

FAR EASTERN DEPARTMENT STORES, LTD
CONSOLIDATED BALANCE SHEETS
June 30, 2013, Dec. 31, 2012, June 30, 2012, and Jan. 1, 2012
(In thousands of New Taiwan Dollars, Except Par Value)

C o d e	Assets	2013/6/30		2012/12/31		2012/6/30		2012/1/1	
		Amount	%	Amount	%	Amount	%	Amount	%
	CURRENT ASSETS								
1100	Cash and cash equivalents	\$ 8,184,635	8	\$ 16,794,103	14	\$ 9,841,445	9	\$ 16,365,201	14
1110	Financial assets at fair value through profit or loss								
	— current	372,908	-	361,327	-	356,937	-	303,286	-
1125	Available-for-Sales financial Assets—current	524,236	1	511,192	1	474,600	1	471,920	1
1147	Bond investments without active mark-current	355,678	-	1,008,193	1	2,815,114	3	531,768	1
1150	Notes receivable	13,774	-	31,195	-	39,971	-	40,469	-
1170	Accounts receivable	1,180,043	1	1,470,752	1	1,029,135	1	1,242,025	1
1180	Accounts receivable due from related parties	36,090	-	50,977	-	34,120	-	101,458	-
1200	Other receivables	1,688,730	2	492,525	1	471,435	-	300,133	-
1220	Current tax asset	522,039	-	291,016	-	267,623	-	273,675	-
130X	Inventories	2,603,699	2	3,160,935	3	2,549,365	2	2,990,885	3
1429	Prepayments	601,307	1	846,206	1	727,271	1	976,100	1
1412	Prepayments for lease	319,375	-	318,565	-	318,923	-	319,201	-
1460	Non-current assets classified as held for sale	-	-	-	-	-	-	1,128,997	1
1470	Other current assets	84,840	-	70,694	-	90,649	-	99,740	-
11XX	Total current assets	<u>16,487,354</u>	<u>15</u>	<u>25,407,680</u>	<u>22</u>	<u>19,016,588</u>	<u>17</u>	<u>25,144,858</u>	<u>22</u>
	NON-CURRENT ASSETS								
1510	Financial assets at fair value—through profit or loss								
	— non-current	1,017,199	1	1,013,913	1	1,010,314	1	1,006,635	1
1523	Available-for-sale financial assets — non-current	4,652,078	4	5,468,512	5	5,254,399	5	5,040,384	4
1543	Financial assets carried at cost — non-current	776,313	1	718,583	1	803,601	1	680,253	-
1546	Bond investments without—active mark—								
	non-current	548,884	1	632,667	-	481,343	-	233,084	-
1550	Investments accounted for using equity method	9,052,068	8	8,811,079	7	8,775,827	8	8,733,465	8
1600	Property, plant and equipment	52,390,105	49	52,946,768	45	52,986,192	47	51,862,701	45
1760	Investment property	2,066,234	2	2,089,416	2	2,112,753	2	1,002,323	1
1780	Intangible assets	7,720,553	7	7,711,555	6	7,697,925	7	7,697,855	7
1840	Deferred tax assets	942,822	1	1,109,266	1	1,027,980	1	966,963	1
1975	Prepaid pension costs	219,960	-	222,666	-	369,470	-	369,869	-
1985	Prepayments for long-term lease	9,654,543	9	9,837,349	8	10,031,587	9	10,225,303	9
1990	Other non-current assets	2,025,663	2	1,902,572	2	2,027,110	2	2,048,808	2
15XX	Total non-current assets	<u>91,066,422</u>	<u>85</u>	<u>92,464,346</u>	<u>78</u>	<u>92,578,501</u>	<u>83</u>	<u>89,867,643</u>	<u>78</u>
1XXX	Total	<u>\$ 107,553,776</u>	<u>100</u>	<u>\$ 117,872,026</u>	<u>100</u>	<u>\$ 111,595,089</u>	<u>100</u>	<u>\$ 115,012,501</u>	<u>100</u>
	LIABILITIES AND STOCKHOLDERS' EQUITY								
	CURRENT LIABILITIES								
2100	Short-term borrowings	\$ 8,399,110	8	\$ 9,613,446	8	\$ 10,853,849	10	\$ 10,334,680	9
2110	Short-term notes and bills payable	3,691,579	4	4,648,862	4	4,813,635	4	3,636,195	3
2150	Notes payable	48,102	-	198,522	-	77,668	-	394,705	-
2170	Accounts payable	13,477,804	13	18,687,359	16	13,207,433	12	17,673,048	16
2180	Notes and accounts payable to related parties	82,141	-	170,962	-	84,814	-	157,796	-
2219	Other payables	7,961,984	7	8,439,193	7	9,940,101	9	10,138,084	9
2230	Current tax liabilities	178,836	-	563,223	1	608,029	1	1,152,903	1
2250	Current provisions	4,135	-	16,351	-	-	-	-	-
2313	Unearned revenue-current	86,065	-	63,770	-	50,241	-	81,921	-
2310	Advance receipts	7,518,615	7	7,449,114	6	7,178,657	6	6,778,184	6
2321	Bonds, current portion	3,674,149	3	1,200,000	1	-	-	-	-
2322	long-term borrowings, current portion	984,000	1	1,600,000	2	2,108,000	2	3,020,717	3
2399	Other current liability	223,738	-	168,630	-	168,578	-	303,732	-
21XX	Total current liability	<u>46,330,258</u>	<u>43</u>	<u>52,819,432</u>	<u>45</u>	<u>49,091,005</u>	<u>44</u>	<u>53,671,965</u>	<u>47</u>
	NON-CURRENT LIABILITIES								
2530	Bonds payable	1,000,000	1	3,454,937	3	4,635,873	4	4,616,958	4
2540	Long-term borrowings	20,962,255	19	21,992,207	19	20,119,645	18	18,490,187	16
2550	Non-current provisions	30,348	-	30,213	-	30,078	-	29,943	-
2640	Accrued pension liabilities	538,383	1	545,253	-	449,823	1	461,198	1
2570	Deferred tax liabilities	1,463,643	1	1,446,269	1	1,427,612	1	1,404,405	1
2670	Other non-current liabilities	2,774,846	3	2,710,010	2	2,669,513	2	2,625,517	2
25XX	Total non-current liabilities	<u>26,769,475</u>	<u>25</u>	<u>30,178,889</u>	<u>25</u>	<u>29,332,544</u>	<u>26</u>	<u>27,628,208</u>	<u>24</u>
2XXX	Total liabilities	<u>73,099,733</u>	<u>68</u>	<u>82,998,321</u>	<u>70</u>	<u>78,423,549</u>	<u>70</u>	<u>81,300,173</u>	<u>71</u>
	EQUITY ATTRIBUTABLE TO OWNERS OF PARENT								
	Share capital								
3110	Ordinary share	13,698,797	13	13,698,797	12	13,171,921	12	13,171,921	11
3150	Stock dividend to be distributed	410,964	-	-	-	526,876	-	-	-
3100	Total capital stock	<u>14,109,761</u>	<u>13</u>	<u>13,698,797</u>	<u>12</u>	<u>13,698,797</u>	<u>12</u>	<u>13,171,921</u>	<u>11</u>
3200	Capital surplus:	3,498,174	4	3,498,174	3	3,498,174	3	3,498,174	3
	Retained earnings								
3310	Legal reserve	2,358,917	2	2,189,631	2	2,189,631	2	1,975,319	2
3320	Special reserve	1,931,285	2	1,931,285	2	1,931,285	2	1,931,285	2
3350	Unappropriated earnings	2,373,480	2	3,086,960	2	2,212,656	2	3,705,232	3
3300	Total retained earnings	<u>6,663,682</u>	<u>6</u>	<u>7,207,876</u>	<u>6</u>	<u>6,333,572</u>	<u>6</u>	<u>7,611,836</u>	<u>7</u>
3400	Other equity interest	3,371,766	3	3,773,795	3	3,463,871	3	3,218,236	3
3500	Treasury Shares	(97,110)	-	(97,110)	-	(97,110)	-	(97,110)	-
31XX	Total equity attributable to owners of parent	<u>27,546,273</u>	<u>26</u>	<u>28,081,532</u>	<u>24</u>	<u>26,897,304</u>	<u>24</u>	<u>27,403,057</u>	<u>24</u>
36XX	Non-controlling interests	<u>6,907,770</u>	<u>6</u>	<u>6,792,173</u>	<u>6</u>	<u>6,274,236</u>	<u>6</u>	<u>6,309,271</u>	<u>5</u>
3XXX	Total equity	<u>34,454,043</u>	<u>32</u>	<u>34,873,705</u>	<u>30</u>	<u>33,171,540</u>	<u>30</u>	<u>33,712,328</u>	<u>29</u>
Total		<u>\$ 107,553,776</u>	<u>100</u>	<u>\$ 117,872,026</u>	<u>100</u>	<u>\$ 111,595,089</u>	<u>100</u>	<u>\$ 115,012,501</u>	<u>100</u>

FAR EASTERN DEPARTMENT STORES, LTD

Consolidated statement of comprehensive income

From Apr. 1 to June 30, 2013 and 2012, and Year ended June 30, 2013 and 2012

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

C o d e		From Apr. 1 to June 30, 2013		From Apr. 1 to June 30, 2012		Year ended June 30, 2013		Year ended June 30, 2012	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	REVENUES	\$10,917,147	100	\$11,103,588	100	\$22,414,361	100	\$22,778,723	100
5000	COSTS	<u>5,597,241</u>	<u>51</u>	<u>5,800,012</u>	<u>52</u>	<u>11,480,591</u>	<u>51</u>	<u>11,727,464</u>	<u>51</u>
5900	GROSS PROFIT	<u>5,319,906</u>	<u>49</u>	<u>5,303,576</u>	<u>48</u>	<u>10,933,770</u>	<u>49</u>	<u>11,051,259</u>	<u>49</u>
	OPERATING EXPENSES								
6100	Selling	326,094	3	322,561	3	652,694	3	661,270	3
6200	General and administrative	<u>4,686,952</u>	<u>43</u>	<u>4,617,784</u>	<u>42</u>	<u>9,227,040</u>	<u>41</u>	<u>9,034,973</u>	<u>40</u>
6000	Total operating expenses	<u>5,013,046</u>	<u>46</u>	<u>4,940,345</u>	<u>45</u>	<u>9,879,734</u>	<u>44</u>	<u>9,696,243</u>	<u>43</u>
6900	OPERATING INCOME	<u>306,860</u>	<u>3</u>	<u>363,231</u>	<u>3</u>	<u>1,054,036</u>	<u>5</u>	<u>1,355,016</u>	<u>6</u>
	NONOPERATING INCOME AND EXPENSES								
7190	Other income	36,633	-	31,177	-	78,152	-	69,310	-
7020	Other gains and losses	114,310	1	1,129	-	597,193	3	74,898	-
7050	Finance costs	(145,278)	(1)	(164,995)	(1)	(300,949)	(1)	(318,889)	(1)
7060	Share of profit (loss) of associates accounted for using equity method	<u>113,249</u>	<u>1</u>	<u>1,301</u>	<u>-</u>	<u>129,792</u>	<u>-</u>	<u>87,450</u>	<u>-</u>
7000	Total Non-operating income and expenses	<u>118,914</u>	<u>1</u>	<u>(131,388)</u>	<u>(1)</u>	<u>504,188</u>	<u>2</u>	<u>(87,231)</u>	<u>(1)</u>
7900	INCOME BEFORE INCOME TAX	425,774	4	231,843	2	1,558,224	7	1,267,785	5
7950	INCOME TAX EXPENSE	<u>154,267</u>	<u>1</u>	<u>357,409</u>	<u>3</u>	<u>349,192</u>	<u>1</u>	<u>485,467</u>	<u>2</u>
8200	NET INCOME	<u>271,507</u>	<u>3</u>	<u>(125,566)</u>	<u>(1)</u>	<u>1,209,032</u>	<u>6</u>	<u>782,318</u>	<u>3</u>
	OTHER COMPREHENSIVE INCOME								
8310	Other comprehensive income, before tax, exchange differences on translation	36,287	-	15,441	-	102,810	-	(57,597)	-
8325	Other comprehensive income, before tax, available-for-sale financial assets	108,740	1	28,333	-	(481,362)	(2)	216,695	1
8370	Share of other comprehensive income of associates accounted for using equity method	<u>88,461</u>	<u>1</u>	<u>22,134</u>	<u>-</u>	<u>6,227</u>	<u>-</u>	<u>63,196</u>	<u>-</u>
8300	Total other comprehensive income, net	<u>233,488</u>	<u>2</u>	<u>65,908</u>	<u>-</u>	<u>(372,325)</u>	<u>(2)</u>	<u>222,294</u>	<u>1</u>
8500	COMPREHENSIVE INCOME	<u>\$ 504,995</u>	<u>5</u>	<u>(\$ 59,658)</u>	<u>(1)</u>	<u>\$ 836,707</u>	<u>4</u>	<u>\$ 1,004,612</u>	<u>4</u>
	NET INCOME ATTRIBUTED TO :								
8610	Owners of parent	\$ 193,209	2	(\$ 72,810)	(1)	\$ 962,673	4	\$ 565,804	2
8620	Non-controlling interests	<u>78,298</u>	<u>-</u>	<u>(52,756)</u>	<u>-</u>	<u>246,359</u>	<u>1</u>	<u>216,514</u>	<u>1</u>
8600		<u>\$ 271,507</u>	<u>2</u>	<u>(\$ 125,566)</u>	<u>(1)</u>	<u>\$ 1,209,032</u>	<u>5</u>	<u>\$ 782,318</u>	<u>3</u>
	CONPREHENSIVE INCOME CONTRIBUTED TO :								
8710	Owners of parent	\$ 415,527	4	(\$ 8,504)	-	\$ 560,644	3	\$ 811,439	3
8720	Non-controlling interests	<u>89,468</u>	<u>1</u>	<u>(51,154)</u>	<u>(1)</u>	<u>276,063</u>	<u>1</u>	<u>193,173</u>	<u>1</u>
8700		<u>\$ 504,995</u>	<u>5</u>	<u>(\$ 59,658)</u>	<u>(1)</u>	<u>\$ 836,707</u>	<u>4</u>	<u>\$ 1,004,612</u>	<u>4</u>

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C o d e	From Apr. 1 to June 30, 2013		From Apr. 1 to June 30, 2012		Year ended June 30, 2013		Year ended June 30, 2012	
	Amount	%	Amount	%	Amount	%	Amount	%
	EARNINGS PER SHARE							
9750	Basic	<u>\$ 0.14</u>	<u>(\$ 0.05)</u>		<u>\$ 0.71</u>		<u>\$ 0.42</u>	
9850	Diluted	<u>\$ 0.14</u>	<u>(\$ 0.05)</u>		<u>\$ 0.70</u>		<u>\$ 0.41</u>	

(Concluded)

FAR EASTERN DEPARTMENT STORES, LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED June 30, 2013 AND 2012
(In thousands of New Taiwan Dollars)

<u>C o d e</u>		<u>Year ended June 30, 2013</u>	<u>Year ended June 30, 2012</u>
	CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
A00010	INCOME BEFORE INCOME TAX	\$ 1,558,224	\$ 1,267,785
A20000	Adjustments to reconcile profit(loss)		
A20100	Depreciation expense	1,429,787	1,363,220
A20200	Amortization expense	11,677	17,096
A20300	Gain on reversal of losses on doubtful debts	(2,735)	21,295
A20400	Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(14,867)	(7,330)
A20900	Finance costs	300,949	318,889
A29900	Reversal of provisions	(12,216)	-
A29900	Amortization of prepayments	6,962	6,987
A29900	Amortization of prepayments for lease	159,511	159,425
A29900	Reversing Unrealized purchase discounts and allowances	(12,500)	(23,591)
A29900	Reversing unearned revenue	(63,770)	(81,921)
A22300	Share of loss (profit) of associates accounted for using equity method	(129,792)	(87,450)
A21200	Interest income	(71,419)	(69,309)
A21300	Dividend income	(6,733)	(1)
A22500	Loss (gain) on disposal of property, plant and equipment	19,603	1,569
A23100	Loss (gain) on disposal of Available-for-Sales financial asset, net	(379,826)	-
A30000	Net changes in operating assets and liabilities		
A31110	Financial assets held for trading	-	(50,000)
A31130	Notes receivable	17,421	498
A31150	Accounts receivable	284,428	212,865
A31160	Notes and accounts receivable due from related parties	14,887	67,338
A31180	Other receivable	192,764	(122,626)
A31200	Inventories	569,736	465,111
A31230	Prepayments	245,330	247,174
A31240	Other current assets	(14,146)	9,091

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<u>C o d e</u>		<u>Year ended June 30, 2013</u>	<u>Year ended June 30, 2012</u>
A31990	Prepaid pension costs	2,706	399
A32130	Notes payable	(150,420)	(317,037)
A32150	Accounts payable	(5,209,555)	(4,465,615)
A32160	Notes and accounts payable to related parties	(88,821)	(72,982)
A32180	Other payables	(441,549)	(701,107)
A32210	Advance receipts	261,161	516,199
A32210	Unearned revenue	86,065	50,241
A32240	Accrued pension liabilities	(6,870)	(11,375)
A32230	Other current liabilities	<u>55,108</u>	<u>(135,154)</u>
A33000	Cash inflow (outflow) generated from operations	(1,388,900)	(1,420,316)
A33300	Interests paid	(235,615)	(330,601)
A33100	Interests received	58,267	68,206
A33500	Income taxes refund (paid)	<u>(770,985)</u>	<u>(1,096,677)</u>
AAAA	Net cash flows from (used in) operating activities	<u>(2,337,233)</u>	<u>(2,779,388)</u>
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES			
B00400	Proceeds from disposal of available-for-sale financial assets	701,854	-
B00600	Decrease (increase) in bond investments without active market	736,298	(2,531,605)
B01200	Acquisition of financial assets carried at cost	(50,000)	(126,000)
B01800	Acquisition of investments accounted for using equity method	(90,000)	-
B02700	Acquisition of property, plant and equipment	(2,085,309)	(3,292,470)
B02800	Proceeds from disposal of property, plant and equipment	3,411	363
B04100	Decrease (increase) in other receivable	(1,254,324)	-
B04500	Acquisition of intangible assets	(19,612)	(17,635)
B05400	Acquisition of Investment Property	-	(18,399)
B06700	Increase in other non-current assets	(131,626)	(66,812)
B07600	Dividends received	<u>1</u>	<u>1</u>
BBBB	Net cash flows from (used in) investing activities	<u>(2,189,307)</u>	<u>(6,052,557)</u>
Cash flows from (used in) financing activities			
C00100	Increase in short-term loans	25,901,114	35,474,840
C00200	Decrease in short-term loans	(27,191,932)	(34,919,234)

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<u>C o d e</u>		<u>Year ended June 30, 2013</u>	<u>Year ended June 30, 2012</u>
C00500	Increase in short-term notes and bills payable	11,914,066	8,255,898
C00600	Decrease in short-term notes and bills payable	(12,871,349)	(7,078,458)
C01600	Proceeds from long-term debt	19,950,000	33,644,858
C01700	Repayment of long-term debt	(21,595,952)	(32,928,117)
C04400	Decrease in other non-current liabilities	59,992	43,996
C04500	Dividends paid by parent company	(5)	(42)
C05800	Dividends paid by consolidated companies to non-controlling interests	(<u>197,462</u>)	(<u>207,531</u>)
CCCC	Net cash flows from (used in) financing activities	(<u>4,031,528</u>)	<u>2,286,210</u>
DDDD	Effect of exchange rate changes on cash and cash equivalents	(<u>51,400</u>)	<u>21,979</u>
EEEE	Net increase (decrease) in cash and cash equivalents	(<u>8,609,468</u>)	(<u>6,523,756</u>)
E00100	Cash and cash equivalents at beginning of period	<u>16,794,103</u>	<u>16,365,201</u>
E00200	Cash and cash equivalents at end of period	<u>\$ 8,184,635</u>	<u>\$ 9,841,445</u>

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