

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

Code	Assets	2013/12/30		2012/12/30		2012/1/1	
		Amount	%	Amount	%	Amount	%
CURRENT LIABILITIES							
1100	Cash and cash equivalents	\$ 13,221,405	12	\$ 16,794,103	14	\$ 16,365,201	14
1110	Financial assets at fair value through profit or loss—current	239,974	-	361,327	-	303,286	-
1125	Available-for-Sales financial Assets—current	552,555	-	511,192	1	471,920	1
1147	Bond investments without active market-current	437,497	-	1,008,193	1	531,768	1
1150	Notes receivable	28,119	-	31,195	-	40,469	-
1170	Accounts receivable	766,445	1	1,470,752	1	1,242,025	1
1180	Accounts receivable due from related parties	57,302	-	50,977	-	101,458	-
1200	Other receivables	1,779,487	2	492,525	1	300,133	-
1220	Current tax asset	418,064	-	291,016	-	273,675	-
130X	Inventories	2,976,244	3	3,160,935	3	2,990,885	3
1429	Prepayments	771,167	1	846,206	1	976,100	1
1412	Prepayments for lease	319,489	-	318,565	-	319,201	-
1460	Non-current assets classified as held for sale	377	-	-	-	1,128,997	1
1470	Other current assets	83,987	-	70,694	-	99,740	-
11XX	Total current assets	<u>21,652,112</u>	<u>19</u>	<u>25,407,680</u>	<u>22</u>	<u>25,144,858</u>	<u>22</u>
NON-CURRENT ASSETS							
1510	Financial assets at fair value—through profit or loss—non-current	-	-	1,013,913	1	1,006,635	1
1523	Available-for-sale financial assets — non-current	4,986,339	4	5,468,512	5	5,040,384	4
1543	Financial assets carried at cost — non-current	776,374	1	718,583	1	680,253	-
1546	Bond investments without active market—non-current	521,897	-	632,667	-	233,084	-
1550	Investments accounted for using equity method	9,050,368	8	8,811,079	7	8,733,465	8
1600	Property, plant and equipment	52,166,888	47	52,946,768	45	51,862,701	45
1760	Investment property	2,043,082	2	2,089,416	2	1,002,323	1
1780	Intangible assets	7,715,184	7	7,711,555	6	7,697,855	7
1840	Deferred tax assets	922,092	1	1,109,266	1	966,963	1
1975	Prepaid pension costs	222,285	-	222,666	-	369,869	-
1985	Prepayments for long-term lease	9,464,677	9	9,837,349	8	10,225,303	9
1990	Other non-current assets	1,920,123	2	1,902,572	2	2,048,808	2
15XX	Total non-current assets	<u>89,789,309</u>	<u>81</u>	<u>92,464,346</u>	<u>78</u>	<u>89,867,643</u>	<u>78</u>
1XXX	Total	<u>\$ 111,441,421</u>	<u>100</u>	<u>\$ 117,872,026</u>	<u>100</u>	<u>\$ 115,012,501</u>	<u>100</u>
LIABILITIES AND STOCKHOLDERS' EQUITY							
CURRENT LIABILITIES							
2100	Short-term borrowings	\$ 7,462,340	7	\$ 9,613,446	8	\$ 10,334,680	9
2110	Short-term notes and bills payable	3,047,306	3	4,648,862	4	3,636,195	3
2150	Notes payable	159,194	-	198,522	-	394,705	-
2170	Accounts payable	17,693,401	16	18,687,359	16	17,673,048	16
2180	Notes and accounts payable to related parties	151,909	-	170,962	-	157,796	-
2219	Other payables	5,252,331	5	8,439,193	7	10,138,084	9
2230	Current tax liabilities	401,874	-	563,223	1	1,152,903	1
2250	Current provisions	4,135	-	16,351	-	-	-
2313	Unearned revenue-current	101,136	-	63,770	-	81,921	-
2310	Advance receipts	7,720,500	7	7,449,114	6	6,778,184	6
2321	Bonds, current portion	2,493,512	2	1,200,000	1	-	-
2322	long-term borrowings, current portion	1,445,159	1	1,600,000	2	3,020,717	3
2399	Other current liability	252,891	-	168,630	-	303,732	-
21XX	Total current liability	<u>46,185,688</u>	<u>41</u>	<u>52,819,432</u>	<u>45</u>	<u>53,671,965</u>	<u>47</u>
NON-CURRENT LIABILITIES							
2530	Bonds payable	1,990,702	2	3,454,937	3	4,616,958	4
2540	Long-term borrowings	21,841,434	20	21,992,207	19	18,490,187	16
2550	Non-current provisions	30,483	-	30,213	-	29,943	-
2640	Accrued pension liabilities	547,479	-	545,253	-	461,198	1
2570	Deferred tax liabilities	1,474,842	1	1,446,269	1	1,404,405	1
2670	Other non-current liabilities	2,841,682	3	2,710,010	2	2,625,517	2
25XX	Total non-current liabilities	<u>28,726,622</u>	<u>26</u>	<u>30,178,889</u>	<u>25</u>	<u>27,628,208</u>	<u>24</u>
2XXX	Total liabilities	<u>74,912,310</u>	<u>67</u>	<u>82,998,321</u>	<u>70</u>	<u>81,300,173</u>	<u>71</u>
EQUITY ATTRIBUTABLE TO OWNERS OF PARENT							
Share capital							
3110	Ordinary share	14,109,761	13	13,698,797	12	13,171,921	11
3200	Capital surplus:	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	1,975,319	2
3320	Special reserve	1,931,285	2	1,931,285	2	1,931,285	2
3350	Unappropriated earnings	3,565,333	3	3,086,960	2	3,705,232	3
3300	Total retained earnings	7,855,535	7	7,207,876	6	7,611,836	7
3400	Other equity interest	3,659,643	3	3,773,795	3	3,218,236	3
3500	Treasury Shares	(97,110)	-	(97,110)	-	(97,110)	-
31XX	Total equity attributable to owners of parent	<u>29,026,003</u>	<u>26</u>	<u>28,081,532</u>	<u>24</u>	<u>27,403,057</u>	<u>24</u>
36XX	Non-controlling interests	7,503,108	7	6,792,173	6	6,309,271	5
3XXX	Total equity	<u>36,529,111</u>	<u>33</u>	<u>34,873,705</u>	<u>30</u>	<u>33,712,328</u>	<u>29</u>
Total		<u>\$ 111,441,421</u>	<u>100</u>	<u>\$ 117,872,026</u>	<u>100</u>	<u>\$ 115,012,501</u>	<u>100</u>

FAR EASTERN DEPARTMENT STORES, LTD
Consolidated statement of comprehensive income
Year ended Dec. 31, 2013 and 2012
(In thousands of New Taiwan Dollars, Except Par Value)

C o d e		2013		2012	
		Year ended Dec. 31		Year ended Dec. 31	
		Amount	%	Amount	%
4000	REVENUES	\$ 46,754,377	100	\$ 47,683,558	100
5000	COSTS	<u>23,803,129</u>	<u>51</u>	<u>24,678,982</u>	<u>52</u>
5900	GROSS PROFIT	<u>22,951,248</u>	<u>49</u>	<u>23,004,576</u>	<u>48</u>
	OPERATING EXPENSES				
6100	Selling	1,382,355	3	1,294,349	3
6200	General and administrative	<u>18,862,449</u>	<u>40</u>	<u>18,757,466</u>	<u>39</u>
6000	Total operating expenses	<u>20,244,804</u>	<u>43</u>	<u>20,051,815</u>	<u>42</u>
6900	OPERATING INCOME	<u>2,706,444</u>	<u>6</u>	<u>2,952,761</u>	<u>6</u>
	NONOPERATING INCOME AND EXPENSES				
7190	Other income	356,490	1	484,597	1
7020	Other gains and losses	1,237,051	3	255,085	1
7050	Finance costs	(508,253)	(1)	(662,005)	(1)
7060	Share of profit (loss) of associates accounted for using equity method	<u>228,035</u>	<u>-</u>	<u>144,808</u>	<u>-</u>
7000	Total Non-operating income and expenses	<u>1,313,323</u>	<u>3</u>	<u>222,485</u>	<u>1</u>
7900	INCOME BEFORE INCOME TAX	4,019,767	9	3,175,246	7
7950	INCOME TAX EXPENSE	<u>1,016,840</u>	<u>2</u>	<u>775,867</u>	<u>2</u>

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C o d e		2013		2012	
		Year ended Dec. 31	%	Year ended Dec. 31	%
		Amount		Amount	
8200	NET INCOME	<u>3,002,927</u>	<u>7</u>	<u>2,399,379</u>	<u>5</u>
	OTHER COMPREHENSIVE INCOME				
8310	Other comprehensive income, before tax, exchange differences on translation	114,431	-	(111,075)	-
8325	Other comprehensive income, before tax, available-for-sale financial assets	(111,661)	-	467,398	1
8360	Other comprehensive income, before tax, actuarial gains (losses) on defined benefit plans	(8,943)	-	(249,755)	-
8370	Share of other comprehensive income of associates accounted for using equity method	(83,622)	-	159,983	-
8399	Income tax relating to components of other comprehensive income	<u>1,345</u>	<u>-</u>	<u>40,847</u>	<u>-</u>
8300	Total other comprehensive income, net	(<u>88,450</u>)	<u>-</u>	<u>307,398</u>	<u>1</u>
8500	COMPREHENSIVE INCOME	<u>\$ 2,914,477</u>	<u>7</u>	<u>\$ 2,706,777</u>	<u>6</u>
	NET INCOME ATTRIBUTED TO :				
8610	Owners of parent	\$ 2,165,564	5	\$ 1,608,169	3
8620	Non-controlling interests	<u>837,363</u>	<u>2</u>	<u>791,210</u>	<u>2</u>
8600		<u>\$ 3,002,927</u>	<u>7</u>	<u>\$ 2,399,379</u>	<u>5</u>
	COMPREHENSIVE INCOME CONTRIBUTED TO :				
8710	Owners of parent	\$ 2,045,801	5	\$ 1,995,667	4
8720	Non-controlling interests	<u>868,676</u>	<u>2</u>	<u>711,110</u>	<u>2</u>
8700		<u>\$ 2,914,477</u>	<u>7</u>	<u>\$ 2,706,777</u>	<u>6</u>
	EARNINGS PER SHARE				
9750	Basic	<u>\$ 1.54</u>		<u>\$ 1.15</u>	
9850	Diluted	<u>\$ 1.54</u>		<u>\$ 1.14</u>	

(Concluded)

FAR EASTERN DEPARTMENT STORES, LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS

Year ended Dec. 31, 2013 and 2012

(In thousands of New Taiwan Dollars)

<u>C o d e</u>		<u>2013</u> Year ended Dec. 31	<u>2012</u> Year ended Dec. 31
	CASH FLOWS FROM (USED IN)		
	OPERATING ACTIVITIES		
A00010	INCOME BEFORE INCOME TAX	\$ 4,019,767	\$ 3,175,246
A20000	Adjustments to reconcile profit(loss)		
A20100	Depreciation expense	2,980,758	2,862,279
A20200	Amortization expense	24,630	35,475
A20300	Gain on reversal of losses on doubtful debts	8,518	24,206
A20400	Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(33,996)	(11,330)
A20900	Finance costs	508,253	662,005
A23500	Impairment loss on financial assets	1,027	-
A29900	Reversal of provisions	(12,216)	16,351
A29900	Amortization of prepayments	13,798	13,932
A29900	Amortization of prepayments for lease	256,752	256,384
A29900	Reversing unrealized purchase discounts and allowances	4,941	(9,756)
A29900	Reversing unearned revenue	(63,770)	(81,921)
A22300	Share of loss (profit) of associates accounted for using equity method	(228,035)	(144,808)
A21200	Interest income	(120,037)	(146,530)
A21300	Dividend income	(236,453)	(338,067)
A22500	Loss (gain) on disposal of property, plant and equipment, net	41,902	15,950
A22800	Loss (gain) on disposal of intangible assets	3,256	-
A23100	Gains on disposals of investments	(386,986)	(98,313)
A23700	Loss for market price decline and obsolete and slow-moving inventories	14,217	9,565
A30000	Net changes in operating assets and liabilities		
A31110	Financial assets held for trading	1,169,262	(53,918)
A31130	Notes receivable	3,076	9,274
A31150	Accounts receivable	698,025	(228,752)
A31160	Notes and accounts receivable due from related parties	(6,325)	50,481
A31180	Other receivable	(6,519)	(206,559)
A31200	Inventories	165,533	(169,859)
A31230	Prepayments	73,263	129,298
A31240	Other current assets	(13,293)	29,046

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<u>C o d e</u>		<u>2013</u> <u>Year ended Dec. 31</u>	<u>2012</u> <u>Year ended Dec. 31</u>
A31990	Prepaid pension costs	5,412	796
A32130	Notes payable	(39,328)	(196,183)
A32150	Accounts payable	(993,958)	1,014,311
A32160	Notes and accounts payable to related parties	(19,053)	13,166
A32180	Other payables	(2,032,521)	(195,014)
A32210	Advance receipts	541,336	936,133
A32210	Unearned revenue	101,136	63,770
A32240	Accrued pension liabilities	(11,748)	(19,294)
A32230	Other current liabilities	<u>84,261</u>	<u>(135,102)</u>
A33000	Cash inflow (outflow) generated from operations	6,514,885	7,282,262
A33300	Interests paid	(515,434)	(641,557)
A33100	Interests received	87,411	136,517
A33200	Dividends received	335,570	406,910
A33400	Income taxes refund	34,902	2,067
A33500	Income taxes paid	<u>(1,179,157)</u>	<u>(1,345,095)</u>
AAAA	Net cash flows from (used in) operating activities	<u>5,278,177</u>	<u>5,841,104</u>
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES			
B01800	Acquisition of investments accounted for using equity method	(147,899)	-
B01200	Acquisition of financial assets carried at cost	(50,000)	(126,000)
B00600	Decrease (increase) in bond investments without active market	681,466	(876,008)
B00400	Proceeds from disposal of available-for-sale financial assets	709,014	-
B01300	Proceeds from disposal of financial assets at cost	-	179,831
B02100	Decrease in prepayments for long-term investment	78,216	64,683
B02700	Acquisition of property, plant and equipment	(3,388,947)	(5,694,780)
B02800	Proceeds from disposal of property, plant and equipment	5,023	1,749
B04100	Decrease (increase) in other receivable	(1,250,053)	-
B04500	Acquisition of intangible assets	(30,186)	(50,161)
B05400	Acquisition of investment property	-	(18,399)
B06700	Decrease (increase) in other non-current assets	<u>(21,593)</u>	<u>153,306</u>
BBBB	Net cash flows from (used in) investing activities	<u>(3,414,959)</u>	<u>(6,365,779)</u>
Cash flows from (used in) financing activities			
C00100	Increase in short-term loans	52,458,782	62,111,939
C00200	Decrease in short-term loans	(54,640,379)	(62,804,804)
C00500	Increase in short-term notes and bills payable	25,070,441	16,303,004
C00600	Decrease in short-term notes and bills payable	(26,671,997)	(15,290,337)

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<u>C o d e</u>		<u>2013</u> <u>Year ended Dec. 31</u>	<u>2012</u> <u>Year ended Dec. 31</u>
C01200	Proceeds from issuing bonds	990,692	-
C01300	Repayments of bonds	(1,200,000)	-
C01600	Proceeds from long-term debt	51,964,386	73,197,020
C01700	Repayment of long-term debt	(52,270,000)	(71,115,717)
C04300	Increase in other non-current liabilities	131,672	84,493
C04500	Dividends paid by parent company	(1,095,903)	(1,317,289)
C05800	Dividends paid by consolidated companies to non-controlling interests	(<u>197,462</u>)	(<u>243,981</u>)
CCCC	Net cash flows from (used in) financing activities	(<u>5,459,768</u>)	<u>924,328</u>
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>23,852</u>	<u>29,249</u>
EEEE	Net increase (decrease) in cash and cash equivalents	(3,572,698)	428,902
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>\$13,221,405</u>	<u>\$16,794,103</u>

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