

FAR EASTERN DEPARTMENT STORES, LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
Dec. 31, 2022 and Dec. 31, 2021
(In thousands of New Taiwan Dollars, Except Par Value)

Code	Assets	2022/12/31		2021/12/31	
		Amount	%	Amount	%
	CURRENT ASSETS				
1100	Cash and cash equivalents	\$ 17,254,680	14	\$ 19,532,090	15
1110	Financial assets at fair value through profit or loss - current	284,762	-	434,650	-
1120	Current financial assets at fair value through other comprehensive income	840,485	1	262,709	-
1136	Current financial assets at amortized cost	2,210,526	2	1,184,222	1
1150	Notes receivable	471	-	671	-
1170	Accounts receivable	1,162,412	1	1,178,651	1
1180	Accounts receivable due from related parties	152,611	-	169,643	-
1200	Other receivables	703,143	-	904,572	1
1220	Current tax assets	2,746	-	991	-
130X	Inventories	2,372,926	2	2,441,255	2
1410	Prepayments	267,762	-	265,776	-
1470	Other current assets	56,533	-	60,485	-
11XX	Total current assets	<u>25,309,057</u>	<u>20</u>	<u>26,435,715</u>	<u>20</u>
	NONCURRENT ASSETS				
1517	Non-current financial assets at fair value through other comprehensive income	4,627,437	4	4,815,595	4
1535	Non-current financial assets at amortized cost	123,200	-	123,000	-
1550	Investments accounted for by equity method	9,749,294	8	10,151,421	8
1600	Property, plant and equipment	33,279,076	26	33,782,868	26
1755	Right-of-use assets	39,630,425	31	39,551,296	30
1760	Investment properties	8,971,146	7	8,978,133	7
1780	Intangible assets	2,413,602	2	2,428,534	2
1840	Deferred tax assets	542,784	-	597,004	1
1975	Net defined benefit asset	285,329	-	196,769	-
1985	Long-term prepayments for lease	-	-	1,844,391	1
1990	Other noncurrent assets	1,970,204	2	1,822,585	1
15XX	Total noncurrent assets	<u>101,592,497</u>	<u>80</u>	<u>104,291,596</u>	<u>80</u>
1XXX	TOTAL	<u>\$ 126,901,554</u>	<u>100</u>	<u>\$ 130,727,311</u>	<u>100</u>
	LIABILITIES AND EQUITY				
	CURRENT LIABILITIES				
2100	Short-term debts	\$ 13,722,144	11	\$ 9,868,799	8
2110	Short-term notes and bills payable	1,590,845	1	3,190,706	3
2130	Contract liabilities-Current	10,279,939	8	9,659,984	7
2150	Notes payable	3,500	-	5,830	-
2170	Accounts payable	17,050,545	13	16,806,804	13
2180	Notes and accounts payable to related parties	116,859	-	96,397	-
2200	Other payables	4,089,361	3	3,768,878	3
2230	Current tax liabilities	626,356	1	470,027	-
2250	Provision-current	3,000	-	3,000	-
2280	Current lease liabilities	3,191,599	3	3,189,336	3
2310	Advance receipts	509,317	-	517,771	-
2322	Long-term borrowings – current portion	950,000	1	-	-
2399	Other current liabilities	395,209	-	395,085	-
21XX	Total current liabilities	<u>52,528,674</u>	<u>41</u>	<u>47,972,617</u>	<u>37</u>
	NONCURRENT LIABILITIES				
2540	Long-term borrowings	\$ 9,900,000	8	\$ 17,589,721	13
2550	Provision-noncurrent	25,500	-	25,272	-
2570	Deferred tax liabilities	2,308,498	2	2,295,710	2
2580	Lease liabilities - non-current	20,489,572	16	21,763,708	17
2640	Net defined benefit liability, non-current	581,832	1	718,441	1
2670	Other noncurrent liabilities	520,214	-	526,684	-
25XX	Total noncurrent liabilities	<u>33,825,616</u>	<u>27</u>	<u>42,919,536</u>	<u>33</u>
2XXX	Total liabilities	<u>86,354,290</u>	<u>68</u>	<u>90,892,153</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	3,341,024	3	3,340,982	3
	Retained earnings				
3310	Legal reserve	3,729,018	3	3,611,319	3
3320	Special reserve	2,657,978	2	2,619,569	2
3350	Unappropriated earnings	2,798,561	2	2,216,433	1
3300	Total retained earnings	9,185,557	7	8,447,321	6
3400	Other equity	4,940,666	4	5,188,031	4
3500	Treasury stock	(97,110)	-	(97,110)	-
31XX	Total equity attributable to owners of the Company	31,539,543	25	31,048,630	24
36XX	NON-CONTROLLING INTERESTS	9,007,721	7	8,786,528	6
3XXX	Total equity	<u>40,547,264</u>	<u>32</u>	<u>39,835,158</u>	<u>30</u>
	TOTAL	<u>\$ 126,901,554</u>	<u>100</u>	<u>\$ 130,727,311</u>	<u>100</u>

(Concluded)

FAR EASTERN DEPARTMENT STORES, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Year ended Dec. 31, 2022 and 2021

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

C o d e		2022		2021	
		Year ended Dec. 31		Year ended Dec. 31	
		Amount	%	Amount	%
4000	REVENUES	\$ 35,863,910	100	\$ 35,308,464	100
5000	COSTS	<u>16,544,425</u>	<u>46</u>	<u>17,898,398</u>	<u>51</u>
5900	GROSS PROFIT	<u>19,319,485</u>	<u>54</u>	<u>17,410,066</u>	<u>49</u>
	OPERATING EXPENSES				
6100	Selling	896,918	2	868,950	2
6200	General and administrative	13,977,027	39	12,908,103	37
6450	Expected credit loss (Gain)	(<u>826</u>)	<u>-</u>	<u>367</u>	<u>-</u>
6000	Total operating expenses	<u>14,873,119</u>	<u>41</u>	<u>13,777,420</u>	<u>39</u>
6900	OPERATING INCOME	<u>4,446,366</u>	<u>13</u>	<u>3,632,646</u>	<u>10</u>
	NONOPERATING INCOME AND EXPENSES				
7100	Interest income	92,888	-	57,683	-
7010	Other income	357,816	1	318,847	1
7020	Other gains and losses	(347,821)	(1)	(748,359)	(2)
7050	Finance costs	(869,978)	(2)	(796,860)	(2)
7060	Share of profit (loss) of associates accounted for using equity method	(<u>170,711</u>)	(<u>1</u>)	(<u>27,562</u>)	<u>-</u>
7000	Total Non-operating income and expenses	(<u>937,806</u>)	(<u>3</u>)	(<u>1,196,251</u>)	(<u>3</u>)
7900	INCOME BEFORE INCOME TAX	3,508,560	10	2,436,395	7
7950	INCOME TAX EXPENSE	<u>803,394</u>	<u>3</u>	<u>531,079</u>	<u>2</u>
8200	NET INCOME	<u>2,705,166</u>	<u>7</u>	<u>1,905,316</u>	<u>5</u>

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C o d e		2022		2021	
		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	(\$ 105,862)	-	\$ 169,399	1
8311	Gains (losses) on remeasurements of defined benefit plans	128,947	-	(48,000)	-
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income	(79,295)	-	79,079	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(25,499)	-	9,648	-
		(81,709)	-	210,126	1
8360	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Exchange differences on translation	(48,973)	-	4,859	-
8370	Share of other comprehensive income of associates accounted for using equity method	(25,615)	-	(6,726)	-
		(74,588)	-	(1,867)	-
8300	Total other comprehensive income, net	(156,297)	-	208,259	1
8500	COMPREHENSIVE INCOME	<u>\$ 2,548,869</u>	<u>7</u>	<u>\$ 2,113,575</u>	<u>6</u>
8600	NET INCOME ATTRIBUTED TO :				
8610	Owners of parent	\$ 1,930,174	6	\$ 1,208,100	3
8620	Non-controlling interests	774,992	2	697,216	2
		<u>\$ 2,705,166</u>	<u>8</u>	<u>\$ 1,905,316</u>	<u>5</u>
8700	TOTAL COMPREHENSIVE INCOME ATTRIBUTED TO :				
8710	Owners of the Company	\$ 1,766,118	5	\$ 1,411,154	4
8720	Non-controlling interests	782,751	2	702,421	2
		<u>\$ 2,548,869</u>	<u>7</u>	<u>\$ 2,113,575</u>	<u>6</u>
	EARNINGS PER SHARE :				
9750	Basic	<u>\$ 1.37</u>		<u>\$ 0.86</u>	
9850	Diluted	<u>\$ 1.37</u>		<u>\$ 0.86</u>	

(Concluded)

FAR EASTERN DEPARTMENT STORES, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

Year ended Dec. 31, 2022 and 2021

(In thousands of New Taiwan Dollars)

<u>C o d e</u>		<u>2022</u> <u>Year ended Dec. 31</u>	<u>2021</u> <u>Year ended Dec. 31</u>
	CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
A00010	INCOME BEFORE INCOME TAX	\$ 3,508,560	\$ 2,436,395
A20010	Adjustments to reconcile profit(loss)		
A20100	Depreciation expense	5,534,369	5,230,418
A20200	Amortization expense	70,246	79,021
A20300	Expected credit loss (gain)	212,589	367
A20400	Net loss (gain) on financial assets or liabilities at fair value through profit or loss	8,510	163
A20900	Finance costs	869,978	796,860
A21200	Interest income	(92,888)	(57,683)
A21300	Dividend income	(357,816)	(318,847)
A22300	Share of loss (profit) of associates accounted for using equity method	170,711	27,562
A22500	Loss (gain) on disposal of property, plant and equipment, net	14,660	5,242
A22800	Losses on disposals of intangible assets	1,090	28
A22900	Gain (loss) on modifications of lease	-	(73)
A23100	Loss (gain) on disposal of investments	(3,266)	(4,330)
A23700	Impairment loss on intangible assets	-	437,462
A23700	Impairment loss recognized on property, plant and equipment	(64,393)	252,499
A23700	Impairment loss recognized on Right-of-use assets	432,343	231,371
A23800	Gain for market price decline and obsolete and slow-moving inventories	(10,271)	(2,463)
A24600	Loss (gain) on change in fair value of investment properties	8,083	44,277
A29900	Amortization of prepayments	36,100	61,219
A29900	Lease liabilities concessions	(149,877)	(227,979)
A29900	Reversal unrealized purchase discounts	917	389
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	144,644	(18,979)
A31130	Notes receivable	200	1,193
A31150	Accounts receivable	16,261	(581,023)
A31160	Notes and accounts receivable due from related parties	17,999	(42,437)

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C o d e		2022	2021
		Year ended Dec. 31	Year ended Dec. 31
A31180	Other receivable	(\$ 14,790)	\$ 83,609
A31200	Inventories	77,683	(64,722)
A31230	Prepayments	(32,298)	(25,076)
A31240	Other current assets	3,952	43,402
A32125	Contract liability-Current	619,955	1,538,250
A32130	Notes payable	(2,330)	(796)
A32150	Accounts payable	243,741	962,332
A32160	Notes and accounts payable to related parties	20,462	28,296
A32180	Other payables	89,027	194,707
A32210	Provisions	167,831	157,659
A32230	Advance receipts	124	15,687
	Net defined benefit assets	(88,560)	9,094
A32240	Net defined benefit liability	(18,158)	(51,700)
A33000	Cash inflow (outflow) generated from operations	11,435,388	11,241,394
A33200	Dividends received	508,921	441,004
A33300	Interests paid	(772,109)	(746,919)
A33100	Interests received	92,081	51,314
A33500	Income tax returned	214	287
A33500	Income taxes paid	(585,121)	(616,711)
AAAA	Net cash flows from (used in) operating activities	<u>10,679,374</u>	<u>10,370,369</u>
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES			
B00010	Acquisition of financial assets at fair value through other comprehensive income	(539,724)	(37,894)
B00020	Disposal of financial assets at fair value through other comprehensive income	45,134	66,595
B00040	Acquisition of financial assets at amortized cost	(5,580,738)	(3,785,778)
B00050	Proceeds from disposal of financial assets at amortized cost	4,557,744	3,672,710
B01800	Acquisition of investments accounted for using equity method	-	(42,358)
B00200	Disposal of investments accounted for using equity method	-	38,542
B02700	Acquisition of property, plant and equipment	(1,480,356)	(2,317,029)
B02800	Proceeds from disposal of property, plant and equipment	148	13,793
B04500	Acquisition of intangible assets	(56,385)	(156,329)
B05350	Acquisition of Right-of-use assets	(383,089)	(152,185)
B05400	Acquisition of investment properties	(1,096)	(803)
B06800	Increase (decrease) in other non-current assets	(134,260)	(311,585)
BBBB	Net cash flows from (used in) investing activities	<u>(3,572,622)</u>	<u>(3,012,321)</u>

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<u>C o d e</u>		<u>2022</u> <u>Year ended Dec. 31</u>	<u>2021</u> <u>Year ended Dec. 31</u>
	Cash flows from (used in) financing activities		
C00100	Increase in short-term loans	\$ 115,930,553	\$ 102,360,062
C00200	Decrease in short-term loans	(112,170,593)	(101,516,029)
C00500	Increase in short-term notes and bills payable	19,553,794	22,533,679
C00600	Decrease in short-term notes and bills payable	(21,153,655)	(23,071,976)
C01600	Proceeds from long-term debt	109,760,279	126,399,960
C01700	Repayment of long-term debt	(116,500,000)	(124,250,000)
C04020	Payments of lease liabilities	(2,969,151)	(2,990,437)
C04400	Decrease in other non-current liabilities	(10,364)	(42,940)
C04500	Dividends paid to owners of the Corporation	(1,273,077)	(1,556,294)
C05800	Dividends paid to non-controlling interests	(554,934)	(495,016)
CCCC	Net cash flows from (used in) financing activities	<u>(9,387,148)</u>	<u>(2,628,991)</u>
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>2,986</u>	<u>11,599</u>
EEEE	Net increase (decrease) in cash and cash equivalents	(2,277,410)	4,740,656
E00100	Cash and cash equivalents at beginning of period	<u>19,532,090</u>	<u>14,791,434</u>
E00200	Cash and cash equivalents at end of period	<u>\$ 17,254,680</u>	<u>\$ 19,532,090</u>

(Concluded)