Stock Code: 5907

GRAND OCEAN RETAIL GROUP LTD. AND RELATIONAL SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Review Report

For the Nine Months Ended September 30, 2023 and 2022

Company Address: **P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman KY1-1205, Cayman Islands.**

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The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

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Independent Auditors' Review Report

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

Introduction

We have audited the consolidated financial statements of the Grand Ocean Retail Group Ltd. and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of September 30, 2023 and 2022, the consolidated statements of comprehensive income for the three months and nine months ended September 30, 2023 and 2022, as well as the changes in equity and cash flows for the nine months ended September 30, 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-major subsidiaries included in the consolidated financial statements above are based on the financial statements of the investee companies that have not been reviewed by accountants during the same period. As of September 30, 2023, the total assets were NT$398,248 thousand, constituting 1.48% of the total consolidated assets, the total liabilities were NT$364,415 thousand, constituting 1.81% of the total consolidated liabilities, the comprehensive profit and loss was NT$(8,113) thousand and NT$(12,567) thousand, constituting (12.85%) and 2.30% of the consolidated comprehensive profit and loss for the three months and nine months ended September 30, 2023, respectively.

In addition, as mentioned in the preceding paragraph, the total carrying amounts of the investments accounted for using equity method of the Group were NT$933 thousand and NT$35,785 thousand as of September 30, 2023 and 2022, respectively. The share of profit of associates accounted for using the equity method was NT$(12,195) thousand, NT$(955) thousand, NT$(14,071) thousand, and NT$(2,782) thousand for the three months and nine months ended September 30, 2023 and 2022, respectively, the amounts were based on the equity-method investees' unreviewed financial statements for the same reporting periods.

Conclusion

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-major subsidiaries and the equity-method investees as described in the Basis for Qualified Conclusion paragraph above been reviewed, 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 Group as of September 30, 2023 and 2022, and its consolidated financial performance for the three months and nine months ended September 30, 2023 and 2022, as well as its consolidated cash flows for the nine months ended September 30, 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 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(1) of the consolidated financial statements, the Group 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 statements for the third 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 reviews resulting in this independent auditors' review report are Shu-Ying Chang and Jun-Ming Pan.

KPMG
Taipei, Taiwan (Republic of China)
November 13, 2023

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries

Consolidated Balance Sheet

September 30, 2023, December 31, 2022, September 30, 2022, and January 1, 2022

(Expressed in Thousands of New Taiwan Dollars)

	Assets	September 30, 2023		December 31, 2022 (revised)		September 30, 2022 (revised)		January 1, 2022 (revised)	
		Amount	%	Amount	%	Amount	%	Amount	%
	Current Assets:								
1100	Cash and Cash Equivalents (Note 6(1))	$ 1,444,939	5	1,639,484	6	1,889,955	7	3,525,958	12
1110	Financial Assets Measured at Fair Value through Profit or Loss – Current (Note 6(2))	11,597	-	68,033	-	67,699	-	69,476	-
1170	Accounts Receivable of Net Amount (Note 6(3))	242,390	1	254,557	1	229,280	1	189,072	1
1200	Other Receivables (Note 6(3), (4) and 7)	77,330	-	165,656	1	336,906	1	568,734	2
1300	Inventories – Merchandising Business	182,357	1	218,305	1	225,950	1	233,185	1
1410	Pre-payments (Note 7)	423,845	2	420,055	2	304,294	1	365,430	1
1476	Other Financial Assets – Current (Note 6(8), 8 and 9)	142,020	1	64,212	-	47,023	-	47,250	-
		2,524,478	10	2,830,302	11	3,101,107	11	4,999,105	17
	Non-current Assets:								
1550	Investments using the equity method (Note 6(4))	933	-	27,636	-	35,785	-	36,634	-
1600	Property, Plants and Equipment (Note 6(5) and 8)	6,208,390	23	6,324,548	25	6,470,951	25	6,733,070	23
1755	Right of use asset (Note 6(6) and 8)	12,298,719	45	11,079,963	43	11,504,636	44	12,440,063	42
1780	Intangible Assets (Note 6(7))	1,968,006	7	1,918,886	8	1,947,417	7	1,849,497	6
1840	Deferred Tax Assets (Note 6(14))	2,938,379	11	2,785,521	11	2,939,325	11	3,225,179	11
1980	Other Financial Assets – Non-current (Note 6(8), 7 and 8)	751,727	3	206,909	1	236,815	1	216,039	1
1990	Other Non-current Assets (Note 6(4), (15) and 7)	206,378	1	207,382	1	141,600	1	141,093	-
		24,372,532	90	22,550,845	89	23,276,529	89	24,641,575	83
	Total Assets	$ 26,897,010	100	25,381,147	100	26,377,636	100	29,640,680	100

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries

Consolidated Balance Sheet

September 30, 2023, December 31, 2022, September 30, 2022, and January 1, 2022

(Expressed in Thousands of New Taiwan Dollars)

		September 30, 2023		December 31, 2022 (revised)		September 30, 2022 (revised)		January 1, 2022 (revised)	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current Liabilities:								
2100	Short-term Loans (Note 6(9))	$ 2,768,979	10	1,816,945	7	1,906,666	8	2,540,031	9
2171	Accounts Payable (Note 6(11))	933,660	3	961,085	4	1,091,247	4	2,005,631	7
2219	Other Payables (Note 6(5), (11), (19), 7 and 9)	1,316,467	5	1,019,481	4	991,185	4	875,611	3
2230	Current Tax Liabilities	38,172	-	38,410	-	48,033	-	54,514	-
2280	Current lease liabilities(Note 6(l2), 7 and 9)	695,143	3	943,549	4	1,069,804	4	832,236	3
2322	Current portion of long-term borrowings (Note 6(10))	554,175	2	413,260	2	356,296	1	907,627	3
2399	Other current liabilities	10,421	-	10,247	-	10,405	-	10,081	-
		6,317,017	23	5,202,977	21	5,473,636	21	7,225,731	25
	Non-current Liabilities:								
2541	Long-term Loans of Bank (Note 6(10))	888,865	3	1,212,240	5	752,373	3	523,548	2
2570	Deferred Tax Liabilities (Note 6(14))	2,362,375	9	2,092,260	8	2,183,724	8	2,414,006	8
2580	Non-Current lease liabilities(Note 6(l2) and 7)	10,027,894	38	9,039,555	36	9,582,980	37	10,767,895	35
2645	Deposit Received	592,467	2	578,868	2	610,089	2	670,699	2
		13,871,601	52	12,922,923	51	13,129,166	50	14,376,148	47
	Total Liabilities:	20,188,618	75	18,125,900	72	18,602,802	71	21,601,879	72
	Equity of Owner of Parent Company (Note 6(15)):								
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	19	5,075,485	20	5,075,173	19	5,066,363	17
3310	Legal Reserve	580,244	2	580,244	2	580,244	2	580,244	2
3320	Appropriated Retained Earnings	596,629	2	992,592	4	992,592	4	956,578	3
3350	Retained Earnings	(637,427)	(2)	(395,963)	(2)	38,313	-	472,898	2
3400	Other Equity	(861,849)	(3)	(952,421)	(4)	(866,798)	(3)	(992,592)	(3)
	Total Equity	6,708,392	25	7,255,247	28	7,774,834	29	8,038,801	28
	Total Liabilities and Equity	$ 26,897,010	100	25,381,147	100	26,377,636	100	29,640,680	100

See accompanying notes to consolidated financial statements.

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries

Consolidated Balance Sheet

September 30, 2023, December 31, 2022, September 30, 2022, and January 1, 2022

(Expressed in Thousands of Chinese Yuan Renminbi)

		September 30, 2023		December 31, 2022 (revised)		September 30, 2022 (revised)		January 1, 2022 (revised)	
	Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current Assets:								
1100	Cash and Cash Equivalents	$ 321,586	5	371,933	6	422,757	7	812,449	12
1110	Financial Assets Measured at Fair Value through Profit or Loss – Current	2,581	-	15,434	-	15,143	-	16,009	-
1170	Accounts Receivable of Net Amount	53,946	1	57,749	1	51,287	1	43,566	1
1200	Other Receivables	17,211	-	37,581	1	75,361	1	131,047	2
1300	Inventories – Merchandising Business	40,586	1	49,525	1	50,542	1	53,730	1
1410	Pre-payments	94,331	2	95,294	2	68,066	1	84,202	1
1476	Other Financial Assets – Current	31,608	1	14,567	-	10,518	-	10,887	-
		561,849	10	642,083	11	693,674	11	1,151,890	17
	Non-current Assets:								
1550	Investments using the equity method	208	-	6,270	-	8,005	-	8,441	-
1600	Property, Plants and Equipment	1,381,742	23	1,434,786	25	1,447,462	25	1,551,429	23
1755	Right of use asset	2,737,208	45	2,513,600	43	2,573,428	44	2,866,430	42
1780	Intangible Assets	438,000	7	435,318	8	435,610	7	426,159	6
1840	Deferred Tax Assets	653,967	11	631,923	11	657,486	11	743,143	11
1980	Other Financial Assets – Non-current	167,305	3	46,939	1	52,972	1	49,780	1
1990	Other Non-current Assets	45,931	1	47,047	1	31,674	1	32,511	-
		5,424,361	90	5,115,883	89	5,206,637	89	5,677,893	83
	Total Assets	**$ 5,986,210**	**100**	**5,757,966**	**100**	**5,900,311**	**100**	**6,829,783**	**100**

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries

Consolidated Balance Sheet

September 30, 2023, December 31, 2022, September 30, 2022, and January 1, 2022

(Expressed in Thousands of Chinese Yuan Renminbi)

	September 30, 2023		December 31, 2022 (revised)		September 30, 2022 (revised)		January 1, 2022 (revised)	
Liabilities and Equity	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
Current Liabilities:								
2100 Short-term Loans	$ 616,265	10	412,192	7	426,495	8	585,272	9
2171 Accounts Payable	207,796	3	218,032	4	244,097	4	462,136	7
2219 Other Payables	292,993	5	231,279	4	221,714	4	201,758	3
2230 Current Tax Liabilities	8,496	-	8,714	-	10,744	-	12,561	-
2280 Current lease liabilities	154,711	3	214,053	4	239,300	4	191,763	3
2322 Current portion of long-term borrowings	123,337	2	93,752	2	79,699	1	209,135	3
2399 Other current liabilities	2,319	-	2,325	-	2,328	-	2,323	-
	1,405,917	23	1,180,347	21	1,224,377	21	1,664,948	25
Non-current Liabilities:								
2541 Long-term Loans of Bank	197,826	3	275,009	5	168,295	3	120,636	2
2570 Deferred Tax Liabilities	525,771	9	474,650	8	488,468	8	556,233	8
2580 Non-Current lease liabilities	2,231,813	38	2,050,713	36	2,143,580	37	2,481,130	36
2645 Deposit Received	131,860	2	131,322	2	136,468	2	154,542	2
	3,087,270	52	2,931,694	50	2,936,811	50	3,312,541	48
Total Liabilities:	4,493,187	75	4,112,041	71	4,161,188	71	4,977,489	73
Equity of Owner of Parent Company:								
3100 Share Capital	492,105	9	492,05	9	492,105	8	492,05	7
3200 Capital surplus	1,020,044	17	1,020,044	18	1,019,973	17	1,017,940	15
3310 Legal Reserve	121,053	2	121,053	2	121,053	2	121,053	2
3320 Special Reserve	129,560	2	221,735	4	221,735	4	213,635	3
3350 Unappropriated earnings	(215,487)	(4)	(163,157)	(3)	(65,237)	(1)	32,665	-
3400 Other Equity	(54,252)	(1)	(45,855)	(1)	(50,506)	(1)	(25,104)	-
Total Equity	1,493,023	25	1,645,925	29	1,739,123	29	1,852,294	27
Total Liabilities and Equity	**$ 5,986,210**	**100**	**5,757,966**	**100**	**5,900,311**	**100**	**6,829,783**	**100**

See accompanying notes to consolidated financial statements.

GRAND OCEAN RETAIL GROUP LTD. and Relatinal Subsidiaries

Consolidated Income Statement

For the three months and nine months ended September 30, 2023 and 2022

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

		For the three months ended September 30				For the nine months ended September 30			
		2023		2022		2023		2022	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	**Operating Revenues (Note 6(17) and 7)**	$ 843,341	100	962,564	100	2,811,795	100	3,223,386	100
5000	**Operating Costs**	121,994	14	154,461	16	484,505	17	594,723	18
	Gross Profit	721,347	86	808,103	84	2,327,290	83	2,628,663	82
6000	**Operating Expenses (Note 6(5), (6), (7), (12), (13), (18), 7 and 9)**	786,373	93	838,694	87	2,329,481	83	2,551,333	79
6450	**Expected credit loss (Reversal of impairment loss) (Note 6(3))**	291	-	1,048	(1)	8,168	-	608	-
		786,664	93	839,742	86	2,337,649	83	2,551,941	79
	Operating Income	(65,317)	(7)	(31,639)	(2)	(10,359)	-	76,722	3
	Non-operating Income and Expenses:								
7100	Total interest income (Note 6(19))	7,139	1	5,683	1	18,537	1	19,075	1
7010	Other Revenues (Note 6(19))	1,683	-	3,569	-	14,725	1	9,354	-
7020	Other Gains and Losses (Note 6(19))	28,340	3	131,791	14	148,708	5	193,705	6
7050	Financial Costs (Note 6(l2), (19) and 7)	(162,122)	(19)	(177,005)	(18)	(506,305)	(18)	(531,939)	(17)
7055	Expected credit loss (Note 6(3) and (20))	(52)	-	(8)	-	(99,824)	(4)	(7,551)	-
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method, net (Note 6(4))	(12,195)	(1)	(955)	-	(14,071)	(1)	(2,782)	-
		(137,207)	(16)	(36,925)	(3)	(438,230)	(16)	(320,138)	(10)
7900	**Earnings before Tax**	(202,524)	(23)	(68,564)	(5)	(448,589)	(16)	(243,416)	(7)
7950	**Deduction: Income Tax Expenses (Note 6(14))**	23,307	3	95,492	10	188,838	7	155,155	5
	Current Net Loss	(225,831)	(26)	(164,056)	(15)	(637,427)	(23)	(398,571)	(12)
8300	**Other Comprehensive Income:**								
8360	**Items that may be Re-classified Subsequently to Profit or Loss (Note 6(4) and (15))**								
8361	Exchange Difference on Translation of Foreign Operations	288,624	34	14,250	1	90,804	3	123,861	4
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	351	-	846	-	(232)	-	1,933	-
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	288,975	34	15,096	1	90,572	3	125,794	4
8300	**Other comprehensive income (loss)**	288,975	34	15,096	1	90,572	3	125,794	4
	Comprehensive income	**$ 63,144**	**8**	**(148,960)**	**(14)**	**(546,855)**	**(20)**	**(272,777)**	**(8)**
	Net loss, attributable to:								
8610	Owners of parent	**$ (225,831)**	**(26)**	**(164,056)**	**(15)**	**(637,427)**	**(23)**	**(398,571)**	**(12)**
	Comprehensive income (loss) attributable to:								
8710	Owners of parent	**$ 63,144**	**8**	**(148,960)**	**(14)**	**(546,855)**	**(20)**	**(272,777)**	**(8)**
	Earnings (loss) per Share (Note 6(16))								
9750	**Basic earnings (loss) per share (NT dollars)**	**$ (1.15)**		**(0.84)**		**(3.26)**		**(2.04)**	

See accompanying notes to consolidated financial statements.

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries

Consolidated Income Statement

For the three months and nine months ended September 30, 2023 and 2022

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

		For the three months ended September 30				For the nine months ended September 30			
		2023		2022		2023		2022	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	**Operating Revenues**	$ 190,953	100	216,367	100	637,436	100	726,265	100
5000	**Operating Costs**	27,614	14	34,703	16	109,838	17	133,998	18
	Gross Profit	163,339	86	181,664	84	527,598	83	592,267	82
6000	**Operating Expenses**	178,088	93	188,581	87	528,094	83	574,844	79
6450	**Expected credit loss (Reversal of impairment loss)**	65	-	236	-	1,852	-	137	-
		178,153	93	188,817	87	529,946	83	574,981	79
	Operating Income	(14,814)	(7)	(7,153)	(3)	(2,348)	-	17,286	3
	Non-operating Income and Expenses:								
7100	Total interest income	1,617	1	1,278	1	4,202	1	4,298	1
7010	Other Revenues	380	-	803	-	3,338	1	2,108	-
7020	Other Gains and Losses	6,411	3	29,680	14	33,713	5	43,644	6
7050	Financial Costs	(36,713)	(19)	(39,801)	(18)	(114,780)	(18)	(119,852)	(17)
7055	Expected credit loss	-	-	-	-	(22,630)	(4)	(1,701)	-
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method, net	(2,764)	(1)	(215)	-	(3,190)	(1)	(627)	-
		(31,069)	(16)	(8,255)	(3)	(99,347)	(16)	(72,130)	(10)
7900	**Earnings before Tax**	(45,883)	(23)	(15,408)	(6)	(101,695)	(16)	(54,844)	(7)
7950	**Deduction: Income Tax Expenses**	5,264	3	21,502	10	42,810	7	34,958	5
	Current Net Loss	(51,147)	(26)	(36,910)	(16)	(144,505)	(23)	(89,802)	(12)
8300	**Other Comprehensive Income:**								
8360	**Items that may be Re-classified Subsequently to Profit or Loss**								
8361	Exchange Difference on Translation of Foreign Operations	1,576	1	(14,039)	(6)	(8,517)	(1)	(25,593)	(4)
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	120	-	112	-	120	-	191	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-	-	-	-	-
	Sum of Items that may be Re-classified Subsequently to Profit or Loss	1,696	1	(13,927)	(6)	(8,397)	(1)	(25,402)	(4)
8300	**Other comprehensive income (loss)**	1,696	1	(13,927)	(6)	(8,397)	(1)	(25,402)	(4)
	Comprehensive income	**$ (49,451)**	**(25)**	**(50,837)**	**(22)**	**(152,902)**	**(24)**	**(115,204)**	**(16)**
	Net loss, attributable to:								
8610	Owners of parent	**$ (51,147)**	**(26)**	**(36,910)**	**(16)**	**(144,505)**	**(23)**	**(89,802)**	**(12)**
	Comprehensive income (loss) attributable to:								
8710	Owners of parent	**$ (49,451)**	**(25)**	**(50,837)**	**(22)**	**(152,902)**	**(24)**	**(115,204)**	**(16)**
	Earnings (loss) per Share								
9750	Basic earnings (loss) per share (RMB)	**$ (0.26)**		**(0.19)**		**(0.74)**		**(0.46)**	

See accompanying notes to consolidated financial statements.

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries
Consolidated Statement of Changes in Shareholders' Equity
For the nine months ended September 30, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	Owner's Equity								
			Retained Earnings				Other Equity		
	Share Capital	Capital surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Sum	Exchang Differences on Translation of Foreign Operations	Attributed to Attributed to Parent Company Total Equity	Total Equity
Balance at January 1, 2022	$ 1,955,310	5,066,363	580,244	956,578	472,898	2,009,720	(992,592)	8,038,801	8,038,801
Current Net Loss	-	-	-	-	(398,571)	(398,571)	-	(398,571)	(398,571)
Current Other Comprehensive Income	-	-	-	-	-	-	125,794	125,794	125,794
Current Total Comprehensive Income	-	-	-	-	(398,571)	(398,571)	125,794	(272,777)	(272,777)
Exercising the right of imputation	-	8,810	-	-	-	-	-	8,810	8,810
Appropriation and Distribution of Retained Earnings:									
Special reserve appropriated	-	-	-	36,014	(36,014)	-	-	-	-
Balance at September 30, 2022	**$ 1,955,310**	**5,075,173**	**580,244**	**992,592**	**38,313**	**1,611,149**	**(866,798)**	**7,774,834**	**7,774,834**
Balance at January 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	-	-	-	-	(637,427)	(637,427)	-	(637,427)	(637,427)
Current Other Comprehensive Income	-	-	-	-	-	-	90,572	90,572	90,572
Current Total Comprehensive Income	-	-	-	-	(637,427)	(637,427)	90,572	(546,855)	(546,855)
Appropriation and Distribution of Retained Earnings:									
Reversal of special reserve	-	-	-	(40,171)	40,171	-	-	-	-
Special reserve used to cover accumulated deficits	-	-	-	(355,792)	355,792	-	-	-	-
Balance at September 30, 2023	**$ 1,955,310**	**5,075,485**	**580,244**	**596,629**	**(637,427)**	**539,446**	**(861,849)**	**6,708,392**	**6,708,392**

See accompanying notes to consolidated financial statements.

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries
Consolidated Statement of Changes in Shareholders' Equity
For the nine months ended September 30, 2023 and 2022
(Expressed in Thousands of Chinese Yuan Renminbi)

	Owner's Equity								
			Retained Earnings				Other Equity		
	Share Capital	Capital surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Sum	Exchang Differences on Translation of Foreign Operations	Attributed to Attributed to Parent Company Total Equity	Total Equity
Balance at January 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 Loss	-	-	-	-	(89,802)	(89,802)	-	(89,802)	(89,802)
Current Other Comprehensive Income	-	-	-	-	-	-	(25,402)	(25,402)	(25,402)
Current Total Comprehensive Income	-	-	-	-	(89,802)	(89,802)	(25,402)	(115,204)	(115,204)
Exercising the right of imputation	-	2,033	-	-	-	-	-	2,033	2,033
Appropriation and Distribution of Retained Earnings:									
Special reserve appropriated	-	-	-	8,100	(8,100)	-	-	-	-
Balance at September 30, 2022	**$ 492,105**	**1,019,973**	**121,053**	**221,735**	**(65,237)**	**277,551**	**(50,506)**	**1,739,123**	**1,739,123**
Balance at January 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	-	-	-	-	(144,505)	(144,505)	-	(144,505)	(144,505)
Current Other Comprehensive Income	-	-	-	-	-	-	(8,397)	(8,397)	(8,397)
Current Total Comprehensive Income	-	-	-	-	(144,505)	(144,505)	(8,397)	(152,902)	(152,902)
Appropriation and Distribution of Retained Earnings:									
Reversal of special reserve	-	-	-	(9,351)	9,351	-	-	-	-
Special reserve used to cover accumulated deficits	-	-	-	(82,824)	82,824	-	-	-	-
Balance at September 30, 2023	**$ 492,105**	**1,020,044**	**121,053**	**129,560**	**(215,487)**	**35,126**	**(54,252)**	**1,493,023**	**1,493,023**

See accompanying notes to consolidated financial statements.

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries

Consolidated Statement of Cash Flows

For the nine months ended September 30, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	For the nine months ended September 30	
	2023	2022
Cash Flows from Operating Activities		
(Loss) profit before tax	$ (448,589)	(243,416)
Adjusting Events:		
Income and Expenses		
Depreciation expense	1,157,109	1,239,446
Amortization expense	2,524	3,142
Expected credit loss	107,992	8,159
Net gain on financial assets or liabilities at fair value through profit or loss	(7,342)	(7,184)
Interest expense	506,305	531,939
Interest income	(18,537)	(19,075)
Dividend income	-	(2,739)
Share of profit (loss) of associates accounted for using equity method	14,071	2,782
Loss on disposal of property, plant and equipment	528	177
Gain on disposal of investments	(5,099)	-
Impairment loss on non-financial assets	59,060	158,689
Lease modification benefits	(493,874)	(356,114)
Total adjustments to reconcile profit (loss)	1,322,737	1,559,222
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets and liabilities at fair value through profit	64,790	18,267
Accounts receivable	8,605	(34,876)
Other receivables	1,460	40,016
Inventories	39,431	14,151
Prepayments	4,252	69,941
Sum of Net Variance of Assets Concern Operating Activities	118,538	107,499
Changes in operating liabilities:		
Accounts Payable	(45,151)	(967,724)
Other Payables	236,948	77,327
Other current liabilities	(28)	-
Sum of Net Variance of Liabilities Concern Operating Activities	191,769	(890,397)
Sum of Net Variance of Assets and Liabilities Concern Operating Activities	310,307	(782,898)
Total adjustments	1,633,044	776,324
Cash inflow generated from operations	1,184,455	532,908
Interest received	6,993	16,318
Dividend received	-	2,739
Interest paid	(503,155)	(529,471)
Income taxes paid	(62,330)	(87,994)
Cash Inflow from Operating Activities	625,963	(65,500)

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries

Consolidated Statement of Cash Flows

For the nine months ended September 30, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	For the nine months ended September 30	
	2023	**2022**
Cash flows from (used in) investing activities:		
Acquisition of investments using the equity method	(12,658)	-
Proceeds from disposal of investments using the equity method	30,157	-
Acquisition of property, plant and equipment	(243,453)	(111,230)
Proceeds from disposal of property, plant and equipment	361	1,893
Increase in refundable deposits	(74,209)	(6,196)
Decrease in other receivables	-	201,943
Acquisition of Intangible Assets	(1,300)	(337)
Increase in other financial assets	(531,636)	(5,808)
Decrease in other non-current assets	4,967	3,882
Net cash flows used in investing activities	(827,771)	84,147
Cash flows from (used in) financing activities:		
(Decrease) Increase in Short-term Loans	880,474	(793,360)
Lease from Long-term Loans	355,845	733,075
Payments for Long-term Loans	(596,478)	(1,186,564)
(Decrease) Increase in Deposit Received	2,373	(80,216)
Increase in Other payables	108,301	14,662
Payment of lease liabilities	(772,526)	(451,388)
Attribution right income	-	8,810
Net cash flows used in financing activities	(22,011)	(1,754,981)
Effect of exchange rate changes on cash and cash equivalents	29,274	100,331
Net decrease in cash and cash equivalents	(194,545)	(1,636,003)
Cash and cash equivalents at beginning of period	1,639,484	3,525,958
Cash and cash equivalents at end of period	$ 1,444,939	1,889,955

See accompanying notes to consolidated financial statements.

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries

Consolidated Statement of Cash Flows

For the nine months ended September 30, 2023 and 2022

(Expressed in Thousands of Chinese Yuan Renminbi)

	For the nine months ended September 30	
	2023	2022
Cash Flows from Operating Activities		
(Loss) profit before tax	$ (101,695)	(54,844)
Adjusting Events:		
Income and Expenses		
Depreciation expense	262,317	279,261
Amortization expense	572	708
Expected credit loss	24,482	1,838
Net gain on financial assets or liabilities at fair value through profit or loss	(1,664)	(1,619)
Interest expense	114,780	119,852
Interest income	(4,202)	(4,298)
Dividend income	-	(617)
Share of profit (loss) of associates accounted for using equity method	3,190	627
Loss on disposal of property, plant and equipment	120	40
Gain on disposal of investments	(1,156)	-
Impairment loss on non-financial assets	13,389	35,754
Lease modification benefits	(111,962)	(80,236)
Total adjustments to reconcile profit (loss)	299,866	351,310
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets and liabilities at fair value through profit	14,688	4,116
Accounts receivable	1,951	(7,858)
Other receivables	331	9,016
Inventories	8,939	3,188
Prepayments	964	15,758
Sum of Net Variance of Assets Concern Operating Activities	26,873	24,220
Changes in operating liabilities:		
Accounts Payable	(10,236)	(218,039)
Other Payables	53,716	17,423
Other current liabilities	(6)	-
Sum of Net Variance of Liabilities Concern Operating Activities	43,474	(200,616)
Sum of Net Variance of Assets and Liabilities Concern Operating Activities	70,347	(176,396)
Total adjustments	370,213	174,914
Cash inflow generated from operations	268,518	120,070
Interest received	1,585	3,677
Dividend received	-	617
Interest paid	(114,066)	(119,296)
Income taxes paid	(14,130)	(19,826)
Cash Inflow from Operating Activities	141,907	(14,758)

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries

Consolidated Statement of Cash Flows

For the nine months ended September 30, 2023 and 2022

(Expressed in Thousands of Chinese Yuan Renminbi)

	For the nine months ended September 30	
	2023	2022
Cash flows from (used in) investing activities:		
Acquisition of investments using the equity method	(2,870)	-
Proceeds from disposal of investments using the equity method	7,000	-
Acquisition of property, plant and equipment	(55,191)	(25,061)
Proceeds from disposal of property, plant and equipment	82	427
Increase in refundable deposits	(16,823)	(1,396)
Decrease in other receivables	-	45,500
Acquisition of Intangible Assets	(295)	(76)
Increase in other financial assets	(120,522)	(1,309)
Decrease in other non-current assets	1,126	875
Net cash flows used in investing activities	(187,493)	18,960
Cash flows from (used in) financing activities:		
(Decrease) Increase in Short-term Loans	199,604	(178,753)
Lease from Long-term Loans	80,670	165,170
Payments for Long-term Loans	(135,222)	(267,346)
(Decrease) Increase in Deposit Received	538	(18,074)
Increase in Other payables	24,552	3,304
Payment of lease liabilities	(175,132)	(101,703)
Attribution right income	-	2,033
Net cash flows used in financing activities	(4,990)	(395,369)
Effect of exchange rate changes on cash and cash equivalents	229	1,475
Net decrease in cash and cash equivalents	(50,347)	(389,692)
Cash and cash equivalents at beginning of period	371,933	812,449
Cash and cash equivalents at end of period	$ 321,586	422,757

See accompanying notes to consolidated financial statements.

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries

Notes to the Consolidated Financial Statements

For the nine months ended September 30, 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 June 6, 2012. The consolidated financial statements of the company include equity of the associates by the company and its subsidiaries (the "Group"), as well as the consolidated company. Main business contents of the consolidated company are business management consulting and retail sales.

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

   These consolidated financial statements were approved and authorized for issuance by the Board of Directors on November 13, 2023.

3. **New standards, amendments and interpretations adopted:**

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

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

   A. 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 arising from differences in lease fiscal and tax treatment of NT$2,363,273 thousand, NT$2,125,529 thousand, and NT$2,035,972 thousand as of January 1, September 30, and December 31, 2022, respectively.

If the consolidated company follows the previous accounting policy for the third quarter of 2023, it would result in a decrease of NT$2,345,165 thousand in deferred tax assets and deferred tax liabilities as of September 30, 2023

B. 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”

The consolidated company has initially adopted the following new amendments, which do not have a significant impact on the consolidated financial statements, from May 23, 2023.

- Amendment to International Accounting Standard No. 12 "International Tax Reform - Pillar Two Model Rules".

(2) The impact of IFRS issued by the FSC but not yet effective

The consolidated company evaluates that the adoption of the following new amendments, effective for annual period beginning on January 1, 2024, would not have a significant impact on the consolidated financial statements.

- Amendment to International Accounting Standard No. 1 "Classification of Liabilities as Current or Non-current".
- Amendment to International Accounting Standard No. 1 "Non-current Liabilities with Covenants".
- Amendment to International Accounting Standard No.7 and International Financial Reporting Standard No. 7 "Supplier Finance Arrangements".
- Amendments to IFRS 16 "Leases Liability in a Sale and Leaseback".

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

The consolidated company expect that the following new and amended standards, which have not yet been endorsed, 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.
- International Accounting Standard No. 21 "Lack of Exchangeability".

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

(1) Statement of compliance

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

(2) Basis of consolidation

A. Subsidiary Listed in Consolidated Financial Statements

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

			Percentage of holding shares (%)			
Name of Investor	**Name of Subsidiary**	**Principal activity**	**September 30, 2023**	**December 31, 2022**	**September 30, 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 Administration Limited (Note)	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	Shanghai Grand Ocean Qianshu	Management consulting	100.00%	100.00%	100.00%	The company directly (indirectly) holds more

Name of Investor	Name of Subsidiary	Principal activity	Percentage of holding shares (%) September 30, 2023	December 31, 2022	September 30, 2022	Note
Commercial Group Co., Ltd	Commercial Management Co., Ltd	business, and trading of cosmetics, furnishings, etc.				than 50% of its subsidiaries
Quanzhou Grand Ocean Commerce Limited	Wuhan Grand Ocean Classic Commercial Development Limited	Trading of cosmetics, furnishings, etc.	30.00%	30.00%	30.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Nanjing Grand Ocean Classic Commerce Limited	Hefei Grand Ocean Classic Commercial Development Limited	Trading of cosmetics, furnishings, etc.	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Fuzhou Grand Ocean Commerce Limited	Fuzhou Grand Ocean Classic Commerce Limited	Trading of cosmetics, furnishings, etc.	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Fuzhou Grand Ocean Commerce Limited	Wuhan Grand Ocean Classic Commercial Development Limited	Trading of cosmetics, furnishings, etc.	70.00%	70.00%	70.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Fuzhou Grand Ocean Commerce Limited	Fuzhou Jiaruixing Business Administration Limited (Note)	Management consulting business, and trading of cosmetics, furnishings, etc.	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Wuhan Grand Ocean Classic Commercial Development Limited	Wuhan Optics Valley Grand Ocean Commercial Development Limited	Trading of cosmetics, furnishings, etc.	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Wuhan Grand Ocean Classic Commercial Development Limited	Chongqing Optics Valley Grand Ocean Commercial Development Limited	Trading of cosmetics, furnishings, etc.	35.30%	35.30%	35.30%	The company directly (indirectly) holds more than 50% of its subsidiaries and it also closed of business in October 31 2022, and in process of liquidation.
Wuhan Grand Ocean Classic Commercial Development Limited	Wuhan Hanyang Grand Ocean Classic Commercial Limited	Trading of cosmetics, furnishings, etc.	50%	50%	50.00%	The company directly (indirectly) holds more than 50% of its subsidiaries and it also closed of business in August 31 2023, and in process of liquidation.
Wuhan Grand Ocean Classic Commercial Development	Hengyang Grand Ocean Commercial Development	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	Percentage of holding shares (%) September 30, 2023	December 31, 2022	September 30, 2022	Note
Limited	Limited					
Wuhan Grand Ocean Classic Commercial Development Limited	Shiyan Grand Ocean Commerce Limited	Trading of cosmetics, furnishings, etc.	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Wuhan Grand Ocean Classic Commercial Development Limited	Chongqing Optics Valley Grand Ocean Commercial Development Limited	Trading of cosmetics, furnishings, etc.	64.70%	64.70%	64.70%	The company directly (indirectly) holds more than 50% of its subsidiaries and it also closed of business in Octorber 31 2022, and in process of liquidation.
Wuhan Optics Valley Grand Ocean Commercial Development Limited	Wuhan Hanyang Grand Ocean Classic Commercial Limited	Trading of cosmetics, furnishings, etc.	50%	50%	50.00%	The company directly (indirectly) holds more than 50% of its subsidiaries and it also closed of business in August 31 2023, and in process of liquidation.
Wuhan Optics Valley Grand Ocean Commercial Development Limited	Yichang Grand Ocean Commerce Limited	Trading of cosmetics, furnishings, etc.	100%	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%	The company directly (indirectly) holds more than 50% of its subsidiaries

Note: This company is a non-major subsidiary, and its financial statements have not been reviewed by accountants for the nine months ending on September 30, 2023.

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

(3) 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.

(4) 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.

(1) Cash and cash equivalents

	September 30, 2023	December 31, 2022	September 30, 2022
Vault Cash and Petty Cash	$ 9,309	9,144	11,009
Demand Deposit	1,435,630	1,308,556	1,878,946
Time deposits	-	321,784	-
Total	$ 1,444,939	1,639,484	1,889,955

Please refer to note 6(20) for the sensitivity analysis and interest rate risk.

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

		September 30, 2023	December 31, 2022	September 30, 2022
Mandatorily measured at fair value through profit or loss: – Current:				
Open-end Funds	$	11,597	10,852	11,205
Shares of stock of listed companies		-	57,181	56,494
Total	$	11,597	68,033	67,699

A. Please refer to note 6(20) for disclosure of credit risk and market risk of all financial instruments mentioned above.

B. The financial assets mentioned above had not been pledged as collateral.

C. For gain or loss on financial assets or liabilities at fair value through profit or loss, please refer to note 6(19).

(3) Account receivables and other receivables

		September 30, 2023	December 31, 2022	September 30, 2022
Accounts Receivable	$	281,900	285,226	243,181
Allowance for impairment		(39,510)	(30,669)	(13,901)
		242,390	254,557	229,280
Other Receivables - Current：				
Other Receivables - Investment Funds		274,083	268,888	272,703
Other Receivables – Lease deposit		64,034	62,820	63,712
Other Receivables – Others		45,313	34,492	60,390
Deduction: Impairment Loss Allowance		(306,100)	(200,544)	(59,899)
Subtotal		77,330	165,656	336,906
Total	**$**	**319,720**	**420,213**	**566,186**

A. The Group’s main trade receivables from retail department in China are credit card payments collected from banks, with an average credit period of 2 to 3 days, wherein there is no concern about the collectability. 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.

	September 30, 2023	December 31, 2022	September 30, 2022
Amount involved in mediation or litigation	$ 20,115	18,589	21,088
Deduction: Expected loss	(20,115)	(18,589)	(3,951)
Subtotal	$ -	-	17,137

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

	September 30, 2023		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Not overdue	$ 218,584	0%	-
1 to 90 days past due	21,682	0%	-
91 to 180 days past due	2,068	0%~20%	406
181 to 270 days past due	797	42%	335
271 to 365 days past due	5,650	100%	5,650
More than 365 days past due	13,004	100%	13,004
	$ 261,785		19,395

	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

	September 30, 2022		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Not overdue	$ 188,325	0%	-
1 to 90 days past due	19,168	0%	-
91 to 180 days past due	2,772	4%	119

	September 30, 2022		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
181 to 270 days past due	3,897	46%	1,900
271 to 365 days past due	68	100%	68
More than 365 days past due	7,863	100%	7,863
	$ 222,093		9,950

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

	For the nine months ended September 30	
	2023	2022
Opening Balance	$ 30,669	13,266
Impairment loss recognized	8,168	608
Amount written off	(69)	(374)
Exchange rate impact number	742	401
Ending balance	$ 39,510	13,901

C. Other receivables–others are the advance payment in accordance with the promotions held by retail business department and venders. Since the Group and the vendors are in a long-term business relationship, the Group has considered historical experience and believed that they were less doubtful of the recoverability of these receivables. The Group assessed the aforesaid other receivables as the financial assets with low credit risk and measured loss allowances at an amount as 12-month expected credit loss. Please refer to Note 6(20) for the remaining credit risk information.

D. Since the rental agreement of, Xiangtan Grand Ocean Department Store Co., Ltd. (Xiangtan) one of the Group's subsidiaries, have reached its maturity in December 2018, the Group ceased Xiangtan's business operation, wherein a security deposit amounting to CNY 15,000 thousand is expected to be received. Xiangtan had already returned the property to its owner, Xiangyuan Industrial Development Co., Ltd. (Xiangyuan), but failed to receive the security deposit. In order to receive the payment and begin the liquidation process, Xiangtan filed a lawsuit against Xiangyuan. On July 1, 2019, the people's court ordered Xiangyuan to pay the amount of CNY 14,700 thousand to Xiangtan. However, Xiangyuan disagreed with the court's decision, therefore, filed an appeal on November 13, 2019, wherein it was denied on January 16, 2020. Furthermore, Xiangtan filed an appeal to the court to freeze the property of Xiangyuan, in which the court granted the approval do to so. After a thorough investigation by the court, it was found that Xiangyuan has enough property to pay for the security deposit, and the Group has collected the mandatory payment of NT$1,952 thousand (CNY 448 thousand). The consolidated company considered the impact of the recent economic situation on the department store business, and the uncertainty of the future development of the region was high. Based on conservative and sound principles, on September 30, 2023, December 31, 2022, and September 30, 2022, the respective lease security deposits of NT$64,034 thousand (CNY 14,252 thousand), NT$62,820 thousand (CNY 14,252 thousand), and NT$63,712 thousand (CNY 14,352 thousand) were recorded as provision for impairment losses of NT$32,017 thousand (CNY 7,126 thousand), NT$31,410 thousand (CNY 7,126 thousand), and zero.

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

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

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

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

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

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

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

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

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

Due to the force majeure factor of the COVID-19 epidemic, the society, various industries and the business of Damahua have been seriously affected. 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 September 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:

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

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

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

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

The Group 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 CNY 29,000 thousand, CNY 16,000 thousand and CNY 16,000 thousand to the Group on June 30, 2023, March 31, 2023 and December 31, 2022, and the uncollected accounts receivable on September 30, 2023, December 31, 2022, and September 30, 2022 were respectively NT$274,083 thousand (CNY 61,000 thousand), NT$268,888 thousand (CNY 61,000 thousand) and NT$272,703 thousand (CNY 61,000 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 CNY 61,000 thousand Credit losses; as of September 30, 2023, December 31, 2022 and September 30, 2022, the amount of provision for losses was NT$274,083 thousand, NT$169,134 thousand and NT$59,899 thousand.

(4) 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:

	September 30, 2023	December 31, 2022	September 30, 2022
End-of-period consolidated book value of interests in individual insignificant related companies	**$ 933**	**27,636**	**35,785**

	For the three months ended September 30		For the nine months ended September 30	
	2023	2022	2023	2022
Shares attributable to the merged company:				
Continuing business unit net loss for the period	$ (12,195)	(955)	(14,071)	(2,782)
Other comprehensive income	351	846	(232)	1,933
Total comprehensive profit and loss	$ (11,844)	(109)	(14,303)	(849)

A. Nanjing Grand Ocean Dongfadao Catering Co., Ltd.

(A) 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. As of June 30, 2023, the Group has invested the amount of NT$30,157 thousand (CNY 7,000 thousand).

(B) 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.

(C) Because Nanjing Dongfadao has been losing money for six consecutive months and has not distributed profits, the Group signed an equity repurchase and urban investment termination agreement with Shanghai Dongfadao on June 28, 2023. The total price of equity repurchase is NT$30,157 thousand (CNY 7,000 thousand). After completing the equity transfer process on August 30, 2023, a gain on the disposal of investments amounting to NT$5,099 thousand (CNY 1,156 thousand) was recognized. Subsequently, in accordance with the agreement, the repurchase consideration for equity is to be received in installments. As of September 30, 2023, an outstanding amount of NT$20,309 thousand (CNY 4,520 thousand) remains to be collected. These outstanding amounts are respectively accounted for as other receivables of NT$8,627 thousand (CNY 1,920 thousand) and other non-current assets of NT$11,682 thousand (CNY 2,600 thousand).

B. The Group, through a board resolution on May 30, 2023, decided to participate in the cash capital increase of Sandmartin International Holdings Ltd., with a total investment of NT$12,658 thousand, representing 26,518 thousand shares. The record date for the capital increase was set as July 5, 2023.

(5) Property, Plant and Equipment

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

	Building	Transportation Device	Office Equipment	Lease Improvement	Construction in progress	Total
Cost or deemed cost:						
Balance at January 1, 2023	$ 4,659,195	17,782	245,395	6,988,913	65,802	11,977,087
Additions	-	-	9,830	12,697	143,168	165,695
Current Re-classification	-	-	958	151,721	(152,679)	-
Disposal and Abandonment	-	(2,778)	(47,824)	(629,249)	-	(679,851)
Influenced by Fluctuation of Exchange Rates	90,007	285	3,891	123,520	1,049	218,752
Balance at September 30, 2023	**$ 4,749,202**	**15,289**	**212,250**	**6,647,602**	**57,340**	**11,681,683**
Balance at January 1, 2022	$ 4,587,224	22,862	227,844	6,741,692	31,595	11,611,217
Additions	-	4,882	2,656	26,716	83,435	117,689
Current Re-classification	-	-	3,130	32,839	(35,969)	-
Disposal and Abandonment	-	(10,365)	(1,942)	(1,598)	-	(13,905)
Influenced by Fluctuation of Exchange Rates	138,077	640	6,717	200,218	1,287	346,939
Balance at September 30, 2022	**$ 4,725,301**	**18,019**	**238,405**	**6,999,867**	**80,348**	**12,061,940**
Depreciation and Impairment Losses:						
Balance at January 1, 2023	$ 781,566	9,499	191,267	4,667,890	2,317	5,652,539
Depreciation	81,771	1,037	9,897	247,280	-	339,985
Disposal and Abandonment	-	(2,778)	(46,935)	(629,249)	-	(678,962)
Impairment loss	-	164	3,002	55,643	-	58,809
Influenced by Fluctuation of Exchange Rates	16,620	147	2,898	81,257	-	100,922
Balance at September 30, 2023	**$ 879,957**	**8,069**	**160,129**	**4,422,821**	**2,317**	**5,473,293**
Balance at January 1, 2022	$ 662,225	17,495	174,350	4,023,563	514	4,878,147
Depreciation	82,276	531	10,161	325,709	-	418,677
Disposal and Abandonment	-	(9,328)	(1,812)	(695)	-	(11,835)
Impairment loss	-	115	2,911	154,709	660	158,395
Influenced by Fluctuation of Exchange Rates	20,530	455	5,153	121,455	12	147,605
Balance at September 30, 2022	**$ 765,031**	**9,268**	**190,763**	**4,624,741**	**1,186**	**5,590,989**
Carrying amounts:						
Balance at January 1, 2023	**$ 3,877,629**	**8,283**	**54,128**	**2,321,023**	**63,485**	**6,324,548**

	Building	Transportation Device	Office Equipment	Lease Improvement	Construction in progress	Total
Balance at September 30, 2023	$ 3,869,245	7,220	52,121	2,224,781	55,023	6,208,390
Balance at January 1, 2022	$ 3,924,999	5,367	53,494	2,718,129	31,081	6,733,070
Balance at September 30, 2022	$ 3,960,270	8,751	47,642	2,375,126	79,162	6,470,951

A. As of September 30, 2023, December 31, 2022 and September 30, 2022, due to payments to stores maintenance and to acquire the property for department stores, the Group recognized other payables amounting to NT$95,581 thousand, NT$171,473 thousand and NT$177,516 thousand, respectively.

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

C. Wuhan Hanyang Grand Ocean Classic Commercial Ltd., a subsidiary of the Group, has suffered continuous operating losses. According to the resolution of the board of directors, it was closed its business on August 31, 2023, so it recognized NT$58,809 thousand for impairment losses on property, plant and equipment. Additionally, relevant equipment was scrapped, leading to the derecognition of the carrying amount, accumulated depreciation, and impairment loss amounting to a total of NT$212,040 thousand.

D. Chongqing Optics Valley Grand Ocean Commercial Development Limited, a subsidiary of the Group, closed the business on October 31, 2022, recognizing an impairment loss of NT$158,395 thousand. In January 2023, the company handed over the scrapped equipment to the owner for site clearance, resulting in the derecognition of the carrying amount, accumulated depreciation, and impairment loss, totaling NT$458,266 thousand.

E. Please refer to Note 6(19) for details on disposal gains and losses.

F. Guarantee

Please refer to Note 8 for the details of long-term loans and financing line guarantees in September 30, 2023, December 31, 2022, and September 30, 2022.

(6) 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 (Note 7)	-	2,432,174	-	2,432,174

	Land	Buildings	Machine equipment	Total
Lease modifications	-	(1,089,882)	-	(1,089,882)
Effect of changes in foreign exchange rates	64,274	237,178	1,146	302,598
Balance at September 30, 2023	**$ 3,391,384**	**12,564,153**	**60,478**	**16,016,015**
Balance at January 1, 2022	$ 3,275,716	11,635,157	58,416	14,969,289
Additions	-	39,795	-	39,795
Lease modifications	-	(571,218)	-	(571,218)
Derecognition	-	(30,824)	-	(30,824)
Effect of changes in foreign exchange rates	98,600	346,136	1,758	446,494
Balance at September 30, 2022	**$ 3,374,316**	**11,419,046**	**60,174**	**14,853,536**
Accumulated depreciation:				
Balance at January 1, 2023	$ 391,033	2,870,955	29,174	3,291,162
Depreciation	73,370	738,232	5,522	817,124
Lease modifications	-	(461,194)	-	(461,194)
Effect of movement in exchange rate	8,920	60,618	666	70,204
Balance at September 30, 2023	**$ 473,323**	**3,208,611**	**35,362**	**3,717,296**
Balance at January 1, 2022	$ 288,745	2,219,002	21,479	2,529,226
Depreciation	73,823	741,390	5,556	820,769
Lease modifications	-	(51,763)	-	(51,763)
Derecognition	-	(30,824)	-	(30,824)
Effect of movement in exchange rate	9,227	71,578	687	81,492
Balance at September 30, 2022	**$ 371,795**	**2,949,383**	**27,722**	**3,348,900**
Carrying amounts:				
Balance at January 1, 2023	**$ 2,936,077**	**8,113,728**	**30,158**	**11,079,963**
Balance at September 30, 2023	**$ 2,918,061**	**9,355,542**	**25,116**	**12,298,719**
Balance at January 1, 2022	**$ 2,986,971**	**9,416,155**	**36,937**	**12,440,063**
Balance at September 30, 2022	**$ 3,002,521**	**8,469,663**	**32,452**	**11,504,636**

A. The subsidiary of the Group, Wuhan Grand Ocean Classic Commercial Development Limited, in order to expand the Group's operational scale, resolved in a board meeting to establish a new store on September 1, 2023. The recognized right-of-use assets for leased houses and buildings are NT$1,416,806 thousand.

B. The subsidiary of the Group, Nanjing Grand Ocean Classic Commerce Limited, leased operating premises from other related parties in January 2003. The original contract expired in January 2023. The Group re-signed a ten-year lease contract, resulting in an increase in right-of-use assets of NT$1,015,368 thousand in the current period.

C. Wuhan Hanyang Grand Ocean Classic Commercial Ltd. and Chongqing Optics Valley Grand Ocean Commercial Development Limited, subsidiaries of the Group, have closed operations on August 31, 2023 and October 31, 2022, respectively, according to the resolution of the board of directors, due to continuous losses in operations. Please refer to Note 6(19) for the lease modification benefits arising from the shortening of the lease term due to the closure of operations.

(7) Intangible Assets

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

		Goodwill	Trademark Rights	Computer Software	Total
Costs:					
Balance at January 1, 2023	$	1,473,567	430,294	33,717	1,937,578
Additions		-	-	1,300	1,300
Influenced by Fluctuation of Exchange Rates		28,467	21,865	676	51,008
Balance at September 30, 2023	**$**	**1,502,034**	**452,159**	**35,693**	**1,989,886**
Balance at January 1, 2022	$	1,450,805	387,825	25,215	1,863,845
Additions		-	-	337	337
Influenced by Fluctuation of Exchange Rates		43,669	57,046	762	101,477
Balance at September 30, 2022	**$**	**1,494,474**	**444,871**	**26,314**	**1,965,659**
Amortization and Impairment Losses:					
Balance at January 1, 2023	$	-	-	18,692	18,692
Amortization		-	-	2,524	2,524
Impairment loss		-	-	251	251
Influenced by Fluctuation of Exchange Rates		-	-	413	413
Balance at September 30, 2023	**$**	**-**	**-**	**21,880**	**21,880**
Balance at January 1, 2022	$	-	-	14,348	14,348
Amortization		-	-	3,142	3,142
Impairment loss		-	-	294	294
Influenced by Fluctuation of Exchange Rates		-	-	458	458
Balance at September 30, 2022	**$**	**-**	**-**	**18,242**	**18,242**
Carrying amounts:					
Balance at January 1, 2023	**$**	**1,473,567**	**430,294**	**15,025**	**1,918,886**
Balance at September 30, 2023	**$**	**1,502,034**	**452,159**	**13,813**	**1,968,006**
Balance at January 1, 2022	**$**	**1,450,805**	**387,825**	**10,867**	**1,849,497**
Balance at September 30, 2022	**$**	**1,494,474**	**444,871**	**8,072**	**1,947,417**

A. Recognition of amortization

The amortization of intangible assets are included in the consolidated statements of comprehensive income for the three months and nine months ended September 30, 2023 and 2022:

	For the three months ended September 30		For the nine months ended September 30	
	2023	2022	2023	2022
Operating Expenses	$ 916	850	2,524	3,142

B. Goodwill

The recoverable amount of the department store retail CGU and the key assumptions used are consistent with those disclosed in the consolidated financial statements for the second quarter of 2023, and there are no significant changes. For the related information, please refer to note 6(7) of the consolidated financial statements for the second quarter of 2023.

C. Wuhan Hanyang Grand Ocean Classic Commercial Ltd. and Chongqing Optics Valley Grand Ocean Commercial Development Limited, subsidiaries of the Group, have closed operations on August 31, 2023 and October 31, 2022, respectively, according to the resolution of the board of directors, due to continuous losses in operations, leading to the recognition of impairment loss of NT$251 thousand and NT$294 thousand, respectively.

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

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

	September 30, 2023	December 31, 2022	September 30, 2022
Other financial assets－current			
Deposits－out for lease (Note)	$ 29,519	28,999	576
Restricted deposits	41,728	32,552	43,744
Deposit for rent expansion (Note)	67,397	-	-
Others	3,376	2,661	2,703
	$ 142,020	64,212	47,023

	September 30, 2023	December 31, 2022	September 30, 2022
Other financial assets－non-current			
Deposits－out for lease (Note)	$ 198,899	187,228	217,605
Deposits－out for cooperation	7,912	8,178	8,435
Restricted deposits	541,590	8,186	7,396
Others	3,326	3,317	3,379
	$ 751,727	206,909	236,815

Note: The lease deposit is mainly the deposit deposited by the lessee; the deposit for rent expansion is the deposit paid by the subsidiary, Yichang Grand Ocean Commerce Limited, for expanding the leased area, and it will be used to offset the rental expenses after the contract is signed.

(9) Short-term Loans

The details of short-term loans are as below:

	September 30, 2023	December 31, 2022	September 30, 2022
Unsecured Bank Loans	$ 1,053,041	614,000	825,240
Secured Bank Loans	1,715,938	1,202,945	1,081,426
Total	**$ 2,768,979**	**1,816,945**	**1,906,666**
Unused Credit Lines	**$ 357,254**	**811,358**	**706,794**
Range of interest rates	**3.65%~8.00%**	**4.20%~6.96%**	**3.82%~4.68%**

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

(10) Long-term Loans

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

	September 30, 2023			
	Currency	**Interest Rate Collar**	**Year of Expiry**	**Amount**
Unsecured Bank Loans	USD	7.25%~7.8%	113	$ 500,030
〃	RMB	4.5%~4.8%	112	22,466
Secured Bank Loans	USD	6.22%~6.23%	114	516,160
〃	RMB	4.2%	112~114	404,384
				1,443,040
Less: current portion				(554,175)
Total				**$ 888,865**
Unused Credit Lines				**$ 241,950**

	December 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**

	September 30, 2022			
	Currency	**Interest Rate Collar**	**Year of Expiry**	**Amount**
Unsecured Bank Loans	USD	4.28%~6.12%	112~113	$ 952,200
〃	RMB	4.5%~4.8%	112	156,469
				1,108,669
Less: current portion				(356,296)
Total				**$ 752,373**
Unused Credit Lines				**$ -**

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

(11) Accounts payable and other payables

	September 30, 2023	**December 31, 2022**	**September 30, 2022**
Accounts payable			
Arising from direct sales	$ 61,087	46,335	70,223
Arising from concessionaire sales	805,446	880,886	965,086
Others	67,127	33,864	55,938
Total	**$ 933,660**	**961,085**	**1,091,247**

Most of payable arising from suppliers.

Other payables			
Construction payables	$ 95,581	171,473	177,516
Compensation payable for store closures, etc.	487,737	162,520	167,063
Payables to Related Parties	258,080	138,150	63,480
Others	475,069	547,338	583,126
Total	**$ 1,316,467**	**1,019,481**	**991,185**

(12) Lease liabilities

The Group’s lease liabilities were as follows:

	September 30, 2023	**December 31, 2022**	**September 30, 2022**
Current	**$ 695,143**	**943,549**	**1,069,804**
Non-current	**$ 10,027,894**	**9,039,555**	**9,582,980**

Please refer to note 6(20) financial instruments for maturity analysis.

The amounts recognized in profit or loss were as follow:

	For the three months ended September 30		For the nine months ended September 30	
	2023	2022	2023	2022
Interest on lease liabilities	$ 112,064	136,754	358,390	415,299
Variable lease payments not included in the measurement of lease liabilities	$ 429	10,022	747	42,149
Expenses relating to short-term leases	$ 243	260	726	1,049
Expenses relating to leases of low-value, excluding short-term leases of low-value assets	$ 8	12	26	27

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

	For the nine months ended September 30	
	2023	2022
Total cash outflow for leases	$ 1,132,415	909,912

A. Lease of land, housing and construction

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

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

B. Other leases

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

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

(13) Employee Benefits

A. Defined Contribution Plans

Defined contribution plans of the employees in Taiwan office of the consolidated company are plotted in accordance with Taiwan Labor Pension Act, where a contribution rate as 6%

of the wage of a labor each month is conducted and contributed to the personal account of retirement created by the Bureaus of Labor Insurance. After the consolidated company has contributed the fixed amount to Bureaus of Labor Insurance under the plans, it shall not assume any more legal or constructive obligations for paying an extra amount.

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

Pension expenses of the defined contribution plans of the consolidated company for the three months and nine months ended September 30, 2023 and 2022 were NT$14,742 thousand, NT$15,164 thousand, NT$42,807 thousand, and NT$43,959 thousand, respectively.

(14) Income Tax

A. Income tax expense

The components of income tax were as follows:

	For the three months ended September 30		**For the nine months ended September 30**	
	2023	**2022**	**2023**	**2022**
Current Tax Expense				
Current period	$ 11,012	25,379	62,118	82,943
Adjustment for prior period	-	(2)	(750)	(1,308)
	11,012	25,377	61,368	81,635
Deferred Tax Expense				
Origination and reversal of temporary differences	12,295	70,115	127,470	73,520
Income Tax Expenses from continuing operations	**$ 23,307**	**95,492**	**188,838**	**155,155**

B. Deferred Tax Assets

(A) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for the nine months ended September 30, 2023 and 2022 were as follows:

Deferred Tax Assets:

	Tax losses deduction and other	Rental expenses	Total
Balance at January 1, 2023 (revised)	$ 121,857	2,663,664	2,785,521
Recognized in profit or loss	(47,057)	144,294	97,237
Foreign currency translation differences for foreign operations	1,479	54,142	55,621
Balance at September 30, 2023	$ 76,279	2,862,100	2,938,379
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	(53,577)	(326,595)	(380,172)
Foreign currency translation differences for foreign operations	5,116	89,202	94,318
Balance at September 30, 2022 (revised)	$ 134,423	2,804,902	2,939,325

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	(40,226)	264,933	224,707
Influenced by Fluctuation of Exchange Rates	1,148	44,260	45,408
Balance as of September 30, 2023	$ 17,210	2,345,165	2,362,375
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	-	(306,652)	(306,652)
Influenced by Fluctuation of Exchange Rates	7,462	68,908	76,370
Balance at September 30, 2022 (revised)	$ 58,195	2,125,529	2,183,724

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(1), 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.

C. Income tax verification situation

The mainland subsidiary's income tax settlement declaration case has been reported to the local tax agency until the 2022.

(15) Capital and Other Equity

Except for the following disclosures, there was no significant difference in capital and other equity for the nine months ended September 30, 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.

A. Capital surplus

The components of the capital surplus were as follows:

		September 30, 2023	December 31, 2022	September 30, 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	8,810
	$	5,075,485	5,075,485	5,075,173

B. Retained Earnings

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

(A) Tax payables contributed by law;

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

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

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

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

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

(A) Legal reserve

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

(B) Special reserve

The Group chose to apply the exemption under the IFRS1 "First-time adoption of IFRS"; therefore, a portion of cumulative translation adjustments amounting to thousand was reclassified as special earnings reserve. The net increase in retained earnings due to this reclassification is not covered by the Ruling No. 1010012865 issued by the FSC on April 6, 2012 for purposes of appropriating the same amount of special earnings reserve.

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

On June 15, 2023, the shareholders' general meeting resolved a reversal of the special reserve in the amount of NT$40,171 thousand to offset the loss of NT$355,792 thousand. Furthermore, on June 23, 2022, the shareholders' general meeting resolved the appropriation of a special reserve in the amount of NT$36,014 thousand.

(C) Earnings distribution

On June 15, 2023 and June 23, 2022, the shareholders' general meeting resolved the loss appropriation proposal in 2022 and 2021, respectively.

C. Treasury stock

The details for transferring treasury shares to employees:

(In thousands of shares)

	For the nine months ended September 30	
	2023	**2022**
Outstanding at January 1	$ 8,682	9,007
Quantity sold in this period	(973)	(310)
Outstanding at September 30	**$ 7,709**	**8,697**

The proceeds from transferring treasury shares were recognized as prepaid salary for employees to subscribe. As of September 30, 2023, December 31 and September 30, 2022, these prepaid salaries amounting to NT$127,396 thousand, NT$139,588 thousand and NT$141,600 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.

D. Other Equity (net income after tax)

	Exchange Difference on Translation of Foreign Operations
Balance at January 1, 2023	$ (952,421)
Exchange difference on translation of net assets of foreign operations	90,804
Share of translation differences of affiliated companies using the equity method	(232)
Balance at September 30, 2023	**$ (861,849)**
Balance at January 1, 2022	$ (992,592)
Exchange difference on translation of net assets of foreign operations	123,861
Share of translation differences of affiliated companies using the equity method	1,933
Balance at September 30, 2022	**$ (866,798)**

(16) 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 September 30		**For the nine months ended September 30**	
	2023	**2022**	**2023**	**2022**
Basic Earnings (Loss) per Share				
Net Profit Attributed to Shareholder of Common Stock of Company	$ (225,831)	(164,056)	(637,427)	(398,571)
Weighted average number of common shares outstanding	195,531	195,531	195,531	195,531
Basic Earnings (Loss) per Share (NTD)	**$ (1.15)**	**(0.84)**	**(3.26)**	**(2.04)**

The Company did not disclose the diluted earnings (loss) per share for the three months and nine months ended September 30, 2023, and 2022, as there were losses before tax. Additionally, there were no potential ordinary shares of employee remuneration that could have diluted the earnings (loss) per share.

(17) Revenue from Contracts with Customers

A. Details of Revenue

	For the three months ended September 30		For the nine months ended September 30	
	2023	**2022**	**2023**	**2022**
Main Regional Markets:				
China	**$ 843,341**	**962,564**	**2,811,795**	**3,223,386**
Main Product/Service:				
Commissions revenue (Retail revenue – concessionaire sales)	$ 248,754	278,923	906,370	981,217
Commodity sales (Retail revenue – direct sales)	134,005	167,542	532,896	648,184
Lease revenue (Note)	248,416	269,470	736,013	861,392
Service revenue and others	212,166	246,629	636,516	732,593
	$ 843,341	**962,564**	**2,811,795**	**3,223,386**

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

(18) Employee compensation and directors' remuneration

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

As the company incurred loss before tax for the three months and nine months ended September 30, 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 NT$787 thousand, respectively, as the rewards for employees, as well as accounting for NT$0 thousand, respectively, as the rewards for board members. On March 31, 2022, by board resolutions, the company had accounted for NT$788 thousand, respectively, as the rewards for employees, as well as accounting for NT$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.

(19) Non-operating Income and Expenses

A. Interest Income

The details of other income were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2023	2022	2023	2022
Interest of Back Deposit	$ 6,895	4,446	18,826	15,583
Open-end Funds	244	255	734	736
Other	-	982	(1,023)	2,756
Total	$ 7,139	5,683	18,537	19,075

B. Other Income

The details of other income were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2023	2022	2023	2022
Dividend income	$ -	53	-	2,739
Government grants income	1,683	3,516	14,725	6,615
Total	$ 1,683	3,569	14,725	9,354

C. Other gains and losses

The details of other gains and losses were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2023	2022	2023	2022
Loss on disposal of property, plant and equipment	$ (313)	(42)	(528)	(177)
Gain on disposal of investment	5,099	-	5,099	-
Foreign exchange gain (losses)	1,430	(9,815)	(7,022)	(18,090)
Net gain (loss) on financial assets at fair value through profit or loss	3,029	656	7,342	7,184
Impairment loss on property, plant and equipment(Note)	(30)	(158,395)	(58,809)	(158,395)
Impairment loss on intangible assets(Note)	-	(294)	(251)	(294)
Compensation losses(Note)	(188)	(157,405)	(360,087)	(157,405)
Gain on lease modification(Note)	259	356,114	493,874	356,114
Overdue payments transferred to income	6	98,859	7,217	98,859

	For the three months ended September 30		For the nine months ended September 30	
Other Gains and Losses (such as fees and charges of credit card, etc.)	19,048	2,113	61,873	65,909
Other gains and losses, Net	**$ 28,340**	**131,791**	**148,708**	**193,705**

D. Finance costs

The details of finance costs were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2023	**2022**	**2023**	**2022**
Interest Expense	$ 50,033	39,431	145,979	111,508
Interest on Lease liabilities	112,064	136,754	358,390	415,299
Other Financial Expenses	25	820	1,936	5,132
Total	**$ 162,122**	**177,005**	**506,305**	**531,939**

(20) 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(21) of the consolidated financial statements for the year ended December 31, 2022.

A. Credit risks

(A) Exposure of Credit Risk

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

(B) Concentration of credit risk

There 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.

(C) Credit risk of receivables

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

Other financial assets at amortized cost includes other receivables etc., as stated above, there were almost low credit risk, therefore the impairment provision of all of these financial assets recognized during the period was limited to 12 months expected losses or lifetime ECL measurement, please refer to note 4(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 nine months ended September 30, 2023 and 2022 were as follows:

		For the nine months ended September 30	
		2023	2022
Balance at January 1	$	200,544	50,765
Impairment losses recognized		99,824	7,551
Influenced by Fluctuation of Exchange Rates		5,732	1,583
Balance at September 30	$	306,100	59,899

B. Liquidity risks

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

		Carrying Amount	Contract Cash Flows	within 1 Year	1 – 5 Years	over 5 Years
September 30, 2023						
Non-derivative Financial Liabilities						
Floating Rate Instruments	$	1,693,650	1,833,395	1,201,284	632,111	-
Fixed Rate Instruments		2,776,449	2,884,491	2,584,337	300,154	-
Non-interest-bearing		2,584,514	2,584,514	1,992,047	-	592,467
Lease liabilities		10,723,037	14,388,192	1,168,009	4,813,080	8,407,103
	$	17,777,650	21,690,592	6,945,677	5,745,345	8,999,570
December 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
September 30, 2022						
Non-derivative Financial Liabilities						
Floating Rate Instruments	$	1,777,440	1,870,794	1,127,618	743,176	-
Fixed Rate Instruments		1,301,375	1,351,803	1,329,361	22,442	-
Non-interest-bearing		2,629,041	2,629,041	2,018,952	-	610,089
Lease liabilities		10,652,784	14,351,794	1,546,010	4,895,557	7,910,227
	$	16,360,640	20,203,432	6,021,941	5,661,175	8,520,316

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

C. Interest rate analysis

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

		Carrying Amount	
	September 30, 2023	**December 31, 2022**	**September 30, 2022**
Fixed interest rate			
Financial Asset	$ 583,318	362,522	51,140
Financial Liability	(13,499,486)	(11,875,199)	(11,954,159)
	$ (12,916,168)	**(11,512,677)**	**(11,903,019)**
Variable interest rate			
Financial Asset	$ 1,435,630	1,308,556	1,878,946
Financial Liability	(1,693,650)	(1,688,500)	(1,777,440)
	$ (258,020)	**(379,944)**	**101,506**

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

If the interest rate were to increase or decrease by 0.5% basis points, with all other variables held constant, the Group's profit before tax for the nine months ended September 30, 2023 and 2022, would decrease or increase by NT$968 thousand and NT$381 thousand, respectively.

D. Other market price risk

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

	For the nine months ended September 30			
	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	**$ -**	**580**	**-**	**3,385**
5% Decrease	**$ -**	**(580)**	**-**	**(3,385)**

E. Information of Fair Value

(A) Measurement Process of Fair Value of Financial Instruments

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

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

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

(B) Classifications of Financial Instruments and Fair Value

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

	September 30, 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	$ 11,597	11,597	-	-	11,597

	December 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

	September 30, 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	$ 67,699	67,699	-	-	67,699

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

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

a. Financial assets or liabilities measured at amortized cost

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

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

a. Non-derivative financial instruments

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

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

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

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

(E) For the nine months ended September 30, 2023 and 2022 fair value of the financial assets as well as liabilities at each level did not transfer at all.

(21) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in Note 6(v) of the consolidated financial statements for the year ended December 31, 2022.

(22) 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.

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

The Group's investing and financing activities on non-cash transactions for the nine months ended September 30, 2023 and 2022 were as follows:

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

			Non-cash changes		
	January 1, 2023	**Cash Flows**	**Foreign exchange movement**	**Other**	**September 30, 2023**
Short-term borrowings	$ 1,816,945	880,474	71,560	-	2,768,979
Long-term borrowings	1,625,500	(240,633)	58,173	-	1,443,040
Guarantee deposits	578,868	2,373	11,226	-	592,467
				(Note 1)	
Lease liabilities	9,983,104	(772,526)	202,847	1,309,615	10,723,037
Total liabilities from financing activities	$ 14,004,417	(130,312)	343,806	1,309,612	15,527,523

			Non-cash changes		
	January 1, 2022	**Cash flows**	**Foreign exchange movement**	**Other**	**September 30, 2022**
Short-term borrowings	$ 2,540,031	(793,360)	159,995	-	1,906,666
Long-term borrowings	1,431,175	(453,489)	130,983	-	1,108,669
Guarantee deposits	670,699	(80,216)	19,606	-	610,089

			Non-cash changes		
	January 1, 2022	Cash flows	Foreign exchange movement	Other	September 30, 2022
				(Note 2)	
Lease liabilities	11,641,874	(451,388)	339,815	(835,774)	10,652,784
Total liabilities from financing activities	$ 16,242,036	(1,778,453)	650,399	(835,774)	14,278,208

Note 1: Reduction of NT$1,122,562 thousand due to lease modification, and increase of NT$2,432,174 thousand in the current period.

Note 2: Reduction of NT$875,569 thousand due to lease modification, and increase of NT$39,795 thousand in the current period.

7. Related-party transactions:

(1) Names and relationship with related parties

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

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 Property Management Co., Ltd.	A substantial related party
Nanjing Grand Ocean Dongfadao Catering Co., Ltd.	An associate

(2) Significant transactions with related parties

A. Prepayments

	September 30, 2023	December 31, 2022	September 30, 2022
Parent Company	$ 68	68	74
Other related parties-Nanjing Tiandu Industry Co., Ltd. (Note)	177,240	160,877	141,046
Other related parties-Shanghai Qianshu Property	6,135	7,601	3,806
	$ 183,443	168,546	144,926

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.

B. Other receivables

	September 30, 2023	December 31, 2022	September 30, 2022
Other related parties	$ 2,817	3,503	2,938

C. Payables to Related Parties

The payables to related parties were as follows:

Account	Relationship	September 30, 2023	December 31, 2022	September 30, 2022
Other payables	An associate	$ -	1,411	1,431
Other payables	Other related parties	-	832	-
		$ -	2,243	1,431

D. Borrow from a related parties

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

	September 30, 2023	December 31, 2022	September 30, 2022
Parent Company	$ 258,080	138,150	63,480

The Group's borrowings from related parties are calculated at an annual interest rate of 7.47% and 3.5%, respectively. For the three months and nine months ended September 30, 2023 and 2022, the recognized interest expenses were NT$3,001 thousand, NT$2,255 thousand, NT$7,790 thousand, and NY$4,227 thousand, respectively.

E. Lease

(A) Liabilities lease

Relationship	Purpose	Lease liabilities September 30, 2023	December 31, 2022	September 30, 2022
Other related parties	Office building	$ 4,592	11,675	14,209
Other related parties-Shanghai Kaixuanmen	Department store	4,446,929	4,408,145	4,482,775
Other related parties-Nanjing Tiandu	Department store	990,656	-	5,060
Other related parties	Energy-saving renovation engineering equipment	12,312	34,101	36,473

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

		Interest Expense			
		For the three months ended September 30		For the nine months ended September 30	
Relationship	Purpose	2023	2022	2023	2022
Other related parties	Office building	$ 62	171	267	320
Other related parties-Shanghai Kaixuanmen	Department store	50,972	52,021	153,287	155,077
Other related parties-Nanjing Tiandu	Department store	10,133	82	30,933	425
Other related parties	Energy-saving renovation engineering equipment	355	450	1,133	1,415
		$ 61,522	**52,724**	**185,620**	**157,237**

(B) Operating lease

		Rent expense			
		For the three months ended September 30		For the nine months ended September 30	
Relationship	Account	2023	2022	2023	2022
Parent Company (Note)	Office building	$ 205	223	615	943
Other related parties (Note)	Office building	38	-	111	-
		$ 243	**223**	**726**	**943**

Relationship	Account	Payments that are not included in the measurement of the lease liabilities			
		For the three months ended September 30		For the nine months ended September 30	
		2023	2022	2023	2022
Other related parties- Nanjing Tiandu	Department store	$ -	10,344	-	41,214

Relationship	Account	Property management fee			
		For the three months ended September 30		For the nine months ended September 30	
		2023	2022	2023	2022
Other related parties	Office building and department store	$ 948	1,064	2,842	2,860

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

(C) Rental deposit

Account items	Relationship category	September 30, 2023	December 31, 2022	September 30, 2022
Other financial assets - non-current	Parent Company	$ 148	148	148
Other financial assets - non-current	Other related parties - Shanghai Kaixuanmen	76,794	66,120	67,058
Other financial assets - non-current	Other related parties - Nanjing Tiandu	8,986	8,816	-
Other financial assets - non-current	Other related parties	3,334	3,270	12,258
		$ 89,262	78,354	79,464

F. Others

The Group provided management consulting services and signed service contracts with other related parties. For the three months and nine months ended September 30, 2023 and 2022, the revenue from consulting services was NT$0 thousand, NT$2,312 thousand, NT$1,037 thousand, and NT$7,662 thousand, respectively.

(3) Key management personnel compensation

A. Key management personnel compensation comprised:

	For the three months ended September 30		For the nine months ended September 30	
	2023	2022	2023	2022
Short term employee benefits	$ 6,843	4,942	17,710	15,025

B. The Group granted key management personnel rights to subscribe treasury shares in advance salaries. As of September 30, 2023, December 31, 2022 and September 30, 2022, those prepaid salaries amounting to NT$40,826 thousand (CNY 9,086 thousand), NT$40,074 thousand (CNY 9,091 thousand) and NT$40,626 thousand (CNY 9,088 thousand), respectively, were recorded as non-current assets.

8. **Pledged assets:**

The carrying amount of pledged assets were as follows:

Pledged asset	Object	September 30, 2023	December 31, 2022	September 30, 2022
Property, Plants and Equipment(Note)	Bank Loans	$ 5,498,977	5,423,238	1,775,387
Other financial assets				
Restricted Deposit	Bank depository funds	16,552	27,117	26,511
Restricted Deposit	Lease dispute freeze deposit	25,176	13,621	24,629
Restricted Deposit	Bank loans	541,590	-	-
		$ 6,082,295	5,463,976	1,826,527

Note：Including the land use right, which are recognized as right-of-use assets.

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

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

(2) The subsidiary of the Group, Chongqing Optics Valley Grand Ocean Commercial Development Co., Ltd., 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. Thereafter, the Group filed an appeal to the high court. On June 26, 2023, the court ruled in the second instance that the merged Group loss the case, and the Group should pay the payment of the arrears and rental of the extended area used by the Group and accumulated rental in previous years for NT$70,322 thousand (CNY 15,651 thousand), were recorded as operating expenses and current lease liabilities. The Group also should pay penalty fee and expenses about lawsuit

NT$12,361 thousand (CNY 2,751 thousand), were recorded as operating expenses and other gains and losses.

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

A. The request states that the Group should pay an early termination penalty of NT$124,768 thousand (CNY 28,285 thousand) according to the lease agreement. The Group has already made a provision for this and recorded it under other accounts payable.

B. The demand requires the Group to pay overdue rents and penalties accumulated until the date of site clearance from previous years, totaling NT$112,695 thousand (CNY 25,548 thousand). However, there is a discrepancy in the agreed-upon date of site clearance between the two parties. The Group has made a provision of NT$78,593 thousand (CNY 17,817 thousand) and recorded it under lease liabilities. The matter is currently under court review.

C. The demand requires the Group to pay rent, penalties, and occupation fees for the premises occupied by Huanyang Cinema from the date of site clearance to the date of litigation, totaling NT$20,370 thousand (CNY 4,618 thousand). However, since the site has been cleared, the Group is no longer able to use the leased property. Therefore, it contends that Chongqing Zhengsheng's claim is unfounded, and there should be no obligation for compensation.

D. The demand requests the Group to refund the previously granted reduction in rent, penalties, and related litigation expenses, totaling NT$36,189 thousand (CNY 8,204 thousand) from the previous fiscal year. However, the previously granted reduction in rent has been reimbursed in accordance with the contract. Therefore, the Group contends that Chongqing Zhengsheng's claim is unfounded, and there should be no obligation for compensation.

Furthermore, on September 7, 2023, Chongqing Zhengsheng applied to the court for asset preservation. The court, in accordance with the law, froze the Group's bank deposits of NT$9,970 thousand (CNY 2,219 thousand), recorded under other financial assets - current, and the equity of the subsidiary Nanjing Grand Ocean Classic Commerce Co., Ltd. amounting to NT$224,658 thousand (CNY 50,000 thousand).

Based on the assessment conducted by the Group, provisions have been made for overdue rents from previous years and related compensation for the early termination of leases. The Group believes that Chongqing Zhengsheng's remaining claims are unfounded, and therefore, there should be no obligation for compensation. The matter is currently under court review.

(4) 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 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 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**

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

	For the three months ended September 30					
Function	**2023**			**2022**		
Item	**Operating Cost**	**Operating expense**	**Total**	**Operating Cost**	**Operating expense**	**Total**
Employee benefits						
Salary	-	117,528	117,528	-	110,495	110,495
Health and labor insurance	-	136	136	-	136	136
Pension	-	14,742	14,742	-	15,164	15,164
Others	-	15,135	15,135	-	36,485	36,485
Depreciation	-	392,633	392,633	-	415,653	415,653

	For the three months ended September 30					
Function	2023			2022		
Item	Operating Cost	Operating expense	Total	Operating Cost	Operating expense	Total
Depletion	-	-	-	-	-	-
Amortization	-	916	916	-	850	850

	For the nine months ended September 30					
Function	2023			2022		
Item	Operating Cost	Operating expense	Total	Operating Cost	Operating expense	Total
Employee benefits						
Salary	-	323,450	323,450	-	321,466	321,466
Health and labor insurance	-	411	411	-	480	480
Pension	-	42,807	42,807	-	43,959	43,959
Others	-	86,691	86,691	-	81,799	81,799
Depreciation	-	1,157,109	1,157,109	-	1,239,446	1,239,446
Depletion	-	-	-	-	-	-
Amortization	-	2,524	2,524	-	3,142	3,142

(2) Seasonality of operations

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

13. **Other disclosures:**

(1) Information on significant transactions:

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

A. Loans to other parties: Appendix 1, please refer to the chinese version consolidated financial statements P47.

B. Guarantees and endorsements for other parties: Appendix 2, please refer to the chinese version consolidated financial statements P48.

C. Securities held as of June 30, 2023 (excluding investment in subsidiaries, associates and joint ventures): Appendix 3, please refer to the chinese version consolidated financial statements P49.

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

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

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

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

H. Receivables from related parties with amounts exceeding the lower of NT$100,000 thousand or 20% of the capital stock: Appendix 4, please refer to the chinese version consolidated financial statements P50.

I. Trading in derivative instruments: None.

J. Business relationships and significant intercompany transactions: Appendix 5, please refer to the chinese version consolidated financial statements P51.

(2) Information on investees: Appendix 6, please refer to the chinese version consolidated financial statements P52.

(3) Information on investment in mainland China: Appendix 7, please refer to the chinese version consolidated financial statements P53~54.

(4) 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

(1) General Information:

The main revenue of the Group comes from department store retail. The chief operating decision-maker of the Group uses the overall operating results as the basis for evaluating performance. Accordingly, the Group is a single operating department, and the operating department information for the nine months ended September 30, 2023 and 2022 is consistent with the consolidated financial report information.

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

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

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