



Excerpt of GRAND OCEAN RETAIL GROUP LIMITED
2025 Annual General Shareholder's Meeting Minutes

Date and Time : June 12, 2025 9:00 AM

Location : No. 231 Jiangou S. Rd, Sec 2, Taipei, Taiwan

Shares Presented or Represented :

Total shares issued : 195,531,000 shares

Shares Presented or Represented : 126,814,677 shares

Percentage of Shares Presented or Represented : 64.85%

Chairman : Kuo Jen Hao



Secretary : Shiu Jin Yi



- I. Chairman's Address: Omitted.
- II. Report Items
 - (I) 2024 Business Report : Annex I.
 - (II) 2024 Audit Committee Annual Financial Statement : Annex II.

III. Recognition Items

(I) 2024 Business Report and Consolidated Financial Statements

Description:

- I. The board has passed the resolution of the 2024 consolidated financial statements, and authorizes the KPMG Taiwan accountants Zhang Shuying as well as Pan Jun Ming, to perform the audit, having been fulfilled. Consequently, the consolidated statements will be submitted to the audit committee along with the business report for further check, and the written check report is to be documented.
- II. For the business report, please refer to Annex I; for the audit report, consolidated income statement, consolidated statement of changes in shareholders' equity, as well as consolidated statement of cash flows, please refer to Annex III.
- III. Please be informed for recognition.

Resolution:

After voting, the total voting rights of the shareholders present in this case were 126,590,677, 118,967,756 in favor, accounting for 93.97% of the total voting rights (including 92,476,756 in electronic means); 483,259 in opposition (including 483,259 in electronic means) ; invalidity rights: 0; abstentions/non-voting rights: 7,139,662 rights (including electronic voting abstentions: 3,424,660 rights), and this case was recognized as the case.

(II) 2024 Loss Recovery Statement

Description:

I. Net loss after tax of the company in 2024 is NT\$ 511,891,205, which is proposed offsetting of losses with special surplus reserve, statutory surplus reserves and capital reserves, . The Loss Recovery Statement is as follows:

GRAND OCEAN RETAIL GROUP LIMITED
2024 Loss Recovery Statement

Currency: NTD

Retained earnings at the beginning of the period	0
Deduction : Net loss after tax for the period	511,891,205
Addition : Reverse special surplus reserve	-
Deficit at the end of the7 period	(511,891,205)
Deferred items	
Offsetting losses with special surplus reserves	-
Offsetting losses with statutory surplus reserves	-
Offsetting losses with capital reserves	511,891,205
Retained earnings at the end of the period (Appropriated)	0

Chairman:

GUO REN HAO



Manager:

HUANG QING HAI



Accounting

Supervisor:

LI CHAO



II. Management assessed that the economic prosperity has not yet recovered in China and the company continues to suffer losses and needs to retain working capital, it plans not to distribute dividends in 2024.

III. Please be informed for recognition.

Resolution:

After voting, the total voting rights of the shareholders present in this case were 126,590,677, 118,967,756 in favor, accounting for 93.97% of the total voting rights (including 92,476,756 in electronic means); 485,259 in opposition (including 485,259 in electronic means) ; invalidity rights: 0; abstentions/non-voting rights: 7,137,662 rights (including electronic voting abstentions: 3,422,660 rights), and this case was recognized as the case.

IV. Topic Items

(I) Amendment to Certain Articles of the “Articles of Incorporation”

Description:

- I. In response to the amendment of laws and regulations and the company's practical operations, it is proposed to amend the certain articles of "Articles of Incorporation" of incorporation.
- II. please refer to Annex IV for comparison table of the articles.

Resolution:

After voting, the total voting rights of the shareholders present in this case were 126,590,677, 118,965,756 in favor, accounting for 93.97% of the total voting rights (including 92,474,756 in electronic means); 484,259 in opposition (including 484,259 in electronic means) ; invalidity rights: 0; abstentions/non-voting rights: 7,140,662 rights (including electronic voting abstentions: 3,425,660 rights). The case was passed as per the case.

(II) Proposal to remove the non-compete restriction on elected directors

Description:

- I. According to Article 209 of the Company Act, a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall in the Board as explain to the Shareholders Meeting the essential content of such an act and secure approval.
- II. When directors of our Company serve in the management of, invest in, or operate other companies with business scopes identical or similar to that of our company, it is necessary to seek permission from the shareholders' meeting to lift the restriction on competition prohibition for our Company's directors and their representatives, in accordance with th law.Please be informed for discussion.
- III. The explanation for the removal of the directors' concurrent positions is as follows :

Title	Company Name
Director : KUO,JEN HAO	YUNG FU CO.,LTD/Director ; Pro brand Technology (TW) Inc./Director

Resolution:

After voting, the total voting rights of the shareholders present in this case were 126,590,677, 118,936,473 in favor, accounting for 93.95% of the total voting rights (including 92,445,473 in electronic means); 503,048 in opposition (including 503,048 in electronic means) ; invalidity rights: 0; abstentions/non-voting rights: 7,151,156 rights (including electronic voting abstentions: 3,436,154 rights). The case was passed as per the case.

V. A.O.B. Shareholders' questions and voice content and the company's reply:

Shareholders account numbers 15094 and 12770 jointly raise a question:

- (1) 1000 Trees lost 180 million last year and more than 70 million in the first quarter of this year. It hopes to renegotiate the contract with Tianan Group.

Company's Response:

1000 Trees reported a loss of about NT\$180 million last year. The loss was actually not that much. The main reason was that the current accounting system has right-of-use assets. On average, almost half of the 20-year lease

was caused by the use of assets. The second point is that 1000 Trees actually went through three years of trial and opened at the end of 2021. It was very popular at the time. At that time, it was recognized by customers in Shanghai and across the country for its trendy art and innovative retail positioning, and customers flocked to it. However, in April and May 2022, Shanghai was closed due to the epidemic, which hit the entire retail industry. After the epidemic, the retail industry was particularly affected. Now, after three years of trial, we have made some adjustments to our business and added children's projects according to customer needs. Recently, there has been a large-scale children's amusement park such as MINI MARS. Because there are 1.4 million residents within 3 kilometers around 1000 Trees, they strongly require us to provide clothing and brands suitable for their consumption. Now we have added 3C including mobile phones, including Huawei, OPPO and Xiaomi, and increased UR's brand projects, which are different from UNIQLO to satisfy these surrounding customers. We believe that after three years of trial, the future will get better and better, because the market has been surveyed, and now there is a complete adjustment plan to be implemented in July and August. Now the full-store rate of 1000 Trees is 80%, and it should reach 90% in August and September, which will be a great improvement.

- (2) 1000 Trees lost more than 76 million in the first quarter and is going to produce the second quarter. It can discuss with Tianan to switch to managed store operations to earn management fees, because Grand Ocean continues to recognize such losses every year, which is actually very serious. Even if IFRS has an impact, it would be fine to earn tens of millions every year in the form of a managed store. Losing 100 to 200 million yuan every year is not good.

Company's Response:

As of the first quarter, there is a large amount of accounting for right-of-use assets. In fact, the operating loss is not that big, but because the right-of-use assets must be transferred back according to the accounting system, we can discuss with Tianan about the light asset output management adopted in the second phase.

- (3) Fuzhou I Store is a self-owned store with an area of about 11,400 square meters. It is located in the most prime location in Fuzhou. We suggest that the business model should not be a traditional department store, but should be changed to catering, leisure and entertainment. The first to third floors are owned by small owners. We can help them set up a management committee to rent them out, and we will do other real estate.

Company's Response: Dongji Kou in Fuzhou is the most valuable area in Fuzhou. In the past four years, we withdrew all the beautiful cosmetics from the small owners of the 1st to 3rd floors because we could not negotiate the rent. After four years, the small owners were anxious to the government. We said that if everyone's rent reached a certain level, we could set up a company to operate the 1st to 3rd floors. Now the progress is good. They have significantly reduced the rent. Grand Ocean has made a big step forward in attracting investment. Now customers prefer new concepts such as the second dimension. Now the underground first floor is the second dimension. The whole floor is several thousand square meters of the second dimension. It will open on June 12th. It should be very prosperous and full. Zhu Fugui has hired upstairs with more than 2,000 square meters. It should become the most prosperous restaurant in Fuzhou. These are all the things you mentioned just now to increase the catering, leisure and entertainment, which is exactly the direction we are adjusting now. We have also made considerable preparations to take back the 1st to 3rd floors. We have also increased some designer brands from this aspect. If we are sure of attracting investment, we will sign with them. If we are not sure for the time being, we cannot sign in a hurry. Now there is a team working on this.

- (4) The location of Fuzhou II Store is like Zhongxiao East Road in Taipei. It is a good location and large. The only drawback is that the parking lot is not owned. Selling such a large building will have a huge appreciation compared to the price we acquired it for 20 years ago. In fact, as long as it is sold, the entire Ocean will come back to life, and the debt can be reduced by more than half, or even not much, because there is no way to compete with MixC. If the consumption in mainland China is not so good now, no matter how we operate it, it will not be able to survive. It is recommended that the second store in Fuzhou be planned to be sold within 1 to 2 years. As long as the second store in Fuzhou is sold, our entire large assets and liabilities will be greatly reduced.

Company's Response: Fuzhou II Store has made great contributions in the past few years during the epidemic. It used to be very profitable and was one of the best stores in the group. After the epidemic, because of MixC, our counters, including Burberry and Gucci, were moved there, which brought a very big test to our management. In this situation, we positioned the situation, that is, to do what MixC does not do, so we still retain heavy luxury brands, including a considerable portion of luxury watches. The current operation of this part is still benign by utilizing the advantages of our members. At the

same time, we also made a big adjustment, introducing Huawei to occupy 2 floors, including cars. Car sales are quite hot. A seafood restaurant was introduced upstairs, and there is a cinema and Haidilao on the underground first floor. If you want to buy or sell a property, it should have recovered a certain level of liveliness and prosperity to be valuable. If you have already sold it, it is not worth it. Your suggestion is very good. However, I can tell you that from January to May this year, including the first quarter, it has been in a state of reducing losses, which means that its low point has passed. So we hope to give the management time on this point. We also have this confidence. Fuzhou II Store has now started to recover, so we have confidence. If it continues to decline, it will be very scary. We already have a bottom line on this.

- (5) Jiaruixing Underground Mall sometimes makes money and sometimes doesn't. Most of the time it makes a small loss. Should we discuss this with the Fuzhou Municipal Government? If we ourselves assess that it will not make money in the long term, then we should terminate the contract.

Company's Response: The underground street is now the hottest street in the whole of Fuzhou. The number of passengers on holidays sometimes reaches 60,000 to 70,000. Last year, the number of passengers was the highest in our group. It has been in operation for 5 years. A new project needs to conduct a thorough exploration of the market. Now that Chinese medicine has felt the pulse, we adjust according to the market. Basically, most of them are small shops, light meals, and two-dimensional retail to cooperate. There is also a very good one. The subway used to lead to the passage in front of us, but it was not accessible. Now the passage in front of us to Nanmendou is open, and you can walk from our street to the next section. This year, our team's indicators are flat, and last year it was a small loss. With such a large passenger flow, it has now become a very hot spot in Fuzhou, so we are reluctant to hand it over. We finally waited until this road was open, and we must make it richer. Of course, if it is not good, there will be problems because it is rented from the government.

- (6) The Quanzhou store is a self-owned asset located in the old city area, with an area of about 9,700 square meters, which is quite large. It is just like the old city area like Ximending in Taiwan. It is not suitable for department store business at this scale. If it is converted into an office building for commercial use, it is actually quite good. I still think that it should be sold mainly because it is not easy to make a profit by operating it by yourself, and such a large asset has not made any profit so far. Sometimes it makes a profit and

sometimes it loses money, and the losses are more often. The asset should be sold for more than 300,000 Taiwan dollars per square meter, and it is not a small amount to sell it for more than 1 billion. I suggest that the Quanzhou store be sold. It is time to reap the rewards after 20 years of investment.

Company's Response: In response to the changes in the competitive landscape, the Quanzhou store used to be a department store, but through adjustments in the past few years, the retail business has been greatly reduced, and the supporting facilities include cinemas, New Oriental, Zui Deyi and other restaurants. In particular, we have a Chaowan on the second floor, and hair transplantation has brought in customers, with an increase of about 90%. This year, the customer flow continues to grow. Because there were some troublesome things before, they have basically been sorted out and last year was also a growth. Our department store pays great attention to growth. Its three income items are growing, and it will continue to grow this year. If I do well, or someone is willing to transform and buy it to make an office building, if there is this opportunity, we will not miss it.

- (7) The Nanjing store just signed a contract. Will the current UR brand take up half of the Grand Ocean Department Store? People didn't know that there was such a large area upstairs belonging to the Grand Ocean Department Store. Is there any chance that the Nanjing store's current operations can be transferred?

Company's Response: Nanjing Xinjiekou store is the most typical example of our group's transformation into a department store shopping center. It took us two years to complete the transformation. Previously, floors 1 to 8 were all retail. However, due to the decline in consumption and sluggish retail sales after the epidemic, floors 1 to 4 are now basically strong retail stores, including UR. UR ranks in the top 3 in their group and did nearly 5 million in business last month. UR is operating well. Our small meals on the underground floor are also very profitable. We call the first floor Milk Tea Street, which includes Cha Yan Yue Se, which has a constant flow of customers, as well as the two-dimensional, some gold jewelry, and high-end chemicals. Lancome and Estee Lauder undoubtedly have very high sales. From this point of view, the cinema on the 7th floor will be open in July. The difference between the cinema is that you can watch movies while lying down, which is what young people like and you can cross your legs. We have repeatedly analyzed the needs of our customers. Our smallest store in Xinjiekou is only 50,000 square meters, while others are at least 100,000 square meters or more, so we have to do what they cannot do. This year, the

budget for the Nanjing Xinjiekou store is to make a profit of several million. I believe there will be further improvement next year. The biggest challenge of the adjustment of department stores to shopping centers is that if you open these cinemas, the rent will be lower, but it will bring an increase in customer flow, which is the vitality of the entire store operation. You can rest assured that this store will get better.

- (8) The Jiangbei store is a pretty good store. What does the general manager think?

Company's Response: The Jiangbei store belongs to the Hongyang business district in Jiangbei. Originally, there was only one business district in Jiangbei, Hongyang. Later, MixC opened, and there was Longfor. They tried to form a strong business district and snatch our business district. Fortunately, we took early action with the owner. We organized large-scale children's projects and open-air concerts, as well as a Swiss bar called Paris Believe In You Street. We have a small restaurant on the first floor, plus jewelry and women's shoes. These are all in Jiangbei, including women's clothing. In the entire Jiangbei area, we are in a leading position. Our goal is to maintain our leadership position in Jiangbei in terms of women's clothing, cosmetics, small restaurants and sports. It should be relatively benign now, including profitability during the epidemic. Our operations this year are also quite good.

- (9) The Wuhan Zhongshan store used to be our Grand Ocean's flagship store, the most profitable store and the most prosperous store. The rent is relatively favorable after the new contract was signed, but the current revenue and profit are not good, although it is not yet a loss. What do you think, General Manager?

Company's Response: Before the Zhongshan store signed a new lease, the brand was a little shaken. If you don't sign, they won't give you a long-term contract, which will affect the business. Last year, we held a signing ceremony with Intime Group to stabilize the brand lineup. The Zhongshan store also became a department store shopping mall. There is a cinema on the 6th floor, which is a unique cinema. These adjustments are our determination to drive our so-called retail and experience in accordance with customer needs. Of course, due to the adjustments, our floor efficiency has declined, including this year's jewelry. The previous jewelry was 400 yuan per gram, but now it is more than 1,000 yuan. People don't accept it. Originally, the jewelry in the Zhongshan store led the trend. Due to the price increase of this jewelry, people don't accept it. So this year it has a slight impact on us, and we have to lower the conditions for manufacturers. Since the beginning of this year,

although the store has not achieved explosive profits, it is still profitable every month. We give this store time to achieve growth in the fourth quarter. The cinema has not opened yet, but it will open in the fourth quarter. I believe that the Zhongshan store will have a day to revive.

- (10) Regarding Wuhan Ocean Center, formerly Nanfang Center, it has been rented for 2 years, but the operation is not very good and the customer flow is not very good. There are too many commercial entities in Wuhan. With its scale, although the location is good, it is difficult to outperform those strong shopping malls. What can the company do to improve it? Even if the rent is low, it is not a solution to keep losing money.

Company's Response: At that time, we thought that if the Zhongshan store did not renew the contract, we would move all the cosmetics there. Intime Group later agreed to renew the contract. After that, Grand Ocean Center faced challenges in attracting investment. It is divided into Hall A and Hall B, and Hall A is now basically full. Hall B originally had the best location on the first floor reserved for cosmetics, but now it faces challenges because the cosmetics brand Zhongshan store will not move. So now the first floor will refer to the light meals and small meals of the Nanjing Jiangbei store. Basically, after the investment promotion plan came out, it has been praised by manufacturers. Ocean Center adjusted the light meals to drive customer flow. Another point is that a large cinema is in Hall A, which will open next month, but we have to wait because a lot of approvals need to be given by the Ministry of Housing and Urban-Rural Development. If it can be caught up in the summer vacation, the cinema will be integrated. We are also very anxious, but we have to give it time.

- (11) The Guanggu store used to be among the top three most profitable stores. Its profitability is not that good now, but it is still a profitable store. Could you please give me some suggestions for the Guanggu store?

Company's Response: The Yichang store is very good now, the Hefei store is very good, and the Guanggu store will become very good soon in the future because the subway is open. Grand Ocean will provide light meals like the Hefei store, with a high efficiency per square meter, so we will take out 1/3 in the first step. The efficiency per square meter is only more than 100 yuan for sports, and 800 yuan for light meals like the Hefei store. In Nanjing, the efficiency per square meter is 500-600 yuan. The snack street will open on June 18. After the snack street becomes active, the entire underground floor will be turned into a snack street, and the contribution of the underground floor will be doubled. I am very happy to say that the Guanggu store has a

promising future. Last year's Spring Festival Gala Guanggu store was a branch venue of CCTV. This store has the value of a subway, and we have changed the store manager and he is quite energetic.

- (12) The Yichang store is a very good store, and it can be said to be the best store in the economic downturn in recent years. However, the Yichang store now has many new projects such as CBD. Will that erode the profitability of the original Yichang store?

Company's Response: The store manager in Yichang is focused on retail. We have sent such a strong team to guard the leading position in Yichang. Yichang has maintained its strong position this year. Of course, we have also made some adjustments, including the children's area on the 4th floor. We also need amusement facilities, because it is not enough to just sell children's clothing. Soon we will have a 300-400 square meter amusement facility, connected upstairs and downstairs. We have a total of 5 floors. Our catering on the 5th floor is very prosperous, the sports on the -1st floor and the 1st floor are very prosperous, the women's clothing on the 2nd and 3rd floors is in the leading position in the whole of Yichang, and the 4th floor will be good with the amusement facilities. The men's clothing on the 5th floor is also quite good. Now we just need to make appropriate fine-tuning.

- (13) The Hefei store is also a profitable store, so could you please give me some advice, General Manager?

Company's Response: There is good news for the Hefei store as well. Grand Ocean is lucky. The subway was opened at the end of last year. We asked the owner to release some space for catering before the opening. Then he restricted us because he was also running a business. He had released a part of the space. We have adjusted and increased the area for light meals. We are also planning to build FILA flagship stores upstairs and downstairs on the first floor. This store should live up to expectations and there is a lot to look forward to in the future.

- (14) The Shiyang Shopping Center in Hubei has more than 17,000 square meters of self-owned assets. It is also not profitable and continues to lose money, but the losses are not that great. Regarding the Shiyang Shopping Center, I would like to ask for the general manager's opinion.

Company's Response: I answered Shiyang and Hengyang together. Shiyang's location is indeed very good, just like Taipei's Xinyi District business center. Facing competition from Wanda, Shiyang is continuing to adjust. Now it also needs a cinema. It is not enough for young people to come to shop and eat. They also need leisure and entertainment. In particular, China's retail sales

have declined in recent years, but it has basically grown slightly without declining. With the support of cinemas, I believe it will be reversed. Of course, you ask whether there is anyone who wants to buy. If there is someone who wants to buy, we are certainly willing to sell. However, under the current situation, if you want to take out a large sum of money to buy, you may have to wait until the market recovers. There are fewer opportunities now. Regarding the Hengyang store, Hengyang has turned from profitable to loss-making and sluggish due to population migration and the transfer of business districts. This is a very unhappy thing. Last year, Suning Appliances was introduced on the 1st and 2nd floors to catch up with the national subsidy for electrical appliances, and the business is still okay. Recently, we have introduced a new company that has signed a contract, but we cannot say which company it is. However, the outlets we introduced have luxury goods and sports, including Nike and Adidas. When the economy is sluggish, they are on the 1st and 2nd floors, the 3rd floor has education and training, the 5th floor has Haidilao, and the 4th floor promotes fitness. Every year, we have passed the year, and every year is painful. We are professional managers who continue to solve the problem, including Hengyang. If you give up, you will find it more difficult to sell. You can only get a certain amount of customer flow. These two points are answered like this. I hope our hard work will not be in vain. Thank you.

- (15) Quanzhou Damahua has owed money for so long and has mortgages, and owes NT\$270 million. Is there any chance to get some of it back, that is, to turn it into an investment with him, and possibly a profitable business?

Company's Response: The main reason is that the land on Qitong Road is in the city center of Quanzhou. Now there is progress because the Agricultural Bank is willing to give up this land. We will work with Damahua, but the Agricultural Bank needs the approval of the head office, which takes time. We treat this matter as a top priority. If this land is launched, the 600 to 700 parking spaces alone will be worth a lot of money, and the connected street shops are also valuable. Once the project is launched, we will definitely not be soft-handed. We and Chairman will definitely attack strongly, but it will take time.

- (16) Online shopping is now popular in China, and offline retail operations are very difficult. Grand Ocean has been making losses for so many years, and has recognized more than 10 billion yuan in the past 2-3 years. It seems that Grand Ocean's funds are not very abundant. Now there are investment risks in the two new projects, Yichang CBD and Qianshu Phase II. With Grand

Ocean's current strength, the risks are a bit high. Should it consider stopping or switching to the form of managed stores?

Company's Response: If the economy in Yichang CBD had continued to be promising, we would have been very active in acquiring it. But now the economy is a little weak, so we are not so active. If we rent it, the rent must be super low and the rent-free period must be super long. These are all subject to negotiation. Anyway, we will not do anything with high costs, and we will either manage it or not do anything with low costs, as you said.

(17) Recently, FSC sold some of Grand Ocean's shares. Will this affect the company's management rights? Will FSC still be in charge? The second question is whether it can pay dividends next year. Last month, the company organized a new company with a capital of 30 million US dollars. Domestic demand in the mainland has not been able to pick up. The company has been spending money to expand during this difficult time. Can it really continue?

Company's Response: FSC has several key points to deal with Grand Ocean this time. The main reason is regulation. Cross-strait relations are very tense now. Diluting Grand Ocean's Taiwanese color will help Grand Ocean get some policy support and subsidies in the mainland. This is also a very important reason to separate the two companies. Strategic investors have very good relations with mainland China in Malaysia. I believe that the main operating rights will not change. For example, General Manager and the main cadres will not change. In my opinion, Grand Ocean is now at its lowest point. Everything will turn around when it reaches its extreme. FSC has to deal with it at this time. For example, if FSC wants to increase capital, or issue ECB and all capital market operations, because more than half of our revenue comes from Grand Ocean, we must get the approval of the mainland China Securities Regulatory Commission before we can do this. If the Securities Regulatory Commission does not approve it, it will have a great impact on the legal person. For example, if it does not get approval, it can only be done with approval from Taiwan. If I go on a business trip to the mainland, I may be banned and unable to come out. This is also a very important consideration. Just now, will you pay dividends next year? General Manager has already introduced each store in great detail. I believe that as long as the domestic demand in the mainland improves a little, coupled with the efforts of the team, there is a good chance that we will return to the previous glory. Of course, it is not just you who has been struggling for the past five years. FSC itself has also been struggling. FSC also supports Grand Ocean in terms of funds. We also hope to distribute dividends next year. To be honest, if we want to return

to the past, I think our positions are consistent and we will do our best to do this.

- (18) FSC previously announced that it would sell Grand Ocean shares at around 7.5 to 8.5 yuan. Two days ago, your transaction price was around 6.8 yuan. How come the price dropped so much? And there are still 23,200 shares to be sold on the market. Will this suppress Grand Ocean's stock price?

Company's Response: Because I am the chairman of both FSC and Grand Ocean, the Financial Supervisory Commission asked me not to participate in the negotiations. We entrusted the chairman of the Special Executive Committee to negotiate with the other party. The accountant gave a reasonable evaluation price range. As a business company, we certainly hope to sell it as high as possible. However, the epidemic started in 2020. Grand Ocean was doing well in 2019, but since 2020, the accumulated losses have been approximately NT\$4 billion. The negotiations were quite difficult, and in the end this price was set. I did not participate. There are more than 23,000 shares to be sold. In fact, the Securities and Futures Bureau and the Financial Supervisory Commission required that this must be done. Originally, 30% of the shares were to be disposed of at one time, and FSC became the second largest shareholder. However, the Financial Supervisory Commission and the Securities and Futures Bureau wanted to give FSC or small shareholders the opportunity to participate. Some people in the market may think that Grand Ocean has so many assets that selling one asset can solve the problem. Just like what General Manager said just now, there is actually a misunderstanding about commercial real estate. The value of commercial real estate actually depends on whether its turnover is high. For example, if you have a very shabby store on Zhongxiao East Road, just like there is a very shabby store next to Tongling Department Store, but it has very good business, it is very valuable. However, if you build a super luxurious and beautiful store that almost no one goes to, it is very worthless. The Financial Supervisory Commission told me that if you want to do this, you must avoid small shareholders thinking that your price is reasonable, so let everyone participate in buying Grand Ocean's shares. Our largest shareholder released it so that everyone can participate. Will it further depress the stock price? Of course we will try to avoid this. Our principle is that we sell it to the major shareholder at 6.8 yuan, and we also hope to sell it at 6.8 yuan. Of course, the higher the better. We will not deliberately suppress the price as it will not be good for us.

VI. Adjournment: 10:20 am on June 12, 2025.

(The minutes of this regular meeting of shareholders only state the gist of the



meeting. The content of the meeting is still subject to the audio and video records of the meeting.)

2024 Business Report

Ladies and Gentlemen:

Thanks for everyone for your kindly support as well as encouragement to Grand Ocean Retail Group Limited for such a long time as always. We are honored to be on behalf of the whole operating team to present the operational results and development in 2024 as well as operational strategies in 2025.

1、2024 Operational Results:

Annual consolidated operating revenues of the group in 2024 was NT\$ 3,234,915 thousand, which grew by a decrease of 15.32% than NT\$ 3,820,133 thousand in 2023; net loss after tax in 2024 was NT\$ (511,891) thousand, which grew by a decrease of 75.44% in 2023; Loss per share in 2024 was NT\$2.62.

2、2024 Operational Development:

In 2024, the global economy will face pressure to slow down growth after its post-epidemic recovery. The monetary policies of major economies have entered a cycle of interest rate cuts, and the economic gap between developed and developing countries has further widened. The high inflation problem faced by many countries in 2023 will ease in 2024, but the Federal Reserve's monetary policy will still have a significant impact on the global economy. In China, the economy is in a critical period of structural adjustment and transformation, and the successive conversion of traditional growth momentum to emerging growth momentum is accelerating. By the fourth quarter, the overall consumer confidence index was 97.7, a year-on-year decrease of 4.6% and a month-on-month increase of 2.2%. Confidence in prices, investment and home purchases did not change much year-on-year, but confidence in economic development, employment and life declined year-on-year, while investment confidence rebounded significantly month-on-month. Faced with such a complex and ever-changing external environment, Grand Ocean's overall performance failed to meet expectations, but during this difficult period, we still achieved some results and progress.

Grand Ocean Center officially opened on September 1, 2024. Grand Ocean Center is located in the core area of Xunlimen on Jiefang Avenue, the first business district in Central China. It integrates shopping, entertainment, catering, leisure, humanities, art, and innovative retail, and strives to create a new trendy commercial landmark for young people's social entertainment and gatherings. Based on the Grand Ocean Classic's "fun to shop", "fun to buy" and "good value for money", we will further enhance the experience, freshness and youthfulness, and strive to become a new business card for the Wuhan consumer market.

In addition, in 2024, we adjusted and renovated some floors of some stores, including the underground floor of the Hefei store, the first and third floors of the South Second Store, the Fuzhou Second Project and the Wuhan Second Store, achieving an optimized combination of business formats and upgrading of brands, focusing on

attracting investment in catering and experience formats. During the period, the investment promotion area reached 70,633 square meters, accounting for 20.1% of the total investment promotion ratio. The vacancy rate further decreased, which significantly improved the product power. As people's consumption habits change, they prefer experiences and are indifferent to pure retail, so Grand Ocean continues to promote the shopping centerization of department stores and increase the proportion of experience formats. At present, most of the stores have basically realized the adjustment into department store shopping centers, such as the Fuzhou underground street, Quanzhou store, Shiyuan store and Nanjing store. A small number are in progress. This adjustment can give full play to the company's advantages and increase consumers' experience attributes of shopping centers. Grand Ocean is relatively advanced in this regard in the industry.

In 2024, the parking lots of Grand Ocean's eight stores will be connected to the in-store micro-mall, making parking easier and redeemable with points, which improves the convenience and activity of members. The group's membership system is connected with Meituan's to facilitate the sharing of membership benefits. At the same time, 9 stores introduced Meituan power banks, further enhancing member acquisition and customer convenience.

In 2024, Grand Ocean significantly improved the frequency and efficiency of its online activities, and carried out many large-scale live broadcast events. The live broadcast GMV (excluding Meituan) reached RMB 100 million, of which self-broadcasting performance was RMB 80 million. Grand Ocean released 8,643 short videos on platforms such as WeChat Video Account, Douyin, and rednote Short Video, providing leading fashion promotions such as outfits for various occasions, increasing the stickiness between each platform and customers, and making Ocean fans interested in and dependent on Grand Ocean, which in turn promoted the attractiveness of stores and the purchasing power of customers. For example, the Yichang store, Hefei store, Wuhan store, Wuhan Second store, Shiyuan store, Grand Ocean Center and Fuzhou Second store performed very well. In the process, many stores with outstanding performance emerged. Grand Ocean's online performance increased by 16% year-on-year, and the proportion of online performance increased to 34%.

Grand Ocean also continued to reduce its overseas US dollar borrowings, which were remitted from China on a continuous basis for repayment, thereby reducing its overseas financial expenses.

3、2025 Operational Strategies:

It is difficult for the current Chinese consumer market to return to its best-selling trend in the short term. Consumers' habits are still at the stage of passive reach, and the growth rate of online consumption is still several times that of offline consumption. The shift of consumers from "cost-effectiveness" to "quality-price ratio" is enough to reflect the current downturn in the consumer market.

In 2025, Grand Ocean proposed the business theme of "following the trend to drive both online and offline wheels; responding to the trend and focusing on the retail experience in both directions." All stores are required to adapt to market trends and consumer demands, adhere to the policy of "online traffic, offline experience", and provide consumers with a full range of shopping services. Through the dual-wheel drive of online and offline, we will steadily advance market expansion. At the same time, we will continue to innovate, optimize our brand lineup, and actively introduce emerging business formats and brands to achieve the goal of two-way integration of retail and experience.

Currently, the sluggish trend of China's consumer market has not improved, and consumers are paying more attention to product quality and experience, practicality and value. This places higher demands on physical businesses. In order to meet this challenge, we need to adjust our business philosophy, conduct in-depth research on consumer behavior and psychology, grasp their personalized and diversified needs, and make full use of tools such as big data and AI technology to deepen member management and implement refined management and precision marketing. At the same time, online and offline channels should complement each other, give full play to the role of talents, actively cultivate professional talents, and promote the company's innovation and progress. The following are development strategies for the current situation:

(1) Deeply cultivate online and offline membership management

Grand Ocean has always adhered to the "customer-centric" business philosophy and has accumulated rich membership resources over many years of operation. Through big data and AI technology, we analyze consumers' shopping behaviors and habits, and then implement targeted marketing to meet their personalized and diversified needs, and ultimately achieve precision marketing.

In terms of member management, we conduct data analysis to gain an in-depth understanding of member profiles, and on this basis, we plan a variety of member-only activities, such as member day activities on fixed dates every month, and redemption of high-value points for popular products or services. In addition, traditional offline promotional channels can no longer meet current demand, so it is necessary to promote activities through multiple online and offline channels in advance to attract members to actively participate.

Grand Ocean Boundless Retail Business Department is committed to expanding online sales channels, expanding the scope of online promotions, and actively developing strategic cooperation with mainstream online platforms to make up for the shortcomings of offline sales.

(2) Make every effort to promote investment promotion, adjustment, reform

and upgrading

Adjustment, reform and upgrading have become the only way for the retail industry to adapt to consumption changes and cope with competition. In 2025, Grand Ocean will focus on promoting investment promotion for 1000 Trees Phase I and Phase II, Wuhan Grand Ocean Center and Fuzhou Second Store. Accurately position target brands based on factors such as the city's economic level, consumption habits and population structure. For example, Shanghai has diverse and high-end consumption, so it can introduce children's experience formats and fashion sports formats that focus on quality and experience; Wuhan has high consumption vitality, focuses on cost-effectiveness and trends, so it can introduce cost-effective brands, trendy domestic products and Internet celebrity restaurants; Fuzhou's developed business districts need brands with quality assurance and local specialty restaurants. In 2025, our goal is to reduce the vacancy rate to less than 10%, providing strong support for the stable development of the group.

(3) Streamlining administration and improving efficiency

Streamlining administration and staffing is a key measure to improve efficiency, reduce costs, enhance flexibility and service quality, and help build business and adapt to market demand. In 2025, Grand Ocean will further optimize store staffing and strictly control redundant costs. At the same time, we will refine the responsibilities of management levels, comprehensively sort out and optimize the team of management-level cadres, and implement an "upward and downward" assessment mechanism. For departments or individuals that fail to meet the standards, set clear rectification deadlines to comprehensively improve management efficiency.

In addition, based on the successful experience of OA time-limited approval, we will regularly collect employees' feedback on the OA system, optimize problems such as cumbersome processes and long approval times, simplify the approval procedures, shorten response time, and improve overall work efficiency.

(4) Strengthen talent training and improve incentive mechanisms

Grand Ocean will further strengthen talent cultivation, break the conventional employment mechanism, tap employees with special talents and potential, and select talents in an unconventional way. For employees with outstanding performance, regardless of qualifications or academic qualifications, they will be given promotion opportunities or the right to participate in important projects to ensure that talents can maximize their value in suitable positions.

At the same time, we will improve the talent incentive mechanism and deepen the implementation of the target responsibility system for all

employees. The system has achieved remarkable results in more than two years since its implementation. In 2024, despite the impact of the overall environment, only a few stores successfully received bonuses, but this proves that we are willing to give employees more rewards as long as the goals are achieved. In 2025, we will further optimize the assessment system, assign responsibilities specifically to management levels and floors, and strengthen monthly assessments. If the target is not achieved, the group will help analyze the problem and develop improvement strategies; if there is no improvement after assistance, some people will be eliminated.

4、Prospect

The development trend of the consumer market in 2025 will be influenced by the combined influence of technological progress, social changes and economic environment. Specifically, the process of online and offline integration is accelerating, and consumers' requirements for shopping experience are increasing; consumption concepts have shifted from focusing on "cost-effectiveness" to pursuing "quality-price ratio"; and the demand for personalized consumption and emotional consumption has significantly increased. Grand Ocean will closely monitor this trend and actively make targeted adjustments.

In 2024, the retail industry faces two major pressures: weak consumption and consumption diversion. The overall situation is worse than expected, and businesses are generally under great pressure in their operations. At the Central Economic Work Conference held in mid-December, "boosting consumption, improving investment efficiency, and expanding domestic demand in all directions" was listed as the first of the nine tasks to be carried out in 2025, which brought a major turning point for retail development.

China is currently actively activating its domestic financial markets and increasing support for the development of the stock market. There are signs of overseas funds flowing in, which may subsequently create breakthroughs in the economy and boost domestic consumption. Various provinces and cities in China have successively launched large-scale infrastructure projects, including the renovation of old cities and the construction of infrastructure, in order to produce a new and old driving force transformation, which is expected to be of considerable help to the recovery of the domestic consumer market. It is still difficult to judge whether China's consumer market will improve soon, but some of the above favorable signs have appeared, which will stimulate the domestic consumer market.

"The future is bright, but the road is tortuous." Although the retail market is facing difficulties, we firmly believe that the current difficulties are temporary. Grand Ocean should follow the trend and adapt to market trends and consumer demands, continuously improve its business capabilities, actively adjust and upgrade, and optimize resource allocation. By focusing on consumers, improving service quality, and concentrating our efforts on overcoming difficulties, we will surely usher in new

GRAND OCEAN RETAIL GROUP LIMITED

Chairman: GUO JEN HAO



Manager: HUANG QING HAI



Accounting Supervisor: LI CHAO



Audit Committee Audit Reports

The board has prepared the 2024 business report and consolidated financial statements, wherein the latter ones have been authorized to the KPMG Taiwan accountants Zhang Shu Ying as well as Pan Jun Ming and accomplished; the audit reports are issued here. Business report, consolidated financial statements and loss make-up proposal as above have been checked by the audit committee, and incompatibility is not yet found. Thus Article 14.4 of Securities Exchange Act as well as Article 219 of Company Act of R.O.C. are to be adopted for the report, please be informed.

Sincerely

GRAND OCEAN RETAIL GROUP LIMITED
2025 Shareholders Meeting

GRAND OCEAN RETAIL GROUP LIMITED

Audit Committee Coordinator: SHER CHING YEE

Mar 28, 2025

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, 2024 and 2023, 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, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), IFRIC Interpretations ("IFRIC"), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the years ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements taken as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Impairment of Goodwill and Trademark Rights

Please refer to notes 4(13), 5(2), and 6(7) to the consolidated financial statements for the year ended

December 31, 2024, for the accounting principles on the recognition of impairment of non-financial assets, the accounting estimates and uncertainty of assumptions in assessment of impairment of goodwill and trademark privileges, as well as details of impairment of goodwill and intangible assets, respectively.

Description of key audit matter:

As of 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 impacted by the COVID-19 pandemic and the slowing economic growth in mainland China. Profits in the department store sector have not yet returned to pre-pandemic levels, making it a significant challenge to maintain revenue and profitability. Therefore, the goodwill and trademark from the acquisition were affected, and the Group was concerned if the carrying amounts exceeded recoverable amounts of the retailing department. The management of the Group estimated the present value of future cash flow of the retail department in accordance with IAS 36 to confirm the recoverable amount of the aforementioned assets. Given that the estimation of recoverable amounts involved significant judgment by management and was subject to high uncertainty, there was a risk of overestimation in the carrying values of goodwill, trademark, and operational assets of the retailing business. Therefore, we considered the assessment of asset impairment as one of the key audit matters for the audit of the consolidated financial statements.

How the matter was addressed in our audit

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

2. Impairment of Assets

Please refer to notes 4(13) and 5(1) to the consolidated financial statements for the year ended December 31, 2024, for the accounting principles on the recognition of impairment of non-financial assets, the accounting estimates and assumptions uncertainty in assessment of impairment of

property, plant and equipment, and right-of-use assets, respectively. Please refer to notes 6(5) and 6(6) to the consolidated financial statements for details of impairment of property, plant and equipment, as well as right-of-use assets, respectively.

Description of key audit matter:

As of December 31, 2024, the carrying amounts of property, plant, and equipment, as well as right-of-use assets, accounted for approximately 70% of the Group's total assets. The retail industry in Mainland China has experienced a decline in profitability due to the impact of the COVID-19 pandemic, and it has not yet fully recovered to pre-pandemic levels. Decreased consumer spending has led to deflation, resulting in fluctuations in property values in Mainland China. This, in turn, has raised concerns about whether the carrying amounts of operating assets exceed their recoverable amounts. The management of the Group estimated the present value of future cash flow of the retail department in accordance with IAS 36 to confirm the recoverable amount of the aforementioned assets. Given that the estimation of recoverable amounts involved significant judgment by management and was subject to high uncertainty, there was a risk of overestimation in the carrying values of operational assets of the retailing business. Therefore, we considered the assessment of asset impairment as one of the key audit matters for the audit of the consolidated financial statements.

How the matter was addressed in our audit

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, IFRIC, and SIC endorsed and issued into effect by the Financial

Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or

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

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

KPMG
Taipei, Taiwan (Republic of China)
March 28, 2025

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries
Consolidated Balance Sheet
December 31, 2024, and December 31, 2023
(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2024		December 31, 2023	
	Amount	%	Amount	%
Assets				
Current assets:				
1100 Cash and cash equivalents (Note 6(1))	\$ 831,362	3	1,020,335	4
1110 Financial assets measured at fair value through profit or loss – current (Note 6(2))	12,667	-	11,689	-
1170 Accounts receivable of net amount (Note 6(3))	164,486	1	191,538	1
1200 Other receivables (Note 6(3), (4) and 7)	35,245	-	39,067	-
1300 Inventories – merchandising business	164,513	1	161,085	1
1410 Pre-payments (Note 7)	255,772	1	253,194	1
1476 Other financial assets – current (Note 6(8), 8 and 9)	573,303	2	469,670	2
	<u>2,037,348</u>	<u>8</u>	<u>2,146,578</u>	<u>9</u>
Non-current assets:				
1600 Property, plants and equipment (Note 6(5) and 8)	5,255,621	22	5,333,310	22
1755 Right-of-use asset (Note 6(6), 7 and 8)	11,736,960	48	11,480,102	47
1780 Intangible assets (Note 6(7))	1,673,410	7	1,590,718	7
1840 Deferred tax assets (Note 6(14))	2,827,639	12	2,762,540	11
1980 Other financial assets – non-current (Note 6(8), 7 and 8)	485,908	2	726,101	3
1990 Other non-current assets (Note 6(4), (15) and 7)	198,542	1	197,053	1
	<u>22,178,080</u>	<u>92</u>	<u>22,089,824</u>	<u>91</u>
Total assets	<u>\$ 24,215,428</u>	<u>100</u>	<u>24,236,402</u>	<u>100</u>

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries
Consolidated Balance Sheet
December 31, 2024, and December 31, 2023
(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2024		December 31, 2023	
	Amount	%	Amount	%
Liabilities and equity				
Current liabilities:				
2100 Short-term loans (Note 6(9))	\$ 2,539,845	10	2,311,414	10
2171 Accounts payable (Note 6(11))	1,058,720	4	1,265,324	5
2219 Other payables (Note 6(5), (11), 7 and 9)	1,385,111	6	1,322,492	5
2230 Current tax liabilities	54,223	-	41,489	-
2280 Current lease liabilities (Note 6(12), 7 and 9)	822,209	3	831,093	3
2322 Current portion of long-term borrowings (Note 6(10))	791,943	3	412,610	2
2399 Other current liabilities	10,571	-	10,049	-
	<u>6,662,622</u>	<u>26</u>	<u>6,194,471</u>	<u>25</u>
Non-current liabilities:				
2541 Long-term loans of bank (Note 6(10))	39,342	-	763,434	3
2570 Deferred tax liabilities (Note 6(14))	2,272,332	10	2,217,897	10
2580 Non-current lease liabilities (Note 6(12) and 7)	9,864,050	42	9,416,852	40
2645 Deposit received	590,775	2	570,947	2
	<u>12,766,499</u>	<u>54</u>	<u>12,969,130</u>	<u>55</u>
Total liabilities:	<u>19,429,121</u>	<u>80</u>	<u>19,163,601</u>	<u>80</u>
Equity of owner of parent company (Note 6(15)):				
3100 Share capital	1,955,310	8	1,955,310	8
3200 Capital surplus	4,168,363	17	5,075,485	21
3310 Legal reserve	-	-	580,244	2
3320 Special reserve	-	-	596,630	2
3350 Unappropriated retained earnings	(511,891)	(2)	(2,083,996)	(9)
3400 Other equity	(825,475)	(3)	(1,050,872)	(4)
Total equity	<u>4,786,307</u>	<u>20</u>	<u>5,072,801</u>	<u>20</u>
Total liabilities and equity	<u>\$ 24,215,428</u>	<u>100</u>	<u>24,236,402</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries
Consolidated Balance Sheet
 December 31, 2024, and December 31, 2023
 (Expressed in Thousands of Chinese Yuan Renminbi)

	December 31, 2024		December 31, 2023		
	Amount	%	Amount	%	
Assets					
Current assets:					
1100	Cash and cash equivalents	\$ 182,283	3	235,322	4
1110	Financial assets measured at fair value through profit or loss – current	2,777	-	2,696	-
1170	Accounts receivable of net amount	36,065	1	44,174	1
1200	Other receivables	7,728	-	9,010	-
1300	Inventories – merchandising business	36,071	1	37,151	1
1410	Pre-payments	56,080	1	58,394	1
1476	Other financial assets – current	125,702	2	108,321	2
		<u>446,706</u>	<u>8</u>	<u>495,068</u>	<u>9</u>
Non-current assets:					
1600	Property, plants and equipment	1,152,341	22	1,230,030	22
1755	Right-of-use asset	2,573,432	48	2,647,676	47
1780	Intangible assets	366,910	7	366,870	7
1840	Deferred tax assets	619,985	12	637,129	11
1980	Other financial assets – non-current	106,539	2	167,462	3
1990	Other non-current assets	43,531	1	45,446	1
		<u>4,862,738</u>	<u>92</u>	<u>5,094,613</u>	<u>91</u>
	Total assets	<u>\$ 5,309,444</u>	<u>100</u>	<u>5,589,681</u>	<u>100</u>

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries
Consolidated Balance Sheet
December 31, 2024, and December 31, 2023
(Expressed in Thousands of Chinese Yuan Renminbi)

	December 31, 2024		December 31, 2023	
	Amount	%	Amount	%
Liabilities and equity				
Current liabilities:				
2100 Short-term loans	\$ 556,883	10	533,085	10
2171 Accounts payable	232,134	4	291,824	5
2219 Other payables	303,699	6	305,009	5
2230 Current tax liabilities	11,889	-	9,569	-
2280 Current lease liabilities	180,276	3	191,676	3
2322 Current portion of long-term borrowings	173,640	3	95,161	2
2399 Other current liabilities	2,318	-	2,318	-
	<u>1,460,839</u>	<u>26</u>	<u>1,428,642</u>	<u>25</u>
Non-current liabilities:				
2541 Long-term loans of bank	8,626	-	176,072	3
2570 Deferred tax liabilities	498,229	10	511,517	10
2580 Non-current lease liabilities	2,162,780	42	2,171,825	40
2645 Deposit received	129,533	2	131,678	2
	<u>2,799,168</u>	<u>54</u>	<u>2,991,092</u>	<u>55</u>
Total liabilities:	<u>4,260,007</u>	<u>80</u>	<u>4,419,734</u>	<u>80</u>
Equity of owner of parent company:				
3100 Share capital	492,105	9	492,105	9
3200 Capital surplus	728,494	14	1,020,044	18
3310 Legal reserve	-	-	121,053	2
3320 Special reserve	-	-	129,560	2
3350 Unappropriated retained earnings	(115,305)	(2)	(542,163)	(10)
3400 Other equity	(55,857)	(1)	(50,652)	(1)
Total equity	<u>1,049,437</u>	<u>20</u>	<u>1,169,947</u>	<u>20</u>
Total liabilities and equity	<u>\$ 5,309,444</u>	<u>100</u>	<u>5,589,681</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries
Consolidated Income Statement
For the years ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
4000 Operating revenues (Note 6(17) and 7)	\$ 3,234,915	100	3,820,133	100
5000 Operating costs	485,303	15	641,318	17
Gross profit	2,749,612	85	3,178,815	83
6000 Operating expenses (Note 6(5), (6), (7), (12), (13), 7 and 9)	2,840,617	88	3,408,826	89
6450 Expected credit loss (Note 6(3))	30,273	1	10,054	-
	<u>2,870,890</u>	<u>89</u>	<u>3,418,880</u>	<u>89</u>
Operating loss	<u>(121,278)</u>	<u>(4)</u>	<u>(240,065)</u>	<u>(6)</u>
Non-operating income and expenses:				
7100 Total interest income (Note 6(19))	34,434	1	27,598	1
7010 Other revenues (Note 6(19))	17,184	1	15,020	-
7020 Other gains and losses (Note 6(5), (6), (7), (19) and 9)	284,096	8	(828,787)	(22)
7050 Financial costs (Note 6(12), (19) and 7)	(662,011)	(20)	(688,683)	(18)
7055 Expected credit loss (Note 6(20))	-	-	(131,608)	(3)
7060 Share of profit (loss) of associates and joint ventures accounted for using equity method, net (Note 6(4))	-	-	(15,074)	-
	<u>(326,297)</u>	<u>(10)</u>	<u>(1,621,534)</u>	<u>(42)</u>
7900 Loss before tax	<u>(447,575)</u>	<u>(14)</u>	<u>(1,861,599)</u>	<u>(48)</u>
7950 Deduction: income tax expenses (Note 6(14))	64,316	2	222,397	6
Current net loss	<u>(511,891)</u>	<u>(16)</u>	<u>(2,083,996)</u>	<u>(54)</u>
8300 Other comprehensive income:				
8360 Items that may be re-classified subsequently to profit or loss (Note 6(4) and (15))				
8361 Exchange difference on translation of foreign operations	225,397	7	(98,275)	(3)
8370 Share of other comprehensive income of associates accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	-	-	(176)	-
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	<u>225,397</u>	<u>7</u>	<u>(98,451)</u>	<u>(3)</u>
8300 Other comprehensive income (loss)	<u>225,397</u>	<u>7</u>	<u>(98,451)</u>	<u>(3)</u>
Comprehensive income	<u>\$ (286,494)</u>	<u>(9)</u>	<u>(2,182,447)</u>	<u>(57)</u>
Net loss, attributable to:				
8610 Owners of parent	<u>\$ (511,891)</u>	<u>(16)</u>	<u>(2,083,996)</u>	<u>(54)</u>
Comprehensive income (loss) attributable to:				
8710 Owners of parent	<u>\$ (286,494)</u>	<u>(9)</u>	<u>(2,182,447)</u>	<u>(57)</u>
Loss per share (Note 6(16))				
9750 Basic loss per share (NT dollars)	<u>\$ (2.62)</u>		<u>(10.66)</u>	

See accompanying notes to consolidated financial statements.

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries
Consolidated Income Statement
For the years ended December 31, 2024 and 2023
(Expressed in Thousands of Chinese Yuan Renminbi, Except for Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
4000 Operating revenues	\$ 728,667	100	863,713	100
5000 Operating costs	109,315	15	144,999	17
Gross profit	619,352	85	718,714	83
6000 Operating expenses	639,851	88	770,719	89
6450 Expected credit loss	6,819	1	2,273	-
	646,670	89	772,992	89
Operating loss	(27,318)	(4)	(54,278)	(6)
Non-operating income and expenses:				
7100 Total interest income	7,756	1	6,240	1
7010 Other revenues	3,871	1	3,396	-
7020 Other gains and losses	63,992	8	(187,384)	(22)
7050 Financial costs	(149,119)	(20)	(155,708)	(18)
7055 Expected credit loss	-	-	(29,756)	(3)
7060 Share of profit (loss) of associates and joint ventures accounted for using equity method, net	-	-	(3,408)	-
	(73,500)	(10)	(366,620)	(42)
7900 Loss before tax	(100,818)	(14)	(420,898)	(48)
7950 Deduction: income tax expenses	14,487	2	50,283	6
Current net loss	(115,305)	(16)	(471,181)	(54)
8300 Other comprehensive income:				
8360 Items that may be re-classified subsequently to profit or loss				
8361 Exchange difference on translation of foreign operations	(5,205)	(1)	(4,914)	(1)
8370 Share of other comprehensive income of associates accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	-	-	117	-
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	(5,205)	(1)	(4,797)	(1)
8300 Other comprehensive income (loss)	(5,205)	(1)	(4,797)	(1)
Comprehensive income	\$ (120,510)	(17)	(475,978)	(55)
Net loss, attributable to:				
8610 Owners of parent	\$ (115,305)	(16)	(471,181)	(54)
Comprehensive income (loss) attributable to:				
8710 Owners of parent	\$ (120,510)	(17)	(475,978)	(55)
Loss per share				
9750 Basic loss per share (RMB)	\$ (0.59)		(2.41)	

See accompanying notes to consolidated financial statements.

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries
Consolidated Statement of Changes in Shareholders' Equity
For the years ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

	Owner's equity				Other equity		Attributed to parent company total equity	Total equity
	Share capital	Capital surplus	Legal reserve	Retained earnings	Unappropriated retained earnings	Sum		
Balance at January 1, 2023	\$ 1,955,310	5,075,485	580,244	992,593	(395,963)	1,176,874	(952,421)	7,255,248
Current net loss	-	-	-	-	(2,083,996)	(2,083,996)	-	(2,083,996)
Current other comprehensive income	-	-	-	-	-	-	(98,451)	(98,451)
Current total comprehensive income	-	-	-	-	-	-	(98,451)	(98,451)
Appropriation and distribution of retained earnings:								
Reversal of special reserve	-	-	-	(40,171)	40,171	-	-	-
Special reserve used to offset accumulated deficits	-	-	-	(355,792)	355,792	-	-	-
Balance at December 31, 2023	1,955,310	5,075,485	580,244	596,630	(2,083,996)	(907,122)	(1,050,872)	5,072,801
Current net loss	-	-	-	-	(511,891)	(511,891)	-	(511,891)
Current other comprehensive income	-	-	-	-	-	-	225,397	225,397
Current total comprehensive income	-	-	-	-	-	-	225,397	225,397
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

See accompanying notes to consolidated financial statements.

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries
Consolidated Statement of Changes in Shareholders' Equity
For the years ended December 31, 2024 and 2023
(Expressed in Thousands of Chinese Yuan Renminbi)

	Owner's equity				Other equity		Attributed to parent company total equity	Total equity
	Share capital	Capital surplus	Legal reserve	Special reserve	Retained earnings	Exchange differences on translation of foreign operations		
Balance at January 1, 2023	\$ 492,105	1,020,044	121,053	221,735	Unappropriated retained earnings (163,157)	(45,855)	1,645,925	1,645,925
Current net loss	-	-	-	-	(471,181)	(4,797)	(471,181)	(471,181)
Current other comprehensive income	-	-	-	-	-	(4,797)	(4,797)	(4,797)
Current total comprehensive income	-	-	-	-	(471,181)	(4,797)	(475,978)	(475,978)
Appropriation and distribution of retained earnings:								
Reversal of special reserve	-	-	-	(9,351)	9,351	-	-	-
Special reserve used to offset accumulated deficits	-	-	-	(82,824)	82,824	-	-	-
Balance at December 31, 2023	492,105	1,020,044	121,053	129,560	(542,163)	(50,652)	1,169,947	1,169,947
Current net loss	-	-	-	-	(115,305)	-	(115,305)	(115,305)
Current other comprehensive income	-	-	-	-	-	(5,205)	(5,205)	(5,205)
Current total comprehensive income	-	-	-	-	(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	-	-	-
Balance at December 31, 2024	\$ 492,105	728,494	-	-	(115,305)	(55,857)	1,049,437	1,049,437

See accompanying notes to consolidated financial statements.

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries
Consolidated Statement of Cash Flows
For the years ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

	2024	2023
Cash flows from operating activities		
(Loss) profit before tax	\$ (447,575)	(1,861,599)
Adjusting events:		
Income and expenses		
Depreciation expense	1,533,978	1,548,213
Amortization expense	2,257	3,172
Expected credit loss	30,273	141,662
Net gain on financial assets or liabilities at fair value through profit or loss	(1,968)	(9,189)
Interest expense	662,011	688,683
Interest income	(34,434)	(27,598)
Share of profit (loss) of associates accounted for using equity method	-	15,074
Loss on disposal of property, plant and equipment	528	783
Gain on disposal of investments	-	(5,113)
Impairment loss on non-financial assets	-	1,068,499
Rent concession	-	174,470
Lease modification benefits	-	(495,197)
Compensation gain on store closures and lawsuit	(205,460)	-
Total adjustments to reconcile profit (loss)	<u>1,987,185</u>	<u>3,103,459</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets and liabilities at fair value through profit	1,783	66,394
Accounts receivable	5,730	49,984
Other receivables	22,547	19,893
Inventories	4,796	54,726
Prepayments	10,281	(11,261)
Sum of net variance of assets concern operating activities	<u>45,137</u>	<u>179,736</u>
Changes in operating liabilities:		
Accounts payable	(264,994)	326,377
Other payables	(100,520)	258,835
Other current liabilities	(2)	(32)
Sum of net variance of liabilities concern operating activities	<u>(365,516)</u>	<u>585,180</u>
Sum of net variance of assets and liabilities concern operating activities	<u>(320,379)</u>	<u>764,916</u>
Total adjustments	<u>1,666,806</u>	<u>3,868,375</u>
Cash inflow generated from operations	1,219,231	2,006,776
Interest received	17,523	10,723
Interest paid	(641,202)	(687,115)
Income taxes paid	(37,146)	(79,330)
Cash inflow from operating activities	<u>558,406</u>	<u>1,251,054</u>

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries
Consolidated Statement of Cash Flows
For the years ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

	<u>2024</u>	<u>2023</u>
Cash flows from (used in) investing activities:		
Acquisition of investments using the equity method	-	(12,658)
Proceeds from disposal of investments using the equity method	8,524	12,641
Acquisition of property, plant and equipment	(97,125)	(264,913)
Proceeds from disposal of property, plant and equipment	75	321
Decrease (increase) in refundable deposits	1,867	(45,527)
Acquisition of intangible assets	(469)	(1,348)
Decrease (increase) in other financial assets	191,554	(902,073)
Decrease in other non-current assets	-	16,295
Net cash flows used in investing activities	<u>104,426</u>	<u>(1,197,262)</u>
Cash flows from (used in) financing activities:		
Increase in short-term loans	89,538	523,140
Lease from long-term loans	-	451,922
Payments for long-term loans	(409,378)	(900,289)
(Decrease) increase in deposit received	(9,528)	1,577
Increase in Other payables	289,039	140,252
Payment of lease liabilities	(863,019)	(876,424)
Net cash flows used in financing activities	<u>(903,348)</u>	<u>(659,822)</u>
Effect of exchange rate changes on cash and cash equivalents	51,543	(13,119)
Net decrease in cash and cash equivalents	<u>(188,973)</u>	<u>(619,149)</u>
Cash and cash equivalents at beginning of period	1,020,335	1,639,484
Cash and cash equivalents at end of period	<u>\$ 831,362</u>	<u>1,020,335</u>

See accompanying notes to consolidated financial statements.

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries
Consolidated Statement of Cash Flows
For the years ended December 31, 2024 and 2023
(Expressed in Thousands of Chinese Yuan Renminbi)

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
(Loss) profit before tax	\$ (100,818)	(420,898)
Adjusting events:		
Income and expenses		
Depreciation expense	345,530	350,043
Amortization expense	508	717
Expected credit loss	6,819	32,029
Net gain on financial assets or liabilities at fair value through profit or loss	(443)	(2,078)
Interest expense	149,119	155,708
Interest income	(7,756)	(6,240)
Share of profit (loss) of associates accounted for using equity method	-	3,408
Loss on disposal of property, plant and equipment	119	177
Gain on disposal of investments	-	(1,156)
Impairment loss on non-financial assets	-	241,582
Rent concession	-	39,447
Lease modification benefits	-	(111,962)
Compensation gain on store closures and lawsuit	(46,280)	-
Total adjustments to reconcile profit (loss)	<u>447,616</u>	<u>701,675</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets and liabilities at fair value through profit	402	15,011
Accounts receivable	1,291	11,301
Other receivables	5,079	4,498
Inventories	1,080	12,373
Prepayments	2,316	(2,546)
Sum of net variance of assets concern operating activities	<u>10,168</u>	<u>40,637</u>
Changes in operating liabilities:		
Accounts payable	(59,690)	73,792
Other payables	(22,643)	58,521
Other current liabilities	-	(7)
Sum of net variance of liabilities concern operating activities	<u>(82,333)</u>	<u>132,306</u>
Sum of net variance of assets and liabilities concern operating activities	<u>(72,165)</u>	<u>172,943</u>
Total adjustments	<u>375,451</u>	<u>874,618</u>
Cash inflow generated from operations	274,633	453,720
Interest received	3,947	2,424
Interest paid	(144,431)	(155,353)
Income taxes paid	(8,367)	(17,936)
Cash inflow from operating activities	<u>125,782</u>	<u>282,855</u>

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries
Consolidated Statement of Cash Flows
For the years ended December 31, 2024 and 2023
(Expressed in Thousands of Chinese Yuan Renminbi)

	<u>2024</u>	<u>2023</u>
Cash flows from (used in) investing activities:		
Acquisition of investments using the equity method	-	(2,862)
Proceeds from disposal of investments using the equity method	1,920	2,960
Acquisition of property, plant and equipment	(21,877)	(59,895)
Proceeds from disposal of property, plant and equipment	17	73
Decrease (increase) in refundable deposits	421	(10,293)
Acquisition of intangible assets	(106)	(305)
Decrease (increase) in other financial assets	43,148	(203,954)
Decrease in other non-current assets	-	3,684
Net cash flows used in investing activities	<u>23,523</u>	<u>(270,592)</u>
Cash flows from (used in) financing activities:		
Increase in short-term loans	20,169	118,279
Lease from long-term loans	-	102,177
Payments for long-term loans	(92,213)	(203,551)
(Decrease) increase in deposit received	(2,146)	357
Increase in other payables	65,106	31,710
Payment of lease liabilities	(194,396)	(198,155)
Net cash flows used in financing activities	<u>(203,480)</u>	<u>(149,183)</u>
Effect of exchange rate changes on cash and cash equivalents	1,136	309
Net decrease in cash and cash equivalents	(53,039)	(136,611)
Cash and cash equivalents at beginning of period	235,322	371,933
Cash and cash equivalents at end of period	<u>\$ 182,283</u>	<u>235,322</u>

See accompanying notes to consolidated financial statements.

**Comparison Chart of the “Articles of Incorporation” of Incorporation of
Grand Ocean Retail Group Limited**

Articles No.	Amended and Restated Articles of Association (Proposed Revision)	Amended and Restated Articles of Association (Original)	Explanations
1.	<u>“Share Swap” as defined in the Business Mergers and Acquisitions Act of the ROC and rules and regulations promulgated thereunder;</u>	Newly added article.	Revised per paragraph 5, Article 4 of the Business Mergers and Acquisitions Act.
8(d)	<u>The Board or such person(s) authorised by these Articles to convene a general meeting of shareholders of the Company shall have the right to inspect and/or obtain a copy of the register of members of the Company (whether branch and/or principal) upon written request to the Company and the Company (including the Company’s share registrar or transfer agent) shall comply with such written request within five days of receipt of such written request.</u>	Newly added article.	Revised per Article 210-1 of the Company Act.
21(a)	(a) Subject to and in so far as permitted by the provisions of the Statute, the Company may from time to time by Special Resolution alter or amend its Memorandum of Association to : (i) increase the share capital by such sum to be divided into shares of such amount and with such rights, priorities and privileges annexed thereto, as the Company in general meeting may determine.	(a) Subject to and in so far as permitted by the provisions of the Statute, the Company may from time to time by Special Resolution alter or amend its Memorandum of Association to : (i) increase the share capital by such sum to be divided into shares of such amount <u>or without nominal or par value</u> as the resolution shall prescribe and with such	Revised per paragraph 5 and 6, Article 156-1 of the Company Act.

Articles No.	Amended and Restated Articles of Association (Proposed Revision)	Amended and Restated Articles of Association (Original)	Explanations
	<p>(ii) consolidate any of its share capital into shares of larger amount than its existing shares;</p> <p>(iii) subdivide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association; or</p> <p>(iv) cancel any shares which at the date of passing of the resolution have not been taken or agreed to be taken by any person;</p> <p>provided that any share(s) issued by the Company without any par or nominal value shall not by any means be converted or re-designated into share(s) with par or nominal value <u>and any share(s) issued by the Company with par or nominal value shall also not by any means be converted or re-designated into share(s) without par or nominal value.</u></p>	<p>rights, priorities and privileges annexed thereto, as the Company in general meeting may determine.</p> <p>(ii)consolidate any of its share capital into shares of larger amount than its existing shares;</p> <p>(iii)subdivide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association <u>or into shares without nominal or par value;</u> or</p> <p>(iv)cancel any shares which at the date of passing of the resolution have not been taken or agreed to be taken by any person;</p> <p>provided that any share(s) issued by the Company without any par or nominal value shall not by any means be converted or re-designated into share(s) with par or nominal value and.</p>	
27(e)	<p>In the event that the Board do not or is unable to convene a general meeting of shareholders, the Audit Committee may, for the benefit of the Company, convene a meeting of shareholders when it is deemed necessary.</p>	<p>In the event that the Board do not or is unable to convene a general meeting of shareholders, <u>the supervisor (if any) or the Independent Director of Audit Committee</u> may, for the benefit of the Company, convene a meeting of shareholders when it is deemed necessary.</p>	<p>Revised per Article 5 of the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies.</p>

Articles No.	Amended and Restated Articles of Association (Proposed Revision)	Amended and Restated Articles of Association (Original)	Explanations
32(a)	<p>For as long as the Company's shares are listed on the Designated Stock Market, the Board shall prepare a manual setting out the agenda of a general meeting of Members (including all the subjects and matters to be resolved at the meeting), and shall make public announcement(s) by uploading the content of the manual any other supplemental information to an electronic database designated by the Designated Stock Market at least twenty-one (21) days prior to a general annual meeting and at least fifteen (15) days prior to an extraordinary annual meeting. Such manual shall be distributed to the Members attending the general meeting in person, by proxy or by corporate representative(s) (where the Member is a corporation) at the general meeting. In the case that the Company's paid-in capital at of the end of the most recent fiscal year exceeds NT\$<u>2</u> billion or at the last general meeting held in the current recent fiscal year, the total shareholding ratio of foreign capital and mainland capital recorded in the Register of Member was more than thirty percent (30%), the manual shall be distributed to the Members</p>	<p>For as long as the Company's shares are listed on the Designated Stock Market, the Board shall prepare a manual setting out the agenda of a general meeting of Members (including all the subjects and matters to be resolved at the meeting), and shall make public announcement(s) by uploading the content of the manual any other supplemental information to an electronic database designated by the Designated Stock Market at least twenty-one (21) days prior to a general annual meeting and at least fifteen (15) days prior to an extraordinary annual meeting. Such manual shall be distributed to the Members attending the general meeting in person, by proxy or by corporate representative(s) (where the Member is a corporation) at the general meeting. In the case that the Company's paid-in capital at of the end of the most recent fiscal year exceeds NT\$<u>10</u> billion or at the last general meeting held in the current recent fiscal year, the total shareholding ratio of foreign capital and</p>	<p>Revised per Article 6 of the Regulations Governing Content and Compliance Requirements for Shareholders' Meeting Agenda Handbooks of Public Companies.</p>

Articles No.	Amended and Restated Articles of Association (Proposed Revision)	Amended and Restated Articles of Association (Original)	Explanations
	by electronic form at least thirty (30) days prior to a general meeting.	mainland capital recorded in the Register of Member was more than thirty percent (30%), the manual shall be distributed to the Members by electronic form at least thirty (30) days prior to a general meeting.	
34(e)	any dissolution, voluntary winding-up, <u>Share Swap</u> , merger, consolidation, amalgamation or split-up of the Company;	any dissolution, voluntary winding-up, merger, consolidation, amalgamation or split-up of the Company;	Revised per Article 172 of the Company Act.
47(5)	Subject to any additional and applicable requirements under the Statute and without prejudice to Article 47B, the following matters require approval of the Members by way of a Special Resolution: (5) any <u>dissolution</u> , merger, consolidation, amalgamation, split-off or a splitting of the Company;	Subject to any additional and applicable requirements under the Statute and without prejudice to Article 47B, the following matters require approval of the Members by way of a Special Resolution: (5) any merger, consolidation, amalgamation, split-off or a splitting of the Company;	Revised per Article 316 of the Company Act.
68	For as long as the Company's shares are listed on the Designated Stock Market, subject to the Applicable Law, any Director (not including Independent Director), who, during his or her term of office and in one or more transactions, deals with Shares so held by him/her and results in such Director (not including Independent Director) ceases to hold more than fifty percent (50%) of the total Shares then	For as long as the Company's shares are listed on the Designated Stock Market, subject to the Applicable Law, any Director (not including Independent Director) <u>or supervisor (if any)</u> , who, during his or her term of office and in one or more transactions, deals with Shares so held by him/her and results in such Director (not including Independent Director) <u>or supervisor (as</u>	Revised per Article 5 of the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies.

Articles No.	Amended and Restated Articles of Association (Proposed Revision)	Amended and Restated Articles of Association (Original)	Explanations
	<p>held by such Director (not including Independent Director) at the time of his or her appointment or election as Director (not including Independent Director) at a general meeting (the "Approval Time"), such Director (not including Independent Director) shall immediately resign or otherwise be removed or vacated from his/her office.</p> <p>For as long as the Company's shares are listed on the Designated Stock Market, subject to the Applicable Law, if any person deals with Shares so held by him/her in or more transactions and results in such person ceases to hold more than fifty percent (50%) of the Shares held by him or her at the Approval Time either (i) during the period from the Approval Time to the commencement date of his or her office as Director (not including Independent Director), or (ii) during the period when the Register is closed for transfer of Shares prior to the general meeting at which the appointment or election of such person as a Director (not including Independent Director) will be proposed, his or her appointment or election as Director shall not take effect.</p>	<p><u>the case may be</u> ceases to hold more than fifty percent (50%) of the total Shares then held by such Director (not including Independent Director) <u>or supervisor (as the case may be)</u> at the time of his or her appointment or election as Director (not including Independent Director) <u>or supervisor (as the case may be)</u> at a general meeting (the "Approval Time"), such Director (not including Independent Director) <u>or supervisor (as the case may be)</u> shall immediately resign or otherwise be removed or vacated from his/her office.</p> <p>For as long as the Company's shares are listed on the Designated Stock Market, subject to the Applicable Law, if any person deals with Shares so held by him/her in or more transactions and results in such person ceases to hold more than fifty percent (50%) of the Shares held by him or her at the Approval Time either (i) during the period from the Approval Time to the commencement date of his or her office as Director (not including Independent Director) <u>or supervisor (if</u></p>	

Articles No.	Amended and Restated Articles of Association (Proposed Revision)	Amended and Restated Articles of Association (Original)	Explanations
		<p><u>any</u>), or (ii) during the period when the Register is closed for transfer of Shares prior to the general meeting at which the appointment or election of such person as a Director (not including Independent Director) <u>or supervisor (if any)</u> will be proposed, his or her appointment or election as Director <u>or supervisor (if any)</u> shall not take effect.</p>	
125	<p>Where a Director is or may be in breach of his duties and subject to and if permitted by Applicable Law, one or more Member(s) of the Company holding one-percent (1%) or more of the total number of the outstanding voting shares of the Company continuously for a period of six (6) months or more may request the Audit Committee, if permitted by Applicable Law, to institute a lawsuit against such Director(s) on behalf of the Company in a competent court having jurisdiction, including, if applicable, the Taipei District Court as the court of first instance. Where the Audit Committee fails to institute a lawsuit against the Director(s) within thirty (30) days of receipt of such request from the Member(s), such one or more Member(s) of the Company holding one-percent (1%) or</p>	<p>Where a Director is or may be in breach of his duties and subject to and if permitted by Applicable Law, one or more Member(s) of the Company holding one-percent (1%) or more of the total number of the outstanding voting shares of the Company continuously for a period of six (6) months or more may request <u>a member of the</u> Audit Committee, if permitted by Applicable Law, to institute a lawsuit against such Director(s) on behalf of the Company in a competent court having jurisdiction, including, if applicable, the Taipei District Court as the court of first instance. Where <u>a member of the</u> Audit Committee fails to institute a lawsuit against the Director(s) within thirty (30) days of receipt of such</p>	<p>Revised per Article 5 of the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies.</p>

Articles No.	Amended and Restated Articles of Association (Proposed Revision)	Amended and Restated Articles of Association (Original)	Explanations
	<p>more of the total number of the outstanding voting shares of the Company continuously for a period of six (6) months or more, subject to and if permitted by Applicable Law, may initiate a lawsuit against the Director(s) on behalf of the Company in a competent court having jurisdiction, including, if applicable the Taipei District Court as the court of first instance.</p>	<p>request from the Member(s), such one or more Member(s) of the Company holding one-percent (1%) or more of the total number of the outstanding voting shares of the Company continuously for a period of six (6) months or more, subject to and if permitted by Applicable Law, may initiate a lawsuit against the Director(s) on behalf of the Company in a competent court having jurisdiction, including, if applicable the Taipei District Court as the court of first instance.</p>	