Stock Code: 5907

GRAND OCEAN RETAIL GROUP LTD.
AND RELATIONAL SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Report

For the Years Ended December 31, 2023 and 2022

Company Address: **P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman KY1-1205, Cayman Islands.**

Taipei Office: **14F., No. 237, Sec. 2, Fuxing S. Rd., Da'an Dist., Taipei City 106, Taiwan (R.O.C.)**

TEL: **(02) 2707-8833**

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

TABLE OF CONTENTS

Independent Auditors' Report

To the Board of Directors of Grand Ocean Retail Group Ltd.:

Opinion

We have audited the consolidated financial statements of the Grand Ocean Retail Group Ltd. and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), IFRIC Interpretations ("IFRIC"), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Emphasis of matters

As stated in Note 3(1) of the consolidated financial report, the Group applied the amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction" for the first time on January 1, 2023, and applied it retrospectively Consolidated financial report for the second quarter of 2022 and the consolidated balance sheet on January 1, 2022. The accountant did not revise the audit results accordingly.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the years ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements taken as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Impairment of Goodwill and Trademark Rights

   Please refer to notes 4(13), 5(2), and 6(7) to the consolidated financial statements for the year ended December 31, 2023, for the accounting principles on the recognition of impairment of non-financial assets, the accounting estimates and uncertainty of assumptions in assessment of impairment of goodwill and trademark privileges, as well as details of impairment of goodwill and intangible assets, respectively.

   Description of key audit matter:

   As of December 31, 2023, the carrying amounts of intangible assets accounted for approximately 7% of the total assets of the Group. The majority of the goodwill and trademark originated from the acquisition of GORG in 2006. Due to the impact of the COVID-19 pandemic on the retail industry, maintaining revenue and profitability had become a challenge. Therefore, the goodwill and trademark from the acquisition were affected, and the Group was concerned if the carrying amounts exceeded recoverable amounts of the retailing department. The management of the Group estimated the present value of future cash flow of the retail department in accordance with IAS 36 to confirm the recoverable amount of the aforementioned assets. As a result, an impairment loss of NT$306,421 thousand was recognized for the year 2023. Given that the estimation of recoverable amounts involved significant judgment by management and was subject to high uncertainty, there was a risk of overestimation in the carrying values of goodwill, trademark, and operational assets of the retailing business. Therefore, we considered the assessment of asset impairment as one of the key audit matters for the audit of the consolidated financial statements.

   How the matter was addressed in our audit

   We casted professional doubt on the model that the Group’s management used to assess the impairment of goodwill and trademark, including to evaluate whether management had identified cash generating units (“CGU”) which might have impairments, and to consider all the assets that had to be tested had been included in the assessment. We also reviewed individual financial assumptions that the management used to assess impairments and relevant supporting documents for recoverable amounts. We verified the reasonableness of the management's assumptions and correctness of the calculations based on the relevant information available. Additionally, we assessed whether the company's historical financial performance consistent with its past forecasts to verify the accuracy of management's predictions. Finally, we also examined whether the Group's disclosures regarding the impairment of these assets were appropriate.

2. Impairment of Assets

Please refer to notes 4(13) and 5(1) to the consolidated financial statements for the year ended December 31, 2023, for the accounting principles on the recognition of impairment of non-financial assets, the accounting estimates and assumptions uncertainty in assessment of impairment of property, plant and equipment, and right-of-use assets, respectively. Please refer to notes 6(5) and 6(6) to the consolidated financial statements for details of impairment of property, plant and equipment, as well as right-of-use assets, respectively.

Description of key audit matter:

As of December 31, 2023, the carrying amounts of property, plant and equipment, as well as right-of-use assets, accounted for approximately 69% of the Group's total assets. The retail industry in Mainland China has experienced a decline in profitability due to the impact of the COVID-19 pandemic, and it has not yet fully recovered to pre-pandemic levels. Decreased consumer spending has led to deflation, resulting in fluctuations in property values in Mainland China. This, in turn, has raised concerns about whether the carrying amounts of operating assets exceed their recoverable amounts. The management of the Group estimated the present value of future cash flow of the retail department in accordance with IAS 36 to confirm the recoverable amount of the aforementioned assets. As a result, an impairment loss of NT$702,859 thousand was recognized for the year 2023. Given that the estimation of recoverable amounts involved significant judgment by management and was subject to high uncertainty, there was a risk of overestimation in the carrying values of operational assets of the retailing business. Therefore, we considered the assessment of asset impairment as one of the key audit matters for the audit of the consolidated financial statements.

How the matter was addressed in our audit

We casted professional doubt on the model that the Group's management used to assess the impairment of property, plant and equipment, as well as right-of-use assets. This included evaluating whether management had identified potential impaired cash generating units ("CGU") and ensuring that all the assets requiring impairment testing had been included in the assessment. Additionally, we reviewed the individual financial assumptions made by management for impairment assessments, along with the relevant supporting documents for recoverable amounts. We verified the reasonableness of the management's assumptions and correctness of the calculations based on available information. Furthermore, we assessed whether the company's historical financial performance consistent with its past forecasts to verify the accuracy of management's predictions. For real estate, property, plant and equipment, and right-of-use assets, we obtained an asset fair value assessment report issued by external experts provided by management. Our in-house experts reviewed the methodology of this report and related information to assess its reasonableness. Finally, we also examined whether the Group's disclosures regarding the impairment of these assets were appropriate.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements,

whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors’ report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Shu-Ying Chang and Jun-Ming Pan.

KPMG
Taipei, Taiwan (Republic of China)
March 28, 2024

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries

Consolidated Balance Sheet

December 31, 2023, December 31, 2022, and January 1, 2022

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2023		December 31, 2022 (revised)		January 1, 2022 (revised)	
	Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current Assets:						
1100	Cash and Cash Equivalents (Note 6(1))	$ 1,020,335	4	1,639,484	6	3,525,958	12
1110	Financial Assets Measured at Fair Value through Profit or Loss – Current (Note 6(2))	11,689	-	68,033	-	69,476	-
1170	Accounts Receivable of Net Amount (Note 6(3))	191,538	1	254,557	1	189,072	1
1200	Other Receivables (Note 6(3), (4) and 7)	39,067	-	165,656	1	568,734	2
1300	Inventories – Merchandising Business	161,085	1	218,305	1	233,185	1
1410	Pre-payments (Note 7)	253,194	1	420,055	2	365,430	1
1476	Other Financial Assets – Current (Note 6(8), 8 and 9)	469,670	2	64,212	-	47,250	-
		2,146,578	9	2,830,302	11	4,999,105	17
	Non-current Assets:						
1550	Investments using the equity method (Note 6(4))	-	-	27,636	-	36,634	-
1600	Property, Plants and Equipment (Note 6(5) and 8)	5,333,310	22	6,324,548	25	6,733,070	23
1755	Right-of-use asset (Note 6(6) and 8)	11,480,102	47	11,079,963	43	12,440,063	42
1780	Intangible Assets (Note 6(7))	1,590,718	7	1,918,886	8	1,849,497	6
1840	Deferred Tax Assets (Note 6(14))	2,762,540	11	2,785,521	11	3,225,179	11
1980	Other Financial Assets – Non-current (Note 6(8), 7 and 8)	726,101	3	206,909	1	216,039	1
1990	Other Non-current Assets – Other (Note 6(4), (15) and 7)	197,053	1	207,382	1	141,093	-
		22,089,824	91	22,550,845	89	24,641,575	83
	Total Assets	**$ 24,236,402**	**100**	**25,381,147**	**100**	**29,640,680**	**100**

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries

Consolidated Balance Sheet

December 31, 2023, December 31, 2022, and January 1, 2022

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2023		December 31, 2022 (revised)		January 1, 2022 (revised)	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current Liabilities:						
2100	Short-term Loans (Note 6(9))	$ 2,311,414	10	1,816,945	7	2,540,031	9
2171	Accounts Payable (Note 6(11))	1,265,324	5	961,085	4	2,005,631	7
2219	Other Payables (Note 6(5), (11), 7 and 9)	1,322,492	5	1,019,481	4	875,611	3
2230	Current Tax Liabilities	41,489	-	38,410	-	54,514	-
2280	Current lease liabilities(Note 6(l2), 7 and 9)	831,093	3	943,549	4	832,236	3
2322	Current portion of long-term borrowings (Note 6(10))	412,610	2	413,260	2	907,627	3
2399	Other current liabilities	10,051	-	10,247	-	10,081	-
		6,194,473	25	5,202,977	21	7,225,731	25
	Non-current Liabilities:						
2541	Long-term Loans of Bank (Note 6(10))	763,434	3	1,212,240	5	523,548	2
2570	Deferred Tax Liabilities (Note 6(14))	2,217,897	10	2,092,260	8	2,414,006	8
2580	Non-Current lease liabilities(Note 6(l2) and 7)	9,416,852	40	9,039,555	36	10,767,895	35
2645	Deposit Received	570,947	2	578,868	2	670,699	2
		12,969,130	55	12,922,923	51	14,376,148	47
	Total Liabilities:	19,163,603	80	18,125,900	72	21,601,879	72
	Equity of Owner of Parent Company (Note 6(15)):						
3100	Share Capital	1,955,310	8	1,955,310	8	1,955,310	7
3200	Additional Paid-in Capital	5,075,485	21	5,075,485	20	5,066,363	17
3310	Legal Reserve	580,244	2	580,244	2	580,244	2
3320	Appropriated Retained Earnings	596,629	2	992,592	4	956,578	3
3350	Retained Earnings	(2,083,997)	(9)	(395,963)	(2)	472,898	2
3400	Other Equity	(1,050,872)	(4)	(952,421)	(4)	(992,592)	(3)
	Total Equity	5,072,799	20	7,255,247	28	8,038,801	28
	Total Liabilities and Equity	**$ 24,236,402**	**100**	**25,381,147**	**100**	**29,640,680**	**100**

See accompanying notes to consolidated financial statements.

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries

Consolidated Balance Sheet

December 31, 2023, December 31, 2022, and January 1, 2022

(Expressed in Thousands of Chinese Yuan Renminbi)

		December 31, 2023		December 31, 2022 (revised)		January 1, 2022 (revised)	
	Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current Assets:						
1100	Cash and Cash Equivalents	$ 235,322	4	371,933	6	812,449	12
1110	Financial Assets Measured at Fair Value through Profit or Loss – Current	2,696	-	15,434	-	16,009	-
1170	Accounts Receivable of Net Amount	44,174	1	57,749	1	43,566	1
1200	Other Receivables	9,010	-	37,581	1	131,047	2
1300	Inventories – Merchandising Business	37,151	1	49,525	1	53,730	1
1410	Pre-payments	58,394	1	95,294	2	84,202	1
1476	Other Financial Assets – Current	108,321	2	14,567	-	10,887	-
		495,068	9	642,083	11	1,151,890	17
	Non-current Assets:						
1550	Investments using the equity method	-	-	6,270	-	8,441	-
1600	Property, Plants and Equipment	1,230,030	22	1,434,786	25	1,551,429	23
1755	Right-of-use asset	2,647,676	47	2,513,600	43	2,866,430	42
1780	Intangible Assets	366,870	7	435,318	8	426,159	6
1840	Deferred Tax Assets	637,129	11	631,923	11	743,143	11
1980	Other Financial Assets – Non-current	167,462	3	46,939	1	49,780	1
1990	Other Non-current Assets – Other	45,446	1	47,047	1	32,511	-
		5,094,613	91	5,115,883	89	5,677,893	83
	Total Assets	**$ 5,589,681**	**100**	**5,757,966**	**100**	**6,829,783**	**100**

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries

Consolidated Balance Sheet

December 31, 2023, December 31, 2022, and January 1, 2022

(Expressed in Thousands of Chinese Yuan Renminbi)

		December 31, 2023		December 31, 2022 (revised)		January 1, 2022 (revised)	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current Liabilities:						
2100	Short-term Loans	$ 533,085	10	412,192	7	585,272	9
2171	Accounts Payable	291,824	5	218,032	4	462,136	7
2219	Other Payables	305,009	5	231,279	4	201,758	3
2230	Current Tax Liabilities	9,569	-	8,714	-	12,561	-
2280	Current lease liabilities	191,676	3	214,053	4	191,763	3
2322	Current portion of long-term borrowings	95,161	2	93,752	2	209,135	3
2399	Other current liabilities	2,318	-	2,325	-	2,323	-
		1,428,642	25	1,180,347	21	1,664,948	25
	Non-current Liabilities:						
2541	Long-term Loans of Bank	176,072	3	275,009	5	120,636	2
2570	Deferred Tax Liabilities	511,517	10	474,650	8	556,233	8
2580	Non-Current lease liabilities	2,171,825	40	2,050,713	36	2,481,130	36
2645	Deposit Received	131,678	2	131,322	2	154,542	2
		2,991,092	55	2,931,694	50	3,312,541	48
	Total Liabilities:	4,419,734	80	4,112,041	71	4,977,489	73
	Equity of Owner of Parent Company:						
3100	Share Capital	492,105	9	492,05	9	492,05	7
3200	Capital surplus	1,020,044	18	1,020,044	18	1,017,940	15
3310	Legal Reserve	121,053	2	121,053	2	121,053	2
3320	Special Reserve	129,560	2	221,735	4	213,635	3
3350	Unappropriated earnings	(542,163)	(10)	(163,157)	(3)	32,665	-
3400	Other Equity	(50,652)	(1)	(45,855)	(1)	(25,104)	-
	Total Equity	1,169,947	20	1,645,925	29	1,852,294	27
	Total Liabilities and Equity	**$ 5,589,681**	**100**	**5,757,966**	**100**	**6,829,783**	**100**

See accompanying notes to consolidated financial statements.

GRAND OCEAN RETAIL GROUP LTd. and Relatinal Subsidiaries

Consolidated Income Statement

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

		2023		2022	
		Amount	**%**	**Amount**	**%**
4000	**Operating Revenues (Note 6(17) and 7)**	$ 3,820,133	100	4,150,142	100
5000	**Operating Costs**	641,318	17	757,826	18
	Gross Profit	3,178,815	83	3,392,316	82
6000	**Operating Expenses (Note 6(5), (6), (7), (12), (13), (18), 7 and 9)**	3,408,827	89	3,346,426	81
6450	**Expected credit loss (Reversal of impairment loss) (Note 6(3))**	10,054	-	17,951	-
		3,418,881	89	3,364,377	81
	Operating Income	(240,066)	(6)	27,939	1
	Non-operating Income and Expenses:				
7100	Total interest income (Note 6(19))	27,598	1	26,034	1
7010	Other Revenues (Note 6(19))	15,020	-	10,076	-
7020	Other Gains and Losses (Note 6(19) and 9)	(828,787)	(22)	185,763	5
7050	Financial Costs (Note 6(l2), (19) and 7)	(688,683)	(18)	(704,388)	(17)
7055	Expected credit loss (Note 6(3) and (20))	(131,608)	(3)	(149,949)	(4)
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method, net (Note 6(4))	(15,074)	-	(9,290)	-
		(1,621,534)	(42)	(641,754)	(15)
7900	**Earnings before Tax**	(1,861,600)	(48)	(613,815)	(14)
7950	**Deduction: Income Tax Expenses (Note 6(14))**	222,397	6	219,032	5
	Current Net Loss	(2,083,997)	(54)	(832,847)	(19)
8300	**Other Comprehensive Income:**				
8360	**Items that may be Re-classified Subsequently to Profit or Loss** (Note 6(4) and (15))				
8361	Exchange Difference on Translation of Foreign Operations	(98,275)	(3)	39,879	1
8370	Share of other comprehensive income of associates accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(176)	-	292	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Sum of Items that may be Re-classified Subsequently to Profit or Loss	(98,451)	(3)	40,171	1
8300	**Other comprehensive income (loss)**	(98,451)	(3)	40,171	1
	Comprehensive income	$ (2,182,448)	(57)	(792,676)	(18)
	Net loss, attributable to:				
8610	Owners of parent	$ (2,083,997)	(54)	(832,847)	(19)
	Comprehensive income (loss) attributable to:				
8710	Owners of parent	$ (2,182,448)	(57)	(792,676)	(18)
	Earnings (loss) per Share (Note 6(16))				
9750	Basic earnings (loss) per share (NT dollars)	$ (10.66)		(4.26)	

See accompanying notes to consolidated financial statements.

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries

Consolidated Income Statement

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of Chinese Yuan Renminbi, Except for Earnings Per Share)

		2023		2022	
		Amount	**%**	**Amount**	**%**
4000	**Operating Revenues**	$ 863,713	100	935,433	100
5000	**Operating Costs**	144,999	17	170,812	18
	Gross Profit	718,714	83	764,621	82
6000	**Operating Expenses**	770,719	89	754,277	81
6450	**Expected credit loss (Reversal of impairment loss)**	2,273	-	4,046	-
		772,992	89	758,323	81
	Operating Income	(54,278)	(6)	6,298	1
	Non-operating Income and Expenses:				
7100	Total interest income	6,240	1	5,868	1
7010	Other Revenues	3,396	-	2,271	-
7020	Other Gains and Losses	(187,384)	(22)	41,870	5
7050	Financial Costs	(155,708)	(18)	(158,768)	(17)
7055	Expected credit loss	(29,756)	(3)	(33,798)	(4)
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method, net	(3,408)	-	(2,094)	-
		(366,620)	(42)	(144,651)	(15)
7900	**Earnings before Tax**	(420,898)	(48)	(138,353)	(14)
7950	**Deduction: Income Tax Expenses**	50,283	6	49,369	5
	Current Net Loss	(471,181)	(54)	(187,722)	(19)
8300	**Other Comprehensive Income:**				
8360	**Items that may be Re-classified Subsequently to Profit or Loss**				
8361	Exchange Difference on Translation of Foreign Operations	(4,914)	(1)	(20,674)	(2)
8370	Share of other comprehensive income of associates accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	117	-	(77)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Sum of Items that may be Re-classified Subsequently to Profit or Loss	(4,797)	(1)	(20,751)	(2)
8300	**Other comprehensive income (loss)**	(4,797)	(1)	(20,751)	(2)
	Comprehensive income	**$ (475,978)**	**(55)**	**(208,473)**	**(21)**
	Net loss, attributable to:				
8610	Owners of parent	**$ (471,181)**	**(54)**	**(187,722)**	**(19)**
	Comprehensive income (loss) attributable to:				
8710	Owners of parent	**$ (475,978)**	**(55)**	**(208,473)**	**(21)**
	Earnings (loss) per Share				
9750	Basic earnings (loss) per share (RMB)	**$**	**(2.41)**		**(0.96)**

See accompanying notes to consolidated financial statements.

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries
Consolidated Statement of Changes in Shareholders' Equity
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	Owner's Equity								
			Retained Earnings				Other Equity		
	Share Capital	Capital surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Sum	Exchange Differences on Translation of Foreign Operations	Attributed to Attributed to Parent Company Total Equity	Total Equity
Balance at January 1, 2022	$ 1,955,310	5,066,363	580,244	956,578	472,898	2,009,720	(992,592)	8,038,801	8,038,801
Current Net Loss	-	-	-	-	(832,847)	(832,847)	-	(832,847)	(832,847)
Current Other Comprehensive Income	-	-	-	-	-	-	40,171	40,171	40,171
Current Total Comprehensive Income	-	-	-	-	(832,847)	(832,847)	40,171	(792,676)	(792,676)
Exercising the right of imputation	-	9,122	-	-	-	-	-	9,122	9,122
Appropriation and Distribution of Retained Earnings:									
Special reserve appropriated	-	-	-	36,014	(36,014)	-	-	-	-
Balance at December 31, 2022	1,955,310	5,075,485	580,244	992,592	(395,963)	1,176,873	(952,421)	7,255,247	7,255,247
Current Net loss	-	-	-	-	(2,083,997)	(2,083,997)	-	(2,083,997)	(2,083,997)
Current Other Comprehensive Income	-	-	-	-	-	-	(98,451)	(98,451)	(98,451)
Current Total Comprehensive Income	-	-	-	-	(2,083,997)	(2,083,997)	(98,451)	(2,182,448)	(2,182,448)
Appropriation and Distribution of Retained Earnings:									
Reversal of special reserve	-	-	-	(40,171)	40,171	-	-	-	-
Special reserve used to cover accumulated deficits	-	-	-	(355,792)	355,792	-	-	-	-
Balance at December 31, 2023	**$ 1,955,310**	**5,075,485**	**580,244**	**596,629**	**(2,083,997)**	**(907,124)**	**(1,050,872)**	**5,072,799**	**5,072,799**

See accompanying notes to consolidated financial statements.

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries
Consolidated Statement of Changes in Shareholders' Equity
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of Chinese Yuan Renminbi)

	Owner's Equity								
			Retained Earnings				Other Equity		
	Share Capital	Capital surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Sum	Exchange Differences on Translation of Foreign Operations	Attributed to Attributed to Parent Company Total Equity	Total Equity
Balance at January 1, 2022	$ 492,105	1,017,940	121,053	213,635	32,665	367,353	(25,104)	1,852,294	1,852,294
Current Net Loss	-	-	-	-	(187,722)	(187,722)	-	(187,722)	(187,722)
Current Other Comprehensive Income	-	-	-	-	-	-	(20,751)	(20,751)	(20,751)
Current Total Comprehensive Income	-	-	-	-	(187,722)	(187,722)	(20,751)	(208,473)	(208,473)
Exercising the right of imputation	-	2,104	-	-	-	-	-	2,104	2,104
Appropriation and Distribution of Retained Earnings:									
Special reserve appropriated	-	-	-	8,100	(8,100)	-	-	-	-
Balance at December 31, 2022	492,105	1,020,044	121,053	221,735	(163,157)	179,631	(45,855)	1,645,925	1,645,925
Current Net loss	-	-	-	-	(471,181)	(471,181)	-	(471,181)	(471,181)
Current Other Comprehensive Income	-	-	-	-	-	-	(4,797)	(4,797)	(4,797)
Current Total Comprehensive Income	-	-	-	-	(471,181)	(471,181)	(4,797)	(475,978)	(475,978)
Appropriation and Distribution of Retained Earnings:									
Reversal of special reserve	-	-	-	(9,351)	9,351	-	-	-	-
Special reserve used to cover accumulated deficits	-	-	-	(82,824)	82,824	-	-	-	-
Balance at December 31, 2023	**$ 492,105**	**1,020,044**	**121,053**	**129,560**	**(542,163)**	**(291,550)**	**(50,652)**	**1,169,947**	**1,169,947**

See accompanying notes to consolidated financial statements.

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries

Consolidated Statement of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

		2023	2022
Cash Flows from Operating Activities			
(Loss) profit before tax	$	(1,861,600)	(613,815)
Adjusting Events:			
Income and Expenses			
Depreciation expense		1,548,213	1,636,110
Amortization expense		3,172	4,019
Expected credit loss		141,662	167,900
Net gain on financial assets or liabilities at fair value through profit or loss		(9,189)	(13,490)
Interest expense		688,683	704,388
Interest income		(27,598)	(26,034)
Dividend income		-	(2,788)
Share of profit (loss) of associates accounted for using equity method		15,074	9,290
Loss on disposal of property, plant and equipment		783	5
Property, plant and equipment transferred to expenses		-	594
Profit on disposal of investments		(5,113)	-
Impairment loss on non-financial assets		1,068,499	155,795
Rent concession		174,470	(101,425)
Lease modification benefits		(495,197)	(353,564)
Total adjustments to reconcile profit (loss)		3,103,459	2,180,800
Changes in operating assets and liabilities:			
Changes in operating assets:			
Financial assets and liabilities at fair value through profit		66,394	22,288
Accounts receivable		49,984	(80,875)
Other receivables		19,893	40,943
Inventories		54,726	18,659
Prepayments		(11,261)	(50,871)
Sum of Net Variance of Assets Concern Operating Activities		179,736	(49,856)
Changes in operating liabilities:			
Accounts Payable		326,377	(1,082,992)
Other Payables		258,835	43,206
Other current liabilities		(31)	-
Sum of Net Variance of Liabilities Concern Operating Activities		585,181	(1,039,786)
Sum of Net Variance of Assets and Liabilities Concern Operating Activities		764,917	(1,089,642)
Total adjustments		3,868,376	1,091,158
Cash inflow generated from operations		2,006,776	477,343
Interest received		10,723	47,627
Dividend received		-	2,788
Interest paid		(687,115)	(701,279)
Income taxes paid		(79,330)	(107,703)
Cash Inflow from Operating Activities		1,251,054	(281,224)

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries

Consolidated Statement of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from (used in) investing activities:		
Acquisition of investments using the equity method	(12,658)	-
Disposal of investments using the equity method	12,641	-
Acquisition of property, plant and equipment	(264,913)	(198,175)
Proceeds from disposal of property, plant and equipment	321	2,209
Increase in refundable deposits	(45,527)	(7,141)
Decrease in other receivables	-	201,865
Acquisition of Intangible Assets	(1,348)	(4,288)
(Increase) Decrease in other financial assets	(902,073)	3,717
(Increase) Decrease in other non-current assets	16,295	(64,353)
Net cash flows used in investing activities	(1,197,262)	(66,166)
Cash flows from (used in) financing activities:		
(Decrease) Increase in Short-term Loans	523,140	(837,198)
Lease from Long-term Loans	451,922	1,458,254
Payments for Long-term Loans	(900,289)	(1,360,039)
(Decrease) Increase in Deposit Received	1,577	(103,018)
Increase in Other payables - related parties	140,252	89,523
Payment of lease liabilities	(876,424)	(870,243)
Attribution right income	-	9,122
Net cash flows used in financing activities	(659,822)	(1,613,599)
Effect of exchange rate changes on cash and cash equivalents	(13,119)	74,515
Net decrease in cash and cash equivalents	(619,149)	(1,886,474)
Cash and cash equivalents at beginning of period	1,639,484	3,525,958
Cash and cash equivalents at end of period	**$ 1,020,335**	**1,639,484**

See accompanying notes to consolidated financial statements.

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries
Consolidated Statement of Cash Flows
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of Chinese Yuan Renminbi)

		2023	2022
Cash Flows from Operating Activities			
(Loss) profit before tax	$	(420,898)	(138,353)
Adjusting Events:			
Income and Expenses			
Depreciation expense		350,043	368,776
Amortization expense		717	906
Expected credit loss		32,029	37,844
Net gain on financial assets or liabilities at fair value through profit or loss		(2,078)	(3,041)
Interest expense		155,708	158,768
Interest income		(6,240)	(5,868)
Dividend income		-	(628)
Share of profit (loss) of associates accounted for using equity method		3,408	2,094
Loss on disposal of property, plant and equipment		177	1
Property, plant and equipment transferred to expenses		-	134
Profit on disposal of investments		(1,156)	-
Impairment loss on non-financial assets		241,582	35,116
Rent concession		39,447	(22,861)
Lease modification benefits		(111,962)	(79,693)
Total adjustments to reconcile profit (loss)		701,675	491,548
Changes in operating assets and liabilities:			
Changes in operating assets:			
Financial assets and liabilities at fair value through profit		15,011	5,024
Accounts receivable		11,301	(18,229)
Other receivables		4,498	9,228
Inventories		12,373	4,206
Prepayments		(2,546)	(11,466)
Sum of Net Variance of Assets Concern Operating Activities		40,637	(11,237)
Changes in operating liabilities:			
Accounts Payable		73,792	(244,104)
Other Payables		58,521	9,739
Other current liabilities		(7)	-
Sum of Net Variance of Liabilities Concern Operating Activities		132,306	(234,365)
Sum of Net Variance of Assets and Liabilities Concern Operating Activities		172,943	(245,602)
Total adjustments		874,618	245,946
Cash inflow generated from operations		453,720	107,593
Interest received		2,424	10,735
Dividend received		-	628
Interest paid		(155,353)	(158,067)
Income taxes paid		(17,936)	(24,276)
Cash Inflow from Operating Activities		282,855	(63,387)

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries

Consolidated Statement of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of Chinese Yuan Renminbi)

	2023	2022
Cash flows from (used in) investing activities:		
Acquisition of investments using the equity method	(2,862)	-
Disposal of investments using the equity method	2,960	-
Acquisition of property, plant and equipment	(59,895)	(44,668)
Proceeds from disposal of property, plant and equipment	73	498
Increase in refundable deposits	(10,293)	(1,610)
Decrease in other receivables	-	45,500
Acquisition of Intangible Assets	(305)	(967)
(Increase) Decrease in other financial assets	(203,954)	838
(Increase) Decrease in other non-current assets	3,684	(14,505)
Net cash flows used in investing activities	(270,592)	(14,914)
Cash flows from (used in) financing activities:		
(Decrease) Increase in Short-term Loans	118,279	(188,703)
Lease from Long-term Loans	102,177	328,687
Payments for Long-term Loans	(203,551)	(306,550)
(Decrease) Increase in Deposit Received	357	(23,220)
Increase in Other payables - related parties	31,710	20,178
Payment of lease liabilities	(198,155)	(196,151)
Attribution right income	-	2,104
Net cash flows used in financing activities	(149,183)	(363,655)
Effect of exchange rate changes on cash and cash equivalents	309	1,440
Net decrease in cash and cash equivalents	(136,611)	(440,516)
Cash and cash equivalents at beginning of period	371,933	812,449
Cash and cash equivalents at end of period	$ 235,322	371,933

See accompanying notes to consolidated financial statements.

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries

Notes to the Consolidated Financial Statements

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

1. **Company History**

GRAND OCEAN RETAIL GROUP LTD. (the "Company") was established in the Cayman Islands on August 23, 2006. In October 2007, the Company underwent organizational restructuring and issued 160,000 thousand new shares in exchange for 100% equity of REGAL OCEAN INTERNATIONAL LTD. Consequently, the Company indirectly acquired 100% equity of the Grand Ocean Department Store Group, becoming its parent company. The Company's shares have been listed and traded on the Taiwan Stock Exchange since June 6, 2012. The composition of the Company's consolidated financial statements includes the Company, its subsidiaries (the "Group"), and the equity of the Group in associated enterprises. The primary business activities of the Group are business management consulting and retail sales.

2. **Approval date and procedures of the consolidated financial statements:**

These consolidated financial statements were approved and authorized for issuance by the Board of Directors on March 28, 2024.

3. **New standards, amendments and interpretations adopted:**

(1) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. ("FSC") which have already been adopted.

The details of impact on the Group's adoption of the new amendments beginning January 1, 2023 are as follows:

A. Amendment to International Accounting Standard No. 12 "Deferred Tax Related to Assets and Liabilities Arising from a Single Exchange"

The amendment narrows the scope of recognition exemption such that when the initial recognition of a transaction generates taxable income equal to the temporary difference, the recognition exemption no longer applies. Instead, an equal amount of deferred tax assets and deferred tax liabilities should be recognized. The consolidated company estimates that the aforementioned amendment may result in an increase of deferred tax assets and deferred tax liabilities arising from differences in lease fiscal and tax treatment of NT$2,363,273 thousand and NT$2,035,972 thousand as of January 1 and December 31, 2022, respectively.

If the consolidated company follows the previous accounting policy for the year of 2023, it would result in a decrease of NT$2,201,514 thousand in deferred tax assets and deferred tax liabilities as of December 31, 2023.

B. Others

The following new amended standards also became effective on January 1, 2023, but did not have a significant impact on the consolidated financial statements.

- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”

The consolidated company has initially adopted the following new amendments, which do not have a significant impact on the consolidated financial statements, from May 23, 2023.

- Amendment to International Accounting Standard No. 12 "International Tax Reform - Pillar Two Model Rules".

(2) The impact of IFRS issued by the FSC but not yet effective

The consolidated company evaluates that the adoption of the following new amendments, effective for annual period beginning on January 1, 2024, would not have a significant impact on the consolidated financial statements.

- Amendment to International Accounting Standard No. 1 "Classification of Liabilities as Current or Non-current".
- Amendment to International Accounting Standard No. 1 "Non-current Liabilities with Covenants".
- Amendment to International Accounting Standard No.7 and International Financial Reporting Standard No. 7 "Supplier Finance Arrangements".
- Amendments to IFRS 16 "Leases Liability in a Sale and Leaseback".

(3) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The consolidated company expect that the following new and amended standards, which have not yet been endorsed, will not have a significant impact on the consolidated financial statements.

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”.
- IFRS 17 “Insurance Contracts” and Amendments to IFRS 17.
- Amendments to International Accounting Standard No. 21 "Lack of Exchangeability".

4. **Summary of significant accounting policies:**

The material accounting policies presented in the consolidated financial statements are summarized below. The following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

(1) Statement of compliance

The consolidated financial report has been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as the "Regulations") and the IFRSs, IAS, IFRIC, and SIC that came into effect as endorsed and issued by the FSC (hereinafter referred to as "IFRS as endorsed by the FSC") .

(2) Basis of preparation

A. Basis of measurement

Except for the following significant accounts, the consolidated financial statements have been prepared on a historical cost basis.

(A) Financial assets at fair value through other comprehensive income are measured at fair value.

B. Functional and presentation currency

Each entity within the Group operates with the currency of its primary economic environment as its functional currency. The functional currency of The company is the US dollar; therefore, this consolidated financial statements are presented in New Taiwan Dollars. All financial information expressed in New Taiwan Dollars and Chinese Yuan Renminbi, unless otherwise indicated, is presented in thousands of units.

(3) Basis of consolidation

A. Principles of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from Intragroup transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Group.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

When the Group loses control of its subsidiary, the assets (including goodwill), liabilities, and non-controlling interests of the former subsidiary are removed from the consolidated financial statements at their carrying amounts as of the date control is lost. The investment in the former subsidiary is then remeasured at its fair value as of the same date. A gain or loss is recognized in profit or loss and is calculated as the difference between (A) the aggregate of the fair value of the consideration received and any investment retained in the former subsidiary at its fair value at the date when control is lost and (B) the assets (including any goodwill) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. It accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if it had directly disposed of the related assets or liabilities.

B. Subsidiary Listed in Consolidated Financial Statements

All the shareholding ratios of other subsidiaries listed in the consolidated financial statements are 100%, which are listed as follows:

			Percentage of holding shares (%)		
Name of Investor	**Name of Subsidiary**	**Principal activity**	**December 31, 2023**	**December 31, 2022**	**Note**
GRAND OCEAN RETAIL GROUP LTD.	GRAND CITI LTD.	Investment holding company	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
GRAND CITI LTD.	Grand Ocean Classic Commercial Group Co., Ltd	Trading of cosmetics, furnishings, etc.	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Grand Ocean Classic Commercial Group Co., Ltd	Nanjing Grand Ocean Classic Commercial Limited	Trading of cosmetics, furnishings, etc.	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Grand Ocean Classic Commercial Group Co., Ltd	Fuzhou Grand Ocean Commercial Limited	Trading of cosmetics, furnishings, etc.	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Grand Ocean Classic Commercial Group Co., Ltd	Quanzhou Grand Ocean Commercial Limited	Trading of cosmetics, furnishings, etc.	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries

Name of Investor	Name of Subsidiary	Principal activity	Percentage of holding shares (%) December 31, 2023	Percentage of holding shares (%) December 31, 2022	Note
Grand Ocean Classic Commercial Group Co., Ltd	Shanghai Jingxuan Business Administration Limited	Management consulting business, and trading of cosmetics, furnishings, etc.	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Grand Ocean Classic Commercial Group Co., Ltd	Shanghai Grand Ocean Qianshu Commercial Management Co., Ltd	Management consulting business, and trading of cosmetics, furnishings, etc.	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Quanzhou Grand Ocean Commerce Limited	Wuhan Grand Ocean Classic Commercial Development Limited	Trading of cosmetics, furnishings, etc.	30.00%	30.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Nanjing Grand Ocean Classic Commerce Limited	Hefei Grand Ocean Classic Commercial Development Limited	Trading of cosmetics, furnishings, etc.	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Fuzhou Grand Ocean Commerce Limited	Fuzhou Grand Ocean Classic Commerce Limited	Trading of cosmetics, furnishings, etc.	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Fuzhou Grand Ocean Commerce Limited	Wuhan Grand Ocean Classic Commercial Development Limited	Trading of cosmetics, furnishings, etc.	70.00%	70.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Fuzhou Grand Ocean Commerce Limited	Fuzhou Jiaruixing Business Administration Limited	Management consulting business, and trading of cosmetics, furnishings, etc.	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Wuhan Grand Ocean Classic Commercial Development Limited	Wuhan Optics Valley Grand Ocean Commercial Development Limited	Trading of cosmetics, furnishings, etc.	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Wuhan Grand Ocean Classic Commercial Development Limited	Chongqing Optics Valley Grand Ocean Commercial Development Limited	Trading of cosmetics, furnishings, etc.	35.30%	35.30%	The company directly (indirectly) holds more than 50% of its subsidiaries and it also closed of business in October 31 2022, and in process of liquidation.
Wuhan Grand Ocean Classic	Wuhan Hanyang Grand Ocean	Trading of cosmetics,	50.00%	50.00%	The company directly (indirectly) holds more

Name of Investor	Name of Subsidiary	Principal activity	Percentage of holding shares (%) December 31, 2023	December 31, 2022	Note
Commercial Development Limited	Classic Commercial Limited	furnishings, etc.			than 50% of its subsidiaries and it also closed of business in August 31 2023, and in process of liquidation.
Wuhan Grand Ocean Classic Commercial Development Limited	Hengyang Grand Ocean Commercial Development Limited	Trading of cosmetics, furnishings, etc.	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Wuhan Grand Ocean Classic Commercial Development Limited	Shiyan Optics Valley Grand Ocean Commerce Limited	Trading of cosmetics, furnishings, etc.	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Wuhan Grand Ocean Classic Commercial Development Limited	Chongqing Optics Valley Grand Ocean Commercial Development Limited	Trading of cosmetics, furnishings, etc.	64.70%	64.70%	The company directly (indirectly) holds more than 50% of its subsidiaries and it also closed of business in October 31 2022, and in process of liquidation.
Wuhan Optics Valley Grand Ocean Commercial Development Limited	Wuhan Hanyang Grand Ocean Classic Commercial Limited	Trading of cosmetics, furnishings, etc.	50.00%	50.00%	The company directly (indirectly) holds more than 50% of its subsidiaries and it also closed of business in August 31 2023, and in process of liquidation.
Wuhan Optics Valley Grand Ocean Commercial Development Limited	Yichang Grand Ocean Commerce Limited	Trading of cosmetics, furnishings, etc.	100.00%	99.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Wuhan Hanyang Grand Ocean Classic Commercial Ltd	Yichang Grand Ocean Commerce Limited	Trading of cosmetics, furnishings, etc.	- %	1.00%	The company directly (indirectly) holds more than 50% of its subsidiaries

C. Subsidiaries excluded from the consolidated financial statements: None.

(4) Foreign currencies

A. Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

(A) An investment in equity securities designated as at fair value through other comprehensive income;

(B) A financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or

(C) Qualifying cash flow hedges to the extent that the hedges are effective.

B. Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

(5) Classification of current and non-current assets and liabilities

An asset is classified as current under one of the following criteria, and all other assets are classified as non current.

A. It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

B. It is held primarily for the purpose of trading;

C. It is expected to be realized within twelve months after the reporting period; or

D. The asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non current.

A. It is expected to be settled in the normal operating cycle;

B. It is held primarily for the purpose of trading;

C. It is due to be settled within twelve months after the reporting period; or

D. It does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(6) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(7) Financial instruments

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

A. Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at: amortized cost or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(A) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

(B) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. Trade receivables that the Group intends to sell immediately or in the near term are measured at FVTPL; however, they are included in the ‘trade receivables’ line item. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

(C) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, notes and trade receivables, other receivables, long term lease payments receivable and other financial assets).

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following which are measured as 12 month ECL:

- debt securities that are determined to have low credit risk at the reporting date；and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade and other receivables are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group’s historical experience and informed credit assessment as well as forward looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when the financial asset is more than 90 days past due or the debtor is unlikely to pay its credit obligations to the Group in full.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of ‘investment grade which is considered to be BBB or higher per Standard & Poor’s, Baa3 or higher per Monday’s or twA or higher per Taiwan Ratings’

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit impaired. A financial asset is ‘credit impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial assets is credit impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or

- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(D) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

B. Financial liabilities and equity instruments

(A) Classification of debt or equity

Debt and equity instruments issued by the Group are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(B) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

(C) Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is recognized in capital surplus or retained earnings (if the capital surplus is not sufficient to be written down).

(D) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

(E) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non cash assets transferred or liabilities assumed) is recognized in profit or loss.

(F) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset, and the net amount presented in the statement of balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(8) Inventories

Inventory is measured at the lower of cost or net realizable value. Costs include other costs incurred in making them available for use at locations and conditions and are calculated using the first in first out method.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(9) Investment in associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over their financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of those associates, after adjustments to align their accounting policies with those of the Group, from the date on which significant influence commences until the date on which significant influence ceases. The Group recognizes any changes of its proportionate share in the investee within capital surplus, when an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual significant influence.

Gains and losses resulting from transactions between the Group and an associate are recognized only to the extent of unrelated Group's interests in the associate. When the Group's share of losses of an associate equal or exceeds its interests in an associate, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group discontinues the use of the equity method and measures the retained interest at fair value from the date when its investment ceases to be an associate. The difference between the fair value of retained interest and proceeds from disposing, and the carrying amount of the investment at the date the equity method was discontinued is recognized in profit or loss. The Group accounts for all the amounts previously recognized in other comprehensive income in relation to that investment on the same basis as would have been required if the associates had directly disposed of the related assets or liabilities. If a gain or loss previously recognized in other comprehensive income would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued. If the Group's ownership interest in an associate is reduced while it continues to apply the equity method, the Group reclassifies the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest to profit or loss.

The Group used equity method rather than re-evaluating the retained equity, if the investment of the Group in associates becomes an investment in a joint venture, or the investment in a joint venture becomes an investment in associates.

(10) Property, plant and equipment

A. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation, and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

B. Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

C. Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

(A) Buildings	20～50 years
(B) Transportation equipment	1～5 years
(C) Office equipment	1～5 years
(D) Leasehold improvement	5～20 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(11) Lease

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

A. As a lease

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

(A) fixed payments, including in substance fixed payments;

(B) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

(C) amounts expected to be payable under a residual value guarantee; and

(D) payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

(A) there is a change in future lease payments arising from the change in an index or rate; or

(B) there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or

(C) there is a change of its assessment on whether it will exercise a purchase, extension or termination option; or

(D) there is a change of its assessment on whether it will exercise an extension or termination option; or

(E) there is any lease modifications.

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Group presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

If an arrangement contains lease and non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of their relative standalone prices. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non lease components and account for the lease and non-lease components as a single lease component.

The Group has elected not to recognize right-of-use assets and lease liabilities for short term leases of assets that have a lease term of 12 months or less and leases of low value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a practical expedient, the Group elects not to assess whether all rent concessions that meets all the following conditions are lease modifications or not:

(A) the rent concessions occurring as a direct consequence of the COVID 19 pandemic;

(B) the change in lease payments that resulted in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

(C) any reduction in lease payments that affects only those payments originally due on, or before, June 30, 2022; and

(D) there is no substantive change in other terms and conditions of the lease.

In accordance with the practical expedient, the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concession occurs.

B. As a lessor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub lease separately. It assesses the lease classification of a sub lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies IFRS15 to allocate the consideration in the contract.

The Group recognizes a finance lease receivable at an amount equal to its net investment in the lease. Initial direct costs, such as lessors to negotiate and arrange a lease, are included in the measurement of the net investment. The lessor recognizes the interest income over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. The Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

(12) Intangible assets

A. Recognition and measurement

Goodwill arising on the acquisition of subsidiaries is measured at cost, less accumulated impairment losses.

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

B. Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred, including internally developed goodwill and brands.

C. Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful lives for current and comparative periods are as follows:

Computer software	5 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(13) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(14) Revenue

A. Revenue from contracts with customers

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Group's main types of revenue are explained below.

(A) Sales of goods

The Group's department store sells goods in the retail market. The Group recognizes revenue when the goods are delivered to the customer. Payment of the transaction price is due immediately when the customer purchases the product.

(B) Customer loyalty program

The Group operates a customer loyalty program to its retail customers. Retail customers obtain points for purchases made, which entitle them to discount on future purchases. The Group considers that the points provide a material right to customers that they would not receive without entering a contract. Therefore, the promise to provide points to the customer is a separate performance obligation. The transaction price is allocated to the product and the points on a relative stand-alone selling price basis. Management estimates the stand-alone selling price per point on the basis of the discount granted when the points are redeemed and on the basis of the likelihood of redemption, based on past experience. The stand-alone selling price of the product sold is estimated on the basis of the retail price. The Group has recognized contract liability at the time of sale on the basis of the principle mentioned above. Revenue from the award points is recognized when the points are redeemed or when they expire.

B. Services

The Group provides consultancy services and management services to the customers. Revenue from services rendered is recognized in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to services performed to date as a percentage of total services to be performed.

C. Commissions

When the Group acts as an agent rather than as a principal in a transaction, the revenue is recognized as the net amount of the commission received.

(15) Government subsidies

When the consolidated company is eligible to receive relevant government subsidies, it recognizes such subsidies, which are not subject to conditions, as other income. For other subsidies related to assets, the consolidated company recognizes them at fair value as deferred income when it can reasonably assure compliance with the conditions attached to the government subsidies and expects to receive the subsidies. The deferred income is then recognized as other income over the useful life of the asset on a systematic basis. Government subsidies compensating the consolidated company for expenses or losses incurred are recognized in the income statement on a systematic basis consistent with the related expenses.

(16) Employee benefits

A. Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

B. Short term employee benefits

Short term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(17) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

A. temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;

B. temporary differences related to investments in subsidiaries, associates, and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

C. taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if the following criteria are met:

A. the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and

B. the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

(A) the same taxable entity; or

(B) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(18) Earnings per share

The Group discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as convertible bonds and employee compensation.

(19) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

5. **Significant accounting assumptions and judgments, and major sources of estimation uncertainty:**

In the preparation of this consolidated financial report, management has exercised judgment, made estimates, and adopted assumptions in accordance with the applicable IFRSs endorsed by the FSC. These judgments, estimates, and assumptions may have an impact on the adoption of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the following period.

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements: none.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows:

(1) Impairment of property, plant and equipment and right-of-use assets

In the process of evaluating the potential impairment of tangible assets, the Group is required to make subjective judgments in determining the independent cash flows, useful lives, expected future income and expenses related to the specific asset groups considering of the nature of the industry. Any changes in these estimates based on changed economic conditions or business strategies and could result in significant impairment charges or reversal in future years. Refer to notes 6(5) and (6) for further description of the impairment of property, plant and equipment and right-of-use assets.

(2) Impairment of goodwill and intangible assets

The assessment of impairment of goodwill and intangible assets requires the Group to make subjective judgments to identify CGUs, allocate the goodwill to relevant CGUs, and estimate the recoverable amount of relevant CGUs. Refer to note 6(7) for further description of the impairment of goodwill and intangible assets.

6. **Explanation of significant accounts:**

(1) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Vault Cash and Petty Cash	$ 7,212	$ 9,144
Demand Deposit	1,013,123	1,308,556
Time deposits	-	321,784
Total	$ 1,020,335	1,639,484

Please refer to note 6(20) for the sensitivity analysis and interest rate risk.

(2) Financial assets measured at fair value through profit or loss

	December 31, 2023	December 31, 2022
Mandatorily measured at fair value through profit or loss - Current:		
Open-end Funds	$ 11,689	10,852
Shares of stock of listed companies	-	57,181
Total	$ 11,689	68,033

A. Please refer to note 6(20) for disclosure of credit risk and market risk of all financial instruments mentioned above.

B. The financial assets mentioned above had not been pledged as collateral.

C. For gain or loss on financial assets or liabilities at fair value through profit or loss, please refer to note 6(19).

(3) Account receivables and other receivables

	December 31, 2023	December 31, 2022
Accounts Receivable	$ 229,797	285,226
Allowance for impairment	(38,259)	(30,669)
	191,538	254,557

	December 31, 2023	December 31, 2022
Other Receivables - Current：		
Other Receivables - Investment Funds	264,491	268,888
Other Receivables - Lease deposit	61,793	62,820
Other Receivables - Others	39,067	34,492
Deduction: Impairment Loss Allowance	(326,284)	(200,544)
Subtotal	39,067	165,656
Total	**$ 230,605**	**420,213**

A. The Group’s main trade receivables from retail department in China are credit card payments collected from banks, with an average credit period of 2 to 3 days, wherein there is no concern about the collectability. In addition, the retail business department in China which is classified as leasing was affected by COVID-19 pandemic. Therefore, partial receivables were deferred, so the simplified method is used to estimate the expected credit loss for the leased accounts receivable, the expected credit loss during the lifetime is used to measure. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information.

The details of the accounts receivable of the merged company entering the mediation process or the amount involved in the lawsuit are as follows, and the losses are listed based on the court's first-instance judgment.

	December 31, 2023	December 31, 2022
Amount involved in mediation or litigation	$ 19,411	18,589
Deduction: Expected loss	(19,411)	(18,589)
Subtotal	$ -	-

The expected credit loss analysis of the remaining accounts receivable of the consolidated company is as follows：

	December 31, 2023		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provision**
Not overdue	$ 156,380	0%	-
1 to 90 days past due	30,364	0%	-
91 to 180 days past due	4,338	0%~9%	389
181 to 270 days past due	1,436	41%	591
271 to 365 days past due	6,421	100%	6,421
More than 365 days past due	11,447	100%	11,447
	$ 210,386		**18,848**

	December 31, 2022			
	Gross carrying amount		Weighted-average loss rate	Loss allowance provision
Not overdue	$	215,910	0%	-
1 to 90 days past due		33,486	0%	-
91 to 180 days past due		6,165	0%~25%	1,549
181 to 270 days past due		1,002	45%	457
271 to 365 days past due		2,671	100%	2,671
More than 365 days past due		7,403	100%	7,403
	$	266,637		12,080

B. Changes in the provision for losses on accounts receivable of the consolidated company are as follows:

	For the years ended December 31		
	2023		2022
Opening Balance	$	30,669	13,266
Impairment loss recognized		10,054	17,951
Amount written off		(1,799)	(645)
Exchange rate impact number		(665)	97
Ending balance	$	38,259	30,669

C. Other receivables–others are the advance payment in accordance with the promotions held by retail business department and venders. Since the Group and the vendors are in a long-term business relationship, the Group has considered historical experience and believed that they were less doubtful of the recoverability of these receivables. The Group assessed the aforesaid other receivables as the financial assets with low credit risk and measured loss allowances at an amount as 12-month expected credit loss. Please refer to Note 6(20) for the remaining credit risk information.

D. Since the rental agreement of, Xiangtan Grand Ocean Department Store Co., Ltd. (Xiangtan) one of the Group's subsidiaries, have reached its maturity in December 2018, the Group ceased Xiangtan's business operation, wherein a security deposit amounting to CNY 15,000 thousand is expected to be received. Xiangtan had already returned the property to its owner, Xiangyuan Industrial Development Co., Ltd. (Xiangyuan), but failed to receive the security deposit. To receive the payment and begin the liquidation process, Xiangtan filed a lawsuit against Xiangyuan. On July 1, 2019, the people's court ordered Xiangyuan to pay the amount of CNY 14,700 thousand to Xiangtan. However, Xiangyuan disagreed with the court's decision, therefore, filed an appeal on November 13, 2019, wherein it was denied on January 16, 2020. Furthermore, Xiangtan filed an appeal to the court to freeze the property of Xiangyuan, in which the court granted the approval do to so.

After a thorough investigation by the court, it was found that Xiangyuan has enough property to pay for the security deposit, and the Group has collected the mandatory payment of NT$1,952 thousand (CNY 448 thousand). The consolidated company considered the impact of the recent economic situation on the department store business, and the uncertainty of the future development of the region was high. Based on conservative and sound principles, on December 31, 2023 and 2022, the respective lease security deposits of NT$61,793 thousand (CNY 14,252 thousand) and NT$62,820 thousand (CNY 14,252 thousand) were recorded as provision for impairment losses of NT$61,793 thousand (CNY 14,252 thousand) and NT$31,410 thousand (CNY 7,126 thousand).

E. In 2012, the Group paid a guarantee deposit of CNY 124,000 thousand to Quanzhou Fengsheng Group to purchase the commercial real estate of the Fengsheng Junyuan Development Project developed by Fengsheng Group in Fengze District, Quanzhou. After assessing the investment value of the project, the Board of Directors of the Group resolved during the meeting in July 2015 to invest Quanzhou Fengan Real Estate Development Co., Ltd. (Fengan), and expected to obtain 100% equity of the company with a contractual amount of CNY 325,000 thousand. As of December 31, 2015, the Group had paid CNY 200,000 thousand, which was reported under the prepayment for investments. The management of the Group evaluated the uncertainty of the investment and thus terminated the investment. Therefore, the original prepayment for investments of CNY 200,000 thousand and other financial assets – current of CNY 124,000 thousand, were reclassified as other receivables as of June 30, 2016.

In addition, the Group reviewed the nature of other receivables and analyzed the current financial position of the counterparty. To secure the aforementioned debt, the Group had acquired pledge of stock rights of Fengan, and at the same time had obtained the debtor's promise that other investment profits to be priority to repay the debt. The Group evaluated that the aforementioned debt should have no impairment concern. Because the debtor takes time to complete the relevant legal procedures of the disposition of investment, the Group and the debtor renegotiate the repayment period, which should be before April 30, 2017, before September 30, 2017, and before December 31, 2017. The total amount of repayment should be 10%, 40% and 50%, respectively. In case of violation of the agreement, the aforementioned collateral would be transferred to the Group for debt repayment. As of December 31, 2017, the Group had recovered CNY 162,000 thousand according to aforesaid agreement. On December 19, 2017, the Board of Directors of the Group resolved during the meeting on the Fengsheng Group's extension of the repayment agreement, which extended remaining proceeds to June 30, 2018. Due to the delay of procedures of the disposition of investment, Fengsheng Group could not make the payments by the aforementioned date.

To ensure the recovery of the aforementioned creditor's rights and the development of Fengan's property, on August 12, 2019, the Board of Directors resolved to sign a "Debt

Confirmation and Repayment Plan" with Damahua Investment Co., Ltd. (Damahua), Fengsheng and Fengan, stating that Damahua will provide financial support to Fengan for the development and construction of a real estate property to be sold to the market to ensure that the future sales proceeds will be used to repay for the aforementioned claims. Considering the development progress of Fengan's property, the credit recovery period will exceed one year; therefore, the related receivables reclassified to other non-current receivables were recognized as other non-current financial assets. The Group evaluated that the aforementioned debt should have no impairment concern under the cash flow of pledge asset.

The Board of Directors resolved to sign a "Debt Preservation and Conditional Credit Transfer Agreement" and agree that the Group and Damahua to oversee the development and construction of Fengan's property to ensure that the future sales proceeds will be used to repay for the aforementioned claims. Damahua agreed that the credit transfer condition would be met under certain circumstances mentioned in transfer agreement, such as the construction couldn't resume as scheduled, the court auction is designated, or the compulsory execution is enforced by judicial authority. The aforementioned "Debt Preservation and Conditional Credit Transfer Agreement" stated that the development project of the Fengan property must be restarted before June 30, 2020. The progress of approval was delayed because of COVID-19 pandemic. The Group has agreed to extend the start date to December 31, 2020.

On December 31, 2020, the aforementioned "Debt Preservation and Conditional Credit Transfer Agreement" has been reached, Damahua carried the aforementioned creditor's right. On February 9, 2021, the Group agreed to modify the original payment terms and timeline because of the impact of COVID-19 pandemic and the property policy in Quanzhou, which are force majeure. The details of payments are as follows:

(A) Damahua agrees to pay CNY 30,000 thousand before February 9, 2021.

(B) Damahua agrees to pay CNY 51,000 thousand before December 31, 2021.

(C) Damahua agrees to pay CNY 81,000 thousand before June 30, 2022.

(D) Under the premise of obtaining written consent of the Group, Damahua can transfer the title of properties located in Citong road to the Group, as the payment of debt.

Due to the force majeure factor of the COVID-19 epidemic, the society, various industries and the business of Damahua have been seriously affected. Damahua needs to retain part of the operating capital and proposes to the Group to postpone the payment of the remaining receivables until June 30, 2023 and reaches an agreement in August 2022.The Group's original receivables from Damahua amounted to CNY 162,000 thousand, as of September 30, 2022, the accumulative amount of CNY 101,000 thousand has been paid, and the remaining CNY 61,000 thousand unpaid. The payment schedule is described as follows:

(A) Damahua agrees to pay CNY 16,000 thousand before December 31, 2022.

(B) Damahua agrees to pay CNY 16,000 thousand before March 31, 2023.

(C) Damahua agrees to pay CNY 29,000 thousand before June 30, 2023.

(D) If the above amount is not repaid by Damahua before the expiry of the deferred of the deferred repayment period, Damahua will unconditionally cooperate with the liquidation of the Quanzhou Citong Road Project, and the land disposal price of the Quanzhou Citong Road Project will be repaid to the Group in priority.

The Group has collected the payment of CNY 55,500 thousand in 2021. The Group has collected the payment of CNY 25,500 thousand and CNY 20,000 thousand in March and June 2022. Damahua failed to pay CNY 29,000 thousand, CNY 16,000 thousand and CNY 16,000 thousand to the Group on June 30, 2023, March 31, 2023 and December 31, 2022, and the uncollected accounts receivable on December 31, 2023 and 2022, were respectively NT$264,491 thousand (CNY 61,000 thousand) and NT$268,888 thousand (CNY 61,000 thousand). The Group considers that the aforementioned creditor's rights are caused by undertaking the Fengan land, and the Quanzhou Municipal Government has recently agreed that existing developers will adopt a cooperative approach to undertake the development and construction of the Fengan land plot, which will be implemented by the Fengze District Government, and is coordinating to promote Fengan land is under construction, so the Group intends to negotiate with Damahua for proceeds from subsequent project development in order to repay all creditor's rights of the Group.

Although the Group assessed that after the allocation of the disposal value of the Fengan land, Damahua should be able to repay the debts, based on the principle of conservativeness and prudence, the Group raised expectations for the overdue and soon due receivables of CNY 61,000 thousand Credit losses; as of December 31, 2023 and 2022, the amount of provision for losses was NT$264,491 thousand and NT$169,134 thousand.

(4) Investments accounted for using equity method

For affiliated companies that adopt the equity method of the Group that are individually insignificant, their consolidated financial information is as follows, and such financial information is the amount included in the consolidated financial statements of the Group:

	December 31, 2023	December 31, 2022
End-of-period consolidated book value of interests in individual insignificant related companies	$ -	27,636

	For the years ended December 31	
	2023	**2022**
Shares attributable to the merged company:		
Continuing business unit net loss for the period	$ (15,074)	(9,290)
Other comprehensive income	(176)	292
Total comprehensive profit and loss	$ (15,250)	(8,998)

A. Nanjing Grand Ocean Dongfadao Catering Co., Ltd.

(A) On May 6, 2021, the Group signed 5-year investment agreement with Shanghai Dongfadao Catering Management Co., Ltd. (hereinafter referred to as "Shanghai Dongfadao") at the amount of CNY 7,000 thousand, and jointly established Nanjing Grand Ocean Dongfadao Catering Co., Ltd. (hereinafter referred as Nanjing Dongfadao), wherein the Group will acquire 49% of the entire equity. As of June 30, 2023, the Group has invested the amount of NT$30,157 thousand (CNY 7,000 thousand).

(B) The share repurchase agreement of the investment agreement

a. If Shanghai Dongfadao requires to be listed, the share repurchase can be negotiated with the Group and the equity of Nanjing Dongfadao can be repurchased via written consent.

b. If the deficit of Nanjing Dongfadao continues to accumulate for six months or has reached the amount of CNY 5,000 thousand, the Group has the right to notify Shanghai Dongfadao to repurchase its shares unconditionally, at a price deemed as the difference between the total investment amount of the Group and the profit distribution obtained in previous period.

(C) Because Nanjing Dongfadao has been losing money for six consecutive months and has not distributed profits, the Group signed an equity repurchase and urban investment termination agreement with Shanghai Dongfadao on June 28, 2023. The total price of equity repurchase is NT$30,157 thousand (CNY 7,000 thousand). After completing the equity transfer process on August 30, 2023, a gain on the disposal of investments amounting to NT$5,113 thousand (CNY 1,156 thousand) was recognized. Subsequently, in accordance with the agreement, the repurchase consideration for equity is to be received in installments. As of December 31, 2023, an outstanding amount of NT$17,516 thousand (CNY 4,040 thousand) remains to be collected. These outstanding amounts are respectively accounted for as other receivables of NT$8,324 thousand (CNY 1,920 thousand) and other non-current assets of NT$9,192 thousand (CNY 2,120 thousand).

B. The Group, through a board resolution on May 30, 2023, decided to participate in the cash capital increase of Sandmartin International Holdings Ltd., with a total investment of NT$12,658 thousand, representing 26,518 thousand shares. The record date for the capital increase was set as July 5, 2023.

(5) Property, Plant and Equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group were as follows:

		Building	Transportation Device	Office Equipment	Lease Improvement	Construction in progress	Total
Cost or deemed cost:							
Balance at January 1, 2023	$	4,659,195	17,782	245,395	6,988,913	65,802	11,977,087
Additions		-	-	9,358	21,903	158,949	190,210
Current Re-classification		-	-	7,253	182,167	(189,420)	-
Disposal and Abandonment		-	(4,493)	(50,194)	(641,019)	-	(695,706)
Influenced by Fluctuation of Exchange Rates		(76,197)	(209)	(3,509)	(108,452)	(439)	(188,806)
Balance at December 31, 2023	$	4,582,998	13,080	208,303	6,443,512	34,892	11,282,785
Balance at January 1, 2022	$	4,587,224	22,862	227,844	6,741,692	31,595	11,611,217
Additions		-	4,880	3,471	33,202	159,495	201,048
Current Re-classification		-	-	13,110	107,925	(121,035)	-
Reclassified to intangible assets		-	-	-	-	(3,951)	(3,951)
Reclassify to expense		-	-	-	-	(594)	(594)
Disposal and Abandonment		-	(10,361)	(2,688)	(1,598)	-	(14,647)
Influenced by Fluctuation of Exchange Rates		71,971	401	3,658	107,692	292	184,014
Balance at December 31, 2022	$	4,659,195	17,782	245,395	6,988,913	65,802	11,977,087
Depreciation and Impairment Losses:							
Balance at January 1, 2023	$	781,566	9,499	191,267	4,667,890	2,317	5,652,539
Depreciation		109,321	1,386	11,666	330,747	-	453,120
Disposal and Abandonment		-	(4,323)	(49,283)	(640,996)	-	(694,602)
Impairment loss		527,283	173	3,457	110,695	-	641,608
Influenced by Fluctuation of Exchange Rates		(25,305)	(108)	(2,615)	(75,162)	-	(103,190)
Balance at December 31, 2023	$	1,392,865	6,627	154,492	4,393,174	2,317	5,949,475
Balance at January 1, 2022	$	662,225	17,495	174,350	4,023,563	514	4,878,147
Depreciation		109,659	878	13,638	432,033	-	556,208
Disposal and Abandonment		-	(9,325)	(2,413)	(695)	-	(12,433)
Impairment loss		-	115	2,880	150,804	1,791	155,590
Influenced by Fluctuation of Exchange Rates		9,682	336	2,812	62,185	12	75,027
Balance at December 31, 2022	$	781,566	9,499	191,267	4,667,890	2,317	5,652,539
Carrying amounts:							
Balance at December 31, 2023	$	3,190,133	6,453	53,811	2,050,338	32,575	5,333,310
Balance at January 1, 2022	$	3,924,999	5,367	53,494	2,718,129	31,081	6,733,070
Balance at December 31, 2022	$	3,877,629	8,283	54,128	2,321,023	63,485	6,324,548

A. As of December 31, 2023 and 2022, due to payments to stores maintenance and to acquire the property for department stores, the Group recognized other payables amounting to NT$95,435 thousand and NT$171,473 thousand, respectively.

B. The significant components of the buildings include the main building, machinery and air conditioner with their own estimated useful lives as 5 to 50 years, 5 to 20 years and 5 to 20 years.

C. In the fiscal year 2023, due to the impact of the COVID-19 pandemic in recent years, consumer spending in Mainland China has decreased, leading to currency tightening and a declining trend in operating conditions compared to previous years. This has also resulted in changes in the value of real estate in Mainland China. The Group conducted impairment tests on property, plant and equipment, estimating that the recoverable amount is lower than their carrying amounts, thus recognizing impairment losses of NT$582,641 thousand, reported in other gains and losses. The Group's assessment of impairment of non-financial assets is based on the fair value less costs of disposal or the value in use of cash-generating units. The fair value of property, plant and equipment is estimated using market prices in nearby areas and the income approach, with evaluations based on independent appraisers (possessing recognized relevant professional qualifications and recent experience in the location and type of property, plant and equipment being appraised). The inputs used in the fair value estimation technique belong to level three, and the fair value is assessed based on market value. Key assumptions are as follows:

(A) Capitalization rate ranging from 6% to 7%;

(B) Annual rental growth rate ranging from 2% to 4%;

(C) Remaining years ranging from 12.4 years to 38 years;

(D) Adjustments are made considering transaction conditions, transaction dates, and physical conditions when measuring the fair value of the property, plant and equipment.

D. Wuhan Hanyang Grand Ocean Classic Commercial Ltd., a subsidiary of the Group, has suffered continuous operating losses. According to the resolution of the board of directors, it was closed its business on August 31, 2023, so it recognized NT$58,967 thousand for impairment losses on property, plant and equipment. Additionally, relevant equipment was scrapped, leading to the derecognition of the carrying amount, accumulated depreciation, and impairment loss amounting to a total of NT$212,609 thousand.

E. Chongqing Optics Valley Grand Ocean Commercial Development Limited, a subsidiary of the Group, closed the business on October 31, 2022, recognizing an impairment loss of NT$155,590 thousand. In January 2023, the company handed over the scrapped equipment to the owner for site clearance, resulting in the derecognition of the carrying amount, accumulated depreciation, and impairment loss, totaling NT$459,494 thousand.

F. Please refer to Note 6(19) for details on disposal gains and losses.

G. Guarantee

Please refer to Note 8 for the details of long-term loans and financing line guarantees in December 31, 2023 and 2022.

(6) Right-of-use assets

The movements in the cost and depreciation of the leased land, buildings, machine and transportation equipment were as follows:

	Land	Buildings	Machine equipment	Total
Cost:				
Balance at January 1, 2023	$ 3,327,110	10,984,683	59,332	14,371,125
Additions (Note 7)	-	2,438,691	-	2,438,691
Lease modifications	-	(1,092,802)	-	(1,092,802)
Effect of changes in foreign exchange rates	(54,412)	(206,119)	(970)	(261,501)
Balance at December 31, 2023	**$ 3,272,698**	**12,124,453**	**58,362**	**15,455,513**
Balance at January 1, 2022	$ 3,275,716	11,635,157	58,416	14,969,289
Additions	-	39,779	-	39,779
Lease modifications	-	(847,391)	-	(847,391)
Derecognition	-	(30,812)	-	(30,812)
Effect of changes in foreign exchange rates	51,394	187,950	916	240,260
Balance at December 31, 2022	**$ 3,327,110**	**10,984,683**	**59,332**	**14,371,125**
Accumulated depreciation:				
Balance at January 1, 2023	$ 391,033	2,870,955	29,174	3,291,162
Depreciation	98,089	990,514	6,490	1,095,093
Lease modifications	-	(462,429)	-	(462,429)
Impairment loss	120,218	-	-	120,218
Effect of movement in exchange rate	(10,689)	(57,339)	(605)	(68,633)
Balance at December 31, 2023	**$ 598,651**	**3,341,701**	**35,059**	**3,975,411**
Balance at January 1, 2022	$ 288,745	2,219,002	21,479	2,529,226
Depreciation	98,392	974,104	7,406	1,079,902
Lease modifications	-	(322,149)	-	(322,149)
Derecognition	-	(30,812)	-	(30,812)
Effect of movement in exchange rate	3,896	30,810	289	34,995
Balance at December 31, 2022	**$ 391,033**	**2,870,955**	**29,174**	**3,291,162**
Carrying amounts:				
Balance at December 31, 2023	**$ 2,674,047**	**8,782,752**	**23,303**	**11,480,102**
Balance at January 1, 2022	**$ 2,986,971**	**9,416,155**	**36,937**	**12,440,063**
Balance at December 31, 2022	**$ 2,936,077**	**8,113,728**	**30,158**	**11,079,963**

A. The subsidiary of the Group, Wuhan Grand Ocean Classic Commercial Development Limited, in order to expand the Group's operational scale, resolved in a board meeting to establish a new store on September 1, 2023. The recognized right-of-use assets for leased houses and buildings are NT$1,420,603 thousand.

B. The subsidiary of the Group, Nanjing Grand Ocean Classic Commerce Limited, leased operating premises from other related parties in January 2003. The original contract expired in January 2023. The Group re-signed a ten-year lease contract, resulting in an increase in right-of-use assets of NT$1,018,088 thousand in the current period.

C. In the fiscal year 2023, due to the impact of the COVID-19 pandemic in recent years, consumer spending in Mainland China has decreased, resulting in currency tightening and a downward trend in operating conditions compared to previous years. This has also led to changes in the value of real estate in Mainland China. The Group conducted impairment testing on the right-of-use assets, estimating that the recoverable amount is lower than their carrying amounts, thus recognizing impairment losses of NT$120,218 thousand, reported in other gains and losses. The impairment assessment of non-financial assets by the Group is based on the fair value less costs of disposal or the value in use of cash-generating units. The fair value of the right-of-use assets is estimated using market prices in nearby areas and the income approach, with evaluations based on independent appraisers (possessing recognized relevant professional qualifications and recent experience in the location and type of right-of-use assets being appraised). The inputs used in the fair value estimation technique belong to level three, and the fair value is assessed based on market value. Please refer to Note 6(5) for key assumptions.

D. Wuhan Hanyang Grand Ocean Classic Commercial Ltd. and Chongqing Optics Valley Grand Ocean Commercial Development Limited, subsidiaries of the Group, have closed operations on August 31, 2023, and October 31, 2022, respectively, according to the resolution of the board of directors, due to continuous losses in operations. Please refer to Note 6(19) for the lease modification benefits arising from the shortening of the lease term due to the closure of operations.

(7) Intangible Assets

The costs, amortization, and impairment loss of intangible assets were as follows:

	Goodwill	Trademark Rights	Computer Software	Total
Costs:				
Balance at January 1, 2023	$ 1,473,567	430,294	33,717	1,937,578
Additions	-	-	1,348	1,348
Influenced by Fluctuation of Exchange Rates	(24,099)	140	(578)	(24,537)
Balance at December 31, 2023	**$ 1,449,468**	**430,434**	**34,487**	**1,914,389**

	Goodwill	Trademark Rights	Computer Software	Total
Balance at January 1, 2022	$ 1,450,805	387,825	25,215	1,863,845
Additions	-	-	4,288	4,288
Transferred in from unfinished project	-	-	3,951	3,951
Disposal	-	-	(80)	(80)
Influenced by Fluctuation of Exchange Rates	22,762	42,469	343	65,574
Balance at December 31, 2022	$ 1,473,567	430,294	33,717	1,937,578
Amortization and Impairment Losses:				
Balance at January 1, 2023	$ -	-	18,692	18,692
Amortization	-	-	3,172	3,172
Impairment loss	-	306,421	252	306,673
Influenced by Fluctuation of Exchange Rates	-	(4,493)	(373)	(4,866)
Balance at December 31, 2023	$ -	301,928	21,743	323,671
Balance at January 1, 2022	$ -	-	14,348	14,348
Amortization	-	-	4,019	4,019
Transferred in from unfinished project	-	-	205	205
Disposal	-	-	(80)	(80)
Influenced by Fluctuation of Exchange Rates	-	-	200	200
Balance at December 31, 2022	$ -	-	18,692	18,692
Carrying amounts:				
Balance at December 31, 2023	$ 1,449,468	128,506	12,744	1,590,718
Balance at January 1, 2022	$ 1,450,805	387,825	10,867	1,849,497
Balance at December 31, 2022	$ 1,473,567	430,294	15,025	1,918,886

A. Recognition of amortization

The amortization of intangible assets are included in the consolidated statements of comprehensive income for the years ended December 31, 2023 and 2022:

	For the years ended December 31	
	2023	**2022**
Operating Expenses	**$ 3,172**	**4,019**

B. Impairment testing

For impairment testing, the Group had allocated goodwill to the individual CGUs. The carrying amount of goodwill was allocated to each CGU as follows:

		December 31, 2023		December 31, 2022	
		Carrying amount	Recoverable amount	Carrying amount	Recoverable amount
Goodwill					
Shanghai Grand Ocean Qianshu Commercial Management Co., Ltd.	$	102,667	624,745	104,374	749,774
Wuhan Grand Ocean Classic Commercial Development Ltd. (Note)		189,630	1,142,617	192,783	380,564
Fuzhou Grand Ocean Commerce Ltd.		1,157,171	1,246,950	1,176,410	1,388,105
	$	1,449,468	3,014,312	1,473,567	2,518,443
Trademark					
Grand Ocean Classic Commercial Group Co., Ltd.	$	430,434	128,506	430,294	570,868

Note: The recoverable amount for the fiscal year 2023 includes the newly established store as of September 1, 2023, and deducts the recoverable amount for self-owned building assets calculated based on fair value less disposal costs.

The recoverable amount of CGU is the higher of fair value less costs of disposal or value in use. If an asset's recoverable amount is higher than its carrying amount, the Group assumes that there is no doubt about impairment loss. The recoverable amount of CGUs as of December 31, 2023 and 2022, was estimated on its value in use except Fuzhou Grand Ocean Commerce Limited, its recoverable amount was fair value less costs of disposal. Details regarding the fair value valuation method and key assumptions for Fuzhou Grand Ocean Commerce Limited are provided in Note 6(5).

In 2023, due to the economic downturn in the mainland China region, the operating performance showed a decline compared to the previous year. As a result, the Group conducted impairment testing on goodwill and trademark rights. It was estimated that the recoverable amount of CGUs of Grand Ocean Classic Commercial Group Co., Ltd. was NT$128,506 thousand, which was less than the carrying amount. Therefore, an impairment loss of NT$306,421 thousand for trademark rights was recognized in the 2023 financial year and reported under other gains and losses.

The recoverable amount of the CGUs, Shanghai Grand Ocean Qianshu Commercial Management Co., Ltd., Wuhan Grand Ocean Classic Commercial Department Limited and Grand Ocean Classic Commercial Group Co., Ltd., as of December 31, 2023 and 2022, were estimated on the value in use. The key assumptions used in estimating the value in use were as follows:

	December 31, 2023	December 31, 2022
Discount Rate	10%	10%
Growth Rate	1%~10%	5%~11%

(A) The discount rate was a pre-tax measure based on the rate of 20-year government bonds of China issued by the government and adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systemic risk of the specific CGU.

(B) Estimates of future cash flows are based on past experience, actual operating results and future lease agreement due date.

(C) The operating income forecast measures the average growth over the past five years. And based on comparable company data, sales price is projected to grow at a fixed rate slightly higher than the expected inflation rate for the next five years.

(D) In operational plan, costs and expenses were estimated based on past experiences and other variable factors.

The aforementioned key assumptions were taking into account the external and internal historical information, and represented management's evaluation and estimates of future economic trend of retail business.

C. Wuhan Hanyang Grand Ocean Classic Commercial Ltd. and Chongqing Optics Valley Grand Ocean Commercial Development Limited, subsidiaries of the Group, have closed operations on August 31, 2023 and October 31, 2022, respectively, according to the resolution of the board of directors, due to continuous losses in operations, leading to the recognition of impairment loss of NT$252 thousand and NT$205 thousand, respectively.

(8) Other financial assets－current and non-current

The details of Other financial assets－current and non-current are as below:

	December 31, 2023	December 31, 2022
Other financial assets - current		
Deposits - out for lease (Note)	$ 303	28,999
Restricted deposits	401,065	32,552
Deposit for rent expansion (Note)	65,039	-
Others	3,263	2,661
	$ 469,670	**64,212**

	December 31, 2023	December 31, 2022
Other financial assets－non-current		
Deposits－out for lease (Note)	$ 191,935	187,228
Deposits－out for cooperation	7,499	8,178
Restricted deposits	523,457	8,186
Others	3,210	3,317
	$ 726,101	**206,909**

Note: The lease deposit is mainly the deposit deposited by the lessee; the deposit for rent expansion is the deposit paid by the subsidiary, Yichang Grand Ocean Commerce Limited, for expanding the leased area, and it will be used to offset the rental expenses after the contract is signed.

(9) Short-term Loans

The details of short-term loans are as below:

	December 31, 2023	December 31, 2022
Unsecured Bank Loans	$ 639,742	614,000
Secured Bank Loans	1,671,672	1,202,945
Total	**$ 2,311,414**	**1,816,945**
Unused Credit Lines	**$ 764,315**	**811,358**
Range of Interest Rates	**3.65%~8.09%**	**4.20%~6.96%**

For the collateral of short-term borrowings, please refer to Note 8.

(10) Long-term Loans

The list, terms and conditions of long-term loans of the Group were as follows:

	December 31, 2023			
	Currency	**Interest Rate Collar**	**Year of Expiry**	**Amount**
Unsecured Bank Loans	USD	7.86%~8.19%	113~115	$ 337,810
Secured Bank Loans	USD	6.22%~6.23%	114	491,360
〃	RMB	4.2%	114	346,874
				1,176,044
Less: current portion				(412,610)
Total				**$ 763,434**
Unused Credit Lines				**$ 153,550**

	December 31, 2022			
	Currency	**Interest Rate Collar**	**Year of Expiry**	**Amount**
Unsecured Bank Loans	USD	5.08%~6.95%	113~114	$ 1,074,500
〃	RMB	4.5%~4.8%	112	110,200
Secured Bank Loans	RMB	4.2%	114	440,800
				1,625,500
Less: current portion				(413,260)
Total				**$ 1,212,240**
Unused Credit Lines				**$ 184,200**

A. For the collateral of long-term loans, please refer to Note 8.

B. For information regarding the Group's interest rate, foreign currency, and liquidity risk exposures, please refer to Note 6(20).

(11) Accounts payable and other payables

	December 31, 2023	December 31, 2022
Accounts payable		
Arising from direct sales	$ 61,097	46,335
Arising from concessionaire sales	1,140,001	880,886
Others	64,226	33,864
Total	$ 1,265,324	961,085

Most of payable arising from suppliers.

	December 31, 2023	December 31, 2022
Other payables		
Wages and salaries payable	$ 121,925	121,060
Construction payables	95,435	171,473
Compensation payable for store closures, etc.	19,361	14,150
Compensation payable for lawsuit	423,480	148,370
Payables to Related Parties	276,390	138,150
Others	385,901	426,278
Total	$ 1,322,492	1,019,481

(12) Lease liabilities

The Group’s lease liabilities were as follows:

	December 31, 2023	December 31, 2022
Current	$ 831,093	943,549
Non-current	$ 9,416,852	9,039,555

Please refer to note 6(20) financial instruments for maturity analysis.

The amounts recognized in profit or loss were as follow:

	For the years ended December 31	
	2023	2022
Interest on lease liabilities	$ 479,092	540,952
Variable lease payments not included in the measurement of lease liabilities	$ 1,226	52,335
Expenses relating to short-term leases	$ 981	1,375
Expenses relating to leases of low-value, excluding short-term leases of low-value assets	$ 36	36

	For the years ended December 31	
	2023	2022
Rent concessions related to COVID-19 (recorded as a reduction in operating expenses)	$ -	101,425

Total cash flow for the Group's leases as follows:

	For the years ended December 31	
	2023	2022
Total cash outflow for leases	$ 1,357,759	1,464,941

A. Lease of land, housing and construction

The Group leases land use rights, housing and buildings as office space and department store buildings for business. The lease period of office premises and department store buildings is usually with three years and ten to twenty years, respectively. Some leases include the option to extend the lease period at the end of the lease term.

Some leases provide for additional rent payments that are based on changes in local price indices, or sales that the Group makes at the leased store in the period.

Some leases of retail stores contain variable lease payments which are based on sales that the Group makes at the store. These payment terms are common in retail stores in the country where the Group operates. Fixed and variable retail payments for the year ended December 31, 2023 and 2022, were as follows:

	2023			
	Fixed payments	Variable payments	Total payments	Estimated annual impact on rent of a 1% increase in sales
Leases with lease payments based on sales	$ 104,642	1,226	105,868	12

	2022			
	Fixed payments	Variable payments	Total payments	Estimated annual impact on rent of a 1% increase in sales
Leases with lease payments based on sales	$ 125,132	52,335	177,467	523

The Group expects the relative proportions of fixed and variable lease payments to remain broadly consistent in future years.

B. Other leases

The lease period of the Group leased transportation and machinery and equipment is five to ten years. Some lease contracts stipulate that the Group has options to purchase the leased assets at the end of lease term.

In addition, the period in which the Group leases part of the office is one year, and the leases are short-term leases. The Group chooses to apply the exemption recognition requirement without recognizing its related right-of-use assets and lease liabilities.

(13) Employee Benefits

A. Defined Contribution Plans

Defined contribution plans of the employees in Taiwan office of the consolidated company are plotted in accordance with Taiwan Labor Pension Act, where a contribution rate as 6% of the wage of a labor each month is conducted and contributed to the personal account of retirement created by the Bureaus of Labor Insurance. After the consolidated company has contributed the fixed amount to Bureaus of Labor Insurance under the plans, it shall not assume any more legal or constructive obligations for paying an extra amount.

Defined benefit plans of the employees working in the Chinese subsidiaries are also applied with the contribution system, where an amount corresponding to the wage per month of the position as for an employee is to be contributed to his (or her) own account respectively. Whenever resigning or retiring from the job of an employee, the voluntary pension calculated by the subtraction of early withdrawn provident fund from actual cumulative voluntary amount over the years will be returned at one time; the pension contributed by company will be returned by the subtraction of early withdrawn provident fund during the tenure from actual cumulative provident fund contributed by company over the years multiplying percentage of seniority-based pay.

Pension expenses of the defined contribution plans of the consolidated company for the years ended December 31, 2023 and 2022, were NT$56,418 thousand and NT$59,645 thousand, respectively.

(14) Income Tax

A. Income tax expense

The components of income tax were as follows:

	For the years ended December 31	
	2023	**2022**
Current Tax Expense		
Current period	$ 83,864	93,620
Adjustment for prior period	(752)	(1,284)
	83,112	92,336

	For the years ended December 31	
	2023	**2022**
Deferred Tax Expense		
Origination and reversal of temporary differences	139,285	126,696
Income Tax Expenses from continuing operations	$ 222,397	219,032

Reconciliation of income tax and loss before tax were as follows:

	For the years ended December 31	
	2023	**2022**
Loss excluding income tax	$ (1,861,600)	(613,815)
Income Tax Calculated by Domestic Tax Rate of Consolidated Company	(465,400)	(153,453)
Effective Influence of Tax Rate by Foreign Jurisdiction	121,744	30,423
Expenses Not Able to Be Offset	6,861	9,480
Investment Losses	1,849	(9)
Unrecognized Taxing Losses of Prior Period of Recognition	278,357	230,927
Current Taxing Losses on Unrecognized Deferred Tax Assets	264,816	52,985
Prior Period Underestimation (or overestimation)	(752)	(1,284)
Losses Deduction	55,439	42,866
Others	(40,517)	7,097
Income Tax Expense	$ 222,397	219,032

B. Deferred Tax Assets

(A) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

	December 31, 2023	**December 31, 2022**
The carry forward of unused tax losses	$ 352,594	88,050
Taxation losses	946,084	792,234
	$ 1,298,678	880,284

Taxation losses are based on the income tax laws of subsidiaries in China. After being approved by the tax collection agency, the losses in the previous five years can be deducted from the net profits of the current year, and then the income tax will be assessed. These items are not recognized as deferred income tax assets because it is not probable that the combined company will have sufficient taxable income in the future to use the temporary difference.

(B) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for the years ended December 31, 2023 and 2022, were as follows:

Deferred Tax Assets:

	Tax losses deduction and other	Rental expenses	Total
Balance at January 1, 2023 (revised)	$ 121,857	2,663,664	2,785,521
Recognized in profit or loss	(67,520)	90,547	23,027
Foreign currency translation differences for foreign operations	(664)	(45,344)	(46,008)
Balance at December 31, 2023	$ 53,673	2,708,867	2,762,540
Balance at January 1, 2022	$ 182,884	679,022	861,906
Effect of retrospective application	-	2,363,273	2,363,273
Balance at January 1, 2022 (revised)	182,884	3,042,295	3,225,179
Recognized in profit or loss	(64,311)	(429,128)	(493,439)
Foreign currency translation differences for foreign operations	3,284	50,497	53,781
Balance at December 31, 2022 (revised)	$ 121,857	2,663,664	2,785,521

Deferred Tax Liabilities:

	Retained Earnings	Tax losses deduction	Total
Balance as of January 1, 2023 (revised)	$ 56,288	2,035,972	2,092,260
Recognized in profit or loss	(40,517)	202,829	162,312
Influenced by Fluctuation of Exchange Rates	612	(37,287)	(36,675)
Balance as of December 31, 2023	$ 16,383	2,201,514	2,217,897
Balance as of January 1, 2022	$ 50,733	-	50,733
Effect of retrospective application	-	2,363,273	2,363,273
Balance at January 1, 2022 (revised)	50,733	2,363,273	2,414,006
Recognized in profit or loss	-	(366,743)	(366,743)
Influenced by Fluctuation of Exchange Rates	5,555	39,442	44,997
Balance at December 31, 2022 (revised)	$ 56,288	2,035,972	2,092,260

Starting from January 1, 2023, the consolidated company applies the amendment to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction." As per Note 3(1), the rent expenses of the subsidiary company in mainland China will no longer be exempt from recognition. Instead, an equal amount of deferred tax assets and deferred tax liabilities should be recognized.

(C) As of December 31, 2023, the information of the Group’s unutilized business losses for which no deferred tax assets were recognized are as follows:

Deficit Year	Deficit without Deduction		Last Year with Deduction
2019	$	543,986	2024
2020		1,160,256	2025
2021		646,056	2026
2022		557,206	2027
2023		1,091,524	2028
	$	**3,999,028**	

C. Income tax verification situation

The mainland subsidiary's income tax settlement declaration case has been reported to the local tax agency until the 2022.

(15) Capital and Other Equity

As of December 31, 2023 and 2022, the number of authorized ordinary shares were both 5,000,000 thousand shares, with par value of $10 per share. The total value of authorized ordinary shares was amounted to both $500,000 thousand. Also, the number of issued and outstanding shares were both 195,531 thousand shares. All issued shares were paid up upon issuance.

A. Capital surplus

The components of the capital surplus were as follows:

	December 31, 2023		December 31, 2022
Premium on Issued Shares	$	5,041,030	5,041,030
Treasury Stock Trading		25,333	25,333
Exercising the right of imputation		9,122	9,122
	$	**5,075,485**	**5,075,485**

B. Retained Earnings

Based on the articles of the company, the board should in accord with the measures and procedure described as below to draft the disposition of earnings and submit it to the shareholders meeting for approval by an ordinary resolution if there is any earning at general accounts annually of the company:

(A) Tax payables contributed by law;

(B) Compensation to the accumulated deficit by previous years;

(C) 10% as a contribution to the legal reserve in accordance with the applicable laws and regulations, except for when the legal reserve approaches the paid-in capital of the company;

(D) Contribution of the appropriated retained earnings by the applicable laws and regulations or the demands from a competent authority; and

(E) Profit available for distribution is the amount of earnings of the current year minus the sum from (A) to (D) above, and then plus cumulative retained earnings of the prior period. The board will propose the project of dividend distribution from it and then submit to the shareholders meeting for approval by an ordinary resolution according to the applicable laws and regulations.

Policies concerning the dividends of the company must take the environment as well as trends in the industry in the future, requirements for funds and financial structure into consideration. Dividends shall be paid no less than 30% of the current year ’s surplus. As for the profit available for distribution, except for an option of retaining, it can be distributed through equity dividends or cash dividends, which the latter is subject to be more than 10% of the total dividends.

(A) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders’ meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

(B) Special reserve

The Group chose to apply the exemption under the IFRS1 “First-time adoption of IFRS”; therefore, a portion of cumulative translation adjustments amounting to thousand was reclassified as special earnings reserve. The net increase in retained earnings due to this reclassification is not covered by the Ruling No. 1010012865 issued by the FSC on April 6, 2012, for purposes of appropriating the same amount of special earnings reserve.

In accordance with the aforementioned Ruling, when the company distributes the distributable surplus, the net amount of other shareholders' equity deduction that occurs in the current year is supplemented as a special surplus reserve from the current profit and loss and the undistributed surplus of the previous period; it belongs to the deduction of other shareholders' equity accumulated in the previous period amount, the special surplus reserve shall not be distributed from the undistributed surplus of the previous period. If there is a subsequent reversal in the amount of reductions in other shareholders' equity, the surplus may be distributed for the reversed portion.

On June 15, 2023, the shareholders' general meeting resolved a reversal of the special reserve in the amount of NT$40,171 thousand to offset the loss of NT$355,792 thousand. Furthermore, on June 23, 2022, the shareholders' general meeting resolved the appropriation of a special reserve in the amount of NT$36,014 thousand.

(C) Earnings distribution

On June 15, 2023, and June 23, 2022, the shareholders' general meeting resolved the loss appropriation proposal in 2022 and 2021, respectively.

C. Treasury stock

The details for transferring treasury shares to employees:

(In thousands of shares)

	For the years ended December 31	
	2023	**2022**
Outstanding at January 1	$ 8,682	9,007
Quantity sold in this period	(973)	(325)
Outstanding at December 31	**$ 7,709**	**8,682**

The proceeds from transferring treasury shares were recognized as prepaid salary for employees to subscribe. As of December 31, 2023 and 2022, these prepaid salaries amounting to NT$122,915 thousand and NT$139,588 thousand were recognized under other non-current assets – other. Considering the increasingly difficult environment of the department store, in order to retain talents and maintain the stability of the team, and due to the impact of the new crown virus. On August 30, 2022, the board of directors decided to defer the salary advance payment of employees until 2025.

D. Other Equity (net income after tax)

	Exchange Difference on Translation of Foreign Operations
Balance at January 1, 2023	$ (952,421)
Exchange difference on translation of net assets of foreign operations	(98,275)
Share of translation differences of affiliated companies using the equity method	(176)
Balance at December 31, 2023	**$ (1,050,872)**
Balance at January 1, 2022	$ (992,592)
Exchange difference on translation of net assets of foreign operations	39,879
Share of translation differences of affiliated companies using the equity method	292
Balance at December 31, 2022	**$ (952,421)**

(16) Earnings per Share

Calculations of the basic as well as diluted earnings per share of the consolidated company are listed as below:

	For the years ended December 31	
	2023	**2022**
Basic Earnings (Loss) per Share		
Net Profit Attributed to Shareholder of Common Stock of Company	**$ (2,083,997)**	**(832,847)**

Weighted average number of common shares outstanding	195,531	195,531
Basic Earnings (Loss) per Share (NTD)	**$ (10.66)**	**(4.26)**

The Company did not disclose the diluted loss per share for the years ended December 31, 2023 and 2022, as there were losses before tax. Additionally, there were no potential ordinary shares of employee remuneration that could have diluted the loss per share.

(17) Revenue from Contracts with Customers

A. Details of Revenue

	For the years ended December 31	
	2023	**2022**
Main Regional Markets:		
China	**$ 3,820,133**	**4,150,142**
Main Product/Service:		
Commissions revenue (Retail revenue – concessionaire sales)	$ 1,221,361	1,224,769
Commodity sales (Retail revenue – direct sales)	705,830	825,508
Lease revenue (Note)	1,013,233	1,115,858
Service revenue and others	879,709	984,007
	$ 3,820,133	**4,150,142**

Note: The lease revenue and financial lease interest income of the Group are under IFRS 16.

(18) Employee compensation and directors' remuneration

According to the Articles of Association, once the Company has annual profit, it should appropriate no less than 1% of the profit to its employees and 3% or less as directors' and supervisor's remuneration. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The pervading target given via shares or cash includes dependent employees of the Company and Company's subsidiaries.

As the company incurred loss before tax for the years ended December 31, 2023 and 2022, no employee compensation and directors' remuneration were estimated and accrued.

In 2021, the company had accounted for NT$787 thousand, respectively, as the rewards for employees, as well as accounting for NT$0 thousand, respectively, as the rewards for board members. On March 31, 2022, by board resolutions, the company had accounted for NT$788 thousand, respectively, as the rewards for employees, as well as accounting for NT$0 thousand, respectively, as the rewards for board members, where the differences between actual distribution and estimation, and they will be treated as the changes in accounting estimates and recognized as the profit or loss of 2022. All the relational information can be referred in the Market Observation Post System.

(19) Non-operating Income and Expenses

A. Interest Income

The details of other income were as follows:

	For the years ended December 31	
	2023	2022
Interest of Back Deposit	$ 27,646	21,251
Open-end Funds	978	999
Other	(1,026)	3,784
Total	**$ 27,598**	**26,034**

B. Other Income

The details of other income were as follows:

	For the years ended December 31	
	2023	2022
Dividend income	$ -	2,788
Government grants income	**15,020**	**7,288**
Total	**$ 15,020**	**10,076**

C. Other gains and losses

The details of other gains and losses were as follows:

	For the years ended December 31	
	2023	2022
Loss on disposal of property, plant and equipment	$ (783)	(5)
Gain on disposal of investment	5,113	-
Foreign exchange gain (losses)	(3,965)	(12,847)
Net gain (loss) on financial assets at fair value through profit or loss	9,189	13,490
Impairment loss on property, plant and equipment	(641,608)	(155,590)
Impairment loss on right-of-use assets	(120,218)	-
Impairment loss on intangible assets	(306,673)	(205)
Compensation losses on store closures	(31,752)	(46,878)
Compensation losses on lawsuit	(344,050)	(149,331)
Gain on lease modification	495,197	353,564
Overdue payments transferred to income	7,236	99,096
Other Gains and Losses (such as fees and charges of credit card, etc.)	103,527	84,469
Other gains and losses, Net	**$ (828,787)**	**185,763**

D. Finance costs

The details of finance costs were as follows:

	For the years ended December 31	
	2023	2022
Interest Expense	$ 207,554	158,214
Interest on Lease liabilities	479,092	540,952
Other Financial Expenses	2,037	5,222
Total	$ 688,683	704,388

(20) Financial Instruments

A. Credit risks

(A) Exposure of Credit Risk

Carrying amount of a financial asset represents the maximum amount of credit risk exposure.

(B) Concentration of credit risk

There is no significant concentration on single customer in the Group's retail business, and debtors of accounts receivable are banks with high credit rating; therefore, management believes that there is no significant concentration of credit risk.

(C) Credit risk of receivables

For credit risk exposure of accounts receivables, please refer to note 6(3).

Other financial assets at amortized cost includes other receivables etc., as stated above, there were almost low credit risk, therefore the impairment provision of all of these financial assets recognized during the period was limited to 12 months expected losses or lifetime ECL measurement, please refer to note 4(7).

The movement in the allowance for impairment for other receivables for the years ended December 31, 2023 and 2022, were as follows:

	For the years ended December 31	
	2023	2022
Balance at January 1	$ 200,544	50,765
Impairment losses recognized	131,608	149,949
Influenced by Fluctuation of Exchange Rates	(5,868)	(170)
Balance at December 31	$ 326,284	200,544

B. Liquidity risks

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Carrying Amount	Contract Cash Flows	within 1 Year	1 – 5 Years	over 5 Years
December 31, 2023					
Non-derivative Financial Liabilities					
Floating Rate Instruments	$ 1,934,730	2,036,628	1,460,873	575,755	-
Fixed Rate Instruments	1,829,118	1,902,606	1,680,499	222,107	-
Non-interest-bearing	2,882,373	2,882,373	2,311,426	-	570,947
Lease liabilities	10,247,945	13,667,445	1,277,096	4,525,455	7,864,894
	$ 16,894,166	**20,489,052**	**6,729,894**	**5,323,317**	**8,435,841**
December 31, 2022					
Non-derivative Financial Liabilities					
Floating Rate Instruments	$ 1,688,500	1,837,845	929,597	908,248	-
Fixed Rate Instruments	1,892,095	1,981,269	1,610,732	370,537	-
Non-interest-bearing	2,421,284	2,421,284	1,842,416	-	578,868
Lease liabilities	9,983,104	13,508,914	1,402,168	4,570,026	7,536,720
	$ 15,984,983	**19,749,312**	**5,784,913**	**5,848,811**	**8,115,588**

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

C. Interest rate analysis

The Group's financial assets and financial liabilities with interest rate exposure risk as of the reporting date were as follows:

	Carrying Amount	
	December 31, 2023	**December 31, 2022**
Fixed interest rate		
Financial Asset	$ 924,522	362,522
Financial Liability	(12,077,063)	(11,875,199)
	$ (11,152,541)	**(11,512,677)**
Variable interest rate		
Financial Asset	$ 1,013,123	1,308,556
Financial Liability	(1,934,730)	(1,688,500)
	$ (921,607)	**(379,944)**

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative financial instruments at the reporting date. Regarding of liabilities with floating interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 0.5% when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

If the interest rate were to increase or decrease by 0.5% basis points, with all other variables held constant, the Group's loss before tax for the years ended December 31, 2023 and 2022, would increase or decrease by NT$4,608 thousand and NT$1,900 thousand, respectively.

D. Other market price risk

If the equity price changes, the impact of equity price change to other comprehensive income will be as follows, assuming the analysis is based on the same basis for both years and assuming that all other variables considered in the analysis remain the same:

	For the years ended December 31			
	2023		2022	
Reporting Day Security Prices	**Other Comprehensive Income before Tax**	**Profit or Loss before Tax**	**Other Comprehensive Income before Tax**	**Profit or Loss before Tax**
5% Increase	**$ -**	**584**	**-**	**3,402**
5% Decrease	**$ -**	**(584)**	**-**	**(3,402)**

E. Information of Fair Value

(A) Measurement Process of Fair Value of Financial Instruments

Accounting policies and disclosure of the consolidated company include the assets and liabilities financial or non-financial measured by fair value. The consolidated company is to build an inner control system concerning fair value measurement. Wherein it includes an evaluation team to be responsible for reviewing all the assessments of fair value (including a Level 3 fair value), and this team will directly report to the CFO. The evaluation team will review the material inputs non-observable and adjust them periodically. If an input used for measuring fair value comes from the 3rd party information (such as a broker or pricing service institution), the team shall assess the evidence of this input provided and supported by the 3rd party, in order to ensure that this evaluation and the hierarchy classification of its fair value comply with IFRS.

The consolidated company shall use an observable input in the market as possible as it can when measuring the assets and liabilities. Fair value hierarchy is classified according to the input used of evaluation techniques:

- Level 1: Opening quotes (unadjusted) from the same assets or liabilities in an active market.
- Level 2: Except for the opening quotes in Level 1, input parameters of the assets or liabilities can be directly (i.e. price) or indirectly (i.e. inference from price) observed.

- Level 3: Input parameters of the assets or liabilities not based on the observable market information (non-observable parameters).

(B) Classifications of Financial Instruments and Fair Value

The consolidated company measures the fair value based on repeatability by the financial assets and liabilities measured by fair value through profit or loss. Carrying amount and fair value of all kinds of financial assets and liabilities (including fair value hierarchy, yet carrying amount of the financial instruments not measured by fair value are those ones having the fair value to that are reasonably approximate) are listed as below:

	December 31, 2023				
		Fair Value			
	Carrying Amount	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets Measured by Fair Value through Profit or Loss					
Non-derivative Financial Assets Measured by Fair Value through Profit or Loss by Enforcement	$ 11,689	11,689	-	-	11,689

	December 31, 2022				
		Fair Value			
	Carrying Amount	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets Measured by Fair Value through Profit or Loss					
Non-derivative Financial Assets Measured by Fair Value through Profit or Loss by Enforcement	$ 68,033	68,033	-	-	68,033

(C) Valuation techniques for financial instruments not measured at fair value

The Group’s valuation techniques and assumptions used for financial instruments not measured at fair value are as follows:

a. Financial assets or liabilities measured at amortized cost

If there is quoted price generated by transactions, the recent transaction price and quoted price data is used as the basis for fair value measurement. However, if no quoted prices are available, the discounted cash flows are used to estimate fair values.

(D) Valuation techniques for financial instruments measured at fair value

a. Non-derivative financial instruments

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm’s length basis.

Whether transactions are taking place ‘regularly’ is a matter of judgment and depends on the facts and circumstances of the market for the instrument.

Quoted market prices may not be indicative of the fair value of an instrument if the activity in the market is infrequent, the market is not well established, only small volumes are traded, or bid ask spreads are very wide. Determining whether a market is active involves judgment.

If the Group’s financial instruments are regarded as being quoted in an active market, the classification and property of fair value are as follows:

Stocks in listed companies, fund and Corporate bonds, which have standard term and quoted prices in active markets. The fair values are referenced by market quotation.

(E) For the years ended December 31, 2023 and 2022, fair value of the financial assets as well as liabilities at each level did not transfer at all.

(21) Financial risk management

A. Overview

The Group have exposures to the following risks due to the uses of its financial instruments:

(A) Credit risk

(B) Liquidity risk

(C) Market risk

The following likewise discusses the Group’s objectives, policies, and processes for measuring and managing the above-mentioned risks. For more disclosures about the quantitative effects of these risks’ exposures, please refer to the respective notes in the accompanying consolidated financial statements.

B. Structure of risk management

The board and audit committee will be fully responsible to establish and supervise the risk management structure of the consolidated company.

The Groups risk management policies are established to identify and analyze the Group’s exposure to risks, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group’s activities.

C. Credit risk

Credit risk is the risk of financial loss to the Group if counterparty to a financial instrument fails to meet its contractual obligations.

(A) Trade and other receivables

The Group's retail business is expected to have no significant credit risk because its collection methods of primary customers and debtors of accounts receivable are through cash or credit card.

(B) Other Receivables

The consolidated company is to track the current financial status of the trading partner sustainably, as well as measure the possibility to recover the accounts receivable periodically. Also, provision of the collateral or guarantee will be requested, if necessary, therefore an expectation can be made that there will be no material credit risks.

(C) Investment

The exposure to credit risk for the bank deposits, fixed income investments, and other financial instruments is measured and monitored by the Group's finance department. The Group only deals with banks with high credit rating, or financial institutes and corporate organizations with level of professional investor; therefore, the Group does not expect any counterparty above fails to meet its obligations hence there is no significant credit risk arising from these counterparties.

(D) Guarantee

Policies of the consolidated company can merely provide the financial guarantee for the ownership of the subsidiaries. As of December 31, 2023 and 2022, the consolidated company had not provided any endorsement and guarantee to the outside.

D. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations. The Group's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Because the consolidated company has the characteristics of retail business, cash flows coming from the operating activities are plenty sufficient. Generally, the consolidated company makes sure it will have enough cash to expend for the operating expense requirements in the next 60 days to 90 days, yet this is an expectation excluding the potential influence of the extreme conditions which cannot be reasonably predicted, for example: natural disaster. In addition, unused credit lines of the loans as of December 31, 2023 and 2022, of the consolidated company were NT$917,865 thousand and NT$995,558 thousand respectively.

E. Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(A) Currency risk

Functional currency is as the same as the invoicing currency for sales and purchase for the consolidated company. Functional currency and invoicing currency of the subsidiaries in China and are both RMB, hence there is no exchange rate risks.

The Group choose US or EUR borrowings to reduce the finance cost, because these borrowings are denominated in currencies that not match the cash flows generated by the underlying operations of the Group. The Group considers that reduced finance cost should offset the exchange rate risk arising from US and EUR borrowings, and therefore, hedge accounting is not applied in these circumstances.

As for other monetary assets or liabilities denominated by a foreign currency, the consolidated company will purchase or sell this foreign currency according to the real-time exchange rate to ensure that the next risk exposure can be maintained within the acceptable levels.

(B) Interest Rate Risk

Cash flow risk incurs because of that the consolidated company borrows the funds with a floating interest rate, and according to the floating interest rate a part of this risk will be offset by the cash and cash equivalents as well as the financing products with a higher yield rate.

(C) Other market price risk

The Group is exposed to equity price risk due to use capital effectively and hold different investment portfolios. The management of the Group monitors the proportion of equity securities in its investment portfolio based on market index. Material investments within the portfolio are managed on an individual basis, and all buy and sell decisions are approved by the management authority.

The primary goal of the Group's investment strategy is to maximize investment returns; the board of directors and member in investment department were all professional in finance to make appropriate decision, and therefore the market price risk of investment at fair value through profit or loss were controlled by management.

(22) Capital management

The Group's objectives for managing capital are ensuring the ability to operate continuously, providing returns to shareholders and other stakeholders, and maintaining an optimal capital structure to reduce the cost of capital.

The Group's evaluate the value of related assets and variation of risk, in order to maintain or adjust the capital structure, the Group may adjust the dividend payment to the shareholders, reduce the capital for redistribution to shareholders, issue new shares, or stock repurchase.

The consolidated company supervises the capital structure through debt-to-capital ratios as well as cash flows. The debt-to-capital ratios as of December 31, 2023 and 2022, were as follows:

		December 31, 2023	December 31, 2022
Total Liabilities	$	19,163,603	18,125,900
Deduction: Cash and Cash Equivalents		(1,020,335)	(1,639,484)
Net Liabilities	$	18,143,268	16,486,416
Total Equity	$	5,072,799	7,255,247
Total Capital	$	23,216,067	23,741,663
Debt to capital Ratio		78.15%	69.44%

(23) Investment and financing activities in non-cash transactions

The Group's investing and financing activities on non-cash transactions for the years ended December 31, 2023 and 2022, were as follows:

A. The reconciliation of liabilities from financing activities is as follows:

	January 1, 2023	Cash Flows	Non-cash changes: Foreign exchange movement	Non-cash changes: Other	December 31, 2023
Short-term borrowings	$ 1,816,945	523,140	(28,671)	-	2,311,414
Long-term borrowings	1,625,500	(448,367)	(1,089)	-	1,176,044
Guarantee deposits	578,868	1,577	(9,498)	-	570,947
				(Note 1)	
Lease liabilities	9,983,104	(876,424)	(171,856)	1,313,121	10,247,945
Total liabilities from financing activities	$ 14,004,417	(800,074)	(211,114)	1,313,121	14,306,350

	January 1, 2022	Cash Flows	Non-cash changes: Foreign exchange movement	Non-cash changes: Other	December 31, 2022
Short-term borrowings	$ 2,540,031	(837,198)	114,112	-	1,816,945
Long-term borrowings	1,431,175	98,215	96,110	-	1,625,500
Guarantee deposits	670,699	(103,018)	11,187	-	578,868
				(Note 2)	
Lease liabilities	11,600,131	(870,243)	193,668	(940,452)	9,983,104
Total liabilities from financing activities	$ 16,242,036	(1,712,244)	415,077	(940,452)	14,004,417

Note 1: Reduction of NT$1,125,570 thousand due to lease modification, and increase of NT$2,438,691 thousand in the current period.

Note 2: Reduction of NT$878,806 thousand due to lease modification, reduction in operating expenses of NT$101,425 thousand resulting from rental concessions adjustments, and increase of NT$39,779 thousand in the current period.

7. **Related-party transactions:**

(1) Parent Company and Final Controller

First Steamship Co., Ltd. is the parent company of the consolidated company as well as the final controller over the group, who possesses 58.62% common shares outstanding of the company. First Steamship Co., Ltd. has prepared the consolidated financial statements for the public.

(2) Names and relationship with related parties

All the related parties who have transacted with the consolidated company during the coverage period of the consolidated financial statements are as below:

Name of Related Party	Relation to the Consolidated Company
First Steamship Co., Ltd.	Final Parent Company of the Consolidated Company
First Steamship S.A.	Parent Company of the Consolidated Company
Ahead Capital Ltd.	Same Final Parent Company as the Consolidated Company
Mariner Finance Ltd	Same Final Parent Company as the Consolidated Company
Shanghai Tian An Center Building Co., Ltd.	Manager of the consolidated company is the board member of this company.
Nanjing Heaven Capital Industrial Co., Ltd.	A substantial related party
Shanghai Guorui Tongshun Environmental Protection Technology Co., Ltd.	A substantial related party
Shanghai Allied Cement Holdings Limited	A substantial related party
Shanghai Kaixuanmen Enterprise Development Co., Ltd.	A substantial related party
Tian An (Shanghai) Investment Co., Ltd.	A substantial related party
Nanjing Tianan Gangli Property Management Co., Ltd.	A substantial related party
Gangli Property Management (Shanghai) Co., Ltd.	A substantial related party
Shanghai Qianshu Property Management Co., Ltd.	A substantial related party
Nanjing Grand Ocean Dongfadao Catering Co., Ltd. (Note)	An associate

Note: After selling all shares in September 2023, the Group is no longer associated with the entity.

(3) Significant transactions with related parties

A. Prepayments

	December 31, 2023	December 31, 2022
Parent Company	$ 68	68
Other related parties-Nanjing Tiandu Industry Co., Ltd. (Note)	-	160,877
Other related parties-Shanghai Qianshu Property	4,773	7,601
	$ 4,841	168,546

Note: It refers to the variable rent paid in advance by the Group according to the monthly fixed amount in accordance with the lease agreement, and reconciles any overpayments or underpayments at the end of the fiscal year. Under the original lease agreement, rent is calculated based on revenue sharing. The Group is entitled to recover the aforementioned prepaid variable rent. However, at the end of 2023, the Group assessed that the fixed monthly rent stipulated in the original lease agreement was significantly lower than the prevailing market rent in the surrounding area. The prepaid rent was closer to the market rent in the vicinity, and considering mutual benefits and cooperative win-win outcomes, to safeguard long-term interests and ensure stable development, the Group decided not to collect the aforementioned amount from the related party. Instead, it reclassified the prepaid amount of NT$174,470 thousand as an operating expense.

B. Other receivables

	December 31, 2023	December 31, 2022
Other related parties	$ 1,914	3,503

C. Payables to Related Parties

The payables to related parties were as follows:

Account	Relationship	December 31, 2023	December 31, 2022
Other payables	An associate	$ -	1,411
Other payables	Other related parties	11,142	832
		$ 11,142	2,243

D. Borrow from a related parties

The amounts borrowed by the Group from related parties are as follows:

	December 31, 2023	December 31, 2022
Parent Company	$ 276,390	138,150

The Group's borrowings from related parties are calculated at an annual interest rate of 7.65% and 6.8%, respectively. For the years ended December 31, 2023 and 2022, the recognized interest expenses were NT$12,885 thousand and NT$6,096 thousand, respectively.

E. Lease

(A) Liabilities lease

		Lease liabilities	
Relationship	Purpose	December 31, 2023	December 31, 2022
Other related parties	Office building	$ 2,026	11,675
Other related parties-Shanghai Kaixuanmen	Department store	4,272,732	4,408,145
Other related parties-Nanjing Tiandu	Department store	926,731	-
Other related parties	Energy-saving renovation engineering equipment	10,874	34,101

Note: The price and payment method of the above-mentioned lease agreement signed with the related party are handled in accordance with the agreement of both parties.

		Interest Expense	
		For the years ended December 31	
Relationship	Purpose	2023	2022
Other related parties	Office building	$ 301	465
Other related parties-Shanghai Kaixuanmen	Department store	204,574	206,755
Other related parties-Nanjing Tiandu	Department store	40,972	445
Other related parties	Energy-saving renovation engineering equipment	1,276	1,841
		$ 247,123	209,506

(B) Operating lease

		Rent expense	
		For the years ended December 31	
Relationship	Account	2023	2022
Parent Company	Office building	$ 820	1,160

(Note)			
Other related parties (Note)	Office building	149	215
		$ 969	1,375

Relationship	Account	Payments that are not included in the measurement of the lease liabilities For the years ended December 31 2023	2022
Other related parties-Nanjing Tiandu	Department store	$ -	51,400

Relationship	Account	Property management fee For the years ended December 31 2023	2022
Other related parties	Office building and department store	$ 3,800	3,811

Note: These leases are short-term lease, and the Group chooses to apply the exemption recognition requirement without recognizing its related right-of-use assets and liabilities.

(C) Rental deposit

Account items	Relationship category	December 31, 2023	December 31, 2022
Other financial assets - non-current	Parent Company	$ 148	148
Other financial assets - non-current	Other related parties - Shanghai Kaixuanmen	74,106	66,120
Other financial assets - non-current	Other related parties - Nanjing Tiandu	8,672	8,816
Other financial assets - non-current	Other related parties	3,217	3,270
		$ 86,143	78,354

F. Others

The Group provided management consulting services and signed service contracts with other related parties. For the years ended December 31, 2023 and 2022, the revenue from consulting services was NT$1,040 thousand and NT$10,456 thousand, respectively.

(4) Key management personnel compensation

A. Key management personnel compensation comprised:

	For the years ended December 31	
	2023	2022
Short term employee benefits	$ 25,571	21,325

B. The Group granted key management personnel rights to subscribe treasury shares in advance salaries. As of December 31, 2023 and 2022, those prepaid salaries amounting to NT$39,438 thousand (CNY 9,096 thousand) and NT$40,074 thousand (CNY 9,091 thousand), respectively, were recorded as non-current assets - other.

8. **Pledged assets:**

The carrying amount of pledged assets were as follows:

Pledged asset	Object	December 31, 2023	December 31, 2022
Property, Plants and Equipment (Note)	Bank Loans	$ 4,745,020	5,423,238
Other financial assets			
Restricted Deposit	Bank depository funds	15,435	27,117
Restricted Deposit	Lease dispute freeze deposit	31,313	13,621
Restricted Deposit	Bank loans	877,774	-
		$ 5,669,542	5,463,976

Note: Including the land use right, which are recognized as right-of-use assets.

9. **Commitment of Material Contract or Not Recognized Contract due to Liabilities:**

(1) While the Group acquired the Quanzhou real estate, the assignor, Quanzhou FuHua Co., Ltd., failed to comply with the term of the contract, which stated that the assignor should repay the mortgage loan secured by the fourth floor of Quanzhou real estate with the consideration paid by the Group to release the mortgage. Therefore, the mortgagee filed an application to freeze the rent earned from the fourth floor of Quanzhou real estate in June 2020. The Group evaluates that the creditor still has means to repay the mortgage loan; hence, the fourth floor of Quanzhou real estate may not be at risk of impairment.

(2) The subsidiary of the Group, Chongqing Optics Valley Grand Ocean Commercial Development Co., Ltd., engaged in negotiations with the lessor, Chongqing Zhengsheng Real Estate Ltd. (hereinafter referred to as “Chongqing Zhengsheng”), to reduce the rent and shorten the lease term due to underperforming operations and higher rent compared to the market in the vicinity. Additionally, due to the impact of the COVID-19 pandemic in 2020, negotiations failed to reach an agreement with the lessor for rent relief. However, Chongqing Zhengsheng filed a lawsuit against the Group in November 2020, claiming that the Group should pay rent for the area exceeded the agreed upon in the contract, as well as rental arrears from previous years. The Group has provisioned rent of NT$50,974 thousand (CNY 11,564

thousand) in accordance with the original lease contract provisions and the force majeure time limit stipulated by the government, recorded under lease liabilities. Additionally, the Group also filed a counterclaim in this case, seeking a reduction in rent. On June 26, 2023, the court ruled in the second instance that the Group lost the case, and the Group should pay the payment of arrears and rent for the extended area used by the Group, as well as accumulated rental from previous years for NT$18,076 thousand (CNY 4,087 thousand), were recorded as operating expenses and current lease liabilities. The Group also should recognize penalty fee and expenses about lawsuit NT$12,167 thousand (CNY 2,751 thousand), were recorded as operating expenses and other gains and losses. As of December 31, 2023, unpaid penalty fees and lawsuit-related expenses amounted to NT$1,088 thousand (CNY 251 thousand), recorded as other payable.

(3) The subsidiary of the Group, Chongqing Optics Valley Grand Ocean Commercial Development Co., Ltd., closed its business on October 31, 2022, due to sustained operational losses. It prematurely terminated its lease with the owner, Chongqing Zhengsheng Real Estate Ltd. (hereinafter referred to as Chongqing Zhengsheng). Consequently, on August 17, 2023, Chongqing Zhengsheng filed a lawsuit with the court, asserting the following claims:

A. The request states that the Group should pay an early termination penalty of NT$125,102 thousand (CNY 28,285 thousand) according to the lease agreement. The Group offsets this amount by the performance bond of NT$28,183 thousand (CNY 6,500 thousand) and makes a provision of NT$117,759 thousand (CNY 27,159 thousand), recorded under other accounts payable.

B. The demand requires the Group to pay overdue rents and penalties accumulated until the date of site clearance from previous years, totaling NT$112,997 thousand (CNY 25,548 thousand). The Group has made a provision and recorded it under lease liabilities. The matter is currently under court review.

C. The demand requires the Group to pay rent, penalties, and occupation fees for the premises occupied by Huanyang Cinema from the date of site clearance to the date of litigation, totaling NT$20,425 thousand (CNY 4,618 thousand). However, the Group has already transferred the premises via notarized mail on the date of site clearance, rendering it unable to continue using the leased property. Therefore, it contends that Chongqing Zhengsheng's claim is unfounded, and there should be no obligation for compensation.

D. The demand requests the Group to refund the previously granted reduction in rent, penalties, and related litigation expenses, totaling NT$36,285 thousand (CNY 8,204 thousand) from the previous fiscal year. However, the previously granted reduction in rent has been reimbursed in accordance with the contract. Therefore, the Group contends that Chongqing Zhengsheng's claim is unfounded, and there should be no obligation for compensation.

Furthermore, on September 7, 2023, Chongqing Zhengsheng applied to the court for asset preservation. The court, in accordance with the law, froze the Group's bank deposits of NT$9,621 thousand (CNY 2,219 thousand), recorded under other financial assets - current, and the equity of the subsidiary Nanjing Grand Ocean Classic Commerce Co., Ltd. amounting to NT$216,796 thousand (CNY 50,000 thousand).

Based on the assessment conducted by the Group, provisions have been made for overdue rents from previous years and related compensation for the early termination of leases. The Group believes that Chongqing Zhengsheng's remaining claims are unfounded, and therefore, there should be no obligation for compensation. The matter is currently under court review.

(4) The real estate property right transfer registration of Shiyan International Financial Center project from the first floor to the ninth floor above ground that the subsidiary of the Group, Wuhan Optics Valley Grand Ocean Commercial Development Co., Ltd. purchased from Hubei Grand Ocean Huayu Investment Co., Ltd.(hereinafter referred to as “Hubei Huayu”)had not been completed in accordance with the agreement of commercial property contract; therefore, the Group filed a lawsuit on September 6, 2021. In accordance with the PRC law, the Group has adequate protection for the property; hence, no losses will be incurred by the Group regarding the matter. On May 12, 2022, the court ruled in the second instance that the Group won the case, and Hubei Huayu had registered the property rights of the real estate with the Group.

On the other hand, Hubei Huayu filed a lawsuit against Grand Ocean Classic Commercial Group Ltd. and Wuhan Optics Valley Grand Ocean Commercial Development Co., Ltd. On September 30, 2021 for the dispute on the equity investment of Hubei Huayu prior to 2017, claiming the compensation of CNY 93 million for the damage. On July 28, 2022, the court ruled in the first instance that the merged company won the case, but Hubei Huayu refused to accept the court's judgment and appointed a lawyer to file an appeal, which is still in court. After the assessment of the right to make a claim occurred in 2017 exceeded the 3-year limitation period for the protection of civil rights according to the law. In addition, the Group has paid on schedule according to the subsequent equity capital reduction agreement signed by both parties. Therefore, it is determined that the Group have no obligation to pay any compensation.

(5) Wuhan Hanyang Grand Ocean Classic Commercial Limited, a subsidiary of the Group, ceased operations on August 31, 2023, due to sustained losses. It terminated its lease agreement with Wuhan Trade And Commerce Nationalized Group Ltd. (hereinafter referred to as "Wuhan Trade") prematurely. Subsequently, Wuhan Trade filed a lawsuit against the Group on November 26, 2023, with the following claims:

A. Wuhan Trade demanded that the Group pay overdue rent, which the Group has already provisioned and recorded under lease liabilities, and an early termination penalty of NT$197,314 thousand (CNY 45,507 thousand), recorded as other payable. Additionally, Wuhan Trade requested that the performance bond of NT$22,115 thousand (CNY 5,000 thousand) not be refunded. The Group has already recognized this as bad debt expense, recorded under other gains and losses.

B. Wuhan Trade sought compensation for rental losses due to the premises being vacant after the early termination of the lease, amounting to NT$33,548 thousand (CNY 7,585 thousand). However, the Group considers this claim to be redundant as it duplicates the claim for the early termination penalty.

C. Wuhan Trade demanded the return of rent reductions and penalties granted in previous years, totaling NT$84,787 thousand (CNY 19,170 thousand). The Group has provisioned NT$81,420 thousand (CNY 18,778 thousand) for this, recorded as other payable.

D. Wuhan Trade requested reimbursement of rent for a five-month rent-free period from previous years, totaling NT$21,190 thousand (CNY 4,791 thousand). However, as the original lease contract did not include provisions for such compensation upon termination, the Group believes Wuhan Trade’s claim to be unfounded.

E. Wuhan Trade sought reimbursement of expenses related to the demolition of the fifth-floor cinema and associated legal fees, totaling NT$10,358 thousand (CNY 2,342 thousand). However, the Group had already terminated the lease agreement with the cinema and stipulated in the termination agreement that if the cinema failed to sign a new lease with the new owner, it would be responsible for the demolition costs. Therefore, the Group believes it has no obligation to compensate Wuhan Trade.

Additionally, on November 21, 2023, Wuhan Trade applied for property preservation to the court, resulting in the freezing of the Group's bank deposits amounting to NT$3,725 thousand (CNY 859 thousand), recorded as other financial assets - current.

After assessment, the Group concluded that it had already provisioned for overdue rent, previous year's rent reductions, and early termination compensation. It deems Wuhan Trade's remaining claims to be unfounded, and thus believes it has no obligation for further compensation. The matter is currently under court review.

(6) Wuhan Hanyang Grand Ocean Classic Commercial Limited, a subsidiary of the Group, ceased operations on August 31, 2023, due to sustained losses. It terminated its lease agreement with Wuhan Laopai Catering Management Co., Ltd. (hereinafter referred to as "Laopai Company") prematurely. Consequently, Laopai Company filed for arbitration on December 20, 2023, requesting the Group to refund the performance bond and pay early termination penalties, renovation losses, and related litigation expenses, totaling NT$26,984 thousand (CNY 6,101 thousand). The Group has provisioned NT$25,898 thousand (CNY 5,973 thousand) for this, recorded as other payable. The matter is currently awaiting court review.

10. **Losses due to major disasters: None**

11. **Subsequent Events: None**

12. **Other**

(1) A summary of current-period employee benefits, depreciation, depletion and amortization, by function, is as follows:

	For the years December 31					
Function	**2023**			**2022**		
Item	**Operating Cost**	**Operating expense**	**Total**	**Operating Cost**	**Operating expense**	**Total**
Employee benefits						
Salary	-	457,078	457,078	-	481,709	481,709
Health and labor insurance	-	519	519	-	634	634
Pension	-	56,418	56,418	-	59,645	59,645
Others	-	120,099	120,099	-	107,015	107,015
Depreciation	-	1,548,213	1,548,213	-	1,636,110	1,636,110
Depletion	-	-	-	-	-	-
Amortization	-	3,172	3,172	-	4,019	4,019

13. **Other disclosures:**

(1) Information on significant transactions:

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group":

A. Loans to other parties: Appendix 1, please refer to the chinese version consolidated financial statements P63.

B. Guarantees and endorsements for other parties: Appendix 2, please refer to the chinese version consolidated financial statements P64.

C. Securities held as of June 30, 2023 (excluding investment in subsidiaries, associates and joint ventures): Appendix 3, please refer to the chinese version consolidated financial statements P65.

D. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300,000 thousand or 20% of the capital stock: None.

E. Acquisition of individual real estate with amount exceeding the lower of NT$300,000 thousand or 20% of the capital stock: None.

F. Disposal of individual real estate with amount exceeding the lower of NT$300,000 thousand or 20% of the capital stock: None.

G. Related-party transactions for purchases and sales with amounts exceeding the lower of

NT$100,000 thousand or 20% of the capital stock: None.

H. Receivables from related parties with amounts exceeding the lower of NT$100,000 thousand or 20% of the capital stock: Appendix 4, please refer to the chinese version consolidated financial statements P66.

I. Trading in derivative instruments: None.

J. Business relationships and significant intercompany transactions: Appendix 5, please refer to the chinese version consolidated financial statements P67.

(2) Information on investees: Appendix 6, please refer to the chinese version consolidated financial statements P68.

(3) Information on investment in mainland China: Appendix 7, please refer to the chinese version consolidated financial statements P69~70.

(4) Major shareholders:

Shareholding / **Shareholder's Name**	**Shares**	**Percentage**
Mega International Commercial Bank Co., Ltd. Acting as Custodian for the Investment Account of FIRST STEAMSHIP S.A	91,560,000	46.82%
First Steamship Co., Ltd.	19,552,000	9.99%

14. **Segment Information**

(1) General Information:

The main revenue of the Group comes from department store retail. The chief operating decision-maker of the Group uses the overall operating results as the basis for evaluating performance. Accordingly, the Group is a single operating department, and the operating department information for the years ended December 31, 2023 and 2022, is consistent with the consolidated financial report information.

(2) Information of Products and Services: The consolidated company belongs to department store retail business.

(3) Information of Regional Finance: Sales regions of the retail commodity are all in China.

(4) Information of VIP: Sales objects of the consolidated company are all general consumers, and there is no dependence upon the VIP.