

**GRAND OCEAN RETAIL GROUP LTD.
AND RELATIONAL SUBSIDIARIES**

Consolidated Financial Statements

With Independent Auditors' Report

**For the Six Months Ended June 30,
2025 and 2024**

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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, 2025, December 31, 2024 and June 30, 2024, the consolidated statements of comprehensive income for the three months and six months ended June 30, 2025 and 2024, as well as the changes in equity and cash flows for the six months ended June 30, 2025 and 2024, 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, 2025, December 31, 2024 and June 30, 2024, and its consolidated financial performance for the three months and six months ended June 30, 2025 and 2024, and its consolidated cash flows for the six months ended June 30, 2025 and 2024 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, 2025. 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(6) to the consolidated financial statements for the year ended December 31, 2024, 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, 2025, 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 affected by the slowing economic growth in mainland China and intensified competition in surrounding business districts. Profitability in the department store sector has declined and has yet to recover, posing 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, 2024, for the accounting principles on the recognition of impairment of non-financial assets, the accounting estimates and assumptions uncertainty in assessment of impairment of property, plant and equipment, and right-of-use assets, respectively. Please refer to notes 6(5) and 6(6) to the consolidated financial statements for details of impairment of property, plant and equipment, as well as right-of-use assets, respectively.

Description of key audit matter:

As of December 31, 2024, the carrying amounts of property, plant, and equipment, as well as right-of-use assets, accounted for approximately 70% 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, 2025

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In case of any conflict between the English version and the original Chinese version, or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries

Consolidated Balance Sheet

June 30, 2025, December 31, 2024, and June 30, 2024

(Expressed in Thousands of New Taiwan Dollars)

Assets	June 30, 2025		December 31, 2024		June 30, 2024	
	Amount	%	Amount	%	Amount	%
Current assets:						
1100 Cash and cash equivalents (Note 6(1))	\$ 277,776	2	831,362	3	885,778	4
1110 Financial assets measured at fair value through profit or loss – current (Note 6(2))	11,303	-	12,667	-	12,478	-
1170 Accounts receivable of net amount (Note 6(3))	129,399	1	164,486	1	160,211	1
1200 Other receivables (Note 6(3) and (19))	19,287	-	35,245	-	35,871	-
1300 Inventories – merchandising business	110,594	1	164,513	1	167,026	1
1410 Pre-payments (Note 7)	216,387	1	255,772	1	226,583	1
1476 Other financial assets – current (Note 6(7), 8 and 9)	495,651	2	573,303	2	441,848	2
	<u>1,260,397</u>	<u>7</u>	<u>2,037,348</u>	<u>8</u>	<u>1,929,795</u>	<u>9</u>
Non-current assets:						
1600 Property, plants and equipment (Note 6(4) and 8)	4,553,462	22	5,255,621	22	5,441,737	22
1755 Right-of-use asset (Note 6(5) and 8)	10,058,167	49	11,736,960	48	11,504,509	47
1780 Intangible assets (Note 6(6))	1,500,522	7	1,673,410	7	1,670,264	7
1840 Deferred tax assets (Note 6(13))	2,446,761	12	2,827,639	12	2,792,965	11
1980 Other financial assets – non-current (Note 6(7), 7 and 8)	438,558	2	485,908	2	839,425	3
1990 Other non-current assets (Note 6(3), (14) and 7)	179,925	1	198,542	1	202,569	1
	<u>19,177,395</u>	<u>93</u>	<u>22,178,080</u>	<u>92</u>	<u>22,451,469</u>	<u>91</u>
Total assets	<u>\$ 20,437,792</u>	<u>100</u>	<u>24,215,428</u>	<u>100</u>	<u>24,381,264</u>	<u>100</u>

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries

Consolidated Balance Sheet

June 30, 2025, December 31, 2024, and June 30, 2024

(Expressed in Thousands of New Taiwan Dollars)

	June 30, 2025		December 31, 2024		June 30, 2024		
	Amount	%	Amount	%	Amount	%	
Liabilities and equity							
Current liabilities:							
2100	Short-term loans (Note 6(8))	\$ 2,387,680	12	2,539,845	10	2,957,921	12
2171	Accounts payable (Note 6(10))	748,298	4	1,058,720	4	873,968	4
2219	Other payables (Note 6(4), (10), 7 and 9)	1,089,584	5	1,385,111	6	1,341,766	6
2230	Current tax liabilities	22,373	-	54,223	-	18,479	-
2280	Current lease liabilities (Note 6(11), 7 and 9)	852,316	4	822,209	3	809,283	3
2322	Current portion of long-term borrowings (Note 6(9))	503,960	2	791,943	3	221,069	1
2399	Other current liabilities	10,794	-	10,571	-	10,553	-
		<u>5,615,005</u>	<u>27</u>	<u>6,662,622</u>	<u>26</u>	<u>6,233,039</u>	<u>26</u>
Non-current Liabilities:							
2541	Long-term loans of bank (Note 6(9))	17,580	-	39,342	-	671,971	3
2570	Deferred tax liabilities (Note 6(13))	1,931,140	9	2,272,332	10	2,203,296	9
2580	Non-current lease liabilities (Note 6(11) and 7)	8,433,668	41	9,864,050	42	9,535,777	39
2645	Deposit received	504,789	3	590,775	2	595,870	2
		<u>10,887,177</u>	<u>53</u>	<u>12,766,499</u>	<u>54</u>	<u>13,006,914</u>	<u>53</u>
Total liabilities:							
		<u>16,502,182</u>	<u>80</u>	<u>19,429,121</u>	<u>80</u>	<u>19,239,953</u>	<u>79</u>
Equity of owner of parent company (Note 6(14)):							
3100	Share capital	1,955,310	10	1,955,310	8	1,955,310	8
3200	Capital surplus	3,656,472	18	4,168,363	17	4,168,363	17
3300	Retained earnings	(390,600)	(2)	(511,891)	(2)	(171,079)	(1)
3400	Other equity	(1,285,572)	(6)	(825,475)	(3)	(811,283)	(3)
Total equity							
		<u>3,935,610</u>	<u>20</u>	<u>4,786,307</u>	<u>20</u>	<u>5,141,311</u>	<u>21</u>
Total liabilities and equity							
		<u>\$ 20,437,792</u>	<u>100</u>	<u>24,215,428</u>	<u>100</u>	<u>24,381,264</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries

Consolidated Balance Sheet

June 30, 2025, December 31, 2024, and June 30, 2024

(Expressed in Thousands of Chinese Yuan Renminbi)

	June 30, 2025		December 31, 2024		June 30, 2024	
	Amount	%	Amount	%	Amount	%
Assets						
Current assets:						
1100	\$ 67,866	2	182,283	3	194,538	4
1110	2,761	-	2,777	-	2,741	-
1170	31,615	1	36,065	1	35,186	1
1200	4,712	-	7,728	-	7,878	-
1300	27,020	1	36,071	1	36,683	1
1410	52,868	1	56,080	1	49,762	1
1476	121,098	2	125,702	2	97,041	2
	<u>307,940</u>	<u>7</u>	<u>446,706</u>	<u>8</u>	<u>423,829</u>	<u>9</u>
Non-current assets:						
1600	1,112,506	22	1,152,341	22	1,195,136	22
1755	2,457,420	49	2,573,432	48	2,526,667	47
1780	366,609	7	366,910	7	366,829	7
1840	597,795	12	619,985	12	613,402	11
1980	107,149	2	106,539	2	184,358	3
1990	43,959	1	43,531	1	44,489	1
	<u>4,685,438</u>	<u>93</u>	<u>4,862,738</u>	<u>92</u>	<u>4,930,881</u>	<u>91</u>
Total assets	\$ 4,993,378	100	5,309,444	100	5,354,710	100

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries

Consolidated Balance Sheet

June 30, 2025, December 31, 2024, and June 30, 2024

(Expressed in Thousands of Chinese Yuan Renminbi)

		June 30, 2025		December 31, 2024		June 30, 2024	
		Amount	%	Amount	%	Amount	%
Liabilities and equity							
Current liabilities:							
2100	Short-term loans	\$ 583,360	12	556,883	10	649,631	12
2171	Accounts payable	182,825	4	232,134	4	191,944	4
2219	Other payables	266,208	5	303,699	6	294,684	6
2230	Current tax liabilities	5,466	-	11,889	-	4,058	-
2280	Current lease liabilities	208,239	4	180,276	3	177,738	3
2322	Current portion of long-term borrowings	123,128	2	173,640	3	48,552	1
2399	Other current liabilities	2,637	-	2,318	-	2,318	-
		<u>1,371,863</u>	<u>27</u>	<u>1,460,839</u>	<u>26</u>	<u>1,368,925</u>	<u>26</u>
Non-current liabilities:							
2541	Long-term loans of bank	4,295	-	8,626	-	147,581	3
2570	Deferred tax liabilities	471,818	9	498,229	10	483,897	9
2580	Non-current lease liabilities	2,060,521	41	2,162,780	42	2,094,286	39
2645	Deposit received	123,330	3	129,533	2	130,867	2
		<u>2,659,964</u>	<u>53</u>	<u>2,799,168</u>	<u>54</u>	<u>2,856,631</u>	<u>53</u>
Total liabilities:		<u>4,031,827</u>	<u>80</u>	<u>4,260,007</u>	<u>80</u>	<u>4,225,556</u>	<u>79</u>
Equity of owner of parent company:							
3100	Share capital	492,105	10	492,105	9	492,105	9
3200	Capital surplus	613,189	12	728,494	14	728,494	14
3300	Retained earnings	(89,813)	(2)	(115,305)	(2)	(38,907)	(1)
3400	Other equity	(53,930)	-	(55,857)	(1)	(52,538)	(1)
Total equity		<u>961,551</u>	<u>20</u>	<u>1,049,437</u>	<u>20</u>	<u>1,129,154</u>	<u>21</u>
Total liabilities and equity		<u>\$ 4,993,378</u>	<u>100</u>	<u>5,309,444</u>	<u>100</u>	<u>5,354,710</u>	<u>100</u>

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, 2025 and 2024

(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			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
4000 Operating revenues (Note 6(16))	\$ 648,207	100	779,872	100	1,444,536	100	1,690,854	100
5000 Operating costs	96,115	15	115,260	15	223,782	16	267,214	16
Gross profit	552,092	85	664,612	85	1,220,754	84	1,423,640	84
6000 Operating expenses (Note 6(4), (5), (6), (11), (12), 7 and 9)	633,340	98	672,445	86	1,332,332	92	1,392,785	82
6450 Expected credit loss (Note 6(3))	3,689	1	2,061	-	16,447	-	1,697	-
	637,029	99	674,506	86	1,348,779	92	1,394,482	82
Operating (loss) income	(84,937)	(14)	(9,894)	(1)	(128,025)	(8)	29,158	2
Non-operating income and expenses:								
7100 Total interest income (Note 6(18))	5,707	1	8,899	1	13,064	1	17,324	1
7010 Other revenues (Note 6(18))	1,174	-	376	-	1,248	-	764	-
7020 Other gains and losses (Note 6(18) and 9)	15,801	2	123,553	16	29,763	2	138,409	8
7050 Financial costs (Note 6(11), (18) and 7)	(138,530)	(21)	(164,617)	(21)	(290,355)	(20)	(340,798)	(20)
7055 Expected credit loss (Note 6(14))	(9,095)	(1)	-	-	(9,095)	(1)	-	-
	(124,943)	(19)	(31,789)	(4)	(255,375)	(18)	(184,301)	(11)
7900 Earnings before tax	(209,880)	(33)	(41,683)	(5)	(383,400)	(26)	(155,143)	(9)
7950 Deduction: income tax (profit) expenses (Note 6(13))	(3,541)	(1)	(5,166)	(1)	7,200	1	15,936	1
Current net loss	(206,339)	(32)	(36,517)	(4)	(390,600)	(27)	(171,079)	(10)
8300 Other comprehensive income:								
8360 Items that may be re-classified subsequently to profit or loss (Note 6(14))								
8361 Exchange difference on translation of foreign operations	(526,630)	(81)	42,646	5	(460,097)	(32)	239,589	14
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	(526,630)	(81)	42,646	5	(460,097)	(32)	239,589	14
8300 Other comprehensive income (loss)	(526,630)	(81)	42,646	5	(460,097)	(32)	239,589	14
Comprehensive income	\$ (732,969) (113)		6,129 1		(850,697) (59)		68,510 4	
Net loss, attributable to:								
8610 Owners of parent	\$ (206,339) (32)		(36,517) (4)		(390,600) (27)		(171,079) (10)	
Comprehensive income (loss) attributable to:								
8710 Owners of parent	\$ (732,969) (113)		6,129 1		(850,697) (59)		68,510 4	
Earnings (loss) per share (Note 6(15))								
9750 Basic earnings (loss) per share (NT dollars)	\$ (1.06)		(0.19)		(2.00)		(0.87)	

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, 2025 and 2024

(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				
	2025		2024		2025		2024		
	Amount	%	Amount	%	Amount	%	Amount	%	
4000	Operating revenues	\$ 155,401	100	178,700	100	332,154	100	384,532	100
5000	Operating costs	23,119	15	26,436	15	51,456	16	60,769	16
	Gross profit	132,282	85	152,264	85	280,698	84	323,763	84
6000	Operating expenses	151,206	98	153,989	86	306,354	92	316,746	82
6450	Expected credit loss	949	1	468	-	3,781	-	386	-
		152,155	99	154,457	86	310,135	92	317,132	82
	Operating (loss) income	(19,873)	(14)	(2,193)	(1)	(29,437)	(8)	6,631	2
	Non-operating income and expenses:								
7100	Total interest income	1,371	1	2,036	1	3,004	1	3,940	1
7010	Other revenues	270	-	86	-	287	-	174	-
7020	Other gains and losses	3,745	2	28,120	16	6,844	2	31,476	8
7050	Financial costs	(33,065)	(21)	(37,697)	(21)	(66,764)	(20)	(77,504)	(20)
7055	Expected credit loss	(2,091)	(1)	-	-	(2,091)	(1)	-	-
		(29,770)	(19)	(7,455)	(4)	(58,720)	(18)	(41,914)	(11)
7900	Earnings before tax	(49,643)	(33)	(9,648)	(5)	(88,157)	(26)	(35,283)	(9)
7950	Deduction: income tax (profit) expenses	(728)	-	(1,144)	(1)	1,656	1	3,624	1
	Current net loss	(48,915)	(33)	(8,504)	(4)	(89,813)	(27)	(38,907)	(10)
8300	Other comprehensive income:								
8360	Items that may be re-classified subsequently to profit or loss								
8361	Exchange difference on translation of foreign operations	1,223	1	(1,264)	(1)	1,927	1	(1,886)	-
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	1,223	1	(1,264)	(1)	1,927	1	(1,886)	-
8300	Other comprehensive income (loss)	1,223	1	(1,264)	(1)	1,927	1	(1,886)	-
	Comprehensive income	<u>\$ (47,692)</u>	<u>(32)</u>	<u>(9,768)</u>	<u>(5)</u>	<u>(87,886)</u>	<u>(26)</u>	<u>(40,793)</u>	<u>(10)</u>
	Net loss, attributable to:								
8610	Owners of parent	<u>\$ (48,915)</u>	<u>(33)</u>	<u>(8,504)</u>	<u>(4)</u>	<u>(89,813)</u>	<u>(27)</u>	<u>(38,907)</u>	<u>(10)</u>
	Comprehensive income (loss) attributable to:								
8710	Owners of parent	<u>\$ (47,692)</u>	<u>(32)</u>	<u>(9,768)</u>	<u>(5)</u>	<u>(87,886)</u>	<u>(26)</u>	<u>(40,793)</u>	<u>(10)</u>
	Earnings (loss) per share								
9750	Basic earnings (loss) per share (RMB)	<u>\$ (0.25)</u>		<u>(0.04)</u>		<u>(0.46)</u>		<u>(0.20)</u>	

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, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

	Owner's equity						Other equity		Total equity
	Retained earnings					Sum	Exchange differences on translation of foreign operations	Attributed to parent company total equity	
	Share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings				
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 offset accumulated deficits	-	-	(580,244)	-	580,244	-	-	-	-
Special reserve used to offset accumulated deficits	-	-	-	(596,630)	596,630	-	-	-	-
Changes in other capital surplus:									
Capital surplus used to offset 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
Balance at January 1, 2025	\$ 1,955,310	4,168,363	-	-	(511,891)	(511,891)	(825,475)	4,786,307	4,786,307
Current net loss	-	-	-	-	(390,600)	(390,600)	-	(390,600)	(390,600)
Current other comprehensive income	-	-	-	-	-	-	(460,097)	(460,097)	(460,097)
Current total comprehensive income	-	-	-	-	(390,600)	(390,600)	(460,097)	(850,697)	(850,697)
Changes in other capital surplus:									
Capital surplus used to offset accumulated deficits	-	(511,891)	-	-	511,891	511,891	-	-	-
Balance at June 30, 2025	\$ 1,955,310	3,656,472	-	-	(390,600)	(390,600)	(1,285,572)	3,935,610	3,935,610

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, 2025 and 2024
(Expressed in Thousands of Chinese Yuan Renminbi)

	Owner's equity						Other equity Exchange differences on translation of foreign operations	Attributed to parent company total equity	Total equity
	Retained earnings					Sum			
	Share capital	Capital surplus	Legal reserve	Special reserve	Unappropria ted retained earnings				
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 offset accumulated deficits	-	-	(121,053)	-	121,053	-	-	-	-
Special reserve used to offset accumulated deficits	-	-	-	(129,560)	129,560	-	-	-	-
Changes in other capital surplus:									
Capital surplus used to offset 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
Balance at January 1, 2025	\$ 492,105	728,494	-	-	(115,305)	(115,305)	(55,857)	1,049,437	1,049,437
Current net loss	-	-	-	-	(89,813)	(89,813)	-	(89,813)	(89,813)
Current other comprehensive income	-	-	-	-	-	-	1,927	1,927	1,927
Current total comprehensive income	-	-	-	-	(89,813)	(89,813)	1,927	(87,886)	(87,886)
Changes in other capital surplus:									
Capital surplus used to offset accumulated deficits	-	(115,305)	-	-	115,305	115,305	-	-	-
Balance at June 30, 2025	\$ 492,105	613,189	-	-	(89,813)	(89,813)	(53,930)	961,551	961,551

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, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	For the six months ended	
	June 30	
	2025	2024
Cash flows from operating activities		
(Loss) profit before tax	\$ (383,400)	(155,143)
Adjusting events:		
Income and expenses		
Depreciation expense	703,793	762,825
Amortization expense	1,111	1,126
Expected credit loss	25,542	1,697
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	19	(1,891)
Interest expense	290,355	340,798
Interest income	(13,064)	(17,324)
Loss on disposal of property, plant and equipment	237	59
Total adjustments to reconcile profit (loss)	<u>1,007,993</u>	<u>1,087,290</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets and liabilities at fair value through profit	-	1,765
Accounts receivable	2,907	37,827
Other receivables	6,751	13,149
Inventories	39,360	2,060
Prepayments	13,968	37,957
Sum of net variance of assets concern operating activities	<u>62,986</u>	<u>92,758</u>
Changes in operating liabilities:		
Accounts payable	(214,445)	(439,186)
Other payables	(174,759)	(187,208)
Other current liabilities	1,390	(2)
Sum of net variance of liabilities concern operating activities	<u>(387,814)</u>	<u>(626,396)</u>
Sum of net variance of assets and liabilities concern operating activities	<u>(324,828)</u>	<u>(533,638)</u>
Total adjustments	<u>683,165</u>	<u>553,652</u>
Cash inflow generated from operations	299,765	398,509
Interest received	5,003	4,908
Interest paid	(278,166)	(334,721)
Income taxes paid	(53,420)	(57,391)
Net cash flows from operating activities	<u>(26,818)</u>	<u>11,305</u>

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries

Consolidated Statement of Cash Flows

For the six months ended June 30, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	For the six months ended	
	June 30	
	2025	2024
Cash flows from (used in) investing activities:		
Proceeds from disposal of investments using the equity method	4,175	4,221
Acquisition of property, plant and equipment	(24,869)	(51,236)
Proceeds from disposal of property, plant and equipment	-	62
(Increase) Decrease in refundable deposits	(615)	192
Acquisition of intangible assets	(345)	(138)
Decrease (Increase) in other financial assets	17,987	(24,851)
(Increase) Decrease in other non-current assets - other	(695)	10,804
Net cash flows used in investing activities	<u>(4,362)</u>	<u>(60,946)</u>
Cash flows from (used in) financing activities:		
Increase in short-term loans	116,442	507,890
Payments for long-term loans	(236,410)	(341,108)
Decrease in deposit received	(26,975)	(3,567)
Increase in other payables – related parties	-	31,994
Payment of lease liabilities	(323,118)	(324,619)
Net cash flows used in financing activities	<u>(470,061)</u>	<u>(129,410)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(52,345)</u>	<u>44,494</u>
Net decrease in cash and cash equivalents	(553,586)	(134,557)
Cash and cash equivalents at beginning of period	831,362	1,020,335
Cash and cash equivalents at end of period	<u>\$ 277,776</u>	<u>885,778</u>

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, 2025 and 2024

(Expressed in Thousands of Chinese Yuan Renminbi)

	For the six months ended	
	June 30	
	2025	2024
Cash flows from operating activities		
(Loss) profit before tax	\$ (88,157)	(35,283)
Adjusting events:		
Income and expenses		
Depreciation expense	161,829	173,481
Amortization expense	255	256
Expected credit loss	5,872	386
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	4	(430)
Interest expense	66,764	77,504
Interest income	(3,004)	(3,940)
Loss on disposal of property, plant and equipment	54	13
Total adjustments to reconcile profit (loss)	<u>231,774</u>	<u>247,270</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets and liabilities at fair value through profit	-	401
Accounts receivable	669	8,603
Other receivables	1,552	2,990
Inventories	9,051	468
Prepayments	3,212	8,632
Sum of net variance of assets concern operating activities	<u>14,484</u>	<u>21,094</u>
Changes in operating liabilities:		
Accounts payable	(49,309)	(99,879)
Other payables	(40,184)	(42,575)
Other current liabilities	320	-
Sum of net variance of liabilities concern operating activities	<u>(89,173)</u>	<u>(142,454)</u>
Sum of net variance of assets and liabilities concern operating activities	<u>(74,689)</u>	<u>(121,360)</u>
Total adjustments	<u>157,085</u>	<u>125,910</u>
Cash inflow generated from operations	68,928	90,627
Interest received	1,150	1,116
Interest paid	(63,961)	(76,122)
Income taxes paid	(12,283)	(13,052)
Net cash flows from operating activities	<u>(6,166)</u>	<u>2,569</u>

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries
Consolidated Statement of Cash Flows
For the six months ended June 30, 2025 and 2024
(Expressed in Thousands of Chinese Yuan Renminbi)

	For the six months ended	
	June 30	
	2025	2024
Cash flows from (used in) investing activities:		
Proceeds from disposal of investments using the equity method	960	960
Acquisition of property, plant and equipment	(5,718)	(11,652)
Proceeds from disposal of property, plant and equipment	-	14
(Increase) Decrease in refundable deposits	(141)	44
Acquisition of intangible assets	(79)	(31)
Decrease (Increase) in other financial assets	4,136	(5,652)
(Increase) Decrease in other non-current assets - other	(160)	2,457
Net cash flows used in investing activities	(1,002)	(13,860)
Cash flows from (used in) financing activities:		
Increase in short-term loans	26,775	115,503
Payments for long-term loans	(54,360)	(77,574)
Decrease in deposit received	(6,203)	(811)
Increase in other payables – related parties	-	7,276
Payment of lease liabilities	(74,297)	(73,825)
Net cash flows used in financing activities	(108,085)	(29,431)
Effect of exchange rate changes on cash and cash equivalents	836	(62)
Net decrease in cash and cash equivalents	(114,417)	(40,784)
Cash and cash equivalents at beginning of period	182,283	235,322
Cash and cash equivalents at end of period	\$ 67,866	194,538

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, 2025 and 2024

(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, 2025.

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, 2025.

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

- (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, 2026, would not have a significant impact on the consolidated financial statements.

- IFRS 17 “Insurance Contracts” and Amendments to IFRS 17.
- Amendment to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"

- Annual Improvements to IFRS Accounting Standards.
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”.

(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”	<p>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.</p> <ul style="list-style-type: none"> ● 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 statements. This includes guidance on whether 	January 1, 2027

	information is included in the primary financial statements or is further disaggregated in the notes.	
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The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the above-mentioned 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 19 “Subsidiaries without Public Accountability: Disclosures”.

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 consolidated financial report for the year ended December 31, 2024. For related information, please refer to Note 4 of the consolidated financial report for the year ended December 31, 2024.

(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 (%)			Note
			June 30, 2025	December 31, 2024	June 30, 2024	
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

Name of Investor	Name of Subsidiary	Principal activity	Percentage of holding shares (%)			Note
			June 30, 2025	December 31, 2024	June 30, 2024	
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 (%)			Note
			June 30, 2025	December 31, 2024	June 30, 2024	
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.

Name of Investor	Name of Subsidiary	Principal activity	Percentage of holding shares (%)			Note
			June 30, 2025	December 31, 2024	June 30, 2024	
Wuhan Optics Valley Grand Ocean Commercial Development Limited	Yichang Grand Ocean Commerce Limited	Trading of cosmetics, furnishings, etc.	100%	100%	100.00%	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 made judgment and estimates about the future, including climate-related risks and opportunities, 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 consolidated financial report for the year ended December 31, 2024.

These consolidated financial statements do not contain information where accounting policies involve significant judgments that have a material impact on the amounts recognized.

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 consolidated financial report for the year ended December 31, 2024. Please refer to Note 6 of the consolidated financial report for the year ended December 31, 2024, for relevant information.

(1) Cash and cash equivalents

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Cash on hand and petty cash	\$ 6,045	6,626	7,847
Demand deposit	254,444	742,214	877,931
Time deposit	<u>17,287</u>	<u>82,522</u>	<u>-</u>
Total	<u>\$ 277,776</u>	<u>831,362</u>	<u>885,778</u>

Please refer to Note 6(19) for the sensitivity analysis and interest rate risk.

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

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Mandatorily measured at fair value through profit or loss – current:			
Open-end funds	<u>\$ 11,303</u>	<u>12,667</u>	<u>12,478</u>

A. Please refer to Note 6(19) 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(18).

(3) Account receivables and other receivables

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Accounts receivable	\$ 188,632	213,243	179,595
Allowance for impairment	<u>(59,233)</u>	<u>(48,757)</u>	<u>(19,384)</u>
	<u>129,399</u>	<u>164,486</u>	<u>160,211</u>
Other receivables - current :			
Other receivables - investment funds	249,672	278,210	277,747
Other receivables – lease deposit	58,331	64,998	64,890
Other receivables – others	19,287	35,245	35,871
Less: Impairment loss allowance	<u>(308,003)</u>	<u>(343,208)</u>	<u>(342,637)</u>
Subtotal	<u>19,287</u>	<u>35,245</u>	<u>35,871</u>
Total	<u>\$ 148,686</u>	<u>199,731</u>	<u>196,082</u>

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

	June 30, 2025		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Not overdue	\$ 104,991	0%	-
1 to 90 days past due	12,868	0%	-
91 to 180 days past due	10,462	0%~6%	625
181 to 270 days past due	8,141	79%	6,438
271 to 365 days past due	11,510	100%	11,510
More than 365 days past due	40,660	100%	40,660
	<u>\$ 188,632</u>		<u>59,233</u>
	December 31, 2024		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Not overdue	\$ 136,969	0%	-
1 to 90 days past due	14,915	0%	-
91 to 180 days past due	7,763	0%	36
181 to 270 days past due	19,547	0%~75%	14,672
271 to 365 days past due	9,383	100%	9,383
More than 365 days past due	24,666	100%	24,666
	<u>\$ 213,243</u>		<u>48,757</u>
	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
	<u>\$ 179,595</u>		<u>19,384</u>

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

	For the six months ended June 30	
	2025	2024
Opening balance	\$ 48,757	38,259
Impairment loss recognized	16,447	1,697
Amount written off	-	(21,778)
Exchange rate impact number	(5,971)	1,206
Ending balance	\$ 59,233	19,384

C. Other receivables—others are the advance payment in accordance with the promotions held by retail business department and vendors. 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. In accordance with the principle of prudence, the Group has recognized expected credit losses on the lease security deposit. As of June 30, 2025, December 31, 2024, and June 30, 2024, the lease security deposit and the corresponding allowance for expected credit losses were NT\$58,331 thousand (CNY 14,252 thousand), NT\$64,998 thousand (CNY 14,252 thousand), and NT\$64,890 thousand (CNY 14,252 thousand), respectively.

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 Fengnan 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 Fengnan 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 Fengnan 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. In accordance with the principle of prudence, the Group recognized expected credit losses of NT\$99,772 thousand (CNY 22,630 thousand) in June 2023. As of June 30, 2025, December 31, 2024, and June 30, 2024, the outstanding receivables and the related allowance for expected credit losses were NT\$249,672 thousand (CNY 61,000 thousand), NT\$278,210 thousand (CNY 61,000 thousand), and NT\$277,747 thousand (CNY 61,000 thousand), respectively.

- F. On June 28, 2023, the Group entered into an equity repurchase and urban investment termination agreement with Shanghai Dongfadao Catering Management Co., Ltd. in relation to Nanjing Grand Ocean Dongfadao Catering Co., Ltd., with a total repurchase consideration of NT\$30,157 thousand (CNY 7,000 thousand). The equity transfer procedures were completed on August 30, 2023. Pursuant to the agreement, the repurchase consideration is to be received in installments. As of June 30, 2025, December 31, 2024, and June 30, 2024, the outstanding amounts yet to be collected were NT\$4,748 thousand (CNY 1,160 thousand), NT\$9,669 thousand (CNY 2,120 thousand), and NT\$14,024 thousand (CNY 3,080 thousand), respectively. These amounts were recognized under other receivables and non-current assets – others in the amounts of NT\$4,748 thousand (CNY 1,160 thousand) and NT\$0, NT\$8,757 thousand (CNY 1,920 thousand) and NT\$912 thousand (CNY 200 thousand), and NT\$8,742 thousand (CNY 1,920 thousand) and NT\$5,282 thousand (CNY 1,160 thousand), respectively.

(4) Property, plant and equipment

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

	<u>Building</u>	<u>Transportation Device</u>	<u>Office Equipment</u>	<u>Lease Improvement</u>	<u>Construction in progress</u>	<u>Total</u>
Cost or deemed cost:						
Balance at January 1, 2025	\$ 4,820,717	13,029	226,796	6,864,726	22,495	11,947,763
Additions	-	-	766	1,485	23,996	26,247
Current re-classification	-	-	323	22,132	(22,455)	-
Disposal and abandonment	-	-	(1,059)	(3,038)	-	(4,097)
Influenced by fluctuation of exchange rates	(494,501)	(1,337)	(23,267)	(705,384)	(2,161)	(1,226,650)
Balance at June 30, 2025	<u>\$ 4,326,216</u>	<u>11,692</u>	<u>203,559</u>	<u>6,179,921</u>	<u>21,875</u>	<u>10,743,263</u>

	<u>Building</u>	<u>Transportation Device</u>	<u>Office Equipment</u>	<u>Lease Improvement</u>	<u>Construction in progress</u>	<u>Total</u>
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	<u>229,702</u>	<u>655</u>	<u>10,484</u>	<u>324,401</u>	<u>2,259</u>	<u>567,501</u>
Balance at June 30, 2024	<u>\$ 4,812,700</u>	<u>13,735</u>	<u>220,006</u>	<u>6,808,706</u>	<u>54,777</u>	<u>11,909,924</u>
Depreciation and impairment losses:						
Balance at January 1, 2025	\$ 1,566,841	7,745	170,933	4,944,306	2,317	6,692,142
Depreciation	48,502	682	5,464	144,608	-	199,256
Disposal and abandonment	-	-	(935)	(2,925)	-	(3,860)
Influenced by fluctuation of exchange rates	<u>(163,579)</u>	<u>(835)</u>	<u>(17,801)</u>	<u>(515,522)</u>	<u>-</u>	<u>(697,737)</u>
Balance at June 30, 2025	<u>\$ 1,451,764</u>	<u>7,592</u>	<u>157,661</u>	<u>4,570,467</u>	<u>2,317</u>	<u>6,189,801</u>
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	<u>71,551</u>	<u>357</u>	<u>7,907</u>	<u>225,822</u>	<u>-</u>	<u>305,637</u>
Balance at June 30, 2024	<u>\$ 1,513,456</u>	<u>7,673</u>	<u>167,007</u>	<u>4,777,734</u>	<u>2,317</u>	<u>6,468,187</u>
Carrying amounts:						
Balance at January 1, 2025	<u>\$ 3,253,876</u>	<u>5,284</u>	<u>55,863</u>	<u>1,920,420</u>	<u>20,178</u>	<u>5,255,621</u>
Balance at June 30, 2025	<u>\$ 2,874,452</u>	<u>4,100</u>	<u>45,898</u>	<u>1,609,454</u>	<u>19,558</u>	<u>4,553,462</u>
Balance at January 1, 2024	<u>\$ 3,190,133</u>	<u>6,453</u>	<u>53,811</u>	<u>2,050,338</u>	<u>32,575</u>	<u>5,333,310</u>
Balance at June 30, 2024	<u>\$ 3,299,244</u>	<u>6,062</u>	<u>52,999</u>	<u>2,030,972</u>	<u>52,460</u>	<u>5,441,737</u>

- A. As of June 30, 2025, December 31, 2024 and June 30, 2024, due to payments to stores maintenance and to acquire the property for department stores, the Group recognized other payables amounting to NT\$82,809 thousand, NT\$90,828 thousand and NT\$111,187 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. Due to the slowing economic growth in Mainland China in recent years, consumer spending declined, leading to deflation and a downward trend in operating performance compared to prior years. These factors also affected real estate values in the region. As a result, the Group performed impairment tests on its property, plant and equipment. As of June 30, 2025, December 31, 2024, and June 30, 2024, the estimated recoverable amount

exceeded the carrying amount, and no impairment loss was recognized. The Group's assessment of impairment of non-financial assets is based on the fair value less costs of disposal or the value in use of cash-generating units. The fair value of property, plant and equipment is estimated using market prices in nearby areas and the income approach, with evaluations based on independent appraisers (possessing recognized relevant professional qualifications and recent experience in the location and type of property, plant and equipment being appraised). The inputs used in the fair value estimation technique belong to level three, and the fair value is assessed based on market value. Key assumptions are as follows:

- (A) Capitalization rates ranging from 5.2% to 7%, 6% to 7%, and 6% to 7%, respectively.
- (B) Annual rental growth rates ranging from 0% to 4%, 2% to 4%, and 2% to 4%, respectively.
- (C) Remaining lease terms ranging from 10.9 years to 36.5 years, 11.4 years to 37 years and 11.9 years to 37.5 years, respectively.
- (D) Adjustments are made considering transaction conditions, transaction dates, and physical conditions when measuring the fair value of the property, plant and equipment.

D. Please refer to Note 6(18) for details on disposal gains and losses.

E. Guarantee

Please refer to Note 8 for the details of long-term loans and financing line guarantees on June 30, 2025, December 31, 2024, and June 30, 2024.

(5) Right of use assets

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

	<u>Land</u>	<u>Buildings</u>	<u>Machine equipment</u>	<u>Total</u>
Cost:				
Balance at January 1, 2025	\$ 3,442,452	13,546,704	61,389	17,050,545
Effect of changes in foreign exchange rates	(353,121)	(1,389,598)	(6,297)	(1,749,016)
Balance at June 30, 2025	<u>\$ 3,089,331</u>	<u>12,157,106</u>	<u>55,092</u>	<u>15,301,529</u>
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	<u>\$ 3,436,727</u>	<u>12,748,273</u>	<u>61,287</u>	<u>16,246,287</u>

	<u>Land</u>	<u>Buildings</u>	<u>Machine equipment</u>	<u>Total</u>
Accumulated depreciation:				
Balance at January 1, 2025	\$ 724,858	4,544,115	44,612	5,313,585
Depreciation	45,368	456,047	3,122	504,537
Effect of movement in exchange rate	<u>(77,025)</u>	<u>(492,974)</u>	<u>(4,761)</u>	<u>(574,760)</u>
Balance at June 30, 2025	<u>\$ 693,201</u>	<u>4,507,188</u>	<u>42,973</u>	<u>5,243,362</u>
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	<u>31,632</u>	<u>185,145</u>	<u>1,910</u>	<u>218,687</u>
Balance at June 30, 2024	<u>\$ 676,154</u>	<u>4,024,354</u>	<u>41,270</u>	<u>4,741,778</u>
Carrying amounts:				
Balance at January 1, 2025	<u>\$ 2,717,594</u>	<u>9,002,589</u>	<u>16,777</u>	<u>11,736,960</u>
Balance at June 30, 2025	<u>\$ 2,396,130</u>	<u>7,649,918</u>	<u>12,119</u>	<u>10,058,167</u>
Balance at January 1, 2024	<u>\$ 2,674,047</u>	<u>8,782,752</u>	<u>23,303</u>	<u>11,480,102</u>
Balance at June 30, 2024	<u>\$ 2,760,573</u>	<u>8,723,919</u>	<u>20,017</u>	<u>11,504,509</u>

Due to the slowing economic growth in Mainland China in recent years, consumer spending declined, leading to deflation and a downward trend in operating performance compared to prior years. These factors also affected real estate values in the region. As a result, the Group performed impairment tests on the right-of-use assets. As of June 30, 2025, December 31, 2024, and June 30, 2024, the estimated recoverable amount exceeded the carrying amount, and no impairment loss was recognized. The Group's assessment of impairment of non-financial assets is based on the fair value less costs of disposal or the value in use of cash-generating units. The fair value of the right-of-use assets is estimated using market prices in nearby areas and the income approach, with evaluations based on independent appraisers (possessing recognized relevant professional qualifications and recent experience in the location and type of right-of-use assets being appraised). The inputs used in the fair value estimation technique belong to level three, and the fair value is assessed based on market value. Please refer to Note 6(4) for key assumptions.

(6) Intangible assets

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

	<u>Goodwill</u>	<u>Trademark Rights</u>	<u>Computer Software</u>	<u>Total</u>
Costs:				
Balance at January 1, 2025	\$ 1,524,652	459,518	36,758	2,020,928
Additions	-	-	345	345
Influenced by fluctuation of exchange rates	<u>(156,397)</u>	<u>(48,846)</u>	<u>(3,791)</u>	<u>(209,034)</u>
Balance at June 30, 2025	<u>\$ 1,368,255</u>	<u>410,672</u>	<u>33,312</u>	<u>1,812,239</u>

	<u>Goodwill</u>	<u>Trademark Rights</u>	<u>Computer Software</u>	<u>Total</u>
Balance at January 1, 2024	\$ 1,449,468	430,434	34,487	1,914,389
Additions	-	-	138	138
Influenced by fluctuation of exchange rates	<u>72,648</u>	<u>24,388</u>	<u>1,734</u>	<u>98,770</u>
Balance at June 30, 2024	<u>\$ 1,522,116</u>	<u>454,822</u>	<u>36,359</u>	<u>2,013,297</u>
Amortization and impairment losses:				
Balance at January 1, 2025	\$ -	322,328	25,190	347,518
Amortization	-	-	1,111	1,111
Influenced by fluctuation of exchange rates	<u>-</u>	<u>(34,263)</u>	<u>(2,649)</u>	<u>(36,912)</u>
Balance at June 30, 2025	<u>\$ -</u>	<u>288,065</u>	<u>23,652</u>	<u>311,717</u>
Balance at January 1, 2024	\$ -	301,928	21,743	323,671
Amortization	-	-	1,126	1,126
Influenced by fluctuation of exchange rates	<u>-</u>	<u>17,106</u>	<u>1,130</u>	<u>18,236</u>
Balance at June 30, 2024	<u>\$ -</u>	<u>319,034</u>	<u>23,999</u>	<u>343,033</u>
Carrying amounts:				
Balance at January 1, 2025	<u>\$ 1,524,652</u>	<u>137,190</u>	<u>11,568</u>	<u>1,673,410</u>
Balance at June 30, 2025	<u>\$ 1,368,255</u>	<u>122,607</u>	<u>9,660</u>	<u>1,500,522</u>
Balance at January 1, 2024	<u>\$ 1,449,468</u>	<u>128,506</u>	<u>12,744</u>	<u>1,590,718</u>
Balance at June 30, 2024	<u>\$ 1,522,116</u>	<u>135,788</u>	<u>12,360</u>	<u>1,670,264</u>

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, 2025 and 2024:

	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Operating expenses	<u>\$ 535</u>	<u>549</u>	<u>1,111</u>	<u>1,126</u>

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:

	<u>June 30, 2025</u>		<u>December 31, 2024</u>		<u>June 30, 2024</u>	
	<u>Carrying amount</u>	<u>Recoverable amount</u>	<u>Carrying amount</u>	<u>Recoverable amount</u>	<u>Carrying amount</u>	<u>Recoverable amount</u>
Goodwill						
Shanghai Grand Ocean Qianshu Commercial Management Co., Ltd.	\$ 96,915	117,003	107,992	151,466	107,813	633,010
Wuhan Grand Ocean Classic Commercial Development Ltd.	179,004	188,523	199,466	755,547	199,134	1,354,593
Fuzhou Grand Ocean Commerce Ltd.	1,092,336	1,251,216	1,217,194	1,366,903	1,215,169	1,337,143
	<u>\$ 1,368,255</u>	<u>1,556,742</u>	<u>1,524,652</u>	<u>2,273,916</u>	<u>1,522,116</u>	<u>3,324,746</u>
Trademark						
Grand Ocean Classic Commercial Group Co., Ltd.	\$ 122,607	141,233	137,190	163,929	135,788	158,373

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, 2025, December 31, 2024 and June 30, 2024, was estimated on its value in use except Fuzhou Grand Ocean Commerce Limited, its recoverable amount was fair value less costs of disposal. Details regarding the fair value valuation method and key assumptions for Fuzhou Grand Ocean Commerce Limited are provided in Note 6(4).

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, 2025, December 31, 2024 and June 30, 2024, were estimated on the value in use. The key assumptions used in estimating the value in use were as follows:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Discount rate	<u>10%</u>	<u>10%</u>	<u>10%</u>
Growth rate	<u>7%~11%</u>	<u>6%~9%</u>	<u>1%~10%</u>

- (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 the 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 trends of retail business.

(7) Other financial assets — current and non-current

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

	June 30, 2025	December 31, 2024	June 30, 2024
Other financial assets — current			
Deposits — out for lease (Note)	\$ 241	291	291
Restricted deposits	492,573	570,806	438,015
Others	2,837	2,206	3,542
	<u>\$ 495,651</u>	<u>573,303</u>	<u>441,848</u>
Other financial assets — non-current			
Deposits — out for lease (Note)	\$ 181,183	201,894	201,556
Deposits — out for cooperation	6,307	7,315	7,589
Restricted deposits	186,725	205,003	558,611
Deposit for rent expansion (Note)	61,395	68,412	68,299
Others	2,948	3,284	3,370
	<u>\$ 438,558</u>	<u>485,908</u>	<u>839,425</u>

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.

(8) Short-term loans

The details of short-term loans are as below:

	June 30, 2025	December 31, 2024	June 30, 2024
Unsecured bank loans	\$ -	-	676,163
Secured bank loans	2,387,680	2,539,845	2,281,758
Total	<u>\$ 2,387,680</u>	<u>2,539,845</u>	<u>2,957,921</u>
Unused credit lines	<u>\$ 120,469</u>	<u>391,968</u>	<u>65,047</u>
Range of interest rates	<u>3.1%~5.8%</u>	<u>3.5%~6.3%</u>	<u>3.60%~7.87%</u>

A. The Group has entered into a secured loan agreement with a bank. Upon completion of the mortgage of the real estate owned by its subsidiary, Fuzhou Grand Ocean Classic

Commerce Limited, the Group's available credit line will increase by NT\$646,691 thousand.

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

(9) Long-term loans

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

June 30, 2025				
	Currency	Interest rate collar	Year of expiry	Amount
Unsecured bank loans	USD	6.54%	115	\$ 52,740
Secured bank loans	USD	5.22%~5.23%	114	468,800
				521,540
Less: current portion				(503,960)
Total				\$ 17,580
Unused credit lines				\$ 146,500

December 31, 2024				
	Currency	Interest rate collar	Year of expiry	Amount
Unsecured bank loans	USD	6.76%	115	\$ 78,684
Secured bank loans	USD	5.27%~5.45%	114	524,560
"	RMB	4.2%	114	228,041
				831,285
Less: current portion				(791,943)
Total				\$ 39,342
Unused credit lines				\$ 163,925

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

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

B. For information regarding the Group's interest rate and liquidity risk exposures, please refer to Note 6(19).

(10) Accounts payable and other payables

	June 30, 2025	December 31, 2024	June 30, 2024
Accounts payable			
Arising from direct sales	\$ 25,022	53,475	48,970
Arising from concessionaire sales	663,644	928,894	761,776
Others	59,632	76,351	63,222
Total	<u>\$ 748,298</u>	<u>1,058,720</u>	<u>873,968</u>

Most of the payable arises from suppliers.

	June 30, 2025	December 31, 2024	June 30, 2024
Other payables			
Wages and salaries payables	\$ 64,944	109,440	70,929
Construction payables	82,809	90,828	111,187
Compensation payable for store closures, etc.	765	852	1,534
Compensation payable for lawsuit	22,450	233,651	449,821
Payables to related parties	527,400	590,130	324,500
Tax payables	15,742	31,416	20,003
Others	375,474	328,794	363,792
Total	<u>\$ 1,089,584</u>	<u>1,385,111</u>	<u>1,341,766</u>

(11) Lease liabilities

The Group's lease liabilities were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Current	<u>\$ 852,316</u>	<u>822,209</u>	<u>809,283</u>
Non-current	<u>\$ 8,433,668</u>	<u>9,864,050</u>	<u>9,535,777</u>

Please refer to Note 6(19) 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	
	2025	2024	2025	2024
Interest on lease liabilities	<u>\$ 102,638</u>	<u>113,761</u>	<u>212,605</u>	<u>231,419</u>
Expenses relating to short-term leases	<u>\$ 234</u>	<u>243</u>	<u>498</u>	<u>448</u>
Expenses relating to leases of low-value, excluding short-term leases of low-value assets	<u>\$ 12</u>	<u>9</u>	<u>24</u>	<u>18</u>

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

	For the six months ended June 30	
	2025	2024
Total cash outflow for leases	<u>\$ 536,245</u>	<u>556,504</u>

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.

(12) 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, 2025 and 2024 were NT\$11,437 thousand, NT\$12,511 thousand, NT\$24,240 thousand, and NT\$25,749 thousand, respectively.

(13) 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	
	2025	2024	2025	2024
Current tax expense				
Current period	\$ 8,853	6,890	25,450	33,160
Adjustment for prior period	38	-	38	-
	<u>8,891</u>	<u>6,890</u>	<u>25,488</u>	<u>33,160</u>
Deferred tax expense				
Origination and reversal of temporary differences	<u>(12,432)</u>	<u>(12,056)</u>	<u>(18,288)</u>	<u>(17,224)</u>
Income tax expenses from continuing operations	<u>\$ (3,541)</u>	<u>(5,166)</u>	<u>7,200</u>	<u>15,936</u>

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, 2025 and 2024 were as follows:

Deferred tax assets:

	Tax losses deduction and other	Rental expenses	Total
Balance at January 1, 2025	\$ 29,647	2,797,992	2,827,639
Recognized in profit or loss	-	(96,504)	(96,504)
Foreign currency translation differences for foreign operations	<u>(3,041)</u>	<u>(281,333)</u>	<u>(284,374)</u>
Balance at June 30, 2025	<u>\$ 26,606</u>	<u>2,420,155</u>	<u>2,446,761</u>
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	<u>2,646</u>	<u>132,112</u>	<u>134,758</u>
Balance at June 30, 2024	<u>\$ 55,073</u>	<u>2,737,892</u>	<u>2,792,965</u>

Deferred tax liabilities:

	Retained earnings	Tax losses deduction	Total
Balance as of January 1, 2025	\$ 17,490	2,254,842	2,272,332
Recognized in profit or loss	-	(114,792)	(114,792)
Influenced by fluctuation of exchange rates	(1,859)	(224,541)	(226,400)
Balance as of June 30, 2025	<u>\$ 15,631</u>	<u>1,915,509</u>	<u>1,931,140</u>
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	<u>\$ 17,312</u>	<u>2,185,984</u>	<u>2,203,296</u>

C. Income tax verification situation

The mainland subsidiary's income tax settlement declaration has been submitted to the local tax agency as of 2024.

(14) 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, 2025 and 2024. For the related information, please refer to the Note 6(15) of the consolidated financial statements for the year ended December 31, 2024.

A. Capital surplus

The components of the capital surplus were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Premium on Issued Shares	\$ 3,622,017	4,133,908	4,133,908
Treasury stock trading	25,333	25,333	25,333
Exercising the right of imputation	9,122	9,122	9,122
	<u>\$ 3,656,472</u>	<u>4,168,363</u>	<u>4,168,363</u>

At the shareholders' meetings held on June 12, 2025 and June 17, 2024, resolutions were approved to offset deficits of NT\$511,891 thousand and NT\$907,122 thousand, respectively, through appropriations of 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.

(C) Earnings distribution

At the shareholders' annual general meetings held on June 12, 2025 and June 17, 2024, resolutions were approved for the appropriation of losses for the fiscal years 2024 and 2023, respectively.

C. Treasury stock

The details for transferring treasury shares to employees:

	(In thousands of shares)	
	For the six months ended June 30	
	2025	2024
Outstanding at June 30 (same as January 1)	<u>3,663</u>	<u>7,709</u>

The proceeds from transferring treasury shares were recognized as prepaid salary for employees to subscribe. As of June 30, 2025, December 31, 2024 and June 30, 2024, these prepaid salaries amounting to NT\$118,617 thousand, NT\$129,316 thousand and NT\$129,086 thousand were recognized under other non-current assets – other. For the salary advances to former employees that have not yet been recovered, impairment losses of NT\$9,095 thousand, zero, NT\$9,095 thousand, and zero were recognized for the three months and six months ended June 30, 2025 and 2024, respectively. Considering the increasingly challenging environment in the department store industry, the Group has taken steps to retain talent and maintain team stability. Furthermore, due to the impact of the COVID-19 pandemic, the profitability of the department store retail sector has not yet returned to pre-pandemic levels. To address these challenges, the Board of Directors resolved on November 13, 2024, and August 30, 2022, to defer the repayment of employees' advanced salaries to 2028 and 2025, respectively.

D. Other equity (net income after tax)

	Exchange difference on translation of foreign operations
Balance at January 1, 2025	\$ (825,475)
Exchange difference on translation of net assets of foreign operations	<u>(460,097)</u>
Balance at June 30, 2025	<u>\$ (1,285,572)</u>
Balance at January 1, 2024	\$ (1,050,872)
Exchange difference on translation of net assets of foreign operations	<u>239,589</u>
Balance at June 30, 2024	<u>\$ (811,283)</u>

(15) 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	
	2025	2024	2025	2024
Basic earnings (loss) per share				
Net profit attributed to shareholder of common stock of the Company	<u>\$ (206,339)</u>	<u>(36,517)</u>	<u>(390,600)</u>	<u>(171,079)</u>
Weighted average number of common shares outstanding	<u>195,531</u>	<u>195,531</u>	<u>195,531</u>	<u>195,531</u>
Basic earnings (loss) per share (NTD)	<u>\$ (1.06)</u>	<u>(0.19)</u>	<u>(2.00)</u>	<u>(0.87)</u>

The Company did not disclose the diluted earnings (loss) per share for the three months and six months ended June 30, 2025 and 2024, 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.

(16) Revenue from contracts with customers

A. Details of revenue

	For the three months ended June 30		For the six months ended June 30	
	2025	2024	2025	2024
Main regional markets:				
China	<u>\$ 648,207</u>	<u>779,872</u>	<u>1,444,536</u>	<u>1,690,854</u>
Main product/service:				
Commissions revenue (retail revenue – concessionaire sales)	\$ 144,889	184,141	371,029	453,366
Commodity sales (retail revenue – direct sales)	104,905	125,667	244,648	293,065
Lease revenue (Note)	221,966	258,475	467,823	532,281
Service revenue and others	<u>176,447</u>	<u>211,589</u>	<u>361,036</u>	<u>412,142</u>
	<u>\$ 648,207</u>	<u>779,872</u>	<u>1,444,536</u>	<u>1,690,854</u>

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

(17) 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, 2025 and 2024, no employee compensation and directors' remuneration were estimated and accrued.

(18) 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	
	2025	2024	2025	2024
Interest of back deposit	\$ 5,474	8,649	12,579	16,833
Open-end funds	233	250	485	491
Total	<u>\$ 5,707</u>	<u>8,899</u>	<u>13,064</u>	<u>17,324</u>

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	
	2025	2024	2025	2024
Government grants income	<u>\$ 1,174</u>	<u>376</u>	<u>1,248</u>	<u>764</u>

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	
	2025	2024	2025	2024
Loss on disposal of property, plant and equipment	\$ (15)	(133)	(237)	(59)
Foreign exchange gain (losses)	(1,621)	(6,906)	(2,264)	(7,310)
Net gain (loss) on financial assets at fair value through profit or loss	627	172	(19)	1,891
Compensation gain on store closures	-	46,412	-	46,412
Compensation gain on lawsuit	-	62,005	-	62,005

	For the three months ended June 30		For the six months ended June 30	
Overdue payments transferred to income	601	7,707	6,074	13,879
Other gains and losses (such as fees and charges of credit card, etc.)	<u>16,209</u>	<u>14,296</u>	<u>26,209</u>	<u>21,591</u>
Other gains and losses, net	<u>\$ 15,801</u>	<u>123,553</u>	<u>29,763</u>	<u>138,409</u>

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	
	2025	2024	2025	2024
Interest expense	\$ 35,892	50,600	77,750	109,123
Interest on lease liabilities	102,638	113,761	212,605	231,419
Other financial expenses	<u>-</u>	<u>256</u>	<u>-</u>	<u>256</u>
Total	<u>\$ 138,530</u>	<u>164,617</u>	<u>290,355</u>	<u>340,798</u>

(19) 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, 2024.

A. Credit risks

(A) Exposure of credit risk

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

(B) Concentration of credit risk

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

(C) Credit risk of receivables

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

Other financial assets at amortized cost includes other receivables etc., as stated above, there were almost low credit risk, therefore the impairment provision of all of these financial assets recognized during the period was limited to 12 months expected losses or lifetime ECL measurement, please refer to Note 4(7) of the consolidated financial statements for the year ended December 31, 2024.

The movement in the allowance for impairment for other receivables for the six months ended June 30, 2025 and 2024 were as follows:

	For the six months ended June 30	
	2025	2024
Balance at January 1	\$ 343,208	326,284
Influenced by fluctuation of exchange rates	(35,205)	16,353
Balance at June 30	<u>\$ 308,003</u>	<u>342,637</u>

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, 2025					
Non-derivative financial liabilities					
Floating rate instruments \$	3,436,620	3,505,927	3,487,964	17,963	-
Non-interest-bearing	1,815,271	1,815,271	1,310,482	-	504,789
Lease liabilities	<u>9,285,984</u>	<u>11,908,999</u>	<u>1,234,505</u>	<u>4,529,735</u>	<u>6,144,759</u>
	<u>\$ 14,537,875</u>	<u>17,230,197</u>	<u>6,032,951</u>	<u>4,547,698</u>	<u>6,649,548</u>
December 31, 2024					
Non-derivative financial liabilities					
Floating rate instruments \$	1,521,224	1,576,520	1,535,628	40,892	-
Fixed rate instruments	2,440,036	2,529,257	2,529,257	-	-
Non-interest-bearing	2,444,476	2,444,476	1,853,701	-	590,775
Lease liabilities	<u>10,686,259</u>	<u>13,832,053</u>	<u>1,263,857</u>	<u>5,340,550</u>	<u>7,227,646</u>
	<u>\$ 17,091,995</u>	<u>20,382,306</u>	<u>7,182,443</u>	<u>5,381,442</u>	<u>7,818,421</u>
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	<u>10,345,060</u>	<u>13,696,983</u>	<u>1,257,403</u>	<u>4,699,643</u>	<u>7,739,937</u>
	<u>\$ 17,007,625</u>	<u>20,506,564</u>	<u>6,785,043</u>	<u>5,385,714</u>	<u>8,335,807</u>

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, 2025	December 31, 2024	June 30, 2024
Fixed interest rate			
Financial asset	\$ 696,585	858,331	992,129
Financial liability	(9,285,984)	(13,126,295)	(12,690,341)
	<u>\$ (8,589,399)</u>	<u>(12,267,964)</u>	<u>(11,698,212)</u>
Variable interest rate			
Financial asset	\$ 254,444	742,214	882,428
Financial liability	(3,436,620)	(1,521,224)	(1,830,180)
	<u>\$ (3,182,176)</u>	<u>(779,010)</u>	<u>(947,752)</u>

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, 2025 and 2024, would increase or decrease by NT\$7,955 thousand and NT\$2,369 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			
	2025		2024	
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	<u>\$ -</u>	<u>565</u>	<u>-</u>	<u>624</u>
5% Decrease	<u>\$ -</u>	<u>(565)</u>	<u>-</u>	<u>(624)</u>

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, 2025				
	Carrying amount	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets measured by fair value through profit or loss					
Non-derivative financial assets measured by fair value through profit or loss by enforcement	\$ 11,303	11,303	-	-	11,303

quotation.

(E) For the six months ended June 30, 2025 and 2024 fair value of the financial assets as well as liabilities at each level did not transfer at all.

(20) 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, 2024.

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, 2025, December 31, 2024, and June 30, 2024, the Group had unused loan facilities of NT\$913,660 thousand, NT\$555,893 thousand, and NT\$227,297 thousand, respectively.

As of June 30, 2025, 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.

(21) 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, 2024. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2024. Please refer to Note 6(22) of the consolidated financial statements for the year ended December 31, 2024 for further details.

(22) 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, 2025 and 2024 were as follows:

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

	January 1, 2025	Cash flows	Non-cash changes		June 30, 2025
			Foreign exchange movement		
Short-term borrowings	\$ 2,539,845	116,442	(268,607)		2,387,680
Long-term borrowings	831,285	(236,410)	(73,335)		521,540
Guarantee deposits	590,775	(26,975)	(59,011)		504,789
Other related parties	590,130	-	(62,730)		527,400
Lease liabilities	10,686,259	(323,118)	(1,077,157)		9,285,984
Total liabilities from financing activities	<u>\$ 15,238,294</u>	<u>(470,061)</u>	<u>(1,540,840)</u>		<u>13,227,393</u>

	January 1, 2024	Cash flows	Non-cash changes		June 30, 2024
			Foreign exchange movement	Other	
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)	
Lease liabilities	10,247,945	(324,619)	499,358	(77,624)	10,345,060
Total liabilities from financing activities	<u>\$ 14,582,740</u>	<u>(129,410)</u>	<u>740,685</u>	<u>(77,624)</u>	<u>15,116,391</u>

Note : Increase of NT\$15,582 thousand and a reclassification to other payables of NT\$93,206 thousand for 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:

<u>Name of Related Party</u>	<u>Relation to the Consolidated Company</u>
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

<u>Name of Related Party</u>	<u>Relation to the Consolidated Company</u>
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.

(2) Significant transactions with related parties

A. Prepayments

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Parent Company	<u>\$ 70</u>	<u>70</u>	<u>70</u>

B. Borrow from related parties (recognized as other payables)

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

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Parent Company	<u>\$ 527,400</u>	<u>590,130</u>	<u>324,500</u>

As of June 30, 2025, December 31, 2024, and June 30, 2024, the Group's borrowings from related parties bore interest at floating rates, adjusted quarterly, of 4.35%, 5.35% to 7.39%, and 7.36%, respectively. For the three months and six months ended June 30, 2025 and 2024, the recognized interest expenses were NT\$6,009 thousand, NY\$6,005 thousand, NY\$12,440 thousand, and NY\$11,293 thousand, respectively.

C. Lease

(A) Liabilities lease

<u>Relationship</u>	<u>Purpose</u>	<u>Lease liabilities</u>		
		<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Other related parties	Energy-saving renovation engineering equipment	<u>\$ 5,699</u>	<u>7,986</u>	<u>9,566</u>

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.

<u>Relationship</u>	<u>Purpose</u>	<u>Interest Expense</u>			
		<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
		<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Other related parties	Energy-saving renovation engineering equipment	<u>\$ 74</u>	<u>115</u>	<u>165</u>	<u>242</u>

(B) Operating lease

		Rent expense			
		For the three months ended June 30		For the six months ended June 30	
Relationship	Account	2025	2024	2025	2024
Parent Company (Note)	Office building	\$ 211	205	422	410
Other related parties (Note)	Office building	23	38	76	38
		<u>\$ 234</u>	<u>243</u>	<u>498</u>	<u>448</u>

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, 2025	December 31, 2024	June 30, 2024
Other financial assets - non-current	Parent Company	<u>\$ 148</u>	<u>148</u>	<u>148</u>

(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	
	2025	2024	2025	2024
Short term employee benefits	<u>\$ 5,766</u>	<u>5,834</u>	<u>11,750</u>	<u>11,640</u>

B. The Group granted key management personnel rights to subscribe treasury shares in advance salaries. As of June 30, 2025, December 31, 2024, and June 30, 2024, those prepaid salaries amounting to NT\$36,212 thousand (CNY 8,847 thousand), NT\$40,351 thousand (CNY 8,847 thousand) and NT\$40,284 thousand (CNY 8,847 thousand), respectively, were recorded as non-current assets - other.

8. Pledged assets:

The carrying amount of pledged assets were as follows:

<u>Pledged asset</u>	<u>Object</u>	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Property, Plants and Equipment (Note)	Bank Loans	\$ 4,291,448	4,858,200	4,367,709
Other financial assets				
Restricted Deposit	Bank depository funds	11,624	13,399	12,383
Restricted Deposit	Lease dispute freeze deposit	533	29,012	33,608
Restricted Deposit	Bank loans	667,141	733,398	950,635
		<u>\$ 4,970,746</u>	<u>5,634,009</u>	<u>5,364,335</u>

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., 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\$129,003 thousand (CNY 28,285 thousand) according to the lease agreement. The Group offsets this amount by the performance bond of NT\$29,645 thousand (CNY 6,500 thousand) and makes a provision of NT\$123,867 thousand (CNY 27,159 thousand), recorded under other payables. On September 19, 2024, in accordance with the court's first-instance judgment, the overestimated early termination liquidated damages of NT\$107,467 thousand (CNY 24,207 thousand) were reversed and recorded under other benefits and losses;
 - B. The demand requires the Group to pay overdue rents and penalties accumulated until the date of site clearance from previous years, totaling NT\$116,520 thousand (CNY 25,548 thousand). The Group has made a provision and recorded it under other payables. The matter is currently under court review. On September 19, 2024, in accordance with the

court's first-instance judgment, the overvalued rent and liquidated damages of NT\$1,012 thousand (CNY 228 thousand) were reversed and recorded under other profits and losses;

- C. The demand requires the Group to pay rent, penalties, and occupation fees for the premises occupied by Dadi Cinema from the date of site clearance to the date of litigation, totaling NT\$20,502 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. According to the court's first-instance judgment on September 19, 2024, the Group should pay Dadi Cinema demolition and occupancy fees of NT\$12,168 thousand (CNY 2,668 thousand), which will be listed under other payables and other benefits and losses;
- D. The demand requests the Group to refund the previously granted reduction in rent, penalties, and related litigation expenses, totaling NT\$36,422 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. According to the court's first-instance judgment on September 19, 2024, the Group should pay a total of NT\$3,334 thousand (CNY 731 thousand) for site restoration fees and related litigation costs, which are listed under other payables and other benefits and losses.

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 and the equity of the subsidiary Nanjing Grand Ocean Classic Commerce Co., Ltd..

Based on the Group's assessment, the aforementioned amounts had been accrued in accordance with the first-instance court ruling. However, Chongqing Zhengsheng contested the court's decision and has engaged legal counsel to file an appeal. Subsequently, on November 21, 2024, the appellate court upheld the original judgment. The Group reached a settlement with Chongqing Zhengsheng on December 30, 2024. As of March 31, 2025, all related payments had been fully settled, and the asset preservation measures were lifted.

- (3) 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 Group won the case, but Hubei Huayu refused to accept the court's judgment and appointed a lawyer to file an appeal. Subsequently, on August 16, 2024, the court issued a final ruling in favor of the Group.
- (4) 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\$207,549 thousand (CNY 45,507 thousand), recorded as other payable. Additionally, Wuhan Trade requested that the performance bond of NT\$22,804 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\$15,152 thousand (CNY 3,413 thousand), as well as the reversed overestimation of early termination penalty of NT\$22,198 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\$33,674 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\$85,105 thousand (CNY 19,170 thousand). The Group has provisioned NT\$85,643 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\$21,270 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\$10,397 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\$1,327 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\$306 thousand (CNY 67 thousand), recorded as other financial assets - current.

Based on the Group's assessment, the aforementioned amounts had been accrued in

accordance with the first-instance court ruling. However, Wuhan Trade contested the court's decision and engaged legal counsel to file an appeal. Subsequently, on September 29, 2024, the court of second instance upheld the original judgment. The Group reached a settlement with Wuhan Trade on December 2, 2024. As of June 30, 2025, all related payments had been fully settled.

- (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 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\$27,085 thousand (CNY 6,101 thousand). On October 12, 2024, in accordance with the arbitration ruling, the Group was required to compensate Laopai Company for the aforementioned expenses totaling NT\$22,450 thousand (CNY 5,485 thousand). The Group accrued the amount in 2024, recorded under other payables and other gains and losses. As of June 30, 2025, the amount had not yet been paid.

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:

Function	For the three months ended June 30					
	2025			2024		
	Operating cost	Operating expense	Total	Operating cost	Operating expense	Total
Employee benefits						
Salary	-	96,945	96,945	-	81,818	81,818
Health and labor insurance	-	131	131	-	119	119
Pension	-	11,437	11,437	-	12,511	12,511
Others	-	16,457	16,457	-	20,777	20,777
Depreciation	-	334,053	334,053	-	371,168	371,168
Amortization	-	535	535	-	549	549

	For the six months ended June 30					
Function	2025			2024		
Item	Operating cost	Operating expense	Total	Operating cost	Operating expense	Total
Employee benefits						
Salary	-	193,341	193,341	-	173,695	173,695
Health and labor insurance	-	255	255	-	239	239
Pension	-	24,240	24,240	-	25,749	25,749
Others	-	39,201	39,201	-	44,767	44,767
Depreciation	-	703,793	703,793	-	762,825	762,825
Amortization	-	1,111	1,111	-	1,126	1,126

(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 P44.
- B. Guarantees and endorsements for other parties: Appendix 2, please refer to the chinese version consolidated financial statements P45.
- C. Holding of significant marketable securities at the end of the period (excluding investment in subsidiaries, associates and joint ventures): Appendix 3, please refer to the chinese version consolidated financial statements P46.
- D. Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100,000 thousand or 20% of the capital stock: None.
- E. 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 P47.
- F. Business relationships and significant intercompany transactions: Appendix 5, please refer to the chinese version consolidated financial statements P48.

- (2) Information on investees: Appendix 6, please refer to the chinese version consolidated financial statements P49.
- (3) Information on investment in mainland China: Appendix 7, please refer to the chinese version consolidated financial statements P50~51.

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, 2025 and 2024 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.