Wowprime Co., Ltd. and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2021 and 2020 and Independent Auditors' Report

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates as of and for the year ended December 31, 2021 under the "Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" are the same as those included in the consolidated financial statements of parent and subsidiary companies prepared in conformity with International Financial Reporting Standard No. 10 "Consolidated Financial Statements". In addition, relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Consequently, Wowprime Co., Ltd. and subsidiaries did not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

WOWPRIME CO., LTD.

By

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CHEN CHENG-HUI
Chairman

March 8, 2022

Deloitte.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Wowprime Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Wowprime Co., Ltd. and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter of the Group's consolidated financial statements for the year ended December 31, 2021 is stated as follows:

Accuracy of Catering Revenue Recognition for Specific Brands

The Group is engaged in the food retail industry and generates revenue from direct sales to individual customers at various business locations. The dollar amount of each transaction may be insignificant but due to the large number of transactions that occur on a daily basis, the transactions rely on point-of-sale (POS) systems. The accuracy of processing system in recognizing, recording and summarizing sales revenue is important with regard to the consolidated financial statements. The catering revenue of specific brands grew significantly compared to previous year; thus, we identified the accuracy of specific brands' catering revenue recognition as a key audit matter.

For the significant accounting policies, refer to Note 4(n).

Our main audit procedures performed for the abovementioned key audit matter were as follows:

1. We understood and tested whether the general computer control environment of POS systems was effective.

2. We understood and tested the effectiveness of design and implementation of internal controls over the catering revenue recognition process.

3. We understood and evaluated POS systems and accounting system data transfer mechanism, and tested whether the transaction data had been correctly transferred.

4. We selected samples of the sales data for POS systems and source data of operating revenue, and verified that they were consistent with information from revenue data.

Other Matter

We have also audited the parent company only financial statements of Wowprime Co., Ltd. as of and for the years ended December 31, 2021 and 2020 on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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, International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Nai-Hua Kuo and Hui-Ming Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 8, 2022

Notice to Readers

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

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

WOWPRIME CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	2021		2020	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	$ 1,970,419	14	$ 1,908,643	15
Financial assets at amortized cost - current (Note 7)	1,295,115	10	1,711,636	13
Notes receivable (Note 8)	972	-	4,816	-
Trade receivables (Note 8)	428,331	3	263,703	2
Inventories (Note 9)	1,848,398	14	1,564,764	12
Prepayments (Note 16)	653,759	5	392,744	3
Other financial assets - current (Notes 17 and 35)	30,584	-	43,665	-
Other current assets (Note 18)	50,786	-	38,988	-
Total current assets	6,278,364	46	5,928,959	45
NON-CURRENT ASSETS				
Investments accounted for using the equity method (Note 11)	84,547	1	-	-
Property, plant and equipment (Note 12)	2,040,155	15	1,922,288	15
Right-of-use assets (Note 13)	3,804,141	28	3,862,854	29
Investment properties (Notes 14 and 35)	640,749	5	717,622	5
Other intangible assets (Note 15)	30,839	-	41,645	-
Deferred tax assets (Note 27)	161,777	1	116,891	1
Prepaid equipment	32,337	1	157,678	1
Other non-current assets (Note 18)	437,114	3	538,257	4
Total non-current assets	7,231,659	54	7,357,235	55
TOTAL	$ 13,510,023	100	$ 13,286,194	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 19 and 35)	$ 538,920	4	$ 200,000	1
Contract liabilities - current (Note 25)	3,060,002	23	2,567,620	19
Notes payable (Note 20)	55,975	-	55,761	-
Trade payables (Note 20)	701,489	5	561,193	4
Other payables (Notes 21 and 34)	1,397,013	10	1,408,645	11
Current tax liabilities (Note 27)	76,711	1	88,860	1
Lease liabilities - current (Note 13)	1,303,690	10	1,266,106	10
Other current liabilities (Note 21)	21,523	-	17,674	-
Total current liabilities	7,155,323	53	6,165,859	46
NON-CURRENT LIABILITIES				
Provisions - non-current (Note 22)	117,470	1	93,572	1
Deferred tax liabilities (Note 27)	78,116	-	121,875	1
Lease liabilities - non-current (Note 13)	2,589,639	19	2,633,179	20
Net defined benefit liabilities - non-current (Note 23)	99,472	1	111,386	1
Guarantee deposits received	96,079	1	62,811	-
Total non-current liabilities	2,980,776	22	3,022,823	23
Total liabilities	10,136,099	75	9,188,682	69
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 24)				
Ordinary shares	769,879	6	769,879	6
Capital surplus	1,791,541	13	1,797,170	14
Retained earnings				
Legal reserve	669,833	5	636,647	5
Special reserve	114,717	1	143,141	1
(Accumulated deficit) unappropriated earnings	(101,543)	(1)	331,855	2
Total retained earnings	683,007	5	1,111,643	8
Treasury shares	(285,813)	(2)	(79,858)	(1)
Other equity	(127,228)	(1)	(114,717)	(1)
Total equity attributable to owners of the Company	2,831,386	21	3,484,117	26
NON-CONTROLLING INTERESTS (Notes 24 and 29)	542,538	4	613,395	5
Total equity	3,373,924	25	4,097,512	31
TOTAL	$ 13,510,023	100	$ 13,286,194	100

The accompanying notes are an integral part of the consolidated financial statements.

WOWPRIME CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Except (Loss) Earnings Per Share)

	2021		2020	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Note 25)	$ 17,196,937	100	$ 15,233,747	100
OPERATING COSTS (Notes 9 and 26)	(9,882,738)	(57)	(8,188,054)	(54)
GROSS PROFIT	7,314,199	43	7,045,693	46
OPERATING EXPENSES (Note 26)				
Selling and marketing expenses	(6,363,864)	(37)	(5,574,765)	(36)
General and administrative expenses	(951,427)	(6)	(897,327)	(6)
Research and development expenses	(19,835)	-	(18,271)	-
Total operating expenses	(7,335,126)	(43)	(6,490,363)	(42)
(LOSS) PROFIT FROM OPERATIONS	(20,927)	-	555,330	4
NON-OPERATING INCOME AND EXPENSES (Note 26)				
Interest income	20,678	-	37,190	-
Other income	352,101	2	83,162	-
Other gains and losses	(433,374)	(3)	(218,644)	(1)
Finance costs	(176,587)	(1)	(111,523)	(1)
Share of loss of profit or associates and joint ventures	(281)	-	-	-
Total non-operating income and expenses	(237,463)	(2)	(209,815)	(2)
(LOSS) PROFIT BEFORE INCOME TAX	(258,390)	(2)	345,515	2
INCOME TAX BENEFIT (EXPENSE) (Note 27)	86,529	1	(89,589)	-
NET (LOSS) PROFIT FOR THE YEAR	(171,861)	(1)	255,926	2
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 23)	5,186	-	(6,923)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 27)	(1,037)	-	1,385	-

(Continued)

WOWPRIME CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Except (Loss) Earnings Per Share)

	2021		2020	
	Amount	**%**	**Amount**	**%**
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	$ (21,577)	-	$ 47,827	-
Income tax relating to items that may be reclassified subsequently to profit or loss (Note 27)	4,315	-	(9,566)	-
Other comprehensive income (loss) for the year, net of income tax	(13,113)	-	32,723	-
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE YEAR	$ (184,974)	(1)	$ 288,649	2
NET (LOSS) PROFIT ATTRIBUTABLE TO:				
Owners of the Company	$ (104,703)	(1)	$ 348,263	2
Non-controlling interests	(67,158)	-	(92,337)	-
	$ (171,861)	(1)	$ 255,926	2
TOTAL COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO:				
Owners of the Company	$ (113,065)	(1)	$ 371,149	2
Non-controlling interests	(71,909)	-	(82,500)	-
	$ (184,974)	(1)	$ 288,649	2
(LOSS) EARNINGS PER SHARE (Note 28)				
Basic	$ (1.40)		$ 4.61	
Diluted	$ (1.40)		$ 4.61	

The accompanying notes are an integral part of the consolidated financial statements. (Concluded)

WOWPRIME CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	Equity Attributable Owners of the Company										
	Share Capital			Retained Earnings			Other Equity				
	Shares (In Thousands)	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings (Accumulated Deficits)	Exchange Differences on Translating the Financial Statements of Foreign Operations	Treasury Shares (Note 24)	Total	Non-controlling Interests (Note 24)	Total Equity
BALANCE AT JANUARY 1, 2020	76,988	$ 769,879	$ 1,867,344	$ 601,001	$ 87,763	$ 356,460	$ (143,141)	$ (156,423)	$ 3,382,883	$ 965,389	$ 4,348,272
Appropriation of 2019 earnings											
Legal reserve	-	-	-	35,646	-	(35,646)	-	-	-	-	-
Special reserve	-	-	-	-	55,378	(55,378)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(265,436)	-	-	(265,436)	-	(265,436)
Other changes in capital surplus											
Issuance of cash dividends from capital surplus	-	-	(72,266)	-	-	-	-	-	(72,266)	-	(72,266)
Net profit (loss) for the year ended December 31, 2020	-	-	-	-	-	348,263	-	-	348,263	(92,337)	255,926
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	-	(5,538)	28,424	-	22,886	9,837	32,723
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	-	342,725	28,424	-	371,149	(82,500)	288,649
Treasury share transactions	-	-	-	-	-	-	-	76,565	76,565	-	76,565
Differences between the equity purchase price and the carrying amount arising from the actual acquisition or disposal of subsidiaries (Note 29)	-	-	-	-	-	(10,870)	-	-	(10,870)	(269,355)	(280,225)
Changes in percentage of ownership interests in subsidiaries (Note 29)	-	-	139	-	-	-	-	-	139	(139)	-
Share-based payment	-	-	1,953	-	-	-	-	-	1,953	-	1,953
BALANCE AT DECEMBER 31, 2020	76,988	769,879	1,797,170	636,647	143,141	331,855	(114,717)	(79,858)	3,484,117	613,395	4,097,512
Appropriation of 2020 earnings											
Legal reserve	-	-	-	33,186	-	(33,186)	-	-	-	-	-
Special reserve	-	-	-	-	(28,424)	28,424	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(327,093)	-	-	(327,093)	-	(327,093)
Net loss for the year ended December 31, 2021	-	-	-	-	-	(104,703)	-	-	(104,703)	(67,158)	(171,861)
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	4,149	(12,511)	-	(8,362)	(4,751)	(13,113)
Total comprehensive loss for the year ended December 31, 2021	-	-	-	-	-	(100,554)	(12,511)	-	(113,065)	(71,909)	(184,974)
Treasury share transactions	-	-	(10,442)	-	-	(989)	-	(205,955)	(217,386)	-	(217,386)
Share-based payment	-	-	4,813	-	-	-	-	-	4,813	1,052	5,865
BALANCE AT DECEMBER 31, 2021	76,988	$ 769,879	$ 1,791,541	$ 669,833	$ 114,717	$ (101,543)	$ (127,228)	$ (285,813)	$ 2,831,386	$ 542,538	$ 3,373,924

The accompanying notes are an integral part of the consolidated financial statements.

WOWPRIME CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) income before income tax	$ (258,390)	$ 345,515
Adjustments for:		
Depreciation expenses	2,157,842	2,004,416
Amortization expenses	14,665	10,936
Finance costs	176,587	111,523
Interest income	(20,678)	(37,190)
Share-based payment awards	5,865	1,953
Share of loss (profit) of associates and joint ventures	281	-
Loss on disposal of other intangible assets	3	-
Loss on disposal of property, plant and equipment	174,856	135,487
Impairment loss recognized on non-financial assets	115,233	-
Write-down of inventories	4,691	1,599
Loss (gain) on lease modification	7,272	(10,863)
Changes in operating assets and liabilities		
Notes receivable	3,844	(4,327)
Trade receivables	(164,628)	(63,356)
Inventories	(288,325)	(195,636)
Prepayments	(261,015)	20,809
Other current assets	(11,166)	8,400
Contract liabilities	492,382	118,813
Notes payable	214	13,066
Trade payables	140,296	123,334
Other payables	101,783	7,188
Other current liabilities	3,849	(1,321)
Net defined benefit liabilities	(6,728)	(2,293)
Cash generated from operations	2,388,733	2,588,053
Interest paid	(176,104)	(111,523)
Income tax paid	(12,581)	(106,562)
Net cash generated from operating activities	2,200,048	2,369,968
CASH FLOWS FROM INVESTING ACTIVITIES		
Disposal of financial assets in amortized cost	416,521	194,469
Acquisition of long-term equity investments adopting the equity method	(10,000)	-
Payments for property, plant and equipment	(867,756)	(481,418)
Proceeds from disposal of property, plant and equipment	88	2,048
Increase in refundable deposits	-	(16,251)
Decrease in refundable deposits	24,995	-
Payments for intangible assets	(4,043)	(13,610)
Payments for right-of-use assets	(44,811)	(47,754)
Decrease (increase) in other financial assets	13,081	(25,607)

(Continued)

WOWPRIME CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	2021	2020
Increase in prepayments for equipment	$ (194,369)	$ (341,817)
Interest received	20,650	38,390
Net cash used in investing activities	(645,644)	(691,550)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	338,920	200,000
Proceeds from guarantee deposits received	33,268	46,498
Repayment of the principal portion of lease liabilities	(1,308,607)	(1,220,637)
Dividends paid to owners of the Company	(327,093)	(337,702)
Costs for treasury stock buyback (Note 24)	(339,104)	-
Treasury shares transferred to employees (Note 24)	121,718	76,565
Acquisition of subsidiaries (Note 29)	-	(280,225)
Net cash used in financing activities	(1,480,898)	(1,515,501)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(11,730)	32,854
NET INCREASE IN CASH AND CASH EQUIVALENTS	61,776	195,771
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,908,643	1,712,872
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 1,970,419	$ 1,908,643

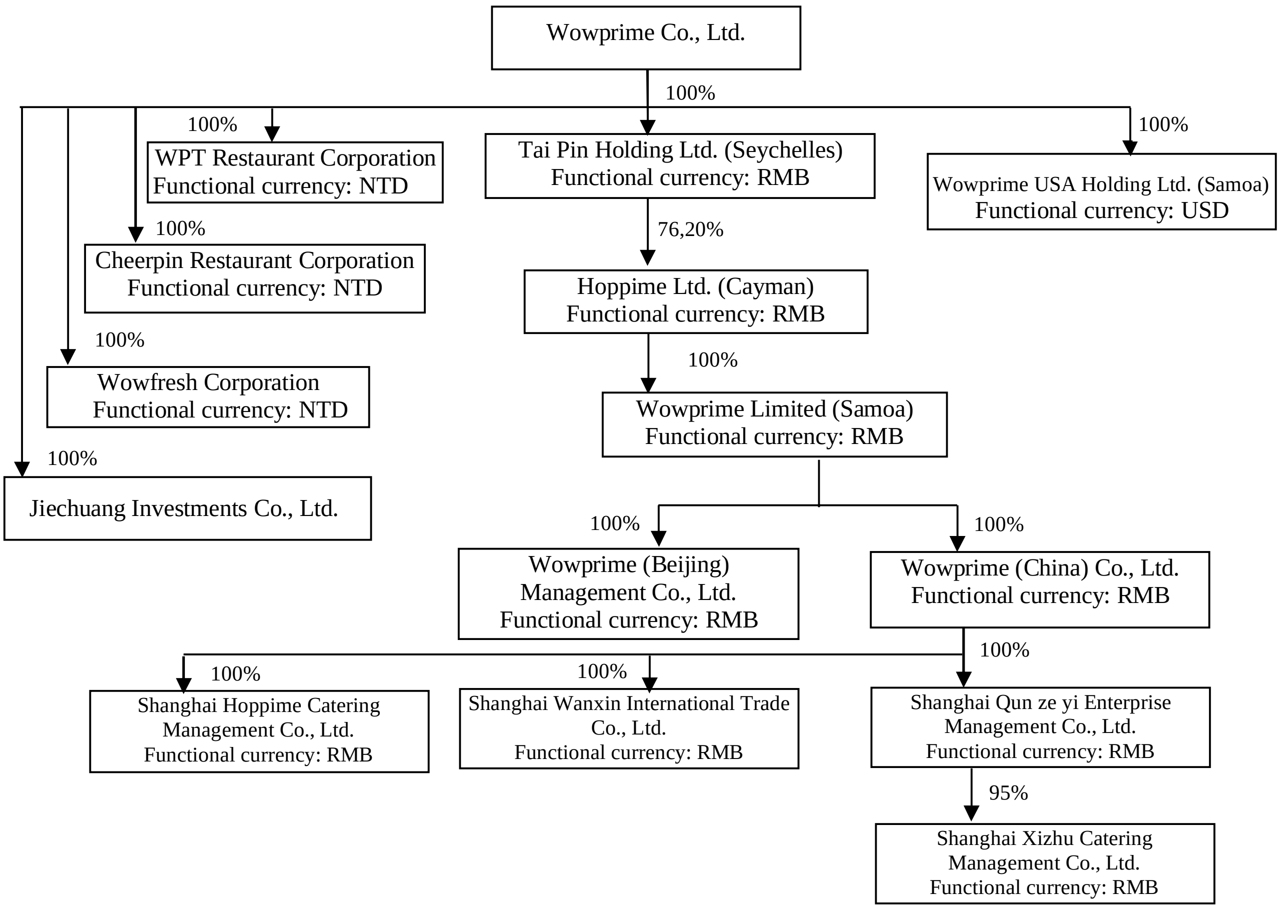
The accompanying notes are an integral part of the consolidated financial statements. (Concluded)

1. GENERAL INFORMATION

Wowprime Co., Ltd. (the "Company") was incorporated in the Republic of China (ROC) in December 1993. The Company primarily engages in operating restaurants, retail sale of agricultural and husbandry products, food products and groceries. The Company also engages in running coffee/tea shops and bakery product manufacturing.

The Company's shares were listed and have been trading on the Taiwan Stock Exchange (TWSE) since March 2012.

Investment structure



The consolidated financial statements of the Company and its subsidiaries (collectively the "Group") are presented in the Company's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on March 8, 2022.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Group's accounting policies.

b. The IFRSs endorsed by the FSC for application starting from 2022

New IFRSs	Effective Date Announced by IASB
"Annual Improvements to IFRS Standards 2018-2020"	January 1, 2022 (Note 1)
Amendments to IFRS 3 "Reference to the Conceptual Framework"	January 1, 2022 (Note 2)
Amendments to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"	January 1, 2022 (Note 3)
Amendments to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract"	January 1, 2022 (Note 4)

Note 1: The amendments to IFRS 9 will be applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 "Agriculture" will be applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 "First-time Adoptions of IFRSs" will be applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 2: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after January 1, 2022.

Note 3: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 4: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

As of the date the consolidated financial statements were authorized for issue, the Group has assessed that the application of other standards and interpretations will not have a material impact on the Group's financial position and financial performance.

c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
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	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 2)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 3)
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023 (Note 4)

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

Note 2: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 3: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 4: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs as endorsed and issued into effect by the FSC.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value, and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

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

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and

3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period. Terms of a liability than could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Assets and liabilities that are not classified as current are classified as non-current.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposal, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group’s ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

See Note 10, Tables 5 and 6 for detailed information on subsidiaries (including percentages of ownership and main businesses).

e. Foreign currencies

In preparing the financial statements of each individual entity in the Group, transactions in currencies other than the entity’s functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction (i.e., not retranslated).

For the purpose of presenting the consolidated financial statements, the functional currencies of the Company and its foreign operations (including subsidiaries and associates in other countries or those that use currencies which are different from the currency of the Company) are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate).

f. Inventories

Inventories consist of raw materials and finished goods and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost on the balance sheet date.

g. Investments in associates

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor an interest in a joint venture.

The Group uses the equity method to account for its investments in associates.

Under the equity method, investment in an associate is initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the Group's share of the equity of associates.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Group subscribes for additional new shares of the associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in the Group's share of the equity of associates. If the Group's ownership interest is reduced due to its additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of - 16 - the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further loss, if any. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required had that associate directly disposed of the related assets or liabilities. If an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the Group continues to apply the equity method and does not remeasure the retained interest.

When an entity in the Group transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Group's consolidated financial statements only to the extent of interests in the associate are not related to the Group.

h. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss.

Except for freehold land which is not depreciated, depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

i. Investment properties

Investment properties are properties held to earn rental and/or for capital appreciation. Investment properties include right-of-use assets and properties under construction that meet the definition of investment properties. Investment properties also include land held for a currently undetermined future use.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

j. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

2) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset are recognized in profit or loss.

k. Impairment of property, plant and equipment, right-of-use asset, investment properties, intangible assets and assets related to contract costs

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use asset, investment properties and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

Before the Group recognizes an impairment loss from assets related to contract costs, any impairment loss on inventories, property, plant and equipment and intangible assets related to the contracts applicable under IFRS 15 shall be recognized in accordance with applicable standards. Then, impairment loss from the assets related to the contract costs is recognized to the extent that the carrying amount of the assets exceeds the remaining amount of consideration that the Group expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services and which have not been recognized as expenses. The assets related to the contract costs are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset, cash-generating unit or assets related to contract costs is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset, cash-generating unit or assets related to contract costs in prior years. A reversal of an impairment loss is recognized in profit or loss.

l. Financial instruments

Financial assets and financial liabilities are recognized when an entity in the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement categories

Financial assets are classified as financial assets at amortized cost.

<u>Financial assets at amortized cost</u>

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, trade receivables and other receivables at amortized cost, other financial assets and refundable deposits, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

i. Purchased or originated credit impaired financial assets, for which interest income is calculated by applying the credit adjusted effective interest rate to the amortized cost of such financial assets; and

ii. Financial assets that are not credit impaired on purchase or origination but have subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

i. Significant financial difficulty of the issuer or the borrower;

ii. Breach of contract, such as a default;

iii. It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

iv. The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

b) Impairment of financial assets and contract assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

The Group always recognizes lifetime expected credit losses (ECLs) for trade receivables, lease receivables and contract assets. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Group determines that the following situations indicate that a financial asset is in default (without taking into account any collateral held by the Group):

i. Internal or external information show that the debtor is unlikely to pay its creditors.

ii. Financial asset is more than 90 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

2) Financial liabilities

a) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

m. Provisions

Provisions, including those arising from the contractual obligations specified in lease arrangements to maintain or restore infrastructure before it is handed over to the grantor, are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation.

n. Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

<u>Revenue from the sale of goods</u>

Revenue from the sale of goods comes from sales of food, beverage, and other goods. Sales of food and other goods are recognized as revenue when individual customers purchase the goods at various business locations. Deferred revenue is recognized as a contract liability before the customer uses gift vouchers to exchange for food and other goods.

Under the customer loyalty program, the Group offers vouchers which can be used for future purchases. The voucher provides a material right to the customer. The transaction price allocated to the voucher is recognized as a contract liability when collected and will be recognized as revenue when the voucher is redeemed or has expired.

o. Leasing

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

1) The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

2) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee’s incremental borrowing rate will be used.

Subsequently, lease liabilities are measured at amortized cost using the effective change in the assessment of an option to purchase an underlying asset, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

The Group negotiates with the lessor for rent concessions as a direct consequence of the Covid-19 to change the lease payments originally due by June 30, 2022, that results in the revised consideration for the lease less than the consideration for the lease immediately preceding the change. There is no substantive change to other terms and conditions.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

p. Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants related to income are recognized as a reduction in other income on a systematic basis over the periods in which the Group recognizes as expenses the related costs that the grants intend to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they are received.

q. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost, and net interest on the net defined benefit liabilities (assets)) are recognized as employee benefits expense in the period they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group’s defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

r. Share-based payment arrangements

Employee share options granted to employees

The fair value of the employee share options on the grant date is expensed on a straight-line basis over the vesting period, based on the Group’s best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. It is recognized as an expense in full at the grant date if vested immediately. The grant date of treasury shares transferred to employees is the date on which the board of directors approves the transaction.

At the end of each reporting period, the Group revises its estimate of the number of employee share options that are expected to vest. The impact of the revision of the original estimates is recognized in profit or loss such that the cumulative expenses reflect the revised estimate, with a corresponding adjustment to capital surplus - employee share options.

s. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Law Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimates, and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The Group considers the possible impact of the recent development of the COVID-19 in Taiwan and its economic environment implications when making its critical accounting estimates on cash flow projections, growth rate, discount rate, profitability, etc. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods

6. CASH AND CASH EQUIVALENTS

	December 31	
	2021	2020
Cash on hand	$ 112,038	$ 60,430
Checking accounts and demand deposits	1,740,572	1,684,908
Cash equivalents		
Time deposits	117,809	163,305
	$ 1,970,419	$ 1,908,643

The market rate intervals of time deposits at the end of the reporting period were as follows:

	December 31	
	2021	2020
Time deposits	1.35%-2.10%	0.31%-2.70%

7. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2021	2020
Current		
Time deposits with original maturities of more than 3 months	$ 1,295,115	$ 1,711,636

a. The ranges of interest rates for time deposits with original maturities of more than 3 months were approximately 0.07% to 3.05% and 0.31% to 1.35% per annum as of December 31, 2021 and 2020, respectively.

b. Financial assets measured at amortized cost pledged as collateral for bank borrowings are set out in Note 35.

8. NOTES RECEIVABLE AND TRADE RECEIVABLES

	December 31 2021	December 31 2020
Notes receivable		
At amortized cost		
Gross carrying amount	$ 972	$ 4,816
Less: Allowance for impairment loss	-	-
	$ 972	$ 4,816
Trade receivables		
At amortized cost		
Gross carrying amount	$ 428,331	$ 263,703
Less: Allowance for impairment loss	-	-
	$ 428,331	$ 263,703

Aside from branches operating in retail stores, the average credit period of receivables from shopping malls and collaboration with other businesses was 30-90 days, the Group earns its revenue on a cash basis or via credit card sales to individual customers. In determining the collectability of trade receivables, the Group assesses any changes in credit quality from the start of the credit period to the balance sheet date.

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on status is of recognized date, not further distinguished according to the Group's different customer base.

The following table details the loss allowance of notes receivable and trade receivables based on the Group's provision matrix.

December 31, 2021

	0 to 30 Days	31 to 60 Days	61 to 90 Days	91 to 120 Days	Over 120 Days	Total
Expected credit loss rate	-	-	-	-	-	-
Gross carrying amount	$ 342,384	$ 70,135	$ 14,115	$ 2,496	$ 173	$ 429,303
Loss allowance (Lifetime ECLs)	-	-	-	-	-	-
Amortized cost	$ 342,384	$ 70,135	$ 14,115	$ 2,496	$ 173	$ 429,303

December 31, 2020

	0 to 30 Days	31 to 60 Days	61 to 90 Days	91 to 120 Days	Over 120 Days	Total
Expected credit loss rate	-	-	-	-	-	-
Gross carrying amount	$ 252,783	$ 14,691	$ 1,010	$ 31	$ 4	$ 268,519
Loss allowance (Lifetime ECLs)	-	-	-	-	-	-
Amortized cost	$ 252,783	$ 14,691	$ 1,010	$ 31	$ 4	$ 268,519

9. INVENTORIES

	December 31	
	2021	2020
Raw materials	$ 1,735,490	$ 1,462,649
Finished goods	252	258
Inventory in transit	112,656	101,857
	$ 1,848,398	$ 1,564,764

The nature of the cost of goods sold is as follows:

	For the Year Ended December 31	
	2021	2020
Cost of inventories sold	$ 9,878,047	$ 8,186,455
Inventory write-downs	4,691	1,599
	$ 9,882,738	$ 8,188,054

10. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

			Percentage of Ownership (%) December 31		
Investor	Investee	Nature of Activities	2021	2020	Remark
Wowprime Co., Ltd.	Tai Pin Holding Ltd.	Investment	100.00	100.00	-
Wowprime Co., Ltd.	WPT Restaurant Corporation	Catering and catering management	100.00	100.00	-
Wowprime Co., Ltd.	Wowprime USA Holding Ltd.	Investment	100.00	100.00	2)
Wowprime Co., Ltd.	Cheerpin Restaurant Corporation	Catering and catering management	100.00	100.00	-
Wowprime Co., Ltd.	Jiechuang Investment Co., Ltd.	Investment	100.00	100.00	-
Wowprime Co., Ltd.	Wowfresh Corporation	Fresh food trading	100.00	100.00	-
Tai Pin Holding Ltd.	Hoppime Ltd.	Investment	76.20	76.20	1), 3)
Hoppime Ltd.	Wowprime Limited (Samoa)	Investment	100.00	100.00	-
Wowprime Limited (Samoa)	Wowprime (China) Co., Ltd.	Catering and catering management	100.00	100.00	-
Wowprime Limited (Samoa)	Wowprime (Beijing) Management Co., Ltd.	Catering and catering management	100.00	100.00	-
Wowprime (China) Co., Ltd.	Shanghai Qun ze yi Enterprise Management Co., Ltd.	Management consulting	100.00	100.00	-
Wowprime (China) Co., Ltd.	Shanghai Wanxin International Trade Co., Ltd.	Fresh food trading	100.00	100.00	-
Wowprime (China) Co., Ltd.	Shanghai Hoppime Catering Management Co., Ltd.	Catering and catering management	100.00	100.00	-
Shanghai Qun ze yi Enterprise Management Co., Ltd.	Shanghai Xizhu Catering Management Co., Ltd.	Catering and catering management	95.00	95.00	4)

1) Hoppime Ltd. is a subsidiary that has material non-controlling interests.

2) The financial statements have not been audited. Management believes that audits of the financial statements of Wowprime USA Holding Ltd. would not result in a significant impact on the Group's consolidated financial statements.

3) Refer to Note 29 for the equity transactions with non-controlling interests of the Group and Hoppime Ltd.

4) Shanghai Qun ze yi Enterprise Management Co., Ltd. setup and invested in its 95%-owned subsidiary, Shanghai Xizhu Catering Management Co., Ltd. on December 11, 2020.

b. Subsidiaries excluded from the consolidated financial statements: None

c. Details of subsidiaries that have material non-controlling interests

	Proportion of Ownership and Voting Rights Held by Non-controlling Interests	
	December 31	
Name of Subsidiary	**2021**	**2020**
Hoppime Ltd.	23.80%	23.80%

See Tables 5 and 6 for information on the place of incorporation and principal place of business.

	Profit Allocated to Non-controlling Interests		**Accumulated Non-controlling Interests**	
	For the Year Ended December 31		**December 31**	
Name of Subsidiary	**2021**	**2020**	**2021**	**2020**
Hoppime Ltd. (excluding non-controlling interests of subsidiaries)	$ (66,938)	$ (92,300)	$ 541,706	$ 612,338

The summarized financial information below represents amounts before intragroup eliminations.

Hoppime Ltd. and Hoppime Ltd.'s subsidiaries:

	December 31	
	2021	**2020**
Current assets	$ 1,771,880	$ 1,697,391
Non-current assets	3,411,765	3,790,014
Current liabilities	(1,746,165)	(1,620,988)
Non-current liabilities	(1,160,573)	(1,292,511)
Equity	$ 2,276,907	$ 2,573,906
Equity attributable to:		
Owners of Hoppime Ltd.	$ 1,734,369	$ 1,960,511
Non-controlling interests of Hoppime Ltd.	541,706	612,338
Non-controlling interest of Hoppime Ltd.'s subsidiaries	832	1,057
	$ 2,276,907	$ 2,573,906

	For the Year Ended December 31	
	2021	2020
Revenue	$ 6,439,334	$ 4,709,799
Loss for the year	$ (281,253)	$ (210,185)
Other comprehensive income (loss) for the year	(19,942)	47,692
Total comprehensive loss for the year	$ (301,195)	$ (162,493)
Loss attributable to:		
Owners of Hoppime Ltd.	$ (214,095)	$ (117,848)
Non-controlling interests of Hoppime Ltd.	(66,938)	(92,300)
Non-controlling interest of Hoppime Ltd.'s subsidiaries	(220)	(37)
	$ (281,253)	$ (210,185)
Total comprehensive loss attributable to:		
Owners of Hoppime Ltd.	$ (229,286)	$ (79,993)
Non-controlling interests of Hoppime Ltd.	(71,684)	(82,467)
Non-controlling interest of Hoppime Ltd.'s subsidiaries	(225)	(33)
	$ (301,195)	$ (162,493)
Net cash inflow (outflow) from:		
Operating activities	$ 790,036	$ 1,006,223
Investing activities	(328,555)	(324,245)
Financing activities	(723,678)	(725,405)
Net cash outflow	$ (262,197)	$ (43,427)

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in Associates

	December 31, 2021
Aggregate information of associates that are not individually material is as follows	
WEI DAO LTD.	$ 9,714
DUDOO LTD. (Cayman)	74,833
	$ 84,547

a. WEI DAO LTD.

	For the Year Ended December 31, 2021
The Group's share of:	
Net loss for the year	$ (286)
Total comprehensive loss for the year	$ (286)

b. DUDOO LTD. (Cayman)

	For the Year Ended December 31, 2021
The Group's share of:	
Net profit for the year	$ 5
Total comprehensive income for the year	$ 5

For the year ended December 31, 2021, the Group has acquired the Group's share of 14.98% of the equity of DUDOO LTD. (Cayman). Included in the cost of investments in the associate is the premium of $55,289 thousand.

The Group is able to exercise significant influence over some associates that are not individually material even if it holds less than 20% of their voting rights. This is because the Group has the power to appoint the directors of those companies under the associates' articles of incorporation.

Investments in WEI DAO LTD. and DUDOO LTD.(Cayman) were calculated based on their financial statements not audited by CPAs. Management believes there is no material impact on the equity method of accounting or the calculation of the share of profit or loss and other comprehensive income from the financial statements of WEI DAO LTD. and DUDOO LTD. (Cayman) which have not been audited.

12. PROPERTY, PLANT AND EQUIPMENT

	December 31	
	2021	2020
Assets used by the Group	$ 2,040,155	$ 1,922,288

a. Assets used by the Group

	Freehold Land	Buildings	Utilities and Fire-fighting Equipment	Office Equipment	Dining Equipment	Leasehold Improvements	Other Equipment	Total
Cost								
Balance at January 1, 2021	$ 95,925	$ 88,188	$ 972,898	$ 185,344	$ 1,174,380	$ 2,366,843	$ 227,217	$ 5,110,795
Additions	26,580	44,220	154,895	31,817	182,901	308,161	29,182	777,756
Reclassifications	-	-	22,774	-	31,224	241,096	24,616	319,710
Disposals	-	-	(212,521)	(21,127)	(226,862)	(721,910)	(44,035)	(1,226,455)
Effects of foreign currency exchange differences	-	-	(775)	(582)	(2,307)	(5,864)	(857)	(10,384)
Balance at December 31, 2021	$ 122,505	$ 132,408	$ 937,271	$ 195,452	$ 1,159,336	$ 2,188,326	$ 236,123	$ 4,971,422
Accumulated depreciation and impairment								
Balance at January 1, 2021	$ -	$ 46,371	$ 620,706	$ 129,631	$ 790,309	$ 1,433,922	$ 167,568	$ 3,188,507
Depreciation expenses	-	4,109	142,846	23,503	169,575	368,124	33,980	742,137
Disposals	-	-	(189,072)	(19,234)	(197,254)	(603,665)	(42,286)	(1,051,511)
Impairment losses recognized	-	-	5,239	721	10,958	40,108	1,293	58,319
Effects of foreign currency exchange differences	-	-	(383)	(498)	(1,576)	(3,110)	(619)	(6,185)
Balance at December 31, 2021	$ -	$ 50,480	$ 579,336	$ 134,123	$ 772,012	$ 1,235,379	$ 159,936	$ 2,931,267
Carrying amounts at December 31, 2021	$ 122,505	$ 81,928	$ 357,935	$ 61,329	$ 387,324	$ 952,947	$ 76,187	$ 2,040,155
Cost								
Balance at January 1, 2020	$ 95,925	$ 88,188	$ 1,019,546	$ 175,393	$ 1,230,025	$ 2,553,884	$ 226,953	$ 5,389,914
Additions	-	-	140,365	31,992	158,543	264,800	15,906	611,606
Reclassifications	-	-	19,556	(824)	19,008	150,576	15,194	203,510
Disposals	-	-	(208,334)	(22,346)	(237,394)	(615,137)	(32,403)	(1,115,614)
Effects of foreign currency exchange differences	-	-	1,765	1,129	4,198	12,720	1,567	21,379
Balance at December 31, 2020	$ 95,925	$ 88,188	$ 972,898	$ 185,344	$ 1,174,380	$ 2,366,843	$ 227,217	$ 5,110,795
Accumulated depreciation and impairment								
Balance at January 1, 2020	$ -	$ 44,473	$ 667,027	$ 129,668	$ 833,970	$ 1,619,245	$ 168,215	$ 3,462,598
Depreciation expenses	-	1,896	133,825	20,084	155,832	349,872	24,751	686,260
Disposals	-	-	(181,630)	(21,236)	(202,990)	(545,389)	(26,834)	(978,079)
Effects of foreign currency exchange differences	-	2	1,484	1,115	3,497	10,194	1,436	17,728
Balance at December 31, 2020	$ -	$ 46,371	$ 620,706	$ 129,631	$ 790,309	$ 1,433,922	$ 167,568	$ 3,188,507
Carrying amounts at December 31, 2020	$ 95,925	$ 41,817	$ 352,192	$ 55,713	$ 384,071	$ 932,921	$ 59,649	$ 1,922,288

The management of the Company estimated the future profit of various business locations on December 31, 2021. The Group estimated that future cash flows expected to arise from property, plant and equipment of some business locations had decreased, as a result, the book value higher than the recoverable amount, therefore, recognized an impairment loss of $58,319 thousand in 2021. The impairment loss was stated under other profits and losses in the consolidated statement of comprehensive income.

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Main buildings	12-33 years
Renovation	2-6 years
Utilities and fire-fighting equipment	2-6 years
Office equipment	2-6 years
Dining equipment	2-6 years
Leasehold improvement	2-6 years
Other equipment	2-6 years

b. Assets leased under operating leases

	Buildings
Cost	
Balance at January 1, 2020	$ 753,669
Reclassification to investment properties (Note 14)	(747,366)
Effects of foreign currency exchange differences	(6,303)
Balance at December 31, 2020	$ -
Accumulated depreciation	
Balance at January 1, 2020	$ 29,908
Depreciation expenses	13,317
Reclassification to investment properties (Note 14)	(43,003)
Effects of foreign currency exchange differences	(222)
Balance at December 31, 2020	$ -
Carrying amounts at December 31, 2020	$ -

Operating leases relate to leases of buildings with lease terms ranging from 2 to 3 years. The lessees do not have bargain purchase options to acquire the assets at the expiry of the lease periods.

The above items of property, plant and equipment leased under operating leases are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	42 years

In September 2020, the board of directors of Wowprime (China) Co., Ltd. resolved to reclassify operating leases related to leases of business building of $704,363 thousand as investment property due to change in the purpose of holding.

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2021	2020
Carrying amounts		
Buildings	$ 3,804,141	$ 3,862,854

	For the Year Ended December 31	
	2021	2020
Additions to right-of-use assets	$ 1,760,650	$ 1,674,820
Disposals of right-of-use assets	$ 424,207	$ 295,381
Depreciation charge for right-of-use assets		
Buildings	$ 1,397,609	$ 1,300,309

Except for the aforementioned addition and recognized depreciation, the Group did not have significant sublease of right-of-use assets during the year ended December 31, 2021 and 2020. The Group expects that some right-of-use assets have no value in use, and recognized impairment loss of $2,129 thousand for the year ended December 31, 2021. This impairment loss is included in other gains and losses in the consolidated statement of comprehensive income.

b. Lease liabilities

	December 31	
	2021	2020
Carrying amounts		
Current	$ 1,303,690	$ 1,266,106
Non-current	$ 2,589,639	$ 2,633,179

Range of discount rate for lease liabilities was as follows:

	December 31	
	2021	2020
Buildings	0.765%-4.75%	0.765%- 4.75%

c. Material lease-in activities and terms

The Group leases buildings for the use of plants, offices and retail stores with lease terms of 2 to 8 years. The Group does not have bargain purchase options to acquire the buildings at the end of the lease terms.

In order to cope with retail demand, the Group entered into a large number of lease arrangements for the purposes of renting commercial space for the establishment of retail stores. Lease terms are negotiated by the management of each business segment and includes a wide range of payment terms. Variable payment terms are used for a variety of reasons, including minimizing the fixed cost base for newly established stores or for reasons of margin control and operational flexibility. Variable lease payment terms vary widely across the Group:

- The majority of variable payment terms are calculated based on the specified percentage of each store’s total sales.
- Some variable lease payment terms include minimum or cap clauses.

Variable payment terms lead to the incurrence of higher rental costs for stores with higher sales. However, the use of variable payment terms help to facilitate the management of margins across the Group.

Variable rental expenses are expected to continue to represent a similar proportion of store sales in future years.

Because of the market conditions severely affected by COVID-19 in 2021 and 2020, the Group negotiated with the lessor for rent concessions for lease subject. The lessor agreed to provide rent reduction based on the results of the negotiation. When the reduction of lease payment occurs, the right-of-use assets and lease liabilities shall be reduced by $26,692 thousand and $109,193 thousand, respectively.

d. Other lease information

	For the Year Ended December 31	
	2021	2020
Expenses relating to variable lease payments and short-term leases not included in the measurement of lease liabilities	$ 373,857	$ 388,869
Total cash outflow for leases	$ (1,895,934)	$ (1,761,119)

The Group's leases of certain retail stores, offices, and office equipment qualify as short-term leases and certain computer equipment qualify as low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

All lease commitments (the Group as a lessee) with lease terms commencing after the balance sheet dates are as follows:

	December 31	
	2021	2020
Lease commitments	$ 105,881	$ 127,005

14. INVESTMENT PROPERTIES

	Buildings
Cost	
Balance at January 1, 2021	$ 766,274
Effects of foreign currency exchange differences	(5,777)
Balance at December 31, 2021	$ 760,497
Accumulated depreciation and impairment	
Balance at January 1, 2021	$ 48,652
Depreciation expenses	18,096
Impairment losses recognized	53,465
Effects of foreign currency exchange differences	(465)
Balance at December 31, 2021	$ 119,748
Carrying amounts at December 31, 2021	$ 640,749
Cost	
Balance at January 1, 2020	$ -
Reclassifications	747,366
Effects of foreign currency exchange differences	18,908
Balance at December 31, 2020	$ 766,274

(Continued)

	Buildings
Accumulated depreciation and impairment	
Balance at January 1, 2020	$ -
Depreciation expenses	4,530
Reclassifications	43,003
Effects of foreign currency exchange differences	1,119
Balance at December 31, 2020	$ 48,652
Carrying amounts at December 31, 2020	$ 717,622

(Concluded)

Lease commitments (the Group as a lessor) with lease terms commencing after the balance sheet dates are as follows:

	December 31	
	2021	2020
Year 1	$ 25,847	$ 17,802
Year 2	13,265	6,467
Year 3	5,036	-
	$ 44,148	$ 24,269

Investment properties are depreciated using the straight-line method over their estimated useful lives as follows:

Buildings	42 years

The determination of fair value was performed by Prudential Cross-strait real estate appraisers Firm and Shanghai Xinye Assets Appraisal Co., Ltd. as of December 31, 2021 and 2020, respectively. The valuation was based on the cash flow approach and arrived at by reference to market evidence of transaction prices for similar properties. The significant unobservable inputs used include discount rates and rental growth rate. The fair value as appraised was as follows:

	December 31	
	2021	2020
Fair value	$ 640,749	$ 728,545

The Group expects that the future cash inflow of the investment properties used for leasing in the China area will decrease, resulting in the recoverable amount lower than the carrying amount. The review led to the recognition of an impairment loss of $53,465 thousand, which was recognized in consolidated statement of comprehensive income-other gains and losses for the year ended December 31, 2021. The Group adopts the value in use as the recoverable amount of the investment properties, and the discount rate adopted is 3%.

The investment properties pledged as collateral for bank borrowings are set out in Note 35.

15. OTHER INTANGIBLE ASSETS

	Software	Trademarks	Total
Cost			
Balance at January 1, 2021	$ 87,360	$ 7,012	$ 94,372
Additions	4,043	-	4,043
Disposals	(1,332)	-	(1,332)
Effect of foreign currency exchange differences	(420)	-	(420)
Balance at December 31, 2021	$ 89,651	$ 7,012	$ 96,663
Accumulated amortization			
Balance at January 1, 2021	$ 50,352	$ 2,375	$ 52,727
Amortization expenses	14,197	468	14,665
Disposals	(1,329)	-	(1,329)
Effect of foreign currency exchange differences	(239)	-	(239)
Balance at December 31, 2021	$ 62,981	$ 2,843	$ 65,824
Carrying amount at December 31, 2021	$ 26,670	$ 4,169	$ 30,839
Cost			
Balance at January 1, 2020	$ 72,826	$ 7,012	$ 79,838
Additions	13,610	-	13,610
Effect of foreign currency exchange differences	924	-	924
Balance at December 31, 2020	$ 87,360	$ 7,012	$ 94,372
Accumulated amortization			
Balance at January 1, 2020	$ 39,324	$ 1,908	$ 41,232
Amortization expenses	10,469	467	10,936
Effect of foreign currency exchange differences	559	-	559
Balance at December 31, 2020	$ 50,352	$ 2,375	$ 52,727
Carrying amount at December 31, 2020	$ 37,008	$ 4,637	$ 41,645

Other intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Software	2-6 years
Trademarks	15 years

	For the Year Ended December 31	
	2021	2020
An analysis of amortization by function		
Operating expenses	$ 14,665	$ 10,936

16. PREPAYMENTS

	December 31 2021	December 31 2020
Current		
Prepaid rent	$ 40,359	$ 36,028
Supplies	50,261	30,152
Prepayment for purchases	136,073	89,658
Input tax/offset against business tax payable	323,004	164,445
Others	104,062	72,461
	$ 653,759	$ 392,744

17. OTHER FINANCIAL ASSETS - CURRENT

	December 31 2021	December 31 2020
Trust account	$ 362	$ 8,882
Reserve account	30,222	34,783
	$ 30,584	$ 43,665

The market rate intervals of other financial assets at the end of the reporting period were as follows:

	December 31 2021	December 31 2020
Trust account	0.01%	0.01%
Reserve account	0.30%	0.30%

Refer to Note 35 for information on other financial assets pledged as collateral or for security.

18. OTHER ASSETS

	December 31 2021	December 31 2020
Current		
Other receivables	$ 17,904	$ 16,186
Tax refund receivable	666	62
Others	32,216	22,740
	$ 50,786	$ 38,988
Non-current		
Refundable deposits	$ 437,114	$ 463,429
Prepayments for investment	-	74,828
	$ 437,114	$ 538,257

19. BORROWINGS

Short-term Borrowings

	December 31	
	2021	2020
Secured borrowings (Note 35)		
Bank loans (a)	$ 65,160	$ -
Unsecured borrowings		
Line of credit borrowings (b)	473,760	200,000
	$ 538,920	$ 200,000

a. The interest rate on bank loans was 3.65% for the year ended December 31, 2021.

b. The range of weighted average effective interest rates on line of credit borrowings was 0.92%-3.85% and 1.10% per annum at December 31, 2021 and 2020 respectively.

c. Refer to Note 35 for information relating to assets pledged to secure bank borrowings.

20. NOTES PAYABLE AND TRADE PAYABLES

	December 31	
	2021	2020
Notes payable		
Operating	$ 55,975	$ 55,761
Trade payables		
Operating	$ 701,489	$ 561,193

The Group purchases inventory on 30-60 day credit terms.

21. OTHER LIABILITIES

	December 31	
	2021	2020
Current		
Other payables		
Payables for purchase of equipment	$ 201,488	$ 315,386
Payables for salaries and bonus	559,137	560,818
Payables for rent	52,300	48,960
Payables for retirement benefit	28,575	25,888

(Continued)

	December 31	
	2021	2020
Payables for insurance	$ 74,596	$ 65,944
Payables for annual leave	33,544	32,128
Payables for tax expense	43,230	14,860
Others	403,233	344,661
	1,396,103	1,408,645
Other payables to related parties	910	-
	$ 1,397,013	$ 1,408,645
Other liabilities		
Temporary receipts/receipts under custody	$ 17,751	$ 16,849
Others	3,772	825
	$ 21,523	$ 17,674

(Concluded)

22. PROVISIONS

	December 31	
	2021	2020
Non-current		
Decommissioning liabilities	$ 117,470	$ 93,572

	Decommi-ssioning Liabilities
Balance at January 1, 2021	$ 93,572
Additional provisions recognized	40,956
Disposals	(16,860)
Effect of foreign currency exchange differences	(198)
Balance at December 31, 2021	$ 117,470
Balance at January 1, 2020	$ 62,164
Additional provisions recognized	38,691
Disposals	(7,283)
Balance at December 31, 2020	$ 93,572

Decommissioning liabilities are the estimated costs required to restore the asset back to its original condition upon return, as stated in the operating lease agreement.

23. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company, WPT Restaurant Corporation, Cheerpin Restaurant Corporation, and Wowfresh Corporation adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

Pension costs under defined contribution plans were as follows:

	For the Year Ended December 31	
	2021	2020
Operating costs	$ 49,165	$ 45,226
Selling and marketing expenses	107,369	93,831
General and administrative expenses	14,455	12,910
	$ 170,989	$ 151,967

b. Defined benefit plans

The defined benefit plan adopted by the Company in accordance with the Labor Standards Law is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contributes amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Group has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans were as follows:

	December 31	
	2021	2020
Present value of defined benefit obligation	$ 143,595	$ 151,022
Fair value of plan assets	(44,123)	(39,636)
Net defined benefit liabilities	$ 99,472	$ 111,386

Movements in net defined benefit liabilities (assets) were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2021	$ 151,022	$ (39,636)	$ 111,386
Service cost			
Current service cost	45	-	45
Net interest expense (income)	755	(201)	554
Recognized in profit or loss	800	(201)	599
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(523)	(523)
Actuarial loss (gain)			
Changes in demographic assumptions	3,725	-	3,725
Changes in financial assumptions	(4,968)	-	(4,968)
Experience adjustments	(3,420)	-	(3,420)
Recognized in other comprehensive income	(4,663)	(523)	(5,186)
Contributions from the employer	-	(7,327)	(7,327)
Benefits paid	(3,564)	3,564	-
Balance at December 31, 2021	$ 143,595	$ (44,123)	$ 99,472
Balance at January 1, 2020	$ 146,974	$ (40,218)	$ 106,756
Service cost			
Current service cost	44	-	44
Net interest expense (income)	1,470	(408)	1,062
Recognized in profit or loss	1,514	(408)	1,106
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(1,273)	(1,273)
Actuarial loss (gain)			
Changes in demographic assumptions	2,439	-	2,439
Changes in financial assumptions	10,473	-	10,473
Experience adjustments	(4,716)	-	(4,716)
Recognized in other comprehensive income	8,196	(1,273)	6,923
Contributions from the employer	-	(1,007)	(1,007)
Benefits paid	(3,270)	3,270	-
Others	(2,392)	-	(2,392)
Balance at December 31, 2020	$ 151,022	$ (39,636)	$ 111,386

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans was as follows:

	For the Year Ended December 31	
	2021	2020
General and administrative expenses	$ 599	$ 1,106

Through the defined benefit plans under the Labor Standards Law, the Group is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the corporate bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2021	**2020**
Discount rates	0.75%	0.50%
Expected rates of salary increase	2.00%	2.00%

If possible reasonable change in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31	
	2021	**2020**
Discount rates		
0.25% increase	$ (4,808)	$ (5,387)
0.25% decrease	$ 5,039	$ 5,656
Expected rates of salary increase		
0.25% increase	$ 4,891	$ 5,479
0.25% decrease	$ (4,693)	$ (5,248)

The sensitivity analysis presented above may not be representative of the actual changes in the present value of the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2021	**2020**
Expected contributions to the plan for the next year	$ 1,028	$ 1,028
Average duration of the defined benefit obligation	13.6 years	14.5 years

c. Others

Tai Pin Holding Ltd., Hoppime Ltd., Wowprime Limited, Wowprime (China) Co., Ltd., Shanghai Qun ze yi Enterprise Management Co., Ltd., Shanghai Wanxin International Trade Co., Ltd., Shanghai Hoppime Catering Management Co., Ltd., Shanghai Xizhu Catering Management Co., Ltd., Wowprime (Beijing) Management Co., Ltd. and Wowprime USA Holding Ltd. (Samoa) are not required by local regulations to make monthly contributions to a defined benefit pension plan; hence, no pension costs were recognized under the actuarial method.

Wowprime (China) Co., Ltd., and Wowprime (Beijing) Management Co., Ltd. are required by local regulations to make pension contributions to a defined contribution plan at amounts equal to a fixed proportion of the employees' monthly salaries.

Pension contributions classified by function were as follows:

	For the Year Ended December 31	
	2021	**2020**
Operating costs	$ 38,734	$ 11,962
Selling and marketing expenses	16,600	5,127
General and administrative expenses	26,009	15,977
	$ 81,343	$ 33,066

24. EQUITY

a. Share capital

Ordinary shares

	December 31	
	2021	**2020**
Number of shares authorized (in thousands)	100,000	100,000
Shares authorized	$ 1,000,000	$ 1,000,000
Number of shares issued and fully paid (in thousands)	76,988	76,988
Shares issued	$ 769,879	$ 769,879

Fully paid ordinary shares, which have a par value of $10, carry one vote per share and carry a right to dividends.

b. Capital surplus

	December 31	
	2021	**2020**
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)		
Issuance of ordinary shares	$ 1,791,402	$ 1,791,402
Treasury share transactions	-	5,189

(Continued)

	December 31	
	2021	2020
<u>May only be used to offset a deficit</u>		
Changes in percentage of ownership interests in subsidiaries (2)	$ 139	$ 139
<u>May not be used for any purpose</u>		
Employee share options	-	440
	$ 1,791,541	$ 1,797,170

(Concluded)

1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).

2) Such capital surplus arises from the effects of changes in ownership interests in subsidiaries resulting from equity transactions other than actual disposals or acquisitions or from changes in capital surplus of subsidiaries accounted for using the equity method.

c. Retained earnings and dividends policy

Under the dividend policy as set forth in the amended Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations. Remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for distribution of dividends and bonuses to shareholders. For the policies on the distribution of compensation of employees and remuneration to directors and supervisors before and after the amendment, refer to employee benefits expense in Note 26-h.

The Company operates within the food and beverage service industry. It is currently at the maturity stage of the business life cycle, as reflected by its profitability and sound financial structure. In principle, the Company applies the constant growth dividend policy as outlined in the Articles of Association. In addition, the Company must consider its capital plans and actual operating results when declaring its annual dividends. Prior to the shareholders' meeting every year, there will be a board of directors' meeting to draft the earnings distribution (i.e., cash dividends or stock dividends) and the amount to be declared. The Company's Articles also stipulate a dividends policy whereby cash dividends are must comprise a minimum of 20% of total dividends distributed. The exact proportion shall be determined per fiscal year end during the shareholders' meeting.

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

The appropriations of earnings for 2020 and 2019 that had been approved in the shareholders' meetings on July 23, 2021 and June 5, 2020, respectively, were as follows:

	Appropriation of Earnings For the Year Ended December 31		Dividends Per Share (NT$) For the Year Ended December 31	
	2020	**2019**	**2020**	**2019**
Legal reserve	$ 33,186	$ 35,646	$ -	$ -
Special reserve	(28,424)	55,378	-	-
Cash dividends	327,093	265,436	4.36	3.49

The Company's shareholders also resolved to issue cash dividends of $72,266 thousand from capital surplus in the shareholders' meeting on June 5, 2020, with a par value of $0.95.

d. Special reserve

	For the Year Ended December 31	
	2021	**2020**
Balance at January 1	$ 143,141	$ 87,763
Appropriations in respect of		
Debits to other equity items	-	55,378
Reversals		
Reversal of the debits to other items	(28,424)	-
Balance at December 31	$ 114,717	$ 143,141

e. Other equity items

Exchange differences on translating the financial statements of foreign operations

	For the Year Ended December 31	
	2021	**2020**
Balance at January 1	$ (114,717)	$ (143,141)
Recognized for the year		
Exchange differences on translating the financial statements of foreign operations	(15,638)	35,530
Related income tax	3,127	(7,106)
Balance at December 31	$ (127,228)	$ (114,717)

f. Non-controlling interests

	For the Year Ended December 31	
	2021	2020
Balance at January 1	$ 613,395	$ 965,389
Attributable to non-controlling interests:	(67,158)	(92,337)
Share of profit for the year		
Exchange differences on translating the financial statements of foreign operations	(4,751)	9,837
Acquisition of non-controlling interests in Hoppime Ltd. (Note 29)	-	(269,355)
Acquisition of non-controlling interests in new shares of Hoppime Ltd. at a percentage different from its existing ownership percentage (Note 29)	-	(139)
Increase in non-controlling interests	1,052	-
Balance at December 31	$ 542,538	$ 613,395

g. Treasury shares

Purpose of Buy-back	Shares Transferred to Employees (In Thousands of Shares)
Number of shares at January 1, 2021	992
Increase during the year	2,049
Exercise of employee share options	(1,314)
Number of shares at December 31, 2021	1,727
Number of shares at January 1, 2020	1,943
Exercise of employee share options	(951)
Number of shares at December 31, 2020	992

Under the Securities and Exchange Act, the number of shares bought back shall not exceed 10% of the total number of issued shares. The total purchase amount shall not exceed the sum of retained earnings, additional paid-in capital-premiums and realized capital surplus. The shares purchased for the purpose of transferring to employees shall be transferred within three years from the date of share repurchase. Those not transferred within the said limit shall be deemed as not issued by the Company and amendment registration shall be processed.

The Company’s board of directors decided to repurchase 3,850 thousand treasury shares and transfer them to its employees on January 27, 2021. The actual repurchased shares up to the expiration of the repurchase period were 2,049 thousand shares, the average repurchase price per share was $165.50, and the total amount was $339,104 thousand.

The Company’s board of directors decided to transfer 322 thousand treasury shares to its employees at the transfer price of $130 per treasury share on October 29, 2021, the total transfer price is $41,860, and the employee stock subscription base date is September 10, 2021.The Company had recognized compensation costs of $3,369 and increase in non-controlling interests of $1,052 on the grant date in 2021.

The Company's board of directors decided to transfer 3,723 thousand treasury shares to its employees at the transfer price of $80.51 per treasury share on March 7, 2019. The Company had recognized compensation costs of $1,444 thousand and $1,953 thousand on the grant date in 2021 and 2020, respectively.

The Company transferred 992 thousand and 951 thousand treasury shares to employees for proceeds of $79,858 thousand and $76,565 thousand on May 21, 2021 and July 6, 2020, respectively.

Under the Securities and Exchange Act, the Company shall neither pledge treasury shares nor exercise shareholders' rights on these shares, such as the rights to dividends and to vote. The subsidiaries holding treasury shares, however, retain shareholders' rights, except the rights to participate in any share issuance for cash and to vote.

25. REVENUE

	For the Year Ended December 31	
	2021	2020
Revenue from contracts with customers		
Revenue from the sale of food and beverages	$ 16,311,388	$ 15,123,787
Revenue from the sale of goods	885,549	109,960
	$ 17,196,937	$ 15,233,747

a. Contract information

1) Revenue from the sale of food and beverages

Sales of food and beverages are recognized when individual customers purchase the goods at various business locations.

2) Revenue from the sale of goods

Revenue from the Group's sale of agricultural products is recognized as revenue when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence.

b. Contract balances

	December 31, 2021	December 31, 2020	January 1, 2020
Notes receivable and trade receivables (Note 8)	$ 429,303	$ 268,519	$ 200,836
Contract liabilities			
Deferred revenue from gift vouchers	$ 2,905,529	$ 2,511,157	$ 2,442,721
Customer loyalty programs	143,509	54,060	-
Sale of goods	10,964	2,403	6,086
	$ 3,060,002	$ 2,567,620	$ 2,448,807

Revenue recognized in the current year that was included in the contract liability balance at the beginning of the year and from the performance obligations satisfied in the previous periods is as follows:

	For the Year Ended December 31	
	2021	2020
From contract liabilities at the beginning of the year		
Deferred revenue from gift vouchers	$ 658,891	$ 807,141

c. Disaggregation of revenue

	For the Year Ended December 31	
	2021	2020
Type of goods or services		
Fine dining business group	$ 9,279,164	$ 7,981,416
Chinese food business group	700,317	668,003
Fast casual business group	2,394,204	2,438,279
Hot pot business group	1,770,245	954,201
Casual dining business group	2,680,914	3,094,450
Others	372,093	97,398
	$ 17,196,937	$ 15,233,747

d. Partially completed contracts

	For the Year Ended December 31	
	2021	2020
Catering sales services		
- completed in 2021	$ -	$ 1,369,520
- completed in 2022	1,864,076	483,087
- completed in 2023	724,389	267,148
- completed in 2024	300,934	150,022
- completed in 2025	1,141	241,380
- completed in or after 2026	14,989	-
	$ 2,905,529	$ 2,511,157

The above information does not include contracts with expected durations which are equal to or less than one year.

26. NET PROFIT (LOSS) FROM CONTINUING OPERATIONS

a. Interest income

	For the Year Ended December 31	
	2021	2020
Bank deposits	$ 20,121	$ 36,628
Imputed interest on deposits	557	562
	$ 20,678	$ 37,190

b. Other income

	For the Year Ended December 31	
	2021	2020
Rental income	$ 23,714	$ 16,919
Government grants (Note 30)	269,008	-
Others	59,379	66,243
	$ 352,101	$ 83,162

c. Other gains and losses

	For the Year Ended December 31	
	2021	2020
Loss on disposal of property, plant and equipment and other intangible assets	$ (174,859)	$ (135,487)
Impairment losses	(115,233)	-
(Loss) gain on contract modification	(7,272)	10,863
Net foreign exchange losses	(17,116)	(27,857)
Demolition recovery	(22,201)	(7,703)
Others	(96,693)	(58,460)
	$ (433,374)	$ (218,644)

d. Finance costs

	For the Year Ended December 31	
	2021	2020
Interest on lease liabilities	$ 168,659	$ 103,859
Interest on bank loans	7,923	7,659
Others	5	5
	$ 176,587	$ 111,523

e. Impairment losses (recognized) reversed

	For the Year Ended December 31	
	2021	2020
Inventories (included in operating costs)	$ (4,691)	$ (1,599)
Property, plant and equipment (included in other gains and losses)	(58,319)	-
Right-of-use assets (included in other gains and losses)	(2,129)	-
Investment properties (included in other gains and losses)	(53,465)	-
Refundable deposits (included in other gains and losses)	(1,320)	-
	$ (119,924)	$ (1,599)

f. Depreciation and amortization

	For the Year Ended December 31	
	2021	**2020**
An analysis of depreciation by function		
Operating costs	$ 642,924	$ 594,169
Operating expenses	1,514,918	1,410,247
	$ 2,157,842	$ 2,004,416
An analysis of amortization by function		
Operating expenses	$ 14,665	$ 10,936

g. Employee benefits expense

	For the Year Ended December 31	
	2021	**2020**
Short-term benefits	$ 5,059,693	$ 4,730,134
Post-employment benefits (Note 23)		
Defined contribution plans	252,332	185,033
Defined benefit plans	599	1,106
	252,931	186,139
Other employee benefits	893,265	636,708
Total employee benefits expense	$ 6,205,889	$ 5,552,981
An analysis of employee benefits expense by function		
Operating costs	$ 2,811,068	$ 2,404,537
Operating expenses	3,394,821	3,148,444
	$ 6,205,889	$ 5,552,981

h. Compensation of employees and remuneration of directors and supervisors

According to the Articles of Incorporation of the Company, the Company accrues compensation of employees at rates of 0.1% to 10% and remuneration of directors and supervisors at rates no higher than 1%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors and supervisors. Since there are losses before tax in 2021, no estimates were made for the remuneration to the employees or directors and supervisors. The compensation of employees and remuneration to directors and supervisors for the year ended December 31, 2020 which have been approved by the Company’s board of directors on March 10, 2021, were as follows:

Accrual rate

	For the Year Ended December 31, 2020
Compensation of employees	0.1%
Remuneration of directors and supervisors	-

Amount

	For the Year Ended December 31, 2020
	Cash
Compensation of employees	$ 412
Remuneration of directors and supervisors	-

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

There is no difference between the actual amounts of compensation of employees and remuneration of directors and supervisors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2020 and 2019.

Information on the compensation of employees and remuneration of directors and supervisors resolved by the Company's board of directors in 2021 and 2020 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

27. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax (benefit) expense were as follows:

	For the Year Ended December 31	
	2021	2020
Current tax		
In respect of the current year	$ 1,580	$ 142,659
Adjustments for prior years	(1,752)	(4,327)
	(172)	138,332
Deferred tax		
In respect of the current year	(86,357)	(48,743)
Income tax (benefit) expense recognized in profit or loss	$ (86,529)	$ 89,589

A reconciliation of accounting profit and income tax (benefit) expense was as follows:

	For the Year Ended December 31	
	2021	2020
(Loss) profit before income tax from continuing operations	$ (258,390)	$ 345,515
Income tax (benefit) expense calculated at the statutory rate	$ (82,122)	$ 40,472
Tax-exempt income	(33,165)	-
Nondeductible expenses in determining taxable income	(26,711)	4,509
Unrecognized loss carryforwards	12,476	48,935
Unrecognized deductible temporary differences	44,745	-
Adjustments for prior years' tax	(1,752)	(4,327)
Income tax (benefit) expense recognized in profit or loss	$ (86,529)	$ 89,589

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2021	2020
Deferred tax		
In respect of the current year		
Translation of foreign operations	$ 4,315	$ (9,566)
Remeasurement of defined benefit plan	(1,037)	1,385
Total income tax recognized in other comprehensive income	$ 3,278	$ (8,181)

c. Current tax assets and liabilities

	December 31	
	2021	2020
Current tax assets		
Tax refund receivable	$ 666	$ 62
Current tax liabilities		
Income tax payable	$ 76,711	$ 88,860

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2021

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
Deferred tax assets					
Temporary differences					
Rental expense on a straight line basis	$ 54,187	$ (38,414)	$ -	$ (2,440)	$ 13,333
Write-down of inventories	542	938	-	-	1,480
Impairment loss on property, plant and equipment	81	4,822	-	255	5,158
Exchange differences on translating the financial statements of foreign operations	28,679	(1,188)	4,315	-	31,806
Exchange differences	4,506	2,604	-	-	7,110
Defined benefit obligation	22,277	(1,346)	(1,037)	-	19,894
Loss carryforwards	-	52,265	-	-	52,265
Payables for annual leave	6,347	283	-	-	6,630
Others	272	22,634	-	1,195	24,101
	$ 116,891	$ 42,598	$ 3,278	$ (990)	$ 161,777
Deferred tax liabilities					
Temporary differences					
Exchange differences	$ 19	$ (19)	$ -	$ -	$ -
Associates	121,856	(43,740)	-	-	78,116
	$ 121,875	$ (43,759)	$ -	$ -	$ 78,116

For the year ended December 31, 2020

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
Deferred tax assets					
Temporary differences					
Rental expense on a straight line basis	$ 47,122	$ 6,192	$ -	$ 873	$ 54,187
Write-down of inventories	222	320	-	-	542
Impairment loss on property, plant and equipment	81	-	-	-	81
Exchange differences on translating the financial statements of foreign operations	35,785	2,460	(9,566)	-	28,679
Exchange differences	33	4,473	-	-	4,506
Defined benefit obligation	21,351	(459)	1,385	-	22,277
Payables for annual leave	5,052	1,295	-	-	6,347
Others	-	269	-	3	272
	$ 109,646	$ 14,550	$ (8,181)	$ 876	$ 116,891
Deferred tax liabilities					
Temporary differences					
Exchange differences	$ 329	$ (310)	$ -	$ -	$ 19
Associates	155,739	(33,883)	-	-	121,856
	$ 156,068	$ (34,193)	$ -	$ -	$ 121,875

e. Income tax assessments

The income tax returns of the Company, Cheepin Restaurant Corporation and WPT Restaurant Corporation in Taiwan through 2019 have been assessed by the tax authorities. The income tax returns of the Wowfresh Corporation in Taiwan through 2018 have been assessed by the tax authorities. Tai Pin Holding Ltd., Hoppime Ltd. and Wowprime Limited are registered in Seychelles, Cayman Islands and Samoa, respectively, and they are not required to pay tax on their income. Subsidiaries in China calculate income tax expense according to local regulations.

28. (LOSS) EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2021	**2020**
Basic (loss) earnings per share	$ (1.40)	$ 4.61
Diluted (loss) earnings per share	$ (1.40)	$ 4.61

The (loss) earnings and weighted average number of ordinary shares outstanding used in the computation of (loss) earnings per share were as follows:

Net (Loss) Profit for the Year

	For the Year Ended December 31	
	2021	**2020**
(Loss) earnings used in the computation of basic (loss) earnings per share	$ (104,703)	$ 348,263
(Loss) earnings used in the computation of diluted (loss) earnings per share	$ (104,703)	$ 348,263

Weighted average number of ordinary shares outstanding (in thousands of shares) were as follows:

	For the Year Ended December 31	
	2021	**2020**
Weighted average number of ordinary shares used in the computation of basic (loss) earnings per share	74,985	75,507
Effect of potentially dilutive ordinary shares:		
Compensation of employees or bonuses issued to employees	-	4
Weighted average number of ordinary shares used in the computation of diluted (loss) earnings per share	74,985	75,511

If the Group offered to settle the compensation or bonuses paid to employees in cash or shares, the Group assumed that the entire amount of the compensation or bonuses will be settled in shares, and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

29. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

The Group acquired 13.54% ownership of Hoppime Ltd. in 2020 As a result, its percentage of ownership increased from 62.66% to 76.20%.

Hoppime Ltd setup and invested in its 95%-owned subsidiary, Shanghai Xizhu Catering Management Co., Ltd. in 2020.

The above transactions were accounted for as equity transactions, since the Group did not cease to have control over these subsidiaries.

	2020	
	Shanghai Xizhu Catering Management Co., Ltd.	**Hoppime Ltd.**
Cash consideration receive (paid)	$ 1,090	$ (281,315)
The proportionate share of the carrying amount of subsidiary's the net assets of the subsidiary transferred from non-controlling interests	(1,090)	270,584
Differences recognized from equity transactions	$ -	$ 10,731
Line items adjusted for equity transactions		
Capital surplus - difference recognized from subsidiary's equity transactions	$ -	$ (139)
Retained earnings	-	10,870
	$ -	$ 10,731

30. GOVERNMENT GRANTS

The Group applied for the Salary and Working Capital subsidy project for Business and Service Industry Adversely Affected by Covid-19, as well as government subsidies for VAT reduction and exemption. In 2021, a total of $269,008 thousand was recognized as other income.

31. CASH FLOW INFORMATION

a. Non-cash transactions

1) In addition to those disclosed in other notes, the Group entered into the following non-cash investing activities which were not reflected in the consolidated statements of cash flows for the years ended December 31, 2021 and 2020:

	For the Year Ended December 31	
	2021	2020
Acquisition of property, plant and equipment		
Increase in property, plant and equipment (including reclassified)	$ 777,756	$ 611,606
Add: Payable for purchase of equipment, balance at January 1	315,386	216,606
Decommissioning liability, balance at January 1	93,572	62,164
Less: Payable for purchase of equipment, balance at December 31	(201,488)	(315,386)
Decommissioning liability, balance at December 31	(117,470)	(93,572)
Cash payment	$ 867,756	$ 481,418

2) The Group reclassified the amounts of $319,710 thousand and $203,510 thousand from prepayments for equipment to property, plant and equipment for the year ended December 31, 2021 and 2020, respectively (see Note 12).

b. Changes in liabilities arising from financing activities

For the year ended December 31, 2021

			Non-cash Changes				
	Opening Balance	Cash Flows	New Leases	Remeasurement of Lease Contract	Remeasurement of Branch Closure	Exchange Differences	Closing Balance
Lease liabilities	$ 3,899,285	$ (1,308,607)	$ 1,815,480	$ (99,641)	$ (416,935)	$ 3,747	$ 3,893,329

For the year ended December 31, 2020

			Non-cash Changes				
	Opening Balance	Cash Flows	New Leases	Remeasurement of Lease Contract	Remeasurement of Branch Closure	Exchange Differences	Closing Balance
Lease liabilities	$ 3,787,126	$ (1,220,637)	$ 1,447,349	$ 179,717	$ (306,244)	$ 11,974	$ 3,899,285

32. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged from previous years.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity attributable to owners of the Company (comprising issued capital, reserves, retained earnings and other equity).

The Group is not subject to any externally imposed capital requirements.

33. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

Management believes the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values.

b. Categories of financial instruments

	December 31	
	2021	**2020**
Financial assets		
Financial assets at amortized cost (1)	$ 4,180,439	$ 4,412,078
Financial liabilities		
Financial liabilities at amortized cost (2)	2,789,476	2,288,410

1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, notes receivable, trade receivables, other receivables, other financial assets, and refundable deposits.

2) The balances include financial liabilities at amortized cost, which comprise short-term borrowings, notes payable, trade payables, other payables, and guarantee deposits.

c. Financial risk management objectives and policies

The Group's major financial instruments include cash and cash equivalents, trade receivables, trade payables and lease liabilities. The Group's finance department provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below):

a) Foreign currency risk

The Group had foreign currency denominated sales and purchases, which exposed the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) are set out in Note 37.

Sensitivity analysis

The Group was mainly exposed to the USD.

The following table details the Group's sensitivity to a 1% increase and decrease in the New Taiwan dollar (the functional currency) against the relevant foreign currency. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 1%. A positive number below indicates an increase in pre-tax profit associated with the New Taiwan dollar weakening 1% against the relevant currency. For a 1% strengthening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit, and the balances below would be negative.

	USD Impact	
	For the Year Ended December 31	
	2021	**2020**
Profit or loss	$ 5,189	$ 5,243

The Group's sensitivity to foreign currency decreased during the current year mainly due to the decrease in USD denominated bank deposits.

b) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings and using interest rate swap contracts and forward interest rate contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetites ensuring the most cost-effective hedging strategies are applied.

The carrying amounts of the Group's financial assets exposed to interest rate risk on the balance sheet date were as follows:

	December 31	
	2021	**2020**
Fair value interest rate risk		
Financial assets	$ 1,412,924	$ 1,033,941
Financial liabilities	4,432,249	4,099,285
Cash flow interest rate risk		
Financial assets	1,771,185	2,569,573

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period.

If interest rates had been 0.1% higher or lower and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2021 and 2020 would have increased by $1,771 thousand and $2,570 thousand, respectively.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. As of the end of the reporting period, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to failure of counterparties to discharge an obligation and financial guarantees provided by the Group could arise from the carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets.

The Group transacts with a large number of unrelated customers and, thus, no concentration of credit risk was observed.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. The Group had available unutilized short-term bank loan facilities as set out in below.

Financing facilities

	December 31	
	2021	**2020**
Unsecured bank overdraft facilities, reviewed annually and payable on demand:		
Amount used	$ 473,760	$ 200,000
Amount unused	1,217,200	546,390
	$ 1,690,960	$ 746,390
Secured bank overdraft facilities:		
Amount used	$ 65,160	$ -
Amount unused	673,320	306,390
	$ 738,480	$ 306,390

34. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed below:

a. Related party name and category

Related Party Name	Related Party Category
uniEat Co., Ltd.	Subsidiaries of associate

b. Payables to related parties

Line Item	Related Party Category/Name	December 31 2021	December 31 2020
Other payables	uniEat Co., Ltd.	$ 910	$ -

c. Acquisition of property, plant and equipment

Related Party Category/Name	Purchase Price For the Year Ended December 31 2021	Purchase Price For the Year Ended December 31 2020
uniEat Co., Ltd.	$ 7,360	$ -

d. Compensation of key management personnel

	For the Year Ended December 31 2021	For the Year Ended December 31 2020
Short-term employee benefits	$ 105,427	$ 101,845
Post-employment benefits	1,208	1,180
	$ 106,635	$ 103,025

The remuneration of directors and key executives was determined by the remuneration committee based on individual performance and market trends.

35. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for letters of credit application and security deposits for issuing gift vouchers:

	December 31 2021	December 31 2020
Pledged deposits	$ 164,244	$ 120,787
Reserve account	30,222	34,783
Investment properties	640,749	717,622
	$ 835,215	$ 873,192

36. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group as of December 31, 2021 and 2020 were as follows:

Significant Commitments

a. As of December 31, 2021 and 2020, unused letters of credit for purchases of raw materials amounted to approximately US$625 thousand and US$460 thousand, respectively.

b. Unrecognized commitments were as follows:

	December 31	
	2021	2020
Acquisition of property, plant and equipment	$ 81,853	$ 44,447

c. As of December 31, 2021 and 2020, the Group had a line of credit to sell gift vouchers, of which $1,756,406 thousand and $1,519,738 thousand had been drawn, respectively.

37. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Group and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

December 31, 2021

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 18,234,709	27.68 (USD:NTD)	$ 504,736
JPY	17,628,206	0.2405 (JPY:NTD)	4,240
USD	511,665	6.3674 (USD:RMB)	14,163
NTD	4,061,471	0.2302 (NTD:RMB)	4,061
			$ 527,200

December 31, 2020

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 16,074,121	28.48 (USD:NTD)	$ 457,791
USD	2,334,840	6.5249 (USD:RMB)	66,496
JPY	1,025,859	0.2763 (JPY:NTD)	283
NTD	2,228,079	0.2285 (NTD:RMB)	2,228
			$ 526,798

The Group is mainly exposed to the USD. The following information was aggregated by the functional currencies of the entities in the Group, and the exchange rates between the respective functional currencies and the presentation currency were disclosed. The significant realized and unrealized foreign exchange gains (losses) were as follows:

	For the Year Ended December 31			
	2021		2020	
Functional Currency	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Gain (Loss)
NTD	1 (NTD:NTD)	$ (16,536)	1 (NTD:NTD)	$ (23,730)
RMB	4.344 (RMB:NTD)	(580)	4.377 (RMB:NTD)	(4,127)
		$ (17,116)		$ (27,857)

38. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions and investees:

1) Financing provided to others. (Table 1)

2) Endorsements/guarantees provided. (Table 2)

3) Marketable securities held (excluding investment in subsidiaries, associates and joint ventures). None

4) Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital. None

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital. None

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital. None

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Table 3)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital. None

9) Trading in derivative instruments. (Note 7)

10) Intercompany relationships and significant intercompany transactions. (Table 4)

11) Information on investees. (Table 5)

b. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 6)

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: None

   a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.

   b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.

   c) The amount of property transactions and the amount of the resultant gains or losses.

   d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.

   e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.

   f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services.

c. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder. None

39. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Group’s reportable segments were as follows:

Taiwan
- Wang Steak
- Chamonix
- Ikki
- Yakiyan
- Tasty
- Tokiya
- Putien
- Giguo
- Pintian
- 12 Hot Pot
- Others

Mainland China
- Wang Steak
- Tasty
- Madam Goose
- Others

a. Segment revenue and results

The following was an analysis of the Group's revenue and results from continuing operations by reportable segment:

	For the Year Ended December 31			
	2021		2020	
	Segment Revenue	Segment Profit	Segment Revenue	Segment Profit
Taiwan	$ 10,757,603	$ (34,726)	$ 10,523,948	$ 716,220
Mainland China	6,439,334	13,799	4,709,799	(160,890)
Total for continuing operations	$ 17,196,937	$ (20,927)	$ 15,233,747	$ 555,330
Interest income		$ 20,678		$ 37,190
Rental income		23,714		16,919
Share of (loss) profit of associates and joint ventures		(281)		-
Loss on disposal of property, plant and equipment		(174,856)		(135,487)
Loss on disposals of other intangible assets		(3)		-
Exchange loss		(17,116)		(27,857)
Inpairment loss		(115,233)		-
Finance costs		(176,587)		(111,523)
Government grants		171,680		-
General revenue		156,707		66,243
General expense		(126,166)		(55,300)
(Loss) profit before tax (from continuing operations)		$ (258,390)		$ 345,515

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales during the years ended December 31, 2021 and 2020.

Segment profit represented the profit before tax earned by each segment without allocation of central administration costs and directors' salaries, investment income or loss recognized under the equity method, interest income, gain or loss on disposal of property, plant and equipment, exchange gain or loss, finance costs and income tax expense. This was the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

b. Segment total assets

	December 31	
	2021	2020
Taiwan	$ 8,326,358	$ 7,781,932
Mainland China	5,183,665	5,504,262
Total from continuing operations	$ 13,510,023	$ 13,286,194

c. Revenue from major products and services

The Group's revenue from continuing operations from its major products and services was divided into segments. Refer to the disclosure regarding segment revenue for more details.

d. Geographical information

The Group operates in two principal geographical areas - Taiwan and mainland China. The Group's revenue from continuing operations from external customers by location of operations is detailed below:

	Revenue from External Customers	
	For the Year Ended December 31	
	2021	2020
Taiwan	$ 10,757,603	$ 10,523,948
Mainland China	6,439,334	4,709,799
	$ 17,196,937	$ 15,233,747

e. Information about major customers

No revenue from any individual customer exceeded 10% of the Group's revenue for the years ended December 31, 2021 and 2020.

WOWPRIME CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Lender	Borrower	Financial Statement Account (Note 2)	Related Party	Highest Balance for the Period (Note 3)	Ending Balance	Actual Amount Borrowed	Interest Rate	Nature of Financing (Note 4)	Business Transaction Amount (Note 5)	Reasons for Short-term Financing (Note 6)	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit	Note
													Item	Value			
0	Wowprime Co., Ltd.	Wowfresh Corporation	Other receivables	Yes	$ 100,000	$ 100,000	$ -	-	Short-term financing	$ -	Supporting the subsidiary’s short-term operating requirements	$ -	-	$ -	$ 1,132,554	$ 1,132,554	7
		WPT Restaurant Corporation	Other receivables	Yes	50,000	50,000	-	-	Short-term financing	-	Supporting the subsidiary’s short-term operating requirements	-	-	-	1,132,554	1,132,554	7
1	Wowprime (Beijing) Co., Ltd.	Wowprime (China) Co., Ltd.	Other receivables	Yes	43,907	43,554	-	-	Short-term financing	-	Supporting short-term operating requirements	-	-	-	66,121	66,121	8
2	Wowprime (China) Co., Ltd.	Shanghai Wanxin International Trade Co., Ltd.	Other receivables	Yes	217,770	217,770	-	-	Short-term financing	-	Supporting short-term operating requirements	-	-	-	836,739	836,739	9
		Shanghai Hoppime Catering Management Co., Ltd.	Other receivables	Yes	130,662	130,662	21,777	3.85	Short-term financing	-	Supporting short-term operating requirements	-	-	-	836,739	836,739	9
		Shanghai Xizhu Catering Management Co., Ltd.	Other receivables	Yes	43,554	43,554	-	-	Short-term financing	-	Supporting short-term operating requirements	-	-	-	836,739	836,739	9

Note 1: Numbering sequence is as follows:

a. The issuer is numbered 0.
b. Investees are numbered sequentially starting from the number 1.

Note 2: The financial statement account must be disclosed if the related party transactions (i.e. receivables, payables, shareholder’s accounts, prepayments, temporary payments, etc.) are of financing nature.

Note 3: The highest amount of financing provided to others throughout the fiscal year.

Note 4: The nature of financing - i.e. short-term financing or for business transaction purposes.

Note 5: If the nature of financing is for business transaction purposes, the aggregate amount transacted throughout the fiscal year should be disclosed.

Note 6: If the nature of financing is for short-term operations, the purpose should be disclosed i.e. repaying a loan, financing an asset purchase or working capital, etc.

Note 7: The total amount for lending to a company shall not exceed forty percent (40%) of the net worth of Wowprime Co., Ltd. ($2,831,386 thousand × 40% = $1,132,554 thousand). In addition, the total amount loanable to any one borrower shall be no more than forty percent (40%) of the net worth of Wowprime Co., Ltd. ($2,831,386 thousand × 40% = $1,132,554 thousand).

Note 8: The total amount for lending to a company shall not exceed forty percent (40%) of the net worth of Wowprime (Beijing) Co., Ltd. ($165,302 thousand × 40% = $66,121 thousand). In addition, the total amount loanable to any one borrower shall be no more than forty percent (40%) of the net worth of Wowprime Co., Ltd. ($165,302 thousand × 40% = $66,121 thousand).

Note 9: The total amount for lending to a company shall not exceed forty percent (40%) of the net worth of Wowprime (China) Co., Ltd. ($2,091,848 thousand × 40% = $836,739 thousand). In addition, the total amount loanable to any one borrower shall be no more than forty percent (40%) of the net worth of Wowprime Co., Ltd. ($2,091,848 thousand × 40% = $836,739 thousand).

WOWPRIME CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 3)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 3)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship (Note 2)											
0	Wowprime Co., Ltd.	Wowfresh Corporation	b	$ 566,277	$ 600,000	$ 600,000	$ 354,001	$ -	21.19	$ 1,132,554	Y	N	N	
		Wowprime (China) Co., Ltd.	b	566,277	284,070	277,559	-	-	9.80	1,132,554	Y	N	Y	

Note 1: Numbering sequence is as follows:

a. The issuer is numbered 0

Note 2:: Relationships between the endorsement/guarantee provider and the guaranteed party:
a. A company with which it does business.
b. A company in which the Company directly and indirectly holds more than 50 percent of the voting shares.
c. A company that directly and indirectly holds more than 50 percent of the voting shares in the Company.
d. Companies in which the Company holds, directly or indirectly, 90% or more of the voting shares.
e. The Company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
f. All capital contributing shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages.
g. Companies in the same industry provide among themselves jointly and severally guarantee for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3: Aggregate endorsement/guarantee limit: Shall not exceed forty percent (40%) of net worth of Wowprime Co., Ltd. ($$2,831,386 thousand × 40% = $1,132,554 thousand). In addition, the total lending amount loanable to any one borrower shall be no more than twenty percent (20%) of the net worth of Wowprime Co., Ltd. ($$2,831,386 thousand × 20% = $566,277 thousand).

WOWPRIME CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction (Note 1)		Notes/Accounts Receivable (Payable)		Note (Note 2)
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Wowprime Co., Ltd.	Wowfresh Corporation	Subsidiary	Purchase	$ 2,334,545	80.37	According to the Company's credit period to related parties	According to Company's policy	-	Trade payables $ -	-	According to the Company's credit period to related parties
Cheerpin Restaurant Corporation	Wowfresh Corporation	Brother	Purchase	784,597	95.79	According to the Company's credit period to related parties	According to Company's policy	-	Trade payables (89,319)	0.76	According to the Company's credit period to related parties
Shanghai Wanxin International Trade Co., Ltd.	Wowprime (China) Co., Ltd.	Subsidiary	Purchase	345,574	61.53	According to the Company's credit period to related parties	According to Company's policy	-	Trade payables (30,805)	0.36	According to the Company's credit period to related parties

Note 1: If the related party transaction conditions are different from the general transaction conditions, the circumstances and reasons for the difference shall be stated in the column of unit price and credit period.

Note 2: If there is an advance receipt (payment) situation, the reason, contract terms, amount and the difference from the general transaction type should be stated in the remarks column.

Note 3: Shares issued and fully paid refers to the shares issued and fully paid of the parent company. If the issuer's shares have no denomination or the denomination per share is not NT$10, the transaction amount of 20% of the shares issued and fully paid is calculated based on the 10% equity attributable to the owner of the parent company on the balance sheet.

Note 4: The above transactions with related parties have been eliminated in the consolidated financial statements.

TABLE 4

WOWPRIME CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Total Sales or Assets (Note 3)
0	Wowprime Co., Ltd.	Wowfresh Corporation	a	Purchases	$ 2,334,545	-	13.58
1	Cheerpin Restaurant Corporation	Wowfresh Corporation	c	Purchases	784,597	-	4.56
2	Shanghai Wanxin International Trade Co., Ltd.	Wowprime (China) Co., Ltd.	c	Purchases	345,574	-	2.01

Note 1: Parties to the intercompany transactions are identified and numbered as follows:

a. “0” for parent company
b. Subsidiaries are numbered from “1”

Note 2: The flow of related-party transactions is as follows:

a. From the parent company to its subsidiary
b. From a subsidiary to its parent company
c. Between subsidiaries

Note 3: For assets and liabilities, percentage is based on the consolidated total assets as of the end of the period; for revenue, costs and expenses, percentage is based on the consolidated total operating revenue as of the end of the period.

WOWPRIME CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2021			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2021	December 31, 2020	Number of Shares	%	Carrying Amount			
Wowprime Co., Ltd.	Tai Pin Holding Ltd. (Seychelles)	Seychelles	Investment	$ 1,440,629	$ 1,440,629	18,617,134	100.00	$ 1,719,444	$ (220,539)	$ (220,539)	Note 1
	WPT Restaurant Corporation	Taiwan	Catering and catering management	100,000	200,000	10,000,000	100.00	60,726	(31,981)	(31,981)	Note 1
	Wowprime USA Holding Ltd. (Samoa)	Samoa	Investment	24,069	24,069	762,500	100.00	22,614	1,832	1,832	Note 2
				(US$ 762,500)	(US$ 762,500)			(US$ 816,972)	(US$ 64,603)	(US$ 64,603)	
	Cheerpin Restaurant Corporation	Taiwan	Catering and catering management	300,000	300,000	30,000,000	100.00	336,315	16,434	16,434	Note 1
	Wowfresh Corporation	Taiwan	Fresh food trading	500,000	500,000	50,000,000	100.00	513,068	10,039	10,039	Note 1
	Jiechuang Investment Co., Ltd.	Taiwan	Investment	11,000	10,000	1,100,000	100.00	10,585	(347)	(347)	Note 1
	DuDoo Ltd. (Cayman)	Cayman	Investment	74,828	-	209,497	14.98	74,833	1,078	5	Note 2
				(US$ 2,422,872)	(US$ -)			(US$ 2,423,062)	(US$ 38,494)	(US$ 190)	
Jiechuang Investments Co., Ltd.	We Dao Ltd.	Taiwan	Catering	10,000	-	200,000	20.00	9,714	(2,001)	(286)	Note 2
Tai Pin Holding Ltd. (Seychelles)	Hoppime Ltd. (Cayman)	Cayman	Investment	1,364,892	1,364,892	19,219,855	76.20	1,734,369	(281,253)	(214,315)	Note 1
				(RMB 301,143,890)	(RMB 301,143,890)			(RMB 399,256,200)	(RMB (64,879,703))	(RMB (49,438,333))	
Hoppime Ltd. (Cayman)	Wowprime Limited (Samoa)	Samoa	Investment	1,142,672	1,142,672	-	100.00	2,257,153	(243,079)	(243,079)	Note 1
				(RMB 249,618,611)	(RMB 249,618,611)			(RMB 519,602,372)	(RMB (56,082,530))	(RMB (56,082,530))	

Note 1: The investment gain (loss) was recognized based on the financial statement audited by the same auditors for the same period.

Note 2: The investment gain (loss) was recognized based on the financial statement provided by the Company that have not been audited.

WOWPRIME CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. Investee companies, main businesses, paid-in capital, method of investment, accumulated outward remittance for investment, percentage of ownership of investment, net income (loss) of investee, investment gain (loss), and the carrying amount:

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2021	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2021	Net Income (Loss) of Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2 b (2).)	Carrying Amount as of December 31, 2021	Accumulated Repatriation of Investment Income as of December 31, 2021
					Outflow	Inflow						
Wowprime (China) Co., Ltd.	Catering and catering management	$ 746,420 (RMB 161,635,404)	Note 1 (2)	$ 364,079 (US$ 12,272,235)	$ -	$ -	$ 364,079 (US$ 12,272,235)	$ (247,119) (RMB (57,031,596))	76.20	$ (188,304) (RMB (43,458,076))	$ 1,593,988 (RMB 366,940,261)	$ 207,023 (US$ 6,813,742)
Wowprime (Beijing) Management Co., Ltd.	Catering and catering management	118,608 (RMB 24,673,989)	Note 1 (2)	92,639 (US$ 3,057,046)	-	-	92,639 (US$ 3,057,046)	4,040 (RMB 949,078)	76.20	3,078 (RMB 723,198)	125,960 (RMB 28,996,347)	15,439 (US$ 512,838)
Shanghai Qun ze yi Enterprise Management Co., Ltd.	Catering management	20,990 (RMB 4,800,000)	Note 1 (2)	- (US$ -)	-	-	- (US$ -)	(4,182) (RMB (950,167))	76.20	(3,187) (RMB (724,027))	12,200 (RMB 2,808,361)	-
Shanghai WanXin International Trade Co., Ltd.	Fresh food trade	23,986 (RMB 5,500,000)	Note 1 (2)	- (US$ -)	-	-	- (US$ -)	(4,557) (RMB (1,031,229))	76.20	(3,472) (RMB (785,796))	14,633 (RMB 3,368,591)	-
Shanghai Hoppime Catering Management Co., Ltd.	Catering and catering management	86,413 (RMB 20,000,000)	Note 1 (2)	- (US$ -)	-	-	- (US$ -)	(97,060) (RMB (22,361,538))	76.20	(73,960) (RMB (17,039,492))	(7,941) (RMB (1,828,042))	-
Shanghai Xizhu Catering Management Co., Ltd.	Catering and catering management	21,895 (RMB 5,000,000)	Note 1 (2)	- (US$ -)	-	-	- (US$ -)	(4,396) (RMB (998,885))	72.39	(3,183) (RMB (723,093))	12,046 (RMB 2,773,127)	-

Note 1: The 3 methods of investment are as follows:

a. Wowprime Co., Ltd. invested directly in China.
b. Wowprime Co., Ltd. indirectly invested in China through company in the third region.
c. Other.

Note 2: The amount recognized in investment income in the current year:

a. Should be noted if currently under arrangement and not generating investment income.

b. The basis of investment is classified as follows:

1) Amount was recognized based on the financial statements audited by international audit firms with affiliations in the ROC.
2) Amount was recognized based on the parent company’s audited financial statements.
3) Other.

2. Investment limit on investments in China

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2021	Investment Amounts Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by the Investment Commission, MOEA
$ 663,715 (US$ 22,101,331)	$ 977,223 (US$ 32,622,913)	$ 1,698,832

Note 3: According to Regulations Governing the Approval of Investment or Technical Cooperation in Mainland China administered by the Foreign Investment Commission, the amount is limited to the higher of the net worth of the investment company or 60% of the consolidated net worth.

3. Significant events arising from direct or indirect transactions with investee companies in China through a third party: None.

4. Situations where the Company directly or indirectly provides endorsement, guarantee, or collateral to investee companies in China through a third party: None.

5. Situations where the Company directly or indirectly provides financing of capital to investee companies in China through a third party: None.

6. Transactions with material effects on the net income (loss) of the Company: None.