Stock Code:2945

SIMPLE MART RETAIL CO., LTD.
AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Review Report
For the Nine Months Ended September 30, 2024 and 2023

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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 September 30, 2024 and 2023, and the related consolidated statements of comprehensive income for the three months and nine months ended September 30, 2024 and 2023 as well as the changes in equity and cash flows for the nine months ended September 30, 2024 and 2023, 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 September 30, 2024 and 2023, and of its consolidated financial performance for three months and the nine months ended September 30, 2024 and 2023, as well as its consolidated cash flows for the nine months ended September 30, 2024 and 2023 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 Yu, Chi-Lung.

KPMG

Taipei, Taiwan (Republic of China)
November 1, 2024

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

September 30, 2024, December 31, 2023, and September 30, 2023

(Expressed in Thousands of New Taiwan Dollars)

		September 30, 2024		December 31, 2023		September 30, 2023	
	Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current assets:						
1100	Cash and cash equivalents (notes 6(a)(q))	$ 547,547	9	913,481	16	777,326	13
1110	Financial assets at fair value through profit or loss - current (notes 6(b)(q))	-	-	5,345	-	5,376	-
1170	Accounts receivable, net (note 6(c))	68,344	1	87,309	1	82,111	2
1180	Accounts receivable - related parties, net (notes 6(c) and 7)	5,384	-	1,333	-	4,486	-
1200	Other receivables (note 7)	11,352	-	12,138	-	11,276	-
1300	Inventories (note 6(d))	1,804,719	28	1,622,365	28	1,679,633	28
1410	Prepayments (note 7)	41,314	1	32,320	1	25,541	1
1476	Other current financial assets (notes 6(a) and 8)	320,200	5	135,200	2	295,200	5
		2,798,860	44	2,809,491	48	2,880,949	49
	Non-current assets:						
1600	Property, plant and equipment (note 6(f))	1,218,600	19	1,143,414	20	1,156,069	19
1755	Right-of-use assets (note 6(g))	1,941,457	31	1,761,096	30	1,712,256	29
1780	Intangible assets (note 6(e))	246,695	4	21,989	-	22,226	-
1840	Deferred tax assets	29,748	-	25,583	-	24,704	-
1920	Guarantee deposits paid (note 7)	98,849	2	95,271	2	94,879	2
1980	Other non-current financial assets (notes 6(a) and 8)	25,587	-	23,845	-	32,809	1
		3,560,936	56	3,071,198	52	3,042,943	51
	Total assets	**$ 6,359,796**	**100**	**5,880,689**	**100**	**5,923,892**	**100**

		September 30, 2024		December 31, 2023		September 30, 2023	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current liabilities:						
2110	Short-term notes and bills payable (note 6(h)(q))	$ 127,919	2	-	-	-	-
2130	Contract liabilities - current (note 6(o))	50,754	1	58,939	1	58,727	1
2150	Notes payable (note 6(q))	127	-	153	-	912	-
2170	Accounts payable (note 6(q))	1,240,012	19	1,398,919	24	1,578,257	27
2180	Accounts payable - related parties (note 6(q) and 7)	68,986	1	1,973	-	3,962	-
2200	Other payables (note 6(i)(q) and 7)	604,515	10	506,909	8	478,088	8
2280	Lease liabilities - current (note 6(j)(q)(t) and 7)	484,830	7	465,532	8	462,559	8
2300	Other current liabilities	146,447	2	113,433	2	80,943	1
		2,723,590	42	2,545,858	43	2,663,448	45
	Non-Current liabilities:						
2527	Contract liabilities - non-current (note 6(o))	5,264	-	6,674	-	6,974	-
2550	Non-current provisions	9,433	-	6,734	-	6,003	-
2570	Deferred tax liabilities	1,096	-	556	-	428	-
2580	Lease liabilities - non-current (note 6(j)(q)(t) and 7)	1,507,102	24	1,342,466	23	1,296,601	22
2612	Long-term accounts payable (note 6(e)(q))	100,000	2	-	-	-	-
2645	Guarantee deposits received (note 6(q))	77,661	1	86,063	2	89,534	2
		1,700,556	27	1,442,493	25	1,399,540	24
	Total liabilities	4,424,146	69	3,988,351	68	4,062,988	69
	Equity(notes 6(e)(m)):						
3110	Ordinary share	675,000	11	675,000	11	675,000	11
3200	Capital surplus	1,001,310	16	1,001,310	17	1,001,310	17
	Retained earnings:						
3310	Legal reserve	79,000	1	69,044	1	69,044	1
3350	Unappropriated retained earnings	108,063	2	100,056	2	67,742	1
		187,063	3	169,100	3	136,786	2
	Total equity attributable to owners of parent:	1,863,373	30	1,845,410	31	1,813,096	30
36XX	Non-controlling interests	72,277	1	46,928	1	47,808	1
	Total equity	1,935,650	31	1,892,338	32	1,860,904	31
	Total liabilities and equity	**$ 6,359,796**	**100**	**5,880,689**	**100**	**5,923,892**	**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 and nine months ended September 30, 2024 and 2023

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

		For the three months ended September 30,				For the nine months ended September 30,			
		2024		2023		2024		2023	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	**Operating revenue** (note 6(o), 7 and 14)	$ 3,751,248	100	3,761,572	100	10,599,893	100	10,515,476	100
5000	**Operating costs** (note 6(d) and 7)	2,735,517	73	2,797,158	74	7,738,283	73	7,821,323	74
	Gross margin from operations	1,015,731	27	964,414	26	2,861,610	27	2,694,153	26
	Operating expenses: (note 6(c)(e)(f)(g)(j)(k)(p), 7 and 12)								
6100	Selling expenses	853,227	23	822,790	22	2,422,650	23	2,333,266	22
6200	Administrative expenses	106,559	3	93,275	3	311,009	3	286,706	3
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS9	350	-	189	-	987	-	(3,012)	-
	Total operating expenses	960,136	26	916,254	25	2,734,646	26	2,616,960	25
	Net operating income	55,595	1	48,160	1	126,964	1	77,193	1
	Non-operating income and expenses:								
7100	Interest income (note 6(j))	2,069	-	847	-	6,344	-	3,260	-
7190	Other income	4,180	-	3,525	-	10,236	-	10,604	-
7230	Foreign exchange gains	1,502	-	950	-	2,010	-	1,572	-
7235	Gains (losses) on financial assets at fair value through profit or loss	-	-	(347)	-	1,165	-	(431)	-
7510	Interest expenses (note 6(j) and 7)	(8,180)	-	(6,476)	-	(22,906)	-	(18,084)	-
7590	Miscellaneous disbursements	(1,983)	-	(1,752)	-	(4,297)	-	(4,644)	-
7610	Losses on disposal of property, plant and equipment (note 6(f))	(4,136)	-	(956)	-	(7,960)	-	(2,347)	-
		(6,548)	-	(4,209)	-	(15,408)	-	(10,070)	-
	Profit from continuing operations before tax	49,047	1	43,951	1	111,556	1	67,123	1
7950	**Less: Income tax expenses** (note 6(l))	10,998	-	9,890	-	24,508	-	15,945	-
	Profit	38,049	1	34,061	1	87,048	1	51,178	1
8300	**Other comprehensive income, net of tax**	-	-	-	-	-	-	-	-
8500	**Total comprehensive income**	**$ 38,049**	**1**	**34,061**	**1**	**87,048**	**1**	**51,178**	**1**
	Profit, attributable to:								
	Owners of parent	$ 42,878	1	39,470	1	98,963	1	67,253	1
8620	Non-controlling interests	(4,829)	-	(5,409)	-	(11,915)	-	(16,075)	-
		$ 38,049	**1**	**34,061**	**1**	**87,048**	**1**	**51,178**	**1**
	Comprehensive income attributable to:								
	Owners of parent	$ 42,878	1	39,470	1	98,963	1	67,253	1
8720	Non-controlling interests	(4,829)	-	(5,409)	-	(11,915)	-	(16,075)	-
		$ 38,049	**1**	**34,061**	**1**	**87,048**	**1**	**51,178**	**1**
9750	Basic earnings per share (note 6(n))	**$**	**0.64**		**0.58**		**1.47**		**1.00**
9850	Diluted earnings per share (note 6(n))	**$**	**0.63**		**0.58**		**1.46**		**1.00**

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 nine months ended September 30, 2024 and 2023

(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, 2023	$ 675,000	1,001,300	63,514	55,294	63,883	1,858,991
Distribution of retained earnings:						
Legal reserve appropriated	-	-	5,530	(5,530)	-	-
Cash dividends of ordinary share	-	-	-	(49,275)	-	(49,275)
	-	-	5,530	(54,805)	-	(49,275)
Other changes in capital surplus:						
Other changes in capital surplus	-	10	-	-	-	10
Net income	-	-	-	67,253	(16,075)	51,178
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	67,253	(16,075)	51,178
Balance at September 30, 2023	**$ 675,000**	**1,001,310**	**69,044**	**67,742**	**47,808**	**1,860,904**
Balance at January 1, 2024	$ 675,000	1,001,310	69,044	100,056	46,928	1,892,338
Distribution of retained earnings:						
Legal reserve appropriated	-	-	9,956	(9,956)	-	-
Cash dividends of ordinary share	-	-	-	(81,000)	-	(81,000)
	-	-	9,956	(90,956)	-	(81,000)
Net income	-	-	-	98,963	(11,915)	87,048
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	98,963	(11,915)	87,048
Changes in non-controlling interests	-	-	-	-	37,264	37,264
Balance at September 30, 2024	**$ 675,000**	**1,001,310**	**79,000**	**108,063**	**72,277**	**1,935,650**

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 nine months ended September 30, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	For the nine months ended September 30, 2024	2023
Cash flows generated from (used in) operating activities:		
Profit before tax	$ 111,556	67,123
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expenses	512,671	542,728
Amortization expenses	8,227	9,288
Expected credit loss (reversal of expected credit loss)	987	(3,012)
Net (gain) loss on financial assets or liabilities at fair value through profit or loss	(1,165)	431
Interest expenses	22,906	18,084
Interest income	(6,344)	(3,260)
Losses on disposal of property, plant and equipment	7,960	2,347
Profit from lease modification	(464)	(572)
Total adjustments to reconcile profit	544,778	566,034
Changes in operating assets and liabilities:		
Decrease in accounts receivable	21,642	13,368
Increase in accounts receivable - related parties	(4,051)	(3,815)
Decrease in other receivables	866	1,239
(Increase) decrease in inventories	(107,937)	117,382
(Increase)decrease in prepayments	(5,355)	10,962
Increase in other financial assets	(185,000)	(118,700)
Decrease in contract liabilities	(9,595)	(8,226)
(Decrease) increase in notes payable	(26)	660
(Decrease) increase in accounts payable	(158,907)	112,936
(Decrease) increase in accounts payable - related parties	(13,343)	798
Increase (decrease) in other payables	22,020	(14,585)
Increase in other current liabilities	32,874	9,945
Total adjustments	137,966	687,998
Cash inflow generated from operations	249,522	755,121
Interest received	6,275	3,262
Interest paid	(22,846)	(18,066)
Income taxes paid	(28,006)	(257)
Net cash flows generated from operating activities	204,945	740,060
Cash flows generated from (used in) investing activities:		
Proceeds from disposal of financial assets at fair value through profit or loss	6,510	-
Acquisition of subsidiaries (Net of cash acquired)	(89,267)	-
Acquisition of property, plant and equipment	(152,088)	(71,699)
Proceeds from disposal of property, plant and equipment	247	1,013
Increase in guarantee deposits paid	(3,578)	-
Decrease in guarantee deposits paid	-	7,241
Acquisition of intangible assets	(2,945)	(12,343)
Decrease in finance lease receivable	-	1,432
Increase in other financial assets	(1,742)	(5,745)
Net cash flows used in investing activities	(242,863)	(80,101)
Cash flows generated from (used in) financing activities:		
Increase in short-term notes and bills payable	127,919	-
Decrease in guarantee deposits received	(8,402)	(11,940)
Payments of lease liabilities	(366,533)	(369,462)
Cash dividends paid	(81,000)	(49,275)
Other changes in capital surplus	-	10
Net cash flows used in financing activities	(328,016)	(430,667)
Net increase (decrease) in cash and cash equivalents	(365,934)	229,292
Cash and cash equivalents at beginning of period	913,481	548,034
Cash and cash equivalents at end of period	**$ 547,547**	**777,326**

See accompanying notes to consolidated financial statements.

(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 November 1, 2024.

(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, 2024:

- Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"
- Amendments to IAS 1 "Non-current Liabilities with Covenants"
- Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"
- Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"

(b) The impact of IFRS issued by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2025, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS21 "Lack of Exchangeability"

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

(c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The Group does not expect the following 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 17 “ Insurance Contracts” and amendments to IFRS 17 “ Insurance Contracts”
- IFRS 18 “Presentation and Disclosure in Financial Statements”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards

(4) Summary of material accounting policies:

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations”) and the preparation 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 Financial Supervisory Commission, R.O.C. (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, 2023. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2023.

(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 September 30, 2024	Shareholding December 31, 2023	Shareholding September 30, 2023	Remark
Simple Mart Co., Ltd.	Simple Mart Plus Co., Ltd.	Retail sales of food and beverage	100 %	100 %	100 %	
Simple Mart Co., Ltd.	Sanyou Drugstores Co., Ltd.	Retail sales of drugs and cosmetics	67.33 %	67.33 %	51 %	
Simple Mart Co., Ltd.	Simple Mart Investment Co., Ltd.	Investment	100 %	-	-	Note1
Simple Mart Investment Co., Ltd.	Pet Wonderland Co., Ltd.	Retail Sale of Pet Food and Supplies	66 %	-	-	Note2

(Continued)

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

Note1: Simple Mart Investment Co., Ltd was formed and invested by the Group on June 6, 2024, therefore, it was included in the consolidated financial statements since the above date.

Note2: On September 9, 2024, Simple Mart Investment Co., Ltd. acquired 51% shares of Pet Wonderland Co., Ltd., a company established on August 5, 2024. However, according to the 2nd phase of the forward contract arrangement in the share purchase agreement between the two parties, the Group, under the accounting policy of expected acquisition method, is deemed to have acquired 66% shares of Pet Wonderland Co., Ltd. Please refer to note 6(e) for details.

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

(c) Business combination

The acquiring company uses the acquisition method for each 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.

For non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets upon liquidation, the acquiring company can choose to measure these interests on a transaction-by-transaction basis at the proportionate share of the recognized amounts of the acquiree's identifiable net assets.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group recognizes the provisional amounts for the incomplete items. These provisional amounts are retrospectively adjusted during the measurement period or additional assets or liabilities are recognized to reflect new information obtained about facts and circumstances that existed as of the acquisition date. The measurement period does not exceed one year from the acquisition date.

When the Group does not acquire the entire shares of its subsidiary and simultaneously enters into subsequent share purchase agreements with the non-controlling interests of the subsidiary during the acquisition, having the right to purchase the non-controlling interests after the acquisition date, and it is determined that the Group does not have the substantive present access to these non-controlling interests at the acquisition date, the Group chooses to apply the anticipated acquisition method for accounting purposes. This means that the non-controlling interests are deemed to have been acquired on the acquisition date.

(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.

(Continued)

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. This should be recognized fully as tax expense for the current period.

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

The preparation of the consolidated financial statements in conformity with the Regulations and IFRS Accounting Standards (in accordance with IAS 34 "Interim Financial Reporting" and endorsed by the FSC) requires management to make judgments, estimates 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.

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, 2023. For related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2023.

(6) Explanation of significant accounts:

Except for the following disclosures, there were no material differences in the disclosures of significant accounts between the interim consolidated financial statements for the current period and the 2023 consolidated financial statements. Please refer to note 6 to the 2023 annual consolidated financial statements.

(a) Cash and cash equivalents

	September 30, 2024	December 31, 2023	September 30, 2023
Cash on hand	$ 75,805	64,115	63,775
Bank deposits	471,742	349,324	563,551
Reverse repurchase agreement	-	500,042	150,000
	$ 547,547	**913,481**	**777,326**

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:

	September 30, 2024	December 31, 2023	September 30, 2023
Time deposits with maturities of more than three months	**$ 80,000**	**-**	**10,000**
Restricted time deposits	**$ 265,787**	**159,045**	**318,009**

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

SIMPLE MART RETAIL CO., LTD. AND SUBSIDIARIES
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(b) Financial assets at fair value through profit or loss (FVTPL)

	September 30, 2024	December 31, 2023	September 30, 2023
Stock in listed companies	$ -	5,345	5,376

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

	September 30, 2024	December 31, 2023	September 30, 2023
Accounts receivable - measured at amortized cost	$ 72,659	92,249	84,773
Accounts receivable (related parties) - measured at amortized cost	5,384	1,333	4,486
Less: loss allowance	(4,315)	(4,940)	(2,662)
	$ 73,728	88,642	86,597

Most of the Group's receivable are generated from the customers who paid by credit cards and e-payment.

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 and the days past due, as well as incorporated forward looking information.

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

	September 30, 2024	December 31, 2023	September 30, 2023
Current	$ 73,888	88,208	86,625
1-60 days past due	132	810	61
61-120 days past due	1,808	280	534
121-180 days past due	173	44	-
More than 181 days past due	2,042	4,240	2,039
	$ 78,043	93,582	89,259

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

	For the nine months ended September 30,	
	2024	2023
Beginning balance of the period	$ 4,940	8,857
Add: Impairment losses recognized	987	-
Less: Impairment losses reversed	-	(3,012)
Less: Amounts written off	(1,612)	(3,183)
Ending balance of the period	$ 4,315	2,662

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SIMPLE MART RETAIL CO., LTD. AND SUBSIDIARIES
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(d) Inventories

	September 30, 2024	December 31, 2023	September 30, 2023
Merchandise Inventories	$ 1,754,558	1,596,804	1,659,970
Inventory in transit	50,161	25,561	19,663
	$ 1,804,719	**1,622,365**	**1,679,633**

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	**2023**	**2024**	**2023**
Cost of goods sold	$ 2,721,702	2,800,610	7,693,381	7,790,746
Inventory losses from obsolescence and others	13,815	(3,452)	44,902	30,577
Cost of sales	**$ 2,735,517**	**2,797,158**	**7,738,283**	**7,821,323**

As of September 30, 2024, December 31 and September 30, 2023, the Group did not provide any merchandise inventories as collateral for its loans.

(e) Business combination

On August 29, 2024, the Group signed a share purchase agreement with the shareholders of Pet Wonderland Co., Ltd.(Pet Wonderland). According to the agreement, the Group will acquire the shares of Pet Wonderland in three phases.

According to the above agreement, the Group will have the right to purchase its non-controlling interests after the acquisition date. However, the management has determined that these non-controlling interests still have present access rights to Pet Wonderland. Therefore, the Group has chosen to apply the anticipated acquisition method for accounting purposes in accordance with its accounting policy. This means the Group assumes that on the acquisition date, it has already purchased 15% of the non-controlling interests of Pet Wonderland for $100,000 thousand in cash.

The Group completed the first phase of the share purchase agreement on September 9, 2024 (the acquisition date), and obtained control over Pet Wonderland. Therefore, Pet Wonderland has been listed as a subsidiary from that date. According to the accounting policy of the anticipated acquisition method, the Group is deemed to have acquired an additional 15% shares in Pet Wonderland for the agreed price of $100,000 thousand. As a result, the Group held 66% equity in Pet Wonderland on the acquisition date, with the payment for the second phase recorded under long-term payables. Furthermore, the purchase right for the third phase is recognized as a financial asset.

Pet Wonderland primarily engages in the retail sale of pet food and supplies, with its core competitiveness being the provision of various products for cat owners. Gaining control over Pet Wonderland allows the Group to leverage Pet Wonderland's management team's many years of experience in the pet industry and their relationships with customers to expand the Group's sales scale in the retail market and optimize pet products in other channels of the Group.

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SIMPLE MART RETAIL CO., LTD. AND SUBSIDIARIES
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From the acquisition date to September 30, 2024, Pet Wonderland contributed the revenue and net income of $26,157 thousand and $1,334 thousand, respectively. If the acquisition had taken place on January 1, 2024, it was estimated that the Company's consolidated revenue and consolidated net income for the nine months ended September 30, 2024 would have been $10,604,088 thousand and $86,652 thousand, respectively. In determining these amounts, the management had assumed that the fair value adjustments (determined provisionally) that arose on the acquisition date would have been the same if the acquisition had taken place on January 1, 2024. The aforementioned pro forma information is presented for illustrative purposes only and is not necessarily an indication of consolidated revenue and results on operations of the Company that would have been achieved had the acquisition been completed on January 1, 2024, nor is it intended to be a projection of future results.

Legal consultation fees and advisory fees incurred for this acquisition transaction amounting to $1,920 thousand were recorded under 'Operating Expenses'.

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

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

Cash	**$**	**300,000**

As of September 30, 2024, the amount of $200,000 thousand of the aforementioned consideration transferred has been paid, and the payment for the remaining amount of $100,000 thousand, recorded under long-term payable, and will be made once Pet Wonderland meets the conditions of the second phase of the share purchase agreement based on its profitability from October 1, 2024, to September 30, 2025.

(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	$	110,733
Accounts receivable		3,664
Inventory		74,417
Prepayments		3,639
Property, plant and equipment		3,454
Right-of-use assets		52,750
Intangible asset		2,328
Account payable and other payable		(88,261)
Lease liabilities(Including those due within one year)		(53,120)
Fair value of net identifiable assets	**$**	**109,604**

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SIMPLE MART RETAIL CO., LTD. AND SUBSIDIARIES
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The fair value measurement used in the assets and liabilities acquired by the Group and third phase purchase right is provisional. As of the date of approval and issuance of this consolidated financial report, the necessary market valuations and other calculations have not yet to be completed. Therefore, the amounts were based on the best provisional estimates by the management of the Group, who will continue to review these matters 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, adjustments to the provisional amounts or recognition of any additional assets or liabilities existing as of the acquisition date will be made to revise the accounting for the acquisition.

(iii) Goodwill and other intangible assets, etc.

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

Consideration transferred	$	300,000
Add：Non-controlling interests(Measured based on the proportion of non-controlling interests to the identifiable net assets)		37,264
Less： Fair value of identifiable net assets		109,604
Goodwill and other intangible assets, etc.	**$**	**227,660**

The goodwill and other intangible assets primarily arise from the profitability of Pet Wonderland in the pet market and the value of its employees. It is expected that the integration of this company with the Group’s pet product business will generate synergies.

(f) Property, plant and equipment

The movement of the cost, accumulated depreciation and impairment losses of the property, plant and equipment of the Group for the nine months ended September 30, 2024 and 2023 were as follows:

		Land	**Buildings**	**Machinery and equipment**	**Leasehold improvements**	**Prepayment for business facilities and construction in progress**	**Total**
Cost:							
Balance at January 1, 2024	$	537,599	220,887	1,134,248	884,996	13,911	2,791,641
Additions		-	-	46,014	33,121	140,267	219,402
Scraps		-	-	(29,866)	(36,237)	-	(66,103)
Disposal		-	-	(10,593)	(17,960)	-	(28,553)
Acquired in a business combination		-	-	14,104	-	-	14,104
Balance at September 30, 2024	**$**	**537,599**	**220,887**	**1,153,907**	**863,920**	**154,178**	**2,930,491**
Balance at January 1, 2023	$	537,599	220,887	1,108,993	859,675	3,326	2,730,480
Additions		-	-	46,567	42,565	760	89,892
Transfer from (to)		-	-	796	1,000	(1,796)	-
Scraps		-	-	(17,825)	(20,590)	-	(38,415)
Disposal		-	-	(17,803)	(2,749)	-	(20,552)
Balance at September 30, 2023	**$**	**537,599**	**220,887**	**1,120,728**	**879,901**	**2,290**	**2,761,405**

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

	Land	Buildings	Machinery and equipment	Leasehold improvements	Prepayment for business facilities and construction in progress	Total
Accumulated depreciation and impairment losses:						
Balance at January 1, 2024	$ -	32,286	907,204	708,737	-	1,648,227
Depreciation	-	3,251	79,196	57,016	-	139,463
Scraps	-	-	(27,187)	(34,366)	-	(61,553)
Disposal	-	-	(10,221)	(14,675)	-	(24,896)
Acquired in a business combination	-	-	10,650	-	-	10,650
Balance at September 30, 2024	**$ -**	**35,537**	**959,642**	**716,712**	**-**	**1,711,891**
Balance at January 1, 2023	$ -	27,950	806,526	655,310	-	1,489,786
Depreciation	-	3,251	107,116	60,790	-	171,157
Scraps	-	-	(17,422)	(20,075)	-	(37,497)
Disposal	-	-	(17,242)	(868)	-	(18,110)
Balance at September 30, 2023	**$ -**	**31,201**	**878,978**	**695,157**	**-**	**1,605,336**
Carrying amounts:						
Balance at January 1, 2024	**$ 537,599**	**188,601**	**227,044**	**176,259**	**13,911**	**1,143,414**
Balance at September 30, 2024	**$ 537,599**	**185,350**	**194,265**	**147,208**	**154,178**	**1,218,600**
Balance at January 1, 2023	**$ 537,599**	**192,937**	**302,467**	**204,365**	**3,326**	**1,240,694**
Balance at September 30, 2023	**$ 537,599**	**189,686**	**241,750**	**184,744**	**2,290**	**1,156,069**

Investing activities that are partially paid in cash:

	For the nine months ended September 30, 2024	2023
Acquisition of property, plant and equipment	$ 219,402	89,892
Add: Payables on equipment, beginning of period	32,213	26,032
Less: Payables on equipment, end of period	(99,527)	(44,225)
Cash paid	**$ 152,088**	**71,699**

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SIMPLE MART RETAIL CO., LTD. AND SUBSIDIARIES
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(g) 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, 2024	$ 3,532,233	2,086	3,534,319
Additions	529,553	-	529,553
Derecognized	(168,187)	-	(168,187)
Acquired in a business combination	53,120	-	53,120
Balance at September 30, 2024	**$ 3,946,719**	**2,086**	**3,948,805**
Balance at January 1, 2023	$ 3,167,717	2,086	3,169,803
Additions	447,953	-	447,953
Derecognized	(210,163)	-	(210,163)
Balance at September 30, 2023	**$ 3,405,507**	**2,086**	**3,407,593**
Accumulated depreciation and impairment losses:			
Balance at January 1, 2024	$ 1,771,878	1,345	1,773,223
Depreciation	373,006	202	373,208
Derecognized	(139,453)	-	(139,453)
Acquired in a business combination	370	-	370
Balance at September 30, 2024	**$ 2,005,801**	**1,547**	**2,007,348**
Balance at January 1, 2023	$ 1,509,310	1,076	1,510,386
Depreciation	371,369	202	371,571
Derecognized	(186,620)	-	(186,620)
Balance at September 30, 2023	**$ 1,694,059**	**1,278**	**1,695,337**
Carrying amounts:			
Balance at January 1, 2024	**$ 1,760,355**	**741**	**1,761,096**
Balance at September 30, 2024	**$ 1,940,918**	**539**	**1,941,457**
Balance at January 1, 2023	**$ 1,658,407**	**1,010**	**1,659,417**
Balance at September 30, 2023	**$ 1,711,448**	**808**	**1,712,256**

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

(h) Short-term notes and bills payble

	September 30, 2024	December 31, 2023	September 30, 2023
Commercial paper payable	$ **127,919**	**-**	**-**
Range of interest rates	**1.978%~2.120%**	**-**	**-**
Unused short-term credit lines	$ **372,000**	**500,000**	**500,000**

As of September 30, 2024, December 31 and September 30, 2023, the unused bank credit line of the Group amounted to $518,700 thousand, $599,500 thousand and $599,500 thousand.

The Group has obtained short-term financing, with its parent acting as a joint guarantor. For related information and for disclosures related to the issuance of guaranteed promissory notes, please refer to Note 7 and Note 9, respectively.

(i) Other payables

	September 30, 2024	December 31, 2023	September 30, 2023
Salaries and bonuses payable	$ 173,969	193,875	143,469
Payable on construction and equipment	99,527	32,213	44,225
Accrued freight expenses	62,504	36,367	44,136
Labor insurance, health insurance and pension expense payable	56,588	53,249	53,766
Payable on unused annual leave	36,141	32,954	30,005
Payable to service rendered by franchisees	33,471	31,361	27,551
Others	142,315	126,890	134,936
	$ **604,515**	**506,909**	**478,088**

(j) Lease liabilities

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

	September 30, 2024	December 31, 2023	September 30, 2023
Current	$ **484,830**	**465,532**	**462,559**
Non-current	$ **1,507,102**	**1,342,466**	**1,296,601**

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

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 September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Interests on lease liabilities	$ 7,815	6,122	21,782	16,780
Variable lease payments not included in the measurement of lease liabilities	$ 5,244	7,493	16,373	19,698
Income from sub-leasing right-of-use assets (recognized as interest income)	$ -	-	-	(1)
Expenses relating to short-term leases	$ 2,465	2,864	7,767	8,835
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	$ 503	669	1,531	2,030

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

	For the nine months ended September 30,	
	2024	2023
Total cash outflow for leases	$ 413,986	416,804

(i) Real estate leases

The Group leases land and buildings for its retail stores, warehouse, 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, and of warehouse for 1 to 3 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.

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(k) 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 September 30,		For the nine months ended September 30,	
	2024	**2023**	**2024**	**2023**
Selling expenses	$ -	-	1	1
Administrative expenses	-	19	26	53
Total	**$ -**	**19**	**27**	**54**

(ii) Defined contribution plans

The Group makes defined benefit plan contributions 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 following pension expenses under the provisions of the Labor Pension Act were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	**2023**	**2024**	**2023**
Selling expenses	$ 18,112	17,243	53,020	50,642
Administrative expenses	3,548	3,337	10,435	10,320
	$ 21,660	**20,580**	**63,455**	**60,962**

(l) Income taxes

(i) Income tax expenses

The components of income tax were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	**2023**	**2024**	**2023**
Current tax expenses				
Current period	$ 14,345	10,529	28,762	16,693
Adjustments for prior years	-	-	(629)	318
	14,345	10,529	28,133	17,011

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SIMPLE MART RETAIL CO., LTD. AND SUBSIDIARIES
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	For the three months ended September 30,		For the nine months ended September 30,	
	2024	**2023**	**2024**	**2023**
Deferred tax expenses				
Origination and reversal of temporary differences	$ (3,347)	(639)	(3,362)	6
Adjustments for prior years	-	-	(263)	(1,072)
	(3,347)	(639)	(3,625)	(1,066)
Income tax expenses	**$ 10,998**	**9,890**	**24,508**	**15,945**

There is no income tax directly recognized under equity.

(ii) The tax authorities have examined the Company's income tax for the years through 2021.

The tax authorities have examined the income tax of Simple Mart Plus Co., Ltd., one of the subsidiaries of the Company, for the years through 2022.

The tax authorities have examined the income tax of Sanyou Drugstores Co., Ltd., one of the subsidiaries of the Company, for the years through 2021.

(m) Capital and other equity

(i) Ordinary shares

As of September 30, 2024, December 31 and September 30, 2023, the Company's authorized capital consisted of 80,000 thousand shares, amounting to $800,000 thousand, with par value of $10 per share. On September 30, 2024, December 31 and September 30, 2023, 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:

	September 30, 2024	December 31, 2023	September 30, 2023
Premium on issuance of common stock	$ 959,010	959,010	959,010
Others	42,300	42,300	42,300
	$ 1,001,310	**1,001,310**	**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.

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SIMPLE MART RETAIL CO., LTD. AND SUBSIDIARIES
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(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, and then any 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 and submitted to the shareholders' meeting for approval.

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 2023 and 2022 had been approved in the shareholders' meeting held on May 30, 2024 and May 29, 2023, respectively. These earnings were appropriated as follows:

	2023	2022
Dividends distributed to ordinary shareholders:		
Cash	$ 81,000	49,275

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

(n) Earnings per share

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

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Basic earnings per share				
Profit or loss attributable to ordinary shareholders of the Company	$ 42,878	39,470	98,963	67,253
Weighted-average number of ordinary shares outstanding	67,500	67,500	67,500	67,500
Basic earnings per share	$ 0.64	0.58	1.47	1.00
Diluted earnings per share				
Profit or loss attributable to ordinary shareholders of the Company	$ 42,878	39,470	98,963	67,253

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SIMPLE MART RETAIL CO., LTD. AND SUBSIDIARIES
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	For the three months ended September 30,		For the nine months ended September 30,	
	2024	**2023**	**2024**	**2023**
Weighted-average number of ordinary shares outstanding	67,500	67,500	67,500	67,500
Effect of dilutive potential ordinary shares - employee bonus	82	83	82	83
Weighted-average number of ordinary shares outstanding(diluted)	**67,582**	**67,583**	**67,582**	**67,583**
Diluted earnings per share	**0.63**	**0.58**	**1.46**	**1.00**

(o) Revenue from contracts with customers

(i) Details of revenue

The Company 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 nine months ended September 30, 2024 and 2023, were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	**2023**	**2024**	**2023**
Sale of goods	$ 3,582,338	3,574,301	10,069,499	9,997,578
Others operating income	168,910	187,271	530,394	517,898
	$ 3,751,248	**3,761,572**	**10,599,893**	**10,515,476**

(ii) Contract balances

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

	September 30, 2024	**December 31, 2023**	**September 30, 2023**
Contract liabilities - current - gift voucher revenue	$ 16,954	12,658	17,731
Contract liabilities - current - customer loyalty program	30,566	41,782	36,175
Contract liabilities - current - franchise royalty fee	3,234	4,499	4,821
Total	**$ 50,754**	**58,939**	**58,727**
Contract liabilities - non-current - franchise royalty fee	**$ 5,264**	**6,674**	**6,974**

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SIMPLE MART RETAIL CO., LTD. AND SUBSIDIARIES
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2) The amounts of revenue recognized for the nine months ended September 30, 2024 and 2023, included in the contract liabilities balance at the beginning of the period, were $51,470 thousand, and $48,551 thousand, respectively.

(p) Remunerations to employees and directors

In accordance with the Articles of Incorporation the Company should contribute no less than 1% of the profit as employee remuneration and no higher than 3% as directors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

For the three months and nine months ended September 30, 2024 and 2023, the Company estimated its employee remuneration amounted to $960 thousand, $960 thousand, $2,880 thousand and $2,880 thousand; and the directors' remuneration amounted to $900 thousand, $1,000 thousand, $2,700 thousand and $2,100 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 and nine months ended September 30, 2024 and 2023, respectively. 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 year ended December 31, 2022, the remunerations to employees amounted to $2,362 thousand; and the remunerations to directors amounted to $0 thousand. There were no differences between actual distributions and the amounts approved by the Board of Directors on March 3, 2023. For the year ended December 31, 2023, the remunerations to employees amounted to $2,700 thousand; and the remunerations to directors amounted to $1,800 thousand. There were no differences between actual distributions and the amounts approved by the Board of Directors on February 23, 2024. However, the former directors transferred their shares prior to the payment date, thus, their positions were terminated and the directors' remuneration of $500 thousand was not paid. This was approved by the Board of Directors on May 3, 2024, and the Company accounted for this adjustment as a change in accounting estimate and recognized the difference as profit or loss for 2024. The information is available on the Market Observation Post System website.

(q) Financial instruments

(i) Credit risk

1) Credit risk exposure

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

2) Concentration of credit risk

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

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SIMPLE MART RETAIL CO., LTD. AND SUBSIDIARIES
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(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
September 30, 2024				
Non derivative financial liabilities				
Short-term borrowings	$ 127,919	127,919	127,919	-
Notes payable	127	127	127	-
Accounts payable	1,240,012	1,240,012	1,240,012	-
Accounts payable - related parties	68,986	68,986	68,986	-
Other payables (include current and non-current)	704,515	604,515	604,515	100,000
Lease liabilities (include current and non-current)	1,991,932	2,054,449	509,786	1,544,663
Guarantee deposits received	77,661	77,661	-	77,661
	$ 4,211,152	**4,173,669**	**2,551,345**	**1,722,324**
December 31, 2023				
Non derivative financial liabilities				
Notes payable	$ 153	153	153	-
Accounts payable	1,398,919	1,398,919	1,398,919	-
Accounts payable - related parties	1,973	1,973	1,973	-
Other payables (include current and non-current)	506,909	506,909	506,909	-
Lease liabilities (include current and non-current)	1,807,998	1,879,866	487,964	1,391,902
Guarantee deposits received	86,063	86,063	-	86,063
	$ 3,802,015	**3,873,883**	**2,395,918**	**1,477,965**
September 30, 2023				
Non derivative financial liabilities				
Notes payable	$ 912	912	912	-
Accounts payable	1,578,257	1,578,257	1,578,257	-
Accounts payable - related parties	3,962	3,962	3,962	-
Other payables (include current and non-current)	478,088	478,088	478,088	-
Lease liabilities (include current and non-current)	1,759,160	1,829,340	484,127	1,345,213
Guarantee deposits received	89,534	89,534	-	89,534
	$ 3,909,913	**3,980,093**	**2,545,346**	**1,434,747**

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

SIMPLE MART RETAIL CO., LTD. AND SUBSIDIARIES
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(iii) Currency risk

1) Exposure to foreign currency risk

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

	September 30, 2024			December 31, 2023			September 30, 2023		
	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD
Financial assets									
Monetary items									
JPY	$ 8,791	0.220	1,937	34,793	0.215	7,487	11,918	0.214	2,552
EUR	27	35.180	936	98	33.780	3,312	93	33.710	3,144
USD	9	31.600	269	11	30.655	326	213	32.220	6,876
Financial liabilities									
Monetary items									
EUR	81	35.180	2,867	141	33.780	4,770	78	33.710	2,625
USD	32	31.600	1,003	-	-	-	-	-	-

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 September 30, 2024 and 2023 would have decreased or increased the net profit after tax by $ 6 thousand for the nine months ended September 30, 2024 and have increased or decreased the net profit after tax by $80 thousand for the nine months ended September 30, 2023, assuming all other factors remain constant. The analysis is performed on the same basis for both periods.

(iv) Interest rate analysis

Please refer to the notes 6(r) 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. The Group's assets and liabilities with variable interest rates have no significant impact on net profit after tax for the nine months ended September 30, 2024 and 2023.

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(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:

Prices of securities at the reporting date	September 30, 2024 Other comprehensive income after tax	September 30, 2024 Net income	September 30, 2023 Other comprehensive income after tax	September 30, 2023 Net income
Increasing 5%	**$ -**	**-**	**-**	**215**
Decreasing 5%	**$ -**	**-**	**-**	**(215)**

(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:

	December 31, 2023				
		Fair Value			
	Book Value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss	**$ 5,345**	**5,345**	**-**	**-**	**5,345**

	September 30, 2023				
		Fair Value			
	Book Value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss	**$ 5,376**	**5,376**	**-**	**-**	**5,376**

2) Valuation techniques for financial instruments measured at fair value

If there is a quoted price in an active market for a financial instrument, the fair value is based on the quoted price in an active market. The fair value of listed (or over the counter) equity instruments is based on the quoted price on major exchanges.

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above conditions are not met, the market is considered inactive. Generally speaking, a very wide bid ask spread, a significant increase in bid ask spread or low trading volume are all indicators of an inactive market.

The fair value of listed (or over the counter) stocks held by the Group with standard terms and conditions and traded in an active market is based on the quoted market price.

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

(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.

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

	December 31, 2023					
	Financial assets that are offset and have an exercisable master netting arrangement or a similar agreement					
				Amounts not offset in the balance sheet(d)		
	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)	Financial instruments (Note)	Cash collateral received	Net amount (e)=(c)-(d)
Offsetting agreement	$ 500,042	-	500,042	500,042	-	-

	September 30, 2023					
	Financial assets that are offset and have an exercisable master netting arrangement or a similar agreement					
				Amounts not offset in the balance sheet(d)		
	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)	Financial instruments (Note)	Cash collateral received	Net amount (e)=(c)-(d)
Offsetting agreement	$ 150,000	-	150,000	150,000	-	-

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

(r) 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, 2023. For the related information, please refer to the 2023 annual consolidated financial statements.

(s) 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, 2023. Also, management believes that there were no significant changes in the Group’s capital management information as disclosed for the year ended December 31, 2023. For the related information, please refer to the 2023 annual consolidated financial statements.

(t) Financing activities not affecting current cash flow

Reconciliation of liabilities arising from financing activities were as follows:

			Non-cash changes	
	January 1, 2024	Cash flows	Changes in lease	September 30, 2024
Lease liabilities	$ 1,807,998	(366,533)	550,467	1,991,932

			Non-cash changes	
	January 1, 2023	Cash flows	Changes in lease	September 30, 2023
Lease liabilities	$ 1,707,091	(369,462)	421,531	1,759,160

(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
Sumitomo Corporation	An entity with significant influence over the Group (Note)
Mercuries Data Systems Ltd.	Other related party
Mercuries Liquor & Food Co., Ltd.	Other related party
Mercuries & Associates Ltd.	Other related party
Mercuries Fu Bao Ltd.	Other related party
Mercuries F&B Co., Ltd.	Other related party
Mercuries Life Insurance Co., Ltd.	Other related party
Simple Mart Retail Co., Ltd. Employee Welfare Committee	Other related party
Horizon Securities Co., Ltd.	Other related party
Sanyou Drugstores Co., Ltd. Employee Welfare Committee	Other related party
Taiwan Chain Stores and Franchise Association	Other related party
Criminal Investigation and Prevention Association, R.O.C.	Other related party
INSIGHT EDGE, INC	Other related party (Note)
Health International Marketing Group Co., Ltd.	Other related party(Note1)
The Group’s directors, general manager and vice general managers	

Note: Sumitomo Corporation lost its significant influence over the Company in March, 2024. Thus, Sumitomo Corporation and its subsidiary, INSIGHT EDGE, INC, were no longer related parties of the Company since March 2024.

Note 1: Health International Marketing Group Co., Ltd. has became a related party on September 9, 2024.

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

(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.

(ii) Purchases

The amounts of purchases from related parties were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	**2023**	**2024**	**2023**
Other related parties	$ **3,658**	**5,496**	**13,514**	**15,873**

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**	**September 30, 2024**	**December 31, 2023**	**September 30, 2023**
Accounts receivable	Other related parties	$ 5,384	1,333	4,486
Other receivables	Other related parties	-	5	-
		$ **5,384**	**1,338**	**4,486**

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

(iv) Payables to related parties

The payables to related parties were as follows:

Accounts	**Type of related parties**	**September 30, 2024**	**December 31, 2023**	**September 30, 2023**
Accounts payable	Other related parties	$ 68,986	1,973	3,962
Other payable	Other related parties	10,074	2,667	7,876
		$ **79,060**	**4,640**	**11,838**

The payables to related parties are generated by the payment of goods purchased and other disbursement.

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

(v) Prepayments

The prepayments to related parties were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Mercuries Life Insurance Co., Ltd.	$ -	2,942	3,842
Other related parties	-	390	553
	$ -	**3,332**	**4,395**

The prepayments were prepaid insurance and other related expense.

(vi) Leases

The Group rented office space from other related parties. For the three months and nine months ended September 30, 2024 and 2023, the Group recognized $12 thousand, $6 thousand, $39 thousand, and $8 thousand as interest expenses, respectively. As of September 30, 2024, December 31 and September 30, 2023, the balance of lease liabilities amounted to $2,368 thousand, $3,246 thousand, and $3,574 thousand, respectively.

(vii) Guarantee deposits paid

	September 30, 2024	December 31, 2023	September 30, 2023
Other related parties	**$ 292**	**292**	**292**

The above transactions were guarantee deposits of office leases.

(viii) Other operating expenses

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	**2023**	**2024**	**2023**
Criminal Investigation and Prevention Association,R.O.C.	$ -	300	-	300
Entities with significant influence over the Group	-	33	-	33
Other related parties	1,782	1,947	5,805	6,179
	$ 1,782	**2,280**	**5,805**	**6,512**

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

SIMPLE MART RETAIL CO., LTD. AND SUBSIDIARIES
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(ix) Guarantees and endorsements

In order to obtain the bank loan facility, Mercuries & Associates Holding Ltd. served as joint guarantor for the Group, the guaranteed amount were all $100,000 thousand as of September 30, 2024, December 31 and September 30, 2023. As of September 30, 2024, December 31 and September 30, 2023, utilized amounts have been repaid.

(c) Key management personnel compensation

		For the three months ended September 30,		For the nine months ended September 30,	
		2024	2023	2024	2023
Short-term employee benefits	$	5,015	5,121	15,322	15,740
Post-employment benefits		225	205	639	615
	$	5,240	5,326	15,961	16,355

(8) Pledged assets:

The carrying amounts of the Group's pledged assets were as follows:

Pledged Assets	Pledged to secure		September 30, 2024	December 31, 2023	September 30, 2023
Time deposits (Recorded as current and non-current other financial assets)	Performance guarantee for purchasing and collection business	$	248,950	143,950	293,950
Bank deposits (Recorded as non-current other financial assets.)	Charitable trust of gift voucher		16,837	15,095	24,059
		$	265,787	159,045	318,009

(9) Commitments and contingencies:

(a) As of September 30, 2024, the Group has entered into 4 different agreements, namely: (i) warehouse expansion contracts, (ii) purchase contract for automated robotic arm, (iii) solar photovoltaic power generation system construction contract, and (iv) electronic shelf label procurement contract, at a total amount of $577,031 thousand that has not yet to be purchased.

(b) The Group issued guarantee notes to obtain short-term loan facility. As of September 30, 2024, December 31 and September 30, 2023, the balance were $1,020,000 thousand, $1,100,000 thousand, and $1,100,000 thousand, respectively.

(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.

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

(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 September 30, 2024			For the three months ended September 30, 2023		
	Operating cost	Operating expense	Total	Operating cost	Operating Expense	Total
Employee benefits						
Salary	-	387,078	387,078	-	374,071	374,071
Labor and health insurance	-	46,174	46,174	-	44,476	44,476
Pension	-	21,660	21,660	-	20,599	20,599
Remuneration of directors	-	1,275	1,275	-	1,375	1,375
Others	-	26,585	26,585	-	22,877	22,877
Depreciation	-	169,538	169,538	-	179,841	179,841
Amortization	-	2,929	2,929	-	2,433	2,433

By function / By item	For the nine months ended September 30, 2024			For the nine months ended September 30, 2023		
	Operating cost	Operating expense	Total	Operating cost	Operating Expense	Total
Employee benefits						
Salary	-	1,158,917	1,158,917	-	1,099,375	1,099,375
Labor and health insurance	-	135,743	135,743	-	129,475	129,475
Pension	-	63,482	63,482	-	61,016	61,016
Remuneration to directors	-	3,825	3,825	-	3,225	3,225
Others	-	78,759	78,759	-	69,453	69,453
Depreciation	-	512,671	512,671	-	542,728	542,728
Amortization	-	8,227	8,227	-	9,288	9,288

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SIMPLE MART RETAIL CO., LTD. AND SUBSIDIARIES
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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 nine months ended September 30, 2024:

(i) Loans to other parties:

(In Thousands of New Taiwan Dollars)

Number	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 (note1)	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
0	The Company	Sanyou Drudstores Co., Ltd.	Other receivables - related parties	Yes	50,000	50,000	-	-	2	-	Working capital	-		-	186,337	745,348
0	The Company	Simple Mart Plus Co., Ltd.	Other receivables - related parties	Yes	30,000	30,000	-	-	2	-	Working capital	-		-	186,337	745,348

Note: The numbers denote the following:

1. "0" represents the Company
2. Subsidiaries are numbered starting from "1".

Note1: 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.

(ii) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	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	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
		Name	Relationship with the Company										
0	The Company	Simple Mart Plus Co., Ltd.	2	279,505	20,000	20,000	-	-	1.07 %	559,011	Y	N	N

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

Note 1: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 2:The maximum amount of endorsements and guarantees provided by the Company is 30% of the net worth 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 worth.

(iii) Securities held as of September 30, 2024 (excluding investment in subsidiaries, associates and joint ventures):None

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(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock: None

(In Thousands of New Taiwan Dollars)

Name of company	Category and name of security	Account name	Name of counter-party	Relationship with the company	Beginning Balance		Purchases		Sales				Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Price	Cost	Gain (loss) on disposal	Shares	Amount
The Company	Investments in the stock of non-public entities Companies-Simple Mart Investment Co., Ltd.	Investments accounted for using equity method	Simple Mart Investment Co., Ltd.	Subsidiary	-	-	20,100	201,000	-	-	-	-	20,100	200,828
Simple Mart Investment Co., Ltd.	Investments in the stock of non-public entities Companies-Pet Wonderland Co., Ltd.	Investments accounted for using equity method	Pet Wonderland Co., Ltd. and its shareholders (Health International Marketing Group Co., Ltd. and natural person)	Note	-	-	990 (note2)	300,000 (note2)	-	-	-	-	990 (note2)	300,880

Note:Prior to the acquisition of Pet Wonderland Co., Ltd. on September 9, 2024 (acquisition date), it was not an affiliate of our company.

Note 1:The ending balance includes investment gains and losses recognized using the equity method.

Note 2:On September 9, 2024, Simple Mart Investment Co., Ltd. acquired 765 thousand shares of Pet Wonderland Co., Ltd. for NT$200,000 thousand, including the 225 thousand shares expected to be acquired under the anticipated acquisition method, with an estimated investment amount of NT$100,000 thousand, totaling 66% of the entire shares. For related details, please refer to notes 4(b) and 6(e).

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None

(vi) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None

(vii) Related-party transactions for purchases or sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock: None

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

(ix) Trading in derivative instruments：Note 6(e)

(x) Business relationships and significant intercompany transactions:

There was no material business relationships and intercompany transactions in the current period.

(b) Information on investees:

The following is the information on investees for the nine months ended September 30, 2024 (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 September 30, 2024			Net income (losses) of investee	Share of profits/losses of investee	Note
				June 30, 2024	December 31, 2023	Shares	Percentage of ownership	Carrying value			
The Company	Sanyou Drugstores Co., Ltd.	Taiwan	Retail sales of drugs and cosmetics	114,879	114,879	10,100	67.33 %	71,233	(37,842)	(25,479)	(Note)
The Company	Simple Mart Plus Co., Ltd.	Taiwan	Retail sales of food and beverage	60,000	60,000	6,000	100 %	44,810	2,612	2,612	(Note)
The Company	Simple Mart Investment Co., Ltd.	Taiwan	Investment	201,000	-	20,100	100 %	200,828	828	828	(Note)
Simple Mart Investment Co., Ltd.	Pet Wonderland Co., Ltd.	Taiwan	Retail Sale of Pet Food and Supplies	300,000 (note1)	-	990 (note1)	66.00 % (note1)	300,880	938	880	(Note)

Note: The above transactions between parent and subsidiary are eliminated when preparing the consolidated financial statements.

Note 1: On September 9, 2024, Simple Mart Investment Co., Ltd. acquired 765 thousand shares of Pet Wonderland Co., Ltd. for NT$200,000 thousand, including the 225 thousand shares expected to be acquired under the anticipated acquisition method, with an estimated investment amount of NT$100,000 thousand, totaling 66% of the entire shares. For related details, please refer to notes 4(b) and 6(e).

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(c) Information on investment in mainland China: None

(d) Information on major shareholders:

Shareholding / Shareholder's Name	Shares	Percentage
Mercuries & Associates Holding Ltd.	41,018,951	60.76 %
Mei-Ling Yu	13,666,603	20.24 %

(14) Segment information:

General information:

The Group has two reportable segments. Segment A mainly engages in selling daily commodities to customers; while the other segment engages in home shopping, health supplements, over-the-counter medicines, cosmetic, and organic products, as well as retail business on 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 September 30, 2024				
	Segment A	**Other segments**	**Headquarters**	**Reconciliation and elimination**	**Total**
Revenue:					
Revenue from external customers	$ 3,601,526	149,486	236	-	3,751,248
Intersegment revenues	-	8,962	-	(8,962)	-
Total revenue	**$ 3,601,526**	**158,448**	**236**	**(8,962)**	**3,751,248**
Reportable segment profit or loss from continuing operations before tax	**$ 69,193**	**(14,464)**	**(14,407)**	**8,725**	**49,047**

	For the three months ended September 30, 2023				
	Segment A	**Other segments**	**Headquarters**	**Reconciliation and elimination**	**Total**
Revenue:					
Revenue from external customers	$ 3,620,278	140,010	1,284	-	3,761,572
Intersegment revenues	-	30,111	-	(30,111)	-
Total revenue	**$ 3,620,278**	**170,121**	**1,284**	**(30,111)**	**3,761,572**
Reportable segment profit or loss from continuing operations before tax	**$ 54,594**	**(14,580)**	**(1,803)**	**5,740**	**43,951**

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SIMPLE MART RETAIL CO., LTD. AND SUBSIDIARIES
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	For the nine months ended September 30, 2024				
	Segment A	Other segments	Headquarters	Reconciliation and elimination	Total
Revenue:					
Revenue from external customers	$ 10,195,202	401,839	2,852	-	10,599,893
Intersegment revenues	-	38,314	-	(38,314)	-
Total revenue	**$ 10,195,202**	**440,153**	**2,852**	**(38,314)**	**10,599,893**
Reportable segment profit or loss from continuing operations before tax	**$ 170,850**	**(37,555)**	**(43,771)**	**22,032**	**111,556**

	For the nine months ended September 30, 2023				
	Segment A	Other segments	Headquarters	Reconciliation and elimination	Total
Revenue:					
Revenue from external customers	$ 10,107,525	402,001	5,950	-	10,515,476
Intersegment revenues	-	69,853	-	(69,853)	-
Total revenue	**$ 10,107,525**	**471,854**	**5,950**	**(69,853)**	**10,515,476**
Reportable segment profit or loss from continuing operations before tax	**$ 137,035**	**(44,783)**	**(41,478)**	**16,349**	**67,123**