Excerpt of GRAND OCEAN RETAIL GROUP LIMITED

2026 Annual General Shareholder’s Meeting Minutes

Date and Time：June 16, 2026 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：115,927,196 shares

Percentage of Shares Presented or Represented：59.28%

Chairman：Lee Eng Leong LEE ENG LEONG Secretary：Shiu Jin Yi 許進易

I. Chairman’s Address: Omitted.

II. Report Items

(I) 2025 Business Report : Annex I.

(II) 2025 Audit Committee Annual Financial Statement : Annex II.

III. Recognition Items

(I) 2025 Business Report and Consolidated Financial Statements

Description:

I. The board has passed the resolution of the 2025 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 115,703,196, 113,774,020 in favor, accounting for 98.33% of the total voting rights (including 110,111,020 in electronic means); 286,963 in opposition (including 286,963 in electronic means) ; invalidity rights: 0; abstentions/non-voting rights: 1,642,213 rights (including electronic voting abstentions: 1,642,213 rights), and this case was recognized as the case.

(II) 2025 Loss Recovery Statement

Description:

I. Net loss after tax of the company in 2025 is NT$ 890,325,478, 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

2025 Loss Recovery Statement

Currency: NTD

Retained earnings at the beginning of the period	**0**
Deduction : Net loss after tax for the period	890,325,478
Addition : Reverse special surplus reserve	-
Deficit at the end of the7 period	**(890,325,478)**
Deferred items	
Offsetting losses with special surplus reserves	-
Offsetting losses with statutory surplus reserves	-
Offsetting losses with capital reserves	**890,325,478**
Retained earnings at the end of the period (Appropriated)	**0**

Chairman: LEE ENG LEONG Manager: NG 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 2025.

III. Please be informed for recognition.

Resolution:

After voting, the total voting rights of the shareholders present in this case were 115,703,196, 113,766,020 in favor, accounting for 98.32% of the total voting rights (including 110,103,020 in electronic means); 290,963 in opposition (including 290,963 in electronic means) ; invalidity rights: 0; abstentions/non-voting rights: 1,646,213 rights (including electronic voting abstentions: 1,646,213 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 115,703,196, 113,785,020 in favor, accounting for 98.34% of the total voting rights (including 110,122,020 in electronic means); 277,963 in opposition (including 277,963 in electronic means) ; invalidity rights: 0; abstentions/non-voting rights: 1,640,213 rights (including electronic voting abstentions: 1,640,213 rights). The case was passed as per the case.

(II) Amendment to Certain Articles of "Procedural Rules of General Meeting of Members"

Description:

I. In response to the amendments to the reference examples of the procedural rules of general meeting of members, the Company proposes to revise certain

II. Please refer to Annex V of the handbook for comparison table of the articles.

Resolution:

After voting, the total voting rights of the shareholders present in this case were 115,703,196, 113,781,020 in favor, accounting for 98.33% of the total voting rights (including 110,118,020 in electronic means); 276,963 in opposition (including 276,963 in electronic means) ; invalidity rights: 0; abstentions/non-voting rights: 1,645,213 rights (including electronic voting abstentions: 1,645,213 rights). The case was passed as per the case.

V. Election Items:

(I) Full Re-election of Directors of Board

Description:

I. The term of office of the current Directors of Board shall be terminated on Jun 14, 2026 where the full re-election shall be held in current shareholders meeting accordingly.

II. Following the regulations formulated in the charter of the Company, 5 chairs of the Directors of the Board shall be elected in this session (wherein 3 amongst the chairs are Independent Directors), and the term of office thereof is subject to 3 years.

III. The newly elected Directors of the Board shall take office immediately after the election, where the term of office is subject to 3 years, since Jun 16, 2026 to Jun 15, 2029.

IV. Election of Director of the Company shall company with the candidate nomination system, where shareholders shall vote for the election among the candidate list of Director.

V. The candidate list of the Director has been investigated by the Board on May 6, 2026, where the related information is as follows:

Serial Number	Name	Number of Shares	Major Education and Experience
General Director			
1	LEE ENG LEONG	0	***Education:*** Global Executive MBA, INSEAD；Member of Malaysia Institute of Accountants, Chartered Accountant Malaysia C.A.(M)；Member of The Malaysia Institute of Certified Public Accountants (MICPA)；Certified Public Accountant of Malaysia. ***Working Experience:*** Asia Pacific Finance Director of Microsoft； Independent Director of Thriven Global Berhad； Chairperson of Trinity Gold Limited
2	NG QING HAI	2,600	***Education:*** Management Consulting Program at the French Graduate Business School. Certified Public Accountant of China. ***Working Experience:*** Director, CFO, Deputy chairman and GM of Shanghai Allied Cement Limited. Managing Director of Allied Cement Holdings Limited Executive director, Managing Director of CHIANVISION MEDIA GROUP LIMITED.
Independent Director			
1	LEE JENN YUH	0	***Education:*** Master of Real Estate Management at New York University. Bachelor of Urban Planning, NCKU. Passed the urban planner professional licensure examination. Passed the special examination for land registration professional agents. Passed the examination for financial trust business personnel. ***Working Experience:*** Asset Business Manager and Investment Department Manager at Taiwan Tesco Co., Ltd. (British Tesco supermarket). Development Department Manager and Investment Department Manager at Taiwan Carrefour Co., Ltd. (French Carrefour). Assistant to the President and Director of Development Department at Grand Ocean Department Store Group Limited. General Manager in Charge of Preparatory Work at Shanghai 1,000 trees Commercial Management Co.,Ltd.
2	CHEN WEI HUI	0	***Education:*** Master of Accounting, National Chengchi University； Bachelor of Accounting, Fu Jen Catholic University ***Working Experience:*** Deputy Head of Trading Department of Taipei Exchange Center；Deputy Manager of Audit Department, Deloitte & Touche.
3	LI YA PING	0	***Education:*** Master of Business Administration, National Chengchi University, Department of Business Administration；Ming

Serial Number	Name	Number of Shares	Major Education and Experience
			Chuan University；Studying the Post-EMBA Management Program at Fudan University, Shanghai (in progress)；Cornell University - eCornell - Leadership Essentials course (undergoing). ***Working Experience:*** Deputy General Manager of Business Development Department, Hungkuo Construction Group (Taipei)；Deputy General Manager in Preparation, Shanghai 1,000 trees Commercial Management Co.,Ltd.; General Manager of Fuzhou Grand Ocean Classic; General Manager of Milan High Jewelry; General Manager of Taiwan, China Hengdeli Group; Operations and Marketing Director, Taipei 101 Shopping Center; Operations and Marketing Director, Taiwan Tatler High-end Media; Operations and Marketing Manager, Regent Boutique/DFS Group.

VI. Please be informed for the election.

Election Resolution:

Identity	Account number or identity document number	Country of Citizenship	Account name or name	Number of votes
Director	A6344****	Malaysia	LEE ENG LEONG	272,566,379
Director	H2026****	Hong Kong	NG QING HAI	233,150,484
Independent Directors	C1207*****	Taiwan	LEE JENN YUH	20,600,704
Independent Directors	F2217*****	Taiwan	LI YA PING	20,596,345
Independent Directors	D2209*****	Taiwan	CHEN WEI HUI	20,559,702

VI. Other Topic Discussions:

(I) Relief of Competition Limitation for New Elected Directors

Description:

I. If the newly elected Director of Board as well as his/her representative launches any investment on or manage other company and occupies as a Director of which the business scope is same or similar to the Company, it is advisable to submit the provision to the shareholders meeting for relief of competition limitation for the newly elected Director of Board as well as his/her representative, in compliance with Article 209 of the Company Act of ROC and the charter of the Company, under the prerequisite of that the conduct shall not endanger the benefits of the Company.

II. The list of newly appointed directors/independent directors whose non-compete agreements have been lifted was approved by the board of directors on May 6, 2026. The relevant information is as follows:

Director	Concurrent positions
LEE ENG LEONG	Director of Grand Citi Limited； Independent Director of Thriven Global Berhad； Chairperson of Trinity Gold Limited。
NG QING HAI	Deputy Chairman and General Manager of Shanghai Allied Cement Limited. CEO of Shanghai Allied Cement Holdings Limited. Director and Gerneral Manager of Grand Ocean Retail Group Limited.； Chairperson of Grand Citi Limited； Chairman and President of Grand Ocean Classic Commercial Group Co., Ltd. Chairman of Nanjing Grand Ocean Classic Commerce Limited、Fuzhou Grand Ocean Commerce Limited、Quanzhou Grand Ocean Commerce Limited、Wuhan Grand Ocean Classic Commercial Development Limited、Wuhan Optics Valley Grand Ocean Commercial Development Limited、Fuzhou Grand Ocean Classic Commerce Limited、Hengyang Grand Ocean Commercial Development Limited、Yichang Grand Ocean Commerce Limited、Hefei Grand Ocean Classic Commercial Development Limited、Shiyan Optics Valley Grand Ocean Commercial Limited、Shanghai Jingxuan Business Administration Limited、Fuzhou Jiaruixing Business Administration Limited、Fuzhou Grand Ocean Select Commercial Co., Ltd.、Executive Director ofShanghai Grand Ocean 1,000 Trees Commercial Management Co., Ltd.
CHEN WEI HUI	Practicing Land Administration of Bingcheng Land Administration Firm. Certified Public Accountant of He Rong United Accounting Firm. Independent Directors of Sandmartin International Holding Limited.
LI YA PING	Deputy General Manager of Business Development Department, Hungkuo Construction Group (Taipei)

III. Please be informed for discussion.

Resolution:

After voting, the total voting rights of the shareholders present in this case were 115,703,196, 113,609,691 in favor, accounting for 98.19% of the total voting rights (including 109,946,691 in electronic means); 392,135 in opposition (including 392,135 in electronic means) ; invalidity rights: 0; abstentions/non-voting rights: 1,701,370 rights (including electronic voting abstentions:

1,701,370 rights). The case was passed as per the case.

VII. Extraordinary Motions:None

VIII. Adjournment: 09:21 am on June 16, 2026.

(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.)

2025 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 2025 as well as operational strategies in 2026

1、 2025 Operational Results:

Annual consolidated operating revenues of the group in 2025 was NT$ 2,751,254 thousand, which grew by a decrease of 14.95% than NT$ 3,234,915 thousand in 2024; the net loss after tax for 2025 was NT$890,325 thousand, an increase of 73.93% compared to the net loss of NT$511,891 thousand in 2024; and the loss per share for 2025 was NT$4.55.

2、 2025 Operational Development:

In 2025, the global economy will struggle to move forward amidst adjustments in the interest rate cut cycle, still facing pressure from uneven growth. Monetary policies of major economies will diverge, with the interest rate cut cycle gradually nearing its end, and the economic gap between developed and developing countries continuing to widen. Inflationary pressures that persisted in many countries in 2024 will gradually cool in 2025 but will not completely disappear. The Federal Reserve's interest rate cuts and subsequent monetary policy direction will continue to have a significant impact on the global economy. In China, the economy will forge ahead under pressure, moving towards new and better development, and is in a period of deepening structural adjustment and optimization and the transformation of old and new growth drivers. The transition between traditional and emerging growth drivers will continue to accelerate. By the fourth quarter, the overall consumer confidence index was 103.3, up 8.6% year-on-year and 7.5% quarter-on-quarter. Price confidence, investment confidence, and housing confidence remained relatively stable year-on-year, but economic development confidence, employment confidence, and life confidence rebounded slightly year-on-year, while investment confidence maintained a significant positive trend quarter-on-quarter. Faced with such a complex, volatile, and uncertain external environment, Grand Ocean failed to achieve its expected business targets, but it persevered through difficulties and withstood multiple pressures, still achieving phased results and progress.

Affected by the downward pressure on the macroeconomy, brands' willingness to withdraw from stores to avoid risks has increased significantly, posing severe operational challenges to all stores. Faced with the impact of brand withdrawals, stores proactively intensified their efforts to attract new tenants, actively promoting the replacement of vacant spaces through targeted measures such as connecting with high-quality brands and optimizing recruitment policies, striving to stabilize operations. A total of 363 new brand spaces were added throughout the year, with a new recruitment area of 56,800 square meters. Core stores continued to maintain full occupancy, effectively consolidating their operational foundation. Significant progress was made in attracting new tenants and addressing vacancy issues. The total vacant space decreased by 6,968 square meters throughout the year, and the vacancy rate dropped to 11.1%, successfully resisting the operational pressure brought by brand withdrawals and achieving steady improvement in store operations.

To further enhance the attractiveness of our stores and drive customer traffic growth, we have focused on experiential businesses in our selection of tenants, precisely introducing diverse experiential categories such as anime, family activities, and fitness, creating differentiated business scenarios, forming a virtuous cycle of business operations, and becoming the core driver of the group's customer traffic growth.

Each store, based on its own positioning, has created unique experiential scenarios: Fuzhou 1 Store opened its third "Trendy Box X118" nationwide, transforming the underground street into a core gathering place for ACG (Anime, Comics, and Games) culture in Fuzhou, accurately capturing young customers; 1000 Trees Store saw a significant increase in customer traffic after the opening of the MINIMARS children's playground, successfully building a virtuous cycle of "high-quality business formats → increased customer traffic → brand aggregation". Recently, it successfully introduced the "MINISO flagship store", leveraging its leading IP trendy toy resources to strongly attract customers, and collaborating with OCE and Zawushe to create a strong commercial atmosphere for young customers on the entire L floor, becoming a model of synergistic development of experiential business formats; Hefei Store focused on strengthening the small food and beverage business format on the B1 floor, achieving the highest sales per square meter in the group, realizing a dual improvement in business format layout and operating efficiency.

The diversified layout of experiential businesses has effectively driven the group's continued growth in customer traffic. In 2025, the group's total customer traffic reached 80.52 million visits, a year-on-year increase of 21.4% compared to 2024. Among them, the Hefei store, with its enhanced catering business and the introduction of the first store in Anhui, and the Fuzhou underground street, relying on the precise combination of subway commercial scene and ACG (Anime, Comics, and Games) business, performed particularly well in terms of customer traffic, ranking first and second in the group with total customer traffic of 11.86 million and 10.95 million visits respectively. This directly demonstrates the powerful aggregation and driving effect of experiential consumption on customer traffic.

Focusing on key marketing moments, the Group has partnered deeply with the Meituan platform to conduct a series of joint online and offline marketing activities. These efforts precisely targeted consumer demand, effectively boosting brand exposure and sales conversion, and further solidifying brand influence. During the mid-year celebration in May, we launched joint online events and conducted a large-scale self-broadcast, while simultaneously holding a large-scale themed market offline, creating a multi-dimensional marketing momentum and achieving seamless integration and synergistic effects between online and offline traffic. During the anniversary celebration in October, the Group and Meituan jointly launched the "Super Coupon MALL" campaign, which ran online until the end of the year, while simultaneously completing the display of themed materials offline, continuously creating a strong brand consumption atmosphere and ensuring the long-term sustainability of marketing results.

Grand Ocean has continued to reduce its overseas US dollar borrowings, with China continuously remitting funds to repay them, thus lowering its overseas financial expenses.

3、 2026 Operational Strategies:

Judging from the current state of China's consumer market, a strong rebound and a return to a top-selling pattern are unlikely in the short term. Consumers are still largely reliant on passive access to consumer information, making more cautious purchasing decisions. Meanwhile, online consumption continues to grow at several times the rate of offline consumption. Notably, consumers' core needs have shifted from a focus on "cost-effectiveness" to prioritizing "quality-price ratio." This profound change in consumption philosophy directly reflects the current sluggishness of the consumer market.

In 2026, Grand Ocean proposed the business theme of "Using the platform as a lever to achieve diversified integration and intelligent development; focusing on customers to enjoy a trendy, elegant, and refined experience." The company will use its integrated platform as a hub to consolidate various resources, promote deep integration of multiple business formats, and adhere to a customer-oriented approach, accurately meeting the dual needs of consumers for trendiness and elegance. It will optimize products and services, convey the "Refined" concept, and enhance customer loyalty. Furthermore, relying on platform innovation and upgrades, it will optimize its brand matrix, introduce unique resources, and integrate the business theme into various initiatives to fully achieve its annual business goals.

The current sluggishness of China's consumer market shows no significant improvement. Consumers are becoming more cautious and pragmatic, placing greater emphasis on product quality, practicality, and core value, posing greater challenges to brick-and-mortar businesses. To address these challenges, we will adhere to our annual business theme, upgrade our business philosophy, and delve deeper into consumer behavior and needs to meet their personalized and diversified demands. Simultaneously, we will leverage big data and AI technologies to deepen our refined membership operations, implement meticulous management and precision marketing, integrate channel resources through our core platform, strengthen talent support, and increase professional talent development to drive the company's innovative development. The following are our development strategies in response to the current situation:

（1） Deepen the refined operation of membership and improve member consumption conversion.

In 2025, the group had 346,000 members with spending records, and plans to increase this number to 400,000 in 2026. Dayang will focus on refined member operations to significantly improve member conversion rates. First, leveraging WeChat mini-program member data, the group will comprehensively analyze core dimensions such as member spending frequency, spending amount, recent spending time, and spending preferences to accurately target customer groups and distribute brand coupons and discounts, achieving precise reach and efficient conversion. Second, the group will optimize its member benefits system, enriching exclusive member perks, strengthening member identity, enhancing member loyalty and engagement, and driving repeat purchases. Third, the group will integrate its leased store member statistics system, comprehensively incorporating the spending of leased merchants into the group's membership system to ensure the completeness and accuracy of member data, providing data support for refined operations.

（2） Continue efforts to reduce empty storage space and optimize the product category layout for bidding.

As of the end of 2025, the group still had 37,000 square meters of vacant retail space. In 2026, we will focus on the core goal of reducing vacant retail space to 20,000 square meters, continuously increasing our efforts in attracting investment, and concentrating on three core categories to create a differentiated competitive advantage. First, we will focus on developing gold and jewelry brands. Currently, the gold consumer group is becoming increasingly younger, with the proportion of consumers born in the 1990s steadily rising. Gold jewelry, with its "wearable asset" attribute, boasts a value retention rate of up to 80%, far exceeding the 30% retention rate of trendy brands. We will increase our efforts to connect with high-quality gold and jewelry brands to strengthen our ability to attract customers to our core categories. Second, we will cultivate the domestic cosmetics market. With the rise of domestic brands such as Mao Geping and Lin Qingxuan, consumer recognition of domestic products continues to increase. We will closely follow market trends and actively introduce more high-quality domestic cosmetics brands to cater to mass consumer preferences. Third, we will appropriately supplement our apparel business to promote its diversified development. Although apparel is not currently our main business, it is an excellent vehicle for extending customer dwell time and increasing user stickiness. The ultimate competition in retail is a battle for people's hearts and trust. We will continue to win consumers' recognition and trust through a high-quality combination of business formats.

（3） Replicate successful cooperation models and expand business scope

The franchise model between 1000 Trees Store and the "Benlai" brand has achieved remarkable results. The core of this model lies in the group's deep involvement in brand management, which effectively ensures the quality of the business format and improves the group's operating revenue. In 2026, we will promote the full replication of this successful model to all stores, allowing each store to invest a small amount of capital in high-quality brands and attract brands to join as franchisees, achieving mutual benefit and win-win results. Each store will base itself on the actual local market conditions, conduct in-depth research on consumer demand, accurately select cooperative brands suitable for the local customer base, and formulate detailed and feasible cooperation plans.

（4） Improve the assessment mechanism and ensure accountability.

To ensure the effective implementation of our 2026 work plans and the timely achievement of our goals, we will further optimize our performance evaluation system and strengthen its guiding role. We will comprehensively incorporate core operational indicators such as budget achievement, empty counter reduction, customer traffic growth, and membership conversion into the evaluation scope, clarifying evaluation standards, refining evaluation rules, and improving supporting reward and punishment measures. Stores and individuals who excel in various tasks and exceed their targets will receive significant rewards and incentives; those who fail to complete tasks on time or whose work is poorly implemented will be held strictly accountable. Through this rigorous evaluation mechanism, we aim to fully stimulate the enthusiasm and initiative of all colleagues, create a positive work atmosphere of learning from and surpassing each other, strive for excellence, and unite our efforts to promote the high-quality development of the group.

4、 Prospect

The development trend of the consumer market in 2026 will be influenced by the combined effects of digital technology iteration, social consumption upgrading, and macroeconomic recovery, presenting clear new changes. Specifically, digital technology will continue to empower the upgrading of consumer experience, with big data, AI, and other tools being widely applied in consumption scenarios. Consumers' demand for consumption experiences that combine trendiness and elegance is increasing. Consumption concepts are extending beyond "quality-price ratio" to "experiential value" and "emotional value," no longer limited to the product itself. Personalized and scenario-based consumption demands continue to stand out, becoming new drivers of consumption. In response, Grand Ocean will closely adhere to its annual business theme, closely follow market trends, proactively optimize its business layout, and ensure that its business direction is in sync with market changes.

In 2025, the retail industry as a whole faced the dual pressures of a sluggish consumer market and significant demand diversion. Most businesses underperformed expectations, profit margins were squeezed, and operational pressure was generally high. However, the industry is poised for policy support. The Central Economic Work Conference held in mid-December 2025 explicitly listed "focusing on expanding domestic demand, boosting consumer confidence, and improving the quality of consumption" as the top priority for 2026. This policy direction brings significant policy dividends and clear development opportunities for the high-quality development of the retail industry.

Currently, China is continuously stimulating its domestic financial market, increasing support for the capital market, stabilizing market expectations, and further demonstrating the inflow of overseas funds. This is expected to serve as a breakthrough to drive a macroeconomic recovery and indirectly unleash domestic consumption potential. At the same time, various regions across the country have successively deepened infrastructure investment plans, focusing on promoting urban renewal, infrastructure upgrades, and other livelihood projects, accelerating the transformation of old and new economic drivers, further boosting the development of related industries, and providing strong support for the recovery of the consumer market. Various positive signals are gradually being released.

After the storm comes the sunshine, and only through trials and tribulations can one achieve long-term success. Although the retail market still faces many challenges, and the pace of consumption recovery will take time, we firmly believe that the current challenges are temporary. Grand Ocean Group will adhere to its annual business theme, adapt to changing circumstances, accurately align with market trends and core consumer needs, continuously enhance its core competitiveness, proactively adjust and upgrade its business model, and optimize resource allocation. By remaining customer-centric, focusing on product quality and consumer experience, concentrating its efforts on overcoming difficulties, and firmly grasping the development opportunities brought by policies and the market, it will surely achieve high-quality development and usher in a new stage of development.

GRAND OCEAN RETAIL GROUP LIMITED

Chairman: LEE ENG LEONG

Manager: NG QING HAI

Accounting Supervisor: LI CHAO

Audit Committee Audit Reports

The board has prepared the 2025 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
2026 Shareholders Meeting

Grand Ocean Retail Group Ltd.
G.O.R.G.
Cayman Island

GRAND OCEAN RETAIL GROUP LIMITED

Audit Committee Coordinator: SHER CHING YEE

Mar 30, 2026

GRAND OCEAN RETAIL GROUP LTD. and Subsidiaries

Consolidated Balance Sheet

December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

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

Independent Auditors' Report

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

Opinion

We have audited the consolidated financial statements of the Grand Ocean Retail Group Ltd. and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements taken as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Impairment of Goodwill and Trademark Rights

   Please refer to Notes 4(13), 5(2), and 6(6), for the accounting principles on the recognition of impairment of non- financial assets, the accounting estimates and uncertainty of assumptions in assessment of impairment of goodwill and trademark privileges, as well as details of impairment of goodwill and intangible assets, respectively.

Description of key audit matter:

As of December 31, 2024, the carrying amounts of intangible assets 7% of the total assets of the Group. The major part of goodwill and trademark originated from the acquisition of GORG in 2006. In recent years, the Group's retail business has been affected by the slowing economic growth in mainland China and intensified competition in surrounding business districts. Profitability in the department store sector has declined and has yet to recover, posing a significant challenge to maintain revenue and profitability. Therefore, the goodwill and trademark from the acquisition were affected, and the Group was concerned if the carrying amounts exceeded recoverable amounts of the retail department. The management of the Group estimated the present value of future cash flow of the retail department in accordance with IAS 36 to confirm the recoverable amount of the aforementioned assets. Given that the estimation of recoverable amounts involved significant judgment by management and was subject to high uncertainty, there was a risk of overestimation in the carrying values of goodwill, trademark, and operational assets of the retailing business. Therefore, we considered the assessment of asset impairment as one of the key audit matters for the audit of the consolidated financial statements.

How the matter was addressed in our audit

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

2. Impairment of Assets

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

Description of key audit matter:

As of December 31, 2025, the carrying amounts of property, plant, and equipment, as well as right-of-use assets, accounted for approximately 70% of the Group's total assets. In recent years, the retail business has been affected by the slowing economic growth in mainland China. Profitability in the department store sector has declined and has yet to recover. Decreased consumer spending has led to deflation, resulting in fluctuations in property values in Mainland China. This, in turn, has raised concerns about whether the carrying amounts of operating assets exceed their recoverable amounts. The management of the Group estimated the present value of future cash flow of the retail department in accordance with IAS 36 to confirm the recoverable amount of the aforementioned assets. Given that the estimation of recoverable amounts involved significant judgment by management and was subject to high uncertainty, there was a risk of overestimation in the carrying values of operational assets of the retailing business. Therefore, we considered the assessment of asset impairment as one of the key audit matters for the audit of the consolidated financial statements.

How the matter was addressed in our audit

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Notice to Readers

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

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

GRAND OCEAN RETAIL GROUP LTD. and Subsidiaries
Consolidated Balance Sheet
December 31, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

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

GRAND OCEAN RETAIL GROUP LTD. and Subsidiaries

Consolidated Balance Sheet

December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

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

GRAND OCEAN RETAIL GROUP LTD. and Subsidiaries

Consolidated Balance Sheet

December 31, 2025 and 2024

(Expressed in Thousands of Chinese Yuan Renminbi)

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

GRAND OCEAN RETAIL GROUP LTD. and Subsidiaries

Consolidated Balance Sheet

December 31, 2025 and 2024

(Expressed in Thousands of Chinese Yuan Renminbi)

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

GRAND OCEAN RETAIL GROUP LTD. and Subsidiaries

Consolidated Income Statement

For the years ended December 31, 2025 and 2024

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

		2025		2024	
		Amount	%	Amount	%
4000	**Operating revenues (Note 6(16)**	$ 2,751,254	100	3,234,915	100
5000	**Operating costs**	404,429	15	485,303	15
	Gross profit	2,346,825	85	2,749,612	85
6000	**Operating expenses (Note 6(6), (11), (12) and 7)**	2,558,078	93	2,840,617	88
6450	**Expected credit loss (Note 6(3))**	26,914	1	30,273	1
		2,584,992	94	2,870,890	89
	Operating loss	(238,167)	(9)	(121,278)	(4)
	Non-operating income and expenses:				
7100	Total interest income (Note 6(18))	22,287	1	34,434	1
7010	Other revenues (Note 6(18))	2,632	-	17,184	1
7020	Other gains and losses (Note 6(18) and 9)	(92,054)	(3)	284,096	8
7050	Financial costs (Note 6(11), (18) and 7)	(566,140)	(21)	(662,011)	(20)
7055	Expected credit loss (Note 6(19))	(9,046)	-	-	-
		(642,321)	(23)	(326,297)	(10)
7900	**Loss before tax**	(880,488)	(32)	(447,575)	(14)
7950	**Deduction: income tax expenses (Note 6(13))**	9,837	-	64,316	2
	Current net loss	(890,325)	(32)	(511,891)	(16)
8300	**Other comprehensive income:**				
8360	**Items that may be re-classified subsequently to profit or loss (Note 6(14))**				
8361	Exchange difference on translation of foreign operations	(76,754)	(3)	225,397	7
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Sum of items that may be re-classified subsequently to profit or loss	(76,754)	(3)	225,397	7
8300	**Other comprehensive income (loss)**	(76,754)	(3)	225,397	7
	Comprehensive income	$ (967,079)	(35)	(286,494)	(9)
	Net loss, attributable to:				
8610	Owners of parent	$ (890,325)	(32)	(511,891)	(16)
	Comprehensive income (loss) attributable to:				
8710	Owners of parent	$ (967,079)	(35)	(286,494)	(9)
	Loss per share (Note 6(15))				
9750	Basic loss per share (NT dollars)	$ (4.55)		(2.62)	

GRAND OCEAN RETAIL GROUP LTD. and Subsidiaries
Consolidated Income Statement
For the years ended December 31, 2025 and 2024
(Expressed in Thousands of Chinese Yuan Renminbi, Except for Earnings Per Share)

		2025		2024	
		Amount	%	Amount	%
4000	**Operating revenues**	$ 636,055	100	728,667	100
5000	**Operating costs**	93,499	15	109,315	15
	Gross profit	542,556	85	619,352	85
6000	**Operating expenses**	591,394	93	639,851	88
6450	**Expected credit loss**	6,222	1	6,819	1
		597,616	94	646,670	89
	Operating loss	(55,060)	(9)	(27,318)	(4)
	Non-operating income and expenses:				
7100	Total interest income	5,152	1	7,756	1
7010	Other revenues	608	-	3,871	1
7020	Other gains and losses	(21,283)	(3)	63,992	8
7050	Financial costs	(130,884)	(21)	(149,119)	(20)
7055	Expected credit loss	(2,091)	-	-	-
		(148,498)	(23)	(73,500)	(10)
7900	**Loss before tax**	(203,558)	(32)	(100,818)	(14)
7950	**Deduction: income tax expenses**	2,274	-	14,487	2
	Current net loss	(205,832)	(32)	(115,305)	(16)
8300	**Other comprehensive income:**				
8360	**Items that may be re-classified subsequently to profit or loss**				
8361	Exchange difference on translation of foreign operations	10,501	2	(5,205)	(1)
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Sum of items that may be re-classified subsequently to profit or loss	10,501	2	(5,205)	(1)
8300	**Other comprehensive income (loss)**	10,501	2	(5,205)	(1)
	Comprehensive income	(195,331)	(30)	(120,510)	(17)
	Net loss, attributable to:				
8610	Owners of parent	(205,832)	(32)	(115,305)	(16)
	Comprehensive income (loss) attributable to:				
8710	Owners of parent	(195,331)	(30)	(120,510)	(17)
	Loss per share				
9750	Basic loss per share (RMB)	$ (1.05)		(0.59)	

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

	Owner's equity								
			Retained earnings				Other equity		
	Share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Sum	Exchange differences on translation of foreign operations	Attributed to parent company total equity	Total equity
Balance at January 1, 2024	$ 1,955,310	5,075,485	580,244	596,630	(2,083,996)	(907,122)	(1,050,872)	5,072,801	5,072,801
Current net loss	-	-	-	-	(511,891)	(511,891)	-	(511,891)	(511,891)
Current other comprehensive income	-	-	-	-	-	-	225,397	225,397	225,397
Current total comprehensive income	-	-	-	-	(511,891)	(511,891)	225,397	(286,494)	(286,494)
Appropriation and distribution of retained earnings:									
Legal reserve used to offset accumulated deficits	-	-	(580,244)	-	580,244	-	-	-	-
Special reserve used to offset accumulated deficits	-	-	-	(596,630)	596,630	-	-	-	-
Changes in other capital surplus:									
Capital surplus used to offset accumulated deficits	-	(907,122)	-	-	907,122	907,122	-	-	-
Balance at December 31, 2024	1,955,310	4,168,363	-	-	(511,891)	(511,891)	(825,475)	4,786,307	4,786,307
Current net loss	-	-	-	-	(890,325)	(890,325)	-	(890,325)	(890,325)
Current other comprehensive income	-	-	-	-	-	-	(76,754)	(76,754)	(76,754)
Current total comprehensive income	-	-	-	-	(890,325)	(890,325)	(76,754)	(967,079)	(967,079)
Changes in other capital surplus:									
Capital surplus used to offset accumulated deficits	-	(511,891)	-	-	511,891	511,891	-	-	-
Balance at December 31, 2025	**$ 1,955,310**	**3,656,472**	-	-	**(890,325)**	**(890,325)**	**(902,229)**	**3,819,228**	**3,819,228**

See accompanying notes to consolidated financial statements.

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

	Owner's equity								
			Retained earnings				Other equity		
	Share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Sum	Exchange differences on translation of foreign operations	Attributed to parent company total equity	Total equity
Balance at January 1, 2024	$ 492,105	1,020,044	121,053	129,560	(542,163)	(291,550)	(50,652)	1,169,947	1,169,947
Current net loss	-	-	-	-	(115,305)	(115,305)	-	(115,305)	(115,305)
Current other comprehensive income	-	-	-	-	-	-	(5,205)	(5,205)	(5,205)
Current total comprehensive income	-	-	-	-	(115,305)	(115,305)	(5,205)	(120,510)	(120,510)
Appropriation and distribution of retained earnings:									
Legal reserve used to offset accumulated deficits	-	-	(121,053)	-	121,053	-	-	-	-
Special reserve used to offset accumulated deficits	-	-	-	(129,560)	129,560	-	-	-	-
Changes in other capital surplus:									
Capital surplus used to offset accumulated deficits	-	(291,550)	-	-	291,550	291,550	-	-	-
Balance at December 31, 2024	492,105	728,494	-	-	(115,305)	(115,305)	(55,857)	1,049,437	1,049,437
Current net loss	-	-	-	-	(205,832)	(205,832)	-	(205,832)	(205,832)
Current other comprehensive income	-	-	-	-	-	-	10,501	10,501	10,501
Current total comprehensive income	-	-	-	-	(205,832)	(205,832)	10,501	(195,331)	(195,331)
Changes in other capital surplus:									
Capital surplus used to offset accumulated deficits	-	(115,305)	-	-	115,305	115,305	-	-	-
Balance at December 31, 2025	**$ 492,105**	**613,189**	-	-	**(205,832)**	**(205,832)**	**(45,356)**	**854,106**	**854,106**

See accompanying notes to consolidated financial statements.

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

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

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

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

GRAND OCEAN RETAIL GROUP LTD. and Subsidiaries

Consolidated Statement of Cash Flows

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of Chinese Yuan Renminbi)

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

GRAND OCEAN RETAIL GROUP LTD. and Subsidiaries

Consolidated Statement of Cash Flows

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of Chinese Yuan Renminbi)

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

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
30	At least thirty (30) days' notice ~~of~~ for convening an annual general meeting and fifteen (15) days' notice for convening an extraordinary meeting (exclusive of the day on which the notice is dispatched, and the day on which the meeting is to be held) shall be given to each Member entitled to attend and vote thereat, stating the date, place (save for a meeting which is to be held entirely electronically without any physical place of meeting), ~~and~~ time, and the proposals to be proposed for consideration and/or approval at ~~which~~ the meeting ~~is~~ to be held and, as far as practicable, the other business to be conducted at the meeting. With the consent of the recipient, if required, to be given or obtained in accordance with the applicable rules of the Designated Stock Market, the notice of the relevant general meeting may be given by electronic means. If a general meeting is to be held by way of electronic facilities, visual communication network or other methods promulgated by the competent authority of the Company Act of the ROC in	At least thirty (30) days' notice of an annual general meeting and fifteen (15) days' notice for an extraordinary meeting (exclusive of the day on which the notice is dispatched, and the day on which the meeting is to be held) shall be given to each Member entitled to attend and vote thereat, stating the date, place (save for a meeting which is to be held entirely electronically without any physical place of meeting) and time at which the meeting is to be held and, as far as practicable, the other business to be conducted at the meeting. If a general meeting is to be held by way of electronic facilities, visual communication network or other methods promulgated by the competent authority of the Company Act of the ROC in whole or in part, the notice of general meeting shall include a statement to such effect and with details of the electronic facilities, visual communication network or other methods promulgated by the central competent authority to be provided for	Revised per Article 172 of the Company Act and taking practical procedures into consideration.

Articles No.	Amended and Restated Articles of Association (Proposed Revision)	Amended and Restated Articles of Association (Original)	Explanations
	whole or in part, the notice of general meeting shall include a statement to such effect and with details of the electronic facilities, visual communication network or other methods promulgated by the central competent authority to be provided for attendance and participation by such means at such meeting or in any event, such details shall be made available by the Company prior to the meeting.	attendance and participation by such means at such meeting or in any event, such details shall be made available by the Company prior to the meeting.	
31(b)	Any notice shall be deemed to have been served at the time when the same would be delivered in the ordinary course of transmission and, in proving such service, it shall be sufficient to prove that the notice was properly addressed and prepaid, if posted, and the time when it was posted, delivered to the courier or to the cable company or transmitted by telex, facsimile, electronic mail, or the time it appeared or was published on the website or such other method as the case may be.	Any notice shall be deemed to have been served at the time when the same would be delivered in the ordinary course of transmission and, in proving such service, it shall be sufficient to prove that the notice was properly addressed and prepaid, if posted, and the time when it was posted, delivered to the courier or to the cable company or transmitted by telex, facsimile, electronic mail, or such other method as the case may be.	Revised per Article 172 of the Company Act and taking possible procedures into consideration.
32(a)	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	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	Revised per Article 6 of the Regulations Governing Content and Compliance Requirements for

Articles No.	Amended and Restated Articles of Association (Proposed Revision)	Amended and Restated Articles of Association (Original)	Explanations
	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)~~ thirty (30) 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$2 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 by electronic form at least thirty (30) days prior to a general meeting.~~	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$2 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 by electronic form at least thirty (30) days prior to a general meeting.	Shareholders' Meeting Agenda Handbooks of Public Companies.

Comparison Chart of the "Procedural Rules of General Meeting of Members" of Grand Ocean Retail Group Limited

The Comparison Table of Amended Articles of Procedural Rules of General Meeting of Members

Amended Article	Original Article	Explanation
Article 2 (Content above omitted) This Corporation shall prepare electronic versions of the shareholders' meeting notice, proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and the shareholders' meeting agenda and supplemental meeting materials, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders' meeting or before 15 days before the date of a special shareholders' meeting. In addition, before 15 days before the date of the shareholders' meeting, this Corporation shall also have prepared the shareholders' meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation and the professional shareholder services agent designated thereby. (Content below omitted)	Article 2 (Content above omitted) This Corporation shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders' meeting or before 15 days before the date of a special shareholders' meeting. This Corporation shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders' meeting or before 15 days before the date of the special shareholders' meeting. If, however, this Corporation has the paid-in capital of NT$10 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders' meeting held in the immediately preceding year, transmission of these electronic files shall be made by 30 days before the	In accordance with relevant laws and regulatory amendments, a new provision has been added requiring the disclosure of the shareholders' meeting agenda and related information 30 days in advance of a regular shareholders' meeting.

Amended Article	Original Article	Explanation
	regular shareholders' meeting. In addition, before 15 days before the date of the shareholders' meeting, this Corporation shall also have prepared the shareholders' meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation and the professional shareholder services agent designated thereby. (Content below omitted)	