Stock Code: 5907

GRAND OCEAN RETAIL GROUP LTD.
AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Report

For the Years Ended December 31, 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 December 31, 2025 and 2024, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), IFRIC Interpretations ("IFRIC"), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for 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 year ended December 31, 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), for the accounting principles on the recognition of impairment of non- financial assets, the accounting estimates and uncertainty of assumptions in assessment of impairment of goodwill and trademark privileges, as well as details of impairment of goodwill and intangible assets, respectively.

Description of key audit matter:

As of December 31, 2024, the carrying amounts of intangible assets 7% of the total assets of the Group. The major part of goodwill and trademark originated from the acquisition of GORG in 2006. In recent years, the Group's retail business has been 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 retail 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), 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(4) and 6(5) 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, 2025, 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. In recent years, the retail business has been affected by the slowing economic growth in mainland China. Profitability in the department store sector has declined and has yet to recover. 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, IASs, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

KPMG
Taipei, Taiwan (Republic of China)
March 30, 2026

<u>*Notice to Readers*</u>

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 Subsidiaries

Consolidated Balance Sheet

December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2025		December 31, 2024	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (Note 6(1))	$ 243,883	1	831,362	3
1110	Financial assets measured at fair value through profit or loss – current (Note 6(2))	12,394	-	12,667	-
1170	Accounts receivable of net amount (Note 6(3))	124,847	1	164,486	1
1200	Other receivables (Note 6(3) and (19))	19,387	-	35,245	-
1300	Inventories – merchandising business	107,024	1	164,513	1
1410	Pre-payments (Note 7)	214,343	1	255,772	1
1476	Other financial assets – current (Note 6(7), and 8)	746,482	4	573,303	2
		1,468,360	8	2,037,348	8
	Non-current assets:				
1600	Property, plants and equipment (Note 6(4) and 8)	4,813,540	22	5,255,621	22
1755	Right-of-use asset (Note 6(5) and 8)	10,442,396	49	11,736,960	48
1780	Intangible assets (Note 6(6))	1,505,352	7	1,673,410	7
1840	Deferred tax assets (Note 6(13))	2,560,055	12	2,827,639	12
1980	Other financial assets – non-current (Note 6(7), 7 and 8)	274,844	1	485,908	2
1990	Other non-current assets (Note 6(3) and (14))	194,009	1	198,542	1
		19,790,196	92	22,178,080	92
	Total assets	**$ 21,258,556**	**100**	**24,215,428**	**100**

GRAND OCEAN RETAIL GROUP LTD. and Subsidiaries

Consolidated Balance Sheet

December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2025		December 31, 2024	
	Liabilities and equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term loans (Note 6(8))	$ 3,061,449	14	2,539,845	10
2171	Accounts payable (Note 6(10))	888,289	4	1,058,720	4
2219	Other payables (Note 6(4), (10), 7 and 9)	1,146,360	5	1,385,111	6
2230	Current tax liabilities	37,119	-	54,223	-
2280	Current lease liabilities (Note 6(11) and 7)	1,024,169	5	822,209	3
2322	Current portion of long-term borrowings (Note 6(9))	37,716	-	791,943	3
2399	Other current liabilities	11,793	-	10,571	-
		6,206,895	28	6,662,622	26
	Non-current liabilities:				
2541	Long-term loans of bank (Note 6(9))	-	-	39,342	-
2570	Deferred tax liabilities (Note 6(13))	1,984,582	9	2,272,332	10
2580	Non-current lease liabilities (Note 6(l1) and 7)	8,700,673	41	9,864,050	42
2645	Deposit received	547,178	3	590,775	2
		11,232,433	53	12,766,499	54
	Total liabilities:	17,439,328	81	19,429,121	80
	Equity of owner of parent company (Note 6(14)):				
3100	Share capital	1,955,310	9	1,955,310	8
3200	Capital surplus	3,656,472	18	4,168,363	17
3300	Retained earnings	(890,325)	(4)	(511,891)	(2)
3400	Other equity	(902,229)	(4)	(825,475)	(5)
	Total equity	3,819,228	19	4,786,307	20
	Total liabilities and equity	$ 21,258,556	100	24,215,428	100

See accompanying notes to consolidated financial statements.

GRAND OCEAN RETAIL GROUP LTD. and Subsidiaries

Consolidated Balance Sheet

December 31, 2025 and 2024

(Expressed in Thousands of Chinese Yuan Renminbi)

		December 31, 2025		December 31, 2024	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents	$ 54,541	1	182,283	3
1110	Financial assets measured at fair value through profit or loss – current	2,772	-	2,777	-
1170	Accounts receivable of net amount	27,920	1	36,065	1
1200	Other receivables	4,336	-	7,728	-
1300	Inventories – merchandising business	23,934	1	36,071	1
1410	Pre-payments	47,934	1	56,080	1
1476	Other financial assets – current	166,938	4	125,702	2
		328,375	8	446,706	8
	Non-current assets:				
1600	Property, plants and equipment	1,076,468	22	1,152,341	22
1755	Right-of-use asset	2,335,269	49	2,573,432	48
1780	Intangible assets	336,647	7	366,910	7
1840	Deferred tax assets	572,514	12	619,985	12
1980	Other financial assets – non-current	61,464	1	106,539	2
1990	Other non-current assets	43,387	1	43,531	1
		4,425,749	92	4,862,738	92
	Total assets	**$ 4,754,124**	**100**	**5,309,444**	**100**

GRAND OCEAN RETAIL GROUP LTD. and Subsidiaries

Consolidated Balance Sheet

December 31, 2025 and 2024

(Expressed in Thousands of Chinese Yuan Renminbi)

		December 31, 2025		December 31, 2024	
	Liabilities and equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term loans	$ 684,642	14	556,883	10
2171	Accounts payable	198,651	4	232,134	4
2219	Other payables	256,364	5	303,699	6
2230	Current tax liabilities	8,301	-	11,889	-
2280	Current lease liabilities	229,039	5	180,276	3
2322	Current portion of long-term borrowings	8,435	-	173,640	3
2399	Other current liabilities	2,638	-	2,318	-
		1,388,070	28	1,460,839	26
	Non-current liabilities:				
2541	Long-term loans of bank	-	-	8,626	-
2570	Deferred tax liabilities	443,819	9	498,229	10
2580	Non-current lease liabilities	1,945,762	41	2,162,780	42
2645	Deposit received	122,367	3	129,533	2
		2,511,948	53	2,799,168	54
	Total liabilities:	3,900,018	81	4,260,007	80
	Equity of owner of parent company:				
3100	Share capital	492,105	9	492,105	9
3200	Capital surplus	613,189	14	728,494	14
3300	Retained earnings	(205,832)	(3)	(115,305)	(2)
3400	Other equity	(45,356)	(1)	(55,857)	(1)
	Total equity	854,106	19	1,049,437	20
	Total liabilities and equity	$ 4,754,124	100	5,309,444	100

See accompanying notes to consolidated financial statements.

GRAND OCEAN RETAIL GROUP LTD. and Subsidiaries

Consolidated Income Statement

For the years ended December 31, 2025 and 2024

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

		2025		2024	
		Amount	**%**	**Amount**	**%**
4000	**Operating revenues (Note 6(16)**	$ 2,751,254	100	3,234,915	100
5000	**Operating costs**	404,429	15	485,303	15
	Gross profit	2,346,825	85	2,749,612	85
6000	**Operating expenses (Note 6(6), (11), (12) and 7)**	2,558,078	93	2,840,617	88
6450	**Expected credit loss (Note 6(3))**	26,914	1	30,273	1
		2,584,992	94	2,870,890	89
	Operating loss	(238,167)	(9)	(121,278)	(4)
	Non-operating income and expenses:				
7100	Total interest income (Note 6(18))	22,287	1	34,434	1
7010	Other revenues (Note 6(18))	2,632	-	17,184	1
7020	Other gains and losses (Note 6(18) and 9)	(92,054)	(3)	284,096	8
7050	Financial costs (Note 6(ll), (18) and 7)	(566,140)	(21)	(662,011)	(20)
7055	Expected credit loss (Note 6(19))	(9,046)	-	-	-
		(642,321)	(23)	(326,297)	(10)
7900	**Loss before tax**	(880,488)	(32)	(447,575)	(14)
7950	**Deduction: income tax expenses (Note 6(13))**	9,837	-	64,316	2
	Current net loss	(890,325)	(32)	(511,891)	(16)
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	(76,754)	(3)	225,397	7
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	(76,754)	(3)	225,397	7
8300	**Other comprehensive income (loss)**	(76,754)	(3)	225,397	7
	Comprehensive income	$ (967,079)	(35)	(286,494)	(9)
	Net loss, attributable to:				
8610	Owners of parent	$ (890,325)	(32)	(511,891)	(16)
	Comprehensive income (loss) attributable to:				
8710	Owners of parent	$ (967,079)	(35)	(286,494)	(9)
	Loss per share (Note 6(15))				
9750	Basic loss per share (NT dollars)	$ (4.55)		(2.62)	

See accompanying notes to consolidated financial statements.

GRAND OCEAN RETAIL GROUP LTD. and Subsidiaries

Consolidated Income Statement

For the years ended December 31, 2025 and 2024

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

		2025		2024	
		Amount	**%**	**Amount**	**%**
4000	**Operating revenues**	$ 636,055	100	728,667	100
5000	**Operating costs**	93,499	15	109,315	15
	Gross profit	542,556	85	619,352	85
6000	**Operating expenses**	591,394	93	639,851	88
6450	**Expected credit loss**	6,222	1	6,819	1
		597,616	94	646,670	89
	Operating loss	(55,060)	(9)	(27,318)	(4)
	Non-operating income and expenses:				
7100	Total interest income	5,152	1	7,756	1
7010	Other revenues	608	-	3,871	1
7020	Other gains and losses	(21,283)	(3)	63,992	8
7050	Financial costs	(130,884)	(21)	(149,119)	(20)
7055	Expected credit loss	(2,091)	-	-	-
		(148,498)	(23)	(73,500)	(10)
7900	**Loss before tax**	(203,558)	(32)	(100,818)	(14)
7950	**Deduction: income tax expenses**	2,274	-	14,487	2
	Current net loss	(205,832)	(32)	(115,305)	(16)
8300	**Other comprehensive income:**				
8360	**Items that may be re-classified subsequently to profit or loss**				
8361	Exchange difference on translation of foreign operations	10,501	2	(5,205)	(1)
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	10,501	2	(5,205)	(1)
8300	**Other comprehensive income (loss)**	10,501	2	(5,205)	(1)
	Comprehensive income	(195,331)	(30)	(120,510)	(17)
	Net loss, attributable to:				
8610	Owners of parent	(205,832)	(32)	(115,305)	(16)
	Comprehensive income (loss) attributable to:				
8710	Owners of parent	(195,331)	(30)	(120,510)	(17)
	Loss per share				
9750	Basic loss per share (RMB)	$ (1.05)		(0.59)	

See accompanying notes to consolidated financial statements.

GRAND OCEAN RETAIL GROUP LTD. and Subsidiaries
Consolidated Statement of Changes in Shareholders' Equity
For the years ended December 31, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

	Owner's equity								
			Retained earnings				Other equity		
	Share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Sum	Exchange differences on translation of foreign operations	Attributed to parent company total equity	Total equity
Balance at January 1, 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	-	-	-	-	(511,891)	(511,891)	-	(511,891)	(511,891)
Current other comprehensive income	-	-	-	-	-	-	225,397	225,397	225,397
Current total comprehensive income	-	-	-	-	(511,891)	(511,891)	225,397	(286,494)	(286,494)
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 December 31, 2024	1,955,310	4,168,363	-	-	(511,891)	(511,891)	(825,475)	4,786,307	4,786,307
Current net loss	-	-	-	-	(890,325)	(890,325)	-	(890,325)	(890,325)
Current other comprehensive income	-	-	-	-	-	-	(76,754)	(76,754)	(76,754)
Current total comprehensive income	-	-	-	-	(890,325)	(890,325)	(76,754)	(967,079)	(967,079)
Changes in other capital surplus:									
Capital surplus used to offset accumulated deficits	-	(511,891)	-	-	511,891	511,891	-	-	-
Balance at December 31, 2025	**$ 1,955,310**	**3,656,472**	**-**	**-**	**(890,325)**	**(890,325)**	**(902,229)**	**3,819,228**	**3,819,228**

See accompanying notes to consolidated financial statements.

GRAND OCEAN RETAIL GROUP LTD. and Subsidiaries
Consolidated Statement of Changes in Shareholders' Equity
For the years ended December 31, 2025 and 2024
(Expressed in Thousands of Chinese Yuan Renminbi)

	Owner's equity								
			Retained earnings				Other equity		
	Share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Sum	Exchange differences on translation of foreign operations	Attributed to parent company total equity	Total equity
Balance at January 1, 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	-	-	-	-	(115,305)	(115,305)	-	(115,305)	(115,305)
Current other comprehensive income	-	-	-	-	-	-	(5,205)	(5,205)	(5,205)
Current total comprehensive income	-	-	-	-	(115,305)	(115,305)	(5,205)	(120,510)	(120,510)
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 December 31, 2024	492,105	728,494	-	-	(115,305)	(115,305)	(55,857)	1,049,437	1,049,437
Current net loss	-	-	-	-	(205,832)	(205,832)	-	(205,832)	(205,832)
Current other comprehensive income	-	-	-	-	-	-	10,501	10,501	10,501
Current total comprehensive income	-	-	-	-	(205,832)	(205,832)	10,501	(195,331)	(195,331)
Changes in other capital surplus:									
Capital surplus used to offset accumulated deficits	-	(115,305)	-	-	115,305	115,305	-	-	-
Balance at December 31, 2025	**$ 492,105**	**613,189**	**-**	**-**	**(205,832)**	**(205,832)**	**(45,356)**	**854,106**	**854,106**

See accompanying notes to consolidated financial statements.

GRAND OCEAN RETAIL GROUP LTD. and Subsidiaries

Consolidated Statement of Cash Flows

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

		2025	2024
Cash flows from operating activities			
(Loss) profit before tax	$	(880,488)	(447,575)
Adjusting events:			
Income and expenses			
Depreciation expense		1,394,462	1,533,978
Amortization expense		2,253	2,257
Expected credit loss		35,960	30,273
Net gain on financial assets or liabilities at fair value through profit or loss		(248)	(1,968)
Interest expense		566,140	662,011
Interest income		(22,287)	(34,434)
Loss on disposal of property, plant and equipment		635	528
Impairment loss on non-financial assets		130,337	-
Compensation gains on store closures and lawsuit		-	(205,460)
Total adjustments to reconcile profit (loss)		2,107,252	1,987,185
Changes in operating assets and liabilities:			
Changes in operating assets:			
Financial assets and liabilities at fair value through profit		-	1,783
Accounts receivable		8,317	5,730
Other receivables		(21,596)	22,547
Inventories		52,498	4,796
Prepayments		35,223	10,281
Total changes in operating assets		74,442	45,137
Changes in operating liabilities:			
Accounts payable		(144,829)	(264,994)
Other payables		(209,599)	(100,520)
Other current liabilities		1,384	(2)
Total changes in operating liabilities		(353,044)	(365,516)
Total changes in operating assets and liabilities		(278,602)	(320,379)
Total adjustments		1,828,650	1,666,806
Cash inflow generated from operations		948,162	1,219,231
Interest received		39,767	17,523
Interest paid		(541,003)	(641,202)
Income taxes paid		(55,002)	(37,146)
Cash inflow from operating activities		391,924	558,406

GRAND OCEAN RETAIL GROUP LTD. and Subsidiaries

Consolidated Statement of Cash Flows

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	2025	2024
Cash flows from (used in) investing activities:		
Proceeds from disposal of investments using the equity method	7,613	8,524
Acquisition of property, plant and equipment	(75,550)	(97,125)
Proceeds from disposal of property, plant and equipment	1,191	75
(Increase) decrease in refundable deposits	(5,098)	1,867
Acquisition of intangible assets	(1,462)	(469)
Decrease in other financial assets	21,698	191,554
Decrease in other non-current assets	2,844	-
Net cash flows used in investing activities	(48,764)	104,426
Cash flows from (used in) financing activities:		
Increase in short-term loans	571,436	89,538
Payments for long-term loans	(752,012)	(409,378)
Decrease in deposit received	(30,993)	(9,528)
Increase in Other payables	-	289,039
Payment of lease liabilities	(695,249)	(863,019)
Net cash flows used in financing activities	(906,818)	(903,348)
Effect of exchange rate changes on cash and cash equivalents	(23,821)	51,543
Net decrease in cash and cash equivalents	(587,479)	(188,973)
Cash and cash equivalents at beginning of period	831,362	1,020,335
Cash and cash equivalents at end of period	$ 243,883	831,362

See accompanying notes to consolidated financial statements.

GRAND OCEAN RETAIL GROUP LTD. and Subsidiaries

Consolidated Statement of Cash Flows

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of Chinese Yuan Renminbi)

		2025	2024
Cash flows from operating activities			
(Loss) profit before tax	$	(203,558)	(100,818)
Adjusting events:			
Income and expenses			
Depreciation expense		322,382	345,530
Amortization expense		521	508
Expected credit loss		8,313	6,819
Net gain on financial assets or liabilities at fair value through profit or loss		(57)	(443)
Interest expense		130,884	149,119
Interest income		(5,152)	(7,756)
Loss on disposal of property, plant and equipment		147	119
Impairment loss on non-financial assets		30,132	-
Compensation gains on store closures and lawsuit		-	(46,280)
Total adjustments to reconcile profit (loss)		487,170	447,616
Changes in operating assets and liabilities:			
Changes in operating assets:			
Financial assets and liabilities at fair value through profit		-	402
Accounts receivable		1,923	1,291
Other receivables		(4,993)	5,079
Inventories		12,137	1,080
Prepayments		8,143	2,316
Total changes in operating assets		17,210	10,168
Changes in operating liabilities:			
Accounts payable		(33,483)	(59,690)
Other payables		(48,457)	(22,643)
Other current liabilities		320	-
Total changes in operating liabilities		(81,620)	(82,333)
Total changes in operating assets and liabilities		(64,410)	(72,165)
Total adjustments		422,760	375,451
Cash inflow generated from operations		219,202	274,633
Interest received		9,194	3,947
Interest paid		(125,073)	(144,431)
Income taxes paid		(12,716)	(8,367)
Cash inflow from operating activities		90,607	125,782

GRAND OCEAN RETAIL GROUP LTD. and Subsidiaries

Consolidated Statement of Cash Flows

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of Chinese Yuan Renminbi)

	2025	2024
Cash flows from (used in) investing activities:		
Proceeds from disposal of investments using the equity method	1,760	1,920
Acquisition of property, plant and equipment	(17,466)	(21,877)
Proceeds from disposal of property, plant and equipment	275	17
(Increase) decrease in refundable deposits	(1,179)	421
Acquisition of intangible assets	(338)	(106)
Decrease in other financial assets	5,016	43,148
Decrease in other non-current assets	657	-
Net cash flows used in investing activities	(11,275)	23,523
Cash flows from (used in) financing activities:		
Increase in short-term loans	132,109	20,169
Payments for long-term loans	(173,855)	(92,213)
Decrease in deposit received	(7,165)	(2,146)
Increase in other payables	-	65,106
Payment of lease liabilities	(160,733)	(194,396)
Net cash flows used in financing activities	(209,644)	(203,480)
Effect of exchange rate changes on cash and cash equivalents	2,570	1,136
Net decrease in cash and cash equivalents	(127,742)	(53,039)
Cash and cash equivalents at beginning of period	182,283	235,322
Cash and cash equivalents at end of period	**$ 54,541**	**182,283**

See accompanying notes to consolidated financial statements.

GRAND OCEAN RETAIL GROUP LTD. and Subsidiaries

Notes to the Consolidated Financial Statements

For the years ended December 31, 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"). Main business contents of the Group are business management consulting and retail sales.

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

   These consolidated financial statements were approved and authorized for issuance by the Board of Directors on March 30, 2026.

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 Group 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"	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities. ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined 'operating profit' subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company's main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.	January 1, 2027 Note: On September 25, 2025, the FSC issued a press release announcing that Taiwan will adopt IFRS 18 beginning in 2028.

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” and Amendments to IFRS 19.
- Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”.

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

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

(1) Statement of compliance

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

(2) Basis of preparation

A. Basis of measurement

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

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

B. Functional and presentation currency

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

(3) Basis of consolidation

A. Principles of preparation of the consolidated financial statements

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

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

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

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

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

B. Subsidiary Listed in Consolidated Financial Statements

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

			Percentage of holding shares (%)		
Name of Investor	**Name of Subsidiary**	**Principal activity**	**December 31, 2025**	**December 31, 2024**	**Note**
GRAND OCEAN RETAIL GROUP LTD.	GRAND CITI LTD.	Investment holding company	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
GRAND CITI LTD.	Grand Ocean Classic Commercial Group Co., Ltd	Trading of cosmetics, furnishings, etc.	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries

			Percentage of holding shares (%)		
Name of Investor	Name of Subsidiary	Principal activity	December 31, 2025	December 31, 2024	Note
GRAND CITI LTD.	Grand Ocean Classic (Shanghai) Commercial Group Co., Ltd.	Trading of cosmetics, furnishings, etc.	100.00%	- %	The company directly (indirectly) holds more than 50% of its subsidiaries
Grand Ocean Classic Commercial Group Co., Ltd	Nanjing Grand Ocean Classic Commercial Limited	Trading of cosmetics, furnishings, etc.	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Grand Ocean Classic Commercial Group Co., Ltd	Fuzhou Grand Ocean Commercial Limited	Trading of cosmetics, furnishings, etc.	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Grand Ocean Classic Commercial Group Co., Ltd	Quanzhou Grand Ocean Commercial Limited	Trading of cosmetics, furnishings, etc.	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Grand Ocean Classic Commercial Group Co., Ltd	Shanghai Jingxuan Business Administration Limited	Management consulting business, and trading of cosmetics, furnishings, etc.	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Grand Ocean Classic Commercial Group Co., Ltd	Shanghai Grand Ocean Qianshu Commercial Management Co., Ltd	Management consulting business, and trading of cosmetics, furnishings, etc.	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Quanzhou Grand Ocean Commerce Limited	Wuhan Grand Ocean Classic Commercial Development Limited	Trading of cosmetics, furnishings, etc.	30.00%	30.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Nanjing Grand Ocean Classic Commerce Limited	Hefei Grand Ocean Classic Commercial Development Limited	Trading of cosmetics, furnishings, etc.	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Fuzhou Grand Ocean Commerce Limited	Fuzhou Grand Ocean Classic Commerce Limited	Trading of cosmetics, furnishings, etc.	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Fuzhou Grand Ocean Commerce Limited	Wuhan Grand Ocean Classic Commercial Development Limited	Trading of cosmetics, furnishings, etc.	70.00%	70.00%	The company directly (indirectly) holds more than 50% of its subsidiaries

Name of Investor	Name of Subsidiary	Principal activity	Percentage of holding shares (%) December 31, 2025	Percentage of holding shares (%) December 31, 2024	Note
Fuzhou Grand Ocean Commerce Limited	Fuzhou Jiaruixing Business Administration Limited	Management consulting business, and trading of cosmetics, furnishings, etc.	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Wuhan Grand Ocean Classic Commercial Development Limited	Wuhan Optics Valley Grand Ocean Commercial Development Limited	Trading of cosmetics, furnishings, etc.	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Wuhan Grand Ocean Classic Commercial Development Limited	Chongqing Optics Valley Grand Ocean Commercial Development Limited	Trading of cosmetics, furnishings, etc.	35.30%	35.30%	The company directly (indirectly) holds more than 50% of its subsidiaries, and the liquidation procedures were completed in January 2026.
Wuhan Grand Ocean Classic Commercial Development Limited	Wuhan Hanyang Grand Ocean Classic Commercial Limited	Trading of cosmetics, furnishings, etc.	50.00%	50.00%	The company directly (indirectly) holds more than 50% of its subsidiaries and it also closed off business on August 31, 2023, and in process of liquidation.
Wuhan Grand Ocean Classic Commercial Development Limited	Hengyang Grand Ocean Commercial Development Limited	Trading of cosmetics, furnishings, etc.	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Wuhan Grand Ocean Classic Commercial Development Limited	Shiyan Grand Ocean Commerce Limited	Trading of cosmetics, furnishings, etc.	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Wuhan Optics Valley Grand Ocean Commercial Development Limited	Chongqing Optics Valley Grand Ocean Commercial Development Limited	Trading of cosmetics, furnishings, etc.	64.70%	64.70%	The company directly (indirectly) holds more than 50% of its subsidiaries, and the liquidation procedures were completed in January 2026.
Wuhan Optics Valley Grand Ocean Commercial Development Limited	Wuhan Hanyang Grand Ocean Classic Commercial Limited	Trading of cosmetics, furnishings, etc.	50.00%	50.00%	The company directly (indirectly) holds more than 50% of its subsidiaries and it also closed off business on August 31, 2023, and in process of liquidation.
Wuhan Optics Valley Grand Ocean Commercial Development Limited	Yichang Grand Ocean Commerce Limited	Trading of cosmetics, furnishings, etc.	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries

Name of Investor	Name of Subsidiary	Principal activity	Percentage of holding shares (%) December 31, 2025	Percentage of holding shares (%) December 31, 2024	Note
Fuzhou Grand Ocean Commerce Limited	Fuzhou Grand Ocean Select Commercial Co., Ltd.	Trading of cosmetics, furnishings, etc.	100.00%	- %	The company directly (indirectly) holds more than 50% of its subsidiaries

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

(4) Foreign currencies

A. Foreign currency transactions

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

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

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

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

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

B. Foreign operations

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

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

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

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

The Group classifies assets that meet one of the following criteria as current; otherwise, they are classified as non-current.

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

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

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

D. The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies liabilities that meet one of the following criteria as current; otherwise, they are classified as non-current.

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

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

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

D. It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

(6) Cash and cash equivalents

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

(7) Financial instruments

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

A. Financial assets

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

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

(A) Financial assets measured at amortized cost

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

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

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

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

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

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

(C) Impairment of financial assets

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

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

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

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

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

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

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

The Group considers debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade which is considered to be BBB- or higher per Standard & Poor's, Baa3 or higher per Monday's or twA or higher per Taiwan Ratings' Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

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

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

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

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

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

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

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

(D) Derecognition of financial assets

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

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

B. Financial liabilities and equity instruments

(A) Classification of debt or equity

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

(B) Equity instrument

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

(C) Treasury shares

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

(D) Financial liabilities

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

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

(E) Derecognition of financial liabilities

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

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

(F) Offsetting of financial assets and liabilities

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

(8) Inventories

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

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

(9) Investment in associates

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

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

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

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

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

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

(10) Property, plant and equipment

A. Recognition and measurement

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

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

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

B. Subsequent expenditure

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

C. Depreciation

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

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

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

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

(11) Lease

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

A. As a lease

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

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

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

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

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

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

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

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

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

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

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

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

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

(E) there is any lease modifications.

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

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

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

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

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

B. As a lessor

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

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

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

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

(12) Intangible assets

A. Recognition and measurement

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

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

B. Subsequent expenditure

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

C. Amortization

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

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

Computer software	5 years

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

(13) Impairment of non-financial assets

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

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

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

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

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

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

(14) Revenue

A. Revenue from contracts with customers

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

(A) Sales of goods

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

(B) Customer loyalty program

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

B. Services

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

C. Commissions

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

(15) Employee benefits

A. Defined contribution plans

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

B. Short term employee benefits

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

(16) Income taxes

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

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

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

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

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

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

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

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

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

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

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

(A) the same taxable entity; or

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

(17) Earnings per share

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

(18) Operating segments

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

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

No significant judgments were involved in the application of the accounting policies that have a material effect on the amounts recognized in this consolidated financial report.

In preparing these consolidated financial statements, management has made judgments and estimates about the future, including climate-related risks and opportunities, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from those estimates.

Management continually reviews these estimates and underlying assumptions to ensure consistency with the Group's risk management practices and climate-related commitments. Revisions to estimates are recognized prospectively in the period of the change and in future periods affected.

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

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

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

In the process of evaluating the potential impairment of tangible assets, the Group is required to make subjective judgments in determining the independent cash flows, useful lives, expected future income and expenses related to the specific asset groups considering of the nature of the industry. Any changes in these estimates based on changed economic conditions or business strategies and could result in significant impairment charges or reversal in future years. Refer to Notes 6(4) and (5) for further description of the impairment of property, plant and equipment and right-of-use assets.

(2) Impairment of goodwill and intangible assets

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

6. **Explanation of significant accounts:**

(1) Cash and cash equivalents

	December 31, 2025	December 31, 2024
Cash on hand and petty cash	$ 5,293	6,626
Demand deposits	238,590	742,214
Time deposits	-	82,522
Total	$ 243,883	831,362

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

	December 31, 2025	December 31, 2024
Mandatorily measured at fair value through profit or loss - current:		
Open-end funds	$ 12,394	12,667

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

		December 31, 2025	December 31, 2024
Accounts receivable	$	200,473	213,243
Allowance for impairment		(75,626)	(48,757)
		124,847	164,486
Other receivables - current：			
Other receivables - investment funds		272,768	278,210
Other receivables - lease deposit		63,727	64,998
Other receivables - others		28,739	35,245
Less: Impairment loss allowance		(345,847)	(343,208)
Subtotal		19,387	35,245
Total	**$**	**144,234**	**199,731**

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 Group is as follows：

	December 31, 2025			
		Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Not overdue	$	91,575	0%	-
1 to 90 days past due		54,700	0%~39%	21,428
91 to 180 days past due		7,591	100%	7,591
181 to 270 days past due		2,141	100%	2,141
271 to 365 days past due		3,218	100%	3,218
More than 365 days past due		41,248	100%	41,248
	$	**200,473**		**75,626**

	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
	$ 213,243		48,757

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

	For the years ended December 31	
	2025	2024
Opening balance	$ 48,757	38,259
Impairment loss recognized	26,914	30,273
Amount written off	-	(21,988)
Exchange rate impact number	(45)	2,213
Ending balance	$ 75,626	48,757

C. Other receivables–others are the advance payment in accordance with the promotions held by retail business department and venders. Since the Group and the vendors are in a long-term business relationship, the Group has considered historical experience and believed that they were less doubtful of the recoverability of these receivables. The Group assessed the aforesaid other receivables as the financial assets with low credit risk and measured loss allowances at an amount as 12-month expected credit loss. Please refer to Note 6(19) 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 to do 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 Group 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 December 31, 2025 and 2024, the lease security deposit and the corresponding allowance for expected credit losses were NT$63,727 thousand (CNY 14,252 thousand) and NT$64,998 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 in 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 the 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 assets.

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

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

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

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

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

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

Due to the force majeure factor of the COVID-19 epidemic, the society, various industries and the business of Damahua have been seriously affected. In August 2022, Damahua needs to retain part of the operating capital, and proposes to the Group to postpone the payment of the remaining receivables until June 30, 2023. The payment schedule is described as follows:

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

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

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

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

The Group had an original receivable of CNY 162,000 thousand from Damahua. As of June 30, 2023, a total of CNY 101,000 thousand has been repaid, with the remaining CNY 61,000 thousand still outstanding and not repaid by Damahua in accordance with the agreement. The Group considers that the aforementioned creditor's rights are caused by undertaking the Fengan land, and the Quanzhou Municipal Government has recently agreed that existing developers will adopt a cooperative approach to undertake the development and construction of the Fengan land plot, which will be implemented by the Fengze District Government, and is coordinating to promote Fengan land is under construction, so the Group intends to negotiate with Damahua for proceeds from subsequent project development in order to repay all creditor's rights of the Group.

Although the Group assessed that after the allocation of the disposal value of the Fengan land, Damahua should be able to repay the debts, the impact of the COVID-19 pandemic in China has caused the economy to not yet recover to normal levels. In accordance with the principle of prudence, the Group recognized expected credit losses on the aforementioned receivables. As of December 31, 2025 and 2024, the outstanding receivables and the related allowance for expected credit losses were NT$272,768 thousand (CNY 61,000 thousand) and NT$278,210 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 December 31, 2025 and 2024, the outstanding amounts yet to be collected were NT$1,610 thousand (CNY 360 thousand) and NT$9,669 thousand (CNY 2,120 thousand), respectively. These amounts were recognized under other receivables and non-current assets – others in the amounts of NT$1,610 thousand (CNY 360 thousand) and zero, and NT$8,757 thousand (CNY 1,920 thousand) and NT$912 thousand (CNY 200 thousand), respectively.

G. The Group provided employees with treasury shares subscription rights funded through salary advances. However, the salary advances made to certain former employees have not yet been recovered. Accordingly, these amounts were reclassified from “Other non-current assets – others” to “Other receivables,” and full impairment losses were recognized. For related information, please refer to Note 6(14). As of December 31, 2025 and 2024, the unrecovered receivables and the corresponding impairment allowances amounted to NT$9,352 thousand (RMB 2,091 thousand) and zero, respectively.

(4) Property, plant and equipment

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

	Building	Transportation Device	Office Equipment	Lease Improvement	Construction in progress	Total
Cost or deemed cost:						
Balance at January 1, 2025	$ 4,820,717	13,029	226,796	6,864,726	22,495	11,947,763
Additions	-	1,968	2,076	12,435	53,992	70,471
Current re-classification	-	-	321	53,019	(53,340)	-
Disposal and abandonment	-	(2,775)	(5,293)	(12,260)	-	(20,328)
Influenced by fluctuation of exchange rates	(94,302)	(283)	(4,538)	(132,494)	(373)	(231,990)
Balance at December 31, 2025	**$ 4,726,415**	**11,939**	**219,362**	**6,785,426**	**22,774**	**11,765,916**
Balance at January 1, 2024	$ 4,582,998	13,080	208,303	6,443,512	34,892	11,282,785
Additions	-	-	2,573	55,733	29,515	87,821
Current re-classification	-	-	7,914	35,313	(43,227)	-
Disposal and abandonment	-	(709)	(3,005)	(6,373)	-	(10,087)
Influenced by fluctuation of exchange rates	237,719	658	11,011	336,541	1,315	587,244
Balance at December 31, 2024	**$ 4,820,717**	**13,029**	**226,796**	**6,864,726**	**22,495**	**11,947,763**
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	96,480	1,315	10,761	288,275	-	396,831
Disposal and abandonment	-	(2,289)	(4,736)	(11,477)	-	(18,502)
Influenced by fluctuation of exchange rates	(27,392)	(184)	(3,144)	(87,375)	-	(118,095)
Balance at December 31, 2025	**$ 1,635,929**	**6,587**	**173,814**	**5,133,729**	**2,317**	**6,952,376**
Balance at January 1, 2024	$ 1,392,865	6,627	154,492	4,393,174	2,317	5,949,475
Depreciation	99,022	1,392	10,897	320,808	-	432,119
Disposal and abandonment	-	(639)	(2,696)	(6,149)	-	(9,484)
Influenced by fluctuation of exchange rates	74,954	365	8,240	236,473	-	320,032
Balance at December 31, 2024	**$ 1,566,841**	**7,745**	**170,933**	**4,944,306**	**2,317**	**6,692,142**
Carrying amounts:						
Balance at December 31, 2025	**$ 3,090,486**	**5,352**	**45,548**	**1,651,697**	**20,457**	**4,813,540**
Balance at January 1, 2024	**$ 3,190,133**	**6,453**	**53,811**	**2,050,338**	**32,575**	**5,333,310**
Balance at December 31, 2024	**$ 3,253,876**	**5,284**	**55,863**	**1,920,420**	**20,178**	**5,255,621**

A. As of December 31, 2025 and 2024, due to payments to stores maintenance and to acquire the property for department stores, the Group recognized other payables amounting to NT$83,801 thousand and NT$90,828 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 December 31, 2025 and 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% and 6% to 7%, respectively.

(B) Annual rental growth rates ranging from 0% to 4% and 2% to 4%, respectively.

(C) Remaining lease terms ranging from 10.4 years to 36 years and 11.4 years to 37 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 December 31, 2025 and 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:

	Land	Buildings	Machine equipment	Total
Cost:				
Balance at January 1, 2025	$ 3,442,452	13,546,704	61,389	17,050,545
Lease modifications	-	(32,543)	-	(32,543)
Effect of changes in foreign exchange rates	(67,341)	(266,096)	(1,201)	(334,638)
Balance at December 31, 2025	$ 3,375,111	13,248,065	60,188	16,683,364

	Land	Buildings	Machine equipment	Total
Balance at January 1, 2024	$ 3,272,698	12,124,453	58,362	15,455,513
Additions	-	755,036	-	755,036
Lease modifications	-	17,218	-	17,218
Effect of changes in foreign exchange rates	169,754	649,997	3,027	822,778
Balance at December 31, 2024	**$ 3,442,452**	**13,546,704**	**61,389**	**17,050,545**
Accumulated depreciation:				
Balance at January 1, 2025	$ 724,858	4,544,115	44,612	5,313,585
Depreciation	90,246	901,175	6,210	997,631
Effect of movement in exchange rate	(11,132)	(58,452)	(664)	(70,248)
Balance at December 31, 2025	**$ 803,972**	**5,386,838**	**50,158**	**6,240,968**
Balance at January 1, 2024	$ 598,651	3,341,701	35,059	3,975,411
Depreciation	92,624	1,001,706	7,529	1,101,859
Effect of movement in exchange rate	33,583	200,708	2,024	236,315
Balance at December 31, 2024	**$ 724,858**	**4,544,115**	**44,612**	**5,313,585**
Carrying amounts:				
Balance at December 31, 2025	**$ 2,571,139**	**7,861,227**	**10,030**	**10,442,396**
Balance at January 1, 2024	**$ 2,674,047**	**8,782,752**	**23,303**	**11,480,102**
Balance at December 31, 2024	**$ 2,717,594**	**9,002,589**	**16,777**	**11,736,960**

A. Grand Ocean Classic Commercial Group Co., Ltd. and Wuhan Grand Ocean Classic Commercial Development Limited, subsidiaries of the Group, leased operating premises from non-related parties. The original contracts are set to expire in April 2024 and January 2025, respectively. The Group renewed these leases for terms of two years and five years, leading to increases in right-of-use assets of NT$15,732 thousand and NT$739,304 thousand, respectively.

B. 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 December 31, 2025 and 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:

	Goodwill	Trademark Rights	Computer Software	Total
Costs:				
Balance at January 1, 2025	$ 1,524,652	459,518	36,758	2,020,928
Additions	-	-	1,462	1,462
Influenced by fluctuation of exchange rates	(29,825)	(18,992)	(670)	(49,487)
Balance at December 31, 2025	$ 1,494,827	440,526	37,550	1,972,903
Balance at January 1, 2024	$ 1,449,468	430,434	34,487	1,914,389
Additions	-	-	469	469
Influenced by fluctuation of exchange rates	75,184	29,084	1,802	106,070
Balance at December 31, 2024	$ 1,524,652	459,518	36,758	2,020,928
Amortization and impairment losses:				
Balance at January 1, 2025	$ -	322,328	25,190	347,518
Amortization	-	-	2,253	2,253
Impairment loss	-	130,337	-	130,337
Influenced by fluctuation of exchange rates	-	(12,139)	(418)	(12,557)
Balance at December 31, 2025	$ -	440,526	27,025	467,551
Balance at January 1, 2024	$ -	301,928	21,743	323,671
Amortization	-	-	2,257	2,257
Influenced by fluctuation of exchange rates	-	20,400	1,190	21,590
Balance at December 31, 2024	$ -	322,328	25,190	347,518
Carrying amounts:				
Balance at December 31, 2025	$ 1,494,827	-	10,525	1,505,352
Balance at January 1, 2024	$ 1,449,468	128,506	12,744	1,590,718
Balance at December 31, 2024	$ 1,524,652	137,190	11,568	1,673,410

A. Recognition of amortization

The amortization of intangible assets are included in the consolidated statements of comprehensive income for the years ended December 31, 2025 and 2024:

	For the years ended December 31	
	2025	**2024**
Operating expenses	$ 2,253	2,257

B. Impairment testing

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

	December 31, 2025		December 31, 2024	
	Carrying amount	Recoverable amount	Carrying amount	Recoverable amount
Goodwill				
Shanghai Grand Ocean Qianshu Commercial Management Co., Ltd.	$ 105,879	124,666	107,992	151,466
Wuhan Grand Ocean Classic Commercial Development Ltd.	195,565	214,638	199,466	755,547
Fuzhou Grand Ocean Commerce Ltd.	1,193,383	1,393,413	1,217,194	1,366,903
	$ 1,494,827	1,732,717	1,524,652	2,273,916
Trademark				
Grand Ocean Classic Commercial Group Co., Ltd.	$ -	-	137,190	162,929

The recoverable amount of CGU is the higher of fair value less costs of disposal or value in use. If an asset's recoverable amount is higher than its carrying amount, the Group assumes that there is no doubt about impairment loss. The recoverable amount of CGUs as of December 31, 2025, and 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).

In 2025 and 2024, due to the economic downturn in the mainland China region, the operating performance showed a decline compared to the previous year. As a result, the Group conducted impairment testing on goodwill and trademark rights. It was estimated that the recoverable amount of CGUs of Grand Ocean Classic Commercial Group Co., Ltd. was less than the carrying amount. Therefore, impairment losses on trademark rights of NT$130,337 thousand and NT$0 was recognized, respectively, and reported under other gains and losses.

The recoverable amount of the CGUs, Shanghai Grand Ocean Qianshu Commercial Management Co., Ltd., Wuhan Grand Ocean Classic Commercial Department Limited and Grand Ocean Classic Commercial Group Co., Ltd., as of December 31, 2025 and 2024, were estimated on the value in use. The key assumptions used in estimating the value in use were as follows:

	December 31, 2025	December 31, 2024
Discount rate	10%	10%
Growth rate	0%~13%	6%~9%

(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:

	December 31, 2025	December 31, 2024
Other financial assets - current		
Deposits - out for lease (Note)	$ 270	291
Restricted deposits	738,200	570,806
Others	8,012	2,206
	$ 746,482	573,303
Other financial assets—non-current		
Deposits—out for lease (Note)	$ 201,119	201,894
Deposits—out for cooperation	6,609	7,315
Restricted deposits	-	205,003
Deposit for rent expansion (Note)	67,074	68,412
Others	42	3,284
	$ 274,844	485,908

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:

	December 31, 2025	December 31, 2024
Secured bank loans	$ 3,061,449	2,539,845
Unused credit lines	$ 661,630	391,968
Range of interest rates	3.0%~5.4%	3.5%~6.3%

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:

	December 31, 2025			
	Currency	Interest rate collar	Year of expiry	Amount
Unsecured bank loans	USD	6.08%	115	$ 37,716
Less: current portion				(37,716)
Total				$ -
Unused credit lines				$ -

	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

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

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

(10) Accounts payable and other payables

	December 31, 2025	December 31, 2024
Accounts payable		
Arising from direct sales	$ 33,833	53,475
Arising from concessionaire sales	785,200	928,894
Others	69,256	76,351
Total	$ 888,289	1,058,720

Most of the payable arises from suppliers.

	December 31, 2025	December 31, 2024
Other payables		
Wages and salaries payables	$ 95,751	109,440
Construction payables	83,801	90,828
Compensation payable for store closures, etc.	-	852
Compensation payable for lawsuit	24,527	233,651
Payables to related parties	565,740	590,130
Tax payables	27,073	31,416
Interest payables	52,105	27,893
Others	297,363	300,901
Total	$ 1,146,360	1,385,111

(11) Lease liabilities

The Group's lease liabilities were as follows:

	December 31, 2025	December 31, 2024
Current	$ 1,024,169	822,209
Non-current	$ 8,700,673	9,864,050

Please refer to Note 6(19) financial instruments for maturity analysis.

The amounts recognized in profit or loss were as follows:

	For the years ended December 31	
	2025	2024
Interest on lease liabilities	$ 417,266	454,258
Variable lease payments not included in the measurement of lease liabilities	$ 356	1,496
Expenses relating to short-term leases	$ 995	986
Expenses relating to leases of low-value, excluding short-term leases of low-value assets	$ 48	42

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

	For the years ended December 31	
	2025	2024
Total cash outflow for leases	$ 1,113,914	1,319,801

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 the 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 Group 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 Group 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 Group for the years ended December 31, 2025 and 2024, were NT$47,573 and NT$51,889 thousand, respectively.

(13) Income tax

A. Income tax expense

The components of income tax were as follows:

	For the years ended December 31	
	2025	2024
Current tax expense		
Current period	$ 44,369	50,253
Adjustment for prior period	(4,885)	(2,806)
	39,484	47,447
Deferred tax expense		
Origination and reversal of temporary differences	(29,647)	16,869
Income tax expenses from continuing operations	**$ 9,837**	**64,316**

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

	For the years ended December 31	
	2025	2024
Loss excluding income tax	$ (880,488)	(447,575)
Income tax calculated by domestic tax rate of Group	(219,777)	(111,897)
Effective influence of tax rate by foreign jurisdiction	64,277	42,856
Expenses not able to be offset	5,068	6,389
Recognition of previously unrecognized tax losses	(151,000)	(11,020)
Unrecognized deferred tax assets on current tax Losses	273,369	200,118
Change in unrecognized temporary difference	42,785	(87,712)
Prior period overestimation	(4,885)	(2,806)
Losses deduction	-	28,388
Income Tax Expense	**$ 9,837**	**64,316**

B. Deferred tax assets

(A) Unrecognized deferred tax assets

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

	December 31, 2025	December 31, 2024
Deductible temporary differences	$ 500,576	338,120
Tax losses	3,855,069	4,591,991
	$ 4,355,645	**4,930,111**

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

(B) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for the years ended December 31, 2025 and 204, 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	(2,033)	(203,302)	(205,335)
Foreign currency translation differences for foreign operations	(649)	(61,600)	(62,249)
Balance at December 31, 2025	$ 26,965	2,533,090	2,560,055
Balance at January 1, 2024	$ 53,673	2,708,867	2,762,540
Recognized in profit or loss	(26,097)	(50,017)	(76,114)
Foreign currency translation differences for foreign operations	2,071	139,142	141,213
Balance at December 31, 2024	$ 29,647	2,797,992	2,827,639

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	-	(234,982)	(234,982)
Influenced by fluctuation of exchange rates	(723)	(52,045)	(52,768)
Balance as of December 31, 2025	$ 16,767	1,967,815	1,984,582
Balance as of January 1, 2024	$ 16,383	2,201,514	2,217,897
Recognized in profit or loss	-	(59,245)	(59,245)
Influenced by fluctuation of exchange rates	1,107	112,573	113,680
Balance as of December 31, 2024	$ 17,490	2,254,842	2,272,332

(C) As of December 31, 2025, the information of the Group's unutilized business losses for which no deferred tax assets were recognized are as follows:

Deficit year	Deficit without deduction	Last year with deduction
2021	$ 788,814	2026
2022	434,755	2027
2023	797,104	2028
2024	813,567	2029
2025	1,128,690	2030
	$ 3,962,930	

C. Income tax verification situation

The mainland subsidiary's income tax settlement declaration case has been reported to the local tax agency until 2024.

(14) Capital and other equity

As of December 31, 2025 and 2024, the number of authorized ordinary shares were both 5,000,000 thousand shares, with par value of $10 per share. The total value of authorized ordinary shares was amounted to both $500,000 thousand. Also, the number of issued and outstanding shares were both 195,531 thousand shares. All issued shares were paid upon issuance.

A. Capital surplus

The components of the capital surplus were as follows:

	December 31, 2025	December 31, 2024
Premium on issued shares	$ 3,622,017	4,133,908
Treasury stock trading	25,333	25,333
Exercising the right of imputation	9,122	9,122
	$ 3,656,472	**4,168,363**

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 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 years ended December 31	
	2025	**2024**
Outstanding at January 1	3,663	7,709
Quantity sold in this period	-	(4,046)
Outstanding at December 31 (same as January 1)	3,663	3,663

The proceeds from transferring treasury shares were recognized as prepaid salary for employees to subscribe. As of December 31, 2025 and 2024, these prepaid salaries amounting to NT$127,032 thousand and NT$129,316 thousand were recognized under other non-current assets – other. 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	(76,754)
Balance at December 31, 2025	**$ (902,229)**
Balance at January 1, 2024	$ (1,050,872)
Exchange difference on translation of net assets of foreign operations	225,397
Balance at December 31, 2024	**$ (825,475)**

(15) Earnings per share

Calculations of the basic as well as diluted earnings per share of the Group are as below:

	For the years ended December 31	
	2025	**2024**
Basic earnings (loss) per share		
Net profit attributed to shareholder of common stock of the Company	$ (890,325)	(511,891)
Weighted average number of common shares outstanding	195,531	195,531
Basic earnings (loss) per share (NTD)	$ (4.55)	(2.62)

The Company did not disclose the diluted loss per share for the years ended December 31, 2025 and 2024, as there were losses before tax. Additionally, there were no potential ordinary shares of employee remuneration that could have diluted the loss per share.

(16) Revenue from contracts with customers

A. Details of revenue

	For the years ended December 31	
	2025	2024
Main regional markets:		
China	$ 2,751,254	3,234,915
Main product/service:		
Commissions revenue (retail revenue – concessionaire sales)	$ 663,259	839,261
Commodity sales (retail revenue – direct sales)	447,915	529,614
Lease revenue (Note)	938,430	1,033,969
Service revenue and others	701,650	832,071
	$ 2,751,254	3,234,915

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 years ended December 31, 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 years ended December 31	
	2025	2024
Interest of back deposit	$ 21,331	33,448
Open-end funds	956	986
Total	$ 22,287	34,434

B. Other income

The details of other income were as follows:

	For the years ended December 31	
	2025	2024
Government grants income	$ 2,632	17,184

C. Other gains and losses

The details of other gains and losses were as follows:

	For the years ended December 31	
	2025	2024
Loss on disposal of property, plant and equipment	$ (635)	(528)
Foreign exchange losses	(11,220)	(4,292)
Net loss on financial assets at fair value through profit or loss	248	1,968
Impairment loss on intangible assets	(130,337)	-
Compensation gains on store closures	-	47,303
Compensation gains on lawsuit	-	158,157
Overdue payments transferred to income	12,150	11,334
Other gains and losses (such as fees and charges of credit card, etc.)	37,740	70,154
Other gains and losses, net	$ (92,054)	284,096

D. Finance costs

The details of finance costs were as follows:

	For the years ended December 31	
	2025	2024
Interest expense	$ 148,874	207,496
Interest on lease liabilities	417,266	454,258
Other financial expenses	-	257
Total	$ 566,140	662,011

(19) Financial instruments

A. Credit risks

(A) Exposure of credit risk

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

(B) Concentration on 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 these financial assets recognized during the period was limited to 12 months expected losses or lifetime ECL measurement, please refer to Note 4(7).

The movement in the allowance for impairment for other receivables for the years ended December 31, 2025 and 2024, were as follows:

	For the years ended December 31	
	2025	**2024**
Balance at January 1	$ 343,208	326,284
Impairment losses recognized	9,046	-
Influenced by fluctuation of exchange rates	(6,407)	16,924
Balance at December 31	$ 345,847	343,208

B. Liquidity risks

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

	Carrying amount	Contract cash flows	Within 1 Year	1 – 5 Years	Over 5 Years
December 31, 2025					
Non-derivative financial liabilities					
Floating rate instruments	$ 3,664,905	3,758,066	3,758,066	-	-
Non-interest-bearing	2,016,087	2,016,087	1,468,909	-	547,178
Lease liabilities	9,724,842	12,375,244	1,425,323	4,954,183	5,995,738
	$ 15,405,834	18,149,397	6,652,298	4,954,183	6,542,916
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	10,686,259	13,832,053	1,263,857	5,340,550	7,227,646
	$ 17,091,995	20,382,306	7,182,443	5,381,442	7,818,421

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

C. Interest rate analysis

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

	Carrying amount	
	December 31, 2025	**December 31, 2024**
Fixed interest rate		
Financial asset	$ 738,200	858,331
Financial liability	(9,758,485)	(13,126,295)
	$ (9,020,285)	(12,267,964)
Variable interest rate		
Financial asset	$ 238,590	742,214
Financial liability	(3,664,905)	(1,521,224)
	$ (3,426,315)	(779,010)

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

If the interest rate were to increase or decrease by 0.5% basis points, with all other variables held constant, the Group's loss before tax for the years ended December 31, 2025 and 2024, would increase or decrease by NT$17,132 thousand and NT$3,895 thousand, respectively.

D. Other market price risk

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

	For the years ended December 31			
	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	$ -	620	-	633
5% Decrease	$ -	(620)	-	(633)

E. Information of fair value

(A) Measurement process of fair value of financial instruments

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

	December 31, 2025				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured by fair value through profit or loss					
Non-derivative financial assets measured by fair value through profit or loss by enforcement	$ 12,394	12,394	-	-	12,394

	December 31, 2024				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured by fair value through profit or loss					
Non-derivative financial assets measured by fair value through profit or loss by enforcement	$ 12,667	12,667	-	-	12,667

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

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

a. Financial assets or liabilities measured at amortized cost

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

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

a. Non-derivative financial instruments

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis. Whether transactions are taking place ‘regularly’ is a matter of judgment and depends on the facts and circumstances of the market for the instrument.

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

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

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

(E) For the years ended December 31, 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

A. Overview

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

(A) Credit risk

(B) Liquidity risk

(C) Market risk

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

B. Structure of risk management

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

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

C. Credit risk

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

(A) Trade and other receivables

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

(B) Other receivables

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

(C) Investment

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

(D) Guarantee

Policies of the Group can merely provide financial guarantee for the ownership of the subsidiaries. As of December 31, 2025 and 2024, the Group had not provided any endorsement and guarantee to the outside.

D. Liquidity risk

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

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 December 31, 2025 and 2024, the Group had unused loan facilities of NT$661,630 thousand and NT$555,893 thousand, respectively.

E. Market risk

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

(A) Currency risk

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

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

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

(B) Interest rate risk

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

(C) Other market price risk

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

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

(21) Capital management

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

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

The Group supervises the capital structure through debt-to-capital ratios as well as cash flows. The debt-to-capital ratios as of December 31, 2025 and 2024, were as follows:

	December 31, 2025	December 31, 2024
Total liabilities	$ 17,439,328	19,429,121
Deduction: cash and cash equivalents	(243,883)	(831,362)
Net liabilities	**$ 17,195,445**	**18,597,759**
Total equity	**$ 3,819,228**	**4,786,307**
Total capital	**$ 21,014,673**	**23,384,066**
Debt to capital ratio	**81.83%**	**79.53%**

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

The Group's investing and financing activities on non-cash transactions for the years ended December 31, 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: Foreign exchange movement	Non-cash changes: Other	December 31, 2025
Short-term borrowings	$ 2,539,845	571,436	(49,832)	-	3,061,449
Long-term borrowings	831,285	(752,012)	(41,557)	-	37,716
Guarantee deposits	590,775	(30,993)	(12,604)	-	547,178
Other related parties	590,130	-	(24,390)	-	565,740
				(Note 1)	
Lease liabilities	10,686,259	(695,249)	(233,625)	(32,543)	9,724,842
Total liabilities from financing activities	$ 15,238,294	(906,818)	(362,008)	(32,543)	13,936,925

	January 1, 2024	Cash Flows	Non-cash changes: Foreign exchange movement	Non-cash changes: Other	December 31, 2024
Short-term borrowings	$ 2,311,414	89,538	138,893	-	2,539,845
Long-term borrowings	1,176,044	(409,378)	64,619	-	831,285
Guarantee deposits	570,947	(9,528)	29,356	-	590,775
Other related parties	276,390	289,039	24,701	-	590,130
				(Note 2)	
Lease liabilities	10,247,945	(863,019)	529,079	772,254	10,686,259
Total liabilities from financing activities	$ 14,582,740	(903,348)	786,648	772,254	15,238,294

Note 1: Decrease of NT$32,543 thousand due to lease modification.

Note 2: Increase of NT$17,218 thousand due to lease modification, and addition of NT$755,036 thousand in the current period.

7. Related-party transactions:

(1) Names and relationships with related parties

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

Name of related party	Relationship with the Group
First Steamship Co., Ltd.	Entity with significant influence over the Group (Note)
First Steamship S.A.	Entity with significant influence over the Group (Note)
Ahead Capital Ltd.	The Group's other related parties
Shanghai Guorui Tongshun Environmental Protection Technology Co., Ltd.	Management of the Group serves as director of the Company.
Shanghai Allied Cement Holdings Limited	Management of the Group serves as director of the Company.

Note: Effective December 30, 2025, the entity disposed of its equity interest in the Group and is no longer the parent company; however, it continues to have significant influence over the Company.

(2) Significant transactions with related parties

A. Prepayments

	December 31, 2025	December 31, 2024
Entity with significant influence over the Group - First Steamship Co., Ltd.	$ 70	70

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

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

	December 31, 2025	December 31, 2024
Entity with significant influence over the Group - First Steamship S.A.	$ 565,740	590,130

As of December 31, 2025 and 2024, the Group's borrowings from related parties bore interest at floating rates, adjusted quarterly, of 4.01%~5.50% and 5.35%~7.39%, respectively. For the years ended December 31, 2025 and 2024, the recognized interest expenses were NT$25,353 thousand and NT$29,942 thousand, respectively.

C. Lease

(A) Liabilities lease

		Lease liabilities	
Relationship	Purpose	December 31, 2025	December 31, 2024
Other related parties	Energy-saving renovation engineering equipment	$ 4,583	7,986

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

		Interest Expense	
		For the years ended December 31	
Relationship	Purpose	2025	2024
Other related parties	Energy-saving renovation engineering equipment	$ 287	450

(B) Operating lease

Relationship	Account	Rent expense For the years ended December 31 2025	2024
Entity with significant influence over the Group - First Steamship Co., Ltd. (Note)	Office building	$ 845	832
Other related parties (Note)	Office building	150	154
		$ 995	986

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

(C) Rental deposit

Account items	Relationship category	December 31, 2025	December 31, 2024
Other financial assets - non-current	Entity with significant influence over the Group - First Steamship Co., Ltd.	$ 148	148

(3) Key management personnel compensation

A. Key management personnel compensation comprised:

	For the years ended December 31 2025	2024
Short-term employee benefits	$ 24,715	24,977

B. The Group granted key management personnel rights to subscribe treasury shares in advance salaries. As of December 31, 2025 and 2024, those prepaid salaries amounting to NT$39,409 thousand (CNY 8,813 thousand) and NT$40,351 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:

Pledged asset	Object	December 31, 2025	December 31, 2024
Property, plants and equipment (Note)	Bank loans	$ 5,558,393	4,858,200
Other financial assets			
Restricted deposit	Bank depository funds	11,532	13,399
Restricted deposit	Lease dispute freeze deposit	927	29,012
Restricted deposit	Bank loans	725,741	733,398
		$ 6,296,593	5,634,009

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) As of December 31, 2025 and 2024, the promissory notes issued by the Group for financing obtained from related parties amounted to NT$597,170 thousand.

(2) 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.

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

A. The request states that the Group should pay an early termination penalty of NT$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 accounts payable. 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 court of second instance 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.

(4) Hubei Grand Ocean Huayu Investment Co., Ltd. (hereinafter referred to as “Hubei Huayu”) filed a lawsuit against the Group and the subsidiary of the Group, Wuhan Optics Valley Grand Ocean Commercial Development Co., Ltd. On September 30, 2021, for the dispute on the equity investment of Hubei Huayu prior to 2017, claiming the compensation of CNY 93 million for the damage. On July 28, 2022, the court ruled in the first instance that the 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.

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

A. Wuhan Trade demanded that the Group pay overdue rent, which the Group has already provisioned, and an early termination penalty of NT$207,549 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, and the asset preservation measures were lifted.

(6) Wuhan Hanyang Grand Ocean Classic Commercial Limited, a subsidiary of the Group, ceased operations on August 31, 2023, due to sustained losses. It terminated its lease agreement with Wuhan Laopai Catering Management Co., Ltd. (hereinafter referred to as "Laopai Company") prematurely. Consequently, Laopai Company filed for arbitration on December 20, 2023, requesting the Group to refund the performance bond and pay early termination penalties, renovation losses, and related litigation expenses, totaling NT$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$24,527 thousand (CNY 5,485 thousand). The Group accrued the amount in 2024, recorded under other payables and other gains and losses. As of December 31, 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:

	For the years December 31					
Function	**2025**			**2024**		
Item	**Operating Cost**	**Operating expense**	**Total**	**Operating Cost**	**Operating expense**	**Total**
Employee benefits						
Salary	-	397,011	397,011	-	400,674	400,674
Health and labor insurance	-	505	505	-	481	481
Pension	-	47,573	47,573	-	51,889	51,889
Others	-	77,251	77,251	-	90,141	90,141
Depreciation	-	1,394,462	1,394,462	-	1,533,978	1,533,978
Amortization	-	2,253	2,253	-	2,257	2,257

13. Other disclosures:

(1) Information on significant transactions:

The following were the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the year ended December 31, 2025:

A. Loans to other parties: Refer to table 1.

B. Guarantees and endorsements for other parties: Refer to table 2.

C. Holding of significant marketable securities at the end of the period (excluding investment in subsidiaries, associates and joint ventures): Refer to table 3.

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: Refer to table 4.

F. Business relationships and significant intercompany transactions: Refer to table 5.

(2) Information on investees (excluding investees in Mainland China): Refer to table 6.

(3) Information on investments in mainland China: Refer to table 7.

14. **Segment information**

(1) General Information:

The main revenue of the Group comes from department store retail. The chief operating decision-maker of the Group uses the overall operating results as the basis for evaluating performance. Accordingly, the Group is a single operating department, and the operating department information for the years ended December 31, 2025 and 2024, is consistent with the consolidated financial report information.

(2) Information on Products and Services: The Group belongs to department store retail business.

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

(4) Major customer information: Sales objects of the Group are all general consumers, and there is no dependence upon the VIP.

Table 1 Loans to others

For the year ended December 31, 2025

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2025	Balance at December 31, 2025	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Note
													Item	Value			
1	Grand Citi Ltd.	Grand Ocean Retail Group Ltd.	Other receivables - related parties	Y	1,697,220	722,890	661,635	3.5%~3.95%	2	-	Operating capital	-	-	-	69,095,280	69,095,280	
1	Grand Citi Ltd.	Grand Ocean Classic Commercial Group Co., Ltd	Other receivables - related parties	Y	275,013	275,013	226,165	0.00%	2	-	Operating capital	-	-	-	69,095,280	69,095,280	
2	Grand Ocean Classic Commercial Group Co., Ltd	Hengyang Grand Ocean Commercial Development Limited	Other receivables - related parties	Y	335,370	335,370	328,126	0.00%	2	-	Operating capital	-	-	-	58,681,500	58,681,500	
2	Grand Ocean Classic Commercial Group Co., Ltd	Quanzhou Grand Ocean Commercial Limited	Other receivables - related parties	Y	1,475,629	1,475,629	1,459,978	0.00%	2	-	Operating capital	-	-	-	58,681,500	58,681,500	
2	Grand Ocean Classic Commercial Group Co., Ltd	Fuzhou Grand Ocean Classic Commerce Limited	Other receivables - related parties	Y	1,560,589	1,560,589	1,473,169	0.00%	2	-	Operating capital	-	-	-	58,681,500	58,681,500	
2	Grand Ocean Classic Commercial Group Co., Ltd	Wuhan Optics Valley Grand Ocean Commercial Development Limited	Other receivables - related parties	Y	44,716	-	-	0.00%	2	-	Operating capital	-	-	-	58,681,500	58,681,500	
2	Grand Ocean Classic Commercial Group Co., Ltd	Fuzhou Jiaruixing Business Administration Limited	Other receivables - related parties	Y	198,986	198,986	175,733	0.00%	2	-	Operating capital	-	-	-	58,681,500	58,681,500	
2	Grand Ocean Classic Commercial Group Co., Ltd	Fuzhou Grand Ocean Commercial Limited	Other receivables - related parties	Y	368,014	368,014	269,638	0.00%	2	-	Operating capital	-	-	-	58,681,500	58,681,500	
2	Grand Ocean Classic Commercial Group Co., Ltd	Wuhan Grand Ocean Classic Commercial Development Limited	Other receivables - related parties	Y	51,423	51,423	4,695	0.00%	2	-	Operating capital	-	-	-	58,681,500	58,681,500	
2	Grand Ocean Classic Commercial Group Co., Ltd	Shanghai Grand Ocean Qianshu Commercial Management Co., Ltd	Other receivables - related parties	Y	223,580	223,580	217,767	0.00%	2	-	Operating capital	-	-	-	58,681,500	58,681,500	

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2025	Balance at December 31, 2025	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Note
													Item	Value			
2	Grand Ocean Classic Commercial Group Co., Ltd	Grand Ocean Retail Group Ltd.	Other receivables - related parties	Y	754,320	754,320	691,460	3.5%~3.95%	2	-	Operating capital	-	-	-	58,681,500	58,681,500	
3	Fuzhou Grand Ocean Commercial Limited	Fuzhou Jiaruixing Business Administration Limited	Other receivables - related parties	Y	33,537	33,537	33,537	0.00%	2	-	Operating capital	-	-	-	16,665,660	16,665,660	
3	Fuzhou Grand Ocean Commercial Limited	Wuhan Grand Ocean Classic Commercial Development Limited	Other receivables - related parties	Y	219,109	219,109	219,109	0.00%	2	-	Operating capital	-	-	-	16,665,660	16,665,660	
4	Nanjing Grand Ocean Classic Commercial Limited	Grand Ocean Classic Commercial Group Co., Ltd	Other receivables - related parties	Y	2,451,153	2,451,153	2,396,286	0.10%	2	-	Operating capital	-	-	-	20,566,170	20,566,170	
5	Wuhan Grand Ocean Classic Commercial Development Limited	Grand Ocean Classic Commercial Group Co., Ltd	Other receivables - related parties	Y	105,932	-	-	0.00%	2	-	Operating capital	-	-	-	16,383,950	16,383,950	
5	Wuhan Grand Ocean Classic Commercial Development Limited	Shiyan Grand Ocean Commerce Limited	Other receivables - related parties	Y	462,810	462,810	428,826	0.00%	2	-	Operating capital	-	-	-	16,383,950	16,383,950	
5	Wuhan Grand Ocean Classic Commercial Development Limited	Hengyang Grand Ocean Commercial Development Limited	Other receivables - related parties	Y	187,807	183,962	183,962	0.00%	2	-	Operating capital	-	-	-	16,383,950	16,383,950	
5	Wuhan Grand Ocean Classic Commercial Development Limited	Chongqing Optics Valley Grand Ocean Commercial Development Limited	Other receivables - related parties	Y	93,904	-	-	0.00%	2	-	Operating capital	-	-	-	16,383,950	16,383,950	
5	Wuhan Grand Ocean Classic Commercial Development Limited	Wuhan Hanyang Grand Ocean Classic Commercial Limited	Other receivables - related parties	Y	102,847	102,847	99,811	0.00%	2	-	Operating capital	-	-	-	16,383,950	16,383,950	
6	Yichang Grand Ocean Commerce Limited	Grand Ocean Classic Commercial Group Co., Ltd	Other receivables - related parties	Y	1,021,761	1,021,761	997,614	0.00%	2	-	Operating capital	-	-	-	5,168,960	5,168,960	
6	Yichang Grand Ocean Commerce Limited	Wuhan Grand Ocean Classic Commercial Development Limited	Other receivables - related parties	Y	89,432	89,432	83,619	0.00%	2	-	Operating capital	-	-	-	5,168,960	5,168,960	
6	Yichang Grand Ocean Commerce Limited	Wuhan Optics Valley Grand Ocean Commercial Development Limited	Other receivables - related parties	Y	320,613	235,653	215,531	0.00%	2	-	Operating capital	-	-	-	5,168,960	5,168,960	

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2025	Balance at December 31, 2025	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Note
													Item	Value			
7	Hefei Grand Ocean Classic Commercial Development Limited	Grand Ocean Classic Commercial Group Co., Ltd	Other receivables - related parties	Y	420,330	420,330	403,249	0.00%	2	-	Operating capital	-	-	-	2,913,400	2,913,400	
8	Shanghai Jingxuan Business Administration Limited	Grand Ocean Classic Commercial Group Co., Ltd	Other receivables - related parties	Y	31,301	31,301	31,078	0.00%	2	-	Operating capital	-	-	-	347,800	347,800	
9	Wuhan Optics Valley Grand Ocean Commercial Development Limited	Grand Ocean Classic Commercial Group Co., Ltd	Other receivables - related parties	Y	67,074	67,074	50,976	0.00%	2	-	Operating capital	-	-	-	17,608,890	17,608,890	
9	Wuhan Optics Valley Grand Ocean Commercial Development Limited	Wuhan Grand Ocean Classic Commercial Development Limited	Other receivables - related parties	Y	159,860	159,860	119,615	0.00%	2	-	Operating capital	-	-	-	17,608,890	17,608,890	
9	Wuhan Optics Valley Grand Ocean Commercial Development Limited	Chongqing Optics Valley Grand Ocean Commercial Development Limited	Other receivables - related parties	Y	541,064	-	-	0%~3.2%	2	-	Operating capital	-	-	-	17,608,890	17,608,890	
9	Wuhan Optics Valley Grand Ocean Commercial Development Limited	Wuhan Hanyang Grand Ocean Classic Commercial Limited	Other receivables - related parties	Y	76,018	76,018	74,669	0.00%	2	-	Operating capital	-	-	-	17,608,890	17,608,890	
10	Quanzhou Grand Ocean Commercial Limited	Sanhe Xiansen Trading Co., Ltd.	Other receivables	N	4,472	4,472	4,472	0.00%	2	-	Operating capital	4,472	-	-	20,361	20,361	Note 5

Note 1: Nature of the lending of funds: (2) Necessary for short-term financing.

Note 2: Maximum outstanding balance during the year ended December 31, 2025 and Balance at December 31, 2025 represent the amounts of credit facilities.

Note 3: In accordance with the loans to other procedures of Grand Ocean Retail Group Ltd. and its subsidiaries, the total amount of loans shall not exceed 40% of the net worth of the lending company's most recent financial statements, and the amount of individual transactions shall not exceed the amount of business transactions between the two parties. For non-ROC companies which do not directly or indirectly own 100% of the voting shares, the amount of the loan is limited to 40% of the lending company's net worth as shown in the most recent financial statements. Furthermore, for companies that directly or indirectly hold 100% of the voting shares of non-ROC companies, or non-ROC companies that are directly or indirectly 100% owned by such companies, the total and individual amounts of funds lent to Grand Ocean Retail Group Ltd. shall each be limited to 1000% of the net value based on the most recent financial statements of the lending company.

Note 4: The transactions of the aforementioned subsidiaries have been eliminated in the preparation of the consolidated financial statements.

Note 5: Quanzhou Grand Ocean Commercial Ltd. granted a loan of $4,472 thousand to Sanhe Xiansen Trading Co., Ltd. and the court ruled in favor of Quanzhou Grand Ocean Commercial Ltd. in the second trial, but the Group assessed that it would be difficult to recover the loan, so an allowance for doubtful debt was recognized for the entire amount.

Table 2 Provision of endorsements and guarantees to others

For the year ended December 31, 2025

No.	Endorser/guarantor	Guaranteed party		Limit on endorsement/ guarantee to each guaranteed party	Maximum balance for the period	Ending balance	Amount actually drawn	Amount of endorsement/ guarantee collateralized by properties	Ratio of accumulated endorsement/ guarantee amount to net equity per latest financial statement	Maximum endorsement/ guarantee amount allowable	Guarantee provided by parent company	Guarantee provided by a subsidiary	Guarantee provided to subsidiaries in Mainland China
		Company name	Relationship										
1	Grand Ocean Classic Commercial Group Co., Ltd	Grand Ocean Retail Group Ltd.	3	37,056,785	1,131,480	817,180	817,180	Note 3	13.93%	37,056,785	N	Y	N
1	Grand Ocean Classic Commercial Group Co., Ltd	Wuhan Grand Ocean Classic Commercial Development Limited	2	37,056,785	603,666	603,666	377,854	-	10.29%	37,056,785	Y	N	Y
1	Grand Ocean Classic Commercial Group Co., Ltd	Shanghai Grand Ocean Qianshu Commercial Management Co., Ltd	2	37,056,785	223,580	223,580	41,668	-	3.81%	37,056,785	Y	N	Y
2	Fuzhou Grand Ocean Classic Commerce Limited	Grand Ocean Classic Commercial Group Co., Ltd	3	7,393,045	3,130,122	3,130,122	1,824,747	940,507	-2287.53%	7,393,045	N	Y	Y
3	Wuhan Optics Valley Grand Ocean Commercial Development Limited	Grand Ocean Classic Commercial Group Co., Ltd	3	15,727,905	2,012,221	2,012,221	1,299,498	1,970,956	114.27%	15,727,905	N	Y	Y
4	Fuzhou Grand Ocean Commercial Limited	Wuhan Grand Ocean Classic Commercial Development Limited	2	10,448,230	603,666	603,666	377,854	496,393	36.22%	10,448,230	Y	N	Y
4	Fuzhou Grand Ocean Commercial Limited	Shanghai Grand Ocean Qianshu Commercial Management Co., Ltd	4	10,448,230	223,580	223,580	41,668	496,393	13.42%	10,448,230	N	N	Y
5	Quanzhou Grand Ocean Commercial Limited	Grand Ocean Classic Commercial Group Co., Ltd	3	7,861,250	2,012,221	2,012,221	1,299,498	1,078,647	3953.13%	7,861,250	N	Y	Y
6	Wuhan Grand Ocean Classic Commercial Development Limited	Wuhan Optics Valley Grand Ocean Commercial Development Limited	2	29,573,925	447,160	-	-	-	0.00%	29,573,925	Y	N	Y
6	Wuhan Grand Ocean Classic Commercial Development Limited	Grand Ocean Classic Commercial Group Co., Ltd	3	29,573,925	1,117,901	1,117,901	525,249	1,071,890	68.23%	29,573,925	N	Y	Y

Note 1: In accordance with the Company's and its subsidiaries' procedures governing endorsements and guarantees, the total amount of endorsements and guarantees provided by the Company and each subsidiary, as well as the amount provided to any single enterprise, shall not exceed ten times the net worth as stated in the Company's most recent financial statements. Upon review, there were no instances of exceeding the prescribed limits in the current period.

Note 2: In accordance with the aforementioned procedures, for entities in which the Company directly or indirectly holds, or is held, more than 50% of the voting shares, the total amount of endorsements and guarantees and the amount provided to any single enterprise by Grand Ocean Classic Commercial Group Co., Ltd and its subsidiaries shall not exceed five times the total assets as stated in their most recent financial statements.

Note 3: Standby letters of credit (Standby L/C) and time deposits amounting to NT$707,922 thousand were provided as guarantees.

Note 4: Relationship with the endorsed/guaranteed parties:

(1) Companies having business transactions with the Company.

(2) Companies in which the Company directly or indirectly holds more than 50% of the voting shares.

(3) Companies that directly or indirectly hold more than 50% of the voting shares of the Company.

(4) Companies in which the Company directly or indirectly holds 90% or more of the voting shares.

(5) Companies within the same industry or joint constructors that provide mutual guarantees in accordance with contractual agreements due to project contracting requirements.

(6) Companies for which all investing shareholders provide endorsements/guarantees in proportion to their shareholdings due to joint investment relationships.

(7) Companies within the same industry providing joint and several guarantees for pre-sale housing contracts in accordance with consumer protection regulations.

Note 5: Subsidiaries Fuzhou Grand Ocean Classic Commerce Limited, Wuhan Optics Valley Grand Ocean Commercial Development Limited, and Quanzhou Grand Ocean Commercial Limited jointly provided endorsements and guarantees for Grand Ocean Classic Commercial Group Co., Ltd. The total endorsed/guaranteed amount at the end of the period was NT$6,036,663 thousand as a shared credit facility, with an actual risk exposure of NT$2,012,221 thousand.

Subsidiaries Grand Ocean Classic Commercial Group Co., Ltd and Fuzhou Grand Ocean Commercial Limited jointly provided endorsements and guarantees for Wuhan Grand Ocean Classic Commercial Development Limited. The total endorsed/guaranteed amount at the end of the period was NT$1,207,332 thousand as a shared credit facility, with an actual risk exposure of NT$603,666 thousand.

Subsidiaries Fuzhou Grand Ocean Classic Commerce Limited and Wuhan Grand Ocean Classic Commercial Development Limited jointly provided endorsements and guarantees for Grand Ocean Classic Commercial Group Co., Ltd. The total endorsed/guaranteed amount at the end of the period was NT$2,235,802 thousand as a shared credit facility, with an actual risk exposure of NT$1,117,901 thousand.

Subsidiaries Grand Ocean Classic Commercial Group Co., Ltd and Fuzhou Grand Ocean Commercial Limited jointly provided endorsements and guarantees for Shanghai Grand Ocean Qianshu Commercial Management Co., Ltd. The total endorsed/guaranteed amount at the end of the period was NT$447,160 thousand as a shared credit facility, with an actual risk exposure of NT$223,580 thousand.

GRAND OCEAN RETAIL GROUP LTD. and Subsidiaries
Notes to the Consolidated Financial Statements (Continued)

Table 3 Significant marketable securities held (excluding investments in subsidiaries, affiliates and joint ventures)

December 31, 2025

Holding company name	Type and name of marketable securities	Relationship with the holding company	Financial statement account	December 31, 2025				Note
				Shares/Units	Carrying value	Percentage of ownership (%)	Fair value	
Grand Ocean Retail Group Ltd.	Funds of Allianz Income and Growth	-	Financial assets at fair value through profit or loss - current	46,510	12,394	-	12,394	

Table 4 Receivables from related parties reaching NT$100 million or 20% of the Company's paid-in capital or more

December 31, 2025

Related party	Company name	Relationship	Ending balance (Note 1)	Turnover rate (%)	Overdue		Amounts received in subsequent period	Allowance for impairment loss
					Amount	Actions taken		
Grand Citi Ltd.	GRAND OCEAN RETAIL GROUP LTD.	The parent company	661,635	-	-		-	-
Grand Citi Ltd.	Grand Ocean Classic Commercial Group Co., Ltd	Wholly-owned subsidiary	226,165	-	-		-	-
Grand Ocean Classic Commercial Group Co., Ltd	Hengyang Grand Ocean Commercial Development Limited	Wholly-owned subsidiary	328,126	-	-		-	-
Grand Ocean Classic Commercial Group Co., Ltd	Quanzhou Grand Ocean Commercial Limited	Wholly-owned subsidiary	1,459,978	-	-		-	-
Grand Ocean Classic Commercial Group Co., Ltd	Fuzhou Grand Ocean Classic Commerce Limited	Wholly-owned subsidiary	1,473,169	-	-		-	-
Grand Ocean Classic Commercial Group Co., Ltd	Fuzhou Jiaruixing Business Administration Limited	Wholly-owned subsidiary	175,733	-	-		-	-
Grand Ocean Classic Commercial Group Co., Ltd	Fuzhou Grand Ocean Commercial Limited	Wholly-owned subsidiary	269,638	-	-		-	-
Grand Ocean Classic Commercial Group Co., Ltd	Shanghai Grand Ocean Qianshu Commercial Management Co., Ltd	Wholly-owned subsidiary	217,767	-	-		-	-
Grand Ocean Classic Commercial Group Co., Ltd	GRAND OCEAN RETAIL GROUP LTD.	The parent company	691,460	-	-		-	-
Fuzhou Grand Ocean Commercial Limited	Wuhan Grand Ocean Classic Commercial Development Limited	Wholly-owned subsidiary of Grand Ocean Classic Commercial Group Co., Ltd.	219,109	-	-		-	-
Nanjing Grand Ocean Classic Commercial Limited	Grand Ocean Classic Commercial Group Co., Ltd	Wholly-owned subsidiary of Grand Ocean Classic Commercial Group Co., Ltd.	2,396,286	-	-		-	-
Wuhan Grand Ocean Classic Commercial Development Limited	Shiyan Grand Ocean Commerce Limited	Wholly-owned subsidiary of Grand Ocean Classic Commercial Group Co., Ltd.	428,826	-	-		-	-
Wuhan Grand Ocean Classic Commercial Development Limited	Hengyang Grand Ocean Commercial Development Limited	Wholly-owned subsidiary of Grand Ocean Classic Commercial Group Co., Ltd.	183,962	-	-		-	-
Yichang Grand Ocean Commerce Limited	Grand Ocean Classic Commercial Group Co., Ltd	Wholly-owned subsidiary of Grand Ocean Classic Commercial Group Co., Ltd.	997,614	-	-		-	-
Yichang Grand Ocean Commerce Limited	Wuhan Optics Valley Grand Ocean Commercial Development Limited	Wholly-owned subsidiary of Grand Ocean Classic Commercial Group Co., Ltd.	215,531	-	-		-	-
Hefei Grand Ocean Classic Commercial Development Limited	Grand Ocean Classic Commercial Group Co., Ltd	Wholly-owned subsidiary of Grand Ocean Classic Commercial Group Co., Ltd.	403,249	-	-		-	-
Wuhan Optics Valley Grand Ocean Commercial Development Limited	Wuhan Grand Ocean Classic Commercial Development Limited	Wholly-owned subsidiary of Grand Ocean Classic Commercial Group Co., Ltd.	119,615	-	-		-	-

Table 5 The business relationship and significant transactions between the parent and subsidiaries

For the year ended December 31, 2025

No.	Company name	Counter-party	Relationship	Transaction			
				Accounts	Amount	Transaction terms	Percentage of consolidated net sales or total assets
1	Grand Citi Ltd.	GRAND OCEAN RETAIL GROUP LTD.	2	Other receivables - related parties	661,635	Mutually agreed	3.11%
1	Grand Citi Ltd.	Grand Ocean Classic Commercial Group Co., Ltd	1	Other receivables - related parties	226,165	Mutually agreed	1.06%
2	Grand Ocean Classic Commercial Group Co., Ltd	Hengyang Grand Ocean Commercial Development Limited	1	Other receivables - related parties	328,126	Mutually agreed	1.54%
2	Grand Ocean Classic Commercial Group Co., Ltd	Quanzhou Grand Ocean Commercial Limited	1	Other receivables - related parties	1,459,978	Mutually agreed	6.87%
2	Grand Ocean Classic Commercial Group Co., Ltd	Fuzhou Grand Ocean Classic Commerce Limited	1	Other receivables - related parties	1,473,169	Mutually agreed	6.93%
2	Grand Ocean Classic Commercial Group Co., Ltd	Fuzhou Jiaruixing Business Administration Limited	1	Other receivables - related parties	175,733	Mutually agreed	0.83%
2	Grand Ocean Classic Commercial Group Co., Ltd	Fuzhou Grand Ocean Commercial Limited	1	Other receivables - related parties	269,638	Mutually agreed	1.27%
2	Grand Ocean Classic Commercial Group Co., Ltd	Shanghai Grand Ocean Qianshu Commercial Management Co., Ltd	1	Other receivables - related parties	217,767	Mutually agreed	1.02%
2	Grand Ocean Classic Commercial Group Co., Ltd	GRAND OCEAN RETAIL GROUP LTD.	2	Other receivables - related parties	691,460	Mutually agreed	3.25%
3	Fuzhou Grand Ocean Commercial Limited	Wuhan Grand Ocean Classic Commercial Development Limited	1	Other receivables - related parties	219,109	Mutually agreed	1.03%
4	Nanjing Grand Ocean Classic Commercial Limited	Grand Ocean Classic Commercial Group Co., Ltd	2	Other receivables - related parties	2,396,286	Mutually agreed	11.27%
5	Wuhan Grand Ocean Classic Commercial Development Limited	Shiyan Grand Ocean Commerce Limited	1	Other receivables - related parties	428,826	Mutually agreed	2.02%
5	Wuhan Grand Ocean Classic Commercial Development Limited	Hengyang Grand Ocean Commercial Development Limited	1	Other receivables - related parties	183,962	Mutually agreed	0.87%
6	Yichang Grand Ocean Commerce Limited	Grand Ocean Classic Commercial Group Co., Ltd	2	Other receivables - related parties	997,614	Mutually agreed	4.69%
6	Yichang Grand Ocean Commerce Limited	Wuhan Optics Valley Grand Ocean Commercial Development Limited	1	Other receivables - related parties	215,531	Mutually agreed	1.01%
7	Hefei Grand Ocean Classic Commercial Development Limited	Grand Ocean Classic Commercial Group Co., Ltd	2	Other receivables - related parties	403,249	Mutually agreed	1.90%
8	Wuhan Optics Valley Grand Ocean Commercial Development Limited	Wuhan Grand Ocean Classic Commercial Development Limited	1	Other receivables - related parties	119,615	Mutually agreed	0.56%

Note 1: The numbering system is as follows:

1.1.“0” represents the parent company.

2.Subsidiaries are numbered sequentially in Arabic numerals starting from “1” according to company classification.

Note 2: The types of relationships with counterparties are indicated as follows:

1.Parent company to subsidiary.

2.Subsidiary to parent company.

3.Subsidiary to subsidiary.

GRAND OCEAN RETAIL GROUP LTD. and Subsidiaries
Notes to the Consolidated Financial Statements (Continued)

Table 6 Information on investees (excluding investees in Mainland China)

Information on investees for the year ended December 31, 2025

Investor Company	Investee Company	Location	Main business activities	Original investment amount		Balance as of December 31, 2025			Net income (losses) of the investee	Share of Profit/loss on investee	Note
				December 31, 2025	December 31, 2024	Shares	Percentage of ownership	Carrying amount			
GRAND OCEAN RETAIL GROUP LTD.	Grand Citi Ltd.	Hong Kong	Primarily engaged in general investment activities	4,199,520	4,199,520	1,040,000,000	100.00%	6,909,528	(594,238)	(594,238)	Subsidiary
Grand Citi Ltd.	Sandmartin International Holdings Limited	Hong Kong	Media and entertainment platform-related industries	79,621	79,621	44,197,255	3.59%	-	-	-	Associate

GRAND OCEAN RETAIL GROUP LTD. and Subsidiaries
Notes to the Consolidated Financial Statements (Continued)

Table 7 Information on investment in Mainland China

1.The names of investees in Mainland China, the main business and other information:

Investee company	Main business	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2025	Investment of flows		Accumulated outflow of investment from Taiwan as of December 31, 2025	Net income (loss) of the investee company	Percentage of ownership	Share of profits/losses	Carrying amount as of December 31, 2025	Accumulated inward remittance of earnings as of December 31, 2025
					outflow	inflow						
Grand Ocean Classic Commercial Group Co., Ltd	Engaged in holding activities and the wholesale of cosmetics, apparel, footwear, accessories, packaging materials, food products, household appliances, communication equipment, and handicrafts.	3,800,862 (CNY 850,000)	(2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(631,559)	100%	(631,559)	5,868,150	-
Nanjing Grand Ocean Classic Commercial Limited	Wholesale of cosmetics, apparel, footwear, accessories, packaging materials, food products, household appliances, communication equipment, and handicrafts.	223,580 (CNY 50,000)	(2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	41,262	100%	41,262	2,056,617	-
Fuzhou Grand Ocean Commercial Limited	Wholesale of cosmetics, apparel, footwear, accessories, packaging materials, food products, household appliances, communication equipment, and handicrafts.	313,012 (CNY 70,000)	(2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(268,416)	100%	(268,416)	1,666,566	-
Quanzhou Grand Ocean Commercial Limited	Wholesale of cosmetics, apparel, footwear, accessories, packaging materials, food products, household appliances, communication equipment, and handicrafts.	89,432 (CNY 20,000)	(2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(62,364)	100%	(62,364)	50,902	-
Wuhan Grand Ocean Classic Commercial Development Limited	Wholesale of cosmetics, apparel, footwear, accessories, packaging materials, food products, household appliances, communication equipment, and handicrafts.	223,580 (CNY 50,000)	(2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(115,627)	100%	(115,627)	1,638,395	-
Wuhan Optics Valley Grand Ocean Commercial Development Limited	Wholesale of cosmetics, apparel, footwear, accessories, packaging materials, food products, household appliances, communication equipment, and handicrafts.	89,432 (CNY 20,000)	(2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	82,658	100%	82,658	1,760,889	-

Investee company	Main business	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2025	Investment of flows		Accumulated outflow of investment from Taiwan as of December 31, 2025	Net income (loss) of the investee company	Percentage of ownership	Share of profits/losses	Carrying amount as of December 31, 2025	Accumulated inward remittance of earnings as of December 31, 2025
					outflow	inflow						
Wuhan Hanyang Grand Ocean Classic Commercial Limited	Wholesale of cosmetics, apparel, footwear, accessories, packaging materials, food products, household appliances, communication equipment, and handicrafts.	313,012 (CNY 70,000)	(2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	2,628	100%	2,628	(186,851)	-
Fuzhou Grand Ocean Classic Commerce Limited	Wholesale of cosmetics, apparel, footwear, accessories, packaging materials, food products, household appliances, communication equipment, and handicrafts.	223,580 (CNY 50,000)	(2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(135,982)	100%	(135,982)	(136,834)	-
Chongqing Optics Valley Grand Ocean Commercial Development Limited	Wholesale of cosmetics, apparel, footwear, accessories, packaging materials, food products, household appliances, communication equipment, and handicrafts.	760,172 (CNY 170,000)	(2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	449,733	100%	449,733	(2,767)	-
Hengyang Grand Ocean Commercial Development Limited	Wholesale of cosmetics, apparel, footwear, accessories, packaging materials, food products, household appliances, communication equipment, and handicrafts.	89,432 (CNY 20,000)	(2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(71,473)	100%	(71,473)	(427,649)	-
Yichang Grand Ocean Commerce Limited	Wholesale of cosmetics, apparel, footwear, accessories, packaging materials, food products, household appliances, communication equipment, and handicrafts.	89,432 (CNY 20,000)	(2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	122,126	100%	122,126	516,896	-
Shanghai Jingxuan Business Administration Limited	Engaged in management consulting services, retail and wholesale of cosmetics, apparel and footwear, as well as e-commerce operations.	44,716 (CNY 10,000)	(2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(140)	100%	(140)	34,780	-
Hefei Grand Ocean Classic Commercial Development Limited	Wholesale of cosmetics, apparel, footwear, accessories, packaging materials, food products, household appliances, communication equipment, and handicrafts.	89,432 (CNY 20,000)	(2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	37,956	100%	37,956	291,340	-
Shiyan Grand Ocean Commerce Limited	Wholesale of cosmetics, apparel, footwear, accessories, packaging materials, food products, household appliances, communication equipment, and handicrafts.	89,432 (CNY 20,000)	(2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(50,732)	100%	(50,732)	(318,946)	-

Investee company	Main business	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2025	Investment of flows		Accumulated outflow of investment from Taiwan as of December 31, 2025	Net income (loss) of the investee company	Percentage of ownership	Share of profits/losses	Carrying amount as of December 31, 2025	Accumulated inward remittance of earnings as of December 31, 2025
					outflow	inflow						
Fuzhou Jiaruixing Business Administration Limited	Engaged in management consulting services, retail and wholesale of cosmetics, apparel and footwear, as well as e-commerce operations.	22,358 (CNY 5,000)	(2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	5,546	100%	5,546	(225,735)	-
Shanghai Grand Ocean Qianshu Commercial Management Co., Ltd	Engaged in management consulting services, retail and wholesale of cosmetics, apparel and footwear, as well as e-commerce operations.	223,580 (CNY 50,000)	(2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(229,000)	100%	(229,000)	(777,295)	-
Fuzhou Grand Ocean Select Commercial Co., Ltd.	Engaged in management consulting services, retail and wholesale of cosmetics, apparel and footwear, as well as e-commerce operations.	2,236 (CNY 500)	(2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(6,265)	100%	(6,265)	(4,241)	-
Grand Ocean Classic (Shanghai) Commercial Group Co., Ltd. (Note 4)	Engaged in management consulting services, retail and wholesale of cosmetics, apparel and footwear, as well as e-commerce operations.	- (CNY 0)	(2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(1,660)	100%	(1,660)	(1,716)	-

2.Limitation on investment in Mainland China:

Accumulated investment in Mainland China as of December 31, 2025	Investment amounts authorized by investment commission, MOEA	Upper limit on investment
Note 2	Note 2	Note 2

Note 1: The methods for engaging in investment in Mainland China include the following:

(1)Direct investment in Mainland China.

(2)Indirect investment in Mainland China through companies registered in a third region (the Company invests through Grand Citi Ltd.).

(3)Others method.

Note 2: The Company is an offshore company and is not subject to the “Regulations Governing the Review of Investment or Technical Cooperation in Mainland China.”

Note 3: The Company recognizes its share of investment profit or loss based on the financial statements audited by an international accounting firm having a cooperative relationship with an accounting firm in the Republic of China.

Note 4: No capital contribution has been made yet.

3.Significant transactions:

Significant transactions between the Group and its investees in Mainland China, whether directly or indirectly, for the period from January 1 to December 31, 2025 (which have been eliminated in the preparation of the consolidated financial statements), are disclosed in the section “Information on significant transactions.”