Stock Symbol: 5907

GRAND OCEAN RETAIL GROUP LTD.
AND RELATIONAL SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Review Report

For the three Months Ended March 31,2023 and 2022 (revised)

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To the boad of Grand Ocean Retail Group Ltd.:

Introduction

We have reviewed the accompanying consolidated balance sheets of the Grand Ocean Retail Group Ltd. and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of March 31, 2023 and 2022 and the consolidated statements of comprehensive income for the three months ended March 31, 2023 and 2022 , as well as the changes in equity and cash flows for the three months ended March 31, 2023 and 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies. 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 International Accounting Standards ("IASs") 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our review.

Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the generally accepted auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

Some of the non-important subsidiaries included in the consolidated financial report above are based on the financial reports of the investee companies that have not been reviewed by accountants during the same period. As of March 31, 2023, the total assets were $ 432,640 thousand, accounting for 1.63% of the total consolidated assets, the total liabilities were $ 382,981 thousand, accounting for 1.99% of the total consolidated liabilities, the comprehensive profit and loss was $ 3,186 thousand, accounting for 5.77% of the consolidated comprehensive profit and loss for the three months ended March 31, 2023.

In addition to those mentioned in the preceding paragraph, the Grand Ocean Retail Group Ltd. and its subsidiaries in its investee companies of $ 27,097 thousand and $ 37,839 thousand as of March 31,2023 and 2022. And its equity in net earnings on these investee companies of $ (677) thousand and $ (1,101) thousand for the three months ended March 31,2023 and 2022, respectively, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Grand Ocean Retail Group Ltd. and its subsidiaries as of March 31, 2023 and 2022 , and of its consolidated financial performance for the three months ended March 31, 2023 and 2022 , as well as its consolidated cash flows for the three months ended March 31, 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IASs 34,“Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Emphasis of matters

As stated in Note 3(a) of the consolidated financial report, Grand Ocean Retail Group Ltd. and its subsidiaries applied the amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction” for the first time on January 1, 2023, and applied it retrospectively Consolidated financial report for the first quarter of 2022 and the consolidated balance sheet on January 1, 2022. The accountant did not revise the review results accordingly.

The engagement partners on the audit resulting in this independent auditors' report are Shu-Ying Chang and Li-Chen Lai.

KPMG
Taipei, Taiwan (Republic of China)
May 15, 2023

GRAND OCEAN RETAIL GROUP LTD. and Relatinal Subsidiaries

Consolidated Income Statement

For the years ended March 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Assets	2023.3.31 Amount	%	2022.12.31 (revised) Amount	%	2022.3.31 (revised) Amount	%	2022.1.1 (revised) Amount	%
	Current Assets:								
1100	Cash and Cash Equivalents (Note 6 (a))	$ 1,290,165	5	1,639,484	6	2,850,284	10	3,525,958	12
1110	Financial Assets Measured at Fair Value through Profit or Loss – Current (Note 6 (b))	10,978	-	68,033	-	65,265	-	69,476	-
1170	Accounts Receivable of Net Amount (Note 6 (c))	204,074	1	254,557	1	184,015	1	189,072	1
1200	Other Receivables (Note 6 (c) &7)	168,911	1	165,656	1	436,684	1	568,734	2
1300	Inventories – Merchandising Business	204,131	1	218,305	1	269,243	1	233,185	1
1410	Pre-payments (Note 7)	471,146	2	420,055	2	420,779	-	365,430	1
1476	Other Financial Assets – Current (Note 6 (h) & 8)	131,046	-	64,212	-	46,331	-	47,250	-
		2,480,451	10	2,830,302	11	4,272,601	13	4,999,105	17
	Non-current Assets:								
1550	Investments using the equity method (Note 6 (d))	27,097	-	27,636	-	37,839	-	36,634	-
1600	Property, Plants and Equipment (Note 6 (e) &8)	6,335,908	24	6,324,548	25	6,893,151	23	6,733,070	23
1755	Right of use asset (Note 6 (f)&8)	11,870,987	44	11,079,963	43	12,645,396	44	12,440,063	42
1780	Intangible Assets (Note 6 (g))	1,922,754	7	1,918,886	8	1,916,891	7	1,849,497	6
1840	Deferred Tax Assets (Note 6 (n))	2,981,526	11	2,785,521	11	3,273,504	12	3,225,179	11
1980	Other Financial Assets – Non-current (Note 6 (h) & 8)	724,431	3	206,909	1	224,043	1	216,039	1
1990	Other Non-current Assets (Note 6 (o) and 7)	206,605	1	207,382	1	146,563	-	141,093	-
		24,069,308	90	22,550,845	89	25,137,387	87	24,641,575	83
	Total Assets	**$ 26,549,759**	**100**	**25,381,147**	**100**	**29,409,988**	**100**	**29,640,680**	**100**

GRAND OCEAN RETAIL GROUP LTD. and Relatinal Subsidiaries

Consolidated Income Statement

For the years ended March 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

		2023.3.31		2022.12.31 (revised)		2022.3.31 (revised)		2022.1.1 (revised)	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current Liabilities:								
2100	Short-term Loans (Note 6 (i))	$ 1,900,076	7	1,816,945	7	2,604,123	9	2,540,031	9
2171	Accounts Payable (Note 6 (k))	1,147,562	4	961,085	4	1,406,836	5	2,005,631	7
2219	Other Payables (Note 6 (e) & 7)	922,545	3	1,019,481	4	896,190	3	875,611	3
2230	Current Tax Liabilities	54,262	-	38,410	-	53,071	-	54,514	-
2280	Current lease liabilities(Note 6 (l)& 7)	818,880	3	943,549	4	714,986	2	832,236	3
2322	Current portion of long-term borrowings (Note 6 (j))	390,271	1	413,260	2	618,263	2	907,627	3
2399	Other current liabilities	10,291	-	10,247	-	10,492	-	10,081	-
		5,243,887	18	5,202,977	21	6,303,961	21	7,225,731	25
	Non-current Liabilities:								
2541	Long-term Loans of Bank (Note 6 (j))	1,328,461	5	1,212,240	5	519,467	2	523,548	2
2570	Deferred Tax Liabilities (Note 6 (n))	2,252,484	8	2,092,260	8	2,437,655	8	2,414,006	8
2580	Non-Current lease liabilities(Note 6 (l)&7)	9,861,565	38	9,039,555	36	11,193,197	39	10,767,895	35
2645	Deposit Received	552,899	2	578,868	2	689,312	2	670,699	2
		13,995,409	53	12,922,923	51	14,839,631	51	14,376,148	47
	Total Liabilities:	19,239,296	71	18,125,900	72	21,143,592	72	21,601,879	72
	Equity of Owner of Parent Company (Note 6 (o)):								
3100	Share Capital	1,955,310	7	1,955,310	8	1,955,310	7	1,955,310	7
3200	Additional Paid-in Capital	5,075,485	20	5,075,485	20	5,066,363	17	5,066,363	17
3310	Legal Reserve	580,244	2	580,244	2	580,244	2	580,244	2
3320	Appropriated Retained Earnings	992,592	4	992,592	4	956,578	3	956,578	3
3350	Retained Earnings	(391,883)	(1)	(395,963)	(2)	385,314	1	472,898	2
3400	Other Equity	(901,285)	(3)	(952,421)	(4)	(677,413)	(2)	(992,592)	(3)
	Total Equity	7,310,463	29	7,255,247	28	8,266,396	28	8,038,801	28
	Total Liabilities and Equity	**$ 26,549,759**	**100**	**25,381,147**	**100**	**29,409,988**	**100**	**29,640,680**	**100**

GRAND OCEAN RETAIL GROUP LTD. and Relatinal Subsidiaries

Consolidated Income Statement

For the years ended March 31, 2023 and 2022

(Expressed in Thousands of New RMB Dollars)

	Assets	2023.3.31 Amount	%	2022.12.31 (revised) Amount	%	2022.3.31 (revised) Amount	%	2022.1.1 (revised) Amount	%
	Current Assets:								
1100	Cash and Cash Equivalents (Note 6 (a))	$ 291,249	5	371,933	6	632,221	10	812,449	12
1110	Financial Assets Measured at Fair Value through Profit or Loss – Current (Note 6 (b))	2,478	-	15,434	-	14,476	-	16,009	-
1170	Accounts Receivable of Net Amount (Note 6 (c))	46,069	1	57,749	1	40,816	1	43,566	1
1200	Other Receivables (Note 6 (c) &7)	38,131	1	37,581	1	96,861	1	131,047	2
1300	Inventories – Merchandising Business	46,082	1	49,525	1	59,721	1	53,730	1
1410	Pre-payments (Note 7)	106,359	2	95,294	2	93,333	1	84,202	1
1476	Other Financial Assets – Current (Note 6 (h) & 8)	29,583	-	14,567	-	10,277	-	10,887	-
		559,951	10	642,083	11	947,705	14	1,151,890	17
	Non-current Assets:								
1550	Investments using the equity method (Note 6 (d))	6,117	-	6,270	-	8,393	-	8,441	-
1600	Property, Plants and Equipment (Note 6 (e) &8)	1,430,304	24	1,434,786	25	1,528,969	23	1,551,429	23
1755	Right of use asset (Note 6 (f)&8)	2,679,825	44	2,513,600	43	2,804,874	44	2,866,430	42
1780	Intangible Assets (Note 6 (g))	434,053	7	435,318	8	425,185	7	426,159	6
1840	Deferred Tax Assets (Note 6 (n))	673,067	11	631,923	11	726,096	11	743,143	11
1980	Other Financial Assets – Non-current (Note 6 (h) & 8)	163,538	3	46,939	1	49,695	1	49,780	1
1990	Other Non-current Assets (Note 6 (o) and 7)	46,641	1	47,047	1	32,509	-	32,511	-
		5,433,545	90	5,115,883	89	5,575,721	86	5,677,893	83
	Total Assets	**$ 5,993,496**	**100**	**5,757,966**	**100**	**6,523,426**	**100**	**6,829,783**	**100**

GRAND OCEAN RETAIL GROUP LTD. and Relatinal Subsidiaries

Consolidated Income Statement

For the years ended March 31, 2023 and 2022

(Expressed in Thousands of New RMB Dollars)

	Liabilities and Equity	2023.3.31 Amount	%	2022.12.31 (revised) Amount	%	2022.3.31 (revised) Amount	%	2022.1.1 (revised) Amount	%
	Current Liabilities:								
2100	Short-term Loans (Note 6 (i))	$ 428,934	7	412,192	7	577,620	9	585,272	9
2171	Accounts Payable (Note 6 (k))	259,057	4	218,032	4	312,050	5	462,136	7
2219	Other Payables (Note 6 (e) & 7)	208,261	3	231,279	4	198,78	3	201,758	3
2230	Current Tax Liabilities	12,250	-	8,714	-	11,772	-	12,561	-
2280	Current lease liabilities(Note 6 (l)& 7)	184,859	3	214,053	4	158,591	2	191,763	3
2322	Current portion of long-term borrowings (Note 6 (j))	88,102	1	93,752	2	137,137	2	209,135	3
2399	Other current liabilities	2,323	-	2,325	-	2,327	-	2,323	-
		1,183,786	18	1,180,347	21	1,398,279	21	1,664,948	25
	Non-current Liabilities:								
2541	Long-term Loans of Bank (Note 6 (j))	299,894	5	275,009	5	115,223	2	120,636	2
2570	Deferred Tax Liabilities (Note 6 (n))	508,489	8	474,650	8	540,696	8	556,233	8
2580	Non-Current lease liabilities(Note 6 (l)&7)	2,226,206	38	2,050,713	36	2,482,762	39	2,481,130	36
2645	Deposit Received	124,815	2	131,322	2	152,896	2	154,542	2
		3,159,404	53	2,931,694	50	3,291,577	51	3,312,541	48
	Total Liabilities:	4,343,190	71	4,112,041	71	4,689,856	72	4,977,489	73
	Equity of Owner of Parent Company (Note 6 (o)):								
3100	Share Capital	492,105	8	492,05	9	492,05	8	492,05	7
3200	Additional Paid-in Capital	1,020,044	18	1,020,044	18	1,017,940	16	1,017,940	15
3310	Legal Reserve	121,053	2	121,053	2	121,053	2	121,053	2
3320	Appropriated Retained Earnings	221,735	4	221,735	4	213,635	2	213,635	3
3350	Retained Earnings	(162,238)	(3)	(163,157)	(3)	12,811	-	32,665	-
3400	Other Equity	(42,393)	-	(45,855)	(1)	(23,974)	-	(25,104)	-
	Total Equity	1,650,306	29	1,645,925	29	1,833,570	28	1,852,294	27
	Total Liabilities and Equity	**$ 5,993,496**	**100**	**5,757,966**	**100**	**6,523,426**	**100**	**6,829,783**	**100**

GRAND OCEAN RETAIL GROUP LTD. and Relatinal Subsidiaries

Consolidated Income Statement

For the years ended March 31, 2023 and 2022

Currency: NTD (thousand)

		2023Q1		2022Q1	
		Amount	**%**	**Amount**	**%**
4000	**Operating Revenues (Note 6 (q) &7)**	$ 1,056,582	100	1,250,799	100
5000	**Operating Costs**	199,632	19	247,542	20
	Gross Profit	856,950	81	1,003,257	80
6000	**Operating Expenses (Note 6 (e), (f), (g), (l), (m) , (r)and 7)**	735,447	70	910,300	73
6450	**Expected credit loss(Note 6 (c))**	(207)	-	3,628	-
		735,240	70	913,928	73
	Operating Income	121,710	11	89,329	7
	Non-operating Income and Expenses:				
7100	Total interest income(Note 6 (s))	6,055	1	8,501	1
7010	Other Revenues (Note 6 (s))	12,732	1	900	-
7020	Other Gains and Losses (Note 6 (s))	33,430	3	26,036	2
7050	Financial Costs (Note 6 (l) , (s) and 7)	(166,557)	(16)	(172,997)	(14)
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method, net (Note 6 (d))	(677)	-	(1,101)	-
		(115,017)	(11)	(138,661)	(11)
7900	**Earnings before Tax**	6,693	-	(49,332)	(4)
7950	**Deduction: Income Tax Expenses (Note 6 (n))**	2,613	-	38,252	3
	Current Net Income	4,080	-	(87,584)	(7)
8300	**Other Comprehensive Income:**				
8360	**Items that may be Re-classified Subsequently to Profit or Loss** (Note 6 (d) and (o))				
8361	Exchange Difference on Translation of Foreign Operations	50,998	5	312,873	25
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	138	-	2,306	-
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	51,136	5	315,179	25
8300	**Other comprehensive income (loss)**	51,136	5	315,179	25
	Comprehensive income	**$ 55,216**	**5**	**227,595**	**18**
	Profit (loss), attributable to:				
8610	Owners of parent	**$ 4,080**	**-**	**(87,584)**	**(7)**
	Comprehensive income (loss) attributable to:				
8710	Owners of parent	**$ 55,216**	**5**	**227,595**	**18**
	Earnings (loss) per Share (Note 6 (p))				
9750	Basic earnings (loss) per share (NT dollars)	**$**	**0.02**		**(0.45)**

GRAND OCEAN RETAIL GROUP LTD. and Relatinal Subsidiaries

Consolidated Income Statement

For the years ended March 31, 2023 and 2022

Currency: RMB (thousand)

		2023Q1			2022Q1	
			Amount	%	Amount	%
4000	**Operating Revenues (Note 6 (q) &7)**	$	238,058	100	283,539	100
5000	**Operating Costs**		44,979	19	56,114	20
	Gross Profit		193,079	81	227,425	80
6000	**Operating Expenses (Note 6 (e), (f), (g), (l), (m) , (r)and 7)**		165,703	70	206,353	73
6450	**Expected credit loss(Note 6 (c))**		(47)	-	822	-
			165,656	70	207,175	73
	Operating Income		27,423	11	20,250	7
	Non-operating Income and Expenses:					
7100	Total interest income(Note 6 (s))		1,364	1	1,927	1
7010	Other Revenues (Note 6 (s))		2,869	1	204	-
7020	Other Gains and Losses (Note 6 (s))		7,531	3	5,902	2
7050	Financial Costs (Note 6 (l) , (s) and 7)		(37,527)	(16)	(39,216)	(14)
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method, net (Note 6 (d))		(152)	-	(250)	-
			(25,915)	(11)	(31,433)	(11)
7900	**Earnings before Tax**		1,508	-	(11,183)	(4)
7950	**Deduction: Income Tax Expenses (Note 6 (n))**		589	-	8,671	3
	Current Net Income		919	-	(19,854)	(7)
8300	**Other Comprehensive Income:**					
8360	**Items that may be Re-classified Subsequently to Profit or Loss** (Note 6 (d) and (o))					
8361	Exchange Difference on Translation of Foreign Operations		3,462	1	928	-
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		-	-	202	-
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		3,462	1	1,130	-
8300	**Other comprehensive income (loss)**		3,462	1	1,130	-
	Comprehensive income	**$**	**4,381**	**1**	**(18,724)**	**(7)**
	Profit (loss), attributable to:					
8610	Owners of parent	**$**	**919**	**-**	**(19,824)**	**(7)**
	Comprehensive income (loss) attributable to:					
8710	Owners of parent	**$**	**4,381**	**1**	**(18,724)**	**(7)**
	Earnings (loss) per Share (Note 6 (p))					
9750	Basic earnings (loss) per share (NT dollars)	**$**		**-**		**(0.10)**

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries
Consolidated Statement of Changes in Shareholders' Equity
For the years ended March 31, 2023 and 2022

Currency: NTD (thousand)

	Owner's Equity								
			Retained Earnings				Other Equity		
	Share Capital	Additional Paid-in Capital	Legal Reserve	Appropriated Retained Earnings Reserve	Retained Earnings	Sum	Exchange Differences on Translation of Foreign Operations	Attributed to Attributed to Parent Company Total Equity	Total Equity
Balance as of Jan 1, 2022	$ 1,955,31	5,066,363	580,24	956,578	472,898,	2009,720	(992,592)	8,038,801	8,038,801
Current Net Income	-	-	-	-	(87,584)	(87,584)	-	(87,584)	(87,584)
Current Other Comprehensive Income	-	-	-	-	-	-	315,179	315,179	315,179
Current Total Comprehensive Income	-	-	-	-	(87,584)	(87,584)	315,179	227,595	227,595
Balance as of Mar 31, 2022	**$ 1,955,31**	**5,066,363**	**580,24**	**956,578**	**385,314**	**1,922,136**	**(677,413)**	**8,266,396**	**8,266,396**
Balance as of Jan 1, 2023	$ 1,955,310	5,075,485	580,244	992,592	(395,963)	1,176,873	(952,421)	7,255,247	7,255,247
Current Net loss	-	-	-	-	4,080	4,080	-	4,080	4,080
Current Other Comprehensive Income	-	-	-	-	-	-	51,136	51,136	51,136
Current Total Comprehensive Income	-	-	-	-	4,080	4,080	51,136	55,216	55,216
Balance as of Mar 31, 2023	**$ 1,955,310**	**5,075,485**	**580,244**	**992,592**	**(391,883)**	**1,180,953**	**(901,285)**	**7,310,463**	**7,310,463**

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries
Consolidated Statement of Changes in Shareholders' Equity
For the years ended March 31, 2023 and 2022

Currency: RMB (thousand)

	Owner's Equity								
			Retained Earnings				Other Equity		
	Share Capital	Additional Paid-in Capital	Legal Reserve	Appropriated Retained Earnings Reserve	Retained Earnings	Sum	Exchange Differences on Translation of Foreign Operations	Attributed to Attributed to Parent Company Total Equity	Total Equity
Balance as of Jan 1, 2022	$ 492,105	1,017,940	121,053	213,635	32,665,	367,353	(25,104)	1,852,294	1,852,294
Current Net Income	-	-	-	-	(19,854)	(19,854)	-	(19,854)	(19,854)
Current Other Comprehensive Income	-	-	-	-	-	-	1,130	1,130	1,130
Current Total Comprehensive Income	-	-	-	-	(19,854)	(19,854)	1,130	18,724	18,724
Balance as of Mar 31, 2022	**$ 492,105**	**1,017,940**	**121,053**	**213,635**	**12,811**	**347,499**	**(23,974)**	**1,833,570**	**1,833,570**
Balance as of Jan 1, 2023	$ 492,105	1,020,044	121,053	221,735	(163,157)	179,631	(45,855)	1,645,925	1,645,925
Current Net loss	-	-	-	-	919	919	-	919	919
Current Other Comprehensive Income	-	-	-	-	-	-	3,462	3,462	3,462
Current Total Comprehensive Income	-	-	-	-	919	919	3,462	4,381	4,381
Balance as of Mar 31, 2023	**$ 492,105**	**1,020,044**	**121,053**	**221,735**	**(162,238)**	**180,550**	**(42,393)**	**1,650,306**	**1,650,306**

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries

Consolidated Statement of Cash Flows

For the years ended March 2023 and 2022

Currency: NTD (thousand)

		2023Q1	2022Q1
Cash Flows from Operating Activities			
(Loss) profit before tax	$	6,693	(49,332)
Adjusting Events:			
Income and Expenses			
Depreciation expense		384,923	409,455
Amortization expense		851	2,628
Expected credit loss		(207)	3,628
Net gain on financial assets or liabilities at fair value through profit or loss		(2,810)	(1,324)
Interest expense		166,557	172,997
Interest income		(6,055)	(8,501)
Share of profit (loss) of associates accounted for using equity method		677	1,101
Loss on disposal of property, plant and equipment		205	54
Total adjustments to reconcile profit (loss)		544,141	580,038
Changes in operating assets and liabilities:			
Changes in operating assets:			
Financial assets and liabilities at fair value through profit		59,199	7,781
Accounts receivable		52,047	8,501
Other receivables		556	39,218
Inventories		15,281	(26,427)
Prepayments		(49,118)	(14,862)
Sum of Net Variance of Assets Concern Operating Activities		77,965	14,211
Changes in operating liabilities:			
Accounts Payable		182,085	(662,085)
Other Payables		(79,533)	(99,503)
Other current liabilities		(5)	-
Sum of Net Variance of Liabilities Concern Operating Activities		102,547	(761,588)
Sum of Net Variance of Assets and Liabilities Concern Operating Activities		180,512	(747,377)
Total adjustments		724,653	(167,339)
Cash inflow generated from operations		731,346	(216,671)
Interest received		3,109	7,617
Interest paid		(166,210)	(173,010)
Income taxes paid		(18,445)	(60,271)
Cash Inflow from Operating Activities		549,800	(442,335)

Cash flows from (used in) investing activities:		
Acquisition of property, plant and equipment	(118,915)	(48,232)
Proceeds from disposal of property, plant and equipment	75	8
Decrease in other receivables	-	112,490
Acquisition of Intangible Assets	(1,016)	(32)
Decrease (Increase) in other financial assets	(582,476)	3,066
Net cash flows used in investing activities	(702,332)	67,300
Cash flows from (used in) financing activities:		
Increase in Short-term Loans	82,553	(29,997)
Lease from Long-term Loans	273,528	-
Payments for Long-term Loans	(174,152)	(338,574)
(Decrease) Increase in Deposit Received	(28,881)	(7,259)
(Decrease) Increase in Other payables	-	95,248
Payment of lease liabilities	(358,257)	(139,136)
Net cash flows used in financing activities	(205,209)	(419,718)
Effect of exchange rate changes on cash and cash equivalents	8,422	119,079
Net decrease in cash and cash equivalents	(349,319)	(675,674)
Cash and cash equivalents at beginning of period	1,639,484	3,525,958
Cash and cash equivalents at end of period	**$ 1,290,165**	**2,850,284**

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries

Consolidated Statement of Cash Flows

For the years ended March 2023 and 2022

Currency: RMB (thousand)

		2023Q1	2022Q1
Cash Flows from Operating Activities			
(Loss) profit before tax	$	1,508	(11,183)
Adjusting Events:			
Income and Expenses			
Depreciation expense		86,727	92,818
Amortization expense		192	596
Expected credit loss		(47)	822
Net gain on financial assets or liabilities at fair value through profit or loss		(633)	(300)
Interest expense		37,527	39,216
Interest income		(1,364)	(1,927)
Share of profit (loss) of associates accounted for using equity method		152	250
Loss on disposal of property, plant and equipment		46	12
Total adjustments to reconcile profit (loss)		122,600	131,487
Changes in operating assets and liabilities:			
Changes in operating assets:			
Financial assets and liabilities at fair value through profit		13,338	1,764
Accounts receivable		11,727	1,927
Other receivables		125	8,890
Inventories		3,443	(5,991)
Prepayments		(11,067)	(3,369)
Sum of Net Variance of Assets Concern Operating Activities		17,566	3,221
Changes in operating liabilities:			
Accounts Payable		41,025	(150,086)
Other Payables		(17,920)	(22,556)
Other current liabilities		(1)	-
Sum of Net Variance of Liabilities Concern Operating Activities		23,104	(172,642)
Sum of Net Variance of Assets and Liabilities Concern Operating Activities		40,670	(169,421)
Total adjustments		163,270	(37,934)
Cash inflow generated from operations		164,778	(49,117)
Interest received		700	1,727
Interest paid		(37,449)	(39,219)
Income taxes paid		(4,156)	(13,663)
Cash Inflow from Operating Activities		123,873	(100,272)

Cash flows from (used in) investing activities:		
Acquisition of property, plant and equipment	(26,793)	(10,934)
Proceeds from disposal of property, plant and equipment	17	2
Decrease in other receivables	-	25,500
Acquisition of Intangible Assets	(229)	(7)
Decrease (Increase) in other financial assets	(131,237)	695
Net cash flows used in investing activities	(158,242)	15,256
Cash flows from (used in) financing activities:		
Increase in Short-term Loans	18,600	(6,800)
Lease from Long-term Loans	61,628	-
Payments for Long-term Loans	(39,238)	(76,750)
(Decrease) Increase in Deposit Received	(6,507)	(1,646)
(Decrease) Increase in Other payables	-	21,591
Payment of lease liabilities	(80,719)	(31,540)
Net cash flows used in financing activities	(46,236)	(95,145)
Effect of exchange rate changes on cash and cash equivalents	79	67
Net decrease in cash and cash equivalents	(80,684)	(180,228)
Cash and cash equivalents at beginning of period	371,933	812,449
Cash and cash equivalents at end of period	**$ 291,249**	**632,221**

<u>Based on a review only, without conducting an audit in accordance with auditing standards.</u>

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries

Notes to the Consolidated Financial Statements

For the first quarter of March 31, 2023 and 2022

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

1. Company History

GRAND OCEAN RETAIL GROUP LTD. (the "Company") was founded in the Cayman Islands on Aug 23, 2006, and the organizational structure re-engineering of the company was executed in Oct 2007. Afterwards there were 160,000 thousand newly-issued shares from the company in exchange for 100% equity of REGAL OCEAN INTERNATIONAL LTD., making the company also acquire 100% equity of the Grand Ocean Department Store indirectly. After re-engineering, the company has become the parent company of the Grand Ocean Department Store Group. Shares of the company had been listed in Taiwan Stock Exchange since Jun 6, 2012. The consolidated financial statements of the company include equity of the associates by the company and its subsidiaries (the"Group"), as well as the consolidated company. Main business contents of the consolidated company are business management consulting and retail sales.

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

These consolidated financial statements were authorized for issuance by the Board of Directors on May 15, 2023.

3. New standards, amendments and interpretations adopted:

(a) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. ("FSC") which have already been adopted.

The details of impact on the Group's adoption of the new amendments beginning January 1, 2023 are as follows:

(i)Amendment to International Accounting Standard No. 12 "Deferred Tax Related to Assets and Liabilities Arising from a Single Exchange"

The amendment narrows the scope of recognition exemption such that when the initial recognition of a transaction generates taxable income equal to the temporary difference, the recognition exemption no longer applies. Instead, an equal amount of deferred tax assets and deferred tax liabilities should be recognized. The consolidated company estimates that the aforementioned amendment may result in an increase of deferred tax assets and deferred tax liabilities of 2,363,273 thousand yuan, 2,391,871 thousand yuan, and 2,035,972 thousand yuan as of January 1, March 31, and December 31, 2022, respectively.

If the consolidated company follows the previous accounting policy for the first quarter of 2023, it would result in a decrease of 2,236,245 thousand yuan in deferred tax assets and deferred tax liabilities as of March 31, 2023

(ii)Others

The following new amended standards also became effective on January 1, 2023, but did not have a significant impact on the consolidated financial statements.

- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”

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

The consolidated company anticipates that the following International Accounting Standards Board (IASB) standards and interpretations, which have been issued and amended but have not yet been recognized by the Financial Supervisory Commission (FSC), will not have a significant impact on the consolidated financial statements.

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”.
- IFRS 17 “Insurance Contracts” and Amendments to IFRS 17.
- Amendment to International Accounting Standard No. 1 "Classification of Liabilities as Current or Non-current".
- Amendments to IFRS 16 “Sale-Leaseback Transaction Requirement.
- Amendment to International Financial Reporting Standard No. 1 "Non-current Liabilities with Contractual Maturities".

4. Summary of significant accounting policies:

(a) Statement of compliance

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

Apart from the following, the significant accounting policies adopted in this consolidated financial report are consistent with the 2022 annual consolidated financial report. For related information, please refer to Note 4 of the 2022 annual consolidated financial report.

(b) Basis of consolidation

(i)Subsidiary Listed in Consolidated Financial Statements

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

			Shareholding			
Name of Investor	**Name of Subsidiary**	**Principal activity**	**March 31, 2023**	**December 31, 2022**	**March 31, 2022**	**Note**
GRAND OCEAN RETAIL GROUP LTD.	GRAND CITI LTD.	Investment holding company	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
GRAND CITI LTD.	Grand Ocean Classic Commercial Group Co., Ltd	Trading of cosmetics, furnishings, etc.	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Grand Ocean Classic Commercial Group Co., Ltd	Nanjing Grand Ocean Classic Commercial Limited	Trading of cosmetics, furnishings, etc.	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Grand Ocean Classic Commercial Group Co., Ltd	Fuzhou Grand Ocean Commercial Limited	Trading of cosmetics, furnishings, etc.	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Grand Ocean Classic Commercial Group Co., Ltd	Quanzhou Grand Ocean Commercial Limited	Trading of cosmetics, furnishings, etc.	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Grand Ocean Classic Commercial Group Co., Ltd	Shanghai Jingxuan Business Administraction., Ltd	Management consulting business, and trading of cosmetics, furnishings, etc	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Grand Ocean Classic Commercial Group Co., Ltd	Shanghai Grand Ocean Qianshu Commercial Management Co., Ltd	Management consulting business, and trading of cosmetics, furnishings, etc.	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Quanzhou Grand Ocean Commerce Limited	Wuhan Grand Ocean Classic Commercial Development Limited	Trading of cosmetics, furnishings, etc.	30.00%	30.00%	30.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Nanjing Grand Ocean Classic Commerce Limited	Hefei Grand Ocean Classic Commercial Development Limited	Trading of cosmetics, furnishings, etc.	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Fuzhou Grand Ocean Commerce Limited	Fuzhou Grand Ocean Classic Commerce Limited	Trading of cosmetics, furnishings, etc.	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries

Name of Investor	Name of Subsidiary	Principal activity	Shareholding March 31, 2023	December 31, 2022	March 31, 2022	Note
Fuzhou Grand Ocean Commerce Limited	Wuhan Grand Ocean Classic Commercial Development Limited	Trading of cosmetics, furnishings, etc.	70.00%	70.00%	70.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Fuzhou Grand Ocean Commerce Limited	Fuzhou Jiaruixing Business Administration Limited	Management consulting business, and trading of cosmetics, furnishings, etc.	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Wuhan Grand Ocean Classic Commercial Development Limited	Wuhan Optics Valley Grand Ocean Commercial Development Limited	Trading of cosmetics, furnishings, etc.	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Wuhan Grand Ocean Classic Commercial Development Limited	Chongqing Optics Valley Grand Ocean Commercial Development Limited	Trading of cosmetics, furnishings, etc.	35.30%	35.30%	50.00%	The company directly (indirectly) holds more than 50% of its subsidiaries and it also closed of business in Octorber 31 2022 , and in process of liquidation.
Wuhan Grand Ocean Classic Commercial Development Limited	Wuhan Hanyang Grand Ocean Classic Commercial Ltd	Trading of cosmetics, furnishings, etc.	50%	50%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Wuhan Grand Ocean Classic Commercial Development Limited	Hengyang Grand Ocean Commercial Development Limited	Trading of cosmetics, furnishings, etc.	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Wuhan Grand Ocean Classic Commercial Development Limited	Shiyan Grand Ocean Commerce Limited	Trading of cosmetics, furnishings, etc.	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Wuhan Grand Ocean Classic Commercial Development Limited	Chongqing Optics Valley Grand Ocean Commercial Development Limited	Trading of cosmetics, furnishings, etc.	64.70%	64.70%	50.00%	The company directly (indirectly) holds more than 50% of its subsidiaries and it also closed of business in Octorber 31 2022 , and in process of liquidation.
Wuhan Optics Valley Grand Ocean Commercial Development Limited	Wuhan Hanyang Grand Ocean Classic Commercial Ltd	Trading of cosmetics, furnishings, etc.	50%	50%	50.00%	The company directly (indirectly) holds more than 50% of its subsidiaries

Name of Investor	Name of Subsidiary	Principal activity	Shareholding March 31, 2023	Shareholding December 31, 2022	Shareholding March 31, 2022	Note
Wuhan Optics Valley Grand Ocean Commercial Development Limited	Yichang Grand Ocean Commerce Limited	Trading of cosmetics, furnishings, etc.	99%	99%	99.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Wuhan Hanyang Grand Ocean Classic Commercial Ltd	Yichang Grand Ocean Commerce Limited	Trading of cosmetics, furnishings, etc.	1.00%	1.00%	1.00%	The company directly (indirectly) holds more than 50% of its subsidiaries

(ii) Subsidiaries excluded from the consolidated financial statements: None.

(c) Government subsidies

When the consolidated company is eligible to receive relevant government subsidies, it recognizes such subsidies, which are not subject to conditions, as other income. For other subsidies related to assets, the consolidated company recognizes them at fair value as deferred income when it can reasonably assure compliance with the conditions attached to the government subsidies and expects to receive the subsidies. The deferred income is then recognized as other income over the useful life of the asset on a systematic basis. Government subsidies compensating the consolidated company for expenses or losses incurred are recognized in the income statement on a systematic basis consistent with the related expenses.

(d) Income taxes

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

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

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

5 Significant accounting assumptions and judgments, and major sources of estimation

uncertainty:

In the preparation of this consolidated financial report, management has exercised judgment, made estimates, and adopted assumptions in accordance with the applicable accounting standards and International Accounting Standard No. 34 "Interim Financial Reporting" recognized by the Financial Supervisory Commission. These judgments, estimates, and assumptions may have an impact on the adoption of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

In the preparation of the consolidated financial report, management's significant judgments and key sources of estimation uncertainty in adopting the accounting policies of the consolidated company are consistent with Note 5 of the 2022 consolidated financial report.

6 Explanation of significant accounts:

Apart from the following, the explanations of significant accounting items in this consolidated financial report are not materially different from the 2022 consolidated financial report. Please refer to Note 6 of the 2022 consolidated financial report for relevant information.

(a) Cash and cash equivalents

	Mar 31,2023	Dec 31, 2022	Mar 31, 2022
Vault Cash and Petty Cash	$ 9,194	$ 9,144	9,628
Demand Deposit	1,280,971	1,308,556	2,840,656
Time deposits	-	321,784	-
Total	$ 1,290,165	1,639,484	2,850,284

Please refer to note 6(t) for the sensitivity analysis and interest rate risk.

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

	Dec 31, 2023	Dec 31, 2022	Mar 31, 2022
Mandatorily measured at fair value through profit or loss: – Current:			
Open-end Funds	$ 10,978	10,852	12,605
Shares of stock of listed companies	-	57,181	56,660
Total	$ 68,033	68,033	65,265

(i) Please refer to note 6(t) for disclosure of credit risk and market risk of all financial instruments mentioned above.

(ii) The financial assets mentioned above had not been pledged as collateral.

(iii) For gain or loss on financial assets or liabilities at fair value through profit or loss, please refer to note 6(s).

(c) Account receivables and other receivables

	Mar 31, 2023	Dec 31, 2022	Mar 31, 2022
Accounts Receivable	$ 234,641	285,226	201,504
Allowance for impairment	(30,567)	(30,669)	(17,489)

	204,074	254,557	184,015
Other Receivables - Current：			
Other Receivables - Investment Funds	270,216	268,888	365,178
Other Receivables – Lease deposit	63,130	62,820	64,701
Other Receivables – Others	37,099	34,492	59,540
Deduction: Impairment Loss Allowance	(201,534)	(200,544)	(52,735)
Subtotal	168,911	165,656	436,684
Total	**$ 372,985**	**420,213**	**620,699**

(i) The Group's main trade receivables from retail department in China are credit card payments collected from banks, with an average credit period of 2 to 3 days, wherein there is no concern about the collectability. In addition, the retail business department in China which is classified as leasing was effected by COVID-19 pandemic. Therefore, partial receivables was deferred, so the simplified method is used to estimate the expected credit loss for the leased accounts receivable, the expected credit loss during the lifetime is used to measure. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information.

The details of the accounts receivable of the merged company entering the mediation process or the amount involved in the lawsuit are as follows, and the losses are listed based on the court's first-instance judgment.

	Mar 31, 2023	Dec 31, 2022
Amount involved in mediation or litigation	$ 17,879	18,589
Deduction: Expected loss	(17,879)	(18,589)
Subtotal	$ -	-

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

	March 31, 2023		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provision**
Not overdue	$ 170,805	0%	-
1 to 90 days past due	20,947	0%	-
91 to 180 days past due	10,358	0%~9%	905
181 to 270 days past due	5,037	43%	2,168
271 to 365 days past due	681	100%	681
More than 365 days past due	8,934	100%	8,934
	$ 216,762		**12,6788**

	December 31, 2022			
	Gross carrying amount		Weighted-average loss rate	Loss allowance provision
Not overdue	$	215,910	0%	-
1 to 90 days past due		33,486	0%	-
91 to 180 days past due		6,165	0%~25%	1,549
181 to 270 days past due		1,002	45%	457
271 to 365 days past due		2,671	100%	2,671
More than 365 days past due		7,403	100%	7,403
	$	**266,637**		**12,080**

	Mart 31, 2022			
	Gross carrying amount		Weighted-average loss rate	Loss allowance provision
Not overdue	$	161,735	0%	-
1 to 90 days past due		13,451	0%	-
91 to 180 days past due		5,305	3%	185
181 to 270 days past due		5,385	32%	1,676
271 to 365 days past due		4,333	100%	4,333
More than 365 days past due		11,295	100%	11,295

(ii) Changes in the provision for losses on accounts receivable of the consolidated company are as follows

	2022		2021
Opening Balance	$	30,669	13,266
Impairment loss recognized		-	3,628
Amount written off due to irrecoverability in the current year		(47)	-
Reversal of impairment loss		(207)	-
Exchange rate impact number		152	595
Ending balance	**$**	**30,567**	**17,**

(iii) Other receivables–others are the advance payment in accordance with the promotions held by retail business department and venders. Since the Group and the vendors are in a long-term business relationship, the Group has considered historical experience and believed that they were less doubtful of the recoverability of these receivables.

The Group assessed the aforesaid other receivables as the financial assets with low credit risk and measured loss allowances at an amount as 12-month expected credit loss. Management believed that there were less doubtful of credit losses.

(iv) Since the rental agreement of, Xiangtan Grand Ocean Department Store Co., Ltd. (Xiangtan) one of the Group’s subsidiaries, have reached its maturity in December 2018, the Group ceased Xiangtan’s business operation, wherein a security deposit amounting to CNY$15,000 thousand is expected to be received. Xiangtan had already returned the property to its owner, Xiangyuan Industrial Development Co., Ltd. (Xiangyuan), but failed to receive the security deposit. In order to receive the payment and begin the liquidation process, Xiangtan filed a lawsuit against Xiangyuan. On July 1, 2019, the people’s court ordered Xiangyuan to pay the amount of CNY$14,700 thousand to Xiangtan. However, Xiangyuan disagreed with the court’s decision, therefore, filed an appeal on November 13, 2019, wherein it was denied on January 16, 2020. Furthermore, Xiangtan filed an appeal to the court to freeze the property of Xiangyuan, in which the court granted the approval do to so. After a thorough investigation by the court, it was found that Xiangyuan has enough property to pay for the security deposit, and the Group has collected the mandatory payment of $1,952 thousand (CNY$448 thousand). The consolidated company considered the impact of the recent economic situation on the department store business, and the uncertainty of the future development of the region was high. Based on conservative and sound principles, on March 31, 2023, December 31, 2022, and March 31, the respective lease security deposits of 63,130,000 RMB (14,252,000 RMB), 62,820,000 RMB (14,252,000 RMB), and 64,701,000 RMB (14,352,000 RMB) were recorded as provision for impairment losses of 31,565,000 RMB (7,126,000 RMB), 31,410,000 RMB (7,126,000 RMB), and zero.

(v) In 2012, the Group paid a guarantee deposit of CNY$124,000 thousand to Quanzhou Fengsheng Group to purchase the commercial real estate of the Fengsheng Junyuan Development Project developed by Fengsheng Group in Fengze District, Quanzhou. After assessing the investment value of the project, the Board of Directors of the Group resolved during the meeting in July 2015 to invest Quanzhou Fengan Real Estate Development Co., Ltd.(Fengan), and expected to obtain 100% equity of the company with a contractual amount of CNY$325,000 thousand. As of December 31, 2015, the Group had paid CNY$200,000 thousand, which was reported under the prepayment for investments. The management of the Group evaluated the uncertainty of the investment and thus terminated the investment. Therefore, the original prepayment for investments of CNY$200,000 thousand and other financial assets – current of CNY$124,000 thousand, were reclassified as other receivables as of June 30, 2016.

In addition, the Group reviewed the nature of other receivables and analyzed the current financial position of the counterparty. In order to secure the aforementioned debt, the Group had acquired pledge of stock rights of Fengan, and at the same time had obtained the debtor’s promise that other investment profits to be priority to repay the debt. The Group evaluated that the aforementioned debt should have no impairment concern. Because the debtor takes time to complete the relevant legal procedures of the disposition of investment, the Group and the debtor renegotiate the repayment period, which should be before April 30, 2017, before September 30, 2017, and before December 31, 2017. The total amount of repayment should be 10%, 40% and 50%, respectively. In case of violation of the agreement, the aforementioned collateral would be transferred to the Group for debt repayment. As of December 31, 2017, the Group had recoverd CNY$162,000 thousand according to aforesaid agreement. On December 19, 2017, the Board of Directors of the Group resolved during the meeting on the Fengsheng Group's extension of the repayment agreement, which extended remaining proceeds to June 30, 2018. Due to the delay of procedures of the disposition of investment, Fengsheng Group could not make the payments by the aforementioned date.

To ensure the recovery of the aforementioned creditor's rights and the development of Fengan's property, on August 12, 2019, the Board of Directors resolved to sign a "Debt Confirmation and Repayment Plan" with Damahua Investment Co., Ltd. (Damahua), Fengsheng and Fengan, stating that Damahua will provide financial support to Fengan for the development and construction of a real estate property to be sold to the market to ensure that the future sales proceeds will be used to repay for the aforementioned claims. Considering the development progress of Fengan's property, the credit recovery period will exceed one year; therefore, the related receivables reclassified to other non current receivables were recognized as other non- current financial assets. The Group evaluated that the aforementioned debt should have no impairment concern under the cash flow of pledge asset. 。

The Board of Directors resolved to sign a " Debt Preservation and Conditional

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

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

1) Damahua agrees to pay CNY 30,000 thousand before February 9, 2021.
2) Damahua agrees to pay CNY 51,000 thousand before December 31, 2021.
3) Damahua agrees to pay CNY 81,000 thousand before June 30, 2022.
4) Under the premise of obtaining written consent of the Group, Damahua can transfer the title of properties located in Citong road to the Group, as the payment of debt.

Due to the force majeure factor of the COVID-19 epidemic, the society, various industries and the business of Damahua have been seriously affected. Damahua needs to retain part of the operating capital, and proposes to the Group to postpone the payment of the remaining receivables until June 30, 2023 and reaches an agreement in August 2022.The Group's original receivables from Damahua amounted to CNY 162,000 thousand, as of June 30, 2022, the accumulative amount of CNY 101,000 thousand has been paid, and the remaining CNY 61,000 thousand unpaid. The payment schedule is described as follows:

1) Damahua agrees to pay CNY 16,000 thousand before December 31, 2022..
2) Damahua agrees to pay CNY 16,000 thousand before March 31, 2023.
3) Damahua agrees to pay CNY 29,000 thousand before June 30, 2023.
4) If the above amount is not repaid by Damahua before the expiry of the deferred of the deferred repayment period, Damahua will unconditionally cooperate with the liquidation of the Quanzhou Citong Road Project, and the land disposal price of the Quanzhou Citong Road Project will be repaid to the Group in priority.

The Group has collected the payment of CNY 55,500 thousand in 2021. The Group has collected the payment of CNY 25,500 thousand and CNY 20,000 thousand in March and June, 2022. Damahua failed to pay RMB 16,000 thousand and RMB 16,000 thousand to the Group on March 31,2023 and December 31, 2022, and the uncollected accounts receivable on March 31,2023, December 31, 2022 and March 31,2022 were respectively 270,216 thousand (RMB 61,000 thousand), 268,888 thousand (RMB 61,000 thousand) and 365,178 thousand (RMB 81,000 thousand) . The Group considers that the aforementioned creditor's rights are caused by undertaking the Fengan land , and the Quanzhou Municipal Government has recently agreed that existing developers will adopt a cooperative approach to undertake the development and construction of the Fengan land plot, which will be implemented by the Fengze District Government, and is coordinating to promote Fengan land is under construction, so the Group intends to negotiate with Damahua for proceeds from subsequent project development in order to repay all creditor's rights of the Group.

Although the Group assessed that after the allocation of the disposal value of the Fengan land, Damahua should be able to repay the debts, based on the principle of conservativeness and prudence, the Group raised expectations for the overdue and soon due receivables of RMB 32,000 thousand Credit losses; the remaining receivables of RMB 29,000 thousand will be discounted at the effective interest rate to calculate the amortized cost, and the average bad debt rate of the four major Chinese banks (Bank of China, China Construction Bank, Industrial and Commercial Bank of China and Agricultural Bank of China) Incorporate forward-looking information, overall economic and related industry information to estimate expected credit losses during the duration; as of March 31,2023, December 31, 2022 and March 31,2022, the amount of provision for losses was 169,969 thousand ,169,134 thousand and 52,735 thousand.

(d) Investments accounted for using equity method

For affiliated companies that adopt the equity method of the Group that are individually insignificant, their consolidated financial information is as follows, and such financial information is the amount included in the consolidated financial statements of the Group:

	March 31, 2023	December 31, 2022	March 31, 2022
End-of-period consolidated book value of interests in individual insignificant related companies	$ 27,097	27,636	37,839

	January to March,2023	January to March,2022
Shares attributable to the merged company:		
Continuing business unit net loss for the period	$ (677)	(1,101)
Other comprehensive income	138	2,306
Total comprehensive profit and loss	$ (539)	1,205

(i)Nanjing Grand Ocean Dongfadao Catering Co., Ltd.

(1) On May 6, 2021, the Group signed 5 year investment agreement with Shanghai Dongfadao Catering Management Co., Ltd. (hereinafter referred to as "Shanghai Dongfadao") at the amount of CNY 7,000 thousand, and jointly established Nanjing Grand Ocean Dongfadao Catering Co., Ltd. (hereinafter referred as Nanjing Dongfadao), wherein the Group will acquire 49% of the entire equity. The Group has invested the amount of $31,009 thousand (CNY 7,000 thousand) for the years ended March 31, 2023.

(2) The share repurchase agreement of the investment agreement

a) If Shanghai Dongfadao requires to be listed, the share repurchase can be negotiated with the Group and the equity of Nanjing Dongfadao can be repurchased via written consent.

b) If the deficit of Nanjing Dongfadao continues to accumulate for six months or has reached the amount of CNY 5,000 thousand, the Group has the right to notify Shanghai Dongfadao to repurchase its shares unconditionally, at a price deemed as the difference between the total investment amount of the Group and the profit distribution obtained in previous period.

(e) Property, Plants and Equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the years ended March 31, 2023 and 2022, were as follows:

	Building	Transportation Device	Office Equipment	Lease Improvement	Construction in progress	Total
Cost or deemed cost:						
Balance as of Jan 1, 2023	$ 4,659,195	17,782	245,395	6,988,913	65,802	11,977,087
Add	-	-	7,444	6,177	81,873	95,494
Current Re-classification	-	-	964	7,614	(8,578)	-
Disposal and Abandonment	-	(1,151)	(28,044)	(435,428)	-	(464,623)
Influenced by Fluctuation of Exchange Rates	22,996	83	1,083	32,494	172	56,828

	Building	Transportation Device	Office Equipment	Lease Improvement	Construction in progress	Total
Balance as of March 31, 2023	**$ 4,682,191**	**16,714**	**226,842**	**6,599,770**	**139,269**	**11,664,786**
Balance as of Jan 1, 2022	$ 4,587,224	22,862	227,844	6,741,692	31,595	11,611,217
Add	-	-	1,169	14,461	23,265	38,895
Current Re-classification	-	-	741	15,063	(15,804)	-
Disposal and Abandonment	-	-	(617)	-	-	(617)
Influenced by Fluctuation of Exchange Rates	178,048	887	8,872	262,320	1,379	451,506
Balance as of March 31, 2022	**$ 4,765,272**	**23,749**	**238,009**	**7,033,536**	**40,435**	**12,101,001**
Depreciation and Impairment Losses:						
Balance as of Jan 1, 2023	$ 781,566	9,499	191,267	4,667,890	2,317	5,652,539
Depreciation	27,425	348	3,030	84,303	-	115,106
Disposal and Abandonment	-	(1,151)	(27,764)	(435,428)	-	(464,343)
Influenced by Fluctuation of Exchange Rates	3,805	41	827	20,903	-	25,576
Balance as of March 31, 2023	**$ 812,796**	**8,737**	**167,360**	**4,337,668**	**2,317**	**5,328,878**
Balance as of Jan 1, 2022	$ 662,225	17,495	174,350	4,023,563	514	4,878,147
Depreciation	27,259	127	3,411	107,112	-	137,909
Disposal and Abandonment	-	-	(555)	-	-	(555)
Influenced by Fluctuation of Exchange Rates	26,302	382	6,830	158,526	9	192,349
Balance as of March 31, 2022	**$ 715,786**	**18,304**	**184,036**	**4,289,201**	**523**	**5,207,850**
Book Value:						
Jan 1, 2022	**$ 3,877,629**	**8,283**	**54,128**	**2,321,023**	**63,485**	**6,324,548**
March 31, 2023	**$ 3,869,395**	**7,977**	**59,482**	**2,262,102**	**136,952**	**6,335,908**
Jan 1, 2022	**$ 3,924,999**	**5,367**	**53,494**	**2,718,129**	**31,081**	**6,733,070**
March 31, 2022	**$ 4,049,486**	**5,445**	**53,973**	**2,744,335**	**39,912**	**6,893,151**

(i) As of March 31,2023, December 31, 2022 and March 31,2022, due to payments to stores maintenance and to acquire the property for department stores, the Group recognized other payables amounting to \$148,944 thousand,\$171,473 thousand and \$162,915 thousand, respectively.

(ii) The significant components of the buildings include the main building, machinery and air conditioner with their own estimated useful lives as 5 to 50 years, 5 to 20 years and 5 to 20years.

(iii) Chongqing Optics Valley Grand Ocean Commercial Development Limited, a subsidiary of the Group, the board of directors approve to close the business on October 31, 2022 due to continuous operating losses. And the impairment loss was recognized in January 2023.Hand over the scrapped related equipment with the owner to clear the site and delist the book cost and accumulated depreciation and depreciation of 460,207 thousand.

(vi) Please refer to Note 6 (t) for details on disposal gains and losses.

(vii) Guarantee

Please refer to Note 8 for the details of long term loans and financing line guarantees in March 31,2023, December 31, 2022 and March 31,2022.

(f) Right of use assets

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

		Land	Buildings	Machine equipment	Total
Cost:					
Balance at January 1, 2023	$	3,327,110	10,984,683	59,332	14,371,125
Additions		-	1,021,638	-	1,021,638
Lease modifications		-	(14,057)	-	(14,057)
Effect of changes in foreign exchange rates		16,421	52,269	293	68,983
Balance at March 31, 2023	$	3,343,531	12,044,533	59,625	15,447,689
Balance at January 1, 2022	$	3,275,716	11,635,157	58,416	14,969,289
Effect of changes in foreign exchange rates		127,143)	451,606	2,267	581,016
Balance at March 31, 2022	$	3,402,859	12,086,763	60,683	15,550,305
Accumulated depreciation:					
Balance at January 1, 2023	$	391,033	2,870,955	29,174	3,291,162
Depreciation		24,608	243,357	1,852	269,817
Effect of movement in exchange rate		1,883	13,700	140	15,723
Balance at March 31, 2023	$	417,524	3,128,012	31,166	3,576,702
Balance at January 1, 2022	$	288,745	2,219,002	21,479	2,529,226
Depreciation		24,458	245,246	1,842	271,546
Effect of movement in exchange rate		11,745	91,519	873	104,137
Balance at March 31, 2022	$	324,948	2,555,767	24,194	2,904,909
Carrying amounts:					
Balance at January 1, 2023	$	2,936,077	8,113,728	30,158	11,079,963
Balance at March 31, 2023	$	2,926,007	8,916,521	28,459	11,870,987
Balance at January 1, 2022	$	2,986,971	9,416,155	36,937	12,440,063
Balance at March 31, 2022	$	3,077,911	9,530,996	36,489	12,645,396

(g) Intangible Assets

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

		Goodwill	Trademark Rights	Computer Software	Total
Costs:					
Balance as of Jan 1, 2023	$	1,473,567	430,294	33,717	1,937,578
Additions		-	-	1,016	1,016
Influenced by Fluctuation of Exchange Rates		7,273	(3,644)	165	3,794
Balance as of March 31, 2023	$	1,480,840	426,650	34,898	1,942,388
Balance as of Jan 1, 2022	$	1,450,805	387,825	25,215	1,863,845
Acquired in a business combination		-	-	32	32
Influenced by Fluctuation of Exchange Rates		56,311	13,316	942	70,569
Balance as of March 31, 2022	$	1,507,116	401,141	26,189	1,934,446
Amortization and Impairment Losses:					
Balance as of Jan 1, 2023	$	-	-	18,692	18,692
Amortization		-	-	851	851
Influenced by Fluctuation of Exchange Rates		-	-	91	91

Balance as of March 31, 2023	$ -	-	19,634	19,634
Balance as of Jan 1, 2022	$ -	-	14,348	14,348
Amortization	-	-	2,628	2,628
Influenced by Fluctuation of Exchange Rates	-	-	579	579
Balance as of March 31, 2022	$ -	-	17,555	17,555

Book Value:				
Jan 1, 2023	$ 1,473,567	430,294	15,025	1,918,886
March 31, 2023	$ 1,480,840	426,650	15,264	1,922,754
Jan 1, 2022	$ 1,450,805	387,825	10,867	1,849,497
March 31, 2022	$ 1,507,116	401,141	8,634	1,916,891

(i) Recognition of amortization

The amortization of intangible assets are included in the consolidated statements of comprehensive income for the three months ended March 31, 2023 and 2022:

	January to March,2023	January to March,2022
Operating Expenses	$ 851	2,628

(ii) Impairment testing

Although the key assumptions used by the Group in evaluating department store retail and license plate cash-generating units were no significant change of the consolidated financial statement of the year ended December 31,2022. Please refer to Note 6(i) of the annual consolidated financial statements for the years ended December 31,2022.

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

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

	March 31, 2023	December 31, 2022	March 31, 2022
Other financial assets－current			
Deposits－out for lease	$ 29,143	28,999	581
Restricted deposits	32,757	32,552	42,492
Deposit for rent expansion	66,447	-	-
Others	2,699	2,661	3,258
	$ 131,046	64,212	46,331

		March 31, 2023	December 31, 2022	March 31, 2022
Other financial assets－non-current				
Deposits－out for lease	$	188,151	187,228	219,518
Deposits－out for investment		8,079	8,178	-
Restricted deposits		524,868	8,186	-
Others		3,333	3,317	4,525
	$	724,431	206,909	224,043

Deposits－out for lease is leasing deposit from lessee.

(i) Short-term Loans

The details of short-term loans are as below:

		March 31, 2023	December 31, 2022	March 31, 2022
Unsecured Bank Loans	$	608,800	614,000	886,436
Secured Bank Loans		1,291,276	1,202,945	1,717,687
Total	$	1,900,076	1,816,945	2,604,123
Unused Credit Lines	$	732,557	811,358	85,659
Range of interest rates		4.20%~6.84%	4.20%~6.96%	1.49%~4.35%

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

(j) Long-term Loans

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

	March 31, 2023				
	Currency	Interest Rate Collar	Year of Expiry		Amount
Unsecured Bank Loans	USD	6.39%~7.22%	113	$	700,120
〃	RMB	4.5%~4.8%	112		110,200
Secured Bank Loans	USD	5.65%	114		487,040
〃	RMB	4.2%	114		442,976
					1,718,732
Less: current portion					(390,271)
Total				$	1,328,461
Unused Credit Lines				$	-

	Dec 31, 2022			
	Currency	Interest Rate Collar	Year of Expiry	Amount
Unsecured Bank Loans	USD	5.08%~6.95%	113~114	$ 1,074,500
〃	RMB	4.5%~4.8%	112	110,200
Secured Bank Loans	RMB	4.2%	114	440,800
				1,625,500
Less: current portion				(413,260)
Total				$ 1,212,240
Unused Credit Lines				$ 184,200

	March 31, 2022			
	Currency	Interest Rate Collar	Year of Expiry	Amount
Unsecured Bank Loans	USD	2.10%~2.51%	111~112	$ 596,727
〃	RMB	4.5%~4.94%	111~113	338,128
Secured Bank Loans	RMB	5.23%	111	202,875
				1,137,730
Less: current portion				(618,263)
Total				$ 519,467
Unused Credit Lines				$ -

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

(k) Accounts Payable

	March 31, 2023	December 31, 2022	March 31, 2022
Arising from direct sales	$ 69,947	46,335	91,240
Arising from concessionaire sales	1,022,804	880,886	1,217,929
Others	54,811	33,864	97,667
Total	$ 1,147,562	961,085	1,406,836

Most of payable arising from suppliers.

(l) Lease liabilities

The Group's lease liabilities were as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Current	$ 818,880	943,549	714,986

Non-current	$ 9,861,565	9,039,555	11,193,197

For the three months ended March 31, 2023 and 2022, the Group recognized its lease modification amounting to 14,057 thousand and 0 thousand. Right of use asset, please refer to Note 6 (g).

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

The amounts recognized in profit or loss were as follow:

	For the three months ended March 31	
	2023	**2022**
Interest on lease liabilities	$ 126,657	$ 139,634
Variable lease payments not included in the measurement of lease liabilities	$ 176	$ 19,014
Expenses relating to short-term leases	$ 241	$ 360
Expenses relating to leases of low-value, excluding short-term leases of low-value assets	$ 9	$ 9
Related rent concessions for Covid-19 (recognized as deduction of depreciation expenses of right-of-use assets	$ 485,340	$ 298,153

(i) Lease of land, housing and construction

The Group leases land use rights, housing and buildings as office space and department store buildings for business. The lease period of office premises and department store buildings is usually with three years and ten to twenty years, respectively. Some leases include the option to extend the lease period at the end of the lease term.

Some leases provide for additional rent payments that are based on changes in local price indices, or sales that the Group makes at the leased store in the period.

(ii) Other leases

The lease period of the Group leased transportation and machinery and equipment is five to ten years. Some lease contracts stipulate that the Group has options to purchase the leased assets at the end of lease term.

In addition, the period in which the Group leases part of the office is one year, and the leases are short-term leases. The Group chooses to apply the exemption recognition requirement without recognizing its related right-of-use assets and lease liabilities.

(m) Employee Benefits

1.Defined Contribution Plans

Defined contribution plans of the employees in Taiwan office of the consolidated company are plotted in accordance with Taiwan Labor Pension Act, where a contribution rate as 6% of the wage of a labor each month is conducted and contributed to the personal account of retirement created by the Bureaus of Labor Insurance. After the consolidated company has contributed the fixed amount to Bureaus of Labor Insurance under the plans, it shall not assume any more legal or constructive obligations for paying an extra amount.

Defined benefit plans of the employees working in the Chinese subsidiaries are also applied with the contribution system, where an amount corresponding to the wage per month of the position as for an employee is to be contributed to his (or her) own account respectively. Whenever resigning or retiring from the job of an employee, the voluntary pension calculated by the subtraction of early withdrawn provident fund from actual cumulative voluntary amount over the years will be returned at one time; the pension contributed by company will be returned by the subtraction of early withdrawn provident fund during the tenure from actual cumulative provident fund contributed by company over the years multiplying percentage of seniority-based pay.

Pension expenses of the defined contribution plans of the consolidated company for the three months ended March 31, 2023 and 2022 were 14,382 thousand and 14,033 thousand respectively.

(n) Income Tax

(i) Income tax expense

The components of income tax were as follows:

	For the three months ended March 31 2023	For the three months ended March 31 2022
Current Income Tax Expense		
Current period	$ 34,140	$ 24,820
Deferred Tax Expense		
Origination and reversal of temporary differences	(31,527)	13,432
Income Tax Expense	**$ 2,613**	**38,252**

(ii) Deferred Tax Assets

1) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for the three months ended March 31, 2023 and 2022 were as follows:

Deferred Tax Assets:

	Rental expenses	**Tax losses deduction and other**	**Total**
Balance at January 1, 2023 (revised)	$ 121,857	2,663,664	2,785,521
Recognized in profit or loss	(9,175)	191,785	182,610
Foreign currency translation differences for foreign operations	619	12,776	13,395

Balance at March 31, 2023	$	**113,301**	**2,868,225**	**2,981,526**
Balance at January 1, 2022	$	182,884	679,022	861,906
Effect of retrospective application		-	2,363,273	2,363,273
Balance at January 1, 2022 (revised)		182,884	3,042,295	3,225,179
Recognized in profit or loss		(23,379)	(51,825)	(75,204)
Foreign currency translation differences for foreign operations		6,585	116,944	123,529
Balance at March 31, 2022 (revised)	$	**166,090**	**3,107,414**	**3,273,504**

Deferred Tax Liabilities:

		Retained Earnings	**Tax losses deduction**	**Total**
Balance as of January 1, 2023 (revised)	$	56,288	2,035,972	2,092,260
Recognized in profit or loss		(39,510)	190,593	151,083
Influenced by Fluctuation of Exchange Rates		(539)	9,680	9,141
Balance as of March 31, 2023	$	**16,239**	**2,236,245**	**2,252,484**
Balance as of January 1, 2022	$	50,733	-	50,733
Effect of retrospective application		-	2,363,273	2,363,273
Balance at January 1, 2022 (revised)		50,733	2,363,273	2,414,006
Recognized in profit or loss		-	(61,772)	(61,772)
Influenced by Fluctuation of Exchange Rates		(4,949)	90,370	85,421
Balance as of March 31, 2022 (revised)	$	**45,784**	**2,391,871**	**2,437,655**

Starting from January 1, 2023, the consolidated company applies the amendment to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction." As per Note 3(a), the rent expenses of the subsidiary company in mainland China will no longer be exempt from recognition. Instead, an equal amount of deferred tax assets and deferred tax liabilities should be recognized.

(iii) Income tax verification situation

The mainland subsidiary's income tax settlement declaration case has been reported to the local tax agency until the 2021.

(o) Capital and Other Equity

Except for the following disclosures, there was no significant difference in capital and other equity for the three months ended March 31, 2023 and 2022. For the related information, please refer to the note 6(p) of the consolidated financial statements for the year ended December 31, 2022.

(i) Capital surplus

The components of the capital surplus were as follows:

	Mar 31, 2023	Dec 31, 2022	Mar 31, 2022
Premium on Issued Shares	$ 5,041,030	5,041,030	5,041,030
Treasury Stock Trading	25,333	25,333	25,333
Exercising the right of imputation	9,122	9,122	-
	$ 5,075,485	5,075,485	5,066,363

（ii）Retained Earnings

Based on the articles of the company, the board should in accord with the measures and procedure described as below to draft the disposition of earnings and submit it to the shareholders meeting for approval by an ordinary resolution if there is any earning at general accounts annually of the company:

(a)Tax payables contributed by law;

(b)Compensation to the accumulated deficit by previous years;

(c)10% as a contribution to the legal reserve in accordance with the applicable laws and regulations, except for when the legal reserve approaches the paid-in capital of the company;

(d)Contribution of the appropriated retained earnings by the applicable laws and regulations or the demands from a competent authority; and

(e)Profit available for distribution is the amount of earnings of the current year minus the sum from (a) to (d) above, and then plus cumulative retained earnings of the prior period. The board will propose the project of dividend distribution from it and then submit to the shareholders meeting for approval by an ordinary resolution according to the applicable laws and regulations.

Policies concerning the dividends of the company must take the environment as well as trends in the industry in the future, requirements for funds and financial structure into consideration. Dividends shall be paid no less than 30% of the current year ’s surplus. As for the profit available for distribution, except for an option of retaining, it can be distributed through equity dividends or cash dividends, which the latter is subject to be more than 10% of the total dividends.

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders’ meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Special reserve

The Group chose to apply the exemption under the IFRS1 "First-time adoption of IFRS"; therefore, a portion of cumulative translation adjustments amounting to thousand was reclassified as special earnings reserve. The net increase in retained earnings due to this reclassification is not covered by the Ruling No. 1010012865 issued by the FSC on April 6, 2022 for purposes of appropriating the same amount of special earnings reserve.

In accordance with the aforementioned Ruling, when the company distributes the distributable surplus, the net amount of other shareholders' equity deduction that occurs in the current year is supplemented as a special surplus reserve from the current profit and loss and the undistributed surplus of the previous period; it belongs to the deduction of other shareholders' equity accumulated in the previous period amount, the special surplus reserve shall not be distributed from the undistributed surplus of the previous period. If there is a subsequent reversal in the amount of reductions in other shareholders' equity, the surplus may be distributed for the reversed portion.

On March 31, 2023, the board of directors proposed a reversal of the special reserve in the amount of 40,171 thousand yuan to offset the loss of 355,791 thousand. Furthermore, on June 23, 2022, the shareholders' general meeting resolved the appropriation of a special reserve in the amount of 36,014 thousand.

3) Earnings distribution

On March 31, 2023, the board of directors proposed the 2022 Loss Appropriation Proposal, and on June 23, 2022, the shareholders' general meeting resolved the 2021 Loss Appropriation Proposal.

(iii) Treasury stock

The details for transferring treasury shares to employees:

(In thousands of shares)

	For the three months ended March 31	
	2023	**2022**
Outstanding at January 1	8,682	9,007
Quantity sold in this period	(973)	(310)
Outstanding at March 31	**$ 7,709**	**8,697**

The proceeds from transferring treasury shares were recognized as prepaid salary for employees to subscribe. As of March 31, 2023, December 31 and March 31, 2022, these prepaid salaries amounting to 140,255 thousand, 139,588 thousand and 146,563 thousand were recognized under other non-current assets – other. Considering the increasingly difficult environment of the department store, in order to retain talents and maintain the stability of the team, and due to the impact of the new crown virus. On August 30, 2022, the board of directors decided to defer the salary advance payment of employees until 2025.

(iv) Other Equity (net income after tax)

		Exchange Difference on Translation of Foreign Operations
Balance as of January 1, 2023	$	(952,421)
Exchange difference on translation of net assets of foreign operations		50,998
Share of translation differences of affiliated companies using the equity method		138
Balance as of March 31, 2023	**$**	**(901,285)**
Balance as of January 1, 2022	$	(992,592)
Exchange difference on translation of net assets of foreign operations		312,873
Share of translation differences of affiliated companies using the equity method		2,306
Balance as of March 31, 2022	**$**	**(677,413)**

(p) Earnings per Share

Calculations of the basic as well as diluted earnings per share of the consolidated company are listed as below:

	For the three months ended March 31	
	2023	**2022**
Basic Earnings (Loss) per Share		
Net Profit Attributed to Shareholder of Common Stock of Company	$ 4,080	(87,584)
Weighted average number of common shares outstanding	195,531	195,531
Basic Earnings (Loss) per Share (NTD)	$ 0.02	(0.45)

The Company did not disclose the diluted earnings (loss) per share for the three months ended March 31, 2023, and 2022, as there were accumulated losses as of January 1 and March 31, respectively, and losses before tax. Additionally, there were no potential ordinary shares of employee remuneration that could have diluted the earnings (loss) per share.

(q) Revenue from Contracts with Customers

(i) Details of Revenue

	For the three months ended March 31	
	2023	**2022**
Main Regional Markets:		
China	$ 1,056,582	1,250,799
Main Product/Service:		
Commissions revenue (Retail revenue – concessionaire sales)	$ 385,946	415,075
Commodity sales (Retail revenue – direct sales)	219,880	269,685
Lease revenue (Note)	250,403	315,982
Service revenue and others	200,353	250,057
	$ 1,056,582	1,250,799

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

(r) Employee compensation and directors' remuneration

According to the Articles of Association, once the Company has annual profit, it should appropriate no less than 1% of the profit to its employees and 3% or less as directors’ and supervisor’s remuneration. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The pervading target given via shares or cash includes dependent employees of the Company and Company’s subsidiaries

As the company incurred accumulated deficits and loss before tax for the period from January 1 to March 31, 2023 and 2022, no employee compensation and directors’ remuneration were estimated and accrued.

As the operations for the year 2022 resulted in a net loss, no employee compensation and directors’ remuneration were estimated and accrued. In 2021, the company had accounted for 787 thousand, respectively, as the rewards for employees, as well as accounting for 0 thousand, respectively, as the rewards for board members. On March 31, 2022, by board resolutions, the company had accounted for 788 thousand, respectively, as the rewards for employees, as well as accounting for $0 thousand, respectively, as the rewards for board members, where the differences between actual distribution and estimation, and they will be treated as the changes in accounting estimates and recognized as the profit or loss of 2022. All the relational information can be referred in the Market Observation Post System.

(s) Non-operating Income and Expenses

(i) Interest Income

The details of other income were as follows:

	For the three months ended March 31	
	2023	**2022**

Interest of Back Deposit	$ 5,801	7,088
Open-end Funds	254	234
Other	-	1,179
Total	$ 6,055	8,501

(ii)Other Income

The details of other income were as follows:

	For the three months ended March 31	
	2023	**2022**
Government grants income	$ 12,732	900

(iii)Other gains and losses

The details of other gains and losses were as follows:

	For the three months ended March 31	
	2023	**2022**
Loss on disposal of property, plant and equipment	$ (205)	(54)
Foreign exchange gain (losses)	2,627	678
Net gain (loss) on financial assets at fair value through profit or loss	2,810	1,324
Overdue payments transferred to income	4,873	-
Other Gains and Losses (such as fees and charges of credit card, etc.)	23,325	24,088
Other gains and losses, Net	$ 33,430	26,036

(iv) Finance costs

The details of finance costs were as follows:

	For the three months ended March 31	
	2023	**2022**
Interest Expense	$ 39,822	33,363
Interest on Lease liabilities	126,657	139,634
Other Financial Expenses	78	-
Total	$ 166,557	172,997

(t) Financial Instruments

Except for the contention mentioned below, there was no significant change in the fair value of the Group’s financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For the related information, please refer to note 6(u) of the consolidated financial statements for the year ended December 31, 2022.

(i) Credit risks

1) Exposure of Credit Risk

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

2) Concentration of credit risk

There was no significant change in concentration of credit risk. For the related information, please refer to note 6(u) of the consolidated financial statements for the year ended December 31, 2022.

3) Credit risk of receivables

For credit risk exposure of accounts receivables, please refer to note 6(c).

Other financial assets at amortized cost includes other receivables etc., as stated above, there were almost low credit risk, therefore the impairment provision of all of these financial assets recognized during the period was limited to 12 months expected losses or lifetime ECL measurement, please refer to note 4(g) of the consolidated financial statements for the year ended December 31, 2022.

The movement in the allowance for impairment for other receivables for the three months ended March 31, 2023 and 2022 were as follows:

	For the three months ended March 31	
	2023	**2022**
Balance at January 1	$ 200,544	50,765
Influenced by Fluctuation of Exchange Rates	990	1,970
Balance at December 31	**$ 201,534**	**52,735**

(ii) Liquidity risks

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

	Carrying Amount	**Contract Cash Flows**	**within 1 Year**	**1 – 5 Years**	**over 5 Years**
Mar 31, 2023					
Non-derivative Financial					

Liabilities					
Floating Rate Instruments	$ 1,795,960	1,958,392	931,328	1,027,064	-
Fixed Rate Instruments	1,959,828	2,047,344	1,678,699	368,645	-
Non-interest-bearing	2,486,026	2,486,026	1,933,127	-	552,899
Lease liabilities	10,680,445	14,266,666	1,291,707	5,182,707	7,792,252
	$ 16,922,259	**20,758,428**	**5,834,861**	**6,578,416**	**8,345,151**
Dec 31, 2022					
Non-derivative Financial Liabilities					
Floating Rate Instruments	$ 1,688,500	1,837,845	929,597	908,248	-
Fixed Rate Instruments	1,892,095	1,981,269	1,610,732	370,537	-
Non-interest-bearing	2,421,284	2,421,284	1,842,416	-	578,868
Lease liabilities	9,983,104	13,508,914	1,402,168	4,570,026	7,536,720
	$ 15,984,983	**19,749,312**	**5,784,913**	**5,848,811**	**8,115,588**
Mar 31, 2022					
Non-derivative Financial Liabilities					
Floating Rate Instruments	$ 1,483,163	1,515,370	1,224,996	290,374	-
Fixed Rate Instruments	2,398,928	2,487,331	2,396,189	91,142	-
Non-interest-bearing	2,852,100	2,852,100	2,162,788	-	689,312
Lease liabilities	11,908,183	16,057,993	1,127,567	5,700,261	9,230,165
	$ 18,642,374	**22,912,794**	**6,911,540**	**6,081,777**	**9,919,477**

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

(iii) Interest rate analysis

The Group’s significant exposure to interest rate risk was as follows:

	Carrying Amount		
	March 31, 2023	**December 31, 2022**	**March 31, 2022**
Fixed interest rate			
Financial Asset	$ 557,625	362,522	42,492
Financial Liability	(12,640,273)	(11,875,199)	(2,398,928)
	$ (12,082,648)	**(11,512,677)**	**(2,356,436)**
Variable interest rate			

Financial Asset	$	1,280,971	1,308,556	2,840,656
Financial Liability		(1,795,960)	(1,688,500)	(1,483,163)
	$	(514,989)	(379,944)	1,357,493

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

If the interest rate had increased or decreased by 0.5%, the Group’s profit before tax would have decreased or increased by 644 thousand and 1,697 thousand, which is mainly due to the Group’s borrowings at variable rates and demand deposits for the three months ended March 31, 2023 and 2022, respectively, given that all other variable factors remaining constant.

(iv) Other market price risk

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

	For the three months ended March 31			
	2023		**2022**	
Reporting Day Security Prices	**Other Comprehensive Income before Tax**	**Profit or Loss before Tax**	**Other Comprehensive Income before Tax**	**Profit or Loss before Tax**
5% Increase	**$ -**	**549**	**-**	**3,263**
5% Decrease	**$ -**	**(549)**	**-**	**(3,263)**

(v) Information of Fair Value

1) Measurement Process of Fair Value of Financial Instruments

Accounting policies and disclosure of the consolidated company include the assets and liabilities financial or non-financial measured by fair value. The consolidated company is to build an inner control system concerning fair value measurement. Wherein it includes an evaluation team to be responsible for reviewing all the assessments of fair value (including a Level 3 fair value), and this team will directly report to the CFO. The evaluation team will review the material inputs non-observable and adjust them periodically. If an input used for measuring fair value comes from the 3rd party information (such as a broker or pricing service institution), the team shall assess the evidence of this input provided and supported by the 3rd party, in order to ensure that this evaluation and the hierarchy classification of its fair value comply with IFRS.

The consolidated company shall use an observable input in the market as possible as it can when measuring the assets and liabilities. Fair value hierarchy is classified according to the input used of evaluation techniques:

- Level 1: Opening quotes (unadjusted) from the same assets or liabilities in an active market.
- Level 2: Except for the opening quotes in Level 1, input parameters of the assets or liabilities can be directly (i.e. price) or indirectly (i.e. inference from price) observed.
- Level 3: Input parameters of the assets or liabilities not based on the observable market information (non-observable parameters).

2) Classifications of Financial Instruments and Fair Value

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

	March 31, 2023				
		Fair Value			
	Carrying Amount	Level 1	Level 2	Level 3	Total
Financial Assets Measured by Fair Value through Profit or Loss					
Non-derivative Financial Assets Measured by Fair Value through Profit or Loss by Enforcement	$ 10,978	10,978	-	-	10,978

	Dec 31, 2022				
		Fair Value			
	Carrying Amount	Level 1	Level 2	Level 3	Total
Financial Assets Measured by Fair Value through Profit or Loss					
Non-derivative Financial Assets Measured by Fair Value through Profit or Loss by Enforcement	$ 68,033	68,033	-	-	68,033

	Mar 31, 2022				
		Fair Value			
	Carrying Amount	Level 1	Level 2	Level 3	Total
Financial Assets Measured by Fair Value through Profit or Loss					
Non-derivative Financial Assets Measured by Fair Value through Profit or Loss by Enforcement	$ 65,265	65,265	-	-	65,265

3) Valuation techniques for financial instruments not measured at fair value

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

a) Financial assets or liabilities measured at amortized cost

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

4) Valuation techniques for financial instruments measured at fair value

a) Non-derivative financial instruments

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

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

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

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

5) For the three months ended March 31, 2023 and 2022 fair value of the financial assets as well as liabilities at each level did not transfer at all.

(u) Financial risk management

There were no significant changes in the Group's financial risk management and policies asdisclosed in Note 6(v) of the consolidated financial statements for the year ended

December 31,2022.

(v) Capital management

Management believes that the objectives, policies and processes of capital management of the Group has been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2022. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2022.Please refer to Note 6(w) of the consolidated financial statements for the year ended December 31,2022 for further details.

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

The Group's investing and financing activities on non-cash transactions for the three months ended March 31, 2023 and 2022 were as follows:

(i) The reconciliation of liabilities from financing activities is as follows:

	January 1, 2023	Cash Flows	Non-cash changes: Foreign exchange movement	Non-cash changes: Other	March 31, 2023
Short-term borrowings	$ 1,816,945	82,553	578	-	1,900,076
Long-term borrowings	1,625,500	99,	(6,14	-	1,718,732
Guarantee deposits	578,868	(28,881)	2,912	-	552,899
				(Note)	
Lease liabilities	9,983,104	(358,257)	48,0	1,007,581	10,680,445
Total liabilities from financing activities	$ **14,004,417**	**(205,209)**	**45,363**	**1,007,581**	**14,852,152**

	January 1, 2022	Cash flows	Non-cash changes Foreign exchange movement	March 31, 2022
Short-term borrowings	$ 2,540,031	(29,997)	94,089	2,604,123
Long-term borrowings	1,431,175	(338,574)	45,129	1,137,730
Guarantee deposits	670,699	(7,259)	25,87[illegible]	689,312
Lease liabilities	11,600,131	(139,136)	447,188	11,908,183
Total liabilities from financing activities	$ 16,242,036	(514,966)	612,278	16,339,348

Note: Reduction of 14,057 thousand due to lease modification, and increase of 1,021,638 thousand in the current period.

7 Related-party transactions:

(a) Names and relationship with related parties

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

Name of Related Party	Relation to the Consolidated Company
First Steamship Co., Ltd.	Final Parent Company of the Consolidated Company
First Steamship S.A.	Parent Company of the Consolidated Company
Ahead Capital Ltd.	Same Final Parent Company as the Consolidated Company
Mariner Finance Ltd	Same Final Parent Company as the Consolidated Company
Nanjing Tiandu Industry Co., Ltd.	Manager of the consolidated company is the chairman of this company.
Shanghai Tian An Center Building Co., Ltd.	Manager of the consolidated company is the board member of this company.
Shanghai Guorui Tongshun Environmental Protection Technology Co., Ltd.	A substantial related party
Shanghai Allied Cement Holdings Limited	A substantial related party

Shanghai Kaixuanmen Enterprise Development Co., Ltd.	A substantial related party
Tian An(Shanghai) Investment Co., Ltd.	A substantial related party
Nanjing Tianan Gangli Property Management Co., Ltd.	A substantial related party
Gangli Property Management (Shanghai) Co., Ltd.	A substantial related party
Shanghai Qianshu Commercial Management Co., Ltd. A	A substantial related party
Nanjing Grand Ocean Dongfadao Catering Co., Ltd.	An associate

(b) Significant transactions with related parties

(i) Prepayments

	March 31, 2023	December 31, 2022	March 31, 2022
Parent Company	$ 68	68	120
Other related parties- Nanjing Tiandu Industry Co., Ltd. (Note)	174,741	160,8778	113,67
Other related parties-Other	17,996	17,780	6,584
	$ 192,805	178,725	120,380

Note: It refers to the variable rent paid in advance by the Group according to the monthly fixed amount in accordance with the lease agreement. On March 31, 2023, the board of directors decided to sign a ten-year lease contract with related parties, and the aforementioned prepaid rent is in the process of settlement.

(ii) Other receivables

	March 31, 2023	December 31, 2022	March 31, 2022
Other related parties	$ 4,423	3,503	2,236

(iii) Payables to Related Parties

The payables to related parties were as follows:

Account	Relationship	March 31, 2023	December31, 2022	March 31, 2022
Other payables	An associate	$ 1,418	1,411	1,443

Other payables	Other related parties	3,791	832	-
		$ 5,209	2,243	1,443

(iv) Borrow from a related parties

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

	March 31, 2023	December 31, 2022	March 31, 2022
Parent Company	$ 136,980	138,150	140,238

The Group's borrowings from related parties are calculated at an annual interest rate of 6.97% and 3.5%, respectively. For the three months ended March 31, 2023 and 2022 the recognized interest expenses were 2,333 thousand and 577 thousand, respectively.

(v)Lease

1) Liabilities lease

		Lease liabilities		
Relationship	**Purpose**	**March 31, 2023**	**Decembe31, 2022**	**March 31, 2022**
Other related parties	Office building	$ 9,358	11,675	845
Other related parties-Shanghai Kaixuanmen	Department store	4,414,839	4,408,145	4,514,194
Other related parties-Nanjing Tiandu	Department store	1,030,207	－	15,122
Other related parties	Energy-saving renovation engineering equipment	32,375	34,101	40,522
		$ 5,486,779	4,453,921	4,570,683

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

Relationship	Purpose	Interest Expense For the three months ended March 31 2023	 2022
Other related parties	Office building	$ 117	20
Other related parties-Shanghai Kaixuanmen	Department store	51,588	51,018
Other related parties-Nanjing Tiandu	Department store	10,565	200
Other related parties	Energy-saving renovation engineering equipment	403	491
		$ 62,673	**51,729**

2) Operating lease

Relationship	Account	Rent expense For the three months ended March 31 2023	 2022
Parent Company (Note)	Office building	$ 205	360
Other related parties (Note)	Office building	36	-
		$ 241	**360**

Relationship	Account	Payments that are not included in the measurement of the lease liabilities For the three months ended March 31 2023	 2022
Other related parties-Nanjing Tiandu	Department store	-	18,389

		Property management fee	
		For the three months ended March 31	
Relationship	**Account**	**2023**	**2022**
Other related parties	Office building and department store	953	947

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

3) Rental deposit

Account items	Relationship category	March 31, 2023	Decembe 31, 2022	March 31, 2022
Other financial assets - non-current	Parent Company	$ 148	148	240
Other financial assets - non-current	Other related parties- Shanghai Kaixuanmen	66,447	66,120	67,625
Other financial assets - non-current	Other related parties- Nanjing Tiandu	8,860	8,816	9,017
Other financial assets - non-current	Other related parties	3,287	3,270	3,345
		$ 78,742	78,354	80,227

(vi) Others

1) The Group provided management consulting services and signed service contracts with other related parties. For the years ended March 31, 2023 and 2022, the revenue from consulting services was $ 420 thousand and $ 2,464 thousand,

(c) Key management personnel compensation

(i) Key management personnel compensation comprised:

	For the three months ended March 31	
	2023	**2022**
Short-term employee benefits	**$ 5,212**	**5,188**

(ii) The Group granted key management personnel rights to subscribe treasury shares in advance salaries. As of March 31, 2023, December 31, 2022 and March 31, 2022, those prepaid salaries amounting to $40,266 thousand (CNY$9,090 thousand), $40,074 thousand(CNY$9,091 thousand) and $ 41,078 thousand (CNY$ 9,112 thousand), respectively, were recorded as non-current assets.

8 Pledged assets:

The carrying amount of pledged assets were as follows:

Pledged asset	Object		March 31, 2023	December 31, 2022	March 31, 2022
Property, Plants and Equipment(Note)	Bank Loans	$	5,411,633	5,423,238	3,110,196
Other financial assets					
Restricted Deposit	Bank depository funds		19,069	27,117	19,253
Restricted Deposit	Lease dispute freeze deposit		13,688	13,621	23,239
Restricted Deposit	Bank loans		524,868	-	-
		$	5,969,258	5,463,976	3,152,688

Note：Including the land use right, the assets of the right to use are listed in the account.

9 Commitment of Material Contract or Not Recognized Contract due to Liabilities:

(a) While the Group acquired the Quanzhou real estate, the assignor, Quanzhou FuHua Co., Ltd., failed to comply with the term of the contract, which stated that the assignor should repay the mortgage loan secured by the fourth floor of Quanzhou real estate with the consideration paid by the Group to release the mortgage. Therefore, the mortgagee filed an application to freeze the rent earned from the fourth floor of Quanzhou real estate in June 2020. The Group evaluates that the creditor still has means to repay the mortgage loan; hence, the fourth floor of Quanzhou real estate may not be at risk of impairment.

(b) The subsidiary of the Group, Chongqing Optics Valley Grand Ocean Commercial Development Co., Ltd., negotiated with the lessor, Chongqing Zhengsheng Real Estate Ltd. (hereinafter referred to as “Chongqing Zhengsheng”), to reduce the period for the lease payments due to the COVID-19 pandemic in 2020. However, the negotiation failed and Chongqing Zhengsheng filed a lawsuit against the Group in November 2020 demanding for the payment of the arrears and rental of the extended area used by the Group. The hearing concerning the above lawsuit has yet to commence as of the reporting date. As of March 31, 2023, the Group had recognized its rental expenses before the government regulated deadline based on the lease contract. Meanwhile, the Group filed a counterclaim against Chongqing Zhengsheng, wherein the court ruled against the Group. Thereafter, the Group filed an appeal to the high court. At present, the second-instance judgment upheld the first-instance judgment, and the Group should pay rent according to the original contract, but the Group was not satisfied with the court's judgment and planned to appoint a lawyer to appeal.

(c) The real estate property right transfer registration of Shiyan International Financial Center project from the first floor to the ninth floor above ground that the subsidiary of the Group, Wuhan Optics Valley Grand Ocean Commercial Development Co., Ltd. purchased from Hubei Grand Ocean Huayu Investment Co., Ltd.(hereinafter referred to as "Hubei Huayu")had not been completed in accordance with the agreement of commercial property contract; therefore, the Group filed a lawsuit on September 6, 2021. In accordance with the PRC law,the Group has adequate protection for the property; hence, no losses will be incurred by the Group regarding the matter. On May 12, 2022, the court ruled in the second instance that the Group won the case, and Hubei Huayu had registered the property rights of the real estate except the ground floor with the Group.

On the other hand, Hubei Huayu filed a lawsuit against Grand Ocean Classic Commercial Group Ltd. and Wuhan Optics Valley Grand Ocean Commercial Development Co., Ltd. On September 30, 2021 for the dispute on the equity investment of Hubei Huayu prior to 2017, claiming the compensation of CNY$93 million for the damage. On July 28, 2022, the court ruled in the first instance that the merged company won the case, but Hubei Huayu refused to accept the court's judgment and appointed a lawyer to file an appeal, which is still in court. After the assessment of the the right to make a claim occurred in 2017 exceeded the 3 year limitation period for the protection of civil rights according to the law. In addition, the Group has paid on schedule according to the subsequent equity capital reduction agreement signed by both parties. Therefore, it is determined that the Group have no obligation to pay any compensation.

10 Losses due to major disasters: None

11 Subsequent Events: None

12 Other

(a) A summary of current-period employee benefits, depreciation, depletion and amortization, by function, is as follows:

	For the three months ended March 31					
Function	2023			2022		
Item	Operating Cost	Operating expense	Total	Operating Cost	Operating expense	Total
Employee benefits						
Salary	-	97,081	97,081	-	108,583	108,583
Health and labor insurance	-	132	132	-	169	169
Pension	-	14,382	14,382	-	14,033	14,033
Others	-	24,102	24,102	-	23,851	23,851
Depreciation	-	384,923	384,923	-	409,455	409,455
Depletion	-	-	-	-	-	-
Amortization	-	851	851	-	2,628	2,628

(b)Seasonality of operations

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

(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" or the Group":

(i) Loans to other parties: Appendix 1.

(ii) Guarantees and endorsements for other parties: Appendix 2.

(iii) Securities held as of December 31, 2022 (excluding investment in subsidiaries, associates and joint ventures): Appendix 3.

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300,000 thousand or 20% of the capital stock: None.

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300,000 thousand or 20% of the capital stock: None.

(vi) Disposal of individual real estate with amount exceeding the lower of NT$300,000 thousand or 20% of the capital stock: None

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100,000 thousand or 20% of the capital stock: None

(viii) Receivables from related parties with amounts exceeding the lower of NT$100,000 thousand or 20% of the capital stock: Appendix 4.

(ix) Trading in derivative instruments: None

(x) Business relationships and significant intercompany transactions: Appendix 5.

(b) Information on investees: Appendix 6.

(c) Information on investment in mainland China: Appendix 7.

(d) Major shareholders:

Shareholding / Shareholder's Name	Shares	Percentage
Mega International Commercial Bank Co., Ltd. Acting as Custodian for the Investment Account of FIRST STEAMSHIP S.A.	91,560,000	46.82%
First Steamship Co., Ltd.	19,552,000	9.99%

(14) Segment Information

(a) General Information:

Main revenues of the Group come from department store retail business, and the main operating decision makers are to assess the performance based on the entire operating results. Therefore, the consolidated company is an individual operating department, and the information of operating department in 2023 as well as for the three months ended March 31,2022 is identical with the consolidated financial statements.

(b) Information of Products and Services: The consolidated company belongs to department store retail business.

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

(d) Information of VIP: Sales objects of the consolidated company are all general consumers, and there is no dependence upon the VIP