

Tonlin Department Store Co.,
Ltd.

Parent-only Financial
Statements and Auditor's
Report
2024 and 2023

For the convenience of readers and for information purposes only, the parent-only financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English and the Chinese version or any differences in interpretation between the two versions, the original Chinese version shall prevail. The auditors' report and the accompanying financial statements have been translated into English from the original Chinese version, and the English version is not audited by certified public accountant.

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Independent Auditors' Report

To Tonlin Department Store Co., Ltd.

Auditors' opinions

We have audited the accompanying parent-only balance sheet of Tonlin Department Store Co., Ltd. as at December 31, 2024 and 2023, and the parent-only statement of comprehensive income, parent-only statement of changes in shareholders' equity, parent-only cash flow statement, and notes to parent-only financial statements (including summary of significant accounting policies) for the periods from January 1 to December 31, 2024 and 2023.

In our opinion, all material disclosures of the parent-only financial statements mentioned above were prepared in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers, and presented a fair view of the parent-only financial position of Tonlin Department Store Co., Ltd. as at December 31, 2024 and 2023, and parent-only business performance and cash flow for the periods January 1 to December 31, 2024 and 2023.

Basis of the audit opinion

We conducted our audits in accordance with Regulations Governing Auditing and Attestation of Financial Statements by Entrusted Certified Public Accountants and the auditing principles. Our responsibilities as an auditor for the standalone financial statements under the abovementioned standards are explained in the Responsibilities paragraph. We are independent of the Group in accordance with the Code of Ethics for Certified Public Accountants of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the evidence obtained provide an adequate and appropriate basis for our opinion.

Key audit issues

Key audit issues are matters that we considered to be the most important, based on professional judgment, when auditing the 2024 parent-only financial statements of Tonlin Department Store Co., Ltd. These issues have already been addressed when we audited and formed our opinions on the standalone financial statements. Therefore we do not provide opinions separately for individual issues.

Key audit issues concerning the 2024 standalone financial statements of Tonlin Department Store Co., Ltd. are as follows:

Impairment assessment of investment properties

As at December 31, 2024, Tonlin Department Store Co., Ltd. had investment properties located at Xinzhuang District that were valued at NT\$862,825 thousand, representing 14% of total assets and constituted a significant part of standalone financial statements. The management follows IAS 36 - "Impairment of Assets" and assesses investment properties for signs of impairment at the end of each reporting period. Assets that exhibit any sign of impairment will have recoverable amount estimated in order to determine the amount of impairment. However, considering that real estate prices are affected by several factors including government policy, economic cycle, and market supply/demand, and that impairment assessment requires subjective judgments, major estimates, and assumptions from the management, we have identified impairment assessment of investment properties as a key audit issue. Accounting policy on impairment assessment of investment properties, uncertainties associated with accounting estimates and assumptions, and related disclosures can be found in Notes 4, 5, and 14 of standalone financial statements.

The following audit procedures were taken in relation to the key audit issues identified above:

1. Understanding and testing the design and implementation of key internal control system that is relevant to impairment assessment of investment properties.
2. Obtaining the independent valuation report used by the management, and evaluating the professional capacity, competence, and objectivity of independent valuers.

3. Determining the rationality of the valuation method, parameters, and assumptions used in the valuation of investment property and comparing transaction prices of properties in the vicinity.
4. Consulting our own experts about the independent valuer's choice of valuation method as well as inputs and historical market data used in the calculation, and making appropriate comparisons to determine the rationality of the assessed price.
5. Taking count and verifying records of investment properties, and checking title deeds for the lands owned.

Correctness of retail commission income

Tonlin Department Store Co., Ltd. reported retail commission income of NT\$155,685 thousand in 2024, representing 31% of operating revenues and was considered significant to the presentation of standalone financial statements. The department store operates by having merchants set up individual retail departments, and the Company earns a certain percentage or amount from each transaction made by merchants. Under this arrangement, the Company first collects payment from customers then deducts merchant's share of the proceeds and recognizes the remainder as sales revenue. Due to the vast number of merchants and the different commission rates involved, calculation of retail commission income depends heavily on the use of computer system, which we consider to be a key audit issue. Disclosures relating to retail commission income can be found in Note 20 of standalone financial statements.

The following audit procedures were taken in relation to the key audit issues identified above:

1. Understanding and randomly testing the effectiveness of internal control design and execution for retail commission income.
2. Making sample checks on current year's Merchant Settlement Master Report to determine whether the commission rates configured on the computer system are consistent with contract terms; and making separate calculations using the commission rate to verify the correctness of retail commission income.

Responsibilities of the management and governing body to the standalone financial statements

Responsibilities of the management were to prepare and ensure fair presentation of parent-only financial statements in accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and to exercise proper internal control practices that are relevant to the preparation of parent-only financial statements so that the parent-only financial statements are free of material misstatements, whether caused by fraud or error.

The management's responsibilities when preparing parent-only financial statements also involved: assessing the ability of Tonlin Department Store Co., Ltd. to operate, disclose information, and account for transactions as a going concern unless the management intends to liquidate Tonlin Department Store Co., Ltd. or cease business operations, or is compelled to do so with no alternative solution.

The governing body of Tonlin Department Store Co., Ltd. (including the Audit Committee) is responsible for supervising the financial reporting process.

Responsibilities of the auditor when auditing parent-only financial statements

The purposes of our audit were to obtain reasonable assurance of whether the standalone financial statements were prone to material misstatements, whether due to fraud or error, and to issue a report of our audit opinions. We considered assurance to be reasonable only if it is highly credible. However, audit tasks conducted in accordance with auditing principles do not necessarily guarantee detection of all material misstatements within the standalone financial statements. Misstatements can arise from fraud or error. Misstatements are considered material if the individual amount or aggregate total is reasonably expected to affect economic decisions of the standalone financial statement user.

When conducting audits in accordance with auditing principles, we exercised professional judgments and raised professional doubts as deemed. We also performed the following tasks as an auditor:

1. Identifying and assessing risks of material misstatement within the standalone financial statements, whether due to fraud or error; designing and executing appropriate response measures for the identified risks; and obtaining adequate and appropriate audit evidence to support audit opinions. Fraud may involve conspiracy, forgery, intentional omission, untruthful declaration, or breach of internal control, and our audit did not find any material misstatement where the risk of fraud is greater than the risk of error.
2. Developing the required level of understanding on relevant internal controls and designing audit procedures that are appropriate under the prevailing circumstances, but without providing opinion on the effectiveness of internal control system of Tonlin Department Store Co., Ltd.

3. Assessing the appropriateness of accounting policies adopted by the management, and the rationality of accounting estimates and related disclosures made.
4. Forming conclusions regarding the appropriateness of management's decision to account for the business as a going concern, and whether there are doubts or uncertainties about the ability of Tonlin Department Store Co., Ltd. to operate as a going concern, based on the audit evidence obtained. We are bound to remind users of standalone financial statements and make related disclosures if uncertainties exist in regards to the abovementioned events or circumstances, and amend audit opinions when the disclosures are no longer appropriate. Our conclusions are based on the audit evidence obtained up to the date of audit report.
5. Assessing the overall presentation, structure, and contents of the standalone financial statements (including related footnotes), and whether certain transactions and events are presented appropriately in the standalone financial statements.
6. Obtaining sufficient and appropriate audit evidence on financial information of equity-accounted investments held by Tonlin Department Store Co., Ltd., and expressing opinions on parent-only financial statements. Our responsibilities as auditor are to instruct, supervise, and execute audits and form audit opinions on Tonlin Department Store Co., Ltd.

We have communicated with the governing body about the scope, timing, and significant findings (including significant defects identified in the internal control) of our audit.

We have also provided the governing body with a declaration of independence stating that all relevant personnel of the accounting firm have complied with auditors' professional ethics, and communicated with the governing body on all matters that may affect the auditor's independence (including protection measures).

We have identified the key audit matters after communicating with the governing body regarding the 2024 standalone financial statements of Tonlin Department Store Co., Ltd. These issues have been addressed in our audit report except for: 1. Certain topics that are prohibited by law from disclosing to the public; or 2. Under extreme circumstances, topics that we decided not to communicate in the audit report because of higher negative impacts they may cause than the benefits they bring to public interest.

Deloitte Touche
CPA Huang Hsiu-Chun

CPA Chiu Cheng-Chun

Approval reference of the Securities and
Futures Bureau
Tai-Tsai-Cheng-(VI) No.0920123784

Approval reference of the Financial Supervisory
Commission
Jin-Guan-Zheng-Liu-Zhi No.0930160267

March 27, 2025

Tonlin Department Store Co., Ltd.
Parent-only Balance Sheet
December 31, 2024 and 2023

Unit: NTD thousand

Code	Asset	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
	Current asset				
1100	Cash (Notes 4 and 6)	\$ 86,076	2	\$ 101,377	2
1110	Financial assets at FVTPL (Notes 4 and 7)	538,611	9	659,949	12
1172	Accounts receivable (Notes 4 and 9)	7,345	-	13,432	-
1175	Lease receivables (Notes 4 and 9)	4,441	-	3,674	-
1200	Other receivables (Notes 4, 9 and 26)	7,341	-	8,717	-
130X	Inventory (Notes 4 and 10)	-	-	11,104	-
1470	Prepayments and other current assets	3,084	-	11,349	-
11XX	Total current assets	646,898	11	809,602	14
	non-current assets				
1517	Financial assets at FVTOCI - non-current (Notes 4 and 8)	39,979	1	17,193	1
1550	Equity-accounted investments (Notes 4 and 11)	1,239,432	21	451,604	8
1600	Property, plant and equipment (Notes 4, 5, 12 and 27)	2,066,424	35	2,132,779	38
1755	Right-of-use assets (Notes 4 and 13)	3,239	-	1,947	-
1760	Investment property, net (Notes 4, 5, 14, 26 and 27)	1,933,099	32	2,139,253	38
1780	Intangible assets (Note 4)	7,157	-	8,475	-
1840	Deferred income tax assets (Notes 4 and 22)	13,721	-	14,783	1
1935	Long-term lease receivable (Notes 4 and 9)	15,797	-	13,338	-
1920	Refundable deposits	1,094	-	2,924	-
15XX	Total non-current assets	5,319,942	89	4,782,296	86
1XXX	Total assets	\$ 5,966,840	100	\$ 5,591,898	100
Code	Liabilities and equity				
	Current liabilities				
2100	Short-term borrowings (Notes 4, 12, 14, 15 and 27)	\$ 435,000	7	\$ 649,000	12
2150	Note payable	32,131	1	48,990	1
2170	Accounts payable (Notes 4 and 16)	107,588	2	100,939	2
2209	Accrued expenses (Note 17)	42,311	1	37,810	1
2213	Equipment purchase payable	111	-	-	-
2219	Other payables	4,691	-	5,650	-
2230	Current income tax liabilities (Notes 4 and 22)	30,416	-	30,891	-
2280	Lease liabilities - current (Notes 4 and 13)	635	-	310	-
2320	Long-term borrowings expiring within a year (Notes 4, 12, 14, 15 and 27)	50,000	1	50,000	1
2399	Other current liabilities (Notes 4 and 20)	8,164	-	7,592	-
21XX	Total current liabilities	711,047	12	931,182	17
	Non-current liabilities				
2540	Long-term borrowings (Notes 4, 12, 14, 15 and 27)	2,252,000	38	1,794,000	32
2572	Deferred income tax liabilities (Notes 4 and 22)	217,147	3	216,337	4
2580	Lease liabilities - non-current (Notes 4 and 13)	2,484	-	1,615	-
2640	Net defined benefit liabilities - non-current (Notes 4 and 18)	4,067	-	6,143	-
2645	Guarantee deposits received (Note 20)	59,049	1	52,563	1
25XX	Total non-current liabilities	2,534,747	42	2,070,658	37
2XXX	Total liabilities	3,245,794	54	3,001,840	54
	Equity (Notes 4, 8, 18, 19 and 22)				
3110	Common share capital	1,754,030	30	1,754,030	31
3200	Additional paid-in capital	-	-	59,689	1
	Retained earnings				
3310	Statutory reserves	404,155	7	489,459	9
3320	Special reserves	410,234	7	589,042	11
3350	Unappropriated earnings	199,533	3	(264,112)	(5)
3300	Total retained earnings	1,013,922	17	814,389	15
3400	Other equities	(46,906)	(1)	(38,050)	(1)
3XXX	Total equity	2,721,046	46	2,590,058	46
	Total liabilities and equity	\$ 5,966,840	100	\$ 5,591,898	100

The accompanying notes are an integral part of the parent-only financial statements.

Tonlin Department Store Co., Ltd.
Parent-only Statement of Comprehensive Income
For the years ended December 31, 2024 and 2023

Unit: NTD thousands, except EPS which is in 1 NTD

Code		2024		2023	
		Amount	%	Amount	%
4000	Operating revenues (Notes 4 and 20)	\$ 497,254	100	\$ 472,463	100
5000	Operating costs (Note 21)	<u>70,360</u>	<u>14</u>	<u>63,035</u>	<u>13</u>
5900	Gross profit	426,894	86	409,428	87
6000	Operating expenses (Notes 4, 18, 21 and 26)	<u>185,159</u>	<u>37</u>	<u>173,394</u>	<u>37</u>
6900	Operating profit	<u>241,735</u>	<u>49</u>	<u>236,034</u>	<u>50</u>
	Non-operating income and expense				
7100	Interest income (Notes 4 and 21)	1,082	-	1,152	-
7010	Other income (Notes 4, 21, and 26)	23,741	5	24,504	5
7020	Other gains and losses (Notes 4, 7 and 21)	54,263	11	39,083	8
7050	Financial costs (Note 21)	(47,830)	(10)	(44,667)	(9)
7060	Share of gain/loss from subsidiaries and associated companies accounted using the equity method (Notes 4 and 11)	<u>1,237</u>	<u>-</u>	(<u>23,696</u>)	(<u>5</u>)
7000	Total non-operating income and expenses	<u>32,493</u>	<u>6</u>	(<u>3,624</u>)	(<u>1</u>)
7900	Profit before tax	274,228	55	232,410	49
7950	Income tax expenses (Notes 4 and 22)	<u>76,293</u>	<u>15</u>	<u>27,501</u>	<u>6</u>
8200	Current net income	<u>197,935</u>	<u>40</u>	<u>204,909</u>	<u>43</u>

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Code		2024		2023	
		Amount	%	Amount	%
	Other comprehensive income				
8310	Items not reclassified into profit and loss:				
8311	Remeasurement of defined benefit plan (Notes 4 and 18)	\$ 1,997	-	\$ 879	-
8316	Unrealized profit and loss on valuation of equity instruments at FVTOCI (Notes 4, 8 and 19)	(8,856)	(2)	(3,494)	-
8349	Income tax on items not reclassified into profit and loss (Notes 4 and 22)	(399)	-	(176)	-
8300	Other comprehensive income - current	(7,258)	(2)	(2,791)	-
8500	Total comprehensive income - current	<u>\$ 190,677</u>	<u>38</u>	<u>\$ 202,118</u>	<u>43</u>
	Earnings per share (Note 23)				
9710	Basic	<u>\$ 1.13</u>		<u>\$ 1.17</u>	
9810	Dilution	<u>\$ 1.13</u>		<u>\$ 1.17</u>	

The accompanying notes are an integral part of the parent-only financial statements.

Tonlin Department Store Co., Ltd.
Parent-only Statement of Changes in Equity
For the years ended December 31, 2024 and 2023

Unit: NTD thousand

								Other items of equity (Notes 4, 8 and 19)		
Code		Common share capital (Notes 4 and 19)	Additional paid-in capital (Note 19)	Retained earnings (Notes 4, 8, 18 and 19)			Unrealized gains/losses on financial assets at FVTOCI	Treasury stock (Note 19)	Total Equity	
				Statutory reserves	Special reserves	Unappropriated earnings				
A1	Balance as of January 1, 2023	\$ 2,087,250	\$ 540,286	\$ 487,129	\$ 462,114	\$ 129,258	\$ 1,078,501	(\$ 34,556)	(\$ 1,283,541)	\$ 2,387,940
	Appropriation and distribution of 2022 earnings									
B1	Provision for statutory reserves	-	-	2,330	-	(2,330)	-	-	-	-
B3	Provision for special reserves	-	-	-	126,928	(126,928)	-	-	-	-
	Total appropriation and distribution of 2022 earnings	-	-	2,330	126,928	(129,258)	-	-	-	-
D1	2023 net profit	-	-	-	-	204,909	204,909	-	-	204,909
D3	2023 other comprehensive income - after tax	-	-	-	-	703	703	(3,494)	-	(2,791)
D5	2023 total comprehensive income	-	-	-	-	205,612	205,612	(3,494)	-	202,118
L3	Cancellation of treasury stock	(333,220)	(480,597)	-	-	(469,724)	(469,724)	-	1,283,541	-
Z1	Balance on December 31, 2023	1,754,030	59,689	489,459	589,042	(264,112)	814,389	(38,050)	-	2,590,058
	Appropriation and distribution of 2023 earnings									
B13	Compensation for Losses from Legal Reserve	-	-	(85,304)	-	85,304	-	-	-	-
B17	Reversal of special reserves	-	-	-	(178,808)	178,808	-	-	-	-
	Total appropriation and distribution of 2023 earnings	-	-	(85,304)	(178,808)	264,112	-	-	-	-
C15	Distribution of cash dividends from capital reserve	-	(59,689)	-	-	-	-	-	-	(59,689)
D1	2024 net income	-	-	-	-	197,935	197,935	-	-	197,935
D3	2024 other comprehensive income - after tax	-	-	-	-	1,598	1,598	(8,856)	-	(7,258)
D5	2024 total comprehensive income	-	-	-	-	199,533	199,533	(8,856)	-	190,677
Z1	Balance on December 31, 2024	\$ 1,754,030	\$ -	\$ 404,155	\$ 410,234	\$ 199,533	\$ 1,013,922	(\$ 46,906)	\$ -	\$ 2,721,046

The accompanying notes are an integral part of the parent-only financial statements.

Tonlin Department Store Co., Ltd.
Standalone Cash Flow Statement
For the years ended December 31, 2024 and 2023

Unit: NTD thousand

Code		2024	2023
	Cash flows from operating activities		
A00010	Profit before tax	\$ 274,228	\$ 232,410
A20010	Adjustments for:		
A20100	depreciation expense	76,308	75,796
A20200	Amortization	1,318	1,287
A20400	Net gain on financial assets at FVTPL	(19,162)	(23,252)
A20900	Financial costs	47,830	44,667
A21200	Interest income	(1,082)	(1,152)
A21300	Dividend income	(3,628)	(6,868)
A22400	Share of (gain) loss from subsidiaries and associated companies accounted using the equity method	(1,237)	23,696
A23900	Unrealized gains on subsidiaries	99,981	-
A22500	Loss from disposal of property, plant and equipment	161	932
A30000	Changes in operating assets and liabilities		
A31115	Financial assets mandatory to be carried at FVTPL	140,500	(219,612)
A31150	Trade receivable	6,087	(5,459)
A31180	Other receivables	(8)	(4,451)
A31200	Inventory	11,104	(251)
A31230	Prepayments and other current assets	8,265	12,274
A31240	Lease receivable	(3,227)	3,870
A32130	Note payable	(16,859)	7,202
A32150	Accounts payable	6,649	6,363
A32180	Other payables	(959)	436
A32220	Accrued expenses	5,422	4,818
A32230	Other current liabilities	572	(345)
A32240	Net defined benefit liabilities	(79)	(4,202)
A33000	Cash inflow from operating activities	632,184	148,159
A33100	Interest received	2,466	1,388
A33300	Interest paid	(48,670)	(45,519)
A33200	Dividends received	3,628	6,868
A33500	Income tax paid	(75,294)	(16,656)
AAAA	Net cash inflow from operating activities	<u>514,314</u>	<u>94,240</u>

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Code		2024	2023
	Cash flows from investing activities		
B00010	Acquisition of financial assets at FVTOCI	(\$ 22,786)	\$ -
B00050	Disposal of financial assets measured at cost after amortization	-	16,300
B02400	Refund from subsidiaries' capital reduction	-	83,000
B02700	Acquisition of property, plant, and equipment	(720)	(4,568)
B02800	Proceeds from disposal of property, plant and equipment	-	410
B03700	Decrease in refundable deposits	1,830	-
B04500	Purchase of intangible assets	-	(405)
B05500	Disposal of investment property	197,126	-
B07100	Increase in equipment payable	111	-
B07600	Dividends received from subsidiaries and associated companies	<u>4,572</u>	<u>5,040</u>
BBBB	Net cash inflow from investing activities	<u>180,133</u>	<u>99,777</u>
	Cash flows from financing activities		
C00200	Decrease in short-term borrowings	(214,000)	(65,000)
C00600	Short-term bills payable decreased	-	(9,995)
C01600	Proceeds from long-term borrowings	5,368,000	3,176,000
C01700	Repayments of long-term borrowings	(4,910,000)	(3,316,000)
C03000	Increase in guarantee deposits received	6,486	770
C04020	Lease principal repayment	(545)	(87)
C04500	Payment of cash dividends	(59,689)	-
C05400	Acquisition of shares of subsidiaries	(<u>900,000</u>)	<u>-</u>
CCCC	Net cash outflow from financing activities	(<u>709,748</u>)	(<u>214,312</u>)
EEEE	Net decrease in cash	(15,301)	(20,295)
E00100	Beginning balance of cash	<u>101,377</u>	<u>121,672</u>
E00200	Cash at the end of the year	<u>\$ 86,076</u>	<u>\$ 101,377</u>

The accompanying notes are an integral part of the parent-only financial statements.

Tonlin Department Store Co., Ltd.
Notes to parent-only Financial Statements
For the years ended December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

I. Company history

Tonlin Department Store Co., Ltd. (the "Company") was founded in August 1982 and commenced business operations in November 1984. Taoyuan Branch was later established in September 1995 and commenced operation in November 1995. The Company primarily operates as a retail departmental store. The Company's shares have been listed for trading on Taiwan Stock Exchange Corporation since December 1996. The Company closed down its Taipei Branch on September 20, 1999 out of concern for profit yield, and leased out buildings previously occupied by Taipei Branch for income on October 1. The Company currently has lease contracts established with multiple counterparties including World Fitness Asia Limited (H.K.) Taiwan Branch. Please refer to Note 20 for details. Furthermore, to facilitate the Company's transformation into an integrated entertainment complex, the board of directors passed a resolution to remodel Taoyuan Branch on October 24, 2016, and officially opened for business on October 3, 2018. In addition to retaining top revenue-generating merchants, Taoyuan Branch also brought in restaurant (beverages), sports, leisure, entertainment, and cinema brands to support its new transformation.

To integrate group resources and achieve operational synergy, the board of directors resolved on August 7, 2023 that the Company conducted a simplified merger with its wholly-owned subsidiaries, Guan Chan Investment Co., Ltd., Jia Fong Investment Co., Ltd., Song Yuan Investment Co., Ltd., and Shun Tai Investment Co., Ltd. The merger reference date is August 31, 2023, and the Company remained as the surviving company.

The parent-only financial statements are presented in NTD, the Company's functional currency.

II. Date and procedure for the approval of financial statements

The parent-only financial statements were passed during the board of directors meeting dated March 10, 2025.

III. Application of new and amended standards and interpretations

- (I) Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRS accounting standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC)
- Adopting the amended version of FSC-approved IFRS accounting standards will not result in any material change to the Company's accounting policies.
- (II) FSC-approved IFRS accounting standards applicable in 2025

<u>New, Revised or Amended Standards and Interpretations</u>	<u>Effective date of IASB announcement</u>
Amendments to IAS 21 "Lack of Convertibility"	January 1, 2025 (Note 1)
The amendments to the application of the classification of financial assets in the "Classification and Measurement of Financial Instruments" of IFRS 9 and IFRS 7 are as follows:	January 1, 2026 (Note 2)

Note 1: Applicable from reporting periods that begin after January 1, 2025. When the amendments are first applied, the comparison period shall not be rewritten, and the effect shall be recognized in the exchange difference of the foreign operation under the retained earnings or equity on the date of initial application (as appropriate) and the related assets and liabilities affected.

Note 2: It is applicable to the annual reporting periods beginning on or after January 1, 2026. Enterprises may also choose to apply it earlier on January 1, 2025. When the amendments are first applied, the effects of the amendments shall be recognized on the date of initial application, but it is not necessary to re-compile the

comparison period. However, if the enterprise does not adopt a forward-looking mindset, it may choose to re-compile the financial statements.

The Company evaluates that the amendments to the above standards and interpretations do not materially affect its parent-only financial position and business performance as of the publication date of this parent-only financial report.

(III) The IFRS accounting standards issued by the International Accounting Standards Board (IASB) but not yet endorsed and issued into effect by the FSC

<u>New, Revised or Amended Standards and Interpretations</u>	<u>Effective Date Issued by IASB (Note 1)</u>
Annual Improvements to IFRS - Book 11	January 1, 2026
The amendments to the application of the derecognition of financial liabilities under the amendments to IFRS 9 and IFRS 7 "Classification and Measurement of Financial Instruments" are as follows:	January 1, 2026
Contract with Natural Dependents" amendment to IFRS 9 and IFRS 7	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	Not defined
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments of IFRS 17	January 1, 2023
Amendment to IFRS 17: "Initial Application of IFRS 17 and IFRS 9 – Comparative Information"	January 1, 2023
Expression and Disclosure of Financial Statements" of IFRS 18	January 1, 2027
IFRS 19 "Disclosure of Subsidiaries not Publicly Responsible for Public Expenditure:	January 1, 2027

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual periods beginning on or after their respective effective dates.

Expression and Disclosure of Financial Statements" of IFRS 18

IFRS 18 will replace IAS 1 "Expression of Financial Statements." The main changes include:

- The income statement shall classify the income and expenses into operating, investment, financing, income tax and discontinued operations.
- The income statement should be reported as operating income, pre-tax income before financing, and the sum and total of profit and loss.
- The guidelines provided is to strengthen the collection and division of rules: The Company must identify the assets, liabilities, equity, income, expenses and cash flows generated from individual transactions or other matters, and classify and summarize them based on the common characteristics, so that at least one of the items reported in the main financial statements has at least one similar characteristic. Items with non-similarity characteristics in the main financial statements and notes should be divided. The Company only marks "other" in the absence of any other information.
- The disclosure of the performance measurement defined by the management: When the Company is engaged in public communication other than the financial statements, and communicating with the financial statement users about the management's view of the Company's overall financial performance, the Company shall disclose the relevant information about the performance measurement defined by the management in a single note to the financial statements, including the description of the measurement, how to calculate, the adjustment of the sum or total of the IFRS accounting standards, and the income tax and non-controlling interests impact of the relevant adjustment items.

The Company continues to evaluate how revisions of the above standards and interpretations affect its parent-only financial position and business performance as of the publication date of this financial report. Outcomes of these assessments will be disclosed upon completion.

IV. Summary of significant accounting policies

(I) Statement of Compliance

The parent-only financial statements have been prepared in accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers."

(II) Basis of preparation

This parent-only financial statement has been prepared based on historical cost, except for financial instruments carried at fair value and net defined benefit liabilities calculated by deducting fair value of plan assets from present value of defined benefit obligation.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
2. Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).
3. Level 3 inputs are unobservable inputs for assets or liabilities.

The Company accounts for its subsidiaries and associated companies using the equity method when preparing the parent-only financial statements. To ensure consistency between the amount of profit and loss, other comprehensive income, and equity presented in the parent-only financial statements and the amount of profit and loss, other comprehensive income, and equity attributable to the Company's owners shown in the consolidated financial statements, adjustments were made to differences in accounting treatment between the parent-only basis and consolidated basis for "equity-accounted investments," "share of profit in equity-accounted subsidiaries and associated companies," "share of other comprehensive income in equity-accounted subsidiaries and associated companies," and related equity items.

(III) Classification of current and non-current assets and liabilities

Current assets include:

1. Assets that are held mainly for the purpose of trading;
2. Assets that are expected to be realized within 12 months after the balance sheet date; and
3. Cash and cash equivalents (except for those that are intended to be swapped or settled against debt more than 12 months after the balance sheet date, and those with restricted uses).

Current liabilities include:

1. Liabilities that are held mainly for the purpose of trading;
2. Liabilities due within 12 months after the Statement of Financial Position date (even if a long-term refinements or reschedulements to the payment terms have been completed after the Statement of Financial Position date but before the reporting date), and
3. Liabilities that do not have substantial rights to defer the settlement period to at least 12 months after the Statement of Financial Position date

Assets and liabilities that do not satisfy the above criteria are classified into non-current assets or non-current liabilities.

The Company's construction activities operate at business cycles that are longer than one year. For this reason, assets and liabilities that arise in relation to construction activities are distinguished between current and non-current portions based on normal business cycle.

- (IV) Foreign currency
- During preparation of parent-only financial statements, transactions denominated in currencies other than the functional currency (i.e. foreign currency transactions) are converted and recorded in the functional currency using exchange rate as at the transaction date.
- Monetary foreign currency accounts are converted using closing exchange rates as at every balance sheet date. Exchange differences arising from settlement or translation of monetary accounts are recognized in profit and loss in the year occurred.
- Foreign currency-denominated non-monetary items carried at fair value are converted using exchange rates as at the date of fair value assessment, with exchange differences recognized in current profit and loss. However, items that have fair value changes recognized in other comprehensive income shall also have exchange differences recognized in other comprehensive income.
- Foreign currency-denominated non-monetary items carried at historical cost are converted using exchange rate as at the date of initial transaction. No further re-calculation shall be made.
- (V) Inventory
- Proprietary inventory is valued at the lower of cost or net realizable value; the lower of cost or net realizable value is compared by retail departments, except for groups of items within the same category. Net realizable value refers to the balance of estimated selling price less any costs required to sell inventory under normal circumstances; cost is calculated using the retail inventory method.
- Construction-in-progress is stated at the lower of cost or net realizable value. Down payments are paid for the purchase of construction land or properties pending sale, and borrowing interests accrued during the construction period are capitalized and recognized as cost of inventory.
- Construction land is reclassified into construction-in-progress when construction activities begin. Upon completion, the amount of construction-in-progress is reclassified into operating cost and properties pending sale based on percentages of sold and unsold areas. In joint construction arrangements where the Company contributes land in exchange for units of properties pending sale, no gain/loss is recognized at the time of exchange, and income is recognized only when properties are sold to buyers.
- (VI) Subsidiary investments
- The Company accounts for subsidiary investments using the equity method.
- A subsidiary is an entity in which the Company exercises control.
- Under the equity method, investments are recognized at cost at initiation; after the acquisition date, book value may be increased or decreased by the Company's share of profits/losses and other comprehensive income in associated companies. Furthermore, change in other equity items of subsidiaries are recognized proportionally at the Company's shareholding percentage.
- Changes in ownership of subsidiary without losing control are treated as equity transactions. Difference between book value of investment and the fair value of consideration paid/received is directly recognized as equity.
- Impairments are assessed for individual cash-generating units and presented consistently throughout the financial statements by comparing recoverable amounts with book values. Should the recoverable amount increase in subsequent years, the amount previously impaired can be reversed and recognized as gains. However, the asset's book value after reversal can not exceed the amount of book value less amortization before the impairment took place.
- Any unrealized gains/losses arising from downstream transactions between the Company and subsidiaries have been eliminated in the parent-only financial statements. Gains/losses arising from upstream transactions and transactions among subsidiaries are recognized in the parent-only financial statements only when the Company exercises no control over the subsidiary.

- (VII) Investment in associates
 An associated company is an organization in which the Company has significant influence, but does not meet the criteria of a subsidiary.
 The Company accounts for associated companies using the equity method.
 Under the equity method, associated companies are recognized at cost at initiation; after the acquisition date, book value may be increased or decreased by the Company's share of profits/losses and other comprehensive income in associated companies. Furthermore, changes in the equity of associated companies are recognized at the Company's shareholding percentage.
 Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities is the premium of real estate properties; such premium is included in the book value of the concerned investment and not to be amortized.
 When assessing impairments, the Company treats the entire account as a single asset and tests for impairment by comparing book value with recoverable amount. Any impairment losses recognized are presented as part of the book value of the investment without amortization. Reversal of impairment loss can be recognized up to the sum of subsequent increases in the recoverable amount of the investment.
- (VIII) Property, Plant and Equipment
 Property, plant, and equipment are initially recognized at cost, and subsequently presented at cost after accumulated depreciation and impairment.
 Property, plant, and equipment in progress are carried at cost less cumulative impairments. Cost includes services expenses and borrowing costs that satisfy the capitalization criteria. These assets are classified into appropriate categories of property, plant, and equipment upon completion and reaching the expected usable state, at which time depreciation will also begin.
 No depreciation is provided on land, whereas property, plant, and equipment are depreciated using the straight line method over their useful lives. Depreciation is provided separately for each major component. The Company reviews estimated useful life, residual value, and depreciation method at least once at the end of each year. Impacts of changes in accounting estimates are applied prospectively.
 In joint construction arrangements where the Company contributes land in a commercial exchange for units of property classified as property, plant, and equipment, a gain/loss would be recognized at the time of exchange.
 Gains or losses arising from decommissioned property, plant, and equipment are calculated as the difference between disposal proceeds and the asset's book value, and are recognized through profit and loss in the year occurred.
- (IX) Investment property
 Investment properties are real estate properties held for rental income or capital gain, or both. Investment properties include land held on hand that the Company has yet to determine their future uses.
 Investment properties are initially recognized at cost (including transaction cost) and subsequently presented at cost after accumulated depreciation and impairment.
 Investment properties are depreciated on a straight-line basis.
 Difference between the disposal proceed and book value of decommissioned investment property is recognized in profit and loss.
- (X) Intangible assets
1. Acquisition by separate purchase
 Intangible assets that are acquired through separate purchase with limited useful life are recognized at cost at initiation, and subsequently presented at cost less accumulated amortization and impairment. Intangible assets are amortized on a straight-line basis over their useful lives. The estimated useful life, residual value, and amortization method are reviewed at least once at the end of each year. Impacts of changes in accounting estimates are applied prospectively.
 2. Derecognized
 Difference between the net disposal proceed and book value of intangible assets removed is recognized in current profit and loss.

- (XI) Impairment of property, plant and equipment, investment property and intangible assets
The Company evaluates all property, plant, equipment, investment properties, and intangible assets for signs of impairment every balance sheet date. Assets that exhibit any sign of impairment will have recoverable amount estimated. If the recoverable amount can not be estimated on an individual basis, the Company will instead estimate recoverable amount for the entire cash-generating unit.
Recoverable amount is the higher between "fair value less selling costs" and the "utilization value." If recoverable amount of an asset or cash-generating unit falls below its book value, the book value of that particular asset/cash-generating unit shall be reduced to the recoverable amount with impairment losses recognized through profit and loss.
When impairment losses are reversed on a later date, the book value of corresponding assets/cash-generating units shall be adjusted upwards to the recoverable amount. However, the increased book value shall not exceed the book value (less amortization or depreciation) of the asset/cash-generating unit before impairment losses were recognized in the first place. Reversal of impairment loss is recognized through profit and loss.
- (XII) Financial instruments
Financial assets and financial liabilities are recognized on parent-only balance sheet when the Company becomes a party of the contract.
When recognizing financial assets and liabilities at initiation, those that are not designated to be carried at fair value through profit and loss are measured at fair value plus transaction costs that are directly attributable to the acquisition or issuance of financial assets/liabilities. Transaction costs that are directly attributable to the acquisition or issuance of financial assets/liabilities carried at fair value through profit and loss are recognized immediately through profit and loss.
1. Financial assets
Routine transactions of financial asset are recognized on or removed from balance sheet based on principles of trade date accounting.
 - (1) Measurement type
Financial assets held by the Company are distinguished into the following categories: financial assets at FVTPL, financial assets carried at cost after amortization, and equity instruments at FVTOCI.
 - A. Financial assets at FVTPL
Financial assets at FVTPL mainly comprise financial assets that are mandatory to be measured at fair value with fair value changes recognized through profit and loss. Financial assets that are mandatory to be measured at fair value with fair value changes recognized through profit and loss include: equity instruments that are not specified to be carried at FVTOCI, and debt instruments that do not satisfy the criteria to be carried at cost after amortization or at FVTOCI.
Financial assets at FVTPL are measured at fair value, with dividends and interests recognized as other income. Gains and losses from remeasurement are recognized as other gains and losses. See Note 25 for details regarding the fair value method.
 - B. Financial assets at amortized cost
Financial asset investments that satisfy both the following conditions are carried at cost after amortization:
 - a. The financial asset is held for a specific business model, and the purpose of which is to hold the financial asset and collect contractual cash flow; and
 - b. The contractual terms give rise to cash flows on specific dates, and the cash flows are intended solely to pay principals and interests accruing on outstanding principals.
 For financial assets carried at cost after amortization (including cash, accounts receivable and other receivables carried at cost after amortization etc), the effective interest method is used to determine the book value at initiation. They are subsequently presented net of impairments and

amortization. Any gain/loss from currency exchange incurred on these financial assets is recognized through profit and loss.

Except for the two circumstances explained below, interest income is calculated by multiplying the book value of financial asset with effective interest rate:

- a. Acquisition or creation of credit-impaired financial assets; in which case interest income is calculated by multiplying the cost of financial assets after amortization with credit-adjusted effective interest rate.
- b. Financial assets that were not credit-impaired at the time of acquisition or origination, but become credit-impaired on a later date; in which case interest income is calculated by multiplying the cost of financial assets after amortization with the effective interest rate starting from the reporting period after credit impairment.

Financial assets are considered credit-impaired if the issuer or debtor exhibits major financial distress, default, likely bankruptcy, financial restructuring, or any financial difficulty that may render the financial asset no longer available on the active market.

Cash equivalents include time deposits with less than 3 months until maturity that are highly liquid, readily convertible into defined amounts of cash, and less prone to the risk of fair value changes. Cash equivalents are held for the purpose of meeting short-term cash commitments.

C. Equity instruments at FVTOCI

For equity instruments that are neither held for trading nor recognized/received as a consideration for business acquisition, the Company is entitled to an irrevocable option to account them at FVTOCI at initial recognition.

Equity instruments at FVTOCI are measured at fair value; subsequent fair value changes are recognized through other comprehensive income and accumulated under other equity. At the time of disposal, cumulative gains/losses are transferred directly into retained earnings and not reclassified into profit and loss.

Dividends from equity instruments at FVTOCI are recognized in profit and loss when the entitlement to receive is confirmed, unless the dividends clearly represent a partial recovery of the investment cost.

(2) Impairment of financial assets

On each balance sheet date, the Company assesses impairment losses on financial assets carried at cost after amortization (including accounts receivable) and operating lease receivable based on expected credit losses.

Accounts receivable and operating lease receivable have loss provisions recognized based on expected credit losses over their duration. For other financial assets, the Company first evaluates whether there is significant increase in credit risk since initial recognition. If there is no significant increase in credit risk, loss provisions are recognized based on 12-month expected credit loss; if there is significant increase in credit risk, loss provisions are recognized based on expected credit loss over the remaining duration.

Expected credit losses are determined as average credit loss weighed against the risk of default. 12-month expected credit losses represent the amount of credit losses that the financial instrument is likely to incur due to default event in the next 12 months, whereas expected credit losses for the remaining duration represent the amount of credit losses that the financial instrument is likely to incur due to all possible default events for the remaining duration. All impairment losses on financial assets are recognized using allowance accounts, which reduce book value of the corresponding financial asset.

(3) Removal of financial assets

Financial assets can be removed from balance sheet only if all contractual cash flow entitlements have ended, or if the asset has been transferred with virtually all risks and returns assumed by another party.

Difference between the book value of financial asset carried at cost after amortization and the amount of consideration received for the asset's removal is recognized through profit and loss. When an equity instruments at FVTOCI is removed from balance sheet, the amount of cumulative gain/loss is transferred directly into retained earnings and is not reclassified to profit and loss.

2. Equity instruments

Debt and equity instruments issued by the Company are classified into financial liabilities or equity depending on the terms of the underlying contract and the definitions of financial liability and equity used.

Equity instruments issued by the Company are recognized at the amount of proceeds received net of direct issuing costs.

Buyback of the Company's own equity instruments is recognized and deducted under equity. Acquisition, sale, issuance, or retirement of the Company's own equity instruments is not recognized through profit and loss.

3. Financial liabilities

(1) Subsequent measurement

All financial liabilities are carried at cost after amortization using the effective interest method.

(2) Removal of financial liabilities

When a financial liability is removed, the difference between book value and the consideration paid (including any non-cash assets transferred or any additional liabilities borne) is recognized through profit and loss.

(XIII) Revenue recognition

The Company first identifies performance obligations in a contract it signs with customer, then divides and allocates the transaction sum to various obligations, and recognizes revenue when each obligation is fulfilled.

Revenue from sale of merchandise

Revenue from sale of merchandise is generated from retail sale of goods in the departmental store, and is recognized as income at the time of customer's purchase. Proceeds collected in advance from the issuance of departmental store vouchers are recognized as contractual liabilities until the vouchers are redeemed by customers.

Customer loyalty program represents reward points granted to customers for merchandises sold that customers can spend to purchase merchandise in the future, and are a form of customers' entitlement. At the time of transaction, a percentage of the sales proceeds received or receivable is treated as reward point and recognized as contractual liability; this liability is reclassified into income when reward points are redeemed or voided on a later date.

Sales proceeds of real estate properties sold under normal terms of business are collected in instalments. Contractual liabilities are recognized at the time the proceeds are collected, which are later recognized as income upon completion and delivery of each property to the respective buyer.

(XIV) Leasing

The Company evaluates whether a contract meets the criteria of (or includes arrangements characterized as) lease on the day of contract establishment.

Where the Company is the lessor

The Company does not have any lease arrangement that involves a transfer of virtually all risks and returns associated with ownership of the underlying asset to the lessee. All leases are classified as operating lease.

In an operating lease arrangement, the amount of proceeds received net of incentives are recognized as income on a straight-line basis over the lease tenor. Lease negotiation with a lessee is accounted as a new lease from the effective date of lease amendment.

When a lease includes both land and building elements, the Company assesses the classification of each element as the finance or operation lease based on whether substantially all of the risks and rewards incidental to ownership of each element have been transferred to the lessee. The leasing payment is shared between the land and building, based on the relative proportions between the fair values of the land and building's leasing rights on the date the contract executed. If the leasing payment may be reliably shared between the two elements, each element is treated with the applicable lease classification. If the lease payment cannot be reliably distributed to the two elements, the lease as a whole is classified as the financing lease; provided that if both elements are obviously qualified for the operation lease criteria, the overall lease is classified as an operation lease.

Where the Company is the lessee

For leases of low-value assets and short-term leases to which recognition exemptions apply, lease payments are recognized as expenses on a straight-line basis over the lease terms. For all other leases, right-of-use assets and lease liabilities are recognized at the commencement date of the leases.

Right-of-use assets are initially measured at cost (comprising the initial measurement of lease liabilities, lease payments made at or before the commencement date, less any lease incentives received, initial direct costs, and the estimated costs of restoring the underlying assets). Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses, and adjusted for any remeasurement of the lease liabilities.

Right-of-use assets are presented on a separate line in the consolidated balance sheet.

Right-of-use assets are depreciated on a straight-line basis from the lease start date to the end of the service life or the expiration of the lease term, whichever is earlier. If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects the exercise of a purchase option, depreciation is provided from the commencement date of the lease over the estimated useful life of the underlying asset.

Lease liabilities are initially measured at the present value of the lease payments. If the lease implied interest rate can be easily determined, the lease payment is discounted at the said interest rate. If such interest rate cannot be easily determined, the lessee's incremental borrowing interest rate shall apply.

Subsequently, the lease liability is measured at the amortized cost using the effective interest method, and the interest expense is amortized over the lease term. If there is a change in the lease term or a change in the index or rate used to determine lease payments, the Company remeasures the lease liability and makes a corresponding adjustment to the right-of-use asset. However, if the carrying amount of the right-of-use asset is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheet.

(XV) Borrowing cost

Borrowing costs that are directly attributable to the acquisition, construction, or production of qualified assets are treated as part of an asset's cost until virtually all activities needed to bring the asset to its designated usable or salable state have been completed.

For specific-purpose loans undertaken for qualified capital spending, any investment income earned on short-term investment of the proceeds before incurring the capital spending is deducted from capitalized borrowing costs.

Except for the above, all other borrowing costs are recognized through profit and loss in the year occurred.

(XVI) Government grants

Governmental subsidies are only recognized when it is reasonably assured that the Company will comply with the conditions attached to the governmental subsidies and receive such subsidies.

The governmental subsidies related to incomes are recognized under other incomes on the systematic basis during the period when the related costs to which the subsidies intend to compensate are recognized as expenses by the Company.

If the governmental subsidies are used to compensate the incurred expenses or losses, or the purpose is providing an immediate financial support to the Company without future related cost, such subsidies are recognized under profit/loss during the period to receive such.

(XVII) Employee benefits

1. Short-term employee benefits

Liabilities associated with short-term employee benefits are measured at non-discounted amount of cash that the Company expects to pay in exchange for employees' service.

2. Post-employment benefits

For defined contribution plans, the amount of contributions that has to be made to pension funds over the duration of employees' service is recognized as expense. For defined benefit plans, the cost of benefit (including service cost, net interest, and effect of remeasurement) is estimated using the Projected Unit Credit Method. Service costs (including current and previous service costs) and net interests on net defined benefit liabilities (assets) are recognized as employee welfare expense at the time incurred or whenever the plan is amended or curtailed. Effects of remeasurement (including actuarial gains/losses, change in plan asset limits, and return on plan assets net of interest) are recognized under other comprehensive income and added to retained earnings at the time of occurrence. This amount is not reclassified into profit and loss in subsequent periods.

Net defined benefit liabilities (plan assets) represent the shortfall (surplus) of contributions made to the defined benefit plan. Net defined benefit plan assets may not exceed the amount of contributions refundable or the present value of reducible contributions in the future.

(XVIII) Income tax

The income tax expense represents the sum of the tax currently payable and deferred tax.

1. Tax currently payable

The Company reports current period income (loss) and calculates income tax payable (refundable) according to tax laws stipulated by the local tax jurisdiction.

Pursuant to the Income Tax Act of the Republic of China, undistributed earnings are subject to additional income tax, which is recognized in the year shareholders resolve to retain the earning.

Adjustments to income taxes reported in previous years are recognized as income tax expenses in the period the adjustment is made.

2. Deferred income tax

Deferred income taxes are tax effects of temporary differences, given rise by the different book value of assets and liabilities presented in the financial statement and those reported for tax filing.

Tax impacts arising from taxable temporary differences are recognized as deferred income tax liabilities; deferred income tax assets are recognized under the condition that the Company is very likely to generate taxable income in the future to offset deductible temporary differences or losses carried forward.

Temporary differences that were not initially recognized as deferred income tax assets are also subject to re-assessment on every balance sheet date. These differences may be recognized to increase the book value of deferred income tax asset if the Company considers it highly likely to generate taxable income for full or partial recovery of such asset in the future. Temporary differences that were not initially recognized as deferred income tax assets are also subject to re-assessment on every balance sheet date. These differences may be recognized to increase the book value of deferred income tax asset if the Company considers it highly likely to generate taxable income for full or partial recovery of such asset in the future.

Deferred income tax assets and liabilities are estimated using expected tax rate applicable at the time the liability/asset is expected to be settled/realized. This expected tax rate is determined based on the tax rate and tax laws prevailing as at the balance sheet date. Deferred income tax liabilities and assets represent tax impacts of

the method by which the Company expects to recover/settle the book value of its assets and liabilities as at the balance sheet date.

3. Current and deferred income tax

Current and deferred income taxes are recognized through profit and loss, except for source accounts that are recognized under other comprehensive income or directly as other equity item, where current and deferred income taxes are also recognized under other comprehensive income or directly as equity.

V. Key sources of uncertainty over significant accounting judgments, assumptions, and estimation

When applying accounting policies, the management is required to make judgments, estimates, and assumptions based on historical experience or other relevant factors in situations where information cannot be easily obtained from available sources. The actual outcome may differ from initial estimates.

When developing significant accounting estimates, the management will continue to review the estimates and basic assumptions. If a revision of accounting estimate affects only the current period, the effect shall be recognized only for the current period. If a revision of accounting estimate affects current and future periods, the effect shall also be recognized for current and future periods.

Sources of uncertainty to estimates and assumptions

Impairment of property, plant, equipment and investment properties

When assessing asset impairment, the Company relies on the use of subjective judgment and determines the level of independent cash flow, useful life, and future income/expenses/losses for specific asset groups after taking into consideration the method in which assets are used and industry characteristics. Any change of economic circumstances and any change in estimate caused by the Company's strategies may result in significant impairment in the future.

VI. Cash

	December 31, 2024	December 31, 2023
Petty cash and cash on hand	\$ 220	\$ 220
Check and demand (current) deposit	85,856	101,157
	<u>\$ 86,076</u>	<u>\$ 101,377</u>

Range of market interest rates applicable to bank deposits as at the balance sheet date is shown below:

	December 31, 2024	December 31, 2023
Demand deposits	0.01%~1.90%	0.10%~2.00%

VII. Financial assets at FVTPL - Current

	December 31, 2024	December 31, 2023
<u>Current financial assets - current</u>		
Financial assets designated as at FVTPL		
Non-derivative financial assets		
- TWSE, TPEX, and Emerging Stock		
Market shares	\$ 122,670	\$ 124,857
- Fund beneficiary certificates	335,920	440,522
- Foreign shares	-	13,980
- Corporate bonds	75,160	75,614
- Bonds	4,861	4,976
	<u>\$ 538,611</u>	<u>\$ 659,949</u>

Please refer to Note 21 for gains/losses on financial assets at FVTPL.

VIII. Financial assets at FVTOCI

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Non-current</u>		
Domestic investments		
Emerging Stock Market shares	\$ 4,563	\$ 4,563
Unlisted shares	11,409	-
Foreign investments		
Unlisted shares	<u>24,007</u>	<u>12,630</u>
Total	<u>\$ 39,979</u>	<u>\$ 17,193</u>

The Company invests in the above instruments by adopting a medium-long term strategy, and expects to profit over the long term. Management of the Company is of the opinion that recognizing short-term fair value changes through profit and loss on such investments does not conform with the long-term investment plans described above, and therefore has chosen to account such investments at FVTOCI.

IX. Accounts receivable and other receivables

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Arising from business activities</u>		
Trade receivable	\$ 7,345	\$ 13,432
Operating lease receivable		
-Current	4,441	3,674
- Non-current	<u>15,797</u>	<u>13,338</u>
Subtotal	<u>20,238</u>	<u>17,012</u>
<u>Other receivables</u>		
Utility and management fees receivable	1,889	1,493
Amount receivable from sale of securities	1,145	3,806
Others	<u>4,307</u>	<u>3,418</u>
Subtotal	<u>7,341</u>	<u>8,717</u>
Total	<u>\$ 34,924</u>	<u>\$ 39,161</u>

(I) Accounts receivable

Accounts receivable primarily represent retail sales collectible from consumers on transactions paid with credit cards and third-party payment tools. The majority of accounts receivable are credit card balances to be collected from financial institutions. Credit term on sale of merchandise is generally 30 days, and most proceeds are collected within this duration.

The Company recognizes loss provisions on accounts receivable based on expected credit losses over the duration of the receivable account. Expected credit loss over the remaining duration takes into account customers' past payment records. Since previous credit loss records showed no significant difference in loss pattern across customer groups, the Company simply set the expected credit loss rate based on number of days overdue. If there is evidence to suggest that the counterparty is undergoing severe financial crisis and the recoverable amount can not be reasonably estimated, the Company will directly offset loss provisions against accounts receivable. In which case, the Company will continue collection efforts on the receivables, and any amounts recovered will be recognized through profit and loss.

Age of account receivables is analyzed as below:

	December 31, 2024	December 31, 2023
Not overdue	<u>\$ 7,345</u>	<u>\$ 13,432</u>

The Company found no sign of impairment in accounts and notes receivable as at December 31, 2024 and 2023.

(II) Operating lease receivable

Operating lease receivable represents lease incentives granted on operating leases. The total cost of incentives is amortized on a straight-line basis and allocated over the remaining lease tenor as deductions to rental income.

For concentration of credit risks in lease receivables, please refer to Note 25.

X. Inventory (December 31, 2024: None)

	December 31, 2023
Proprietary goods - women's underwear	\$ 2,580
Properties pending sale - Jiaoxi Gongyuan Section, Yilan	<u>8,524</u>
	<u>\$ 11,104</u>

Amount of cost of goods sold recognized from inventory totaled NT\$9,347 thousand in 2024 and NT\$4,171 thousand in 2023. No inventory devaluation loss was provided in 2024 and 2023. The Company's property pending sale forms part of the joint construction agreement entered into between the Company and subsidiary - De Hong Development Co., Ltd. in March 2015. Under this agreement, the Company contributed land while De Hong Development Co., Ltd. contributed capital and technology to complete and share units of the construction project. The project was completed in October 2017 and all ownership transfer has been completed to date.

XI. Equity-accounted investments

	December 31, 2024	December 31, 2023
Subsidiary investments	\$ 1,066,802	\$ 271,121
Investments in Associates	<u>172,630</u>	<u>180,483</u>
	<u>\$ 1,239,432</u>	<u>\$ 451,604</u>

(I) Investment in subsidiaries

	December 31, 2024	December 31, 2023
Non-listed company		
De Hong Development Co., Ltd.	<u>\$ 1,066,802</u>	<u>\$ 271,121</u>

	Percentage of ownership/voting right	
Investee	December 31, 2024	December 31, 2023
De Hong Development Co., Ltd.	100%	100%

To integrate group resources and achieve operational synergy, the board of directors resolved on August 7, 2023 that the Company conducted a simplified merger with its wholly-owned subsidiaries, Guan Chan Investment Co., Ltd., Jia Fong Investment Co., Ltd., Song Yuan Investment Co., Ltd., and Shun Tai Investment Co., Ltd., in accordance with Article 19 of the Business Mergers and Acquisition Act. The reference date of the merger was August 31, 2023. The Company was the surviving company. Before the merger, a total of 33,322 thousand shares of the surviving company held by the eliminated Company should be cancelled on the reference date of the merger.

The Company's subsidiary, De Hong Development Co., Ltd., resolved by its board of directors on November 6, 2023, conducted a capital decrease to offset the deficit of NT\$67,000 thousand plus cash capital decrease of NT\$83,000 thousand, with 15,000,000

issued shares cancelled. After the capital decrease, the paid-in capital is NT\$300,000 thousand, divided into 30,000,000 shares.

On April 1, August 19, October 7, and October 29, 2024, the Board of Directors approved capital increases for the subsidiary De Hong Development Co., Ltd. in the amounts of NT\$180,000 thousand, NT\$200,000 thousand, NT\$280,000 thousand, and NT\$240,000 thousand, respectively. After the capital increases, the paid-in capital amounted to NT\$1,200,000 thousand, representing 120,000 thousand shares.

Share of profit and loss and other comprehensive income from equity-accounted subsidiaries in 2024 and 2023 were calculated based on audited financial statements of the respective subsidiaries for the corresponding periods.

(II) Investment in associates

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Associated companies with significant influence		
Chung Hsiao Enterprise Co., Ltd.	<u>\$ 172,630</u>	<u>\$ 180,483</u>

	<u>Percentage of share ownership/ voting rights</u>	
	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Chung Hsiao Enterprise Co., Ltd.	26.89%	26.89%

Nature of business activities, main places of business, and countries of registration for the above associated companies are disclosed in Table 6 - "Information of Investees."

Summary financial information of associated companies under the Company is presented below:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Current asset	\$ 149,266	\$ 188,282
Non-current assets	221,204	221,601
Current liabilities	(8,374)	(18,583)
Non-current liabilities	(60,234)	(60,234)
Equity	<u>\$ 301,862</u>	<u>\$ 331,066</u>

Shareholding percentage of the Company	<u>26.89%</u>	<u>26.89%</u>
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Company's share of equity	\$ 81,172	\$ 89,025
Adjustment to fair value of non-current assets due to acquisition of shares	<u>91,458</u>	<u>91,458</u>
Book value of investment	<u>\$ 172,630</u>	<u>\$ 180,483</u>

	<u>2024</u>	<u>2023</u>
Current operating revenues	<u>\$ 26,840</u>	<u>\$ 26,840</u>
Current net income	<u>\$ 20,734</u>	<u>\$ 18,898</u>
Other comprehensive income - current	(<u>\$ 32,936</u>)	(<u>\$ 12,993</u>)
Share of current net income	<u>\$ 5,575</u>	<u>\$ 5,082</u>
Share of other comprehensive income - current	(<u>\$ 8,856</u>)	(<u>\$ 3,494</u>)
Dividends received from Chung Hsiao Enterprise Co., Ltd.	<u>\$ 4,572</u>	<u>\$ 5,040</u>

Share of profit/loss and other comprehensive income from equity-accounted associated companies in 2024 and 2023 were recognized based on audited financial statements of the respective associated companies for the corresponding periods.

XII. Property, Plant and Equipment

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Book value of each category</u>		
Land	\$ 859,925	\$ 859,925
Buildings, net	1,193,105	1,256,870
Computer and communication equipment, net	7,805	9,588
Transport equipment, net	2,445	2,963
Other equipment, net	<u>3,144</u>	<u>3,433</u>
	<u>\$ 2,066,424</u>	<u>\$ 2,132,779</u>

	<u>2024</u>			
	<u>Opening balance</u>	<u>Increase in current year</u>	<u>Disposal in current year</u>	<u>Year-end balance</u>
Cost				
Land	\$ 859,925	\$ -	\$ -	\$ 859,925
Buildings	1,896,091	644	-	1,896,735
Computer and communication equipment	18,203	43	(962)	17,284
Transport Equipment	5,606	-	-	5,606
Other Equipment	<u>10,893</u>	<u>33</u>	<u>-</u>	<u>10,926</u>
	<u>2,790,718</u>	<u>\$ 720</u>	<u>(\$ 962)</u>	<u>2,790,476</u>
accumulated depreciation				
Buildings	639,221	\$ 64,409	\$ -	703,630
Computer and communication equipment	8,615	1,665	(801)	9,479
Transport Equipment	2,643	518	-	3,161
Other Equipment	<u>7,460</u>	<u>322</u>	<u>-</u>	<u>7,782</u>
	<u>657,939</u>	<u>\$ 66,914</u>	<u>(\$ 801)</u>	<u>724,052</u>
Total	<u>\$ 2,132,779</u>			<u>\$ 2,066,424</u>

	2023			
	Opening balance	Increase in current year	Disposal in current year	Year-end balance
Cost				
Land	\$ 859,925	\$ -	\$ -	\$ 859,925
Buildings	1,897,541	-	(1,450)	1,896,091
Computer and communication equipment	17,203	1,978	(978)	18,203
Transport Equipment	4,906	2,590	(1,890)	5,606
Other Equipment	<u>10,960</u>	<u>-</u>	<u>(67)</u>	<u>10,893</u>
	<u>2,790,535</u>	<u>\$ 4,568</u>	<u>(\$ 4,385)</u>	<u>2,790,718</u>
accumulated depreciation				
Buildings	575,265	\$ 64,554	(\$ 598)	639,221
Computer and communication equipment	7,856	1,574	(815)	8,615
Transport Equipment	4,089	129	(1,575)	2,643
Other Equipment	<u>7,126</u>	<u>389</u>	<u>(55)</u>	<u>7,460</u>
	<u>594,336</u>	<u>\$ 66,646</u>	<u>(\$ 3,043)</u>	<u>657,939</u>
Total	<u>\$ 2,196,199</u>			<u>\$ 2,132,779</u>

As per assessment, the Company's property, plant, and equipment showed no sign of impairment as at December 31, 2024 and 2023.

Property, plant, and equipment of the Company were depreciated on a straight-line basis over the number of useful years shown below:

Buildings	4 to 55 years
Computer and communication equipment	5 to 19 years
Transport Equipment	5 years
Other Equipment	4 to 19 years

For disclosure on the amount of property, plant and equipment pledged as collaterals, please refer to Note 27.

XIII. Lease Agreement

(I) Right-of-use assets

	December 31, 2024	December 31, 2023
Book value of right-of-use assets		
Computer software and equipment	\$ 1,492	\$ -
Other Equipment	<u>1,747</u>	<u>1,947</u>
	<u>\$ 3,239</u>	<u>\$ 1,947</u>
	2024	2023
Addition of right-of-use assets	<u>\$ 1,658</u>	<u>\$ 1,997</u>
Depreciation expense of right-of-use assets		
Computer software and equipment	\$ 166	\$ -

		2024	2023			
	Other Equipment	200	50			
		<u>\$ 366</u>	<u>\$ 50</u>			
(II)	Lease liabilities					
		December 31, 2024	December 31, 2023			
	Book value of lease liabilities					
	Current	\$ 635	\$ 310			
	Non-current	\$ 2,484	\$ 1,615			
	Range of discount rate for lease liabilities:					
		December 31, 2024	December 31, 2023			
	Computer software and equipment	3.282%	-			
	Other Equipment	3.084%	3.084%			
(III)	Major lease activities and terms					
	The Company leases the equipment of parking lots and computer marketing system software and hardware construction for business use. The lease terms are 6 years and 5 years, respectively. As agreed in the lease contract, the company acquires the ownership of the leased equipment at the end of the lease term.					
XIV.	<u>Investment property</u>					
		December 31, 2024	December 31, 2023			
	Investment Property					
	Xinzhuang District, New Taipei City	\$ 862,825	\$ 1,059,951			
	Da'an District, Taipei City	1,070,274	1,079,302			
		<u>\$ 1,933,099</u>	<u>\$ 2,139,253</u>			
		2024				
		Opening balance	Increase in current year	Disposal in current year	Reclassified	Closing balance
	Cost					
	Land	\$ 2,009,897	\$ 419,540	(\$ 747,588)	\$ 130,922	\$ 1,812,771
	Buildings	329,225	-	-	-	329,225
	Prepayment for land purchase	-	130,922	-	(130,922)	-
		<u>2,339,122</u>	<u>\$ 550,462</u>	(\$ 747,588)	<u>\$ -</u>	<u>2,141,996</u>
	accumulated depreciation					
	Buildings	199,869	\$ 9,028	\$ -	\$ -	208,897
	Total	<u>\$ 2,139,253</u>				<u>\$ 1,933,099</u>
		2023				
		Opening balance	Increase in current year	Disposal in current year	Reclassified	Closing balance
	Cost					
	Land	\$ 2,009,897	\$ -	\$ -	\$ -	\$ 2,009,897
	Buildings	329,225	-	-	-	329,225
		<u>2,339,122</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>2,339,122</u>
	accumulated depreciation					
	Buildings	190,769	\$ 9,100	\$ -	\$ -	199,869
	Total	<u>\$ 2,148,353</u>				<u>\$ 2,139,253</u>

Investment properties - buildings are depreciated on a straight-line basis over the number of useful years shown below:

Buildings	10 to 55 years
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The Company owned several investment properties located at Qiongtai Section, Fuying Section, and Jianguo Section, Xinzhuang District, New Taipei City. The fair value was assessed by an independent evaluation company using the comparative method and the land development analysis method on the balance sheet date. The important unobservable inputs used for the assessment on December 31, 2024 and 2023 include a discount rate of 1.700% and 2.575%, respectively.

The Company also owned several investment properties located at Renai Section, Da'an District, Taipei City. The fair value as of December 31, 2024 and 2023 were NTD 7,384,571 thousand and NTD 7,372,075 thousand, respectively. The fair value was not evaluated by an independent evaluation staff but only by the management of the Company using the evaluation model commonly used by market participants. This valuation had proceeded using market evidence similar to real estate transaction prices.

On March 7, 2024 and October 21, 2024, the company's Board of Directors approved a resolution to sell and acquire land in Xinzhuang area to comply with the land distribution principles of the Xinzhuang urban renewal project. The selling price and the acquisition price were both NT\$496,353 thousand and NT\$18,525 thousand. The consolidated company evaluated that the aforementioned transaction was an exchange of assets lacking commercial substance; therefore, no gain or loss was recognized.

All of the Company's investment properties are proprietary owned. For disclosure on the amount of investment property pledged as collaterals, please refer to Note 27.

XV. Borrowing

(I) Short-term borrowings

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Secured borrowings</u>		
Bank borrowings	\$ 435,000	\$ 649,000

Working capital bank borrowings bore interest rates of 1.824% ~ 2.180% and 1.695% ~ 2.095% as at December 31, 2024 and 2023, respectively.

For disclosure on the amount of property, plant, equipment, and investment property pledged as collaterals for short-term borrowings, please refer to Note 27.

(II) Long-term borrowings

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Secured borrowings</u>		
Bank SinoPac		
Credit line: NT\$1,400,000 thousand. Contract tenor: November 29, 2023 to November 30, 2025. A new contract starting December 5, 2024 and ending December 31, 2026 was signed on , 2024.	\$ 1,350,000	\$ 1,120,000
Bank of Taiwan		
Credit line: NT\$600,000 thousand. Contract tenor: August 15, 2024 to August 15, 2027.	382,000	324,000

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	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Hua Nan Bank		
The borrowing amount is NT\$493,000 thousand and the contract period is from September 8, 2023 to September 8, 2024. The extension was extended from October 4, 2024 to October 4, 2026. Within the borrowing limit, term of each drawdown is three years.	50,000	50,000
Yuanta Commercial Bank		
Credit line: NT\$400,000 thousand. Contract tenor: November 8, 2024 to November 7, 2027.	170,000	-
First Commercial Bank		
Credit line: NT\$480,000 thousand. Contract tenor: December 7, 2023 to December 7, 2025. A new contract starting from December 6, 2024 and ending on December 6, 2026 was signed on December 6, 2024.	<u>350,000</u>	<u>350,000</u>
	2,302,000	1,884,000
Less: parts that listed as due within in a year	<u>50,000</u>	<u>50,000</u>
Long-term borrowings	<u>\$ 2,252,000</u>	<u>\$ 1,794,000</u>

Effective interest rate range for long-term borrowings:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Effective interest rate:		
Floating interest rate borrowing	1.815% ~ 2.120%	1.700% ~ 1.800%
Fixed interest rate borrowing	1.825% ~ 2.025%	1.715% ~ 1.850%

For disclosure on the amount of property, plant, equipment, and investment property pledged as collaterals for secured long-term borrowings, please refer to Note 27.

XVI. Accounts payable

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Accounts payable</u>		
Arising from business activities	<u>\$ 107,588</u>	<u>\$ 100,939</u>

The average credit term for trade purchases is 30 days.

XVII. Accrued expenses

	December 31, 2024	December 31, 2023
Salary and bonus payable	\$ 16,299	\$ 15,951
Tax payable	10,601	8,264
Utility expenses payable	5,682	5,138
Interest payable	1,171	1,159
Others	<u>8,558</u>	<u>7,298</u>
	<u>\$ 42,311</u>	<u>\$ 37,810</u>

XVIII. Post-employment benefit plans

(I) Defined contribution plan

The pension scheme introduced under the "Labor Pension Act" that the Company is subjected to is a government-managed defined contribution plan, for which each participating entity is required to contribute an amount equal to 6% of employees' monthly salary into their individual pension accounts held with the Bureau of Labor Insurance.

(II) Defined benefit plan

The Company is also subject to the pension scheme introduced under the "Labor Standards Act," which is a government-managed defined benefit plan. Under this plan, employees' pension benefits are calculated based on their years of service and gross salary for the month of retirement (excluding allowances and festive bonuses). The Company makes monthly pension contributions equivalent to 2% of employees' monthly salaries into an account held under Bank of Taiwan in the Labor Pension Supervisory Committee's name. In the event that the account is estimated to be short of balance to pay workers who are expected to meet their retirement criteria in the following year, the Company will reimburse the shortfall in one contribution by no later than the end of March next year. The account is managed by Bureau of Labor Funds, Ministry of Labor. The Company has no influence whatsoever over the investment strategy.

The following amounts relating to the defined benefit plan have been recognized on the parent-only balance sheet:

	December 31, 2024	December 31, 2023
Present value of defined benefit obligations	\$ 31,367	\$ 30,493
Fair value of plan assets	(<u>27,300</u>)	(<u>24,350</u>)
Net defined benefit liabilities	<u>\$ 4,067</u>	<u>\$ 6,143</u>

Changes in net defined benefit liability:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities
January 1, 2024	<u>\$ 30,493</u>	(<u>\$ 24,350</u>)	<u>\$ 6,143</u>
servicing costs			
Service costs for the current period	119	-	119
Interest expense (income)	<u>381</u>	(<u>306</u>)	<u>75</u>
Recognized in profit or loss	<u>500</u>	(<u>306</u>)	<u>194</u>
Remeasurement			
Return on plan assets (excluding amounts already included in net interest)	-	(2,371)	(2,371)
Actuarial (gains) loss			
- Financial assumption	(225)	-	(225)
- Experience adjustment	<u>599</u>	<u>-</u>	<u>599</u>

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	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities
Recognized in other comprehensive income	\$ 374	(\$ 2,371)	(\$ 1,997)
Employer's contribution	-	(273)	(273)
December 31, 2024	<u>\$ 31,367</u>	<u>(\$ 27,300)</u>	<u>\$ 4,067</u>
January 1, 2023	<u>\$ 37,822</u>	<u>(\$ 26,598)</u>	<u>\$ 11,224</u>
servicing costs			
Service costs for the current period	324	-	324
Interest expense (income)	<u>473</u>	<u>(335)</u>	<u>138</u>
Recognized in profit or loss	<u>797</u>	<u>(335)</u>	<u>462</u>
Remeasurement			
Return on plan assets (excluding amounts already included in net interest)	-	(233)	(233)
Actuarial (gains) loss			
- Experience adjustment	(646)	-	(646)
Recognized in other comprehensive income	(646)	(233)	(879)
Employer's contribution	-	(298)	(298)
Plan asset payments	(3,114)	3,114	-
Payments on the Company's account	(4,366)	-	(4,366)
December 31, 2023	<u>\$ 30,493</u>	<u>(\$ 24,350)</u>	<u>\$ 6,143</u>

Amounts of defined benefit plan recognized through profit and loss, by function:

	2024	2023
Administrative expenses	<u>\$ 194</u>	<u>\$ 462</u>

The Company is exposed to the following risks due to adoption of pension scheme introduced under the "Labor Standards Act":

1. Investment risks: The Bureau of Labor Funds, Ministry of Labor, manages the labor pension fund either on its own or through mandate. The labor pension fund is being allocated into equity securities, debt securities, and bank deposits local and abroad; however, the Company estimates return on plan assets at a rate no less than the 2-year time deposit rate offered by local banks.
2. Interest rate risk: A decrease in government bond yield would increase the present value of defined benefit obligations while at the same time increase return of plan assets invested in debt instruments. The overall effect on net defined benefit obligation is partially offset.
3. Salary risk: The present value of defined benefit obligations is calculated by taking into consideration the participants' future salary levels. An increase in salary level would raise the present value of defined benefit obligations.

The present value of defined benefit obligations is determined based on actuarial estimates made by certified actuaries. Below are the main assumptions used on the date of measurement:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Discount rate	1.375%	1.250%
Expected salary increase	2.000%	2.000%

A reasonable change in the main actuarial assumption would increase (decrease) the present value of defined benefit obligations by the following amounts, provided that all other assumptions remain unchanged:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Discount rate		
0.25% increase	(\$ 443)	(\$ 474)
0.25% decrease	<u>\$ 454</u>	<u>\$ 486</u>

Expected salary increase		
0.25% increase	<u>\$ 444</u>	<u>\$ 474</u>
0.25% decrease	(<u>\$ 436</u>)	(<u>\$ 465</u>)

Actuarial assumptions tend to be intercorrelated. It is unlikely to see only one assumption changing at one time, therefore the above sensitivity analysis may not truly reflect changes in the present value of defined benefit obligation.

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Expected contributions in the next year	<u>\$ 274</u>	<u>\$ 287</u>
Average maturity of defined benefit obligations	5.7 years	6.3 years

XIX. Equity

(I) Common share capital

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Authorized shares (in thousands)	<u>300,000</u>	<u>300,000</u>
Authorized share capital	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>
Issued and paid shares (in thousands)	<u>175,403</u>	<u>175,403</u>
Paid-in capital	<u>\$ 1,754,030</u>	<u>\$ 1,754,030</u>

All issued common shares have a face value of NT\$10 per share. Each share is entitled to one voting right and the right to receive dividends.

(II) Capital reserve (December 31, 2024: None)

	<u>December 31, 2023</u>
Shares premium from issuance	<u>\$ 59,689</u>

This additional paid-in capital can be offset against losses, or distributed in cash or capitalized into share capital when the Company has no cumulative losses outstanding. However, capitalization of this additional paid-in capital is capped at a certain percentage of the Company's paid-in share capital each year.

(III) Retained earnings and dividend policy

According to the earnings appropriation policy stipulated in the Articles of Incorporation, annual surpluses concluded by the Company are first subject to taxation and reimbursement of previous losses, followed by a 10% provision for statutory reserves and provision or reversal of special reserves as the laws may require. Any surpluses remaining will be added to unappropriated earnings accumulated from previous years, for which the board of directors will propose an earnings appropriation plan and seek resolution in a shareholder meeting before distribution. Refer to Note 21-(8) - Employee and director remuneration for the Company's employee and director remuneration policy outlined in the Articles of Incorporation.

Any cash distribution of dividend, profit, statutory reserve, or capital reserve, whether in whole or in part, must be resolved in a board meeting with more than two-thirds of the board present, voted in favor by more than half of attending directors, and reported in the upcoming shareholder meeting.

As a conventional department store, the Company experiences no major change in sales volume but foresees moderate growth. After taken into consideration its long-term development plans and goals of maximizing shareholders' interest, the Company has adopted a dividend policy that makes consistent payouts primarily in cash. The shareholders' dividends are not lower than 10% of the distributable earnings of the year; of which, cash dividends shall not account for less than 50% of the sum of cash dividends plus stock dividends. However, the Company may forgo dividend payment if distributable earnings amount to NT\$0.2 or less in a given year.

The Company is bound by laws to make provision for special earnings reserve from unappropriated earnings carried from previous years for any net contra-equity balances accumulated under other contra-equity items in previous years before distributing earnings. If the Company is unable to make adequate provision from unappropriated earnings carried from previous years, the Company shall treat current net income and non-net income items as unappropriated earnings and make provisions accordingly.

Appropriation of earnings to legal reserve shall be made until the reserve equals the Company's paid-in capital. Legal reserves may be used to offset the deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The distribution of earnings for 2023 and 2022 are described as following:

	2023	2022
Provision for statutory reserves	\$ -	\$ 2,330
Provision (reversal) for special reserves	(\$ 178,808)	\$ 126,928
Compensation for Losses from Legal Reserve	(\$ 85,304)	
Distribution of cash dividends from capital reserve	\$ 59,689	
Cash dividends per share (NT\$)	\$ 0.34	

The cash dividends were resolved for distribution at the Board of Directors' meetings held on March 7, 2024, and March 6, 2023, respectively. The remaining surplus distribution items were also resolved at the annual shareholders' meetings held on June 24, 2024, and June 19, 2023, respectively.

Details of the 2024 earnings appropriation plan proposed by the board of directors in meeting dated March 10, 2025 are as follows:

	Appropriation of Earnings
Provision for statutory reserves	\$ 19,953
Provision for special reserves	\$ 8,857
Cash dividends	\$ 166,633
Cash dividends per share (NT\$)	\$ 0.95

For the above cash dividend, the board of directors has resolved to set April 6, 2025 as the baseline date, and April 25, 2025 as the expected cash dividend payment date. Appropriation of 2024 earnings is still pending for shareholders' resolution in the annual general meeting scheduled on June 26, 2025.

(IV) Special reserve

The Company reclassified NT\$372,185 thousand of unrealized gain on revaluation into retained earnings when adopting IFRS accounting standards for the first time, and made provisions for special reserves of the same amount in accordance with the authority's instruction No. Jin-Guan-Zheng-Fa-1010012865 in 2013. This special reserve may be reversed when the underlying property is disposed or reclassified on a later date.

For the Company's 2023 earnings and losses offsetting, a special reserve of NT\$178,808 thousand has been reversed in accordance with the Order of the Financial Supervisory Commission (Jin-Guan-Zheng-Fa-Zi No. 1090150022) for the difference between the market price and book value of the parent company's shares held by the subsidiary, which is accumulated and appropriated as special reserve in accordance with the shareholding ratio. When appropriating 2022 earnings, the Company made provision for special reserves totaling NT\$126,928 thousand, for differences in the market price and book value of parent company shares held by subsidiaries, after taking into consideration the prevailing shareholding percentage.

(V) Other equity items

Unrealized gain/(loss) on financial assets at FVTOCI

	2024	2023
Opening balance	(\$ 38,050)	(\$ 34,556)
Incurred in the current year		
Share of equity-accounted associated companies	(8,856)	(3,494)
Closing balance	(\$ 46,906)	(\$ 38,050)

(VI) Treasury stock (2024: None)

Unit: Thousand Shares

	Shareholding at the beginning of year	Increase in current year	Decrease in current year	Shareholding at the end of year
<u>2023</u>				
The shares of the Company held by subsidiaries were cancelled in accordance with the law due to a simplified merger with the parent company	33,322	-	33,322	-

Subsidiaries' holding of the Company's shares are treated as treasury stocks; subsidiaries are not entitled to participate in cash issue or vote, but are otherwise entitled to the same rights as ordinary shareholders.

XX. Revenue

(I) Operating revenue details

	2024	2023
Net sales revenues	\$ 156,494	\$ 158,015
Lease incomes	280,825	270,316
Construction incomes	10,673	-
Other operating revenues	<u>49,262</u>	<u>44,132</u>
	<u>\$ 497,254</u>	<u>\$ 472,463</u>

(II) Explanation and breakdown of income from customers' contracts

	2024	2023
Net sales revenues		
Revenues from sale of merchandise	\$ 809	\$ 5,110
Retail commission income	<u>155,685</u>	<u>152,905</u>
	<u>\$ 156,494</u>	<u>\$ 158,015</u>
Construction incomes		
Income from sale of property	<u>\$ 10,673</u>	<u>\$ -</u>
Other operating revenues		
Incomes from merchants' subsidy for department renovation	\$ 2,257	\$ 2,697
Management fee income	40,101	33,813
Others	<u>6,904</u>	<u>7,622</u>
	<u>\$ 49,262</u>	<u>\$ 44,132</u>

Analysis of retail commission income:

	2024	2023
Total department sales	<u>\$ 1,331,339</u>	<u>\$ 1,356,754</u>
Retail commission income	<u>\$ 155,685</u>	<u>\$ 152,905</u>

(III) Contract balance

	December 31, 2024	December 31, 2023	January 1, 2023
contract liability	<u>\$ 5,892</u>	<u>\$ 5,997</u>	<u>\$ 6,243</u>

The change in contractual liabilities was mainly attributed to the discrepancy between the time obligation was fulfilled and the time payment was made to customers.

(IV) Lease income

	2024	2023
Lease incomes		
Investment Property	\$ 231,307	\$ 229,767
Share of mall rental income	<u>49,518</u>	<u>40,549</u>
	<u>\$ 280,825</u>	<u>\$ 270,316</u>

Operating lease arrangements involve leasing of investment properties and retail malls (presented as property, plant, and equipment) owned by the Company, for tenors of 1-15 years and 1-12 years, respectively. The lessees are not entitled to any privileges to purchase the leased properties at the end of the lease tenor.

As at December 31, 2024 and 2023, the Company had collected deposits totaling NT\$59,049 thousand and NT\$52,563 thousand, respectively, in relation to the operating lease agreements.

Some of the Company's real estate leasing agreements contain contingent rent clauses that require the lessee to pay contingent rent at a certain percentage of monthly sales revenues.

XXI. Profit before tax

Pre-tax profit includes the following items:

(I) Operating costs detail

	2024	2023
Cost of sales	\$ 623	\$ 4,171
Cost of leasing	40,891	39,275
Construction cost	8,724	-
Other operating costs	<u>20,122</u>	<u>19,589</u>
	<u>\$ 70,360</u>	<u>\$ 63,035</u>

(II) Interest income

	2024	2023
Cash in banks	<u>\$ 1,082</u>	<u>\$ 1,152</u>

(III) Other income

	2024	2023
Carpark income	\$ 10,607	\$ 10,941
Dividend income	3,628	6,868
Incomes from governmental subsidies	389	177
Others	<u>9,117</u>	<u>6,518</u>
	<u>\$ 23,741</u>	<u>\$ 24,504</u>

(IV) Other gains and losses

	2024	2023
Loss from disposal of property, plant and equipment	(\$ 161)	(\$ 932)
Net gain (loss) on currency exchange	856	(617)
Gain on financial assets mandatory to be carried at FVTPL	53,568	40,657
Others	<u>-</u>	<u>(25)</u>
	<u>\$ 54,263</u>	<u>\$ 39,083</u>

The net profit and loss of financial assets mandatorily measured at fair value through profit or loss includes (A) net gains from changes in fair value amounting to NT\$19,162 thousand and NT\$23,252 thousand for 2024 and 2023, respectively; and (B) gains on disposal amounting to NT\$34,406 thousand and NT\$17,405 thousand for 2024 and 2023, respectively.

(V) Financial cost

	2024	2023
Interest on bank loans	\$ 47,749	\$ 44,652
Interest on lease liabilities	<u>81</u>	<u>15</u>
	<u>\$ 47,830</u>	<u>\$ 44,667</u>

There was no capitalization of interest in 2024 and 2023.

(VI) Depreciation and amortization

	2024	2023
Property, Plant and Equipment	\$ 66,914	\$ 66,646
Investment Property	9,028	9,100
Right-of-use assets	366	50
Intangible asset	<u>1,318</u>	<u>1,287</u>
Total	<u>\$ 77,626</u>	<u>\$ 77,083</u>
An analysis of depreciation by function		
Operating cost	\$ 19,027	\$ 19,303
Operating expenses	<u>57,281</u>	<u>56,493</u>
	<u>\$ 76,308</u>	<u>\$ 75,796</u>
An analysis of amortization by function		
Cost of sales	\$ 149	\$ 149
Operating expenses	<u>1,169</u>	<u>1,138</u>
	<u>\$ 1,318</u>	<u>\$ 1,287</u>

(VII) Employee benefit expenses

	2024	2023
Retirement benefits (Note 18)		
Defined contribution plans	\$ 1,756	\$ 1,763
Defined benefit plan	<u>194</u>	<u>462</u>
Subtotal	1,950	2,225
Other employee benefits	<u>63,633</u>	<u>63,660</u>
Total	<u>\$ 65,583</u>	<u>\$ 65,885</u>
An analysis by function		
Operating expenses	<u>\$ 65,583</u>	<u>\$ 65,885</u>

(VIII) Employee and director remuneration

The Company provides for employee remuneration at 0.1%-4%, and director remuneration at no more than 4%, of current year's pre-tax profit (before employee and director remuneration). The estimated remuneration to employees and directors for 2024 and 2023 were approved by the Board of Directors on March 10, 2025 and March 7, 2024, respectively, as follows:

Estimation ratio

	2024	2023
Remuneration to employees	0.11%	0.10%
Remuneration to directors	-	-

Amount

	2024		2023	
	Cash	Stocks	Cash	Stocks
Remuneration to employees	\$ 300	\$ -	\$ 240	\$ -
Remuneration to directors	-	-	-	-

If there is a change in the proposed amounts after the annual standalone financial statements were authorized for issue, the differences are recorded as a change in accounting estimate and will be reflected in the following year.

The actual amounts of 2023 employee remuneration and director remuneration paid were indifferent from the amounts recognized in the 2023 financial statements.

The amount actually paid of the employee' and directors' remunerations resolved by the board of directors on March 10, 2025 are different from the recognized amount in the annual parent-only financial statements. The difference is adjusted as the profit/loss in 2025.

	2024	
	Remuneration to employees	Remuneration to directors
The distribution amount resolved by the board of directors	\$ 280	\$ -
The amount recognized in the annual financial reports	300	-

Please visit "Market Observation Post System" for more information regarding employee/director remuneration resolved during the Company's board of director meetings.

(IX) Gains (losses) on foreign currency exchange

	2024	2023
Foreign exchange gains	\$ 2,652	\$ 4,050
Total loss on currency exchange	(1,796)	(4,667)
Net gain (loss)	<u>\$ 856</u>	<u>(\$ 617)</u>

II. Income tax

(I) Income tax recognized in profit or loss

Major components of tax expense were as follows:

	2024	2023
Tax currently payable		
Incurred in the current year	\$ 45,602	\$ 31,207
Land increment value tax	29,592	-
Prior years adjustment	(374)	(2,426)
	<u>74,820</u>	<u>28,781</u>
Deferred tax		
Incurred in the current year	<u>1,473</u>	(1,280)
Income tax expense recognized in profit or loss	<u>\$ 76,293</u>	<u>\$ 27,501</u>

Reconciliation of accounting income and income tax expense:		
	<u>2024</u>	<u>2023</u>
Profit before tax	<u>\$ 274,228</u>	<u>\$ 232,410</u>
Income tax derived by applying the statutory tax rate to pre-tax net profit	\$ 54,846	\$ 46,481
Land increment value tax	29,592	-
Profit from valuation of financial assets	(3,832)	(4,650)
Non-deductible expenses and losses for tax purposes	-	3,622
Tax-exempt income	(3,923)	-
Previous income taxes adjusted in the current year	(374)	(2,426)
Recognized deficit offset with the capital decrease of the subsidiary	-	(13,400)
Unrecognized deductible temporary differences	(16)	(1,323)
Used losses carried forward	<u>-</u>	(<u>803</u>)
Income tax expense recognized in profit or loss	<u>\$ 76,293</u>	<u>\$ 27,501</u>
(II) Income tax recognized in other comprehensive income	<u>2024</u>	<u>2023</u>
Deferred tax		
Incurred in the current year		
- Remeasurement of defined benefit plan	(<u>\$ 399</u>)	(<u>\$ 176</u>)
(III) Income tax liabilities	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Income tax payable	<u>\$ 30,416</u>	<u>\$ 30,891</u>

(IV) Deferred income tax assets and liabilities

Below are changes in deferred income tax assets and liabilities:

2024

	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Closing balance
<u>Deferred tax assets</u>				
Temporary difference				
Impairment loss of financial assets at FVTOCI	\$ 6,014	\$ -	\$ -	\$ 6,014
Defined benefit plan	8,087	-	(399)	7,688
Others	<u>682</u>	(<u>663</u>)	<u>-</u>	<u>19</u>
	<u>\$ 14,783</u>	(<u>\$ 663</u>)	(<u>\$ 399</u>)	<u>\$ 13,721</u>
<u>Deferred tax liabilities</u>				
Temporary difference				
Provision for land increment value tax	\$ 213,961	\$ -	\$ -	\$ 213,961
Adjustment for rent-free period	<u>2,376</u>	<u>810</u>	<u>-</u>	<u>3,186</u>
	<u>\$ 216,337</u>	<u>\$ 810</u>	<u>\$ -</u>	<u>\$ 217,147</u>

2023

	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Closing balance
<u>Deferred tax assets</u>				
Temporary difference				
Impairment loss of financial assets at FVTOCI	\$ 6,014	\$ -	\$ -	\$ 6,014
Defined benefit plan	8,263	-	(176)	8,087
Others	(<u>25</u>)	<u>707</u>	<u>-</u>	<u>682</u>
	<u>\$ 14,252</u>	<u>\$ 707</u>	(<u>\$ 176</u>)	<u>\$ 14,783</u>
<u>Deferred tax liabilities</u>				
Temporary difference				
Provision for land increment value tax	\$ 213,961	\$ -	\$ -	\$ 213,961
Adjustment for rent-free period	<u>2,949</u>	(<u>573</u>)	<u>-</u>	<u>2,376</u>
	<u>\$ 216,910</u>	(<u>\$ 573</u>)	<u>\$ -</u>	<u>\$ 216,337</u>

(V) Income tax assessments

The Company's profit-seeking business income tax filings have been certified by the tax authority up until 2022.

XXIII. Earnings per Share

	2024	Unit: share/NT\$ 2023
Basic earnings per share	\$ <u>1.13</u>	\$ <u>1.17</u>
Diluted earnings per share	\$ <u>1.13</u>	\$ <u>1.17</u>

The net income and weighted average number of ordinary shares outstanding in calculating earnings per share were as follows:

Current net income

	2024	2023
Current net income	\$ <u>197,935</u>	\$ <u>204,909</u>

Shares Unit: Thousand Shares

	2024	2023
Weighted average number of ordinary shares in computation of basic earnings per share	175,403	175,403
Effect of potentially dilutive ordinary shares:		
Remuneration to employees	<u>15</u>	<u>9</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>175,418</u>	<u>175,412</u>

If the Company has the option to distribute employee remuneration either in cash or in shares, then the calculation of diluted earnings per share shall be made by assuming full share-based payment. In which case, the number of potential common shares is added to the calculation of weighted-average outstanding shares as soon as they become dilutive, and this is the basis used for calculating diluted earnings per share. Such a dilutive effect of the potential shares is included in the computation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

XXIV. Capital risk management

The Company exercises capital management to ensure business continuity throughout the group. This capital management aims to maintain an optimal balance of debt and equity that maximizes shareholder returns. The Company has maintained its overall strategies unchanged in past years.

The Company's capital structure comprises net debt (i.e. borrowings less cash) and equity (i.e. sum of share capital, additional paid-in capital, retained earnings, and other equity items).

The Company is not required to obey any other capital rules outside the organization.

The management reviews the Company's capital structure on a regular basis to address the costs and risks associated with various types of capital. Depending on the recommendations of its management, the Company may balance its capital structure by paying dividends, raising new debts, or by repaying existing debts.

XXV. Financial instruments

(I) Fair value information - financial instruments that are not measured at fair value

In the management's opinion, all financial assets and liabilities that are not measured at fair value have been presented on the parent-only balance sheet at book values that resemble their fair values.

(II) Fair value information - financial instruments with fair value measured on a recurring basis

1. Degree of fair value measurements

December 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Domestic listed shares				
- Equity investments	\$ 122,670	\$ -	\$ -	\$ 122,670
- Foreign public listed (OTC-traded) shares				
- Bond investments	80,021	-	-	80,021
Fund beneficiary certificates	<u>335,920</u>	<u>-</u>	<u>-</u>	<u>335,920</u>
Total	<u>\$ 538,611</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 538,611</u>

Financial assets at FVTOCI

<u>Investment in equity instruments</u>				
- Emerging Stock Market shares	\$ -	\$ -	\$ 4,563	\$ 4,563
- Domestic unlisted shares	-	-	11,409	11,409
- Foreign unlisted shares	<u>-</u>	<u>-</u>	<u>24,007</u>	<u>24,007</u>
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,979</u>	<u>\$ 39,979</u>

December 31, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Domestic listed shares				
- Equity investments	\$ 124,857	\$ -	\$ -	\$ 124,857
- Foreign public listed (OTC-traded) shares				
- Equity investments	13,980	-	-	13,980
- Bond investments	80,590	-	-	80,590
Fund beneficiary certificates	<u>440,522</u>	<u>-</u>	<u>-</u>	<u>440,522</u>
Total	<u>\$ 659,949</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 659,949</u>

Financial assets at FVTOCI

<u>Investment in equity instruments</u>				
- Emerging Stock Market shares	\$ -	\$ -	\$ 4,563	\$ 4,563
- Foreign unlisted shares	<u>-</u>	<u>-</u>	<u>12,630</u>	<u>12,630</u>
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,193</u>	<u>\$ 17,193</u>

There was no change of fair value input between level 1 and level 2 in 2024 and 2023.

2. Reconciliation of Level 3 fair value measurements of financial instruments

Financial assets that involve the use of level 3 fair value inputs were equity instruments at FVTOCI. Reconciliation of 2024 and 2023 balances is explained below:

	2024	2023
Opening balance	\$ 17,193	\$ 17,193
Purchase in the current year	<u>22,786</u>	<u>-</u>
Closing balance	<u>\$ 39,979</u>	<u>\$ 17,193</u>

3. Level 3 fair value measurement technique and assumption

Fair value of domestic and foreign unlisted shares is determined based on investees' latest net worth after taking liquidity into consideration. Liquidity discount is used as a significant unobservable input; a lower liquidity discount would increase fair value of such investment.

(III) Categories of financial instruments

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Financial asset</u>		
At FVTPL		
Financial assets designated as at FVTPL	\$ 538,611	\$ 659,949
Financial assets at amortized cost (Note 1)	101,856	126,450
Financial assets at FVTOCI - Investment in equity instruments	39,979	17,193
<u>Financial liability</u>		
Financial liabilities carried at amortized cost (Note 2)	2,955,981	2,714,737

Note 1: The balances include financial assets measured at amortized cost, which comprise cash, accounts receivable, other receivables, and refundable deposits.

Note 2: The balance includes short-term borrowing notes payable, accounts payable, accrued expenses (excluding tax payable and salary & bonus payable), equipment purchase payable, other payables, long-term borrowings due within one year, refundable deposits, long-term borrowings, and other financial liabilities carried at cost after amortization.

(IV) Financial risk management objective and policies

Main financial instruments used by the Company include equity and debt instruments, fund beneficiary certificates, accounts receivable, accounts payable, and loans. The Company's Financial Management Department is responsible for supporting business units, making coordinated use of capital, and performing treasury transactions in local and international financial markets. It monitors and manages financial risks within the Company by preparing internal reports, which analyze the scope and severity of risk exposures. These risks include market risk (including currency risk, interest rate risk, and other price risks), credit risk, and liquidity risk.

1. Market risk

(1) Exchange rate risk

See Note 28 for information on financial assets denominated in non-functional currencies as at the balance sheet date. No sensitivity analysis was provided as the effect of exchange rate variation was insignificant.

(2) Interest rate risk

The Company is exposed to interest rate risks due to capital borrowed at both fixed and floating rates.

The book value of financial assets and financial liabilities susceptible to interest rate risks as at the balance sheet date is presented below:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Fair value interest rate risk		
-Financial assets	\$ -	\$ -
-Financial liabilities	2,120,119	1,679,925
Cash flow interest rate risk		
-Financial assets	84,756	100,410
-Financial liabilities	620,000	815,000

Bank deposits and loans that the Company has placed/borrowed at fixed rate are susceptible to interest rate risk in the form of fair value change. However,

the management considers the impact of interest rate variation to be insignificant given the short borrowing tenor and low borrowing rate. Demand deposits and loans that the Company has placed/borrowed at floating rate are susceptible to interest rate risk in the form of cash flow changes.

Sensitivity analysis

The following sensitivity analysis has been prepared to explain interest rate risk exposure of floating-rate financial assets and bank loans as at the balance sheet date. Calculations were made on financial assets and liabilities that were susceptible to interest rate risk in the form of cash flow changes as at the balance sheet date. Interest rate sensitivity analyses are reported to the management by applying a variance of 0.25% above and below. This variance conforms with the management's expectation about the possible and reasonable range of interest rate variation.

A 0.25% increase/decrease in interest rate would have reduced/increased the Group's 2024 and 2023 pre-tax profit by NT\$1,338 thousand and NT\$1,786 thousand, respectively, if all other variables remained unchanged. This variation is largely attributed to exposure of bank loans undertaken at floating rate.

There was no significant change in the Company's interest rate sensitivity from the previous year.

(3) Other price risk

The Company is exposed to the risk of equity price variation due to investment in domestic and foreign listed equity securities. The Company does not engage in active trading of such investment. Equity price risk of the Company is mainly concentrated in equity instruments issued within the Greater China Region.

Sensitivity analysis

The following sensitivity analysis was conducted based on equity price risks as at the balance sheet date.

If equity prices increased/decreased by 10%, pre-tax profit for 2024 and 2023 would have increased/decreased by NT\$12,267 thousand and NT\$13,884 thousand, respectively, due to a rise/fall in the fair value of financial assets at FVTPL. Meanwhile, pre-tax other comprehensive income for 2024 and 2023 would have increased/decreased by NT\$3,998 thousand and NT\$1,719 thousand, respectively, due to a rise/fall in the fair value of financial assets at FVTOCI.

2. Credit risk

Credit risk refers to the risk of financial loss due to counterparties' failure in fulfilling contractual obligations.

Lease proceeds receivable by the Company were concentrated in three main customers, which accounted for 83% and 95% of the balance as at December 31, 2024 and 2023, respectively. However, the Company expects no significant credit risk as it has collected appropriate amounts of deposit.

Furthermore, due to the fact that the consolidated entity places liquid capital with banks of high credit rating issued by reputable international rating agencies, there should be limited level of credit risk exposure.

3. Liquidity risk

The Company maintains adequate position of cash as well as bank credit lines to support corporate operations and to mitigate effects of cash flow variation. The Company's management team constantly monitors use of bank limits and makes sure that borrowing terms are duly complied.

Maturity analysis for contracted non-derivative financial liabilities was prepared based on the earliest possible repayment dates, using undiscounted cash flows (including principal and estimated interest). Cash flows include interest and principal payments.

The following table shows the earliest times that the Company may be demanded to make immediate repayment of bank loans, without considering the likelihood of such

demands. Maturity analysis of other non-derivative financial liabilities is prepared based on the agreed repayment date.

Undiscounted amounts of floating interest cash flow are estimated using yield curve as at the balance sheet date.

December 31, 2024

	Repayable upon demand or within 1 month	1 ~ 3 months	3 months ~ 1 year	1 ~ 5 years	More than 5 years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing liabilities	\$ 186,832	\$ -	\$ -	\$ -	\$ -
Lease liabilities	60	121	544	2,633	-
Floating rate instruments	-	-	100,000	520,000	-
Fixed rate instruments	247,000	138,000	-	1,732,000	-
	<u>\$ 433,892</u>	<u>\$ 138,121</u>	<u>\$ 100,544</u>	<u>\$ 2,254,633</u>	<u>\$ -</u>

December 31, 2023

	Repayable upon demand or within 1 month	1 ~ 3 months	3 months ~ 1 year	1 ~ 5 years	More than 5 years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing liabilities	\$ 193,389	\$ -	\$ -	\$ -	\$ -
Lease liabilities	30	61	274	1,461	278
Floating rate instruments	-	-	465,000	350,000	-
Fixed rate instruments	-	234,000	-	1,444,000	-
	<u>\$ 193,419</u>	<u>\$ 234,061</u>	<u>\$ 465,274</u>	<u>\$ 1,795,461</u>	<u>\$ 278</u>

Bank borrowing constitutes a main source of liquidity for the Company. As of December 31, 2024 and 2023, the unused bank financing facilities of the Company were NTD 1,776,000 thousand and NTD 1,698,000 thousand, respectively.

XXVI. Related party transaction

In addition to disclosures made in other footnotes, the Company had the following transactions with related parties.

(I) Related party name and category

<u>Related Party Name</u>	<u>Relationship with the Company</u>
De Hong Development Co., Ltd.	Subsidiaries
Chung Hsiao Enterprise Co., Ltd.	Associates
Sheng Wei Co., Ltd.	Substantive related party
YU CHEN CORPORATION	Substantive related party
Chia Yu Co., Ltd.	Substantive related party
SHUEN SHYANG CO., LTD.	Substantive related party
JIN DUO LIH ENTERPRISES PTY. LTD.	Substantive related party
Weng, Huang-Ji Social Welfare Foundation	Substantive related party

(II)	Operating revenue			
	Booked items	Category of related party	2024	2023
	Rent income	Subsidiaries	\$ 120	\$ 120
		Substantive related party	154	153
			<u>\$ 274</u>	<u>\$ 273</u>

(III)	Accounts receivable - related parties			
	Booked items	Category of related party	December 31, 2024	December 31, 2023
	Other receivables	Associates	<u>\$ 282</u>	<u>\$ 257</u>

(IV)	Disposal of investment property				
		Price of disposal		Profit (loss) from disposal	
	Category/name of related party	2024	2023	2024	2023
	Subsidiaries	\$ 429,886	\$ -	\$ -	\$ -

The unrealized gain on disposal of investment property of NT\$99,981 thousand was debited to the investment under equity method.

(V)	Other income			
	Booked items	Category of related party	2024	2023
	Other income	Associates	<u>\$ 114</u>	<u>\$ 114</u>

(VI) Other related party transactions
Associated company - Chung Hsiao Enterprise passed resolutions to distribute cash dividends for 2023 and 2022 in board of directors meetings held in March 2024 and March 2023, which the Company received a sum of NT\$4,572 thousand and NT\$5,040 thousand, respectively, at the prevailing shareholding percentage.

(VII) Compensation of key management personnel
The Company had paid the following compensations to its directors and the executive management:

		2024	2023
Short-term employee benefits	\$	12,567	\$ 13,238
Post-employment benefits		<u>94</u>	<u>179</u>
	\$	<u>12,661</u>	<u>13,417</u>

Compensation to directors and members of the executive management is determined by the Remuneration Committee based on individual performance and market trends.

XXVII. Pledged assets

The Company has placed part of its property, plant, equipment, and investment property as collaterals to secure bank borrowings. Below is a summary of assets pledged as collaterals:

	December 31, 2024	December 31, 2023
Property, Plant and Equipment		
- Land	\$ 841,989	\$ 841,989
- Buildings	682,241	711,021
Investment Property	<u>1,036,257</u>	<u>1,015,835</u>
	<u>\$ 2,560,487</u>	<u>\$ 2,568,845</u>

XXVIII. Foreign currency-denominated financial assets of material impact

The following is a summarized presentation of foreign currencies used by the Company other than the functional currency. The exchange rates disclosed are the rates at which the respective foreign currency is converted into the functional currency. Foreign currency assets of material effect:

December 31, 2024

<u>Financial asset</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>Carrying amount</u>
<u>Monetary items</u>			
USD	\$ 772	32.785	\$ 25,307
RMB	604	4.478	2,707
Australian dollar	3	20.390	60
			<u>\$ 28,074</u>
<u>Non-monetary items</u>			
USD	4,229	32.785	\$ 138,657
JPY	100,364	0.210	21,066
Australian dollar	1,201	20.390	24,490
ZAR	565	1.750	989
			<u>\$ 185,202</u>

December 31, 2023

<u>Financial asset</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>Carrying amount</u>
<u>Monetary items</u>			
USD	\$ 429	30.705	\$ 13,170
JPY	80,000	0.2172	17,376
ZAR	46	1.657	77
			<u>\$ 30,623</u>
<u>Non-monetary items</u>			
USD	3,961	30.705	\$ 121,631
RMB	755	4.327	3,267
Australian dollar	399	20.980	8,379
ZAR	1,388	1.657	2,299
			<u>\$ 135,576</u>

The Company reported net gain/loss (realized and unrealized) on exchange totaling net gain of NT\$856 thousand in 2024 and net loss of NT\$617 thousand in 2023. Due to the broad diversity of foreign currencies used for transactions, the Group was unable to disclose exchange gains/losses separately for each significant foreign currency.

XXIX. Disclosures of Notes

- (I) Information about significant transactions
 1. Loans to external parties. (None)
 2. Endorsements/guarantees to external parties. (None)
 3. Marketable securities held (Appendix 1)
 4. Cumulative purchase or sale of a single security totaling more than NT\$ 300 million or 20% of paid-in capital. (Appendix 2)
 5. Acquisition of real estate properties amounting to more than NT\$ 300 million or 20% of paid-in capital. (Appendix 3)
 6. Disposal of real estate properties amounting to more than NT\$ 300 million or 20% of paid-in capital. (Table 4 and Table 5)
 7. Sales and purchases to/from related parties amounting to more than NT\$ 100 million or 20% of paid-in capital. (None)
 8. Related party receivables amounting to more than NT\$ 100 million or 20% of paid-in capital. (None)
 9. Trading of derivatives. (None)
 10. Others: Major business dealings between the parent company and subsidiaries, and transactions between subsidiaries. (Table 5)
- (II) Information about investees (Table 6)
- (III) Information on investments in mainland China (None)
- (IV) Major shareholders: Names of shareholders with more than 5% ownership interest, and the number and percentage of shares held. (Table 7)

Tonlin Department Store Co., Ltd.
Marketable securities held
December 31, 2024

Table 1 Unit: NTD thousand

Holding Company Name	Name and type of marketable security	Relationship with the Holding Company	Financial Statement Account	December 31, 2024				Remarks
				Shares / units	Carrying amount	Shareholding percentage	Fair value	
Tonlin Department Store Co., Ltd.	Common share							
	Harbinger Venture Capital Corp.	-	Equity instrument at FVTOCI - Non-current	3,367	\$ -	1.70	\$ -	
	Wholesome Biopharm Pty Ltd.	-	Equity instrument at FVTOCI - Non-current	10,000,000	12,630	12.16	12,630	
	KDH Design CO., Ltd.	-	Equity instrument at FVTOCI - Non-current	40,000	-	2.03	-	
	Budworth Investment Limited	-	Equity instrument at FVTOCI - Non-current	15,186	-	1.67	-	
	Julien's International Entertainment Group Co., Ltd.	-	Equity instrument at FVTOCI - Non-current	373,501	4,563	1.30	4,563	
	Anbogen Therapeutics, Inc.	-	Equity instrument at FVTOCI - Non-current	1,000,000	11,000	0.59	11,000	
	Minson Integration, Inc.	-	Equity instrument at FVTOCI - Non-current	3,411	409	0.01	409	
	KDH Advanced Research PTY LTD	-	Equity instrument at FVTOCI - Non-current	950,000	11,377	4.70	11,377	
	Preferred share							
	Phyto Ceutica Inc.	-	Equity instrument at FVTOCI - Non-current	20,000	-	-	-	
	Beneficiary certificate							
	15+ ETF Funds, ESG Investment	-	Financial assets at FVTPL - Current	200,000.00	2,952	-	2,952	
	CTBC Asia Pacific Real Income Fund	-	Financial assets at FVTPL - Current	200,000.00	2,074	-	2,074	
	Taishin 1699 Money Market	-	Financial assets at FVTPL - Current	9,762,520.59	138,115	-	138,115	
	SinoPac Money Market Fund	-	Financial assets at FVTPL - Current	1,173,783.30	17,027	-	17,027	
	Hua Nan Phoenix Money Market Fund	-	Financial assets at FVTPL - Current	3,984,425.20	67,579	-	67,579	
	JPMorgan (Taiwan) U.S. High Income Fund	-	Financial assets at FVTPL - Current	300,000.00	2,991	-	2,991	

(Continued on next page)

(continued)

Holding Company Name	Name and type of marketable security	Relationship with the Holding Company	Financial Statement Account	December 31, 2024				Remarks
				Shares / units	Carrying amount	Shareholding percentage	Fair value	
	Pictet-Russian Equities R	-	Financial assets at FVTPL - Current	176.27	\$ 307	-	\$ 307	
	LionGlobal Vietnam Fund	-	Financial assets at FVTPL - Current	50,741.34	1,186	-	1,186	
	AB - American Income Portfolio AT Inc	-	Financial assets at FVTPL - Current	1,771.84	1,822	-	1,822	
	Allianz Income and Growth Fund (BM)	-	Financial assets at FVTPL - Current	18,315.02	5,376	-	5,376	
	Allianz Income and Growth Fund (AM)	-	Financial assets at FVTPL - Current	2,550.33	695	-	695	
	Goldman Sachs Investment Grade Corporate Bond Fund X Shares	-	Financial assets at FVTPL - Current	1,815.98	5,496	-	5,496	
	Fidelity Funds - Global Income Fund A-ACC-USD	-	Financial assets at FVTPL - Current	4,713.28	2,108	-	2,108	
	Franklin Templeton SinoAm Global Infrastructure Fund	-	Financial assets at FVTPL - Current	4,960.30	1,716	-	1,716	
	BNP Paribas Funds US Growth-Classic Cap.	-	Financial assets at FVTPL - Current	115.88	777	-	777	
	Fuh Hwa South Africa Short-Term Income ZAR Fund B	-	Financial assets at FVTPL - Current	60,260.90	989	-	989	
	UBS (Luxembourg) AUD Fund	-	Financial assets at FVTPL - Current	468.44	24,490	-	24,490	
	GLOBAL REAL ASSET SECURITIES	-	Financial assets at FVTPL - Current	696.28	2,614	-	2,614	
	AHL TREND ALTERNATIVE	-	Financial assets at FVTPL - Current	1,247.76	6,006	-	6,006	
	PIMCO FUNDS GLOBAL INVESTORS SERIES PLC- EA	-	Financial assets at FVTPL - Current	12,210.01	6,505	-	6,505	
	NEUBERGER BERMAN STRATEGIC INCOME FUND/LRELAND	-	Financial assets at FVTPL - Current	15,384.62	6,496	-	6,496	
	BNY MELLON CREDIT FUND	-	Financial assets at FVTPL - Current	291,913.98	9,714	-	9,714	
	BNY MELLON CREDIT INFRASTRUCTURE INCOME FUND	-	Financial assets at FVTPL - Current	202,576.78	7,819	-	7,819	
	PIMCO FUNDS GLOBAL INVESTORS SERIES - EJHA	-	Financial assets at FVTPL - Current	51,247.36	10,348	-	10,348	
	NOMURA FUNDS IRELAND PUBLIC LIMITED COMPANY	-	Financial assets at FVTPL - Current	1,214.56	10,718	-	10,718	

(Continued on next page)

(continued)

Holding Company Name	Name and type of marketable security	Relationship with the Holding Company	Financial Statement Account	December 31, 2024				Remarks
				Shares / units	Carrying amount	Shareholding percentage	Fair value	
	Bonds							
	Brazilian Government Bonds (VII)	-	Financial assets at FVTPL - Current	2,000	\$ 4,861	-	\$ 4,861	
	- Corporate bonds							
	Petroleos Mexicanos corporate bonds (VII)	-	Financial assets at FVTPL - Current	1,000	2,177	-	2,177	
	Apple Inc. Corporate Bonds (VII)	-	Financial assets at FVTPL - Current	1,700	4,277	-	4,277	
	Altria Group Corporate Bond	-	Financial assets at FVTPL - Current	200	6,275	-	6,275	
	Pertamina corporate bonds (III)	-	Financial assets at FVTPL - Current	2,000	5,686	-	5,686	
	Verizon Communications corporate bonds	-	Financial assets at FVTPL - Current	62	1,841	-	1,841	
	UnitedHealth Group Corporate Bond	-	Financial assets at FVTPL - Current	127	3,564	-	3,564	
	Corporate bonds of BMW US Capital LLC	-	Financial assets at FVTPL - Current	1,600	5,092	-	5,092	
	Corporate bonds of AT&T	-	Financial assets at FVTPL - Current	215	6,932	-	6,932	
	AT&T Semi-Annual Dividend Payout Corporate Bond	-	Financial assets at FVTPL - Current	90	2,723	-	2,723	
	Johnson & Johnson Corporate Bond	-	Financial assets at FVTPL - Current	155	4,412	-	4,412	
	Bank of America Corporate Bond	-	Financial assets at FVTPL - Current	200	6,581	-	6,581	
	Verizon Communications Corporate Bond 13 (BS2)	-	Financial assets at FVTPL - Current	2,000	5,514	-	5,514	
	Intel USD-denominated Corporate Bond	-	Financial assets at FVTPL - Current	120	2,746	-	2,746	
	Pfizer Corporate Bond 6 (BT9)	-	Financial assets at FVTPL - Current	2,000	5,154	-	5,154	
	Saudi Arabia International Bond (B9G)	-	Financial assets at FVTPL - Current	2,000	5,896	-	5,896	
	4.305% STANDARD CHARTERED PLC SR UNSECURED	-	Financial assets at FVTPL - Current	200,000	6,290	-	6,290	

(Continued on next page)

(continued)

Holding Company Name	Name and type of marketable security	Relationship with the Holding Company	Financial Statement Account	December 31, 2024				Remarks
				Shares / units	Carrying amount	Shareholding percentage	Fair value	
	Common shares of domestic companies							
	Taiwan Cement Corp.	-	Financial assets at FVTPL - Current	149,000	\$ 4,723	-	\$ 4,723	
	Lotus Pharmaceutical Co., Ltd.	-	Financial assets at FVTPL - Current	9,000	2,426	-	2,426	
	CHUNG HWA PULP CORP.	-	Financial assets at FVTPL - Current	129,000	2,135	-	2,135	
	Ta Chen Stainless Pipe Co., Ltd.	-	Financial assets at FVTPL - Current	17,000	514	-	514	
	HIWIN TECHNOLOGIES CORP.	-	Financial assets at FVTPL - Current	2,000	658	-	658	
	Delta Electronics, Inc.	-	Financial assets at FVTPL - Current	6,000	2,583	-	2,583	
	QUANTA COMPUTER INC.	-	Financial assets at FVTPL - Current	10,000	2,870	-	2,870	
	SINCERE NAVIGATION CORPORATION	-	Financial assets at FVTPL - Current	131,000	3,282	-	3,282	
	Shin Kong Financial Holding Co., Ltd.	-	Financial assets at FVTPL - Current	130,000	1,534	-	1,534	
	CTBC Financial Holding Co., Ltd.	-	Financial assets at FVTPL - Current	324,000	12,668	-	12,668	
	Unimicron Technology Corp.	-	Financial assets at FVTPL - Current	26,000	3,666	-	3,666	
	MetaTech (AP) Inc.	-	Financial assets at FVTPL - Current	32,000	1,499	-	1,499	
	Raydium Semiconductor Corporation	-	Financial assets at FVTPL - Current	29,000	11,426	-	11,426	
	BIOPTIK TECHNOLOGY, INC	-	Financial assets at FVTPL - Current	15,000	461	-	461	
	Mycenax Biotech Inc.	-	Financial assets at FVTPL - Current	144,000	6,249	-	6,249	
	Jinan Acetate Chemical Co., LTD.	-	Financial assets at FVTPL - Current	5,000	4,485	-	4,485	
	KUNG SING ENGINEERING CORPORATION	-	Financial assets at FVTPL - Current	410,000	4,264	-	4,264	
	SYSTEX CORPORATION	-	Financial assets at FVTPL - Current	27,000	3,902	-	3,902	

(Continued on next page)

(continued)

Holding Company Name	Name and type of marketable security	Relationship with the Holding Company	Financial Statement Account	December 31, 2024				Remarks
				Shares / units	Carrying amount	Shareholding percentage	Fair value	
	LUMOSA THERAPEUTICS CO., LTD.	-	Financial assets at FVTPL - Current	12,000	\$ 3,000	-	\$ 3,000	
	FuSheng Precision Co., Ltd.	-	Financial assets at FVTPL - Current	115,000	36,225	-	36,225	
	Visco Vision Inc.	-	Financial assets at FVTPL - Current	11,000	1,969	-	1,969	
	Shane Global Holding Inc.	-	Financial assets at FVTPL - Current	35,000	3,112	-	3,112	
	Taiwan High Speed Rail Corporation	-	Financial assets at FVTPL - Current	50,000	1,390	-	1,390	
	Unilite Opto Tchnology LTD.	-	Financial assets at FVTPL - Current	13,000	1,217	-	1,217	
	Lin BioScience, Inc.	-	Financial assets at FVTPL - Current	10,000	1,377	-	1,377	
	Anti-Microbial Savior BioteQ Co., Ltd.	-	Financial assets at FVTPL - Current	40,877	2,494	-	2,494	
	High Performance Information Co. Ltd.	-	Financial assets at FVTPL - Current	45,000	2,541	-	2,541	

Tonlin Department Store Co., Ltd.
Cumulative purchase or sale of a single security totaling more than NT\$ 300 million or 20% of paid-in capital.
2024

Table 2Unit: NTD thousand

Companies engaged in buying and selling	Name of marketable security (Note 1)	Financial Statement Account	Trading counterpart	Relation	Beginning		Buy back (Note 2)		Sales (Note 2)				December 31, 2024	
					Shares	Amount	Shares	Amount	Shares	Sales price	Book value	Gain or loss on disposal	Shares	Amount
Tonlin Department Store Co., Ltd.	Common shares	Equity-accounted investments	De Hong Development Co., Ltd.	The Company's subsidiary	30,000,000	\$ 271,121	90,000,000	\$ 900,000	-	\$ -	\$ -	\$ -	120,000,000	\$ 1,066,802

Note 1: Securities mentioned in this table refer to stocks, bonds, beneficiary certificates, and securities derived from the above items.

Note 2: The cumulative amount of buy or sell shall be calculated based on the market price, and whether it reaches 300 million or 20% of the paid-in capital.

Note 3: Paid-in capital refers to the paid-in capital of the parent company. If the issuer's stock has no par value or the par value per share is not NTD 10, the transaction amount of 20% of the paid-in capital shall be calculated based on 10% of the equity attributable to the parent company in the balance sheet.

Note 4: The amount of investments under the equity method at the beginning and ending of the period includes the initial acquisition cost, investment gains and losses recognized under the equity method, exchange rate translation and adjustment of net value changes.

Tonlin Department Store Co., Ltd.
Acquisition of real estate properties amounting to more than NT\$ 300 million or 20% of paid-in capital.
2024

Table 3

Unit: NTD thousand

Companies acquiring real estate	Name of property	Date of occurrence	Transaction amount	Payment Status	Trading counterpart	Relation	If the counterparty is a related party, the previous transfer information shall be disclosed.				The reference for price determination	Purpose of acquisition and use	Other Agreed Matters
							All Parties	Relations with the issuer	Date of transfer	Amount			
Tonlin Department Store Co., Ltd.	Land lots 180-4, 180-6, 182, 182-1, 183-5, 184, 184-2, 184-4, 184-6, 191-1, 196, 197, and 198-1, Qiongtai Section, Xinzhuang District, New Taipei City	March 7, 2024	\$ 496,353	Note 1	Natural Person	Non-related parties	Not Applicable	Not Applicable	Not Applicable	Not Applicable	The Board of Directors shall resolve to have the appraisal conducted in accordance with the appraisal report prepared by the real estate appraiser.	In accordance with the land replotting principles, to facilitate the Company's future operational planning.	None
Tonlin Department Store Co., Ltd.	Land lots 43-2, 43-4, 44-2, 44-7, 182-3, 191 and 535-7, Qiongtai Section, Xinzhuang District, New Taipei City	October 21, 2024	18,525	Note 1	Natural Person	Non-related parties	Not applicable	Not applicable	Not applicable	Not applicable	Negotiation and resolution of the Board of Directors	In accordance with the land replotting principles, to facilitate the Company's future operational planning.	None
De Hong Development Co., Ltd.	No. 7, 7-1 and 7-2, Fuying Section, Xinzhuang District, New Taipei City	April 1, 2024	211,701	Note 2	Tonlin Department Store Co., Ltd.	Related parties	Not applicable	Not applicable	Not applicable	Not applicable	The Board of Directors shall resolve to have the appraisal conducted in accordance with the appraisal report prepared by the real estate appraiser.	In accordance with the land replotting principles, to facilitate the Company's future operational planning.	None
De Hong Development Co., Ltd.	Land lots 556-13, 556-11, 559-5, 556-8, 556-12, 180-4 and 180-6, Qiongtai Section and 191-3, 191-4, Gongzheng Section, Xinzhuang District, New Taipei City	October 14, 2024	218,185	Note 2	Tonlin Department Store Co., Ltd.	Related parties	Not applicable	Not applicable	Not applicable	Not applicable	The Board of Directors shall resolve to have the appraisal conducted in accordance with the appraisal report prepared by the real estate appraiser.	In accordance with the land replotting principles, to facilitate the Company's future operational planning.	None

- Note 1: The Company's Board of Directors' meetings on March 7, 2024 and October 21, 2024 passed the resolution to acquire and dispose of the land in Xinzhuang, in line with the principle of land replotting in Xinzhuang. The proceeds from the acquisition and disposal of the land in Xinzhuang were both NTD 496,353 thousand and NTD 18,525 thousand, respectively, and the net amount was agreed upon with the counterparty. Therefore, there was no actual payment collection. The Company has assessed that the above-mentioned transaction is not a business asset exchange and therefore does not generate relevant profit or loss.
- Note 2: The Company's Board of Directors' meetings on April 1, 2024 and October 14, 2024 approved the sale of the land at Xinzhuang to Tehong for the principle of land replotting in Xinzhuang. The relevant profit and loss is debited to the investment under the equity method.

Tonlin Department Store Co., Ltd.
Disposal of real estate properties amounting to more than NT\$ 300 million or 20% of paid-in capital.
2024

Table 4

Unit: NTD thousand

Companies disposing of real estate	Name of property	Date of occurrence	Date of original acquisition	Carrying amount	Transaction amount	Payment collection	Gain or loss on disposal	Trading counterpart	Relation	Purpose of the punishment	The reference for price determination	Other Agreed Matters
Tonlin Department Store Co., Ltd.	Land lots 556-4, 556-14, 558 and 559-1, Qiongtai Section, Xinzhuang District, New Taipei City	March 7, 2024	September 10, 2013 to June 4, 2015	\$ 405,676	\$ 496,353	Note 1	Note 1	Natural Person	Non-related parties	In accordance with the land replotting principles, to facilitate the Company's future operational planning.	The Board of Directors shall resolve to have the appraisal conducted in accordance with the appraisal report prepared by the real estate appraiser.	None
Tonlin Department Store Co., Ltd.	Land lots 15-1, 15-3, 103-1, 105-1 and 105-3, Qiongtai Section, Xinzhuang District, New Taipei City	October 21, 2024	March 29, 2013	12,007	18,525	Note 1	Note 1	Natural Person	Non-related parties	In accordance with the land replotting principles, to facilitate the Company's future operational planning.	Negotiation and resolution of the Board of Directors	None
Tonlin Department Store Co., Ltd.	No. 7, 7-1 and 7-2, Fuying Section, Xinzhuang District, New Taipei City	April 1, 2024	January 18, 2012	135,966	211,701	Note 2	Note 2	De Hong Development Co., Ltd.	Related parties	In accordance with the land replotting principles, to facilitate the Company's future operational planning.	The Board of Directors shall resolve to have the appraisal conducted in accordance with the appraisal report prepared by the real estate appraiser.	None
Tonlin Department Store Co., Ltd.	Land lots 556-13, 556-11, 559-5, 556-8, 556-12, 180-4 and 180-6, Qiongtai Section and 191-3, 191-4, Gongzheng Section, Xinzhuang District, New Taipei City	October 14, 2024	September 10, 2013 to July 3, 2024	193,939	218,185	Note 2	Note 2	De Hong Development Co., Ltd.	Related parties	In accordance with the land replotting principles, to facilitate the Company's future operational planning.	The Board of Directors shall resolve to have the appraisal conducted in accordance with the appraisal report prepared by the real estate appraiser.	None

Note 1: The Company's Board of Directors' meetings on March 7, 2024 and October 21, 2024 passed the resolution to acquire and dispose of the land in Xinzhuang, in line with the principle of land replotting in Xinzhuang. The proceeds from the acquisition and disposal of the land in Xinzhuang were both NTD 496,353 thousand and NTD 18,525 thousand, respectively, and the net amount was agreed upon with the counterparty. Therefore, there was no actual payment collection. The consolidated company has assessed that the aforementioned transaction is not a business asset exchange and therefore does not result in relevant profit or loss.

Note 2: The Company's Board of Directors' meetings on April 1, 2024 and October 14, 2024 approved the resolution to sell the land at Xinzhuang to Tehong for the principle of land replotting in Xinzhuang. The relevant profit and loss is debited to the investment under the equity method.

Tonlin Department Store Co., Ltd.
Major business dealings between the parent company and subsidiaries, and transactions between subsidiaries.
2024

Table 5

Unit: NTD Thousand, unless stated otherwise

Number (Note 1)	Name of trader	Trading counterpart	Relations with the counterparty (Note 2)	Transaction status			
				Title	Amount	Transaction terms and conditions	As a percentage of consolidated total revenue or total assets (Note 3)
0	Tonlin Department Store Co., Ltd.	De Hong Development Co., Ltd.	1	Investment property - land	\$ 429,886	The sale transaction is conducted in accordance with the contract and the payment collection.	7.2%

Note 1: The business transactions between the parent company and its subsidiaries should be numbered separately. The method of entering the numbers is as follows:
(1) Fill in "0" for the parent company.
(2) The subsidiaries are numbered sequentially starting from 1 according to the company type.

Note 2: The relationship with the transaction party is classified into three types as follows. Please specify the type:
(1) Parent company to subsidiary
(2) Subsidiary to parent company
(3) Subsidiary to subsidiary

Note 3: For the calculation of the ratio of the transaction amount to the consolidated total revenue or total assets, if the item is an asset or liability, the ratio is calculated based on the ending balance to the consolidated total assets; if the item is an income, the ratio is calculated based on the accumulated amount to the consolidated total revenue.

Tonlin Department Store Co., Ltd.
Information of Investees
2024

Table 6

Unit: NTD thousand

Investor	Investor Company	Location	Main Businesses and Products	Investment Amount		As of December 31, 2024			Current period profit (loss) of the investee	Investment gains (losses) recognized in the current period	Remarks
				December 31, 2024	December 31, 2023	Shares	Percentage (%)	Carrying amount			
Tonlin Department Store Co., Ltd.	De Hong Development Co., Ltd.	Taipei City	General construction	\$ 1,417,000	\$ 517,000	120,000,000	100%	\$ 1,066,802	(\$ 64,338)	(\$ 4,338)	Subsidiary (Notes 1, 2, and 3)
	Chung Hsiao Enterprise Co., Ltd.	Taipei City	General leasing	151,352	151,352	5,076,000	26.89%	172,630	20,734	5,575	Equity-accounted investee

Note 1: Calculated based on the audited financial statements of the Company on December 31, 2024.

Note 2: On April 1, 2024, the Company's Board of Directors approved the increase of capital by NTD 180,000 thousand, NTD 200,000 thousand, NTD 280,000 thousand and NTD 240,000 thousand from the subsidiary, Teh Hong Construction Co., Ltd. The paid-in capital became NTD 1,200,000 thousand, totaling 120,000 thousand shares.

Note 3: When the Company prepares the parent company only financial statements, it adopts the equity method to account for its investments in subsidiaries. In order to enable the current profit and loss and equity in the parent company only financial statements to be the same as the profit and loss and equity attributable to the owners of the Company in the consolidated financial statements, the difference in accounting treatment between the parent company only basis and the consolidated basis is to adjust the "investment under the equity method" and "share of profit and loss of subsidiaries under the equity method".

Tonlin Department Store Co., Ltd.
Information on main investors
December 31, 2024

Table 7

Name of major shareholder	Shares	
	No. of shares held	Shareholding percentage (%)
SHUEN SHYANG CO., LTD.	35,913,664	20.47%
JIN DUO LIH ENTERPRISES PTY. LTD.	22,936,442	13.07%
Weng Chun-Chih	18,390,920	10.48%
FlySun Development Co., Ltd.	12,579,333	7.17%

- Note 1: Information on major shareholders, as presented in this chart, was taken from records of Taiwan Depository & Clearing Corporation as at the final business day of the reported quarter, and included parties holding book-entry common and preferred shares (including treasury stock) for an aggregate ownership of 5% and above. Share capital reported in the Company's consolidated financial statements may differ from the number of shares delivered via book entry due to different basis of preparation/calculation.
- Note 2: The aforementioned information will be disclosed by the trustors' personal accounts settled by the trustees If the shareholders put the shares into a trust. As for the insider declaration of the ownership percentage over 10%, including the shares on hand and those being put in the trust and may be able to decide the usage of the trust assets, please refer to the declaration information on Market Observation Post System (MOPS).

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Detailed table 1

Unit: NTD Thousand, unless stated otherwise

Note: USD/NTD exchange rate of US\$1 = NTD 32.785
CNY\$1 = NTD 4.478
AUD\$ 1=NTD 20.390

Tonlin Department Store Co., Ltd.
Detailed table of financial assets at FVTPL - Current
December 31, 2024

Detailed table 2

Unit: NTD Thousand, unless stated otherwise

Name of security	Units	Amount	Market price	
			Unit price (NTD)	Total amount
Financial assets measured at FVTPL- domestic TWSE/TPEX listed and emerging stocks shares				
Taiwan Cement Corp.	149,000	\$ 4,723	31.70	\$ 4,723
Lotus Pharmaceutical Co., Ltd.	9,000	2,426	269.50	2,426
CHUNG HWA PULP CORP.	129,000	2,135	16.55	2,135
Ta Chen Stainless Pipe Co., Ltd.	17,000	514	30.25	514
HIWIN TECHNOLOGIES CORP.	2,000	658	329.00	658
Delta Electronics, Inc.	6,000	2,583	430.50	2,583
QUANTA COMPUTER INC.	10,000	2,870	287.00	2,870
SINCERE NAVIGATION CORPORATION	131,000	3,282	25.05	3,282
Shin Kong Financial Holding Co., Ltd.	130,000	1,534	11.80	1,534
CTBC Financial Holding Co., Ltd.	324,000	12,668	39.10	12,668
Unimicron Technology Corp.	26,000	3,666	141.00	3,666
MetaTech (AP) Inc.	32,000	1,499	46.85	1,499
Raydium Semiconductor Corporation	29,000	11,426	394.00	11,426
BIOPTIK TECHNOLOGY, INC	15,000	461	30.75	461
Mycenax Biotech Inc.	144,000	6,249	43.40	6,249
Jinan Acetate Chemical Co., LTD.	5,000	4,485	897.00	4,485
KUNG SING ENGINEERING CORPORATION	410,000	4,264	10.40	4,264
SYSTEX CORPORATION	27,000	3,902	144.50	3,902
LUMOSA THERAPEUTICS CO., LTD.	12,000	3,000	250.00	3,000
FuSheng Precision Co., Ltd.	115,000	36,225	315.00	36,225
Visco Vision Inc.	11,000	1,969	179.00	1,969
Shane Global Holding Inc.	35,000	3,112	88.90	3,112
Taiwan High Speed Rail Corporation	50,000	1,390	27.80	1,390
Unilite Opto Tchnology LTD.	13,000	1,217	93.59	1,217
Lin BioScience, Inc.	10,000	1,377	137.70	1,377
Anti-Microbial Savior BioteQ Co., Ltd.	40,877	2,494	61.02	2,494
High Performance Information Co. Ltd.	45,000	<u>2,541</u>	56.47	<u>2,541</u>
Subtotal		122,670		122,670

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(continued)

Name of security	Units	Amount	Market price	
			Unit price (NTD)	Total amount
Financial assets measured at FVTPL- domestic beneficiary certificate				
15+ ETF Funds, ESG Investment CTBC Asia Pacific Real Income Fund	200,000	\$ 2,952	14.7600	\$ 2,952
Taishin 1699 Money Market	200,000.00	2,074	10.3700	2,074
SinoPac Money Market Fund	9,765,520.59	138,115	14.1475	138,115
JPMorgan (Taiwan) U.S. High Income Fund	1,173,783.30	17,027	14.5064	17,027
Hua Nan Phoenix Money Market Fund	300,000.00	2,991	9.9700	2,991
Subtotal	3,984,425.20	<u>67,579</u> <u>230,738</u>	16.9607	<u>67,579</u> <u>230,738</u>
Financial assets measured at FVTPL- foreign beneficiary certificate				
Pictet-Russian Equities R	176.27	307	1,741.2113	307
LionGlobal Vietnam Fund	50,741.34	1,186	23.3757	1,186
AB - American Income Portfolio AT Inc	1,771.84	1,822	1,028.4655	1,822
Allianz Income and Growth Fund (BM)	18,315.02	5,376	293.5208	5,376
Allianz Income and Growth Fund (AM)	2,550.33	695	272.3483	695
Goldman Sachs Investment Grade Corporate Bond Fund X Shares	1,815.98	5,496	3,026.3834	5,496
Fidelity Funds - Global Income Fund A-ACC-USD	4,713.28	2,108	447.1874	2,108
Franklin-Hua-Mei Global Infrastructure A	4,960.30	1,716	345.8818	1,716
BNP Paribas Funds US Growth-Classic Cap.	115.88	777	6,701.2540	777
Fuh Hwa South Africa Short-Term Income ZAR Fund B	60,260.90	989	16.4150	989
UBS (Luxembourg) AUD Fund	468.44	24,490	52,279.9600	24,490
GLOBAL REAL ASSET SECURITIES	696.28	2,614	3,754.2014	2,614
AHL TREND ALTERNATIVE	1,247.76	6,006	4,813.8216	6,006
PIMCO FUNDS GLOBAL INVESTORS SERIES PLC-EA	12,210.01	6,505	532.7563	6,505
NEUBERGER BERMAN STRATEGIC INCOME / LRELAND	15,384.62	6,496	422.2708	6,496
BNY MELLON CREDIT FUND	291,913.98	9,714	33.2768	9,714
BNY MELLON CREDIT INFRASTRUCTURE INCOME FUND	202,576.78	7,819	38.5978	7,819

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Name of security	Units	Amount	Market price	
			Unit price (NTD)	Total amount
PIMCO FUNDS GLOBAL INVESTORS SERIES PLC-EJHA	51,247.36	\$ 10,348	201.9238	\$ 10,348
NOMURA FUNDS IRELAND PUBLIC LIMITED COMPANY	1,214.56	<u>10,718</u>	8,824.9726	<u>10,718</u>
Subtotal		<u>105,182</u>		<u>105,182</u>
Financial assets at FVTPL - bond				
Brazilian Government Bonds (VII)	2,000	4,861	2,430.3521	4,861
Petroleos Mexicanos corporate bonds (VII)	1,000	2,177	2,176.5962	2,177
Apple Inc. Corporate Bonds (VII)	1,700	4,277	2,515.9209	4,277
Altria Group Corporate Bond	200	6,275	31,375.2450	6,275
Pertamina corporate bonds (III)	2,000	5,686	2,842.7874	5,686
Verizon Communications corporate bonds	62	1,841	29,696.6530	1,841
UnitedHealth Group Corporate Bond	127	3,564	28,067.2385	3,564
Corporate bonds of BMW US Capital LLC	1,600	5,092	3,182.7678	5,092
Corporate bonds of AT&T	215	6,932	32,240.7690	6,932
AT&T Semi-Annual Dividend Payout Corporate Bond	90	2,723	30,253.9980	2,723
Johnson & Johnson Corporate Bond	155	4,412	28,463.9370	4,412
Bank of America Corporate Bond	200	6,581	32,903.0260	6,581
Verizon Communications Corporate Bond 13 (BS2)	2,000	5,514	2,757.2185	5,514
Intel USD-denominated Corporate Bond	120	2,746	22,880.6515	2,746
Pfizer Corporate Bond 6 (BT9)	2,000	5,154	2,577.2289	5,154
Saudi Arabia International Bond (B9G)	2,000	5,896	2,948.0272	5,896
4.305% STAND CHARTERED PLC SR UNSECURED	200,000	<u>6,290</u>	31.4474	<u>6,290</u>
Subtotal		<u>80,021</u>		<u>80,021</u>
Total		<u>\$ 538,611</u>		<u>\$ 538,611</u>

Tonlin Department Store Co., Ltd.
Detailed table of prepayments and other current assets
December 31, 2024

Detailed table 3

Unit: NTD thousand

Item	Amount
Prepayments	
Paid temporarily	\$ <u>88</u>
Other current assets	
Insurance premium	1,938
Office supplies	746
Others (note)	<u>312</u>
Subtotal of other current assets	<u>2,996</u>
 Total	 \$ <u><u>3,084</u></u>

Note: each item's balance does not exceed 5% of the balance of the account.

Tonlin Department Store Co., Ltd.
Detailed table of financial assets measured at FVTOCI- non-current changes
From January 1 to December 31, 2024

Detailed table 4

Unit: NTD thousand

	Opening balance		Increase in current year		Decrease in current year		Closing balance			Remarks	Guarantee provided or pledge
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Shareholding %	Amount		
Common shares											
Harbinger Venture Capital Corp.	3,367	\$ -	-	\$ -	-	\$ -	3,367	1.70	\$ -		None
Julien's International Entertainment Group Co., Ltd.	373,501	4,563	-	-	-	-	373,501	1.30	4,563		None
Anbogen Therapeutics, Inc.	-	-	1,000,000	11,000	-	-	1,000,000	0.59	11,000		None
Minson Integration, Inc.	-	-	3,411	409	-	-	3,411	0.01	409		None
		<u>4,563</u>		<u>11,409</u>		<u>-</u>			<u>15,972</u>		
Preference shares											
Phyto Ceutica Inc.	20,000	-	-	-	-	-	20,000	-	-		None
Overseas venture capitals											
KDH design Co., Ltd.	40,000	-	-	-	-	-	40,000	2.03	-		None
KDH Advanced Research PTY LTD	-	-	950,000	11,377	-	-	950,000	4.70	11,377		None
Budworth Investment Limited	15,186	-	-	-	-	-	15,186	1.67	-		None
Wholesome Biopharm Pty Ltd.	10,000,000	12,630	-	-	-	-	10,000,000	12.16	12,630		None
		<u>12,630</u>		<u>11,377</u>		<u>-</u>			<u>24,007</u>		
Total		<u>\$ 17,193</u>		<u>\$ 22,786</u>		<u>\$ -</u>			<u>\$ 39,979</u>		

Tonlin Department Store Co., Ltd.
Detailed table of investment with the equity method
From January 1 to December 31, 2024

Detailed table 5

Unit: NTD thousand

Gain (loss) on the	Opening balance		Increase in current year		Decrease in current year		Closing balance			Market price or net worth of shares	Remarks	Guarantee provided or pledge
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Sharehold-ing %	Amount			
De Hong Development Co., Ltd.	30,000,000	\$ 271,121	90,000,000	\$ 900,000	-	\$ 104,319	120,000,000	100	\$ 1,066,802	\$ 1,106,783	Note 1, 2 and 3	None
Chung Hsiao Enterprise Co., Ltd.	5,076,000	<u>180,483</u>	-	<u>5,575</u>	-	<u>13,428</u>	5,076,000	26.89	<u>172,630</u>	172,630	Note 1 and 4	None
Total		<u>\$ 451,604</u>		<u>\$ 905,575</u>		<u>\$ 117,747</u>			<u>\$ 1,239,432</u>			

- Note 1: Calculated based on the audited financial statements of the investee on December 31, 2024.
- Note 2: The increase in the current year is the increase in capital stock of NTD 900,000 thousand; the decrease in the current year is recognized as the investment loss of the subsidiary of NTD 4,338 thousand and the unrealized gain on the sale of land of NTD 99,981 thousand under the equity method.
- Note 3: When the Company prepares the parent company only financial statements, it adopts the equity method to account for its investments in subsidiaries. In order to enable the current profit and loss and equity in the parent company only financial statements to be the same as the profit and loss and equity attributable to the owners of the Company in the consolidated financial statements, the difference in accounting treatment between the parent company only basis and the consolidated basis is to adjust the "investment under the equity method" and "share of profit and loss of subsidiaries under the equity method".
- Note 4: The increase in the current year is recognized as investment income from associates of NTD 5,575 thousand; the decrease in the current year includes NTD 4,572 thousand of cash dividends distributed by associates and NTD 8,856 thousand of unrealized loss on equity instrument investment measured at fair value through other comprehensive income of the investees.

Tonlin Department Store Co., Ltd.
Detailed table of Changes in Right-of-use Assets
From January 1 to December 31, 2024

Detailed table 6

Unit: NTD thousand

Item	Opening balance	Increase in current year	Decrease in current year	Closing balance	Remarks
Cost					
Other Equipment	\$ 1,997	\$ -	\$ -	\$ 1,997	
Computer equipment	-	1,658	-	1,658	
Total	<u>\$ 1,997</u>	<u>\$ 1,658</u>	<u>\$ -</u>	<u>\$ 3,655</u>	

Tonlin Department Store Co., Ltd.
Detailed table of Changes in Accumulated Depreciation of Right-of-use Assets
From January 1 to December 31, 2024

Detailed table 7

Unit: NTD thousand

Item	Opening balance	Increase in current year	Decrease in current year	Closing balance	Remarks
accumulated depreciation					
Other					
Equipment	\$ 50	\$ 200	\$ -	\$ 250	
Computer equipment	-	166	-	166	
Total	<u>\$ 50</u>	<u>\$ 366</u>	<u>\$ -</u>	<u>\$ 416</u>	

Tonlin Department Store Co., Ltd.
Detailed table of short-term borrowings
December 31, 2024

Detailed table 8

Unit: NTD thousand

Types of borrowings and names of creditors	Closing balance	Borrowing period	Interest rate (%)	Financing facilities	Mortgage and collaterals
Bank secured borrowings					
CTBC	\$ 50,000	2024/11/27~2025/5/27	2.180%	\$ 620,000	9F-11, 2F to 4F, and 16 parking spaces of B2 at No. 201, Zhongxiao E. Rd, Sec. 4, Taipei City
Bank of Taiwan	247,000	2024/11/1-2025/1/23	1.865%	420,000	B2 to 4F at No. 61, Zhongzheng Rd., Taoyuan City
Bank of Taiwan	40,000	2024/11/11~2025/2/7	1.866%	-	
Bank of Taiwan	48,000	2024/11/11~2025/2/7	1.866%	-	
Bank of Taiwan	<u>50,000</u>	2024/11/28~2025/2/25	1.824%	<u>-</u>	
	<u>\$ 435,000</u>			<u>\$ 1,040,000</u>	

Note: The Company's short-term financing amount is NTD 1,040,000 thousand. As of December 31, 2024, the utilized loan amount was NTD 435,000 thousand, and the unused short-term financing amount was NTD 605,000 thousand.

Tonlin Department Store Co., Ltd.
Detailed table of long-term borrowings
December 31, 2024

Detailed table 9

Unit: NTD thousand

Creditors	Expiration of contract	Interest rate per annum (%)	Amount	Financing facilities	Pledged or secured
Secured borrowings					
Bank of Taiwan	2024/8/15~2027/8/15	1.825%~1.867%	\$ 382,000	\$ 600,000	B2 to 4F at No. 61, Zhongzheng Rd., Taoyuan City
Hua Nan Bank	2024/10/4~2026/10/4	2.120%	50,000	493,000	8F-9, 10F-6 and 7, 10 and 11, 13F-1 at No. 197, Zhongxiao E. Rd, Sec. 4, Taipei City; 7F and 7F-1 at No. 201, Zhongxiao E. Rd, Sec. 4, Taipei City.
First Commercial Bank	2024/12/6~2026/12/6	1.815%	350,000	480,000	12F and 12F-1, No. 197, Sec. 4, Zhongxiao E. Rd., Taipei City; 5F and 6F, No. 61, Zhongzheng Rd., Taoyuan City
Bank SinoPac	2024/12/5~2026/12/31	2.025%	1,350,000	1,400,000	B1 and 1F at No. 201, Zhongxiao E. Rd, Sec. 4, Taipei City; 7F to 8F at No. 61, Zhongzheng Rd., Taoyuan City
Yuanta Bank	2024/11/8~2026/11/7	1.870%	170,000	400,000	9F, 10F, and 12F at No. 61, Zhongzheng Rd., Taoyuan City
Unsecured borrowings					
Bank of Taiwan	2024/8/15~2027/8/15	-	-	100,000	None
			2,302,000	<u>\$ 3,473,000</u>	
Less: parts that listed as due within in a year			(50,000)		
Total			<u>\$ 2,252,000</u>		

Tonlin Department Store Co., Ltd.
Detailed table of operating revenue
From January 1 to December 31, 2024

Detailed table 10

Unit: NTD thousand

Item	Amount
Sale	
Revenues from sale of merchandise	\$ 824
Retail commission income	<u>161,056</u>
	161,880
Less: sales returns	381
Sales discounts and allowances	<u>5,005</u>
	<u>5,386</u>
Net sales revenues	156,494
Lease incomes	280,825
Construction incomes	10,673
Other operating revenues	<u>49,262</u>
Total operating revenue	<u><u>\$ 497,254</u></u>

Tonlin Department Store Co., Ltd.
Detailed table of operating costs
From January 1 to December 31, 2024

Detailed table 11

Unit: NTD thousand

Item	Amount
Cost of sales	
Beginning inventories- self's operation	\$ 2,580
Plus: purchase of goods in the year- self's operation	-
Less: purchases returns	1,957
Purchases discounts and allowances	<u>-</u>
Total goods available for sale in the year	623
Less: ending inventories- self's operation	-
Inventory (profit) loss	<u>-</u>
	<u>623</u>
Cost of leasing	
Taxation	11,675
Depreciation	18,032
Repairment expenses	4,598
Others (note)	<u>6,586</u>
	<u>40,891</u>
Construction cost	<u>8,724</u>
Other operating costs	<u>20,122</u>
Operating cost	<u>\$ 70,360</u>

Note: each item's balance does not meet 5% of the total leasing costs

Tonlin Department Store Co., Ltd.
Detailed table of operating expenses
From January 1 to December 31, 2024

Detailed table 12

Unit: NTD thousand

Item	Amount
HR expense (including salaries, severance pay, labor and health insurance, pensions and other benefits)	\$ 65,583
Depreciation	57,281
Taxation	14,574
Utilities expense	6,502
Others (note)	<u>41,219</u>
Total	<u>\$ 185,159</u>

Note: each item's balance does not meet 5% of the total operating expenses

Tonlin Department Store Co., Ltd.
Aggregation table of the employee benefits and depreciation incurred during the year, by function
For the years ended December 31, 2024 and 2023

Detailed table 13

Unit: NTD thousand

	2024			2023		
	Under operating costs	Under operating expenses	Total	Under operating costs	Under operating expenses	Total
Employee benefits expense						
Salary expenses	\$ -	\$ 46,752	\$ 46,752	\$ -	\$ 47,361	\$ 47,361
Labor and health insurance expenses	-	4,929	4,929	-	5,046	5,046
Pension expenses	-	1,950	1,950	-	2,225	2,225
Directors' compensations	-	8,613	8,613	-	8,641	8,641
Other employee benefit expenses	-	3,339	3,339	-	2,612	2,612
	<u>\$ -</u>	<u>\$ 65,583</u>	<u>\$ 65,583</u>	<u>\$ -</u>	<u>\$ 65,885</u>	<u>\$ 65,885</u>
Amortization	<u>\$ 149</u>	<u>\$ 1,169</u>	<u>\$ 1,318</u>	<u>\$ 149</u>	<u>\$ 1,138</u>	<u>\$ 1,287</u>
depreciation expense	<u>\$ 19,027</u>	<u>\$ 57,281</u>	<u>\$ 76,308</u>	<u>\$ 19,303</u>	<u>\$ 56,493</u>	<u>\$ 75,796</u>

Note 1: As of December 31, 2024 and 2023, the Company had 74 and 78 employees, respectively, and among them 8 and 8 directors, respectively, who did not serve as employees concurrently.

Note 2: The average employee benefit expenses of the year was NT\$863 thousand ("The total employee benefit expenses of the year - total directors' compensations" / "Employees during the year - directors not concurrently serving as employees") The average employee benefit expenses of the year was NT\$818 thousand ("The total employee benefit expenses of the previous year - total directors' compensations" / "Employees during the previous year - directors not concurrently serving as employees")

Note 3: The average employee salary expense for the year was NTD 708 thousand (Total salary expense for the year/Number of employees for the year - Number of directors who were not also employees). The average employee salary expense in the previous year was NTD 677 thousand (Total salary expense in the previous year/Number of employees in the previous year - Number of directors who were not also employees).

Note 4: The change of the average employee salary expenses: 4.58% ("The total salary expenses of the year - the total salary expenses of the previous year" / "The total salary expenses of the previous year")

Note 5: The Company's salaries to general employees and managerial officers is based on the nature of the work, while referring to the salary level of peers from time to time for adjustment. The salaries of the managerial officers are approved by the Remuneration Committee. The Company's salaries are paid monthly, and year-end bonuses and employee bonuses may be released annually based on operating conditions (0.1% to 4% of the net profit before tax excluding employee bonuses and directors' remunerations). The salaries of the directors (including independent directors) of the Company are divided into transportation allowance and director's remuneration; the transportation allowance is paid monthly, and the director's remuneration is paid based on the operating conditions (the maximum shall not exceed 4% of the net profit before tax excluding employee bonuses and directors' remunerations).

Explanation:

- I. For the information on the number of employees explained in the notes to this table, the calculation basis shall be consistent to the employee benefits and employee salary expenses, and the average number of employees should be used for calculation.
- II. Pursuant to International Accounting Standards No. 19, employees may provide services in the manner of full-time, part-time, permanent, irregular or temporary, including directors and other management personnel. Therefore, "employees" in this table include directors, managerial officers, general employees and contracted hires., but do not include supervisors, dispatched manpower, labor contracting or business outsourced personnel.
- III. The term "directors' remunerations" refers to the remuneration received by all directors, retirement pensions, directors' remuneration and business execution expenses, but does not include salaries, labor and health insurance, pensions and other benefits received for concurrently serving as employees.