Wowprime Co., Ltd.

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

Deloitte.

勤業眾信

勤業眾信聯合會計師事務所
11073 台北市信義區松仁路100號20樓

Deloitte & Touche
20F, Taipei Nan Shan Plaza
No. 100, Songren Rd.,
Xinyi Dist., Taipei 11073, Taiwan

Tel :+886 (2) 2725-9988
Fax:+886 (2) 4051-6888
www.deloitte.com.tw

INDEPENDENT AUDITORS' REPORT

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

Opinion

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

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 Financial Statements section of our report. We are independent of the Company 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 financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the 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 Company's financial statements for the year ended December 31, 2021 is stated as follows:

Accuracy of Catering Revenue Recognition for Specific Brands

The Company 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(m).

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.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company 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 Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Company'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 Company'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 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 Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the 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 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 financial statements are intended only to present the 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 financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. 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 financial statements shall prevail.

WOWPRIME CO., LTD.

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)	$ 1,226,332	14	$ 1,054,384	12
Financial assets at amortized cost - current (Note 7)	1,193,364	14	1,642,547	19
Notes receivable (Note 8)	-	-	1,608	-
Trade receivables (Note 8)	201,333	2	127,673	1
Current tax assets (Note 24)	629	-	-	-
Inventories (Note 9)	147,038	2	97,026	1
Prepayments (Notes 14 and 30)	74,672	1	23,921	-
Other financial assets - current (Notes 15 and 31)	362	-	8,882	-
Other current assets (Notes 16 and 30)	43,392	-	86,370	1
Total current assets	2,887,122	33	3,042,411	34
NON-CURRENT ASSETS				
Investments accounted for using the equity method (Note 10)	2,737,585	32	2,978,422	34
Property, plant and equipment (Notes 11 and 30)	1,149,481	13	1,063,467	12
Right-of-use assets (Note 12)	1,648,413	19	1,475,342	17
Other intangible assets (Notes 13 and 30)	6,148	-	10,038	-
Deferred tax assets (Note 24)	115,800	1	60,558	1
Prepaid equipment	2,573	-	45,336	-
Other non-current assets (Note 16)	134,275	2	206,266	2
Total non-current assets	5,794,275	67	5,839,429	66
TOTAL	$ 8,681,397	100	$ 8,881,840	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Contract liabilities - current (Note 22)	$ 2,933,462	34	$ 2,449,451	28
Notes payable (Note 17)	50,432	-	48,037	1
Trade payables (Notes 17 and 30)	102,760	1	326,806	4
Other payables (Notes 18 and 30)	778,574	9	742,958	8
Current tax liabilities (Note 24)	52,150	1	62,582	1
Lease liabilities - current (Note 12)	363,341	4	307,863	3
Other current liabilities	3,549	-	4,634	-
Total current liabilities	4,284,268	49	3,942,331	45
NON-CURRENT LIABILITIES				
Provisions - non-current (Note 19)	43,645	1	39,567	-
Deferred tax liabilities (Note 24)	78,116	1	121,856	1
Lease liabilities - non-current (Note 12)	1,252,497	14	1,124,310	13
Net defined benefit liabilities - non-current (Note 20)	99,472	1	111,386	1
Guarantee deposits received	92,013	1	58,273	1
Total non-current liabilities	1,565,743	18	1,455,392	16
Total liabilities	5,850,011	67	5,397,723	61
EQUITY (Note 21)				
Ordinary shares	769,879	9	769,879	9
Capital surplus	1,791,541	21	1,797,170	20
Retained earnings				
Legal reserve	669,833	8	636,647	7
Special reserve	114,717	1	143,141	1
(Accumulated deficit) unappropriated earnings	(101,543)	(1)	331,855	4
Total retained earnings	683,007	8	1,111,643	12
Other equity	(127,228)	(2)	(114,717)	(1)
Treasury shares	(285,813)	(3)	(79,858)	(1)
Total equity	2,831,386	33	3,484,117	39
TOTAL	$ 8,681,397	100	$ 8,881,840	100

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

WOWPRIME CO., LTD.

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 22)	$ 8,095,703	100	$ 8,000,901	100
OPERATING COSTS (Notes 9, 23 and 30)	(4,405,666)	(54)	(4,107,417)	(51)
GROSS PROFIT	3,690,037	46	3,893,484	49
OPERATING EXPENSES (Note 23)				
Selling and marketing expenses	(3,342,873)	(42)	(3,037,253)	(38)
General and administrative expenses	(423,414)	(5)	(362,161)	(5)
Research and development expenses	(16,976)	-	(16,650)	-
Total operating expenses	(3,783,263)	(47)	(3,416,064)	(43)
(LOSS)PROFIT FROM OPERATIONS	(93,226)	(1)	477,420	6
NON-OPERATING INCOME AND EXPENSES (Notes 23 and 30)				
Interest income	10,942	-	22,660	-
Other income	234,982	3	86,990	1
Other gains and losses	(114,600)	(1)	(91,826)	(1)
Finance costs	(15,137)	-	(12,751)	-
Share of loss of profit or associates and joint ventures	(224,557)	(3)	(70,575)	(1)
Total non-operating income and expenses	(108,370)	(1)	(65,502)	(1)
(LOSS) PROFIT BEFORE INCOME TAX	(201,596)	(2)	411,918	5
INCOME TAX BENEFIT (EXPENSE) (Note 24)	96,893	1	(63,655)	-
NET (LOSS) PROFIT FOR THE YEAR	(104,703)	(1)	348,263	5

(Continued)

WOWPRIME CO., LTD.

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**	**%**
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 20)	$ 5,186	-	$ (6,923)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 24)	(1,037)	-	1,385	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations (Note 21)	(15,638)	-	35,530	-
Income tax relating to items that may be reclassified subsequently to profit or loss (Notes 21 and 24)	3,127	-	(7,106)	-
Other comprehensive income (loss) for the year, net of income tax	(8,362)	-	22,886	-
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE YEAR	$ (113,065)	(1)	$ 371,149	5
(LOSS) EARNINGS PER SHARE (Note 25)				
Basic	$ (1.40)		$ 4.61	
Diluted	$ (1.40)		$ 4.61	

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

WOWPRIME CO., LTD.

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

	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 21)	Total
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
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)
Other changes in capital surplus									
Issuance of cash dividends from capital surplus	-	-	(72,266)	-	-	-	-	-	(72,266)
Net profit for the year ended December 31, 2020	-	-	-	-	-	348,263	-	-	348,263
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	-	(5,538)	28,424	-	22,886
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	-	342,725	28,424	-	371,149
Treasury share transactions	-	-	-	-	-	-	-	76,565	76,565
Differences between the equity purchase price and the carrying amount arising from the actual acquisition or disposal of subsidiaries	-	-	-	-	-	(10,870)	-	-	(10,870)
Changes in percentage of ownership interests in subsidiaries (Note 21)	-	-	139	-	-	-	-	-	139
Share-based payment	-	-	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
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)
Net loss for the year ended December 31, 2021	-	-	-	-	-	(104,703)	-	-	(104,703)
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	4,149	(12,511)	-	(8,362)
Total comprehensive loss for the year ended December 31, 2021	-	-	-	-	-	(100,554)	(12,511)	-	(113,065)
Treasury share transactions	-	-	(10,442)	-	-	(989)	-	(205,955)	(217,386)
Share-based payment	-	-	4,813	-	-	-	-	-	4,813
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

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

WOWPRIME CO., LTD.

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	$ (201,596)	$ 411,918
Adjustments for:		
Depreciation expenses	807,653	721,427
Amortization expenses	6,338	4,479
Finance costs	15,137	12,751
Interest income	(10,942)	(22,660)
Share-based payment awards	1,444	1,953
Share of loss (profit) of subsidiaries, associates and joint ventures	224,557	70,575
Loss on disposal of property, plant and equipment	46,169	55,772
Impairment loss recognized on non-financial assets	19,865	-
Reversal of write-down of inventories	-	(1,110)
Loss on lease modification	3,864	1,871
Changes in operating assets and liabilities		
Notes receivable	1,608	(1,128)
Trade receivables	(73,660)	(7,199)
Inventories	(50,012)	47,739
Prepayments	(50,751)	126,596
Other current assets	42,903	133,425
Contract liabilities	484,011	139,728
Notes payable	2,395	11,619
Trade payables	(224,046)	38,990
Other payables	99,296	(13,062)
Other current liabilities	(1,085)	890
Net defined benefit liabilities	(6,728)	(2,293)
Cash generated from operations	1,136,420	1,732,281
Interest paid	(15,137)	(12,751)
Income tax paid	(11,060)	(75,348)
Net cash generated from operating activities	1,110,223	1,644,182
CASH FLOWS FROM INVESTING ACTIVITIES		
Disposal of financial assets in amortized cost	449,183	153,797
Acquisition of long-term equity investments adopting the equity method (Note 30)	(51,000)	(407,338)
Payments for property, plant and equipment	(547,502)	(381,727)
Proceeds from disposal of property, plant and equipment	82	12,055
Increase in refundable deposits	(2,837)	(4,120)
Payments for intangible assets	(2,892)	(9,128)
Proceed from disposal of intangible assets	444	295
Payments for right-of-use assets	(20,757)	(18,729)
Decrease (increase) in other financial assets	8,520	(6,907)
Increase in prepayments for equipment	(2,573)	(45,336)

(Continued)

WOWPRIME CO., LTD.

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

	2021	2020
Interest received	$ 11,017	$ 23,860
Dividends received from subsidiaries	129,839	76,347
Net cash used in investing activities	(28,476)	(606,931)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from guarantee deposits received	33,740	41,989
Repayment of the principal portion of lease liabilities	(399,060)	(365,723)
Dividends paid	(327,093)	(337,702)
Costs for treasury stock buyback (Note 21)	(339,104)	-
Treasury shares transferred to employees	121,718	76,565
Net cash used in financing activities	(909,799)	(584,871)
NET INCREASE IN CASH AND CASH EQUIVALENTS	171,948	452,380
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,054,384	602,004
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 1,226,332	$ 1,054,384

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

WOWPRIME CO., LTD.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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.

The financial statements are presented in the Company's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements of the company 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 Company'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 financial statements were authorized for issue, the Company has assessed that the application of other standards and interpretations will not have a material impact on the Company'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 financial statements were authorized for issue, the Company is continuously assessing the possible impact that the application of other standards and interpretations will have on the Company'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 financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of preparation

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

When preparing the financial statements, the Company used the equity method to account for its investments in subsidiaries, associates and joint ventures. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the financial statements to be the same with the amounts attributable to the owners of the Company in its consolidated financial statements, adjustments arising from the differences in accounting treatments between the parent company only basis and the consolidated basis were made to investments accounted for using the equity method, share of profits of subsidiaries, associates and joint ventures for using the equity method and other related equity items in the financial statements.

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 financial statements are authorized for issue; and

3) Liabilities for which the Company 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. Foreign currencies

In preparing the Company’s financial statements, transactions in currencies other than the Company’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 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).

e. 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.

f. Investments in subsidiaries

The Company uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity that is controlled by the Company.

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

Changes in the Company's ownership interest in a subsidiary that do not result in the Company losing control of the subsidiary are accounted for as equity transactions. The Company recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

Profits or loss resulting from downstream transactions is eliminated in full only in the parent company only financial statements. Profits and loss resulting from upstream transactions and transactions between subsidiaries is recognized only in the parent company only financial statements only to the extent of interests in the subsidiaries that are not related to the Company.

g. Investments in associates

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

The Company 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 Company's share of the profit or loss and other comprehensive income of the associate. The Company also recognizes the changes in the Company's share of the equity of associates.

Any excess of the cost of acquisition over the Company'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 Company'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 Company 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 Company's proportionate interest in the associate. The Company records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in the Company's share of the equity of associates. If the Company'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 Company'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 Company's net investment in the associate), the Company discontinues recognizing its share of further loss, if any. Additional losses and liabilities are recognized only to the extent that the Company 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 Company 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 Company 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 Company continues to apply the equity method and does not remeasure the retained interest.

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

h. Property, plant and equipment

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

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

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. 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.

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

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment, right-of-use asset 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 Company 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 Company 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 Company 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.

k. Financial instruments

Financial assets and financial liabilities are recognized when an entity in the Company 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 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 Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

The Company always recognizes lifetime expected credit losses (ECLs) for trade receivables. For all other financial instruments, the Company 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 Company 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 Company determines that the following situations indicate that a financial asset is in default (without taking into account any collateral held by the Company):

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 Company 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 Company 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.

l. 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.

m. Revenue recognition

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

Revenue from the sale of goods

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 Company 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.

n. Leasing

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

The Company as lessee

The Company 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 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 Company 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 Company 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 balance sheets.

The Company 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.

o. Government grants

Government grants are not recognized until there is reasonable assurance that the Company 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 Company 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 Company with no future related costs are recognized in profit or loss in the period in which they are received.

p. 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 Company’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.

q. 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 Company’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 Company 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.

r. Taxation

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

1) Current tax

According to the Income Tax Law 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 Company 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 Company 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 the acquisition of a subsidiary, the tax effect is included in the accounting for the investments in a subsidiary.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company'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 Company 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	$ 78,290	$ 27,741
Checking accounts and demand deposits	1,148,042	1,026,643
	$ 1,226,332	$ 1,054,384

7. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2021	**2020**
<u>Current</u>		
Time deposits with original maturities of more than 3 months	$ 1,193,364	$ 1,642,547

a. The ranges of interest rates for time deposits with original maturities of more than 3 months were approximately 0.07% to 0.81% and 0.46% 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 31.

8. NOTES RECEIVABLE AND TRADE RECEIVABLES

	December 31 2021	December 31 2020
Notes receivable		
At amortized cost		
Gross carrying amount	$ -	$ 1,608
Less: Allowance for impairment loss	-	-
	$ -	$ 1,608
Trade receivables		
At amortized cost		
Gross carrying amount	$ 201,333	$ 127,673
Less: Allowance for impairment loss	-	-
	$ 201,333	$ 127,673

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 Company earns its revenue on a cash basis or via credit card sales to individual customers. In determining the collectability of trade receivables, the Company assesses any changes in credit quality from the start of the credit period to the balance sheet date.

The Company 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 Company'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 Company's different customer base.

The following table details the loss allowance of notes receivable and trade receivables based on the Company'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	$ 184,890	$ 16,207	$ 63	$ -	$ 173	$ 201,333
Loss allowance (Lifetime ECLs)	-	-	-	-	-	-
Amortized cost	$ 184,890	$ 16,207	$ 63	$ -	$ 173	$ 201,333

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	$ 121,281	$ 7,787	$ 178	$ 31	$ 4	$ 129,281
Loss allowance (Lifetime ECLs)	-	-	-	-	-	-
Amortized cost	$ 121,281	$ 7,787	$ 178	$ 31	$ 4	$ 129,281

9. INVENTORIES

	December 31	
	2021	2020
Raw materials	$ 146,905	$ 96,997
Finished goods	133	29
	$ 147,038	$ 97,026

The cost of inventories recognized as the cost of goods sold for the years ended December 31, 2021 and 2020 was $4,405,666 thousand and $4,107,417 thousand, respectively. The cost of goods sold for the year ended December 31, 2020 included inventory write-downs reversed of $1,110 thousand. Inventory write-downs were reversed as a result of selling the inventory that had been written down.

10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2021	2020
Investments in subsidiaries	$ 2,662,752	$ 2,978,422
Investments in associate	74,833	-
	$ 2,737,585	$ 2,978,422

a. Investments in subsidiaries

	December 31	
	2021	2020
Tai Pin Holding Ltd.	$ 1,719,444	$ 1,951,606
WPT Restaurant Corporation	60,726	42,707
Cheerpin Restaurant Corporation	336,315	425,800
Wowfresh Corporation	513,068	526,949
Jeichuang Investment Co., Ltd.	10,585	9,932
Wowprime USA Holding Ltd. (Samoa)	22,614	21,428
	$ 2,662,752	$ 2,978,422

Name of Subsidiary	Proportion of Ownership and Voting Rights December 31 2021	2020
Tai Pin Holding Ltd.	100%	100%
WPT Restaurant Corporation	100%	100%
Cheerpin Restaurant Corporation	100%	100%
Wowfresh Corporation	100%	100%
Jeichuang Investment Co., Ltd.	100%	100%
Wowprime USA Holding Ltd. (Samoa)	100%	100%

The investments in subsidiaries accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments, aside from Wowprime USA Holding Ltd., were calculated based on their financial statements not audited by CPAs; the other subsidiaries were based on the subsidiaries' financial statements which have been audited for the same years.

Refer to Table 4 for the details of the subsidiaries indirectly held by the Company.

b. Investments in associate

	December 31, 2021
Associate that is not individually material	
DUDOO LTD. (Cayman)	$ 74,833

	For the Year Ended December 31
The Company's share of:	
Profit from continuing operations	$ 5
Total comprehensive income for the year	$ 5

In 2021, the Company acquired the share of 14.98% of DUDOO LTD. (Cayman)'s equity. Included in the cost of investments in the associate is the premium of $55,289 thousand.

The Company 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 Company has the power to appoint the directors of those companies under the associates' articles of incorporation.

Investments in 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 DUDOO LTD. (Cayman) which have not been audited.

11. PROPERTY, PLANT AND EQUIPMENT

	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	$ 660,054	$ 85,885	$ 686,008	$ 1,145,317	$ 89,818	$ 2,851,195
Additions	26,580	4,720	108,358	14,770	109,180	202,886	21,406	487,900
Reclassifications	-	39,500	851	-	-	4,985	-	45,336
Disposals	-	-	(116,535)	(11,054)	(120,616)	(188,738)	(12,035)	(448,978)
Balance at December 31, 2021	$ 122,505	$ 132,408	$ 652,728	$ 89,601	$ 674,572	$ 1,164,450	$ 99,189	$ 2,935,453
Accumulated depreciation and impairment								
Balance at January 1, 2021	$ -	$ 46,371	$ 434,969	$ 56,273	$ 479,946	$ 697,158	$ 73,011	$ 1,787,728
Depreciation expenses	-	4,108	90,695	10,992	94,532	171,945	9,172	381,444
Disposals	-	-	(105,630)	(9,736)	(110,699)	(166,013)	(10,649)	(402,727)
Impairment losses recognized	-	-	3,772	671	4,578	9,706	800	19,527
Balance at December 31, 2021	$ -	$ 50,479	$ 423,806	$ 58,200	$ 468,357	$ 712,796	$ 72,334	$ 1,785,972
Carrying amounts at December 31, 2021	$ 122,505	$ 81,929	$ 228,922	$ 31,401	$ 206,215	$ 451,654	$ 26,855	$ 1,149,481
Cost								
Balance at January 1, 2020	$ 95,925	$ 88,188	$ 681,076	$ 85,140	$ 720,765	$ 1,138,505	$ 94,631	$ 2,904,230
Additions	-	-	104,548	13,262	102,147	205,765	10,197	435,919
Reclassifications	-	-	547	-	-	2,197	-	2,744
Disposals	-	-	(126,117)	(12,517)	(136,904)	(201,150)	(15,010)	(491,698)
Balance at December 31, 2020	$ 95,925	$ 88,188	$ 660,054	$ 85,885	$ 686,008	$ 1,145,317	$ 89,818	$ 2,851,195
Accumulated depreciation and impairment								
Balance at January 1, 2020	$ -	$ 44,473	$ 461,217	$ 57,868	$ 515,837	$ 712,368	$ 79,909	$ 1,871,672
Depreciation expenses	-	1,898	84,689	9,498	84,877	153,194	5,771	339,927
Disposals	-	-	(110,937)	(11,093)	(120,768)	(168,404)	(12,669)	(423,871)
Balance at December 31, 2020	$ -	$ 46,371	$ 434,969	$ 56,273	$ 479,946	$ 697,158	$ 73,011	$ 1,787,728
Carrying amounts at December 31, 2020	$ 95,925	$ 41,817	$ 225,085	$ 29,612	$ 206,062	$ 448,159	$ 16,807	$ 1,063,467

The management of the Company estimated the future profit of various business locations on December 31, 2021. The Company estimated that future cash flows of property, plant and equipment at some business locations had decreased. As a result, the book value is higher than the recoverable amount, therefore, recognized an impairment loss of $19,527 thousand in 2021. The impairment loss was stated under other profits and losses in the 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

12. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2021	2020
Carrying amounts		
Buildings	$ 1,648,413	$ 1,475,342

	For the Year Ended December 31	
	2021	2020
Additions to right-of-use assets	$ 684,866	$ 630,330
Disposals of right-of-use assets	$ 85,248	$ 67,729
Depreciation charge for right-of-use assets		
Buildings	$ 426,209	$ 381,500

Except for the aforementioned addition and recognized depreciation, the Company did not have significant sublease of right-of-use assets during the year ended December 31, 2021 and 2020. The Company expects that some right-of-use assets have no value in use, and recognized impairment loss of $338 thousand for the year ended December 31, 2021. This impairment loss is included in other gains and losses in the statement of comprehensive income.

b. Lease liabilities

	December 31	
	2021	2020
Carrying amounts		
Current	$ 363,341	$ 307,863
Non-current	$ 1,252,497	$ 1,124,310

Range of discount rate for lease liabilities was as follows:

	December 31	
	2021	2020
Buildings	0.765%-1.065%	0.765%-1.065%

c. Material lease-in activities and terms

The Company leases buildings for the use of plants, offices and retail stores with lease terms of 2 to 8 years. The Company 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 Company 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 Company:

- 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 helps to facilitate the management of margins across the Company.

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 Company 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 $21,582 thousand and $15,816 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	$ 147,762	$ 157,127
Total cash outflow for leases	$ (581,823)	$ (554,070)

The Company'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 Company 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 with lease terms commencing after the balance sheet dates are as follows:

	December 31	
	2021	**2020**
Lease commitments	$ 63,633	$ 109,898

13. OTHER INTANGIBLE ASSETS

	Software
Cost	
Balance at January 1, 2021	$ 27,448
Additions	2,892
Disposals	(4,018)
Balance at December 31, 2021	$ 26,322
Accumulated amortization	
Balance at January 1, 2021	$ 17,410
Amortization expenses	6,338
Disposals	(3,574)
Balance at December 31, 2021	$ 20,174
Carrying amount at December 31, 2021	$ 6,148

(Continued)

	Software
Cost	
Balance at January 1, 2020	$ 18,620
Additions	9,128
Disposal	(300)
Balance at December 31, 2020	$ 27,448
Accumulated amortization	
Balance at January 1, 2020	$ 12,936
Amortization expenses	4,479
Disposal	(5)
Balance at December 31, 2020	$ 17,410
Carrying amount at December 31, 2020	$ 10,038

(Concluded)

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

Software	2-6 years

	For the Year Ended December 31	
	2021	2020
An analysis of amortization by function		
General and administrative	$ 6,338	$ 4,479

14. PREPAYMENTS

	December 31	
	2021	2020
Current		
Prepaid rent	$ 7,226	$ 5,255
Supplies	193	193
Prepayment for purchases	62,587	14,125
Others	4,666	4,348
	$ 74,672	$ 23,921

15. OTHER FINANCIAL ASSETS - CURRENT

	December 31	
	2021	2020
Trust account	$ 362	$ 8,882

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

	December 31	
	2021	2020
Trust account	0.01%	0.01%

16. OTHER ASSETS

	December 31	
	2021	2020
Current		
Other receivables	$ 2,035	$ 1,482
Other receivables form related parties (Note 30)	11,096	62,695
Others	30,261	22,193
	$ 43,392	$ 86,370
Non-current		
Refundable deposits	$ 134,275	$ 131,438
Prepayments for investment	-	74,828
	$ 134,275	$ 206,266

17. NOTES PAYABLE AND TRADE PAYABLES

	December 31	
	2021	2020
Notes payable		
Operating	$ 50,432	$ 48,037
Trade payables		
Operating		
Unrelated parties	$ 102,760	$ 107,063
Related parties (Note 30)	-	219,743
	$ 102,760	$ 326,806

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

18. OTHER LIABILITIES

	December 31	
	2021	2020
Current		
Other payables		
Payables for purchase of equipment	$ 86,018	$ 149,698
Payables for salaries and bonus	349,605	334,745
Payables for rent	33,635	30,296
Payables for retirement benefit	22,956	21,916
Payables for insurance	57,513	56,242
Payables for annual leave	26,486	25,070
Payables for tax expense	29,095	11,051
Others	164,193	105,693
	769,501	734,711
Other payables to related parties (Note 30)	9,073	8,247
	$ 778,574	$ 742,958

19. PROVISIONS

	December 31	
	2021	2020
Non-current		
Decommissioning liabilities	$ 43,645	$ 39,567

	Decommissioning Liabilities
Balance at January 1, 2021	$ 39,567
Additional provisions recognized	8,459
Disposals	(4,381)
Balance at December 31, 2021	$ 43,645
Balance at January 1, 2020	$ 33,883
Additional provisions recognized	9,000
Disposals	(3,316)
Balance at December 31, 2020	$ 39,567

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.

20. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company 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	$ 47,895	$ 43,675
Selling and marketing expenses	72,505	65,622
General and administrative expenses	10,644	10,453
	$ 131,044	$ 119,750

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 Company 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 Company 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 Company has no right to influence the investment policy and strategy.

The amounts included in the balance sheets in respect of the Company'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 Company 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

21. 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
May only be used to offset a deficit		
Changes in percentage of ownership interests in subsidiaries (2)	139	139
May not be used for any purpose		
Employee share options	-	440
	$ 1,791,541	$ 1,797,170

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 23-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. 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’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.

22. REVENUE

	For the Year Ended December 31	
	2021	**2020**
Revenue from contracts with customers		
Revenue from the sale of food and beverages	$ 8,090,881	$ 7,993,252
Revenue from the sale of goods	4,822	7,649
	$ 8,095,703	$ 8,000,901

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 Company'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)	$ 201,333	$ 129,281	$ 120,954
Contract liabilities			
Deferred revenue from gift vouchers	$ 2,785,439	$ 2,395,688	$ 2,306,798
Customer loyalty programs	137,176	51,294	-
Sale of goods	10,847	2,469	2,925
	$ 2,933,462	$ 2,449,451	$ 2,309,723

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	$ 645,013	$ 763,221

c. Disaggregation of revenue

	For the Year Ended December 31	
	2021	2020
Type of goods or services		
Fine dining business group	$ 3,572,521	$ 3,506,089
Casual dining business group	2,680,914	3,094,450
Hot pot business group	1,397,292	954,201
Chinese food business group	444,976	446,161
	$ 8,095,703	$ 8,000,901

d. Partially completed contracts

	For the Year Ended December 31	
	2021	2020
Catering sales services		
- completed in 2021	$ -	$ 1,289,105
- completed in 2022	1,782,667	471,294
- completed in 2023	712,358	256,711
- completed in 2024	290,414	148,735
- completed in or after 2025	-	229,843
	$ 2,785,439	$ 2,395,688

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

23. NET PROFIT (LOSS) FROM CONTINUING OPERATIONS

a. Interest income

	For the Year Ended December 31	
	2021	2020
Bank deposits	$ 10,282	$ 22,005
Imputed interest on deposits	432	425
Loan receivables and interest income (Note 30)	228	230
	$ 10,942	$ 22,660

b. Other income

	For the Year Ended December 31	
	2021	2020
Government grants (Note 26)	$ 143,200	$ -
Managing service income (Note 30)	60,633	64,461
Others	31,149	22,529
	$ 234,982	$ 86,990

c. Other gains and losses

	For the Year Ended December 31	
	2021	2020
Loss on disposal of property, plant and equipment	$ (46,169)	$ (55,772)
Net foreign exchange losses	(12,872)	(24,395)
Impairment losses	(19,865)	-
Loss on contract modification	(3,864)	(1,871)
Others	(31,830)	(9,788)
	$ (114,600)	$ (91,826)

d. Finance costs

	For the Year Ended December 31	
	2021	2020
Interest on lease liabilities	$ (14,244)	$ (12,491)
Interest on bank loans	(889)	(260)
Others	(4)	-
	$ (15,137)	$ (12,751)

e. Impairment losses (recognized) reversed

	For the Year Ended December 31	
	2021	2020
Inventories (included in operating costs)	$ -	$ 1,110
Property, plant and equipment (included in other gains and losses)	(19,527)	-
Right-of-use assets (included in other gains and losses)	(338)	-
	$ (19,865)	$ 1,110

f. Depreciation and amortization

	For the Year Ended December 31	
	2021	**2020**
An analysis of depreciation by function		
Operating costs	$ 324,143	$ 287,658
Operating expenses	483,510	433,769
	$ 807,653	$ 721,427
An analysis of amortization by function		
Operating expenses	$ 6,338	$ 4,479

g. Employee benefits expense

	For the Year Ended December 31	
	2021	**2020**
Short-term benefits	$ 2,772,996	$ 2,664,471
Post-employment benefits (Note 20)		
Defined contribution plans	131,044	119,750
Defined benefit plans	599	1,106
	2,904,639	120,856
Other employee benefits	426,473	371,972
Total employee benefits expense	$ 3,331,112	$ 3,157,299
An analysis of employee benefits expense by function		
Operating costs	$ 1,248,521	$ 1,198,273
Operating expenses	2,082,591	1,959,026
	$ 3,331,112	$ 3,157,299

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. Since there are losses before tax in 2021, no estimates were made for the remuneration to the employees or directors and supervisors. The accrued employees' compensation and remuneration to directors for the year ended December 31, 2020 are 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 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 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.

24. 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	$ -	$ 102,442
Adjustments for prior years	(1)	225
	(1)	102,667
Deferred tax		
In respect of the current year	(96,892)	(39,012)
Income tax (benefit) expense recognized in profit or loss	$ (96,893)	$ 63,655

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	$ (201,596)	$ 411,918
Income tax (benefit) expense calculated at the statutory rate	$ (40,319)	$ 82,384
Tax-exempt income	(28,640)	(19,768)
Nondeductible expenses in determining taxable income	(27,933)	814
Adjustments for prior years' tax	(1)	225
Income tax (benefit) expense recognized in profit or loss	$ (96,893)	$ 63,655

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	$ 3,127	$ (7,106)
Remeasurement of defined benefit plan	(1,037)	1,385
Total income tax recognized in other comprehensive income	$ 2,090	$ (5,721)

c. Current tax assets and liabilities

	December 31	
	2021	2020
Current tax assets		
Tax refund receivable	$ 629	$ -
Current tax liabilities		
Income tax payable	$ 52,150	$ 62,582

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	Closing Balance
Deferred tax assets				
Temporary differences				
Impairment loss on property, plant and equipment	$ 81	$ -	$ -	$ 81
Exchange differences	4,506	2,562	-	7,068
Exchange differences on translating the financial statements of foreign operations	28,679	-	3,127	31,806
Defined benefit obligation	22,278	(1,346)	(1,037)	19,895
Payables for annual leave	5,014	284	-	5,298
Loss carryforwards	-	51,652	-	51,652
	$ 60,558	$ 53,152	$ 2,090	$ 115,800
Deferred tax liabilities				
Temporary differences				
Subsidiaries	$ 121,856	$ (43,740)	$ -	$ 78,116

For the year ended December 31, 2020

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax assets				
Temporary differences				
Write-down of inventories	$ 222	$ (222)	$ -	$ -
Impairment loss on property, plant and equipment	81	-	-	81
Exchange differences	-	4,506	-	4,506
Exchange differences on translating the financial statements of foreign operations	35,785	-	(7,106)	28,679
Defined benefit obligation	21,351	(458)	1,385	22,278
Payables for annual leave	4,040	974	-	5,014
	$ 61,479	$ 4,800	$ (5,721)	$ 60,558
Deferred tax liabilities				
Temporary differences				
Exchange differences	$ 329	$ (329)	$ -	$ -
Subsidiaries	155,739	(33,883)	-	121,856
	$ 156,068	$ (34,212)	$ -	$ 121,856

e. Income tax assessments

The income tax returns of the Company through 2019 have been assessed by the tax authorities.

25. (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 Company offered to settle the compensation or bonuses paid to employees in cash or shares, the Company 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.

26. GOVERNMENT GRANTS

The Company 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 $143,200 thousand was recognized as other income.

27. CASH FLOW INFORMATION

a. Non-cash transactions

1) In addition to those disclosed in other notes, the Company entered into the following non-cash investing activities which were not reflected in the 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	$ 487,900	$ 435,919
Add: Payable for purchase of equipment, balance at January 1	149,698	101,190
Decommissioning liability, balance at January 1	39,567	33,883
Less: Payable for purchase of equipment, balance at December 31	(86,018)	(149,698)
Decommissioning liability, balance at December 31	(43,645)	(39,567)
Cash payment	$ 547,502	$ 381,727

2) The Company reclassified the amounts of $45,336 thousand and $2,744 thousand from prepayments for equipment to property, plant and equipment for the year ended December 31, 2021 and 2020, respectively.

b. Changes in liabilities arising from financing activities

For the year ended December 31, 2021

	Opening Balance	Cash Flows	Non-cash Changes: New Leases	Non-cash Changes: Remeasurement of Lease Contract	Non-cash Changes: Remeasurement of Branch Closure	Closing Balance
Lease liabilities	$ 1,432,173	$ (399,060)	$ 352,423	$ 311,686	$ (81,384)	$ 1,615,838

For the year ended December 31, 2020

	Opening Balance	Cash Flows	Non-cash Changes: New Leases	Non-cash Changes: Remeasurement of Lease Contract	Non-cash Changes: Remeasurement of Branch Closure	Closing Balance
Lease liabilities	$ 1,252,153	$ (365,723)	$ 451,605	$ 159,996	$ (65,858)	$ 1,432,173

28. CAPITAL MANAGEMENT

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

The capital structure of the Company 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 Company is not subject to any externally imposed capital requirements.

29. 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 financial statements approximate their fair values.

b. Categories of financial instruments

	December 31 2021	December 31 2020
Financial assets		
Financial assets at amortized cost (1)	$ 2,768,797	$ 3,030,709
Financial liabilities		
Financial liabilities at amortized cost (2)	1,023,779	1,176,074

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, notes payable, trade payables, other payables, and guarantee deposits.

c. Financial risk management objectives and policies

The Company's major financial instruments include cash and cash equivalents, trade receivables, trade payables and lease liabilities. The Company'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 Company 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 Company'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 Company had foreign currency denominated sales and purchases, which exposed the Company to foreign currency risk.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities are set out in Note 33.

<u>Sensitivity analysis</u>

The Company was mainly exposed to the USD.

The following table details the Company'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 number below indicates an increase (a decrease) in pre-tax profit and other equity associated with the New Taiwan dollar strengthening (weakening) 1% against the relevant currency.

	USD Impact	
	For the Year Ended December 31	
	2021	**2020**
Profit or loss	$ 4,640	$ 4,460

b) Interest rate risk

The Company is exposed to interest rate risk because entities in the Company borrow funds at both fixed and floating interest rates.

The carrying amounts of the Company'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	$ 1,193,364	$ 801,547
Financial liabilities	1,615,838	1,432,173
Cash flow interest rate risk		
Financial assets	1,148,404	1,876,525

Sensitivity analysis

The sensitivity analysis below was determined based on the Company's exposure to interest rates for non-derivative instruments at the end of the reporting period. A 0.1% increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 0.1% higher or lower and all other variables were held constant, the Company's pre-tax profit for the years ended December 31, 2021 and 2020 would have increased by $1,148 thousand and $1,877 thousand, respectively, which was mainly a result of the Company's exposure to floating interest rate bank deposits.

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 Company. As of the end of the reporting period, the Company's maximum exposure to credit risk, which would cause a financial loss to the Company due to failure of counterparties to discharge an obligation and financial guarantees provided by the Company could arise from the carrying amount of the respective recognized financial assets as stated in the balance sheets.

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

3) Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Company'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.

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, and continuously monitoring forecasted and actual cash flows as well as matching the maturity profiles of financial assets and liabilities.

30. 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 Company and other related parties are disclosed below:

a. Related party name and category

Related Party Name	Related Party Category
WPT Restaurant Corporation	Subsidiaries
Cheerpin Restaurant Corporation	Subsidiaries
Wowfresh Corporation	Subsidiaries
uniEat Co., Ltd.	Subsidiaries of associate

b. Purchases of goods

Related Party Category/Name	For the Year Ended December 31 2021	2020
Subsidiaries		
Wowfresh Corporation	$ 2,334,545	$ 2,189,830

The Company mainly purchases goods from subsidiaries; the terms of the purchase transactions are not significantly different from that of usual suppliers.

c. Trade receivables from related parties (excluding loans to related parties)

Line Item	Related Party Category/Name	December 31 2021	2020
Other receivables	Subsidiaries		
	WPT Restaurant Corporation	$ 964	$ 1,075
	Cheerpin Restaurant Corporation	7,492	9,791
	Wowfresh Corporation	2,640	1,829
		$ 11,096	$ 12,695

The outstanding receivables from related parties mainly for purchasing materials are unsecured. For the years ended December 31, 2021 and 2020, no impairment losses were recognized for trade receivables from related parties.

d. Trade payables to related parties (excluding loans from related parties)

Line Item	Related Party Category/Name	December 31 2021	2020
Trade payables	Subsidiaries		
	Wowfresh Corporation	$ -	$ 219,743
Other payables	Subsidiaries		
	Cheerpin Restaurant Corporation	$ 7,947	$ 7,972
	WPT Restaurant Corporation	451	215
	Wowfresh Corporation	-	60
	Associates		
	uniEat Co., Ltd.	675	-
		$ 9,073	$ 8,247

The outstanding trade payables to related parties are unsecured.

e. Loans to related parties

Related Party Category/Name	December 31 2021	2020
Subsidiary		
WPT Restaurant Corporation	$ -	$ 50,000

The Company provided subsidiary with unsecured short-term loans at rates 1.1%. During the years ended December 31, 2021 and 2020, the interest income drawing from the loan to related party in the amounts of $228 thousand and $230 thousand.

f. Prepayments

Related Party Category/Name	December 31 2021	December 31 2020
Subsidiaries		
Wowfresh Corporation	$ 62,587	$ -

g. 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.	$ 6,777	$ -

h. Disposal of property, plant and equipment

Related Party Category/Name	Proceeds For the Year Ended December 31 2021	Proceeds For the Year Ended December 31 2020	Gain (Loss) on Disposal For the Year Ended December 31 2021	Gain (Loss) on Disposal For the Year Ended December 31 2020
Subsidiaries				
Wowfresh Corporation	$ 82	$ 10,007	$ -	$ -

i. Disposal of intangible asset

Related Party Category/Name	Proceeds For the Year Ended December 31 2021	Proceeds For the Year Ended December 31 2020	Gain (Loss) on Disposal For the Year Ended December 31 2021	Gain (Loss) on Disposal For the Year Ended December 31 2020
Subsidiaries				
Wowfresh Corporation	$ 444	$ 295	$ -	$ -

j. Other transactions with related parties

Line Item	Related Party Category/Name	December 31 2021	December 31 2020
Other income (management service revenue)	Subsidiaries		
	WPT Restaurant Corporation	$ 5,927	$ 6,660
	Cheerpin Restaurant Corporation	52,306	55,401
	Wowfresh Corporation	2,400	2,400
		$ 60,633	$ 64,461
Other income			
	Wowfresh Corporation	$ 214	$ 243

The management service income is calculated as a certain percentage of the subsidiary's monthly net sales, and the amount is collected regularly.

k. Remuneration of key management personnel

	For the Year Ended December 31	
	2021	2020
Short-term employee benefits	$ 51,467	$ 55,191
Post-employment benefits	744	728
	$ 52,211	$ 55,919

The remuneration of directors and key executives, as determined by the remuneration committee, is based on the performance of individuals and market trends.

31. 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	2020
Pledged deposits	$ 153,244	$ 109,787

32. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

Significant Commitments

a. Unrecognized commitments were as follows:

	December 31	
	2021	2020
Acquisition of property, plant and equipment	$ 71,403	$ 30,119

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

33. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Company's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies 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	$ 16,761,719	27.68 (USD:NTD)	$ 463,964
Non-monetary items			
Investments accounted for using the equity method			
RMB	395,820,366	4.344 (RMB:NTD)	$ 1,719,444
USD	816,972	27.68 (USD:NTD)	22,614
			$ 1,742,058

December 31, 2020

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 15,661,214	28.48 (USD:NTD)	$ 446,031
Non-monetary items			
Investments accounted for using the equity method			
RMB	445,877,603	4.377(RMB:NTD)	$ 1,951,606
USD	752,370	28.48 (USD:NTD)	21,428
			$ 1,973,034

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)
USD	27.68 (USD:NTD)	$ (12,872)	28.48 (USD:NTD)	$ (24,166)
SGD	20.46 (SGD:NTD)	-	21.56 (SGD:NTD)	(231)
JPY	0.2405 (JPY:NTD)	-	0.2763 (JPY:NTD)	2
		$ (12,872)		$ (24,395)

34. 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. None

b. Information on investees (Table 4)

c. 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 5)

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.

d. 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

WOWPRIME CO., LTD.

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).

TABLE 2

WOWPRIME CO., LTD.

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). The Company outstanding balance of endorsements/guarantees provided to Wowfresh Corporation was over the limit, because of the COVID-19 impact, the Company's losses in the second to fourth quarters has led to a decline in net value.

WOWPRIME CO., LTD.

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.

WOWPRIME CO., LTD.

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.

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.

WOWPRIME CO., LTD.

THE CONTENTS OF STATEMENTS OF MAJOR ACCOUNTING ITEMS

Item	Statement Index
Major Accounting Items in Assets, Liabilities and Equity	
Statement of cash and cash equivalents	Statement 1
Statement of financial assets at amortized cost - current	Statement 2
Statement of trade receivables	Statement 3
Statement of inventories	Statement 4
Statement of prepayment	Note 14
Statement of other financial assets	Note 15
Statement of other current assets	Statement 5
Statement of changes in investments accounted for using equity method	Statement 6
Statement of changes in property, plant and equipment	Note 11
Statement of changes in accumulated depreciation of property, plant and equipment	Note 11
Statement of changes in accumulated impairment of property, plant and equipment	Note 11
Statement of other non-current assets	Statement 7
Statement of changes in right-of-use assets	Note 12
Statement of changes intangible assets	Note 13
Statement of deferred tax assets	Note 24
Statement of notes payables	Statement 8
Statement of trade payables	Statement 9
Statement of other payables	Note 18
Statement of lease liabilities	Statement 10
Statement of provisions - non-current	Note 19
Statement of deferred tax liabilities	Note 24
Major Accounting Items in Profit or Loss	
Statement of operating revenue	Statement 11
Statement of cost of goods sold	Statement 12
Statement of operating expenses	Statement 13
Statement of non-operating income and expense	Note 23
Statement of labor, depreciation and amortization by function	Statement 14

STATEMENT 1

WOWPRIME CO., LTD.

STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Items	Description	Amount
Cash on hand		$ 78,290
Checking deposits	Bank A	18,521
Demand deposits	Bank C	550,532
	Bank B	225,399
	Bank A	244,109
	Others	5,881
Foreign-currency deposits	Bank A (including US$2,536 thousand @27.68)	70,196
	Others (including US$1,207 thousand @27.68)	33,404
		$ 1,226,332

WOWPRIME CO., LTD.

STATEMENT OF FINANCIAL ASSETS AT AMORTIZED COST - CURRENT
DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Items	Description	Rate	Amount	Note
Domestic investment				
Time deposits with original maturities of more than 3 months	Bank B	0.49%-0.785%	$ 400,000	
	Bank D	0.80%	341,000	
	Bank A	0.07%-0.23%	143,244	
	Bank F	0.31%	138,400	
	Bank E	0.18%-0.37%	110,720	
	Bank C	0.81%	60,000	
			$ 1,193,364	

WOWPRIME CO., LTD.

STATEMENT OF TRADE RECEIVABLES
DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Customer	Description	Amount
Bank TS	Receivable from credit card	$ 44,093
TZ Company	Receivable from food and beverages sold	24,771
YR Company	〃	22,618
YX Company	〃	10,516
Others (Note)	〃	99,335
		201,333
Less: Allowance for impairment loss		-
		$ 201,333

Note: The balance of each customer did not exceed 5% of the account balance.

WOWPRIME CO., LTD.

STATEMENT OF INVENTORIES
DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

		Amount	
Items	**Description**	**Cost**	**Net Realizable Value**
Raw materials	Meat	$ 94,138	$ 94,251
	Seafood	12,941	13,059
	Vegetable/bread	6,973	7,043
	Others	32,853	33,096
Merchandise	Fresh food products	133	133
		$ 147,038	$ 147,582

The market price is based on the net realizable value.

STATEMENT 5

WOWPRIME CO., LTD.

STATEMENT OF OTHER CURRENT ASSETS
DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Items	Description	Amount
Other receivables	Related parties	$ 11,096
	Others (Note)	2,035
Others	Company trip fee	21,690
	Others (Note)	8,571
		$ 43,392

Note: The balance of each item was less than 5% of the account balance.

WOWPRIME CO., LTD.

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD
DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

	Balance at January 1, 2021		Increase in the Current Year		Decrease in the Current Year			Accumulated	Balance at December 31, 2021			Market Value/ Net Assets Value			Pledged as
Name of Investees	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Investment Gain (Loss)	Translation Adjustment	Number of Shares	Percentage of Shares	Amount	Unite Price (NT$)	Total Amount	Evaluation Basis	Collateral or for Security
Tai Pin Holding Ltd. (Note 1)	18,617,314	$ 1,951,606	-	$ 3,369	-	$ -	$ (220,539)	$ (14,992)	18,617,314	100.00	$ 1,719,444	92.36	$ 1,719,444	The equity method	None
WPT Restaurant Corporation (Note 1)	20,000,000	42,707	5,000,000	50,000	(15,000,000)	-	(31,981)	-	10,000,000	100.00	60,726	6.07	60,726	The equity method	None
Wowprime USA Holding Ltd. (Samoa) (Note 2)	762,500	21,428	-	-	-	-	1,832	(646)	762,500	100.00	22,614	29.66	22,614	The equity method	None
Cheerpin Restaurant Corporation (Note 1)	30,000,000	425,800	-	-	-	(105,919)	16,434	-	30,000,000	100.00	336,315	11.21	336,315	The equity method	None
Wowfresh Corporation (Note 1)	50,000,000	526,949	-	-	-	(23,920)	10,039	-	50,000,000	100.00	513,068	10.26	513,068	The equity method	None
Jeichuang Investment Co., Ltd. (Note 1)	1,000,000	9,932	100,000	1,000	-	-	(347)	-	1,100,000	100.00	10,585	9.62	10,585	The equity method	None
Dudoo Ltd. (Note 2)	-	-	209,497	74,828	-	-	5	-	209,497	14.98	74,833	357.20	74,833	The equity method	None
		$ 2,978,422		$ 129,197		$ (129,839)	$ (224,557)	$ (15,638)			$ 2,737,585		$ 2,737,585		

Note 1: These companies have been audited by CPAs.

Note 2: These companies were calculated based on their financial statements not audited by CPAs.

Note 3: Net values of equity interest were calculated based on the financial statements of investee companies and ratio of shareholding of the Company.

STATEMENT 7

WOWPRIME CO., LTD.

STATEMENT OF OTHER NON-CURRENT ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Items	Description	Amount
Refundable deposits	Deposits of rental stores	$ 134,275

WOWPRIME CO., LTD.

STATEMENT OF NOTES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Item	Description	Amount
CH Company	Store rent	$ 6,652
Bank TD	〃	4,410
JS Company	〃	4,040
SF	〃	2,808
BH Company	〃	2,783
MR	〃	2,610
Others (Note)	Store rent, etc.	27,129
		$ 50,432

Note: The balance of each item was less than 5% of the account balance.

STATEMENT 9

WOWPRIME CO., LTD.

STATEMENT OF TRADES PAYABLES
DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Customer	Description	Amount
MF Firm	Payment for purchase	$ 16,848
MSJ Firm	〃	13,192
KY Firm	〃	6,229
Others (Note)	〃	66,491
		$ 102,760

Note: The balance of each item was less than 5% of the account balance.

WOWPRIME CO., LTD.

STATEMENT OF LEASE LIABILITIES
DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Type	Description	Lease Period	Discount Rate	Ending Balance	Note
Buildings		2-8 years	0.765%-1.065%	$ 1,615,838	

Note: Lease liabilities matured within one year of $363,341 thousand has been recognized as current liabilities.

STATEMENT 11

WOWPRIME CO., LTD.

STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Items	Amount
High-class delicacy	$ 1,681,652
Fancy food	5,170,166
Budget food	1,243,885
	$ 8,095,703

STATEMENT 12

WOWPRIME CO., LTD.

STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Items	Amount
Direct raw materials	
Raw materials, beginning of the year	$ 97,026
Add: Purchase during the period	2,809,733
Less: Transferred to operating	(144,446)
Inventory shortage	(77)
Raw materials, end of year	(147,038)
Consumption of indirect materials	2,615,198
Direct labors	1,089,373
Manufacturing expense	701,018
Manufacturing cost	4,405,589
Add: Inventory shortage	77
	$ 4,405,666

WOWPRIME CO., LTD.

STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Type	Selling and Marketing	General and Administrative	Research and Development
Salaries	$ 1,442,089	$ 287,804	$ -
Rent	126,519	2,657	-
Utilities	132,741	2,899	-
Advertising	268,074	25,892	-
Insurance	169,651	19,187	-
Depreciation	472,315	11,195	-
Pension	72,505	11,243	-
Others (Note)	658,979	62,537	16,976
	$ 3,342,873	$ 423,414	$ 16,976

Note: The balance of each item was less than 5% of the account balance.

WOWPRIME CO., LTD.

SUMMARY OF EMPLOYEE BENEFITS, DEPRECIATION AND AMORTIZATION EXPENSES BY FUNCTIONS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	2021			2020		
Item	**Operating Cost**	**Operating Expense**	**Total**	**Operating Cost**	**Operating Expense**	**Total**
Employee benefits						
Salaries	$ 1,043,103	$ 1,726,493	$ 2,769,596	$ 1,017,460	$ 1,643,211	$ 2,660,671
Labor and health insurances	109,924	188,838	298,762	94,846	164,050	258,896
Pensions	47,895	83,748	131,643	43,675	77,181	120,856
Remuneration to directors	-	3,400	3,400	-	3,800	3,800
Other employee benefits	47,599	80,112	127,711	42,292	70,784	113,076
	$ 1,248,521	$ 2,082,591	$ 3,331,112	$ 1,198,273	$ 1,959,026	$ 3,157,299
Depreciation	$ 324,143	$ 483,510	$ 807,653	$ 287,658	$ 433,769	$ 721,427
Amortization	$ -	$ 6,338	$ 6,338	$ -	$ 4,479	$ 4,479

Note 1: The number of employees in the year and in the previous year was 6,788 and 6,501, respectively, and the number of directors who were not employees was 5 in both years.

Note 2: For companies whose shares have been listed on the TWSE/TPEx, the following information shall also be disclosed:

a. The average employee benefit expense of this year was NT$491 thousand (“Total employee benefit expense - Total remuneration to Directors of the year”/“Number of employees - Number of Directors who were not employees of the year”).

The average employee benefit expense of the preceding year was NT$485 thousand (“Total employee benefit expense - Total remuneration to directors of the preceding year”/“Number of employees - Number of Directors who were not employees of the preceding year”).

b. The average employee salary expense of this year is NT$409 thousand (Total salary expense of the year/“Number of employees - Number of Directors who were not employees of the year”).

The average employee salary expense of the preceding year was NT$410 thousand (Total salary expense of the preceding year/“Number of employees - Number of Directors who were not employees of the preceding year”).

c. Change in average employee salary expense was -0.24% (Average employee salary expense of the year - Average employee salary expense of the preceding year)/Average employee salary expense of the preceding year).

d. The remuneration of NT$0 to supervisors in the year and the remuneration of NT$0 to supervisors in the previous year (the Company has established the audit committee).

e. The Company’s remuneration policy (including directors, managers and employees) is as follows:

1) The remuneration of the directors of the Company shall be paid in accordance with the provisions of the Articles of Association of the Company, taking into account the usual level of the interbank, and shall be authorized to be determined by the board of directors. If the Company has surplus, it shall be allocated in accordance with the provisions of the Articles of Association and submitted to the ordinary meeting of shareholders after being reviewed by the remuneration committee and approved by the board of directors. If the directors are also employees, they shall also be paid remuneration in accordance with the provisions of the following BC.

2) The remuneration standard of the general manager and deputy general manager of the company shall be determined by the human resources unit of the company in accordance with the relevant provisions of the Company’s performance appraisal and performance bonus, and according to the individual performance and the degree of contribution to the overall operation of the Company, and the principles shall be formulated according to the level of market peers, and submitted to the salary and remuneration committee for review.

(Continued)

3) The Company's remuneration policy is based on the employee's personal ability and its contribution to the Company, performance, and the correlation between business performance and positive correlation; The overall salary and remuneration portfolio mainly includes basic salary, bonus, related reward incentive system and other parts. The standard of remuneration payment, the basic salary is based on the market competition situation of the position held by the employee and the company's policy; the bonus and related reward incentive system is issued after linking the employee, the achievement of departmental objectives and the Company's business performance results, and the Company adheres to the planning that is in line with laws and regulations and has competitiveness.

(Concluded)