

FAR EASTERN DEPARTMENT STORES, LTD.
BALANCE SHEETS
Dec. 31, 2019 and Dec. 31, 2018
(In thousands of New Taiwan Dollars, Expect Par Value)

Code	Assets	2019/12/31		2018/12/31	
		Amount	%	Amount	%
	CURRENT ASSETS				
1100	Cash and cash equivalents	\$ 538,361	1	\$ 746,181	1
1147	Current financial assets at amortized cost	25,271	-	25,095	-
1150	Notes receivable	3	-	140	-
1170	Accounts receivable	345,747	1	710,140	1
1180	Accounts receivable due from related parties	79,534	-	70,052	-
1200	Other receivables	279,279	-	337,628	1
130X	Inventories	512,976	1	378,188	1
1410	Prepayments	215,686	-	237,820	-
1470	Other current assets	<u>64,807</u>	-	<u>13,780</u>	-
11XX	Total current assets	<u>2,061,664</u>	<u>3</u>	<u>2,519,024</u>	<u>4</u>
	NONCURRENT LIABILITIES				
1517	Non-current financial assets at fair value through other comprehensive income	3,101,049	4	2,354,351	4
1550	Investments accounted for by equity method	19,821,401	25	19,570,715	32
1600	Property, plant and equipment	18,724,837	24	25,314,067	41
1755	Right-of-use assets	25,836,205	32	-	-
1761	Investment property	8,997,056	11	9,062,640	15
1780	Intangible assets	55,892	-	50,207	-
1840	Deferred tax assets	70,344	-	192,145	-
1975	Net defined benefit asset	234,035	-	-	-
1985	Long-term prepayments for lease	-	-	2,173,763	4
1990	Other noncurrent assets	<u>536,733</u>	<u>1</u>	<u>321,053</u>	-
15XX	Total noncurrent assets	<u>77,377,552</u>	<u>97</u>	<u>59,038,941</u>	<u>96</u>
1XXX	TOTAL	<u>\$ 79,439,216</u>	<u>100</u>	<u>\$ 61,557,965</u>	<u>100</u>
C o d e	LIABILITIES AND EQUITY				
	CURRENT LIABILITIES				
2100	Short-term debts	\$ 5,000,000	6	\$ 6,710,000	11
2110	Short-term notes and bills payable	2,499,312	3	2,299,032	4
2130	Contract liabilities-Current	3,024,526	4	2,847,832	5
2170	Accounts and notes payables	3,612,036	5	4,878,840	8
2180	Notes and accounts payable to related parties	56,943	-	76,148	-
2200	Other payables	2,075,491	3	1,284,856	2
2230	Current tax liabilities	161,580	-	148,613	-
2280	Current lease liabilities	929,821	1	-	-
2310	Advance receipts	193,734	-	188,206	-
2322	Long-term borrowings - current portion	2,500,000	3	-	-
2399	Other current liabilities	<u>154,488</u>	-	<u>154,900</u>	-
21XX	Total current liabilities	<u>20,207,931</u>	<u>25</u>	<u>18,588,427</u>	<u>30</u>
	NONCURRENT LIABILITIES				
2540	Long-term borrowings	11,799,757	15	11,100,000	18
2570	Deferred tax liabilities	2,142,641	3	2,064,540	4
2580	Lease liabilities - non-current	14,397,967	18	-	-
2640	Net defined benefit liability, non-current	-	-	89,001	-
2670	Other noncurrent liabilities	<u>100,514</u>	-	<u>192,091</u>	-
25XX	Total noncurrent liabilities	<u>28,440,879</u>	<u>36</u>	<u>13,445,632</u>	<u>22</u>
2XXX	Total liabilities	<u>48,648,810</u>	<u>61</u>	<u>32,034,059</u>	<u>52</u>
	EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
	Share Capital				
3110	Ordinary share	<u>14,169,406</u>	<u>18</u>	<u>14,169,406</u>	<u>23</u>
3200	Capital surplus	<u>3,327,466</u>	<u>4</u>	<u>3,315,420</u>	<u>5</u>
	Retained earnings				
3310	Legal reserve	3,298,695	4	3,166,880	5
3320	Special reserve	2,865,351	4	2,656,286	4
3350	Unappropriated earnings	<u>1,931,429</u>	<u>2</u>	<u>2,081,772</u>	<u>4</u>
3300	Total retained earnings	<u>8,095,475</u>	<u>10</u>	<u>7,904,938</u>	<u>13</u>
3400	Other equity	5,295,169	7	4,231,252	7
3500	Treasury stock	(97,110)	-	(97,110)	-
3XXX	Total equity attributable to owners of the Company	<u>30,790,406</u>	<u>39</u>	<u>29,523,906</u>	<u>48</u>
	TOTAL	<u>\$ 79,439,216</u>	<u>100</u>	<u>\$ 61,557,965</u>	<u>100</u>

(Concluded)

FAR EASTERN DEPARTMENT STORES, LTD

Statement of comprehensive income

Year ended Dec. 31, 2019 and 2018

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

C o d e		2019		2018	
		Year ended Dec. 31		Year ended Dec. 31	
		Amount	%	Amount	%
4000	REVENUES	\$ 10,614,744	100	\$ 10,781,588	100
5000	COSTS	<u>4,168,762</u>	<u>39</u>	<u>4,285,132</u>	<u>40</u>
5900	GROSS PROFIT	<u>6,445,982</u>	<u>61</u>	<u>6,496,456</u>	<u>60</u>
	OPERATING EXPENSES				
6100	Selling	378,762	4	375,165	4
6200	General and administrative	3,941,540	37	4,031,963	37
6450	Expected credit loss (Gain)	<u>513</u>	<u>-</u>	<u>(11)</u>	<u>-</u>
6000	Total operating expenses	<u>4,320,815</u>	<u>41</u>	<u>4,407,117</u>	<u>41</u>
6900	OPERATING INCOME	<u>2,125,167</u>	<u>20</u>	<u>2,089,339</u>	<u>19</u>
	NONOPERATING INCOME AND EXPENSES				
7010	Other income	177,484	2	335,487	3
7020	Other gains and losses	(28,844)	-	(14,332)	-
7050	Finance costs	(377,869)	(4)	(169,089)	(1)
7070	Share of profit (loss) of subsidiaries and associates accounted for using equity method	<u>298,615</u>	<u>3</u>	<u>(607,556)</u>	<u>(6)</u>
7000	Total Non-operating income and expenses	<u>69,386</u>	<u>1</u>	<u>(455,490)</u>	<u>(4)</u>
7900	INCOME BEFORE INCOME TAX	2,194,553	21	1,633,849	15
7950	INCOME TAX EXPENSE	<u>412,710</u>	<u>4</u>	<u>315,699</u>	<u>3</u>
8200	NET INCOME	<u>1,781,843</u>	<u>17</u>	<u>1,318,150</u>	<u>12</u>

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C o d e		2019		2018	
		Year ended Dec. 31		Year ended Dec. 31	
		Amount	%	Amount	%
	OTHER COMPREHENSIVE INCOME				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Gains (losses) on remeasurements of defined benefit plans	288,102	3	(5,559)	-
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	746,698	7	311,658	3
8330	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income	307,216	3	390,615	4
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(57,620)	(1)	5,528	-
		<u>1,284,396</u>	<u>12</u>	<u>702,242</u>	<u>7</u>
8360	Components of other comprehensive income that will be reclassified to profit or loss				
8380	Share of other comprehensive income of subsidiaries and associates accounted for using equity method	(22,191)	-	9,034	-
		(22,191)	-	9,034	-
8300	Total other comprehensive income, net	<u>1,262,205</u>	<u>12</u>	<u>711,276</u>	<u>7</u>
8500	COMPREHENSIVE INCOME	<u>\$ 3,044,048</u>	<u>29</u>	<u>\$ 2,029,426</u>	<u>19</u>
	EARNINGS PER SHARE				
9750	Basic	<u>\$ 1.26</u>		<u>\$ 0.94</u>	
9850	Diluted	<u>\$ 1.26</u>		<u>\$ 0.93</u>	

(Concluded)

FAR EASTERN DEPARTMENT STORES, LTD.

STATEMENTS OF CASH FLOWS

Year ended Dec. 31, 2019 and 2018

(In thousands of New Taiwan Dollars)

<u>C o d e</u>		<u>2019</u> Year ended Dec. 31	<u>2018</u> Year ended Dec. 31
	CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
A00010	INCOME BEFORE INCOME TAX	\$ 2,194,553	\$ 1,633,849
A20010	Adjustments to reconcile profit(loss)		
A20100	Depreciation expense	1,654,458	1,016,063
A20200	Amortization expense	26,757	18,678
A20300	Expected credit loss (gain)	513	(11)
A29900	Amortization of prepayments	-	476
A20900	Finance costs	377,869	169,089
A22400	Share of loss (profit) of subsidiaries and associates accounted for using equity method	(298,615)	607,556
A21200	Interest income	(242)	(160)
A21300	Dividend income	(177,242)	(85,322)
A22500	Loss (gain) on disposal of property, plant and equipment, net	6,229	6,439
A22700	Loss (gain) on disposal of Investment property, net	247	90,700
A24600	Loss (gain) on change in fair value of investment properties	75,802	(32,218)
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	137	(140)
A31150	Accounts receivable	363,880	(261,485)
A31160	Notes and accounts receivable due from related parties	(9,482)	(11,805)
A31180	Other receivable	58,349	(251,557)
A31200	Inventories	(134,788)	(47,108)
A31230	Prepayments	22,134	(15,109)
A31240	Other current assets	(51,027)	(2,372)
A32125	Contract liability-Current	176,694	166,895
A32150	Accounts payable	(1,266,804)	(148,006)
A32160	Accounts payable to related parties	(19,205)	(8,907)
A32180	Other payables	51,696	26,491
A32210	Advance receipts	89,656	36,068
A32230	Other current liabilities	(412)	41,344
A32240	Net defined benefit liability	(34,934)	(154,066)
A33000	Cash inflow (outflow) generated from operations	3,106,223	2,795,382
A33300	Interests paid	(427,523)	(210,771)

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<u>C o d e</u>		<u>2019</u> <u>Year ended Dec. 31</u>	<u>2018</u> <u>Year ended Dec. 31</u>
A33100	Interests received	242	160
A33200	Dividends received	332,030	378,552
A33400	Income tax returned	-	170
A33500	Income taxes paid	(257,461)	(186,940)
AAAA	Net cash flows from (used in) operating activities	<u>2,753,511</u>	<u>2,776,553</u>
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES			
B00040	Acquisition of financial assets at amortised cost	-	(25,095)
B00050	Proceeds from disposal of financial assets at amortized cost	224	-
B01800	Acquisition of investments accounted for using equity method	(400,000)	-
B02700	Acquisition of property, plant and equipment	(986,290)	(1,272,504)
B02800	Proceeds from disposal of property, plant and equipment	39	26
B05400	Acquisition of investment properties	(8,369)	(306)
B06800	Decrease (increase) in other non-current assets	(1,421,459)	(54,007)
B04500	Acquisition of intangible assets	(26,080)	(13,155)
BBBB	Net cash flows from (used in) investing activities	<u>(2,841,935)</u>	<u>(1,365,041)</u>
Cash flows from (used in) financing activities			
C00100	Increase in short-term loans	77,850,000	93,400,000
C00200	Decrease in short-term loans	(79,560,000)	(92,990,000)
C00500	Increase in short-term notes and bills payable	22,093,578	16,610,243
C00600	Decrease in short-term notes and bills payable	(21,893,298)	(16,010,399)
C01600	Proceeds from long-term debt	65,199,757	61,000,000
C01700	Repayment of long-term debt	(62,000,000)	(62,000,000)
C04020	Payments of lease liabilities	(620,491)	-
C04300	Increase in other non-current liabilities	13,791	8,561
C04500	Dividends paid	(1,202,733)	(1,414,847)
CCCC	Net cash flows from (used in) financing activities	<u>(119,396)</u>	<u>(1,396,442)</u>
EEEE	Net increase (decrease) in cash and cash equivalents	(207,820)	15,070
E00100	Cash and cash equivalents at end of period	<u>746,181</u>	<u>731,111</u>
E00200	Cash and cash equivalents at end of period	<u>\$ 538,361</u>	<u>\$ 746,181</u>

(Concluded)