Stock Code:2945

SIMPLE MART RETAIL CO., LTD.
AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Review Report
For the Three Months Ended March 31, 2026 and 2025

Address: B1, No. 4, Section 3, Minquan East Road, Zhongshan District, Taipei City 10477, Taiwan, R.O.C.

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

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Independent Auditors' Review Report

To the Board of Directors
Simple Mart Retail Co., Ltd.:

Introduction

We have reviewed the accompanying consolidated balance sheets of Simple Mart Retail Co., Ltd. and its subsidiaries as of March 31, 2026 and 2025, and the related consolidated statements of comprehensive income for the three months ended March 31, 2026 and 2025, changes in equity and cash flows for the three months ended March 31, 2026 and 2025, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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 the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing of the Republic of China 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.

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Simple Mart Retail Co., Ltd. and its subsidiaries as of March 31, 2026 and 2025, and of its consolidated financial performance for three months ended March 31, 2026 and 2025, and its consolidated cash flows for the three months ended March 31, 2026 and 2025 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Hsiao, Pei-Ju and Chou, Pao-Lian.

KPMG

Taipei, Taiwan (Republic of China)
May 8, 2026

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally accepted and applied in the Republic of China.

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

SIMPLE MART RETAIL CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

March 31, 2026, December 31, 2025, and March 31, 2025

(Expressed in Thousands of New Taiwan Dollars)

		March 31, 2026		December 31, 2025		March 31, 2025	
	Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current assets:						
1100	Cash and cash equivalents (notes 6(a)(u))	$ 662,120	8	330,587	5	428,352	7
1170	Accounts receivable, net (note 6(c))	134,829	2	65,063	1	71,465	1
1180	Accounts receivable - related parties, net (notes 6(c) and 7)	587	-	834	-	847	-
1200	Other receivables (note 7)	70,359	1	11,365	-	8,257	-
1300	Inventories (note 6(d))	2,034,835	23	1,823,332	29	1,818,579	29
1410	Prepayments (note 7)	45,934	1	42,974	1	42,052	1
1476	Other current financial assets (notes 6(a) and 8)	163,924	2	200	-	128,200	2
		3,112,588	37	2,274,355	36	2,497,752	40
	Non-current assets:						
1510	Financial assets at fair value through profit or loss - non-current (notes (b)(u) and 13)	54,941	1	50,209	1	59,202	1
1600	Property, plant and equipment (notes 6(g) and 8)	1,859,488	22	1,546,809	24	1,413,713	22
1755	Right-of-use assets (note 6(h))	2,797,604	32	1,974,510	31	1,888,899	30
1780	Intangible assets (notes 6(e)(i))	415,649	5	290,636	5	296,630	5
1840	Deferred tax assets	83,995	1	43,422	1	27,971	-
1920	Guarantee deposits paid (note 7)	171,415	2	115,341	2	107,449	2
1980	Other non-current financial assets (notes 6(a) and 8)	5,853	-	4,009	-	8,856	-
		5,388,945	63	4,024,936	64	3,802,720	60
	Total assets	**$ 8,501,533**	**100**	**6,299,291**	**100**	**6,300,472**	**100**

		March 31, 2026		December 31, 2025		March 31, 2025	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current liabilities:						
2100	Short-term borrowings (note 6(j)(u)(x))	$ 266,000	3	-	-	-	-
2110	Short-term notes and bills payable (note 6(k)(u)(x)and7)	199,933	2	7,993	-	99,967	2
2130	Contract liabilities - current (note 6(s))	179,297	2	74,640	1	23,339	-
2150	Notes payable (note 6(u))	271	-	165	-	201	-
2170	Accounts payable (note 6(u))	1,533,506	18	1,242,860	20	1,234,549	20
2180	Accounts payable - related parties (note 6(u) and 7)	6,183	-	4,409	-	4,495	-
2200	Other payables (note 6(l)(u) and 7)	720,009	9	618,435	10	784,746	12
2280	Lease liabilities - current (note 6(m)(u)(x) and 7)	694,335	8	492,285	8	485,227	8
2300	Other current liabilities (note 6(n))	364,152	4	41,343	1	151,015	2
		3,963,686	46	2,482,130	40	2,783,539	44
	Non-Current liabilities:						
2527	Contract liabilities - non-current (note 6(s))	1,855	-	2,420	-	3,978	-
2550	Non-current provisions	35,959	1	29,825	-	11,418	-
2570	Deferred tax liabilities	6,437	-	5,552	-	2,781	-
2580	Lease liabilities - non-current (note 6(m)(u)(x) and 7)	2,156,711	25	1,523,695	24	1,456,394	23
2645	Guarantee deposits received (note 6(u))	231,676	3	85,632	1	78,535	2
		2,432,638	29	1,647,124	25	1,553,106	25
	Total liabilities	6,396,324	75	4,129,254	65	4,336,645	69
	Equity (notes 6(f)(q)):						
3110	Ordinary share	675,000	8	675,000	11	675,000	11
3200	Capital surplus	1,055,235	13	1,055,235	17	1,001,310	16
	Retained earnings:						
3310	Legal reserve	92,640	1	92,640	1	79,000	1
3350	Unappropriated retained earnings	100,813	1	170,300	3	68,695	1
		193,453	2	262,940	4	147,695	2
	Total equity attributable to owners of parent:	1,923,688	23	1,993,175	32	1,824,005	29
36XX	Non-controlling interests	181,521	2	176,862	3	139,822	2
	Total equity	2,105,209	25	2,170,037	35	1,963,827	31
	Total liabilities and equity	**$ 8,501,533**	**100**	**6,299,291**	**100**	**6,300,472**	**100**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

SIMPLE MART RETAIL CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months ended March 31, 2026 and 2025

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

		For the three months ended March 31,			
		2026		2025	
		Amount	%	Amount	%
4000	**Operating revenue** (note 6(s), 7 and 14)	$ 3,837,104	100	3,473,590	100
5000	**Operating costs** (note 6(d) and 7)	2,802,658	73	2,510,546	72
	Gross margin from operations	1,034,446	27	963,044	28
	Operating expenses: (note 6(c)(g)(h)(i)(m)(o)(t), 7 and 12)				
6100	Selling expenses	861,163	23	801,301	23
6200	Administrative expenses	125,522	3	117,871	4
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS9	(161)	-	640	-
	Total operating expenses	986,524	26	919,812	27
	Net operating income	47,922	1	43,232	1
	Non-operating income and expenses:				
7100	Interest income	921	-	1,152	-
7190	Other income	5,092	-	4,444	-
7230	Foreign exchange gains	185	-	387	-
7235	Gains (losses) on financial assets at fair value through profit or loss	2,780	-	-	-
7510	Interest expenses (note 6(m) and 7)	(10,229)	-	(8,869)	-
7590	Miscellaneous disbursements	(315)	-	(2,375)	-
7610	Losses on disposal of property, plant and equipment (note 6(g) and 7)	(114)	-	(1,449)	-
		(1,680)	-	(6,710)	-
	Profit from continuing operations before tax	46,242	1	36,522	1
7950	**Less: Income tax expenses** (note 6(p))	9,820	-	8,040	-
	Profit	36,422	1	28,482	1
8300	**Other comprehensive income, net of tax**	-	-	-	-
8500	**Total comprehensive income**	**$ 36,422**	**1**	**28,482**	**1**
	Profit, attributable to:				
	Owners of parent	$ 36,564	1	29,019	1
8620	Non-controlling interests	(142)	-	(537)	-
		$ 36,422	**1**	**28,482**	**1**
	Comprehensive income attributable to:				
	Owners of parent	$ 36,564	1	29,019	1
8720	Non-controlling interests	(142)	-	(537)	-
		$ 36,422	**1**	**28,482**	**1**
9750	Basic earnings per share (note 6(r))	**$**	**0.54**		**0.43**
9850	Diluted earnings per share (note 6(r))	**$**	**0.54**		**0.43**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

SIMPLE MART RETAIL CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the three months ended March 31, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent					
			Retained earnings			
	Ordinary shares	Capital surplus	Legal reserve	Unappropriated retained earnings	Non-controlling interests	Total equity
Balance at January 1, 2025	$ 675,000	1,001,310	79,000	145,499	135,786	2,036,595
Distribution of retained earnings:						
Cash dividends of ordinary share	-	-	-	(101,250)	-	(101,250)
Net income	-	-	-	29,019	(537)	28,482
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	29,019	(537)	28,482
Changes in non-controlling interests	-	-	-	(4,573)	4,573	-
Balance at March 31, 2025	**$ 675,000**	**1,001,310**	**79,000**	**68,695**	**139,822**	**1,963,827**
Balance at January 1, 2025	$ 675,000	1,055,235	92,640	170,300	176,862	2,170,037
Distribution of retained earnings:						
Cash dividends of ordinary share	-	-	-	(101,250)	-	(101,250)
Net income	-	-	-	36,564	(142)	36,422
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	36,564	(142)	36,422
Changes in non-controlling interests	-	-	-	(4,801)	4,801	-
Balance at March 31, 2026	**$ 675,000**	**1,055,235**	**92,640**	**100,813**	**181,521**	**2,105,209**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

SIMPLE MART RETAIL CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the three months ended March 31, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars)

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Cash flows from (used in) operating activities:		
Profit before tax	$ 46,242	36,522
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expenses	185,446	171,747
Amortization expenses	2,642	3,777
Expected credit loss (reversal gain)	(161)	640
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(2,780)	-
Interest expenses	10,229	8,869
Interest income	(921)	(1,152)
Losses on disposal of property, plant and equipment	114	1,449
Loss (profit) from lease modification	258	(1,000)
Total adjustments to reconcile profit	194,827	184,330
Changes in operating assets and liabilities:		
Decrease in notes receivable	-	46
Increase in accounts receivable	(28,639)	(5,074)
Decrease in accounts receivable - related parties	247	437
Decrease in other receivables	3,739	7,139
Decrease in inventories	45,500	38,829
Decrease (increase) in prepayments	10,343	(9,659)
Increase in other financial assets	(3,954)	(8,000)
Decrease in contract liabilities	(29,744)	(30,931)
Increase in notes payable	43	121
Increase (decrease) in accounts payable	37,133	(52,227)
Increase in accounts payable - related parties	1,774	1,359
Decrease in other payables	(179,039)	(104,511)
(Decrease) increase in other current liabilities	(10,037)	63,376
Total adjustments	42,193	85,235
Cash inflow generated from operations	88,435	121,757
Interest received	1,008	1,024
Interest paid	(10,077)	(8,836)
Income taxes paid	(58)	(25)
Net cash flows generated from operating activities	79,308	113,920
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through profit or loss	(1,952)	-
Acquisition of subsidiaries (Net of cash acquired)	279,492	-
Acquisition of property, plant and equipment	(65,404)	(140,999)
Proceeds from disposal of property, plant and equipment	2	28
Increase in guarantee deposits paid	(4,298)	-
Decrease in guarantee deposits paid	-	921
Acquisition of intangible assets	(23,810)	(638)
Decrease in other financial assets	3,259	11,270
Net cash flows from (used in) investing activities	187,289	(129,418)
Cash flows from (used in) financing activities:		
Increase in short-term notes and bills payable	191,940	99,967
Increase in guarantee deposits received	4,006	-
Decrease in guarantee deposits received	-	(437)
Payments of lease liabilities	(131,010)	(128,151)
Net cash flows from (used in) financing activities	64,936	(28,621)
Net increase (decrease) in cash and cash equivalents	331,533	(44,119)
Cash and cash equivalents at beginning of period	330,587	472,471
Cash and cash equivalents at end of period	$ **662,120**	**428,352**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

SIMPLE MART RETAIL CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

March 31, 2026 and 2025

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

(1) Company history

Simple Mart Retail Co., Ltd. (the "Company") was incorporated on February 7, 2013 as a company limited authorized by the Ministry of Economic Affairs. The Company has registered office located at B1, No. 4, Section 3, Minquan East Road, Zhongshan District, Taipei City 10477, Taiwan (R.O.C.). The consolidated financial statements comprise the Company and its subsidiaries (together referred to as the "Group"). The main engagement is in supermarket operation, and retail sales in kinds of food, beverage, over-the-counter medicines, cosmetice, as well as pet food and supplies.

As of October 24, 2018, the Company got approval for public offering, and were listed on the Taiwan Stock Exchange (TWSE) on November 30, 2021.

(2) Approval date and procedures of the consolidated financial statements:

The Board of Directors authorized the consolidated financial statements on May 8, 2026.

(3) New standards, amendments and interpretations adopted:

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

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2026:

- IFRS 17 "Insurance Contracts" and amendments to IFRS 17
- Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"
- Annual Improvements to IFRS Accounting Standards
- Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"

SIMPLE MART RETAIL CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have not yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities. ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’ s main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.	January 1, 2027 Note:On September 25, 2025, the FSC issued a press release announcing that Taiwan will adopt IFRS 18 beginning in 2028. Entities that need to adopt the new standard earlier may do with the endorsement of the FSC.

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SIMPLE MART RETAIL CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have not yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"
- IFRS 19 "Subsidiaries without Public Accountability: Disclosures" and amendments to IFRS 19
- Amendments to IAS 21 "Translation to a Hyperinflationary Presentation Currency"

(4) Summary of material accounting policies:

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as "the Regulations") and guidelines of IAS 34 "Interim Financial Reporting" which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS Accounting Standards endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the material accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2025. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2025.

(b) Basis of consolidation

(i) List of subsidiaries in the consolidated financial statements

List of subsidiaries in the consolidated financial statements included:

Name of investor	Name of subsidiary	Main business and products	Shareholding March 31, 2026	Shareholding December 31, 2025	Shareholding March 31, 2025	Remark
Simple Mart Retail Co., Ltd.	Simple Mart Plus Co., Ltd. (Simple Mart Plus, Ltd.)	General wholesale trade	100 %	100 %	100 %	
Simple Mart Retail Co., Ltd.	Sanyou Beauty & Wellness Marketing, Ltd. (Sanyou Beauty & Wellness Marketing, Ltd.)	Retail sales of drugs and cosmetics	80.40 %	75.50 %	75.50 %	Note1
Simple Mart Retail Co., Ltd.	Simple Mart Investment Co., Ltd. (Simple Mart Investment, Ltd.)	Investment	100 %	100 %	100 %	
Simple Mart Retail Co., Ltd.	Okmart Co., Ltd.(Okmart, Ltd.)	chain convenience store industry	100 %	-	-	Note2
Simple Mart Investment Co.,Ltd.	Pet Wonderland Co., Ltd.(Pet Wonderland, Ltd.)	Retail Sale of Pet Foodand Supplies	51 %	51 %	66 %	Note3

(Continued)

SIMPLE MART RETAIL CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Note1: On December 22, 2025, Sanyou Beauty & Wellness Marketing, Ltd. approved, by resolution of the Board of Directors, a cash capital increase of up to 5,000,000 shares, with a par value (issue price) of $10 per share. On January 14, 2026, the Company subscribed in cash for additional shares amounting to $50,000 thousand, thereby increasing its equity interest in its subsidiary, Sanyou Beauty & Wellness Marketing, Ltd., from 75.50% to 80.40%.

Note2: On January 23, 2026, the Company obtained approval from the Board of Directors to acquire 100% of the equity interest in Okmart Co., Ltd. (now renamed Chinese name). The acquisition was completed on March 27, 2026.

Note3: On September 9, 2024, Simple Mart Investment, Ltd. acquired a 51% equity interest in Pet Wonderland, Ltd. Simple Mart Investment, Ltd. elected to apply the anticipated acquisition method as its accounting policy, whereby the second phase acquisition of an additional 15% equity interest stipulated in the share purchase agreement was deemed to have been obtained as of the initial acquisition date. Accordingly, Simple Mart Investment, Ltd. recognized the acquisition of a 66% equity interest in Pet Wonderland, Ltd. as of the initial acquisition date. However, as the conditions specified in the agreement were not fulfilled subsequently, Simple Mart Investment, Ltd. decided not to proceed with the subscription of the additional 15% equity interest. In the fourth quarter of 2025, Simple Mart Investment, Ltd. reversed the previously recognized anticipated 15% equity interest.

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

(c) Business combination

The acquiring company uses the acquisition method for business combination. Goodwill is measured as the fair value of the consideration transferred on the acquisition date, including any amount attributable to the non controlling interest of the acquiree, minus the net amount of identifiable assets acquired and liabilities assumed (usually at fair value).

Except for costs related to issuing debt or equity instruments, transaction costs related to business combinations should be immediately recognized as expenses by the acquiring company when incurred.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the acquirer shall report provisional amounts for the items for which the accounting is incomplete. During the measurement period, the acquirer shall retrospectively adjust the provisional amounts or recognize additional assets or liabilities to reflect new information obtained about facts and circumstances that existed as of the acquisition date. The measurement period shall not exceed one year from the acquisition date.

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SIMPLE MART RETAIL CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(d) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of International Financial Reporting Standards 34, Interim Reporting.

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period using the effective annual tax rate as forecasted by the management. The current income tax expense and deferred income tax expense are then allocated based on the estimated proportion of total current and deferred tax expenses for the entire year.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

The preparation of the consolidated financial statements in conformity with International Financial Reporting Standards 34, Interim Reporting endorsed by the FSC requires management to make judgments, and estimates about the future, including climate-related risks and opportunities, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Management continually reviews estimates and key assumptions, and such estimates are consistent with those applied in the risk management and climate-related commitments of the Group. Changes in estimates are deferred and recognized in the period of the change and in future periods affected by such changes.

The preparation of the consolidated financial statements, estimates and assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2025. For related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2025.

(6) Explanation of significant accounts:

Except for the following disclosures, there were no material differences in the disclosures of significant accounts between this interim consolidated financial statements for the current period and the 2025 consolidated financial statements. Please refer to note 6 to the 2025 annual consolidated financial statements.

(a) Cash and cash equivalents

	March 31, 2026	December 31, 2025	March 31, 2025
Cash on hand	$ 119,845	55,791	57,101
Bank deposits	522,275	254,796	291,251
Reverse repurchase agreement	20,000	20,000	80,000
	$ 662,120	**330,587**	**428,352**

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SIMPLE MART RETAIL CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Time deposits are not held for the purpose of meeting short-term cash commitments and are readily convertible into cash with low risk of changes in value. They are classified as other financial assets as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Time deposits with maturities of more than three months	$ 103	-	-
Restricted time deposits	$ 169,674	4,209	137,056

The Group’s restricted bank deposits are mainly for the purpose of guaranteeing the performance of procurement and collection services, as well as the performance trust guarantee for gift vouchers. For related disclosures, please refer to Note 8.

Please refer to note 6(t) for the sensitivity analysis, interest rate risk and offseting of the financial assets and liabilities of the Group.

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

	March 31, 2026	December 31, 2025	March 31, 2025
Derivative instruments not used for hedging：			
Call option	$ -	453	4,202
Non-derivative financial assets：			
unlisted stocks	54,941	49,756	55,000
	$ 54,941	50,209	59,202

(c) Notes and accounts receivable (including related parties)

	March 31, 2026	December 31, 2025	March 31, 2025
Accounts receivable - measured at amortized cost	$ 137,838	68,233	74,007
Accounts receivable (related parties) - measured at amortized cost	587	834	847
Less: loss allowance	(3,009)	(3,170)	(2,542)
	$ 135,416	65,897	72,312

Most of the Group’s accounts receivable are generated from the customers who paid by credit cards and e-payment, as well as service fee income from collection agency operations.

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The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, receivables have been grouped based on shared credit risk characteristics, as well as incorporated forward looking information.

The aging analysis of accounts receivable, based on the past due date, were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Current	$ 134,970	65,888	72,481
1-60 days past due	558	460	182
61-120 days past due	1,808	1,135	405
121-180 days past due	135	280	317
More than 181 days past due	954	1,304	1,469
	$ 138,425	**69,067**	**74,854**

The movement in the allowance for accounts receivable were as follows:

	For the three months ended March 31, 2026	2025
Beginning balance of the period	$ 3,170	1,902
Add: Impairment losses recognized	-	640
Less: Impairment losses reversed	(161)	-
Ending balance of the period	**$ 3,009**	**2,542**

(d) Inventories

	March 31, 2026	December 31, 2025	March 31, 2025
Merchandise Inventories	$ 1,993,626	1,791,425	1,761,803
Inventory in transit	41,209	31,907	56,776
	$ 2,034,835	**1,823,332**	**1,818,579**

	For the three months ended March 31, 2026	2025
Cost of goods sold	$ 2,790,059	2,488,940
Inventory losses from obsolescence and others	12,599	21,606
Cost of sales	**$ 2,802,658**	**2,510,546**

As of March 31, 2026, December 31 and March 31, 2025, the Group did not provide any merchandise inventories as collateral for its loans.

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SIMPLE MART RETAIL CO., LTD. AND SUBSIDIARIES
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(e) Business combinations

The Group obtained control over Okmart, Ltd. on March 27, 2026, through the acquisition of 100% of its shareholding. Okmart, Ltd. is principally engaged in the operation of a chain of convenience stores.

Following the acquisition of control over Okmart, Ltd., the Group expects to achieve substantial synergies in channel operations by scaling up through resource integration.

From the acquisition date to March 31, 2026, Okmart, Ltd. contributed revenues and net losses of \$64,279 thousand and \$3,393 thousand, respectively, to the Group. Had the acquisition occurred on January 1, 2026, management estimates that the Group's revenue and net losses for the period from January 1 to March 31, 2026, would have been \$4,903,393 thousand and \$11,629 thousand, respectively. In determining these amounts, management assumed that the acquisition took place on January 1, 2026, and that the provisional fair value adjustments arising from the acquisition would be the same. The above pro forma information is presented for illustrative purposes only and does not necessarily reflect the actual results of operations that would have been achieved had the business combination been completed at the beginning of the year, nor is it indicative of future operating results.

The main categories of consideration transferred the assets acquired, the liabilities assumed on the acquistion date, and the amount of goodwill recognized are as follow:

(i) The fair value of the main categories of consideration transferred on the acquisition date:

Cash	**$ 100,000**

(ii) Identifiable assets acquired and liabilities assumed

The fair values of identifiable assets acquired and liabilities assumed on the acquisition date:

Cash and cash equivalents	$ 379,492
Accounts receivable, net	40,966
Other receivables	62,804
Inventories	257,003
Prepayments	13,303
Other current financial assets	159,770
Property, plant and equipment	347,991
Right-of-use assets	777,732
Intangible assets	12,015
Guarantee deposits paid	51,776
Deferred tax assets	45,447
Other non-current financial assets	5,103
Short-term borrowings	(266,000)

(Continued)

SIMPLE MART RETAIL CO., LTD. AND SUBSIDIARIES
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Contract liabilities – current	(133,836)
Notes payable	(63)
Accounts payable	(253,513)
Other payables	(228,727)
Lease liabilities – current	(204,526)
Other current liabilities	(328,828)
Lease liabilities – non-current	(587,701)
Guarantee deposits received	(142,038)
Fair value of net identifiable assets	**$ 8,170**

(iii) Goodwill and other intangible assets

The goodwill and other intangible assets recognized due to the acquisition are as follows:

Consideration transferred	$ 123,810
Less： Fair value of identifiable net assets	(8,170)
Goodwill and other intangible assets	**$ 115,640**

The consideration transferred primarily comprised $100,000 thousand paid to Holmsgreen Holdings Co., Ltd. and Lai Lai Department Store Co., Ltd. for the acquisition of 100% equity interest in Okmart, Ltd., and $23,810 thousand paid to Lai Lai Department Store Co., Ltd. for the acquisition of trademarks used in the operations of Okmart, Ltd.

Goodwill and other intangible assets primarily comprise the trademark rights acquired for use in the operations of Okmart, Ltd., as well as the value of Okmart, Ltd.'s access to the retail market. Such value is expected to generate synergies through the integration with the Group's retail business.

The fair value measurements of the assets acquired and liabilities assumed in the above business combination are provisional, as the market valuations and other calculations have not yet been finalized as of the date these consolidated financial statements are authorized for issuance. Accordingly, the amounts are provisionally determined based on management's best estimates. The Group will continue to review these items during the measurement period. If new information about facts and circumstances that existed as of the acquisition date is obtained within one year from the acquisition date, and such information indicates that adjustments to the provisional amounts or recognition of additional assets or liabilities that existed at the acquisition date are required, such adjustments will be accounted for retrospectively as part of the acquisition accounting.

SIMPLE MART RETAIL CO., LTD. AND SUBSIDIARIES
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(f) Changes in a parent's ownership interest in a subsidiary

Acquisitions of NCI

On January 14, 2026 and January 13, 2025, the Group acquired an additional interest in Sanyou Beauty & Wellness Marketing, Ltd., one of the subsidiaries of the Company, for $50,000 thousand in cash, increasing its ownership from 75.50% to 80.40% and from 67.33% to 75.50%.

The effects of the changes in shareholdings were as follows:

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Carrying amount of non-controlling interest on acquisition	$ 45,199	45,427
Less: Consideration	(50,000)	(50,000)
Unappropriated retained earnings deduction arising from differences between the actual acquisition price and the carrying amount of the subsidiaries' shares acquired	**$ (4,801)**	**(4,573)**

(g) Property, plant and equipment

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

	Land	Buildings	Machinery and equipment	Leasehold improvements	Idle assets	Prepayment for business facilities and construction in progress	Total
Cost:							
Balance at January 1, 2026	$ 537,599	220,887	1,581,714	889,743	-	158,400	3,388,343
Acquired in a business combination	-	-	1,515,300	581,812	353,916	1,105	2,452,133
Addition	-	-	2,957	6,656	-	6,427	16,040
Transfer from (to)	-	115,468	3,818	-	-	(119,286)	-
Scraps	-	-	(2,379)	(4,366)	-	-	(6,745)
Disposal	-	-	(652)	(354)	-	-	(1,006)
Balance at March 31, 2026	**$ 537,599**	**336,355**	**3,100,758**	**1,473,491**	**353,916**	**46,646**	**5,848,765**
Balance at January 1, 2025	$ 537,599	220,887	1,190,151	879,023	-	222,467	3,050,127
Addition	-	-	72,632	6,074	-	67,775	146,481
Transfer from (to)	-	-	25,175	-	-	(29,599)	(4,424)
Scraps	-	-	(3,838)	(15,146)	-	-	(18,984)
Disposal	-	-	(5,642)	(10,885)	-	-	(16,527)
Balance at March 31, 2025	**$ 537,599**	**220,887**	**1,278,478**	**859,066**	**-**	**260,643**	**3,156,673**
Accumulated depreciation and impairment losses:							
Balance at January 1, 2026	$ -	40,957	1,057,437	743,140	-	-	1,841,534
Acquired in a business combination	-	-	1,290,752	540,340	273,050	-	2,104,142
Depreciation	-	1,779	32,977	16,480	-	-	51,236
Scraps	-	-	(2,368)	(4,261)	-	-	(6,629)
Disposal	-	-	(652)	(354)	-	-	(1,006)
Balance at March 31, 2026	**$ -**	**42,736**	**2,378,146**	**1,295,345**	**273,050**	**-**	**3,989,277**

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	Land	Buildings	Machinery and equipment	Leasehold improvements	Idle assets	Prepayment for business facilities and construction in progress	Total
Balance at January 1, 2025	$ -	36,621	975,195	722,811	-	-	1,734,627
Depreciation	-	1,084	23,905	17,378	-	-	42,367
Scraps	-	-	(3,663)	(15,146)	-	-	(18,809)
Disposal	-	-	(5,642)	(9,583)	-	-	(15,225)
Balance at March 31, 2025	**$ -**	**37,705**	**989,795**	**715,460**	**-**	**-**	**1,742,960**
Carrying amounts:							
Balance at January 1, 2026	**$ 537,599**	**179,930**	**524,277**	**146,603**	**-**	**158,400**	**1,546,809**
Balance at March 31, 2026	**$ 537,599**	**293,619**	**722,612**	**178,146**	**80,866**	**46,646**	**1,859,488**
Balance at January 1, 2025	**$ 537,599**	**184,266**	**214,956**	**156,212**	**-**	**222,467**	**1,315,500**
Balance at March 31, 2025	**$ 537,599**	**183,182**	**288,683**	**143,606**	**-**	**260,643**	**1,413,713**

As of March 31, 2026 and December 31, 2025, certain property, plant and equipment had been pledged as collateral for financing facilities. Please refer to Note 8.

Investing activities that are partially paid in cash:

	For the three months ended March 31, 2026	2025
Acquisition of property, plant and equipment	$ 16,040	146,481
Add: Payables on construction equipment, beginning of period	89,695	123,951
Less: Payables on construction equipment, end of period	(40,331)	(129,433)
Cash paid	**$ 65,404**	**140,999**

(h) Right-of-use assets

The movement of the cost, accumulated depreciation and impairment losses of the leased buildings and machinery and equipment of the Group were as follows:

	Buildings	Machinery and equipment	Total
Cost:			
Balance at January 1, 2026	$ 4,370,525	2,086	4,372,611
Acquired in a business combination	1,052,674	-	1,052,674
Additions	180,629	-	180,629
Depreciation	(69,842)	-	(69,842)
Balance at March 31, 2026	**$ 5,533,986**	**2,086**	**5,536,072**
Balance at January 1, 2025	$ 4,093,605	2,086	4,095,691
Additions	47,940	-	47,940
Depreciation	(122,329)	-	(122,329)
Balance at March 31, 2025	**$ 4,019,216**	**2,086**	**4,021,302**

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SIMPLE MART RETAIL CO., LTD. AND SUBSIDIARIES
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	Buildings	Machinery and equipment	Total
Accumulated depreciation and impairment losses:			
Balance at January 1, 2026	$ 2,396,218	1,883	2,398,101
Acquired in a business combination	274,942	-	274,942
Depreciation	134,143	67	134,210
Derecognized	(68,785)	-	(68,785)
Balance at March 31, 2026	**$ 2,736,518**	**1,950**	**2,738,468**
Balance at January 1, 2025	$ 2,104,456	1,614	2,106,070
Depreciation	129,313	67	129,380
Derecognized	(103,047)	-	(103,047)
Balance at March 31, 2025	**$ 2,130,722**	**1,681**	**2,132,403**
Carrying amounts:			
Balance at January 1, 2026	**$ 1,974,307**	**203**	**1,974,510**
Balance at March 31, 2026	**$ 2,797,468**	**136**	**2,797,604**
Balance at January 1, 2025	**$ 1,989,149**	**472**	**1,989,621**
Balance at March 31, 2025	**$ 1,888,494**	**405**	**1,888,899**

(i) Intangible assets

The cost, amortization and impairment of the intangible assets of the Group were as follows:

	Goodwill	Trademark rights	Customer relationship	Computer software	Total
Cost or recognized cost:					
Balance at January 1, 2026	$ 90,646	179,950	9,366	133,737	413,699
Additions	-	23,810	-	-	23,810
Acquisition in a business combinations	91,830	-	-	12,115	103,945
Disposals	-	-	-	(7)	(7)
Balance at March 31, 2026	**$ 182,476**	**203,760**	**9,366**	**145,845**	**541,447**
Balance at January 1, 2025	$ 90,646	179,950	9,366	123,885	403,847
Additions	-	-	-	638	638
Transfers from construction in progress andequipment under installation	-	-	-	4,424	4,424
Balance at March 31, 2025	**$ 90,646**	**179,950**	**9,366**	**128,947**	**408,909**
Accumulated amortization:					
Balance at January 1, 2026	$ -	-	1,677	121,386	123,063
Acquisition in a business combinations	-	-	-	100	100
Amortization	-	-	320	2,322	2,642
Disposals	-	-	-	(7)	(7)
Balance at March 31, 2026	**$ -**	**-**	**1,997**	**123,801**	**125,798**

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SIMPLE MART RETAIL CO., LTD. AND SUBSIDIARIES
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		Goodwill	Trademark rights	Customer relationship	Computer software	Total
Balance at January 1, 2025	$	-	-	395	108,107	108,502
Amortization		-	-	321	3,456	3,777
Balance at March 31, 2025	$	**-**	**-**	**716**	**111,563**	**112,279**
Carrying amounts:						
Balance at January 1, 2026	$	**90,646**	**179,950**	**7,689**	**12,351**	**290,636**
Balance at March 31, 2026	$	**182,476**	**203,760**	**7,369**	**22,044**	**415,649**
Balance at January 1, 2025	$	**90,646**	**179,950**	**8,971**	**15,778**	**295,345**
Balance at March 31, 2025	$	**90,646**	**179,950**	**8,650**	**17,384**	**296,630**

(i) Amortization expense

The amortization of intangible assets are included in the statement of comprehensive income:

		For the three months ended March 31,	
		2026	**2025**
Operating expenses	$	**2,642**	**3,777**

(ii) Trademarks

The Company acquired the trademark rights of Okmart, Ltd. from Lai Lai Department Store Co., Ltd. for a total consideration of $23,810 thousand. Please refer to Note 6(e) for further details.

(iii) Impairment test for goodwill

According to IAS 36, goodwill acquired in a business combination shall be tested for impairment at least annually. Based on the results of the impairment test performed by the Group as of December 31, 2025, no impairment loss was recognized for goodwill. Please refer to Note 6(i) to the consolidated financial statements for the year ended December 31, 2025.

(iv) Guarantee

As of March 31, 2026, December 31 and March 31, 2025, the intangible assets of the Group had not been pledged as collaterals.

(j) Short-term borrowings

The short-term borrowings were summarized as follows:

		March 31, 2026	December 31, 2025	March 31, 2025
Unsecured bank loans	$	**266,000**	**-**	**-**
Range of interest rates		**2.500%~3.455%**	**-**	**-**
Unused credit lines (including short-term and medium-to-long-term credit lines)	$	**870,780**	**877,000**	**488,700**

(Continued)

The Group did not pledge its assets as collateral for its bank loans.

(k) Short-term notes and bills payable

	March 31, 2026	December 31, 2025	March 31, 2025
Commercial paper payable	$ 199,933	7,993	99,967
Range of interest rates	1.998%~2.048%	2.128%~2.138%	2.008%
Unused credit lines	$ 100,000	200,000	400,000

Sanyou Beauty & Wellness Marketing, Ltd., a subsidiary of the Group, has obtained short-term financing facilities, with its the Group's parent company serving as a joint guarantor. For details and for disclosures regarding the issuance of guarantee promissory notes, please refer to Notes 7 and 9, respectively.

(l) Other payables

	March 31, 2026	December 31, 2025	March 31, 2025
Salaries and bonuses payable	$ 150,768	185,200	123,813
Payable to service rendered by franchisees	114,727	52,539	37,133
Dividends payable	101,250	-	101,250
Payable on labor insurance, health insurance and pension expense	62,792	53,967	56,426
Payable on unused annual leave	52,093	41,429	40,170
Payable on construction and equipment	40,331	89,695	129,433
Accrued freight expenses	36,804	39,178	40,406
Other payables – related parties (Note 7)	9,098	6,265	4,484
Payables for investments	-	-	100,000
Others	152,146	150,162	151,631
	$ 720,009	618,435	784,746

(m) Lease liabilities

The carrying amount of the Group's lease liabilities were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Current	$ 694,335	492,285	485,227
Non-current	$ 2,156,711	1,523,695	1,456,394

For the maturity analysis, please refer to note 6(t).

SIMPLE MART RETAIL CO., LTD. AND SUBSIDIARIES
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The amounts recognized in profit or loss were as follows:

	For the three months ended March 31,	
	2026	**2025**
Interests on lease liabilities	$ **9,571**	**8,478**
Variable lease payments not included in the measurement of lease liabilities	$ **5,151**	**4,699**
Expenses relating to short-term leases	$ **4,543**	**4,890**
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	$ **433**	**478**

The amounts recognized in the statement of cash flows by the Group were as follows:

	For the three months ended March 31,	
	2026	**2025**
Total cash outflow for leases	$ **150,708**	**146,696**

(i) Real estate leases

The Group leases land and buildings for its retail stores and office space. The leases of office space typically run for a period of 3 to 5 years, of retail stores for 2 to 10 years. Some leases include an option to renew the lease for an additional period after the end of the contract term.

(ii) Other leases

The Group leases machinery and office equipment, with lease terms of 1 to 8 years. These leases are short-term or leases of low-value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(n) Other current liabilities

Details of other current liabilities of the Group are as follows:

	March 31, 2026	**December 31, 2025**	**March 31, 2025**
Collections on behalf of others	$ 306,369	25,348	105,099
Others	57,783	15,995	45,916
	$ **364,152**	**41,343**	**151,015**

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SIMPLE MART RETAIL CO., LTD. AND SUBSIDIARIES
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(o) Employee benefit

(i) Defines benefit plan

The Group makes defined benefit plan contributions based on 2% of monthly salary to the bank account. The details of expenses were as follows:

		For the three months ended March 31,	
		2026	**2025**
Selling expenses	$	74	3
Administrative expenses		48	-
	$	**122**	**3**

(ii) Defined contribution plans

The Group makes defined contribution plan and contributed based on 6% of monthly salary to the employee’ s individual pension fund account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Group has no legal or constructive obligation to pay additional amounts once the Group has contributed a fixed amount to the Bureau of Labor Insurance.

The pension expenses were as follows:

		For the three months ended March 31,	
		2026	**2025**
Selling expenses	$	16,688	17,770
Administrative expenses		4,119	3,859
	$	**20,807**	**21,629**

(p) Income taxes

(i) Income tax expenses

The components of income tax were as follows:

		For the three months ended March 31,	
		2026	**2025**
Current tax expenses			
Current period	$	4,061	1,817
Adjustments for prior years		-	243
		4,061	2,060
Deferred tax expenses			
Origination and reversal of temporary differences		5,759	5,980
Income tax expenses	**$**	**9,820**	**8,040**

(Continued)

There is no income tax directly recognized under equity.

(ii) The tax authorities have examined the Company's income tax for the years through 2024.

The tax authorities have examined the income tax of Simple Mart Plus, one of the subsidiaries of the Company, for the years through 2024.

The tax authorities have examined the income tax of Sanyou Beauty & Wellness Marketing, one of the subsidiaries of the Company, for the years through 2024.

The tax authorities have examined the income tax of Okmart, one of the subsidiaries of the Company, for the years through 2023.

(q) Capital and other equity

(i) Ordinary shares

As of March 31, 2026, December 31 and March 31, 2025, the Company's authorized capital consisted of 80,000 thousand shares, amounting to $800,000 thousand, with par value of $10 per share. On March 31, 2026, December 31 and March 31, 2025, all of the issued and outstanding shares were ordinary shares consisted of 67,500 thousand shares.

(ii) Capital surplus

The balances of capital surplus were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Premium on issuance of common stock	$ 959,010	959,010	959,010
Others	96,225	96,225	42,300
	$ 1,055,235	**1,055,235**	**1,001,310**

According to the Company Act, capital surplus shall be used to offset a deficit first, and only the realized capital surplus of that can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received.

(iii) Retained earnings

The Company's Articles of Incorporation stipulate that if there is a surplus at year-end, after the payment of income tax and offsetting accumulated deficits, 10% of the remaining balance should be set aside as legal reserve until such retention equals to the total paid-in capital. The remaining profit together with any undistributed retained earnings of previous years and the adjustment of the undistributed earnings of the current year shall be distributed according to the distribution plan proposed by the Board of Directors. The Board of Directors is authorized, with the attendance of more than two-thirds of the directors and the approval of a majority of those present, to distribute dividends and bonuses, or to distribute all or part of the legal reserve and capital reserve, in form of cash, which shall then be reported during the shareholders' meeting, in accordance with Paragraph 1, Article 241 of the Company Act. However, if the distribution is to be made in the form of new shares, it must first be approved by the shareholders' meeting.

1) Legal reserve

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

2) Earnings distribution

The appropriation of earnings for 2025 and 2024 had been approved in the board meeting held on February 11, 2026 and February 21, 2025, respectively. These earnings were appropriated as follows:

	2025	2024
Dividends distributed to ordinary shareholders:		
Cash	$ 101,250	101,250

The related information can be accessed on the Market Obsevation Post System website.

(r) Earnings per share

Basic earnings per share and diluted earnings per share were computed as follows:

	For the three months ended March 31,	
	2026	2025
Basic earnings per share		
Profit or loss attributable to ordinary shareholders of the Company	$ 36,564	29,019
Weighted-average number of ordinary shares outstanding	67,500	67,500
Basic earnings per share	$ 0.54	0.43
Diluted earnings per share		
Profit or loss attributable to ordinary shareholders of the Company	$ 36,564	29,019
Weighted-average number of ordinary shares outstanding	67,500	67,500
Effect of dilutive potential ordinary shares - employee bonus	59	70
Weighted-average number of ordinary shares outstanding(diluted)	67,559	67,570
Diluted earnings per share	$ 0.54	0.43

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(s) Revenue from contracts with customers

(i) Details of revenue

The Group derives revenue from the transfer of goods services over time or from the transfer of goods or services at a point in time, and the amounts of revenue for the three months ended March 31, 2026 and 2025, were as follows:

	For the three months ended March 31,	
	2026	**2025**
Sale of goods	$ 3,693,854	3,302,509
Others operating income	143,250	171,081
	$ 3,837,104	**3,473,590**

(ii) Contract balances

1) Recognition of contract liabilities relating to revenue from customer contracts were as follows:

	March 31, 2026	**December 31, 2025**	**March 31, 2025**
Contract liabilities - current			
Gift voucher revenue	$ 140,284	10,228	11,910
Customer loyalty program	13,070	39,954	8,904
Franchise royalty fee	1,812	1,998	2,525
Advance receipts of goods payments	24,131	22,460	-
Total	**$ 179,297**	**74,640**	**23,339**
Contract liabilities - non current			
Franchise royalty fee	**$ 1,855**	**2,420**	**3,978**

2) The amounts of revenue recognized for the three months ended March 31, 2026 and 2025, was included in the contract liabilities balance at the beginning of the period, were $36,561 thousand, $14,169 thousand, respectively.

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(t) Remunerations to employees and directors

On May 28, 2025, the Company resolved at the shareholders' meeting to amend its Articles of Incorporation. According to the amended Company Articles of Incorporation, if the Company generates profit in the year, no less than 1% shall be set aside for employee compensation, of which no less than 60% shall be distributed to non-executive employees. The board of directors shall resolute the employees' compensation to be distributed in the form of shares or in cash in installment, and the qualification requirements of employees shall include the employees of subsidiaries of the Company meeting certain specific requirements. The profit amount in the preceding paragraph shall be set aside no more than 3% as directors' remuneration by the resolution of the board of directors. This distribution plan shall be submitted for a report in the meeting of shareholders. However, the Company's accumulated losses shall have been covered first, and the employees' and directors' remuneration shall be distributed in accordance with the ratio referred to above.

The prior Articles of Incorporation stipulated that, if the Company has profit, the profit shall be allocated no less than 1% as employee remuneration and no more than 3% as remunerations for directors. However, the Company's accumulated losses shall have been covered first. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

For the three months ended March 31, 2026 and 2025, the Company estimated its employee remuneration amounted to $1,050 thousand, and directors' remuneration amounted to $875 thousand, $1,050 thousand, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of remuneration to employees and directors as specified in the Company's Articles. These remunerations were expensed under operating expenses for the three months ended March 31, 2026 and 2025. If there are any subsequent adjustments to the actual remuneration amounts, the adjustment will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year.

For the years ended December 31, 2025 and 2024, the remuneration provision for employees amounted to $3,000 thousand in both years, while the remuneration provision for directors was $3,150 thousand and $2,000 thousand, respectively. There were no differences between these provisions and the actual amounts. The information is available on the Market Observation Post System website.

(u) Financial instruments

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

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2) Concentration of credit risk

The Group has a large and unrelated customer base, therefore, has limited concentration of credit risk.

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments.

		Carrying amount	Contractual cash flows	Within 1 year	More than 1 year
March 31, 2026					
Non derivative financial liabilities					
Short-term borrowings	$	266,000	269,317	269,317	-
Short-term notes and bills payable		199,933	200,000	200,000	-
Notes payable		271	271	271	-
Accounts payable		1,533,506	1,533,506	1,533,506	-
Accounts payable - related parties		6,183	6,183	6,183	-
Other payables		720,009	720,009	720,009	-
Lease liabilities (include current and non-current)		2,851,046	2,994,020	747,853	2,246,167
Guarantee deposits received		231,676	231,676	-	231,676
Other Current Liabilities – Collections on behalf of others		306,369	306,369	306,369	-
	$	**6,114,993**	**6,261,351**	**3,783,508**	**2,477,843**
December 31, 2025					
Non derivative financial liabilities					
Short-term notes and bills payable	$	7,993	8,000	8,000	-
Notes payable		165	165	165	-
Accounts payable		1,242,860	1,242,860	1,242,860	-
Accounts payable - related parties		4,409	4,409	4,409	-
Other payables		618,435	618,435	618,435	-
Lease liabilities (include current and non-current)		2,015,980	2,126,103	524,481	1,601,622
Guarantee deposits received		85,632	85,632	-	85,632
Other Current Liabilities – Collections on behalf of others		25,348	25,348	25,348	-
	$	**4,000,822**	**4,110,952**	**2,423,698**	**1,687,254**

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SIMPLE MART RETAIL CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Carrying amount	Contractual cash flows	Within 1 year	More than 1 year
March 31, 2025				
Non derivative financial liabilities				
Short-term notes and bills payable	$ 99,967	100,000	100,000	-
Notes payable	201	201	201	-
Accounts payable	1,234,549	1,234,549	1,234,549	-
Accounts payable - related parties	4,495	4,495	4,495	-
Other payables	784,746	784,746	784,746	-
Lease liabilities (include current and non-current)	1,941,621	2,023,229	511,352	1,511,877
Guarantee deposits received	78,535	78,535	-	78,535
Other Current Liabilities – Collections on behalf of others	105,099	105,099	105,099	-
	$ 4,249,213	4,330,854	2,740,442	1,590,412

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

(iii) Currency risk

1) Exposure to foreign currency risk

The Group's significant exposure to foreign currency risk was as follows:

	March 31, 2026			December 31, 2025			March 31, 2025		
	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD
Financial assets									
Monetary items									
EUR	$ 34	36.510	1,231	149	36.700	5,484	70	35.770	2,516
JPY	3,604	0.199	715	14,445	0.199	2,872	3,472	0.221	766
USD	20	31.945	627	42	31.380	1,312	10	33.155	326
Financial liabilities									
Monetary items									
EUR	$ 19	36.510	707	38	36.700	1,389	11	35.770	392
USD	-	-	-	-	-	-	24	33.155	805

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on financial assets and liabilities that are denominated in foreign currency. A depreciation or appreciation of 1% of the NTD against the USD, EUR, and JPY as of March 31, 2026 and 2025 would have increased or decreased the net profit after tax by $15 thousand and $19 thousand, respectively, assuming all other factors remain constant. The analysis is performed on the same basis for both periods.

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(iv) Interest rate analysis

Please refer to the notes 6(u) on interest rate exposure of the Group’ s financial assets and liabilities.

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

If the interest rate had increased or decreased by 0.5%, the Group’ s net income would have decreased or increased by $266 thousand and $0 thousand for the years ended March 31, 2026 and 2025, respectively, with all other variable factors remaining constant.

(v) Other market price risk

The sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

	March 31, 2026		March 31, 2025	
Prices of securities at the reporting date	**Other comprehensive income after tax**	**Net income**	**Other comprehensive income after tax**	**Net income**
Increasing 5%	$ -	2,198	-	2,200
Decreasing 5%	$ -	(2,198)	-	(2,200)

(vi) Fair value of financial instruments

1) Fair value hierarchy

The management of the Group believes the carrying amount of loans and receivables, financial assets measured at amortized cost, and financial liabilities measured at amortized cost are reasonably closed to its fair value in the current period. Also, a disclosure of the fair value information for lease liabilities is not required under regulations. The Group valued its financial assets measured at fair value through profit or loss based on recurring fair value measurement method. The details are as follows:

	March 31, 2026				
		Fair Value			
	Book Value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss	$ 54,941	-	-	54,941	54,941

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	December 31, 2025				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	$ 50,209	-	-	50,209	50,209

	March 31, 2025				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	$ 59,202	-	-	59,202	59,202

2) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group’s financial instruments that use Level 3 inputs to measure fair value include “financial assets measured at fair value through profit or loss – equity investments and derivative financial instruments”.

The majority of the Group’s fair values are classified as Level 3, having only a single significant unobservable input. Only equity instrument investments without an active market have multiple significant unobservable inputs. Since the significant unobservable inputs for equity instrument investments without an active market are independent of each other, there is no interrelationship.

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets measured at fair value through profit or loss – equity investments without an active market	Comparable Company Analysis	·Discount for lack of marketability (30% as of March 31, 2026, December 31, 2025 and March 31, 2025)	·The higher the discount for lack of marketability, the lower the fair value.
Derivative financial assets – stock option	Option Pricing Models	·Volatility (39.25% as of December 31,2025 and 39.54% as of March 31, 2025)	·The higher the volatility, the higher the fair value.

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SIMPLE MART RETAIL CO., LTD. AND SUBSIDIARIES
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3) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

The Group's fair value measurements of financial instruments are reasonable; however, using different valuation models or parameters may lead to different valuation results. For financial instruments classified as Level 3, changes in valuation parameters would have the following effects on the current period's profit or loss or other comprehensive income:

			Profit or loss		Other comprehensive income	
	Input-value	Upward or downward movement	Favour-able	Unfavour-able	Favour-able	Unfavour-able
March 31, 2026						
Equity investments without an active market	Lack of marketability discount	10%	2,355	(2,355)	-	-
December 31, 2025						
Equity investments without an active market	Lack of marketability discount	10%	2,132	(2,132)	-	-
Derivative financial assets – stock option	Volatility	10%	153	(169)	-	-
March 31, 2025						
Equity investments without an active market	Lack of marketability discount	10%	2,004	(2,004)	-	-
Derivative financial assets – stock option	Volatility	10%	412	(418)	-	-

The Group's favorable and unfavorable changes refer to fluctuations in fair value, which are calculated using valuation techniques based on varying degrees of unobservable input parameters. If the fair value of financial instruments is influenced by more than one input value, the table above only reflects the impact of changes in a single input value, without considering the correlation and variability between input values.

(vii) Offsetting financial assets and financial liabilities

The Group has no financial instruments transactions applicable to the Sections 42 of International Financial Reporting Standards NO. 32 approved by the FSC which required for offsetting. Financial assets and liabilities relating those transactions are recognized in the net amount of the balance sheets.

The Group only performs transactions not applicable to the Sections 42 of International Financial Reporting Standards NO. 32, but the Company has an exercisable master netting arrangement or similar agreement (e.g., global master repurchase agreement and global securities lending agreement) in place with its counterparties, and both parties reach a consensus regarding net settlement. The aforesaid exercisable master netting arrangement or similar agreement can be net settled after offsetting the financial assets and financial liabilities. Otherwise, the transaction can be settled at the total amount. In the event of default involving one of the parties, the other party can have the transaction net settled.

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The following tables present the aforesaid offsetting financial assets and financial liabilities:

	March 31, 2026					
	Financial assets that are offset and have an exercisable master netting arrangement or a similar agreement					
	Gross amounts of recognized financial assests (a)	Gross amounts of financial liabilities offset in the balance sheet (b)	Net amount of financial assets presented in the balance sheet (c)=(a)-(b)	Amounts not offset in the balance sheet(d)		Net amount (e)=(c)-(d)
				Financial instruments (Note)	Cash collateral received	
Offsetting agreement	$ 20,000	-	20,000	20,000	-	-

	December 31, 2025					
	Financial assets that are offset and have an exercisable master netting arrangement or a similar agreement					
	Gross amounts of recognized financial assets (a)	Gross amounts of financial liabilities offset in the balance sheet (b)	Net amount of financial assets presented in the balance sheet(c)=(a)-(b)	Amounts not offset in the balance sheet(d)		Net amount (e)=(c)-(d)
				Financial instruments (Note)	Cash collateral received	
Offsetting agreement	$ 20,000	-	20,000	20,000	-	-

	March 31, 2025					
	Financial assets that are offset and have an exercisable master netting arrangement or a similar agreement					
	Gross amounts of recognized financial assets (a)	Gross amounts of financial liabilities offset in the balance sheet (b)	Net amount of financial assets presented in the balance sheet(c)=(a)-(b)	Amounts not offset in the balance sheet(d)		Net amount (e)=(c)-(d)
				Financial instruments (Note)	Cash collateral received	
Offsetting agreement	$ 80,000	-	80,000	80,000	-	-

Note: Master netting arrangements and non cash financial collateral are included.

(v) Financial risk management

The objectives and policies of financial risk management of the Group are consistent with those disclosed in the consolidated financial statements for the year ended December 31, 2025. For the related information, please refer to the 2025 annual consolidated financial statements.

(w) Capital management

Management believes that the objectives, policies and processes of capital management of the Group has been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2025. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2025. For the related information, please refer to the 2025 annual consolidated financial statements.

(x) Financing activities not affecting current cash flow

Reconciliation of liabilities arising from financing activities were as follows:

			Non-cash changes		
	January 1, 2026	Cash flows	Business combination acquisition	Changes in lease	March 31, 2026
Lease liabilities	$ 2,015,980	(131,010)	792,227	173,849	2,851,046

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	January 1, 2025	Cash flows	Non-cash changes Changes in lease	March 31, 2025
Lease liabilities	$ 2,043,053	(128,151)	26,719	1,941,621

(7) Related-party transactions:

(a) Names and relationship with related-parties

Related companies trading within the financial reporting period were as follows:

Name of related-party	Relationship with the Group
Mercuries & Associates Holding Ltd.	Parent company
Mayhome Shopping Co., Ltd.	An entity with significant influence over the Group
Mercuries Data Systems Ltd.	Other related party
Mercuries Liquor & Food Co., Ltd.	Other related party
Mercuries & Associates Ltd.	Other related party
Mercuries F&B Co., Ltd.	Other related party
Mercuries Life Insurance Co., Ltd.	Other related party
Sanyou Beauty & Wellness Marketing, Ltd. Employee Welfare Committee	Other related party
Simple Mart Retail Co., Ltd. Employee Welfare Committee	Other related party
Taiwan Chain Stores and Franchise Association	Other related party
Horizon Securities Co., Ltd.	Other related party (Note1)
Digicentre Co., Ltd.	Other related party
Health International Marketing Group Co., Ltd.	Other related party
Bingo Planet International Ltd.	Other related party
The Group's directors, general manager and vice general managers	

Note 1: Horizon Securities Co., Ltd. was no longer a related party of the Group since February 6,2025.

(b) Significant transactions with related parties

(i) Sales

The amounts of sales to related parties is less than 1% of the total annual revenue.

The sales prices and trade terms to its related parties were mutually agreed between the two parties.

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(ii) Purchases

The amounts of purchases from related parties were as follows:

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Other related parties	$ 14,361	20,979

The purchase prices and payment terms from its other related parties were mutually agreed between the two parties.

(iii) Receivables from related parties

The receivables from related parties were as follows:

Accounts	Type of related parties	March 31, 2026	December 31, 2025	March 31, 2025
Accounts receivable	Other related parties	$ 587	834	847
Other receivables	Other related parties	-	-	34
		$ 587	834	881

The receivables from related parties are generated by sales of goods.

(iv) Payables to related parties

The payables to related parties were as follows:

Accounts	Type of related parties	March 31, 2026	December 31, 2025	March 31, 2025
Accounts payable	Other related parties	$ 6,183	4,409	4,495
Other payables	Parent company	2,500	-	2,000
Other payables	Other related parties	6,598	6,265	2,484
		$ 15,281	10,674	8,979

The payables to related parties are generated by the purchase of goods and equipment disbursement.

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(v) Prepayments

The prepayments to related parties were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Other related parties	$ 1,737	2,770	1,913

The prepayments were prepaid insurance and related expense.

(vi) Leases

The Group rented office space and parking lot from other related parties. For the three months and three months ended March 31, 2026 and 2025, the Group recognized $3 thousand and $9 thousand as interest expenses, respectively. As of March 31, 2026, December 31 and March 31, 2025, the balance of lease liabilities amounted to $458 thousand, $799 thousand and $1,699 thousand, respectively.

(vii) Guarantee deposits paid

	March 31, 2026	December 31, 2025	March 31, 2025
Other related parties	$ 292	292	292

The above transactions were guarantee deposits of office leases.

(viii) Property transactions

1) The disposals of equipment to related parties were summarized as follows:

	For the three months ended March 31,			
	2026		2025	
Type of related parties	Proceeds	Gain (loss) on disposal	Proceeds	Gain (loss) on disposal
Other related parties	$ -	-	29	28

The Group sold operating equipment and office equipment to other related parties during the periods from January 1 to March 31, 2026 and 2025, with total consideration (inclusive of tax) amounting to $0 thousand and $29 thousand, respectively. As of March 31, 2026 and 2025, the outstanding balances of consideration payable were $0 thousand and $29 thousand, respectively.

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(ix) Other operating expenses

	For the three months ended March 31, 2026	2025
Other related parties	$ 2,659	1,947

The above transactions were group insurance, advertising expense, donations and maintenance fees, etc.

(x) Guarantees

The Group's parent company, Mercuries & Associates Holding Ltd., provided guarantees on behalf of the Group's subsidiary, Sanyou Beauty & Wellness Marketing as follows:

	March 31, 2026		December 31, 2025		March 31, 2025	
	Guarantee balance	Actual disbursement amount	Guarantee balance	Actual disbursement amount	Guarantee balance	Actual disbursement amount
subsidiary	$ 100,000	-	100,000	8,000	100,000	-

(c) Key management personnel compensation

	For the three months ended March 31, 2026	2025
Short-term employee benefits	$ 5,957	5,159
Post-employment benefits	249	228
	$ 6,206	5,387

(8) Assets pledged as collateral or for security:

The carrying amounts of assets pledged as collateral by the Group are summarized as follows:

Pledged Assets	Pledged to secure	March 31, 2026	December 31, 2025	March 31, 2025
Time deposits (Recorded as current and non-current other financial assets)	Performance guarantee for purchasing and collection business	$ 23,053	950	128,950
Bank deposits (Recorded as non-current other financial assets)	Performance trust of gift voucher	146,621	3,259	8,106
Property and plant	Financing facilities	831,218	717,529	-
		$ 1,000,892	721,738	137,056

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(9) Commitments and contingencies:

(a) As of March 31, 2026, the Group has signed the solar photovoltaic power generation system construction contract $90,000 thousand, which has not yet to be purchased.

(b) The Group issued guarantee notes to obtain short-term loan facility and purchase goods, amounting to $2,020,000 thousand, $1,400,000 thousand and $1,020,000 thousand, respectively, as of March 31, 2026, December 31, 2025 and March 31, 2025.

(c) The Group rent several buildings as retail stores for operation, the lease term is from 1 to 5 years. The lease payments for the stores are based on a percentage of the determined revenue for each period. If the actual revenue exceeds the determined level, the lease payments shall be calculated based on actual revenue of the period.

(10) Losses due to major disasters: None

(11) Subsequent events: None

(12) Others:

A summary of employee benefits, depreciation, and amortization, by function, is as follows:

By function / By item	For the three months ended March 31, 2026			For the three months ended March 31, 2025		
	Operating Cost	**Operating Expense**	**Total**	**Operating Cost**	**Operating Expense**	**Total**
Employee benefits						
Salary	-	373,201	373,201	-	386,520	386,520
Labor and health insurance	-	45,155	45,155	-	47,313	47,313
Pension	-	20,929	20,929	-	21,632	21,632
Remuneration to directors	-	1,535	1,535	-	1,425	1,425
Others	-	28,370	28,370	-	27,988	27,988
Depreciation	-	185,446	185,446	-	171,747	171,747
Amortization	-	2,642	2,642	-	3,777	3,777

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(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on the Group's significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the three months ended March 31, 2026:

(i) Loans to other parties:

(In Thousands of New Taiwan Dollars)

Number (Note1)	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount	Range of interest rates during the period	Purposes of fund financing for the borrower (note2)	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral Item	Collateral Value	Individual funding loan limits (note 3)	Maximum limit of fund financing (note 3)
0	The Company	Simple Mart Plus Co., Ltd.	Other receivables - related parties	Yes	150,000	150,000	49,000	2.2%	2	-	Working capital	-		-	192,368	769,474
0	The Company	Okmart Co., Ltd.	Other receivables - related parties	Yes	100,000	100,000	100,000	2.2%	2	-	Working capital	-		-	192,368	769,474
0	The Company	Sanyou Beauty& WellnessMarketing, Ltd.	Other receivables - related parties	Yes	50,000	50,000	-	-	2	-	Working capital	-		-	192,368	769,474
0	The Company	Pet Wonderland Co., Ltd	Other receivables - related parties	Yes	30,000	30,000	-	-	2	-	Working capital	-		-	192,368	769,474

Note1: The numbers denote the following:

1. "0" represents the Company

2. Subsidiaries are numbered starting from "1".

Note2: Purpose of fund financing for the borrower:

1. For those companies with business transaction with the Company, please fill in 1.

2. For those companies with short-term financing needs, please fill in 2.

Note3: The maximum amount of loans to other parties provided by the Company is 40% of the net equity as audited or reviewed by a CPA in the most recent period. The limit for loans to individual parties is capped at 10% of the aforementioned net equity.

Note4: The balances have been eliminated upon the preparation of the financial statements.

(ii) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars)

No. (note)	Name of guarantor	Counter-party of guarantee and endorsement: Name	Relationship with the Company (note 1)	Limitation on amount of guarantees and endorsements for a specific enterprise (note 2)	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements (note 2)	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
0	The Company	Simple Mart Plus Co., Ltd.	2	288,553	250,000	250,000	100,000	-	13.00 %	577,106	Y	N	N

Note 1:(i) "0" represents the Company; (ii) Subsidiaries are numbered starting from "1", wherein the same company code should be identical.

Note 2:The relationship between the endorser and the endorsed guarantee recipient is as follows:

Companies in which the Company directly or indirectly holds more than 50% of their voting shares.

Note 3:The maximum amount of endorsements and guarantees provided by the Company is 30% of the net equity as audited or reviewed by a CPA in the most recent period. The limit for endorsements and guarantees to a single enterprise is capped at 15% of the aforementioned net equity.

(iii) Material securities held as of March 31, 2026 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance: Shares	Carrying value	Percentage of ownership (%)	Fair value	Note
The Company	M2 Communication Inc.	None	FVTPL - non current	784,952	2,790	4.31 %	2,790	
Simple Mart Investment Co., Ltd.	Flow-Tide Enterprises Co., Ltd.	None	FVTPL - non current	3,000,000	52,151	8.00 %	52,151	

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(iv) Related-party transactions for purchases or sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases /sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	Simple Mart Plus Co., Ltd.	Subsidiary	Purchases	470,147	15.60%		-	10-day cycle closing-15-day monthly closing	(118,871)	(7.72)%	(Note)

Note: The above transactions had already been eliminated in the preparation of the consolidated financial statements.

(v) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock: None

(In Thousands of New Taiwan Dollars)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
The Company	Okmart Co., Ltd.	Subsidiary	100,000	-	-		100,000	-
Simple Mart Plus Co., Ltd.	The Company	The Company	118,871	6.27%	-		118,871	-

Note: The above transactions had already been eliminated in the preparation of the consolidated financial statements.

(vi) Business relationships and significant intercompany transactions:

Details of intercompany business relationships and significant transactions between the parent and subsidiaries during the current period that exceed 1% of total assets or operating revenue are as follows:

(In Thousands of New Taiwan Dollars)

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	Simple Mart Plus Co., Ltd.	1	Cost of Purchases	470,147	At the price agreed upon by both parties.	12.25%
0	The Company	Simple Mart Plus Co., Ltd.	1	Accounts Payable	118,871	10-day cycle closing-15-day monthly closing	1.40%
0	The Company	Okmart Co., Ltd.	1	Other receivable	100,000	Repayable in full upon maturity of the agreed term.	1.18%

Note1: The above transactions had already been eliminated in the preparation of the consolidated financial statements.

Note2: The numbers denote the following:

1.“0” represents the Company

2.Subsidiaries are numbered starting from “1”.

Note3: The relationship with the counterparty is as follows:

1.The company to subsidiary

2.Subsidiary to the Company

(b) Information on investees:

The following is the information on investees for the three months ended March 31, 2026 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars/Shares)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2026			Net income (losses) of investee	Share of profits/losses of investee	Note
				March 31, 2026	December 31, 2025	Shares	Percentage of ownership	Carrying value			
The Company	Sanyou Beauty & Wellness Marketing, Ltd.	Taiwan	Retail sales of drugs and cosmetics	214,879	164,879	20,100	80.40 %	116,196	(6,946)	(5,878)	(Note1)
The Company	Simple Mart Plus Co., Ltd.	Taiwan	General wholesale trade	60,000	60,000	6,000	100 %	62,650	7,776	7,776	(Note1)
The Company	Simple Mart Investment Co., Ltd.	Taiwan	Investment	246,000	246,000	24,600	100 %	307,258	4,195	4,195	(Note1)
The Company	Okmart Co., Ltd.	Taiwan	Chain Convenience Store Industry	100,000	-	132,000	100 %	96,667	(51,444)	(3,393)	(Note1)
Simple Mart Investment Co., Ltd.	Pet Wonderland Co., Ltd.	Taiwan	Retail Sale of Pet Foodand Supplies	200,000	200,000	765	51.00 %	250,008	3,012	-	(Note1) (Note2)

(Continued)

Note 1: The above transactions had already been eliminated in the preparation of the consolidated financial statements.

Note 2: In accordance with applicable regulations, the amount of investment gain or loss recognized by the Company is exempt from disclosure.

(c) Information on investment in mainland China: None

(14) Segment information:

The Group has three reportable segments. Segment A is engaged in the operation of supermarkets, Segment B is engaged in logistics services, and the other segments are engaged in the retail of pharmaceuticals, cosmetics, organic products, as well as pet food and supplies.

The reportable segments of the Group are strategic business units that provide different products and services. Each strategic business unit is managed separately as it requires different technology and marketing strategies.

The Group's operating segment information and reconciliation were as follows:

	For the three months ended March 31, 2026					
	Segment A	Segment B	Other segment	Headquarters	Reconciliation and elimination	Total
Revenue:						
Revenue from external customers	$ 3,508,882	995	320,441	6,786	-	3,837,104
Intersegment revenues	-	480,559	7,073	-	(487,632)	-
Total revenue	**$ 3,508,882**	**481,554**	**327,514**	**6,786**	**(487,632)**	**3,837,104**
Reportable segment profit or loss from continuing operations before tax	**$ 49,475**	**9,720**	**(7,297)**	**(5,008)**	**(648)**	**46,242**

	For the three months ended March 31, 2025					
	Segment A	Segment B	Segment C	Headquarters	Reconciliation and elimination	Total
Revenue:						
Revenue from external customers	$ 3,234,759	-	233,220	5,611	-	3,473,590
Intersegment revenues	-	59,050	8,885	-	(67,935)	-
Total revenue	**$ 3,234,759**	**59,050**	**242,105**	**5,611**	**(67,935)**	**3,473,590**
Reportable segment profit or loss from continuing operations before tax	**$ 43,836**	**4,314**	**(3,620)**	**(3,353)**	**(4,655)**	**36,522**