

# Wowprime Corporation

## 2022 Annual Report

Company's website: <https://www.wowprime.com>

Annual Report's website: <https://mops.twse.com.tw>

April 30, 2023

I. The name, title, contact number, and email address of the Company's spokesperson and acting spokesperson

Spokesperson: Wen-Min Chu

Acting spokesperson: Chien-Lun Chiu

Title: Director of the Media Relations Office

Title: President of the Business Support Center

Tel: (04)2322-1868

Tel: (04)2322-1868

E-mail: Wen-Min.Chu@wowprime.com

E-mail: alex.chiu@wowprime.com

II. Address and phone number of headquarters, branch offices and plants

Headquarters: 29F, No.218, Sec.2 Taiwan Blvd., West

Dist., Taichung City

Tel: (04)2322-1868

Branch offices: Please see "Two. Company Profile"  
for details

Plant: Not applicable

III. Name, address, website, and phone number of the stock transfer agency

Name: Register & Transfer Agency Department of

SinoPac Securities Corporation

Address: 3F, No.17, Bo'ai Rd., Taipei City

Website: <http://www.sinopacsecurities.com>

Tel: (02)2381-6288

IV. Names of the certified public accountant who duly audited the annual financial report for the most recent fiscal year, and the name, address, website and telephone number of said person's accounting firm:

Name of CPAs: CPA Nai-Hua Kuo and CPA Cheng-Quan Yu

Firm: Deloitte & Touche Taiwan

Address: 20F, Taipei Nan Shan Plaza. No. 100, Songren Rd., Xinyi Dist., Taipei City

Website: [www.deloitte.com.tw](http://www.deloitte.com.tw)

Tel: (02)2725-9988

V. Name of any exchanges where the Company's securities are traded offshore and the method by which to access information on said offshore securities: None.

VI. Company's website: <https://www.wowprime.com>

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## One. Letter to Shareholders

**Dear shareholders,**

2022 was a year in which Wowprime Group came out of the shadow and was welcomed by the dawn. Due to the exertion of the synergies of multiple brands and the increase in the domestic demand, Taiwan Business Group recorded constant growth starting from the second half of the year, despite the mild interruption that occurred in the first half of the year, and refreshed the historical new height multiple times. Mainland China Business Group faced severe challenges due to the unstable pandemic status, stringent lockdown control, and the lockdown of Shanghai for over two months; however, Wowprime adheres to its core values of “integrity,” “group work,” “agility,” and “innovation,” actively adjusts its nature, and stabilizes its operations; with the outbreak coming to an end, we are able to return to normal operations and concurrently create excellent performance in Taiwan and Mainland China.

Three years of the pandemic have had immense effects on the tourism and F&B industry; nonetheless, Wowprime Group kept marching forward. During the period of the outbreak, we adopted the philosophy of “survival of the fittest” for the management of our brands and continued our multi-brand strategy. In recent years, the core of our business was five major business groups, including exotic food, Japanese/Korean food, hot pot, Chinese food, and fast food; we sought opportunities in the market and continued to develop new brands. In 2022, we launched three new brands to continue securing market share, including “The Meatiest” BBQ bistro, “Truewow” Korean cuisine, and “Itame Wagyu Teppanyaki” fine Japanese teppanyaki. The “cluster operation” strategy not only allows a more effective development of new brands and front-end marketing, but it also concurrently integrates the supply chain from the back end and accumulates operating and culinary knowledge, driving rapid store opening and growth.

Wowprime Group created the second curve of growth to bring about retail sales by the reputation of catering brands and catering by retail sales so as to “Bring Delicacies of Wowprime Restaurants to Consumers’ Households and Offices.” Our subsidiary Wowfresh launched frozen Chinese New Year dishes, room temperature food, hot pot soup bases, ice cream, and over 50 types of retail products, and recorded a growth of over 20% for three consecutive years. The digital operation of the “Wowprime Food Craze APP” satisfies the demand of customers for reservations, information, discounts, and payment. In 2022, the number of members exceeded 2.8 million, and over 40% of our operating income was from the contributions of Wowprime Food Craze’s members.

Rising from the rock bottom of the outbreak, Wowprime Group appreciates our employees who stand fast and remain at their posts. Apart from adhering to the zero lay-off policy, we also share the achievements of our efforts with employees. We re-initiated large-scale year-end parties and overseas company trips to exhibit our management philosophy of “employees are family members.”

In 2023, Wowprime Group welcomed the “Third Decade” since its establishment. We appreciate the support and companionship of consumers in Taiwan, and we will keep on striding forward to achieve the mission of “Create and Provide Diversified Catering Services and Products, Deliver Warmth at All Times, and Enrich the Beautiful Life .”

## Financial performance

The operating income, net profit after tax, and earnings per share of the Company throughout 2022 are as follows:

- Our consolidated operating income was NT\$18,321,041 thousand, representing an increase of 6.54% from NT\$17,196,937 thousand in the preceding year, in which the operating income of the Taiwan Business Group was NT\$13,736,640 thousand, representing an increase of 27.69% from NT\$10,757,603 thousand in the preceding year.
- Net profit after tax was NT\$258,302 thousand, reversing from a loss of NT\$171,861 thousand in the preceding year to gains. Earnings per share after tax were NT\$5.15, representing an increase of NT\$6.55 from a loss of NT\$1.4 in the preceding year.

## Business expansion

Wowprime Group remains cautiously optimistic about the F&B market in Taiwan and Mainland China. In 2023, we will continue the expansion strategy, actively opening new stores, expanding our market share, transforming our existing brands, and concurrently developing new brands in the hope of recording continual growth in our operating income and improving our profits. In the future, Wowprime Group will continue to refine its quality and services to gain consumers' recognition and trust.

### ➤ **Continue the multi-brand strategy**

Wowprime Group has gone through nearly three decades, and it has continued its multi-brand strategy; at present, there are a total of 25 brands in Taiwan. In 2022, we developed three new brands. "The Meatiest" BBQ bistro combines the a la carte and individual set models, provides rare "full blood Australian wagyu," and has joined hands with Mars Chang, the champion of the 2021 World Class in Taiwan, to design exclusive cocktails in order to secure a seat in the war zone in Gongyi Road Shopping Area in Taichung. "Truewow" is the first brand of Korean cuisine of the Group created in collaboration with the five-star Korean chef Kai; the brand focuses on Korean cuisine with the younger groups as its target customers and has gained well recognition in Ximen, Taipei, since its opening. "Itame Wagyu Teppanyaki" fine Japanese teppanyaki targets the high-end business market, focuses on Japanese and Australian wagyu, and displays premium quality by adopting the Japanese craftsman teppanyaki skills; the restaurant has been fully booked since its opening.

### ➤ **Expand into the second curve of growth**

Our subsidiary Wowfresh set foot in the frozen and room temperature food market in 2020 and has developed over 40 types of retail sale products under the brand of "12hotpot," "CHIN HUAJIAO," "Tokyia," "Wangsteak," and others and entered the hypermarket, convenience store, and e-commerce channels. In addition, with the capacity and experience of Wowprime Group in supplying food ingredients for 305 stores, the availability of the self-built fruit and vegetable processing plant and meat processing plant for fruit, vegetable, and meat processing, the integration of logistics, and the one-stop services from procurement to delivery, it is likely to become Wowprime Group's second curve of growth.

➤ **Initiate digital transformation**

Wowprime is on a steady path to digital transformation. It continues to operate the membership of the “Wowprime Food Craze APP” to satisfy the requirements of customers for food-hunt, discounts, online reservations, and convenient payment. In 2022, the number of Wowprime Food Craze’s members exceeded 2.8 million. APP is also an important platform where Wowprime exerts its integrated marketing advantages; points accumulated from the consumption at any brand may be used for discounts at other restaurants of the Group, allowing brands to mutually introduce customers and create new customers, benefiting the improvement in the overall business scale.

## **Business prospect**

The mission of Wowprime Group is “Create and Provide Diversified Catering Services and Products, Deliver Warmth at All Times, and Enrich the Beautiful Life .” It focuses on hot pot, BBQ, and Korean cuisine items and actively develops new brands and new stores. At the beginning of 2023, it launched the fourth teppanyaki brand, “Joxiang Teppanyaki,” and it expects to launch two to three new brands.

- We regularly examine the business models and marketing positions of our brands. In 2023, we will perform brand optimization and upgrade for “Tokyia” and “THE WANG.”
- The Group has passed the “ISO17025 Laboratory Management System certification” and “ISO22000 Food Safety Management System certification” and became the only F&B company in Taiwan that concurrently obtained both certifications. Such certifications symbolize the rigorous food safety protection shield built by Wowprime Group; in the future, we will continue to improve and provide worry-free and satisfying dining experiences to customers.
- Apart from the existing functions of the “Wowprime Food Craze” APP, we extend customer experience from restaurants to households and offices via “Wowprime Food Craze Shopping Website,” the integrated self-owned e-commerce platform, allowing customers to experience our products and services of thoughtfulness at our stores and at home.

## **Awards**

- The Company gained the support and recognition of the public and received awards in 2022
- The “2022 Happy Enterprises” by 1111 Gold award for F&B services
- Traceability Restaurant in the From Farm to Table Restaurant organized by AMOT: 12hotpot received three stars, and hot 7 received two stars
- The “2022 Outstanding Store Manager Selection” organized by Taiwan Chain Stores and Franchise Association  
Outstanding store manager: Yi-Fang Liu from ikik and Yi-Quan Hu from 12hotpot
- The “2022 Taiwan Service Industry Golden Award” by the Commercial Times: Gold medal-Giguo
- The Pioneer Innovation Award of the “2022 The Dailyview Best Reviewed Online Award”: Xiang Duck
- “Taiwan i Sports Label” by the Sports Administration, Ministry of Education: Third place
- “Buying Power Social Innovation Procurement Award” by the Small and Medium Enterprise Administration, Ministry of Economic Affairs: First prize



- The “9<sup>th</sup> Service Angel Award in 2022” :  
Jin-Zhe Zhang from TASTy, Jia-Ying Xie from Pinnada, Yi-Jing Chen from Xiang Duck, and Rui-Rong Liu from 12hotpot
- The first prize of the “Social Innovative Product and Service Procurement” by the Small and Medium Enterprise Administration, Ministry of Economic Affairs:  
Wowprime Corporation and Cheerpin Restaurant Corporation
- Elected in the 2022 “Taiwanese Cuisine with Local Specialties” by the Ministry of Economic Affairs:  
Veggtable
- Awarded the Excellent Enterprise from the “6<sup>th</sup> Elite Award Ceremony” of Taipei City

### **Corporate social responsibility**

Wowprime Group has long been in the F&B service industry in Taiwan, and it aims at improving the social status of the F&B service industry and focuses on creating joint prosperity in society. As the leader in the chained restaurants in Taiwan, Wowprime Group treasures Taiwan, cares for the piece of land that nurtures the growth of the Group, and makes contributions to society.

Through implementing the philosophy of sustainable operations in the investments in social/public welfare, we continue to promote the philosophy of “One Brand Supports One Public Welfare Event.” “Tasty” has been supporting blood donation for over two decades; “Yakiyan” cooperated with the “Child Welfare League Foundation” for the charitable bazaar of T-shirts; “Tokiya” cooperated with “Teach for Taiwan” in supporting remote township education; “Giguo” cooperated with the “Taiwan Fund for Children and Families” to launch “KiDS FiRST 35 T-shirts” bazaar. By doing so, we hope to exert social influence and deliver warmth to those in need.

## Two. Company Profile

### I. Establishment date

(I) Establishment registration date: 7 December 1993(II) Alteration registration date: 12 September 2022 (III) Tax ID No. of the Company: 84630426

(IV) Address and phone number of headquarters and branch offices

#### 1. Headquarters

Address: 29F, No.218, Sec.2 Taiwan Blvd., West Dist., Taichung City 403

Tel: (04)2322-1868

#### 2. Branch offices

Name of branch office	Phone number	Area code	Address
Yakiyan, Wowprime Corporation	04-23221868	403	29F, No.218, Sec.2 Taiwan Blvd., West Dist., Taichung City
Yakiyan (Xindian), Wowprime Corporation	02-22191613	231	2F, No.86, Minquan Rd., Xindian Dist., New Taipei City
Yakiyan (Zhubai Guanming), Wowprime Corporation	03-5586030	302	1F, No.112, Guangming 1st Rd., Zhubei City, Hsinchu County
Yakiyan (Tainan Yonghua), Wowprime Corporation	06-2975356	708	1F, No.133, Sec. 2, Yonghua Rd., Anping Dist., Tainan City
Yakiyan (Zhongli Yuanhua), Wowprime Corporation	03-4526458	320	2F, No.245-14, Yuanhua Rd., Zhongli City, Taoyuan County
Yakiyan (Sanchong Longmen), Wowprime Corporation	02-89839355	241	4F, Nos.8, 10, and 12, Longmen Rd. and 4F, Nos.68, 70, and 72, Sec. 3, Sanhe Rd., San'an Vil., Sanchong Dist., New Taipei City
Yakiyan (Xinzhuang Zhongzheng), Wowprime Corporation	02-22025767	242	2F No.425, Zhongzheng Rd., Haishan Vil., Xinzhuang Dist., New Taipei City
Wangsteak, Wowprime Corporation	04-23221868	403	29F, No.218, Sec.2 Taiwan Blvd., West Dist., Taichung City
Giguo, Wowprime Corporation	04-23221868	403	29F, No.218, Sec.2 Taiwan Blvd., West Dist., Taichung City
ikki, Wowprime Corporation	04-23221868	403	29F, No.218, Sec.2 Taiwan Blvd., West Dist., Taichung City
ikki (Taipei Dunhua), Wowprime Corporation	02-27191927	105	B1, No.207, Dunhua N. Rd., Songshan Dist., Taipei City
ikki (Taipei Hengyang), Wowprime Corporation	02-23310200	100	B1, 1F, and 2F, No.52, Hengyang Rd., Zhongzheng Dist., Taipei City
ikki(Zhubei Guangming), Wowprime Corporation	03-5589622	302	1F and 2F, No.368, Guangming 1st Rd., Shixing Vil., Zhubei City, Hsinchu County
Chamonix, Wowprime Corporation	04-23221868	403	29F, No.218, Sec.2 Taiwan Blvd., West Dist., Taichung City
TASTy, Wowprime Corporation	04-23221868	403	29F, No.218, Sec.2 Taiwan Blvd., West Dist., Taichung City
TASTy (Xinzhuang Xintai), Wowprime Corporation	02-29921303	242	2F, No.303, Xintai Rd., Xinzhuang Dist., New Taipei City
TASTy (Taipei Nanjing East), Wowprime Corporation	02-25601296	104	2F, No.11, Sec. 2, Nanjing E. Rd., Zhongshan Dist., Taipei City
TASTy (Taipei Roosevelt), Wowprime Corporation	02-23699148	106	2F, No.79, Sec. 2, Roosevelt Rd., Da'an Dist., Taipei City
TASTy (Taoyuan Nanhua), Wowprime Corporation	03-3395896	330	No.66, Nanhua St., Taoyuan City, Taoyuan County
TASTy (Taipei Fuxing), Wowprime Corporation	02-27112231	106	3F, No.152, Sec. 1, Fuxing S. Rd., Da'an Dist., Taipei City
TASTy (Kaohsiung Zhongshan), Wowprime Corporation	07-2820712	800	2F, No.472, Zhongshan 2nd Rd., Xinxing Dist., Kaohsiung City
Tasty (Zhongli Zhongshan), Wowprime Corporation	03-4253596	320	2F, No.101, Zhongshan Rd., Zhongli City, Taoyuan County
TASTy (Banqiao Zhongshan), Wowprime Corporation	02-29629955	220	2F, No.6, Sec. 1, Zhongshan Rd., Banqiao Dist., New Taipei City

Name of branch office	Phone number	Area code	Address
TASTy (Taipei Chongqing South), Wowprime Corporation	02-23708292	100	2F, Nos 121, 123, 125, and 127, and 1F and 2F, No. 129, Sec. 1, Chongqing S. Rd., Liming Vil., Zhongzheng Dist., Taipei City
TASTy (Keelung Xinyi), Wowprime Corporation	02-24253600	202	15F, No.177, Xinyi Rd., Zhongzheng Dist., Keelung City
TASTy (Changhua Siwei), Wowprime Corporation	04-7615252	500	No.68, Ln. 69, Siwei Rd, Changhua City, Changhua County
TASTy (Kaohsiung Fuguo), Wowprime Corporation	07-5569712	813	No.302, Fuguo Rd., Zuoying Dist., Kaohsiung City
TASTy (Pingtung Ziyou), Wowprime Corporation	08-7337222	900	2F, No.593 and 1F, No.595, Ziyou Rd., Pingtung City, Pingtung County
TASTy (Chiayi Wenhua), Wowprime Corporation	05-2239418	600	2F, No. 155-70, Wenhua Rd., West Dist., Chiayi City
TASTy (Xindian Minquan), Wowprime Corporation	02-22181400	231	2F, No.82, Minquan Rd., Xindian Dist., New Taipei City
TASTy (Toufen Shangshun), Wowprime Corporation	037-687183	351	Nos.77 and 79, Shangshun Rd., Toufen Township, Miaoli County
TASTy (Zhonghe Bannan), Wowprime Corporation	02-22260306	235	No.665, Bannan Rd., Zhongyuan Vil., Zhonghe Dist., New Taipei City
TASTy (Xinying Carrefour), Wowprime Corporation	06-6565633	730	2F, No.251, Jiankang Rd., Sanxian Vil., Xinying Dist., Tainan City
TASTy (Taipei Sanxia), Wowprime Corporation	02-26738169	237	3F, No.398, Xuecheng Rd., Sanxia Dist., New Taipei City
TASTy (Anping Carrefour), Wowprime Corporation	06-2971618	700	No.16, Sec. 2, Zhonghua W. Rd., Daliang Vil., West Central Dist., Tainan City
TASTy (Fengshan Carrefour), Wowprime Corporation	07-7902022	830	No.236, Zhongshan W. Rd., Zhongyi Vil., Fengshan Dist., Kaohsiung City
TASTy (Longtan Zhongzheng), Wowprime Corporation	04-23221868	325	1F, No.398, Zhongzheng Rd., Longtan Township, Taoyuan County
TASTy (Yangmei Zhongshan North), Wowprime Corporation	03-4810010	326	2F, No.2, Ln. 23, Sec. 2, Zhongshan N. Rd., Yangmei City, Taoyuan County
Tokiya, Wowprime Corporation	04-23221868	403	29F, No.218, Sec.2 Taiwan Blvd., West Dist., Taichung City
Pinnada, Wowprime Corporation	04-23221868	403	29F, No.218, Sec.2 Taiwan Blvd., West Dist., Taichung City
Pinnada (Chiayi Guohua), Wowprime Corporation	05-2222721	600	1F, No.212, Guohua St., West Dist., Chiayi City
Pinnada (Toufen Shangshun), Wowprime Corporation	037-688859	351	No.87, Shangshun Rd., Dongzhuang Vil., Toufen Township, Miaoli County
Pinnada (Nanzi Carrefour), Wowprime Corporation	07-5912887	811	No.288, Lantian Rd., Nanzi Dist., Kaohsiung City
Pinnada (Dali Defang South), Wowprime Corporation	04-24835127	412	No.208, Defang Rd., Changrong Vil., Dali Dist., Taichung City
hot 7, Wowprime Corporation	04-23221868	403	29F, No.218, Sec.2 Taiwan Blvd., West Dist., Taichung City
hot 7 (Taipei Chang'an East), Wowprime Corporation	02-25091277	104	1F, No.78-2, Sec. 2, Chang'an E. Rd., Taipei City
CHIN HUAJIAO, Wowprime Corporation	04-23221868	403	29F, No.218, Sec.2 Taiwan Blvd., West Dist., Taichung City
Xiang Duck, Wowprime Corporation	04-23221868	403	29F, No.218, Sec.2 Taiwan Blvd., West Dist., Taichung City
veggtable, Wowprime Corporation	04-23221868	403	29F, No.218, Sec.2 Taiwan Blvd., West Dist.,

## II. Company history

Time	Overview
1993	The Company was established on Ningxia Rd., Taichung, engaging in food and beverage (F&B) services; the paid-in capital was NT\$2,000 thousand.
1994	1. The Company established three branches: Kaohsiung Siwei Branch, Tainan Datong Branch, and Taoyuan Zhongshan Branch. 2. The Company established the joint decision-making center - Central Management Committee.
1995	1. Established the “Sheno-I Dai Employee Safety Foundation.” 2. Wangsteak (Wenxin) received the title of Excellent Taxpayer Model and was commended by the National Taxation Bureau of the Central Area (Taichung Branch). 3. Established Wangsteak (Nanjing).
1996	1. Established Wangsteak (Taipei Zhongshan) 2. Set the final week of each month as “Corporate Fire Control Day.” 3. Set 15 December each year as the “Corporate Entity Day.” 4. Organized the “1 <sup>st</sup> Boot Camp.”
1997	1. Implemented “eight days off a month” and “ applicable specifications of the Labor Standard Act” for the service industry. 2. The F&B Department of Wangsteak implemented “standardized operations.” 3. Formally commenced using the internal network system of the enterprise (Internet). 4. Promoted the event, “10,000 steps a day.” 5. Established Wangsteak (Taipei Heping) and Wangsteak (Taichung Zhonggang).
1998	1. Performed a capital increase in cash of NT\$22,855 thousand; the paid-in capital after the capital increase was NT\$24,855 thousand. 2. Wangsteak worked with the “National Kaohsiung University of Hospitality and Tourism” for a work-study program. 3. Wangsteak organized the K.K.S. Grand Competition. 4. The Chairman received the title of the “21st Model of Young Entrepreneurship.” 5. Established Wangsteak (Hsinchu Beida) and Wangsteak (Banqiao Wenhua).
1999	1. Performed a capital increase in cash of NT\$13,000 thousand and a capital increase from earnings of NT\$30,000 thousand; the paid-in capital after the capital increase was NT\$67,855 thousand. 2. Officially released the first television advertisement of Wangsteak.
2000	1. Performed a capital increase from earnings of NT\$32,145 thousand; the paid-in after the capital increase was NT\$100,000 thousand. 2. Wangsteak (Wenxin) and the General Administration Department formally passed the ISO9002 certification. 3. Became the ISO9002 and TQM demonstration unit of the Ministry of Economic Affairs.
2001	1. Promoted the event of “comfortable customer services.” 2. Wangsteak (Beida) was elected by the Ministry of Finance as a “Business of Excellent Performance in Invoice Issuance.” 3. Established the first TASTy (Taipei Fuxing).
2002	1. Established the first Tokyia (Taipei Fuxing). 2. Established the “Perfection Family” terms.
2003	Promoted social credits: 100 restaurants a year; one book a month; 100 nations a life; 100 mountains a life; 10,000 steps a day.
2004	1. In 2004, Wangsteak won first place in the front-line customer service quality evaluation for ten major service industries by Global Views. 2. Established the first Taipei Nanjing Branch of the Yakiyan Business Segment.

Time	Overview
	<ul style="list-style-type: none"> <li>3. Established the Constitution of Wowprime Corporation.</li> <li>4. Promoted the event of “Wowprime New Ironman,” including climbing Yushan, cross-lake swimming at Sun Moon Lake, and biking across Taiwan.</li> <li>5. Established the first Taipei Nanjing Branch of the Gigu Business Segment.</li> <li>6. Gigu Business Segment received the honor of the “2<sup>nd</sup> Business Startup Award” from the Ministry of Economic Affairs.</li> </ul>
2005	<ul style="list-style-type: none"> <li>1. Established the first Taipei Dunbei Branch of the ikki Business Segment.</li> <li>2. Established the first Taipei Guangfu Branch of the Chamonix Business Segment.</li> <li>3. In 2005, Tokiya, TASTy, and Wangsteak won first, fourth, and fifth place, respectively, in the front-line customer service quality evaluation for ten major service industries by Global Views.</li> <li>4. Wowprime Corporation added the 4<sup>th</sup> item for its Ironman - “finishing marathon of 21km in 3 hours.”</li> <li>5. Wangsteak Business Segment won first place in the 2005 “Distinguished Service Award.”</li> </ul>
2006	<ul style="list-style-type: none"> <li>1. Wangsteak and TASTy received the “Business of Excellent Performance in Invoice Issuance” from the Ministry of Finance.</li> <li>2. Established “Pinnada Tonkatsu and Curry Business Segment.”</li> <li>3. Wangsteak received the honor of the “Human Resources Innovation Group Award.”</li> <li>4. Wangsteak received the honor of the “Quality Group Award.”</li> <li>5. Wangsteak was awarded the “2006 Ministry of Economic Affairs Strategy Innovation Award.”</li> </ul>
2007	<ul style="list-style-type: none"> <li>1. Yakiyan and Wangsteak received the “Business of Excellent Performance in Invoice Issuance” from the Ministry of Finance.</li> <li>2. Established the “Sheno-I Day Employee Safety Foundation.”</li> <li>3. The 1st Wowprime Cup Tray Carrying</li> <li>4. Performed a capital increase in cash of NT\$40,000 thousand and issued new shares of NT\$261,000 thousand that are consolidated with the shares of Tasty, Tokiya, Yakiyan, Gigu, ikki, Chamonix, and Pinnada; the paid-in capital was NT\$401,000 thousand after the consolidation and capital increase.</li> </ul>
2008	<ul style="list-style-type: none"> <li>1. Established the “Sheno-I Dai Employee Emergency Allowances.”</li> <li>2. Performed a capital increase in cash of NT\$51,333 thousand; the paid-in capital after the capital increase was NT\$452,333 thousand.</li> <li>3. Won first place in “Let’s Walk &amp; Work!,” a solicitation event for corporate walking programs organized by Bureau of Health Promotion, Department of Health, Executive Yuan.</li> <li>4. Participated in the “2008 Excellent Business Service Personnel” election; a total of seven employees won the awards.</li> <li>5. Awarded the “2008 Excellent Business Service Brand in Taiwan.”</li> <li>6. Received the “6<sup>th</sup> Global Views Distinguished Service Award in 2008”: Wangsteak, Yakiyan, and TASTy won first, second, and fifth place, respectively.</li> <li>7. Wangsteak (Taichung Wenxin) and Chamonix (Taipei Fubei) won the “2008 Taiwan Gourmet” award from the Ministry of Economic Affairs.</li> </ul>

Time	Overview
2009	<ol style="list-style-type: none"> <li>1. Performed a capital increase from the capital reserve of NT\$22,617 thousand; the paid-in capital after the capital increase was NT\$474,950 thousand.</li> <li>2. “Wanggroup” was renamed “Wowprime.”</li> <li>3. Established “12hotpot Business Segment.”</li> <li>4. Wangsteak received the honor of the “2009 Reader’s Digest Reliable Brand Platinum Award.”</li> <li>5. Ranked the 21<sup>st</sup> in the “2009 Most Sought-after Private Enterprises by the New Generation” organized by Cheers.</li> <li>6. Wowprime Corporation organized the “10,000 Steps for 100 Stores to Roll the World” to celebrate the opening of 100 stores.</li> <li>7. Chamonix (Taichung Port) received the “Business of Excellent Performance in Invoice Issuance” from the Ministry of Finance.</li> <li>8. TASTy Business Segment, Tokiya Business Segment, Yakiyan Business Segment, Chamonix Business Segment, and Pinnada Business Segment were listed in the “Selected Top 100 Restaurants by Xuite.net Top 100 Food Blogs.”</li> <li>9. Multiple employees won awards in the Asia 1st Culinary Cup in 2009.</li> <li>10. Wangsteak received the honor of “Taiwan Excellent Brands.”</li> <li>11. Chairman Sheno-I Dai received the title of “Excellent Businessman.”</li> <li>12. Wowprime Corporation received the 10<sup>th</sup> “National Standardization Award.”</li> <li>13. Wowprime Corporation received the “Organization Innovation Award” from the Ministry of Economic Affairs.</li> <li>14. In the “2009 Taiwan Gourmet” organized by the Ministry of Economic Affairs, six branches under five business segments of Wowprime Corporation won the awards.</li> </ol>
2010	<ol style="list-style-type: none"> <li>1. Established “Sufood Business Segment.”</li> <li>2. Signed licensing contract for Tokiya in Thailand.</li> <li>3. Chairman Sheno-I Dai received the 7th “Models of Entrepreneurs Award - Outstanding Achievement.”</li> <li>4. Chamonix was rated as a “Premium Restaurant” in 2010 Northern Taiwan’s Top Restaurants.</li> </ol>
2011	<ol style="list-style-type: none"> <li>1. Performed a capital increase from earnings of NT\$97,365 thousand and a capital increase from employee stock options of NT\$43,530 thousand; the paid-in capital after the capital increase was NT\$615,845 thousand.</li> <li>2. Promoted “Nepal Everest Base Camp Hiking” and became the first Taiwanese enterprise that successfully reached the summit in a group.</li> <li>3. Public offering of stocks on 31 March 2011.</li> <li>4. Stocks listed on the emerging stock market on 29 April 2011.</li> <li>5. Participated in the “Hong Kong International Culinary Classic” and won 6 medals, including 3 silver medals and 3 bronze medals.</li> <li>6. Established “Famonn Cafe Business Segment.”</li> <li>7. Participated in the “13<sup>th</sup> Penang Battle Of The Chefs in 2011” and won 9 medals and 1 excellence work, including 1 gold medal, 5 silver medals, 3 bronze medals, and 1 excellence work.</li> <li>8. Received the honor of the “Employment Creation Contribution Award” from the Council of Labor Affairs, Ministry of Economic Affairs, Executive Yuan.</li> <li>9. Ranked third in “Happy Enterprises” as voted by office workers.</li> <li>10. Received the honor title of “Top 100 Brands in Taiwan.”</li> <li>11. In the “Gold Service Award” organized by CommonWealth Magazine, Wangsteak, TASTy, and Chamonix won first, second, and third place, respectively, under the Western chain restaurant category, and Giguo won the first place under the Chinese chain restaurant category.</li> <li>12. In the “9<sup>th</sup> Global Views Distinguished Service Award in 2011,” Wangsteak,</li> </ol>

Time	Overview
	<p>Yakiyan, Pinnada, Giguo, and Tokiya won first, second, third, fourth, and fifth place, respectively.</p> <p>13. Performed a capital increase from employee stock options of NT\$5,570 thousand; the paid-in capital after the capital increase was NT\$621,415 thousand.</p>
2012	<ol style="list-style-type: none"> <li>On 1 January 2012, Wowprime (Beijing) and Shanghai Tasty in Mainland China were formally included as subsidiaries.</li> <li>Performed a capital increase in cash before listing of NT\$58,090 thousand; the paid-up capital was NT\$679,505 thousand after the capital increase, and the stocks were “formally listed” on 6 March 2012.</li> <li>Executed a joint venture agreement with Jollibee (the Philippines) to bring 12hotpot into the Chinese market.</li> <li>Received the “Taiwan Innovative Enterprise Award” from Global Views.</li> <li>Ranked first in the “Most Sought-after Top 100 Private Enterprises by the New Generation” organized by Cheers.</li> <li>Received the “3<sup>rd</sup> Business Next Green Brands High Distinction Award (F&amp;B Service Category) in 2012.”</li> <li>Received the “8<sup>th</sup> Global Views Corporate Social Responsibility Model Award (Workplace Health Category) in 2012.”</li> <li>Received the “2012 Taiwan Service Industry Golden Award” from the Commercial Times.</li> <li>Received the “Top 20 International Brands in Taiwan” from the Bureau of Foreign Trade, Ministry of Economic Affairs.</li> <li>In the “10<sup>th</sup> Global Views Distinguished Service Award in 2012,” Pinnada, Wangsteak, and Chamonix won first, second, and third place, respectively.</li> </ol>
2013	<ol style="list-style-type: none"> <li>Performed a capital increase from the capital reserve of NT\$67,950 thousand; the paid-in capital after the capital increase was NT\$747,455 thousand.</li> <li>Participated in the “Thailand Culinary World Challenge 2013” and won 17 medals, including 4 gold medals, 8 silver medals, and 5 bronze medals.</li> <li>Established “Hanakakure Business Segment” and “LAMU Business Segment.”</li> <li>Established “hot 7 Business Segment.”</li> <li>Executed a joint venture agreement with PUTIEN Group (Singapore) to bring Sufood into the Singaporean market.</li> <li>Participated in the “2013 FHC China International Culinary Arts Competition in Shanghai” and won 10 medals, including 2 gold medals, 4 silver medals, and 4 bronze medals.</li> <li>Ranked first in the “Most Sought-after Top 100 Private Enterprises by the New Generation” organized by Cheers.</li> <li>Wangsteak, TASTy, Yakiyan, and Tokiya received the title of “Top 10 Technology Innovations” from the Institute for Information Industry.</li> <li>Received the first prize under the Tourism and F&amp;B Category of the “2013 Digital Service Benchmark Enterprises” organized by Business Next.</li> <li>In the 2013 “Gold Service Award” organized by CommonWealth Magazine, Giguo and 12hotpot won first and fourth place under the hot pot chain restaurant category.</li> <li>Won fifth place in the Top 10 Cross-industry Category in the “2013 Best Reputation Benchmark Enterprises” organized by CommonWealth Magazine.</li> <li>Received the “Top 20 International Brands in Taiwan” from the Bureau of Foreign Trade, Ministry of Economic Affairs.</li> <li>Won first place in the “Taiwan Innovative Enterprise Award” organized by the Bureau of Foreign Trade, Ministry of Economic Affairs.</li> </ol>

Time	Overview
2014	<ol style="list-style-type: none"> <li>1. Performed a capital increase from the capital reserve of NT\$22,424 thousand; the paid-in capital after the capital increase was NT\$769,879 thousand.</li> <li>2. Established “ita Business Segment.”</li> <li>3. Ranked first in the “Most Sought-after Top 100 Private Enterprises by the New Generation” organized by Cheers for the third time.</li> <li>4. Won the first prize in the “5<sup>th</sup> Green Brands (F&amp;B Service Category)” organized by Business Next.</li> <li>5. The top 5 Western restaurants in the “2014 Gold Service Industry Survey” organized by CommonWealth Magazine are Wangsteak, Chamonix, Tokyia, TASTy, and Sufood.</li> <li>6. Participated in the “Thailand Ultimate Chef Challenge 2014” and won 16 medals and 1 excellence work, including 7 silver medals, 9 bronze medals, and 1 excellence work.</li> <li>7. Established Sufood Raffles City, the first overseas branch of Sufood.</li> <li>8. Received the “2014 Taiwan Service Industry Golden Award” from the Commercial Times: Gold medal - Chamonix; silver medal - hot 7; bronze medal - Wangsteak; fifth place - Pinnada.</li> <li>9. The headquarters established the Food Safety Department.</li> <li>10. In response to the “Donation for Blasts in Kaohsiung,” the Company donated NT\$10 million to Kaohsiung City Government to help with disaster relief and called upon employees of all stores and brands in Kaohsiung to join the disaster relief acts.</li> <li>11. Participated in the “Thailand Culinary World Challenge 2014” and won second place (group).</li> <li>12. Participated in the “2014 Pattaya Princess Honour Cup” and won 5 medals, including 4 gold and 1 silver.</li> <li>13. The World Economic Forum nominated 14 enterprises in the Great China Region as the “2014 global growth companies,” and Wowprime Corporation is the only enterprise in Taiwan selected.</li> <li>14. Executed a joint venture agreement with Panda Restaurant Group to bring Yakiyan into the U.S. market.</li> <li>15. Won eighth place in the Top 10 Cross-industry Category in the “2014 Best Reputation Benchmark Enterprises” organized by CommonWealth Magazine.</li> <li>16. Participated in the “Thailand Culinary World Challenge 2014” and won 3 medals, including 1 gold medal, 1 silver medal, and 1 bronze medal.</li> <li>17. Won second place in the “Taiwan Innovative Enterprise Award” organized by the Bureau of Foreign Trade, Ministry of Economic Affairs.</li> <li>18. In the “12<sup>th</sup> Global Views Distinguished Service Award,” Chamonix, Giguao, and Wangsteak won first, second, and third place under the cross-industry and chain F&amp;B industry categories, respectively, and 12hotpot won the third place under the chain fast food industry category.</li> </ol>
2015	<ol style="list-style-type: none"> <li>1. Ranked 4<sup>th</sup> in the “Most Sought-after Top 100 Private Enterprises by the New Generation” organized by Cheers for the third time. Chairman Sheno-I Dai won 8<sup>th</sup> place in the “Most Admirable Top 10 Entrepreneurs.”</li> <li>2. Vice President Cheng-Hui Chen joined the group led by Former Vice President Vincent C. Siew to participate in the Boao Forum for Asia.</li> <li>3. “2015 Gold Service Industry Survey” organized by CommonWealth Magazine Top 10 overall ranking for the cross-industry category: Wangsteak and Chamonix ranked seventh and tenth, respectively. Top 4 Western restaurant category: Wangsteak and Chamonix ranked first and second, respectively. Tokiya and Sufood ranked third and fourth, respectively.</li> </ol>



Time	Overview
	<ol style="list-style-type: none"> <li>4. In response to the “Donation for Disaster Relief in Nepal,” the Company donated NT\$3 million to the special account for disaster relief set up by the Ministry of Health and Welfare, Executive Yuan, to assist in disaster relief and rebuilding in Nepal.</li> <li>5. Received the “2015 Taiwan Service Industry Golden Award” from the Commercial Times. Chain fairly priced restaurants: Gold medal - ita Chain cafe: Gold medal - Famonn Cafe</li> <li>6. In response to the “Donation for Dust Explosion of Formosa Fun Coast,” the Company donated NT\$5 million to the special account for relief set up by the Social Welfare Department, New Taipei City Government, to provide assistance for medication and care required by injured patients.</li> <li>7. Chairman Sheno-I Dai retired; however, in the future, he will continue participating in material business events of the Company in the nature of the “founder.” Vice Chairman Cheng-Hui Chen assumed the position of Chairman and concurrently held the position as the chairperson of the Mainland China Business Group.</li> <li>8. The headquarters established the Operating Department.</li> <li>9. Executed a joint venture agreement with PUTIEN (Singapore) to act as an agent to bring the brand PUTIEN into the Taiwanese market first.</li> <li>10. Established “PUTIEN Business Segment,” which is the first Chinese food brand and licensed overseas brand of the Group.</li> <li>11. Won the “Brand Service Industry Technology Innovation Award” organized by the Institute for Information Industry.</li> <li>12. Won 15<sup>th</sup> place in the “Taiwan Innovative Enterprise Award” organized by the Bureau of Foreign Trade, Ministry of Economic Affairs.</li> <li>13. Won the “13<sup>th</sup> Global View Five Star Service Award.” Chamonix continued to rank first in the chain F&amp;B category, and Yakiyan and Tokiya were ranked second and fourth, respectively.</li> <li>14. At the “Outstanding Store Manager Selection” organized by Taiwan Chain Stores and Franchise Association, four of our store managers won the title of outstanding store manager, including Yi-Da Li from Wangsteak, Su-Mei Yang from Chamonix, Xue-Yi Lin from TASTy, and Ji-Yan Chen from Tokiya.</li> </ol>
2016	<ol style="list-style-type: none"> <li>1. Established “Cook Beef Business Segment.”</li> <li>2. Our vegetable and fruit cutting and delivery center went through a PDC transformation and became the Production Management Department.</li> <li>3. In response to the “Donation for Disaster Relief of Wei Guan Building in Tainan,” the Company donated NT\$3 million to the special account for disaster relief set up by the Tainan-City Government and called upon employees of all stores and brands in the Tainan region to join the disaster relief acts.</li> <li>4. Ranked the 1<sup>st</sup> and the 6<sup>th</sup> in the Tourism and F&amp;B Industry Category and the overall ranking in the “Most Sought-after Top 100 Private Enterprises by the New Generation” organized by Cheers for the third time. Chairman Sheno-I Dai won eighth place in the “Most Admirable Top 10 Entrepreneurs.”</li> <li>5. Ranked 76<sup>th</sup> in the total ranking of the “Top 100 Influential Brands in Taiwan” organized by Business Weekly.</li> <li>6. “2016 Gold Service Industry Survey” organized by CommonWealth Magazine Top 5 Western restaurants: Wangsteak, Chamonix, Tokiya, TASTy, and Sufood.</li> <li>7. Ranked the 71<sup>st</sup> for the general category of the Taiwan region in the “2016 Brand Asia” co-organized by Nikkei BP and Manager Today.</li> <li>8. Participated in the “Thailand Ultimate Chef Challenge 2016” and won 2 medals, including 1 special gold medal and 1 silver medal.</li> </ol>

Time	Overview
	<ol style="list-style-type: none"> <li>9. At the 6<sup>th</sup> Culinary Culture Forum Across the Taiwan Straits, PUTIEN Business Segment won the “Top 10 Restaurants Across the Taiwan Straits,” and chef Ying-Qing Wang won the “Top 10 Chefs Across the Taiwan Straits.”</li> <li>10. Received the “2016 Taiwan Service Industry Golden Award” from the Commercial Times. Chain brand restaurant: Gold medal - Yakiyan Chain fairly priced restaurants: Gold medal - 12hotpot</li> <li>11. PUTIEN (Kitchener Road), the head branch in Singapore, was awarded one star in the Michelin Guide Singapore.</li> <li>12. Participated in the Taiwan Culinary Art Challenge (TCAC) at the 2016 Taiwan Culinary Exhibition and won the bronze medal.</li> <li>13. Madam Goose (Xinzhuang) was awarded one star in the Michelin Guide Shanghai.</li> <li>14. Established “Spicy Boss Business Segment.”</li> <li>15. Received the “2016 Taiwan i Sports Label” from the Sports Administration, Ministry of Education.</li> <li>16. In the “14<sup>th</sup> Global Views Distinguished Service Award,” Pinnada won second place under the chain F&amp;B category.</li> <li>17. Wangsteak worked with the 53<sup>rd</sup> Golden Horse Awards and released the “Golden Horse Feast of King’s Honor.”</li> <li>18. Participated in the “2016 FHC China International Culinary Arts Competition in Shanghai” and won 1 gold medal, 1 silver medal, and 1 bronze medal.</li> <li>19. Received the “9<sup>th</sup> Taiwan Corporate Sustainability Awards - Rising Star” organized by the Taiwan Institute for Sustainable Energy.</li> <li>20. At the “2016 Outstanding Store Manager Selection” organized by Taiwan Chain Stores and Franchise Association, five of our store managers won the title of outstanding store manager, including De-Hua Huang from Yakiyan, Wen-Yu Zhuang from Wangsteak, Min-Ji Zhou from ikki, Guang-Yu Zhang from Chamonix, and Jian-Yu Chiu from Sufood.</li> </ol>
2017	<ol style="list-style-type: none"> <li>1. Established “Zha Beef Business Segment.”</li> <li>2. Organized the first internal start-up competition “Entrepreneur Craze.”</li> <li>3. Ranked the 89<sup>th</sup> in the total ranking of the “Top 100 Influential Brands in Taiwan” organized by Business Weekly.</li> <li>4. Received the “2017 Taiwan Service Industry Golden Award” from the Commercial Times. Chain brand restaurant: Silver medal - Chamonix Chain fairly priced restaurants: Gold medal - hot 7; silver medal - Pinnada</li> <li>5. PUTIEN (Kitchener Road), the head branch in Singapore, maintained its one star in the Michelin Guide Singapore.</li> <li>6. Ranked 41<sup>st</sup> for the general category of the Taiwan region in the “2017 Brand Asia” co-organized by Nikkei BP and Manager Today.</li> <li>7. Participated in “the 2017 Taiwan Culinary Art Competition” and won 3 gold medals, 4 silver medals, and 2 bronze medals.</li> <li>8. Established “Mu Viet Business Segment” and “CHIN HUAJIAO Business Segment.”</li> <li>9. The Ministry of Economic Affairs promoted the “Leap of Mittlestand Project,” and the Company was elected as a potential mittlestand.</li> <li>10. Madam Goose (Xinzhuang) maintained its one star in the Michelin Guide Shanghai.</li> <li>11. Received the “Taiwan i Sports Label” from the Sports Administration, Ministry of Education.</li> <li>12. Wangsteak continued to work with the 54<sup>th</sup> Golden Horse Awards and released the “Golden Horse Feast of King’s Honor.”</li> </ol>

Time	Overview
	<p>13. Received the silver award under the F&amp;B category in the “10<sup>th</sup> Taiwan Corporate Sustainability Awards” organized by the Taiwan Institute for Sustainable Energy.</p> <p>14. Cook Beef Business Segment received the “2017 Taiwan Service Industry Product Innovation Award” from the Association of Service Industries, Taiwan.</p> <p>15. At the “2017 Outstanding Store Manager Selection” organized by Taiwan Chain Stores and Franchise Association, four of our store managers won the title of outstanding store manager, including Hui-Shan Chen from Wangsteak, Li-Wei Zhuo from Pinnada, Qiao-Wei Yang from 12hotpot (Outstanding Interview Award), and Han-Cheng Zheng from ikki.</p>
2018	<p>1. The core value of the Group was adjusted to integrity, groupwork, agility, and innovation. Our business philosophy is “customers are patrons, colleagues are family members, and suppliers are benefactors.”</p> <p>2. Established the sub-brand “12MINI” of the 12hotpot Business Segment.</p> <p>3. Established the Wu Yu Business Segment in Mainland China.</p> <p>4. Established Xiang Duck Business Segment.</p> <p>5. Ranked 48<sup>th</sup> for the general category of the Taiwan region in the “2018 Brand Asia” co-organized by Nikkei BP and Manager Today.</p> <p>6. Established Vegtable Business Segment and Phofun Business Segment.</p> <p>7. Established the sub-brand “Hele Teppanyaki” of the hot 7 Business Segment. Received the “2018 Taiwan Service Industry Golden Award” from the Commercial Times. Chain brand restaurant: Gold medal - Chamonix; silver medal - ikki; bronze medal - CHIN HUAJIAO Chain fairly priced restaurants: Gold medal - Pinnada</p> <p>8. “Wowprime Cup Run,” the first event of the Group open to the public, started concurrently in New Taipei City, Taichung, and Kaohsiung, and 54,000 runners in aggregate participated in the run.</p> <p>9. Madam Goose (Xinzhuang) maintained its one star in the Michelin Guide Shanghai for a consecutive three years. Shum Sam Wei was recommended in the Bib Gourmand for the first time.</p> <p>10. Established the transformation brand “Wu Ni” of the Hanakakure Business Segment in Mainland China.</p> <p>11. Established Wowfresh Corporation to integrate the central kitchen, raw ingredient preparation, cutting, and processing of the Group.</p> <p>12. Wangsteak continued to work with the 55<sup>th</sup> Golden Horse Awards and released the “Golden Horse Feast of Co-star’s Honor.”</p> <p>13. Received the gold award under the F&amp;B and food industry in the “11<sup>th</sup> Taiwan Corporate Sustainability Awards” organized by the Taiwan Institute for Sustainable Energy.</p> <p>14. In the “16<sup>th</sup> Global Views Five Star Service Award,” Giguo and Wangsteak won third and fifth place in the chain F&amp;B industry category.</p> <p>15. At the “2018 Outstanding Store Manager Selection” organized by Taiwan Chain Stores and Franchise Association, four of our store managers won the title of outstanding store manager, including Ling-Qi Tsao from Giguo (champion of the F&amp;B service category), Yao-Yong Yen from TASTy (second place of the F&amp;B service category), Bi-Xia Wang from TASTy, and Yun-Pei Xie from Giguo.</p>
2019	<p>1. Established Bibaya Business Segment in Mainland China.</p> <p>2. Sufood Business Segment was renamed Su/food Business Segment.</p> <p>3. Wangsteak, TASTy, Chamonix, 12hotpot, and Tokiya received the “Happy Enterprise Award.”</p>

Time	Overview
	<ol style="list-style-type: none"> <li>12hotpot was awarded the highest honor of a three-star traceability restaurant in the From Farm to Table Restaurant organized by AMOT.</li> <li>Participated in the “2019 Hong Kong International Culinary Classic” and won 8 medals, including 1 gold medal, 2 silver medals, and 5 bronze medals.</li> <li>Received the “2019 Taiwan Service Industry Golden Award” from the Commercial Times. Chain brand restaurant: Gold medal - Wangsteak Chain brand restaurant service pioneer: Ting-Xuen Liu from Wangsteak</li> <li>Passed the SGS Food Safety Management System ISO22000 and HACCP certifications. Among all listed F&amp;B companies, the Group is the only one that concurrently obtained the Laboratory Management System SO17025 and Food Safety Management System ISO22000 certifications.</li> <li>Established THE WANG Business Segment.</li> <li>Received the “2019 Taiwan i Sports Label.”</li> <li>On the “Yushan Public Welfare Day,” our CEO led 36 adventurous climbers to climb Yushan, donated 300 pairs of slippers, and helped maintain the trails in Yushan.</li> <li>Received the silver award under the F&amp;B industry in the “12<sup>th</sup> Taiwan Corporate Sustainability Awards” organized by the Taiwan Institute for Sustainable Energy.</li> <li>The “16<sup>th</sup> Global Views Five Star Service Award” ikki and Giguo won third and fifth place in the chain F&amp;B industry category.</li> <li>The “2019 Outstanding Store Manager Selection” organized by Taiwan Chain Stores and Franchise Association. Five of our store managers won the title of outstanding store manager, including Yun-Chong Zhuang from Wangsteak, Ya-Wen Zheng from Tokiya (Outstanding Outlet Quality Service Award,” Yi-Yao Liao from TASTy, Zhen-Yo Chen from 12MINI, and Yi-Tze Chong from hot 7.</li> <li>Formally established the “Food Art R&amp;D Center.”</li> <li>Set up the first “F&amp;B angel fund” in Taiwan with a scale of NT\$50 million.</li> </ol>
2020	<ol style="list-style-type: none"> <li>The Mainland China Business Group of Wowprime donated 1.5 million CNY to Wuhan Red Cross to support the control of COVID-19.</li> <li>Established the first Taipei Zhongxiao East Road Branch of the Wagyuhabu Business Segment.</li> <li>TASTy organized the “Reach Out to New Blood” event; CEO Sen-Pin Lee joined the event to call for blood donation.</li> <li>The winning teams of the “Wowprime Next Generation Dream Table Challenge”: Gold award: Green Dream Team; silver award: Town Chen Goose Store; bronze award: Thai Chiao Ba Shi; best start-up potentials: Good Branch Noodle and Cucina Privata 17; Online Popularity Award: Green Dream Team.</li> <li>Established the first Taichung Wenxin Branch of the Meeting Point Business Segment.</li> <li>At the “7<sup>th</sup> Service Angel Award in 2020,” six of our employees won the Service Angel Award, including Guan-Xun Chen from PUTIEN, Yi-Lu Kao from CHIN HUAJIAO, Pei-Bo Chen from THE WANG, Yo-Ting Zhang from ikki, Jun-Hong Shi from Tokiya, and Xuan-Wei Su from 12hotpot.</li> <li>Received the “2020 Taiwan Service Industry Golden Award” from the Commercial Times. Chain brand restaurant: Gold medal - Wangsteak; silver medal - Mu Viet; bronze medal - Tokiya Chain brand restaurant service pioneer: Yu- Sheng He from Wangsteak</li> <li>CEO Sen-Pin Lee of the Taiwan Business Group of Wowprime Corporation was</li> </ol>

Time	Overview
	<p>promoted as the Vice Chairman of Wowprime Corporation.</p> <p>9. At the “5<sup>th</sup> From Farm to Table Restaurant” organized by AMOT, 12hotpot and hot 7 were awarded three-star traceability restaurant and two-star traceability restaurant, respectively.</p> <p>10. Established the first Taipei Guangfu South Branch of the Dingshi Business Segment.</p> <p>11. Veggtable Ri Li Business Segment became Veggtable Business Segment.</p> <p>12. Veggtable was recognized as the “2020 Classic Taiwanese Cuisine Restaurant” by the Ministry of Economic Affairs.</p> <p>13. On the “Yushan Public Welfare Day,” our Vice Chairman led employees to climb Yushan, donated 48 bottles of alcohol for sanitizing, and helped maintain the trails in Yushan.</p> <p>14. At the “2020 The Dailyview Best Reviewed Online Award,” PUTIEN won the Distinguished Popularity Award.</p>
2021	<p>1. Established the first Ximen Ermei Branch of POWER of MEAT Business Segment.</p> <p>2. Established the first Taipei Ximen Branch of the GOD GUO Business Segment.</p> <p>3. From Farm to Table Restaurant organized by AMOT: Three-star (highest honor) - 12hotpot; two-stars - hot 7</p> <p>4. THE WANG was recommended in Michelin the Plate.</p> <p>5. At the “8<sup>th</sup> Service Angel Award in 2021,” four of our employees won the Service Angel Award, including Yi-Rou Hong from Wangsteak, Ying-Tze Chong from Chamonix, Yu-Yun Lin from Yakiyan, and Jia-Ming Hsu from Giguo.</p> <p>6. Received the “2021 Taiwan Service Industry Golden Award” from the Commercial Times: Chain brand restaurant: Gold medal - Chamonix Chain brand restaurant service pioneer: Wei-Lun Chen from Chamonix</p> <p>7. Veggtable was elected in the “2021 Taiwanese Cuisine Inheritance Restaurant” organized by the Department of Commerce, Ministry of Economic Affairs, and received the honor of “Top 12 Taiwanese Cuisine Inheritance Restaurants.”</p> <p>8. At the “2021 The Dailyview Best Reviewed Online Award,” Xiang Duck won the Pioneer Innovation Award.</p> <p>9. On the “Yushan Public Welfare Day,” our Vice Chairman led employees to climb Yushan, donated five smart sensor alcohol sprayers of alcohol for sanitizing, and helped maintain the trails in Yushan.</p> <p>10. Won the third prize in the sports scores orienteering in the “Taiwan i Sports Label” organized by the Sports Administration, Ministry of Education.</p> <p>11. Wowprime Corporation won first prize in the Buying Power Social Innovation Procurement Award organized by the Small and Medium Enterprise Administration, Ministry of Economic Affairs.</p> <p>12. Deputy Manager Ru-Feng Zhen from the headquarters participated in the “5<sup>th</sup> Taiwan International Culinary Arts Competition in 2021” and won the silver medal with its Western display dish - Main course.</p> <p>13. The “2021 Outstanding Store Manager Selection” organized by Taiwan Chain Stores and Franchise Association: Jia-Jun Hsu from 12hotpot won the honor of outstanding store manager. Rui-Yu Huang from Yakiyan and Jun-Hong Su from 12hotpot won the honor of excellent store manager.</p> <p>14. Established the first Taipei Songjiang Branch of the XIANGLA Business Segment.</p> <p>15. Established the first MRT Nanshijiao Branch of the Let's DUCK Business Segment.</p>

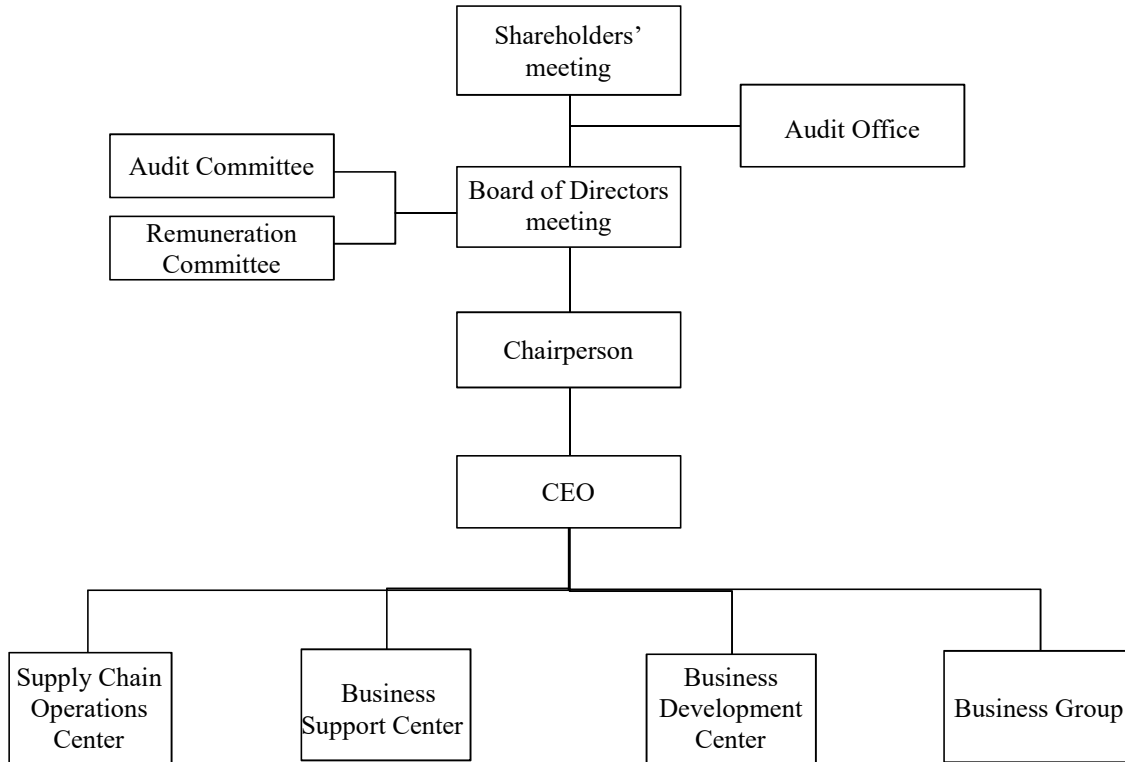
Time	Overview
2022	<ol style="list-style-type: none"> <li>Established the first Taichung Gongyi Branch of The Meatiest Business Segment.</li> <li>Yakiyan organized “Donate Clothes to Help Child Welfare League Foundation,” a public welfare event.</li> <li>At the “9<sup>th</sup> Service Angel Award in 2022,” four of our employees won the Service Angel Award, including Jin-Zhe Zhang from TASTy, Jia-Ying Xie from Pinnada, Yi-Jing Chen from Xiang Duck, and Rui-Rong Liu from 12hotpot.</li> <li>Formally established the “Wowfresh Meat Packing Plant.”</li> <li>Established the first MRT Ximen Branch of the Truwow Business Segment.</li> <li>Received the “2022 Taiwan Service Industry Golden Award” from the Commercial Times: Chain hot pot restaurant: Gold medal - Giguo</li> <li>TASTy formed its “TASTy Blood Donation Team,” President Fan-Xi Tsai and President Peng-Rong Hou took the lead in calling for blood donation.</li> <li>Tokiya organized the “Books for Children’s Hope” event.</li> <li>At the “7<sup>th</sup> From Farm to Table Restaurant” organized by AMOT, 12hotpot and hot 7 were awarded three-star traceability restaurant and two-star traceability restaurant, respectively.</li> <li>Received the F&amp;B Service Award - Gold Award from the “2022 Happy Enterprises” by 1111.</li> <li>Veggtable was elected in the 2022 “Taiwanese Cuisine with Local Specialties” by the Ministry of Economic Affairs.</li> <li>Won the third prize in the sports scores orienteering in the “Taiwan i Sports Label” organized by the Sports Administration, Ministry of Education.</li> <li>On the “Yushan Public Welfare Day,” our employees climbed Yushan, donated 300 pairs of slippers, and helped maintain the trails in Yushan.</li> <li>At the “2022 Outstanding Store Manager Selection” organized by Taiwan Chain Stores and Franchise Association, Yi-Fang Liu from ikik and Yi-Quan Hu from 12hotpot received the title of outstanding store manager.</li> <li>Wowprime Corporation and Cheerpin Restaurant Corporation won the first prize in the Buying Power Social Innovation Procurement Award organized by the Small and Medium Enterprise Administration, Ministry of Economic Affairs.</li> <li>Xiang Duck won the Pioneer Innovation Award of the “2022 The Dailyview Best Reviewed Online Award.”</li> <li>Wowprime Group received the Excellent Enterprise from the “6<sup>th</sup> Elite Award Ceremony” from the Department of Labor.</li> </ol>

There is no mass transfer or change in the equity held by Directors or major shareholders with a shareholding over 10%, change in ownership, or other significant matters that may affect shareholders’ interest in the most recent year and up to the date of publication of the annual report.

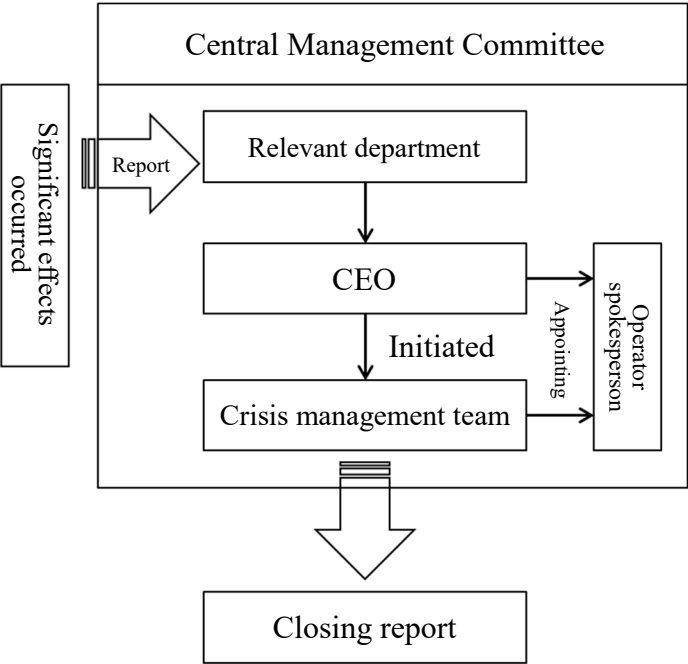
## Three. Corporate Governance Report

### I. Organization

#### (I) Corporate Structure



(II) Risk Management Structure





(III) Scope of Business Among Major Departments

Department	Rank	Scope of Business
Audit Office	Vice president	Responsible for assisting in promoting corporate governance, audits, evaluations of operating records of the Company, and internal management control.
Business Group	President Vice president	Responsible for the business development and management of business segments to achieve the business development goal of the Company.
Business Support Center	President	Development of operating support strategies and development and planning of human resources management policies and financial strategies that support the business development of the Group.
Business Development Center	President	Responsible for the development, planning, and execution of brand operations of the Group.
Supply Chain Operations Center	President	Development and planning of supply chain strategies that support the business development of the Group.

## II. Profile of directors of the board, supervisors, president, vice presidents, directors of departments, managers of departments and branches

### (I) Directors and Supervisors

#### 1. Directors and Supervisors (I)

30 April 2023; Unit: share

Title	Nationality	Name	Gender and age	Elected (assumption) date(year)	Term	Initial elected date(year)	Shareholding when elected		Current shareholding		Current shareholding of spouse and underage children		Shares held in the name of other persons		Major career achievements (academic background)	Concurrent duties in the Company and other companies	Title Name Relationship			Remarks
							Shares	Shareholding % Percentage	Shares	Shareholding % Percentage	Shares	Shareholding % Percentage	Shares	Shareholding % Percentage			Title	Name	Relationship	
Chairman	ROC	Cheng-Hui Chen	Male 61~70	2020.06.05	3 years	1993.12.07	3,801,282	4.16	3,801,282	4.94	10,380	0.01	-	-	1. EMBA, Guanghua School of Management, Peking University 2. Department of Forestry, Chinese Culture University	1. Representative & Director, Wowprime (China) Co., Ltd. 2. Representative & Director, Wowprime (Beijing) Co., Ltd. 3. Director, Hoppime Ltd. 4. Director, Wowprime Limited 5. Chairman (Representative), WPT Restaurant Corporation 6. Chairman (Representative), Cheerpin Restaurant Corporation 7. Chairman (Representative), Wowfresh Corporation 8. Chairman (Representative), Jiechuang Investment Co., Ltd.	-	-	-	Note

Title	Nationality	Name	Gender and age	Elected (assumption) date(year)	Term	Initial elected date(year)	Shareholding when elected		Current shareholding		Current shareholding of spouse and underage children		Shares held in the name of other persons		Major career achievements (academic background)	Concurrent duties in the Company and other companies	Title Name Relationship			Remarks
							Shares	Share holding % Percentage	Shares	Share holding % Percentage	Shares	Share holding % Percentage	Shares	Share holding % Percentage			Title	Name	Relationship	
Director	ROC	Sen-Pin Lee	Male 51~60	2020.06.05	3 years	1993.12.07	2,569,105	3.34	2,449,105	3.18	206,976	0.27	-	-	1. Master of Business, National Chung Hsing University 2. Wowprime Corporation - CEO 3. Wowprime Corporation - President of Wangsteak, TASTy, Giguo, and ikki Business Segments 4. Deputy Manager, Lotteria Food Co., Ltd.	1. Vice Chairman of the Company 2. Director, Wowprime (China) Co., Ltd. 3. Director, Wowprime (Beijing) CO.,LTD 4. Director (Representative), WPT Restaurant Corporation 5. Director (Representative), Cheerpin Restaurant Corporation 6. Director (Representative), Wowfresh Corporation 7. Director (Representative), JieChuang Investment Co., Ltd.	-	-	-	

Title	Nationality	Name	Gender and age	Elected (assumption) date(year)	Term	Initial elected date(year)	Shareholding when elected		Current shareholding		Current shareholding of spouse and underage children		Shares held in the name of other persons		Major career achievements (academic background)	Concurrent duties in the Company and other companies	Title Name Relationship			Remarks
							Shares	Share holding % Percentage	Shares	Share holding % Percentage	Shares	Share holding % Percentage	Shares	Share holding % Percentage			Title	Name	Relationship	
Director	ROC	Hong-Han Zhou (Note 1)	Male 51~60	2020.06.05	3 years	2020.06.05			23,000	0.03					1.Department of Geology, Chinese Culture University 2. Wowprime (China) Corp.- Chief of Brand Department, Vice Manager of MKT Dep. General Manager, GM office General Manager, Marketing 3.PR Planner, ABBY PR Company 4.AE, Bates CHI, Taiwan 5.SAE, Ogilvy 6.AAD, AD, GAD, Minister, Dentsu ONE Inc. 7.Vice Manager, Tendays Inc.	Chief Operating Officer, Wowprime (China)Corp.				

Title	Nationality	Name	Gender and age	Elected (assumption) date(year)	Term	Initial elected date(year)	Shareholding when elected		Current shareholding		Current shareholding of spouse and underage children		Shares held in the name of other persons		Major career achievements (academic background)	Concurrent duties in the Company and other companies	Title Name Relationship			Remarks
							Shares	Share holding % Percentage	Shares	Share holding % Percentage	Shares	Share holding % Percentage	Shares	Share holding % Percentage			Title	Name	Relationship	
Director	ROC	Guo-Yao Su	Male 61~70	2020.06.05	3 years	2012.3.27	-	-	-	-	-	-	-	-	1. Bachelor, Hospitality Management California State Polytechnic University, Pomona 2. Member of the Consumers' Foundation 3. President, Le Cordon Bleu Taiwan-NKUHT 4. Senior consultant to Chairman, China Airlines 5. President, The Landis Taipei 6. President, Tempus Hotel Taichung 7. President, Tayih Landis Tainan 8. Vice President, The Landis Management Co., Ltd. 9. Adjunct Instructor, Department of Hospitality Management, Tunghai University	1. Professional Specialist, National Kaohsiung University of Hospitality and Tourism 2. Director, The Grand Hotel	-	-	-	

Title	Nationality	Name	Gender and age	Elected (assumption) date(year)	Term	Initial elected date(year)	Shareholding when elected		Current shareholding		Current shareholding of spouse and underage children		Shares held in the name of other persons		Major career achievements (academic background)	Concurrent duties in the Company and other companies	Title Name Relationship			Remarks
							Shares	Share holding % Percentage	Shares	Share holding % Percentage	Shares	Share holding % Percentage	Shares	Share holding % Percentage			Title	Name	Relationship	
Independent director	ROC	Cheng Chi	Female 71~80	2020.06.05	3 years	2011.5.20	-	-	-	-	-	-	-	-	1. California Polytechnic State University 2. Member, Sports Administration, Executive Yuan 3. Consultant, The Asia Foundation 4. Executive Secretary, Chinese Taipei Athletics Association 5. The 1 <sup>st</sup> Ten Outstanding Young Females 6. Member of the Legislative Yuan for three consecutive sessions from 1981 to 1990 7. President, Chinese Taipei Athletics Association 8. Director, Women's Athletics, University of Redlands, California, the U.S.	1. Chairman, Hope Foundation 2. Chairman, Shuang Hsi Cultural and Educational Foundation 3. Director, Foundation for the Blind 4. Director, Taiwan Heart Foundation 5. National Consultant, Office of the President 6. Ambassador-at-large, Ministry of Foreign Affairs 7. Chairman, Tetragon Group	-	-	-	

Title	Nationality	Name	Gender and age	Elected (assumption) date(year)	Term	Initial elected date(year)	Shareholding when elected		Current shareholding		Current shareholding of spouse and underage children		Shares held in the name of other persons		Major career achievements (academic background)	Concurrent duties in the Company and other companies	Title Name Relationship			Remarks
							Shares	Share holding % Percentage	Shares	Share holding % Percentage	Shares	Share holding % Percentage	Shares	Share holding % Percentage			Title	Name	Relationship	
Independent director	ROC	Yi-Chia Chiu	Male 41~50	2020.06.05	3 years	2017.6.7	-	-	-	-	-	-	-	-	1. Ph.D., Institute of Management of Technology, National Chiao Tung University 2. Professor, NCCU Graduate Institute of Technology, Innovation & Intellectual Property Management 3. CEO, National Chengchi University Executive Master of Business Administration 4. Independent Director, Globe Union Industrial Corp.	1. NCCU Associate Dean, NCCU College of Commerce. National Chengchi University Executive Master of Business Administration 2. Independent Director, Dynamic Electronics Co., Ltd. 3. Independent Director, Flytech Technology Co., Ltd.	-	-	-	

Title	Nationality	Name	Gender and age	Elected (assumption) date(year)	Term of office	Initial elected date(year)	Shareholding when elected		Current shareholding		Current shareholding of spouse and underage children		Shares held in the name of other persons		Major career achievements (academic background)	Concurrent duties in the Company and other companies	Title Name Relationship			Remarks
							Shares	Shareholding % Percentage	Shares	Shareholding % Percentage	Shares	Shareholding % Percentage	Shares	Shareholding % Percentage			Title	Name	Relationship	
Independent director	ROC	Wen-Chin Wu (Nien-Jen Wu)	Male 61~70	2020.06.05	3 years	2012.3.27	-	-	-	-	-	-	-	-	1. Bachelor, Department of Accounting, Fu Jen Catholic University 2. Script Supervisor, Department of Planning, Central Motion Picture Corporation 3. Part-time teacher, Graduate Institute of Filmmaking, Taipei National University of the Arts 4. Writer and author 5. Chairman, Nien-Jen Wu's Production Corporation	1. Independent Director, Shui-Mu International Co., Ltd.	-	-	-	

Note:1 Dismissal by resignation: Director Hong-Han Zhou has been resignation on 2022.09.01

Note 2: If the Chairman is concurrently the President or a person of an equivalent position, please disclose the reasons, rationale, necessity, and countermeasures:

The Chairman is concurrently the CEO of the Company, primarily due to the improvement in operating efficiency and decision-making, and execution, which is fairly reasonable and necessary. As the positions of Chairman and CEO are assumed by the same person, the Chairman of the Company frequently communicates with the Directors regarding the business overview and operating policies of the Company. Furthermore, over half of the Directors are not concurrently employees or managers.



2. Major shareholder of a corporate shareholder: None.
3. Major shareholder of a major shareholder who is a corporation: None.
4. Directors and Supervisors (II)
  - (1) Disclosure of professional qualification of Directors and supervisors and independence of Independent Directors

Criteria Name	Professional qualifications and experience	Independence	Number of concurrent duties as an independent director at a public company
Cheng-Hui Chen	Academic background: EMBA, Guanghua School of Management, Peking University Career achievements: Chairman of the Company and Chairman (Representative) of subsidiaries of the Group Professional qualification: Please refer to the table in Note 1 Circumstances specified in subparagraphs of Article 30 of the Company Act do not exist.	Please refer to the independence description of the Board of Directors (the "Board")	0
Sen-Pin Lee	Academic background: Master of Business, National Chung Hsing University Career achievements: Vice Chairman of the Company and Director (Representative) of subsidiaries of the Group Professional qualification: Please refer to the table in Note 1 Circumstances specified in subparagraphs of Article 30 of the Company Act do not exist.		0
Hong-Han Zhou (Note 1)	Academic background: Department of Land Resources, Chinese Culture University Career achievements: Director of the Company Director & COO, Wowprime (China) Co., Ltd. Professional qualification: Please refer to the table in Note 1 Circumstances specified in subparagraphs of Article 30 of the Company Act do not exist.		0
Guo-Yao Su	Academic background: Bachelor, Hospitality Management California State Polytechnic University, Pomona Career achievements: Professional Specialist, National Kaohsiung University of Hospitality and Tourism Director, The Grand Hotel Professional qualification: Please refer to the table in Note 1 Circumstances specified in subparagraphs of Article 30 of the Company Act do not exist.		0

Criteria Name	Professional qualifications and experience	Independence	Number of concurrent duties as an independent director at a public company
Cheng Chi	<p>Academic background: California Polytechnic State University</p> <p>Career achievements:</p> <p>Chairman, Hope Foundation</p> <p>Chairman, Shuang Hsi Cultural and Educational Foundation</p> <p>Director, Foundation for the Blind</p> <p>Director, Taiwan Heart Foundation</p> <p>National Consultant, Office of the President</p> <p>Ambassador-at-large, Ministry of Foreign Affairs</p> <p>Chairman, Tetragon Group</p> <p>Professional qualification: Please refer to the table in Note 1</p> <p>Circumstances specified in subparagraphs of Article 30 of the Company Act do not exist.</p>	<ol style="list-style-type: none"> <li>1. The person, his spouse, or his second-degree relatives do not serve as directors, supervisors or employees of the Company.</li> <li>2. The person, his spouse, or blood relatives within the second degree of kinship do not hold any of the Company's shares under their names or under another person's name.</li> <li>3. Not a director, supervisor, or employee of a company which has a specific relationship with the Company.</li> <li>4. The compensation received for providing business, legal, financial, accounting, and other services to the Company or its affiliates for the most recent two years was nil.</li> </ol>	0
Yi-Chia Chiu	<p>Academic background: Ph.D., Institute of Management of Technology, National Chiao Tung University</p> <p>Career achievements: National Chengchi University</p> <ul style="list-style-type: none"> <li>- Associate Dean, College of Commerce</li> <li>- Professor, Graduate Institute of Technology</li> <li>- CEO, EMBA</li> </ul> <p>Independent Director, Dynamic Electronics Co., Ltd.</p> <p>Independent Director, Flytech Technology Co., Ltd.</p> <p>Professional qualification: Please refer to the table in Note 1</p> <p>Circumstances specified in subparagraphs of Article 30 of the Company Act do not exist.</p>	<ol style="list-style-type: none"> <li>1. The person, his spouse, or his second-degree relatives do not serve as directors, supervisors or employees of the Company.</li> <li>2. The person, his spouse, or blood relatives within the second degree of kinship do not hold any of the Company's shares under their names or under another person's name.</li> <li>3. Not a director, supervisor, or employee of a company which has a specific relationship with the Company.</li> <li>4. The compensation received for providing business, legal, financial, accounting, and other services to the Company or its affiliates for the most recent two years was nil.</li> </ol>	2

Criteria Name	Professional qualifications and experience	Independence	Number of concurrent duties as an independent director at a public company
Wen-Chin Wu	Academic background: Bachelor, Department of Accounting, Fu Jen Catholic University Career achievements: Chairman, Nien-Jen Wu's Production Co. Independent Director, Shui-Mu International Co., Ltd. Professional qualification: Please refer to the table in Note 1 Circumstances specified in subparagraphs of Article 30 of the Company Act do not exist.	<ol style="list-style-type: none"> <li>1. The person, his spouse, or his second-degree relatives do not serve as directors, supervisors or employees of the Company.</li> <li>2. The person, his spouse, or blood relatives within the second degree of kinship do not hold any of the Company's shares under their names or under another person's name.</li> <li>3. Not a director, supervisor, or employee of a company which has a specific relationship with the Company.</li> <li>4. The compensation received for providing business, legal, financial, accounting, and other services to the Company or its affiliates for the most recent two years was nil.</li> </ol>	1

Note: 1 Dismissal by resignation: Director Hong-Han Zhou has been resignation on 2022.09.01

(2) Board diversity and independence:

1. Board diversification policy and substantial targets

In Article 20 of the “Corporate Governance Best Practice Principles,” the Company specified that the composition of the Board shall consider diversification. Directors who are concurrently managers of the Company shall not exceed one-third of the number of Directors, and the Board shall formulate an appropriate diversification policy based on its operating models and development requirements, including but not limited to the standards of the following two major aspects:

I. Basic requirements and values: Gender, age, nationality, and culture.

II. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.

Apart from the knowledge, skills, and experience necessary to perform their duties to achieve the ideal target of corporate governance, the Board shall possess the following diverse professional backgrounds: 1. ability to make operational judgments; 2. ability to perform accounting and financial analysis; 3. ability to conduct management administration; 4. ability to conduct crisis management; 5. knowledge of the industry; 6. an international market perspective; 7. leadership; 8. decision-making ability.

2. Current achievements of Board diversification:

Among six Directors of the Company (including three Independent Directors), there is a total of one female Director, accounting for 17% of all Directors; there are two Directors who are concurrently managers, accounting for less than one-third of the number of Directors; the average age of Directors is 64.

Apart from experiences in the F&B industry, our current Directors possess experience being a professor at a university of hospitality and tourism and the Institute of Technology, Innovation & Intellectual Property Management, and are also equipped with extensive experience and expertise related to the knowledge of accounting, academics, and branding. Therefore, they are capable of providing professional opinions from different perspectives, rendering great help to the improvement of the Company's business management and business performance. Please refer to Note 1 diversification policy and achievement of substantial targets.

3. Independence of the Board:

Among six Directors, there are including three Independent Directors (one female Independent Director), complying with the requirements under paragraph 1, Article 14-2 of the Securities and Exchange Act. Directors are not spouses or blood relatives within the second degree of kinship, complying with the requirements under paragraphs 3 and 4, Article 26-3 of the Securities and Exchange Act. None of the Directors provides audit services to or receives cumulative compensation of over NT\$500,000 for providing business, legal, financial, accounting, and other services for the most recent two years from the Company or its affiliates.

Note 1: Diversification policy and achievement of substantial targets

Note 1: Diversification policy and achievement of substantial targets																				
Identity	Name	Basic composition						Professional skills										Professional background		
		Gender	Concurrently an employee	Age				Term and seniority of independent director		Ability to make operational decisions	Ability to perform accounting and financial analysis	Business administration	Ability to conduct management administration	Industry knowledge	Cosmopolitan market view	Leadership	Decision-making ability	Business and finance	Legal affairs	Experience required for the independent director
				41 to 50 years old	51 to 60 years old	61 to 70 years old	71 to 80 years old	under 3 years	6 to 9 years											
Director	Cheng-Hui Chen	Male	✓			✓			-	-	✓	✓	✓	✓	✓	✓	✓	✓		✓
	Sen-Pin Lee	Male	-		✓				-	-	✓	✓	✓	✓	✓	✓	✓	✓		✓
	Hong-Han Zhou (Note 1)	Male	✓		✓				-	-	✓		✓	✓	✓	✓	✓			✓
	Guo-Yao Su	Male	-			✓			-	-	✓		✓	✓	✓	✓	✓			✓
Independent director	Yi-Chia Chiu	Male	-	✓					-	✓		✓	✓	✓	✓	✓	✓	✓		✓
	Cheng Chi	Female	-				✓		-	✓			✓	✓		✓	✓			✓
	Wen-Chin Wu	Male	-			✓			-	✓	✓		✓	✓		✓	✓			✓

Note:1 Dismissal by resignation: Director Hong-Han Zhou has been resignation on 2022.09.01

(II) Profile of President, Vice Presidents, Assistant Vice Presidents, directors of departments, and managers of departments and branches

Title	Nationality	Name	Gender	Assumption date(year)	Shareholding		Shareholding of spouse and underage children		Shares held in the name of other persons		Major career achievements (academic background)	Concurrent duties in the Company and other companies	Managers who are spouse or blood relatives within the second degree		
					Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding percentage			Title	Name	Relationship
CEO	ROC	Cheng-Hui Chen	Male	2020.8.6	3,801,282	4.94	10,380	0.01	-	-	1. EMBA, Guanghua School of Management, Peking University 2. Department of Forestry, Chinese Culture University	1. Representative & Director, Wowprime (China) Co., Ltd. 2. Representative & Director, Wowprime (Beijing) Co., Ltd. 3. Director, Hoppime Ltd. 4. Director, Wowprime Limited 5. Chairman (Representative), WPT Restaurant Corporation 6. Chairman (Representative), Cheerpin Restaurant Corporation 7. Chairman (Representative), Wowfresh Corporation 8. Chairman (Representative), Jiechuang Investment Co., Ltd.	-	-	-
Business Group President	ROC	Xian-Zheng Wu	Male	2020.1.1	10,630	0.01	310	0.00	-	-	1. Bachelor, Department of Business Administration, University of the Ryukyus (Japan) 2. Wowprime Corporation - Manager of Yakiyan Business Segment	None	-	-	-
Business Group President	ROC	Peng-Rong Hou	Female	2022.3.1	110,706	0.14	17,000	0.02	-	-	1. Department of Tourism Management Association, National Kaohsiung University of Science and Technology 2. Wowprime Corporation - Vice President of Tasty, Chamonix, and Pinnada Business Segments - Manager of Wangsteak Business Segment	None	-	-	-

Title	Nationality	Name	Gender	Assumption date(year)	Shareholding		Shareholding of spouse and underage children		Shares held in the name of other persons		Major career achievements (academic background)	Concurrent duties in the Company and other companies	Managers who are spouse or blood relatives within the second degree		
					Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding percentage			Title	Name	Relationship
Business Group Vice president	ROC	Wei-Jin Li	Male	2020.10.1	35,591	0.05	4,526	0.01	-	-	1. Department of Electronic Engineering, Far East University 2. Wowprime Corporation - Chief Operator of the Xiang Duck Business Segment and manager of the Yakiyan Business Segment	Director (Representative), WPT Restaurant Corporation	-	-	-
Business Group Vice president	ROC	Yi-Zhen Lu	Female	2021.1.1	42,592	0.06	-	-	-	-	1. Chinese Culture University 2. Wowprime Corporation - District manager of Tokyia and hot 7 Business Segments and store manager of Wangsteak Business Segment 3. Assistant Vice President, General Administration Department, Tripodking 4. Vice President, General Administration Department, Wulao (Shanghai)	None	-	-	-
Supply Chain Operations Center President	ROC	Cheng-Xian Wang	Male	2014.9.10	77,000	0.1	-	-	-	-	1. Department of Food Science, Tunghai University 2. Manager, QC, Kuo Yuan Ye Foods, Co., Ltd. 3. SGS Taiwan Limited - Senior supervisor and auditor, Department of International Accreditation	Director, Wowfresh Corporation	-	-	-
Business Support Center President	ROC	Chien-Lun Chiu	Male	2017.8.3	63,000	0.08	-	-	-	-	1. EMBA, Institute of International Finance, National Taipei University 2. Department of Accounting, National Chung Cheng University 3. Tex-Ray Industrial Co., Ltd. - Assistant Vice President of the Department of Finance and the Department of Investment 4. Deputy Manager, Deloitte & Touche Taiwan	1. Supervisor (Representative), WPT Restaurant Corporation 2. Supervisor (Representative) Cheerpin Restaurant Corporation 3. Supervisor (Representative), Wowfresh Corporation 4. Director (Representative), Jiechuang Investment Co., Ltd. 5. Director (Representative), Wei Dao Ltd. 6. Director (Representative), DuDoo Ltd. (Cayman)	-	-	-

Title	Nationality	Name	Gender	Assumption date(year)	Shareholding		Shareholding of spouse and underage children		Shares held in the name of other persons		Major career achievements (academic background)	Concurrent duties in the Company and other companies	Managers who are spouse or blood relatives within the second degree		
					Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding percentage			Title	Name	Relationship
Business Development Center Vice president	ROC	Pi-Shan Lee	Female	2023.3.1	11,000	0.01	2,860	0.00	-	-	1. Institute of International Business, NCKU 2. Business Administration, NTU 3. Supervisor, AverMedia Technologies, Inc. 4. Product Manager, Marketing Strategy Dep., Fujitsu Technology Service Co., Ltd. 5. Supervisor, Marketing Department, Advantech LNC Technology Co., Ltd. 6. Vice Manager/ Manager of Business Planning Department. Director of Marketing Department (IV), Wowprime Corporation	None	-	-	-
Audit Office Vice president	ROC	Hui-Ying Chang	Female	2006.3.1	37,748,	0.05	6,666	0.01	-	-	1. Master of Business, National Chung Hsing University 2. Department of Accounting, Soochow University 3. Deloitte & Touche Taiwan 4. Realtech Semiconductor, Inc. - Manager of the Department of Administration and Chief Auditor	None	-	-	-
Department of Finance Chief Operator	ROC	Zhong-Hao Liang	Male	2019.11.7	-	-	-	-	-	-	1. Master's, Institute of Accounting, National Chung Cheng University 2. Passed the national senior exam for CPAs 3. Senior project manager, Johnson Health Tech Co. Ltd. 4. Deputy Manager, Deloitte & Touche Taiwan	1. Supervisor (Representative), Jiechuang Investment Co., L 2. Supervisor, Wei Dao Ltd.	-	-	-

Note 1: Resign Dismiss: Prisedent of Business Group, Yi-Shan Wang (2022.08.01), President of Business Group, Pei-Jin Chen (2023.03.01), Retirement Dimission: Chia-Ching Huang (2022.03.01)

Note: 2. If the Chairman is concurrently the President or a person of an equivalent position, please disclose the reasons, rationale, necessity, and countermeasures:

The Chairman is concurrently the CEO of the Company, primarily due to the improvement in operating efficiency and decision-making, and execution, which is fairly reasonable and necessary.

As the positions of Chairman and CEO are assumed by the same person, the Chairman of the Company frequently communicates with the Directors regarding the business overview and operating policies of the Company. Furthermore, over half of the Directors are not concurrently employees or managers.



### III. Remuneration of Directors (including Independent Directors), supervisors, President, and Vice Presidents

#### 1. Remuneration paid to Directors (including Independent Directors), supervisors, President, and Vice Presidents in 2022

##### (1) Remuneration of Directors (including Independent Directors)

Unit: NT\$ Thousand

Title	Name	Directors' remuneration								Total Remuneration (A+B+C+D) as a % of the Net Income		Remuneration for concurrent duty as an employee								Total Remuneration (A+B+C+D+E+F+G) as a % of the Net Income		Remuneration received from an investee other than a subsidiary or from the parent company
		Compensation (A)		Retirement pension (B)		Directors' remuneration (C)		Fees for professional practice (D)				Salary, bonus, and special reimbursement (E)		Retirement pension (F)		Employee remuneration (G)						
		The Company	All companies within the financial statements	The Company	All companies within the financial statements	The Company	All companies within the financial statements	The Company	All companies within the financial statements	The Company	All companies within the financial statements	The Company	All companies within the financial statements	The Company		All companies within the financial statements		The Company	All companies within the financial statements			
Chairperson	Cheng-Hui Chen	-	-	-	-	400	400	-	-	0.1	0.1	38,475	44,221	-	-	-	-	-	-	10.06	11.54	None
Director	Sen-Pin Lee																					
Director	Hong-Han Zhou (Note 1)																					
Director	Guo-Yao Su																					
Independent director	Cheng Chi	-	-	-	-	3,000	3,000	-	-	0.78	0.78	-	-	-	-	-	-	-	-	0.78	0.78	None
Independent director	Wen-Chin Wu																					
Independent director	Yi-Chia Chiu																					
Total		-	-	-	-	3,400	3,400	-	-	0.88	0.88	38,475	44,221	-	-	-	-	-	-	10.83	12.32	None

Note: Dismissal by resignation: Director Hong-Han Zhou has been resignation on 2022.09.01

1. Please describe the policy, system, standards, and structure of the remuneration of Independent Directors and describe the linkage of duties and risks assumed, time invested, and other factors to the amount of remuneration:

(1). According to Article 20 of the Article of Incorporation of the Company, "the Board is authorized to determine the remunerations of Directors based on the level of participation in the operations of the Company and the value of their contributions with reference to the general standards within the industry ..." according to Article 23 of the Articles of Incorporation, "...the Board shall make a

resolution to appropriate less than 1% as the remunerations of Directors.”

- (2). Resolution of the Board of the Company: Directors shall receive fixed salaries during their tenure. Directors who are also managers shall not receive remunerations of Directors, and their salaries and bonuses are otherwise paid in accordance with the remuneration regulations established by the Company. The Chairman is responsible for the formulation of the Company’s business policies and the final approval regarding material business decisions; therefore, the Chairman shall receive remunerations for business execution according to the remuneration regulations of the Company, and shall not receive remunerations of Directors. All Directors are excluded from the remuneration distribution when the Company records profits and shall not receive remunerations of Directors distributed from earnings of the year.
2. Remunerations received by Directors of the Company for providing services to all companies in the financial statements in the most recent year apart from the disclosures made in the table above:  
None.

Table of Remuneration Ranges

The grade for paying remuneration to each director of the Company	Director Name			
	Total Remuneraiton Amount ( A+B+C+D )		Total Remuneraiton Amount ( A+B+C+D+E+F+G )	
	The Company	All the company in reports	The Company	All the company in reports
Lower than NT\$1,000,000	Cheng-Hui Chen, Sen-Pin Lee, Hong-Han Zhou Guo-Yao Su	Cheng-Hui Chen, Sen-Pin Lee, Hong-Han Zhou Guo-Yao Su	Hong-Han Zhou Guo-Yao Su	Guo-Yao Su
NT\$1,000,000 (inclusive)~ NT\$2,000,000 (exclusive)	Cheng Chi, Wen-Chin Wu Yi-Chia Chiu	Cheng Chi, Wen-Chin Wu Yi-Chia Chiu	Cheng Chi, Wen-Chin Wu Yi-Chia Chiu	Cheng Chi, Wen-Chin Wu Yi-Chia Chiu
NT\$2,000,000 (inclusive)~ NT\$3,500,000(exclusive)	-	-	-	Hong-Han Zhou
NT\$3,500,000(inclusive)~ NT\$5,000,000(exclusive)	-	-	Sen-Pin Lee	Sen-Pin Lee
NT\$5,000,000(inclusive)~ NT\$10,000,000(exclude)	-	-	-	-
NT\$10,000,000(inclusive)~ NT\$15,000,000(exclusive)	-	-	-	-
NT\$15,000,000(inclusive)~ NT\$30,000,000(exclusive)	-	-	-	-
NT\$30,000,000(inclusive)~ NT\$50,000,000(exclusive)	-	-	Cheng-Hui Chen,	Cheng-Hui Chen,
NT\$50,000,000(include)~ NT\$100,000,000(exclusive)	-	-	-	-
Over NT\$100,000,000	-	-	-	-
Total	7	7	7	7

(2) Remuneration of supervisors: N/A.

The Company has established its Audit Committee according to the requirements under paragraph 1, Article 14-4 of the Securities and Exchange Act; therefore, there is no supervisor.

### (3) Remunerations of the President and Vice Presidents

Unit: NT\$ Thousand

Title	Name	Salary (A)		Retirement pension (B)		Bonus and allowance (C)		Employee remuneration (D)				Total Remuneration (A+B+C+D) as a % of the Net Income		Remuneration received from an investee other than a subsidiary or from the parent company
		The Company	All companies within the financial statements	The Company	All companies within the financial statements	The Company	All companies within the financial statements	The Company		All companies within the financial statements		The Company	All companies within the financial statements	
								Cash Amount	Shares Amount	Cash Amount	Shares Amount			
Chairman and CEO	Cheng-Hui Chen	18,760	27,159	2,850	2,944	58,211	60,342	-	-	-	-	20.65	23.40	None
President of the Business Group	Chia-Ching Huang (Note)													
President of the Business Group	Yi-Shan Wang (Note)													
President of the Business Group	Xian-Zheng Wu													
President of the Business Group	Peng-Rong Hou													
President of the Business Group	Pei-Jin Chen (Note )													
President of the Business Group	Wei-Jin Li													
President of the Business Group	Yi-Zhen Lu													
Vice President of the Internal Audit Division	Hui-Ying Chang													
President of the Supply Chain Operations Center	Cheng-Xian Wang													
President, Business Support Center	Chien-Lun Chiu													

Table of Remuneration Ranges

Range of remuneration paid to the Company's president and vice presidents	Name of President and vice president	
	The Company	All companies within the financial statements
Lower than NT\$1,000,000	Yi-Shan Wang Chia-Ching Huang	Chia-Ching Huang
NT\$1,000,000 (inclusive)~NT\$2,000,000 (exclusive)	-	Yi-Shan Wang
NT\$2,000,000 (inclusive)~NT\$3,500,000 (exclusive)	Hui-Ying Chang	Hui-Ying Chang
NT\$3,500,000 (inclusive)~NT\$5,000,000 (exclusive)	Pei-Jin Chen	Pei-Jin Chen
NT\$5,000,000 (inclusive)~NT\$10,000,000 (exclusive)	Peng-Rong Hou Xian-Zheng Wu Wei-Jin Li Yi-Zhen Lu Chien-Lun Chiu Cheng-Xian Wang	Peng-Rong Hou Xian-Zheng Wu Wei-Jin Li Yi-Zhen Lu Chien-Lun Chiu Cheng-Xian Wang
NT\$10,000,000(inclusive)~NT\$15,000,000 (exclusive)	-	-
NT\$15,000,000 (inclusive)~NT\$30,000,000 (exclusive)	-	-
NT\$30,000,000 (inclusive)~NT\$50,000,000 (exclusive)	Cheng-Hui Chen	Cheng-Hui Chen
NT\$50,000,000 (inclusive)~NT\$100,000,000 (exclusive)	-	-
Over NT\$100,000,000	-	-
Total	11	11

(4) Names of managers who distribute employee remuneration and the distribution status

The proposal for the employee remuneration distribution in 2022 had been approved under the resolution made at the Board meeting on 28 March 2023. The employee remuneration distribution will be allotted with NT\$480,000. There is no distribution for managers because of the proposal not yet be proposed in the shareholders' meeting.

2. Separately compare and describe the analysis of the total remuneration, as a percentage of net income, as paid by the Company and by other companies included in the consolidated financial statements during the most recent two years to Directors, President, and Vice Presidents of the Company, and describe the remuneration policies, standards, and packages, the procedures for determining remunerations, and its linkage to operating performance and future risks

(1) Analysis of the total remuneration, as a percentage of net income, as paid by the Company and by other companies included in the consolidated financial statements during the most recent two years to the Directors, President, and Vice Presidents of the Company

Unit: NT\$ thousand; %

Title	Ratio of total remuneration to net income in 2022		Ratio of total remuneration to net income in 2021	
	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements
Director (Note 1)	10.83%	12.32%	( 25.17%)	( 33.17%)
President and vice president	20.65%	23.96%	( 44.09%)	( 59.19%)

Note 1: Include remunerations of Directors who are concurrently managers.

Note 2: The Company has its Audit Committee in place; therefore, there is no information on supervisors.

(2) Remuneration policies, standards, and packages, the procedures for determining remunerations, and its linkage to operating performance and future risks

- A. The Board is authorized to determine the remunerations of the Directors of the Company in accordance with the requirements under the Articles of Incorporation with reference to the general standards within the industry. If the Company records earnings, remunerations shall be otherwise appropriated and reported to the annual shareholders' meeting after being reviewed by the Remuneration Committee and approved by the Board according to the Articles of Incorporation. If a Director is concurrently an employee, remunerations shall be paid according to requirements under B. and C. below.
- B. The remuneration payment standards for the President and Vice Presidents of the Company shall be subject to requirements of the HR department of the Company based on the performance evaluations and performances of the Company, including monthly salaries and performance bonuses. The Company refers to the standards within the industry for the determination of salaries, taking into account the personal performance and the overall contributions to the operations of the Company, including business achievements, budget achievement ratio, number of new stores opened, and other indicators. Salaries shall be reported to the Remuneration Committee for review.
- C. The remuneration policy of the Company provides incentives to employees and improves operating performances based on the individual abilities of employees and their contributions to the Company and performances, and is positively related to the business performance. Our policy adopts the spirit of the dolphin

philosophy to allow our employees and shareholders to gain high bonuses; the philosophy is also a crucial business philosophy of the Company. The overall remuneration package primarily includes basic salaries, bonuses, and relevant remuneration systems. Remuneration payments are approved and provided according to the market competition status of the position assumed by an employee and the Company's policy. Bonuses and relevant remuneration systems are distributed based on the results of the target achievements of employees and departments and the business performance of the Company. The Company adheres to arrangements of legal compliance and competitiveness.

#### IV. Corporate governance implementation

##### (I) Operation of the Board

The Board held six meetings (A) in the most recent year (2022).

(1) Attendance of Directors is as follows:

Title	Name	Number of attendance/prese nce (B)	Number of attendance by proxy	Attendance/prese nce rate (%) [B/A](%)	Remarks
Chairperson	Cheng-Hui Chen	6	-	100%	
Director	Sen-Pin Lee	6	-	100%	
Independent director	Yi-Chia Chiu	6	-	100%	
Independent director	Cheng Chi	6	-	50%	
Independent director	Wen-Chin Wu	3	3	83%	
Director	Guo-Yao Su	5	1	100%	
Director	Hong-Han Zhou	4	-	100%	Hong-Han Zhou has been resign on 2022/09/01 (Should attend 4 times for meetings)

Other matters to be recorded:

- I. In the event of any of the following in a Board of Directors meeting, the dates of meeting, session, contents of motions, the opinions of independent directors, and the Company's response to the opinions should be specified:
  - (I) Matters specified in Article 14-3 of the Securities and Exchange Act: The Company has established its Audit Committee; for details, please see the descriptions in "Operation of the Audit Committee" on the following page.
  - (II) Any objections or qualified opinions raised by an Independent Director against a Board resolution with records or written statements other than the abovementioned matters: None.
- II. For the execution status regarding the recusal of Directors for proposals of conflict of interests, describe the name of the Director, the content of the proposal, the reason for the recusal for conflict of interests, and voting status: None.
- III. A TSWE- or TPEx-listed company shall disclose information on the Board's self-evaluation (or peer evaluation) in terms of the cycle, period, evaluation scope, method, and evaluation content:
 

The Rules for Performance Evaluation of Board of Directors had been approved under the resolution made at the Board meeting on 7 November 2020. The Rules stated that the performance evaluations for the Board, individual Directors, and functional committees shall be executed each year. The performance evaluation for 2022 had been completed and declared by the end of Q1 2023; for details, please see table (2) Execution status of evaluations of the Board.
- IV. Targets (i.e., establishing the Audit Committee and improving information transparency) to improve the functions of the Board and the execution evaluations for the year and the most recent year:
  1. Targets to improve the functions of the Board
    - (1) Implement corporate governance and improve information transparency: The operations of the Board are subject to the "Rules of Procedures of Board Meetings," and the Company convenes Board meetings in compliance with the Rules; the execution status is favorable.
    - (2) Continuing education of Directors: The Company arranges continuing education programs for Directors, allowing Directors to obtain relevant information to



maintain their core values, professional advantages, and abilities.						
2. Execution evaluation:						
The Company adheres to the principle of operating transparency and uploads material resolutions to MOPS immediately after Board meetings to protect shareholders' interests.						
V. The attendance of Individual Directors at Board meetings in 2022: (○: attended in person; △: attended by proxy)						
Name of Independent Director	2022/3/8	2022/5/5	2022/6/7	2022/8/4	2022/10/11	2022/11/3
Cheng Chi	○	○	○	○	○	○
Yi-Chia Chiu	○	○	○	○	○	○
Wen-Chin Wu	△	○	△	△	○	○

(2) Execution status of evaluations of the Board and functional committees

Evaluation periodicity	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Executed each year	2022/1/1~2022/12/31	Overall Board	Internal self-evaluation of the Board of the Board	1. Participation in the operation of the Company 2. Improvement of the quality of the Board's decision making 3. Composition and structure of the Board 4. Election and continuing education of the Directors 5. Internal control
Executed each year	2022/1/1~2022/12/31	Individual Directors	Self-evaluation of Director	1. Alignment of the goals and missions of the Company 2. Awareness of the duties of a Director 3. Participation in the operation of the Company 4. Management of internal relationships and communication 5. Election and continuing education of the Directors 6. Internal control
Executed each year	2022/1/1~2022/12/31	Remuneration Committee Audit Committee	Internal self-evaluation of committee	1. Participation in the operation of the Company 2. Awareness of the duties of the Remuneration/Audit Committee 3. Improvement of quality of decisions made by the Remuneration/Audit Committee 4. Composition of the Remuneration/Audit Committee and election of its members 5. Internal control

### Eveluation Result-

The Audit Committee: The company can provide complete information and on-time meeting documents, and let the committee members perform their functions appropriately. In addition, the members can offer reasonable suggestions and own the knowledge for making decisions. The members really keep the independent quality during their term of office.

Remuneration Committee: The election process for the member of remuneration committee complies with the laws and regulations. The committee will review the performance evaluation of directors and managers and check the policies, regulations, standard and structures of remuneration. The committee also execute and follow-up appropriately in the following progress.

### (II) Operation of the Audit Committee:

Four meetings (A) of the Audit Committee were convened in the most recent year (2022); the attendance of Independent Directors is as follows:

Title	Name	Number of attendance/presence (B)	Number of attendance by proxy	Attendance/presence rate [B/A](%)	Remarks
Independent director (Convener)	Yi-Chia Chiu	5	-	100%	For professional qualifications, please refer to the descriptions on page 32
Independent director	Cheng Chi	5	-	100%	
Independent director	Wen-Chin Wu	3	2	60%	

Other matters to be recorded:

I. If any of the following circumstances occurs to the operations of the Audit Committee, the date of the Audit Committee meeting, session, content of the motions, opposing opinions or qualified opinions of Independent Directors, or the content of material recommendations, resolutions of the Audit Committee, and the Company's response for the opinions of the Audit Committee shall be described.

(I) Key work of the year:

1. Audits on the effectiveness of the internal control system
2. Review of financial statements and accounting policies
3. Amendments to and execution of procedures for material assets or derivation transactions, loans to others, or endorsement/guarantee
4. Matters involving the interest of Directors
5. Appointment, dismissal, or remuneration of CPAs
6. Compliance with other laws and regulations

(II) Matters specified in Article 14-5 of the Securities and Exchange Act:

Meeting date/session	Motion content	Opinions of all Independent Directors and the Company's response to the opinions of Independent Directors
8 March 2022 (1 <sup>st</sup> in 2022)	<ol style="list-style-type: none"> <li>1. Report on the execution status regarding the improvement plan for the endorsement/guarantee amount providing to subsidiary Wowfresh Corporation exceeding the limit</li> <li>2. Report of the 2021 business report and financial statements</li> <li>3. The "Statement of Internal Control System"</li> </ol>	Approved by all Independent Directors as proposed with no dissenting opinion.

		of 2021 4. Proposal for the amendments to the “Procedures for Loans to Others and Endorsement/Guarantee” 5. Proposal for financing limits to subsidiaries 6. Proposal for endorsement/guarantee limits to subsidiaries 7. Proposal for an increase in investments in material subsidiaries 8. Proposal for the appointment and remuneration of CPAs	
	5 May 2022 (2 <sup>nd</sup> in 2022)	1. Report of the Q1 financial statements of 2022 2. Proposal for endorsement/guarantee limits to subsidiaries 3. Proposal for the amendments to the “Articles of Incorporation”	
	4 August 2022 (3 <sup>rd</sup> in 2022)	1. Report of the Q2 financial statements of 2022 2. Proposal for financing limits to subsidiaries 3. Proposal for financing limits providing to subsidiary Wowfresh Corporation 4. Proposal for endorsement/guarantee providing to subsidiary Wowfresh Corporation	
	11 October 2022 (4 <sup>th</sup> in 2022)	1. Proposal for the first unsecured domestic convertible corporate bonds	
	3 November 2022 (5 <sup>th</sup> in 2022)	1. Proposal for the change in CPAs of the Company. 2. Report of the Q3 consolidated financial statements of 2022 (including a report of key audit matters) 3. Proposal for financing limits providing to subsidiary WPT Restaurant Corporation. 4. Proposal for ratifying the acquisition of right-of-use assets by subsidiary Wowfresh Corporation. 5. Proposal for the amendments to the “Procedures for the Acquisition or Disposal of Assets.” 6. Proposal for the amendments to the “Regulations for Preventing Insider Trading.” 7. Proposal for the establishment of “Regulations for Whistleblowing for Violation of Integrity or Ethics.” 8. Proposal for the ratification of the “Specifications for Personal Data Protection.”	
	23 March 2023 (1 <sup>st</sup> in 2023)	1. Proposal for the “2022 Business Report and Financial Report” 2. Proposal for the “2022 Internal Control System Declaration” 3. Regulation for financing limits providing to subsidiary WPT Restaurant Corporation. 4. Regulation for financing character providing to subsidiary Wowfresh Corporation 5. Proposal for financing limits to subsidiary 6. Proposal for endorsement/guarantee providing to subsidiary 7. Proposal for increasing the investment of important subsidiary 8. Regulation for “Internal Control System	

		and Internal Audit” 9. Proposal for appointment of finance and remuneration in CPAs of the Company.	
<p>(III) Any other proposals not approved by the Audit Committee that were approved by two-thirds of the Board other than the abovementioned matters: None.</p> <p>II. For the execution status regarding the recusal of Independent Directors for proposals of conflict of interests, describe the name of the Independent Director, content of the proposal, reason for the recusal for conflict of interests, and voting status: None.</p> <p>III. Communication between the Independent Directors and Chief Auditor and CPAs (e.g., material matters, methods, and results of communication regarding the Company's financial and business status):</p> <ol style="list-style-type: none"> <li>1. The Chief Auditor of the Company regularly communicates with members of the Audit Committee regarding the results of the audit report and the execution status of its follow-up report, the audit plan for the following year, and the execution status of the internal control system. The execution status of audits and achievements have been fully communicated.</li> <li>2. Independent Directors of the Company may require CPAs to report to and communicate with Independent Directors regarding the audit results of the financial statements (including the consolidated financial statements) and other matters required in relevant laws and regulations at any time.</li> </ol>			

(III) Implementation of corporate governance and the differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor

Evaluation Items	The State of Operation			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies for TWSE/GTSM Listed Companies and the reasons therefor.
	Yes	No	Summary description	
I. Has the Company established and disclosed its Corporate Governance Best Practice Principles according to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?	V		The Company has established its “Corporate Governance Best Practice Principles” according to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and disclosed such principles on MOPS and its corporate website.	None
II. The Company's equity structure and shareholder equity				
(I) Has the Company established internal operating procedures to handle shareholder recommendations, doubts, disputes and litigations and implemented them in accordance with the procedures?	V		(I) The Company has its spokesperson, acting spokesperson, and personnel of stock affairs in place to handle shareholder recommendations or disputes.	None
(II) Does the Company have a list of the major shareholders who actually control the Company	V		(II) The Company keeps abreast of the list of Directors, managers, and major shareholders with over 10% shareholding and the changes in shareholding at all times, verifies the list of shareholders with over 5% shareholding,	

Evaluation Items	The State of Operation			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies for TWSE/GTSM Listed Companies and the reasons therefor.
	Yes	No	Summary description	
<p>and those who ultimately have control over the major shareholders?</p> <p>(III) Has the Company established and implemented risk control and firewall mechanisms between affiliated companies?</p> <p>(IV) Has the Company formulated internal regulations to prevent insiders from trading securities using undisclosed information on the market?</p>	V		<p>and regularly declares the changes in major shareholding of Directors and managers.</p> <p>(III) 1. The Company has separate financial and business operations with its affiliates. 2. The Company has established the “Regulations for Corporate Entity, Particular Companies, and Related Parties” to specify the management of personnel, assets, and finance with affiliates.</p> <p>(IV) The Company has its “Regulations for Preventing Insider Trading” in place and posts monthly announcements to remind insiders to comply with relevant specifications. The company should reminds insiders don’ t do any transaction for stock selling and purchasing before 15 days for quarter financial reports announcement and before 30 days for annual financial reports announcement. (e.g., no transaction of stocks shall be performed when there is news that significantly affects the price of our stock) to prevent the occurrence of insider trading.</p>	
<p>III. Composition and responsibilities of the Board of Directors</p> <p>(I) Has the Board formulated a diversification policy, and substantial management target, and made implementations?</p>	V		<p>(I) Directors of the Company possess varied expertise in different fields. The Company has stated in Article 20 of the Corporate Governance Best Practice Principles that the composition of the Board shall take into account the</p>	None

Evaluation Items	The State of Operation			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies for TWSE/GTSM Listed Companies and the reasons therefor.
	Yes	No	Summary description	
(II) In addition to the Remuneration Committee and the Audit Committee established in accordance with law, has the company voluntarily set up other functional committees?	V		<p>diversification to assist in the development and operations of the Company.</p> <p>1. The Company is an F&amp;B service company with multiple brands; the target of the Board composition: At least more than half of the Directors shall possess industry knowledge and the ability to make business decisions and have insights into trends in domestic and foreign markets to align with the management, marketing of the Company's multiple brands, and our corporate culture; there shall be no more than two Directors who are spouse or blood relatives within the second degree of kinship; there is at least one female Director.</p> <p>2. For details of the Board diversification policy, substantial management targets, and implementation status of the Company, please see page 21 of the annual report.</p> <p>(II) Apart from establishing the Remuneration Committee and the Audit Committee according to the law, different departments are responsible for the remaining corporate governance operations based on their duties. The Company has not established other functional committees, and it will evaluate the establishment of such committees based on its requirements in the future.</p>	

Evaluation Items	The State of Operation			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies for TWSE/GTSM Listed Companies and the reasons therefor.
	Yes	No	Summary description	
(III) Has the Company established its Rules for Performance Evaluation of Board of Directors and the evaluation methods, conducted regular performance evaluation each year and provided the results to the Board as the reference for individual Directors' remuneration and nomination for re-appointment?	V		(III) The Company has its “Rules for Performance Evaluation of Board of Directors” in place. A performance evaluation is regularly performed for the Board, Directors, and members of functional committees (remuneration and audit) each year to improve the level of corporate governance. The Company has declared the results of its performance self-evaluation in Q1 2023; In addition, the Company hired external institution to make evaluation report for the board of director in 2022 and reported the evaluation result to the board of director on 2023.03.23. (The Rules for Performance Evaluation of the Board of Directors are disclosed on the corporate website: <a href="http://www.wowprime.com/investor/corporate.html">http://www.wowprime.com/investor/corporate.html</a> ; for the evaluation methods, please refer to page 44-45 of the annual report)	
(IV) Has the Company regularly evaluated the independence of CPAs?	V		(IV) The Company has performed regular evaluations each year according to the requirements and obtained the statement of independence from CPAs; the evaluation results were reported to and approved at the Audit Committee meeting on 23 March 2023 and then reported to and approved by the Board after a review. The evaluation results under the resolution at the Board meeting on 23 March 2023 are as follows:	



Evaluation Items	The State of Operation			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies for TWSE/GTSM Listed Companies and the reasons therefor.																					
	Yes	No	Summary description																						
			<table><tr><th>Evaluation Items</th><th>Evaluation results</th><th>Qualified for independence or not</th></tr><tr><td>1. Possessing direct or indirect financial benefits in the Company</td><td>No</td><td>Yes</td></tr><tr><td>2. Providing/receiving loans or guarantee to/from the Company or Directors</td><td>No</td><td>Yes</td></tr><tr><td>3. Possessing close business relationships with the Company, Directors, or managers</td><td>No</td><td>Yes</td></tr><tr><td>4. Assuming the post of the Company's Director or manager, or a position of significant effects on audits in the most recent two years</td><td>No</td><td>Yes</td></tr><tr><td>5. A family member assuming the post of the Company's Director or manager or a position of significant effects on audits during the audit period</td><td>No</td><td>Yes</td></tr><tr><td>6. Being blood relatives within the second degree of kinship of the Company's Director or manager during the audit period</td><td>No</td><td>Yes</td></tr></table>	Evaluation Items	Evaluation results	Qualified for independence or not	1. Possessing direct or indirect financial benefits in the Company	No	Yes	2. Providing/receiving loans or guarantee to/from the Company or Directors	No	Yes	3. Possessing close business relationships with the Company, Directors, or managers	No	Yes	4. Assuming the post of the Company's Director or manager, or a position of significant effects on audits in the most recent two years	No	Yes	5. A family member assuming the post of the Company's Director or manager or a position of significant effects on audits during the audit period	No	Yes	6. Being blood relatives within the second degree of kinship of the Company's Director or manager during the audit period	No	Yes	
Evaluation Items	Evaluation results	Qualified for independence or not																							
1. Possessing direct or indirect financial benefits in the Company	No	Yes																							
2. Providing/receiving loans or guarantee to/from the Company or Directors	No	Yes																							
3. Possessing close business relationships with the Company, Directors, or managers	No	Yes																							
4. Assuming the post of the Company's Director or manager, or a position of significant effects on audits in the most recent two years	No	Yes																							
5. A family member assuming the post of the Company's Director or manager or a position of significant effects on audits during the audit period	No	Yes																							
6. Being blood relatives within the second degree of kinship of the Company's Director or manager during the audit period	No	Yes																							

Evaluation Items	The State of Operation					The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies for TWSE/GTSM Listed Companies and the reasons therefor.						
	Yes	No	Summary description									
			<table><tr><td>7. Receiving gifts from the Company, Directors, or managers</td><td>No</td><td>Yes</td></tr><tr><td>8. Working as an agent for trading shares or other securities issued by the Company</td><td>No</td><td>Yes</td></tr></table> <p>According to the above, the Company also gets the evaluation report about (AQIs) of 13 audit quality indexes from CPA Nai-Hua Kuo and CPA Cheng-Quan Yu from Deloitte &amp; Touche Taiwan. As stated above, they have complied with the independence and competency evaluation standards of the Company and are qualified to be the CPAs of the Company.</p>			7. Receiving gifts from the Company, Directors, or managers	No	Yes	8. Working as an agent for trading shares or other securities issued by the Company	No	Yes	
7. Receiving gifts from the Company, Directors, or managers	No	Yes										
8. Working as an agent for trading shares or other securities issued by the Company	No	Yes										
IV. Has the Company allocated an appropriate number of qualified persons and appointed a chief of corporate governance in charge of corporate governance affairs (including but not limited to furnishing information required for business execution by Directors and supervisors, assisting Directors and supervisors to comply with laws, handling matters relating to Board meetings and shareholders' meetings	V		The Company's Department of the corporate governance department is headed by spokesperson-the general manager-Chien-Lun Chiu planning of affairs related to corporate governance. The primary scope of duty includes, but not limited to, furnishing information required for business execution by Directors, handling matters relating to Board meetings and shareholders' meetings according to laws, preparing minutes of Board meetings and shareholders' meetings, arranging and assisting Directors in on-boarding and continuing education, assisting Directors to comply with laws, and handling corporate registration and alteration registration. Implementation status of affairs relating to corporate governance in 2022:			None						

Evaluation Items	The State of Operation			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies for TWSE/GTSM Listed Companies and the reasons therefor.
	Yes	No	Summary description	
according to laws, and preparing minutes of Board meetings and shareholders' meetings)?			<ol style="list-style-type: none"> <li>1. Convened Board meetings according to laws and regulations and notified all Directors seven days before the meeting. In addition, dispatched minutes of the Board meeting within 20 days after the meeting.</li> <li>2. Organized an annual shareholders' meeting by the end of June according to the specifications of laws and regulations, completed the dispatch and announcement of data related to the shareholders' meeting within the prescribed time, and announced and declared the voting status of resolutions at the shareholders' meeting on the day of the meeting for investors to browse.</li> <li>3. Assisted in the continuing education of Directors, arranged home lectures for Directors, provided information on continuing education to Directors, and assisted Directors in signing up for education. During the year, Directors have completed six hours of continuing education.</li> </ol>	
V. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers), set up a section for stakeholders on its corporate website, and responded appropriately to important	V		<p>(I) The Company has a spokesperson and acting spokesperson in place, and their contact information is announced on MOPS according to the requirements. Meanwhile, the Company announces information related to its finance and stock affairs on MOPS and its corporate website to establish healthy communication channels with investors.</p> <p>(II) The Company has established an Employee Care Program and set up a special line for employees to facilitate the communication channel with employees.</p>	None

Evaluation Items	The State of Operation			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies for TWSE/GTSM Listed Companies and the reasons therefor.
	Yes	No	Summary description	
corporate social responsibility issues that are of concern to stakeholders?			<p>(III) The Company has a customer service line (starting with 0800) to facilitate the communication channel with consumers.</p> <p>(IV) The Company has an exclusive platform for suppliers to regularly verify accounts with suppliers and keep abreast of the transaction status with suppliers at all times. Furthermore, the Company has contact persons exclusively for suppliers to facilitate the communication channel with suppliers.</p> <p>(V) The Company's website has set up a special section for stakeholders, and the Company has responded appropriately to important corporate social responsibility issues that are of concern to stakeholders.</p>	
VI. Has the company appointed a professional stock affairs agency to handle matters for shareholder meetings?	V		The Company has engaged the Register & Transfer Agency Department of SinoPac Securities Corporation to handle the stock affairs of the Company and established the "Regulations for Stock Affairs" to specify relevant affairs.	None
VII. Public disclosure of information				
(I) Has the Company set up a website to disclose finance and business matters and corporate governance information?	V		(I) The Company has published and declared its finance, business, and corporate governance information on MOPS and concurrently disclosed them on its corporate website.	None
(II) Has the Company adopted other means of information disclosure (such as setting up an English	V		(II) The Company has dedicated personnel who is responsible for the information collection and announcement of the Company and has set and declared data related to the	

Evaluation Items	The State of Operation			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies for TWSE/GTSM Listed Companies and the reasons therefor.
	Yes	No	Summary description	
<p>website, appointing dedicated personnel responsible for the collection and disclosure of Company information, implementing a spokesperson system, posting the Company's earnings calls on its website, etc.)?</p> <p>(III) Has the Company published and declared its annual financial statements within two months from the end of the fiscal year and published and declared its Q1, Q2 and Q3 financial statements along with the monthly business performance statements before the prescribed deadline?</p>	V		<p>spokesperson, announced information related to investor conferences, and set up an English website.</p> <p>(III) The Company has convened a Board meeting, at which the annual financial statements were approved and announced, within three months from the end of the year according to the requirements under the Securities and Exchange Act. The Company published its 2022 financial statements on 23 March 2023. However, whether to publish within two months from the end of the fiscal year require coordination and cooperation of multiple parties in terms of the operating time. The Company has completed the announcement and declaration of its Q1, Q2, and Q3 financial statements in 2022 within 45 days from the end of the quarter and announced the monthly operating status before the 10<sup>th</sup> of each month.</p>	
VIII. Does the Company have other important information that is helpful to understand its implementation of corporate	V		<p>(I) Employees' interest and employees' care: The Company has always been protecting employees' interests. Apart from legal protections, the Company has favorable welfare measures, convenient interactive</p>	None

Evaluation Items	The State of Operation			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies for TWSE/GTSM Listed Companies and the reasons therefor.
	Yes	No	Summary description	
governance (including but not limited to employees' interest, employee care, investor relations, supplier relations, stakeholder rights, continuing education of Directors and supervisors, implementation of risk management policies and risk measurement standards, implementation of customer policies, the Company's purchase of liability insurance for Directors and supervisors)?			<p>channels, and diverse complaint channels.</p> <ol style="list-style-type: none"> <li>1. Insurance: Group business insurance.</li> <li>2. Remuneration: Monthly store performance bonuses, gifts for three material Chinese festivals, year-end bonuses, salary adjustments based on annual performance and salary adjustments in mid-year.</li> <li>3. Welfare: Free meals, uniform provision, cash gift on employees' birthdays month, dining discounts for employees and their family members, gift money for marriage and nursery and bereavement allowance, scholarships and grants for employees and their children, employee safety funds, reference bonuses, language-learning allowance, year-end party, and pregnancy-friendly working environments.</li> <li>4. Health and leisure: The Company subsidizes overseas trips each year and regularly organizes biking around Taiwan, cross-lake swimming at Sun Moon Lake, full-length/half-length marathon, climbing Yushan, and outdoor gathering events from time to time.</li> <li>5. Education and training: The Company has comprehensive education and training systems (group training, business segment training, store training, external corporate training, and professional certificate/license), Wowprime Online E-learning Platform, and subsidies for external education and</li> </ol>	

Evaluation Items	The State of Operation			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies for TWSE/GTSM Listed Companies and the reasons therefor.
	Yes	No	Summary description	
			<p>training in place to encourage employees to participate in in-service continuing education.</p> <p>(II) Investor relations The Company fully discloses information on MOPS and its corporate website to allow investors to understand the operating status of the Company and communicates with investors through shareholders' meetings and the spokesperson.</p> <p>(III) Supplier relations: The Company establishes partnerships with suppliers based on the principle of equality and mutual benefits to build a stable supply chain and regularly performs audits to ensure the supplying quality.</p> <p>(IV) Stakeholder rights: A. Responsibility to customers: The Company provides safe and premium products, values customers' opinions, and adopts countermeasures immediately for customer complaints to satisfy customers' requirements. B. Responsibility to shareholders: The Company's target is to strive to comprehensively protect shareholders' interests.</p> <p>(V) Directors' continuing education: The Company actively encourages Directors to participate</p>	

Evaluation Items	The State of Operation			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies for TWSE/GTSM Listed Companies and the reasons therefor.
	Yes	No	Summary description	
			<p>in continuing education and actively engages professional institutions to provide home lectures for Directors; for details of relevant continuing education, please see Schedule (IV).</p> <p>(VI) Managers' continuing education: The Company regularly invites successful entrepreneurs (Wowprime Lecturers) to give lectures each month to learn from successful experiences in different industries. Three sessions were arranged in 2022+. The Company also offered home lecture programs for Directors to managers; for details of relevant continuing education, please see Schedule (V).</p> <p>(VII) Risk management policies and risk measurement standards The Company has regulations for material management indicators and makes implementations according to the regulations.</p> <p>(VIII) Implementation status of customer policies: The Company adheres to the business philosophy of "customer first" and keeps up the premium services and value-for-money food.</p> <p>(IX) The Company's purchase of liability insurance for Directors: The Company has purchased liability insurance for Directors and managers, strengthened corporate governance, and exerted Directors' functions to improve the protection of Directors, supervisors, and managers.</p>	



Evaluation Items	The State of Operation			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies for TWSE/GTSM Listed Companies and the reasons therefor.
	Yes	No	Summary description	
IX. Please explain improvements that have been made as well as priorities to improve the results of the Corporate Governance Evaluation issued by the Taiwan Stock Exchange Corporate Governance Center:	V		<p>In the “Corporate Governance Evaluation” of the Company in 2022, five major categories of improved matters and matters still need to be improved for the governance evaluation are described as follows:</p> <p>(I) Protect shareholders’ interests and treat shareholders equally:</p> <ol style="list-style-type: none"> <li>1. Over half of the Directors and the convener of the Audit Committee participating in shareholders’ meetings in person: The Company will continue coordinating with Directors and Independent Directors for the attendance at the annual shareholders’ meeting actively.</li> <li>2. The Company has concurrently uploaded relevant information in English (i.e., material information, meeting notice, and meeting handbook) and finished preparing English Annual Report in 2023. However, the Company is still considering whether to hold the annual shareholders’ meeting by the end of May in advance.</li> <li>3. The company should publicize reminding insiders don’t do any transaction for stock selling and purchasing in closed period before 15 days for quarter financial reports announcement and before 30 days for annual financial reports announcement. It will be evaluated whether including to the rule of “Procedures for the Prevention of Insider Trading”.</li> </ol> <p>(II) Strengthen the Board’s structure and operation:</p> <ol style="list-style-type: none"> <li>1. The rules of performance evaluation of the board of directors has been set, and also finished the part of the</li> </ol>	None

Evaluation Items	The State of Operation			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies for TWSE/GTSM Listed Companies and the reasons therefor.
	Yes	No	Summary description	
			<p>external experts evaluation in 2022. In addition, the board of directors passed the proposal for the corporate governance position. Currently, the Company relies on the cooperation between different departments and is considering whether to establish functional committees other than those as stated in the law. All the officers make reports to the board of directors depends on situation and the chairman of the company and other directors also attend to corporation strategy discussion in long term. Whether to set up a functional committee outside of the the law still be evaluated.</p> <p>2.The Company arranges corresponding programs based on the different levels of duties and stages and nurtures knowledge and skills required for the development of talents in different stages, including onboarding training for new employees and business and management programs for middle and senior management. The Company also makes arrangements for senior managers to present at Board meetings, execute business reports in order to familiarize themselves with relevant the board of directors operations, and in turn, improve their knowledge and ability to cultivate successors in the future. Relevant systems are to be completed and established regarding procedures for risk management and intellectual property management plans.</p> <p>(III) 1.Improve information transparency: The Company has concurrently declared material</p>	

Evaluation Items	The State of Operation			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies for TWSE/GTSM Listed Companies and the reasons therefor.
	Yes	No	Summary description	
			<p>information in English, disclosed regulations and rules related to corporate governance in Chinese and English and at least organized two achievement presentations each year to improve information transparency.</p> <p>2. Whether to announce the annual financial report verified and certified by the accountant within two months after the end of the fiscal year, to disclose the English mid-term financial report and to disclose the individual remuneration of directors, general managers and vice general managers voluntarily is still under negotiation and planning.</p> <p>(IV) Implement corporate social responsibility: The Company has prepared its Corporate Social Responsibility Report and disclosed its GHGs emission. The Company enhanced promoting compliance with relevant specifications in terms of environmental protection, safety, or health issues with our suppliers in the hope of jointly improving the performance of our corporate social responsibility.</p>	

## (IV) Continuing education of Directors in 2022:

Tenure of the current Directors: From 5 June 2020 to 4 June 2023.

Title	Name	Date (year)	Organizer	Course name	Number of hours of continuing education Number of hours	Compliance with the requirements(Note)
Director	Cheng-Hui Chen	2022/8/4	Taiwan Corporate Governance Association	Intellectual property right management and operating risks of the Company	3	Yes
		2022/11/3		How can the board of directors monitor ESG risks and build sustainable competitive strength for the enterprise	3	
Director	Sen-Pin Lee	2022/8/4	Taiwan Corporate Governance Association	Intellectual property right management and operating risks of the Company	3	
		2022/11/3		How can the board of directors monitor ESG risks and build sustainable competitive strength for the enterprise	3	
Director	Hong-Han Zhou	2022/8/4	Taiwan Corporate Governance Association	Intellectual property right management and operating risks of the Company	3	
					3	
Director	Guo-Yao Su	2022/8/4	Taiwan Corporate Governance Association	Intellectual property right management and operating risks of the Company	3	
		2022/11/3		How can the board of directors monitor ESG risks and build sustainable competitive strength for the enterprise	3	
Independent director	Cheng Chi	2022/8/4	Taiwan Corporate Governance Association	Intellectual property right management and operating risks of the Company	3	
		2022/11/3		How can the board of directors monitor ESG risks and build sustainable competitive strength for the enterprise	3	
Independent director	Yi-Chia Chiu	2022/7/12	Taiwan Corporate Governance Association	Audit Committee advanced business sharing-Merger Rule Review and Directors Responsibilities	3	
		2022/7/15		True? or False? Crisis Management While facing fake report	3	
Independent director	Wen-Chin Wu	2022/3/22	Taiwan Corporate Governance Association	Metaverse, NFT, Web3.0 and social media basic concept and application		
		2022/8/9		Enterprise Sustainable Accelerator-CSR、ESG and SDGs		

Note: The continuing education of Directors in 2022 complied with the requirements under the “Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies.”

## (V) Continuing education of managers in 2022

Participating manager		Date (year)	Organizer	Course name	Number of hours of continuing education
President, Business Support Center	Chien-Lun Chiu	2022/8/4	Taiwan Corporate Governance Association	Intellectual property right management and operating risks of the Company	3.0
		2022/11/3		How can the board of directors monitor ESG risks and build sustainable competitive strength for the enterprise	
		2022/9/8	Accounting Research And Development Foundation	The newest evil prevention of “Internal Control Processing Guideline Regulations” and “Information Security”	3.0
					3.0
Vice President of Internal Audit	Hui-Ying Chang	2022/8/4	Taiwan Corporate Governance Association	Intellectual property right management and operating risks of the Company	3.0
		2022/11/3		How can the board of directors monitor ESG risks and build sustainable competitive strength for the enterprise	3.0
		2022/8/17	The Institute of Internal Auditors, R.O.C	Practical experience of audit for subsidiary	3.0
		2022/11/8		Improve enterprise sustainable value and complete risk management system	
Chief Finance Operator	Zhong-Hao Liang	2022/9/15	Accounting Research And Development Foundation	TWSE Accounting manager continuing education course	3.0
		2022/8/4	Taiwan Corporate Governance Association	Intellectual property right management and operating risks of the Company	3.0
		2022/11/3		How can the board of directors monitor ESG risks and build sustainable competitive strength for the enterprise	3.0

Note: In addition, managers regularly participate in lectures of “Wowprime Lecturers” organized by the Company each month to learn from successful experiences in different industries.

## (VI) Composition, duties, and operation of the Remuneration Committee

### 1. Information on members of the Remuneration Committee

30 April 2022

Identity	Name	Criteria	Professional qualifications and experience	Independence	Number of concurrent duties as a member of the remuneration committee at other public companies
Convener (Independent Director)	Yi-Chia Chiu	Please refer to the disclosures related to the professional qualification of Directors and the independence of Independent Directors on pages 27 - 31			2
Committee member (Independent Director)	Cheng Chi				None
Committee member (Independent Director)	Wen-Chin Wu				1

### 2. Information on the operation of the Remuneration Committee

(1) The Company's Remuneration Committee comprises three members.

(2) Tenure of the current members: From 5 June 2020 to 4 June 2023. Two meetings (A) were held for the Remuneration Committee in the most recent year (2022); the qualification and attendance of members are as follows:

Title	Name	Number of attendance (B)	Number of attendance by proxy	Attendance rate (%) (B/A)	Remarks
Independent director (Convener)	Yi-Chia Chiu	2	-	100%	
Independent director	Cheng Chi	2	-	100%	
Independent director	Wen-Chin Wu	-	2	0%	

Other matters to be recorded:

- I. If the Board refuses to adopt or amends the recommendations of the Remuneration Committee, the date of the Board meeting, session, content of the motions, opposing opinions or qualified opinions of Independent Directors, or the content of material recommendations, resolutions of the Board, and the Company's response for the opinions of the Remuneration Committee shall be described: None.
  - II. For any objections or qualified opinions raised by a member of the Remuneration Committee against a resolution with records or written statements, the date of the Remuneration Committee meeting, session, content of the motions, opinions of all members, and the Company's response for the opinions of members shall be described: None.
  - III. Regularly examines the performance evaluation of Directors and managers and policies, systems, standards, and structures for remuneration:  
The function of the Company's Remuneration Committee is to evaluate the remuneration policies and systems of the Company's Directors and managers by adopting a professional and objective point of view. Meetings shall be held at least two times a year, and meetings may be convened at any time subject to the requirements to provide recommendations to the Board to serve as a reference for decision-making.
1. Authority of the Remuneration Committee
- (1) Examining the Regulations for Remuneration and Regulations for Performance Bonus of the Company and proposing amendment recommendations regularly.

<p>(2) Establishing and examining the performance targets of Directors and managers of the Company and policies, systems, standards, and structures of remuneration regularly.</p> <p>(3) Evaluating the performance target achievements of the Company's Directors and managers and establishing the individual remunerations and amounts regularly.</p> <p>2. The Remuneration Committee shall exercise its authority based on the following principles</p> <p>(1) Ensure that the Company's remuneration policies are compliant with relevant laws and regulations.</p> <p>(2) Refer to the general salary standards within the industry and consider individual performance and the linkage to the operating performance and future risks of the Company for the performance evaluation and remuneration of Directors and managers.</p> <p>(3) Not to induce Directors and managers to engage in acts exceeding the risk appetite of the Company for seeking remunerations.</p> <p>(4) Consider industry features and the business nature of the Company to determine the ratio of short-term performance bonus distribution and the payment time of partially changed remuneration of Directors and the senior management.</p> <p>(5) A member of the Remuneration Committee shall not participate in the discussion and vote for the decision of its individual remuneration.</p> <p>IV. Resolutions of the Remuneration Committee</p>			
Meeting date/session	Motion content	Resolution	Company's handling of the remuneration committee's opinions
8 March 2022 (1 <sup>st</sup> in 2022)	1. Proposal for the salary structure and payment amount for the Company's Directors and managers in 2021 2. Proposal for establishing the ratio of Director remuneration and employee remuneration in 2021	Approved by all members as proposed with no dissenting opinion.	Proposed to the Board and approved by receiving the consent of all attending Directors
4 August 2022 (2 <sup>nd</sup> in 2022)	1. Proposal for the salary structure and payment amount for the Company's Directors and managers in the first half of 2022		
23 March 2022 (1 <sup>st</sup> in 2023)	1. Proposal for the salary structure and payment amount for the Company's Directors and managers in 2022 2. Proposal for establishing the ratio of Director remuneration and employee remuneration in 2022 3. The proposal of repurchasing shares then transfer to employees 4. The proposal of ratifying the allocation volume and the list of repurchasing shares then transfer to employees in 2022		

(VII) Implementation of promoting sustainable development and the differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor

Evaluation Items	The State of Operation			Differences between the fulfillment of corporate social responsibility and the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor:
	Yes	No	Summary description	
I. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?	V		The Company formally established and launched the dedicated corporate social responsibility team on 30 January 2015, with the CEO of the Company being the convener. Representatives from different departments in the dedicated team organize and perform corporate social responsibility based on the functions of their departments, and the team reports to the Board as scheduled (at least once a year) each year. The dedicated corporate social responsibility team identifies stakeholders and issues of their concern based on its functions and evaluates the level of impact based on economic, environmental, social, and other aspects to formulate responding action plans. The team discusses topics related to sustainable development, establishes management policies, and follows up and examines the implementation of relevant topics. A corporate social responsibility report shall be completed by passing the certification of a certifying institution. The report shall be submitted to the Board to examine the feasibility and implementation of the strategic targets.	
II. Has the Company conducted risk assessments on environmental, social and corporate governance	V		The data disclosed covers the period from January 2022 to December 2022. The boundary of risk	



Evaluation Items	The State of Operation			Differences between the fulfillment of corporate social responsibility and the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor:
	Yes	No	Summary description	
issues related to the Company's operations in accordance with the materiality principle, and formulated relevant risk management policies and strategies?			<p>evaluation is primarily the Company and subsidiaries in the Taiwan region. The evaluation identifies operating risks based on changes in the external environment and the internal business activities, including market, operating, environmental, and financial risks, four major categories.</p> <p>To allow risk issues of different aspects to be comprehensively addressed in a timely manner, the Department of Business Planning performs an inventory of and keeps abreast of internal and external risk issues to improve the emergency management ability of the Company. Meanwhile, the Company has established an independent audit department as the third line of defense and specified the decentralization of rights and responsibilities to allow the business promotion and risk management of the Company to achieve the ideal balance.</p> <p>For relevant risk management policies or strategies, please refer to the supplementary descriptions on pages 76-78 of the annual report.</p>	
<p>III. Environmental Issues</p> <p>(I) Has the Company set up an appropriate environmental management system based on the characteristics of its industry?</p>	V		<p>(I) The Company has established its Procedures for Environmental Safety Management and Control that aims to effectively achieve environmental safety maintenance and energy</p>	

Evaluation Items	The State of Operation			Differences between the fulfillment of corporate social responsibility and the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor:
	Yes	No	Summary description	
(II) Is the Company committed to improving the energy efficiency of resources and to the use of renewable materials with low environmental impact?	V		<p>saving and carbon dioxide reduction. The Company commits to the procurement policy of “safe food ingredients,” “environmental protection and sustainability,” and “traceability” and observes specifications.</p> <p>(II) The Company is dedicated to pursuing “sustainable green energy, circular renewal” and promotes green procurement policies. We use degradable packaging materials and cutlery, reduce the use of plastics, and only use soy ink for printing. We increased the procurement of paper certified by FSC and degradable takeaway cutlery and environmental bags certified by BPI. The procurement ratio of packaging materials certified by FSC in 2022 reached to 76%. The procurement ratio packaging materials certified by BPI in reached 99%. By doing so, we commit to reducing the impacts of the operations of the Company on natural environments.</p>	
(III) Has the Company evaluated the potential risks and opportunities of climate change to the Company at present and in the future and adopted countermeasures for climate-related	V		<p>(III) Since 2012, the Company has been actively promoting the green branding plan, participated in the “green action voluntary energy-saving sign” organized by the Ministry</p>	

Evaluation Items	The State of Operation			Differences between the fulfillment of corporate social responsibility and the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor:
	Yes	No	Summary description	
<p>issues?</p> <p>(IV) Has the Company made statistics on GHGs emissions, water consumption, and the total weight of wastes for the past two years and formulated policies for GHGs emissions reduction, water consumption reduction, or other waste management?</p>	V		<p>of Economic Affairs, and established the dedicated sustainable corporate development team in 2015 to procure equipment with environmental protection label, promote projects of energy saving and carbon dioxide reduction, and regularly perform an inventory of GHGs emissions in the hope of minimizing the impacts of operating activities on the environment and jointly contribute to environmental protection. For relevant information, please refer to the corporate sustainability report of the Company.</p> <p>(IV) The Company is committed to energy saving and carbon dioxide reduction. We regularly perform inventory for GHGs emissions, water consumption, and the total weight of wastes. The data covers the Company and subsidiaries in the Taiwan region and focuses on the procured equipment with the green label, including the energy-saving label, water-saving label, and environmental protection label. For relevant information, please refer to the corporate sustainability report of the Company.</p>	

Evaluation Items	The State of Operation			Differences between the fulfillment of corporate social responsibility and the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor:
	Yes	No	Summary description	
IV. Social Issues				
(I) Has the Company formulated relevant management policies and procedures in accordance with relevant regulations as well as the International Bill of Human Rights?	V		(I) The Company has established Employee Rules and relevant systems based on the Labor Standard Act and relevant human rights specifications to protect the legal interest of all employees.	
(II) Has the Company established and implemented reasonable employee welfare measures (including remuneration, vacation, and other benefits) and appropriately reflected the business performance or results in employee remunerations?	V		(II) The Company is deeply convinced that talents are the most significant assets of the Company and adopts the remuneration philosophy of “compliant with laws, more favorable than the industry, remain competitive” to attract and retain outstanding F&B talents. For the remuneration structure, the Company gives equal consideration to the principles of internal balance and external equality for the overall planning. The fixed salary structure is examined each year, complemented by salary adjustments for performance and promotion. The variable pay is subject to the overall performance of the Company and the performance of each team. Regarding salaries and benefits entitled to employees in Wowprime Corporation, no differential treatment will be offered due to gender, age, or other conditions. For relevant welfare measures, please refer to page 56-58 of the handbook.	

Evaluation Items	The State of Operation			Differences between the fulfillment of corporate social responsibility and the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor:															
	Yes	No	Summary description																
(III) Does the Company provides employees with a safe and healthy working environment and regularly organize safety and health education for employees?	V		<div> <div>(III) The Company regularly examines and repairs its fire prevention and health equipment to avoid accidents in underground restaurants. We set one to two evacuation exits more than the regulatory standards and installed clear view blocks for freezers. Furthermore, we provide annual health inspections as employee welfare and organize labor safety and health education and training and have established and promoted the “workplace violence prevention plan.” In 2017, the Company further established its occupational safety and health organization and assisted employees in obtaining the license for emergency care personnel to provide a safe and healthy working environment to employees.</div> <div>Occupational safety and health training:</div> <table> <tr> <th>Item</th> <th>Frequency</th> <th>Hours</th> </tr> <tr> <td>Fire prevention training</td> <td>Once a month</td> <td>618 hours</td> </tr> <tr> <td>Emergency care personnel training</td> <td>At least one person in each store</td> <td>915hours</td> </tr> <tr> <td>General in-service safety and health education and training</td> <td>In-service employees</td> <td>8,762 hours</td> </tr> <tr> <td>Safety education and training for newly promoted directors of departments</td> <td>32 persons</td> <td>875 hours</td> </tr> </table> </div>	Item	Frequency	Hours	Fire prevention training	Once a month	618 hours	Emergency care personnel training	At least one person in each store	915hours	General in-service safety and health education and training	In-service employees	8,762 hours	Safety education and training for newly promoted directors of departments	32 persons	875 hours	
Item	Frequency	Hours																	
Fire prevention training	Once a month	618 hours																	
Emergency care personnel training	At least one person in each store	915hours																	
General in-service safety and health education and training	In-service employees	8,762 hours																	
Safety education and training for newly promoted directors of departments	32 persons	875 hours																	

Evaluation Items	The State of Operation			Differences between the fulfillment of corporate social responsibility and the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor:
	Yes	No	Summary description	
(IV) Has the Company established an effective career development training program for employees?	V		(IV) The Company's Department of Training has established comprehensive training programs for the career development of employees that allow employees to execute their duties in their existing posts and concurrently receive continuing education to acquire skills required for promotion. For relevant training content, please refer to page121-122 of the handbook.	
(V) Has the Company complied with relevant regulations and international standards with regard to customer health and safety, customer privacy, marketing, and labeling of products and services, and established relevant policies to protect the interests of consumers or customers and complaint procedures?	V		(V) The Company has established relevant management regulations to protect the food safety of consumers in accordance with the Act Governing Food Safety and Sanitation and The Regulations on Good Hygiene Practice for Food (GHP). The Company commenced the certification of the Food Safety Management System ISO22000 and passed the SGS certification in 2019. In the future, we will continue making improvements to provide delicacies of safety and bring worry-free and satisfied dining experiences to customers as an F&B and food company. Each business segment of the Company has a customer service line (starting with 0800) in place that is responsible for handling customer complaints.	

Evaluation Items	The State of Operation			Differences between the fulfillment of corporate social responsibility and the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor:
	Yes	No	Summary description	
(VI) Has the Company formulated supplier management policies that require suppliers to comply with relevant specifications on environmental protection, occupational safety and health, or labor rights issues? What is the implementation status?	V		(VI) Apart from strictly adhering to the honesty policy of Wowprime Corporation, suppliers shall also observe corporate social responsibility. The Company has stated the “corporate social responsibility and self-disciplinary specification” term in cooperation contracts with suppliers, including the employee equality policy, standard working hours and reasonable salaries, no illegal child labor, observation of relevant environmental regulations and avoidance of creating hazards to the environment, focusing on ecological conservation, and prohibiting produce related to protected animal and plant species in products provided. In addition, the Company carries out supplier visits and audits each month regularly and from time to time in the hope of achieving the target of jointly improving our corporate social responsibility performance with suppliers. In 2022, 52 suppliers for evaluation, 44 suppliers not to be improved but 8 suppliers still need to be improved .	

Evaluation Items	The State of Operation			Differences between the fulfillment of corporate social responsibility and the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor:
	Yes	No	Summary description	
V. Has the Company referred to international reporting standards or guidelines in its preparation of the sustainability report and other reports which disclose the Company's non-financial information? Has the Company obtained the assurance or certification of the third party certifying institution for the reports above?	V		The Company referred to the international reporting standards to prepare its sustainability report and has obtained the assurance report issued by CPAs; the corporate sustainability report was completed on 14 July 2022.	
VI. If the Company has adopted its own Sustainable Development Best Practice Principles based on the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe any differences from the principles in the Company's operations: None.				
VII. Other important information to facilitate a better understanding of the Company's promotion of sustainable development: <ol style="list-style-type: none"> <li>1. Environmental Protection: The Company executes environmental protection control according to laws and regulations; please refer to the environmental protection expenditure.</li> <li>2. Social participation, social contribution, social services and social welfare: The Company makes use of the influences of its brand and commits to combining social welfare and duly fulfilling its obligations and responsibilities of corporate operations.</li> <li>3. Consumer interest: Each business segment of the Company has a customer service line (starting with 0800) in place that is responsible for handling customer complaints.</li> <li>4. Human rights: Employees of the Company are deemed equal in terms of employment opportunities regardless of gender, religion, or political party. The Company also offers favorable working environments to ensure the elimination of discrimination and harassment for employees.</li> <li>5. Safety and health: The Company executes the control for safety and health in accordance with governmental laws and regulations.</li> <li>6. Other social responsibility activities: <ol style="list-style-type: none"> <li>(1) Promote "10,000 steps a day" and four ironman activities, including cross-lake swimming at Sun Moon Lake, climbing Yushan, biking across Taiwan, and marathon, to address the importance of health;</li> <li>(2) Take the lead in making donations for disaster relief (i.e., disaster relief for the 2016 Southern Taiwan Earthquake) to duly fulfill its social responsibility;</li> </ol> </li> </ol>				



Evaluation Items	The State of Operation			Differences between the fulfillment of corporate social responsibility and the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor:						
	Yes	No	Summary description							
<p>(3) Give back to society through brand events:</p> <p>a. Yakiyan organized “<b>Donate Clothes to Help Child Welfare League Foundation</b>,” a charity bazaar, and successfully raised NT\$5,067,000.</p> <p>b. Giguo organized “<b>Gather for Love and Embrace Happiness</b>,” a charity bazaar, and successfully raised NT\$6,420,000.</p> <p>c. TASTy organized the “Reach Out to New Blood” event to <b>facilitate public welfare through blood donation</b> and successfully raised a blood volume of 7,087,750 c.c.;</p> <p>d. Tokiya organized the “<b>Books for Children’s Hope</b>,” a charity bazaar to create education equality, and successfully raised NT\$2,841,000.</p> <p>e. The “<b>Continued Food Supply for Sustainability</b>” organized by 12 hotpot worked with the Alliance of Taiwan Foodbanks to promote continued food supply without waste; foods were provided to 24 social welfare groups/food banks and cumulative with 45,302 Kg food materials.</p> <p>(4) Organized a public welfare event for Yushan, assisted Yushan National Park Headquarters in repairing the hiking trails in Yushan, and donated supplies and pandemic control supplies required by Paiyun Lodge to improve hiking quality. .</p> <p>(5) Organized “Entrepreneur Craze” to strive for families. We entered school campuses to interact with young students and participated in the largest cross-industry ATONA Case Competition (ATCC) in Taiwan.</p> <p>(6) The outbreak of local cases occurred in mid-May 2021; the workload of doctors, nursing practitioners, police officers, and firefighters increased significantly. Different brands of Wowprime Corporation voluntarily deliver meals to hospitals, public health bureaus, and police stations nationwide to extend our appreciation for the efforts and contributions made by those hidden heroes/heroines to help pandemic control, exhibiting Wowprime’s determination to join the battle of pandemic control with the public.</p> <p>7. Risk management policies and strategies:</p> <table><tr><th>Risk category</th><th>Significant risks</th><th>Risk control method</th></tr><tr><td>Market risk</td><td>Market competition and international political and</td><td>Domestic political and economic development and overseas development environments are included in the agenda for meetings of the senior management and the annual strategy meetings for discussion, and the strategies are examined and adjusted through the monthly strategy meetings of the Group.</td></tr></table>					Risk category	Significant risks	Risk control method	Market risk	Market competition and international political and	Domestic political and economic development and overseas development environments are included in the agenda for meetings of the senior management and the annual strategy meetings for discussion, and the strategies are examined and adjusted through the monthly strategy meetings of the Group.
Risk category	Significant risks	Risk control method								
Market risk	Market competition and international political and	Domestic political and economic development and overseas development environments are included in the agenda for meetings of the senior management and the annual strategy meetings for discussion, and the strategies are examined and adjusted through the monthly strategy meetings of the Group.								

Evaluation Items			The State of Operation			Differences between the fulfillment of corporate social responsibility and the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor:
			Yes	No	Summary description	
		economic development				
	Operating risk	Supply chain risk			(1) Keep abreast and analyze the trend of international raw materials periodically to secure the sources of crucial food ingredients; (2) Review the list of major suppliers from time to time and establish a system of secondary supply sources; (3) Establish or joint upgrade clear procurement specifications and evaluation system; (4) Strengthen the link with upstream suppliers to become long-term partners; (5) Regularly examine rationalization of inventory turnover.	
		Climate change risk			(1) Adopt scheduled purchasing and select the sources of supply, places of origin, and production methods to avoid effects on costs due to climate change and natural disasters; (2) Plan substitute ingredients in advance during the R&D period; (3) Make forecasts for the trend of supply changes of major materials each quarter.	
		Food safety risk			(1) Establish an analysis of risk factors of food ingredients to serve as the basis for food safety control measures; (2) Actively implement food traceability management; (3) Establish multiple food health and safety inspection systems (supplier quality control, food safety audits and visits, third-party audits, food safety self-inspections by stores, and regular sampling inspections by headquarters); (4) Reinforce food safety, health education and training for store employees and the establishment of concepts.	
		Labor shortage risk			(1) Develop diverse recruitment channels (i.e., older employees recruitment and foreign students recruitment); (2) Invest in industrial-academic cooperation to continue developing long-term, stable human resources; (3) Advance operating procedures to reduce the requirements for basic labor.	

Evaluation Items			The State of Operation		Differences between the fulfillment of corporate social responsibility and the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor:
			Yes	No	
	Risk category	Significant risks	Risk control method		
	Environm ental risk	Safety of employee’s employment environments	(1) Establish the Occupational Safety Committee to perform the examinations and planning for the workplace safety of employees; (2) Regularly organize health inspections and lectures on health education for employees; (3) Carry out self-inspections for the environmental safety of stores and environment and equipment safety of employee dormitories each month.		
		Material natural disaster and pandemic	(1) Have standard operating procedures (SOP) in place for material natural disasters to minimize damages; (2) Establish a response team for material emergencies to grasp information, allocate resources, cope with the aftermath, and make examinations rapidly.		
		Fire control and building safety risk	To ensure the operating stores’ ability to create operating income at venues free of safety concerns, we adopt the following countermeasures: (1) Cooperate with local fire control departments to perform fire drills; (2) Regularly perform fire control self-inspections and new employee training each month; (3) The headquarters implements the Wan An patrol inspection system for comprehensive safety inspections; (4) Regular declarationsand inspections by the competent authority; (5) Reinforce the building safety evaluation procedures for the opening of new stores.		
	Financial risk	Outstanding vouchers	We provide performance guarantees of banks for a large number of outstanding presale vouchers and regularly examine the cash flows and financial structure of the Company at Central Management Committee meetings, and report the results to the Board.		

(VIII) Implementation of ethical corporate management and differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor

Evaluation Items		The State of Operation			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons for the differences
		Yes	No	Summary description	
I.	Formulate ethical corporate management policy and plan	V		(I)	None
(I)	Does the Company have an ethical corporate management policy approved by its Board, and bylaws and publicly available documents addressing its policy and measures of ethical corporate management, and commitment regarding active implementation of such policy from the Board and the senior management?			The Board has approved and established the Company's "Ethical Corporate Management Best Practice Principles" and the Corporate Governance Committee is responsible for the establishment and execution of the ethical corporate management policy and prevention program and regularly reporting the results to the Board.	
(II)	Has the Company established a risk assessment mechanism against unethical conduct, analyzed and assessed on a regular basis business activities within their business scope which are at a higher risk of being involved in unethical conduct, and established prevention programs accordingly which at least cover the prevention measures against the conducts listed in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies?	V		(II)	
				To ensure the implementation of ethical corporate management, the Company has established an effective accounting system and internal control system. In addition, our internal auditors regularly perform audits on compliance with the abovementioned system. Furthermore, we have established our "honesty policy" that all suppliers shall observe. Supplier shall not accept gift money or rebates and shall not engage in related party transactions. The Company will no longer engage in any transactions with a supplier who violates such requirements in order to seek reasonable quotations, premium quality, and optimized services.	

Evaluation Items		The State of Operation			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons for the differences
		Yes	No	Summary description	
(III)	Has the Company clearly set the operating procedures, behavior guidelines, and punishment and complaint system for violations in its unethical conduct prevention program, implemented it, and regularly reviewed and revised it?	V		(III) The Company has established its “Procedures of Ethical Management and Guidelines for Conduct,” which specifies relevant operating procedures, and set up a free complaint line (starting with 0800) to make implementations accordingly.	
II.	The implementation of ethical corporate management				
(I)	Does the company assess the ethics records of whom it has business relationship with and include business conduct and ethics related clauses in the business contracts?	V		(I) The company has established our “honesty policy” that all suppliers shall observe. Supplier shall not accept gift money or rebates and shall not engage in related party transactions. The Company will no longer engage in any transactions with a supplier who violates such requirements. In addition, we periodically hold annual supplier meetings each year to re-address ethical practicing specifications and honesty policy in order to seek reasonable quotations, premium quality, and optimized services.	None
(II)	Has the Company set up a dedicated department that is subordinated to the Board to promote ethical corporate management, and does it regularly (at least once a year) report to the Board on its ethical corporate management policy and unethical conduct prevention program and monitor their implementation?	V		(II) The Corporate Governance Committee of the Company is responsible for the establishment and execution of the ethical corporate management policy and prevention program and regularly reporting the results to the Board each quarter.	

Evaluation Items	The State of Operation			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons for the differences
	Yes	No	Summary description	
(III) Does the Company establish policies to prevent conflict of interests, provide appropriate communication and complaint channels and implement such policies properly?	V		(III) The Company has established its “Employee Rules,” which state that an employee shall not accept benefits above NT\$100 and that transactions or business dealings between the Company and relatives of employees are forbidden to prevent employees from sacrificing the Company’s interest due to personal benefits. We have a complaint line (starting with 0800) in place, and a dedicated department is in charge of relevant affairs subject to procedures stated in the regulations. .	
(IV) Has the Company established effective accounting and internal control systems in place for the implementation of ethical corporate management? Has the internal audit department formulated relevant audit plans based on the assessment results of unethical conduct risk to perform audits on compliance with the unethical conduct prevention program or engage CPAs to perform such audits?	V		(IV) To ensure the implementation of ethical corporate management, the Company has established an effective accounting system and internal control system. In addition, our internal auditors regularly perform audits on compliance with the abovementioned system. Also, CPAs perform audits on the implementation of the Company’s internal control system each year.	
(V) Does the Company provide internal and external education and training in ethical corporate management on a regular basis?	V		(V) The Company has honesty terms in place. Ethical corporate management is the core value of the Company and the root of our corporate culture, which we address at meetings each month for due implementation. The Company requires a new supplier to agree with the Company’s	

Evaluation Items	The State of Operation			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons for the differences
	Yes	No	Summary description	
			<p>“honesty policy” before entering into a contract. We periodically hold annual supplier meetings each year to promote specifications related to practicing ethics and ethical corporate management. In 2021, no corruptive behavior occurred.</p> <p>When a new employee report to work, he/she shall complete the new employee training, including the system, bylaws, and corporate culture of the Company. In particular, the <b>“NT\$100 Corruption Rule”</b> specifies that an employee shall not “seek personal benefits” or “accept rebates.”</p> <p>In 2022, 10237 persons completed the training, and the total training hour was 45,688 hours. All in-service employees shall complete the “WOW News” program, including systems and specifications of core values (i.e., corporate culture and ethical corporate management), each month for a total of 12 times and 8,489 people. The Company sends insider specifications, prevention of insider trading, and other relevant rules and systems of ethics to Directors and managers.</p>	

Evaluation Items		The State of Operation			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons for the differences
		Yes	No	Summary description	
III.	The operation of the Company's whistleblower reporting system				
(I)	Does the Company establish specific whistleblowing and reward procedures, set up conveniently accessible whistleblowing channels and designate responsible individuals to handle the complaints received?	V		(I) The Company has a complaint line (starting with 0800) in place, and a dedicated department is in charge of relevant affairs subject to procedures stated in the regulations.	None
(II)	Has the Company established its SOP for investigating the complaints received, subsequent measures to be adopted, and the related confidentiality system after the investigation?	V		(II) The procedures for opinion exchange and reflection of the Company specify relevant operating procedures, countermeasures, and the responsibility of the director of the department to keep the data of the party involved confidential.	
(III)	Has the Company adopted proper measures to protect whistleblowers from inappropriate disposals due to whistleblowing?	V		(III) During the whistleblowing procedures, the Company keeps the identity of the whistleblower confidential so that no disposal will be made due to whistleblowing.	
IV.	Enhance Information Disclosure				
(I)	Has the Company disclosed the content and implementation results of its Ethical Corporate Management Best Practice Principles on its website and MOPS?	V		(I) The Company has its website in place to disclose information related to corporate culture and business policies and has published its Ethical Corporate Management Best Practice Principles on MOPS.	None
V. If the Company has adopted its own Ethical Corporate Management Best Practice Principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe any differences from the principles in the Company's operations: None.					



Evaluation Items	The State of Operation			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons for the differences
	Yes	No	Summary description	
VI. Other important information to facilitate a better understanding of the Company’s implementation of ethical corporate management (i.e., the examination and modification to the Ethical Corporate Management Best Practice Principles established by the Company): 1. The Company complies with the Company Act, Securities Exchange Act, Business Accounting Act, rules and regulations related to listing on TWSE or TPEX, and laws and regulations related to other business conduct as its foundation to implement ethical corporate management. 2. The “Rules of Procedures of Board Meetings” of the Company has stated the system of recusal for the conflict of interest. If a Director or the corporation it represented has any interest in any proposal at a Board meeting that may harm the Company’s interest, it may provide its opinion and answer questions; however, it may not join the discussion and vote and shall recuse itself during the discussion and vote, and may not exercise the voting right on behalf of another Director. 3. The Company has established its “Insider Trading Prevention Management Operation,” which states that Directors, managers, and employees may not leak any material internal information they acknowledged to others, may not make inquiries with those who acknowledged material internal information of the Company or collect undisclosed material internal information of the Company not related to their personal duties and may not leak undisclosed material internal information of the Company they acknowledged not due to the execution of businesses.				


(IX) If the Company has formulated its Corporate Governance Best Practice Principles and related rules and regulations, it shall disclose the inquiry methods:

The Company has established its Corporate Governance Best Practice Principles, Ethical Corporate Management Best Practice Principles, Code of Ethical Conducts, Social Responsibility Best Practice Principles, and other relevant specifications to implement the operation and promotion of corporate governance and published relevant specifications on its corporate website (<http://www.wowprime.com/investor/>) and MOPS.

(X) Other important information to facilitate a better understanding of the Company's implementation of corporate governance shall also be disclosed: None.

## (XI) Implementation of internal control system

### 1. Statement of internal control

  
王品餐飲股份有限公司  
內部控制制度聲明書



日期：一一二年三月二十三日

本公司民國一一一年度之內部控制制度，依據自行評估的結果，謹聲明如下：

- 一、本公司確知建立、實施和維護內部控制制度係本公司董事會及經理人之責任，本公司業已建立此一制度。其目的係在對營運之效果及效率(含獲利、績效及保障資產安全等)、報導具可靠性、及時性、透明性及符合相關規範暨相關法令規章之遵循等目標之達成，提供合理的確保。
- 二、內部控制制度有其先天限制，不論設計如何完善，有效之內部控制制度亦僅能對上述三項目標之達成提供合理的確保；而且，由於環境、情況之改變，內部控制制度之有效性可能隨之改變。惟本公司之內部控制制度設有自我監督之機制，缺失一經辨認，本公司即採取更正之行動。
- 三、本公司係依據「公開發行公司建立內部控制制度處理準則」(以下簡稱「處理準則」)規定之內部控制制度有效性之判斷項目，判斷內部控制制度之設計及執行是否有效。該「處理準則」所採用之內部控制制度判斷項目，係為依管理控制之過程，將內部控制制度劃分為五個組成要素：1.控制環境，2.風險評估，3.控制作業，4.資訊與溝通，及5.監督作業。每個組成要素又包括若干項目。前述項目請參見「處理準則」之規定。
- 四、本公司業已採用上述內部控制制度判斷項目，評估內部控制制度之設計及執行的有效性。
- 五、本公司基於前項評估結果，認為本公司於民國一一一年十二月三十一日的內部控制制度(含對子公司之監督與管理)，包括瞭解營運之效果及效率目標達成之程度、報導係屬可靠、及時、透明及符合相關規範暨相關法令規章之遵循有關的內部控制制度等之設計及執行係屬有效，其能合理確保上述目標之達成。
- 六、本聲明書將成為本公司年報及公開說明書之主要內容，並對外公開。上述公開之內容如有虛偽、隱匿等不法情事，將涉及證券交易法第二十條、第三十二條、第一百七十一條及第一百七十四條等之法律責任。
- 七、本聲明書業經本公司民國一一二年三月二十三日董事會通過，出席董事全數同意本聲明書之內容，併此聲明。

王品餐飲股份有限公司

董事長：陳正輝  
總經理：陳正輝



2. Where a CPA has been engaged to carry out a project audit on the internal control system, furnish the CPA audit report: None.

(XII) Legal penalty against the Company and its internal personnel and any disciplinary penalty imposed by the Company against its internal personnel for violations of the internal control system in the most recent year and up to the publication date of the annual report, major deficiencies, and improvements:

In the most recent year and up to the publication date of the annual, there was no legal punishment imposed on the Company due to material violations of corporate governance.

(XIII) Material resolutions of shareholders' meetings or Board meetings in the most recent year and up to the date of publication of the annual report

1. Material resolution of the Board:

Date	Category	Content of resolution
2022/3/8	Board of Directors meeting	<ol style="list-style-type: none"> <li>1. Report of the 2021 business report and financial statements.</li> <li>2. Proposal for the distribution of employee remuneration and Director remuneration in 2021.</li> <li>3. Proposal for deficit compensation in 2021.</li> <li>4. Proposal for the issuance of the "Statement of Internal Control System" by the Company.</li> <li>5. Proposal for the amendments to the "Procedures for Loans to Others and Endorsement/Guarantee."</li> <li>6. Proposal for the amendments to the "Articles of Incorporation."</li> <li>7. Proposal for the agenda of the 2022 annual shareholders' meeting of the Company</li> <li>8. According to requirements under Article 172-1 of the Company, the Company accepts proposals from shareholders holding over 1% of the Company's shares.</li> <li>9. Proposal for financing limits to subsidiaries.</li> <li>10. Proposal for endorsement/guarantee limits to subsidiaries.</li> <li>11. Proposal for the application of voucher guarantee and letter issuance limits with financial institutions.</li> <li>12. Proposal for setting the base day for the buyback of shares to transfer to employees as stock options.</li> <li>13. Proposal for an increase in investments in important subsidiaries.</li> <li>14. Proposal for the appointment and compensation of CPAs of the Company in 2022.</li> <li>15. Independence and adequacy evaluations of the Company's CPAs.</li> <li>16. Ratification of the proposal for the appointment of a manager.</li> <li>17. Ratification of the proposal for the dismissal of a manager.</li> <li>18. Proposal for the change in the manager of a branch.</li> </ol>
2022/5/5	Board of Directors meeting	<ol style="list-style-type: none"> <li>1. Report of the Q1 consolidated financial statements in 2022.</li> <li>2. Proposal for endorsement/guarantee limits to subsidiaries.</li> <li>3. Proposal for the amendments to the "Articles of Incorporation."</li> <li>4. Proposal for the schedule of GHGs inventory and verification.</li> </ol>
2022/6/7	Board of Directors meeting (extraordinary)	<ol style="list-style-type: none"> <li>1. Proposal for the third repurchase of the Company's shares.</li> </ol>
2022/8/4	Board of Directors meeting	<ol style="list-style-type: none"> <li>1. Report of the Q2 consolidated financial statements in 2022.</li> <li>2. Proposal for financing limits to subsidiaries.</li> <li>3. Proposal for financing limits provided to subsidiary Wowfresh Corporation.</li> <li>4. Proposal for endorsement/guarantee providing to subsidiary</li> </ol>

Date	Category	Content of resolution
		Wowfresh Corporation. 5. Proposal for the application of voucher guarantee and letter issuance limits with financial institutions. 6. Proposal for the amendments to regulations for the second buyback of shares to transfer to employees. 7. Proposal for the amendments to regulations for the third buyback of shares to transfer to employees. 8. Proposal for the amendments to Regulations for Start-up and New Store Opening. 9. Proposal for the setting of the chief of corporate governance of the Company. 10. Ratification of the proposal for the dismissal of a manager. 11. Proposal for the change in the manager of a branch. 12. Proposal for the cancellation of a branch's establishment registration.
2022/10/11	Board of Directors meeting (extraordinary)	1. Proposal for the first unsecured domestic convertible corporate bonds. 2. Proposal for the amendments to "Rules of Procedures of Board Meetings."
2022/11/3	Board of Directors meeting	1. Proposal for the change in CPAs of the Company. 2. Report of the Q3 consolidated financial statements in 2022. 3. Proposal for financing limits providing to subsidiary WPT Restaurant Corporation. 4. Proposal for ratifying the acquisition of right-of-use assets by subsidiary Wowfresh Corporation. 5. Proposal for the establishment of the "2023 Budgets." 6. Proposal for the establishment of the "2023 Audit Plan." 7. Proposal for the amendments to the "Procedures for the Acquisition or Disposal of Assets." 8. Proposal for the amendments to the "Rules of Procedures of Board Meetings." 9. Proposal for the amendments to the "Corporate Governance Best Practice Principles." 10. Proposal for the amendments to the "Code of Ethical Conducts." 11. Proposal for the amendments to the "Regulations for Preventing Insider Trading." 12. Proposal for the establishment of the "Rules Governing the Preparation and Filing of Sustainability Reports." 13. Proposal for the establishment of "Regulations for Whistleblowing for Violation of Integrity or Ethics." 14. Proposal for the ratification of the "Specifications for Personal Data Protection." 15. Proposal for the schedule of GHGs inventory and verification.
		1. Proposal for the 2022 business report and financial statements. 2. Proposal for the distribution of employee remuneration and Director remuneration of 2022. 3. Proposal for profit distribution of 2022. 4. Proposal for issuing new shares through capital increase of earnings 5. The Company issuing the declaration of "Internal Controlling on

Date	Category	Content of resolution
2023/3/23	Board of Directors meeting	<p>Strategies”</p> <ol style="list-style-type: none"> <li>6. Proposal for election all the directors of the company because of the term of office is expired.</li> <li>7. Proposal for the agenda of the 2023 annual shareholders’ meeting of the Company</li> <li>8. According to requirements under Article 172-1 of the Company, the Company accepts proposals from shareholders holding over 1% of the Company’s shares.</li> <li>9. According to requirements under Article 192-1 of the Company, the Company accepts proposals from director candidates nomination</li> <li>10. Proposal for the director nomination (including independent director) candidates list</li> <li>11. Proposal for regulation of financing limits providing to subsidiary WPT Restaurant Corporation.</li> <li>12. Proposal for regulation of financing limits providing to subsidiary Wowfresh Corporation.</li> <li>13. Proposal for financing limits to subsidiaries.</li> <li>14. Proposal for endorsement/guarantee limits to subsidiaries.</li> <li>15. Proposal for the application of voucher guarantee and letter issuance limits with financial institutions.</li> <li>16. Proposal for an increase in investments in important subsidiaries.</li> <li>17. Proposal for setting the base day for the repurchase of shares to transfer to employees as stock options.</li> <li>18. Ratification of the proposal for repurchasing shares transferring to employees</li> <li>19. Proposal for revising “Internal Controlling System and Internal Audit System”</li> <li>20. Proposal for the appointment and compensation of CPAs of the Company in 2023.</li> <li>21. Independence and adequacy evaluations of the Company’s CPAs.</li> <li>22. Proposal for the schedule of GHGs inventory and verification.</li> <li>23. Ratification of the proposal for the dismissal of a manager.</li> <li>24. Ratification of the proposal for the appointment of a manager.</li> <li>25. Proposal for the change in the manager of a branch.</li> <li>26. Proposal for directors and managers remuneration structure and payment amount of 2022.</li> </ol>

## 2. Resolutions of the shareholders' meeting and their implementation:

Date	Content of resolution and its implementation
2022.6.28	<p>1. Report of the 202 business report and financial statements. Implementation: The Company has archived, published, and declared relevant books and tabulations with the competent authority according to requirements under the Company Act and relevant laws and regulations.</p> <p>2. Proposal for deficit compensation in 2021. Implementation: The shareholders' meeting resolved to compensate for losses by using statutory surplus reserve of NT\$101,541,884 according to the requirements. After the compensation, the Company has no loss for compensation at the end of the period.</p> <p>3. Proposal for the amendments to the "Articles of Incorporation." Implementation: Already finishing registration from the official letter No.11101132820 approved on 2022.08.15</p> <p>4. Proposal for the amendments to the "Procedures of Fund Loans and Endorsement/Guarantee." Implementation: The Company has complied with the amended regulations and published them on the corporate website.</p> <p>5. Proposal for the amendments to the "Regulations for Director Election." Implementation: The Company has complied with the amended regulations and published them on the corporate website.</p>

(XIV) In the most recent year and up to the date of publication of the annual report, if a Director or Independent Director has expressed a dissenting opinion with respect to a material resolution passed by the Board with records or written statements, disclose the principal content thereof: None.

(XV) A summary of resignations and dismissals of the Company's Chairman, President, chief accounting officer, Chief Auditor, and chief R&D officer in the most recent year and up to the date of publication of the annual report: None.

## V. Information on CPA fees

Unit: NT\$ Thousand

CPA firm	CPA name	CPA audit period	Audit fee	Non-audit fee	Total	Remarks
Deloitte & Touche Taiwan	Nai-Hua Kuo	2022/1~2022/12	4,350	2,228	6,578	
	Cheng-Quan Yu					

Note: Non-audit fee NT\$2,228 thousand was primarily the service fee for engaging the CPA's firm for CSR Assurance Expense by non-CPAs and information safety management system in 2022.

## VI. Information on replacement of CPAs: None.

VII. The Chairman, President, or managers in charge of financial or accounting matters of the Company working in the CPA's firm or its affiliates in the most recent year: None.

VIII. Transfer of equity and changes in equity pledges of Directors, supervisors, managers, and shareholders with a shareholding of 10% and above in the most recent year and up to the date of publication of the annual report.

(I) Changes in equity of Directors, supervisors, managers, and shareholders with a shareholding of 10% and above

Title	Name	2022		As of 30 April 2023	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged	Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged
Chairperson	Cheng-Hui Chen	-	-	100,000	-
Director	Sen-Pin Lee	(31,000)	-	(80,000)	-
Independent director	Cheng Chi	-	-	-	-
Independent director	Yi-Chia Chiu	-	-	-	-
Independent director	Wen-Chin Wu	-	-	-	-
Director	Guo-Yao Su	-	-	-	-
Director	Hong-Han Zhou (Note1)	60,000	-	-	-
President of the Business Group	Chia-Ching Huang (Note 1)	( 11,000 )	-	-	-
President of the Business Group	Yi-Shan Wang (Note 1)	32,000	-	-	-
President of the Business Group	Xian-Zheng Wu	10,000	-	-	-
President of the Business Group	Peng-Rong Hou (Note 2)	25,000	-	-	-
President of the Business Group	Pei-Jin Chen (Note 1)	-	-	-	-
President of the Business Group	Wei-Jin Li	15,000	-	-	-
President of the Business Group	Yi-Zhen Lu	21,000	-	-	-
President of the Supply Chain Operations Center	Cheng-Xian Wang	39,000	-	-	-
Vice President of the HR and Finance Center	Chien-Lun Chiu	27,000	-	-	-
Vice President of the Business Development Center	Pi-Shan Lee (Note 2)	-	-	-	-
Vice President of the Internal Audit Division	Hui-Ying Chang	16,416	-	-	-
Chief Finance Operator	Zhong-Hao Liang	-	-	-	-

Note 1: Share transfers of dismissed Directors and managers are calculated up to the date of dismissal.

Note 2: Share transfers of newly appointed Directors and managers are calculated up to the date of appointment.

(II) Equity transfers of Directors, supervisors, managers, and shareholders with a shareholding of 10% and above

Name	Reason for transfer	Transaction date (year)	Counterparty	Relationship between the counterparty and the Company's Directors, supervisors, managers, and shareholders with a shareholding of 10% and above	Number of shares (share)	Transaction price (NT\$/share)
Cheng-Hui Chen	Award	2022/12/22	Mei-Hui Ying	Spouse	100,000	-
Cheng-Hui Chen	Award	2023/3/24	Mei-Hui Ying	Spouse	100,000	-

(III) Changes in equity pledges of Directors, supervisors, managers, and shareholders with a shareholding of 10% and above: None.

IX. Information on shareholders with the top ten shareholdings who are related parties or have spousal relationships, or are relatives within the second degree of kinship.

30 April 2023; Unit: share

Name	Shareholding		Shareholding of spouse and minor children		Total shares held in the name of others		The title or name of the top ten shareholders who are spouses or relatives within the second degree of kinship with related parties and their relationship		Remarks
	Shares	Share holding % Percentage	Shares	Share holding % Percentage	Shares	Share Holdig % Percentage	Name (or name)	Relation ship	
Cheng-Hui Chen	3,801,282	4.94%	-	-	-	-	-	-	
Le Heng Investment Corporation	2,737,836	3.56%	-	-	-	-	-	-	
Sen-Pin Lee	2,449,105	3.18%	-	-	-	-	-	-	
Special account for the employee stock ownership trust of treasury stock entrusted by Wowprime Corporation to CTBC	2,359,000	3.06%	-	-	-	-	-	-	
Special account for Investment in Norges Bank entrusted by Citibank (Taiwan)	1,974,438	2.56%	-	-	-	-	-	-	
Special account for Investment in Merrill Lynch entrusted by HSBC	1,856,000	2.41%	-	-	-	-	-	-	
King's Town Bank	1,812,000	2.35%	-	-	-	-	-	-	
Standard Chartered external accounts managed by JP Morgan	1,533,000	1.99%	-	-	-	-	-	-	
Special account of JP Morgan entrusted by HSBC	1,482,000	1.93%	-	-	-	-	-	-	



Special account for investments Japan Securities Finance CO., Ltd managed by JP Morgan	1,331,000	1.73%	-	-	-	-	-	-	
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X. The total number of shares and the consolidated shareholding held in any single investee by the Company, its Directors, supervisors, managers, or any companies controlled either directly or indirectly by the Company

Unit: share; %

Investee	Ownership by the Company		Ownership by Directors, Managers and Directly/Indirectly Owned Subsidiaries		Total Ownership	
	Number of shares	Ownership	Number of shares	Ownership	Number of shares	Ownership
Tai Pin Holding Ltd.	20,117,134	100.00%	-	-	20,117,134	100.00%
WPT RESTAURANT CORPORATION	10,000,000	100.00%	-	-	10,000,000	100.00%
CHEERPIN RESTAURANT CORPORATION	30,000,000	100.00%	-	-	30,000,000	100.00%
WOWFRESH CORPORATION	50,000,000	100.00%	-	-	50,000,000	100.00%
JIECHUANG INVESTMENT CO.,LTD	1,100,000	100.00%	-	-	1,100,000	100.00%
Hoppime Ltd.	-	-	22,684,376	84.83%	22,684,376	84.83%
Wowprime Ltd.	-	-	-	84.83%	-	84.83%
Wowprime (China) Co., Ltd.	-	-	-	84.83%	-	84.83%
Wowprime (Beijing) CO.,LTD	-	-	-	84.83%	-	84.83%
SHANGHAI QUNZEYI ENTERPRISE MANAGEMENT CO.,LTD	-	-	-	84.83%	-	84.83%
SHANGHAI WANXIN INTERNATIONAL TRADING CO.,LTD	-	-	-	84.83%	-	84.83%
SHANGHAI HOPPIE CO.,LTD	-	-	-	84.83%	-	84.83%
SHANGHAI KINGCASH CO., LTD	-	-	-	80.59%	-	80.59%

## Four. Fund Raising Status

### I. Capital and shares

#### (I) Source of share capital

##### 1. Category of issued shares

30 April 2023; Unit: share

Type of equity	Authorized capital stock			Remarks
	Shares outstanding	Unissued shares	Total	
Common shares	76,987,883	23,012,117	100,000,000	Outstanding listed stocks

##### 2. Course of share capital formulation

30 April 2023; Unit: share; NT\$

Year and month	Issue price	Authorized capital stock		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Source of share capital	Capital paid in by properties other than cash	Others
1993.12	10	200,000	2,000,000	200,000	2,000,000	Founding share capital	-	
1998.8	10	2,485,500	24,855,000	2,485,500	24,855,000	Capital increase in cash of NT\$22,855,000	-	
1999.8	10	6,785,500	67,855,000	6,785,500	67,855,000	Capital increase in cash of NT\$13,000,000 and capital increase from earnings of NT\$30,000,000	-	
2000.12	10	10,000,000	100,000,000	10,000,000	100,000,000	Capital increase from earnings of NT\$32,145,000	-	Jing-(089)-Shang-Zi No.08900145254 dated 4 December 2000
2007.12	10	14,000,000	140,000,000	14,000,000	140,000,000	Capital increase in cash of NT\$40,000,000	-	Jin-Shou-Zhong-Zi. No.09633209890 dated 10 December 2007
2008.1	10	49,000,000	490,000,000	40,100,000	401,000,000	Consolidation of NT\$261,000,000	-	Jing-Shou-Shang-Zi No.09731635390 dated 23 January 2008
2008.6	10	49,000,000	490,000,000	45,233,331	452,333,310	Capital increase in cash of NT\$51,333,310	-	Jing-Shou-Zhong-Zi No.09732366860 dated 3 June 2008
2009.8	10	49,000,000	490,000,000	47,494,997	474,949,970	Capital increase from capital reserve of NT\$22,616,660	-	Jin-Shou-Zhong-Zi. No.09833206430 dated 6 October 2009
2011.3	10	70,000,000	700,000,000	61,584,471	615,844,710	Capital increase from earnings of NT\$97,364,740 and capital increase from employee stock options of NT\$43,530,000	-	Jing-Shou-Shang-Zi No.10001050750 dated 14 March 2011
2012.1	10	70,000,000	700,000,000	62,141,471	621,414,710	Capital increase from employee stock options of NT\$5,570,000	-	Jing-Shou-Shang-Zi No.10101014310 dated 20 January 2012
2012.4	10	70,000,000	700,000,000	67,950,471	679,504,710	Capital increase in cash of NT\$58,090,000	-	Jing-Shou-Shang-Zi No.10101056080 dated 2 April 2012
2013.6	10	100,000,000	1,000,000,000	74,745,518	747,455,180	Capital increase from capital reserve of NT\$67,950,470	-	Jing-Shou-Shang-Zi No.10201111220 dated 14 June 2013

Year and month	Issue price	Authorized capital stock		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Source of share capital	Capital paid in by properties other than cash	Others
2014.6	10	100,000,000	1,000,000,000	76,987,883	769,878,830	Capital increase from capital reserve of NT\$22,423,650	-	Jing-Shou-Shang-Zi No.10301108560 dated 12 June 2014

## (II) Shareholder structure

30 April 2023; Unit: person; share

Shareholder structure Quantity	Government agencies	Financial institutions	Other legal persons	Individuals	Foreign institutions and foreigners	Total
Number of people	5	29	214	74,417	216	74,881
No. of Shares Held	2,893,793	3,664,699	11,770,397	34,526,392	24,132,602	76,987,883
Shareholding (%)	3.76	4.76	15.28	44.85	31.35	100.00

## (III) Equity decentralization (par value of NT\$10 per share)

30 April 2023; Unit: person; share

Shareholding tier	Number of Shareholders	No. of Shares Held	Ownership
1 to 999	67,946	894,873	1.16
1,000 to 5,000	6,113	9,694,889	12.59
5,001 to 10,000	324	2,438,420	3.17
10,001 to 15,000	113	1,438,426	1.87
15,001 to 20,000	70	1,277,863	1.66
20,001 to 30,000	69	1,718,014	2.23
30,001 to 40,000	47	1,661,251	2.16
40,001 to 50,000	35	1,599,754	2.08
50,001 to 100,000	63	4,735,715	6.15
100,001 to 200,000	36	5,236,479	6.80
200,001 to 400,000	31	8,489,542	11.03
400,001 to 600,000	12	5,738,693	7.45
600,001 to 800,000	3	2,001,852	2.60
800,001 to 1,000,000	5	4,292,080	5.58
Over NT\$1,000,001	14	25,770,032	33.47
Total	74,881	76,987,883	100.00

(IV) List of major shareholders

The name, number of shares held by, and shareholding of shareholders with a shareholding of 5% and above or shareholders with top ten shareholdings:

30 April 2023; Unit: share

Shares		No. of Shares Held	Shareholding (%)
Name of major shareholder			
Cheng-Hui Chen		3,801,282	4.94%
Le Heng Investment Corporation		2,737,836	3.56%
Sen-Pin Lee		2,449,105	3.18%
Special account for the employee stock ownership trust of treasury shares entrusted by Wowprime Corporation to CTBC		2,359,000	3.06%
Special account for Investment Norges Bank entrusted by Citibank (Taiwan)		1,974,438	2.56%
Special account for investments in Merrill Lynch managed by HSBC		1,856,000	2.41%
King's Town Bank Co., Ltd		1,812,000	2.35%
Standard Chartered external accounts manager JP Morgan Standard Chartered		1,533,000	1.99%
Special account for investments in JP Morgan managed by HSBC		1,482,000	1.93%
Special account for investments Japan Securities Finance CO., Ltd managed by JP Morgan		1,331,000	1.73%
Total		21,335,661	27.71%

(V) Market price, net value, earnings, and dividends per share and the related information for the most recent two years

Unit: NT\$ ; 1,000 shares

Item \ Year		2021	2022	As of 30 April of the year
Market price per share	Highest	207.00	170.00	325.00
	Lowest	109.00	100.00	251.00
	Average	149.17	128.62	291.47
Net worth per share	Before distribution	36.78	41.28	43.51
	After distribution	36.78	(Note 1)	-
Earnings per share	Weighted average number of shares	76,988 thousand shares	76,988 thousand shares	76,988 thousand shares
	Earnings per share	(1.40)	5.15	5.01
Dividends per share	Cash dividends		-	3.86
	Stock dividends	Stock dividends from earnings	-	1
		Capital surplus distributed as dividends	-	-
	Accumulated unpaid dividends		-	-
Investment return analysis	Price-to-earning ratio		(106.55)	24.97
	Price-to-dividend ratio		-	26.47
	Cash dividend yield		-	3.00

Note 1: The proposal of earning distribution for year 2022 has been approved by the board of directors, but still not be made resolution by the shareholders' meeting.

Note 2: As of the publication date of the annual report, the financial data in Q1 2023 had been reviewed by CPAs.

#### (VI) The Company's dividend policy and implementation

##### 1. Dividend policy adopted in the company's articles of incorporation

If the Company records earnings from the final account, after paying taxes and compensating cumulative losses according to the law, the Company shall appropriate 10% as the statutory surplus reserve; however, this shall not apply when the statutory surplus reserve has reached the paid-in capital of the Company. For the remaining earnings, the Company shall appropriate or reverse special surplus reserve according to the requirements of laws and regulations. Shall there be remaining balances, the Company shall combine such balances with the cumulated undistributed earnings, and the Board shall prepare the proposal for earning distribution and submit it to the shareholders' meeting for the resolution of distributing dividends and bonuses to shareholders.

The Company is in the F&B service industry and in the growth period within the life cycle of an enterprise. The Company has stable profits and a healthy financial structure; therefore, apart from the requirements of the Company Act and the Articles of Incorporation of the Company, the Company will determine the dividend distribution method each year for earning distribution based on the Company's capital planning and operating achievements. However, the principle is to adopt the policy of

stable and balanced dividends, and the Board shall formulate the earning distribution method (cash dividend or stock dividend) and amount before the annual shareholders' meeting each year based on the business achievements, financial conditions, and capital planning; the ratio of cash dividend shall not be lower than 20% of the total dividend. However, the ratio of cash dividends to shareholders may be adjusted through a resolution made by the shareholders' meeting based on the actual profits and capital requirements of the year.

2. Dividend distributions proposed for the year:

The proposal for deficit compensation in 2022 of the Company formulated by the Board on 23 March 2023 is as follows:

	Earning Distribution ( NT \$Thousand )	Dividend Per Share ( NT\$ )
Surplus Reserve	\$ 39,298	\$ -
Special Surplus Reserve	( 9,487 )	-
Cash Dividend	288,545	3.87
Stock Dividend	74,629	1

The proposal for profit distribution in 2022 is to be resolved at the annual shareholders' meeting to be convened on 15 June 2023.

(VII) Effect of stock grants proposed or at the shareholders' meeting on business performance and earnings per share of the Company

According to Taiwan Finance Securities (1) No. 00371 official letter, the Company does not prepare and announce the financial statements for 2022. Therefore, the Company doesn't need to disclose the related information.

(VIII) Remuneration of employees, directors, and supervisors

1. Percentage or scope of remuneration of employees and directors stipulated in the Company's Articles of Incorporation.

If the Company records earnings from the final account, it shall appropriate 0.1% to 10% as the employee remuneration and no more than 1% of Director remunerations; however, if the Company still has cumulative losses, it shall preserve the amount for compensation. The proposal for employee remuneration and director remuneration shall be resolved by the Board regarding whether to distribute in stock or cash. The distribution targets may include employees of subsidiaries who fulfill certain conditions, and the results shall be reported to the shareholders' meeting.

2. The estimation basis for the amount of employee, director, and supervisor remunerations shall be subject to the calculation basis for the number of shares of employee remuneration through stock distribution and the accounting for differences between the actual distribution amount and the estimated amount.

If there is any material change in the distribution amount resolved by the Board before the date on which the annual financial statements are approved for publication, adjustments shall be made to the annual expenses initially provided regarding such changes. If there is any change in the amount after the date on which the annual financial statements are approved for publication, it shall be processed as changes in accounting estimation and adjusted and accounted for in the following year.

3. Remuneration distribution approved by the Board:

The Company's board of directors on Mar 23, 2023 have made resolution for employee remuneration distribution with NT\$480,000 and the director remuneration distribution is NT\$0, the distribution will be allotted by cash.

4. The actual distribution of employee, director, and supervisor remunerations for the preceding year (including the number of shares, amount, and stock price), and, if there is any difference between the actual distribution and the employee, Director, and supervisor remunerations recognized, the differences, reasons, and handling status shall be described.

The resolution for the employee remuneration and director remuneration of the Company in 2021 was approved at the Board meeting on 8 March, 2022 that there is no distribution for employee remuneration and director remuneration. There was no difference between the actual distribution amount and the amount recognized.

(IX) Buyback of shares by the Company:

30 April 2023

Buyback trench	1 <sup>st</sup> tranche	2 <sup>nd</sup> tranche	3 <sup>rd</sup> tranche
Purpose of buyback	Share transfer to employees	Share transfer to employees	Share transfer to employees
Buyback period	2018/09/19~ 2018/11/17	2021/01/29~ 2021/03/26	2022/06/09~2022/08/05
Buyback price range	\$56~\$115	\$90~\$190	\$90~\$165
Types and numbers of shares bought back	3,723,000 common shares	2,049,000 common shares	848,000 common shares
Amount of shares bought back	\$299,730,552	\$339,104,388	\$102,735,556
Ratio of the number of shares bought back to the number of shares intended to be bought back (%)	96.70%	53.22%	55.06%
The number of shares bought back that have been cancelled or transferred	3,723,000 shares	322,000 shares	0
Accumulated number of the Company's shares held by the Company	0 share	1,511,000 shares	2,359,000 shares
Ratio of cumulative number of the Company's shares held to the total issued shares (%)	0 %	1.96%	3.06%

II. Corporate bonds:

(I) Execution Condition

Corporate Bond Item	The First Domestic Unsecured Convertible Corporate Bond
Issue ( Process ) Date	29 Mar. 2023
Face Value	NT\$ 100,000
Issue & Transaction Place	Domestic
Issue Price	NT\$ 101(Premium)
Total Amount	NT\$ 700,000,000
Rate	0%
Term	5 years    Expiry Date: 29 Mar. 2028
Guarantee Agency	None
Trustee	Bank SinoPac
Underwriter	Fubon Securities SinoPac Securities Corporation
Certiciation Lawyer	Handsome Attorneys-at-Law Yi-Cheng Peng
Certiciation CPA	Not Applicable

Reimbursement Way		Except for the holders with the convertible corporate bonds who convert into the company's common stock in accordance with Article 10 of these measures or exercise the right to sell back in accordance with Article 19 of these measures, or the company withdraws them in advance in accordance with Article 18 of these measures, and those issued by securities companies except for the repurchase and cancellation of the commercial business premises, except for those withdrawn in advance by the company in accordance with Article 18 of these Measures and those buy back and cancel by the business offices of securities firms, the company shall pay back the convertible corporate bonds in cash in one time within ten business days from the next day of the expiry date of the convertible corporate bonds.
Outstanding of Loan		NT\$700,000,000
The articles of Redemption or Pay Off in advance		Please refer to the company 1st domestic unsecured convertible corporate bond issuing and transferring method
Restrictions		Please refer to the company 1st domestic unsecured convertible corporate bond issuing and transferring method
The name of Credit Evaluation Institution, Evaluate Date, Result of Corporate Bond Evaluation		Not Applicable
Other Right	Finish transferring as of the date on annual report publication (Exchange or Subscript) for common stock, overseas depositary receipts and other marketable securities	There is no creditor exercising the conversion of the convertible corporate bond
	Issue and Transfer (Exchange or Purchase Plan)	Please refer to the company 1st domestic unsecured convertible corporate bond issuing and transferring method
Issue and Transfer/ Exchange or Subscript Method for shares/ Possible dilution situation of equity by issuance conditions and the influence to current shareholders' right		When the remaining corporate bonds are fully converted into common stock based on current conversion price, the company still need to issue 2,372,881 for new shares. The share capital inflation rate is 3.08% only with little influence for current shareholders.
The Name of Entrusted Depositary Institution		Not Applicable



(II) Convertible Corporate Bond Information

Corporate Bond Item		The First Domestic Unsecured Convertible Corporate Bond
Year		As of Apr. 30, 2023
Item		
Convertible Price	Highest	127.50
	Lowest	111.10
	Average	116.98
Transfer Price		295.00
Issue (conduct) date and convert price for issuing		Issue Date: March.29 2023 Convertible price for issuing: NT\$295.00
Fulfillment of conversion obligations		By issuing new shares to submit

III. Preferred shares: None.

IV. Global depository receipts: None.

V. Employee stock options: None.

VI. Restricted stock awards: None.

VII. Mergers or receipt of new shares issued by other companies: None.

VIII. Execution of capital utilization plans:

As of the quarter before the publication date of the annual report, if the previous issuances or private placement of securities are not completed, or completed in the most recent three years but the benefits of such projects have not materialized: None.

## Five. Operational Highlights

### I. Scope of business

#### (I) Scope of business

##### 1. Major content of scope of business

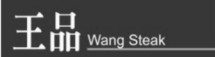



The Company primarily engages in F&B services and provides Western-style steaks, creative Japanese cuisines, yakiniku of original tastes, Hokkaido kombu hot pot, creative Kaiseki cuisine, French teppanyaki, Japanese pork chop curry, stone hot pot and shabu shabu, Chinese cuisine, and other F&C services.

##### (2) Operating ratio

Unit: NT\$ Thousand; %



Year Product	2021		2022	
	Net revenue	Ratio (%)	Net revenue	Ratio (%)
F&B income	16,311,388	94.85	17,114,524	93.41
Retail income	885,549	5.15	1,206,517	6.59
Total	17,196,937	100.00	18,321,041	100.00



##### 3. Current products (services) of the Company



Business Segment	Wangsteak	TASTy
Brand logo		
Flower of the brand	Rose	Sunflower
Establishment time	1993	2001
Brand character	Young gentle with quality and taste	Young, passionate, lively, and fashionable
Dish positioning	Only six servings are offered from one cattle Fresh and tender well-done steak of Taiwanese classic	Value-for-money creative steaks
Commitment of brand	<b>Serve only the important ones on our mind</b>	<b>Let's TASTy, let's enjoy!</b>
Service positioning	Premium customized services	Passionate and active services that are memorable
Business Segment	Tokiya	Giguo
Brand logo		
Flower of the brand	Lavender	
Establishment time	2002	2004
Brand character	Caring and inclusive, just like family	Professional and Reliable/ Careful and Appropriate/ Warm and Sunshine

Dish positioning	First choice restaurant for family gatherings	Hotpot with Japanese style soup as medium to get together customers with high quality cuisine and let our relationships more closely
Commitment of brand	<b>Tasty relationship with family</b>	<b>Best encounter of a lifetime</b>
Service positioning	Harmonious, unrestrained, thoughtful, and kind	Positive, Exquisite, Kind
Business Segment	ikki	Chamonix
Brand logo		
Flower of the brand	Pinus pentaphylla	Iris
Establishment time	2005	2005
Brand character	Be particular about aesthetics and focus on details	Romance, elegance, humor, and a brilliant conservationist
Dish positioning	Seasonal cuisine, fresh food ingredients, and creative Japanese cuisine	French Teppanyaki: French techniques/premium food ingredients/refreshing cuisine
Commitment of brand	<b>Stone-grilling Japanese cuisine of utmost umami</b>	<b>First. Taste. Freshness</b>
Service positioning	Natural and careful services	Elegant services/cooking show of masters
Business Segment	Pinnada	12hotpot
Brand logo		
Establishment time	2007	2009
Brand character	Kind/ Trust/ Happiness	Integrity, vigor, and confident
Dish positioning	Japanese pork chop	Fresh food ingredients with stone hot pot and shabu shabu Taiwanese hot pot
Commitment of brand	<b>Delicious pork chop brings you warmth and happiness</b>	<b>Make eating fresh accessible</b>
Service positioning	Instant and Comfort Service	Vigorous and worry-free services with care
Business Segment	hot 7	PUTIEN
Brand logo		
Establishment time	2013	2015 (Opening day of the first store: 1 January 2016)
Brand character	Energetic	Comprehensive and people-caring

Dish positioning	Teppanyaki of rich flavors	Reputable Chinese restaurant in Singapore
Commitment of brand	<b>Hot place cuisine for surf and turf</b>	<b>One-star Michelin restaurant in Singapore for a consecutive five years</b>
Service positioning	Energetic and groovy services	Comprehensive and people-caring



Business Segment	CHIN HUAJIAO	12MINI
Brand logo		
Establishment time	2018	2018
Brand character	Easiness, simplicity, generosity, and cultural literacy	Outspoken and sincere with energy
Dish positioning	A la carte spicy hot pot for sharing	Provide individual hotpot with classical and rich flavor soup base
Commitment of brand	<b>Freshness, numbness, spiciness, and tastiness that solve your worries with food</b>	<b>Instant tastiness with ease</b>
Service positioning	Neo-eastern butler services of thoughtfulness	Fast and convenient

Business Segment	Xiang Duck	Xiang Duck
Brand logo		
Establishment time	2018	2019
Brand character	Free, unconstrained, and zero distance	Warm, simple, and hearty
Dish positioning	Featuring roasted duck, complemented with diverse modern Chinese cuisine (fusion of Beijing, Szechuan, and Cantonese style Chinese dishes)	Offer Taiwan local delicious dishes for main course and side dish to friends and families when dining together.
Commitment of brand	<b>Enjoy Kung Fu grilled duck and a table of delicacies! Chinese food can be stylish!</b>	<b>Taiwanese classical and premium dishes</b>
Service positioning	Thoughtful and easy services	Warm, kind and the service like dining with families

Business Segment	THE WANG	Wagyushabu
Brand logo		
Establishment time	2019	2020
Brand character	Top-notch and outstanding with quality and culture	Japanese, Young, and straightforward



Dish positioning	Fine steak restaurant in Taiwan	Japanese shabu shabu with all you can eat style, mainly promoting “Three-Way Japanese Wagyu” - beef sushi 、beef shabu shabu 、beef black curry
Commitment of brand	<b>Aged bone-in steak grilled to perfection</b>	<b>Wagyu shabu shabu all-you-can-eat!</b>
Service positioning	Butler services with premium meal and wine serving	Precision, passion, and promptness



Business Segment	POWER of MEAT	GOD GUO
Brand logo		
Establishment time	2021	2021
Brand character	Japanese style of passion	Retro style with Taiwanese fashion
Dish positioning	Japanese yakiniku all-you-can-eat	Keypoint 1 is fried, Keypoint 2 is soup, Keypoint 3 is shabushabu with rich flavor soup Provide personal Taiwan traditional hot pot all the time in four seasons
Commitment of brand	<b>Satisfy your desire for meat</b>	<b>My rule with my God Guo</b>
Service positioning	Generous and hospitable	Pay attention to feeling Like freedom Like playing and hanging out Friendship passion Straightforward service



Business Segment	Oh my! Yakiyan	Let's DUCK
Brand logo		
Establishment time	2004	2021
Brand character	Passionate, lively, sincere, and approachable	Passionate, lively, reliable
Dish positioning	Focus on different pairings between meat and condiments to create the Japanese yakiniku with various ways to eat	Creative Peking Duck cuisine for individual or many people Targeting takeaway roast duck of “five-star hotel level”
Commitment of brand	<b>Yakiniku of variety to satisfy everyone's appetite</b>	<b>Creative Peking Duck takeaway dishes that meet consumers' various life situation</b>
Service positioning	Lively and passionate services	Passionate, lively, reliable



Business Segment	XIANGLA	The Meatiest
Brand logo		
Establishment time	2022	2022
Brand character	Casual, zero-distance, lively, and generous	Premium quality with uniqueness
Dish positioning	Six special ways to eat wagyu with free-flow premium seafood and meat	Yakiniku bistro with award-winning cocktails that features specialty meat of rich flavors
Commitment of brand	<b>Satisfy your cravings for spiciness</b>	<b>No restrain, just eat!</b>
Service positioning	Precision, conciseness, and promptness	Professional, passionate, and caring



Business Segment	True Wow	Itamae
Brand logo		
Establishment time	2022	2022
Brand character	Young, trend, lively	Stable, Pursue the extreme, Japanese professional artisan
Dish positioning	“Yummy & Funny” Korean Cuisine	Premium Japan and Australia Wagyu beef, selected sea food , combine with advanced Teppanyaki cooking technique to make delicious meals for customers
Commitment of brand	Shock with awesome Korean flavor	Extreme Wagyu, Teppanyaki Taoism
Service positioning	The most local and delicious Korean cuisine	Wagyu Teppanyaki

Business Segment	THE WANG	Joxiang
Brand logo		
Establishment time	2019	2023
Brand character	Light luxury, Tasty	Insurgent
Dish positioning	High-end French restaurant featuring iced fresh porterhouse from the U.S. (Annual production volume of less than 2%)	Surf and Turf teppanyaki dishes
Commitment of brand	<b>Only treat the most important person in our heart</b>	<b>Various surf and turf dishes Delicious teppanyaki meals</b>
Service positioning	Professional, Adequate, and Thoughtful	Lively Service, Relaxed Dining

Business Segment	Hanakakure	Madam Goose
Brand logo		
Establishment time	2013	2015
Brand character	Easy and Elegant	Young, Fashionable, and Elegant
Dish positioning	Japanese cuisine featuring “bluefin tuna”	Cantonese restaurant chain with freshly made roast geese of Michelin level
Commitment of brand	<b>Fresh and tasty</b>	<b>Featuring roast goose dishes</b>
Service positioning	Elegant services with a sense of culture	Caring and generous

Business Segment	Wu Ni	Wu Yu
Brand logo		
Establishment time	2018	2018
Brand character	Taste, quality, and Japanese style	Easy and Lively
Dish positioning	Edo-style Japanese cuisine featuring uni, sashimi, and wagyu	Japanese restaurant chain featuring collagen hot pot
Commitment of brand	<b>Taste the freshness!</b>	<b>Utilized the essence of the mizutaki dishes from Hakata, Kyushu, to develop the collagen hot pot that is favored by modern women for beauty purposes. The broth is made through eight hours of slow-fire boiling with mild umami and rich fragrance without being oily. After the collagen base in a pudding shape with a nice, chewy, and bouncy texture melts due to the heat, you will understand the tastiness of “all about soup.”</b>
Service positioning	Services based on the principles of freshness and tastiness; passion, active, and Japanese style	Passion

Business Segment	Xichuanbananiu	Wagyushabu
Brand logo		
Establishment time	2020	2021
Brand character	Cozy, Petty Bourgeoisie, Style	Easy and Lively
Dish positioning	Wagyu beef combine with Sichuan rapeseed oil spicy hot pot	Specialty restaurant for wagyu hot pot
Commitment of brand	Wagyu beef combine with rapeseed oil spicy hot pot	<b>Free-flow wagyu</b>
Service positioning	Care, Passion, and Professional	Care, Passion, with Japanese style

Business Segment	JINFENGLAIYI	AMIGO
Brand logo		
Establishment time	2021	2021
Brand character	Tasty, Cozy, Modern	Fun, Unique, Passion
Dish positioning	Cantonese cuisine with Hainanese chicken feature	Western food for cuisine with Spanish style
Commitment of brand	<b>Seek for food standard and provide local Cantonese cuisine</b>	<b>With passion to combine special dishes and share the dishes to the persons who are curious and passionate with life</b>
Service positioning	Professional, Adequate, and Thoughtful	Agile and Nature

#### 4. New products (services) planned to be developed

- (1) Collect information related to the consumption trends in the market and the competitors to provide new dishes and diverse services that satisfy consumers' requirements.
- (2) Continue to develop F&B categories of market potential and set up or distribute new brands.



## (II) Industry overview

### 1. Current status and development of the industry in Taiwan

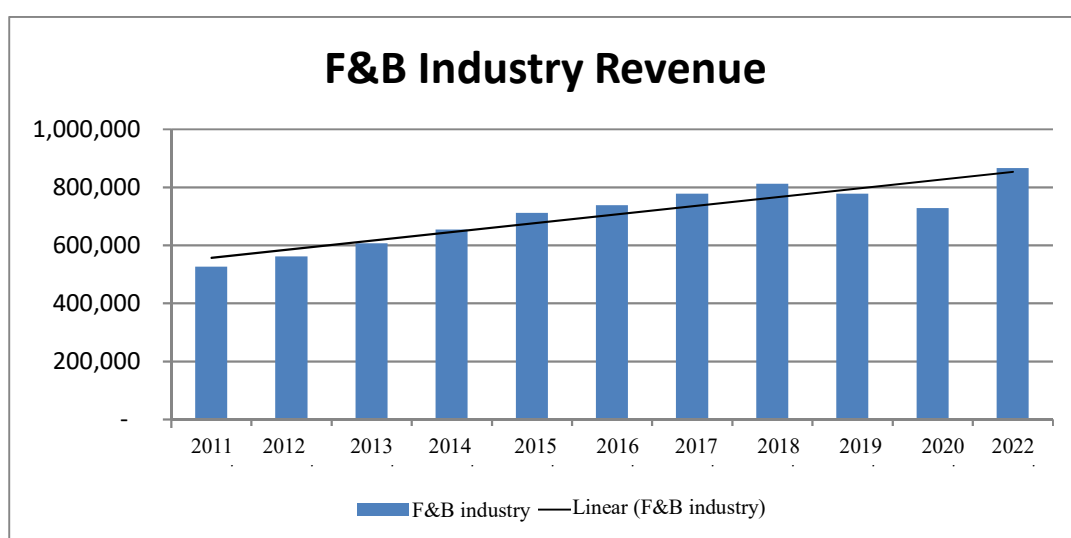
In recent years, significant impacts occurred to the global economy due to the effects of COVID-19, and the economic development in Taiwan also recorded drastic changes. In 2021, the economic growth rate was 6.45%, a new height for the past decade, primarily due to the vibrant export of the semi-conductor industry. However, the F&B service industry and other domestic demand markets slowly recovered after the government distributed the quintuple stimulus vouchers in October in 2021. The actual growth rate of consumption declined by 3.59% in 2022, returning back to the level before epidemic outbreak. According to the Report on the Survey of Family Income & Expenditure published by the Directorate General of Budget, Accounting and Statistics, the ratio of expenses for restaurants and hotels to the total consumption expenditures of families increased from 10.6% in 2012 to 13.1% in 2020, representing the increasing demand for dining out. In addition, the outbreak of local cases in May 2021 became severe, and a level three warning was imposed nationwide. Under the circumstances that dining in restaurants is forbidden, the F&B industry was significantly impacted. In the post-epidemic era, as the government promoted various revitalization bonus, the expenditure on restaurants and hotels decreased a little to 12.77% of the total household consumption expenditure in 2021. Based on the data announced by the Department of Statistics, Ministry of Economic Affairs, the overall turnover of the F&B service industry in 2022 was NT 865.3 billion, representing a year-on-year decline of 6.6% as compared with 2019, the overall turnover for F&B industry has returning back to the level before COVID-19 outbreak.

Under the effects of the outbreak in recent years, delivery platforms record booming development, driving the emergence of online ordering and the delivery market. F&B companies align themselves with the situation to concurrently make sales online and in physical stores so as to expand their scope of services by adopting diverse operating methods. Complemented by technology and combining memberships and mobile payment, F&B companies rendered the increase in their business performance by improving consumer engagement by taking multiple measures from reservation to online ordering and bill payment.

	Real private consumption growth rate	Economic growth rate %	Total amount of F&B industry
	(%)	GDP	NT\$ million
2012	1.92	2.22	525,814
2013	2.55	2.48	560,946
2014	3.70	4.72	606,643
2015	2.86	1.47	653,809
2016	2.64	2.17	710,901
2017	2.70	3.31	737,419

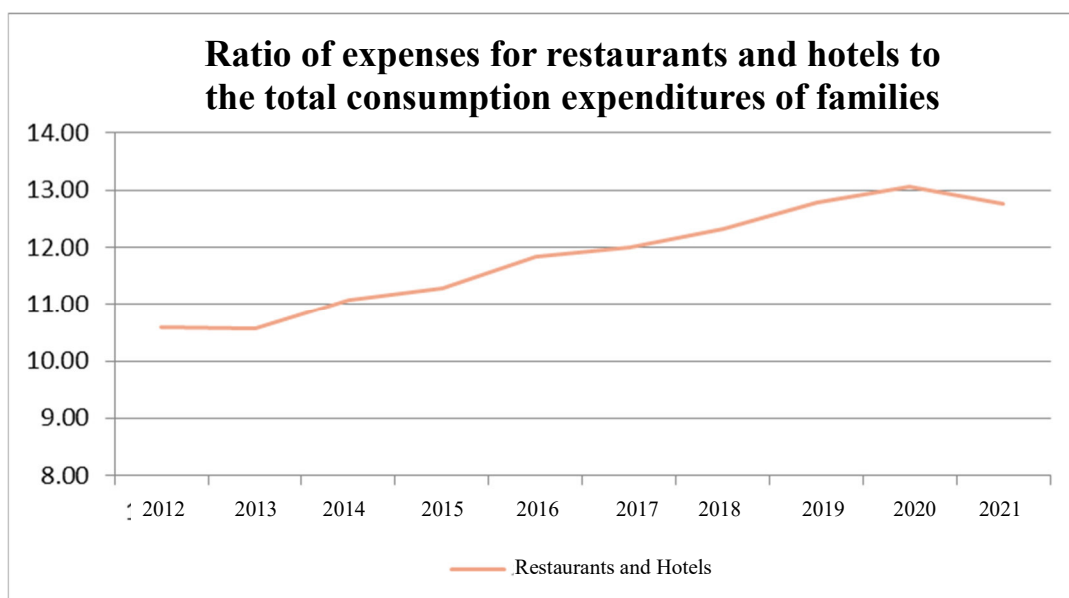
	Real private consumption growth rate	Economic growth rate %	Total amount of F&B industry
	(%)	GDP	NT\$ million
2018	2.05	2.79	777,467
2019	2.25	3.06	811,577
2020	(2.55)	3.39	777,563
2021	(0.35)	6.53	728,007
2022	(3.59)	2.45	865,326

Source: Directorate General of Budget, Accounting and Statistics, Executive Yuan;  
Department of Statistics, Ministry of Economic Affairs



Source: Department of Statistics, Ministry of Economic Affairs

Determinants of the demand for the F&B industry include economic environments, changes in social patterns, population growth, the number of wedding banquets and celebrations, and seasons. Regardless of the effects of COVID-19 in recent years, Taiwan recorded continual economic growth, an increase in the employment population of single upstarts and women, the mainstream development of small families, and the development of the stay-at-home economy. In particular, the emergence of delivery platforms increased the demand for dining out. Under the backdrop of the outbreak, transformations were made in the F&B market to achieve booming development in the post-outbreak period. Such circumstances can be learned from the increasing trend of growth of the ratio of expenses for restaurants and hotels to the total consumption expenditures of families from the survey of the Directorate General of Budget, Accounting and Statistics, Executive Yuan.



Source: Directorate General of Budget, Accounting and Statistics, Executive Yuan

For the F&B industry, the chain business model will continue to expand to achieve the most favorable economic benefits by reducing procurement costs with economies of scale, establishing comprehensive food safety systems, building brand reputation, jointly shaping brand images, and other business advantages of chains. On the other hand, non-chain restaurants may secure fixed customer flows by having their own styles and features to secure their stand in the intense market competition. For general restaurants and eateries, apart from price competition, they shall provide distinguished, delicious, and delicate food due to the high homogeneity, intense competition, and high food safety risk.

With the increasing living standard of consumers and the speed and popularization of internationalization, except focusing on food and beverage quality and price, F&B companies shall strive to align themselves with international food and beverage in the future.

## 2. Connectivity between the upstream, midstream, and downstream of the industry

Upstream	Midstream	Downstream
Raw material suppliers: Beef, pork, lamb, chicken, duck, seafood, vegetables and fruits, groceries, various tableware, and relevant consumables	F&B industry (i.e., F&B chain restaurants, various featured restaurants, fast food restaurants, and eateries)	Consumers (i.e., companies/firms and individuals)

## 3. Development trends of products

The development trends of the domestic chain restaurant industry are concluded as follows:

### (1) Increase in the food safety awareness

Under the impacts of the outbreak, consumers attach additional attention to food safety. Food safety has long been Wowprime Corporation's priority, which is the root of "serve only the important ones on our mind." In 2014, Wowprime established a separate "Department of Food Safety" and set up the "Food Safety Survey and Research Center" and the "Food Processing Plant." We have been

cautious and conscientious for the past seven years, and passed the “ISO17025 Laboratory Management System certification” and “ISO22000 Food Safety Management System certification,” and became the only company in Taiwan that concurrently obtained both certifications, proving the rigorous food safety screening measures of Wowprime Corporation. We continued promoting the “Worry-free Project” during the year to provide worry-free dining environments for customers by adopting pandemic control measures of a high standard.

(2) Hotpot and yakiniku remained the mainstream for F&B consumption

The market scale of the yakiniku market in Taiwan is approximately NT\$1 billion, and the hot pot market is over NT\$30 billion. Yakiniku and hot pot have highly similar supply chains, and the culinary skills required are simple, making both of them suitable for fast replication. In recent years, F&B groups have been striving for a piece of share in these markets. Wowprime focused on two major categories for new brand R&D. Apart from the existing brands including 7 hotpot brands “Giguo”, “12hotpot”, “Chinhuaajiao”, “Wagyushabu”, “Godguo”, “Xiangla”, “12mini” and yakiniku brands “Yakiyan”, “Power of Meat”, “The Meatiest”. In the future, we will continue making efforts and expand our market share.

(3) The return of the all-you-can-eat trend

In 2020, Wowprime Corporation founded a new brand, “Wagyushabu,” featuring wagyu hot pot all-you-can-eat, and managed to secure the market opening by leveraging people’s love for wagyu and pursuit of good value in Taiwan. “Wagyushabu” focuses on upgraded food ingredients, services, and experiences and has successfully driven the return of the all-you-can-eat trend. In three years, we managed to open a total of eight stores in Taipei, New Taipei City, Taichung, Tainan and Kaohsiung. The successful business model was replicated for yakiniku; therefore, we launched the yakiniku all-you-can-eat brand “POWER of MEAT” in 2021, which unsurprisingly became a popular brand in the market. In 2022, the new spicy hotpot brand “Xiangla” also followed the operation model for all-you-can-eat, it provides vegetable, non-stale food, hotpot ingredients and dessert. “Xiangla” is really popular in market and be evaluated for “No.1 attractive wagyu and spicy hot pot”.

(4) Promotion of Pan-Chinese (Asia-Dining) cuisines

Chinese cuisine has long been taking the largest share of the F&B market in Taiwan, and it is estimated to have a potential of over NT\$60 billion. Wowprime has been actively making arrangements for “pan Chinese cuisine.” We introduced “PUTIEN,” a one-star Michelin restaurant in Singapore, in 2015, launched “Xiang Duck,” roast duck and Chinese cuisine in 2018, and unveiled “Vegtable,” a Taiwanese restaurant, in 2019 to offer delicate Chinese food experiences for consumers in the hope of securing the market

#### 4. Competition

Wowprime Corporation has multiple branded chain restaurants and has nearly 300 branches nation wide at present. Our competitors range from cuisines of five-star hotels to budget cuisines. In recent years, we have become the major model for business diversification and the competitive target of other companies. Wowprime has been proactively performing upgrades for dishes and diversification of options, strengthening the organizational functions and procedure standardization, and sparing no effort in nurturing talents to improve the professional standard of the Company and enlarge the gap with competitors. Wowprime Corporation gained a further understanding of customers’ demands and formulated marketing strategies based on its

market positioning. By adopting “customer satisfaction” as the major target, Wowprime Corporation maintained its leading position in the F&B industry in Taiwan.

### (III) Technology and R&D overview

#### 1. Technical level of the scope of business

Wowprime Corporation has multiple brands, and each brand has different product features, targeted consumer groups, and positioning. Wowprime has established a rigorous culinary skill advancement training system to maintain its leading position in the F&B industry in Taiwan and has achieved unsurpassable culinary capacity and techniques.

#### 2. R&D

To maintain the premium quality of dishes and provide new dishes to customers, Wowprime Corporation has constantly been carrying out product R&D and innovations without interruption.

##### (1) Periodical dishes R&D:

The Company implements the launching plan for new dishes in the “annual business plan” of business segments.

##### (2) Non-periodical dishes R&D:

Project R&D and launches required by business segments due to temporary fluctuation of market supplies or the poor satisfaction of customers regarding the dishes.

##### (3) R&D plan and R&D expenses expected to be invested

Apart from the periodical and unscheduled dishes R&D above, the Company also launches new brands; the details of the new brand R&D plan are as follows:

Unit: NT\$ Thousand

Plan in recent years	Current progress	R&D expenses to be invested	Completion time
New brand I	Joxiang (launched as scheduled)	5,000	2023 Feb.
New brand II	Under planning	6,000	First half of 2023
New brand III	Under planning	6,000	Second half of 2023

For culinary skill advancement and dishes R&D, each brand has a series of SOP and SOC in place as the specifications for implementation. The Company has established regular plans for culinary skill advancement and dishes R&B and encourages cooking staff to actively participate in international F&B and culinary skill competitions, which gained awards and honor for Taiwan. The Company’s quality policy for dishes is as follows:

- (1) No poor dishes on the table.
- (2) Not carrying out R&D for the sake of R&D.
- (3) No experiments on customers.

- (4) New dishes are better than existing dishes.
- (5) Delicious dishes sustain.
- (6) Equal consideration of quality and cost.
- (7) Quality and texture over costs.

Wowprime Corporation believes that new dishes and existing dishes shall both be enjoyable since customers visit stores for enjoyment. In the modern society of rapid development of networks and media, the quality of dishes spreads online fast. It is unlikely to lose all customers in one day; however, if we keep losing customers, it is too late to examine our dishes. Focusing on dishes is the key!

### 3. R&D expenses invested and technologies or products successfully developed in each of the most recent five years

#### (1) R&D expenses invested

Unit: NT\$ Thousand					
Year Item	2018	2019	2020	2021	2022
Research and development expenses	14,985	13,706	18,271	19,835	21,603
Net revenue	16,286,395	16,232,208	15,233,747	17,196,937	18,321,041
R&D expenses/net operating income	0.09%	0.08%	0.12%	0.12%	0.12%

Each brand of the Group has varied dishes, positioning, and features. Therefore, the chef in charge of R&D of each branch shall perform the R&D tasks to achieve maximum efficiency. Moreover, the R&D of new brands is mostly completed within a short period; as such, the ratio of R&D expenses to net operating income is not significant.

#### (2) Technologies or products successfully developed in the most recent five years

The Company has developed 20 new brands in Taiwan and Mainland China in the most recent five years, and each brand periodically performs the R&D of new dishes. New brands developed in the most recent five years are as follows:

Regions	Year	Brand	Item
	2018	12mini	Classic personal hot pot
		CHIN HUAJIAO	Spicy hot pot
		Xiang Duck	Roast duck and Chinese cuisine
	2019	Vegtable	Classic Taiwanese cuisine
		THE WANG-PRIME STEAK	Premium steak house

Regions	Year	Brand	Item
Taiwan	2020	Wagyushabu - Japanese hot pot all-you-can-eat	Hot pot all-you-can-eat
	2021	POWER of MEAT - Yakiniku all-you-can-eat	Yakiniku all-you-can-eat
		GOD GUO - Trendy Taiwanese hot pot	Taiwanese hot pot
		XIANGLA -Spicy hot pot all-you-can-eat	Wagyu and spicy hot pot all-you-can-eat
		Let's DUCK	Takeaway roast duck
	2022	The Meatiest	Yakiniku bistro
		True Wow	Korean cuisine
		Itame	Wagyu Teppanyaki
		Joxiang	Teppanyaki
Mainland China	2018	Wu Yu - Japanese cuisine and collagen hot pot	Japanese cuisine and freshly grilled seafood
		Wu Ni - Edo style Japanese cuisine	Edo style Japanese cuisine
	2019	QUE YUE - Cantonese cuisine and dim sum restaurant	Cantonese dim sum, Cantonese dishes, and desserts
	2021	Xichuanbanianu	Wagyu in combination with Szechuan clear oil spicy hot pot
		JINFENGLAIYI	Cantonese bistro
		Amino AMIGO	Mexican style western cuisine
	2022	Li Le Guo	Japanese hot pot
		18-FLAVOR SATAY HOT POT	Classic Cantonese satay hot pot
		Wang Steak PL	High-end French restaurant for steak

#### (IV) Long-term and short-term business development plans

##### 1. Short-term and mid-term business plans

- (1) Growth in operating income of single stores - Actively adjust the layout of brands and stores, close down stores not achieving cost benefits, strengthen our business structure, and concurrently improve our reputation and brand awareness through various activities.
- (2) Focus on the multi-brand strategy- Invest in multiple brands based on five main business groups: “Exotic”, “hotpot”, “Asia Dining”, “Korean & Japanese Food”, and “Fast Casual” for the core development. For horizontal development, we provide diverse F&B categories; For vertical development, we provide high, medium, and low prices within the same category.
- (3) Continual rolling management - Facing the intense competition and the rapid transfer of business areas, active opening of new stores and constant store

adjustments at the same time have become a norm of the F&B industry. The Company emphasizes the agile response to changes in the market and detailed layout to achieve optimized resource allocation.

- (4) Food safety screening measures - We passed the “ISO17025 Laboratory Management System certification” and “ISO22000 Food Safety Management System certification” and became the only F&B company in Taiwan that concurrently obtained both certifications. In the future, we will continue to make advancements to allow the F&B and food industries to offer delicacies with safety and provide worry-free and satisfying dining experiences to customers.

## 2. Long-term business plan

- (1) Cuisine of diverse cultures - Invest in foreign cuisines, the root of the Company, adhere to the core value of “innovation,” and make arrangements for “hot pot,” “yakiniku,” and pan Chinese cuisine” markets.
- (2) International F&B group - Based in Taiwan and Mainland China, the Company will extend our corporate culture and brand spirit to the international stage to provide premium dining experiences to customers. We will explore markets in the U.S., Japan, Singapore, Korea, and Southeast Asia by way of joint ventures or licensing to strive to become an international F&B brand.
- (3) Reinforce the training for international personnel - The Company will continue to nurture technical talents and other professional talents in response to the future business targets of the Company. Furthermore, in response to the continual growth of the Company in the future, it will cultivate the recognition of members of the organization regarding our corporate culture to establish the organizational culture of common value, and in turn, achieve the common goal of sustainable operation.
- (4) Duly fulfill the responsibility as a citizen of society - Actively participate in public welfare to jointly go through crucial moments with society in Taiwan and continue focusing on the issue of sustainable lands in Taiwan in the hope of serving as a modest spur to induce others to come forward with their valuable contributions to make changes.

## II. Markets, production, and marketing

### (I) Market analysis

#### 1. Sales (provision) region of major products (services)

Unit: NT\$ thousand; %

Sales region	2021		2022	
	Amount	Amount	Amount	Percentage
Taiwan	10,757,603	62.56	13,736,640	74.98
Mainland China	6,439,334	37.44	4,584,401	25.02
Total	17,196,937	100.00	18,321,041	100.00



## 2. Market share

According to the 2022 Taiwan Chain Store Almanac, the number of direct-selling restaurants was 3,217 in 2022, and the number of our stores as of the publication date of the annual report was 308, accounting for approximately 9.6%.

Statistics for the number of F&B service chain stores in 2021

	Number of stores	Total number of stores	Direct selling	Franchise
Fast food	266	19,273	3,879	15,394
Coffee and simple meals	78	2,555	1,219	1,336
Beverage	223	9,455	1,088	8,367
Restaurants	413	5,041	3,217	1,824
Total	980	36,324	9,403	26,921

Source: 2022 Taiwan Chain Store Almanac

## 3. Demand/supply and growth potential of the market in the future

According to the statistics of the Department of Statistics, Ministry of Economic Affairs, the vaccination rate increased in 2022 and citizen gradually co-exist with academic. The will for dining out is increasing and bringing out the overall revenue into NT\$865.3 billion for 2022 and exceed the performance before academic outbreak in 2019 with 18.9% increasing. Both the overall revenue and increased rate create the highest data from the past.

During the period of outbreak, Wowprime exhibited the manner of a leading F&B enterprise and promoted the “Worry-free Project” promptly, and our worry-free image gained the trust of consumers. Regardless of the impacts arising from the “no dining inside” policy, we managed to swiftly turn to work along with three lines of takeaway, delivery, and e-commerce shopping website. In addition, Wowprime continues to develop new brands, new stores. With the domestic market demand warming-up and sale revenue keeps increasing and reaches to the highest many times. Wowprime has long been focusing on the chain F&B market steadily and possesses favorable brand power with quality of F&B and services deeply recognized by consumers, benefiting the increase in the operating income and market share of the Company.

## 4. Competitive niche

The competitive niche of the Company is analyzed as follows:

### (1) Premium services

The Company has built a brand image of high service standards from the period of Wangsteak at the beginning, and such services also apply to other brands. Customers can enjoy premium services when dining at brands under Wowprime.

### (2) Diverse brands and dishes

In response to the market demand, the Company launches new brands each year and updates dishes of brands more frequently to provide diverse dishes to satisfy the demand of different age groups and customer groups.

(3) Protect the food safety of consumers

The Group has passed the “ISO17025 Laboratory Management System certification” and “ISO22000 Food Safety Management System certification” and became the first F&B company in Taiwan to concurrently obtain both certifications. Such certifications prove the rigorous food safety screening measures of Wowprime Corporation. In the future, we will continue to improve to provide worry-free and satisfying dining experiences to customers.

(4) Advantages of economies of scale

The Company has numerous stores. As of 30 April 2023, the total number of stores nationwide reached 305. Except for improving the efficiency of logistic and inventory management platforms through its brands, we strengthened our price negotiation ability through consortium purchasing.

(5) Talents are the most significant assets

The Company aims to become an enterprise that cares for employees and allows them to feel at ease. We offer competitive salaries and welfare and create satisfactory working environments to attract new talents and retain distinguished talents. The Company designed adequate recruitment and training systems for the career development of different attributes.

5. Favorable and unfavorable factors in the long term and countermeasures

(1) Favorable factors

A. Create brands and gain recognition from our favorable corporate image

With the improvement in consumer consciousness, customers expect high standards in terms of food quality, restaurant atmosphere, and brand recognition. After the outbreak, customers attach more attention to brand image and reliability. Apart from providing delicious food for customers, the Company highly values the dining experience of customers. Adhering to the philosophy of “serve only the important ones on our mind,” customers experience careful services with high added value, winning favorable comments from customers.

B. Keep pace with the trend of digital transformation and operate our platform

The “Wowprime Food Craze APP” satisfies the major requirements of consumers to find food, make reservations online, pay with ease, and enjoy discounts. The APP offers extensive functions, from dining information to payment tools. In the future, the Company will integrate all aspects of food, drinks, and amusement to create the “Wowprime Ecosystem.”

(2) Unfavorable factors and countermeasures

A. Difficulties in F&B service staff cultivation and high turnover rate

Given the economic development, changes in social value, and improvements in labor consciousness, we encountered difficulties in F&B service staff cultivation and recorded a high turnover rate.

Countermeasures:

- “Employees are family members” is the business philosophy of the Company. Sincere care for employees and treating them like family members are the fundamentals of retaining talents.
- Established comprehensive promotion and welfare systems to improve employees’ cohesion through instant incentive measures.
- Attract “Young Adult” employees and working assistant tools to become the
- most important power for supporting in each store.
- The complete education and training manual and the thorough implementation of follow-up by the management allow the Company to rapidly nurture employees and maintain a certain level of service standards.
- We assign employees to foreign countries for observations and encourage talents to participate in domestic and foreign competitions to practice their skills and broaden their horizons for constant experience accumulation and self-improvement; by doing so, we cultivate partners who are willing to grow and walk further with us.

B. Changes in dining habits

The dining-out market continued to expand due to the increase in disposable income, simplification of family structure, popularization of double career families, and changes in dining and consumption habits of nationals, giving rise to the increase in investing companies and the diversification of F&B categories with new brands spring up like mushrooms. The growth momentum for a single brand is unable to keep pace with the intensifying market competition.

Countermeasures:

- The Company has built a diverse brand creation system. Forbearing the “Food Lion Inc. business model,” we adopted the “organizational business model” in which the Group devotes all our capacity. The model not only accelerates the development of new businesses but also allows us to advance with the times and make further improvements to achieve the target of aligning ourselves with the market.

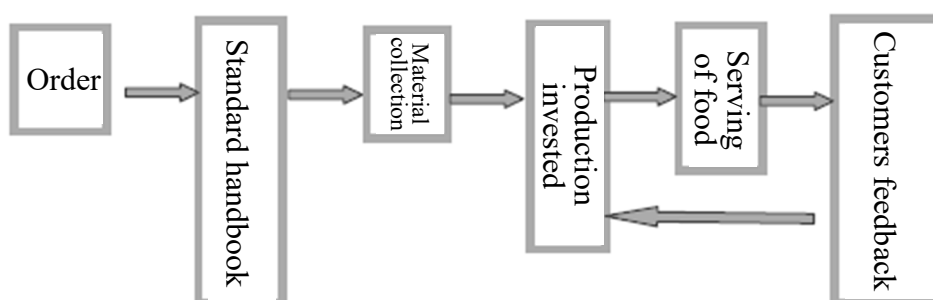
(II) Main use of major products and their manufacturing processes

1. Main use of major products

F&B services - Provide products of different features and premium services to cater to different consumer groups.

2. Manufacturing processes

The production methods and procedures are as follows:



(III) Supply of main raw materials

The main raw material of the Company is meat, and the Company adopts scheduled purchasing. For purchasing risk diversification, the Company does not make central purchasing from the same suppliers. It also holds annual supplier meetings each year and has favorable relationships with existing suppliers.

(IV) List of main purchasing/sales customers

1. List of suppliers accounting for 10% or above of the Company's total purchase in any of the most recent two years and purchasing amount and ratio, and the descriptions of the reasons for the changes:

Unit: NT\$ Thousand

Item	2021				2022				As of Q1 of the year 2023			
	Name	Amount	Ratio to net purchase throughout the year(%)	Relationship with the issuer	Name	Amount	Ratio to net purchase throughout the year(%)	Relationship with the issuer	Name	Amount	Ratio to net purchase throughout the year(%)	Relationship with the issuer
1	Supplier A	2,334,545	83.09	Subsidiary of the Company	Supplier A	2,980,264	85.76	Subsidiary of the Company	Supplier A	918,629	87.11	Subsidiary of the Company
	Others	475,188	16.91	-	Others	494,857	14.24	-	Others	135,933	12.89	-
	Total net purchase	2,809,733	100.00	-	Total net purchase	3,475,121	100.00	-	Total net purchase	1,054,562	100.00	-

Description of changes:

In 2022, the ratio of main suppliers had no significant changes as compared with last year. In addition, the concentrated purchase made to suppliers is primarily due to the supply chain integration of the Company and the newly established supply chain company. From the Group's viewpoint, the Company adopts scheduled purchasing, and for purchasing risk diversification, the Company does not make central purchasing from the same suppliers.

2. List of customers accounting for 10% or above of the Company's total sales in any of the most recent two years and sales amount and ratio, and the descriptions of the reasons for the changes:

The Company is in the chain F&B service industry, and its consumers are general consumers; therefore, there is no customer accounting for 10% or above of the total sales.

(V) Table of production volume and value for the most recent two years

The Company is in the chain F&B service industry; as the cuisine profile of the F&B industry is ever-changing, no quantitative standard is available to accurately calculate the production volume.

## (VI) Table of sales volume and value for the most recent two years

Unit: thousand customers; NT\$ Thousand

Sales volume and value  Department	Year	2021				2022			
		Domestic		Overseas		Domestic		Overseas	
		Volume	Value	Volume	Value	Volume	Value	Volume	Value
Taiwan Business Segment		17,933	10,757,603	-	-	20,569	13,736,640	-	-
Overseas Business Segment		7,541	6,439,334	-	-	4,921	4,584,401	-	-
Total		25,474	17,196,937	-	-	25,490	18,321,041	-	-

## III. The number of employees for the most recent two years and up to the date of publication of the annual report, their average years of service, average age, and education distribution ratio

Unit: person; %

Year		2021	2022	As of 30 April 2023
Number of employees	Direct	8,489	9,070	9,268
	Indirect	354	430	449
	Total	8,843	9,500	9,717
Average age		26.12	26.56	26.84
Average service seniority		3.29	3.11	3.13
Education distribution ratio (%)	PhD	0%	0%	0%
	Master degree	1.22%	1.25%	1.29%
	College diploma	65.81%	63.35%	61.92%
	Senior high school	32.12%	33.81%	35.21%
	Below senior high school	0.85%	1.59%	1.58%

## IV. Environmental protection expenditure

## (I) Set out the main equipment for environmental pollution control invested by the Company and potential benefits

31 December 2022; unit: NT\$ Thousand

Equipment	Quantity	Acquisition date	Investment costs	Undepreciated balance	Usage and potential benefits estimated
Water drain for grease trap	338	Based on the establishment date of each store	8,916	3,435	Separate grease and other insoluble substances from the effluents to prevent food waste and grease from polluting the drains.
Rinsing exhaust duct or electrostatic precipitator	225	Based on the establishment date of each store	26,341	1,050	Reduce air pollution resulting from emissions of cooking fumes and smells.
	256	Lease	5,573	--	

- (II) Losses suffered by the Company in the most recent two years and up to the publication date of the annual report due to environmental pollution (including compensations), the total amount of penalties, and disclosure of future countermeasures (including improvement measures) and potential expenses (including losses that may occur due to the failure in adopting any countermeasure, estimated amount of penalties and compensation; if the Company is unable to make reasonable estimates, describe the facts related to the inability to make reasonable estimates): None.

In the most recent two years and up to the publication date of the annual report, there were stores that violated the Waste Disposal Act, and penalties of NT\$61 thousand were imposed. Relevant stores have made improvements, and the Company reinforced our education and training. Certain stores violated the Air Pollution Control Act, and penalties of NT\$540 thousand were imposed. Relevant stores have installed electrostatic precipitators and rinsing exhaust ducts to improve air quality.

Cases of the Company violating environmental protection regulations are rare and mild; some cases may be immediately improved by making cleaning improvements, and some cases require the acquisition or improvement of equipment. However, the capital expenditures for additional equipment are not significant and have no significant effects on the overall earnings and competitive status of the Company.

## V. Labor relations

- (I) Set out the welfare measures, continuing education, training, and retirement systems of employees and their implementation, and the labor-capital agreements and measures for protecting employees' interest

### 1. Employee welfare measures and the implementation

Welfare measures provided by the Company: Appropriation of a certain proportion of the monthly/quarterly/annual profits as bonuses and year-end bonuses of employees, mid-year/performance salary adjustment, labor and health insurance, appropriation of labor retirement pension, group accident insurance, regular health inspections of employees, domestic and foreign travel subsidies, employee meals, employee uniforms, year-end dinner, employee gathering subsidies, vouchers for the three material Chinese festivals, free dining during the month of birth, dining discounts for employees and their family members, gift money and gifts for marriage and celebrations and bereavement allowance, quarterly leave more favorable than the general offer within the industry, solatium for material injuries/diseases of employees, scholarships and grants for the education of employees and their children, incentives for internal talent recommendations, and subsidies for external education and training expenses.

### 2. Continuing education and training of employees and the implementation

The Company provides diverse training programs and various professional in-service education and training to nurture talents with professional abilities and challenging spirits. The continuing education in 2021 is as follows:

Program	Total number of participants	Total number of hours
Store training for new employees	10,237	245,688
Digital learning	708,177	140,591

Program	Total number of participants	Total number of hours
Chain management training	7,787	236,336
Leadership management training	1,435	9,675
External training	37	686
Total	727,673	632,976

- (1) Store training for new employees: The training and on-boarding guidelines for new employees help new employees to understand and adapt to our corporate culture and core value in a short period of time. By learning the overview of the organization and rules and systems of human affairs, new employees are able to understand the working environments and blend in with the new organization.
- (2) Chain management training: A professional training learning map is established based on duties, seniority, and job level. The Company organizes various professional training or makes arrangements for employees to participate in external training to assist employees in acquiring the professional abilities required for work.
- (3) Leadership management training: Reinforce the leading and management abilities of directors of departments and organize different programs for primary and mid-level directors. For example, learning coach, coaching, execution capacity training, situational leadership, learning trains for seed coaches and store managers, programs for regional managers, and lectures of the Central Management Committee.

### 3. Retirement system and the implementation

The Company complies with the requirements under the Labor Standard Act. The payment of an employee's retirement pension is calculated based on the service seniority and average wages during the six months before the approved retirement date. The Company has appropriated 2% of an employee's total monthly salary as retirement pension and deposited such amount into a special account with the Bank of Taiwan. At the end of each year, the Company engages an actuary to carry out actuarial calculations to ensure the amount provided for retirement pension is sufficient. As of 31 December 2022, the Company has appropriated NT\$61,251 thousand to the retirement pension account with the Bank of Taiwan.

The new labor retirement system was enacted on 1 July 2005. According to the requirements of the Labor Pension Act, for those who opted for the new system, the Company shall appropriate no lower than 6% of the laborers' monthly wages to the laborers' retirement pension account each month and shall perform matters related to retirement according to the Labor Pension Act. In 2022, the Company appropriated NT\$174,238 to the individual accounts with the Bureau of Labor Insurance.

#### 4. Labor-capital negotiation

The Company's requirements comply with the Labor Standard Act, and the Company has harmonious labor-capital relations. The Company encourages employees to actively report to directors of departments for any work opinions or make reflections via calls, letters, or e-mails to maintain healthy interactions between the labor and the capital. Therefore, there has been no material labor dispute that requires negotiation.

#### 5. Measures for protecting employees' interest

The Company has established documented management for administration, which sets out various management regulations. Such regulations specify employees' rights, obligations, and welfare. The Company regularly examines and amends the content of welfare to protect the interest of all employees.

Regarding the rules of ethical conduct for employees, the company has specified "Wowprime Constitution & Perfection Family" and "Family Agreement" in the "Employee Rules" to serve as the basis for employees' work and behaviors in the hope that employees may fulfill the business philosophy of integrity, groupwork, agility, and innovation. For relevant content, please refer to the Company's website: [www.wowprime.com](http://www.wowprime.com)> About Us > Corporate Culture.

- (II) Describe losses suffered by the Company in the most recent two years and up to the publication date of the annual report due to labor disputes, and disclose the estimated amount that may occur at present and in the future and countermeasures. If the Company is unable to make reasonable estimates, describe the facts related to the inability to make reasonable estimates

The Company generally values the welfare of employees and has harmonious labor-capital relations. In the most recent two years and up to the publication date of the annual report, there was no material labor dispute; therefore, there is no risk related to losses.

#### VI. Important contracts

Type of contract	Party	Contract starting and ending date	Main content	Restrictive clauses
Borrowing contract	CTBC Bank	2022.05.31~2023.05.31	Short-term loans/performance guarantee	Restriction on financial ratio of performance guarantee: Total liabilities/tangible net value $\leq$ 150%; current ratio $\geq$ 100% (excluding lease liabilities)
Borrowing contract	First Commercial Bank	2022.07.22~2022.07.22	Performance guarantee	None
Borrowing contract	Bank SinoPac	2022.10.31~2023.10.31	Short-term loans/performance guarantee	None
Borrowing contract	Taishin International Bank	2022.06.30~2023.06.30	Short-term loans	None



Type of contract	Party	Contract starting and ending date	Main content	Restrictive clauses
Borrowing contract	E.SUN Bank	2022.06.01~2023.06.30	Short-term loans	None
Borrowing contract	E.SUN Bank	2021.09.30~2023.09.30	Performance trust	None
Borrowing contract	Sunny Bank	2022.01.01~2023.12.31	Performance trust	None
Borrowing contract	Cathay United Bank	2022.08.30~2023.08.30	Short-term loans	None
Borrowing contract	DBS Bank Limited	2022.11.18~2023.11.18	Short-term loans	None

## Six. Finance overview

I. Condensed balance sheet and consolidated income statement for the most recent five years

(I) 1. Consolidated Condensed Balance Sheet - IFR

Unit: NT\$ Thousand

Item \ Year		Financial data for the most recent five years (year)					Financial data for as of 31 March of the year
		2018	2019	2020	2021	2022	
Current assets		5,979,979	5,670,712	5,928,959	6,278,364	7,327,251	8,190,136
Property, plant and equipment		2,769,380	2,651,077	1,922,288	2,040,155	2,033,944	1,976,456
Intangible assets		47,581	38,606	41,645	30,839	40,758	40,180
Other assets		660,765	4,424,129	5,393,302	5,160,665	4,729,139	4,997,710
Total Assets		9,457,705	12,784,524	13,286,194	13,510,023	14,131,092	15,204,482
Current liabilities	Before distribution	4,641,407	5,199,003	6,165,859	7,155,323	7,779,321	7,767,029
	After distribution	4,971,099	5,536,705	6,492,952	7,155,323	( Note 1 )	( Note 1 )
Non-current liabilities		350,979	3,237,249	3,022,823	2,980,776	2,759,546	3,653,188
Total Liabilities	Before distribution	4,992,386	8,436,252	9,188,682	10,136,099	10,538,867	11,420,217
	After distribution	5,322,078	8,773,954	9,515,775	10,136,099	( Note 1 )	( Note 1 )
Equity attributable to owners of the parent company		3,264,510	3,382,883	3,484,117	2,831,386	3,177,764	3,349,737
Capital stock		769,879	769,879	769,879	769,879	769,879	769,879
Capital surplus		1,910,913	1,867,344	1,797,170	1,791,541	1,789,924	1,855,315
Retained earnings	Before distribution	971,212	1,045,224	1,111,643	683,007	1,075,992	1,176,523
	After distribution	641,520	707,522	784,550	683,007	( Note 1 )	( Note 1 )
Other equity		( 87,763 )	( 143,141 )	( 114,717 )	( 127,228 )	( 105,230 )	( 99,179 )
Treasury stock		( 299,731 )	( 156,423 )	( 79,858 )	( 285,813 )	( 352,801 )	( 352,801 )
Non-controlling interests		1,200,809	965,389	613,395	542,538	414,461	434,528
Total equity	Before distribution	4,465,319	4,348,272	4,097,512	3,373,924	3,592,225	3,784,265
	After distribution	4,135,627	4,010,570	3,770,419	3,373,924	( Note 1 )	( Note 1 )

Note 1: The proposal for profit distribution in 2022 was approved by the board of directors; however, a resolution has not been made by the shareholders' meeting.

Note 2: As of the publication date of the annual report, the consolidated financial data in Q1 2023 has been reviewed by CPAs.

## 2. Individual Condensed Balance Sheet - IFRS

Unit: NT\$ Thousand

Year Item		Financial data for the most recent five years (year)					Financial data for as of 31 March of the year
		2018	2019	2020	2021	2022	
Current assets		3,551,344	3,389,517	3,042,411	2,887,122	3,661,939	( Note 2 )
Property, plant and equipment		941,637	1,032,558	1,063,467	1,149,481	1,337,649	
Intangible assets		8,226	5,684	10,038	6,148	14,375	
Other assets		2,401,803	3,900,744	4,765,924	4,638,646	4,581,219	
Total Assets		6,903,010	8,328,503	8,881,840	8,681,397	9,595,182	
Current liabilities	Before distribution	3,323,988	3,713,619	3,942,331	4,284,268	4,770,353	
	After distribution	3,653,680	4,051,321	4,269,424	4,284,268	5,133,527	
Non-current liabilities		314,512	1,232,001	1,455,392	1,565,743	1,647,065	
Total Liabilities	Before distribution	3,638,500	4,945,620	5,397,723	5,850,011	6,417,418	
	After distribution	3,968,192	5,283,322	5,724,816	5,850,011	6,780,592	
Equity attributable to owners of the parent company		3,264,510	3,382,883	3,484,117	2,831,386	3,177,764	
Capital stock		769,879	769,879	769,879	769,879	769,879	
Capital surplus		1,910,913	1,867,344	1,797,170	1,791,541	1,789,924	
Retained earnings	Before distribution	971,212	1,045,224	1,111,643	683,007	1,075,992	
	After distribution	641,520	707,522	784,550	683,007	712,818	
Other equity		( 87,763 )	( 143,141 )	( 114,717 )	( 127,228 )	( 105,230 )	
Treasury stock		( 299,731 )	( 156,423 )	( 79,858 )	( 285,813 )	( 352,801 )	
Non-controlling interests		-	-	-	-	-	
Total equity	Before distribution	3,264,510	3,382,883	3,484,117	2,831,386	3,177,764	
	After distribution	2,934,818	3,045,181	3,157,024	2,831,386	2,814,590	

Note 1: The proposal for profit distribution in 2022 was approved by the board of directors ; however, a resolution has not been made by the shareholders' meeting.

Note 2: As of the publication date of the annual report, the individual financial data in 2023 has not been reviewed by CPAs.

## (II) 1. Consolidated Condensed Income Statement - IFRS

Unit: NT\$ Thousand

Item \ Year	Financial data for the most recent five years (year)					Financial data for as of 31 March of the year
	2018	2019	2020	2021	2022	
Operating revenue	16,286,395	16,232,208	15,233,747	17,196,937	18,321,041	5,610,022
Operating gross profit	7,496,922	7,215,769	7,045,693	7,314,199	7,937,928	2,631,278
Operating profits or losses	568,232	604,113	555,330	(20,927)	470,667	497,713
Non-operating income and expenses	19,377	(163,642)	(209,815)	(237,463)	( 100,889 )	( 10,090 )
Net profits before tax	587,609	440,471	345,515	(258,390)	369,778	487,623
Net profits for the period from continuing operations	402,310	348,985	255,926	(171,861)	258,302	390,447
Losses from discontinued operations	-	-	-	-	-	-
Net profits (losses) for the period	402,310	348,985	255,926	(171,861)	258,302	390,447
Other comprehensive income (net after tax) for the period	(52,675)	(86,541)	32,723	(13,113)	48,229	8,151
Total comprehensive income for the period	349,635	262,444	288,649	(184,974)	306,531	398,598
Net profits attributable to shareholders of parent company	345,142	355,018	348,263	(104,703)	386,567	373,918
Net profits attributable to non-controlling interests	57,168	(6,033)	(92,337)	(67,158)	( 128,265 )	16,529
Total comprehensive income attributable to shareholders of parent company	317,526	302,795	371,149	(113,065)	426,020	379,935
Total comprehensive income attributable to non-controlling interests	32,109	(40,351)	(82,500)	(71,909)	( 119,489 )	18,663
Earnings per share	4.52	4.77	4.61	(1.40)	5.15	5.01

Note: As of the publication date of the annual report, the consolidated financial data in Q1 2023 has been reviewed by CPAs.

### 3. Individual Condensed Income Statement – IFRS

Unit: NT\$ Thousand

Item \ Year	Financial data for the most recent five years (year)					Financial data for as of 31 March of the year
	2018	2019	2020	2021	2022	(Note 2)
Operating revenue	8,157,296	7,571,216	8,000,901	8,095,703	10,316,869	
Operating gross profit	3,873,182	3,649,978	3,893,484	3,690,037	4,895,023	
Operating profits or losses	351,370	344,647	477,420	(93,226)	641,998	
Non-operating income and expenses	112,315	81,599	(65,502)	(108,370)	( 162,931 )	
Net profits before tax	463,685	426,246	411,918	(201,596)	479,067	
Net profits for the period from continuing operations	345,142	355,018	348,263	(104,703)	386,567	
Losses from discontinued operations	-	-	-	-	-	
Net profits (losses) for the period	345,142	355,018	348,263	(104,703)	386,567	
Other comprehensive income (net after tax) for the period	(27,616)	(52,223)	22,886	(8,362)	39,4533	
Total comprehensive income for the period	317,526	302,795	371,149	(113,065)	426,020	
Net profits attributable to shareholders of parent company	345,142	355,018	348,263	(104,703)	386,567	
Net profits attributable to non-controlling interests	-	-	-	-	-	
Total comprehensive income attributable to shareholders of parent company	317,526	302,795	371,149	(113,065)	426,020	
Total comprehensive income attributable to non-controlling interests	-	-	-	-	-	
Earnings per share	4.52	4.77	4.61	(1.40)	5.15	

Note: As of the publication date of the annual report, the individual financial data in 2023 has not been reviewed by CPAs.

(III) Names and opinions of CPAs for the most recent five years:

Year (year)	CPA firm	CPA name	Audit opinion
2018	Deloitte & Touche Taiwan	Rui-Quan Chi and Nai-Hua Kuo	Standard unqualified opinion
2019	Deloitte & Touche Taiwan	Rui-Quan Chi and Nai-Hua Kuo	Standard unqualified opinion
2020	Deloitte & Touche Taiwan	Nai-Hua Kuo and Hui-Ming Chen	Standard unqualified opinion
2021	Deloitte & Touche Taiwan	Nai-Hua Kuo and Hui-Ming Chen	Standard unqualified opinion
2022	Deloitte & Touche Taiwan	Nai-Hua Kuo and Cheng-Quan Yu	Standard unqualified opinion

## II. Financial analysis for the most recent 5 years

### 1. Consolidated financial analysis for the most recent 5 years - IFRS

Analysis item \ Year		Financial analysis for the most recent 5 years (year)					Financial data as of 31 March of the year
		2018	2019	2020	2021	2022	
Financial structure %	Debt to assets ratio	52.79	65.99	69.16	75.03	74.58	75.11
	Ratio of long-term capital to property, plant, and equipment	127.88	247.90	312.84	280.44	285.75	348.99
Solvency %	Current ratio	128.84	109.07	96.16	87.74	94.19	105.45
	Quick ratio	89.22	75.81	66.35	55.38	61.01	77.08
	Interests coverage multiplier	97386.26	640.03	409.82	(46.32)	340.62	1867.26
Operating performance	Accounts receivable turnover rate (times)	58.0	63.21	64.91	49.29	41.53	58.62
	Average collection days	6.29	5.77	5.62	7.41	8.79	6.23
	Inventory turnover rate (times)	7.77	6.79	5.58	5.79	4.90	5.44
	Accounts payable turnover rate (times)	19.05	19.97	14.92	14.38	13.16	15.37
	Average sales days	46.97	53.74	65.43	63.03	74.46	67.11
	Property, plant and equipment turnover rate (times)	5.76	6.08	7.32	8.30	8.82	11.18
	Total assets turnover rate (times)	1.72	1.27	1.15	1.27	1.30	1.48
Profitability %	Return on assets	4.20	3.72	2.65	(0.23)	2.76	11.25
	Return on equity	11.60	10.50	7.45	(5.44)	8.60	47.85
	Ratio of net profit before tax to paid-in capital	76.32	57.21	44.88	(33.56)	48.03	258.59
	Net margin	2.47	2.15	1.68	(1.00)	1.41	253.35
	Earnings per share (NT\$)	4.52	4.77	4.61	(1.40)	5.15	5.01
Cash flows %	Cash flow ratio	22.73	48.27	38.44	30.75	36.24	62.10
	Cash flow adequacy ratio	92.97	132.95	147.51	128.28	134.31	145.40
	Cash flow reinvestment ratio	6.72	33.70	36.49	40.29	54.34	80.53
Leverage	Operating leverage	2.47	4.64	4.63	(102.81)	5.56	2.07
	Financial leverage	1.00	1.16	1.25	0.11	1.48	1.06

Note: As of the publication date of the annual report, the consolidated financial data in Q1 2023 has been reviewed by CPAs.

Reasons for the changes in the financial ratios in the most recent two years. (Changes reaching 20% and above)

1. Interests coverage multiplier increasing is mainly because of the loss from COVID-19 influence in 2021. When citizens' life co-exist with COVID-19 influence, sales revenue returned to previous normal situation in 2022 and Times Interest Earned increasing.
2. Different rates of Profitability increase is mainly because of COVID-19 influence for loss in 2021. When the epidemic situation going to relaxed , the operation back to normal in 2022.
3. Cash flow reinvestment ratio increasing is mainly because of the epidemic going to co-exist situation in 2022, the sales revenue is also growing up. Therefore, the net cash flow from operation activity attributes to the Cash flow reinvestment ratio increasing.
4. Operation Leverage and Financial leverage increase are mainly because of the loss from COVID-19 influence in 2021.. When citizens' life co-exist with COVID-19 influence, sales revenue returned to previous normal situation in 2022 attribute to both of the operation and financial leverage increasing.



## 2. Individual financial analysis for the most recent 5 years - IFRS

Analysis item \ Year		Financial analysis for the most recent 5 years (year)					Financial data as of 31 March of the year
		2018	2019	2020	2021	2022	Note
Financial structure %	Debt to assets ratio	52.71	59.38	60.77	67.39	66.88	
	Ratio of long-term capital to property, plant, and equipment	371.65	445.75	445.48	381.68	360.29	
Solvency %	Current ratio	106.84	91.27	77.17	67.39	76.67	
	Quick ratio	82.85	77.59	74.47	63.68	74.18	
	Interests coverage multiplier	-	3413.74	3330.48	(1231.81)	2736.15	
Operating performance	Accounts receivable turnover rate (times)	48.32	49.75	63.95	48.97	51.78	
	Average collection days	7.55	7.34	5.71	7.45	7.05	
	Inventory turnover rate (times)	6.38	6.30	13.84	36.10	41.45	
	Accounts payable turnover rate (times)	14.48	13.36	11.75	16.69	32.91	
	Average sales days	57.23	57.95	26.38	10.11	8.81	
	Property, plant and equipment turnover rate (times)	8.47	7.31	7.22	7.03	7.70	
	Total assets turnover rate (times)	1.18	0.91	0.90	0.93	1.08	
Profitability %	Return on assets	4.89	4.80	4.17	(1.05)	4.39	
	Return on equity	9.95	10.68	10.14	(3.32)	12.87	
	Ratio of net profit before tax to paid-in capital	60.23	55.37	53.50	(26.19)	62.23	
	Net margin	4.23	4.69	4.35	(1.29)	3.75	
	Earnings per share (NT\$)	4.52	4.77	4.61	(1.40)	5.15	
Cash flows %	Cash flow ratio	18.91	28.94	41.71	25.91	41.15	
	Cash flow adequacy ratio	81.00	108.17	124.37	106.85	126.85	
	Cash flow reinvestment ratio	3.76	14.54	25.22	17.75	40.07	
Leverage	Operating leverage	2.12	3.18	2.52	(7.73)	2.38	
	Financial leverage	1.00	1.04	1.03	1.19	0.97	

Note: As of the publication date of the annual report, the individual financial data in 2023 has not been reviewed by CPAs.

Reasons for the changes in the financial ratios in the most recent two years. (Changes reaching 20% and above)

1. Interests coverage multiplier increasing is mainly because of the loss from COVID-19 influence in 2021. When citizens' life co-exist with COVID-19 influence, sales revenue returned to previous normal situation in 2022 and Times Interest Earned an increase..
2. Accounts payable turnover rate increased is mainly because of the sales revenue increased drove to the operation cost increased. In addition, accounts payable model transfer into prepaid model for subsidiary Wowfresh Corporation purchasing attribute to accounts payable decreased and the turnover rate increased.
3. Different rates of Profitability increase is mainly because of COVID-19 influence for loss in 2021. When the epidemic situation going to relaxed , the operation back to normal in 2022.
4. The rates of Cash flows increase is mainly because of the epidemic situation going to co-exist in 2022 and sales revenue growing. Therefore, the operation activity cash flows attributes to an increase.
5. The rate of Operating leverage increase is mainly because of the loss from COVID-19 influence in 2021 and the epidemic situation going to relaxed and the operation back to normal in 2022.

Calculation formula:

1. Financial structure

- (1) Debt-to-asset ratio = Total liabilities/total assets.
- (2) Ratio of long-term capital to property, plant and equipment = (Total equity + non-current liabilities)/net property, plant and equipment.

2. Solvency

- (1) Current ratio = Current assets/current liabilities.
- (2) Quick ratio = (Current assets - inventory - prepayments)/current liabilities.
- (3) Interests coverage ratio = Net profit before tax and interest expenses/interest expenditure for the period.

3. Operating performance

- (1) Receivables (including accounts receivable and notes receivable due to business operation) turnover = Net sales/balances of average receivables of different periods (including accounts receivable and notes receivable due to business operation).
- (2) Average collection days = 365/receivable turnover.
- (3) Average inventory turnover = Costs sales/average inventory.
- (4) Payables (including accounts payables and notes payable due to business operation) turnover = Cost of sales/balances of average payables of different periods (including accounts payables and notes payable due to business operation).
- (5) Average sales days = 365/inventory turnover.
- (6) Property, plant, and equipment turnover = Net sales/average property, plant, and equipment.
- (7) Total assets turnover = Net sales/average total assets.

4. Profitability analysis

- (1) Return on assets = [Profit or loss after tax + interest expenses x (1 – tax rate)]/average total assets.
- (2) Return on equity = Profit or loss after tax/average total equity.
- (3) Net profit margin = Profit or loss after tax/net sales.
- (4) Earnings per share = (Profit or loss attributable to owners of the parent - preferred stock dividend)/weighted average number of issued shares.

5. Cash flow

- (1) Cash flow ratio = Net cash flows provided from operating activities/current liabilities.
- (2) Net cash flow adequacy ratio = Net cash flows from operating activities for the most recent five years/(capital expenditures + inventory additions + cash dividend) for the most recent five years.
- (3) Cash reinvestment ratio = (Net cash flows from operating activities - cash dividend)/(gross property, plant and equipment + long-term investment + other non-current assets + working capital).

6. Leverage

- (1) Operating leverage = (Net operating income - variable operating costs and expenses)/operating gains.
- (2) Financial leverage = Operating gains/(operating gains - interest expenses).

III. Audit committee review of the most recent annual financial statements:

審計委員會審查報告書

本公司民國一一一年度營業報告書、財務報告暨合併財務報表及虧損撥補議案業經本審計委員會查核，認為尚無不合，爰依證券交易法第十四條之四及公司法二百一十九條之規定報告如上，敬請鑒察。

王品餐飲股份有限公司

審計委員會召集人：邱奕嘉



民 國 一 一 二 年 三 月 二 十 三 日

IV. Financial statements for the most recent year: Please refer to Appendix 1.

V. Individual financial statements for the most recent year audited and certified by CPAs: Please refer to Appendix 2.

VI. If the Company and its affiliates have experienced financial difficulties in the most recent year and up to the date of publication of the annual report, explain how said difficulties affect the Company's financial conditions: None.

## Seven. Review and analysis of financial condition and financial performance and risk management

### I. Financial condition

Unit: NT\$ thousand; %

Item \ Year	2022	2021	Difference	
			Amount	%
Current assets	7,327,251	6,278,364	1,048,887	16.71
Investments accounted for using the equity method	81,904	84,547	(2,643)	(3.13)
Property, plant and equipment	2,033,944	2,040,155	(6,211)	(0.30)
Intangible assets	40,758	30,839	9,919	32.16
Other assets	4,647,235	5,076,118	(428,883)	(8.45)
Total Assets	14,131,092	13,510,023	621,069	4.60
Current liabilities	7,779,321	7,155,323	623,998	8.72
Non-current liabilities	2,759,546	2,980,776	(221,230)	(7.42)
Total liabilities	10,538,867	10,136,099	402,768	3.97
Equity attributable to owners of the Company	3,177,764	2,831,386	346,378	12.23
Capital stock	769,879	769,879	-	-
Capital surplus	1,789,924	1,791,541	(1,617)	(0.09)
Retained earnings	1,075,992	683,007	392,985	57.54
Other equity	(105,230)	(127,228)	21,998	17.29
Treasury stock	(352,801)	(285,813)	(66,988)	23.44
Non-controlling interests	414,461	542,538	(128,077)	(23.61)
Total equity	3,592,225	3,373,924	218,301	6.47
<p>Major reasons for material changes in assets, liabilities, and equity (with changes during two periods reaching 10% and above and the absolute amount of changes reaching NT\$10 million) in the most recent two years and their effects, and future countermeasures</p> <p>(1) Increase in current assets : Mainly due to the profit-related working capital increased in 2022.</p> <p>(2) Increase in Equity attributable to owners of the Company and Retained earnings : Mainly due to the profit in 2022</p> <p>(3) Increase in other equity : Mainly due to functional currency of subsidiary in China transfer into presentation currency of parent company in Taiwan . The currency exchange difference will increase in other equity.</p> <p>(4) Increase in treasury stock : Mainly due to execute buying back the treasury stock in 2022.</p> <p>(5) Decrease in non-controlling interests: Mainly due to the loss of China business group in 2022 attributes to the decrease in non-controlling interest.</p> <p>All the differences are belong to normal operation variation. There is no significant influence for the company's financial performance.</p>				

## II. Financial performance

### (I) Major reasons for material changes in operating income, net profits, and net profit before tax in the most recent two years

Unit: NT\$ thousand; %

Item \ Year	2022	2021	Changes	
			Amount	%
Operating revenue	18,321,041	17,196,937	1,124,104	6.54
Operating cost	10,383,113	9,882,738	500,375	5.06
Operating gross profit	7,937,928	7,314,199	623,729	8.53
Operating expenses	7,467,261	7,335,126	132,135	1.80
Operating (losses) gains	470,667	(20,927)	491,594	2,349.09
Non-operating income and expenses	(100,889)	(237,463)	136,574	57.51
Net (loss) profit before tax	369,778	(258,390)	628,168	243.11
Income tax expenses (gains)	111,476	(86,529)	198,005	228.83
Net (loss) profit for the period	258,302	(171,861)	430,163	250.30
<p>For changes during two periods reaching 10% and above and the absolute amount of change reaching NT\$10 million, the analysis is as follows:</p> <p>(1) Non-Operating income and expenses increasing: The reason is mainly because of the epidemic influence in 2021 instead of the non-financial assets loss.</p> <p>(2) Income tax expenses (gains) : The reason is mainly because of the loss from epidemic influence in 2021 and need to recognize income tax profit.</p> <p>(3) The variation of Operating (losses) gains, Net (loss) profit before tax, and Net (loss) profit for the period is mainly because of epidemic influence in 2021 and the operation in 2022 back to normal situation attribute to the operating gains increased substantially.</p>				

### (II) Estimated sales volume and its basis

Based on the new store opening plan, the Company establishes its annual sales targets with considerations given to the current conditions and trends of the industry as well as the business performance in the past.

### (III) Potential effects on the future finance and business matters of the Company and countermeasures

During the epidemic period, Wowprime Corporation continued to promote the “Worry-free Project” to provide dining environments free of concern to customers by adopting pandemic control measures of high specifications. Under the backdrop of national lockdown and the feverish domestic demand market, the Company has been actively opening new stores to expand its market share and concurrently creating new brands to increase operating income. Wowprime Corporation takes a cautious view on

the development of cross-strait operations of achieving a stable business nature for its Taiwan and Mainland China Business Groups and increasing operating revenue that concurrently helps improve our profitability. In the future, Wowprime Corporation will continue improving its quality and services in the hope of receiving the recognition and trust of consumers. In addition, to allow consumers to dine with ease, the Group has passed the “ISO17025 Laboratory Management System certification” and “ISO22000 Food Safety Management System certification” and became the first F&B company in Taiwan to concurrently obtain both certifications. Such certifications prove the rigorous food safety screening measures of Wowprime Group. In the future, we will continue to improve to provide worry-free and satisfying dining experiences to customers. In general, the Group adheres to “stable operation” and “continual growth,” implements Wowprime Corporation’s core value of “innovation, and utilizes new brands, multi-price ranges, and the development of diverse business models as the growth momentum. The overall financial and business status of the Company is fairly stable.

### III. Cash flows

#### (I) Analysis and description of changes in cash flows in the most recent year (2022)

Unit: NT\$ Thousand

Cash balance at the beginning of the year (1)	Net cash flows from operating activities throughout the year (2)	Net cash flows from investment activities throughout the year (3)	Net cash flows from financing activities throughout the year (4)	Effects of changes in exchange rate on cash and cash equivalents (5)	Cash balance (deficiency) (1)+(2)+(3)+(4)+(5)	Countermeasures for cash balance/deficiency	
						Investment plan	Wealth management plan
1,970,419	2,819,238	(1,372,852)	(1,080,053)	17,233	2,353,985		
<p>Analysis and description</p> <p>(1) Analysis of changes in cash flows in the most recent year:</p> <p>Operating activities: The net cash inflows from operating activities are primarily due to the operating profits and the sales of vouchers of the year.</p> <p>Investment activities: The net cash outflows from investment activities are primarily due to the acquisition of equipment.</p> <p>Financing activities: The cash outflows from financing activities are primarily due to the issuance of cash dividends, buyback of the Company shares, and expenses for rental payment.</p> <p>(2) Remedial measures for estimated cash deficiency and liquidity analysis:</p> <p>Investment plan: N/A.</p> <p>Wealth management plan: N/A.</p>							

#### (II) Improvement plan for insufficient liquidity: N/A.

## (III) Cash liquidity analysis for the following year 2023

Unit: NT\$ Thousand

Cash balance at the beginning of the year (1)	Net cash flows from operating activities throughout the year (2)	Net cash flows from investment activities throughout the year (3)	Net cash flows from financing activities throughout the year (4)	Effects of changes in exchange rate on cash and cash equivalents (5)	Cash balance (deficiency) (1)+(2)+(3)+(4)+(5)	Countermeasures for cash balance/deficiency	
						Investment plan	Wealth management plan
2,353,985	3,600,000	( 2,000,000 )	( 1,600,000 )	10,000	2,363,985	-	-
Analysis and description (1) Analysis of changes in cash flows in the following year: Operating activities: The net cash inflows from operating activities are primarily due to the operating profits and the sales of vouchers of the year. Investment activities: The net cash outflows from investment activities are primarily due to the acquisition of equipment and the increase in right-of-use assets. Financing activities: The net cash outflows from financing activities are primarily due to expenses for rental payments (decrease in lease liabilities). (2) Remedial measures for estimated cash deficiency and liquidity analysis: Investment plan: N/A. Wealth management plan: N/A.							

## IV. Effect of major capital expenditures on finance and business matters in the most recent year.

(I) Utilization of significant capital expenditures and source of funds: None.

(II) Potential benefits: None.

## V. Investment policy for the most recent year, the main reasons for profit or loss, improvement plan, and investment plan for the coming year

## 1. Mid-to-high price business in China:

The Company has been investing in Mainland China for over a decade and has established its brand reputation and gained the trust of consumers. The Company records stable operating profits. However, under the effects of multi-point outbreaks of COVID-19 in Mainland China since March 2022, the Company was affected by the Zero-COVID policy and the lockdown control. The Company will perform a capital increase of US\$5 million for Wowprime (China) Co., Ltd., our subsidiary in China. After relaxation of epidemic prevention measures at the end of year in China, consumers' confidence gradually recover. From central to local government, various revitalization policies for consumption have been launched. The sales revenue for Wowprime (China) Co., Ltd. China business group showed positive growing as of the date when annual report print in 2023. China business group has the opportunity get the benefit from these revitalization policies. The Company has no plan for a capital increase in the following year.

## 2. Distribute foreign renowned brands:

Apart from self-created brands, the Company also distributes and introduces foreign F&B brand "PUTIEN." The first store was formally launched on 1 January 2016. The recognition of Michelin one-star received by PUTIEN in Singapore laid a solid foundation for the first Chinese cuisine brand that the Group works with. In 203, the Company will continue opening new stores. The Company has no plan for a capital increase in the following year.

## VI. Risks

### (I) Effects of changes in interest rate and exchange rate and inflation on the Company's gains or losses and future countermeasures

#### 1. Changes in interest rate

##### (1) Effects on the operating income and profits of the Company

The Company has sufficient self-owned funds; as the fluctuation of deposit interest rate is minor, the changes in interest rate have insignificant effects on the operating income and profits of the Company.

##### (2) Concrete countermeasures

The Company has stable profits and self-own funds, and the Company actively maintains favorable relationships with transacting banks. We have stable financial status and favorable debt standing; therefore, we are able to secure a more favorable interest rate. It is estimated that changes in interest rates in the future will not have significant effects on the overall operations of the Company.

#### 2. Changes in exchange rate

The Company operates in the domestic market, and the effect of the exchange rate is primarily related to importing meat that is denominated by USD. In 2022, we recorded exchange profit of NT\$55,957 thousand, accounting for approximately 0.31% and 21.66% of the operating income and net loss after tax of the Company, respectively. The fluctuation of the exchange rate has insignificant effects on the Company. However, the Company actively keeps abreast of the development trend of the exchange rate and collects market information to avoid the risk of changes in the exchange rate by way of appropriate asset allocation.

#### 3. Inflation

##### (1) Analysis of the effects on the Company

Under the effects of COVID-19, the inflation rate in 2022 was 2.95%, reaching a new height in the most recent fourteen years. Because of Russo-Ukrainian War attributed to international farmers and materials price upsurge, as of today, there is no immediate significant effect arising from inflation.

##### (2) Concrete countermeasures

The Company keeps abreast of fluctuations in market prices of raw materials at all times and maintains favorable interactions with suppliers. We make early estimations for the development of raw material markets and pre-set the purchasing volume to minimize the impacts of surges in prices.

### (II) Policies regarding high-risk investments, high-leverage investments, loans to others, endorsement/guarantees, and derivative transactions, and main reasons for gains or losses, and countermeasures in the future.

1. The Company has not engaged in any high-risk investment, high-leverage investment, or derivative transaction.

2. The Board of the Company has approved the loans to our subsidiary WPT Restaurant Corporation. Loans to others above are primarily expenses related to helping the business development of the subsidiary; the total cumulative advances shall not exceed 10% of the Company's net value, and the total cumulative amount shall not exceed NT\$25million. As of 31 December 2022, the drawdown amount was nil.

3. The Board of the Company has approved the loans to our subsidiary Wowfresh Corporation. Loans to others above are primarily expenses related to business



transactions generating fund loan; the total cumulative advances shall not exceed 10% of the Company's net value, and the total cumulative amount shall not exceed NT\$100 million. As of 31 December 2022, the drawdown amount was nil.

4. The Board of the Company has approved the endorsement/guarantee limits provided to our subsidiary Wowfresh Corporation. The endorsement/guarantee above is primarily helping the business development and other requirements of the subsidiary; the cumulative amount for such payments shall not exceed 40% of the Company's net value, and the cumulative amount shall not exceed NT\$600 million. As of 31 December 2022, the drawdown amount was NT\$50 million.

(III) Hedging accounting and its targets and method: None.

(IV) Future R&D plan and R&D expenses expected to be invested

The positioning of the Company is F&B development and innovation. In the future, we plan to continue investing in the creation of new brands and the R&D of dishes diversification. R&D expenses expected to be invested by the Company in 2023 account for approximately 0.1% to 0.2% of our operating income. R&D expenses are primarily used in periodical and unscheduled dishes R&D to satisfy the sense of freshness of patrons and improve customer satisfaction. The Company will continue creating new brands and investing in F&B markets of different categories to expand its market share.

(V) Effect of changes in domestic and foreign policies and laws of significance on finance and business matters of the Company and countermeasures

The daily operations of the Company comply with relevant domestic and foreign laws and regulations. We keep abreast of the development trend of policies and changes in regulations in Taiwan and abroad, collect relevant information to serve as the reference for decision-making by the management, and consult relevant professionals to instantly adjust relevant operating strategies of the Company. As of today, there has been no effect on the finance and business matters of the Company due to changes in domestic and foreign policies and laws of significance.

(VI) Effect of changes in technologies and industry on the finance and business matters of the Company, and countermeasures

The main products of the Company are on the F&B markets in Taiwan and Mainland China. The Company actively develops new products and improves customer satisfaction to ensure its competitive advantage in the market. Meanwhile, we keep abreast of industry developments and market information and evaluate their effects on the Company's operations to make corresponding adjustments. We also adopt steady financial management strategies to maintain our competitive strength in the market. The Company carried out a digital transformation in 2020 and launched the "Wowprime Food Craze APP" to improve consumer engagement.

(VII) Effect of changes in corporate image on corporate crisis management and countermeasures

The Company has always been committed to maintaining its corporate image for years and complying with legal requirements. We have otherwise established our internal crisis management regulations and an emergency management team. If facing circumstances that affect our corporate image or violate laws and regulations, the response system will immediately be initiated and countermeasures for formulating countermeasures. However, no circumstance that may affect our corporate image has occurred as of today.

(VIII) Expected benefits and possible risks related to merger and acquisitions, and countermeasures

In the most recent year and up to the publication date of the annual report, the Company has no plan for merger or acquisition. However, if the Company has any plan of merger or acquisition, the Company will make arrangements according to its Procedures for the Acquisition or Disposal of Assets. The Company will duly make evaluations and consider whether the merger will bring substantial performances to duly protect the Company's benefits and shareholders' interest.

(IX) Expected benefits and possible risks related to plant expansion, and countermeasures

The Company's plans for new store opening are regular new store openings, and the store opening costs are subject to the target set.

(X) Risks related to concentrated sales or purchase and countermeasures:

1. Purchase

The Company makes purchases from domestic and foreign suppliers. Except for establishing favorable relations with existing suppliers, the Company has two suppliers and above for sources of supply for each raw material. Currently, there is no risk of concentrated purchasing.

2. Sales

The target of sales of the Company is the general public; therefore, there is no risk of concentrated sales.

(XI) Effects and risk of mass transfer or change in the equity held by Directors or major shareholders with a shareholding over 10% of the Company, and countermeasures

The Chairman and other Directors of the Company have long been participating in the Company's decision-making discussions. The Company is devoted to focusing on the operation of its primary business. As of the publication date of the annual report, there is no risk of mass transfer or change in the equity of the Company.

(XII) Effects and risk of changes in ownership on the Company and countermeasures: None.

(XIII) Litigation or non-litigation: None.

(XIV) Other material risks and countermeasures

In recent years, food safety requirements requested by consumers have been increasing. Adhering to the philosophy of "food safety first," the Company continues to upgrade the management level of food safety. Apart from establishing a dedicated food safety department and establishing multiple food safety inspection systems, the Company passed the "ISO17025 Laboratory Management System certification" in 2018 to minimize hazards through risk alerts derived from inspection results of precision and further passed the "ISO22000 Food Safety Management System certification" in 2020 and became the first F&B company in Taiwan to concurrently obtain both certifications. In addition, we joined hands with the Department of Procurement to maintain the strict standards for suppliers and the establishment of the food cloud system and other control systems and submit samples of multiple items to a third-party department for tests. We have actively adopted the use of traceable agricultural products (TAPs) recommended by the Council of Agriculture and joined the Traceability System in Restaurants. All such measures are to protect consumers' interests and minimize the risk of food safety.

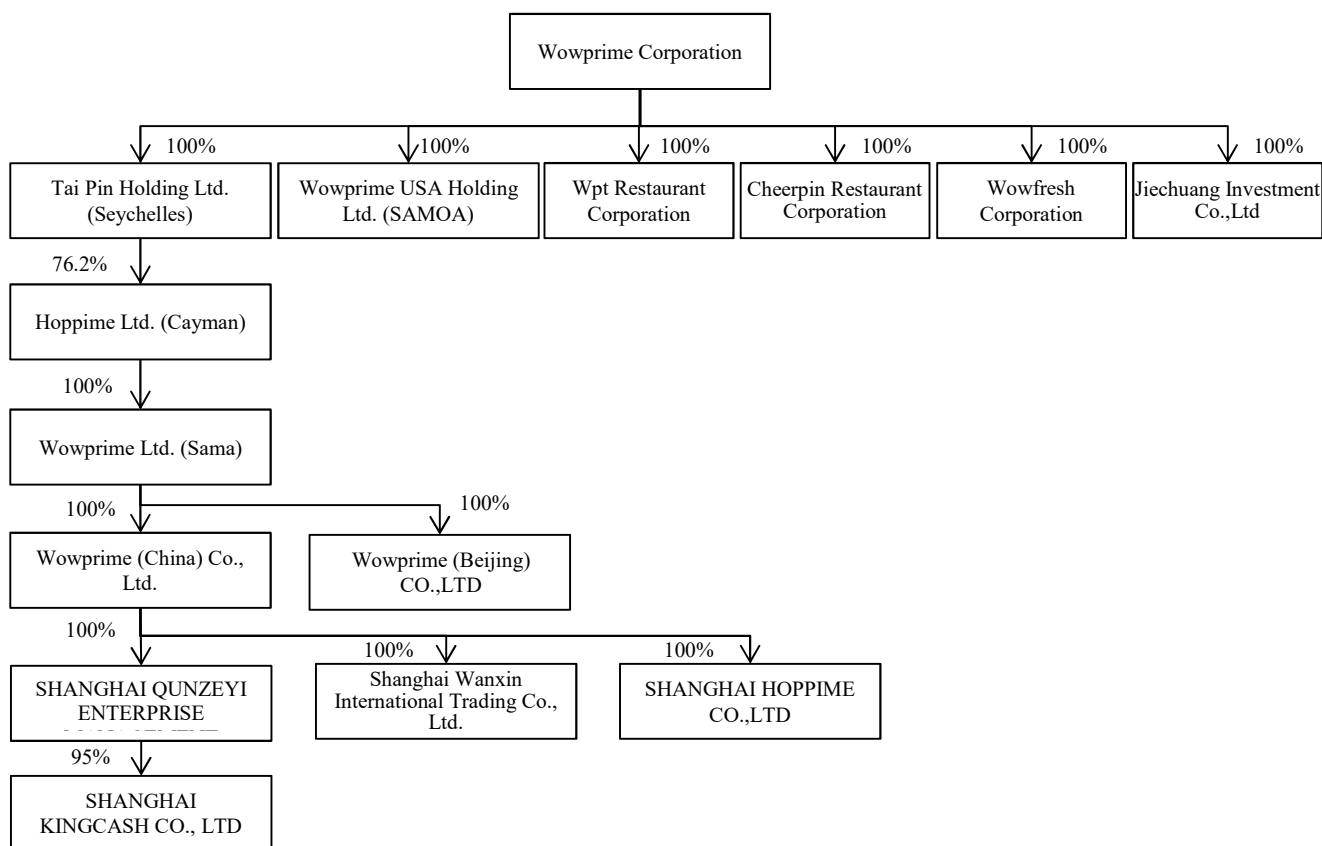
VII. Other important matters: None.

## Eight. Special Items

### I. Information on affiliates:

#### (I) Consolidated business report of affiliates

##### 1. Organizational chart of affiliates



##### 2. Basic information on affiliates

Unit:NT\$ Thousand

Company name	Establishment Date (year)	Address	Paid-in capital	Paid-in capital
TAI PIN HOLDING LTD. (Seychelles)	2011.12.20	No.4, Franky Building, Providence Industrial Estate, Mahe, Seychelles.	606,198 (USD20,117,134)	Investment
Wowprime USA Holding Ltd. (Samoa)	2014.8.15	Le Sanalele Complex, Ground Floor, Vaea Street, Saleufi, Apia, Samoa	24,069 (USD 762,500)	Investment
HOPPIME LTD. (CAYMAN)	2011.9.15	Floor 4, Willow House, Cricket Square, P O Box 2804, Grand Cayman KY1-1112, Cayman Islands	800,191 (USD 26, 741,654)	Investment
WOWPRIME LTD. (SAMOYA)	2003.3.5	Offshore Chambers, P.O.Box 217, Apia, Samoa	966,540 (USD32,435,486)	Investment

Company name	Establishment Date (year)	Address	Paid-in capital	Paid-in capital
Wowprime (China) Co., Ltd.	2003.7.4	9F, Meiluo Mansion, Tianshiqiao Road, Xuhui District, Shanghai	894,893 (RMB195, 090,404)	F&B, F&B management, and relevant consultation
Wowprime (Beijing) CO.,LTD	2004.12.28	No.21, Workers' Stadium North Road, Chaoyang District, Beijing	118,608 (RMB 24,673,989)	F&B, F&B management, and relevant consultation
SHANGHAI QUNZEYI ENTERPRISE MANAGEMENT CO.,LTD	2018.2.2	Room 901-318, No.18, Tianshan Road, Changning District, Shanghai	20,990 (RMB 4,800,000)	Management Consultant
Shanghai Wanxin International Trading Co., Ltd.	2020.3.24	Unit 1006, Room 05, Layer 1, No.39, Ruiping Road, Xuhui District, Shanghai	23,986 (RMB 5,500,000)	Fresh Food transaction
SHANGHAI HOPPIME CO.,LTD	2020.3.10	Unit 1007, Layer 1, Room 05, No.39, Ruiping Road, Xuhui District, Shanghai	86,413 (RMB 20,000,000)	F&B management, and relevant consultation
SHANGHAI KINGCASH CO., LTD	2020.12.11	Unit 1056, Layer 1, Room 05, No.39, Ruiping Road, Xuhui District, Shanghai	21,895 (RMB 5,000,000)	F&B management, and relevant consultation
WPT RESTAURANT CORPORATION	2015.11.5	29F, No.218, Sec.2 Taiwan Blvd., West Dist., Taichung City	100,000	F&B, F&B management, and relevant consultation
Cheerpin Restaurant Corporation	2017.4.20	29F, No.218, Sec.2 Taiwan Blvd., West Dist., Taichung City	300,000	F&B, F&B management, and relevant consultation
WOWFRESH CORPORATION	2018.10.11	29F, No.218, Sec.2 Taiwan Blvd., West Dist., Taichung City	500,000	Fresh food trading
JIECHUANG INVESTMENT CO.,LTD	2020.5.20	29F, No.218, Sec.2 Taiwan Blvd., West Dist., Taichung City	11,000	Investment consultation

3. Information on the same shareholder of affiliates presumed to have a relationship of control or subordination: N/A.

#### 4. Information on directors, supervisors, and presidents of affiliates:

Unit: share; %

Company name	Title	Name or representative	Shareholding	
			Shares	Ownership
TAI PIN HOLDING LTD. (Seychelles)	Director	Cheng-Hui Chen	-	-
Wowprime USA Holding Ltd. (Samoa)	Director	Cheng-Hui Chen	-	-
HOPPIE LTD. (CAYMAN)	Director	Cheng-Hui Chen	2,674,025	10.0%
WOWPRIME LTD. (SAMOYA)	Director	Cheng-Hui Chen	-	-
Wowprime (China) Co., Ltd.	Director	Cheng-Hui Chen	-	-
	Director	Sen-Pin Lee	-	-
Wowprime (Beijing) CO.,LTD	Director	Cheng-Hui Chen	-	-
	Director	Sen-Pin Lee	-	-
WPT RESTAURANT CORPORATION	Chairperson	Cheng-Hui Chen (Note)	10,000,000	100.0%
	Director	Sen-Pin Lee (Note)		
	Director	Wei-Jin Li (Note)		
	Supervisor	Chien-Lun Chiu (Note)		
CHEERPIN RESTAURANT CORPORATION	Chairperson	Cheng-Hui Chen (Note)	30,000,000	100.0%
	Director	Sen-Pin Lee (Note)		
	Director	Yi-Shan Wang (Note)		
	Supervisor	Chien-Lun Chiu (Note)		
WOWFRESH CORPORATION	Chairperson	Cheng-Hui Chen (Note)	50,000,000	100.0%
	Director	Sen-Pin Lee (Note)		
	Director	Cheng-Xian Wang (Note)		
	Supervisor	Chien-Lun Chiu (Note)		
JIECHUANG INVESTMENT CO.,LTD	Chairperson	Cheng-Hui Chen (Note)	1,100,000	100.0%
	Director	Sen-Pin Lee (Note)		
	Director	Chien-Lun Chiu (Note)		
	Supervisor	Zhong-Hao Liang (Note)		

Note: Representatives appointed by Wowprime Corporation.

## 5. Overview of the business operations of affiliates

Unit:NT\$ Thousand								
Company name	Amount of Capital	Total Assets	Total liabilities	Net Value	Operating revenue	Operating profit	Profit or loss for the period (after tax)	Earnings per share (NT\$) (after tax)
Tai Pin (Seychelles)	606,198	1,489,770	15,165	1,474,605	-	(3,586)	(440,401)	-
Hoppime (Cayman)	800,191	1,895,028	1,639	1,893,389	-	(11,960)	(563,978)	-
Wowprime (Samoa)	966,540	1,886,007	-	1,886,007	-	-	(552,113)	-
Wowprime (China)	894,893	3,888,751	2,169,751	1,719,000	4,304,446	(320,859)	(553,004)	-
Wowprime (Beijing)	118,608	185,112	18,107	167,005	48,518	(4,546)	(739)	-
WPT	100,000	112,589	53,816	58,773	241,238	(2,591)	(1,953)	-
Cheerpin	300,000	1,025,868	560,120	465,748	2,494,145	174,744	144,224	-
Wowfresh	500,000	2,069,481	1,564,052	505,429	4,829,443	(2,410)	1,396	-
Jiechuang	11,000	4,529	50	4,479	-	(50)	(6,016)	-
Shanghai Qunzeyi	20,990	3,770	-	3,770	-	-	(12,519)	-
Shanghai Wanxin	23,986	187,923	180,285	7,638	588,972	(11,605)	(11,828)	-
Shanghai Hoppime	86,413	90,816	187,240	(96,424)	80,978	(59,484)	(86,144)	-
Shanghai Kingcash	21,895	36,034	32,278	3,756	45,543	(12,195)	(13,176)	-

## (II) Consolidated financial statements of affiliates

### Declaration of Consolidated Financial Statements of Affiliated Companies

Considering that the companies to be included in the consolidated financial statements of affiliates under the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises ” were the same as those to be included in the consolidated financial statements of the parent company and subsidiaries under IFRS 10 in 2022 (from 1 January 2022 to 31 December 2022), and the related information to be disclosed in the consolidated financial statements of affiliates were disclosed in the said consolidated financial statements of the parent and subsidiaries, no consolidated financial statements of affiliates were prepared separately.

In witness thereof, the Declaration is hereby presented.

Company name: Wowprime Corporation

Representative: Cheng-Hui Chen

March 23, 2023

(III) Business report of affiliates: None.

II. Private placement of securities in the most recent year and up to the publication date of the annual report: None.

III. Holding or disposal of the Company's shares by its subsidiaries in the most recent year and up to the publication date of the annual report: None.

IV. Other matters that require additional explanation: None.



**Nine. Any of the circumstances listed in subparagraph 2, paragraph 3, Article 36 of the Securities and Exchange Act, which may materially affect shareholders' interest or the price of the Company's securities, that have occurred in the most recent year and up to the publication date of the annual report**

Any of the circumstances listed in subparagraph 2, paragraph 3, Article 36 of the Securities and Exchange Act, which may materially affect shareholders' interest or the price of the Company's securities, that have occurred in the most recent year and up to the publication date of the annual report: None.

## **Appendix 1. Consolidated Financial Statements of 2022**

## **INDEPENDENT AUDITORS' REPORT**

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

### **Opinion**

We have audited the accompanying consolidated financial statements of Wowprime Co., Ltd. and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### **Basis for Opinion**

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

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter of the Group's consolidated financial statements for the year ended December 31, 2022 is stated as follows:

#### Accuracy of Catering Revenue Recognition for Specific Brands

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

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

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

1. We understood and tested whether the general computer control environment of POS systems was effective.
2. We understood and tested the effectiveness of design and implementation of internal controls over the catering revenue recognition process.
3. We understood and evaluated POS systems and accounting system data transfer mechanism, and tested whether the transaction data had been correctly transferred.
4. We selected samples of the sales data for POS systems and source data of operating revenue, and verified that they were consistent with information from revenue data.

#### **Other Matter**

We have also audited the parent company only financial statements of Wowprime Co., Ltd. as of and for the years ended December 31, 2022 and 2021 on which we have issued an unmodified opinion.

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

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

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

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

## **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2022 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 Yu Cheng-Chuan.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 23, 2023

#### Notice to Readers

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

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

# WOWPRIME CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022		2021	
ASSETS	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	\$ 2,353,985	17	\$ 1,970,419	14
Financial assets at amortized cost - current (Notes 7 and 35)	1,747,995	13	1,295,115	10
Notes receivable (Notes 8 and 25)	3,098	-	972	-
Trade receivables (Notes 8 and 25)	449,830	3	428,331	3
Inventories (Note 9)	2,387,796	17	1,848,398	14
Prepayments (Note 16)	318,372	2	653,759	5
Other financial assets - current (Notes 17 and 35)	39,643	-	30,584	-
Other current assets (Notes 18 and 27)	26,532	-	50,786	-
Total current assets	7,327,251	52	6,278,364	46
NON-CURRENT ASSETS				
Investments accounted for using the equity method (Note 11)	81,904	1	84,547	1
Property, plant and equipment (Note 12)	2,033,944	14	2,040,155	15
Right-of-use assets (Note 13)	3,432,184	24	3,804,141	28
Investment properties (Notes 14 and 35)	635,209	5	640,749	5
Other intangible assets (Note 15)	40,758	-	30,839	-
Deferred tax assets (Notes 4 and 27)	121,271	1	161,777	1
Prepaid equipment	43,848	-	32,337	1
Other non-current assets (Note 18)	414,723	3	437,114	3
Total non-current assets	6,803,841	48	7,231,659	54
TOTAL	\$ 14,131,092	100	\$ 13,510,023	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 19 and 35)	\$ 776,041	6	\$ 538,920	4
Contract liabilities - current (Note 25)	3,284,111	23	3,060,002	23
Notes payable (Note 20)	175,866	1	55,975	-
Trade payables (Note 20)	644,717	5	701,489	5
Other payables (Notes 21 and 34)	1,566,410	11	1,397,013	10
Current tax liabilities (Notes 4 and 27)	198,103	1	76,711	1
Lease liabilities - current (Note 13)	1,112,710	8	1,303,690	10
Other current liabilities (Note 21)	21,363	-	21,523	-
Total current liabilities	7,779,321	55	7,155,323	53
NON-CURRENT LIABILITIES				
Provisions - non-current (Note 22)	134,903	1	117,470	1
Deferred tax liabilities (Notes 4 and 27)	2,468	-	78,116	-
Lease liabilities - non-current (Note 13)	2,423,183	17	2,589,639	19
Net defined benefit liabilities - non-current (Note 23)	61,251	1	99,472	1
Guarantee deposits received	137,741	1	96,079	1
Total non-current liabilities	2,759,546	20	2,980,776	22
Total liabilities	10,538,867	75	10,136,099	75
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 24)				
Ordinary shares	769,879	5	769,879	6
Capital surplus	1,789,924	13	1,791,541	13
Retained earnings				
Legal reserve	568,290	4	669,833	5
Special reserve	114,717	1	114,717	1
Unappropriated earnings (accumulated deficit)	392,985	3	(101,543)	(1)
Total retained earnings	1,075,992	8	683,007	5
Other equity	(105,230)	(1)	(127,228)	(1)
Treasury shares	(352,801)	(3)	(285,813)	(2)
Total equity attributable to owners of the Company	3,177,764	22	2,831,386	21
NON-CONTROLLING INTERESTS (Notes 24 and 29)	414,461	3	542,538	4
Total equity	3,592,225	25	3,373,924	25
TOTAL	\$ 14,131,092	100	\$ 13,510,023	100

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

# WOWPRIME CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Note 25)	\$ 18,321,041	100	\$ 17,196,937	100
OPERATING COSTS (Notes 9 and 26)	<u>(10,383,113)</u>	<u>(56)</u>	<u>(9,882,738)</u>	<u>(57)</u>
GROSS PROFIT	<u>7,937,928</u>	<u>44</u>	<u>7,314,199</u>	<u>43</u>
OPERATING EXPENSES (Note 26)				
Selling and marketing expenses	(6,459,644)	(35)	(6,363,864)	(37)
General and administrative expenses	(986,014)	(6)	(951,427)	(6)
Research and development expenses	<u>(21,603)</u>	<u>-</u>	<u>(19,835)</u>	<u>-</u>
Total operating expenses	<u>(7,467,261)</u>	<u>(41)</u>	<u>(7,335,126)</u>	<u>(43)</u>
PROFIT (LOSS) FROM OPERATIONS	<u>470,667</u>	<u>3</u>	<u>(20,927)</u>	<u>-</u>
NON-OPERATING INCOME AND EXPENSES (Note 26)				
Interest income	22,648	-	20,678	-
Other income	121,113	1	352,101	2
Other gains and losses	(92,674)	(1)	(433,374)	(3)
Finance costs	(153,674)	(1)	(176,587)	(1)
Share of loss of profit or associates and joint ventures	<u>1,698</u>	<u>-</u>	<u>(281)</u>	<u>-</u>
Total non-operating income and expenses	<u>(100,889)</u>	<u>(1)</u>	<u>(237,463)</u>	<u>(2)</u>
PROFIT (LOSS) BEFORE INCOME TAX	369,778	2	(258,390)	(2)
INCOME TAX (EXPENSE) BENEFIT (Note 27)	<u>(111,476)</u>	<u>-</u>	<u>86,529</u>	<u>1</u>
NET PROFIT (LOSS) FOR THE YEAR	<u>258,302</u>	<u>2</u>	<u>(171,861)</u>	<u>(1)</u>

(Continued)



# WOWPRIME CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	2022		2021	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 23)	\$ 21,819	-	\$ 5,186	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 27)	(4,364)	-	(1,037)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	37,816	-	(21,577)	-
Share of other comprehensive income or loss of associates and joint ventures recognized by the equity method	651	-	-	-
Income tax relating to items that may be reclassified subsequently to profit or loss (Note 27)	(7,693)	-	4,315	-
Other comprehensive income (loss) for the year, net of income tax	48,229	-	(13,113)	-
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	<u>\$ 306,531</u>	<u>2</u>	<u>\$ (184,974)</u>	<u>(1)</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 386,567	2	\$ (104,703)	(1)
Non-controlling interests	(128,265)	(1)	(67,158)	-
	<u>\$ 258,302</u>	<u>1</u>	<u>\$ (171,861)</u>	<u>(1)</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 426,020	2	\$ (113,065)	(1)
Non-controlling interests	(119,489)	-	(71,909)	-
	<u>\$ 306,531</u>	<u>2</u>	<u>\$ (184,974)</u>	<u>(1)</u>
EARNINGS (LOSS) PER SHARE (Note 28)				
Basic	<u>\$ 5.15</u>		<u>\$ (1.40)</u>	
Diluted	<u>\$ 5.15</u>		<u>\$ (1.40)</u>	

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

(Concluded)

WOWPRIME CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
(In Thousands of New Taiwan Dollars)

	Equity Attributable Owners of the Company										
	Share Capital			Retained Earnings				Other Equity			
	Shares (In Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings (Accumulated Deficits)	Statements of Financial Operations	Treasury Shares (Note 24)	Total	Non-controlling Interests (Note 24)	Total Equity
BALANCE AT JANUARY 1, 2021	76,988	\$ 769,879	\$ 1,797,170	\$ 636,647	\$ 143,141	\$ 331,855	\$ (114,717)	\$ (79,858)	\$ 3,484,117	\$ 613,395	\$ 4,097,512
Appropriation of 2020 earnings	-	-	-	33,186	-	(33,186)	-	-	-	-	-
Legal reserve	-	-	-	-	(28,424)	28,424	-	-	-	-	-
Special reserve	-	-	-	-	-	(327,093)	-	-	(327,093)	-	(327,093)
Cash dividends distributed by the Company	-	-	-	-	-	-	-	-	-	-	-
Net loss for the year ended December 31, 2021	-	-	-	-	-	(104,703)	-	-	(104,703)	(67,158)	(171,861)
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	4,149	(12,511)	-	(8,362)	(4,751)	(13,113)
Total comprehensive loss for the year ended December 31, 2021	-	-	-	-	-	(100,554)	(12,511)	-	(113,065)	(71,909)	(184,974)
Treasury share transactions	-	-	(10,442)	-	-	(989)	-	(205,955)	(217,386)	-	(217,386)
Share-based payment	-	-	4,813	-	-	-	-	-	4,813	1,052	5,865
BALANCE AT DECEMBER 31, 2021	76,988	769,879	1,791,541	669,833	114,717	(101,543)	(127,228)	(285,813)	2,831,386	542,538	3,373,924
Appropriation of 2021 earnings	-	-	-	(101,543)	-	101,543	-	-	-	-	-
Legal reserve	-	-	-	-	-	386,567	-	-	386,567	(128,265)	258,302
Net profit (loss) for the year ended December 31, 2022	-	-	-	-	-	17,455	21,998	-	39,453	8,776	48,229
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	404,022	21,998	-	426,020	(119,489)	306,531
Treasury share transactions	-	-	(785)	-	-	(6,883)	-	(66,988)	(74,656)	-	(74,656)
Differences between the equity purchase price and the carrying amount arising from the actual acquisition or disposal of subsidiaries (Note 29)	-	-	(1,478)	-	-	-	-	-	(1,478)	(13,559)	(15,037)
Changes in percentage of ownership interests in subsidiaries (Note 29)	-	-	(139)	-	-	(4,154)	-	-	(4,293)	4,293	-
Share-based payment	-	-	785	-	-	-	-	-	785	87	872
Non-controlling interests	-	-	-	-	-	-	-	-	-	591	591
BALANCE AT DECEMBER 31, 2022	76,988	\$ 769,879	\$ 1,789,924	\$ 568,290	\$ 114,717	\$ 392,985	\$ (105,230)	\$ (352,801)	\$ 3,177,764	\$ 414,461	\$ 3,592,225

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

# WOWPRIME CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income (loss) before income tax	\$ 369,778	\$ (258,390)
Adjustments for:		
Depreciation expenses	2,133,957	2,157,842
Amortization expenses	13,358	14,665
Finance costs	153,674	176,587
Interest income	(22,648)	(20,678)
Share-based payment awards	872	5,865
Share of loss (profit) of associates and joint ventures	(1,698)	281
Loss on disposal of other intangible assets	-	3
Loss on disposal of inventories	25,312	-
Loss on disposal of property, plant and equipment	108,472	174,856
Loss on disposal of subsidiaries	2,864	-
Impairment loss recognized on non-financial assets	15,406	115,233
Write-down of inventories	25,225	4,691
(Gain) loss on lease modification	(30,042)	7,272
Changes in operating assets and liabilities		
Notes receivable	(2,126)	3,844
Trade receivables	(21,499)	(164,628)
Inventories	(589,935)	(288,325)
Prepayments	335,387	(261,015)
Other current assets	25,050	(11,166)
Contract liabilities	224,109	492,382
Notes payable	119,891	214
Trade payables	(56,772)	140,296
Other payables	197,988	101,783
Other payables to related parties	(476)	-
Other current liabilities	(160)	3,849
Net defined benefit liabilities	(16,402)	(6,728)
Cash generated from operations	3,009,585	2,388,733
Interest paid	(153,606)	(176,104)
Income tax paid	(36,741)	(12,581)
Net cash generated from operating activities	<u>2,819,238</u>	<u>2,200,048</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of financial assets at amortized cost	(452,880)	-
Disposal of financial assets in amortized cost	-	416,521
Acquisition of long-term equity investments adopting the equity method	-	(10,000)
Payments for property, plant and equipment	(868,955)	(867,756)
Proceeds from disposal of property, plant and equipment	-	88
Decrease in refundable deposits	20,810	24,995
Payments for intangible assets	(22,965)	(4,043)
Payments for right-of-use assets	(36,220)	(44,811)

(Continued)

# WOWPRIME CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
(Increase) decrease in other financial assets	\$ (9,059)	\$ 13,081
Increase in prepayments for equipment	(25,437)	(194,369)
Interest received	<u>21,854</u>	<u>20,650</u>
Net cash used in investing activities	<u>(1,372,852)</u>	<u>(645,644)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	237,121	338,920
Proceeds from guarantee deposits received	41,662	33,268
Repayment of the principal portion of lease liabilities	(1,269,734)	(1,308,607)
Dividends paid to owners of the Company	-	(327,093)
Costs for treasury stock buyback (Note 24)	(102,736)	(339,104)
Treasury shares transferred to employees (Note 24)	28,080	121,718
Acquisition of subsidiaries (Note 29)	(15,037)	-
Changes in non-controlling interests	<u>591</u>	<u>-</u>
Net cash used in financing activities	<u>(1,080,053)</u>	<u>(1,480,898)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>17,233</u>	<u>(11,730)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	383,566	61,776
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>1,970,419</u>	<u>1,908,643</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 2,353,985</u>	<u>\$ 1,970,419</u>

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

(Concluded)

# WOWPRIME CO., LTD. AND SUBSIDIARIES

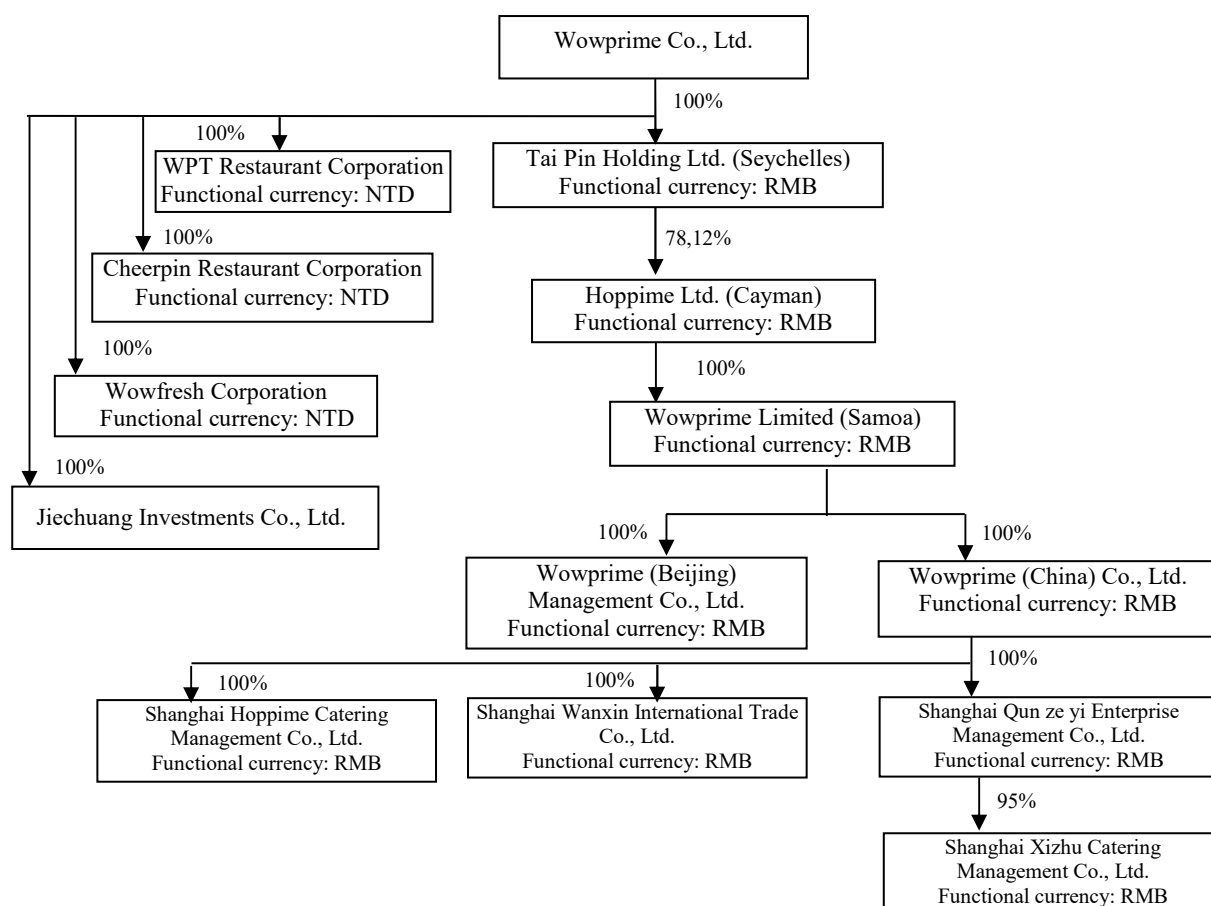
## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

### 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.

#### Investment structure



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

## 2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on March 23, 2023.

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

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

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

- b. The IFRSs endorsed by the FSC for application starting from 2023

<b>New IFRSs</b>	<b>Effective Date Announced by IASB</b>
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 1)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 2)
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023 (Note 3)

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

Note 2: The amendments will be 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 3: Except for deferred taxes that were recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments were applied prospectively to transactions that occur on or after January 1, 2022.

### 1) Amendments to IAS 1 "Disclosure of Accounting Policies"

The amendments specify that the Group should refer to the definition of material to determine its material accounting policy information to be disclosed. Accounting policy information is material if it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments also clarify that:

- Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed;
- The Group may consider the accounting policy information as material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial; and
- Not all accounting policy information relating to material transactions, other events or conditions is itself material.

The amendments also illustrate that accounting policy information is likely to be considered as material to the financial statements if that information relates to material transactions, other events or conditions and:

- a) The Group changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements;
- b) The Group chose the accounting policy from options permitted by the standards;
- c) The accounting policy was developed in accordance with IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” in the absence of an IFRS that specifically applies;
- d) The accounting policy relates to an area for which the Group is required to make significant judgements or assumptions in applying an accounting policy, and the Group discloses those judgements or assumptions; or
- e) The accounting is complex and users of the financial statements would otherwise not understand those material transactions, other events or conditions.

## 2) Amendments to IAS 8 “Definition of Accounting Estimates”

The amendments define that accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty. In applying accounting policies, the Group may be required to measure items at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, the Group uses measurement techniques and inputs to develop accounting estimates to achieve the objective. The effects on an accounting estimate of a change in a measurement technique or a change in an input are changes in accounting estimates unless they result from the correction of prior period errors.

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

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

<b>New IFRSs</b>	<b>Effective Date Announced by IASB (Note 1)</b>
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
Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)
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, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024

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

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Amendments to IAS 1 “Classification of Liabilities as Current or Non-current” (referred to as the “2020 amendments”) and “Non-current Liabilities with Covenants” (referred to as the “2022 amendments”)

The 2020 amendments clarify that for a liability to be classified as non-current, the Group shall assess whether it has the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. If such rights are in existence at the end of the reporting period, the liability is classified as non-current regardless of whether the Group will exercise that right.

The 2020 amendments also stipulate that, if the right to defer settlement is subject to compliance with specified conditions, the Group must comply with those conditions at the end of the reporting period even if the lender does not test compliance until a later date. The 2022 amendments further clarify that only covenants with which an entity is required to comply on or before the reporting date should affect the classification of a liability as current or non-current. Although the covenants to be complied with within twelve months after the reporting period do not affect the classification of a liability, the Group shall disclose information that enables users of financial statements to understand the risk of the Group that may have difficulty complying with the covenants and repay its liabilities within twelve months after the reporting period.

The 2020 amendments stipulate that, for the purpose of liability classification, the aforementioned settlement refers to a transfer of cash, other economic resources or the Group’s own equity instruments to the counterparty that results in the extinguishment of the liability. However, if the terms of a liability that could, at the option of the counterparty, result in its settlement by a transfer of the Group’s own equity instruments, and if such option is recognized separately as equity in accordance with IAS 32 “Financial Instruments: Presentation”, the aforementioned terms would not affect the classification of the liability.

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

#### **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a. Statement of compliance**

The consolidated financial statements have been prepared in accordance with and IFRSs as endorsed and issued into effect by the FSC.

**b. Basis of preparation**

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

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

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and
- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.



Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and
- 3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

d. Basis of consolidation

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

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

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

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

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

See Note 10, Tables 6 and 7 for detailed information on subsidiaries (including percentages of ownership and main businesses).

e. Foreign currencies

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

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

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

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

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

f. Inventories

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

g. Investments in associates

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

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

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

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

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

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

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

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

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

#### h. Property, plant and equipment

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

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

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

#### i. Investment properties

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

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

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

j. Intangible assets

1) Intangible assets acquired separately

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

2) Derecognition of intangible assets

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

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

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

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

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

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

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

l. Financial instruments

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

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

## 1) Financial assets

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

### a) Measurement categories

Financial assets are classified as financial assets at amortized cost.

#### Financial assets at amortized cost

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

- i. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

- i. Significant financial difficulty of the issuer or the borrower;
- ii. Breach of contract, such as a default;
- iii. It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or
- iv. The disappearance of an active market for that financial asset because of financial difficulties.

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

b) Impairment of financial assets and contract assets

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

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

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

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

- i. Internal or external information show that the debtor is unlikely to pay its creditors.
- ii. Financial asset is more than 90 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

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

c) Derecognition of financial assets

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

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

2) Financial liabilities

a) Subsequent measurement

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

b) Derecognition of financial liabilities

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

m. Provisions

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

n. Revenue recognition

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

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

o. Leasing

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

1) The Group as lessor

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

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

2) The Group as lessee

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

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

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

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

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

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

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

p. Government grants

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

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

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

q. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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



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

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

r. Share-based payment arrangements

Employee share options granted to employees

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

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

s. Taxation

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

1) Current tax

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

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

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

2) Deferred tax

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

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

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

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

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

### 3) Current and deferred tax for the year

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

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

## 5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

### Key Sources of Estimation Uncertainty

#### Impairment of inventories

Impairment of Inventories is evaluated based on the recoverable amount of the assets, which is the higher of its fair value less costs of disposal and its value in use. Any changes in the market prices, future cash flows or discount rates will affect the recoverable amount of the assets and may lead to the recognition of additional impairment losses or the reversal of impairment losses.

## 6. CASH AND CASH EQUIVALENTS

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Cash on hand	\$ 82,108	\$ 112,038
Checking accounts and demand deposits	2,103,491	1,740,572
Cash equivalents		
Time deposits	<u>168,386</u>	<u>117,809</u>
	<u>\$ 2,353,985</u>	<u>\$ 1,970,419</u>

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

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Time deposits	2.025%-2.1%	1.35%-2.10%

## 7. FINANCIAL ASSETS AT AMORTIZED COST

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Current</u>		
Time deposits with original maturities of more than 3 months	<u>\$ 1,747,995</u>	<u>\$ 1,295,115</u>

- a. The ranges of interest rates for time deposits with original maturities of more than 3 months were approximately 0.415% to 4.73% and 0.07% to 3.05% per annum as of December 31, 2022 and 2021, respectively.
- b. Financial assets measured at amortized cost pledged as collateral for bank borrowings are set out in Note 35.

## 8. NOTES RECEIVABLE AND TRADE RECEIVABLES

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Notes receivable</u>		
At amortized cost		
Gross carrying amount	\$ 3,098	\$ 972
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>
	<u>\$ 3,098</u>	<u>\$ 972</u>

(Continued)

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Trade receivables</u>		
At amortized cost		
Gross carrying amount	\$ 449,830	\$ 428,331
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>
	<u>\$ 449,830</u>	<u>\$ 428,331</u>
		(Concluded)

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

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

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

December 31, 2022

	<b>Not Past Due</b>	<b>1 to 30 Days</b>	<b>31 to 60 Days</b>	<b>61 to 90 Days</b>	<b>Over 90 Days</b>	<b>Total</b>
Expected credit loss rate	-	-	-	-	-	-
Gross carrying amount	\$ 438,081	\$ 13,701	\$ 665	\$ 114	\$ 367	\$ 452,928
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 438,081</u>	<u>\$ 13,701</u>	<u>\$ 665</u>	<u>\$ 114</u>	<u>\$ 367</u>	<u>\$ 452,928</u>

December 31, 2021

	<b>Not Past Due</b>	<b>1 to 30 Days</b>	<b>31 to 60 Days</b>	<b>61 to 90 Days</b>	<b>Over 90 Days</b>	<b>Total</b>
Expected credit loss rate	-	-	-	-	-	-
Gross carrying amount	\$ 357,840	\$ 54,743	\$ 14,051	\$ 2,496	\$ 173	\$ 429,303
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 357,840</u>	<u>\$ 54,743</u>	<u>\$ 14,051</u>	<u>\$ 2,496</u>	<u>\$ 173</u>	<u>\$ 429,303</u>

## 9. INVENTORIES

	December 31	
	2022	2021
Raw materials	\$ 2,299,582	\$ 1,735,490
Finished goods	3,322	252
Inventory in transit	<u>84,892</u>	<u>112,656</u>
	<u>\$ 2,387,796</u>	<u>\$ 1,848,398</u>

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

	For the Year Ended December 31	
	2022	2021
Cost of inventories sold	\$ 10,332,576	\$ 9,878,047
Inventory write-downs	25,225	4,691
Scrapping and write- off of inventories (a)	<u>25,312</u>	<u>-</u>
	<u>\$ 10,383,113</u>	<u>\$ 9,882,738</u>

- (a) In March 2022 a fire occurred Wowfresh Corporation 's inventory was stored at the external logistics warehouse, The Group recognized impairment of Inventories \$25,312 thousand in the year ended 2022.

## 10. SUBSIDIARIES

### a. Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	Percentage of Ownership (%)		Remarks
			2022	2021	
Wowprime Co., Ltd.	Tai Pin Holding Ltd.	Investment	100.00	100.00	-
Wowprime Co., Ltd.	WPT Restaurant Corporation	Catering and catering management	100.00	100.00	-
Wowprime Co., Ltd.	Wowprime USA Holding Ltd.	Investment	-	100.00	2), 3)
Wowprime Co., Ltd.	Cheerpin Restaurant Corporation	Catering and catering management	100.00	100.00	-
Wowprime Co., Ltd.	Jiechuang Investment Co., Ltd.	Investment	100.00	100.00	-
Wowprime Co., Ltd.	Wowfresh Corporation	Fresh food trading	100.00	100.00	-
Tai Pin Holding Ltd.	Hoppime Ltd.	Investment	78.12	76.20	1)
Hoppime Ltd.	Wowprime Limited (Samoa)	Investment	100.00	100.00	-
Wowprime Limited (Samoa)	Wowprime (China) Co., Ltd.	Catering and catering management	100.00	100.00	-
Wowprime Limited (Samoa)	Wowprime (Beijing) Management Co., Ltd.	Catering and catering management	100.00	100.00	-
Wowprime (China) Co., Ltd.	Shanghai Qun ze yi Enterprise Management Co., Ltd.	Management consulting	100.00	100.00	-
Wowprime (China) Co., Ltd.	Shanghai Wanxin International Trade Co., Ltd.	Fresh food trading	100.00	100.00	-
Wowprime (China) Co., Ltd.	Shanghai Hoppime Catering Management Co., Ltd.	Catering and catering management	100.00	100.00	-
Shanghai Qun ze yi Enterprise Management Co., Ltd.	Shanghai Xizhu Catering Management Co., Ltd.	Catering and catering management	95.00	95.00	-

- Hoppime Ltd. is a subsidiary with material non-controlling interests.
- The financial statements have not been reviewed by an auditor. Management believes that auditors of the financial statements of Wowprime USA Holding Ltd. would not result in a significant impact on the Group's consolidated financial statements.
- Considerate of operating the Group resolved to dispose of Wowprime USA Holding Ltd., the liquidation was completed and the certificate of cancellation was obtained on March 9, 2022.

### b. Subsidiaries excluded from the consolidated financial statements: None

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

Name of Subsidiary	Proportion of Ownership and Voting Rights Held by Non-controlling Interests	
	December 31	
	2022	2021
Hoppime Ltd.	21.88%	23.80%

See Tables 6 and 7 for information on the place of incorporation and principal place of business.

Name of Subsidiary	Profit Allocated to Non-controlling Interests For the Year Ended December 31		Accumulated Non-controlling Interests December 31	
	2022	2021	2022	2021
Hoppime Ltd. (excluding non-controlling interests of subsidiaries)	\$ (127,606)	\$ (66,938)	\$ 414,273	\$ 541,706

The summarized financial information below represents amounts before intragroup eliminations.

Hoppime Ltd. and Hoppime Ltd.'s subsidiaries:

	December 31	
	2022	2021
Current assets	\$ 1,463,002	\$ 1,771,880
Non-current assets	2,668,705	3,411,765
Current liabilities	(1,378,634)	(1,746,165)
Non-current liabilities	<u>(859,497)</u>	<u>(1,160,573)</u>
Equity	<u>\$ 1,893,576</u>	<u>\$ 2,276,907</u>
Equity attributable to:		
Owners of Hoppime Ltd.	\$ 1,479,115	\$ 1,734,369
Non-controlling interests of Hoppime Ltd.	414,273	541,706
Non-controlling interest of Hoppime Ltd.'s subsidiaries	<u>188</u>	<u>832</u>
	<u>\$ 1,893,576</u>	<u>\$ 2,276,907</u>

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Revenue	<u>\$ 4,584,401</u>	<u>\$ 6,439,334</u>
Loss for the year	\$ (564,637)	\$ (281,473)
Other comprehensive income (loss) for the year	<u>33,200</u>	<u>(19,947)</u>
Total comprehensive loss for the year	<u>\$ (531,437)</u>	<u>\$ (301,420)</u>
Loss attributable to:		
Owners of Hoppime Ltd.	\$ (436,372)	\$ (214,315)
Non-controlling interests of Hoppime Ltd.	(127,606)	(66,938)
Non-controlling interest of Hoppime Ltd.'s subsidiaries	<u>(659)</u>	<u>(220)</u>
	<u>\$ (564,637)</u>	<u>\$ (281,473)</u>
Total comprehensive loss attributable to:		
Owners of Hoppime Ltd.	\$ (411,948)	\$ (229,511)
Non-controlling interests of Hoppime Ltd.	(118,845)	(71,684)
Non-controlling interest of Hoppime Ltd.'s subsidiaries	<u>(644)</u>	<u>(225)</u>
	<u>\$ (531,437)</u>	<u>\$ (301,420)</u>
Net cash inflow (outflow) from:		
Operating activities	\$ 1,028,554	\$ 790,036
Investing activities	(133,285)	(328,555)
Financing activities	<u>(891,753)</u>	<u>(723,678)</u>
Net cash inflow (outflow)	<u>\$ 3,516</u>	<u>\$ (262,197)</u>

## 11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

### Investments in Associates

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Aggregate information of associates that are not individually material is as follows		
WEI DAO LTD.	\$ 3,657	\$ 9,714
DUDOO LTD. (Cayman)	<u>78,247</u>	<u>74,833</u>
	<u>\$ 81,904</u>	<u>\$ 84,547</u>

a. WEI DAO LTD.

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
The Group's share of:		
Net loss for the year	\$ (1,065)	\$ (286)
Total comprehensive loss for the year	\$ (1,065)	\$ (286)

b. DUDOO LTD. (Cayman)

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
The Group's share of:		
Net profit for the year	\$ 2,763	\$ 5
Total comprehensive income for the year	\$ 2,763	\$ 5

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

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

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

The fair value of the investment accounted for using the equity method, WEI DAO LTD. fair value of the equity appraisal report issued by an expert is lower than its relative carrying amount. The fair value is based on the income approach as the valuation method. After evaluation, the carrying amount of the Group's investment WEI DAO LTD was higher than the fair value by \$4,992 thousand. Impairment of investment accounted for using equity method loss \$4,992 thousand in 2022.

## 12. PROPERTY, PLANT AND EQUIPMENT

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Assets used by the Group	\$ 2,033,944	\$ 2,040,155



## Assets used by the Group

	Freehold Land	Buildings	Utilities and Fire-fighting Equipment	Office Equipment	Dining Equipment	Leasehold Improvements	Other Equipment	Total
<b>Cost</b>								
Balance at January 1, 2022	\$ 122,505	\$ 132,408	\$ 937,272	\$ 195,452	\$ 1,159,336	\$ 2,188,326	\$ 236,123	\$ 4,971,422
Additions	-	-	209,534	21,711	192,399	385,247	49,314	858,205
Reclassifications	-	-	(43)	(29)	1,488	(784)	13,294	13,926
Disposals	-	-	(114,263)	(17,148)	(170,613)	(405,641)	(53,734)	(761,399)
Effects of foreign currency exchange differences	-	-	885	1,150	4,317	9,305	1,682	17,339
Balance at December 31, 2022	<u>\$ 122,505</u>	<u>\$ 132,408</u>	<u>\$ 1,033,385</u>	<u>\$ 201,136</u>	<u>\$ 1,186,927</u>	<u>\$ 2,176,453</u>	<u>\$ 246,679</u>	<u>\$ 5,099,493</u>
<b>Accumulated depreciation and impairment</b>								
Balance at January 1, 2022	\$ -	\$ 50,480	\$ 579,337	\$ 134,123	\$ 772,012	\$ 1,235,379	\$ 159,936	\$ 2,931,267
Depreciation expenses	-	4,108	148,529	24,708	182,515	375,970	32,627	768,457
Disposals	-	-	(102,140)	(15,852)	(148,645)	(352,617)	(33,673)	(652,927)
Impairment losses recognized	-	-	-	-	4	10,808	-	10,812
Effects of foreign currency exchange differences	-	-	168	926	2,574	3,201	1,071	7,940
Balance at December 31, 2022	<u>\$ -</u>	<u>\$ 54,588</u>	<u>\$ 625,894</u>	<u>\$ 143,905</u>	<u>\$ 808,460</u>	<u>\$ 1,272,741</u>	<u>\$ 159,961</u>	<u>\$ 3,065,549</u>
Carrying amounts at December 31, 2022	<u>\$ 122,505</u>	<u>\$ 77,820</u>	<u>\$ 407,491</u>	<u>\$ 57,231</u>	<u>\$ 378,467</u>	<u>\$ 903,712</u>	<u>\$ 86,718</u>	<u>\$ 2,033,944</u>
<b>Cost</b>								
Balance at January 1, 2021	\$ 95,925	\$ 88,188	\$ 972,898	\$ 185,344	\$ 1,174,380	\$ 2,366,843	\$ 227,217	\$ 5,110,795
Additions	26,580	44,220	154,895	31,817	182,901	308,161	29,182	777,756
Reclassifications	-	-	22,774	-	31,224	241,096	24,616	319,710
Disposals	-	-	(212,521)	(21,127)	(226,862)	(721,910)	(44,035)	(1,226,455)
Effects of foreign currency exchange differences	-	-	(774)	(582)	(2,307)	(5,864)	(857)	(10,384)
Balance at December 31, 2021	<u>\$ 122,505</u>	<u>\$ 132,408</u>	<u>\$ 937,272</u>	<u>\$ 195,452</u>	<u>\$ 1,159,336</u>	<u>\$ 2,188,326</u>	<u>\$ 236,123</u>	<u>\$ 4,971,422</u>
<b>Accumulated depreciation and impairment</b>								
Balance at January 1, 2021	\$ -	\$ 46,371	\$ 620,706	\$ 129,631	\$ 790,309	\$ 1,433,922	\$ 167,568	\$ 3,188,507
Depreciation expenses	-	4,109	142,846	23,503	169,575	368,124	33,980	742,137
Disposals	-	-	(189,072)	(19,234)	(197,254)	(603,665)	(42,286)	(1,051,511)
Impairment losses recognized	-	-	5,239	721	10,958	40,108	1,293	58,319
Effects of foreign currency exchange differences	-	-	(382)	(498)	(1,576)	(3,110)	(619)	(6,185)
Balance at December 31, 2021	<u>\$ -</u>	<u>\$ 50,480</u>	<u>\$ 579,337</u>	<u>\$ 134,123</u>	<u>\$ 772,012</u>	<u>\$ 1,235,379</u>	<u>\$ 159,936</u>	<u>\$ 2,931,267</u>
Carrying amounts at December 31, 2021	<u>\$ 122,505</u>	<u>\$ 81,928</u>	<u>\$ 357,935</u>	<u>\$ 61,329</u>	<u>\$ 387,324</u>	<u>\$ 952,947</u>	<u>\$ 76,187</u>	<u>\$ 2,040,155</u>

The Group estimated that future cash flows from utilities and fire-fighting equipment, office equipment and dining equipment, leasehold improvement and other equipment of some business locations had decreased, as a result, the book value was higher than the recoverable amount; therefore, it recognized an impairment loss of \$10,812 thousand and \$58,319 thousand in 2022 and 2021. The impairment loss was stated under other profits and losses in the consolidated statements of comprehensive income.

The Group adopted value-in-use as recoverable amount of these utilities and fire-fighting equipment, office equipment and dining equipment, leasehold improvement and other equipment, the discount rates were 4.45% and 0.765-4.75%, respectively, in the years ended December 31, 2022 and 2021.

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	20-33 years
Renovation	2-6 years
Utilities and fire-fighting equipment	1-6 years
Office equipment	1-6 years
Dining equipment	1-6 years
Leasehold improvement	1-6 years
Other equipment	1-6 years

### 13. LEASE ARRANGEMENTS

#### a. Right-of-use assets

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Carrying amounts</u>		
Buildings	<u>\$ 3,432,184</u>	<u>\$ 3,804,141</u>
	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Additions to right-of-use assets	<u>\$ 1,315,802</u>	<u>\$ 1,760,650</u>
Disposals of right-of-use assets	<u>\$ 369,331</u>	<u>\$ 424,207</u>
Depreciation charge for right-of-use assets		
Buildings	<u>\$ 1,348,486</u>	<u>\$ 1,397,609</u>

Except for the above additions and recognized depreciation, the Group did not have significant sublease of right-of-use assets during the year ended December 31, 2022 and 2021. The Group expects that some right-of-use assets have no value in use, and recognized impairment loss of \$2,129 thousand for the year ended December 31, 2021. This impairment loss is included in other gains and losses in the consolidated statement of comprehensive income for the year ended December 31, 2021.

#### b. Lease liabilities

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Carrying amounts</u>		
Current	<u>\$ 1,112,710</u>	<u>\$ 1,303,690</u>
Non-current	<u>\$ 2,423,183</u>	<u>\$ 2,589,639</u>

Range of discount rate for lease liabilities was as follows:

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Buildings	0.765%-4.45%	0.765%-4.75%

#### c. Material lease-in activities and terms

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

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

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

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

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

Because of the market conditions severely affected by COVID-19 in 2022 and 2021, the Group negotiated with the lessor for rent concessions for lease subject. The lessor agreed to provide rent reduction based on the results of the negotiation. When the reduction of lease payment occurs, the right-of-use assets and lease liabilities shall be reduced by \$1,317 thousand and \$26,692 thousand, respectively.

d. Other lease information

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Expenses relating to variable lease payments and short-term leases not included in the measurement of lease liabilities	<u>\$ 432,152</u>	<u>\$ 373,857</u>
Total cash outflow for leases	<u>\$ (1,875,679)</u>	<u>\$ (1,895,934)</u>

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

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

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Lease commitments	<u>\$ 37,417</u>	<u>\$ 105,881</u>

#### 14. INVESTMENT PROPERTIES

	<b>Buildings</b>
<u>Cost</u>	
Balance at January 1, 2022	\$ 760,497
Effects of foreign currency exchange differences	<u>11,204</u>
Balance at December 31, 2022	<u>\$ 771,701</u>
<u>Accumulated depreciation and impairment</u>	
Balance at January 1, 2022	\$ 119,748
Depreciation expenses	17,014
Reversal of impairment loss	(1,979)
Effects of foreign currency exchange differences	<u>1,709</u>
Balance at December 31, 2022	<u>\$ 136,492</u>
Carrying amounts at December 31, 2022	<u>\$ 635,209</u>
<u>Cost</u>	
Balance at January 1, 2021	\$ 766,274
Effects of foreign currency exchange differences	<u>(5,777)</u>
Balance at December 31, 2021	<u>\$ 760,497</u>
<u>Accumulated depreciation and impairment</u>	
Balance at January 1, 2021	\$ 48,652
Depreciation expenses	18,096
Impairment losses recognized	53,465
Effects of foreign currency exchange differences	<u>(465)</u>
Balance at December 31, 2021	<u>\$ 119,748</u>
Carrying amounts at December 31, 2021	<u>\$ 640,749</u>

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

	<u>December 31</u>	
	<b>2022</b>	<b>2021</b>
Year 1	\$ 12,550	\$ 25,847
Year 2	5,129	13,265
Year 3	<u>-</u>	<u>5,036</u>
	<u>\$ 17,679</u>	<u>\$ 44,148</u>

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

Buildings	42 years
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The determination of fair value was performed by Prudential Cross-strait real estate appraisers Firm. as of December 31, 2022 and 2021. The valuation was based on the cash flow approach and arrived at by reference to market evidence of transaction prices for similar properties. The significant unobservable inputs used include discount rates and rental growth rate. The fair value as appraised was as follows:

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Fair value	<u>\$ 635,209</u>	<u>\$ 640,749</u>

The Group expects that the future cash inflow of the investment properties used for leasing in the China area will decrease, resulting in the recoverable amount lower than the carrying amount. The review led to recognized a reversal of impairment as 1,979 thousand and \$53,465 thousand, respectively, which was recognized in consolidated statement of comprehensive income-other gains and losses for the year ended December 31, 2021. The Group adopts the value in use as the recoverable amount of the investment properties, and the discount rate adopted is 3.15% and 3%, respectively.

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

## 15. OTHER INTANGIBLE ASSETS

	<b>Software</b>	<b>Trademarks</b>	<b>Total</b>
<u>Cost</u>			
Balance at January 1, 2022	\$ 89,651	\$ 7,012	\$ 96,663
Additions	22,965	-	22,965
Disposals	(645)	-	(645)
Effect of foreign currency exchange differences	<u>844</u>	<u>-</u>	<u>844</u>
Balance at December 31, 2022	<u>\$ 112,815</u>	<u>\$ 7,012</u>	<u>\$ 119,827</u>
<u>Accumulated amortization</u>			
Balance at January 1, 2022	\$ 62,981	\$ 2,843	\$ 65,824
Amortization expenses	12,891	467	13,358
Disposals	(645)	-	(645)
Effect of foreign currency exchange differences	<u>532</u>	<u>-</u>	<u>532</u>
Balance at December 31, 2022	<u>\$ 75,759</u>	<u>\$ 3,310</u>	<u>\$ 79,069</u>
Carrying amount at December 31, 2022	<u>\$ 37,056</u>	<u>\$ 3,702</u>	<u>\$ 40,758</u>
<u>Cost</u>			
Balance at January 1, 2021	\$ 87,360	\$ 7,012	\$ 94,372
Additions	4,043	-	4,043
Disposals	(1,332)	-	(1,332)
Effect of foreign currency exchange differences	<u>(420)</u>	<u>-</u>	<u>(420)</u>
Balance at December 31, 2021	<u>\$ 89,651</u>	<u>\$ 7,012</u>	<u>\$ 96,663</u>

(Continued)

	Software	Trademarks	Total
<u>Accumulated amortization</u>			
Balance at January 1, 2021	\$ 50,352	\$ 2,375	\$ 52,727
Amortization expenses	14,197	468	14,665
Disposals	(1,329)	-	(1,329)
Effect of foreign currency exchange differences	<u>(239)</u>	<u>-</u>	<u>(239)</u>
Balance at December 31, 2021	<u>\$ 62,981</u>	<u>\$ 2,843</u>	<u>\$ 65,824</u>
Carrying amount at December 31, 2021	<u>\$ 26,670</u>	<u>\$ 4,169</u>	<u>\$ 30,839</u> (Concluded)

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

Software	2-6 years
Trademarks	15 years

<b>For the Year Ended December 31</b>	
<b>2022</b>	<b>2021</b>

An analysis of amortization by function

Operating expenses	<u>\$ 13,358</u>	<u>\$ 14,665</u>
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## 16. PREPAYMENTS

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Current</u>		
Prepaid rent	\$ 28,669	\$ 40,359
Supplies	28,804	50,261
Prepayment for purchases	95,939	136,073
Input tax/offset against business tax payable	92,825	323,004
Others	<u>72,135</u>	<u>104,062</u>
	<u>\$ 318,372</u>	<u>\$ 653,759</u>

## 17. OTHER FINANCIAL ASSETS - CURRENT

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Current</u>		
Trust account	\$ 3,932	\$ 362
Reserve account	<u>35,711</u>	<u>30,222</u>
	<u>\$ 39,643</u>	<u>\$ 30,584</u>

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

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Current</u>		
Trust account	0.385%-0.405%	0.01%
Reserve account	0.30%	0.30%

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

## 18. OTHER ASSETS

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Current</u>		
Other receivables	\$ 16,909	\$ 17,904
Tax refund receivable	668	666
Others	<u>8,955</u>	<u>32,216</u>
	<u>\$ 26,532</u>	<u>\$ 50,786</u>
<u>Non-current</u>		
Refundable deposits	<u>\$ 414,723</u>	<u>\$ 437,114</u>

The Group recognized impairment losses of \$1,581 thousand and \$1,320 thousand, respectively, which were recognized in consolidated statements of comprehensive income-other gains and losses for the years ended December 31, 2022 and 2021, For expects that closing the store to early termination of contract, making the deposit non-refundable.

## 19. BORROWINGS

### Short-term Borrowings

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Secured borrowings (Note 35)</u>		
Bank loans (a)	\$ -	\$ 65,160
<u>Unsecured borrowings</u>		
Line of credit borrowings (b)	<u>776,041</u>	<u>473,760</u>
	<u>\$ 776,041</u>	<u>\$ 538,920</u>

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

- b. The range of weighted average effective interest rates on line of credit borrowings was 1.42%-3.65% and 0.92%-3.85% per annum at December 31, 2022 and 2021 respectively.
- c. Refer to Note 35 for information relating to assets pledged to secure bank borrowings.

## 20. NOTES PAYABLE AND TRADE PAYABLES

	December 31	
	2022	2021
<u>Notes payable</u>		
Operating	<u>\$ 175,866</u>	<u>\$ 55,975</u>
<u>Trade payables</u>		
Operating	<u>\$ 644,717</u>	<u>\$ 701,489</u>

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

## 21. OTHER LIABILITIES

	December 31	
	2022	2021
<u>Current</u>		
Other payables		
Payables for purchase of equipment	\$ 173,305	\$ 201,488
Payables for salaries and bonus	699,126	559,137
Payables for rent	45,592	52,300
Payables for retirement benefit	28,472	28,575
Payables for insurance	76,240	74,596
Payables for annual leave	46,286	33,544
Payables for tax expense	62,752	43,230
Others	<u>434,203</u>	<u>403,233</u>
	1,565,976	1,396,103
Other payables to related parties	<u>434</u>	<u>910</u>
	<u>\$ 1,566,410</u>	<u>\$ 1,397,013</u>
Other liabilities		
Temporary receipts/receipts under custody	\$ 17,538	\$ 17,751
Others	<u>3,825</u>	<u>3,772</u>
	<u>\$ 21,363</u>	<u>\$ 21,523</u>



## 22. PROVISIONS

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Non-current</u>		
Decommissioning liabilities	<u>\$ 134,903</u>	<u>\$ 117,470</u>
		<b>Decommissioning Liabilities</b>
Balance at January 1, 2022		\$ 117,470
Additional provisions recognized		27,254
Disposals		(10,502)
Effect of foreign currency exchange differences		<u>681</u>
Balance at December 31, 2022		<u>\$ 134,903</u>
Balance at January 1, 2021		\$ 93,572
Additional provisions recognized		40,956
Disposals		(16,860)
Effect of foreign currency exchange differences		<u>(198)</u>
Balance at December 31, 2021		<u>\$ 117,470</u>

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

## 23. RETIREMENT BENEFIT PLANS

### a. Defined contribution plans

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

Pension costs under defined contribution plans were as follows:

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Operating costs	\$ 52,148	\$ 49,165
Selling and marketing expenses	104,072	107,369
General and administrative expenses	<u>18,018</u>	<u>14,455</u>
	<u>\$ 174,238</u>	<u>\$ 170,989</u>

b. Defined benefit plans

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

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

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Present value of defined benefit obligation	\$ 112,156	\$ 143,595
Fair value of plan assets	<u>(50,905)</u>	<u>(44,123)</u>
Net defined benefit liabilities	<u>\$ 61,251</u>	<u>\$ 99,472</u>

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

	<b>Present Value of the Defined Benefit Obligation</b>	<b>Fair Value of the Plan Assets</b>	<b>Net Defined Benefit Liabilities</b>
Balance at January 1, 2022	<u>\$ 143,595</u>	<u>\$ (44,123)</u>	<u>\$ 99,472</u>
Service cost			
Current service cost	46	-	46
Net interest expense (income)	<u>1,077</u>	<u>(335)</u>	<u>742</u>
Recognized in profit or loss	<u>1,123</u>	<u>(335)</u>	<u>788</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(3,421)	(3,421)
Actuarial loss (gain)			
Changes in financial assumptions	(11,220)	-	(11,220)
Experience adjustments	<u>(7,178)</u>	<u>-</u>	<u>(7,178)</u>
Recognized in other comprehensive income	<u>(18,398)</u>	<u>(3,421)</u>	<u>(21,819)</u>
Contributions from the employer	-	(14,827)	(14,827)
Benefits paid	(11,801)	11,801	-
Others	<u>(2,363)</u>	<u>-</u>	<u>(2,363)</u>
Balance at December 31, 2022	<u>\$ 112,156</u>	<u>\$ (50,905)</u>	<u>\$ 61,251</u>

(Continued)

	<b>Present Value of the Defined Benefit Obligation</b>	<b>Fair Value of the Plan Assets</b>	<b>Net Defined Benefit Liabilities</b>
Balance at January 1, 2021	<u>\$ 151,022</u>	<u>\$ (39,636)</u>	<u>\$ 111,386</u>
Service cost			
Current service cost	45	-	45
Net interest expense (income)	<u>755</u>	<u>(201)</u>	<u>554</u>
Recognized in profit or loss	<u>800</u>	<u>(201)</u>	<u>599</u>
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	<u>(3,420)</u>	<u>-</u>	<u>(3,420)</u>
Recognized in other comprehensive income	<u>(4,663)</u>	<u>(523)</u>	<u>(5,186)</u>
Contributions from the employer	-	(7,327)	(7,327)
Benefits paid	<u>(3,564)</u>	<u>3,564</u>	<u>-</u>
Balance at December 31, 2021	<u>\$ 143,595</u>	<u>\$ (44,123)</u>	<u>\$ 99,472</u> (Concluded)

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

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
General and administrative expenses	<u>\$ 788</u>	<u>\$ 599</u>

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

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the corporate bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

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

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Discount rates	1.50%	0.75%
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:

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Discount rates		
0.25% increase	<u>\$ (3,418)</u>	<u>\$ (4,808)</u>
0.25% decrease	<u>\$ 3,573</u>	<u>\$ 5,039</u>
Expected rates of salary increase		
0.25% increase	<u>\$ 3,490</u>	<u>\$ 4,891</u>
0.25% decrease	<u>\$ (3,355)</u>	<u>\$ (4,693)</u>

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.

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Expected contributions to the plan for the next year	<u>\$ 1,028</u>	<u>\$ 1,028</u>
Average duration of the defined benefit obligation	12.4 years	13.6 years

c. Others

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

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

Pension contributions classified by function were as follows:

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Operating costs	\$ 34,731	\$ 38,734
Selling and marketing expenses	15,246	16,600
General and administrative expenses	<u>24,019</u>	<u>26,009</u>
	<u>\$ 73,996</u>	<u>\$ 81,343</u>

## 24. EQUITY

### a. Share capital

#### Ordinary shares

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Number of shares authorized (in thousands)	<u>100,000</u>	<u>100,000</u>
Shares authorized	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>76,988</u>	<u>76,988</u>
Shares issued	<u>\$ 769,879</u>	<u>\$ 769,879</u>

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

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)		
Issuance of ordinary shares premium	\$ 1,785,075	\$ 1,785,075
Differences between the equity purchase price and the carrying amount arising from the actual acquisition or disposal of subsidiaries	4,849	6,327
<u>May only be used to offset a deficit</u>		
Changes in percentage of ownership interests in subsidiaries (2)	<u>-</u>	<u>139</u>
	<u>\$ 1,789,924</u>	<u>\$ 1,791,541</u>

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

The shareholders of the Company held their regular meeting on June 28, 2022 and in that meeting, resolved the amendments to the Company's Articles of Incorporation (the "Articles"). The amendments explicitly stipulate that the board of directors is authorized to adopt a special resolution to distribute dividends and bonuses in cash and a report of such distribution should be submitted in the shareholders' meeting.

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 when issued new shares. The Company setting aside a reserve bonuses or the legal reserve and the whole or part of capital surplus, In the case of cash disbursement, the board of directors is authorized to report to the shareholders' meeting with the presence of at least two-thirds of the directors and the approval of a majority of the directors present. For the policies on the distribution of compensation of employees and remuneration to directors and supervisors before and after the amendment, refer to employee benefits expense in Note 26-h.

The Company resolved to amend the Articles of incorporation by shareholder's meeting on June 28, 2022, when a special reserve is expressly provided for the net decrease in other equity accumulated in prior years, If the undistributed retained earnings shall of the previous period are not sufficient to provide, the amount of unappropriated earnings for the period is calculated by adding the amount of unappropriated earnings for the period. The amount of undistributed earnings for the period is presented. Before the amendment of the Articles of Incorporation, the Company will recognize undistributed earnings from prior periods.

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. 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 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 2021 that had been approved in the shareholders' meeting on June 28, 2022, were as follows:

	<b>For the Year Ended December 31, 2021</b>
Legal reserve offset deficits	<u>\$ 101,543</u>

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

	<b>For the Year Ended December 31, 2020</b>
Legal reserve	\$ 33,186
Special reserve	(28,424)
Cash dividends	327,093
Cash dividends per share (NT\$)	4.36

The appropriations of earnings for 2022 that had been proposed in the board of directors' meeting on March 23, 2023, were as follows:

	<b>For the Year Ended December 31, 2022</b>
Legal reserve	\$ 39,298
Special reserve	(9,487)
Cash dividends	363,174
Cash dividends per share (NT\$)	3.87
Stock dividends per share (NT\$)	1

The above cash dividends have been resolved by the board of directors, the rest is subject to the resolution in the shareholders' meeting on June 15, 2023.

d. Special reserve

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Balance at January 1	\$ 114,717	\$ 143,141
Reversals		
Reversal of the debits to other items	<u>-</u>	<u>(28,424)</u>
Balance at December 31	<u>\$ 114,717</u>	<u>\$ 114,717</u>

e. Other equity items

Exchange differences on translating the financial statements of foreign operations

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Balance at January 1	\$ (127,228)	\$ (114,717)
Recognized for the year		
Exchange differences on translating the financial statements of foreign operations	24,036	(15,638)
Related income tax	(4,807)	3,127
Share of associated by using the equity method	651	-
Related income tax	(130)	-
Reclassification		
Disposal of foreign operators	2,810	-
Related income tax	<u>(562)</u>	<u>-</u>
Balance at December 31	<u>\$ (105,230)</u>	<u>\$ (127,228)</u>

f. Non-controlling interests

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Balance at January 1	\$ 542,538	\$ 613,395
Attributable to non-controlling interests:	(128,265)	(67,158)
Share of profit for the year		
Exchange differences on translating the financial statements of foreign operations	10,970	(5,939)
Related income tax	(2,194)	1,188
Acquisition of non-controlling interests in Hoppime Ltd. (Note 29)	(13,559)	-
Acquisition of non-controlling interests in new shares of Hoppime Ltd. at a percentage different from its existing ownership percentage (Note 29)	4,884	-
Increase in non-controlling interests	<u>87</u>	<u>1,052</u>
Balance at December 31	<u>\$ 414,461</u>	<u>\$ 542,538</u>

g. Treasury shares

<b>Purpose of Buy-back</b>	<b>Shares Transferred to Employees (In Thousands of Shares)</b>
Number of shares at January 1, 2022	1,727
Increase during the year	848
Exercise of employee share options	<u>(216)</u>
Number of shares at December 31, 2022	<u>2,359</u>



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

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 five 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 Group board of directors decided to transfer 3,723 thousand treasury shares to its employee, at the transfer price of \$80.51 per treasury share on March 7, 2019, The Company had recognized compensation costs of \$1,444 thousand on the grant date in 2021.

The Group'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 Group'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, the repurchase cost of treasury shares is \$53,291 thousand, and the employee stock subscription base date is September 10, 2021. The Group had recognized compensation costs of \$4,421 thousand on the grant date in 2021.

The Group's board of directors decided to transfer 216 thousand treasury shares to its employees at the transfer price of \$130 per treasury share on March 8, 2022. The Company had recognized compensation costs of \$872 thousand on the grant date in 2022.

The Group transferred 216 thousand and 992 thousand treasury shares to employees for proceeds of \$28,080 thousand and \$79,866 thousand on May 30, 2022 and May 21, 2021, respectively.

The Group's board of directors decided to repurchase 1,540 thousand treasury shares to its employees, as of repurchase period was 848 thousand shares, the average price of \$121.15 per treasury share, the total amount was \$102,736 thousand, on June 7, 2022.

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

## 25. REVENUE

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Revenue from contracts with customers		
Revenue from the sale of food and beverages	\$ 17,114,524	\$ 16,311,388
Revenue from the sale of goods	<u>1,206,517</u>	<u>885,549</u>
	<u>\$ 18,321,041</u>	<u>\$ 17,196,937</u>

### a. Contract information

#### 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.

#### Revenue from the sale of goods

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

### b. Contract balances

	<b>December 31, 2022</b>	<b>December 31, 2021</b>	<b>January 1, 2021</b>
Notes receivable and trade receivables (Note 8)	<u>\$ 452,928</u>	<u>\$ 429,303</u>	<u>\$ 268,519</u>
Contract liabilities			
Deferred revenue from gift vouchers	\$ 3,153,933	\$ 2,905,529	\$ 2,511,157
Customer loyalty programs	98,093	143,509	54,060
Sale of goods	<u>32,085</u>	<u>10,964</u>	<u>2,403</u>
	<u>\$ 3,284,111</u>	<u>\$ 3,060,002</u>	<u>\$ 2,567,620</u>

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:

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
From contract liabilities at the beginning of the year		
Deferred revenue from gift vouchers	<u>\$ 888,515</u>	<u>\$ 658,891</u>

c. Disaggregation of revenue

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Type of goods or services</u>		
Fine dining business group	\$ 7,835,934	\$ 9,133,323
Chinese food business group	925,030	692,607
Fast casual business group	2,505,203	2,413,306
Hot pot business group	2,455,961	1,680,064
Casual dining business group	2,225,451	1,980,123
Roast business group	1,176,948	700,791
Others	<u>1,196,514</u>	<u>596,723</u>
	<u>\$ 18,321,041</u>	<u>\$ 17,196,937</u>

d. Partially completed contracts

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Catering sales services		
- completed in 2022	\$ -	\$ 1,864,076
- completed in 2023	2,024,168	724,389
- completed in 2024	926,936	300,934
- completed in 2025	192,168	1,141
- completed in 2026	1,240	14,989
- completed in or after 2027	<u>9,421</u>	<u>-</u>
	<u>\$ 3,153,933</u>	<u>\$ 2,905,529</u>

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

## 26. NET PROFIT (LOSS) FROM CONTINUING OPERATIONS

a. Interest income

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Bank deposits	\$ 22,212	\$ 20,121
Imputed interest on deposits	<u>436</u>	<u>557</u>
	<u>\$ 22,648</u>	<u>\$ 20,678</u>

b. Other income

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Rental income	\$ 19,003	\$ 23,714
Government grants (Note 30)	25,527	269,008
Others	<u>76,583</u>	<u>59,379</u>
	<u>\$ 121,113</u>	<u>\$ 352,101</u>

c. Other gains and losses

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Loss on disposal of property, plant and equipment and other intangible assets	\$ (108,472)	\$ (174,859)
Impairment losses	(15,406)	(115,233)
Gain (loss) on contract modification	30,042	(7,272)
Net foreign exchange gains (losses)	55,957	(17,116)
Demolition recovery	(4,848)	(22,201)
Loss on disposal of subsidiaries	(2,864)	-
Others	<u>(47,083)</u>	<u>(96,693)</u>
	<u>\$ (92,674)</u>	<u>\$ (433,374)</u>

d. Finance costs

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Interest on lease liabilities	\$ 137,573	\$ 168,659
Interest on bank loans	16,096	7,923
Others	<u>5</u>	<u>5</u>
	<u>\$ 153,674</u>	<u>\$ 176,587</u>

e. Impairment losses of non-financial assets

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Property, plant and equipment (included in other gains and losses)	\$ (10,812)	\$ (58,319)
Right-of-use assets (included in other gains and losses)	-	(2,129)
Investment properties (included in other gains and losses)	1,979	(53,465)
Investment using the equity method (included in other gains and losses)	(4,992)	-
Refundable deposits (included in other gains and losses)	<u>(1,581)</u>	<u>(1,320)</u>
	<u>\$ (15,406)</u>	<u>\$ (115,233)</u>

f. Depreciation and amortization

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
An analysis of depreciation by function		
Operating costs	\$ 666,930	\$ 642,924
Operating expenses	<u>1,467,027</u>	<u>1,514,918</u>
	<u>\$ 2,133,957</u>	<u>\$ 2,157,842</u>
An analysis of amortization by function		
Operating expenses	<u>\$ 13,358</u>	<u>\$ 14,665</u>

g. Employee benefits expense

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Short-term benefits	\$ 5,189,303	\$ 5,059,693
Post-employment benefits (Note 23)		
Defined contribution plans	248,234	252,332
Defined benefit plans	<u>788</u>	<u>599</u>
	249,022	252,931
Other employee benefits	<u>792,708</u>	<u>893,265</u>
Total employee benefits expense	<u>\$ 6,231,033</u>	<u>\$ 6,205,889</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 2,672,147	\$ 2,811,068
Operating expenses	<u>3,558,886</u>	<u>3,394,821</u>
	<u>\$ 6,231,033</u>	<u>\$ 6,205,889</u>

h. Compensation of employees and remuneration of directors and supervisors

According to the Articles of Incorporation of the Company, the Company accrues compensation of employees at rates of 0.1% to 10% and remuneration of directors and supervisors at rates no higher than 1%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors and supervisors. Since there are losses before tax in 2021, no estimates were made for the remuneration to the employees or directors and supervisors. The compensation of employees and remuneration to directors and supervisors for the year ended December 31, 2022 which have been approved by the Company's board of directors on March 23, 2023, were as follows:

Accrual rate

	<b>For the Year Ended December 31, 2022</b>
Compensation of employees	0.1%
Remuneration of directors and supervisors	-

Amount

	<b>For the Year Ended December 31, 2022</b>
	<b>Cash</b>
Compensation of employees	\$ 480
Remuneration of directors and supervisors	-

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

There is no difference between the actual amounts of compensation of employees and remuneration of directors and supervisors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2021 and 2020.

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

## 27. INCOME TAXES

a. Income tax recognized in profit or loss

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

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Current tax		
In respect of the current year	\$ 158,066	\$ 1,580
Adjustments for prior years	<u>65</u>	<u>(1,752)</u>
	<u>158,131</u>	<u>(172)</u>
Deferred tax		
In respect of the current year	<u>(46,655)</u>	<u>(86,357)</u>
Income tax expense (benefit) recognized in profit or loss	<u>\$ 111,476</u>	<u>\$ (86,529)</u>

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

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Profit (loss) before income tax from continuing operations	<u>\$ 369,778</u>	<u>\$ (258,390)</u>
Income tax (benefit) expense calculated at the statutory rate	\$ (12,291)	\$ (82,122)
Tax-exempt income	(32,948)	(64,041)
Nondeductible expenses in determining taxable income	4,330	4,165
Unused benefit of tax loss	142,668	12,476
Unrecognized deductible temporary differences	9,652	44,745
Adjustments for prior years' tax	<u>65</u>	<u>(1,752)</u>
Income tax expense (benefit) recognized in profit or loss	<u>\$ 111,476</u>	<u>\$ (86,529)</u>

b. Income tax recognized in other comprehensive income

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Deferred tax</u>		
In respect of the current year		
Translation of foreign operations	\$ (7,693)	\$ 4,315
Remeasurement of defined benefit plan	<u>(4,364)</u>	<u>(1,037)</u>
Total income tax recognized in other comprehensive income	<u>\$ (12,057)</u>	<u>\$ 3,278</u>

c. Current tax assets and liabilities

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Current tax assets		
Tax refund receivable	<u>\$ 668</u>	<u>\$ 666</u>
Current tax liabilities		
Income tax payable	<u>\$ 198,103</u>	<u>\$ 76,711</u>

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, 2022

	<b>Opening Balance</b>	<b>Recognized in Profit or Loss</b>	<b>Recognized in Other Comprehensive Income</b>	<b>Exchange Differences</b>	<b>Closing Balance</b>
<u>Deferred tax assets</u>					
Temporary differences					
Rental expense on a straight line basis	\$ 13,333	\$ 46,571	\$ -	\$ (29)	\$ 59,875
Write-down of inventories	1,480	2,416	-	-	3,896
Impairment loss on property, plant and equipment	5,158	(5,176)	-	99	81
Exchange differences on translating the financial statements of foreign operations	31,806	2,194	(7,693)	-	26,307
Exchange differences	7,110	(7,110)	-	-	-
Defined benefit obligation	19,894	(3,280)	(4,364)	-	12,250
Loss carryforwards	52,265	(52,265)	-	-	-
Payables for annual leave	6,630	2,549	-	-	9,179
Others	<u>24,101</u>	<u>(14,892)</u>	<u>-</u>	<u>474</u>	<u>9,683</u>
	<u>\$ 161,777</u>	<u>\$ (28,993)</u>	<u>\$ (12,057)</u>	<u>\$ 544</u>	<u>\$ 121,271</u>
<u>Deferred tax liabilities</u>					
Temporary differences					
Exchange differences	\$ -	\$ 2,468	\$ -	\$ -	\$ 2,468
Associates	<u>78,116</u>	<u>(78,116)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 78,116</u>	<u>\$ (75,648)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,468</u>

For the year ended December 31, 2021

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

e. Income tax assessments

The income tax returns of the Company, WPT Restaurant Corporation, Cheepin Restaurant Corporation, Wowfresh Corporation and Jiechuang Investments Co., Ltd in Taiwan through 2020 have been assessed by the tax authorities. Tai Pin Holding Ltd., Hoppime Ltd. and Wowprime Limited are registered in Seychelles, Cayman Islands and Samoa, respectively, and they are not required to pay tax on their income. Subsidiaries in China calculate income tax expense according to local regulations for the year ended December 31, 2022.

**28. EARNINGS (LOSSES) PER SHARE**

**Unit: NT\$ Per Share**

	<u>For the Year Ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Basic earnings (losses) per share	<u>\$ 5.15</u>	<u>\$ (1.40)</u>
Diluted earnings (losses) per share	<u>\$ 5.15</u>	<u>\$ (1.40)</u>



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

**Net (Loss) Profit for the Year**

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Earnings (losses) used in the computation of basic (losses) earnings per share	<u>\$ 386,567</u>	<u>\$ (104,703)</u>
Earnings (losses) used in the computation of diluted (losses) earnings per share	<u>\$ 386,567</u>	<u>\$ (104,703)</u>

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

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Weighted average number of ordinary shares used in the computation of basic earnings (losses) per share	74,998	74,985
Effect of potentially dilutive ordinary shares:		
Compensation of employees or bonuses issued to employees	<u>3</u>	<u>-</u>
Weighted average number of ordinary shares used in the computation of diluted earnings (losses) per share	<u>75,001</u>	<u>74,985</u>

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

## **29. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS**

On April 19, 2022, the Company acquired 0.62% ownership of Hoppime Ltd. As a result, its percentage of ownership increased from 76.20% to 76.82%. The Group raised capital at a percentage different from its existing ownership percentage on April 29, 2022. Hoppime Ltd setup and invested in its percentage of ownership increased from 76.82% to 78.12%.

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

	<u>April 29, 2022</u> <u>Hoppime Ltd.</u>	<u>April 19, 2022</u> <u>Hoppime Ltd.</u>
Cash consideration receive (paid)	\$ 591	\$ (15,037)
The proportionate share of the carrying amount of subsidiary's the net assets of the subsidiary transferred from non-controlling interests	<u>(4,884)</u>	<u>13,559</u>
Differences recognized from equity transactions	<u>\$ (4,293)</u>	<u>\$ (1,478)</u>
<u>Line items adjusted for equity transactions</u>		
Capital surplus - difference between actual acquisition price and carrying value of equity in subsidiaries	\$ -	\$ (1,478)
Capital surplus - difference recognized from subsidiary's equity transactions	(139)	-
Unappropriated earnings	<u>(4,154)</u>	<u>-</u>
	<u>\$ (4,293)</u>	<u>\$ (1,478)</u>

### 30. GOVERNMENT GRANTS

The Group applied for the Salary Ministry of Economic, catering promotion grant and Taichung City Safe to Eat program as so far \$25,527 thousand was recognized as other income in 2022.

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

### 31. CASH FLOW INFORMATION

#### a. Non-cash transactions

- 1) In addition to those disclosed in other notes, the Group entered into the following non-cash investing activities which were not reflected in the consolidated statements of cash flows for the years ended December 31, 2022 and 2021:

	<u>For the Year Ended December 31</u> <u>2022</u>	<u>2021</u>
Acquisition of property, plant and equipment		
Increase in property, plant and equipment (including reclassified)	\$ 858,205	\$ 777,756
Add: Payable for purchase of equipment, balance at January 1	201,488	315,386
Decommissioning liability, balance at January 1	117,470	93,572
Less: Payable for purchase of equipment, balance at December 31	(173,305)	(201,488)
Decommissioning liability, balance at December 31	<u>(134,903)</u>	<u>(117,470)</u>
Cash payment	<u>\$ 868,955</u>	<u>\$ 867,756</u>

- 2) The Group reclassified the amounts of \$13,926 thousand and \$319,710 thousand from prepayments for equipment to property, plant and equipment for the year ended December 31, 2022 and 2021, respectively (see Note 12).

b. Changes in liabilities arising from financing activities

For the year ended December 31, 2022

	Opening Balance	Cash Flows	New Leases	Non-cash Changes Remeasurement of Lease Contract	Remeasurement of Branch Closure	Exchange Differences	Closing Balance
Lease liabilities	\$ 3,893,329	\$ (1,269,734)	\$ 1,001,604	\$ 277,978	\$ (399,373)	\$ 32,089	\$ 3,535,893

For the year ended December 31, 2021

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

### 32. CAPITAL MANAGEMENT

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

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

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

### 33. FINANCIAL INSTRUMENTS

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

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

b. Categories of financial instruments

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Financial assets</u>		
Financial assets at amortized cost (1)	\$ 5,026,183	\$ 4,180,439
<u>Financial liabilities</u>		
Financial liabilities at amortized cost (2)	3,300,775	2,789,476

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

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

c. Financial risk management objectives and policies

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

1) Market risk

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

a) Foreign currency risk

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

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

Sensitivity analysis

The Group was mainly exposed to the USD.

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

	<b>USD Impact</b>	
	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Profit or loss	\$ 4,330	\$ 5,189

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

b) Interest rate risk

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

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

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Fair value interest rate risk		
Financial assets	\$ 1,916,381	\$ 1,412,924
Financial liabilities	4,311,934	4,432,249
Cash flow interest rate risk		
Financial assets	2,143,134	1,771,185

#### Sensitivity analysis

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

If interest rates had been 0.1% higher or lower and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2022 and 2021 would have increased by \$2,143 thousand and \$1,771 thousand, respectively.

## 2) Credit risk

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

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

## 3) Liquidity risk

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

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

### Financing facilities

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Unsecured bank overdraft facilities, reviewed annually and payable on demand:		
Amount used	\$ 776,041	\$ 473,760
Amount unused	<u>2,480,600</u>	<u>1,217,200</u>
	<u>\$ 3,256,641</u>	<u>\$ 1,690,960</u>
Secured bank overdraft facilities:		
Amount used	\$ -	\$ 65,160
Amount unused	<u>528,960</u>	<u>673,320</u>
	<u>\$ 528,960</u>	<u>\$ 738,480</u>

### **34. TRANSACTIONS WITH RELATED PARTIES**

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

#### a. Related party name and category

<u>Related Party Name</u>	<u>Related Party Category</u>
uniEat Co., Ltd.	Subsidiaries of associate
Li Sen Bin	Key management personnel

#### b. Payables to related parties (without loan by related parties)

<b>Line Item</b>	<b>Related Party Category/Name</b>	<b>December 31</b>	
		<b>2022</b>	<b>2021</b>
Other payables	uniEat Co., Ltd.	<u>\$ 434</u>	<u>\$ 910</u>

#### c. Others

On April 19, 2022, the Company acquired 143,310 shares of Hoppin Co. from the key management for \$13,758 thousand (US\$471,490).

#### d. Acquisition of property, plant and equipment

	<b>Purchase Price</b>	
	<b>For the Year Ended December 31</b>	
<b>Related Party Category/Name</b>	<b>2022</b>	<b>2021</b>
uniEat Co., Ltd.	<u>\$ -</u>	<u>\$ 7,360</u>

e. Compensation of key management personnel

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Short-term employee benefits	\$ 126,199	\$ 105,427
Post-employment benefits	<u>1,045</u>	<u>1,208</u>
	<u>\$ 127,244</u>	<u>\$ 106,635</u>

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

### 35. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Pledged deposits	\$ 201,669	\$ 164,244
Restricted deposit balance	583,665	532,959
Reserve account	35,711	30,222
Investment properties	<u>635,209</u>	<u>640,749</u>
	<u>\$ 1,456,254</u>	<u>\$ 1,368,174</u>

### 36. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group as of December 31, 2022 and 2021 were as follows:

#### Significant Commitments

- As of December 31, 2021, unused letters of credit for purchases of raw materials amounted to approximately US\$625 thousand.
- Unrecognized commitments were as follows:

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Acquisition of property, plant and equipment	<u>\$ 19,537</u>	<u>\$ 81,853</u>

- As of December 31, 2022 and 2021, the Group had a line of credit to sell gift vouchers, of which \$1,606,913 thousand and \$1,756,406 thousand had been drawn, respectively.

### 37. SUBSEQUENT EVENT

The Group's board of director resolved to issue the first domestic unsecured convertible bonds in October 11, 2022, refer to No. 1110365283 issued by the FSC declaration effective in December 9, 2022.

The Group considered the changes in the domestic capital market and sought a better timing for the issuance, and considered the overall corporate interests and shareholders' rights. In order to facilitate the successful completion of the fund raising for the unsecured convertible bonds, we have applied to the Financial Supervisory Commission for a three-month extension of the fund raising period for the first domestic unsecured convertible bonds. On February 22, 2023, the Company was approved for record by letter No. 1120333537 issued by the FSC. The offering period extends to June 9, 2023.

### 38. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

#### December 31, 2022

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 13,596,971	30.71 (USD:NTD)	\$ 417,563
JPY	8,427,766	0.2324 (JPY:NTD)	1,959
USD	503,763	6.9646 (USD:RMB)	15,471
NTD	2,424,143	0.2269 (NTD:RMB)	<u>2,424</u>
			<u>\$ 437,417</u>

#### December 31, 2021

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



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

For the Year Ended December 31				
Functional Currency	2022		2021	
	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Gain (Loss)
NTD	1 (NTD:NTD)	\$ 54,698	1 (NTD:NTD)	\$ (16,536)
RMB	4.4080 (RMB:NTD)	<u>1,259</u>	4.344 (RMB:NTD)	<u>(580)</u>
		<u>\$ 55,957</u>		<u>\$ (17,116)</u>

### 39. SEPARATELY DISCLOSED ITEMS

#### a. Information on significant 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. (Table 4)
- 9) Trading in derivative instruments. None
- 10) Intercompany relationships and significant intercompany transactions. (Table 5)

#### b. Information on transactions investees: (Table 6)

#### 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 7)

- 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. (Table 8)

#### 40. SEGMENT INFORMATION

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

Taiwan	<ul style="list-style-type: none"> <li>- Wang Steak</li> <li>- Chamonix</li> <li>- Ikki</li> <li>- Yakiyan</li> <li>- Tasty</li> <li>- Tokiya</li> <li>- Putien</li> <li>- Giguao</li> <li>- Pintian</li> <li>- 12 Hot Pot</li> <li>- Others</li> </ul>
Mainland China	<ul style="list-style-type: none"> <li>- Wang Steak</li> <li>- Tasty</li> <li>- Madam Goose</li> <li>- Others</li> </ul>

a. Segment revenue and results

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

	For the Year Ended December 31			
	2022		2021	
	Segment Revenue	Segment Profit	Segment Revenue	Segment Profit
Taiwan	\$ 13,736,640	\$ 890,280	\$ 10,757,603	\$ (34,726)
Mainland China	<u>4,584,401</u>	<u>(419,613)</u>	<u>6,439,334</u>	<u>13,799</u>
Total for continuing operations	<u>\$ 18,321,041</u>	<u>\$ 470,667</u>	<u>\$ 17,196,937</u>	<u>\$ (20,927)</u>
Interest income		\$ 22,648		\$ 20,678
Rental income		19,003		23,714
Share of profit (loss) of associates and joint ventures		1,698		(281)
Loss on disposal of property, plant and equipment		(108,472)		(174,856)
Loss on disposals of other intangible assets		-		(3)
Loss on disposals of subsidiaries		(2,864)		-
Exchange gain (loss)		55,957		(17,116)
Impairment loss		(15,406)		(115,233)
Finance costs		(153,674)		(176,587)
Government grants		25,527		269,008
General revenue		76,583		59,379
General expense		<u>(21,889)</u>		<u>(126,166)</u>
Profit (loss) before tax (from continuing operations)		<u>\$ 369,778</u>		<u>\$ (258,390)</u>

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales during the years ended December 31, 2022 and 2021.

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

b. Segment total assets

	December 31	
	2022	2021
Taiwan	\$ 9,988,730	\$ 8,326,358
Mainland China	<u>4,142,362</u>	<u>5,183,665</u>
Total from continuing operations	<u>\$ 14,131,092</u>	<u>\$ 13,510,023</u>

c. Revenue from major products and services

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

d. Geographical information

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

	<b>Revenue from External Customers</b>	
	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Taiwan	\$ 13,736,640	\$ 10,757,603
Mainland China	<u>4,584,401</u>	<u>6,439,334</u>
	<u>\$ 18,321,041</u>	<u>\$ 17,196,937</u>

e. Information about major customers

No revenue from any individual customer exceeded 10% of the Group's revenue for the years ended December 31, 2022 and 2021.

WOWPRIME CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS

FOR THE YEAR ENDED DECEMBER 31, 2022

(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	\$ -	-	\$ -	\$ 1,271,105	\$ 1,271,105	7
		WPT Restaurant Corporation	Other receivables	Yes	50,000	50,000	-	-	Short-term financing	-	Supporting the subsidiary's short-term operating requirements	-	-	-	1,271,105	1,271,105	7
1	Wowprime (Beijing) Co., Ltd.	Wowprime (China) Co., Ltd.	Other receivables	Yes	45,194	43,924	43,924	3.70	Short-term financing	-	Supporting short-term operating requirements	-	-	-	66,802	66,802	8
2	Wowprime (China) Co., Ltd.	Shanghai Wanxin International Trade Co., Ltd.	Other receivables	Yes	225,970	219,620	21,962	3.70	Short-term financing	-	Supporting short-term operating requirements	-	-	-	687,600	687,600	9
		Shanghai Hoppime Catering Management Co., Ltd.	Other receivables	Yes	135,582	131,772	65,886	3.65-3.70	Short-term financing	-	Supporting short-term operating requirements	-	-	-	687,600	687,600	9
		Shanghai Xizhu Catering Management Co., Ltd.	Other receivables	Yes	45,194	43,924	-	-	Short-term financing	-	Supporting short-term operating requirements	-	-	-	687,600	687,600	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. (\$3,177,764 thousand × 40% = \$1,271,105 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. (\$3,177,764 thousand × 40% = \$1,271,105 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. (\$167,005 thousand × 40% = \$66,802 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. (\$167,005 thousand × 40% = \$66,802 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. (\$1,719,000 thousand × 40% = \$687,600 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. (\$1,719,000 thousand × 40% = \$687,600 thousand).

WOWPRIME CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE YEAR ENDED DECEMBER 31, 2022

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Endorser/Guarantor	Endorsee/Guaranteee		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 Wowprime (China) Co., Ltd.	b  b	\$ 1,271,105 1,271,105	\$ 600,000 319,720	\$ 600,000 306,677	\$ 550,000 -	\$ - -	18.88 9.65	\$ 1,271,105 1,271,105	Y Y	N N	N Y	

Note 1: Numbering sequence is as follows:

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. (\$3,177,764 thousand × 40% = \$1,271,105 thousand). In addition, the total lending amount loanable to any one borrower shall be no more than forty percent (40%) of the net worth of Wowprime Co., Ltd. (\$3,177,764 thousand × 40% = \$1,271,105 thousand).

WOWPRIME CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE YEAR ENDED DECEMBER 31, 2022  
(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	Ending Balance	% of Total	
Wowprime Co., Ltd.	Wowfresh Corporation	Subsidiary	Purchase	\$ 3,129,440	83.47	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	962,878	96.94	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
Shanghai Wanxin International Trade Co., Ltd.	Wowprime (China) Co., Ltd.	Subsidiary	Purchase	293,546	43.38	According to the Company's credit period to related parties	According to Company's policy	Trade payables (150,809)	99.70	According to the Company's credit period to related parties
Wowprime (China) Co., Ltd.	Shanghai Wanxin International Trade Co., Ltd.	Subsidiary	Purchase	132,603	8.58	According to the Company's credit period to related parties	According to Company's policy	Trade payables (14,970)	13.62	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. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OF 20% OF THE PAID-IN CAPITAL FOR THE YEAR ENDED DECEMBER 31, 2022  
(In Thousands of New Taiwan Dollars)

Companies with Receivables	Investee Company	Relationship	Balance of Amounts Due from Related Parties (Note 1)	Rotation Rate	Overdue Receivables from Related Parties		Recoveries after the Period	Allowance For Losses
					Amount	Processing		
Wowprime (China) Co., Ltd.	Shanghai Wanxin International Trade Co., Ltd.	Subsidiary	Accounts receivable \$ 150,809	3.25	\$ -	-	\$ 67,144	\$ -

Note 1: Please enter the accounts receivables from related parties amounting, notes, other receivables, etc.

Note 2: 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.



WOWPRIME CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND INTERCOMPANY TRANSACTIONS  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			% to Total Sales or Assets (Note 3)
				Financial Statement Account	Amount	Payment Terms	
0	Wowprime Co., Ltd.	Wowfresh Corporation	a	Purchases	\$ 3,129,440	-	17.08
1	Cheerpin Restaurant Corporation	Wowfresh Corporation	c	Purchases	962,878	-	5.26
2	Shanghai Wanxin International Trade Co., Ltd.	Wowprime (China) Co., Ltd. Wowprime (China) Co., Ltd.	c c	Purchases Accounts payable	293,546 150,809	- -	1.60 1.07

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

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

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

- a. From the parent company to its subsidiary
- b. From a subsidiary to its parent company
- c. Between subsidiaries
- d. From a sub-subsiidiary to subsidiary

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

WOWPRIME CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEE'S  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(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, 2022		Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2022	December 31, 2021	Number of Shares	Carrying Amount			
Wowprime Co., Ltd.	Tai Pin Holding Ltd. (Seychelles)	Seychelles	Investment	\$ 1,617,647	\$ 1,440,629	20,117,134	\$ 1,474,605	\$ (440,401)	\$ (440,401)	Note 1
	WPT Restaurant Corporation	Taiwan	Catering and catering management	100,000	100,000	10,000,000	58,773	(1,953)	(1,953)	Note 1
	Wowprime USA Holding Ltd. (Samoa)	Samoa	Investment	-	24,069	-	-	7	7	Note 2
	Cheerpin Restaurant Corporation	Taiwan	Catering and catering management	300,000	762,500	30,000,000	(US\$ -)	237	237	
	Wowfresh Corporation	Taiwan	Fresh food trading	500,000	300,000	50,000,000	465,748	144,224	144,224	Note 1
Jiechuang Investments Co., Ltd.	Jiechuang Investment Co., Ltd.	Taiwan	Investment	11,000	500,000	1,100,000	505,429	1,396	1,396	Note 1
	DuDoou Ltd. (Cayman)	Cayman	Investment	74,828	11,000	209,497	4,479	(6,106)	(6,106)	Note 1
				2,422,872	74,828		78,247	19,030	2,763	Note 2
				(US\$ 2,422,872)	(US\$ 2,422,872)		(US\$ 2,513,755)	626,446	90,693	
	We Dao Ltd.	Taiwan	Catering	10,000	10,000	200,000	3,657	(5,325)	(1,065)	Note 2
Tai Pin Holding Ltd. (Seychelles)	Hoppime Ltd. (Cayman)	Cayman	Investment	1,527,029	1,364,892	20,889,649	1,479,115	(563,978)	(436,372)	Note 1
				(RMB 337,386,272)	(RMB 301,143,890)		(RMB 335,552,423)	(RMB 127,595,361))	(RMB (98,724,948))	
Hoppime Ltd. (Cayman)	Wowprime Limited (Samoa)	Samoa	Investment	1,290,412	1,142,672	-	1,886,007	(552,113)	(552,113)	Note 1
				(RMB 282,707,111)	(RMB 249,618,611)		(RMB 427,860,001)	(RMB 124,914,054))	(RMB (124,914,054))	

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

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

WOWPRIME CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(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	Remittance of Funds		Accumulated	Net Income (Loss) of Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2 b (2).)	Carrying Amount as of December 31, 2022	Accumulated Repatriation of Investment Income as of December 31, 2022
				Outward Remittance for Investment from Taiwan as of January 1, 2022	Outflow	Inflow						
Wowprime (China) Co., Ltd.	Catering and catering management	\$ 894,893 (RMB 195,090,404)	Note 1 (b)	\$ 364,079 (US\$ 12,272,235)	\$ 147,149 (US\$ 4,980,000)	\$ -	\$ 511,228 (US\$ 17,252,235)	\$ (553,004) (RMB (125,114,305))	78.12	\$ (427,887) (RMB (96,806,611))	\$ 1,342,882 (RMB 304,646,734)	\$ 207,023 (US\$ 6,813,742)
Wowprime (Beijing) Management Co., Ltd.	Catering and catering management	118,608 (RMB 24,673,989)	Note 1 (b)	92,639 (US\$ 3,057,046)	-	-	92,639 (US\$ 3,057,046)	(739) (RMB (166,214))	78.12	(574) (RMB (129,171))	130,464 (RMB 29,597,117)	15,439 (US\$ 512,838)
Shanghai Qun ze yi Enterprise Management Co., Ltd.	Catering management	20,990 (RMB 4,800,000)	Note 1 (b)	- (US\$ -)	-	-	- (US\$ -)	(12,519) (RMB (2,830,209))	78.12	(9,736) (RMB (2,200,965))	2,945 (RMB 668,163)	-
Shanghai WanXin International Trade Co., Ltd.	Fresh food trade	23,986 (RMB 5,500,000)	Note 1 (b)	- (US\$ -)	-	-	- (US\$ -)	(11,828) (RMB (2,687,835))	78.12	(9,214) (RMB (2,093,840))	5,967 (RMB 1,353,733)	-
Shanghai Hoppime Catering Management Co., Ltd.	Catering and catering management	86,413 (RMB 20,000,000)	Note 1 (b)	- (US\$ -)	-	-	- (US\$ -)	(86,144) (RMB (19,475,834))	78.12	(66,717) (RMB (15,083,408))	(75,327) (RMB (17,088,625))	-
Shanghai Xizhu Catering Management Co., Ltd.	Catering and catering management	21,895 (RMB 5,000,000)	Note 1 (b)	- (US\$ -)	-	-	- (US\$ -)	(13,176) (RMB (2,978,623))	74.214	(9,734) (RMB (2,200,563))	2,788 (RMB 632,446)	-

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, 2022	Investment Amounts Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by the Investment Commission, MOEA
\$ 603,867 (US\$ 20,309,281)	\$ 1,028,522 (US\$ 34,407,913)	\$ 2,155,335

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.

**TABLE 8****WOWPRIME CO., LTD. AND SUBSIDIARIES****INFORMATION OF MAJOR SHAREHOLDERS****FOR THE YEAR ENDED DECEMBER 31, 2022****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Le Hang Investment Co.	4,231,836	5.49

Note: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

## **Appendix 2. Individual Financial Statements of 2022**

## **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, 2022 and 2021, 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, 2022 and 2021, 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 the Standards on Auditing of 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, 2022. 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, 2022 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 Standards on Auditing of 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 Standards on Auditing of 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, 2022 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 Yu Cheng-Chuan.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 23, 2023

#### 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, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

	2022		2021	
ASSETS	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	\$ 1,468,665	15	\$ 1,226,332	14
Financial assets at amortized cost - current (Notes 7 and 31)	1,657,059	17	1,193,364	14
Trade receivables (Notes 8 and 22)	197,167	2	201,333	2
Current tax assets (Notes 4 and 24)	629	-	629	-
Inventories (Note 9)	114,550	1	147,038	2
Prepayments (Notes 14 and 30)	182,451	2	74,672	1
Other financial assets - current (Note 15)	3,932	-	362	-
Other current assets (Notes 16 and 30)	<u>37,486</u>	<u>1</u>	<u>43,392</u>	<u>-</u>
Total current assets	<u>3,661,939</u>	<u>38</u>	<u>2,887,122</u>	<u>33</u>
NON-CURRENT ASSETS				
Investments accounted for using the equity method (Note 10)	2,587,281	27	2,737,585	32
Property, plant and equipment (Note 11 and 30)	1,337,649	14	1,149,481	13
Right-of-use assets (Note 12)	1,764,926	18	1,648,413	19
Other intangible assets (Note 13 and 30)	14,375	-	6,148	-
Deferred tax assets (Notes 4 and 24)	55,727	1	115,800	1
Prepaid equipment	1,510	-	2,573	-
Other non-current assets (Note 16)	<u>171,775</u>	<u>2</u>	<u>134,275</u>	<u>2</u>
Total non-current assets	<u>5,933,243</u>	<u>62</u>	<u>5,794,275</u>	<u>67</u>
TOTAL	<u>\$ 9,595,182</u>	<u>100</u>	<u>\$ 8,681,397</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Contract liabilities - current (Note 22)	\$ 3,175,906	33	\$ 2,933,462	34
Notes payable (Note 17)	55,445	1	50,432	-
Trade payables (Notes 17 and 30)	120,816	1	102,760	1
Other payables (Notes 18 and 30)	914,506	9	778,574	9
Current tax liabilities (Notes 4 and 24)	148,401	2	52,150	1
Lease liabilities - current (Note 12)	350,733	4	363,341	4
Other current liabilities	<u>4,546</u>	<u>-</u>	<u>3,549</u>	<u>-</u>
Total current liabilities	<u>4,770,353</u>	<u>50</u>	<u>4,284,268</u>	<u>49</u>
NON-CURRENT LIABILITIES				
Provisions - non-current (Note 19)	56,181	-	43,645	1
Deferred tax liabilities (Notes 4 and 24)	2,459	-	78,116	1
Lease liabilities - non-current (Note 12)	1,402,334	15	1,252,497	14
Net defined benefit liabilities - non-current (Note 20)	61,251	1	99,472	1
Guarantee deposits received	<u>124,840</u>	<u>1</u>	<u>92,013</u>	<u>1</u>
Total non-current liabilities	<u>1,647,065</u>	<u>17</u>	<u>1,565,743</u>	<u>18</u>
Total liabilities	<u>6,417,418</u>	<u>67</u>	<u>5,850,011</u>	<u>67</u>
EQUITY (Note 21)				
Ordinary shares	<u>769,879</u>	<u>8</u>	<u>769,879</u>	<u>9</u>
Capital surplus	<u>1,789,924</u>	<u>19</u>	<u>1,791,541</u>	<u>21</u>
Retained earnings				
Legal reserve	568,290	6	669,833	8
Special reserve	114,717	1	114,717	1
(Accumulated deficit) unappropriated earnings	<u>392,985</u>	<u>4</u>	<u>(101,543)</u>	<u>(1)</u>
Total retained earnings	<u>1,075,992</u>	<u>11</u>	<u>683,007</u>	<u>8</u>
Other equity	<u>(105,230)</u>	<u>(1)</u>	<u>(127,228)</u>	<u>(2)</u>
Treasury shares	<u>(352,801)</u>	<u>(4)</u>	<u>(285,813)</u>	<u>(3)</u>
Total equity	<u>3,177,764</u>	<u>33</u>	<u>2,831,386</u>	<u>33</u>
TOTAL	<u>\$ 9,595,182</u>	<u>100</u>	<u>\$ 8,681,397</u>	<u>100</u>

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

# WOWPRIME CO., LTD.

## STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except (Loss) Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Note 22)	\$ 10,316,869	100	\$ 8,095,703	100
OPERATING COSTS (Notes 9, 23 and 30)	<u>(5,421,846)</u>	<u>(53)</u>	<u>(4,405,666)</u>	<u>(54)</u>
GROSS PROFIT	<u>4,895,023</u>	<u>47</u>	<u>3,690,037</u>	<u>46</u>
OPERATING EXPENSES (Note 23)				
Selling and marketing expenses	(3,740,809)	(36)	(3,342,873)	(42)
General and administrative expenses	(492,504)	(5)	(423,414)	(5)
Research and development expenses	<u>(19,712)</u>	<u>-</u>	<u>(16,976)</u>	<u>-</u>
Total operating expenses	<u>(4,253,025)</u>	<u>(41)</u>	<u>(3,783,263)</u>	<u>(47)</u>
PROFIT (LOSS) FROM OPERATIONS	<u>641,998</u>	<u>6</u>	<u>(93,226)</u>	<u>(1)</u>
NON-OPERATING INCOME AND EXPENSES (Notes 23 and 30)				
Interest income	13,792	-	10,942	-
Other income	121,482	1	234,982	3
Other gains and losses	20,038	1	(114,600)	(1)
Finance costs	(18,173)	-	(15,137)	-
Share of loss of profit or associates and joint ventures	<u>(300,070)</u>	<u>(3)</u>	<u>(224,557)</u>	<u>(3)</u>
Total non-operating income and expenses	<u>(162,931)</u>	<u>(1)</u>	<u>(108,370)</u>	<u>(1)</u>
PROFIT (LOSS) BEFORE INCOME TAX	479,067	5	(201,596)	(2)
INCOME TAX (EXPENSE) BENEFIT (Note 24)	<u>(92,500)</u>	<u>(1)</u>	<u>96,893</u>	<u>1</u>
NET PROFIT (LOSS) FOR THE YEAR	<u>386,567</u>	<u>4</u>	<u>(104,703)</u>	<u>(1)</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 20)	21,819	-	5,186	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 24)	<u>(4,364)</u>	<u>-</u>	<u>(1,037)</u>	<u>-</u>

(Continued)

# WOWPRIME CO., LTD.

## STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except (Loss) Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations (Note 21)	\$ 27,497	-	\$ (15,638)	-
Income tax relating to items that may be reclassified subsequently to profit or loss (Notes 21 and 24)	<u>(5,499)</u>	<u>-</u>	<u>3,127</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>39,453</u>	<u>-</u>	<u>(8,362)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	<u>\$ 426,020</u>	<u>4</u>	<u>\$ (113,065)</u>	<u>(1)</u>
EARNINGS (LOSS) PER SHARE (Note 25)				
Basic	<u>\$ 5.15</u>		<u>\$ (1.40)</u>	
Diluted	<u>\$ 5.15</u>		<u>\$ (1.40)</u>	

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, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	Share Capital		Capital Surplus	Retained Earnings		Unappropriated Earnings (Accumulated Deficits)	Other Equity	Treasury Shares (Note 21)	Total
	Shares (In Thousands)	Share Capital		Legal Reserve	Special Reserve		Exchange Differences on Translating the Financial Statements of Foreign Operations		
BALANCE AT JANUARY 1, 2021	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
Appropriation of 2021 earnings									
Legal reserve	-	-	-	(101,543)	-	101,543	-	-	-
Net profit for the year ended December 31, 2022	-	-	-	-	-	386,567	-	-	386,567
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	17,455	21,998	-	39,453
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	404,022	21,998	-	426,020
Treasury share transactions	-	-	(785)	-	-	(6,883)	-	(66,988)	(74,656)
Differences between the equity purchase price and the carrying amount arising from the actual acquisition or disposal of subsidiaries	-	-	(1,478)	-	-	-	-	-	(1,478)
Changes in percentage of ownership interests in subsidiaries (Note 21)	-	-	(139)	-	-	(4,154)	-	-	(4,293)
Share-based payment	-	-	785	-	-	-	-	-	785
BALANCE AT DECEMBER 31, 2022	76,988	\$ 769,879	\$ 1,789,924	\$ 568,290	\$ 114,717	\$ 392,985	\$ (105,230)	\$ (352,801)	\$ 3,177,764

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

# WOWPRIME CO., LTD.

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income (loss) before income tax	\$ 479,067	\$ (201,596)
Adjustments for:		
Depreciation expenses	881,562	807,653
Amortization expenses	4,261	6,338
Finance costs	18,173	15,137
Interest income	(13,792)	(10,942)
Share-based payment awards	506	1,444
Share of loss (profit) of subsidiaries, associates and joint ventures	300,070	224,557
Loss on disposal of property, plant and equipment	13,244	46,169
Impairment loss recognized on non-financial assets	-	19,865
Loss on disposal of subsidiary	2,864	-
(Gain) loss on lease modification	(550)	3,864
Changes in operating assets and liabilities		
Notes receivable	-	1,608
Trade receivables	4,166	(73,660)
Inventories	32,488	(50,012)
Prepayments	(107,779)	(50,751)
Other current assets	13,102	42,903
Contract liabilities	242,444	484,011
Notes payable	5,013	2,395
Trade payables	18,056	(224,046)
Other payables	125,373	99,296
Other current liabilities	997	(1,085)
Net defined benefit liabilities	(16,402)	(6,728)
Cash generated from operations	2,002,863	1,136,420
Interest paid	(18,173)	(15,137)
Income tax paid	(21,696)	(11,060)
Net cash generated from operating activities	<u>1,962,994</u>	<u>1,110,223</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Disposal of financial assets in amortized cost	(463,695)	449,183
Acquisition of long-term equity investments adopting the equity method	(177,018)	(51,000)
Disposal of subsidiary	22,567	-
Payments for property, plant and equipment	(599,161)	(547,502)
Proceeds from disposal of property, plant and equipment	-	82
Increase in refundable deposits	(15,723)	(2,837)
Payments for intangible assets	(12,488)	(2,892)
Proceed from disposal of intangible assets	-	444
Payments for right-of-use assets	(17,070)	(20,757)
Other financial assets	(3,570)	8,520
Increase in prepayments for equipment	(1,510)	(2,573)

(Continued)

## WOWPRIME CO., LTD.

### STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

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	2022	2021
Interest received	\$ 12,998	\$ 11,017
Dividends received from subsidiaries	<u>23,826</u>	<u>129,839</u>
Net cash used in investing activities	<u>(1,230,844)</u>	<u>(28,476)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from guarantee deposits received	32,827	33,740
Repayment of the principal portion of lease liabilities	(447,988)	(399,060)
Dividends paid	-	(327,093)
Costs for treasury stock buyback (Note 21)	(102,736)	(339,104)
Treasury shares transferred to employees	<u>28,080</u>	<u>121,718</u>
Net cash used in financing activities	<u>(489,817)</u>	<u>(909,799)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	242,333	171,948
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>1,226,332</u>	<u>1,054,384</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 1,468,665</u>	<u>\$ 1,226,332</u>

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, 2022 AND 2021

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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#### 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 23, 2023.

#### 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 2023

New IFRSs	Effective Date Announced by IASB
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 1)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 2)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023 (Note 3)

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

Note 2: The amendments will be 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 3: Except for deferred taxes that were recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments were applied prospectively to transactions that occur on or after January 1, 2022.

1) Amendments to IAS 1 “Disclosure of Accounting Policies”

The amendments specify that the Company should refer to the definition of material to determine its material accounting policy information to be disclosed. Accounting policy information is material if it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments also clarify that:

- Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed;
- The Company may consider the accounting policy information as material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial; and
- Not all accounting policy information relating to material transactions, other events or conditions is itself material.

The amendments also illustrate that accounting policy information is likely to be considered as material to the financial statements if that information relates to material transactions, other events or conditions and:

- a) The Company changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements;
- b) The Company chose the accounting policy from options permitted by the standards;
- c) The accounting policy was developed in accordance with IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” in the absence of an IFRS that specifically applies;
- d) The accounting policy relates to an area for which the Company is required to make significant judgements or assumptions in applying an accounting policy, and the Group discloses those judgements or assumptions; or
- e) The accounting is complex and users of the financial statements would otherwise not understand those material transactions, other events or conditions.

2) Amendments to IAS 8 “Definition of Accounting Estimates”

The amendments define that accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty. In applying accounting policies, the Company may be required to measure items at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, the Company uses measurement techniques and inputs to develop accounting estimates to achieve the objective. The effects on an accounting estimate of a change in a measurement technique or a change in an input are changes in accounting estimates unless they result from the correction of prior period errors.

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

<b>New IFRSs</b>	<b>Effective Date Announced by IASB (Note 1)</b>
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
Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)
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, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024

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

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Amendments to IAS 1 “Classification of Liabilities as Current or Non-current” (referred to as the “2020 amendments”) and “Non-current Liabilities with Covenants” (referred to as the “2022 amendments”)

The 2020 amendments clarify that for a liability to be classified as non-current, the Company shall assess whether it has the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. If such rights are in existence at the end of the reporting period, the liability is classified as non-current regardless of whether the Company will exercise that right.

The 2020 amendments also stipulate that, if the right to defer settlement is subject to compliance with specified conditions, the Company must comply with those conditions at the end of the reporting period even if the lender does not test compliance until a later date. The 2022 amendments further clarify that only covenants with which an entity is required to comply on or before the reporting date should affect the classification of a liability as current or non-current. Although the covenants to be complied with within twelve months after the reporting period do not affect the classification of a liability, the Company shall disclose information that enables users of financial statements to understand the risk of the Company that may have difficulty complying with the covenants and repay its liabilities within twelve months after the reporting period.

The 2020 amendments stipulate that, for the purpose of liability classification, the aforementioned settlement refers to a transfer of cash, other economic resources or the Company’s own equity instruments to the counterparty that results in the extinguishment of the liability. However, if the terms of a liability that could, at the option of the counterparty, result in its settlement by a transfer of the Group’s own equity instruments, and if such option is recognized separately as equity in accordance with IAS 32 “Financial Instruments: Presentation”, the aforementioned terms would not affect the classification of the liability.

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 that 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 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.

Financial assets at amortized cost

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 lessor

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

When the Group subleases a right-of-use asset, the sublease is classified by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. However, if the head lease is a short-term lease that the Group, as a lessee, has accounted for applying recognition exemption, the sublease is classified as an operating lease.

Under finance leases, the lease payments comprise fixed payments. The net investment in a lease is measured at the present value of the lease payments receivable by a lessor plus (b) initial direct costs and is presented as a finance lease receivable. Finance lease income is allocated to the relevant accounting periods so as to reflect a constant, periodic rate of return on the Group's net investment outstanding in respect of leases.

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

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

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

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

### Key Sources of Estimation Uncertainty

#### Impairment of Inventories

Impairment of Inventories is evaluated based on the recoverable amount of the assets, which is the higher of its fair value less costs of disposal and its value in use. Any changes in the market prices, future cash flows or discount rates will affect the recoverable amount of the assets and may lead to the recognition of additional impairment losses or the reversal of impairment losses.

## 6. CASH AND CASH EQUIVALENTS

	December 31	
	2022	2021
Cash on hand	\$ 47,061	\$ 78,290
Checking accounts and demand deposits	<u>1,421,604</u>	<u>1,148,042</u>
	<u>\$ 1,468,665</u>	<u>\$ 1,226,332</u>

## 7. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2022	2021
<u>Current</u>		
Time deposits with original maturities of more than 3 months	<u>\$ 1,657,059</u>	<u>\$ 1,193,364</u>

- The ranges of interest rates for time deposits with original maturities of more than 3 months were approximately 0.415% to 4.73% and 0.07% to 0.81% per annum as of December 31, 2022 and 2021, respectively.
- Financial assets measured at amortized cost pledged as collateral for bank borrowings are set out in Note 31.

## 8. TRADE RECEIVABLES

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Trade receivables</u>		
At amortized cost		
Gross carrying amount	\$ 197,167	\$ 201,333
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>
	<u>\$ 197,167</u>	<u>\$ 201,333</u>

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 overdue days, not further distinguished according to the Company's different customer base.

The following table details the loss allowance of trade receivables based on the Company's provision matrix.

### December 31, 2022

	<b>Not Past Due</b>	<b>1 to 30 Days</b>	<b>31 to 60 Days</b>	<b>61 to 90 Days</b>	<b>Over 90 Days</b>	<b>Total</b>
Expected credit loss rate	-	-	-	-	-	-
Gross carrying amount	\$ 196,843	\$ 324	\$ -	\$ -	\$ -	\$ 197,167
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 196,843</u>	<u>\$ 324</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 197,167</u>

### December 31, 2021

	<b>Not Past Due</b>	<b>1 to 30 Days</b>	<b>31 to 60 Days</b>	<b>61 to 90 Days</b>	<b>Over 90 Days</b>	<b>Total</b>
Expected credit loss rate	-	-	-	-	-	-
Gross carrying amount	\$ 199,980	\$ 1,180	\$ -	\$ -	\$ 173	\$ 201,333
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 199,980</u>	<u>\$ 1,180</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 173</u>	<u>\$ 201,333</u>

## 9. INVENTORIES

	December 31	
	2022	2021
Raw materials	\$ 111,230	\$ 146,905
Finished goods	<u>3,320</u>	<u>133</u>
	<u>\$ 114,550</u>	<u>\$ 147,038</u>

The cost of inventories recognized as the cost of goods sold for the years ended December 31, 2022 and 2021 was \$5,421,846 thousand and \$4,405,666 thousand, respectively.

## 10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2022	2021
Investments in subsidiaries	\$ 2,509,034	\$ 2,662,752
Investments in associate	<u>78,247</u>	<u>74,833</u>
	<u>\$ 2,587,281</u>	<u>\$ 2,737,585</u>

### a. Investments in subsidiaries

	December 31	
	2022	2021
Tai Pin Holding Ltd.	\$ 1,474,605	\$ 1,719,444
WPT Restaurant Corporation	58,773	60,726
Cheerpin Restaurant Corporation	465,748	336,315
Wowfresh Corporation	505,429	513,068
Jeichuang Investment Co., Ltd.	4,479	10,585
Wowprime USA Holding Ltd. (Samoa)	<u>-</u>	<u>22,614</u>
	<u>\$ 2,509,034</u>	<u>\$ 2,662,752</u>

	Proportion of Ownership and Voting Rights	
	December 31	
Name of Subsidiary	2022	2021
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%

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.

Considerate of operating the Company resolved to dispose of Wowprime USA Holding Ltd. (Samoa), the liquidation was completed and the certificate of cancellation was obtained on March 9, 2022.

Refer to Table 5 for the details of the subsidiaries indirectly held by the Company.

b. Investments in associate

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Associate that is not individually material		
DUDOO LTD. (Cayman)	<u>\$ 78,247</u>	<u>\$ 74,833</u>
	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
The Company's share of:		
Profit from continuing operations	<u>\$ 2,763</u>	<u>\$ 5</u>
Total comprehensive income for the year	<u>\$ 2,763</u>	<u>\$ 5</u>

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
<u>Cost</u>								
Balance at January 1, 2022	\$ 122,505	\$ 132,408	\$ 652,728	\$ 89,601	\$ 674,572	\$ 1,164,450	\$ 99,189	\$ 2,935,453
Additions	-	-	148,783	16,096	154,365	272,480	30,532	622,256
Reclassifications	-	-	331	-	183	821	1,238	2,573
Disposals	-	-	(69,379)	(8,185)	(87,367)	(135,109)	(13,815)	(313,855)
Balance at December 31, 2022	<u>\$ 122,505</u>	<u>\$ 132,408</u>	<u>\$ 732,463</u>	<u>\$ 97,512</u>	<u>\$ 741,753</u>	<u>\$ 1,302,642</u>	<u>\$ 117,144</u>	<u>\$ 3,246,427</u>
<u>Accumulated depreciation and impairment</u>								
Balance at January 1, 2022	\$ -	\$ 50,479	\$ 423,806	\$ 58,200	\$ 468,357	\$ 712,796	\$ 72,334	\$ 1,785,972
Depreciation expenses	-	4,109	95,611	12,323	110,513	188,042	12,819	423,417
Disposals	-	-	(66,860)	(7,783)	(84,027)	(128,348)	(13,593)	(300,611)
Balance at December 31, 2022	<u>\$ -</u>	<u>\$ 54,588</u>	<u>\$ 452,557</u>	<u>\$ 62,740</u>	<u>\$ 494,843</u>	<u>\$ 772,490</u>	<u>\$ 71,560</u>	<u>\$ 1,908,778</u>
Carrying amounts at December 31, 2022	<u>\$ 122,505</u>	<u>\$ 77,820</u>	<u>\$ 279,906</u>	<u>\$ 34,772</u>	<u>\$ 246,910</u>	<u>\$ 530,152</u>	<u>\$ 45,584</u>	<u>\$ 1,337,649</u>

(Continued)



	Freehold Land	Buildings	Utilities and Fire-fighting Equipment	Office Equipment	Dining Equipment	Leasehold Improvements	Other Equipment	Total
<u>Cost</u>								
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	<u>\$ 122,505</u>	<u>\$ 132,408</u>	<u>\$ 652,728</u>	<u>\$ 89,601</u>	<u>\$ 674,572</u>	<u>\$ 1,164,450</u>	<u>\$ 99,189</u>	<u>\$ 2,935,453</u>
<u>Accumulated depreciation and impairment</u>								
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	<u>\$ -</u>	<u>\$ 50,479</u>	<u>\$ 423,806</u>	<u>\$ 58,200</u>	<u>\$ 468,357</u>	<u>\$ 712,796</u>	<u>\$ 72,334</u>	<u>\$ 1,785,972</u>
Carrying amounts at December 31, 2021	<u>\$ 122,505</u>	<u>\$ 81,929</u>	<u>\$ 228,922</u>	<u>\$ 31,401</u>	<u>\$ 206,215</u>	<u>\$ 451,654</u>	<u>\$ 26,855</u>	<u>\$ 1,149,481</u>

The management of the Company estimated the future profit of various business locations on December 31, 2022 and 2021. There is no impairment loss in 2022. In 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 was higher than the recoverable amount; therefore, it recognized an impairment loss of \$19,527 thousand in 2021. The impairment loss was stated under other profits and losses in the statements of comprehensive income.

The Company adopted value-in-use as recoverable amount of these utilities and fire-fighting equipment, office equipment and dining equipment, leasehold improvement and other equipment, the discount rate was 0.765-1.065% in the year ended December 31, 2021.

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	20-33 years
Renovation	6 years
Utilities and fire-fighting equipment	1-6 years
Office equipment	1-6 years
Dining equipment	1-6 years
Leasehold improvement	1-6 years
Other equipment	1-6 years

## 12. LEASE ARRANGEMENTS

### a. Right-of-use assets

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
<u>Carrying amounts</u>		
Buildings	<u>\$ 1,764,926</u>	<u>\$ 1,648,413</u>

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Additions to right-of-use assets	<u>\$ 632,299</u>	<u>\$ 684,866</u>
Disposals of right-of-use assets	<u>\$ 29,462</u>	<u>\$ 85,248</u>
Depreciation charge for right-of-use assets		
Buildings	<u>\$ 458,145</u>	<u>\$ 426,209</u>

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, 2022 and 2021. 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 for the year ended December 31, 2021.

b. Lease liabilities

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Carrying amounts</u>		
Current	<u>\$ 350,733</u>	<u>\$ 363,341</u>
Non-current	<u>\$ 1,402,334</u>	<u>\$ 1,252,497</u>

Range of discount rate for lease liabilities was as follows:

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Buildings	0.765%-1.64%	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.

d. Other lease information

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Expenses relating to variable lease payments and short-term leases not included in the measurement of lease liabilities	<u>\$ 180,058</u>	<u>\$ 147,762</u>
Total cash outflow for leases	<u>\$ (661,275)</u>	<u>\$ (581,823)</u>

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:

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Lease commitments	<u>\$ 29,733</u>	<u>\$ 63,633</u>

### 13. OTHER INTANGIBLE ASSETS

	<b>Software</b>
<u>Cost</u>	
Balance at January 1, 2022	\$ 26,322
Additions	12,488
Disposals	<u>(645)</u>
Balance at December 31, 2022	<u>\$ 38,165</u>
<u>Accumulated amortization</u>	
Balance at January 1, 2022	\$ 20,174
Amortization expenses	4,261
Disposals	<u>(645)</u>
Balance at December 31, 2022	<u>\$ 23,790</u>
Carrying amount at December 31, 2022	<u>\$ 14,375</u>
<u>Cost</u>	
Balance at January 1, 2021	\$ 27,448
Additions	2,892
Disposals	<u>(4,018)</u>
Balance at December 31, 2021	<u>\$ 26,322</u>

(Continued)

	<b>Software</b>
<u>Accumulated amortization</u>	
Balance at January 1, 2021	\$ 17,410
Amortization expenses	6,338
Disposals	<u>(3,574)</u>
Balance at December 31, 2021	<u>\$ 20,174</u>
Carrying amount at December 31, 2021	<u>\$ 6,148</u> (Concluded)

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

Software	1-6 years
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	<u><b>For the Year Ended December 31</b></u>	
	<b>2022</b>	<b>2021</b>
An analysis of amortization by function		
General and administrative	<u>\$ 4,261</u>	<u>\$ 6,338</u>

#### 14. PREPAYMENTS

	<u><b>December 31</b></u>	
	<b>2022</b>	<b>2021</b>
<u>Current</u>		
Prepaid rent	\$ 4,196	\$ 7,226
Supplies	2,222	193
Prepayment for purchases	171,534	62,587
Others	<u>4,499</u>	<u>4,666</u>
	<u>\$ 182,451</u>	<u>\$ 74,672</u>

#### 15. OTHER FINANCIAL ASSETS - CURRENT

	<u><b>December 31</b></u>	
	<b>2022</b>	<b>2021</b>
Trust account	<u>\$ 3,932</u>	<u>\$ 362</u>

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

	<u><b>December 31</b></u>	
	<b>2022</b>	<b>2021</b>
Trust account	0.385%-0.405%	0.01%

## 16. OTHER ASSETS

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Current</u>		
Other receivables	\$ 2,045	\$ 2,035
Other receivables form related parties (Note 30)	28,052	11,096
Others	<u>7,389</u>	<u>30,261</u>
	<u>\$ 37,486</u>	<u>\$ 43,392</u>
<u>Non-current</u>		
Refundable deposits	\$ 149,998	\$ 134,275
Other receivables form related parties (Note 30)	<u>21,777</u>	<u>-</u>
	<u>\$ 171,775</u>	<u>\$ 134,275</u>

## 17. NOTES PAYABLE AND TRADE PAYABLES

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Notes payable</u>		
Operating	<u>\$ 55,445</u>	<u>\$ 50,432</u>
<u>Trade payables</u>		
Operating		
Unrelated parties	\$ 117,952	\$ 102,760
Related parties (Note 30)	<u>2,864</u>	<u>-</u>
	<u>\$ 120,816</u>	<u>\$ 102,760</u>

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

## 18. OTHER LIABILITIES

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Current</u>		
Other payables		
Payables for purchase of equipment	\$ 96,577	\$ 86,018
Payables for salaries and bonus	464,269	349,605
Payables for rent	34,181	33,635
Payables for retirement benefit	25,745	22,956
Payables for insurance	63,374	57,513

(Continued)

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Payables for annual leave	\$ 37,026	\$ 26,486
Payables for tax expense	53,149	29,095
Others	<u>128,718</u>	<u>164,193</u>
	903,039	769,501
Other payables to related parties (Note 30)	<u>11,467</u>	<u>9,073</u>
	<u>\$ 914,506</u>	<u>\$ 778,574</u>
		(Concluded)

## 19. PROVISIONS

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Non-current</u>		
Decommissioning liabilities	<u>\$ 56,181</u>	<u>\$ 43,645</u>
		<b>Decommissioning Liabilities</b>
Balance at January 1, 2022		\$ 43,645
Additional provisions recognized		14,419
Disposals		<u>(1,883)</u>
Balance at December 31, 2022		<u>\$ 56,181</u>
Balance at January 1, 2021		\$ 39,567
Additional provisions recognized		8,459
Disposals		<u>(4,381)</u>
Balance at December 31, 2021		<u>\$ 43,645</u>

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:

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Operating costs	\$ 50,822	\$ 47,895
Selling and marketing expenses	77,589	72,505
General and administrative expenses	<u>11,206</u>	<u>10,644</u>
	<u>\$ 139,617</u>	<u>\$ 131,044</u>

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:

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Present value of defined benefit obligation	\$ 112,156	\$ 143,595
Fair value of plan assets	<u>(50,905)</u>	<u>(44,123)</u>
Net defined benefit liabilities	<u>\$ 61,251</u>	<u>\$ 99,472</u>

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

	<b>Present Value of the Defined Benefit Obligation</b>	<b>Fair Value of the Plan Assets</b>	<b>Net Defined Benefit Liabilities</b>
Balance at January 1, 2022	<u>\$ 143,595</u>	<u>\$ (44,123)</u>	<u>\$ 99,472</u>
Service cost			
Current service cost	46	-	46
Net interest expense (income)	<u>1,077</u>	<u>(335)</u>	<u>742</u>
Recognized in profit or loss	<u>1,123</u>	<u>(335)</u>	<u>788</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(3,421)	(3,421)
Actuarial loss (gain)			
Changes in financial assumptions	(11,220)	-	(11,220)
Experience adjustments	<u>(7,178)</u>	<u>-</u>	<u>(7,178)</u>
Recognized in other comprehensive income	<u>(18,398)</u>	<u>(3,421)</u>	<u>(21,819)</u>

(Continued)

	<b>Present Value of the Defined Benefit Obligation</b>	<b>Fair Value of the Plan Assets</b>	<b>Net Defined Benefit Liabilities</b>
Contributions from the employer	\$ -	\$ (14,827)	\$ (14,827)
Benefits paid	(11,801)	11,801	-
Others	<u>(2,363)</u>	<u>-</u>	<u>(2,363)</u>
Balance at December 31, 2022	<u>\$ 112,156</u>	<u>\$ (50,905)</u>	<u>\$ 61,251</u>
Balance at January 1, 2021	<u>\$ 151,022</u>	<u>\$ (39,636)</u>	<u>\$ 111,386</u>
Service cost			
Current service cost	45	-	45
Net interest expense (income)	<u>755</u>	<u>(201)</u>	<u>554</u>
Recognized in profit or loss	<u>800</u>	<u>(201)</u>	<u>599</u>
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	<u>(3,420)</u>	<u>-</u>	<u>(3,420)</u>
Recognized in other comprehensive income	<u>(4,663)</u>	<u>(523)</u>	<u>(5,186)</u>
Contributions from the employer	-	(7,327)	(7,327)
Benefits paid	<u>(3,564)</u>	<u>3,564</u>	<u>-</u>
Balance at December 31, 2021	<u>\$ 143,595</u>	<u>\$ (44,123)</u>	<u>\$ 99,472</u> (Concluded)

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

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
General and administrative expenses	<u>\$ 788</u>	<u>\$ 599</u>

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:

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Discount rates	1.50%	0.75%
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:

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Discount rates		
0.25% increase	\$ (3,418)	\$ (4,808)
0.25% decrease	\$ 3,573	\$ 5,039
Expected rates of salary increase		
0.25% increase	\$ 3,490	\$ 4,891
0.25% decrease	\$ (3,355)	\$ (4,693)

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.

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Expected contributions to the plan for the next year	\$ 1,028	\$ 1,028
Average duration of the defined benefit obligation	12.4 years	13.6 years

## 21. EQUITY

### a. Share capital

#### Ordinary shares

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
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	
	2022	2021
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)		
Issuance of ordinary shares	\$ 1,785,075	\$ 1,785,075
Difference between consideration paid and the carrying amount of the subsidiaries' net assets during actual acquisition	4,849	6,327
<u>May only be used to offset a deficit</u>		
Changes in percentage of ownership interests in subsidiaries (2)	-	139
	<u>\$ 1,789,924</u>	<u>\$ 1,791,541</u>

- 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

The shareholders of the Company held their regular meeting on June 28, 2022 and in that meeting, resolved the amendments to the Company's Articles of Incorporation (the "Articles"). The amendments explicitly stipulate that the board of directors is authorized to adopt a special resolution to distribute dividends and bonuses in cash and a report of such distribution should be submitted in the shareholders' meeting.

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 when issued new shares. The Company setting aside a reserve bonuses or the legal reserve and the whole or part of capital surplus, In the case of cash disbursement, the board of directors is authorized to report to the shareholders' meeting with the presence of at least two-thirds of the directors and the approval of a majority of the directors present. 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 resolved to amend the Articles of incorporation by shareholder's meeting on June 28, 2022, when a special reserve is expressly provided for the net decrease in other equity accumulated in prior years, If the undistributed retained earnings shall of the previous period are not sufficient to provide, the amount of unappropriated earnings for the period is calculated by adding the amount of unappropriated earnings for the period. The amount of undistributed earnings for the period is presented. Before the amendment of the Articles of Incorporation, the Company will recognize undistributed earnings from prior periods.

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. 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 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 2021 that had been approved in the shareholders' meeting on June 28, 2022, were as follows:

	<b>For the Year Ended December 31, 2021</b>
Legal reserve offset deficits	<u>\$ 101,543</u>

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

	<b>For the Year Ended December 31, 2020</b>
Legal reserve	\$ 33,186
Special reserve	(28,424)
Cash dividends	327,093
Cash dividends per share (NT\$)	4.36

The appropriations of earnings for 2022 that had been proposed in the board of directors' meeting on March 23, 2023, were as follows:

	<b>For the Year Ended December 31, 2022</b>
Legal reserve	\$ 39,298
Special reserve	(9,487)
Cash dividends	363,174
Cash dividends per share (NT\$)	3.87
Stock dividends per share (NT\$)	1

The above cash dividends have been resolved by the board of directors, the rest is subject to the resolution in the shareholders' meeting on June 15, 2023.

d. Special reserve

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Balance at January 1	\$ 114,717	\$ 143,141
Reversals		
Reversal of the debits to other items	<u>-</u>	<u>(28,424)</u>
Balance at December 31	<u>\$ 114,717</u>	<u>\$ 114,717</u>

e. Other equity items

Exchange differences on translating the financial statements of foreign operations

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Balance at January 1	\$ (127,228)	\$ (114,717)
Recognized for the year		
Exchange differences on translating the financial statements of foreign operations	24,036	(15,638)
Related income tax	(4,807)	3,127
Share of associated by using the equity method	651	-
Related income tax	(130)	-
Reclassification		
Disposal of foreign operators	2,810	-
Related income tax	<u>(562)</u>	<u>-</u>
Balance at December 31	<u>\$ (105,230)</u>	<u>\$ (127,228)</u>

f. Treasury shares

<b>Purpose of Buy-back</b>	<b>Shares Transferred to Employees (In Thousands of Shares)</b>
Number of shares at January 1, 2022	1,727
Increase during the year	848
Exercise of employee share options	<u>(216)</u>
Number of shares at December 31, 2022	<u>2,359</u>
Number of shares at January 1, 2021	992
Increase during the year	2,049
Exercise of employee share options	<u>(1,314)</u>
Number of shares at December 31, 2021	<u>1,727</u>

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 five 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 board of directors decided to transfer 3,723 thousand treasury shares to its employee, at the transfer price of \$80.51 per treasury share on March 7, 2019, The Company had recognized compensation costs of \$1,444 thousand on the grant date in 2021.

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, the repurchase cost of treasury shares is \$53,291 thousand, and the employee stock subscription base date is September 10, 2021. The Company had recognized compensation costs of \$3,369 thousand on the grant date in 2021.

The Company's board of directors decided to transfer 216 thousand treasury shares to its employees at the transfer price of \$130 per treasury share on March 8, 2022. The Company had recognized compensation costs of \$785 thousand on the grant date in 2022.

The Company transferred 216 thousand and 992 thousand treasury shares to employees for proceeds of \$28,080 thousand and \$79,866 thousand on May 30, 2022 and May 21 2021, respectively.

The Company's board of directors decided to repurchase 1,540 thousand treasury shares to its employees, as of repurchase period was 848 thousand shares, the average price of \$121.15 per treasury share, the total amount was \$102,736 thousand, on June 7, 2022.

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

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Revenue from contracts with customers		
Revenue from the sale of food and beverages	\$ 10,313,378	\$ 8,090,881
Revenue from the sale of goods	<u>3,491</u>	<u>4,822</u>
	<u>\$ 10,316,869</u>	<u>\$ 8,095,703</u>

### a. Contract information

#### 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.

### 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

	<b>December 31, 2022</b>	<b>December 31, 2021</b>	<b>January 1, 2021</b>
Notes receivable and trade receivables (Note 8)	<u>\$ 197,167</u>	<u>\$ 201,333</u>	<u>\$ 129,281</u>
Contract liabilities			
Deferred revenue from gift vouchers	\$ 3,052,289	\$ 2,785,439	\$ 2,395,688
Customer loyalty programs	98,093	137,176	51,294
Sale of goods	<u>25,524</u>	<u>10,847</u>	<u>2,469</u>
	<u>\$ 3,175,906</u>	<u>\$ 2,933,462</u>	<u>\$ 2,449,451</u>

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:

	<b><u>For the Year Ended December 31</u></b>	
	<b>2022</b>	<b>2021</b>
From contract liabilities at the beginning of the year		
Deferred revenue from gift vouchers	<u>\$ 817,245</u>	<u>\$ 645,013</u>

#### c. Disaggregation of revenue

	<b><u>For the Year Ended December 31</u></b>	
<u>Type of goods or services</u>	<b>2022</b>	<b>2021</b>
Fine dining business group	\$ 3,996,667	\$ 3,572,521
Casual dining business group	2,225,451	1,980,123
Hot pot business group	2,279,547	1,397,292
Chinese food business group	638,256	444,976
Roast meat business group	<u>1,176,948</u>	<u>700,791</u>
	<u>\$ 10,316,869</u>	<u>\$ 8,095,703</u>

d. Partially completed contracts

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Catering sales services		
- completed in 2022	\$ -	\$ 1,782,667
- completed in 2023	1,953,027	712,358
- completed in 2024	916,427	290,414
- completed in 2025	<u>182,835</u>	<u>-</u>
	<u>\$ 3,052,289</u>	<u>\$ 2,785,439</u>

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

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Bank deposits	\$ 13,182	\$ 10,282
Imputed interest on deposits	350	432
Loan receivables and interest income (Note 30)	<u>260</u>	<u>228</u>
	<u>\$ 13,792</u>	<u>\$ 10,942</u>

b. Other income

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Government grants (Note 26)	\$ 19,488	\$ 143,200
Managing service income (Note 30)	75,590	60,633
Others	<u>26,404</u>	<u>31,149</u>
	<u>\$ 121,482</u>	<u>\$ 234,982</u>

c. Other gains and losses

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Loss on disposal of property, plant and equipment	\$ (13,244)	\$ (46,169)
Net foreign exchange gains (losses)	48,502	(12,872)
Impairment losses	-	(19,865)
Gain (loss) on contract modification	550	(3,864)
Loss on disposal of investments	(2,864)	-
Others	<u>(12,906)</u>	<u>(31,830)</u>
	<u>\$ 20,038</u>	<u>\$ (114,600)</u>

d. Finance costs

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Interest on lease liabilities	\$ (16,162)	\$ (14,244)
Interest on bank loans	(2,007)	(889)
Others	<u>(4)</u>	<u>(4)</u>
	<u><b>\$ (18,173)</b></u>	<u><b>\$ (15,137)</b></u>

e. Impairment losses of non-financial assets

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Property, plant and equipment (included in other gains and losses)	\$ -	\$ (19,527)
Right-of-use assets (included in other gains and losses)	<u>-</u>	<u>(338)</u>
	<u><b>\$ -</b></u>	<u><b>\$ (19,865)</b></u>

f. Depreciation and amortization

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
An analysis of depreciation by function		
Operating costs	\$ 360,124	\$ 324,143
Operating expenses	<u>521,438</u>	<u>483,510</u>
	<u><b>\$ 881,562</b></u>	<u><b>\$ 807,653</b></u>
An analysis of amortization by function		
Operating expenses	<u>\$ 4,261</u>	<u>\$ 6,338</u>

g. Employee benefits expense

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Short-term benefits	\$ 3,242,822	\$ 2,772,996
Post-employment benefits (Note 20)		
Defined contribution plans	139,617	131,044
Defined benefit plans	<u>788</u>	<u>599</u>
	3,383,227	2,904,639
Other employee benefits	<u>454,019</u>	<u>426,473</u>
Total employee benefits expense	<u><b>\$ 3,837,246</b></u>	<u><b>\$ 3,331,112</b></u>
An analysis of employee benefits expense by function		
Operating costs	\$ 1,446,329	\$ 1,248,521
Operating expenses	<u>2,390,917</u>	<u>2,082,591</u>
	<u><b>\$ 3,837,246</b></u>	<u><b>\$ 3,331,112</b></u>



h. Compensation of employees and remuneration of directors and supervisors

According to the Articles of Incorporation of the Company, the Company accrues compensation of employees at rates of 0.1% to 10% and remuneration of directors and supervisors at rates no higher than 1%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors and supervisors. Since there are losses before tax in 2021, no estimates were made for the remuneration to the employees or directors and supervisors. The compensation of employees and remuneration to directors and supervisors for the year ended December 31, 2022 which have been approved by the Company's board of directors on March 23, 2023, were as follows:

Accrual rate

	<b>For the Year Ended December 31, 2022</b>
Compensation of employees	0.1%
Remuneration of directors and supervisors	-

Amount

	<b>For the Year Ended December 31, 2022</b>
	<b>Cash</b>
Compensation of employees	\$ 480
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, 2021 and 2020.

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 expense (benefit) were as follows:

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Current tax		
In respect of the current year	\$ 117,947	\$ -
Adjustments for prior years	<u>-</u>	<u>(1)</u>
	<u>117,947</u>	<u>(1)</u>
Deferred tax		
In respect of the current year	<u>(25,447)</u>	<u>(96,892)</u>
Income tax expense (benefit) recognized in profit or loss	<u>\$ 92,500</u>	<u>\$ (96,893)</u>

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

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Profit (loss) before income tax from continuing operations	<u>\$ 479,067</u>	<u>\$ (201,596)</u>
Income tax expense (benefit) calculated at the statutory rate	\$ 95,813	\$ (40,319)
Tax-exempt income	(31,754)	(58,345)
Nondeductible expenses in determining taxable income	1,742	1,772
Unused benefit of tax loss	26,699	-
Adjustments for prior years' tax	<u>-</u>	<u>(1)</u>
Income tax expense (benefit) recognized in profit or loss	<u>\$ 92,500</u>	<u>\$ (96,893)</u>

### b. Income tax recognized in other comprehensive income

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Deferred tax</u>		
In respect of the current year		
Translation of foreign operations	\$ (5,499)	\$ 3,127
Remeasurement of defined benefit plan	<u>(4,364)</u>	<u>(1,037)</u>
Total income tax recognized in other comprehensive income	<u>\$ (9,863)</u>	<u>\$ 2,090</u>

### c. Current tax assets and liabilities

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Current tax assets		
Tax refund receivable	<u>\$ 629</u>	<u>\$ 629</u>
Current tax liabilities		
Income tax payable	<u>\$ 148,401</u>	<u>\$ 52,150</u>

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, 2022

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
<u>Deferred tax assets</u>				
Temporary differences				
Impairment loss on property, plant and equipment	\$ 81	\$ -	\$ -	\$ 81
Exchange differences	7,068	(7,068)	-	-
Exchange differences on translating the financial statements of foreign operations	31,806	-	(5,499)	26,307
Defined benefit obligation	19,895	(3,280)	(4,364)	12,251
Payables for annual leave	5,298	2,107	-	7,405
Loss carryforwards	51,652	(51,652)	-	-
Associates	-	9,683	-	9,683
	<u>\$ 115,800</u>	<u>\$ (50,210)</u>	<u>\$ (9,863)</u>	<u>\$ 55,727</u>
<u>Deferred tax liabilities</u>				
Temporary differences				
Subsidiaries	\$ 78,116	\$ (78,116)	\$ -	\$ -
Exchange differences	-	2,459	-	2,459
	<u>\$ 78,116</u>	<u>\$ (75,657)</u>	<u>\$ -</u>	<u>\$ 2,459</u>

For the year ended December 31, 2021

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
<u>Deferred tax assets</u>				
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
	<u>\$ 60,558</u>	<u>\$ 53,152</u>	<u>\$ 2,090</u>	<u>\$ 115,800</u>
<u>Deferred tax liabilities</u>				
Temporary differences				
Subsidiaries	\$ 121,856	\$ (43,740)	\$ -	\$ 78,116

e. Income tax assessments

The income tax returns of the Company through 2020 have been assessed by the tax authorities.

## 25. EARNINGS (LOSSES) PER SHARE

Unit: NT\$ Per Share

	For the Year Ended December 31	
	2022	2021
Basic earnings (losses) per share	\$ 5.15	\$ (1.40)
Diluted earnings (losses) per share	\$ 5.15	\$ (1.40)

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

### Net Profit (Losses) for the Year

	For the Year Ended December 31	
	2022	2021
Earnings (losses) used in the computation of basic earnings (losses) per share	\$ 386,567	\$ (104,703)
Earnings (losses) used in the computation of diluted earnings (losses) per share	\$ 386,567	\$ (104,703)

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

	For the Year Ended December 31	
	2022	2021
Weighted average number of ordinary shares used in the computation of basic earnings (losses) per share	74,998	74,985
Effect of potentially dilutive ordinary shares:		
Compensation of employees or bonuses issued to employees	3	-
Weighted average number of ordinary shares used in the computation of diluted earnings (losses) per share	75,001	74,985

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 catering marketing grant of Ministry of Economic Affairs and Restaurant Revitalization Subsidy Program of Taichung City. In 2022, a total of \$19,488 thousand was recognized as other income.

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, 2022 and 2021:

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Acquisition of property, plant and equipment		
Increase in property, plant and equipment	\$ 622,256	\$ 487,900
Add: Payable for purchase of equipment, balance at January 1	86,018	149,698
Decommissioning liability, balance at January 1	43,645	39,567
Less: Payable for purchase of equipment, balance at December 31	(96,577)	(86,018)
Decommissioning liability, balance at December 31	<u>(56,181)</u>	<u>(43,645)</u>
Cash payment	<u>\$ 599,161</u>	<u>\$ 547,502</u>

- 2) The Company reclassified the amounts of \$2,573 thousand and \$45,336 thousand from prepayments for equipment to property, plant and equipment for the year ended December 31, 2022 and 2021, respectively.

### b. Changes in liabilities arising from financing activities

#### For the year ended December 31, 2022

	Opening Balance	Cash Flows	New Leases	Non-cash Changes		Closing Balance
				Remeasureme nt of Lease Contract	Remeasureme nt of Branch Closure	
Lease liabilities	<u>\$ 1,615,838</u>	<u>\$ (447,988)</u>	<u>\$ 355,181</u>	<u>\$ 260,048</u>	<u>\$ (30,012)</u>	<u>\$ 1,753,067</u>

#### For the year ended December 31, 2021

	Opening Balance	Cash Flows	New Leases	Non-cash Changes		Closing Balance
				Remeasureme nt of Lease Contract	Remeasureme nt of Branch Closure	
Lease liabilities	<u>\$ 1,432,173</u>	<u>\$ (399,060)</u>	<u>\$ 352,423</u>	<u>\$ 311,686</u>	<u>\$ (81,384)</u>	<u>\$ 1,615,838</u>

## 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

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Financial assets</u>		
Financial assets at amortized cost (1)	\$ 3,528,695	\$ 2,768,797
<u>Financial liabilities</u>		
Financial liabilities at amortized cost (2)	1,215,607	1,023,779

1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, notes receivable, trade receivables, financial lease 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 34.

##### Sensitivity analysis

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 weakening (strengthening) 1% against the relevant currency.

	<b>USD Impact</b>	
	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Profit or loss	\$ 4,105	\$ 4,640

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:

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Fair value interest rate risk		
Financial assets	\$ 1,682,188	\$ 1,193,364
Financial liabilities	1,753,067	1,615,838
Cash flow interest rate risk		
Financial assets	1,425,536	1,148,404

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, 2022 and 2021 would have increased or decreased by \$1,426 thousand and \$1,148 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

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

### b. Purchases of goods

<u>Related Party Category/Name</u>	<u>For the Year Ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Subsidiaries		
Wowfresh Corporation	<u>\$ 3,129,440</u>	<u>\$ 2,334,545</u>

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)

<u>Line Item</u>	<u>Related Party Category/Name</u>	<u>December 31</u>	
		<u>2022</u>	<u>2021</u>
Other receivables	Subsidiaries		
	WPT Restaurant Corporation	\$ 7,469	\$ 964
	Cheerpin Restaurant Corporation	13,647	7,492
	Wowfresh Corporation	<u>28,713</u>	<u>2,640</u>
		<u>\$ 49,829</u>	<u>\$ 11,096</u>



The outstanding receivables from related parties mainly for purchasing materials and lease agreements (refer to 30-j) are unsecured. For the years ended December 31, 2022 and 2021, 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	
		2022	2021
Trade payables	Subsidiaries		
	Cheerpin Restaurant Corporation	\$ 2,864	\$ -
Other payables	Subsidiaries		
	Cheerpin Restaurant Corporation	\$ 7,881	\$ 7,947
	WPT Restaurant Corporation	387	451
	Wowfresh Corporation	3,000	-
	Associates		
	uniEat Co., Ltd.	199	675
		<u>\$ 11,467</u>	<u>\$ 9,073</u>

The outstanding trade payables to related parties are unsecured.

e. Prepayments

Related Party Category/Name	December 31	
	2022	2021
Subsidiaries		
Wowfresh Corporation	\$ 131,887	\$ 62,587

f. Acquisition of property, plant and equipment

Related Party Category/Name	Purchase Price For the Year Ended December 31	
	2022	2021
uniEat Co., Ltd.	\$ -	\$ 6,777

g. Disposal of property, plant and equipment

Related Party Category/Name	Proceeds		Gain (Loss) on Disposal	
	For the Year Ended December 31		For the Year Ended December 31	
	2022	2021	2022	2021
Subsidiaries				
Wowfresh Corporation	\$ -	\$ 82	\$ -	\$ -

h. Disposal of intangible asset

Related Party Category/Name	Proceeds		Gain (Loss) on Disposal	
	For the Year Ended		For the Year Ended	
	December 31		December 31	
	2022	2021	2022	2021
Subsidiaries				
Wowfresh Corporation	\$ -	\$ 444	\$ -	\$ -

i. Other transactions with related parties

Line Item	Related Party Category/Name	December 31	
		2022	2021
Other income	Subsidiaries		
(management service	WPT Restaurant Corporation	\$ 7,237	\$ 5,927
revenue)	Cheerpin Restaurant Corporation	62,353	52,306
	Wowfresh Corporation	<u>6,000</u>	<u>2,400</u>
		<u>\$ 75,590</u>	<u>\$ 60,633</u>
Other income	Subsidiaries		
	Wowfresh Corporation	<u>\$ -</u>	<u>\$ 214</u>
Interest income	Subsidiaries		
	WPT Restaurant Corporation	<u>\$ -</u>	<u>\$ 228</u>
Other expense	Subsidiaries		
	Wowfresh Corporation	<u>\$ 3,000</u>	<u>\$ -</u>

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

J. Lease agreement

The Company leases right-of-use assets to Wowfresh Corporation through financial lease for a term of 9 years, rentals are based on the rental rates of similar assets, and payments are made in accordance with the lease agreements by fixed monthly lease. As of December 31, 2022, the balance of other receivables was \$25,129 thousand and the interest income was recognized due to financial lease of \$260 thousand.

k. Remuneration of key management personnel

	For the Year Ended December 31	
	2022	2021
Short-term employee benefits	\$ 83,320	\$ 51,467
Post-employment benefits	<u>747</u>	<u>744</u>
	<u>\$ 84,067</u>	<u>\$ 52,211</u>

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:

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Restricted deposit balance	<u>\$ 583,665</u>	<u>\$ 532,959</u>
Pledged deposits	<u>\$ 185,669</u>	<u>\$ 153,244</u>

### 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, 2022 and 2021 were as follows:

#### Significant Commitments

- a. Unrecognized commitments were as follows:

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Acquisition of property, plant and equipment	<u>\$ 7,751</u>	<u>\$ 71,403</u>

- b. As of December 31, 2022 and 2021, the Company had a line of credit to sell gift vouchers, of which \$1,606,913 thousand and \$1,756,406 thousand had been drawn, respectively.

### 33. SUBSEQUENT EVENT

The Company's board of director resolved to issue the first domestic unsecured convertible bonds in October 11, 2022, refer to No. 1110365283 issued by the FSC declaration effective in December 9, 2022.

The Company considered the changes in the domestic capital market and sought a better timing for the issuance, and considered the overall corporate interests and shareholders' rights. In order to facilitate the successful completion of the fund raising for the unsecured convertible bonds, we have applied to the Financial Supervisory Commission for a three-month extension of the fund raising period for the first domestic unsecured convertible bonds. On February 22, 2023, the Company was approved for record by letter No. 1120333537 issued by the FSC. The offering period extends to June 9, 2023.

### 34. 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, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 13,365,516	30.71 (USD:NTD)	<u>\$ 410,455</u>
Non-monetary items			
Investments accounted for using the equity method			
RMB	334,529,315	4.408 (RMB:NTD)	<u>\$ 1,474,605</u>

December 31, 2021

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 16,761,719	27.68 (USD:NTD)	<u>\$ 463,964</u>
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)	<u>22,614</u>
			<u>\$ 1,742,058</u>

The significant realized and unrealized foreign exchange gains (losses) were as follows:

<b>For the Year Ended December 31</b>				
Functional Currency	2022		2021	
	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Gain (Loss)
USD	30.71 (USD:NTD)	\$ 48,489	27.68 (USD:NTD)	\$ (12,872)
SGD	22.88 (SGD:NTD)	14	20.46 (SGD:NTD)	-
JPY	0.2324 (JPY:NTD)	<u>(1)</u>	0.2405 (JPY:NTD)	<u>-</u>
		<u>\$ 48,502</u>		<u>\$ (12,872)</u>

### 35. 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.  
(Table 4)
- 9) Trading in derivative instruments. None

b. Information on investees (Table 5)

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 6)
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: None
  - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
  - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
  - c) The amount of property transactions and the amount of the resultant gains or losses.
  - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
  - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.

- f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services.
- 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. (Table 7)

**TABLE 1**

**WOWPRIME CO., LTD. AND SUBSIDIARIES**

**FINANCING PROVIDED TO OTHERS  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(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	\$ -	-	\$ -	\$ 1,271,105	\$ 1,271,105	7
		WPT Restaurant Corporation	Other receivables	Yes	50,000	50,000	-	-	Short-term financing	-	Supporting the subsidiary's short-term operating requirements	-	-	-	1,271,105	1,271,105	7
1	Wowprime (Beijing) Co., Ltd.	Wowprime (China) Co., Ltd.	Other receivables	Yes	45,194	43,924	43,924	3.7	Short-term financing	-	Supporting short-term operating requirements	-	-	-	66,802	66,802	8
2	Wowprime (China) Co., Ltd.	Shanghai Wanxin International Trade Co., Ltd.	Other receivables	Yes	225,970	219,620	21,962	3.7	Short-term financing	-	Supporting short-term operating requirements	-	-	-	687,600	687,600	9
		Shanghai Hoppime Catering Management Co., Ltd.	Other receivables	Yes	135,582	131,772	65,886	3.65-3.7	Short-term financing	-	Supporting short-term operating requirements	-	-	-	687,600	687,600	9
		Shanghai Xizhu Catering Management Co., Ltd.	Other receivables	Yes	45,194	43,924	-	-	Short-term financing	-	Supporting short-term operating requirements	-	-	-	687,600	687,600	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. (\$3,177,764 thousand × 40% = \$1,271,105 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. (\$3,177,764 thousand × 40% = \$1,271,105 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. (\$167,005 thousand × 40% = \$66,802 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. (\$167,005 thousand × 40% = \$66,802 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. (\$1,719,000 thousand × 40% = \$687,600 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. (\$1,719,000 thousand × 40% = \$687,600 thousand).

WOWPRIME CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(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	\$ 1,271,105	\$ 600,000	\$ 600,000	\$ 550,000	\$ -	18.88	\$ 1,271,105	Y	N	N	
		Wowprime (China) Co., Ltd.	b	1,271,105	319,720	306,677	-	-	9.65	1,271,105	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. (\$\$3,177,764 thousand × 40% = \$1,271,105 thousand). In addition, the total lending amount loanable to any one borrower shall be no more than forty percent (40%) of the net worth of Wowprime Co., Ltd. (\$\$3,177,764 thousand × 40% = \$1,271,105 thousand).



**TABLE 3****WOWPRIME CO., LTD. AND SUBSIDIARIES**

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**(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	\$ 3,129,440	83.47	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	962,878	96.94	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
Shanghai Wanxin International Trade Co., Ltd.	Wowprime (China) Co., Ltd.	Subsidiary	Purchase	293,546	43.38	According to the Company's credit period to related parties	According to Company's policy	-	Trade payables (150,809)	99.70	According to the Company's credit period to related parties
Wowprime (China) Co., Ltd.	Shanghai Wanxin International Trade Co., Ltd.	Subsidiary	Purchase	132,603	8.58	According to the Company's credit period to related parties	According to Company's policy	-	Trade payables (14,970)	13.62	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. AND SUBSIDIARIES**

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OF 20% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(In Thousands of New Taiwan Dollars)**

Companies with Receivables	Investee Company	Relationship	Balance of Amounts Due from Related Parties (Note 1)	Rotation Rate	Overdue Receivables from Related Parties		Recoveries After the Period	Allowance for Losses
					Amount	Processing		
Wowprime (China) Co., Ltd.	Shanghai Wanxin International Trade Co., Ltd.	Subsidiary	Accounts receivable \$150,809	3.25	\$ -	-	\$ 67,144	\$ -

Note 1: Please enter the accounts receivables from related parties amounting, notes, other receivables...etc.

Note 2: 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.

TABLE 5

WOWPRIME CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEEES  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(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, 2022			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2022	December 31, 2021	Number of Shares	%	Carrying Amount			
Wowprime Co., Ltd.	Tai Pin Holding Ltd. (Seychelles)	Seychelles	Investment	\$ 1,617,647	\$ 1,440,629	20,117,134	100.00	\$ 1,474,605	\$ (440,401)	\$ (440,401)	Note 1
	WPT Restaurant Corporation	Taiwan	Catering and catering management	100,000	100,000	10,000,000	100.00	58,773	(1,953)	(1,953)	Note 1
	Wowprime USA Holding Ltd. (Samoa)	Samoa	Investment	-	24,069	-	-	-	7	7	Note 2
				(US\$ -)	(US\$ 762,500)			(US\$ -)	(US\$ 237)	(US\$ 237)	
	Cheerpin Restaurant Corporation	Taiwan	Catering and catering management	300,000	300,000	30,000,000	100.00	465,748	144,224	144,224	Note 1
	Wowfresh Corporation	Taiwan	Fresh food trading	500,000	500,000	50,000,000	100.00	505,429	1,396	1,396	Note 1
	Jiechuang Investment Co., Ltd.	Taiwan	Investment	11,000	11,000	1,100,000	100.00	4,479	(6,106)	(6,106)	Note 1
	DuDoo Ltd. (Cayman)	Cayman	Investment	74,828	74,828	209,497	14.98	78,247	19,030	2,763	Note 2
				(US\$ 2,422,872)	(US\$ 2,422,872)			(US\$ 2,513,755)	(US\$ 626,446)	(US\$ 90,693)	
Jiechuang Investments Co., Ltd.	We Dao Ltd.	Taiwan	Catering	10,000	10,000	200,000	20.00	3,657	(5,325)	(1,065)	Note 2
Tai Pin Holding Ltd. (Seychelles)	Hoppime Ltd. (Cayman)	Cayman	Investment	1,527,029	1,364,892	20,889,649	78.12	1,479,115	(563,978)	(436,372)	Note 1
				(RMB 337,386,272)	(RMB 301,143,890)			(RMB 335,552,423)	(RMB(127,595,361))	(RMB (98,724,948))	
Hoppime Ltd. (Cayman)	Wowprime Limited (Samoa)	Samoa	Investment	1,290,412	1,142,672	-	100.00	1,886,007	(552,113)	(552,113)	Note 1
				(RMB 282,707,111)	(RMB 249,618,611)			(RMB 427,860,001)	(RMB(124,914,054))	(RMB(124,914,054))	

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

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

WOWPRIME CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(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, 2022	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022	Net Income (Loss) of Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2 b (2).)	Carrying Amount as of December 31, 2022	Accumulated Repatriation of Investment Income as of December 31, 2022
					Outflow	Inflow						
Wowprime (China) Co., Ltd.	Catering and catering management	\$ 894,893 (RMB 195,090,404)	Note 1 (b)	\$ 364,079 (US\$ 12,272,235)	\$ 147,149 (US\$ 4,980,000)	\$ -	\$ 511,228 (US\$ 17,252,235)	\$ (553,004) (RMB (125,114,305))	78.12	\$ (427,887) (RMB (96,806,611))	\$ 1,342,882 (RMB 304,646,734)	\$ 207,023 (US\$ 6,813,742)
Wowprime (Beijing) Management Co., Ltd.	Catering and catering management	118,608 (RMB 24,673,989)	Note 1 (b)	92,639 (US\$ 3,057,046)	-	-	92,639 (US\$ 3,057,046)	(739) (RMB (166,214))	78.12	(574) (RMB (129,171))	130,464 (RMB 29,597,117)	15,439 (US\$ 512,838)
Shanghai Qun ze yi Enterprise Management Co., Ltd.	Catering management	20,990 (RMB 4,800,000)	Note 1 (b)	- (US\$ -)	-	-	- (US\$ -)	(12,519) (RMB (2,830,209))	78.12	(9,736) (RMB (2,200,965))	2,945 (RMB 668,163)	-
Shanghai WanXin International Trade Co., Ltd.	Fresh food trade	23,986 (RMB 5,500,000)	Note 1 (b)	- (US\$ -)	-	-	- (US\$ -)	(11,828) (RMB (2,687,835))	78.12	(9,214) (RMB (2,093,840))	5,967 (RMB 1,353,733)	-
Shanghai Hoppime Catering Management Co., Ltd.	Catering and catering management	86,413 (RMB 20,000,000)	Note 1 (b)	- (US\$ -)	-	-	- (US\$ -)	(86,144) (RMB (19,475,834))	78.12	(66,717) (RMB (15,083,408))	(75,327) (RMB (17,088,625))	-
Shanghai Xizhu Catering Management Co., Ltd.	Catering and catering management	21,895 (RMB 5,000,000)	Note 1 (b)	- (US\$ -)	-	-	- (US\$ -)	(13,176) (RMB (2,978,623))	74.214	(9,734) (RMB (2,200,563))	2,788 (RMB 632,446)	-

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, 2022	Investment Amounts Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by the Investment Commission, MOEA
\$ 603,867 (US\$ 20,309,281)	\$ 1,028,522 (US\$ 34,407,913)	\$ 2,155,335

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.

**TABLE 7****WOWPRIME CO., LTD.****INFORMATION OF MAJOR SHAREHOLDERS****FOR THE YEAR ENDED DECEMBER 31, 2022****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Le Hang Investment Co.	4,231,836	5.49

Note: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Wowprime Corporation

Representative: Cheng-Hui Chen