

Excerpt of GRAND OCEAN RETAIL GROUP LIMITED

2021 Annual General Shareholder's Meeting Minutes

Date and Time : July 29, 2021 9:00 AM

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

Shares Presented or Represented :

Total shares issued : 195,531,000 shares

Shares Presented or Represented : 141,585,729 shares

Percentage of Shares Presented or Represented : 72.41%

Chairman : Kuo Jen Hao

- Secretary : Hung We

- I. Chairman's Address: Omitted.
- II. Report Items
  - (I) 2020 Business Report : Annex I.
  - (II) 2020 Audit Committee Annual Financial Statement : Annex II.
  - (III) Report of the "Rules of Board Meeting " of the Company is provided here : See the 2021 Shareholders Meeting Handbook.
  - (IV) Report of the "Code of Ethical Conduct " of the Company is provided here : See the 2021 Shareholders Meeting Handbook.

#### III. Recognition Items

- (I) 2020 Business Report and Consolidated Financial Statements Descriptions:
  - I. The board has passed the resolution of the 2020 consolidated financial statements, and authorizes the KPMG Taiwan accountants Zhang Shuying as well as Lai Lizhen, to perform the audit, having been fulfilled. Consequently, the consolidated statements will be submitted to the audit committee along with the business report for further check, and the written check report is to be documented.
  - II. For the business report, please refer to Annex I ; for the audit report, consolidated income statement, consolidated statement of changes in shareholders' equity, as well as consolidated statement of cash flows, please refer to Annex III.

III.Please be informed for recognition. Resolution:

After voting, the total voting rights of the shareholders present in this case were 138,198,729, 137,342,517 in favor, accounting for 99.38% of the total voting rights (of which 122,493,517 were exercised electronically); 23,337 were opposed (of which 23,337 were exercised electronically) ); the number of invalidity rights is 0; the number of abstentions/non-voting rights is 832,875 rights (including the number of electronic voting abstentions 719,875 rights), and this case is recognized as the case.



- (II) 2020 Earnings Distribution
  - Descriptions:
  - I. Net loss after tax of the company in 2020 is NT\$122,122,214, therefore dividends are to be distributed in compliance with articles of the company.
  - II. Earnings distribution table of the company in 2020 is as below: Datail

aren berry Ging
GRAND OCEAN RETAIL GROUP LIMITED
Earnings Distribution Table
2020

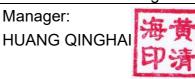
Currency: NTD

2019Closing Retained Earnings	874,401,512
Addition: Special surplus reserve for reversal of equity deduction	158,119,097
Deduction: 2020 Net loss after Tax	(122,122,214)
Deduction: 10% Accounted for Legal Reserve	-
2020 Profit Available for Distribution	910,398,395
Distribution Items Cash Dividends for Shareholders (NT\$ 1 per share)	195,531,000
Closing Retained Earnings	714,867,395

- Note1:Cash dividends for shareholders by 2020 earnings distribution are to be recognized by shareholders meeting, then the board meeting will be authorized to draft the regulations concerning ex-dividend date as well as distribution matters. According to the shareholders list on the ex-dividend date, it is to distribute the cash dividends denominated in one NTD, rounded up to the nearest NT\$, and the difference shall be recognized as income or expense by the Company.
- Note2:Cash dividends for this time are measured by 195,531,000 shares outstanding on Apr 20, 2020 of the company. If the distribution proposal is amended by the central authority, or due to share repurchase, treasure stock transferred to employees or cancelled, or exercise of employee stock options, which affect the number of outstanding shares and change the cash dividend payout ratio, the chairman shall be authorized by the shareholders meeting to handle all the changes

Chairman: **GUO RENHAO** 





Accounting Supervisor: LI MINFANG



III. Please be informed for recognition. Resolution:

After voting, the total voting rights of the shareholders present in this case were 138,198,729, 137,444,517 in favor, accounting for 99.45% of the total voting rights (of which 122,595,517 were exercised electronically); 35,337 were opposed (of which 35,337 were exercised electronically) ); the number of invalidity rights is 0; the number of abstentions/non-voting rights is 718,875 rights (including the number of electronic voting abstentions 605,875 rights), and this case is admitted as per the case.



- IV. Topic Discussions
  - (I) Amendment to Certain Articles of "Articles of Incorporation" Descriptions:
    - In compliance with considering practical operations for the company, a proposal is made here to amend the certain articles of "Articles of Incorporation" of the company.
    - II. Please refer to Annex IV for comparison table of the articles.
    - III. Please be informed for discussion.

#### Resolution:

After voting, the total voting rights of the shareholders present in this case were 138,198,729, 137,455,517 in favor, accounting for 99.46% of the total voting rights (including 122,606,517 in electronic means); 20,337 in opposition (including 20,337 in electronic means) ; Invalidity rights: 0; abstentions/non-voting rights: 722,875 rights (including electronic voting abstentions: 609,875 rights). The case was passed as per the case.

- (II) Amendment to Certain Articles of "Rules of General Meeting of Members" Descriptions:
  - I. In compliance with the recent act amendments and considering practical operations for the company, a proposal is made here to amend the certain

articles of "Rules of General Meeting of Members" of the company.

- II. Please refer to Annex V for comparison table of the articles.
- III. Please be informed for discussion.

Resolution:

After voting, the total voting rights of the shareholders present in this case were 138,198,729, and 137,456,517 were in favor, accounting for 99.46% of the total voting rights (of which 122,607,517 were exercised electronically); 19,337 were opposed (including 19,337 were electronically exercised). ); the number of invalidity rights is 0; the number of abstentions/non-voting rights is 722,875 rights (including the number of electronic voting abstentions 609,875 rights), and the case was passed as per the case.

- V. A.O.B. Shareholders' questions and voice content and the company's reply: Ommited
- VI. Adjournment: 9:41 am on July 29, 2021



#### 2020 Business Report

Ladies and Gentlemen:

Thanks for everyone for your kindly support as well as encouragement to Grand Ocean Retail Group Limited for such a long time as always. We are honored to be on behalf of the whole operating team to present the operational results and development in 2020 as well as operational strategies in 2021

1 . 2020 Operational Results:

Annual consolidated operating revenues of the group in 2020 was NT\$ 4,790,864 thousand, which grew by a decrease of 27.87% than NT\$ 6,642,331 thousand in 2019; net loss after tax in 2020 was NT\$ 122,122 thousand, which grew by a decrease of 120.23% than NT\$ 603,637 thousand in 2019; Loss per share in 2020 was NT\$0.62.

2 . 2020 Operational Development:

At the beginning of 2020, the sudden outbreak of COVID-19 stroke us all, challenging China's retail business, which we have never seen. At the start of this pandemic, the authority of every region announced the Level 1 Public Health Emergency of International Concern (PHEIC) as the countermeasure. Fifteen stores of Grand Ocean all stopped operations until the end of January due to the authority's requests, and the three stores located at Wuhan were even closed for 67 days. Facing the influence of COVID-19, Grand Ocean started to take the initiative and promote the deep integration of multi-formats, trans-fields, polymerization, scenarization, and synchronization. Through information and technology, we significantly develop quality sales, smart sales, crossover fusion, and boundless retail. We dedicate ourselves to improving quality and efficiency, meeting the increasing demands of our consumers.

(1) For the impact brought by COVID-19, Grand Ocean took several countermeasures as the followings.

1) Thus we are one of the first corporations to resume operations.

- (2) Response to the authority's policy by using "evening economy" to resurrect consumer flow.
- ③ Pay all the expenses on time, relieve the rent for our partnerships when

4



our stores were closed, as well as deposit-free, rent and fees reduction after our stores reopened.

- (2) In 2020 we had accomplished the adjustment of format transition on the 5<sup>th</sup> floor at Hengyang Store, plan of the categorized boutiques as well as the return of LOUIS VUITTON on the 1<sup>st</sup> floor at Fuzhou Store No.2. Moreover, the environmental sets on the 8<sup>th</sup> and the 9<sup>th</sup> floors as well as the project of newly purchased surrounding areas on the 1<sup>st</sup> and the 2<sup>nd</sup> floors at Shiyan Store are ongoing. Reasonable arrangement and traffic flow and flawless scenario upgrade both elaborate the functions to improve the comfort of shopping, as well as introduce the formats and brands which can gather more consumers. We have initially been proved by our suppliers and customers, and we have now reversed the declining situation. It marks the remarkable success of the comprehensive transformation of the operational thinking of Grand Ocean.
- (3) Our Sales Department insists on aggressive actions, revolution and innovation. So far, we have accomplished the adjustment and branding upgrade in many of our stores. On partnership invitation, we make operating revenue as our premise and market as our direction to select our target consumers. We aim at the millennium age as our major customers in the future. We further introduce (redecorate) a huge volume of best international makeup brands to achieve the market demand, as well as grasping the opportunities to comprehensively update our store image. Also, we introduce the vending machines selling the hottest mystery toy boxes nowadays, and design a doll set "Sapphire & Jenny" representing the image of Grand Ocean, targeting at utilizing the vividly lovely model and the unexpected surprise to inspire curiosity and fun for our fans. Grand Ocean keeps leveling up ourselves to cater to younger consumers, and attempting on diversity, fashion and smartization in different dimensions, including our products, environments, services and so forth. The return of LOUIS VUITTON makes Fuzhou Store No.2 even more blossoming. Furthermore, the top restaurant brand in China, Haidilao, is now in store at Fuzhou Store No.1, Hengyang Store and Shiyan Store. All these measures



efficiently improve the consumer flow, and meanwhile help us stabilize our sales performance.

- (4) Grand Ocean continues to advance the O2O strategy: the online services such as Grand Ocean APP, Grand Ocean Big Data, WeMall applet, MeiTuan.com, and MeiTuan catering service plus shopping center have all been released.
   Also, we conduct Enterprise Wechat to expand social media marketing, and cooperate with Jingdong to Home and MeiTuan Flash Sale to Home.
- (5) In order to meet the consumption model, Grand Ocean established the Department of Boundless Retail on March 13, 2020, extending the online business of the Grand Ocean APP as well as actively attempting livestream selling on WeMall, TikTok, Kwai and so forth, of which the online sales performance weighed over 10% compared with the operating revenue within the same period. This is an astonishing outcome. Expanding online profits is as same important as elaborating offline advantage. We shall not only establish the third life space for people, but also break through the boundaries between online and offline consumption via digitalized platforms for merchandise sharing and partner services. We shall provide digitalized services for our partners and offer a better consumption experience with more plentiful products for our customers.
- 3 · 2021 Operational Strategies:

In 2021, Grand Ocean shall use the idea of "Centralize The Customers, Build A Platform Exemplified Of Experience Consumption, and Break Through The Boundary of Space-Time Between Online and Offline Shopping With Smartization." as our guidelines to deepen the revolution, as well as to initiatively commence our plans as the following:

(1) Our very target in the future is to create the business pattern centralizing the experience of our customers. Big data as the prerequisite, we shall ultimately meet and identify the true needs desired of our consumers, to promote merchandise (product) based on users' (human) requirements, as well as to build the scenario of consumption for users (store). It is always our mission to deliver the best and thoughtful services to our customers. We confront the innovative demand from millennium consumers, and insist on our original intention to continually keep up with the new consumption behaviors of the younger generation.



- (2) The overall plans and arrangements for all kinds of commercial promotion events at each store will be carried out. Not only planning for the six major vacations in China, including the Chinese New Year, May Day (Labor Day), Summer Sale, National Day of China, Anniversary, as well as Christmas and New Year's Eve, but also focusing more on other holidays and festivals. Focus on who you are marketing to, control the expenditure of each project, hold the market rhythm and purchase trend, as well as to use all kinds of innovative online promotion to gather our customers. Thus our popularity can be pulled up to increase the bag-in rate, and our sales performance can also be raised.
- (3) According to the planning and deployment of our Group, we have executed several adjustments which include: At Nanjing Store No1., Dong Fa Dao catering was introduced, and several adjustments on the 5<sup>th</sup> floor and the 7<sup>th</sup> floor were made. At Wuhan Store No.1, several adjustments on the 4<sup>th</sup> floor and the 5<sup>th</sup> floor were made. At Chongqing Store, several adjustments to the whole mall were made. At Shiyan Store, the environmental sets on the 8<sup>th</sup> and the 9<sup>th</sup> floors as well as the project of new purchased surrounding areas on the 1<sup>st</sup> and the 2<sup>nd</sup> floors are ongoing.
- (4) Partnership invitation with our Group shall be enhanced. Each of Grand Ocean stores has been posited in different cities and different regions. Depending on the different internal conditions of each store, external environment for competition, and different market locations, there is an obvious difference between the ones with merits and those ones that are less advantageous. Grand Ocean plans to enhance the ability of partnership invitation through the Sales Department headquarters, uniting the strength of all our stores to achieve the universal administration of Grand Ocean upon the operation and cooperation with those brands. Therefore we can acquire better business offers for the advantageous stores. At the same time, the less advantageous ones can also reinforce their competitiveness through the introduction of first-class brands to improve the brand architecture due to the support of our Group. °
- (5) Change of Traditional Thinking, Expansion of Operational Idea, Ranking management shall be conducted in the Grand Ocean membership system, providing diverse and customized services. • Each store has to make up its own business strategy depending on the actual situations, to profoundly comprehend the quintessence of new vision, new knowledge and new scenario in the era of new retail, as well as to lead the business by service, brand, experience, scenario, and boundlessness. Grand Ocean shall, even more, utilize the big data accumulated from our fans and members for years to judge the favor of our customers and to build unique services and products for our VIP customers. We shall continue to release innovative merchandise



combining services to make our customers feel refreshed, to create an ambiance that shopping in Grand Ocean is the only way to be content. Furthermore, we attempt to make our fans generate belongingness to Grand Ocean, and through the good reputation propagandized by our fans, Grand Ocean can appeal to the broader consumer groups, as well as heightening the royalty of or fans. Grand Ocean does not fear spoiling those VIP members. The better we treat our VIPs, the more positive feedback we can obtain.

- (6) Under the framework of "better employee, simplified administration," our group is adamant about the systems of cadre examination and elite recruit, which is beneficial building a system for us to sift and choose the extraordinary talents, improving the entire qualities of our cadres and managers, keeping training and perfecting their business skills, to guarantee the stable increase of the comprehensive qualities of our Group.
- (7) We implement a liability system upon the total target, fragmenting the annual budget indices of the Company, distributing to each department or even personnel who is in charge, and collocating with the checking system. Through encouraging and assisting our employees in obtaining better performance, we can inspire their passion as well as arousing their skills and quality. As a result, we anticipate that we can gather the centripetal force of all Grand Ocean employees to ultimately accomplish the rich outcomes of corporate operation.

#### GRAND OCEAN RETAIL GROUP LIMITED

Chairman: GUO JEN HAO

Manager: HUANG QING HAI



Accounting Supervisor: LI MIN FANG





Annex II

#### Audit Committee Audit Reports

The board has prepared the 2020 business report and consolidated financial statements, wherein the latter ones have been authorized to the KPMG Taiwan accountants Zhang Shu Ying as well as Lai Li Zhen and accomplished; the audit reports are issued here. Business report, consolidated financial statements and earnings distribution bill as above have been checked by the audit committee, and incompatibility is not yet found. Thus Article 14.4 of Securities Exchange Act as well as Article 219 of Company Act of R.O.C. are to be adopted for the report, please be informed.

Sincerely

GRAND OCEAN RETAIL GROUP LIMITED 2020 Shareholders Meeting



Apr 27, 2021



#### Accountant's Audit Reports

To the boad of Grand Ocean Retail Group Ltd.:

#### Audit Comment

We have audited the consolidated financial statements of Grand Ocean Retail Group Ltd. and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as of December 31, 2020 and 2019, and the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), interpretation developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

#### **Foundation of Audit Comment**

We conducted our audit of the consolidated financial statements for the year ended December 31, 2020 in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. We conducted our audit of the consolidated financial statements for the year ended December 31, 2019 in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, Rule No. 1090360805 issued by the FSC and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We



believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis of our opinion.

#### **Critical Audit Matters (CAM)**

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

#### I. Impairment of Goodwill and Trademark Rights

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

#### Description of key audit matter:

As of December 31, 2020, the carrying amounts of intangible assets 7% of the total assets of the Group. The major part of goodwill and trademark originated from the acquisition of GORG in 2006. Since retailing business was influenced by COVID-19 pandemic, maintaining revenue and profitability had become a challenge. Therefore, the goodwill and trademark from acquisition were affected, and the Group concerned if the carrying amounts exceeded recoverable amounts of retailing department. The Group's management should follow IAS 36 to determine the value in use using a discounted cash flow forecast of retailing department. Due to the fact that the estimated recoverable amounts involved management's judgment, and it had great uncertainty, there was an overestimated risk on value in use of goodwill, trademark, and assets of retailing business department. Therefore, we considered the assessment of assets impairment as one of the key audit matters to the consolidated financial statements in the audit process.

#### How the matter was addressed in our audit

We casted professional doubt on the model that the Group's management used to assess the impairment of goodwill and trademark, including to evaluate whether management had identified cash generating units ("CGU") which might have impairments, and to consider all the assets that had to be tested had been included in the assessment.



We also reviewed separate financial assumptions that the management used to assess impairments and related verification of recoverable amounts. We verified the reasonability of the assumptions and accuracy of management's calculation based on available data. We also examined the appropriateness of disclosure for the aforesaid assets.

#### II. Impairment of Assets

Please refer to notes 4(n), 5(a), 6(e), and 6(f) to the consolidated financial statements for the accounting principles on the recognition of impairment of non-financial assets, the accounting estimates and assumptions uncertainty in assessment of impairment of property, plant and equipment, and right of use assets, details of impairment of property, plant and equipment, as well as right -of- use assets, respectively.

#### Description of key audit matter:

As of December 31, 2020, the carrying amounts of property, plant and equipment and right- of- use assets constitute 60% of the total assets of the Group. Since retailing business was influenced by COVID-19 pandemic; shipping business was affected by the uncertainty of international economic cycle and transportation volume, maintaining revenue and profitability had become a challenge. Therefore, the carrying amounts of operating assets were affected, and the Group concerned if the carrying amounts exceeded recoverable amounts. The Group's management should follow IAS 36 to determine the recoverable amounts by the higher of using discounted cash flow forecast or fair value less disposal costs. Due to the fact that the estimated recoverable amounts involved management's judgment, and it had great uncertainty, there was an overestimated risk on value in use of operating assets. Therefore, we considered the assessment of assets impairment as one of the key audit matters to the consolidated financial statements in the audit process.

#### How the matter was addressed in our audit

We casted professional doubt on the model that the Group's management used to assess assets impairment, including to evaluate whether management had identified CGU which might have impairments, and to consider all the assets that had to be tested had been included in the assessment. We also reviewed separate financial assumptions that the management used to assess impairments and related verification of recoverable amounts. We verified the reasonability of the assumptions and accuracy of management's calculation based on available data. We also examined the appropriateness of disclosure for the aforesaid assets.

#### III. Recoverability of Other Receivables



Please refer to notes 4(g), 6(c), and 6(h) to the consolidated financial statements for the accounting principles on the recognition of financial instruments, the disclosures of other receivables and other financial assets, respectively.

#### Description of key audit matter:

The retailing department of the Group recently ended part of their investment due to the downturn of business cycle and rigorous competition in mainland China. As of December 31, 2020, the carrying amounts of other receivables, originated from uncollected prepaid investments, amounted to \$707,100 thousand, and constituted 3% of the total assets of the Group. The Group measured loss allowance for expected credit losses of other receivables in accordance with IFRS 9 "Financial Instruments". Therefore, we considered the assessment as one of the key audit matters to the consolidated financial statements in the audit process.

#### How the matter was addressed in our audit

We obtained the management's assessment for the expected credit losses of other receivables to examine the related supporting documents of default risk. We evaluated the reasonability of expected credit losses of other receivables in duration according to IFRS 9 "Financial Instruments".

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

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

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

Those charged with governance are responsible for overseeing the Group's financial



reporting process.

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

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

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- 3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to



continue as a going concern.

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

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

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

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

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

#### KPMG

Taipei, Taiwan (Republic of China)

March 31, 2021

Currency: NTD (thousand)	Dec 31, 2020 Dec 31, 2019 Amount 96 Amount 96	004	2.671 • 131,525 • 870,702 4 936,558 4 666,616 2 350,447 1 1 10,142 • • • • • • • • • • • • • • • • • • •	1,172,533     5     1,102,359     4       0,1773     -     41,005     -       7,297,421     30     8,217,338     2       498,609     2     552,538     2       8,996,130     37     9,015,540     38       15,879,551     65     17,315,188     66       15,879,551     8     1,935,510     8       5,965,491     21     5,605,432     19       5,965,491     21     5,605,443     6       732,283     3     1,676,413     6       732,281     3     1,676,413     6       8,511,444     35     8,900,545     14	8 34340.97 100 26.218.733 100
nd Relational Subsidiaries Sheets d 2019	Liabilities and Equity Current Labilities	A structure management (Nove 6 (i) ) Accounts Payables (Nove 6 (i) ) Other Payables (Nove 6 (i) (i) and 7)	Current Tax (Labolities) Current lease liabilities Note 6 (Jand 7) Current portion of long-term borrowings (Note 6 (j) ) Other current habilities	Non-current Liabilities: Long-term Loans of Bank (Nore 6 (j) ) Deterred Tax Liabilities (Nore 6 (j) and 7) Non-Curren class liabilitics (Nore 6 (i) and 7) Deposit Received Total Liabilities: Lapity af Owner of Parent Company (Nore 6 (o) ): Since Capital Additional Pauls in Capital Lapit Reserve Appropriated Recaused Earnings Retained Earnings Coher Equity Total Equity	Toral Liabilities and Equity 8
GRAND OCEAN RE	Dec 31, 2020 Dec 31, 2019 Amount % Amount %	F 3,757,428 15 4,641,324 18 21(0 74,619 - 61,504 - 2171 2219	198,625         1         143,880         1         2230           460,733         2         190,029         1         2280           314,428         1         289,697         1         2322           270,170         1         275,930         1         2399           16,953         -         35,636         1         2399	40.668         43.322         -         2541           5,131,625         20         5,680,71%         22         2541           7,101,445         29         7,215,648         27         2580           7,101,445         29         7,215,648         27         2580           8,641,219         36         9,531,742         37         2645           1,056,189         7         1,75,5456         3         2645           1,051,329         5         87,3789         3         3400           183,676         1         214,055         1         3100           183,676         1         214,055         1         3100           9,219,373         80         20,537,955         78         3100           9,3210         1         246,57         1         3100           9,320         3,320         3330         3330         3330	5. 24.340.997 109 26.218.733 100 Toral Liabilities and Equity Toral Liabilities and Equity (please refer to the note for details attached in the consolidated financial statements) Manager: HUANG QINGHAI 新教
	Assets Current Assets	Current Assess. 1100 Cosh and Cash Equivalents (Note 6 (a).) 1110 Financial Assets Measured at Fair Value through Profit or Loss – Current (Note 6 (b).)	<ul> <li>1170 Accounts Racryabie of Nat Arraunt (Note 6 (c) )</li> <li>200 Other Receivables, (Note 6 (c),(h) &amp;77</li> <li>1300 Investopies - Merchandising Business</li> <li>1410 Pre-paymente (Note 7)</li> <li>1461 Non-surrent Assets Held for Sale (Note 6 (d) )</li> </ul>	<ul> <li>(1476 Other Franzeial Assets - Current (Note 6 (ri) and 8).</li> <li>Non-current Assets</li> <li>Non-current Assets</li> <li>1600 Propenty, Planes and Equipment (Note 5 (c) - 7&amp;8).</li> <li>1735 Right of was asset (Note 6 (rg) 1).</li> <li>1780 Intringular Assets (Note 6 (g) 1).</li> <li>1840 Deferred Tax Assets (Note 6 (g) 1).</li> <li>1940 Other Firanceal Assets (Note 6 (r) and 7).</li> <li>1940 Other Non-current Assets (Note 6 (r) and 7).</li> </ul>	Total Assets Chairman: GUO RENHAO

Annex III

Currency: RMB (thousand)	Dec 31, 2020 Dec 31, 2019 Amount 96 Amount 96	\$ \$27,833 9 506,592 8	6	4		+ -	1 607.41X C 075.851	1,595,944 28 1,716,602 28		259,409 5 255,661 4	14,084 - 9,649 -	1,671,874 30 1,905,708 32	114,254 2 128,145 2	2,059,68 37 2,299,163 38	3,626,625 65 4,015,765 66		100 March 100 Ma	492,105 9 492,105 8 1017119 10 101715 17	1111012 01	4 161.321	ri	(27,879) (-) (47,788) (4)	1,950,010 35 2,064,924 34	4	\$ 5,576,635 100 6,080,689 100	
GRAND OCEAN RETAIL CROUP LTD and Relational Subsidiaries Conventional Subsidiaries December 31, 2020 and 2019	Liabilities and Equity Convert Liabilities	Slott-term Lonzin (Note 5 (i) )	Accounts Payable (Note 6 (k) )	Other Payables (Note 6 (c),(r) and 7)	Current Tax Ludolities	Current lease habilities(Note 6 (Jand 7)	Current portion of long-term borrowings (Note 6-(j))	and industry and a second se	Non-current Linhildies:	Long-term Loans of Bank (Note 6 (j) )	Deferred Tax Labelities (Note 6 (n) )	Non-Corrent leave flubilities(Note 6 (1) and 7)	Deposit Received		Total Liabilities:		Equity of Owner of Parent Company (Note 6 (o) ):	Share Capital	Authoriat Pare-to Capital	Armoontied Returned Ternines	Retained Farmings	Other Equity	Total Equity		Total Liabilities and Equity	(please refer to the note for details attached in the consolidated financial statements) Manager: HUANG QINGHAI 海黄 日外湾
ETAL COOP LTD BIA	Dec 31, 2019 Amount %	1.076.423 18 2100	14,264 - 2171		-	-	67,187 I 2322 67.000 I 7000		10,047 -	117,495 22 2541	2570	1,673,325 27 2580	1222212 37 2645	411,762 7	203.577 3	202,674 3	-	4,765,194 78 3100	0076	0.01	1350	3400			10,689 100	aits attached in the c
AND OCEAN RETA Cor Dee	Dec 31, 2020 Dec Amount % Anno	860,844 15	- 960/11		-	ci -	22,037 1 0	-		20		6,126,974 29 1,67	1,979,743 36 2.22	404'413 Z E1F'80F	240,864 5 20	106.881 2 20	1 20	4,440,956 80 4,76							5.576.635 100 6.080,689 100	fer to the note for details attact Manager: HUANG QINGHAI
GRA	Assets	urrent Assens. Casti and Cash Equivalents (Note 6 (a) ) \$	Financial Assets Measured at Fair Value through Profit or Loss - Current (Note 6	(b)	Accounts Receivable of Not Amount (Note 6 (c) )	Other Receivables (Note 6 (c),(h) & 7)	Inventences – Merchandisting Business	r responsement (nome 7) Non-entreent Assens Held für Saler Norte 6 (d) \	Other Financial Assets - Current (Note 6 (h) and 8)		Non-current Assets:	Property, Plants and Equipment (Note 5 (c) - 7&8).	Right of use asset (Note 6 (D&8)	Intangible Assets (Note 6 (g))	Deferred Tax Assets (Note 6 (n) }	Other Financial Assets - Non-current (Note 6 (h) & 7)	Other Non-current Assets (Note 6 (o) and 7)	(I							Total Assets	Chairman: GUO RENIIAO (Diense referencies) (please

分大洋



# GRAND OCEAN RETATION GROUP, TD and Relational Subsidiaries Consolidated Income Statement For the years ended December 31, 2020 and 2019

	a.		Curr 2021	ency:	NTD (thousan 2020	id)
		1	Amount	%	Amount	%
1000	Operating Revenues (Note 6 (s) &7 )	\$	4,790,864	100	6,642,331	100
4000			1.573,658	33	1,756,194	26
5000	Operating Costs Gross Profit	-	3,217,206	67	4.886,137	74
2000	Operating Expenses (Note 6 (e), (f), (g), (l), (m), (r)and 7)		2,958,101	62	3,599,460	54
6000			12,625	4	(#)	-
6450	Expected credit loss(Note 6 (c))	1	2,970,726	62	3.599.460	54
			246,480	5	1.286,677	20
	Operating Income	-				
autore n	Non-operating Income and Expenses:		26,242	1	56.364	1
7100	Total interest income(Note 6 (s) and 7)		2,796	- 64	2,887	-
7010	Other Revenues (Note 6 (s))		169,811	4	214,198	3
7020	Other Gains and Losses (Note 6 (d) and (s) )		(560,110)	(12)	(649,895)	(10)
7050	Financial Costs (Note 6 (1), (s) and 7)		(66,628)	(1)	18,627	
7055	Expected Credit Losses (Note 6 (c),(h) and (t) )	-	(427,889)	(8)	(357,819)	(6)
		-	(181,409)	(3)	928.858	14
7900	Earnings before Tax			(1)	325.221	5
7950	Deduction: Income Tax Expenses (Note 6 (n) )	<u>19</u>	(59,287)	103-332	603,637	9
	Current Net Income (Loss)	2_	(122,122)	(2)	003,037	
8300	Other Comprehensive Income:					
8360	Items that may be Re-classified Subsequently to Profit or Loss				(271.0(2))	763
8361	Exchange Difference on Translation of Foreign Operations		158,118	3	(371,862)	(6)
8399	Income tax related to components of other comprehensive	3	-			
	income that will be reclassified to profit or loss		158,118	3	(371,862)	(6)
	Sum of Items that may be Re-classified Subsequently to Profit or Loss	-	120,110		CONTRACTOR .	
8300	Other comprehensive income (loss)		158,118	3	(371,862)	(6)
8300	Comprehensive income	S	35,996	1	231,775	3
	Profit (loss), attributable to:					
0.010	Owners of parent	5	(122,122)	(2)	603,941	9
8610	Non-controlling interests			82 <sup>000</sup>	(304)	2
8620	Non-controlling interests		(122,122)	(2)	603,637	
	Comprehensive income (loss) attributable to:					
2012/01 W 11		4	35,996	1	232,079	
8710	Owners of parent	19	-		(304)	) -
8720	Non-controlling interests		35,996	1	231.775	1
		3	201290	-	avan de	
	Earnings (loss) per Share (Note 6 (p))	0.4		(0.63)		3.1
9750	Basic earnings (loss) per share (NT dollars)			(0.62)		3.0
9850	Diluted earnings (loss) per share (NT dollars)		5	(0.62)		3.0

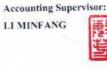
(please refer to the note for details attached in the consolidated financial statements)





Manager: HUANG QINGHAI 海方







Retail G.	
June PE	
GRAND OCEAN RETAIL GROUP G.D. and Relational Subsic	liaries
Consolidated Income Statement	
For the years ended December 31, 2020 and 2019	

	add Is		Cur 2021	rency:	RMB (thousa) 2020	nd)
			Amount	%	Amount	96
4000	Operating Revenues (Note 6 (s) &7 )	s	1,118,631	100	1,482,485	100
5000	Operating Costs		367,437	33	391,960	26
	Gross Profit		751,194	67	1,090,525	74
6000	Operating Expenses (Note 6 (e), (f), (g), (l), (m), (r)and 7)		690,694	62	803,355	54
6450	Expected credit loss(Note 6 (c))		2,948	+		
			693,642	62	803,355	54
	Operating Income		57,552	5	287,170	20
	Non-operating Income and Expenses:					
7100	Total interest income(Note 6 (s) and 7)		6,127	1	12,580	1
7010	Other Revenues (Note 6 (s))		653		644	
7020	Other Gains and Losses (Note 6 (d) and (s) )		39,649	4	47,806	3
7050	Financial Costs (Note 6 (1), (s) and 7)		(130,782)	(12)	(145,048)	(10)
7055	Expected Credit Losses (Note 6 (c),(h) and (t) )		(15.557)	(1)	4,157	10.00
			(99,910)	(8)	(79,861)	(6
7900	Earnings before Tax		(42,358)	(3)	207,309	14
7950	Deduction: Income Tax Expenses (Note 6 (n) )		(13,843)	(1)	72,585	5
	Current Net Income		(28,515)	(2)	134,724	9
8300	Other Comprehensive Income:	-	Committee in the second			
8360	Items that may be Re-classified Subsequently to Profit or Loss					
8361	Exchange Difference on Translation of Foreign Operations		15,909	1	(7,103)	20
8399	Income tax related to components of other comprehensive				Andress M.	-
	income that will be reclassified to profit or loss					
	Sum of Items that may be Re-classified Subsequently to Profit or Loss	-	15,909	1	(7,103)	-
8300	Other comprehensive income (loss)	-	15,909	1	(7.103)	-
	Comprehensive income	5	(12,606)	1	127,621	9
	Profit (loss), attributable to:					
8610	Owners of parent	\$	(28,515)	(2)	134,792	9
8620	Non-controlling interests		*	*	(68)	
		5	(28,515)	(2)	134,724	9
	Comprehensive income (loss) attributable to:					
8710	Owners of parent	\$	(12,606)	(1)	127,689	9
8720	Non-controlling interests	_			(68)	
		5	12,606	1	127,621	9
	Earnings (loss) per Share (Note 6 (p))					
9750	Basic earnings (loss) per share (NT dollars)	S		(0.15)		0.69
9850	Diluted earnings (loss) per share (NT dollars)	S	N N	(0.15)		0.69

(please refer to the note for details attached in the consolidated financial statements)









$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$				Consolidate For t	ed Statemen he years end	For the years ender to the help by Within Techolders' Eq For the years ender December 31, 020 and 2019	m/Shareh	Consolidated Statement of Chyners Sir Shyreholders' Equity For the years ender becomber 315, 020 and 2019	~		Cur	Currency: NTD (thousand)	thousand)
Antinueal         Antional							Gunde	-	iquity a r				
1974,000         500,310         584,714         161,675         2726,575         715,630         2,700         8,847,601         901         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101         101		Share Capital	Additional Paid-in Canital	Legal Reserve	Ketained Ea Appropriated Retained Earrungs Reserve	mings Retained Farrings	Sum		Held for Sale Non-current Assets - Direct Equity	Treasury Stock	Attributed to Parent Company Total Equity	Non-controlli ng Interest	Total Equity
mm         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.3 41         60.	alance as of Jan 1, 2019	1.974,690	5.092.360	530.710	554.374	1.641.673	2.726.757	(745,626)	2.791	(203,369)	8.847,603	304	8,847,907
me $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$ $(371,862)$	Current Net Income	1	1	90		603,941	603,941	35	8	43	603,941	(304)	603,637
40.3         40.34         60.341         60.341         60.341         60.341         60.341         60.341         60.341         60.341         60.341         60.341         60.341         60.341         60.341         60.341         60.341         60.341         60.341         60.341         60.341         60.341         60.341         60.341         60.341         60.341         72.09         731         60.341         731.380         731.380         731.380         731.380         731.380         731.380         731.380         731.380         731.380         731.380         731.380         731.380         731.380         731.380         731.380         731.380         731.380         731.380         731.380         731.380         731.380         731.380         731.380         731.380         731.380         731.390         731.390         731.390         731.390         731.390         731.390         731.390         731.390         731.390         731.390         731.390         731.390         731.390         731.390         731.390         731.390         731.390         731.390         731.390         731.390         731.390         731.390         731.390         731.390         731.390         731.390         731.390         731.390         731.390 </td <td>urrent Other Computensive Income</td> <td></td> <td></td> <td></td> <td></td> <td>1</td> <td>1</td> <td>(371,862)</td> <td></td> <td></td> <td>(371,862)</td> <td>0</td> <td>(371,862)</td>	urrent Other Computensive Income					1	1	(371,862)			(371,862)	0	(371,862)
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$	ment Total Comprehensive Income	÷				603,941	603,941	(371,862)		•	232,079	(304)	231,775
$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$	propriation and Distribution of Retained Earnings:												
$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$	Legal reserve appropriated	3	8	49,534	ž	(49.534)	ай	Ř			y.	÷	90
$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$	Cash dividends of ordinary share	2	8	a	188,461	(188,461)	i.		3		H	э	ж
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$	teversal of special reserve	84	ii.	13	14	(331,186)	(331,186)	ž	(e	2	(331,186)	ž	(331,186)
$\begin{array}{ c c c c c c c c c c c c c c c c c c c$	asury Stock Retired	(19,380)	(28,566)	29	2			3	57	47,946	18		34
$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$	the based payment transaction		(374)	6					3	155,423	155,049	8	155,049
$ \begin{array}{c c c c c c c c c c c c c c c c c c c $	ance as of Dec 31, 2019	1,955,310	5,063,420	580,244	742,835	1,676,433	2,999,512	(1,117,488)	2,791	ħ	8,903,545	0	8,903,545
158,118         158,118         158,118         158,118         158,118         158,118         155,996         155,996         155,996         155,996         155,996         155,996         155,996         155,996         155,996         155,996         155,996         155,996         155,996         155,996         155,996         155,996         155,996         155,996         155,996         155,996         155,996         155,996         155,996         155,996         155,996         155,996         156,996         156,996         156,996         156,996         156,996         156,996         156,996         156,996         156,996         156,996         156,996         156,996         156,996         156,996         156,996         156,996         156,996         156,996         156,996         156,996         156,996         156,996         156,996         156,996         156,996         156,996         156,996         156,996         156,996         156,996         156,996         156,996         156,996         156,996         156,996         156,996         156,996         156,996         156,996         156,996         156,996         156,996         156,996         156,996         156,996         156,996         156,996         156,996         156,996 <t< td=""><td>rrent Net loss</td><td>æ</td><td>1</td><td>į.</td><td>×</td><td>(122,122)</td><td>(122.122)</td><td>ŧ)</td><td><u>11</u></td><td>10</td><td>(122,122)</td><td>e</td><td>(122,122)</td></t<>	rrent Net loss	æ	1	į.	×	(122,122)	(122.122)	ŧ)	<u>11</u>	10	(122,122)	e	(122,122)
$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$	rent Other Comprehensive Income	*	5	æ	ų.	-	-	158,118		0	158,118		158,118
$ \frac{10 \text{ minuted}}{11,2020}  \frac{371,862}{2,071}  \frac{371,862}{(430,168)}  \frac{371,862}{(430,168)}  \frac{371,862}{(430,168)}  \frac{371,862}{(430,168)}  \frac{370,168}{(430,168)}  \frac{310,168}{2,071}  \frac{310,168}{2,0$	rrent Total Comprehensive Income		1	58			(122,122)	158,118	t	t	35,996	÷	35,996
printed     371,862     (371,862)     (430,168)     (430,168)     (430,168)       finary share     2,071     (430,168)     (430,168)     (430,168)     2,071       31,2020     5     1,955,510     5,065,491     5,80,244     1,114,697     752,281     2,447,222     (959,370)     2,791     8,511,444	propriation and Distribution of Retained Earnings:												
Innary share 2.071 (430,168) (430,168) (430,168) (430,168) (430,168) (430,168) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,108) (430,10	special reserve appropriated	8	8	9	371,862	(371,862)	100000000000000000000000000000000000000	i i	9.1		1	00	(X )
31,2020 <u>5 1,955,310 5,065,491 589,244 1,114,697 752,281 2,447,222 (959,370) 2,791 - 8,511,444 - 8,5</u>	Cash dividends of ordinary share	8	1411 6	is -	ę.	(430,168)	(430,168)	8	•		(430,168)	• •	(450,168) 2.671
	Balance as of Dec 31, 2020		5,065,491	580,244	1,114,697		2.447,222	(959,370)	2,791		8,511,444	•	8,511,444
	Chairman: GUO RENHAO			Manager: HUANG QINGHAI	INGIIAI	每黄			Accounting Su LI MINFANG	Accounting supervisor.			

Annex III

分大洋

Additional Share Capital (20,203)         Additional Legal (20,223)         Legal Reserve (3,878)           96,983         1,020,223         110,092           (4,878)         (4,443)         (10,961           (4,878)         (4,443)         (10,961           (4,878)         (1,476         (10,961           (4,92,105         (1,07,256         (21,053	Retained Earnings Appropriated Retained Earnings Reta Reserve Farr	Red December 3 V.	3 2020 3	For the years orded December 31, 2020 and 2019			Curr	Currency: RMB (thousand)	thousand)
Additional Paid-in Paid-in 496,983         Additional Faid-in Capital Reserve         Legal Reserve           496,983         1,0.00,2.23         110,092           1         1         0.041           1         1         10.061           1         1         10.061           1         1         1           1         1         1           1         1         1           1         1         1           1         1         1           1         1         1           1         1         1           1         1         1           1         1         1	Appropriated Retained Earnings Reserve	soui		Other Equity Exchange Differences Held	quity Held for Sale				
496,983 1,020,223 496,983 1,020,223 4,4378 4,4433 4,4433 4,92,105 4,017,256 4,443 4,4433 4,92,105 4,017,256	TANKIN'	Retained Earnings	Sum	-	Non-current Assets - Direct Equity	Treasury Stock	Attributed to Parent Company Total Equity	Non-controlli ng Interest	Total Equity
(4.878) (4.443) (4.878) (4.443) (4.878) (4.443) (4.878) (4.443)	919,611	308,141	537,849	(37.297)	612	(41,714)	1,976,565	68	1,976,724
Insome         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         - <td>14-14-14-14-14-14-14-14-14-14-14-14-14-1</td> <td>134,792</td> <td>134,792</td> <td></td> <td>-</td> <td></td> <td>134,792</td> <td>(89)</td> <td>134,724</td>	14-14-14-14-14-14-14-14-14-14-14-14-14-1	134,792	134,792		-		134,792	(89)	134,724
(4.878) (4.443) (4.878) (4.443) (4.878) (4.443) (4.878) (4.443)	10	1	10	(7.103)		64	(2,103)	734	(7,103)
(4.878) (4.443) (4.878) (4.443) - 1.476 - 492,105 (.017,256		137,792	134,792	(7,103)		-23	127,689	(88)	127,621
(4,878) (4,443) 1,476 492,105 (1,017,256		110000							
(4,878) (4,443) 1,476 492,105 (.017,256	AT The	(10/-01)	8	06 - 0	es d	< 3	0.0		82 G
(4,878) (4,443) - 1,476 492,105 (,017,256	and the second second	(73,290)	113 2001	s 9	9 9	6.9	(73.290)		(73,290)
492,195 1,017,256		a contraction of	-	2.28	- 36	9.321	)	a	
402,105 1,017,256	10	24	Next.		108	32.393	33,869	34	33,869
	161.321	316.977	135.002	(44,400)	612		2,064,924	5	2,064,924
trent Other Comprehensive Income		(28,515)	(28,515)			200	(28,515)	23	(28,515)
rrent Total Comprehensive Income propriation and Distribution of Retained Earrings				15,909			15,909	i.	15,909
propriation and Distribution of Restained Earthings		(28,551)	(28,515)	15,909		+2	(12,606)		(12,606)
Special reserve appropriated	88,857	(88,857)	ġ	1	×			ŝk.	92 2
Cash dividends of ordinary share	e	(102,790)	(102,790)		e	in a	(102,790)	S.	(102, 790)
Treasury Stock Retired	10	a	e e	31	3		482		482
Balance as of Dsc 31, 2020 5 492,105 1,017,738 121,053	250,178	96,815	468,046	(28,491)	612		1,950,010	8 <b>2</b> 0	101,022,1



# MAN Retall Gra GRAND OCEAN RETAIL GROUP CTD. and Relational Subsidiaries Consolidered Statement of Cash Flows For the years ended December 31, 2020 and 2019

Cash Flows from Operating Activities (Loss) profit before tax \$ Adjusting Events: Income and Expenses Depreciation expense Amortization expense Expected credit loss Net gain on financial assets or liabilities at fair value through profit or loss Interest expense Interest income Dividend income Cost of share-based payments awards Loss on disposal of property, plant and equipment Impairment loss on non-financial assets	(181,409) 1,487,375 4,727 79,253 (69,706) 560,110 (26,242) (2,796) 2,071 1,113 18,945	928,858 1,604,209 7,673 (18,627) (50,860) 649,895 (56,364) (2,887) 1,271 18,012
Adjusting Events: Income and Expenses Depreciation expense Amortization expense Expected credit loss Net gain on financial assets or liabilities at fair value through profit or loss Interest expense Interest income Dividend income Cost of share-based payments awards Loss on disposal of property, plant and equipment	1,487,375 4,727 79,253 (69,706) 560,110 (26,242) (2,796) 2,071 1,113	1,604,209 7,673 (18,627) (50,860) 649,895 (56,364) (2,887) 1,271
Income and Expenses Depreciation expense Amortization expense Expected credit loss Net gain on financial assets or liabilities at fair value through profit or loss Interest expense Interest income Dividend income Cost of share-based payments awards Loss on disposal of property, plant and equipment	4,727 79,253 (69,706) 560,110 (26,242) (2,796) 2,071 1,113	7,673 (18,627) (50,860) 649,895 (56,364) (2,887) 1,271
Depreciation expense Amortization expense Expected credit loss Net gain on financial assets or liabilities at fair value through profit or loss Interest expense Interest income Dividend income Cost of share-based payments awards Loss on disposal of property, plant and equipment	4,727 79,253 (69,706) 560,110 (26,242) (2,796) 2,071 1,113	7,673 (18,627) (50,860) 649,895 (56,364) (2,887) 1,271
Amortization expense Expected credit loss Net gain on financial assets or liabilities at fair value through profit or loss Interest expense Interest income Dividend income Cost of share-based payments awards Loss on disposal of property, plant and equipment	4,727 79,253 (69,706) 560,110 (26,242) (2,796) 2,071 1,113	7,673 (18,627) (50,860) 649,895 (56,364) (2,887) 1,271
Expected credit loss Net gain on financial assets or liabilities at fair value through profit or loss Interest expense Interest income Dividend income Cost of share-based payments awards Loss on disposal of property, plant and equipment	79,253 (69,706) 560,110 (26,242) (2,796) 2,071 1,113	(18,627) (50,860) 649,895 (56,364) (2,887) 1,271
Net gain on financial assets or liabilities at fair value through profit or loss Interest expense Interest income Dividend income Cost of share-based payments awards Loss on disposal of property, plant and equipment	(69,706) 560,110 (26,242) (2,796) 2,071 1,113	(50,860) 649,895 (56,364) (2,887) 1,271
profit or loss Interest expense Interest income Dividend income Cost of share-based payments awards Loss on disposal of property, plant and equipment	560,110 (26,242) (2,796) 2,071 1,113	649,895 (56,364) (2,887) 1,271
Interest income Dividend income Cost of share-based payments awards Loss on disposal of property, plant and equipment	(26,242) (2,796) 2,071 1,113	(56,364) (2,887) 1,271
Dividend income Cost of share-based payments awards Loss on disposal of property, plant and equipment	(2,796) 2,071 1,113	(2,887) 1,271
Cost of share-based payments awards Loss on disposal of property, plant and equipment	2,071 1,113	1,271
Loss on disposal of property, plant and equipment	1,113	
		18,012
Impairment loss on non-financial assets	18,945	
imputment toss on bon financial assets		23,273
Reversal of Impairment of Non-financial Assets		(3,944)
Gain on rent concessions	(190,193)	2.00
Total adjustments to reconcile profit (loss)	1,864,657	2,171,651
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets and liabilities at fair value through profit	52,709	59,266
Accounts receivable	(64,607)	190,623
Other receivables	59,580	(38,304)
Inventories	(20,771)	(38,872)
Prepayments	8,956	(12,039)
Sum of Net Variance of Assets Concern Operating Activities	35,867	160,674
Changes in operating liabilities:		
Accounts Payable	(762,709)	(489,680)
Other Payables	76.828	(83,555)
Other current liabilities	(183)	-
Sum of Net Variance of Liabilities Concern Operating	(686,064)	(573,235)
Sum of Net Variance of Assets and Liabilities Concern	(650,197)	(412,561)
Total adjustments	1.214,460	1,759,090
Cash inflow generated from operations	1,033,051	2,687,948
Interest received	21,713	61,471
Dividends received	2,796	2,887
Interest paid	(560,792)	(653,101)
Income taxes paid	(205,523)	(402,053)
Cash Inflow from Operating Activities	291,245	1,697,152



# GRAND OCEAN RETAIL SROUP LED and Relational Subsidiaries Consolidated State for Br Cash Flows (continued)

For the years ended December 31, 2020 and 2019

Olan 181	Currency:	NTD (thousand
	2020	2019
Cash flows from (used in) investing activities:		
Proceeds from disposal of financial assets at amortized cost	1	227,533
Acquisition of property, plant and equipment	(409,271)	(801,206)
Proceeds from disposal of property, plant and equipment	434	516
Decrease in Refundable Deposits	24,156	3,023
Decrease in other receivables		224,027
Acquisition of Intangible Assets	(344)	(13,275)
Decrease (Increase) in other financial assets	4,455	(11,842)
Decrease in other non-current assets	32,278	
Net cash flows used in investing activities	(348,292)	(371,224)
Cash flows from (used in) financing activities:		
Increase in Short-term Loans	131,142	427,057
Lease from Long-term Loans	915,170	704,662
Payments for Long-term Loans	(596,709)	(1,544,983)
(Decrease) Increase in Deposit Received	(59,493)	3,897
Payment of lease liabilities	(826,541)	(835,016)
Distribution of Cash Dividends	(430,168)	(331,186)
Treasury shares sold to employees	() ()	46,760
Net cash flows used in financing activities	(866,599)	(1,528,809)
Effect of exchange rate changes on cash and cash equivalents	39,750	(195,306)
Net decrease in cash and cash equivalents	(883,896)	(398,187)
Cash and cash equivalents at beginning of period	4,641.324	5,039,511
Cash and cash equivalents at end of period	\$ 3,757,428	4,641,324

(please refer to the note for details attached in the consolidated financial statements)













# GRAND OCEAN RETAIL CROUBLETD. and Relational Subsidiaries Consolidated Statement of Cash Flows For the years ended December 31, 2020 and 2019

	Currency: R 2020	MB (thousand) 2019
Cash Flows from Operating Activities		
(Loss) profit before tax \$	(42,358)	207,309
Adjusting Events:		
Income and Expenses		
Depreciation expense	347,291	358,309
Amortization expense	1,104	1,713
Expected credit loss	18,505	(4,157)
Net gain on financial assets or liabilities at fair value through profit or loss	(16,276)	(11,351)
Interest expense	130,782	145,048
Interest income	(6,127)	(12,580)
Dividend income	(653)	(644)
Cost of share-based payments awards	482	284
Loss on disposal of property, plant and equipment	260	4,020
Impairment loss on non-financial assets	4,423	5,194
Reversal of Impairment of Non-financial Assets	*	(880)
Gain on rent concessions	(44,409)	2
Total adjustments to reconcile profit (loss)	435,382	484,686
Changes in operating assets and liabilities: Changes in operating assets:		
Financial assets and liabilities at fair value through profit	12 207	12 227
Accounts receivable	12,307	13,227
Other receivables	(15,085)	42,545
	13,913	(8,549)
Inventories	(4,850)	(8,676)
Prepayments	2,091	(2,687)
Sum of Net Variance of Assets Concern Operating Activities Changes in operating liabilities:	8,376	35,860
Accounts Payable	(178,087)	(109, 290)
Other Payables	17,939	(18,648)
Other current liabilities	(43)	2 <sup>0</sup>
Sum of Net Variance of Liabilities Concern Operating	(160,191)	(127,938)
Sum of Net Variance of Assets and Liabilities Concern Operating Activities	(151,805)	(92,078)
Total adjustments	283,567	392,608
Cash inflow generated from operations	241,209	599,917
Interest received	5,070	13,720
Dividends received	653	644
Interest paid	(130,941)	(145,764)
Income taxes paid	(47,987)	(89,733)
Cash Inflow from Operating Activities	68,004	378,784



## GRAND OCEAN RETAILS GROUP (TD. and Relational Subsidiaries Consolidated Statement of Cash Flows (continued) For the years ended December 31, 2020 and 2019

an Is	Currency: RMB (thousan	
	2020	2019
Cash flows from (used in) investing activities:		
Proceeds from disposal of financial assets at amortized cost	8	50,783
Acquisition of property, plant and equipment	(95,562)	(178,819)
Proceeds from disposal of property, plant and equipment	100	115
Decrease in Refundable Deposits	5,640	675
Decrease in other receivables		50,000
Acquisition of Intangible Assets	(80)	(2,963)
Decrease (Increase) in other financial assets	1,040	(2,643)
Decrease in other non-current assets	7,537	
Net cash flows used in investing activities	(81,325)	(82,852)
Cash flows from (used in) financing activities:		
Increase in Short-term Loans	30,620	95,314
Lease from Long-term Loans	213,685	157,272
Payments for Long-term Loans	(139,327)	(344,821)
(Decrease) Increase in Deposit Received	(13,891)	870
Payment of lease liabilities	(192,991)	(186,365)
Distribution of Cash Dividends	(102,790)	(73,290)
Treasury shares sold to employees	5#5	10,436
Net cash flows used in financing activities	(204,694)	(340,584)
Effect of exchange rate changes on cash and cash equivalents	2,436	(4,809)
Net decrease in cash and cash equivalents	(215,579)	(49,461)
Cash and cash equivalents at beginning of period	1,076,423	1,125,884
Cash and cash equivalents at end of period	\$ 860,844	1,076,423

(please refer to the note for details attached in the consolidated financial statements)













### Comparison Chart of the Articles of Association of GORG

	Amended and Restated	Amended and Restated	
Articles	Articles of Association	Articles of Association	Explanations
No.	(Proposed Revision)	(Original)	Explanatione
Title	THE COMPANIES <u>ACT (AS</u> <u>REVISED)</u>	THE COMPANIES LAW (2018 Revision)	Revised per the Cayman government's regulation
			revisions.
1	"Statute" means the Companies <u>Act</u> of the Cayman Islands as amended and every statutory modification or re-enactment thereof for the time being in force.	"Statute" means the Companies Law of the Cayman Islands as amended and every statutory modification or re-enactment thereof for the time being in force.	Revised per the Cayman government's regulation revisions.
111	<ul> <li>(a) Unless otherwise provided in the Applicable Law, where the Company makes profits before tax for the last annual financial year, the Company shall allocate (1) no less than one percent (1%) of such annual profits before tax for the purpose of employees' remunerations (including employees of the Company and/or any Affiliated Company) (the "Employees' Remunerations"); and (2) no more than three percent (3%) of such annual profits before tax for the purpose of Directors' remunerations (the "Directors' Remunerations"). Notwithstanding the foregoing paragraph, if the Company has accumulated losses carried forward from the previous years as of the last annual financial year,</li> </ul>	<ul> <li>(a) Unless otherwise provided in the Applicable Law, where the Company makes profits before tax for the last annual financial year, the Company shall allocate (1) no less than one percent (1%) of such annual profits before tax for the purpose of employees' remunerations (including employees of the Company and/or any Affiliated Company) (the "Employees' Remunerations"); and (2) no more than three percent (3%) of such annual profits before tax for the purpose of Directors' remunerations (the "Directors' Remunerations"). Notwithstanding the foregoing paragraph, if the Company has accumulated losses carried forward from the previous years as of the last annual financial</li> </ul>	Revised per the company's dividend policy.



#### Annex IV

	r		Annex I v
the Company shall set		year, the Company shall	
aside from the profits		set aside from the profits	
before tax for the last		before tax for the last	
annual financial year an		annual financial year an	
amount equivalent to the		amount equivalent to the	
amount of such		amount of such	
accumulated losses prior		accumulated losses prior	
to the allocation of		to the allocation of	
Employees'		Employees'	
Remunerations and		Remunerations and	
Directors' Remunerations.		Directors'	
(b) The Employees'		Remunerations.	
Remunerations may be		The Employees'	
distributed in the form of cash and/or bonus		Remunerations may be distributed in the form of	
shares; the Directors'		cash and/or bonus	
Remunerations may be		shares; the Directors'	
distributed in the form of		Remunerations may be	
cash only.		distributed in the form of	
(c) Subject to Cayman		cash only.	
Islands law and the		Subject to Cayman	
Applicable Law, the	(•)	Islands law and the	
Employees'		Applicable Law, the	
Remunerations and the		Employees'	
Directors' Remunerations		Remunerations and the	
may be distributed upon		Directors'	
resolution by a majority		Remunerations may be	
votes at a meeting of the		distributed upon	
Board of Directors		resolution by a majority	
attended by two-thirds		votes at a meeting of the	
(2/3) or more of the		Board of Directors	
Directors, and shall be		attended by two-thirds	
reported to the		(2/3) or more of the	
Shareholders at the		Directors, and shall be	
general meeting after		reported to the	
such Board resolutions		Shareholders at the	
are passed. (d) Unless otherwise		general meeting after such Board resolutions	
provided in the Applicable		are passed.	
Law and subject to Article		Unless otherwise	
47, the net profits (after	• • •	provided in the	
allocations of profits		Applicable Law and	
before tax in accordance		subject to Article 47, the	
with Article 111(a)) of the		net profits (after	
Company for each annual		allocations of profits	
financial year shall be		before tax in accordance	
allocated in the following		with Article 111(a)) of the	
order and proposed by		Company for each	
the Board of Directors to		annual financial year	
the Shareholders in the		shall be allocated in the	
general meeting for		following order and	
approval by way of on		proposed by the Board	



) A	. )5				Annex IV
		ordinary resolution:		of Directors to the	
				Shareholders in the	
	i.	to make provision of the		general meeting for	
		applicable amount of		approval by way of on	
		income tax pursuant to		ordinary resolution:	
		applicable tax laws and			
		regulations;	i.	to make provision of the	
	ii.	to set off accumulated		applicable amount of	
		losses of previous years		income tax pursuant to	
	iii.	(if any);		applicable tax laws and	
		to set aside ten percent (10%) as legal reserve	ii.	regulations; to set off accumulated	
		pursuant to the	п.	losses of previous years	
		Applicable Law for so		(if any);	
		long as the accumulated	iii.	to set aside ten percent	
		amount of such legal		(10%) as legal reserve	
		reserve does not exceed		pursuant to the	
		the total paid-up share		Applicable Law for so	
		capital of the Company;		long as the accumulated	
	iv.	to set aside an amount		amount of such legal	
		as Special Reserve <u>or to</u>		reserve does not exceed	
		transfer amounts		the total paid-up share	
		standing to the credit of		capital of the Company;	
		the Special Reserve to	iv.	to set aside an amount	
		another account		as Special Reserve	
		pursuant to the		pursuant to the	
		Applicable Law and		Applicable Law and	
		requirements of the		requirements of the Commission; and	
	V.	<u>Commission;</u> and with respect to the	V.	with respect to the	
	۷.	earnings available for	۷.	earnings available for	
		distribution (i.e. the net		distribution (i.e. the net	
		profit after the deduction		profit after the deduction	
		of the items (a) to (d)		of the items (a) to (d)	
		above plus any		above plus any	
		previously undistributed		previously undistributed	
		cumulative Retained		cumulative Retained	
		Earnings), the Board of		Earnings), the Board of	
		Directors may present a		Directors may present a	
		proposal to distribute to		proposal to distribute to	
		the Shareholders by way		the Shareholders by way	
		of dividends at the		of dividends at the	
		annual general meeting for approval by an		annual general meeting for approval by an	
		ordinary resolution		ordinary resolution	
		pursuant to the		pursuant to the	
		Applicable Law.		Applicable Law.	
		••			
	(e)	The Company's dividends	(e)	The Company's	
		policy is that the		dividends policy is that	
		Company shall refer to		the Company shall refer	
		current and future		to current and future	



industrial prosperity and consider fund demand and financial structure of the Company. With respect to the earnings available for distribution, except for <u>reserving part</u> <u>thereof for such purposes</u> <u>as considered appropriate</u> <u>by the Directors</u> <u>depending on the</u> <u>financial needs and</u> <u>circumstances of the</u> <u>Company, remaining</u> <u>retained earnings</u> may be distributed to the Shareholders in the form of cash dividends and/or bonus shares; provided that Cash dividends shall comprise a minimum of ten percent (10%) of the allocated dividends.	industrial prosperity and consider fund demand and financial structure of the Company. The allocation of dividends annually shall be no less than 30% of distributable earning, and may allocate dividends to the Shareholders in the form of cash dividends and/or bonus shares; provided that Cash dividends shall comprise a minimum of ten percent (10%) of the allocated dividends.	



# Comparison Chart of the Rules of General Meeting of Members of GORG

	Amendment	Current Article	Descriptions
Article 3	Omission of the preceding	Omission of the preceding	In order to
	four items	four items	improve
	Chairman will announce the		corporate
	start of general meeting once	Chairman will announce the	governance
	the time has come. <u>At the</u>	start of general meeting once	and ensure
	same time, announce the	the time has come. Whereas	the rights and
	number of non-voting rights	if the representative of the	interests of
	and number of shares	shareholder possessing over	shareholders,
	present and other relevant	half of the issued shares total	the content is
	information. Whereas if the	is still absent, the chairman	amended.
	representative of the	will need to announce	
	shareholder possessing over	postponement for the	
	half of the issued shares total	meeting; however, the	
	is still absent, the chairman	numbers of postponement	
	will need to announce	are subject to two times, and	
	postponement for the	the cumulative time in total of	
	meeting; however, the	the postponement is	
	numbers of postponement	restricted within one hour. If	
	are subject to two times, and	the representatives of the	
	the cumulative time in total of	shareholder possessing over	
	the postponement is	half of the issued shares total	
	restricted within one hour. If	are still inadequate even after	
	the representatives of the	the postponement for two	
	shareholder possessing over	times, the chairman will	
	half of the issued shares total	announce to abort the	
	are still inadequate even after	general meeting.	
	the postponement for two		
	times, the chairman will		
	announce to abort the		
	general meeting.		
Article 7	Omission of the preceding	Omission of the preceding	Pursuant to
	three items	three items	the laws and
			regulations
	Election or dismissal of	Election or dismissal of	for
	Directors <del>or supervisors</del> ,	Directors or supervisors,	amendment.
	amendments to the corporate	amendments to the corporate	
	charter, capital reduction,	charter, capital reduction,	



# Topic Discussions

Amendment	Current Article	Descriptions
application for cease of public	application for cease of public	Decemptione
offering, permission of non-	offering, permission of non-	
compete agreement of	compete agreement of	
Directors, capital increase by	Directors, capital increase by	
retained earnings, capital	retained earnings, capital	
increase by capital surplus,	increase by capital surplus,	
dissolution, merger, or	dissolution, merger, or	
demerger of the Company, or	demerger of the Company, or	
any matters defined in Article	any matters defined in Article	
185-1 of the Company Act,	185-1 of the Company Act,	
Article 26-1 and Article 43-6	shall be set out in the notice	
of the Securities and	of the reasons for convening	
Exchange Act, and Article 56-	the shareholders meeting.	
1 and Article 60-2 of the	None of the above matters	
Regulations Governing the	may be raised by an	
Offering and Issuance of	extraordinary motion, where	
Securities by Securities	the major content thereof	
<u>Issuers</u> , shall be set out in the	shall be put on the website	
notice of the reasons for	designated by the securities	
convening the shareholders	authority or the Company, of	
meeting. None of the above	which the Internet site shall	
matters may be raised by an	be specified in the notice.	
extraordinary motion, where	Reasons for convening a	
the major content thereof	shareholders meeting have	
shall be put on the website	been specified of the full re-	
designated by the securities	election of Directors and	
authority or the Company, of	supervisors, and the date of	
which the Internet site shall	inauguration. After the re-	
be specified in the notice.	election of the shareholders	
Reasons for convening a	meeting, the date of	
shareholders meeting have	inauguration shall not be	
	U U U U U U U U U U U U U U U U U U U	
been specified of the full re- election of Directors <del>and</del>	modified through extraordinary motion or other	
supervisors, and the date of	methods in the same meeting.	
inauguration. After the re- election of the shareholders	A shareholder holding 1	
	percent or more of the total	
meeting, the date of	number of issued shares may	



## Topic Discussions

		c Discussions
Amendment	Current Article	Descriptions
inauguration shall not be	submit to the Company a	
modified through	written proposal for	
extraordinary motion or other	discussion at a regular	
methods in the same meeting.	shareholders meeting. Such	
A shareholder holding 1	proposals, however, are	
percent or more of the total	limited to one item only, and	
number of issued shares may	no proposal containing more	
submit to the Company a	than one item will be included	
written proposal for	in the meeting agenda.	
discussion at a regular	However, if the purpose of a	
shareholders meeting. Such	proposal from the shareholder	
proposals, however, are	is to improve the public	
limited to one item only, and	welfare or social	
no proposal containing more	responsibility, the Board of	
than one item will be included	Directors shall include this	
in the meeting agenda.	proposal in the meeting	
However, proposals which	agenda. In addition, when	
aim to urge the Company to	the circumstances of any	
promote the public interest or	subparagraph of Article 172-	
fulfill social responsibilities	1, paragraph 4 of the	
should still be included in the	Company Act apply to a	
proposal discussion. The	proposal put forward by a	
proposals should cover 1	shareholder, the Board of	
discussion item in	Directors may exclude it from	
accordance with Article 172-1	the agenda.	
of the Company Act, and	0	
those with more than 1 will		
not be included in the motion.		
In addition, when the		
circumstances of any subparagraph of Article 172-		
1, paragraph 4 of the		
Company Act apply to a		
proposal put forward by a		
shareholder, the Board of		
Directors may exclude it from		
the agenda.		



		1	
	Amendment	Current Article	Descriptions
Article 12	If election of directors of the board is held in the shareholders' meeting, then the related election rules as well as articles of the company should be followed, and the election results should be announced on the spot, <u>including the list of</u> <u>elected directors and the final</u> <u>tally, and a list of those who</u> <u>are not elected and the</u> <u>number of shares they have.</u> Omitted below	If election of directors of the board is held in the shareholders' meeting, then the related election rules as well as articles of the company should be followed, and the election results should be announced on the spot. Omitted below	improve corporate governance and ensure the rights and interests of shareholders, the content is amended.
Article 13	Omission of the preceding three items The meeting minutes shall accurately record the year, month, day, and place of the meeting, the Chairperson's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results (including the estimated weighting factor); weighting factor of the vote of each candidate shall be disclosed if an election of Director or supervisor is held, and shall be retained for the duration of the existence of this Corporation. Numbers of shares by approval or rejection for a bill, as well as the total shares, shall be documented precisely in the meeting minutes.	Omission of the preceding three items The meeting minutes shall accurately record the year, month, day, and place of the meeting, the Chairperson's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results (including the estimated weighting factor); weighting factor of the vote of each candidate shall be disclosed if an election of Director or supervisor is held, and shall be retained for the duration of the existence of this Corporation. Numbers of shares by approval or rejection for a bill, as well as the total shares, shall be documented precisely in the meeting minutes.	Pursuant to the laws and regulations for amendment.

