

FAR EASTERN DEPARTMENT STORES, LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

Mar. 31, 2015, Dec. 31, 2014, Mar. 31, 2014 and Jan.1, 2014

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

Code	Assets	2015/3/31		2014/12/31		2014/3/31		2014/1/1	
		Amount	%	Amount	%	Amount	%	Amount	%
	CURRENT ASSETS								
1100	Cash and cash equivalents	\$ 5,856,819	6	\$ 10,952,918	10	\$ 8,331,154	8	\$ 13,221,405	12
1110	Financial assets at fair value through profit or loss - current	332,653	-	290,895	-	231,577	-	239,974	-
1125	Available-for-sale financial assets - current	503,653	1	487,231	-	481,848	-	552,555	-
1147	Bond investments without active market-current	998,777	1	1,204,317	1	489,939	1	437,497	-
1150	Notes receivable	36,916	-	2,410	-	12,067	-	28,119	-
1170	Accounts receivable	394,924	-	527,659	1	676,516	1	766,445	1
1180	Accounts receivable due from related parties	189,538	-	191,931	-	64,296	-	57,302	-
1200	Other receivables	1,463,378	1	1,508,732	1	1,340,252	1	1,779,487	2
1220	Current tax assets	150,946	-	200,615	-	241,631	-	418,064	-
130X	Inventories	3,023,108	3	2,870,727	3	2,931,440	3	2,976,244	3
1429	Prepayments	1,109,683	1	975,457	1	1,309,230	1	1,090,656	1
1460	Noncurrent asset held for sale	113	-	115	-	382	-	377	-
1470	Other current assets	94,814	-	102,260	-	68,052	-	83,987	-
11XX	Total current assets	<u>14,155,322</u>	<u>13</u>	<u>19,315,267</u>	<u>17</u>	<u>16,178,384</u>	<u>15</u>	<u>21,652,112</u>	<u>19</u>
	NONCURRENT ASSETS								
1523	Available-for-sale financial assets - noncurrent	5,060,907	5	4,989,668	4	4,843,068	5	4,986,339	4
1543	Financial assets measured at cost - noncurrent	780,624	1	783,652	1	777,974	1	776,374	1
1546	Bond investments without active market - non-current	125,000	-	125,000	-	521,897	-	521,897	1
1550	Investments accounted for by equity method	9,494,151	9	9,546,534	9	9,088,880	8	9,050,368	8
1600	Property, plant and equipment	46,984,424	44	47,426,385	43	52,231,317	49	52,166,888	46
1760	Investment properties	9,667,344	9	9,667,344	9	2,730,495	3	3,070,495	3
1780	Intangible assets	7,221,643	7	7,226,592	6	7,713,403	7	7,715,184	7
1840	Deferred tax assets	906,739	1	926,612	1	956,368	1	940,225	1
1975	Net defined benefit asset	183,696	-	185,782	-	220,622	-	222,615	-
1985	Long-term prepayments for lease	9,369,302	9	9,472,460	8	9,371,138	9	9,464,677	8
1990	Other noncurrent assets	1,923,937	2	1,954,939	2	1,949,863	2	1,920,123	2
15XX	Total noncurrent assets	<u>91,717,767</u>	<u>87</u>	<u>92,304,968</u>	<u>83</u>	<u>90,405,025</u>	<u>85</u>	<u>90,835,185</u>	<u>81</u>
1XXX	TOTAL	<u>\$ 105,873,089</u>	<u>100</u>	<u>\$ 111,620,235</u>	<u>100</u>	<u>\$ 106,583,409</u>	<u>100</u>	<u>\$ 112,487,297</u>	<u>100</u>
	LIABILITIES AND EQUITY								
	CURRENT LIABILITIES								
2100	Short-term debts	\$ 7,406,657	7	\$ 6,674,285	6	\$ 9,299,450	9	\$ 7,462,340	7
2110	Short-term notes and bills payable	2,409,359	2	2,991,683	3	3,606,794	4	3,047,306	3
2150	Notes payable	47,884	-	63,303	-	60,184	-	159,194	-
2170	Accounts payables	13,348,354	13	17,601,054	16	12,026,814	11	17,693,401	16
2180	Notes and accounts payable to related parties	74,213	-	153,238	-	56,744	-	151,909	-
2219	Other payables	4,647,402	4	5,495,103	5	3,985,460	4	5,252,331	5
2230	Current tax liabilities	658,731	1	512,116	-	558,016	1	401,874	-
2250	Provision-current	4,135	-	4,135	-	4,135	-	4,135	-
2313	Deferred revenue - current	121,765	-	65,656	-	152,911	-	101,136	-
2310	Advance receipts	8,297,995	8	7,829,288	7	8,769,939	8	7,720,500	7
2321	Bond issued - current portion	1,000,000	1	1,000,000	1	-	-	2,493,512	2
2322	Long-term borrowings - current portion	1,000,000	1	1,764,429	2	2,444,780	2	1,445,159	1
2399	Other current liabilities	276,019	-	265,157	-	213,849	-	252,891	-
21XX	Total current liabilities	<u>39,292,514</u>	<u>37</u>	<u>44,419,447</u>	<u>40</u>	<u>41,179,076</u>	<u>39</u>	<u>46,185,688</u>	<u>41</u>
	NONCURRENT LIABILITIES								
2530	Bonds issued	993,024	1	992,560	1	1,991,166	2	1,990,702	2
2540	Long-term borrowings	20,688,606	19	21,548,341	19	20,752,000	19	21,841,434	19
2550	Provision-noncurrent	33,804	-	31,222	-	31,013	-	30,483	-
2640	Net defined benefit liability	562,072	-	563,292	-	533,746	-	535,105	1
2570	Deferred tax liabilities	1,746,435	2	1,729,061	2	1,604,259	2	1,608,841	1
2670	Other noncurrent liabilities	2,803,266	3	2,878,845	3	2,749,768	3	2,841,682	3
25XX	Total noncurrent liabilities	<u>26,827,207</u>	<u>25</u>	<u>27,743,321</u>	<u>25</u>	<u>27,661,952</u>	<u>26</u>	<u>28,848,247</u>	<u>26</u>
2XXX	Total liabilities	<u>66,119,721</u>	<u>62</u>	<u>72,162,768</u>	<u>65</u>	<u>68,841,028</u>	<u>65</u>	<u>75,033,935</u>	<u>67</u>
	EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY								
	Share Capital								
3110	Ordinary share	14,391,956	13	14,391,956	13	14,109,761	13	14,109,761	13
3200	Capital surplus	3,498,252	3	3,498,252	3	3,498,174	4	3,498,174	3
	Retained earnings								
3310	Legal reserve	2,575,473	3	2,575,473	2	2,358,917	2	2,358,917	2
3320	Special reserve	2,461,168	2	2,461,168	2	2,461,168	2	1,931,285	2
3350	Unappropriated earnings	3,081,411	3	2,936,463	3	3,963,566	4	4,107,920	3
3300	Total retained earnings	8,118,052	8	7,973,104	7	8,783,651	8	8,398,122	7
3400	Other equity	5,998,043	6	5,900,851	5	3,443,877	3	3,659,643	3
3500	Treasury stock	(97,110)	-	(97,110)	-	(97,110)	-	(97,110)	-
31XX	Total equity attributable to owners of the Company	<u>31,909,193</u>	<u>30</u>	<u>31,667,053</u>	<u>28</u>	<u>29,738,353</u>	<u>28</u>	<u>29,568,590</u>	<u>26</u>
36XX	NON-CONTROLLING INTERESTS	<u>7,844,175</u>	<u>8</u>	<u>7,790,414</u>	<u>7</u>	<u>8,004,028</u>	<u>7</u>	<u>7,884,772</u>	<u>7</u>
3XXX	Total equity	<u>39,753,368</u>	<u>38</u>	<u>39,457,467</u>	<u>35</u>	<u>37,742,381</u>	<u>35</u>	<u>37,453,362</u>	<u>33</u>
	TOTAL	<u>\$ 105,873,089</u>	<u>100</u>	<u>\$ 111,620,235</u>	<u>100</u>	<u>\$ 106,583,409</u>	<u>100</u>	<u>\$ 112,487,297</u>	<u>100</u>

FAR EASTERN DEPARTMENT STORES, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Year ended Mar. 31, 2015 and 2014

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

Code		2015		2014	
		Year ended Mar. 31		Year ended Mar. 31	
		Amount	%	Amount	%
4000	REVENUES	\$ 11,012,342	100	\$ 11,080,195	100
5000	COSTS	<u>5,361,111</u>	<u>49</u>	<u>5,428,772</u>	<u>49</u>
5900	GROSS PROFIT	<u>5,651,231</u>	<u>51</u>	<u>5,651,423</u>	<u>51</u>
	OPERATING EXPENSES				
6100	Selling	294,969	2	349,672	3
6200	General and administrative	<u>4,607,488</u>	<u>42</u>	<u>4,507,098</u>	<u>41</u>
6000	Total operating expenses	<u>4,902,457</u>	<u>44</u>	<u>4,856,770</u>	<u>44</u>
6900	OPERATING INCOME	<u>748,774</u>	<u>7</u>	<u>794,653</u>	<u>7</u>
	NONOPERATING INCOME AND EXPENSES				
7190	Other income	25,971	-	25,653	-
7020	Other gains and losses	(130,429)	(1)	32,358	1
7050	Finance costs	(114,447)	(1)	(112,046)	(1)
7060	Share of profit (loss) of associates accounted for using equity method	(<u>42,534</u>)	<u>-</u>	<u>27,870</u>	<u>-</u>
7000	Total Non-operating income and expenses	(<u>261,439</u>)	(<u>2</u>)	(<u>26,165</u>)	<u>-</u>
7900	INCOME BEFORE INCOME TAX	487,335	5	768,488	7
7950	INCOME TAX EXPENSE	<u>286,512</u>	<u>3</u>	<u>268,289</u>	<u>2</u>

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C o d e		2015		2014	
		Year ended Mar. 31		Year ended Mar. 31	
		Amount	%	Amount	%
8200	NET INCOME	<u>200,823</u>	<u>2</u>	<u>500,199</u>	<u>5</u>
	OTHER COMPREHENSIVE INCOME				
8360	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Other comprehensive income, before tax, exchange differences on translation	(17,616)	-	22,503	-
8362	Other comprehensive income, before tax, available-for-sale financial assets	87,661	1	(213,978)	(2)
8370	Share of other comprehensive income of associates accounted for using equity method	<u>25,033</u>	<u>-</u>	(<u>19,705</u>)	<u>-</u>
8300	Total other comprehensive income, net	<u>95,078</u>	<u>1</u>	(<u>211,180</u>)	(<u>2</u>)
8500	COMPREHENSIVE INCOME	<u>\$ 295,901</u>	<u>3</u>	<u>\$ 289,019</u>	<u>3</u>
	NET INCOME ATTRIBUTED TO :				
8610	Owners of parent	\$ 144,948	1	\$ 385,529	4
8620	Non-controlling interests	<u>55,875</u>	<u>1</u>	<u>114,670</u>	<u>1</u>
8600		<u>\$ 200,823</u>	<u>2</u>	<u>\$ 500,199</u>	<u>5</u>
	COMPREHENSIVE INCOME CONTRIBUTED TO :				
8710	Owners of parent	\$ 242,140	2	\$ 169,763	2
8720	Non-controlling interests	<u>53,761</u>	<u>1</u>	<u>119,256</u>	<u>1</u>
8700		<u>\$ 295,901</u>	<u>3</u>	<u>\$ 289,019</u>	<u>3</u>
	EARNINGS PER SHARE				
9750	Basic	<u>\$ 0.10</u>		<u>\$ 0.27</u>	
9850	Diluted	<u>\$ 0.10</u>		<u>\$ 0.27</u>	

(Concluded)

FAR EASTERN DEPARTMENT STORES, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

Year ended Mar. 31, 2015 and 2014

(In thousands of New Taiwan Dollars)

<u>C o d e</u>		<u>2015</u> <u>Year ended Mar. 31</u>	<u>2014</u> <u>Year ended Mar. 31</u>
	CASH FLOWS FROM (USED IN)		
	OPERATING ACTIVITIES		
A00010	INCOME BEFORE INCOME TAX	\$ 487,335	\$ 768,488
A20000	Adjustments to reconcile profit(loss)		
A20100	Depreciation expense	762,427	729,416
A20200	Amortization expense	7,889	6,365
A20300	Gain on reversal of losses on doubtful debts	(923)	14
A20400	Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(2,854)	2,594
A20900	Finance costs	114,447	112,046
A23500	Impairment loss on financial assets	514	514
A29900	Amortization of prepayments	3,466	3,519
A29900	Amortization of prepayments for lease	80,898	64,322
A29900	Recognition of provision	2,508	-
A29900	Reversal unrealized purchase discounts	(9,200)	(28,000)
A29900	Reversal of deferred revenue	(65,656)	(101,136)
A22300	Share of loss (profit) of associates accounted for using equity method	42,534	(27,870)
A21200	Interest income	(25,971)	(25,653)
A22500	Loss (gain) on disposal of property, plant and equipment, net	2,358	3,737
A23800	Unrealized loss (gain) on physical inventory and slow-moving inventories	1,160	(4,526)
A30000	Net changes in operating assets and liabilities		
A31110	Financial assets held for trading	(38,904)	5,803
A31130	Notes receivable	(34,506)	16,052
A31150	Accounts receivable	140,681	89,915
A31160	Notes and accounts receivable due from related parties	2,393	(6,994)
A31180	Other receivable	43,369	129,574
A31200	Inventories	(144,341)	77,330
A31230	Prepayments	(134,614)	(218,774)

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<u>C o d e</u>		<u>2015</u> <u>Year ended Mar. 31</u>	<u>2014</u> <u>Year ended Mar. 31</u>
A31240	Other current assets	7,446	15,935
A31990	Net defined benefit asset	2,086	1,993
A32130	Notes payable	(15,419)	(99,010)
A32150	Accounts payable	(4,252,700)	(5,666,587)
A32160	Notes and accounts payable to related parties	(79,025)	(95,165)
A32180	Other payables	(709,461)	(1,120,315)
A32210	Advance receipts	539,881	1,112,950
A32210	Deferred revenue	121,765	152,911
A32240	Net defined benefit liability	(1,220)	(1,359)
A32230	Other current liabilities	<u>10,862</u>	<u>(39,042)</u>
A33000	Cash inflow (outflow) generated from operations	(3,140,775)	(4,140,953)
A33300	Interests paid	(197,690)	(122,095)
A33100	Interests received	27,956	41,684
A33500	Income tax returned	25	210,212
A33500	Income taxes paid	<u>(54,982)</u>	<u>(133,835)</u>
AAAA	Net cash flows from (used in) operating activities	<u>(3,365,466)</u>	<u>(4,144,987)</u>
	CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
B00600	Acquisition of investments in debt instrument without active market	205,540	(52,442)
B02700	Acquisition of property, plant and equipment	(397,823)	(494,580)
B02800	Proceeds from disposal of property, plant and equipment	7	1
B04200	Decrease in other receivables	-	271,966
B04500	Acquisition of intangible assets	(3,177)	(4,303)
B06700	Increase (decrease) in other non-current assets	<u>1,963</u>	<u>(22,185)</u>
BBBB	Net cash flows from (used in) investing activities	<u>(193,490)</u>	<u>(301,543)</u>
	Cash flows from (used in) financing activities		
C00100	Increase in short-term loans	11,728,446	17,190,302
C00200	Decrease in short-term loans	(10,929,670)	(15,404,276)
C00500	Increase in short-term notes and bills payable	6,280,817	6,808,014
C00600	Decrease in short-term notes and bills payable	(6,863,141)	(6,248,526)
C01300	Repayments of bonds	-	(2,500,000)
C01600	Proceeds from long-term debt	12,200,265	11,505,346

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<u>C o d e</u>		<u>2015</u> <u>Year ended Mar. 31</u>	<u>2014</u> <u>Year ended Mar. 31</u>
C01700	Repayment of long-term debt	(13,825,000)	(11,595,159)
C04400	Decrease in other non-current liabilities	(31,951)	(91,914)
C04500	Dividends paid by parent company	(15)	-
C05800	Dividends paid to non-controlling interests	(81,392)	(122,387)
CCCC	Net cash flows from (used in) financing activities	(1,521,641)	(458,600)
DDDD	Effect of exchange rate changes on cash and cash equivalents	(15,502)	14,879
EEEE	Net increase (decrease) in cash and cash equivalents	(5,096,099)	(4,890,251)
E00100	Cash and cash equivalents at beginning of period	<u>10,952,918</u>	<u>13,221,405</u>
E00200	Cash and cash equivalents at end of period	<u>\$ 5,856,819</u>	<u>\$ 8,331,154</u>

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