

FAR EASTERN DEPARTMENT STORES, LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
Dec. 31, 2020 and Dec. 31, 2019
(In thousands of New Taiwan Dollars, Except Par Value)

Code	Assets	2020/12/31		2019/12/31	
		Amount	%	Amount	%
	CURRENT ASSETS				
1100	Cash and cash equivalents	\$ 14,791,434	12	\$ 13,424,223	10
1110	Financial assets at fair value through profit or loss - current	450,046	-	457,256	1
1120	Current financial assets at fair value through other comprehensive income	278,539	-	297,456	-
1136	Current financial assets at amortized cost	1,171,058	1	1,443,974	1
1150	Notes receivable	1,864	-	1,132	-
1170	Accounts receivable	600,242	-	744,436	1
1180	Accounts receivable due from related parties	124,738	-	161,935	-
1200	Other receivables	1,007,684	1	915,309	1
1220	Current tax assets	1,063	-	10,812	-
130X	Inventories	2,374,459	2	2,780,889	2
1410	Prepayments	211,102	-	398,558	-
1470	Other current assets	103,887	-	110,095	-
11XX	Total current assets	<u>21,116,116</u>	<u>16</u>	<u>20,746,075</u>	<u>16</u>
	NONCURRENT ASSETS				
1517	Non-current financial assets at fair value through other comprehensive income	4,659,302	4	5,030,564	4
1535	Non-current financial assets at amortized cost	24,000	-	146,000	-
1550	Investments accounted for by equity method	10,164,724	8	10,107,165	8
1600	Property, plant and equipment	33,945,566	26	34,323,257	26
1755	Right-of-use assets	42,712,637	33	44,764,810	34
1760	Investment properties	9,021,607	7	9,086,641	7
1780	Intangible assets	2,581,127	2	2,477,815	2
1840	Deferred tax assets	572,186	1	589,225	-
1975	Net defined benefit asset	205,863	-	234,035	-
1985	Long-term prepayments for lease	1,517,865	1	1,060,658	1
1990	Other noncurrent assets	1,902,776	2	1,944,860	2
15XX	Total noncurrent assets	<u>107,307,653</u>	<u>84</u>	<u>109,765,030</u>	<u>84</u>
1XXX	TOTAL	<u>\$ 128,423,769</u>	<u>100</u>	<u>\$ 130,511,105</u>	<u>100</u>
	LIABILITIES AND EQUITY				
	CURRENT LIABILITIES				
2100	Short-term debts	\$ 9,045,746	7	\$ 9,630,896	7
2110	Short-term notes and bills payable	3,729,003	3	3,622,993	3
2130	Contract liabilities-Current	8,121,734	6	7,770,828	6
2150	Notes payable	6,626	-	3,184	-
2170	Accounts payable	15,844,472	12	15,120,910	11
2180	Notes and accounts payable to related parties	68,101	-	93,455	-
2200	Other payables	3,721,330	3	3,971,660	3
2230	Current tax liabilities	485,553	1	772,780	1
2250	Provision-current	3,000	-	3,000	-
2280	Current lease liabilities	3,473,928	3	3,381,049	3
2310	Advance receipts	510,474	1	440,970	-
2322	Long-term borrowings - current portion	299,933	-	2,540,000	2
2399	Other current liabilities	373,784	-	315,976	-
21XX	Total current liabilities	<u>45,683,684</u>	<u>36</u>	<u>47,667,701</u>	<u>36</u>
	NONCURRENT LIABILITIES				
2540	Long-term borrowings	15,139,828	12	14,999,757	12
2550	Provision-noncurrent	25,047	-	24,823	-
2570	Deferred tax liabilities	2,348,055	2	2,312,954	2
2580	Lease liabilities - non-current	24,335,088	19	25,406,473	19
2640	Net defined benefit liability, non-current	737,454	-	738,431	1
2670	Other noncurrent liabilities	366,325	-	457,159	-
25XX	Total noncurrent liabilities	<u>42,951,797</u>	<u>33</u>	<u>43,939,597</u>	<u>34</u>
2XXX	Total liabilities	<u>88,635,481</u>	<u>69</u>	<u>91,607,298</u>	<u>70</u>
	EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
	Share Capital				
3110	Ordinary share	14,169,406	11	14,169,406	11
3200	Capital surplus	3,338,791	2	3,327,466	3
	Retained earnings				
3310	Legal reserve	3,424,615	3	3,298,695	3
3320	Special reserve	2,709,263	2	2,865,351	2
3350	Unappropriated earnings	2,695,084	2	1,931,429	1
3300	Total retained earnings	<u>8,828,962</u>	<u>7</u>	<u>8,095,475</u>	<u>6</u>
3400	Other equity	4,953,871	4	5,295,169	4
3500	Treasury stock	(97,110)	-	(97,110)	-
31XX	Total equity attributable to owners of the Company	<u>31,193,920</u>	<u>24</u>	<u>30,790,406</u>	<u>24</u>
36XX	NON-CONTROLLING INTERESTS	<u>8,594,368</u>	<u>7</u>	<u>8,113,401</u>	<u>6</u>
3XXX	Total equity	<u>39,788,288</u>	<u>31</u>	<u>38,903,807</u>	<u>30</u>
	TOTAL	<u>\$ 128,423,769</u>	<u>100</u>	<u>\$ 130,511,105</u>	<u>100</u>

(Concluded)

FAR EASTERN DEPARTMENT STORES, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Year ended Dec. 31, 2020 and 2019

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

<u>C o d e</u>		2020		2019	
		Year ended Dec. 31	%	Year ended Dec. 31	%
		Amount	%	Amount	%
4000	REVENUES	\$ 37,287,949	100	\$ 37,896,062	100
5000	COSTS	<u>18,580,671</u>	<u>50</u>	<u>18,253,449</u>	<u>48</u>
5900	GROSS PROFIT	<u>18,707,278</u>	<u>50</u>	<u>19,642,613</u>	<u>52</u>
	OPERATING EXPENSES				
6100	Selling	987,735	3	891,625	2
6200	General and administrative	13,639,718	36	14,211,781	38
6450	Expected credit loss (Gain)	(<u>5,139</u>)	<u>-</u>	<u>556</u>	<u>-</u>
6000	Total operating expenses	<u>14,622,314</u>	<u>39</u>	<u>15,103,962</u>	<u>40</u>
6900	OPERATING INCOME	<u>4,084,964</u>	<u>11</u>	<u>4,538,651</u>	<u>12</u>
	NONOPERATING INCOME AND EXPENSES				
7100	Interest income	66,244	-	90,449	-
7010	Other income	312,581	1	286,299	1
7020	Other gains and losses	(651,295)	(2)	(1,035,197)	(3)
7050	Finance costs	(851,591)	(2)	(835,329)	(2)
7060	Share of profit (loss) of associates accounted for using equity method	<u>39,868</u>	<u>-</u>	<u>58,065</u>	<u>-</u>
7000	Total Non-operating income and expenses	(<u>1,084,193</u>)	(<u>3</u>)	(<u>1,435,713</u>)	(<u>4</u>)
7900	INCOME BEFORE INCOME TAX	3,000,771	8	3,102,938	8
7950	INCOME TAX EXPENSE	<u>455,874</u>	<u>1</u>	<u>950,669</u>	<u>2</u>
8200	NET INCOME	<u>2,544,897</u>	<u>7</u>	<u>2,152,269</u>	<u>6</u>

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C o d e		2020		2019	
		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				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(\$ 384,300)	(1)	\$ 1,118,564	3
8311	Gains (losses) on remeasurements of defined benefit plans	(96,805)	-	230,902	-
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income	31,283	-	(61,630)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	19,377	-	(46,260)	-
		<u>(430,445)</u>	<u>(1)</u>	<u>1,241,576</u>	<u>3</u>
8360	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Exchange differences on translation	(25,068)	-	53,578	-
8370	Share of other comprehensive income of associates accounted for using equity method	25,525	-	(57,504)	-
		<u>457</u>	<u>-</u>	<u>(3,926)</u>	<u>-</u>
8300	Total other comprehensive income, net	<u>(429,988)</u>	<u>(1)</u>	<u>1,237,650</u>	<u>3</u>
8500	COMPREHENSIVE INCOME	<u>\$ 2,114,909</u>	<u>6</u>	<u>\$ 3,389,919</u>	<u>9</u>
8600	NET INCOME ATTRIBUTED TO :				
8610	Owners of parent	\$ 1,939,139	5	\$ 1,781,843	5
8620	Non-controlling interests	605,758	2	370,426	1
		<u>\$ 2,544,897</u>	<u>7</u>	<u>\$ 2,152,269</u>	<u>6</u>
8700	COMPREHENSIVE INCOME CONTRIBUTED TO :				
8710	Owners of parent	\$ 1,525,741	4	\$ 3,044,048	8
8720	Non-controlling interests	589,168	2	345,871	1
	COMPREHENSIVE INCOME	<u>\$ 2,114,909</u>	<u>6</u>	<u>\$ 3,389,919</u>	<u>9</u>
	NET INCOME ATTRIBUTED TO :				
9750	Basic	<u>\$ 1.38</u>		<u>\$ 1.26</u>	
9850	Diluted	<u>\$ 1.37</u>		<u>\$ 1.26</u>	

(Concluded)

FAR EASTERN DEPARTMENT STORES, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

Year ended Dec. 31, 2020 and 2019

(In thousands of New Taiwan Dollars)

<u>C o d e</u>		<u>2020</u> Year ended Dec. 31	<u>2019</u> Year ended Dec. 31
	CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
A00010	INCOME BEFORE INCOME TAX	\$ 3,000,771	\$ 3,102,938
A20010	Adjustments to reconcile profit(loss)		
A20100	Depreciation expense	5,790,171	5,555,195
A20200	Amortization expense	83,971	60,149
A20300	Reversal of expected credit loss (gain)	(5,139)	556
A20400	Net loss (gain) on financial assets or liabilities at fair value through profit or loss	11,520	(691)
A20900	Finance costs	851,591	835,329
A21200	Interest income	(66,244)	(90,449)
A21300	Dividend income	(312,581)	(286,299)
A22300	Share of loss (profit) of associates accounted for using equity method	(39,868)	(58,065)
A22500	Loss (gain) on disposal of property, plant and equipment, net	17,035	84,473
A22800	Losses on disposals of intangible assets	-	1,435
A22900	Gain on disposal of use-of-right assets	(5,935)	(678)
A23100	Loss (gain) on disposal of investments	(553)	(291)
A23700	Impairment loss on intangible assets	6,384	1,095,884
A23700	Impairment loss recognized on property, plant and equipment	16,853	-
A23700	Impairment loss recognized on Right-of-use assets	613,770	-
A23800	Loss for market price decline and obsolete and slow-moving inventories	(32)	(9,418)
A24600	Loss (gain) on change in fair value of investment properties	71,617	151,597
A29900	Amortization of prepayments	39,674	12,544
A29900	Lease liabilities concessions	(280,698)	-
A29900	Reversal unrealized purchase discounts	(210)	(400)
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)	(18,527)
A31130	Notes receivable	(732)	1,155
A31150	Accounts receivable	144,075	836,753
A31160	Notes and accounts receivable due from related parties	38,282	(3,995)

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C o d e		2020		2019	
		Year ended Dec. 31		Year ended Dec. 31	
A31180	Other receivable	(\$	120,004)	\$	8,008
A31200	Inventories		406,672	(	41,837)
A31230	Prepayments		188,606		90,044
A31240	Other current assets		6,208	(	24,297)
A32125	Contract liability-Current		350,906		245,360
A32130	Notes payable		3,442	(	499)
A32150	Accounts payable		723,562	(	2,458,543)
A32160	Notes and accounts payable to related parties	(	25,354 )	(	11,544)
A32180	Other payables	(	58,840 )	(	519,160)
A32200	Provisions		-	(	4,050)
A32210	Advance receipts		239,964		226,939
A32230	Other current liabilities		57,808	(	4,971)
A32240	Net defined benefit liability	(	53,507 )	(	125,339)
A33000	Cash inflow (outflow) generated from operations		11,677,825		8,649,306
A33200	Dividends received		431,307		317,922
A33300	Interests paid	(	796,027 )	(	854,447)
A33100	Interests received		62,228		109,832
A33500	Income tax returned		2,801		2,191
A33500	Income taxes paid	(	690,968 )	(	337,318)
AAAA	Net cash flows from (used in) operating activities		<u>10,687,166</u>		<u>7,887,486</u>
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES					
B00010	Acquisition of financial assets at fair value through other comprehensive income	(	41,279 )	(	4,744)
B00020	Disposal of financial assets at fair value through other comprehensive income		46,717		-
B00040	Acquisition of financial assets at amortized cost	(	1,305,880 )	(	2,147,035)
B00050	Proceeds from disposal of financial assets at amortised cost		1,706,277		2,857,542
B01800	Acquisition of investments accounted for using equity method		-	(	1,605,034)
B00200	Disposal of investments accounted for using equity method		11,603		-
B02100	Decrease in prepayments for long-term investment		-		25,383
B02700	Acquisition of property, plant and equipment	(	2,011,132 )	(	1,801,799)
B02800	Proceeds from disposal of property, plant and equipment		1,473		39,189
B04200	Decrease in other receivables		-		1,225,948
B04500	Acquisition of intangible assets	(	193,635 )	(	173,406)
B04600	Proceeds from disposal of intangible assets		-		139
B05350	Acquisition of Right-of-use assets	(110,833)		-

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<u>C o d e</u>		<u>2020</u> <u>Year ended Dec. 31</u>	<u>2019</u> <u>Year ended Dec. 31</u>
B05400	Acquisition of investment properties	(\$ 6,583)	(\$ 8,015)
B06800	Increase (decrease) in other non-current assets	(509,118)	(1,924,566)
BBBB	Net cash flows from (used in) investing activities	(2,412,390)	(3,516,398)
	Cash flows from (used in) financing activities		
C00100	Increase in short-term loans	115,681,868	139,427,113
C00200	Decrease in short-term loans	(116,326,590)	(142,602,371)
C00500	Increase in short-term notes and bills payable	35,197,389	36,935,184
C00600	Decrease in short-term notes and bills payable	(35,091,379)	(36,792,556)
C01600	Proceeds from long-term debt	103,720,004	79,279,757
C01700	Repayment of long-term debt	(105,820,000)	(76,830,000)
C04020	Payments of lease liabilities	(2,957,964)	(3,386,357)
C04400	Decrease in other non-current liabilities	(90,834)	(36,410)
C04500	Dividends paid to owners of the Corporation	(1,131,061)	(1,202,733)
C05800	Dividends paid to non-controlling interests	(117,859)	(198,624)
CCCC	Net cash flows from (used in) financing activities	(6,936,426)	(5,406,997)
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>28,861</u>	(<u>134,715</u>)
EEEE	Net increase (decrease) in cash and cash equivalents	1,367,211	(1,170,624)
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>\$ 14,791,434</u>	<u>\$ 13,424,223</u>

(Concluded)