Tsann Kuen Enterprise Co., Ltd. and Subsidiaries
Consolidated Financial Statements
for the Six Months Ended June 30, 2025 and 2024 and
Independent Auditors' Review Report
(Stock code: 2430)

Independent Auditors' Review Report

To the Board of Directors of Tsann Kuen Enterprise Co., Ltd.:

Introduction

We have reviewed the accompanying consolidated balance sheets of Tsann Kuen Enterprise Co., Ltd. and its Subsidiaries (hereinafter referred to as "Tsann Kuen Group") as of June 30, 2025 and 2024, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three months and six months ended June 30, 2025 and 2024, and notes to the consolidated financial statements, including a summary of material accounting policy information. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of review

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

Basis for Qualified Conclusion

As explained in Notes IV (III), the financial statements of certain insignificant consolidated subsidiaries were not reviewed by independent auditors. These statements reflect total assets of $136,360 thousand and $146,741 thousand, constituting 1.00% of the consolidated total assets, and total liabilities of $3,770 thoudand and $4,415, constituting 0.04% of the consolidated total liabilities as at June 30, 2025 and 2024, respectively, and total comprehensive income (loss) of $390 thousand, $66 thousand, $673 thousand, and ($235) thousand, constituting (4.59%), 0.17%, 2.74% and (0.26%) of the consolidated total comprehensive income for the three months and six months ended June 30, 2025 and 2024, respectively. And as explained in Notes VI (VI), Tsann Kuen Group's investments accounted for using equity method were not reviewed by independent auditors. The investments accounted for using equity method reflect total assets of $29,836 thousand and $28,553 thousand, constituting 0.22% and 0.20% of the consolidated total assets as at June 30, 2025 and 2024, and share of profit (loss) and other comprehensive income of associates and joint ventures accounted for using equity method of $1,282 thousand, $808 thousand, $2,494 thousand and $1,631 thousand, constituting (15.10%), 2.11%, 10.14% and 1.82% of the consolidated total comprehensive income for the three months and six months ended June 30, 2025 and 2024, respectively.

Qualified Conclusion

Based on our reviews, except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain insignificant consolidated subsidiaries and investments accounted for using the equity method been reviewed by independent auditors as described in the Basis for qualified conclusion section above, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Tsann Kuen Group as at June 30, 2025 and 2024, and of its consolidated financial performance and its consolidated cash flows for the three months and six months ended June 30, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission.

Wei-Li Hsieh Sung-Tse Wang

For and on behalf of PricewaterhouseCoopers, Taiwan

August 8, 2025

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China.

Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

Tsann Kuen Enterprise Co., Ltd. and Subsidiaries
Consolidated Balane Sheets
June 30, 2025, December 31 and June 30, 2024
(Expressed in thousands of New Taiwan Dollars)

	Assets	Notes	June 30, 2025 Amount	%	December 31, 2024 Amount	%	June 30, 2024 Amount	%
	Current assets							
1100	Cash and cash equivalents	VI (I)	$ 1,099,000	8	$ 1,369,842	10	$ 1,408,454	10
1136	Financial assets at amortized cost - current	VI (III) and VIII	133,865	1	152,882	1	149,518	1
1170	Accounts receivable, net	VI (IV)	63,841	1	44,469	1	194,782	1
1200	Other receivables		42,003	-	36,825	-	33,390	-
130X	Inventories	VI (V)	2,830,420	21	2,499,574	18	2,822,332	19
1410	Prepayments		48,144	-	15,715	-	74,922	1
11XX	**Total current assets**		4,217,273	31	4,119,307	30	4,683,398	32
	Non-current assets							
1510	Financial assets at fair value through profit or loss - non-current	VI (II) and XII (III)	20,945	-	22,011	-	23,820	-
1550	Investments accounted for using equity method	VI (VI)	29,836	-	30,816	-	28,553	-
1600	Property, plant, and equipment	VI (VII) and VIII	2,976,902	22	3,031,623	22	3,068,196	21
1755	Right-of-use assets	VI (VIII)	4,153,427	30	4,348,772	31	4,445,287	30
1760	Investment property, net	VI (IX) and VIII	1,904,218	14	1,915,879	14	1,989,720	14
1780	Intangible assets	VI (X)	24,429	-	5,799	-	7,988	-
1840	Deferred income tax assets		75,278	1	71,639	1	71,419	1
1920	Refundable deposits		195,812	1	201,007	1	207,061	1
1930	Long-term notes and accounts receivable		8,955	-	9,687	-	13,810	-
1975	Net defined benefit assets - non-current		85,719	1	85,344	1	73,744	1
1990	Other non-current assets - others		-	-	2,314	-	1,359	-
15XX	**Total non-current assets**		9,475,521	69	9,724,891	70	9,930,957	68
1XXX	**Total assets**		$ 13,692,794	100	$ 13,844,198	100	$ 14,614,355	100

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Tsann Kuen Enterprise Co., Ltd. and Subsidiaries
Consolidated Balane Sheets
June 30, 2025, December 31 and June 30, 2024
(Expressed in thousands of New Taiwan Dollars)

	Liabilities and equity	Notes	June 30, 2025 Amount	%	December 31, 2024 Amount	%	June 30, 2024 Amount	%
	Current liabilities							
2130	Contract liabilities - current	VI (XVI)	$ 790,205	6	$ 794,630	6	$ 900,190	6
2150	Notes payable		2,843	-	2,464	-	2,151	-
2170	Accounts payable		2,659,299	19	2,370,564	17	3,063,287	21
2180	Accounts payable - related parties	VII	10,676	-	18,839	-	14,448	-
2200	Other payables		403,723	3	472,608	4	428,120	3
2230	Current income tax liabilities		9,395	-	21,487	-	20,761	-
2280	Lease liabilities - current	VI (XXIV) and VII	1,032,642	8	1,049,417	8	1,027,078	7
2399	Other current liabilities - others		9,982	-	17,322	-	10,513	-
21XX	**Total current liabilities**		4,918,765	36	4,747,331	35	5,466,548	37
	Non-current liabilities							
2527	Contract liabilities - non-current	VI (XVI)	232,343	2	226,779	2	218,603	2
2550	Provision for liabilities-non-current	VI (XII)	119,600	1	118,630	1	113,735	1
2570	Deferred income tax liabilities		27,114	-	28,068	-	24,770	-
2580	Lease liabilities - non-current	VI (XXIV) and VII	3,971,067	29	4,152,568	30	4,332,570	30
2640	Net defined benefit liabilities - non-current		680	-	772	-	912	-
2645	Deposits received	VI (XXIV)	72,492	-	74,422	-	70,279	-
2670	Other non-current liabilities - others		5,712	-	-	-	-	-
25XX	**Total non-current liabilities**		4,429,008	32	4,601,239	33	4,760,869	33
2XXX	**Total liabilities**		9,347,773	68	9,348,570	68	10,227,417	70
	Equity attributable to owners of the parent							
	Share capital	VI (XIII)						
3110	Common stock		1,168,000	9	1,168,000	8	1,168,000	8
	Capital surplus	VI (XIV)						
3200	Capital surplus		1,250,840	9	1,250,840	9	1,250,840	9
	Retained earnings	VI (XV)						
3310	Legal reserve		1,058,149	8	1,038,382	8	1,038,382	7
3320	Special reserve		66,233	1	67,058	-	67,058	-
3350	Undistributed retained earnings		877,616	6	1,037,581	7	929,856	6
	Other equity							
3400	Other equity		(75,817)	(1)	(66,233)	-	(67,198)	-
3XXX	**Total equity**		4,345,021	32	4,495,628	32	4,386,938	30
	Significant contingent liabilities and unrecognized contractual commitment	IX						
3X2X	**Total liabilities and equity**		$ 13,692,794	100	$ 13,844,198	100	$ 14,614,355	100

Tsann Kuen Enterprise Co., Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income
For the six months ended June 30, 2025 and 2024
(Expressed in thousands of New Taiwan Dollars, except for earnings per share)

			For the three months ended June 30				For the six months ended June 30			
			2025		2024		2025		2024	
	Item	Notes	Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue	VI (IX)(XVI) and VII	$ 4,517,772	100	$ 4,732,159	100	$ 8,861,637	100	$ 9,402,713	100
5000	Operating costs	VI (V)(XX) and VII	(3,862,258)	(85)	(4,039,338)	(85)	(7,531,956)	(85)	(7,996,581)	(85)
5900	Gross operating profit		655,514	15	692,821	15	1,329,681	15	1,406,132	15
	Operating expenses	VI (VIII)(XX) and VII								
6100	Selling expenses		(534,782)	(12)	(542,247)	(12)	(1,065,782)	(12)	(1,083,069)	(12)
6200	General and administrative expenses		(94,247)	(2)	(99,426)	(2)	(186,520)	(2)	(198,518)	(2)
6450	Expected credit impairment gains (losses)		(2,290)	-	68	-	(2,648)	-	429	-
6000	Total operating expenses		(631,319)	(14)	(641,605)	(14)	(1,254,950)	(14)	(1,281,158)	(14)
6900	Operating income		24,195	1	51,216	1	74,731	1	124,974	1
	Non-operating income and expense									
7100	Interest income	VI (III)(XVII)	5,215	-	6,027	-	11,775	-	11,285	-
7010	Other income	VI (XVIII)	4,888	-	8,237	-	8,101	-	9,778	-
7020	Other gains and losses	VI (II)(VIII)(XIX) and XII (III)	(15,876)	-	1,980	-	(14,626)	-	5,240	-
7050	Financial costs	VI (VIII) and VII	(20,129)	(1)	(20,221)	-	(40,200)	(1)	(40,395)	-
7060	Share of profits (losses) of associates and joint ventures accounted for using equity method	VI (VI)	1,282	-	808	-	2,494	-	1,631	-
7000	Total non-operating income and expenses		(24,620)	(1)	(3,169)	-	(32,456)	(1)	(12,461)	-
7900	**Profit before income tax**		(425)	-	48,047	1	42,275	-	112,513	1
7950	Income tax expense	VI (XXI)	576	-	(9,626)	-	(8,098)	-	(22,569)	-
8200	**Net income**		$ 151	-	$ 38,421	1	$ 34,177	-	$ 89,944	1
	Other comprehensive income									
	Items that may subsequently be reclassified to profit or loss									
8361	Exchange differences on translation of foreign operations		($ 10,804)	-	($ 164)	-	($ 11,980)	-	($ 175)	-
8399	Income tax related to items that may be reclassified to profit or loss	VI (XXI)	2,161	-	33	-	2,396	-	35	-
8360	Sum of items that may subsequently be reclassified to profit or loss		(8,643)	-	(131)	-	(9,584)	-	(140)	-
8300	**Other comprehensive income (net)**		($ 8,643)	-	($ 131)	-	($ 9,584)	-	($ 140)	-
8500	**Total comprehensive income**		$ 8,492	-	$ 38,290	1	$ 24,593	-	$ 89,804	1
	Net income (loss) attributable to:									
8610	Owners of the parent company		$ 151	-	$ 38,421	1	$ 34,177	-	$ 89,944	1
	Total comprehensive income attributable to:									
8710	Owners of the parent company		($ 8,492)	-	$ 38,290	1	$ 24,593	-	$ 89,804	1
	Basic earnings per share (in dollars)	VI (XXII)								
9750	Basic earnings per share		$ -		$ 0.33		$ 0.29		$ 0.77	
	Diluted earnings per share (in dollars)	VI (XXII)								
9850	Diluted earnings per share		$ -		$ 0.33		$ 0.29		$ 0.77	

The accompanying notes are an integral part of these consolidated financial statements. Please refer to it as well.

Tsann Kuen Enterprise Co., Ltd. and Subsidiaries
Consolidated Statements of Changes in Equity
For the six months ended June 30, 2025 and 2024
(Expressed in thousands of New Taiwan Dollars)

	Notes	Equity attributable to owners of the parent						
				Retained earnings				
	Notes	Common stock	Capital surplus	Legal reserve	Special reserve	Undistributed retained earnings	Exchange differences on translation of financial statements of foreign operation	Total equity
2024								
Balance on January 1, 2024		$ 1,168,000	$ 1,250,840	$ 1,009,163	$ 68,506	$ 1,124,643	($ 67,058)	$ 4,554,094
Net income for the period		-	-	-	-	89,944	-	89,944
Other comprehensive income for the period		-	-	-	-	-	(140)	(140)
Total comprehensive income for the period		-	-	-	-	89,944	(140)	89,804
2023 earnings appropriation and distribution:	VI (XV)							
Legal reserve		-	-	29,219	-	(29,219)	-	-
Special reserve		-	-		(1,448)	1,448	-	-
Cash dividends		-	-	-	-	(256,960)	-	(256,960)
Balance on June 30, 2024		$ 1,168,000	$ 1,250,840	$ 1,038,382	$ 67,058	$ 929,856	($ 67,198)	$ 4,386,938
2025								
Balance on January 1, 2025		$ 1,168,000	$ 1,250,840	$ 1,038,382	$ 67,058	$ 1,037,581	($ 66,233)	$ 4,495,628
Net income for the period		-	-	-	-	34,177	-	34,177
Other comprehensive income for the period		-	-	-	-	-	(9,584)	(9,584)
Total comprehensive income for the period		-	-	-	-	34,177	(9,584)	24,593
2024 earnings appropriation and distribution:	VI (XV)							
Legal reserve		-	-	19,767	-	(19,767)	-	-
Special reserve		-	-	-	(825)	825	-	-
Cash dividends		-	-	-	-	(175,200)	-	(175,200)
Balance on June 30, 2025		$ 1,168,000	$ 1,250,840	$ 1,058,149	$ 66,233	$ 877,616	($ 75,817)	$ 4,345,021

The accompanying notes are an integral part of these consolidated financial statements. Please refer to it as well.

Tsann Kuen Enterprise Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
For the six months Ended June 30, 2025 and 2024
(Expressed in thousands of New Taiwan Dollars)

	Notes	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Cash flows from operating activities			
Profit before income tax		$ 42,275	$ 112,513
Adjustments			
Adjustments to reconcile profit			
Depreciation expenses	VI (VII)(VIII)(IX)(XX)	591,869	609,577
Amortization expenses	VI (X)(XX)	3,984	4,923
Expected credit impairment loss (gain)		2,648	(429)
Net loss (gain) on financial assets at fair value through profit	VI (II)(XIX) and XII(III)	1,066	(2,670)
Interest expense		40,200	40,395
Interest income	VI (XVII)	(11,775)	(11,285)
Share of profits (loss) of associates and joint ventures accounted for using equity method	VI (VI)	(2,494)	(1,631)
Loss on disposal and scrapping of property, plant and equipment	VI (XIX)	1,083	832
Lease modification gain	VI (VIII)(XIX)	(745)	(248)
Changes in operating assets/liabilities			
Net changes in operating assets			
Accounts receivable		(19,414)	(33,139)
Other receivables		(5,555)	(15,793)
Inventories		(330,848)	(388,384)
Prepayments		(32,523)	(60,922)
Long-term notes and accounts receivable		732	752
Net defined benefit assets - non-current		(375)	(375)
Net changes in operating liabilities			
Contract liabilities		1,139	153,383
Notes payable		379	742
Accounts payable		288,735	667,833
Accounts payable - related parties		(8,163)	(5,704)
Other payables		(57,371)	(34,596)
Other current liabilities		(7,115)	(7,505)
Provision for liabilities - non-current	VI (XII)	(3,323)	(881)
Cash inflow generated from operations		494,409	1,027,388
Interest received		11,244	10,370
Interest paid		(39,989)	(40,184)
Income tax paid		(22,388)	(64,705)
Dividend received		1,692	-
Net cash inflow from operating activities		444,968	932,869

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Cash flows from investing activities

The accompanying notes are an integral part of these consolidated financial statements. Please refer to it as well.

Tsann Kuen Enterprise Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
For the six months Ended June 30, 2025 and 2024
(Expressed in thousands of New Taiwan Dollars)

	Notes	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Acquisition of financial assets at amortized cost		($ 15,362)	($ 30,051)
Repayment of financial assets measured at amortized cost at maturity		34,379	-
Acquisition of property, plant, and equipment	VI (XXIII)	(43,017)	(27,855)
Disposal of property, plant, and equipment		-	14
Acquisition of intangible assets	VI (XXIII)	(11,441)	(4,494)
Decrease in refundable deposits		5,195	861
Acquisition of investment property	VI (IX)	-	(308)
Decrease in other non-current assets - other		2,314	13
Net cash outflow from investment activities		(27,932)	(61,820)
Cash flows from financing activities			
Increase (decrease) in deposits received	VI (XXIV)	(1,864)	209
Repayment of lease principal	VI (XXIV)	(509,406)	(507,223)
Cash dividends paid	VI (XV)	(175,200)	(256,960)
Net cash outflow from financing activities		(686,470)	(763,974)
Effect of exchange rate changes		(1,408)	14
Net increase in cash and cash equivalents		(270,842)	107,089
Cash and cash equivalents at beginning of period		1,369,842	1,301,365
Cash and cash equivalents at end of period		$ 1,099,000	$ 1,408,454

The accompanying notes are an integral part of these consolidated financial statements. Please refer to it as well.

Tsann Kuen Enterprise Co., Ltd. and Subsidiaries
Notes to the Consolidated Financial Statements
For the Six months Ended June 30, 2025 and 2024
(Expressed in thousands of New Taiwan Dollars, except as otherwise indicated)

I. History and Organization

Tsann Kuen Enterprise Co., Ltd. ("the Company") was incorporated as a company and the main business of the Company and its subsidiaries (hereinafter collectively referred to as "the Group") is the trading of various consumer electronics products. The Company's shares have been listed and traded on the Taipei Exchange (TPEx) since May 1997 and were transferred to the Taiwan Stock Exchange (TWSE) in September 2000.

II. The Date of Authorization for Issuance of the Consolidated Financial Statements and Procedures for Authorization

These consolidated financial statements were authorized for issuance by the Board of Directors on August 8, 2025.

III. Application of New Standards, Amendments, and Interpretations

(I) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards("IFRS") Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by FSC and become effective from 2025 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 21, "Lack of Exchangeability"	January 1, 2025

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(II) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2025 are follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 9 and IFRS 7, "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(III) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, "Sale or contribution of assets between an investor and its associate or joint venture"	To be determined by International Accounting Standards
IFRS 18, "Presentation and disclosure in financial statements"	January 1, 2027
IFRS 19, "Subsidiaries without public accountability:disclosures"	January 1, 2027

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment, except for the following:

IFRS 18, "Presentation and disclosure in financial statements" replaces IFRS 1 and updates the structure of the consolidated statement of comprehensive income, adds disclosures on management performance measurement, and strengthens the summary applied to the main financial statements and notes and segmentation principles.

IV. Summary of Significant Accounting Policies

The principal accounting policies adopted are consistent with Note IV in the consolidated financial statements for the year ended December 31, 2024, except for the compliance statement, basis of preparations, basis of consolidation and additional policies as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(I) Compliance statement

1. The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Accounting Standard 34, "Interim financial reporting," that came into effect as endorsed by the FSC.
2. These consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2024.

(II) Basis of preparation

1. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:
   (1) Financial assets at fair value through profit or loss.
   (2) Defined benefit liabilities (or assets) recognized based on the net amount of pension fund assets less present value of defined benefit obligation.
2. The preparation of financial statements in conformity with the IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note V.

(III) <u>Basis of consolidation</u>

1. Basis for preparation of consolidated financial statements:

   The preparation principles of the consolidated financial statements are the same as the consolidated financial statements for the year ended December 31, 2024.

2. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%) June 30, 2025	Ownership (%) December 31, 2024	Ownership (%) June 30, 2024	Description
Tsann Kuen	Da Li Investment Co., Ltd. (Da Li Investment)	Investment activities	100.00	100.00	100.00	Note 1
Tsann Kuen	PROWORLD INTERNATIONAL LIMITED (PROWORLD)	Holding company	100.00	100.00	100.00	Note 1
Tsann Kuen	Yong Yi International Investment Co., Ltd (Yong Yi International Investment)	Investment activities	100.00	100.00	100.00	Note 1
Tsann Kuen	An Sheng Insurance Agent Co., Ltd. (An Sheng)	Insurance agent	100.00	100.00	100.00	Note 1
PROWORLD	New Target Development Co., Ltd. (New Target Development)	Holding company	100.00	100.00	100.00	Note 1
PROWORLD	Good world Enterprise Ltd. (Good world Enterprise)	Holding company	100.00	100.00	100.00	Note 1
New Target Development	PT. TSANN KUEN PROPERTY DEVELOPMENT INDONESIA (TKPDI)	Property development and management	99.00	99.00	99.00	Note 1 and 2
Good world Enterprise	PT. TSANN KUEN PROPERTY DEVELOPMENT INDONESIA (TKPDI)	Property development and management	1.00	1.00	1.00	Note 1 and 2

Note1: The above-mentioned subsidiaries do not meet the definition of important subsidiaries, the financial statements as of June 30, 2025 and 2024 have not been reviewed by independent auditors.

Note2: Valuation for the above-mentioned subsidiaries is based on the financial report as of December 31, 2024, audited and verified by other independent auditors.

3. Subsidiaries not included in the consolidated financial statements: None.

4. Adjustments for subsidiaries with different balance sheet dates: None.

5. Significant restrictions: None.

6. Non-controlling interest subsidiaries that are significant to the Group: None.

(IV) <u>Employee welfare</u>

Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. Also, the related information is disclosed accordingly.

(V) Income tax

The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

V. Critical Accounting Judgments, Estimates and Key Sources of Assumption Uncertainty

There have been no significant changes as of June 30, 2025. Please refer to Note V in the consolidated financial statements for the year ended December 31, 2024.

VI. Details of Significant Accounts

(I) Cash and cash equivalents

	June 30, 2025	December 31, 2024	June 30, 2024
Cash on hand and petty cash	$ 74,916	$ 78,754	$ 92,458
Check deposits	3,191	3,169	2,341
Demand deposits	321,776	772,445	1,242,071
Time deposits	112,428	328,425	35,073
Bonds with repurchase agreement	586,672	186,753	36,511
Stimulus Vouchers	17	296	-
Total	$ 1,099,000	$ 1,369,842	$ 1,408,454

1. The bonds with repurchase agreement held by the Group with a current interest rate of 1.49~1.50%, 1.52% and 1.40% per annum are highly liquid cash equivalents with maturities of three months or less as of June 30, 2025, December 31, 2024 and June 30, 2024.
2. The Group deals with a number of financial institutions to diversify credit risk, and the credit quality of such financial institutions is good, so the possibility of default is expected to be low.
3. Please refer to Note VIII for the Group's restricted and pledged cash, cash equivalents, and time deposits as of June 30, 2025, December 31, 2024 and June 30, 2024.

(II) Financial assets at fair value through profit or loss

Item	June 30, 2025	December 31, 2024	June 30, 2024
Non-current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Unlisted stocks	$ 20,945	$ 22,011	$ 23,820

1. Details of financial assets at fair value through profit or loss recognized in profit or loss:

	For the three months ended June 30	
	2025	2024
Financial assets mandatorily at fair value through profit or loss		
Equity instruments		
Valuation adjustment	($ 846)	$ 2,670

	For the six months ended June 30	
	2025	2024
Financial assets mandatorily at fair value through profit or loss		
Equity instruments		
Valuation adjustment	($ 1,066)	$ 2,670

2. The Group has not pledged any financial assets at fair value through profit or loss.

(III) Financial assets at amortized cost

Item	June 30, 2025	December 31, 2024	June 30, 2024
Current items:			
Reserve account - time deposits	$ 129,665	$ 149,682	$ 149,518
Bank time deposits with original maturity of more than three months	4,200	3,200	-
	133,865	152,882	149,518

1. Details of financial assets at amortized cost recognized in profit or loss:

	For the three months ended June 30	
	2025	2024
Interest income	$ 229	$ 597

	For the six months ended June 30	
	2025	2024
Interest income	$ 927	$ 1,098

2. Without regard to collateral held or other credit enhancements, the maximum exposure to credit risk on June 30, 2025, December 31, 2024 and June 30, 2024, that best represents the financial assets measured at amortized cost held by the Group are $133,865, $152,882 and $149,518, respectively.
3. Please refer to Note VIII for the pledge of financial assets measured at amortized cost of the Group.
4. Please refer to Note XII (II) for information on the credit risk of related to financial assets measured at amortized cost. The Group invests in time certificates of deposit with counterparties that are financial institutions of good credit quality, with low expected possibility of default.

(IV) Notes and accounts receivable

	June 30, 2025	December 31, 2024	June 30, 2024
Accounts receivable	$ 64,111	$ 44,774	$ 195,093
Less: Allowance for uncollectible accounts	(270)	(305)	(311)
	$ 63,841	$ 44,469	$ 194,782

1. The aging analysis of accounts receivable is as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Within 30 days	$ 62,834	$ 43,083	$ 192,811
31 to 90 days	1,202	1,691	2,282
91 to 180 days	75	-	-
	$ 64,111	$ 44,774	$ 195,093

The above is an aging analysis based on posting date.

2. As of June 30, 2025, December 31, 2024, June 30, 2024 and January 1, 2024, the balances of receivables contracted with customers were $63,216, $44,232, $193,981 and $160,711, respectively.
3. Without regard to collateral held or other credit enhancements, the maximum exposure to credit risk on June 30, 2025, December 31, 2024, and June 30, 2024 that best represents the notes receivable hold by the Group are $0; the maximum exposure to credit risk on June 30, 2025, December 31, 2024 and June 30, 2024, that best represents the accounts receivable held by the Group were $63,841, $44,469 and $194,782, respectively.
4. The Group does not hold any collateral for notes and accounts receivable and has not provided any notes receivable and accounts receivable as collateral.
5. Please refer to Note XII (II) for the credit risk information related to notes and accounts receivable.

(V) Inventories

	June 30, 2025	December 31, 2024	June 30, 2024
Merchandise	$ 2,844,334	$ 2,512,715	$ 2,835,374
Less: Allowance for inventory write-down	(13,914)	(13,141)	(13,042)
	$ 2,830,420	$ 2,499,574	$ 2,822,332

The loss (profit) on inventory recognized as operating costs in the current period was as follows:

	For the three months ended June 30	
	2025	2024
Cost of inventory sold	$ 3,826,090	$ 4,001,749
Other operating costs	37,523	38,215
Gain from price recovery of inventory (Note)	(1,369)	(683)
Loss on disposal of inventory	-	64
Loss (Gain) on physical inventory	14	(7)
	$ 3,862,258	$ 4,039,338

	For the six months ended June 30	
	2025	2024
Cost of inventory sold	$ 7,456,299	$ 7,920,604
Other operating costs	74,855	76,651
Loss on inventory write-down/ Gain from price recovery of inventory(Note)	773	(718)
Loss on disposal of inventory	-	64
Loss (Gain) on physical inventory	29	(20)
	$ 7,531,956	$ 7,996,581

Note: The Group recognized a decrease in cost of goods sold due to an increase in the net realizable value of inventory, resulting from the sale of inventory for which an allowance for valuation and obsolescence loss had been recognized in prior years, as the circumstances that caused the write-downs no longer existed.

(VI) Investments accounted for using equity method

	June 30, 2025	December 31, 2024	June 30, 2024
Wu Wha Ma International Co., Ltd. (Wuhuama) (Note)	$ 14,296	$ 14,772	$ 13,958
Jin Kuanq Enterprise Co., Ltd. (Jin Kuanq)	15,540	16,044	14,595
	$ 29,836	$ 30,816	$ 28,553

Note: The Group holds two seats in the board of directors of Wuhuama. Although the Group's shareholding is less than 20%, it still has significant influence; therefore, it is evaluated by using equity method.

1. The Group's share in the operating results of insignificant affiliates is summarized as follows:

	For the three months ended June 30	
	2025	2024
Total comprehensive income for the current period	$ 1,282	$ 808

	For the six months ended June 30	
	2025	2024
Total comprehensive income for the current period	$ 2,494	$ 1,631

2. The investments accounted for using the equity method above are evaluated based on the financial statements of the investee companies for the same periods which were not reviewed by independent auditors.

3. The shares of profit (loss) of affiliates and joint ventures recognized using the equity method are as follows:

Investees	For the three months ended June 30	
	2025	2024
Wuhuama	$ 713	$ 341
Jin Kuanq	569	467
	$ 1,282	$ 808

Investees	For the six months ended June 30	
	2025	2024
Wuhuama	$ 1,306	$ 1,201
Jin Kuanq	1,188	430
	$ 2,494	$ 1,631

(VII) Property, plant, and equipment

	Land	Building and construction	Transportation Equipment	Office Equipment	Leasehold Improvements	Other Equipment	Unfinished construction and equipment pending acceptance	Total
January 1, 2025								
Cost	$ 2,006,248	$ 1,071,577	$ 3,595	$ 187,469	$ 531,477	$ 3,429	$ 7,804	$ 3,811,599
Accumulated depreciation and impairment loss	-	(390,928)	(3,595)	(107,370)	(276,512)	(1,571)	-	(779,976)
	$ 2,006,248	$ 680,649	$ -	$ 80,099	$ 254,965	$ 1,858	$ 7,804	$ 3,031,623
2025								
January 1	$ 2,006,248	$ 680,649	$ -	$ 80,099	$ 254,965	$ 1,858	$ 7,804	$ 3,031,623
Addition	-	788	-	6,911	10,301	28	10,211	28,239
Disposal	-	-	-	(153)	(930)	-	-	(1,083)
Reclassification	-	-	-	1,136	3,325	496	(7,293)	(2,336)
Depreciation expenses	-	(19,124)	-	(16,838)	(39,666)	(129)	-	(75,757)
Net exchange differences	(2,992)	(178)	-	(9)	(176)	(251)	(178)	(3,784)
June 30	$ 2,003,256	$ 662,135	$ -	$ 71,146	$ 227,819	$ 2,002	$ 10,544	$ 2,976,902
June 30, 2025								
Cost	$ 2,003,256	$ 1,068,220	$ 3,538	$ 169,292	$ 503,393	$ 3,506	$ 10,544	$ 3,761,749
Accumulated depreciation and impairment loss	-	(406,085)	(3,538)	(98,146)	(275,574)	(1,504)	-	(784,847)
	$ 2,003,256	$ 662,135	$ -	$ 71,146	$ 227,819	$ 2,002	$ 10,544	$ 2,976,902

	Land	Building and construction	Transportation Equipment	Office Equipment	Leasehold Improvements	Other Equipment	Unfinished construction and equipment pending acceptance	Total
January 1, 2024								
Cost	$ 2,005,998	$ 1,078,903	$ 3,590	$ 200,446	$ 576,144	$ 3,077	$ 6,029	$ 3,874,187
Accumulated depreciation and impairment loss	-	(362,193)	(3,070)	(111,822)	(271,836)	(1,298)	-	(750,219)
	$ 2,005,998	$ 716,710	$ 520	$ 88,624	$ 304,308	$ 1,779	$ 6,029	$ 3,123,968
2024								
January 1	$ 2,005,998	$ 716,710	$ 520	$ 88,624	$ 304,308	$ 1,779	$ 6,029	$ 3,123,968
Addition	-	1,517	-	5,093	17,926	53	10,408	34,997
Disposal	-	-	-	(93)	(753)	-	-	(846)
Reclassification	-	-	-	-	394	261	(5,049)	(4,394)
Depreciation expenses	-	(19,471)	(260)	(18,586)	(47,025)	(123)	-	(85,465)
Net exchange differences	(52)	(5)	-	-	(2)	(5)	-	(64)
June 30	$ 2,005,946	$ 698,751	$ 260	$ 75,038	$ 274,848	$ 1,965	$ 11,388	$ 3,068,196
June 30, 2024								
Cost	$ 2,005,946	$ 1,073,212	$ 3,589	$ 193,601	$ 554,487	$ 3,385	$ 11,388	$ 3,845,608
Accumulated depreciation and impairment loss	-	(374,461)	(3,329)	(118,563)	(279,639)	(1,420)	-	(777,412)
	$ 2,005,946	$ 698,751	$ 260	$ 75,038	$ 274,848	$ 1,965	$ 11,388	$ 3,068,196

Note 1: For information on the provision of property, plant and equipment as collateral, please refer to Note VIII.

Note 2: The above mentioned property, plant and equipment are assets held for own use.

(VIII) Leasing arrangements - Lessee

1. The subject assets leased by the Group include land, buildings, logistics vehicles and photocopiers. Leases are usually for periods of more than 1 year to 30 years. Lease agreements are individually negotiated and include various terms and conditions without any other restrictions.

2. Information on the book value of the right-of-use assets and the depreciation expense recognized is as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
	Book value	Book value	Book value
Land	$ 64,803	$ 70,071	$ 73,422
Building and construction	4,051,997	4,234,834	4,349,010
Transportation equipment	34,222	42,524	20,902
Office equipment	1,820	560	973
Other equipment	585	783	980
	$ 4,153,427	$ 4,348,772	$ 4,445,287

	For the three months ended June 30	
	2025	2024
	Depreciation expenses	Depreciation expenses
Land	$ 2,472	$ 2,492
Building and construction	215,520	218,977
Transportation equipment	5,966	5,622
Office equipment	135	207
Other equipment	99	99
	$ 224,192	$ 227,397

	For the six months ended June 30	
	2025	2024
	Depreciation expenses	Depreciation expenses
Land	$ 4,944	$ 4,988
Building and construction	430,294	437,007
Transportation equipment	11,956	11,355
Office equipment	247	414
Other equipment	198	198
	$ 447,639	$ 453,962

3. The increase in the Group's right-of-use assets in the six months ended June 30, 2025 and 2024 were $330,452 and $420,648, respectively, of which $4,293 and $290 was attributable to addFitions to decommissioning costs, respectively.

4. Profit and loss information related to lease agreements is as follows:

	For the three months ended June 30	
	2025	2024
Items affecting current profit or loss		
Interest expenses on lease liabilities (accounted as financial cost)	$ 19,918	$ 20,014
Expenses under short-term lease agreements	1,410	1,381
Variable lease payments	1,255	1,127
Lease modification gains	-	(248)

	For the six months ended June 30	
	2025	2024
Items affecting current profit or loss		
Interest expenses on lease liabilities (accounted as financial cost)	$ 39,989	$ 40,184
Expenses under short-term lease agreements	3,597	3,424
Variable lease payments	2,505	2,042
Lease modification gains	(745)	(248)

5. The Group had total lease cash outflows of $555,497 and $552,873 in the six months ended June 30, 2025 and 2024, respectively.
6. Impact of variable lease payments on lease liabilities
   (1) The subjects of the Group's Lease contracts with variable lease payment terms are linked to the sales amount generated by the stores. For the afore-mentioned lease subject, approximately 0.5% and 0.4%, respectively in the six months ended June 30, 2025 and 2024 was based on variable lease payment terms and was primarily related to sales amounts. Variable payment terms are used for a variety of reasons, primarily to link lease payments to the cash flow of each store. The variable lease payments linked to sales amounts are recognized as expenses in the period in which these payment terms are triggered.
   (2) Every 1% increase in sales at all of the Group's stores of the variable lease payments mentioned above would increase total lease payments by approximately $25 and $20 in the six months ended June 30, 2025 and 2024, respectively.
7. The Group's leases not yet commenced to which the Group is already committed are leases of the business premises of the stores. The undiscounted lease liabilities in June 30, 2025, December 31, 2024 and June 30, 2024 were $7,740, $103,783 and $218,757 respectively.

(IX) Investment property

	Land	Building and construction	Right-of-use assets	Total
January 1, 2025				
Cost	$ 995,426	$ 461,172	$ 1,209,767	$ 2,666,365
Accumulated depreciation and impairment loss	(10,267)	(147,671)	(592,548)	(750,486)
	$ 985,159	$ 313,501	$ 617,219	$ 1,915,879
2025				
January 1	$ 985,159	$ 313,501	$ 617,219	$ 1,915,879
Reclassification	-	-	63,385	63,385
Depreciation expenses	-	(6,711)	(61,762)	(68,473)
Net exchange differences	(3,621)	(2,952)	-	(6,573)
June 30	$ 981,538	$ 303,838	$ 618,842	$ 1,904,218
June 30, 2025				
Cost	$ 991,805	$ 452,856	$ 1,234,597	$ 2,679,258
Accumulated depreciation and impairment loss	(10,267)	(149,018)	(615,755)	(775,040)
	$ 981,538	$ 303,838	$ 618,842	$ 1,904,218

	Land	Building and construction	Right-of-use assets	Total
January 1, 2024				
Cost	$ 995,123	$ 460,144	$ 1,210,188	$ 2,665,455
Accumulated depreciation and impairment loss	(10,267)	(133,678)	(554,247)	(698,192)
	$ 984,856	$ 326,466	$ 655,941	$ 1,967,263
2024				
January 1	$ 984,856	$ 326,466	$ 655,941	$ 1,967,263
Addition	-	308	-	308
Reclassification	-	-	92,423	92,423
Depreciation expenses	-	(6,772)	(63,378)	(70,150)
Net exchange differences	(63)	(61)	-	(124)
June 30	$ 984,793	$ 319,941	$ 684,986	$ 1,989,720
June 30, 2024				
Cost	$ 995,060	$ 460,309	$ 1,239,904	$ 2,695,273
Accumulated depreciation and impairment loss	(10,267)	(140,368)	(554,918)	(705,553)
	$ 984,793	$ 319,941	$ 684,986	$ 1,989,720

1. Rental income and expense of investment property:

	For the three months ended June 30	
	2025	2024
Rent income of investment property	$ 41,317	$ 41,813
Direct operating expenses generated by investment property in the period	$ 35,070	$ 34,793

	For the six months ended June 30	
	2025	2024
Rent income of investment property	$ 82,866	$ 83,039
Direct operating expenses generated by investment property in the period	$ 69,749	$ 70,150

2. The fair values of investment property held by the Group as of June 30, 2025, December 31, 2024 and June 30, 2024, were $3,248,446, $3,284,951 and $3,348,870, respectively. The fair values of investment property is evaluated by independent valuation experts using discounted future cash flows, which are based on the income method, land development analysis method, comparative method, and cost method, and are classified as Level 3 fair value. The main assumptions as of June 30, 2025, December 31, 2024 and June 30, 2024 are:

Annual rate	1.575%
Income capitalization rate	1.07% ~ 2.08%
Built-up property income capitalization rate	1.37% ~ 1.87%
Discount rate - Right-of-use assets	0.69% ~ 2.751%

3. For information on the provision of investment property as collateral, please refer to Note VIII.

(X) Intangible assets

	Computer software	Goodwill	Total
January 1, 2025			
Cost	$ 9,491	$ 629	$ 10,120
Accumulated amortization	(4,321)	-	(4,321)
	$ 5,170	$ 629	$ 5,799
2025			
January 1	$ 5,170	$ 629	$ 5,799
Increase - from separate acquisition	22,614	-	22,614
Amortization expenses	(3,984)	-	(3,984)
June 30	$ 23,800	$ 629	$ 24,429
June 30, 2025			
Cost	$ 31,682	$ 629	$ 32,311
Accumulated amortization	(7,882)	-	(7,882)
	$ 23,800	$ 629	$ 24,429

	Computer software	Goodwill	Total
January 1, 2024			
Cost	$ 30,132	$ 629	$ 30,761
Accumulated amortizations	(18,843)	-	(18,843)
	$ 11,289	$ 629	$ 11,918
2024			
January 1	$ 11,289	$ 629	$ 11,918
Increase - from separate acquisition	993	-	993
Amortization expenses	(4,923)	-	(4,923)
June 30	$ 7,359	$ 629	$ 7,988
June 30, 2024			
Cost	$ 29,276	$ 629	$ 29,905
Accumulated amortization	(21,917)	-	(21,917)
	$ 7,359	$ 629	$ 7,988

(XI) Pensions

1. Defined benefit plan

(1) The Company, pursuant to the “Labor Standards Act”, has established defined benefit pension regulations that apply to the years of service prior to the implementation of the“Labor Pension Act” on July 1, 2005, of all regular employees and to the following years of service of the employees who chose to continue to be subject to the Labor Standards Act after the implementation of the “Labor Pension Act”. The Company contributes an amount of 2% of the employees’ salaries and wages every month to the labor pension fund deposited with the Bank of Taiwan under the name of the Retirement Fund Supervisory Committee. In addition, the Company estimates the balance of the labor pension fund account before the end of each year. If the balance is not sufficient to pay the amount of pension benefits to employees who are expected to meet the retirement requirements in the following year, the Company will make a lump-sum contribution of the difference no later than the end of June of the following year. TKPDI operates its pension plan in accordance with the laws and regulations of the local government of Indonesia.

(2) The pension (profit) costs recognized by the Group for the three months and six months ended June 30, 2025 and 2024 under the defined benefit plan were $165, $160, $327 and $320, respectively.

(3) The balance of the Company's labor pension fund is sufficient to pay the amount of pension benefits. Therefore, the Company obtained the approval of the Bureau of Labor Affairs of the Taipei City Government, in June 2024, to suspend contributions to the labor pension fund from August 2024 to July 2025.

2. Defined contribution plan

(1) Effective July 1, 2005, the Company has established defined contribution pension regulations in accordance with the "Labor Pension Act", which is applicable to employees with Taiwanese nationality. The Company makes monthly contributions of not less than 6% of each employee's salary to the employee's personal account at the Labor Insurance Bureau in accordance with the "Labor Pension Act". The payment of pension benefits is based on the employee's individual pension fund account and the cumulative profit in such account, and the employee can choose to receive such pension benefits monthly or in a lump sum.

(2) The pension costs recognized by the Group for the three months and six months ended June 30, 2025 and 2024 under the defined contribution plan were $14,808, $14,513, $29,938 and $29,316, respectively.

(XII) Provision for liabilities

	2025	2024
	Decommissioning liabilities	Decommissioning liabilities
Balance on January 1	$ 118,630	$ 114,326
Provisions during the period	4,293	290
Used during the period	(3,323)	(881)
Balance on June 30	$ 119,600	$ 113,735

Analysis of liability provision:

	June 30, 2025	December 31, 2024	June 30, 2024
Non-current	$ 119,600	$ 118,630	$ 113,735

According to applicable contractual or regulatory requirements, the Group has the obligation to dismantle and remove the leasehold improvements in some of the stores, or to restore the site on which it is located. Therefore, the Group recognizes the present value of costs expected to be incurred at the site of disassembly, removal or restoration as provisions for liabilities. The Group expects that the provision for such liabilities will be incurred in the future when the stores are relocated.

(XIII) Share capital

1. As of June 30, 2025, the Company's authorized capital was $5,000,000 (including 6,000 thousand shares for employee share subscription warrants, preferred shares with warrants or equity warrant bonds), and the paid-in capital was $1,168,000, with a par value of $10 per share, divided into 116,800 thousand shares. All shares issued by the Company have been fully paid up.

2. The number of the Company's outstanding common stocks for the six months ended June 30, 2025 and 2024 were both 116,800 thousand shares.

(XIV) Capital surplus

In accordance with the Company Act, capital surplus of the income derived from the issuance of new shares at a premium and the income from endowments received may be used to offset losses, or be distributed to shareholders by issuing new shares or in cash in proportion to their original shareholdings when the Company has no accumulated losses. In addition, in accordance with the relevant provisions of the Securities and Exchange Act, the capitalization of the above capital surplus shall be limited to an annual aggregate amount not exceeding 10% of the paid-in capital. The Company may not use the capital surplus to make up its capital loss, unless the surplus reserve is insufficient to make up such loss.

	Issuance premium	Others	Total
January 1, 2025 (i.e., balance on June 30)	$ 1,245,671	$ 5,169	$ 1,250,840

	Issuance premium	Others	Total
January 1, 2024 (i.e., balance on June 30)	$ 1,245,671	$ 5,169	$ 1,250,840

(XV) Retained earnings

1. According to the Company's Articles of Association, if the Company has earnings in the annual final accounts, after paying taxes according to law and making up for the cumulative loss, 10% of the balance shall be allocated as the legal reserve. However, no further allocation is required when the legal reserve reaches the paid-in capital of the Company. In accordance with laws or regulations, or directives from regulatory authorities, appropriations or reversals of special surplus reserves may be made. The remaining amount, along with the undistributed earnings from the beginning of the period and adjustments to undistributed earnings for the current year, may be retained, subject to business needs. The Board of Directors shall propose a distribution resolution and seek approval at the shareholders' meeting for distributions made through the issuance of new shares.

   When the Company distributes dividends and bonuses in accordance with Article 245, Paragraph 5 of the Company Act, or distributes all or part of the legal reserve and capital in accordance with Article 241, Paragraph 1 of the Company Act, reserve in the form of cash, it may authorize the board of directors to make the distribution via a resolution by a majority vote with more than two-thirds of the directors present, and then report it to the shareholders' meeting. The dividend and reserve distribution policy of the Company is based on the consideration of financial, business and operational factors, and may be implemented by issuing new shares or in cash.The amount of dividends distributed each year shall not be less than 50% of the net income after tax for the year, of which cash dividends shall account for no less than 50% of the total dividends distributed.

2. The legal reserve may not be used except for covering corporate deficits and being distributed to shareholders by issuing new shares or cash in proportion to their original shareholdings. Where the legal reserve is distributed by issuing new shares or in cash, only the portion of the legal reserve which exceeds 25 percent of the paid-in capital may be distributed.

3. When distributing earnings, the Company is required by law to set aside a special reserve for the debit balance of other equity items as of the balance sheet date. If the debit balance of other equity items is subsequently reversed, the reversed amount may be included in earnings available for distribution.

4. On February 27, 2025, the Board of Directors resolved to distribute cash dividends of $1.50 per share for 2024, totaling $175,200, and the cash dividends will be reported to the shareholders in the 2025 annual meeting. In addition, the earnings distribution plan will be

submitted to the 2025 shareholders' meeting for recognition. The details of the plan are as follows:

	2024			
	Amount		Dividend per share (in dollars)	
Legal reserve	$	19,767		
Special reserve	(	825)		
Cash dividends		175,200	$	1.50
	$	194,142		

5. On February 29, 2024, the Board of Directors resolved to distribute cash dividends of $2.20 per share for 2023, totaling $256,960, which was paid on April 24, 2024. The cash dividend was reported to the shareholders' meeting and the earnings distribution was approved on May 22, 2024. The details of the plan are as follows:

	2023			
	Amount		Dividend per share (in dollars)	
Legal reserve	$	29,219		
Special reserve	(	1,448)		
Cash dividends		256,960	$	2.20
	$	284,731		

6. Please refer to Note VI (XX) for information on employee compensation and remuneration to directors and supervisors.

(XVI) Operating revenue

	For the three months ended June 30			
	2025		2024	
Revenue from customer contracts	$	4,475,686	$	4,690,038
Other operating revenue		42,086		42,121
	$	4,517,772	$	4,732,159

	For the six months ended June 30			
	2025		2024	
Revenue from customer contracts	$	8,777,310	$	9,318,741
Other operating revenue		84,327		83,972
	$	8,861,637	$	9,402,713

1. Breakdown of revenue from customer contracts

The Group's revenue is derived from the provision of goods and services that are gradually transferred over time and at a point in time and can be subdivided into the following major categories:

For the three months Ended June 30, 2025	Channel segment		Other segments		Total	
Revenue from external customer contracts						
Home appliances products	$	2,880,234	$	-	$	2,880,234
Information technology products		1,562,352		-		1,562,352
Other products		30,839		2,261		33,100
	$	4,473,425	$	2,261	$	4,475,686
Revenue recognition time point						
Revenue recognized at a point in time	$	4,463,265	$	2,261	$	4,465,526
Revenue gradually recognized over time		10,160		-		10,160
	$	4,473,425	$	2,261	$	4,475,686

For the three months Ended June 30, 2024	Channel segment	Other segments	Total
Revenue from external customer contracts			
Home appliances products	$ 3,160,409	$ -	$ 3,160,409
Information technology products	1,506,398	-	1,506,398
Other products	20,400	2,831	23,231
	$ 4,687,207	$ 2,831	$ 4,690,038
Revenue recognition time point			
Revenue recognized at a point in time	$ 4,680,198	$ 2,831	$ 4,683,029
Revenue gradually recognized over time	7,009	-	7,009
	$ 4,687,207	$ 2,831	$ 4,690,038

For the six months Ended June 30, 2025	Channel segment	Other segments	Total
Revenue from external customer contracts			
Home appliances products	$ 5,364,696	$ -	$ 5,364,696
Information technology products	3,350,273	-	3,350,273
Other products	57,651	4,690	62,341
	$ 8,772,620	$ 4,690	$ 8,777,310
Revenue recognition time point			
Revenue recognized at a point in time	$ 8,753,006	$ 4,690	$ 8,757,696
Revenue gradually recognized over time	19,614	-	19,614
	$ 8,772,620	$ 4,690	$ 8,777,310

For the six months Ended June 30, 2024	Channel segment	Other segments	Total
Revenue from external customer contracts			
Home appliances products	$ 5,857,256	$ -	$ 5,857,256
Information technology products	3,412,086	-	3,412,086
Other products	43,549	5,850	49,399
	$ 9,312,891	$ 5,850	$ 9,318,741
Revenue recognition time point			
Revenue recognized at a point in time	$ 9,299,475	$ 5,850	$ 9,305,325
Revenue gradually recognized over time	13,416	-	13,416
	$ 9,312,891	$ 5,850	$ 9,318,741

2. Contract liabilities

(1) The Group's contract liabilities related to recognizing customer contract revenue are as follows:

	June 30, 2025	December 31, 2024	June 30, 2024	January 1, 2024
Contract liabilities - current:				
Contract liabilities - sales contracts	$ 733,679	$ 745,369	$ 851,903	$ 719,749
Contract liabilities - warranty contracts	46,642	41,597	35,948	29,750
Contract liabilities - customer loyalty program	9,884	7,664	12,339	10,591
Subtotal	790,205	794,630	900,190	760,090
Contract liabilities - non-current:				
Contract liabilities - sales contracts	803	659	443	348
Contract liabilities - warranty contracts	231,540	226,120	218,160	204,972
Subtotal	232,343	226,779	218,603	205,320
Total	$ 1,022,548	$ 1,021,409	$ 1,118,793	$ 965,410

(2) The contract liabilities at the beginning of the period are recognized as income in the current period

	For the three months ended June 30	
	2025	2024
Opening balance of contract liabilities that are recognized as revenue in th current period		
Sales contracts	$ 76,118	$ 62,723
Warranty contracts	10,160	7,009
Customer loyalty program	1,712	423
	$ 87,990	$ 70,155

	For the six months ended June 30	
	2025	2024
Opening balance of contract liabilities that are recognized as revenue in th current period		
Sales contracts	$ 428,540	$ 425,474
Warranty contracts	19,614	13,416
Customer loyalty program	3,407	4,818
	$ 451,561	$ 443,708

(3) Customer contracts not fully performed (contract liabilities - non-current)

As of June 30, 2025, December 31, 2024 and June 30, 2024, the Group had $232,343, $226,779 and $218,603, respectively, of outstanding customer contracts apportioned to contract liabilities - non-current. The Group expects to recognize the aforementioned amounts as revenue in the next three years after June 30, 2025, December 31, 2024 and June 30, 2024, in the amount of $109,654, $108,460 and $100,753 respectively, with the remainder expected to be recognized in subsequent years.

(XVII) Interest income

	For the three months ended June 30	
	2025	2024
Interest on bank deposits	$ 4,986	$ 5,430
Interest income of financial assets measured at amortized cost	229	597
	$ 5,215	$ 6,027

	For the six months ended June 30	
	2025	2024
Interest on bank deposits	$ 10,848	$ 10,187
Interest income of financial assets measured at amortized cost	927	1,098
	$ 11,775	$ 11,285

(XVIII) Other income

	For the three months ended June 30	
	2025	2024
Information products and home appliances recycling	$ 360	$ 257
Other income - others	4,528	7,980
	$ 4,888	$ 8,237

	For the six months ended June 30	
	2025	2024
Information products and home appliances recycling	$ 535	$ 417
Other income - others	7,566	9,361
	$ 8,101	$ 9,778

(XIX) Other gains and losses

	For the three months ended June 30	
	2025	2024
Loss on disposal and abandonment of property, plant and equipment	($ 477)	($ 255)
Lease modification gains	-	248
Net loss on financial assets at fair value through profit or loss	(846)	2,670
Exchange gains	(12,827)	1,820
Other gains and losses	(1,726)	(2,503)
	($ 15,876)	$ 1,980

	For the six months ended June 30	
	2025	2024
Loss on disposal and abandonment of property, plant and equipment	($ 1,083)	($ 832)
Lease modification gains	745	248
Net loss on financial assets at fair value through profit or loss	(1,066)	2,670
Exchange gains	(11,405)	6,006
Other gains and losses	(1,817)	(2,852)
	($ 14,626)	$ 5,240

(XX) Employee benefits, depreciation and amortization expenses

By function / By nature	For the three months ended June 30, 2025		
	As operating costs	As operating expenses	Total
Employee benefit expenses			
Salary expenses	$ 32,692	$ 217,015	$ 249,707
Labor and health insurance expenses	3,289	28,758	32,047
Pension expenses	1,568	13,075	14,643
Other employee benefit expenses	1,844	17,535	19,379
Depreciation expenses	55,609	240,004	295,613
Amortization expenses	245	2,345	2,590

By function / By nature	For the three months ended June 30, 2024		
	As operating costs	As operating expenses	Total
Employee benefit expenses			
Salary expenses	$ 33,377	$ 218,785	$ 252,162
Labor and health insurance expenses	3,394	28,137	31,531
Pension expenses	1,646	12,707	14,353
Other employee benefit expenses	1,964	17,733	19,697
Depreciation expenses	55,823	248,443	304,266
Amortization expenses	33	2,368	2,401

By function / By nature	For the six months ended June 30, 2025		
	As operating costs	As operating expenses	Total
Employee benefit expenses			
Salary expenses	$ 65,229	$ 439,166	$ 504,395
Labor and health insurance expenses	6,708	57,810	64,518
Pension expenses	3,201	26,410	29,611
Other employee benefit expenses	3,684	34,809	38,493
Depreciation expenses	110,980	480,889	591,869
Amortization expenses	349	3,635	3,984

By function / By nature	For the six months ended June 30, 2024		
	As operating costs	As operating expenses	Total
Employee benefit expenses			
Salary expenses	$ 65,388	$ 443,757	$ 509,145
Labor and health insurance expenses	6,988	56,417	63,405
Pension expenses	3,385	25,611	28,996
Other employee benefit expenses	4,028	36,198	40,226
Depreciation expenses	111,668	497,909	609,577
Amortization expenses	58	4,865	4,923

1. In accordance with the Company's Articles of Association, the Company shall set aside 1% to 7% of the balance of the pre-tax benefits not included in employees' compensation for the year net of accumulated losses as employee compensation. The remuneration allocated to grassroots employees shall not be less than 50% of the annual allocation.
2. The estimated amount of employee remuneration for the three months and six months ended June 30, 2025 and 2024 is ($22), $1,222, $1,062 and $2,866, respectively, and the

aforementioned amounts are recorded as salary expense and estimated based on the profit as of the current period (estimated at 2.5%).

The employee remuneration resolved by the board of directors for 2024 is consistent with the amount recognized in the financial statementsfor 2024, which is $6,000. The employeeremuneration is paid in cash, and the relevant remunerationhas not yet been actually paid.

3. Related information on the employee remuneration approved by the Company's Board of Directors can inquire on the MOPS website.

(XXI) Income tax

1. Income tax expense

(1) Income tax expense components:

	For the three months ended June 30	
	2025	2024
Current income tax:		
Income tax incurred in the period	$ 1,751	$ 8,671
Tax on undistributed earnings	176	373
Overseas subsidiaries separate taxation amount	352	300
Adjustments in respect of prior period	(851)	173
Total current tax	1,428	9,517
Deferred income tax:		
Originally generated temporary differences and reversals	(2,004)	109
Income tax expense	($ 576)	$ 9,626

	For the six months ended June 30	
	2025	2024
Current income tax:		
Income tax incurred in the period	$ 10,250	$ 21,368
Tax on undistributed earnings	176	373
Overseas subsidiaries separate taxation amount	719	576
Adjustments in respect of prior period	(850)	173
Total current tax	10,295	22,490
Deferred income tax:		
Originally generated temporary differences and reversals	(2,197)	79
Income tax expense	$ 8,098	$ 22,569

(2) Income tax related to other comprehensive income:

	For the three months ended June 30	
	2025	2024
Exchange differences on translation of financial statements of foreign operations	($ 2,161)	($ 33)

	For the six months ended June 30	
	2025	2024
Exchange differences on translation of financial statements of foreign operations	($ 2,396)	($ 35)

2. The Company's income tax returns through 2023 have been assessed and approved by the Tax Authority.

(XXII) Earnings per share

	For the three months ended June 30, 2025		
	Amount after tax	Weighted average number of outstanding shares (in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 151	116,800	$ -
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 151	116,800	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	45	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 151	116,845	$ -

	For the three months ended June 30, 2024		
	Amount after tax	Weighted average number of outstanding shares (in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 38,421	116,800	$ 0.33
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 38,421	116,800	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	81	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 38,421	116,881	$ 0.33

	For the six months ended June 30, 2025		
	Amount after tax	Weighted average number of outstanding shares (in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 34,177	116,800	$ 0.29
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 34,177	116,800	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	107	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 34,177	116,907	$ 0.29

	For the three months ended June 30, 2024		
	Amount after tax	Weighted average number of outstanding shares (in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 89,944	116,800	$ 0.77
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 89,944	116,800	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	157	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 89,944	116,957	$ 0.77

(XXIII) Supplemental cash flow information

Investing activities with partial cash payments:

	For the six months ended June 30	
	2025	2024
Purchase of property, plant and equipment	$ 28,239	$ 34,997
Add: Equipment payable at the beginning of the period	18,855	11,076
Less: Equipment payable at the end of the period	(4,077)	(18,218)
Cash paid during the period	$ 43,017	$ 27,855

	For the six months ended June 30	
	2025	2024
Purchase of intangible assets	$ 22,614	$ 993
Add: Intangible assets payable at the beginning of the period	250	3,751
Less: Intangible assets payable at the end of the period	(11,423)	(250)
Cash paid during the period	$ 11,441	$ 4,494

(XXIV) Changes in liabilities from financing activities

	2025		
	Deposits received	Lease liabilities	Total liabilities from financing activities
January 1	$ 74,422	$ 5,201,985	$ 5,276,407
Changes in cash flows from financing activities	(1,864)	(509,406)	(511,270)
Lease liabilities added in the period	-	326,159	326,159
Other non-cash changes	-	(15,029)	(15,029)
Effect of exchange rate changes	(66)	-	(66)
June 30	$ 72,492	$ 5,003,709	$ 5,076,201

	2024		
	Deposits received	Lease liabilities	Total liabilities from financing activities
January 1	$ 70,070	$ 5,470,486	$ 5,540,556
Changes in cash flows from financing activities	209	(507,223)	(507,014)
Lease liabilities added in the period	-	420,358	420,358
Other non-cash changes	-	(23,973)	(23,973)
June 30	$ 70,279	$ 5,359,648	$ 5,429,927

VII. Related Party Transactions

(I) Names of related parties and relationship

Names of related parties	Relationship with the Group
Wu Wha Ma International Co., Ltd. (Wuhuama)	Affiliates
Jin Kuanq Enterprise Co., Ltd. (Jin Kuanq)	〃
Star Comgistic Capital Co., Ltd. (Star Comgistic)	Other related parties

(II) Significant transactions with related parties

1. Operating revenue:

	For the three months ended June 30	
	2025	2024
Merchandise sales:		
Affiliates	$ 3	$ 17
Other related parties	80	121
	$ 83	$ 138
Other operating revenue:		
Affiliates	$ 1,325	$ 1,305
Other related parties	245	245
	$ 1,570	$ 1,550

	For the six months ended June 30	
	2025	2024
Merchandise sales:		
Affiliates	$ 28	$ 50
Other related parties	110	193
	$ 138	$ 243
Other operating revenue:		
Affiliates	$ 2,650	$ 2,604
Other related parties	471	471
	$ 3,121	$ 3,075

The sales price between the Group and a related party is based on the agreed trading terms and expires 30 days after the month of sale. For key information on other operating revenue, please refer to “4. Lease income” below.

2. Purchase:

	For the three months ended June 30	
	2025	2024
Merchandise purchases:		
Affiliates	$ 3,983	$ 3,287
Other related parties	28,637	38,195
	32,620	41,482

	For the six months ended June 30	
	2025	2024
Merchandise purchases:		
Affiliates	$ 8,202	$ 4,544
Other related parties	72,530	107,956
	80,732	112,500

The purchase price between the Group and a related party is based on the agreed trading terms and expires 30 days after the month of purchase.

3. Payables to related parties:

	June 30, 2025	December 31, 2024	June 30, 2024
Accounts payable:			
Affiliates	$ 1,337	$ 1,560	$ 1,198
Other related parties	9,339	17,279	13,250
	$ 10,676	$ 18,839	$ 14,448

4. Lease income:

			For the three months ended June 30, 2025	
Type of related party	Subject	Lease period	Amount	Rent collection method
Affiliates	Baoshan Store etc.	2015.04~2030.08	$ 1,325	Collect remittance monthly
Other related parties	6F, No. 333, Sec. 1, Tiding Blvd., Neihu Dist., Taipei City	2025.01~2025.12	$ 245	Collect remittance monthly

			For the three months ended June 30, 2024	
Type of related party	Subject	Lease period	Amount	Rent collection method
Affiliates	Baoshan Store etc.	2015.04~2026.12	$ 1,305	Collect remittance monthly
Other related parties	6F, No. 333, Sec. 1, Tiding Blvd., Neihu Dist., Taipei City	2024.01~2024.12	$ 245	Collect remittance monthly

			For the six months ended June 30, 2024	
Type of related party	Subject	Lease period	Amount	Rent collection method
Affiliates	Baoshan Store etc.	2015.04~2026.12	$ 2,650	Collect remittance monthly
Other related parties	6F, No. 333, Sec. 1, Tiding Blvd., Neihu Dist., Taipei City	2024.01~2024.12	$ 471	Collect remittance monthly

			For the six months ended June 30, 2024	
Type of related party	Subject	Lease period	Amount	Rent collection method
Affiliates	Baoshan Store etc.	2015.04~2026.12	$ 2,604	Collect remittance monthly
Other related parties	6F, No. 333, Sec. 1, Tiding Blvd., Neihu Dist., Taipei City	2024.01~2024.12	$ 471	Collect remittance monthly

The Group leases business premises to related parties, with the rent being determined based on the Group's rent for premises leased from others or prevailing market rates.

5. Lease transactions - Lessee

(1) The Group leases a building from the related party for a period of 9 ~ 10 years, and the rent is paid monthly.

(2) Lease liabilities

A. Balance at the end of period:

	June 30, 2025	December 31, 2024	June 30, 2024
Other related parties	$ 34,459	$ 38,375	$ 40,945

B. Interest expense:

	For the three months ended June 30	
	2025	2024
Other related parties	$ 154	$ 176

	For the six months ended June 30	
	2025	2024
Other related parties	$ 313	$ 357

6. Rental expenses (stated as “management expenses”)

	For the three months ended June 30	
	2025	2024
Other related parties	$ 81	$ 80

	For the six months ended June 30	
	2025	2024
Other related parties	$ 163	$ 159

(III) Key management compensation

	For the three months ended June 30	
	2025	2024
Salaries and other short-term employee benefits	$ 11,957	$ 11,190
Post-employment benefits	260	216
	$ 12,217	$ 11,406

	For the six months ended June 30	
	2025	2024
Salaries and other short-term employee benefits	$ 22,260	$ 21,714
Post-employment benefits	476	432
	$ 22,736	$ 22,146

VIII. Pledged Assets

The Group's assets pledged as collateral are as follows:

	Book value			
Asset item	June 30, 2025	December 31, 2024	June 30, 2024	Purpose of pledge
Reserve account – time deposits (Accounted as financial assets at amortized cost - current)	$ 129,665	$ 149,682	$ 149,518	Reserve account voucher reimbursement
Land, building and construction (Accounted as property, plant and equipment)	1,053,806	1,055,473	1,057,140	Bank loan facilities
Land, building and construction (Accounted as investment property)	286,769	287,226	287,682	Bank loan facilities
	$ 1,470,240	$ 1,492,381	$ 1,494,340	

IX. Significant Contingent Liabilities and Unrecognized Contract Commitments

(I) Contingencies

None.

(II) Commitments

1. As of June 30, 2025, December 31, 2024 and June 30, 2024, the Group has issued promissory notes in the amount of $53,002, $59,194 and $59,194, respectively, for the performance guarantee of the leased stores.
2. As of June 30, 2025, December 31, 2024 and June 30, 2024, the amount of bank guarantees for the purchase of goods of the Group were $476,000, $559,000 and $484,000, respectively.

X. Significant Disaster Loss

None.

XI. Significant Events after the Balance Sheet Date

None.

XII. Others

(I) Capital management

The Group's objectives in managing capital are to ensure that the Group can operate sustainably, maintain an optimal capital structure to reduce the capital cost, and provide returns to shareholders. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce the debt. The Group monitors its capital through a debt-to-capital ratio, which is calculated as total debt divided by total capital. Total debt is the sum of short-term loans and long-term loans recognized in the consolidated balance sheet. Total capital is the sum of "total equity" in the consolidated balance sheet and the total debt.

The strategies adopted by the Group in 2025 are the same as those in 2024. All of the strategies are aimed at maintaining a stable debt-to-capital ratio. As of June 30, 2025, December 31, 2024 and June 30, 2024, the Group's debt-to-capital ratios are as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Total debt	$ -	$ -	$ -
Total equity	4,345,021	4,495,628	4,386,938
Total capital	$ 4,345,021	$ 4,495,628	$ 4,386,938
Debt to capital ratio	-	-	-

(II) Financial instruments

1. Type of financial instruments

	June 30, 2025	December 31, 2024	June 30, 2024
Financial assets			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss - non-current	$ 20,945	$ 22,011	$ 23,820
Financial assets at amortized cost			
Cash and cash equivalents	$ 1,099,000	$ 1,369,842	$ 1,408,454
Financial assets at amortized cost - current	133,865	152,882	149,518
Accounts receivable	63,841	44,469	194,782
Other receivables	42,003	36,825	33,390
Refundable deposits	195,812	201,007	207,061
Long-term notes and accounts receivable	8,955	9,687	13,810
	$ 1,543,476	$ 1,814,712	$ 2,007,015

	June 30, 2025	December 31, 2024	June 30, 2024
Financial liabilities			
Financial liabilities at amortized cost			
Notes payable	$ 2,843	$ 2,464	$ 2,151
Accounts payable (including related parties)	2,669,975	2,389,403	3,077,735
Other payables	403,723	472,608	428,120
Deposits received	72,492	74,422	70,279
Long-term payable (stated as "Other non-current liabilities")	5,712	-	-
	$ 3,154,745	$ 2,938,897	$ 3,578,285
Lease liabilities	5,003,709	5,201,985	5,359,648

2. Risk management policies

The Group's risk controls and hedging strategies are mainly aimed to reduce losses to the Group's assets or liabilities due to fluctuations in exchange rates and interest rates. In order to accomplish the above goals, the Group uses derivatives to build up financial hedging positions. All hedging activities are also conducted according to the following principles to ensure the fulfillment of risk control:

(1) Based on the principle of natural hedging

(2) Based on the principle of not eroding the profitability of the core business

(3) Based on the principle of not engaging in financial instruments denominated in currencies other than the operating currency

(4) Actually implementing stop loss

(5) Actually implementing the workflow

In terms of supervision and management, the top manager of the finance segment is responsible for monitoring and managing the trading positions of derivatives. In addition to the regular evaluation each month, they monitor the transactions and profit and loss situation from time to time, and take necessary countermeasures and report to the board of directors when any irregularities are detected. Moreover, they also evaluate periodically whether derivatives trading performance meets established operational strategies and whether the risk undertaken is within the Company's permitted scope of tolerance. The Group has established procedures for handling derivative transactions.

3. Significant financial risks and degrees of financial risks

(1) Market risk

Foreign exchange risk

A. The Group's management has established policies to manage exchange rate risk against the functional currencies of companies within the Group. Each company shall hedge their overall exchange rate risk via the finance segment of the Group.

B. The Group's operations involve certain non-functional currencies (the Company and some subsidiaries' functional currency is New Taiwan dollar, some subsidiaries' functional currencies are VND, HKD, etc.) and therefore would be affected by exchange rate fluctuations. Information on foreign currency assets and liabilities that are subject to significant effect is as follows:

	June 30, 2025				
				Sensitivity analysis	
(Foreign currency: Functional currency)	Foreign currency (In thousands)	Exchange rate	Book value (NTD in thounsands)	Percentage of change	Impact on profit and loss
Financial assets					
Monetary items					
USD : TWD	$ 848	29.1675	$ 24,734	1%	$ 247

	December 31, 2024				
				Sensitivity analysis	
(Foreign currency: Functional currency)	Foreign currency (In thousands)	Exchange rate	Book value (NTD in thounsands)	Percentage of change	Impact on profit and loss
Financial assets					
Monetary items					
USD : TWD	$ 3,663	32.7260	$ 119,875	1%	$ 1,199

	June 30, 2024				
				Sensitivity analysis	
(Foreign currency: Functional currency)	Foreign currency (In thousands)	Exchange rate	Book value (NTD in thounsands)	Percentage of change	Impact on profit and loss
Financial assets					
Monetary items					
USD : TWD	$ 3,437	32.5375	$ 111,831	1%	$ 1,118

C. The total amount of exchange (loss) gain recognized in the three months and six months ended June 30, 2025 and 2024 for the Group's monetary items that are materially affected by exchange rate fluctuations is (\$12,827), \$1,820, (\$11,405) and \$6,006, respectively.

Price risks

A. The Group’s exposure to price risk mainly arises from its holding of equity instruments such as stock. In order to manage the price risk of such investments, the Group diversifies its investment portfolio in a manner consistent with the limits set by the Group.

B. Where the price of such investment instruments rises or falls by 1%, with all other factors held constant, the gain or loss from the investment instruments measured at fair value through profit or loss would increase or decrease the net income after tax by \$209 and \$238 in the six months ended June 30, 2025 and 2024, respectively.

(2) Credit risk

A. The Group’s credit risk is the risk of financial loss resulting from the failure of a customer or counterparty to a financial instrument to perform its contractual obligations. It mainly comes from the contractual cash flow from the accounts receivable and investments in debt instruments that are classified as investments measured at amortized cost which counterparties fail to repay in accordance with the payment terms.

B. The Group has established its credit risk management from the Group’s perspective. The banks and financial institutions with which the Company deals must have a certain credit rating or above. Certain credit rating refers to a longterm credit rating of Adequate to meet financial commitments and a rating of twBBB- or higher from Taiwan Ratings or equivalent rating from other domestic or foreign credit rating agencies.

C. The Group adopts the assumptions of IFRS 9, whereby a financial asset is considered to be subject to a significant increase in credit risk since its original recognition when the contractual payment terms are more than 30 days past due; a default is considered to have occurred when the contractual payment terms are more than 90 days past due.

D. The accounts receivable from customers are grouped according to the characteristics of the customer type, and the expected credit losses are estimated based on the loss ratio method in a simplified manner.

E. The Group, after taking the recourse procedures, writes off the financial assets that cannot be reasonably expected to be recovered. However, the Group will continue to pursue legal proceedings to preserve the rights of creditors.

F. (1) Considering the historical information for a specific period of a customer with general credit conditions, and taking into account the impact of Taiwan’s economic conditions on future credit risk, the Group assessed that the expected loss rate of \$15,371, \$18,260 and \$17,957 accounts receivable as of June 30, 2025, December 31, 2024 and June 30, 2024, ranges from 0.5% to 50%, and the allowance for loss is \$195, \$305 and \$311, respectively.

(2) The aggregate book values of accounts receivable on related parties and financial institutions as of June 30, 2025, December 31, 2024 and June 30, 2024 are \$48,665, \$26,514 and \$177,136, respectively. Since the credit risk is expected to be insignificant, the allowance for loss is \$0.

(3) The Group assesses customers with poor credit standing individually. The total book value of accounts receivable for customers with an individually evaluated

poor credit standing and default were $75, $0 and $0 as of June 30, 2025, December 31, 2024 and June 30, 2024, respectively, and the allowance for losses were $75, $0 and $0, respectively, since the expected loss rate is 100%.

G. The table of changes in the allowance for losses on notes and accounts receivable on a simplified basis are as follows:

	2025	2024
January 1	$ 305	$ 595
Impairment reversals gains	(34)	(284)
Net exchange differences	(1)	-
June 30	$ 270	$ 311

Impairment reversal gains recognized arising from the receivables generated by customer contracts in the six months ended June 30, 2025 and 2024 were $35 and $276, respectively.

H. For investments in debt instruments measured at amortized cost recognized, their level of credit risks are as follows:

	June 30, 2025			
		By duration		
	By 12 months	Those whose credit risk has increased significantly	Those with impaird credit	Total
Financial assets at amortized cost	$ 133,865	$ -	$ -	$ 133,865

	December 31, 2024			
		By duration		
	By 12 months	Those whose credit risk has increased significantly	Impairment of credit	Total
Financial assets at amortized cost	$ 152,882	$ -	$ -	$ 152,882

	June 30, 2024			
		By duration		
	By 12 months	Those whose credit risk has increased significantly	Impairment of credit	Total
Financial assets at amortized cost	$ 149,518	$ -	$ -	$ 149,518

The Group’s financial assets at amortized cost is reserve accounts - time deposits and the bank time deposits with original maturity of more than three months. There are no significant abnormalities in their credit risk ratings.

(3) Liquidity risk

A. Cash flow forecasts are performed by each operating entity of the Group and are summarized by the finance segment. The finance segment monitors the Group’s liquidity needs to ensure that the Group has adequate working capital to repay liabilities when due, under both normal and stressed scenarios, and therefore prevent occurrence of intolerable losses and risk of damage to the Group’s reputation.

B. Where any operating entity holds more cash positions than those required for working capital management, it selects instruments with appropriate maturities or sufficient liquidity, such as short-term interest-bearing demand deposits, time deposits, and marketable securities investments, to meet the aforementioned forecasts and to provide sufficient positions for deployment.

C. The table below represents the Group's non-derivative financial liabilities grouped by the maturity and analyzed based on the remaining period from the balance sheet date to the contractual maturity date. The contractual cash flow amounts disclosed in the following table are the undiscounted amounts.

Non-derivative financial liabilities:	Within 3 months	From 3 months to within 1 year	More than 1 year
June 30, 2025			
Notes payable	$ 2,843	$ -	$ -
Accounts payable (including related parties)	2,600,438	69,537	-
Other payables	189,509	214,214	-
Lease liabilities	275,911	763,968	4,256,279
Deposits received	-	-	72,492
Long-term payable (stated as "Other non-current liabilities")	-	-	5,712

Non-derivative financial liabilities:	Within 3 months	From 3 months to within 1 year	More than 1 year
December 31, 2024			
Notes payable	$ 2,464	$ -	$ -
Accounts payable (including related parties)	2,232,107	157,296	-
Other payables	220,352	252,256	-
Lease liabilities	276,547	780,116	4,445,334
Deposits received	-	-	74,422

Non-derivative financial liabilities:	Within 3 months	From 3 months to within 1 year	More than 1 year
June 30, 2024			
Notes payable	$ 2,151	$ -	$ -
Accounts payable (including related parties)	3,018,891	58,844	-
Other payables	212,500	215,620	-
Lease liabilities	271,733	762,219	4,630,093
Deposits received	-	-	70,279

D. The Group does not expect the occurrence timing for cash flows in the maturity analysis to be significantly earlier or the actual amounts to be significantly different.

(III) Fair value information

1. The definition of levels of valuation technique adopted to measure the fair value of financial and non-financial instrument are as follows:

Level 1: The quotation of the same asset or liability in an active market as of the evaluation (before adjustment). An active market is one in which a sufficient frequency and volume of asset or liability transactions occur to provide pricing information on an ongoing basis.

Level 2: Direct or indirect observable inputs of assets or liabilities, except for those included in Level 1.

Level 3: Unobservable inputs of assets or liabilities. This includes all of the Group's investment in equity instruments without active markets.

2. Please refer to Note VI (IX) for information on the fair value of investment property measured at cost.

3. Financial instruments not measured at fair value

   The book values of the Group's cash and cash equivalents, notes receivable, accounts receivable, other receivables, financial assets measured at amortized cost - current, other financial assets - non-current, refundable deposits, long-term notes and accounts receivable, notes payable, accounts payable (including related parties), other payables and deposits received are reasonable approximations of their fair values.

4. For financial and non-financial instruments measured at fair value, the Group classifies them according to their nature, characteristics and risks of the assets and liabilities, and the basis of the fair value levels. The related information is as follows:

   (1) Classified by the nature of assets and liabilities:

June 30, 2025	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Equity securities	$ -	$ -	$ 20,945	$ 20,945

December 31, 2024	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Equity securities	$ -	$ -	$ 22,011	$ 22,011

June 30, 2024	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Equity securities	$ -	$ -	$ 23,820	$ 23,820

   (2) Method and assumption used for measuring fair values:

      A. The fair values of the remaining financial instruments are obtained using valuation techniques or by reference to quoted prices from counterparties. Fair values obtained by using valuation techniques can reference to other concurrent fair values of financial instruments with practically similar terms and characteristics, discounted cash flow, or other valuation techniques, including calculating based on the market information obtained on the balance sheet date using the model (such as yield curve used in TPEx and Reuters commercial paper average rate).

      B. The outputs of valuation models are estimated values. Valuation techniques may not reflect all related factors of the financial and non-financial instruments held by the Group. Therefore, the estimated values of valuation models may be adjusted appropriately according additional parameters, such as model risk or liquidity risk. According to the Group's management policy for the fair value valuation model and relevant control procedures, the management believes that the valuation adjustments are adequate and necessary in order to fairly present the fair value of financial and non-financial instruments in the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

5. The following chart is the movement of Level 3 for the six months ended June 30, 2025 and 2024:

	2025	2024
	Equity instruments	Equity instruments
January 1	$ 22,011	$ 21,150
Fair value changes recognized in profit or loss	(1,066)	2,670
June 30	$ 20,945	$ 23,820

6. There were no transfers between Level 1 and Level 2, and no transfers to or from Level 3 in the six months ended June 30, 2025 and 2024.

7. For the valuation process of Level 3 fair values, the finance segment is responsible for conducting independent fair value verification of financial instruments; using independent sources of information to keep valuation results close to market conditions; verifying that the sources are independent, reliable, consistent with other sources, and representative of exercisable prices to ensure that the valuation results are reasonable.

   In addition, the finance segment jointly formulates the policy and procedures for financial instrument fair value valuation and makes sure that they meet the requirements of the relevant International Financial Reporting Standards.

8. The quantitative information of and sensitivity analysis of changes in significant unobservable inputs of the valuation model used for measuring Level 3 fair value are as follows:

	Fair value as of June 30, 2025	Valuation technique	Significant unobservable input	Range (Weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted company stocks	$ 20,945	Net asset value	Not applicable	Not applicable	Not applicable

	Fair value as of December 31, 2024	Valuation technique	Significant unobservable input	Range (Weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted company stocks	$ 22,011	Net asset value	Not applicable	Not applicable	Not applicable

	Fair value as of June 30, 2024	Valuation technique	Significant unobservable input	Range (Weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted company stocks	$ 23,820	Net asset value	Not applicable	Not applicable	Not applicable

XIII. Additional Disclosure

(I) Information significant transactions

1. Funds lent to others: None.
2. Endorsement/guarantee provided for others: Please refer to Schedule I.
3. Marketable securities held at the end of the period (excluding investment in subsidiaries, affiliates and joint venture control): Please refer to Schedule II.
4. Cumulative amount of purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: None.
5. Receivables from related parties amounting to at least $100 million or 20% of the issued capital: None.
6. Business relationships and significant transactions between the parent company and subsidiaries and tetween subsidiaries and the amounts involved: None.

(II) Information on investees

Information on name and location of the investee (excluding investees in Mainland China): Please refer to Schedule III.

(III) Information on investments in Mainland China

1. Basic information: None.
2. Significant transactions with investees in Mainland China directly or indirectly through businesses in a third region: None.

XIV. Operating segment information

(I) General information

The Group's management has identified the reporting segments according to the report information which the board of directors used for making decisions.

The Group's board of directors operates businesses and evaluates each performance from the product perspective; the Group currently focuses on consumer electronics product retail, and the operating results of the remaining products are consolidated under "other operating segments".

(II) Segment information

Information on reporting segments provided to the main operating decision-maker is as follows:

	For the six months ended June 30, 2025		
	Channel segment	Others	Total
Revenue from external customers	$ 8,849,759	$ 11,878	$ 8,861,637
Reporting segment (loss) profit	$ 38,263	$ 4,012	$ 42,275
Reporting segment depreciation expenses	$ 589,481	$ 2,388	$ 591,869
Reporting segment amortization expenses	$ 3,984	$ -	$ 3,984

	For the six months ended June 30, 2024		
	Channel segment	Others	Total
Revenue from external customers	$ 9,391,091	$ 11,622	$ 9,402,713
Reporting segment (loss) profit	$ 110,379	$ 2,134	$ 112,513
Reporting segment depreciation expenses	$ 607,177	$ 2,400	$ 609,577
Reporting segment amortization expenses	$ 4,923	$ -	$ 4,923

(III) Information on adjustment of segment profit or loss

Reporting segments' profit or loss before tax provided to the main operating decision-makers is the same as the segment profit or loss before tax. There is no need for adjustment.

Tsann Kuen Enterprise Co., Ltd. and Subsidiaries
Endorsement/guarantee provided for others
For the six months ended June 30, 2025
(Expressed in thousands of NTD, except as otherwise indicated)

Schedule I

Number (Note 1)	Name of endorsement/ guarantee provider	Endorsement/guarantee target		Limit of endorsement/ guarantee for a single entity	Highest balance of endorsement/ guarantee in the period	Closing balance of endorsement/ guarantee	Actual amount drawn	Endorsement/ guarantee amount secured by property	Ratio of accumulated endorsement/guarantee to net worth of the most recent financial statements (Note 3)	Ceiling amount of total endorsement/ guarantee	Endorsement/ guarantee by parent company for subsidiary (Note 7)	Endorsement/ guarantee by subsidiary for parent company (Note 7)	Endorsement/ guarantee to Mainland China (Note 7)	Remarks
		Company name	Relationship (Note 2)											
1	Da Li Investment Co., Ltd.	Tsann Kuen Enterprise Co., Ltd.	2	$ 31,971	$ 3,947	$ 3,947	$ -	$ -	0.09%	$ 31,971	N	Y	N	Note 5 and 6
2	Yong Yi Investment Co., Ltd.	Tsann Kuen Enterprise Co., Ltd.	2	5,022	3,947	3,947	-	-	0.09%	5,022	N	Y	N	Note 5 and 6

Note 1: The number column is filled out as follows:
(1) Fill in 0 for the issuer.
(2) Investees are numbered sequentially from Arabic numeral 1 by company.

Note 2: There are 7 types of relations between the endorsement/guarantee provider and the endorsement/ guarantee target. Please mark the typ:
(1) A company with which the Company does business.
(2) Subsidiaries with more than 50% common shares held directly.
(3) An investee in which the parent company and its subsidiaries hold more than 50% common stock equity combined.
(4) parent company in which the Group holds, directly or indirectly through a subsidiary, more than 50% common stock shares.
(5) Contractual obligation of providing mutual endorsements/guarantees for another peer companies for the purpose of undertaking a construction project.
(6) Endorsement/ guarantee made by all capital contributing shareholders for their jointly invested company in proportion to their shareholding percentages.
(7) Joint and several security for a performance guarantee of a sales contract for pre-construction homes made by peer companies among themselves pursuant to the Consumer Protection Act.

Note 3: Calculated based on the ratio of the endorsement/ guarantee balance of the subsidiary to the net worth of the Company in accordance with Article 25 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.

Note 4: The ceiling amount of total endorsement/ guarantee and the limit of endorsement/ guarantee for a single entity are both 70% of the Company’s net worth in the latest financial statements.

Note 5: The ceiling amount of total endorsement/ guarantee and the limit of endorsement/ guarantee for a single entity are both 100% of such company’s net worth in the latest financial statements.

Note 6: The Company separately signed a supermarket investment and operation contract and a supplementary contract with the Taipei City Government in February 2012 and January 2019, respectively. The contracts stipulate that the Company must maintain the property rights and original designated use of the market. In case of violation of the aforementioned agreement, the Taipei City Government has the right to require the Company to rectify within a specified period. If the Company fails to rectify within the specified period, the Taipei City Government may impose a penalty equivalent to 3% of the total project cost, amounting to $3,947, with Da Li Investment and Yong Yi International Investment acting as joint guarantors for the Company.

Note 7: Mark “Y” for the endorsement/ guarantee by the listed parent company for a subsidiary, endorsement/ guarantee by a subsidiary for the listed parent company, endorsement/ guarantee to Mainland China.

Tsann Kuen Enterprise Co., Ltd. and Subsidiaries
Marketable securities held at the end of the period (excluding investment in subsidiaries, affiliates and joint venture control)
June 30, 2025
(Expressed in thousands of NTD, except as otherwise indicated)

Schedule II

				As of June 30, 2025				
Holding company	Type and name of marketable securities	Relationship with the issuers of the marketable securities	Account	Number of Shares/units	Book value	Shareholding percentage	Fair value (Note 2)	Remark
Tsann Kuen Enterprise Co., Ltd.	Stocks - Sunsino Development Associate Inc.	None	Financial assets at fair value through profit or loss - non-current	1,442,332	$ 20,945	3.04%	$ 20,945	None

Note 1: The marketable securities in this table refer to the stocks, bonds, and beneficiary certificates within the scope stipulated in IFRS 9 “Financial Instruments” and the marketable securities derived from them.

Note 2: For those measured at fair value, please fill in the adjusted fair value less accumulated impairment loss in the book value column; for those not measured at fair value, please fill in the original acquisition cost or amortized cost less accumulated impairment loss in the book value column.

Note 3: The securities listed in this table are disclosed by the Company in accordance with the principle of materiality.

Tsann Kuen Enterprise Co., Ltd. and Subsidiaries
Information on name and location of the investee (excluding investees in Mainland China)
For the six months ended June 30, 2025
(Expressed in thousands of NTD, except as otherwise indicated)

Schedule III

				Original investment amount		Holding at the end of the period					
Name of investor	Name of investee	Location	Principal business	End of the period	End of the previous year	Number of shares	Ownership (%)	Book value	Profit or loss of the investee for the period	Investment income or loss recognized in the period(Note 1)	Remark
Tsann Kuen Enterprise Co., Ltd.	Da Li Investment Co., Ltd.	Taiwan	Investment activities	$ 30,000	$ 30,000	3,000,000	100.00	$ 31,907	$ 212	$ 212	Subsidiary of the Company
Tsann Kuen Enterprise Co., Ltd.	Yong Yi Investment Co., Ltd.	Taiwan	Investment activities	5,000	5,000	500,000	100.00	5,028	27	27	Subsidiary of the Company
Tsann Kuen Enterprise Co., Ltd.	An Sheng Insurance Agent Co., Ltd.	Taiwan	Insurance agent	6,500	6,500	500,000	100.00	6,909	502	502	Subsidiary of the Company
Tsann Kuen Enterprise Co., Ltd.	PROWORLD INTERNATIONAL LIMITED	British Virgin Islands	Holding company	408,098	408,098	7,250,000	100.00	88,686	(68)	(68)	Subsidiary of the Company
Tsann Kuen Enterprise Co., Ltd.	Wu Wha Ma International Co., Ltd.	Taiwan	Food and beverage industry	77,259	77,259	480,240	16.56	14,296	7,888	1,306	Investee of the Company accounted for using the equity method
Tsann Kuen Enterprise Co., Ltd.	Jin Kuanq Enterprise Co., Ltd.	Taiwan	Catering services	399,547	399,547	1,408,022	48.55	15,540	2,446	1,188	Investee of the Company accounted for using the equity method
PROWORLD INTERNATIONAL LIMITED	New Target Development Co., Ltd	Hong Kong	Holding company	255,043	255,043	65,313,300	100.00	87,408	(75)	-	Subsidiary of the investor
PROWORLD INTERNATIONAL LIMITED	Good World Enterprise Ltd.	Hong Kong	Holding company	151,980	151,980	655,200	100.00	1,278	7	-	Subsidiary of the investor
New Target Development Co., Ltd	PT.TSANN KUEN PROPERTY DEVELOPMENT INDONESIA	Indonesia	Property development and management	253,361	253,361	-	99.00	87,309	(78)	-	Subsidiary of the investor
Good World Enterprise Ltd.	PT.TSANN KUEN PROPERTY DEVELOPMENT INDONESIA	Indonesia	Property development and management	2,559	2,559	-	1.00	882	(78)	-	Investee accounted for using the equity method of the investor

Note 1: If the amount is zero, the Company does not recognize profit or loss directly.