POYA INTERNATIONAL CO., LTD.

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REVIEW REPORT

MARCH 31, 2024 AND 2023

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

REPORT ON REVIEW OF FINANCIAL STATEMENTS TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of POYA International Co., Ltd.

Introduction

We have reviewed the accompanying balance sheets of POYA International Co., Ltd. as at March 31, 2024 and 2023, and the related statements of comprehensive income, of changes in equity and of cash flows for the three-month periods then ended, and notes to the financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of these 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 financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the Standard on Review Engagements 2410, “Review of Financial Information Performed by the Independent Auditor of the Entity” of the Republic of China. A review of 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.

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying financial statements do not present fairly, in all material respects, the financial position of the Company as at March 31, 2024 and 2023, and of its financial performance and its cash flows for the three-month periods then ended 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.

Hsu, Huei-Yu

Independent Accountants

Lin, Yung-Chih

PricewaterhouseCoopers, Taiwan
Republic of China
April 29, 2024

The accompanying 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 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.

POYA INTERNATIONAL CO., LTD.
BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	March 31, 2024 AMOUNT	%	December 31, 2023 AMOUNT	%	March 31, 2023 AMOUNT	%
	Current assets							
1100	Cash and cash equivalents	6(1)	$ 2,697,527	10	$ 1,993,967	8	$ 3,284,381	13
1150	Notes receivable, net	6(2)	36,920	-	32,871	-	5,714	-
1170	Accounts receivable, net	6(2)	798,453	3	1,414,451	5	565,235	2
1197	Finance lease receivable, net	6(7)	4,880	-	4,865	-	-	-
1200	Other receivables		5,982	-	8,584	-	4,932	-
130X	Inventories	6(3)	5,389,141	21	5,328,446	21	5,054,836	20
1410	Prepayments	6(4)	14,221	-	40,269	-	108,562	1
1476	Other current financial assets	8	8,287	-	8,287	-	8,287	-
11XX	**Total current assets**		8,955,411	34	8,831,740	34	9,031,947	36
	Non-current assets							
1600	Property, plant and equipment, net	6(5)	3,793,994	15	3,688,219	15	3,440,498	14
1755	Right-of-use assets	6(6) and 7	12,633,419	49	12,596,611	49	12,074,280	48
1840	Deferred income tax assets	6(21)	32,230	-	32,689	-	31,380	-
1920	Refundable deposits	6(6)	475,891	2	468,215	2	441,513	2
194D	Long-term finance lease receivable, net	6(7)	58,178	-	59,404	-	-	-
1975	Net defined benefit asset-non-current	6(10)	6,474	-	5,836	-	8,770	-
1980	Other non-current financial assets	8	11,000	-	11,000	-	11,000	-
1990	Other non-current assets		16,571	-	16,797	-	15,314	-
15XX	**Total non-current assets**		17,027,757	66	16,878,771	66	16,022,755	64
1XXX	**Total assets**		$ 25,983,168	100	$ 25,710,511	100	$ 25,054,702	100

(Continued)

POYA INTERNATIONAL CO., LTD.
BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	March 31, 2024 AMOUNT	%	December 31, 2023 AMOUNT	%	March 31, 2023 AMOUNT	%
	Current liabilities							
2130	Current contract liabilities	6(14)	$ 89,441	-	$ 90,930	-	$ 100,814	-
2150	Notes payable		90,817	-	95,566	-	63,262	-
2170	Accounts payable		2,717,786	11	3,033,838	12	2,854,017	11
2200	Other payables	6(8)	2,954,986	11	928,210	4	3,128,853	13
2230	Current income tax liabilities	6(21)	542,306	2	367,227	1	460,570	2
2280	Current lease liabilities	6(6) and 7	1,752,454	7	1,737,662	7	1,655,666	7
2310	Receipts in advance		1,481	-	100	-	694	-
2320	Long-term liabilities, current portion	6(9)	1,097,362	4	1,245,209	5	1,312,138	5
21XX	**Total current liabilities**		9,246,633	35	7,498,742	29	9,576,014	38
	Non-current liabilities							
2540	Long-term borrowings	6(9)	872,427	4	916,145	4	737,360	3
2570	Deferred income tax liabilities	6(21)	6,378	-	6,378	-	5,861	-
2580	Non-current lease liabilities	6(6) and 7	10,953,342	42	10,917,519	42	10,427,917	42
2645	Guarantee deposits received		61,941	-	57,443	-	21,651	-
25XX	**Total non-current liabilities**		11,894,088	46	11,897,485	46	11,192,789	45
2XXX	**Total liabilities**		21,140,721	81	19,396,227	75	20,768,803	83
	Equity							
	Share capital	6(11)(13)(20)						
3110	Common stock		1,034,930	4	1,034,930	4	1,021,820	4
3200	Capital surplus	6(11)(12)	1,058,249	4	1,058,249	4	896,641	3
	Retained earnings	6(11)(13)						
3310	Legal reserve		1,671,810	7	1,671,810	7	1,464,426	6
3350	Unappropriated retained earnings		1,077,458	4	2,549,295	10	903,012	4
3XXX	**Total equity**		4,842,447	19	6,314,284	25	4,285,899	17
	Significant Contingent Liabilities and Unrecognized Contract Commitments	9						
3X2X	**Total liabilities and equity**		$ 25,983,168	100	$ 25,710,511	100	$ 25,054,702	100

The accompanying notes are an integral part of these financial statements.

POYA INTERNATIONAL CO., LTD.
STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

	Items	Notes	For the three-month periods ended March 31, 2024 AMOUNT	%	2023 AMOUNT	%
4000	Operating revenue	6(14)	$ 5,873,699	100	$ 5,293,268	100
5000	Operating costs	6(3)(10)(19)(20)	(3,273,709)	(56)	(2,924,909)	(56)
5900	Net operating margin		2,599,990	44	2,368,359	44
	Operating expenses	6(10)(19)(20) and 7				
6100	Selling expenses		(1,547,188)	(26)	(1,361,923)	(26)
6200	General and administrative expenses		(168,911)	(3)	(172,801)	(3)
6000	Total operating expenses		(1,716,099)	(29)	(1,534,724)	(29)
6900	Operating profit		883,891	15	833,635	15
	Non-operating income and expenses					
7100	Interest income	6(15)	1,232	-	853	-
7010	Other income	6(7)(16)	47,426	1	27,447	1
7020	Other gains and losses	6(6)(17)	(12,283)	-	431	-
7050	Finance costs	6(5)(6)(18) and 7	(43,206)	(1)	(40,306)	(1)
7000	Total non-operating income and expenses		(6,831)	-	(11,575)	-
7900	**Profit before income tax**		877,060	15	822,060	15
7950	Income tax expense	6(21)	(175,545)	(3)	(164,455)	(3)
8200	**Net income for the period**		$ 701,515	12	$ 657,605	12
8500	**Total comprehensive income for the period**		$ 701,515	12	$ 657,605	12
	Earnings per share (in dollars)	6(22)				
9750	Basic		$ 6.78		$ 6.36	
9850	Diluted		$ 6.75		$ 6.35	

The accompanying notes are an integral part of these financial statements.

POYA INTERNATIONAL CO., LTD.
STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of New Taiwan dollars)

			Capital Surplus	Retained Earnings		
	Notes	Common stock	Additional paid-in capital	Legal reserve	Unappropriated retained earnings	Total equity
For the three-month period ended March 31, 2023						
Balance at January 1, 2023		$1,021,820	$ 896,641	$ 1,464,426	$ 2,687,558	$ 6,070,445
Net income for the three-month period ended March 31, 2023		-	-	-	657,605	657,605
Total comprehensive income for the three-month period ended March 31, 2023		-	-	-	657,605	657,605
Distribution of 2022 net income:						
Cash dividends	6(13)	-	-	-	(2,442,151)	(2,442,151)
Balance at March 31, 2023		$1,021,820	$ 896,641	$ 1,464,426	$ 903,012	$ 4,285,899
For the three-month period ended March 31, 2024						
Balance at January 1, 2024		$1,034,930	$1,058,249	$ 1,671,810	$ 2,549,295	$ 6,314,284
Net income for the three-month period ended March 31, 2024		-	-	-	701,515	701,515
Total comprehensive income for the three-month period ended March 31, 2024		-	-	-	701,515	701,515
Distribution of 2023 net income:						
Cash dividends	6(13)	-	-	-	(2,173,352)	(2,173,352)
Balance at March 31, 2024		$1,034,930	$1,058,249	$ 1,671,810	$ 1,077,458	$ 4,842,447

The accompanying notes are an integral part of these financial statements.

POYA INTERNATIONAL CO., LTD.
STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

	Notes	For the three-month periods ended March 31, 2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 877,060	$ 822,060
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(5)(6)(19)	659,126	620,780
Loss (gain) on disposal of property, plant and equipment	6(17)	12,951	(188)
Gain from lease modification	6(6)(17)	(668)	(243)
Interest income	6(15)	(1,232)	(853)
Interest expense	6(18)	43,206	40,306
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		(4,049)	(1,311)
Accounts receivable		615,998	678,100
Other receivables		2,602	(495)
Inventories		(60,695)	(79,595)
Prepayments		26,048	(47,177)
Net defined benefit assets-non-current		(638)	(641)
Changes in operating liabilities			
Current contract liabilities		(1,489)	2,790
Notes payable		(4,749)	18,090
Accounts payable		(316,052)	(321,472)
Other payables		(78,472)	(33,436)
Receipts in advance		1,381	594
Cash inflow generated from operations		1,770,328	1,697,309
Interest received		1,232	853
Interest paid		(43,206)	(40,306)
Income tax paid		(7)	-
Net cash flows from operating activities		1,728,347	1,657,856
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease in finance lease receivables		1,211	-
Acquisition of property, plant and equipment	6(23)	(350,903)	(298,096)
Interest paid for acquisition of property, plant and equipment	6(5)(18)(23)	(680)	(238)
Proceeds from disposal of property, plant and equipment		1,801	2,700
Acquisition of right-of-use assets	6(6)	(9,679)	(9,869)
Increase in refundable deposits		(7,676)	(2,382)
Decrease (increase) in other non-current assets		226	(496)
Net cash flows used in investing activities		(365,700)	(308,381)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long-term borrowings	6(24)	210,000	200,000
Repayment of long-term borrowings	6(24)	(401,565)	(416,380)
Repayment of lease principal	6(24)	(472,020)	(437,663)
Increase in guarantee deposits received	6(24)	4,498	1,650
Net cash flows used in financing activities		(659,087)	(652,393)
Net increase in cash and cash equivalents		703,560	697,082
Cash and cash equivalents at beginning of period	6(1)	1,993,967	2,587,299
Cash and cash equivalents at end of period	6(1)	$ 2,697,527	$ 3,284,381

The accompanying notes are an integral part of these financial statements.

POYA INTERNATIONAL CO., LTD.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANIZATION

(1) POYA International Co., Ltd. (the "Company") was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.). The Company is primarily engaged in selling fashion accessories, arts and crafts, food, stationery, hardware and a variety of products.

(2) The common shares of the Company have been listed on the Taipei Exchange since September 2002.

2. THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These financial statements were authorized for issuance by the Board of Directors on April 29, 2024.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) 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 as endorsed by the FSC and became effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board ("IASB")
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024
Amendments to IAS 7 and IFRS 7, 'Supplier finance arrangements'	January 1, 2024

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

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

None.

(3) IFRS Accounting Standards 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 IASB
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 IASB
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

Except for IFRS 18, 'Presentation and disclosure in financial statements', the above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

IFRS 18, 'Presentation and disclosure in financial statements'

IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Except for the compliance statement, basis of preparation, and the additional descriptions described below, the other principal accounting policies are in agreement with Note 4 of the financial statements for the year ended December 31, 2023. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

A. The financial statements of the Company 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.

B. The financial statements should be read together with the financial statements for the year ended December 31, 2023.

(2) Basis of preparation

A. Except for the following items, these financial statements have been prepared under the historical cost convention:

Defined benefit assets are recognized based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with IFRSs requires that use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5, "Critical accounting judgements, estimates and key sources of assumption uncertainty".

(3) Employee benefits

Defined benefit plan

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.

(4) Income tax

A. The interim period income tax expense is recognized 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.

B. If a change in tax rate is enacted or substantively enacted in an interim period, the Company recognizes the effect of the change immediately in the interim period in which the change occurs. The effect of the change on items recognized outside profit or loss is recognized in other comprehensive income or equity while the effect of the change on items recognized in profit or loss is recognized in profit or loss.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

There have been no significant changes during the period. Refer to Note 5 of the financial statements for the year ended December 31, 2023.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	March 31, 2024	December 31, 2023	March 31, 2023
Cash:			
Cash on hand	$ 49,272	$ 49,620	$ 45,560
Checking deposits and demand deposits	2,648,255	1,944,347	3,238,821
	$ 2,697,527	$ 1,993,967	$ 3,284,381

A. The Company transacts with a variety of financial institutions all with high credit rankings to diversify credit risk, so it expects that the probability of counterparty default is remote.

B. As of March 31, 2024, December 31, 2023 and March 31, 2023, details of the Company's cash and cash equivalents pledged to others as collateral are provided in Note 8, "Pledged assets".

(2) Notes and accounts receivable, net

	March 31, 2024	December 31, 2023	March 31, 2023
Notes receivable	$ 36,920	$ 32,871	$ 5,714
Accounts receivable - sponsorship	$ 601,830	$ 1,223,202	$ 487,819
Accounts receivable - customers	196,623	191,249	77,416
	$ 798,453	$ 1,414,451	$ 565,235

A. The Company has no past due accounts receivable as of March 31, 2024, December 31, 2023 and March 31, 2023.

B. As of March 31, 2024, December 31, 2023 and March 31, 2023, accounts receivable and notes receivable were all from contracts with customers. As of January 1, 2023, the balance of receivables (including notes receivable) from contracts with customers amounted to $1,247,738.

C. As of March 31, 2024, December 31, 2023 and March 31, 2023, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Company’s notes and accounts receivable was its book value.

D. The Company did not hold any collateral as security as of March 31, 2024, December 31, 2023 and March 31, 2023.

E. Information relating to credit risk of accounts receivable is provided in Note 12(2), “Financial instruments”.

(3) Inventories

	March 31, 2024		
	Cost	Allowance for price decline of inventories	Carrying amount
Merchandise	$ 5,389,141	$ -	$ 5,389,141

	December 31, 2023		
	Cost	Allowance for price decline of inventories	Carrying amount
Merchandise	$ 5,328,446	$ -	$ 5,328,446

	March 31, 2023		
	Cost	Allowance for price decline of inventories	Carrying amount
Merchandise	$ 5,054,836	$ -	$ 5,054,836

The cost of inventories recognized as expense for the period:

	For the three-month periods ended March 31,	
	2024	2023
Cost of inventories sold	$ 3,264,414	$ 2,907,129
Loss on physical inventory	9,295	17,780
	$ 3,273,709	$ 2,924,909

(4) Prepayments

	March 31, 2024	December 31, 2023	March 31, 2023
Overpaid value-added tax	$ -	$ 22,660	$ 59,508
Other prepaid expenses	14,221	17,609	49,054
	$ 14,221	$ 40,269	$ 108,562

(5) Property, plant and equipment

	Transportation equipment	Office equipment	Leasehold improvements	Other equipment	Construction in progress and equipment before acceptance inspection	Total
At January 1, 2024						
Cost	$ 37,403	$ 1,078,856	$ 4,125,463	$ 633,657	$ 127,614	$ 6,002,993
Accumulated depreciation	(17,683)	(590,577)	(1,546,769)	(159,745)	-	(2,314,774)
	$ 19,720	$ 488,279	$ 2,578,694	$ 473,912	$ 127,614	$ 3,688,219
For the three-month period ended March 31, 2024						
At January 1	$ 19,720	$ 488,279	$ 2,578,694	$ 473,912	$ 127,614	$ 3,688,219
Additions	-	-	-	-	283,479	283,479
Transferred after acceptance inspection	946	68,049	203,315	32,922	(305,232)	-
Depreciation	(1,722)	(51,718)	(97,901)	(11,611)	-	(162,952)
Disposal-Cost	(4,454)	(77,135)	(108,089)	(5,942)	-	(195,620)
-Accumulated depreciation	4,070	68,964	102,980	4,854	-	180,868
At March 31	$ 18,560	$ 496,439	$ 2,678,999	$ 494,135	$ 105,861	$ 3,793,994
At March 31, 2024						
Cost	$ 33,895	$ 1,069,770	$ 4,220,689	$ 660,637	$ 105,861	$ 6,090,852
Accumulated depreciation	(15,335)	(573,331)	(1,541,690)	(166,502)	-	(2,296,858)
	$ 18,560	$ 496,439	$ 2,678,999	$ 494,135	$ 105,861	$ 3,793,994

	Transportation equipment	Office equipment	Leasehold improvements	Other equipment	Construction in progress and equipment before acceptance inspection	Total
At January 1, 2023						
Cost	$ 36,522	$ 1,174,598	$ 3,796,109	$ 543,635	$ 30,596	$ 5,581,460
Accumulated depreciation	(19,010)	(628,369)	(1,467,880)	(126,797)	-	(2,242,056)
	$ 17,512	$ 546,229	$ 2,328,229	$ 416,838	$ 30,596	$ 3,339,404
For the three-month period ended March 31, 2023						
At January 1	$ 17,512	$ 546,229	$ 2,328,229	$ 416,838	$ 30,596	$ 3,339,404
Additions	-	-	-	-	263,063	263,063
Transferred after acceptance inspection	5,565	39,220	198,372	32,485	(275,642)	-
Depreciation	(1,926)	(55,578)	(91,751)	(10,202)	-	(159,457)
Disposal-Cost	(5,155)	(56,178)	(42,924)	(2,045)	-	(106,302)
-Accumulated depreciation	4,325	56,178	41,256	2,031	-	103,790
At March 31	$ 20,321	$ 529,871	$ 2,433,182	$ 439,107	$ 18,017	$ 3,440,498
At March 31, 2023						
Cost	$ 36,932	$ 1,157,640	$ 3,951,557	$ 574,075	$ 18,017	$ 5,738,221
Accumulated depreciation	(16,611)	(627,769)	(1,518,375)	(134,968)	-	(2,297,723)
	$ 20,321	$ 529,871	$ 2,433,182	$ 439,107	$ 18,017	$ 3,440,498

A. The property, plant and equipment were all owner-occupied as of March 31, 2024, December 31, 2023 and March 31, 2023.

B. Amount of borrowing costs capitalized as part of property, plant and equipment and the range of interest rates for such capitalization are as follows:

	For the three-month periods ended March 31,	
	2024	2023
Amount capitalized	$ 680	$ 238
Interest rate range	1.72%～1.86%	1.17%～2.33%

C. As of March 31, 2024, December 31, 2023 and March 31, 2023, no property, plant and equipment was pledged to others.

(6) Leasing arrangements-lessee

A. The Company leases various assets including buildings and structures, machinery and other equipment. Rental contracts are typically made for periods of 3 to 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. The Company has lease contracts with the key management and non-related parties. The lease terms are between 3 to 20 years. As of March 31, 2024, December 31, 2023 and March 31, 2023, the amount of deposits paid in accordance with the lease contracts was $473,097, $465,512 and $434,790, respectively and was classified as refundable deposits.

C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
	Carrying amount	Carrying amount	Carrying amount
Buildings and structures	$ 12,611,406	$ 12,574,811	$ 12,053,386
Machinery and equipment	13,672	13,030	10,748
Other equipment	8,341	8,770	10,146
	$ 12,633,419	$ 12,596,611	$ 12,074,280

	For the three-month periods ended March 31,	
	2024	2023
	Depreciation charge	Depreciation charge
Buildings and structures	$ 494,243	$ 459,484
Machinery and equipment	1,501	1,399
Other equipment	430	440
	$ 496,174	$ 461,323

D. For the three-month periods ended March 31, 2024 and 2023, the additions to right-of-use assets were $9,679 and $9,869, respectively, and the additions from remeasurement of right-of-use assets were $523,303 and $868,241, respectively.

E. The information on profit and loss accounts relating to lease contracts is as follows:

	For the three-month periods ended March 31,	
	2024	2023
Items affecting profit or loss		
Interest expense on lease liabilities	$ 37,949	$ 34,270
Expense on short-term lease contracts	1,869	2,741
Expense on leases of low-value assets	72	96
Expense on variable lease payments	25,712	20,295
Gain on sublease of right-of-use assets	(29,791)	(17,149)
Gain from lease modification	(668)	(243)

F. For the three-month periods ended March 31, 2024 and 2023, the Company's total cash outflow for leases were $547,301 and $504,934, respectively.

G. Variable lease payments

Some of the Company's lease contracts contain variable lease payment terms that are linked to sales generated from a store. For individual stores, up to 13%～14% of lease payments are on the basis of variable payment terms and are accrued based on the sales amount. Variable payment terms are used for a variety of reasons, including minimizing the fixed costs for newly established stores. Various lease payments that depend on sales are recognized in profit or loss in the period in which the event or condition that triggers those payments occurs.

H. Extension and termination options

a. Extension options are included in approximately 99.23% of the Company's lease contracts pertaining to retail stores. These terms and conditions aim to maximize optional flexibility in terms of managing contracts.

b. In determining the lease term, the Company takes into consideration all facts and circumstances that create an economic incentive to exercise an extension option or not to exercise a termination option. The assessment of lease period is reviewed if a significant event occurs which affects the assessment.

(7) Leasing arrangements – lessor

A. The Company subleases underlying right-of-use assets－buildings and structures. Rental contracts are made for a period of 12 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

B. The Company leases right-of-use assets－buildings and structures under a finance lease. Information on profit or loss in relation to lease contracts is as follows:

	For the three-month period ended March 31, 2024
Finance income from the net investment in the finance lease	$ 199

There was no such transaction for the three-month period ended March 31, 2023.

C. The maturity analysis of the undiscounted lease payments in the finance lease is as follows:

	March 31, 2024	December 31, 2023
Within 1 year	$ 5,640	$ 5,640
2-5 years	22,823	22,795
Over 5 years	39,395	40,833
	$ 67,858	$ 69,268

There was no such transaction for the three-month period ended March 31, 2023.

D. Reconciliation of the undiscounted lease payments and the net investment in the finance lease is provided as follows:

	March 31, 2024		December 31, 2023	
	Current	Non-current	Current	Non-current
Undiscounted lease payments	$ 5,640	$ 62,218	$ 5,640	$ 63,628
Unearned finance income	(760)	(4,040)	(775)	(4,224)
Net investment in the lease	$ 4,880	$ 58,178	$ 4,865	$ 59,404

There was no such transaction for the three-month period ended March 31, 2023.

E. For the three-month periods ended March 31, 2024 and 2023, the Company recognized rent income in the amounts of $29,592 and $17,149, respectively, based on the operating lease agreement, which does not include variable lease payments.

F. The maturity analysis of the lease payments under the operating leases is as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Within 1 year	$ 116,572	$ 115,498	$ 91,291
2-5 years	401,816	414,475	434,986
Over 5 years	184,396	200,235	267,313
	$ 702,784	$ 730,208	$ 793,590

(8) Other payables

	March 31, 2024	December 31, 2023	March 31, 2023
Dividends payable	$ 2,173,352	$ -	$ 2,442,151
Salaries and bonuses payable	298,132	393,334	253,869
Accrued employees' compensation and directors' remuneration	262,988	207,080	220,300
Labor and health insurance payable	48,219	47,482	40,576
Equipment payable	9,296	77,400	10,274
Others	162,999	202,914	161,683
	$ 2,954,986	$ 928,210	$ 3,128,853

(9) Long-term borrowings

Nature	Borrowing period	Range of interest rates	Collateral	March 31, 2024
Long-term bank borrowings				
Unsecured bank borrowings	5.13.2021～2.19.2027	1.69%～2.09%	None	$ 1,969,789
Less: Current portion of long-term borrowings				(1,097,362)
				$ 872,427

Nature	Borrowing period	Range of interest rates	Collateral	December 31, 2023
Long-term bank borrowings				
Unsecured bank borrowings	5.13.2021～8.14.2026	1.69%～2.09%	None	$ 2,161,354
Less: Current portion of long-term borrowings				(1,245,209)
				$ 916,145

Nature	Borrowing period	Range of interest rates	Collateral	March 31, 2023
Long-term bank borrowings				
Unsecured bank borrowings	3.19.2020～1.12.2026	1.56%～1.96%	None	$ 2,049,498
Less: Current portion of long-term borrowings				(1,312,138)
				$ 737,360

For more information about interest expenses recognized by the Company for the three-month periods ended March 31, 2024 and 2023, refer to Note 6(18), “Finance costs”.

(10) Pensions

A. The Company has a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees’ service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees’ monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is not enough to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contribution for the deficit by next March. Information on the Company's aforementioned pension plan is as follows:

a. For the aforementioned pension plan, the Company recognized penion costs of ($5) and ($11) for the three-month periods ended March 31, 2024 and 2023, respectively.

b. Expected contributions to the defined benefit pension plan of the Company for the all period of 2024 amount to $2,491.

B. Effective July 1, 2005, the Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension costs under the defined contribution pension plan of the Company for the three-month periods ended March 31, 2024 and 2023 were $32,673 and $27,090, respectively.

(11) Common stock

A. Movements in the number of the Company's ordinary shares outstanding are as follows (in thousands of shares):

	For the three-month periods ended March 31,	
	2024	2023
Beginning and ending balance	103,493	102,182

B. On May 30, 2023, the Company's shareholders during their meeting adopted a resolution and reported to shareholders at its meeting to issue new shares of common stock through capitalization of unappropriated retained earnings of $10,218 and employees' compensation payable of $164,500. As approved by the Securities and Futures Bureau, Financial Supervisory Commission, the effective date of the capitalization was set on July 15, 2023. Of the amount of $164,500 employees' stock compensation, 289 thousand shares were calculated based on the fair value per share at the preceding day of the Board of Directors' meeting, after taking into account the effects of ex-rights and ex-dividends. Amounts arising in excess of par value on issuance are classified as capital surplus-additional paid-in capital.

C. As of March 31, 2024, the Company's total authorized capital was $1,200,000 (including $20,000 reserved for employee stock options) and the paid-in capital was $1,034,930 (103,493 thousand shares) with par value of $10 (in dollars) per share.

(12) Capital surplus

Pursuant to the Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the Securities and Exchange Law requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is used.

(13) Retained earnings

A. The legal reserve shall be exclusively used to cover accumulated deficit, to issue new stocks or distribute cash to shareholders in proportion to their share ownership. The use of legal reserve for the issuance of stocks or cash dividends to shareholders in proportion to their share ownership is permitted provided that the balance of such reserve exceeds 25% of the Company’s paid-in capital.

B. As the Company operates in a volatile business environment and is in stable growth stage, the appropriation of earnings should consider fund requirements and capital budget in determining how much earnings will be kept or distributed and how much cash dividends will be distributed. Under the Company’s Articles of Incorporation, 10% of the annual net income, after offsetting any loss of prior years and paying all taxes and dues, shall be set aside as legal reserve. The remaining net income is the distributable net profit of this period, which is added to the unappropriated retained earnings from prior years to arrive at the accumulated distributable net profit. After considering business environment, future operations, the need for reinvestment, etc., the Board of Directors will propose a resolution for the distribution of earnings which will be approved at the shareholders' meeting. The distributable net profit shall be appropriated as: 50%~100% of accumulated distributable net profit will be appropriated as dividends and bonuses to shareholders, with cash dividends being at least 1% of the total dividends. Amounts shall be distributed as stock dividends when the cash dividend per share is less than $0.5 (in dollars). The Company’s Board of Directors distributed all or part of the distributable dividends and bonuses in cash through a resolution adopted by a majority vote at its meeting attended by two-thirds of the total number of directors and reported it to the shareholders’ meeting. The aforementioned regulations of requiring the resolutions from the shareholders are not applicable.

C. In accordance with the regulations, the Company shall set aside special reserve arising from the debit balance in other equity items at the balance sheet date before distributing earnings. When debit balance in other equity items is reversed subsequently, an equal amount could then be used for distribution.

D. The Company recognized cash dividends distributed to owners in 2023 amounting to $2,442,151 ($23.9 dollars per share) and the distribution of stock dividends of $10,218 ($0.1 dollars per share). During its meeting on February 26, 2024, the Board of Directors resolved and proposed the distribution of cash dividends and stock dividends from 2023 earnings of $2,173,352 ($21 dollars per share) and $10,349 ($0.1 dollars per share), respectively. Information about the distribution of dividends by the Company as proposed by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(14) Operating revenue

A. Disaggregation of revenue from contracts with customers

The Company derives revenue from the transfer of goods and services at a point in time as follows:

	For the three-month periods ended March 31,	
	2024	2023
Merchandise sales	$ 5,845,109	$ 5,263,114
License income	28,590	30,154
	$ 5,873,699	$ 5,293,268

B. Contract assets and liabilities

As of March 31, 2024, January 1, 2024 (December 31, 2023), March 31, 2023 and January 1, 2023, the Company has no revenue-related contract assets, and the Company has recognized the following revenue-related contract liabilities:

	March 31, 2024	January 1, 2024 (December 31, 2023)	March 31, 2023	January 1, 2023
Contract liabilities:				
– Customer loyalty programmes	$ 61,680	$ 63,995	$ 73,565	$ 71,965
– Unearned receipts	27,761	26,935	27,249	26,059
	$ 89,441	$ 90,930	$ 100,814	$ 98,024

a. Significant changes in contract assets and liabilities

The Company has no significant changes in contract assets and liabilities for the three-month periods ended March 31, 2024 and 2023.

b. Revenue recognized that was included in the contract liability balance at the beginning of the period is shown below:

	For the three-month periods ended March 31,	
	2024	2023
Revenue recognized that was included in the contract liability balance at the beginning of the period		
Customer loyalty programmes	$ 14,627	$ 22,812
Unearned receipts	26,935	26,059
	$ 41,562	$ 48,871

(15) Interest income

	For the three-month periods ended March 31,	
	2024	2023
Interest income from bank deposits	$ 112	$ 66
Other interest income	1,120	787
	$ 1,232	$ 853

(16) Other income

	For the three-month periods ended March 31,	
	2024	2023
Rental income	$ 29,592	$ 17,149
Other income	17,834	10,298
	$ 47,426	$ 27,447

(17) Other gains and losses

	For the three-month periods ended March 31,	
	2024	2023
(Loss) gain on disposal of property, plant and equipment	($ 12,951)	$ 188
Gain from lease modification	668	243
	($ 12,283)	$ 431

(18) Finance costs

	For the three-month periods ended March 31,	
	2024	2023
Interest expense:		
Bank borrowings	$ 9,144	$ 9,315
Others	34,742	31,229
Less: Capitalization of qualifying assets	(680)	(238)
	$ 43,206	$ 40,306

(19) Expenses by nature

	For the three-month period ended March 31, 2024		
	Operating expenses	Operating costs	Total
Employee benefit expense	$ 756,372	$ 69,208	$ 825,580
Depreciation	$ 623,136	$ 35,990	$ 659,126

	For the three-month period ended March 31, 2023		
	Operating expenses	Operating costs	Total
Employee benefit expense	$ 629,259	$ 63,531	$ 692,790
Depreciation	$ 588,018	$ 32,762	$ 620,780

(20) Employee benefit expenses

	For the three-month period ended March 31, 2024		
Full time employees	Operating expenses	Operating costs	Total
Wages and salaries	$ 550,358	$ 23,896	$ 574,254
Labor and health insurance expense	59,829	2,587	62,416
Pension costs	26,206	1,356	27,562
Other personnel expenses	3,274	-	3,274
	$ 639,667	$ 27,839	$ 667,506

	For the three-month period ended March 31, 2024		
Part time employees	Operating expenses	Operating costs	Total
Wages and salaries	$ 99,363	$ 1,373	$ 100,736
Labor and health insurance expense	12,236	-	12,236
Pension costs	5,106	-	5,106
Other personnel expenses	-	39,996	39,996
	$ 116,705	$ 41,369	$ 158,074

	For the three-month period ended March 31, 2023		
Full time employees	Operating expenses	Operating costs	Total
Wages and salaries	$ 472,567	$ 23,629	$ 496,196
Labor and health insurance expense	51,306	2,592	53,898
Pension costs	22,356	1,294	23,650
Other personnel expenses	2,911	-	2,911
	$ 549,140	$ 27,515	$ 576,655

	For the three-month period ended March 31, 2023		
Part time employees	Operating expenses	Operating costs	Total
Wages and salaries	$ 67,997	$ 1,096	$ 69,093
Labor and health insurance expense	8,693	-	8,693
Pension costs	3,429	-	3,429
Other personnel expenses	-	34,920	34,920
	$ 80,119	$ 36,016	$ 116,135

A. According to the Articles of Incorporation of the Company, a ratio of profit of the current year distributable, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 5% for employees' compensation and shall not be higher than 6% for directors' remuneration.

B. For the three-month periods ended March 31, 2024 and 2023, employees' compensation were accrued at $54,400 and $49,200, respectively; while directors' remuneration were accrued at $1,508 and $1,320, respectively. The aforementioned amounts were recognized in salary expenses that were estimated and accrued based on the distributable net profit of current year calculated by the percentage prescribed under the Company's Articles of Incorporation. The actual amount approved at the Board of Directors' meeting on February 26, 2024 for employees' compensation and directors' remuneration for 2023 were $201,300 and $5,780, respectively, which were the same as the estimated amount recognized in the 2023 financial statements. The number of shares to be distributed as employees' compensation for 2023 and 2022 were 408 thousand and 289 thousand shares, respectively.

Information about employees' compensation and directors' remuneration by the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(21) Income tax

A. Income tax expense

Components of income tax expense:

	For the three-month periods ended March 31,	
	2024	2023
Current income tax:		
Current tax on profits for the period	$ 175,086	$ 164,560
Deferred tax:		
Origination and reversal of temporary differences	459	(105)
Income tax expense	$ 175,545	$ 164,455

B. As of April 29, 2024, the Company's income tax returns through 2021 have been assessed by the Tax Authority, and there were no disputes existing between the Company and the Tax Authority.

(22) Earnings per share

	For the three-month period ended March 31, 2024		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders	$ 701,515	103,493	$ 6.78
Diluted earnings per share			
Profit attributable to ordinary shareholders	$ 701,515	103,493	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	378	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	$ 701,515	103,871	$ 6.75

	For the three-month period ended March 31, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders	$ 657,605	103,334	$ 6.36
Diluted earnings per share			
Profit attributable to ordinary shareholders	$ 657,605	103,334	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	263	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	$ 657,605	103,597	$ 6.35

The abovementioned weighted average number of ordinary shares outstanding has been adjusted to unappropriated retained earnings as proportional increase in capital for the year ended December 31, 2023.

(23) Supplemental cash flow information

A. Investing activities with partial cash payments:

	For the three-month periods ended March 31,	
	2024	2023
Purchase of property, plant and equipment	$ 283,479	$ 263,063
Add: Beginning balance of payable on equipment (Other payables)	77,400	45,545
Less: Ending balance of payable on equipment (Other payables)	(9,296)	(10,274)
Capitalization of interest	(680)	(238)
Cash paid for acquisition of property, plant and equipment	$ 350,903	$ 298,096

B. Financing activities with no cash flow effects:

	For the three-month periods ended March 31,	
	2024	2023
Cash dividends distribution	$ 2,173,352	$ 2,442,151
Less: Ending balance of payable on cash dividends (Other payables)	(2,173,352)	(2,442,151)
Cash paid for cash dividends distribution	$ -	$ -

(24) Changes in liabilities from financing activities

	Long-term borrowings (Including current portion)	Lease liabilities	Guarantee deposits received	Liabilities from financing activities-gross
At January 1, 2024	$ 2,161,354	$ 12,655,181	$ 57,443	$ 14,873,978
Changes in cash flow from financing activities	(191,565)	(472,020)	4,498	(659,087)
Changes in other non-cash items	-	522,635	-	522,635
At March 31, 2024	$ 1,969,789	$ 12,705,796	$ 61,941	$ 14,737,526

	Long-term borrowings (Including current portion)	Lease liabilities	Guarantee deposits received	Liabilities from financing activities-gross
At January 1, 2023	$ 2,265,878	$ 11,653,248	$ 20,001	$ 13,939,127
Changes in cash flow from financing activities	(216,380)	(437,663)	1,650	(652,393)
Changes in other non-cash items	-	867,998	-	867,998
At March 31, 2023	$ 2,049,498	$ 12,083,583	$ 21,651	$ 14,154,732

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
Chen Chien Tsao	Key management of the Company

(2) Significant related party transactions

Lease transactions－lessee

A. The Company leases office from the key management of the Company. Rental contracts are typically made for 3 years. Rents are paid at the end of the month.

B. Acquisition of right-of-use assets

Outstanding balance

	March 31, 2024	December 31, 2023	March 31, 2023
Key management of the Company	$ 2,217	$ 2,956	$ 5,173

C. Lease liabilities

(a) Outstanding balance

	March 31, 2024	December 31, 2023	March 31, 2023
Key management of the Company	$ 2,242	$ 2,986	$ 5,206

Classified as "Current lease liabilities" and "Non-current lease liabilities".

(b) Interest expense

	For the three-month periods ended March 31,	
	2024	2023
Key management of the Company	$ 6	$ 14

(3) Key management compensation

	For the three-month periods ended March 31,	
	2024	2023
Salaries and other short-term employee benefits	$ 5,665	$ 5,477

8. PLEDGED ASSETS

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

Assets	March 31, 2024	December 31, 2023	March 31, 2023	Purpose of collateral
Demand deposits (Note)	$ 7,237	$ 7,237	$ 7,237	Performance
Certificate of deposit (Note)	12,050	12,050	12,050	Refundable deposits
	$ 19,287	$ 19,287	$ 19,287	

(Note) Classified as "Other current financial assets" and "Other non-current financial assets".

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

Capital expenditures contracted for but not yet incurred

	March 31, 2024	December 31, 2023	March 31, 2023
Property, plant and equipment	$ 119,811	$ 156,097	$ 41,367

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders, and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(2) Financial instruments

A. Financial instruments by category

The Company's financial instruments not measured at fair value, including cash and cash equivalents, notes receivable, accounts receivable, finance lease receivable (including current and non-current), other receivables, other financial assets (including current and non-current), refundable deposits, notes payable, accounts payable, other payables, long-term borrowings (including current portion) and guarantee deposits received are based on their book value as book value approximates fair value. In addition, the fair value information of financial instruments measured at fair value is described in Note 12(3), "Fair value information".

B. Financial risk management policies

The Company adopts a comprehensive risk management system to identify all risks (including market risk, credit risk and liquidity risk) and to enable key management to measure and control all risks. The Company's objectives when managing market risk are achieving optimal risk exposure, maintaining appropriate liquidity and managing all market risks centrally by taking into account the economic environment, competition and market risk.

C. Significant financial risks and degrees of financial risks

(a) Market risk

I. Foreign exchange risk

Since the main transactions of the Company are denominated in New Taiwan dollars, the Company is not engaged in foreign exchange contracts. Therefore, the Company is not exposed to significant foreign exchange risk.

II. Price risk

The Company is not engaged in any financial instrument or derivatives investment, hence is not exposed to price risk.

III. Cash flow and fair value interest rate risk

i. The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. For the three-month periods ended March 31, 2024 and March 31, 2023, the Company's borrowings at variable rate were mainly denominated in New Taiwan dollars.

ii. The Company's borrowings are measured at amortized cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.

iii. If the borrowing interest rate had increased/decreased by 10% with all other variables held constant, other comprehensive income for the three-month periods ended March 31, 2024 and 2023 would have decreased/increased by $732 and $745, respectively. The main factor is that changes in interest expense result from floating rate borrowings.

(b) Credit risk

I. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.

II. The Company manages its credit risk taking into consideration the entire Company's concern. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. According to the Company's credit policy, the Company is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

III. The Company adopts the following assumption under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:

If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition. The default occurs when the contract payments are past due over certain number of days.

IV. The Company classifies customers' accounts receivable in accordance with credit risk on trade. The Company applies the modified approach using the provision matrix to estimate expected credit loss.

V. The Company uses the forecast to adjust historical and timely information to assess the default possibility of accounts receivable. As of March 31, 2024 and 2023, the Company's expected loss rate used in not past due accounts receivable is immaterial, and the Company has no past due accounts receivable.

VI. The Company did not recognize the immaterial impairment losses when applying the modified approach for the three-month periods ended March 31, 2024 and 2023.

(c) Liquidity risk

I. Cash flow forecasting is performed by the Company. The Company's Finance Department monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

II. The Company has the following undrawn borrowing facilities:

	March 31, 2024	December 31, 2023	March 31, 2023
Floating rate:			
Expiring within one year	$ 3,360,586	$ 3,247,374	$ 2,365,333
Expiring beyond one year	607,624	727,272	3,120,168
	$ 3,968,210	$ 3,974,646	$ 5,485,501

III. The table below analyses the Company's non-derivative financial liabilities and relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

March 31, 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Non-derivative financial liabilities				
Notes payable	$ 90,817	$ -	$ -	$ -
Accounts payable	2,717,786	-	-	-
Other payables	2,954,986	-	-	-
Lease liabilities (including current and non-current portion)	1,892,688	1,841,907	4,592,618	5,058,292
Long-term borrowings (including current portion)	1,116,804	660,438	227,446	-
Guarantee deposits received	-	61,941	-	-

December 31, 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Non-derivative financial liabilities				
Notes payable	$ 95,566	$ -	$ -	$ -
Accounts payable	3,033,838	-	-	-
Other payables	928,210	-	-	-
Lease liabilities (including current and non-current portion)	1,873,716	1,810,546	4,537,329	5,101,657
Long-term borrowings (including current portion)	1,266,690	636,691	295,258	-
Guarantee deposits received	-	57,443	-	-

March 31, 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Non-derivative financial liabilities				
Notes payable	$ 63,262	$ -	$ -	$ -
Accounts payable	2,854,017	-	-	-
Other payables	3,128,853	-	-	-
Lease liabilities (including current and non-current portion)	1,782,936	1,707,006	4,255,453	4,979,024
Long-term borrowings (including current portion)	1,334,161	667,637	82,100	-
Guarantee deposits received	-	21,651	-	-

(3) Fair value information

The Company had no fair value financial instruments as of March 31, 2024, December 31, 2023 and March 31, 2023.

13. SUPPLEMENTARY DISCLOSURES

(In accordance with the current regulatory requirements, the Company is only required to disclose the information for the three-month period ended March 31, 2024.)

(1) Significant transaction information

A. Loans to others: None.

B. Provision of endorsements and guarantee to others provided: None.

C. Holding of marketable securities at the end of the period: None.

D. Marketable securities acquired and disposed of at costs or prices of at least $300 million or 20% of paid-in capital: None.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching $300 million or 20% of paid-in capital or more: None.

G. Total purchases or sales of goods from or to related parties reaching $100 million or 20% of the paid-in capital or more: None.

H. Receivables from related parties reaching $100 million or 20% of the paid-in capital or more: None.

I. Derivative financial instruments undertaken: None.

J. Significant inter-company transactions: None.

(2) Disclosure information of investee company

None.

(3) Disclosure information on indirect investments in Mainland China

As of March 31, 2024, the Company had no investments in Mainland China.

(4) Major shareholders information

Major shareholders information: Refer to table 1.

14. SEGMENT INFORMATION

(1) General information

The Company operates business only in a single industry. The Company's chief operating decision-maker, who allocates resources and assesses performance of the Company as a whole, has identified that the Company has only one reportable operating segment.

(2) Information about segment profit or loss, assets and liabilities

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

	For the three-month periods ended March 31,	
	2024	2023
	Retailing	Retailing
Segment revenue	$ 5,873,699	$ 5,293,268
Revenue from external customers (net)	5,873,699	5,293,268
Depreciation	659,126	620,780
Finance cost	43,206	40,306
Segment pre-tax profit	877,060	822,060
Segment assets	25,983,168	25,054,702
Segment liabilities	21,140,721	20,768,803

(3) Reconciliation for segment (loss) income

The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income. The segment income reported to the chief operating decision-maker is measured in a manner consistent with that in the financial statements. Therefore, a reconciliation is not needed.

POYA INTERNATIONAL CO,. LTD.

Major shareholders information

March 31, 2024

Table 1 In thousands of shares

Name of the key shareholder	Number of shares	Ownership (%)	Footnote
Duo Chin Investment Co., Ltd.	8,584	8.29%	－
Poya Investment Co., Ltd.	8,417	8.13%	－
Chen Ching Investment Co., Ltd.	7,915	7.64%	－
Chen Zong-Cheng	6,465	6.24%	－
Kuai Wei Investment Co., Ltd.	5,228	5.05%	－

Note: The major shareholders information was derived from the data that the Company issued common shares (including treasury shares) and preference shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation.

The share capital which was recorded in the financial statements is different from the actual number of shares issued in dematerialised form because of the different calculation basis.