Stock Code: 5907

GRAND OCEAN RETAIL GROUP LTD.
AND RELATIONAL SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Report

For the Six Months Ended June 30, 2024 and 2023

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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.

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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 June 30, 2024, December 31, 2023 and June 30, 2023, the consolidated statements of comprehensive income for the three months and six months ended June 30, 2024 and 2023, as well as the changes in equity and cash flows for the six months ended June 30, 2024 and 2023, 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 June 30, 2024, December 31, 2023 and June 30, 2023, and its consolidated financial performance for the three months and six months ended June 30, 2024 and 2023, and its consolidated cash flows for the six months ended June 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards ("IASs") 34, "Interim Financial Reporting" 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.

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 six months ended June 30, 2024. 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 June 30, 2024, the carrying amounts of intangible assets 7% of the total assets of the Group. The major part of goodwill and trademark originated from the acquisition of GORG in 2006. In recent years, the Group's retail business has been impacted by the COVID-19 pandemic and the slowing economic growth in mainland China. Profits in the department store sector have not yet returned to pre-pandemic levels, making it a significant challenge to maintain revenue and profitability. 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. 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 calculation based on the relevant information available. Additionally, we assessed whether the company's historical financial statements 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 June 30, 2024, 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. 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 statements’ 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.

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, IAS 34 “Interim Financial Reporting” 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)
August 27, 2024

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries

Consolidated Balance Sheet

June 30, 2024, December 31, 2023, and June 30, 2023

(Expressed in Thousands of New Taiwan Dollars)

		June 30, 2024		December 31, 2023		June 30, 2023	
	Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current assets:						
1100	Cash and cash equivalents (Note 6(1))	$ 885,778	4	1,020,335	4	1,102,530	5
1110	Financial assets measured at fair value through profit or loss – current (Note 6(2))	12,478	-	11,689	-	11,601	-
1170	Accounts receivable of net amount (Note 6(3))	160,211	1	191,538	1	189,177	1
1200	Other receivables (Note 6(3), (4) and 7)	35,871	-	39,067	-	64,263	-
1300	Inventories – merchandising business	167,026	1	161,085	1	181,264	1
1410	Pre-payments (Note 7)	226,583	1	253,194	1	436,399	2
1476	Other financial assets – current (Note 6(8), 8 and 9)	441,848	2	469,670	2	125,753	1
		1,929,795	9	2,146,578	9	2,110,987	10
	Non-current assets:						
1550	Investments using the equity method (Note 6(4))	-	-	-	-	25,177	-
1600	Property, plants and equipment (Note 6(5) and 8)	5,441,737	22	5,333,310	22	6,042,333	25
1755	Right-of-use asset (Note 6(6), 7 and 8)	11,504,509	47	11,480,102	47	10,681,998	42
1780	Intangible assets (Note 6(7))	1,670,264	7	1,590,718	7	1,890,520	8
1840	Deferred tax assets (Note 6(14))	2,792,965	11	2,762,540	11	2,540,492	11
1980	Other financial assets – non-current (Note 6(8), 7 and 8)	839,425	3	726,101	3	699,507	3
1990	Other non-current assets (Note 6(4), (15) and 7)	202,569	1	197,053	1	199,349	1
		22,451,469	91	22,089,824	91	22,079,376	90
	Total assets	**$ 24,381,264**	**100**	**24,236,402**	**100**	**24,190,363**	**100**

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries

Consolidated Balance Sheet

June 30, 2024, December 31, 2023, and June 30, 2023

(Expressed in Thousands of New Taiwan Dollars)

		June 30, 2024		December 31, 2023		June 30, 2023	
	Liabilities and equity	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current liabilities:						
2100	Short-term loans (Note 6(9))	$ 2,957,921	12	2,311,414	10	2,136,851	9
2171	Accounts payable (Note 6(11))	873,968	4	1,265,324	5	994,415	4
2219	Other payables (Note 6(5), (11), 7 and 9)	1,341,766	6	1,322,492	5	1,209,035	5
2230	Current tax liabilities	18,479	-	41,489	-	39,948	-
2280	Current lease liabilities(Note 6(l2), 7 and 9)	809,283	3	831,093	3	701,438	3
2322	Current portion of long-term borrowings (Note 6(10))	221,069	1	412,610	2	368,696	2
2399	Other current liabilities	10,553	-	10,049	-	10,008	-
		6,233,039	26	6,194,471	25	5,460,391	23
	Non-current Liabilities:						
2541	Long-term loans of bank (Note 6(10))	671,971	3	763,434	3	1,136,106	5
2570	Deferred tax liabilities (Note 6(14))	2,203,296	9	2,217,897	10	1,975,880	8
2580	Non-current lease liabilities(Note 6(l2) and 7)	9,535,777	39	9,416,852	40	8,419,723	35
2645	Deposit received	595,870	2	570,947	2	553,014	2
		13,006,914	53	12,969,130	55	12,084,723	50
	Total liabilities:	19,239,953	79	19,163,601	80	17,545,114	73
	Equity of owner of parent company (Note 6(15)):						
3100	Share capital	1,955,310	8	1,955,310	8	1,955,310	8
3200	Capital surplus	4,168,363	17	5,075,485	21	5,075,485	21
3310	Legal reserve	-	-	580,244	2	580,244	2
3320	Special reserve	-	-	596,630	2	596,630	3
3350	Unappropriated retained earnings	(171,079)	(1)	(2,083,996)	(9)	(411,596)	(2)
3400	Other equity	(811,283)	(3)	(1,050,872)	(4)	(1,150,824)	(5)
	Total equity	5,141,311	21	5,072,801	20	6,645,249	27
	Total liabilities and equity	**$ 24,381,264**	**100**	**24,236,402**	**100**	**24,190,363**	**100**

See accompanying notes to consolidated financial statements.

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries

Consolidated Balance Sheet

June 30, 2024, December 31, 2023, and June 30, 2023

(Expressed in Thousands of Chinese Yuan Renminbi)

		June 30, 2024		December 31, 2023		June 30, 2023	
	Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current assets:						
1100	Cash and cash equivalents	$ 194,538	4	235,322	4	255,916	5
1110	Financial assets measured at fair value through profit or loss – current	2,741	-	2,696	-	2,693	-
1170	Accounts receivable of net amount	35,186	1	44,174	1	43,911	1
1200	Other receivables	7,878	-	9,010	-	14,917	-
1300	Inventories – merchandising business	36,683	1	37,151	1	42,075	1
1410	Pre-payments	49,762	1	58,394	1	101,296	2
1476	Other financial assets – current	97,041	2	108,321	2	29,189	1
		423,829	9	495,068	9	489,997	10
	Non-current assets:						
1550	Investments using the equity method	-	-	-	-	5,844	-
1600	Property, plants and equipment	1,195,136	22	1,230,030	22	1,402,528	23
1755	Right-of-use asset	2,526,667	47	2,647,676	47	2,479,473	44
1780	Intangible assets	366,829	7	366,870	7	438,822	8
1840	Deferred tax assets	613,402	11	637,129	11	589,691	11
1980	Other financial assets – non-current	184,358	3	167,462	3	162,367	3
1990	Other non-current assets	44,489	1	45,446	1	46,272	1
		4,930,881	91	5,094,613	91	5,124,997	90
	Total assets	**$ 5,354,710**	**100**	**5,589,681**	**100**	**5,614,994**	**100**

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries

Consolidated Balance Sheet

June 30, 2024, December 31, 2023, and June 30, 2023

(Expressed in Thousands of Chinese Yuan Renminbi)

	Liabilities and equity	June 30, 2024 Amount	%	December 31, 2023 Amount	%	June 30, 2023 Amount	%
	Current liabilities:						
2100	Short-term loans	$ 649,631	12	533,085	10	495,999	9
2171	Accounts payable	191,944	4	291,824	5	230,821	4
2219	Other payables	294,684	6	305,009	5	280,638	5
2230	Current tax liabilities	4,058	-	9,569	-	9,273	-
2280	Current lease liabilities	177,738	3	191,676	3	162,816	3
2322	Current portion of long-term borrowings	48,552	1	95,161	2	85,581	2
2399	Other current liabilities	2,318	-	2,318	-	2,323	-
		1,368,925	26	1,428,642	25	1,267,451	23
	Non-current liabilities:						
2541	Long-term loans of bank	147,581	3	176,072	3	263,710	5
2570	Deferred tax liabilities	483,897	9	511,517	10	458,635	8
2580	Non-current lease liabilities	2,094,286	39	2,171,825	40	1,954,360	35
2645	Deposit received	130,867	2	131,678	2	128,364	2
		2,856,631	53	2,991,092	55	2,805,069	50
	Total liabilities:	4,225,556	79	4,419,734	80	4,072,520	73
	Equity of owner of parent company:						
3100	Share capital	492,105	9	492,105	9	492,105	9
3200	Capital surplus	728,494	14	1,020,044	18	1,020,044	18
3310	Legal reserve	-	-	121,053	2	121,053	2
3320	Special reserve	-	-	129,560	2	129,560	2
3350	Unappropriated retained earnings	(38,907)	(1)	(542,163)	(10)	(164,340)	(3)
3400	Other equity	(52,538)	(1)	(50,652)	(1)	(55,948)	(1)
	Total equity	1,129,154	21	1,169,947	20	1,542,474	27
	Total liabilities and equity	$ 5,354,710	100	5,589,681	100	5,614,994	100

See accompanying notes to consolidated financial statements.

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries

Consolidated Income Statement

For the three months and six months ended June 30, 2024 and 2023

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

		For the three months ended June 30				For the six months ended June 30			
		2024		2023		2024		2023	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	**Operating revenues (Note 6(17) and 7)**	$ 779,872	100	911,872	100	1,690,854	100	1,968,454	100
5000	**Operating costs**	115,260	15	162,879	18	267,214	16	362,511	19
	Gross profit	664,612	85	748,993	82	1,423,640	84	1,605,943	81
6000	**Operating expenses (Note 6(5), (6), (7), (12), (13), 7 and 9)**	672,445	86	807,661	90	1,392,785	82	1,543,108	80
6450	**Expected credit loss (Note 6(3))**	2,061	-	8,084	1	1,697	-	7,877	-
		674,506	86	815,745	91	1,394,482	82	1,550,985	80
	Operating (loss) income	(9,894)	(1)	(66,752)	(9)	29,158	2	54,958	1
	Non-operating income and expenses:								
7100	Total interest income (Note 6(19))	8,899	1	5,343	1	17,324	1	11,398	1
7010	Other revenues (Note 6(19))	376	-	310	-	764	-	13,042	1
7020	Other gains and losses (Note 6(19) and 9)	123,553	16	86,938	10	138,409	8	120,368	6
7050	Financial costs (Note 6(l2), (19) and 7)	(164,617)	(21)	(177,626)	(19)	(340,798)	(20)	(344,183)	(17)
7055	Expected credit loss (Note 6(20))	-	-	(99,772)	(11)	-	-	(99,772)	(5)
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method, net (Note 6(4))	-	-	(1,199)	-	-	-	(1,876)	-
		(31,789)	(4)	(186,006)	(19)	(184,301)	(11)	(301,023)	(14)
7900	**Earnings before tax**	(41,683)	(5)	(252,758)	(28)	(155,143)	(9)	(246,065)	(13)
7950	**Deduction: income tax expenses (Note 6(14))**	(5,166)	(1)	162,918	18	15,936	1	165,531	8
	Current net loss	(36,517)	(4)	(415,676)	(46)	(171,079)	(10)	(411,596)	(21)
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	42,646	5	(248,818)	(27)	239,589	14	(197,820)	(10)
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	-	-	(721)	-	-	-	(583)	-
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	42,646	5	(249,539)	(27)	239,589	14	(198,403)	(10)
8300	**Other comprehensive income (loss)**	42,646	5	(249,539)	(27)	239,589	14	(198,403)	(10)
	Comprehensive income	$ 6,129	1	(665,215)	(73)	68,510	4	(609,999)	(31)
	Net loss, attributable to:								
8610	Owners of parent	$ (36,517)	(4)	(415,676)	(46)	(171,079)	(10)	(411,596)	(21)
	Comprehensive income (loss) attributable to:								
8710	Owners of parent	$ 6,129	1	(665,215)	(73)	68,510	4	(609,999)	(31)
	Earnings (loss) per share (Note 6(16))								
9750	Basic earnings (loss) per share (NT dollars)	$	(0.19)		(2.13)		(0.87)		(2.11)

See accompanying notes to consolidated financial statements.

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries

Consolidated Income Statement

For the three months and six months ended June 30, 2024 and 2023

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

		For the three months ended June 30				For the six months ended June 30			
		2024		2023		2024		2023	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	**Operating revenues**	$ 178,700	100	208,425	100	384,532	100	446,483	100
5000	**Operating costs**	26,436	15	37,245	18	60,769	16	82,224	19
	Gross profit	152,264	85	171,180	82	323,763	84	364,259	81
6000	**Operating expenses**	153,989	86	184,303	88	316,746	82	350,006	80
6450	**Expected credit loss**	468	-	1,834	1	386	-	1,787	-
		154,457	86	186,137	89	317,132	82	351,793	80
	Operating (loss) income	(2,193)	(1)	(14,957)	(7)	6,631	2	12,466	1
	Non-operating income and expenses:								
7100	Total interest income	2,036	1	1,221	1	3,940	1	2,585	1
7010	Other revenues	86	-	89	-	174	-	2,958	1
7020	Other gains and losses	28,120	16	19,771	9	31,476	8	27,302	6
7050	Financial costs	(37,697)	(21)	(40,540)	(19)	(77,504)	(20)	(78,067)	(17)
7055	Expected credit loss	-	-	(22,630)	(11)	-	-	(22,630)	(5)
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method, net	-	-	(274)	-	-	-	(426)	-
		(7,455)	(4)	(42,363)	(20)	(41,914)	(11)	(68,278)	(14)
7900	**Earnings before tax**	(9,648)	(5)	(57,320)	(27)	(35,283)	(9)	(55,812)	(13)
7950	**Deduction: income tax expenses**	(1,144)	(1)	36,957	18	3,624	1	37,546	8
	Current net loss	(8,504)	(4)	(94,277)	(45)	(38,907)	(10)	(93,358)	(21)
8300	**Other comprehensive income:**								
8360	**Items that may be re-classified subsequently to profit or loss**								
8361	Exchange difference on translation of foreign operations	(1,264)	(1)	(13,555)	(7)	(1,886)	-	(10,093)	(2)
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	(1,264)	(1)	(13,555)	(7)	(1,886)	-	(10,093)	(2)
8300	**Other comprehensive income (loss)**	(1,264)	(1)	(13,555)	(7)	(1,886)	-	(10,093)	(2)
	Comprehensive income	**$ (9,768)**	**(5)**	**(107,832)**	**(52)**	**(40,793)**	**(10)**	**(103,451)**	**(23)**
	Net loss, attributable to:								
8610	Owners of parent	**$ (8,504)**	**(4)**	**(94,277)**	**(45)**	**(38,907)**	**(10)**	**(93,358)**	**(21)**
	Comprehensive income (loss) attributable to:								
8710	Owners of parent	**$ (9,768)**	**(5)**	**(107,832)**	**(52)**	**(40,793)**	**(10)**	**(103,451)**	**(23)**
	Earnings (loss) per share								
9750	Basic earnings (loss) per share (RMB)	**$ (0.04)**		**(0.48)**		**(0.20)**		**(0.48)**	

See accompanying notes to consolidated financial statements.

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries
Consolidated Statement of Changes in Shareholders' Equity
For the six months ended June 30, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

	Owner's equity								
			Retained earnings				Other equity		
	Share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Sum	Exchange differences on translation of foreign operations	Attributed to parent company total equity	Total equity
Balance at January 1, 2023	$ 1,955,310	5,075,485	580,244	992,593	(395,963)	1,176,874	(952,421)	7,255,248	7,255,248
Current net loss	-	-	-	-	(411,596)	(411,596)	-	(411,596)	(411,596)
Current other comprehensive income	-	-	-	-	-	-	(198,403)	(198,403)	(198,403)
Current total comprehensive income	-	-	-	-	(411,596)	(411,596)	(198,403)	(609,999)	(609,999)
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 June 30, 2023	**$ 1,955,310**	**5,075,485**	**580,244**	**596,630**	**(411,596)**	**765,278**	**(1,150,824)**	**6,645,249**	**6,645,249**
Balance at January 1, 2024	$ 1,955,310	5,075,485	580,244	596,630	(2,083,996)	(907,122)	(1,050,872)	5,072,801	5,072,801
Current net loss	-	-	-	-	(171,079)	(171,079)	-	(171,079)	(171,079)
Current other comprehensive income	-	-	-	-	-	-	239,589	239,589	239,589
Current total comprehensive income	-	-	-	-	(171,079)	(171,079)	239,589	68,510	68,510
Appropriation and distribution of retained earnings:									
Legal reserve used to cover accumulated deficits	-	-	(580,244)	-	580,244	-	-	-	-
Special reserve used to cover accumulated deficits	-	-	-	(596,630)	596,630	-	-	-	-
Changes in other capital surplus									
Capital surplus used to cover accumulated deficits	-	(907,122)	-	-	907,122	907,122	-	-	-
Balance at June 30, 2024	**$ 1,955,310**	**4,168,363**	**-**	**-**	**(171,079)**	**(171,079)**	**(811,283)**	**5,141,311**	**5,141,311**

See accompanying notes to consolidated financial statements.

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries
Consolidated Statement of Changes in Shareholders' Equity
For the six months ended June 30, 2024 and 2023
(Expressed in Thousands of Chinese Yuan Renminbi)

	Owner's equity								
			Retained earnings				Other equity		
	Share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Sum	Exchange differences on translation of foreign operations	Attributed to parent company total equity	Total equity
Balance at January 1, 2023	$ 492,105	1,020,044	121,053	221,735	(163,157)	179,631	(45,855)	1,645,925	1,645,925
Current net loss	-	-	-	-	(93,358)	(93,358)	-	(93,358)	(93,358)
Current other comprehensive income	-	-	-	-	-	-	(10,093)	(10,093)	(10,093)
Current total comprehensive income	-	-	-	-	(93,358)	(93,358)	(10,093)	(103,451)	(103,451)
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 June 30, 2023	**$ 492,105**	**1,020,044**	**121,053**	**129,560**	**(164,340)**	**86,273**	**(55,948)**	**1,542,474**	**1,542,474**
Balance at January 1, 2024	$ 492,105	1,020,044	121,053	129,560	(542,163)	(291,550)	(50,652)	1,169,947	1,169,947
Current net loss	-	-	-	-	(38,907)	(38,907)	-	(38,907)	(38,907)
Current other comprehensive income	-	-	-	-	-	-	(1,886)	(1,886)	(1,886)
Current total comprehensive income	-	-	-	-	(38,907)	(38,907)	(1,886)	(40,793)	(40,793)
Appropriation and distribution of retained earnings:									
Legal reserve used to cover accumulated deficits	-	-	(121,053)	-	121,053	-	-	-	-
Special reserve used to cover accumulated deficits	-	-	-	(129,560)	129,560	-	-	-	-
Changes in other capital surplus									
Capital surplus used to cover accumulated deficits	-	(291,550)	-	-	291,550	291,550	-	-	-
Balance at June 30, 2024	**$ 492,105**	**728,494**	**-**	**-**	**(38,907)**	**(38,907)**	**(52,538)**	**1,129,154**	**1,129,154**

See accompanying notes to consolidated financial statements.

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries

Consolidated Statement of Cash Flows

For the six months ended June 30, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	For the six months ended June 30	
	2024	2023
Cash flows from operating activities		
(Loss) profit before tax	$ (155,143)	(246,065)
Adjusting events:		
Income and expenses		
Depreciation expense	762,825	764,476
Amortization expense	1,126	1,608
Expected credit loss	1,697	107,649
Net gain on financial assets or liabilities at fair value through profit or loss	(1,891)	(4,313)
Interest expense	340,798	344,183
Interest income	(17,324)	(11,398)
Share of profit (loss) of associates accounted for using equity method	-	1,876
Loss on disposal of property, plant and equipment	59	215
Impairment loss on non-financial assets	-	59,030
Lease modification benefits	-	(493,615)
Total adjustments to reconcile profit (loss)	1,087,290	769,711
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets and liabilities at fair value through profit	1,765	60,626
Accounts receivable	37,827	53,131
Other receivables	13,149	7,219
Inventories	2,060	32,846
Prepayments	37,957	(26,448)
Sum of net variance of assets concern operating activities	92,758	127,374
Changes in operating liabilities:		
Accounts payable	(439,186)	56,383
Other payables	(187,208)	294,758
Other current liabilities	(2)	(9)
Sum of net variance of liabilities concern operating activities	(626,396)	351,132
Sum of net variance of assets and liabilities concern operating activities	(533,638)	478,506
Total adjustments	553,652	1,248,217
Cash inflow generated from operations	398,509	1,002,152
Interest received	4,908	4,189
Interest paid	(334,721)	(343,700)
Income taxes paid	(57,391)	(47,892)
Cash inflow from operating activities	11,305	614,749

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries

Consolidated Statement of Cash Flows

For the six months ended June 30, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	For the six months ended June 30	
	2024	**2023**
Cash flows from (used in) investing activities:		
Acquisition of investments using the equity method	-	(12,658)
Proceeds from disposal of investments using the equity method	4,221	-
Acquisition of property, plant and equipment	(51,236)	(220,721)
Proceeds from disposal of property, plant and equipment	62	76
Decrease (Increase) in refundable deposits	192	(56,046)
Acquisition of intangible assets	(138)	(1,163)
Increase in other financial assets	(24,851)	(516,989)
Decrease in other non-current assets	10,804	16,663
Net cash flows used in investing activities	(60,946)	(790,838)
Cash flows from (used in) financing activities:		
Increase in short-term loans	507,890	345,150
Lease from long-term loans	-	351,314
Payments for long-term loans	(341,108)	(476,808)
Decrease in deposit received	(3,567)	(13,041)
Increase in other payables – related parties	31,994	-
Payment of lease liabilities	(324,619)	(543,558)
Net cash flows used in financing activities	(129,410)	(336,943)
Effect of exchange rate changes on cash and cash equivalents	44,494	(23,922)
Net decrease in cash and cash equivalents	(134,557)	(536,954)
Cash and cash equivalents at beginning of period	1,020,335	1,639,484
Cash and cash equivalents at end of period	**$ 885,778**	**1,102,530**

See accompanying notes to consolidated financial statements.

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries

Consolidated Statement of Cash Flows

For the six months ended June 30, 2024 and 2023

(Expressed in Thousands of Chinese Yuan Renminbi)

	For the six months ended June 30	
	2024	**2023**
Cash flows from operating activities		
(Loss) profit before tax	$ (35,283)	(55,812)
Adjusting events:		
Income and expenses		
Depreciation expense	173,481	173,398
Amortization expense	256	365
Expected credit loss	386	24,417
Net gain on financial assets or liabilities at fair value through profit or loss	(430)	(979)
Interest expense	77,504	78,067
Interest income	(3,940)	(2,585)
Share of profit (loss) of associates accounted for using equity method	-	426
Loss on disposal of property, plant and equipment	13	49
Impairment loss on non-financial assets	-	13,389
Lease modification benefits	-	(111,961)
Total adjustments to reconcile profit (loss)	247,270	174,586
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets and liabilities at fair value through profit	401	13,751
Accounts receivable	8,603	12,051
Other receivables	2,990	1,637
Inventories	468	7,450
Prepayments	8,632	(5,999)
Sum of net variance of assets concern operating activities	21,094	28,890
Changes in operating liabilities:		
Accounts payable	(99,879)	12,789
Other payables	(42,575)	66,857
Other current liabilities	-	(2)
Sum of net variance of liabilities concern operating activities	(142,454)	79,644
Sum of net variance of assets and liabilities concern operating activities	(121,360)	108,534
Total adjustments	125,910	283,120
Cash inflow generated from operations	90,627	227,308
Interest received	1,116	950
Interest paid	(76,122)	(77,958)
Income taxes paid	(13,052)	(10,863)
Cash inflow from operating activities	2,569	139,437

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries

Consolidated Statement of Cash Flows

For the six months ended June 30, 2024 and 2023

(Expressed in Thousands of Chinese Yuan Renminbi)

	For the six months ended June 30	
	2024	**2023**
Cash flows from (used in) investing activities:		
Acquisition of investments using the equity method	-	(2,871)
Proceeds from disposal of investments using the equity method	960	-
Acquisition of property, plant and equipment	(11,652)	(50,064)
Proceeds from disposal of property, plant and equipment	14	17
Decrease (Increase) in refundable deposits	44	(12,712)
Acquisition of intangible assets	(31)	(264)
Increase in other financial assets	(5,652)	(117,263)
Decrease in other non-current assets	2,457	3,779
Net cash flows used in investing activities	(13,860)	(179,378)
Cash flows from (used in) financing activities:		
Increase in short-term loans	115,503	78,286
Lease from long-term loans	-	79,685
Payments for long-term loans	(77,574)	(108,149)
Decrease in deposit received	(811)	(2,958)
Increase in other payables – related parties	7,276	-
Payment of lease liabilities	(73,825)	(123,289)
Net cash flows used in financing activities	(29,431)	(76,425)
Effect of exchange rate changes on cash and cash equivalents	(62)	349
Net decrease in cash and cash equivalents	(40,784)	(116,017)
Cash and cash equivalents at beginning of period	235,322	371,933
Cash and cash equivalents at end of period	**$ 194,538**	**255,916**

See accompanying notes to consolidated financial statements.

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries

Notes to the Consolidated Financial Statements

For the six months ended June 30, 2024 and 2023

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

1. **Company History**

   GRAND OCEAN RETAIL GROUP LTD. (the "Company") was founded in the Cayman Islands on Aug 23, 2006, and the organizational structure re-engineering of the company was executed in Oct 2007. Afterwards there were 160,000 thousand newly-issued shares from the company in exchange for 100% equity of REGAL OCEAN INTERNATIONAL LTD., making the company also acquire 100% equity of the Grand Ocean Department Store indirectly. After re-engineering, the company has become the parent company of the Grand Ocean Department Store Group. Shares of the company had been listed in Taiwan Stock Exchange since June 6, 2012. The consolidated financial statements of the company include equity of the associates by the company and its subsidiaries (the "Group"), as well as the consolidated company. Main business contents of the consolidated company 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 August 27, 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 Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2024.

   - 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".

   (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, 2025, would not have a significant impact on the consolidated financial statements.

- Amendment to International Accounting Standard No. 21 "Lack of Exchangeability".

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

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities. ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial	January 1, 2027

	statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.	

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its 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.
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”.
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”.
- Annual Improvements to IFRS Accounting Standards.

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

(1) Statement of compliance

This consolidated financial report has been prepared in accordance with the Securities Issuance Company Financial Reporting Standards (referred to as the "Reporting Standards") and International Accounting Standard No. 34 "Interim Financial Reporting" as approved and issued by the Financial Supervisory Commission (FSC). This consolidated financial report does not include the complete necessary information required to be disclosed in the annual consolidated financial report prepared in accordance with the International Financial Reporting Standards, Accounting Standards, Interpretations, and Interpretive Bulletins (referred to as "FSC-approved IFRS Accounting Standards") approved and issued by the FSC.

Apart from the following, the significant accounting policies adopted in this consolidated financial report are consistent with the 2023 annual consolidated financial report. For related information, please refer to Note 4 of the 2023 annual consolidated financial report.

(2) Basis of consolidation

A. 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:

Name of Investor	Name of Subsidiary	Principal activity	Percentage of holding shares (%) June 30, 2024	December 31, 2023	June 30, 2023	Note
GRAND OCEAN RETAIL GROUP LTD.	GRAND CITI LTD.	Investment holding company	100.00%	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%	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%	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%	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%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
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%	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%	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%	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%	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%	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%	70.00%	The company directly (indirectly) holds more than 50% of its subsidiaries

Name of Investor	Name of Subsidiary	Principal activity	Percentage of holding shares (%) June 30, 2024	December 31, 2023	June 30, 2023	Note
Fuzhou Grand Ocean Commerce Limited	Fuzhou Jiaruixing Business Administration Limited	Management consulting business, and trading of cosmetics, furnishings, etc.	100.00%	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%	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%	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 Commercial Development Limited	Wuhan Hanyang Grand Ocean Classic Commercial Limited	Trading of cosmetics, furnishings, etc.	50%	50%	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 Grand Ocean Classic Commercial Development Limited	Hengyang Grand Ocean Commercial Development Limited	Trading of cosmetics, furnishings, etc.	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Wuhan Grand Ocean Classic Commercial Development Limited	Shiyan Grand Ocean Commerce Limited	Trading of cosmetics, furnishings, etc.	100.00%	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%	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%	50%	50.00%	The company directly (indirectly) holds more than 50% of its subsidiaries and it also closed of business on August 31, 2023, and in process of liquidation.
Wuhan Optics Valley Grand Ocean Commercial	Yichang Grand Ocean Commerce	Trading of cosmetics, furnishings, etc.	100%	100%	99.00%	The company directly (indirectly) holds more than 50% of its

Name of Investor	Name of Subsidiary	Principal activity	Percentage of holding shares (%) June 30, 2024	December 31, 2023	June 30, 2023	Note
Development Limited	Limited					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

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

(3) Income taxes

The consolidated company measures and discloses income tax expense for the interim period in accordance with Paragraph B12 of International Accounting Standard No. 34 "Interim Financial Reporting."

Income tax expense is measured by multiplying the pre-tax income for the interim reporting period by the management's best estimate of the effective tax rate for the full year. The current income tax expense and deferred income tax expense are then allocated based on the ratio of the estimated current and deferred income tax expenses for the full year.

Income tax expense that is directly recognized in equity items or in comprehensive income is measured based on the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases, using the applicable tax rate expected to be realized or settled upon realization or settlement.

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 accounting standards and International Accounting Standard No. 34 "Interim Financial Reporting" recognized by the Financial Supervisory Commission. 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.

In the preparation of the consolidated financial report, management's significant judgments and key sources of estimation uncertainty in adopting the accounting policies of the consolidated company are consistent with Note 5 of the 2023 consolidated financial report.

6. **Explanation of significant accounts:**

Apart from the following, the explanations of significant accounting items in this consolidated financial report are not materially different from the 2023 consolidated financial report. Please refer to Note 6 of the 2023 consolidated financial report for relevant information.

(1) Cash and cash equivalents

	June 30, 2024	December 31, 2023	June 30, 2023
Cash on hand and petty cash	$ 7,847	7,212	7,116
Demand deposit	877,931	1,013,123	1,095,414
Total	$ 885,778	1,020,335	1,102,530

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

	June 30, 2024	December 31, 2023	June 30, 2023
Mandatorily measured at fair value through profit or loss – current:			
Open-end funds	$ 12,478	11,689	11,601

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

	June 30, 2024	December 31, 2023	June 30, 2023
Accounts receivable	$ 179,595	229,797	226,804
Allowance for impairment	(19,384)	(38,259)	(37,627)
	160,211	191,538	189,177
Other receivables - current：			
Other receivables - investment funds	277,747	264,491	262,799
Other receivables – lease deposit	64,890	61,793	61,398
Other receivables – others	35,871	39,067	33,564
Less: Impairment loss allowance	(342,637)	(326,284)	(293,498)
Subtotal	35,871	39,067	64,263
Total	$ 196,082	230,605	253,440

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, 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. However, in the year 2024, it was assessed that these receivables were irrecoverable and thus fully written off.

	June 30, 2024	December 31, 2023	June 30, 2023
Amount involved in mediation or litigation	$ -	19,411	19,287
Less: Expected loss	-	(19,411)	(19,287)
Subtotal	$ -	-	-

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

	June 30, 2024		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Not overdue	$ 140,268	0%	-
1 to 90 days past due	17,457	0%	-
91 to 180 days past due	3,070	0%~19%	584
181 to 270 days past due	1,735	100%	1,735
271 to 365 days past due	1,137	100%	1,137
More than 365 days past due	15,928	100%	15,928
	$ 179,595		19,384

	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

	June 30, 2023		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Not overdue	$ 164,515	0%	-
1 to 90 days past due	17,183	0%	-
91 to 180 days past due	4,764	0%~12%	584
181 to 270 days past due	6,942	52%	3,643
271 to 365 days past due	5,015	100%	5,015
More than 365 days past due	9,098	100%	9,098
	$ 207,517		18,340

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

	For the six months ended June 30	
	2024	2023
Opening balance	$ 38,259	30,669
Impairment loss recognized	1,697	7,877
Amount written off	(21,778)	(46)
Exchange rate impact number	1,206	(873)
Ending balance	$ 19,384	37,627

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. In order 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 June 30, 2024, December 31, 2023, and June 30, 2023, the respective lease security deposits of NT$64,890 thousand (CNY 14,252 thousand), NT$61,793 thousand (CNY 14,252 thousand), and NT$61,398 thousand (CNY 14,352 thousand) were recorded as provision for impairment losses of NT$64,890 thousand (CNY 14,252 thousand), NT$61,793 thousand (CNY 14,252 thousand), and NT$30,699 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. In order 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. In August 2022, 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. 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 had an original receivable of CNY 162,000 thousand from Damahua. As of June 30, 2023, a total of CNY 101,000 thousand has been repaid, with the remaining CNY 61,000 thousand still outstanding and not repaid by Damahua in accordance with the agreement. 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, the impact of the COVID-19 pandemic in China has caused the economy to not yet recover to normal levels. Based on the principle of conservativeness and prudence, the Group recognized an expected credit loss of NT$99,772 thousand (CNY 22,630 thousand) in June 2023. As of June 30, 2024, December 31, 2023 and June 30, 2023, the outstanding receivables and the amount of allowance for doubtful accounts was NT$277,747 thousand (CNY 61,000 thousand), NT$264,491 thousand (CNY 61,000 thousand), and NT$262,799 thousand (CNY 61,000 thousand), respectively.

(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:

	June 30, 2024	December 31, 2023	June 30, 2023
End-of-period consolidated book value of interests in individual insignificant related companies	$ -	-	25,177

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Shares attributable to the merged company:				
Continuing business unit net loss for the period	$ -	(1,199)	-	(1,876)
Other comprehensive income	-	(721)	-	(583)
Total comprehensive profit and loss	$ -	(1,920)	-	(2,459)

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 June 30, 2024, and December 31, 2023, the outstanding amounts yet to be collected are NT$14,024 thousand (CNY 3,080 thousand) and NT$17,516 thousand (CNY 4,040 thousand), respectively. These outstanding amounts are accounted for as other receivables and other non-current assets, with values of NT$8,742 thousand (CNY 1,920 thousand), NT$5,282 thousand (CNY 1,160 thousand), NT$8,324 thousand (CNY 1,920 thousand) and NT$9,192 thousand (CNY 2,120 thousand), respectively.

B. The Group, on May 30, 2023, approved through a board meeting to participate in the cash capital increase of Sandmartin International Holdings Ltd., totaling 26,518 thousand shares.

As of June 30, 2023, the prepaid investment amount is NT$12,658 thousand, which is listed as other non-current assets, and 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, 2024	$ 4,582,998	13,080	208,303	6,443,512	34,892	11,282,785
Additions	-	-	1,713	40,324	19,792	61,829
Current re-classification	-	-	482	1,684	(2,166)	-
Disposal and abandonment	-	-	(976)	(1,215)	-	(2,191)
Influenced by fluctuation of exchange rates	229,702	655	10,484	324,401	2,259	567,501
Balance at June 30, 2024	**$ 4,812,700**	**13,735**	**220,006**	**6,808,706**	**54,777**	**11,909,924**
Balance at January 1, 2023	$ 4,659,195	17,782	245,395	6,988,913	65,802	11,977,087
Additions	-	-	8,016	8,806	127,561	144,383
Current re-classification	-	-	958	142,938	(143,896)	-
Disposal and abandonment	-	(1,143)	(27,936)	(432,529)	-	(461,608)
Influenced by fluctuation of exchange rates	(105,522)	(346)	(4,962)	(150,122)	(1,065)	(262,017)
Balance at June 30, 2023	**$ 4,553,673**	**16,293**	**221,471**	**6,558,006**	**48,402**	**11,397,845**
Depreciation and impairment losses:						
Balance at January 1, 2024	$ 1,392,865	6,627	154,492	4,393,174	2,317	5,949,475
Depreciation	49,040	689	5,463	159,953	-	215,145
Disposal and abandonment	-	-	(855)	(1,215)	-	(2,070)
Influenced by fluctuation of exchange rates	71,551	357	7,907	225,822	-	305,637
Balance at June 30, 2024	**$ 1,513,456**	**7,673**	**167,007**	**4,777,734**	**2,317**	**6,468,187**
Balance at January 1, 2023	$ 781,566	9,499	191,267	4,667,890	2,317	5,652,539
Depreciation	54,486	691	6,069	166,293	-	227,539
Disposal and abandonment	-	(1,143)	(27,645)	(432,529)	-	(461,317)
Impairment loss	-	164	3,002	55,613	-	58,779
Influenced by fluctuation of exchange rates	(18,944)	(179)	(3,747)	(99,158)	-	(122,028)
Balance at June 30, 2023	**$ 817,108**	**9,032**	**168,946**	**4,358,109**	**2,317**	**5,355,512**

	Building	Transportation Device	Office Equipment	Lease Improvement	Construction in progress	Total
Carrying amounts:						
Balance at January 1, 2024	$ 3,190,133	6,453	53,811	2,050,338	32,575	5,333,310
Balance at June 30, 2024	$ 3,299,244	6,062	52,999	2,030,972	52,460	5,441,737
Balance at January 1, 2023	$ 3,877,629	8,283	54,128	2,321,023	63,485	6,324,548
Balance at June 30, 2023	$ 3,736,565	7,261	52,525	2,199,897	46,085	6,042,333

A. As of June 30, 2024, December 31, 2023 and June 30, 2023, due to payments to stores maintenance and to acquire the property for department stores, the Group recognized other payables amounting to NT$111,187 thousand, NT$95,435 thousand and NT$92,994 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. 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 recognizes NT $58,779 thousand for impairment losses on property, plant and equipment.

D. Chongqing Optics Valley Grand Ocean Commercial Development Limited, a subsidiary of the Group, closed the business on October 31, 2022, recognizing impairment loss. 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$460,207 thousand.

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

F. Guarantee

Please refer to Note 8 for the details of long-term loans and financing line guarantees on June 30, 2024, December 31, 2023, and June 30, 2023.

(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, 2024	$	3,272,698	12,124,453	58,362	15,455,513
Additions		-	15,582	-	15,582
Effect of changes in foreign exchange rates		164,029	608,238	2,925	775,192
Balance at June 30, 2024	$	3,436,727	12,748,273	61,287	16,246,287
Balance at January 1, 2023	$	3,327,110	10,984,683	59,332	14,371,125
Additions (Note 7)		-	1,014,837	-	1,014,837
Lease modifications		-	(1,049,272)	-	(1,049,272)
Effect of changes in foreign exchange rates		(75,353)	(247,994)	(1,344)	(324,691)
Balance at June 30, 2023	$	3,251,757	10,702,254	57,988	14,011,999
Accumulated depreciation:					
Balance at January 1, 2024	$	598,651	3,341,701	35,059	3,975,411
Depreciation		45,871	497,508	4,301	547,680
Effect of movement in exchange rate		31,632	185,145	1,910	218,687
Balance at June 30, 2024	$	676,154	4,024,354	41,270	4,741,778
Balance at January 1, 2023	$	391,033	2,870,955	29,174	3,291,162
Depreciation		48,888	484,369	3,680	536,937
Lease modifications		-	(420,912)	-	(420,912)
Effect of movement in exchange rate		(9,971)	(66,470)	(745)	(77,186)
Balance at June 30, 2023	$	429,950	2,867,942	32,109	3,330,001
Carrying amounts:					
Balance at January 1, 2024	$	2,674,047	8,782,752	23,303	11,480,102
Balance at June 30, 2024	$	2,760,573	8,723,919	20,017	11,504,509
Balance at January 1, 2023	$	2,936,077	8,113,728	30,158	11,079,963
Balance at June 30, 2023	$	2,821,807	7,834,312	25,879	10,681,998

Wuhan Hanyang Grand Ocean Classic Commercial Ltd., a subsidiary of the Group, was closed its business on August 31, 2023, 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, 2024	$ 1,449,468	430,434	34,487	1,914,389
Additions	-	-	138	138
Influenced by fluctuation of exchange rates	72,648	24,388	1,734	98,770
Balance at June 30, 2024	$ 1,522,116	454,822	36,359	2,013,297
Balance at January 1, 2023	$ 1,473,567	430,294	33,717	1,937,578
Additions	-	-	1,163	1,163
Influenced by fluctuation of exchange rates	(33,374)	6,027	(789)	(28,136)
Balance at June 30, 2023	$ 1,440,193	436,321	34,091	1,910,605
Amortization and impairment losses:				
Balance at January 1, 2024	$ -	301,928	21,743	323,671
Amortization	-	-	1,126	1,126
Influenced by fluctuation of exchange rates	-	17,106	1,130	18,236
Balance at June 30, 2024	$ -	319,034	23,999	343,033
Balance at January 1, 2023	$ -	-	18,692	18,692
Amortization	-	-	1,608	1,608
Impairment loss	-	-	251	251
Influenced by fluctuation of exchange rates	-	-	(466)	(466)
Balance at June 30, 2023	$ -	-	20,085	20,085
Carrying amounts:				
Balance at January 1, 2024	$ 1,449,468	128,506	12,744	1,590,718
Balance at June 30, 2024	$ 1,522,116	135,788	12,360	1,670,264
Balance at January 1, 2023	$ 1,473,567	430,294	15,025	1,918,886
Balance at June 30, 2023	$ 1,440,193	436,321	14,006	1,890,520

A. Recognition of amortization

The amortization of intangible assets are included in the consolidated statements of comprehensive income for the three months and six months ended June 30, 2024 and 2023:

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Operating expenses	$ 549	757	1,126	1,608

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:

	June 30, 2024		December 31, 2023		June 30, 2023	
	Carrying amount	**Recoverable amount**	**Carrying amount**	**Recoverable amount**	**Carrying amount**	**Recoverable amount**
Goodwill						
Shanghai Grand Ocean Qianshu Commercial Management Co., Ltd.	$ 107,813	633,010	102,667	624,745	102,010	731,620
Wuhan Grand Ocean Classic Commercial Development Ltd. (Note)	199,134	1,354,593	189,630	1,142,617	188,417	284,300
Fuzhou Grand Ocean Commerce Ltd.	1,215,169	1,337,143	1,157,171	1,246,950	1,149,766	1,425,942
	$ 1,522,116	3,324,746	1,449,468	3,014,312	1,440,193	2,441,862
Trademark						
Grand Ocean Classic Commercial Group Co., Ltd.	$ 135,788	158,373	128,506	128,506	436,321	513,127

Note: The recoverable amounts as of June 30, 2024 and December 31, 2023, include those from the newly established store as of September 1, 2023, and deduct the recoverable amounts 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 June 30, 2024, December 31, 2023, and June 30, 2023, was estimated on its value in use, except Fuzhou Grand Ocean Commerce Ltd., its recoverable amount was fair value less costs of disposal.

The fair value of Fuzhou Grand Ocean Commerce Limited, as of June 30, 2024, December 31, 2023, and June 30, 2023, was 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.

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 June 30, 2024, December 31, 2023, and June 30, 2023, were estimated on the value in use. The key assumptions used in estimating the value in use were as follows:

	June 30, 2024	**December 31, 2023**	**June 30, 2023**
Discount rate	10%	10%	10%
Growth rate	1%~10%	1%~10%	-2%~8%

(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 Limited, a subsidiary of the Group, has closed operations on August 31, 2023 according to the resolution of the board of directors, due to continuous losses in operations, leading to the recognition of impairment loss of NT$251 thousand.

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

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

	June 30, 2024	**December 31, 2023**	**June 30, 2023**
Other financial assets－current			
Deposits－out for lease (Note)	$ 291	303	28,325
Restricted deposits	438,015	401,065	30,205
Deposit for rent expansion (Note)	-	65,039	64,623
Others	3,542	3,263	2,600
	$ 441,848	**469,670**	**125,753**

	June 30, 2024	December 31, 2023	June 30, 2023
Other financial assets－non-current			
Deposits－out for lease (Note)	$ 201,556	191,935	173,478
Deposits－out for cooperation	7,589	7,499	7,722
Restricted deposits	558,611	523,457	515,118
Deposit for rent expansion (Note)	68,299	-	-
Others	3,370	3,210	3,189
	$ 839,425	**726,101**	**699,507**

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:

	June 30, 2024	December 31, 2023	June 30, 2023
Unsecured bank loans	$ 676,163	639,742	653,730
Secured bank loans	2,281,758	1,671,672	1,483,121
Total	**$ 2,957,921**	**2,311,414**	**2,136,851**
Unused credit lines	**$ 65,047**	**764,315**	**886,375**
Range of interest rates	**3.60%~7.87%**	**3.65%~8.09%**	**3.65%~7.34%**

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:

	June 30, 2024			
	Currency	Interest rate collar	Year of expiry	Amount
Unsecured bank loans	USD	7.56%	115	$ 77,880
Secured bank loans	USD	6.23%~6.24%	114	519,200
〃	RMB	4.2%	114	295,960
				893,040
Less: current portion				(221,069)
Total				**$ 671,971**
Unused credit lines				**$ 162,250**

	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

	June 30, 2023			
	Currency	Interest rate collar	Year of expiry	Amount
Unsecured bank loans	USD	7.04%~7.62%	113	$ 575,905
〃	RMB	4.5%~4.8%	112	43,082
Secured bank loans	USD	5.98%~7.04%	114	498,080
〃	RMB	4.2%	114	387,735
				1,504,802
Less: current portion				(368,696)
Total				$ 1,136,106
Unused credit lines				$ 77,825

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

(11) Accounts payable and other payables

	June 30, 2024	December 31, 2023	June 30, 2023
Accounts payable			
Arising from direct sales	$ 48,970	61,097	51,719
Arising from concessionaire sales	761,776	1,140,001	927,094
Others	63,222	64,226	15,602
Total	$ 873,968	1,265,324	994,415

Most of payable arising from suppliers.

	June 30, 2024	December 31, 2023	June 30, 2023
Other payables			
Wages and salaries payables	$ 70,929	121,925	94,712
Construction payables	111,187	95,435	92,994
Compensation payable for store closures, etc.	1,534	45,259	476,609
Compensation payable for lawsuit	449,821	397,582	11,848
Payables to related parties	324,500	276,390	140,085
Tax payables	20,003	31,745	20,855
Others	363,792	354,156	371,932
Total	$ 1,341,766	1,322,492	1,209,035

(12) Lease liabilities

The Group's lease liabilities were as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Current	$ 809,283	831,093	701,438
Non-current	$ 9,535,777	9,416,852	8,419,723

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

The amounts recognized in profit or loss were as follow:

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Interest on lease liabilities	$ 113,761	119,669	231,419	246,326
Variable lease payments not included in the measurement of lease liabilities	$ -	142	-	318
Expenses relating to short-term leases	$ 243	242	448	483
Expenses relating to leases of low-value, excluding short-term leases of low-value assets	$ 9	9	18	18

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

	For the six months ended June 30	
	2024	2023
Total cash outflow for leases	$ 556,504	790,703

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.

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 three months and six months ended June 30, 2024 and 2023 were NT$12,511 thousand, NT$13,683 thousand, NT$25,749 thousand, and NT$28,065 thousand, respectively.

(14) Income tax

A. Income tax expense

The components of income tax were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2024	**2023**	**2024**	**2023**
Current tax expense				
Current period	$ 6,890	16,966	33,160	51,106
Adjustment for prior period	-	(750)	-	(750)
	6,890	16,216	33,160	50,356
Deferred tax expense				
Origination and reversal of temporary differences	(12,056)	146,702	(17,224)	115,175
Income tax expenses from continuing operations	**$ (5,166)**	**162,918**	**15,936**	**165,531**

B. Deferred tax assets

(A) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for the six months ended June 30, 2024 and 2023 were as follows:

Deferred tax assets:

	Tax losses deduction and other	**Rental expenses**	**Total**
Balance at January 1, 2024	$ 53,673	2,708,867	2,762,540
Recognized in profit or loss	(1,246)	(103,087)	(104,333)
Foreign currency translation differences for foreign operations	2,646	132,112	134,758
Balance at June 30, 2024	**$ 55,073**	**2,737,892**	**2,792,965**
Balance at January 1, 2023	$ 121,857	2,663,664	2,785,521
Recognized in profit or loss	(27,548)	(158,644)	(186,192)
Foreign currency translation differences for foreign operations	(2,131)	(56,706)	(58,837)
Balance at June 30, 2023	**$ 92,178**	**2,448,314**	**2,540,492**

Deferred tax liabilities:

	Retained earnings	Tax losses deduction	Total
Balance as of January 1, 2024	$ 16,383	2,201,514	2,217,897
Recognized in profit or loss	-	(121,557)	(121,557)
Influenced by fluctuation of exchange rates	929	106,027	106,956
Balance as of June 30, 2024	$ 17,312	2,185,984	2,203,296
Balance as of January 1, 2023	$ 56,288	2,035,972	2,092,260
Recognized in profit or loss	(39,714)	(31,303)	(71,017)
Influenced by fluctuation of exchange rates	34	(45,397)	(45,363)
Balance as of June 30, 2023	$ 16,608	1,959,272	1,975,880

C. Income tax verification situation

The mainland subsidiary's income tax settlement declaration case has been reported to the local tax agency until the 2023.

(15) Capital and other equity

Except for the following disclosures, there was no significant difference in capital and other equity for the six months ended June 30, 2024 and 2023. For the related information, please refer to the note 6(15) of the consolidated financial statements for the year ended December 31, 2023.

A. Capital surplus

The components of the capital surplus were as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Premium on Issued Shares	$ 4,133,908	5,041,030	5,041,030
Treasury stock trading	25,333	25,333	25,333
Exercising the right of imputation	9,122	9,122	9,122
	$ 4,168,363	5,075,485	5,075,485

On June 17, 2024, the shareholders’ meeting resolved to cover a deficit of NT$907,122 thousand by utilizing the capital surplus.

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.

On June 17, 2024, the shareholders’ meeting resolved to cover a deficit of NT$580,244 thousand by utilizing the legal reserve.

(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 17, 2024, the shareholders’ meeting resolved to cover a deficit of NT$596,630 thousand by utilizing the special reserve. 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.

(C) Earnings distribution

On June 17, 2024 and June 15, 2023, the shareholders' general meeting resolved the loss appropriation proposal in 2023 and 2022, respectively.

C. Treasury stock

The details for transferring treasury shares to employees:

(In thousands of shares)

	For the six months ended June 30	
	2024	**2023**
Outstanding at January 1	7,709	8,682
Quantity sold in this period	-	(973)
Outstanding at June 30	**7,709**	**7,709**

The proceeds from transferring treasury shares were recognized as prepaid salary for employees to subscribe. As of June 30, 2024, December 31, 2023 and June 30, 2023, these prepaid salaries amounting to NT$129,086 thousand, NT$122,915 thousand and NT$122,161 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, 2024	$ (1,050,872)
Exchange difference on translation of net assets of foreign operations	239,589
Balance at June 30, 2024	**$ (811,283)**
Balance at January 1, 2023	$ (952,421)
Exchange difference on translation of net assets of foreign operations	(197,820)
Share of translation differences of affiliated companies using the equity method	(583)
Balance at June 30, 2023	**$ (1,150,824)**

(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 three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Basic earnings (loss) per share				
Net profit attributed to shareholder of common stock of the Company	$ (36,517)	(415,676)	(171,079)	(411,596)
Weighted average number of common shares outstanding	195,531	195,531	195,531	195,531
Basic earnings (loss) per share (NTD)	**$ (0.19)**	**(2.13)**	**(0.87)**	**(2.11)**

The Company did not disclose the diluted earnings (loss) per share for the three months and six months ended June 30, 2024 and 2023, as there were losses before tax. Additionally, there were no potential ordinary shares of employee remuneration that could have diluted the earnings (loss) per share.

(17) Revenue from contracts with customers

A. Details of revenue

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Main regional markets:				
China	$ 779,872	911,872	1,690,854	1,968,454
Main product/service:				
Commissions revenue (retail revenue – concessionaire sales)	$ 184,141	271,670	453,366	657,616
Commodity sales (retail revenue – direct sales)	125,667	179,011	293,065	398,891
Lease revenue (Note)	258,475	237,194	532,281	487,597
Service revenue and others	211,589	223,997	412,142	424,350
	$ 779,872	911,872	1,690,854	1,968,454

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 three months and six months ended June 30, 2024 and 2023, no employee compensation and directors' remuneration were estimated and accrued.

(19) Non-operating income and expenses

A. Interest income

The details of other income were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2024	**2023**	**2024**	**2023**
Interest of back deposit	$ 8,649	6,130	16,833	11,931
Open-end funds	250	236	491	490
Other	-	(1,023)	-	(1,023)
Total	**$ 8,899**	**5,343**	**17,324**	**11,398**

B. Other income

The details of other income were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2024	**2023**	**2024**	**2023**
Government grants income	**$ 376**	**310**	**764**	**13,042**

C. Other gains and losses

The details of other gains and losses were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2024	**2023**	**2024**	**2023**
Loss on disposal of property, plant and equipment	$ (133)	(10)	(59)	(215)
Foreign exchange gain (losses)	(6,906)	(11,079)	(7,310)	(8,452)
Net gain (loss) on financial assets at fair value through profit or loss	172	1,503	1,891	4,313

	For the three months ended June 30		For the six months ended June 30	
Impairment loss on property, plant and equipment	-	(58,779)	-	(58,779)
Impairment loss on intangible assets	-	(251)	-	(251)
Compensation gain (losses) on store closures	46,412	(348,745)	46,412	(348,745)
Compensation gain (losses) on lawsuit	62,005	(11,154)	62,005	(11,154)
Gain on lease modification	-	493,615	-	493,615
Overdue payments transferred to income	7,707	2,338	13,879	7,211
Other gains and losses (such as fees and charges of credit card, etc.)	14,296	19,500	21,591	42,825
Other gains and losses, net	$ 123,553	86,938	138,409	120,368

D. Finance costs

The details of finance costs were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Interest expense	$ 50,600	56,124	109,123	95,946
Interest on lease liabilities	113,761	119,669	231,419	246,326
Other financial expenses	256	1,833	256	1,911
Total	$ 164,617	177,626	340,798	344,183

(20) Financial instruments

Except for the contention mentioned below, there was no significant change in the fair value of the Group’s financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For the related information, please refer to note 6(20) of the consolidated financial statements for the year ended December 31, 2023.

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 was no significant change in concentration of credit risk. For the related information, please refer to note 6(20) of the consolidated financial statements for the year ended December 31, 2023.

(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) of the consolidated financial statements for the year ended December 31, 2023.

The movement in the allowance for impairment for other receivables for the six months ended June 30, 2024 and 2023 were as follows:

	For the six months ended June 30	
	2024	**2023**
Balance at January 1	$ 326,284	200,544
Impairment losses recognized	-	99,772
Influenced by fluctuation of exchange rates	16,353	(6,818)
Balance at June 30	**$ 342,637**	**293,498**

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**
June 30, 2024					
Non-derivative financial liabilities					
Floating rate instruments	$ 1,830,180	1,885,791	1,315,145	570,646	-
Fixed rate instruments	2,345,281	2,436,686	2,321,261	115,425	-
Non-interest-bearing	2,487,104	2,487,104	1,891,234	-	595,870
Lease liabilities	10,345,060	13,696,983	1,257,403	4,699,643	7,739,937
	$ 17,007,625	**20,506,564**	**6,785,043**	**5,385,714**	**8,335,807**
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**

	Carrying amount	Contract cash flows	within 1 Year	1 – 5 Years	over 5 Years
June 30, 2023					
Non-derivative financial liabilities					
Floating rate instruments	$ 1,727,715	1,886,803	1,169,887	716,916	-
Fixed rate instruments	2,054,023	2,140,872	1,850,135	290,737	-
Non-interest-bearing	2,616,379	2,616,379	2,063,365	-	553,014
Lease liabilities	9,121,161	12,313,042	1,105,353	4,144,208	7,063,481
	$ 15,519,278	**18,957,096**	**6,188,740**	**5,151,861**	**7,616,495**

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		
	June 30, 2024	December 31, 2023	June 30, 2023
Fixed interest rate			
Financial asset	$ 992,129	924,522	545,323
Financial liability	(12,690,341)	(12,077,063)	(11,175,184)
	$ (11,698,212)	**(11,152,541)**	**(10,629,861)**
Variable interest rate			
Financial asset	$ 882,428	1,013,123	1,095,414
Financial liability	(1,830,180)	(1,934,730)	(1,727,715)
	$ (947,752)	**(921,607)**	**(632,301)**

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 losses before tax for the six months ended June 30, 2024 and 2023, would decrease or increase by NT$2,369 thousand and NT$1,581 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 six months ended June 30			
	2024		2023	
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	**$ -**	**624**	**-**	**580**
5% Decrease	**$ -**	**(624)**	**-**	**(580)**

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:

	June 30, 2024				
		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	$ 12,478	12,478	-	-	12,478

	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

	June 30, 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	$ 11,601	11,601	-	-	11,601

(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 six months ended June 30, 2024 and 2023 fair value of the financial assets as well as liabilities at each level did not transfer at all.

(21) Financial risk management

Except for the matters described below, there were no significant changes in the Group's financial risk management objectives and policies as disclosed in Note 6(21) of the consolidated financial statements for the year ended December 31, 2023.

A. 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.

Due to the nature of its retail business, the Group generates ample cash flows from its operating activities. Generally, the Group ensures that it has sufficient cash to cover its expected operating expenses for a period of 60 to 90 days, including the fulfillment of financial obligations. However, this expectation excludes potential impacts from extreme, unforeseeable events, such as natural disasters. In addition, as of June 30, 2024, December 31, 2023, and June 30, 2023, the Group had unused loan facilities of NT$227,297 thousand, NT$917,865 thousand, and NT$964,200 thousand, respectively.

As of June 30, 2024, the Group's current assets were less than its current liabilities. The Group will continue discussions with banks to explore loan arrangements that would convert short-term borrowings into medium- to long-term borrowings. Additionally, the Group still holds unencumbered properties and is currently negotiating medium- to long-term financing facilities with financial institutions to improve its financial structure. Given the nature of the department store industry, where there are no significant current assets such as inventory, it is common for current assets to be less than current liabilities. The Group has been continuously evaluating the aforementioned plans and does not anticipate any liquidity risk concerns.

(22) Capital management

Management believes that the objectives, policies and processes of capital management of the Group has been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2023. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2023. Please refer to Note 6(22) of the consolidated financial statements for the year ended December 31, 2023 for further details.

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

The Group's investing and financing activities on non-cash transactions for the six months ended June 30, 2024 and 2023 were as follows:

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

			Non-cash changes		
	January 1, 2024	**Cash flows**	**Foreign exchange movement**	**Other**	**June 30, 2024**
Short-term borrowings	$ 2,311,414	507,890	138,617	-	2,957,921
Long-term borrowings	1,176,044	(341,108)	58,104	-	893,040
Guarantee deposits	570,947	(3,567)	28,490	-	595,870
Other related parties	276,390	31,994	16,116	-	324,500
				(Note 1)	
Lease liabilities	10,247,945	(324,619)	499,358	(77,624)	10,345,060
Total liabilities from financing activities	**$ 14,582,740**	**(129,410)**	**740,685**	**(77,624)**	**15,116,391**

			Non-cash changes		
	January 1, 2023	**Cash flows**	**Foreign exchange movement**	**Other**	**June 30, 2023**
Short-term borrowings	$ 1,816,945	345,150	(25,244)	-	2,136,851
Long-term borrowings	1,625,500	(125,494)	4,796	-	1,504,802
Guarantee deposits	578,868	(13,041)	(12,813)	-	553,014
				(Note 2)	
Lease liabilities	9,983,104	(543,558)	(211,247)	(107,138)	9,121,161
Total liabilities from financing activities	**$ 14,004,417**	**(336,943)**	**(244,508)**	**(107,138)**	**13,315,828**

Note 1: Increase of NT$15,582 thousand and a reclassification to other payables of NT$93,206 thousand for the current period.

Note 2: Reduction of NT$1,121,975 thousand due to lease modification and increase of NT$1,014,837 thousand in the current period.

7. **Related-party transactions:**

(1) 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
Shanghai Tian An Center Building Co., Ltd. (Note 1)	Manager of the consolidated company is the board member of this company.
Nanjing Tiandu Industry Co., Ltd. (Note 1)	Manager of the consolidated company is the board member of this company.
Shanghai Guorui Tongshun Environmental Protection Technology Co., Ltd.	Manager of the consolidated company is the board member of this company.
Shanghai Allied Cement Holdings Limited	Manager of the consolidated company is the board member of this company.
Shanghai Kaixuanmen Enterprise Development Co., Ltd. (Note 1)	Manager of the consolidated company is the board member of this company.
Tian An (Shanghai) Investment Co., Ltd. (Note 1)	Manager of the consolidated company is the board member of this company.
Nanjing Tianan Gangli Property Management Co., Ltd. (Note 1)	Manager of the consolidated company is the board member of this company.
Gangli Property Management (Shanghai) Co., Ltd. (Note 1)	Manager of the consolidated company is the board member of this company.
Shanghai Qianshu Property Management Co., Ltd. (Note 1)	Manager of the consolidated company is the board member of this company.
Nanjing Grand Ocean Dongfadao Catering Co., Ltd. (Note 2)	An associate

Note 1: Following changes in the board of directors of the Group in 2023, the Group is no longer associated with the entity.

Note 2: After selling all shares in September 2023, the Group is no longer associated with the entity.

(2) Significant transactions with related parties

A. Prepayments

	June 30, 2024	December 31, 2023	June 30, 2023
Parent Company	$ 70	68	68
Other related parties-Nanjing Tiandu Industry Co., Ltd. (Note)	-	-	169,944
Other related parties-Shanghai Qianshu Property	-	4,773	3,787
	$ 70	**4,841**	**173,799**

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

	June 30, 2024	December 31, 2023	June 30, 2023
Other related parties	**$ -**	**1,914**	**3,475**

C. Payables to related parties

The payables to related parties were as follows:

Account	Relationship	June 30, 2024	December 31, 2023	June 30, 2023
Other payables	An associate	$ -	-	1,379
Other payables	Other related parties	-	11,142	1,839
		$ -	**11,142**	**3,218**

D. Borrow from related parties

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

	June 30, 2024	December 31, 2023	June 30, 2023
Parent Company	$ 324,500	276,390	140,085

The Group's borrowings from related parties are calculated at an annual interest rate of 7.36% and 7.43%, respectively. For the three months and six months ended June 30, 2024 and 2023, the recognized interest expenses were NT$6,005 thousand, NT$2,456 thousand, NT$11,293 thousand, and NY$4,789 thousand, respectively.

E. Lease

(A) Liabilities lease

		Lease liabilities		
Relationship	Purpose	June 30, 2024	December 31, 2023	June 30, 2023
Other related parties	Office building	$ -	2,026	6,766
Other related parties-Shanghai Kaixuanmen	Department store	-	4,272,732	4,278,838
Other related parties-Nanjing Tiandu	Department store	-	926,731	965,841
Other related parties	Energy-saving renovation engineering equipment	9,566	10,874	29,621

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 three months ended June 30		For the six months ended June 30	
Relationship	Purpose	2024	2023	2024	2023
Other related parties	Office building	$ -	88	-	205
Other related parties-Shanghai Kaixuanmen	Department store	-	50,727	-	102,315
Other related parties-Nanjing Tiandu	Department store	-	10,235	-	20,800
Other related parties	Energy-saving renovation engineering equipment	115	375	242	778
		$ 115	61,425	242	124,098

(B) Operating lease

Relationship	Account	Rent expense: For the three months ended June 30, 2024	2023	For the six months ended June 30, 2024	2023
Parent Company (Note)	Office building	$ 205	205	410	410
Other related parties (Note)	Office building	38	37	38	73
		$ 243	242	448	483

Relationship	Account	Property management fee: For the three months ended June 30, 2024	2023	For the six months ended June 30, 2024	2023
Other related parties	Office building and department store	$ -	941	-	1,894

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	June 30, 2024	December 31, 2023	June 30, 2023
Other financial assets - non-current	Parent Company	$ 148	148	148
Other financial assets - non-current	Other related parties - Shanghai Kaixuanmen	-	74,106	73,632
Other financial assets - non-current	Other related parties - Nanjing Tiandu	-	8,672	8,616
Other financial assets - non-current	Other related parties	-	3,217	3,196
		$ 148	86,143	85,592

F. Others

The Group provided management consulting services and signed service contracts with other related parties. For the three months and six months ended June 30, 2024 and 2023, the revenue from consulting services was NT$0, NT$617 thousand, NT$0 and NT$1,037 thousand, respectively.

(3) Key management personnel compensation

A. Key management personnel compensation comprised:

	For the three months ended June 30		For the six months ended June 30	
	2024	**2023**	**2024**	**2023**
Short term employee benefits	$ 5,834	5,655	11,640	10,867

B. The Group granted key management personnel rights to subscribe treasury shares in advance salaries. As of June 30, 2024, December 31, 2023 and June 30, 2023, those prepaid salaries amounting to NT$40,284 thousand (CNY 8,847 thousand), NT$39,438 thousand (CNY 9,096 thousand) and NT$39,193 thousand (CNY 9,097 thousand), respectively, were recorded as non-current assets - other.

8. **Pledged assets:**

The carrying amount of pledged assets were as follows:

Pledged asset	**Object**	**June 30, 2024**	**December 31, 2023**	**June 30, 2023**
Property, Plants and Equipment (Note)	Bank Loans	$ 4,367,709	4,745,020	5,326,336
Other financial assets				
Restricted Deposit	Bank depository funds	12,383	15,435	15,623
Restricted Deposit	Lease dispute freeze deposit	33,608	31,313	14,582
Restricted Deposit	Bank loans	950,635	877,774	515,118
		$ 5,364,335	5,669,542	5,871,659

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., negotiated with the lessor, Chongqing Zhengsheng Real Estate Ltd. (hereinafter referred to as “Chongqing Zhengsheng”), to reduce the period for the lease payments due to the COVID-19 pandemic in 2020. However, the negotiation failed and Chongqing Zhengsheng filed a lawsuit against the Group in November 2020 demanding for the payment of the arrears and rental of the extended area used by the Group. The Group has

provisioned a rental expense of NT$50,974 thousand (CNY 11,564 thousand), were recorded as lease liability, in accordance with the original lease contract provisions and the government-mandated force majeure time limit. Thereafter, the Group filed an appeal to the high court. On June 26, 2023, the court ruled in the second instance that the Group lost the case. The company is required to pay NT$18,076 thousand (CNY 4,087 thousand) for the outstanding rent related to the extended area beyond the agreed-upon terms. This amount has been recorded as operating expenses. The Group also should pay 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 June 30, 2024, an outstanding balance of NT$1,143 thousand (CNY 251 thousand) remains unpaid, were recorded as other payables.

(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$124,375 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$123,660 thousand (CNY 27,159 thousand), recorded under other payables.

B. The demand requires the Group to pay overdue rents and penalties accumulated until the date of site clearance from previous years, totaling NT$112,340 thousand (CNY 25,548 thousand). The Group has made a provision and recorded it under other payables. 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$20,306 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$36,075 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$28,476 thousand (CNY 6,254 thousand), recorded under other financial assets - current, and the equity of the subsidiary Nanjing Grand Ocean Classic Commerce Co., Ltd. amounting to NT$227,662 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) Hubei Grand Ocean Huayu Investment Co., Ltd. (hereinafter referred to as “Hubei Huayu”) filed a lawsuit against the Group and the subsidiary of the Group, 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 an early termination penalty of NT$207,202 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. On June 14, 2024, according to the court's first-instance judgment, the supplementary revaluation includes September 2023 rental income of NT$15,540 thousand (CNY 3,413 thousand), as well as the reversed overestimation of early termination penalty of NT$21,986 thousand (CNY 5,000 thousand), which is recorded under other income and expenses.

B. Wuhan Trade sought compensation for rental losses due to the premises being vacant after the early termination of the lease, amounting to NT$33,353 thousand (CNY 7,585 thousand). On June 14, 2024, according to the court's first-instance judgment, the Group has no compensation obligations.

C. Wuhan Trade demanded the return of rent reductions and penalties granted in previous years, totaling NT$84,294 thousand (CNY 19,170 thousand). The Group has provisioned NT$85,500 thousand (CNY 18,778 thousand) for this, recorded as other payable. On June 14, 2024, according to the court's first-instance judgment, the Group has no compensation obligations. Therefore, the aforementioned amounts were reversed and recorded under other income and expenses.

D. Wuhan Trade requested reimbursement of rent for a five-month rent-free period from previous years, totaling NT$21,067 thousand (CNY 4,791 thousand). On June 14, 2024, according to the court's first-instance judgment, the Group has no compensation obligations.

E. Wuhan Trade sought reimbursement of expenses related to the demolition of the fifth-floor cinema and associated legal fees, totaling NT$10,298 thousand (CNY 2,342 thousand). On June 14, 2024, according to the court's first-instance judgment, the Group is required to pay litigation costs of NT$1,325 thousand (CNY 291 thousand), which is recorded under other payables and other income and expenses.

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$5,132 thousand (CNY 1,127 thousand), recorded as other financial assets - current.

According to the Group's assessment, the aforementioned amounts have already been recorded in accordance with the court's first-instance judgment. However, Wuhan Trade is dissatisfied with the court's ruling and has engaged a lawyer to file an appeal, which is currently pending 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$26,827 thousand (CNY 6,101 thousand). The Group has recorded a provision of NT$27,196 thousand (CNY 5,973 thousand) as other payables in June 2024, which is currently pending 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 three months ended June 30					
Function	**2024**			**2023**		
Item	**Operating cost**	**Operating expense**	**Total**	**Operating cost**	**Operating expense**	**Total**
Employee benefits						
Salary	-	81,818	81,818	-	108,841	108,841
Health and labor insurance	-	119	119	-	143	143
Pension	-	12,511	12,511	-	13,683	13,683
Others	-	20,777	20,777	-	47,454	47,454
Depreciation	-	371,168	371,168	-	379,553	379,553
Depletion	-	-	-	-	-	-
Amortization	-	549	549	-	757	757

	For the six months ended June 30					
Function	**2024**			**2023**		
Item	**Operating cost**	**Operating expense**	**Total**	**Operating cost**	**Operating expense**	**Total**
Employee benefits						
Salary	-	173,695	173,695	-	205,922	205,922
Health and labor insurance	-	239	239	-	275	275
Pension	-	25,749	25,749	-	28,065	28,065
Others	-	44,767	44,767	-	71,556	71,556
Depreciation	-	762,825	762,825	-	764,476	764,476
Depletion	-	-	-	-	-	-
Amortization	-	1,126	1,126	-	1,608	1,608

(2) Seasonality of operations

The Group's retail business is subject to seasonal fluctuations as a result of vacation. Thus, this industry typically has higher revenues and results for the first and fourth quarter of the year.

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 P49.

B. Guarantees and endorsements for other parties: Appendix 2, please refer to the chinese version consolidated financial statements P50.

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 P51.

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 P52.

I. Trading in derivative instruments: None.

J. Business relationships and significant intercompany transactions: Appendix 5, please refer to the chinese version consolidated financial statements P53.

(2) Information on investees: Appendix 6, please refer to the chinese version consolidated financial statements P54.

(3) Information on investment in mainland China: Appendix 7, please refer to the chinese version consolidated financial statements P55~56.

(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 six months ended June 30, 2024 and 2023 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.