	511,352	-
1975	Net defined benefit asset	221,365	-	205,863	-	273,579	-
1985	Long-term prepayments for lease	1,809,100	2	1,517,865	1	1,457,162	1
1990	Other noncurrent assets	1,842,297	2	1,902,776	2	1,913,414	2
15XX	Total noncurrent assets	<u>105,611,211</u>	<u>86</u>	<u>107,307,653</u>	<u>84</u>	<u>108,446,252</u>	<u>88</u>
1XXX	TOTAL	<u>\$ 122,717,353</u>	<u>100</u>	<u>\$ 128,423,769</u>	<u>100</u>	<u>\$ 123,057,864</u>	<u>100</u>
LIABILITIES AND EQUITY							
CURRENT LIABILITIES							
2100	Short-term debts	\$ 12,845,369	11	\$ 9,045,746	7	\$ 9,443,848	8
2110	Short-term notes and bills payable	2,642,701	2	3,729,003	3	3,620,943	3
2130	Contract liabilities-Current	8,698,380	7	8,121,734	6	8,018,338	7
2150	Notes payable	5,900	-	6,626	-	4,271	-
2170	Accounts payables	10,111,788	8	15,844,472	12	11,369,834	9
2180	Notes and accounts payable to related parties	21,998	-	68,101	-	30,891	-
2219	Other payables	3,351,881	3	3,721,330	3	3,617,099	3
2230	Current tax liabilities	131,938	-	485,553	1	455,062	-
2250	Provision-current	3,000	-	3,000	-	3,000	-
2280	Lease liabilities - current	3,285,007	3	3,473,928	3	3,483,242	3
2310	Advance receipts	467,734	-	510,474	1	499,575	1
2322	Long-term borrowings – current portion	299,881	-	299,933	-	1,499,522	1
2399	Other current liabilities	410,179	-	373,784	-	325,573	-
21XX	Total current liabilities	<u>42,275,756</u>	<u>34</u>	<u>45,683,684</u>	<u>36</u>	<u>42,371,198</u>	<u>35</u>
NONCURRENT LIABILITIES							
2540	Long-term borrowings	15,219,604	12	15,139,828	12	13,610,000	11
2550	Provision-noncurrent	25,216	-	25,047	-	24,991	-
2570	Deferred tax liabilities	2,366,133	2	2,348,055	2	2,347,338	2
2580	Lease liabilities - non-current	22,372,239	18	24,335,088	19	25,066,995	20
2640	Net defined benefit liability	704,118	1	737,454	-	715,057	1
2670	Other noncurrent liabilities	544,576	1	366,325	-	371,913	-
25XX	Total noncurrent liabilities	<u>41,231,886</u>	<u>34</u>	<u>42,951,797</u>	<u>33</u>	<u>42,136,294</u>	<u>34</u>
2XXX	Total liabilities	<u>83,507,642</u>	<u>68</u>	<u>88,635,481</u>	<u>69</u>	<u>84,507,492</u>	<u>69</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	3,340,982	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	1,943,733	2	2,695,084	2	2,037,837	1
3300	Total retained earnings	8,174,621	7	8,828,962	7	8,171,715	6
3400	Other equity	5,148,521	4	4,953,871	4	4,662,165	4
3500	Treasury stock	(97,110)	-	(97,110)	-	(97,110)	-
31XX	Total equity attributable to owners of the Company	<u>30,736,420</u>	<u>25</u>	<u>31,193,920</u>	<u>24</u>	<u>30,240,261</u>	<u>24</u>
36XX	NON-CONTROLLING INTERESTS	<u>8,473,291</u>	<u>7</u>	<u>8,594,368</u>	<u>7</u>	<u>8,310,111</u>	<u>7</u>
3XXX	Total equity	<u>39,209,711</u>	<u>32</u>	<u>39,788,288</u>	<u>31</u>	<u>38,550,372</u>	<u>31</u>
TOTAL		<u>\$ 122,717,353</u>	<u>100</u>	<u>\$ 128,423,769</u>	<u>100</u>	<u>\$ 123,057,864</u>	<u>100</u>

(Conclude)

FAR EASTERN DEPARTMENT STORES, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

From Jul. 1 to Sep 30, 2021 and 2020, and Year ended Sep 30, 2021 and 2020

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

Code		From Jul. 1 to Sep 30, 2021		From Jul. 1 to Sep 30, 2020		Year ended Sep 30, 2021		Year ended Sep 30, 2020	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	REVENUES	\$ 7,035,653	100	\$ 8,506,084	100	\$ 23,461,177	100	\$ 25,089,249	100
5000	COSTS	<u>3,581,182</u>	<u>51</u>	<u>3,993,951</u>	<u>47</u>	<u>11,844,179</u>	<u>51</u>	<u>12,244,843</u>	<u>49</u>
5900	GROSS PROFIT	<u>3,454,471</u>	<u>49</u>	<u>4,512,133</u>	<u>53</u>	<u>11,616,998</u>	<u>49</u>	<u>12,844,406</u>	<u>51</u>
	OPERATING EXPENSES								
6100	Selling	130,901	2	190,991	2	467,162	2	539,037	2
6200	General and administrative	2,998,726	42	3,400,320	40	9,451,402	40	9,939,867	40
6450	Expected credit loss (Gain)	(80)	-	4,151	-	1,230	-	1,941	-
6000	Total operating expenses	<u>3,129,547</u>	<u>44</u>	<u>3,595,462</u>	<u>42</u>	<u>9,919,794</u>	<u>42</u>	<u>10,480,845</u>	<u>42</u>
6900	OPERATING INCOME	<u>324,924</u>	<u>5</u>	<u>916,671</u>	<u>11</u>	<u>1,697,204</u>	<u>7</u>	<u>2,363,561</u>	<u>9</u>
	NONOPERATING INCOME AND EXPENSES								
7100	Interest income	11,825	-	14,785	-	41,402	-	48,960	-
7010	Other income	318,747	4	312,581	4	318,747	2	312,581	1
7020	Other gains and losses	(7,817)	-	7,967	-	34,476	-	(50,506)	-
7050	Finance costs	(201,207)	(3)	(206,791)	(3)	(598,808)	(2)	(647,557)	(2)
7060	Share of profit (loss) of associates accounted for using equity method	(22,560)	-	58,846	1	82,945	-	(40,735)	-
7000	Total Non-operating income and expenses	<u>98,988</u>	<u>1</u>	<u>187,388</u>	<u>2</u>	<u>(121,238)</u>	<u>-</u>	<u>(377,257)</u>	<u>(1)</u>
7900	INCOME BEFORE INCOME TAX	423,912	6	1,104,059	13	1,575,966	7	1,986,304	8
7950	INCOME TAX EXPENSE	<u>42,950</u>	<u>1</u>	<u>143,374</u>	<u>2</u>	<u>307,498</u>	<u>2</u>	<u>465,317</u>	<u>2</u>
8200	NET INCOME	<u>380,962</u>	<u>5</u>	<u>960,685</u>	<u>11</u>	<u>1,268,468</u>	<u>5</u>	<u>1,520,987</u>	<u>6</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	(442,460)	(6)	(254,307)	(3)	207,193	1	(650,585)	(2)
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method	<u>963</u>	<u>-</u>	<u>(3,233)</u>	<u>-</u>	<u>9,596</u>	<u>-</u>	<u>15,705</u>	<u>-</u>
8310		(441,497)	(6)	(257,540)	(3)	216,789	1	(634,880)	(2)
	Components of other comprehensive income that will be reclassified to profit or loss								
8361	Other comprehensive income, before tax, exchange differences on translation	6,001	-	(23,426)	-	23,936	-	4,184	-
8370	Share of other comprehensive income of associates accounted for using equity method	(6,873)	-	29,669	-	(21,064)	-	(6,819)	-
8360		(872)	-	6,243	-	2,872	-	(2,635)	-
8300	Total other comprehensive income, net	<u>(442,369)</u>	<u>(6)</u>	<u>(251,297)</u>	<u>(3)</u>	<u>219,661</u>	<u>1</u>	<u>(637,515)</u>	<u>(2)</u>
8500	COMPREHENSIVE INCOME	<u>(\$ 61,407)</u>	<u>(1)</u>	<u>\$ 709,388</u>	<u>8</u>	<u>\$ 1,488,129</u>	<u>6</u>	<u>\$ 883,472</u>	<u>4</u>
8600	NET INCOME ATTRIBUTED TO :								
8610	Owners of parent	\$ 319,356	4	\$ 813,557	9	\$ 896,364	4	\$ 1,209,351	5
8620	Non-controlling interests	<u>61,606</u>	<u>1</u>	<u>147,128</u>	<u>2</u>	<u>372,104</u>	<u>1</u>	<u>311,636</u>	<u>1</u>
		<u>\$ 380,962</u>	<u>5</u>	<u>\$ 960,685</u>	<u>11</u>	<u>\$ 1,268,468</u>	<u>5</u>	<u>\$ 1,520,987</u>	<u>6</u>
8700	CONPREHENSIVE INCOME CONTRIBUTED TO :								
8710	Owners of parent	(\$ 124,772)	(2)	\$ 573,294	7	\$ 1,098,944	5	\$ 576,788	3
8720	Non-controlling interests	<u>63,365</u>	<u>1</u>	<u>136,094</u>	<u>1</u>	<u>389,185</u>	<u>1</u>	<u>306,684</u>	<u>1</u>
		<u>(\$ 61,407)</u>	<u>(1)</u>	<u>\$ 709,388</u>	<u>8</u>	<u>\$ 1,488,129</u>	<u>6</u>	<u>\$ 883,472</u>	<u>4</u>
	EARNINGS PER SHARE								
9750	Basic	<u>\$ 0.23</u>		<u>\$ 0.58</u>		<u>\$ 0.64</u>		<u>\$ 0.86</u>	
9850	Diluted	<u>\$ 0.23</u>		<u>\$ 0.58</u>		<u>\$ 0.64</u>		<u>\$ 0.86</u>	

(Concluded)

FAR EASTERN DEPARTMENT STORES, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

Year ended Sep. 30, 2021 and 2020

<u>Code</u>		<u>Year ended Sep 30,</u> <u>2021</u>	<u>Year ended Sep 30,</u> <u>2020</u>
	CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
A00010	INCOME BEFORE INCOME TAX	\$ 1,575,966	\$ 1,986,304
A20010	Adjustments to reconcile profit(loss)		
A20100	Depreciation expense	3,927,273	4,337,720
A20200	Amortization expense	60,032	62,790
A20300	Expected credit loss (gain)	1,230	1,941
A20400	Net loss (gain) on financial assets or liabilities at fair value through profit or loss	2,296	16,973
A20900	Finance costs	598,808	647,557
A22800	Loss (gain) on disposal of Intangible assets	28	-
A22900	Gain (loss) on modifications of lease	(45)	(5,934)
A24600	Loss (gain) on change in fair value of investment properties	73,175	68,716
A29900	Amortization of prepayments	47,150	23,918
A21200	Interest income	(41,402)	(48,960)
A21300	Dividend income	(318,747)	(312,581)
A22300	Share of loss (profit) of associates accounted for using equity method	(82,945)	40,735
A22500	Loss (gain) on disposal of property, plant and equipment, net	4,226	14,333
A23100	Loss (gain) on disposal of investments	(4,330)	(553)
A23700	Impairment of Right-of-use assets	-	69,793
A23800	Loss for market price decline and obsolete and slow-moving inventories	16,238	16,148
A29900	Lease liabilities concessions	(131,914)	(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	19,562	(15,360)
A31130	Notes receivable	(5,817)	(6,950)
A31150	Accounts receivable	(53,589)	235,158
A31160	Notes and accounts receivable due from related parties	42,533	64,881
A31180	Other receivable	444,392	123,056

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Code		Year ended Sep 30, 2021	Year ended Sep 30, 2020
A31200	Inventories	(\$ 580,431)	(\$ 342,602)
A31230	Prepayments	(130,422)	(54,278)
A31240	Other current assets	45,111	12,376
A32125	Contract liability-current	576,646	247,510
A32130	Notes payable	(726)	1,087
A32150	Accounts payable	(5,732,684)	(3,751,076)
A32160	Notes and accounts payable to related parties	(46,103)	(62,564)
A32180	Other payables	(344,098)	(274,898)
A32210	Advance receipts	72,275	197,043
A32230	Other current liabilities	30,781	9,597
A32240	Net defined benefit assets	(15,502)	(39,544)
A32240	Net defined benefit liability	(<u>33,336</u>)	(<u>23,374</u>)
A33000	Cash inflow (outflow) generated from operations	15,631	3,016,519
A33100	Interests received	41,891	49,724
A33200	Interests paid	413,123	386,427
A33300	Income tax returned	(556,490)	(605,852)
A33500	Income tax paid	287	2,801
A33500	Net cash flows from (used in) operating activities	(<u>616,209</u>)	(<u>672,839</u>)
AAAA	Cash inflow (outflow) generated from operations	(<u>701,767</u>)	(<u>2,176,780</u>)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES			
B00010	Acquisition of financial assets at fair value through other comprehensive income	(21,612)	(37,178)
B00020	Proceeds from disposal of financial assets at fair value through other comprehensive income	46,241	15,956
B00040	Acquisition of financial assets at amortized cost	(2,074,049)	(932,330)
B00050	Proceeds from disposal of financial assets at amortized cost	1,907,176	1,356,558
B00200	Proceeds from disposal of financial assets at fair value through income	-	11,603
B01800	Acquisition of investments accounted for using equity method	(42,358)	-
B02700	Acquisition of property, plant and equipment	(1,285,369)	(1,481,923)
B02800	Proceeds from disposal of property, plant and equipment	118	122
B04500	Acquisition of intangible assets	(148,663)	(161,615)
B05350	Acquisition of Right-of-use assets	(118,305)	(112,474)
B05400	Acquisition of investment properties	(624)	(5,105)
B06700	Increase (decrease) in other non-current assets	(<u>239,470</u>)	(<u>437,644</u>)
BBBB	Net cash flows from (used in) investing activities	(<u>1,976,915</u>)	(<u>1,784,030</u>)

(Continued)

(Continued)

C o d e		Year ended Sep 30, 2021	Year ended Sep 30, 2020
	Cash flows from (used in) financing activities		
C00100	Increase in short-term loans	\$ 77,571,795	\$ 93,399,354
C00200	Decrease in short-term loans	(73,705,473)	(93,554,692)
C00500	Increase in short-term notes and bills payable	16,980,270	26,686,658
C00600	Decrease in short-term notes and bills payable	(18,066,572)	(26,688,708)
C01600	Proceeds from long-term debt	95,879,724	72,039,765
C01700	Repayment of long-term debt	(95,800,000)	(74,470,000)
C04020	Repayment of the principal portion of lease liabilities	(2,375,090)	(2,262,783)
C04400	Decrease in other non-current liabilities	(24,064)	(85,246)
C04500	Dividends paid by parent company	(1,556,227)	(1,133,530)
C05800	Dividends paid to non-controlling interests	(<u>495,016</u>)	(<u>77,282</u>)
CCCC	Net cash flows from (used in) financing activities	(<u>1,590,653</u>)	(<u>6,146,464</u>)
DDDD	Effect of exchange rate changes on cash and cash equivalents	(<u>23,094</u>)	(<u>13,690</u>)
EEEE	Net increase (decrease) in cash and cash equivalents	(4,292,429)	(5,767,404)
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>\$ 10,499,005</u>	<u>\$ 7,656,819</u>

(Concluded)