

Stock Code: 2727

# Wowprime Corporation

## 2023 Annual Report

Company's website: <https://www.wowprime.com>  
Annual Report's website: <https://mops.twse.com.tw>  
April 30, 2024

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,**

2023 was a meaningful year for Wowprime Corporation. Since the establishment of the first “Wangsteak” in 1993, Wowprime Corporation has welcomed its 30th anniversary. The number of stores in Taiwan, consolidated operating income and profits have recorded a historical new high since its establishment, and the consolidated operating income exceeded the milestone of NT\$20 billion for the first time, successfully reached new heights. Driven by the synergy of multiple brands and store expansion, the monthly operating income of Taiwan Business Group throughout 2023 achieved new heights on a year-on-year basis. For Mainland China Business Group, due to the unstable macroeconomy and the decrease in consumption, operations remained challenging. However, adhering to the core values of “integrity,” “groupwork,” “agility” and “innovation,” Wowprime actively adjusted its nature and maintained its current position pending the recovery of growth of the cross-strait business groups.

Wowprime successfully rides on the domestic demand market’s recovery and rebound. This is mainly due to the bold action made to carry out expansions against the trend during the pandemic. In addition to the stable store expansion of existing brands, the multi-brand strategy is continued. In recent years, we focused on foreign cuisine, Japanese and Korean cuisines, hot pot, Chinese cuisine and fast-food fashion business groups as the core to seek market opportunities and continue to launch new brands. In 2023, the Company launched three new brands of medium-priced teppanyaki “Joxiang Teppanyaki” and “Chingu BBQ,” continuing to secure market shares. The “cluster operation” strategy provides efficiency for developing new brands and frontend marketing and allows backend integration of the supply chain and the accumulation of business and culinary knowledge, driving the rapid growth of the expansion points.

For the retail business, the second curve of growth of Wowprime Corporation also recorded outstanding performances. We bring about retail sales by leveraging our F&B brand awareness and drive our F&B business through retail sales 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 70 types of retail products. Furthermore, five products successfully gained recognition by receiving the International Taste Institute (Formerly ITQI) Superior Taste Award. As deeply recognized by the market, our performance has been growing stably for four years. “Wowprime Food Craze APP” satisfies the demand of customers for reservations, information, discounts and payment. In 2023, the number of members exceeded 3.8 million and over 40% of our operating income was from the contributions of Wowprime Food Craze’s members.

We appreciate employees who came through with us for the past three decades. We adopted the zero lay-off policy during the challenges imposed by the outbreak and shared the achievements gained through efforts with our employees. In 2023, we organized a large-scale year-end party and overseas corporate trip once in the past five years to exhibit our management philosophy of “employees are family members.”

Facing 2024, Wowprime Corporation will continue to improve to provide premium dishes and services to consumers in Taiwan and adhere to 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 2023 are as follows:

- Our consolidated operating income was NT\$22,317,707 thousand, representing an increase of 21.81% from NT\$18,321,041 thousand in the preceding year, in which the operating income of the Taiwan Business Group was NT\$17,280,899 thousand, representing an increase of 25.8% from NT\$13,736,640 thousand in the preceding year.
- Net profit after tax was NT\$1,380,250 thousand, representing a growth of 424.43% from NT\$263,192 thousand in the preceding year. Earnings per share after tax were NT\$16.79, representing an increase of NT\$4.74 from NT\$12.05 in the preceding year.

## Operation expansion

- Wowprime Corporation remains optimistic about the domestic demand market in Taiwan. In 2024, 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 Corporation will continue to improve its quality and services in the hope of receiving the recognition and trust of consumers. **Continue the multi-brand strategy**

Wowprime Corporation has gone through over three decades and it has continued its multi-brand strategy; at present, there are a total of 27 brands in Taiwan. In 2023, it launched new brands. “Joxiang Teppanyaki” entered the Taipei Eastern District Business Zone by providing diverse choices of flavors, together with free-flow white rice, soup and beverages with medium prices focusing on the requirements of office workers and petty bourgeoisie. “Chingu” Korean BBQ combines the features of pork belly cooked in three ways and Korean banchan with dedicated personnel grilling the food; Chingu has been packed with no empty seats and popular since its establishment in Ximending, Taipei.

- **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 70 types of retail sale products under the brands 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 340 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 2023, the number of Wowprime Food Craze’s members exceeded 3.8 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 thimprovement in the overall business scale.

## Business prospect

The mission of Wowprime Corporations is to “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 2024, it launched the fourth Teppanyaki brand, “Chao Chou Bang,” and it expects to launch two to three new brands.

- We regularly examine the business models and marketing positions of our brands. In 2024, we will perform brand optimization and upgrade for “Tokyia” and “Vegtable.”
- 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.
- 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 2023

- The “2023 Happy Enterprises” by 1111 Job Bank  
Gold award for F&B services: Wowprime Corporation and Cheerpin Restaurant Corporation
- Taichung City Government Happy Workplace Award  
Happy Creativity Award: WPT Restaurant Corporation  
Happy Creativity Award: Cheerpin Restaurant Corporation  
Three-star Award: Cheerpin Restaurant Corporation
- Taipei City 1st Middle-aged and Elderly Friendly Enterprise Certification  
Wowprime Corporation
- New Taipei City Middle-aged and Elderly Friendly Workplace Certification  
Giguo Banqiao GlobalMall Branch  
12MINI MRT Nanshijiao Branch  
12hotpot Tucheng Qingyun Branch  
CHIN HUAJIAO Banqiao Xianmin Boulevard Branch  
CHIN HUAJIAO Xidian Minquan Branch
- Taichung City Middle-aged and Elderly Friendly Performance Enterprises  
Excellence XIANGLA Taichung Wequan West Branch  
Grade A POWER of MEAT Taichung Wenshin Chongde Branch  
Grade A WagyuShabu Taichung Wenshin Chongde Branch
- Chained brand restaurant in “2023 Taiwan Service Industry Golden Award” by the Commercial Times  
Gold Medal: Oh my! Yakiyan
- 2023 ITQi Superior Taste Award:  
Wowprime Select Premium - Peach Wood Smoked Duck Breast - “Exceptional” - Three Stars  
Wowprime Select Premium - Peppery Beef Short Ribs - “Remarkable” - Two Stars  
12hotpot - Stone Hot Pot - “Remarkable” - Two Stars  
12hotpot - Selected Hot Pot Ingredients - “Remarkable” - Two Stars  
TASTy - Curry Yogurt Sauce - “Remarkable” - Two Stars
- 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
- Traceability Restaurant in the From Farm to Table Restaurant organized by AMOT  
12hotpot: Three stars
- Shortlisted by the “2023 Modern Taiwanese Cuisine Restaurants” by the Ministry of



- Economic Affairs:  
Veggtable
- The 10th Service Angel Award in 2023  
hot7 Hsiang-Ling Chen  
POWER of MEAT Chia-Hua Wu  
XIANGLA Chin-Hsiang Hsiao  
12MINI Shuan-You Yeh

### **Corporate social responsibility**

Wowprime Corporation has long been in the F&B service industry in Taiwan and aims to improve 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 Corporation 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; “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 Memorial T-shirts” bazaar. By doing so, we hope to exert social influence and deliver warmth to those in need.

Wowprime Corporation

Chairman: Cheng-Hui Chen

## Two. Company Profile

### I. Establishment date

(I) Establishment registration date: 7 December 1993

(II) Alteration registration date: 26 September 2023

(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 South), 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

Name of branch office	Phone number	Area code	Address
TASTy (Banqiao Zhongshan), Wowprime Corporation	02-29629955	220	2F, No.6, Sec. 1, Zhongshan Rd., Banqiao Dist., New Taipei City
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 Minguang), Wowprime Corporation	02-22181400	231	2F, No.82, Minguang 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
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
vegetable, Wowprime Corporation	04-23221868	403	29F, No.218, Sec.2 Taiwan Blvd., West Dist., Taichung City

## 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 Brach, 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 Tokiya (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 Monthly. 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 Monthly.</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 received the “Business of Excellent Performance in Invoice Issuance” from the Ministry of Finance.</li> <li>2. Established the “Sheno-I Dai 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 GuangFu North) 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, Yakiyan,</li> </ol>

Time	Overview
	<p>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, Gigu, 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	<ol style="list-style-type: none"> <li>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.”</li> <li>Established the sub-brand “12MINI” of the 12hotpot Business Segment.</li> <li>Established the Wu Yu Business Segment in Mainland China.</li> <li>Established Xiang Duck Business Segment.</li> <li>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.</li> <li>Established Veggtable Business Segment and Phofun Business Segment.</li> <li>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</li> <li>“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.</li> <li>Madam Goose (Xinzhuan) 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.</li> <li>Established the transformation brand “Wu Ni” of the Hanakakure Business Segment in Mainland China.</li> <li>Established Wowfresh Corporation to integrate the central kitchen, raw ingredient preparation, cutting, and processing of the Group.</li> <li>Wangsteak continued to work with the 55<sup>th</sup> Golden Horse Awards and released the “Golden Horse Feast of Co-star’s Honor.”</li> <li>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.</li> <li>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.</li> <li>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.</li> </ol>
2019	<ol style="list-style-type: none"> <li>Established Bibaya Business Segment in Mainland China.</li> <li>Sufood Business Segment was renamed Su/food Business Segment.</li> <li>Wangsteak, TASTy, Chamonix, 12hotpot, and Tokiya received the “Happy Enterprise Award.”</li> </ol>

Time	Overview
	<ol style="list-style-type: none"> <li>4. 12hotpot was awarded the highest honor of a three-star traceability restaurant in the From Farm to Table Restaurant organized by AMOT.</li> <li>5. 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>6. 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>7. 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>8. Established THE WANG Business Segment.</li> <li>9. Received the “2019 Taiwan i Sports Label.”</li> <li>10. 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>11. 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>12. The “16<sup>th</sup> Global Views Five Star Service Award” ikki and Giguu won third and fifth place in the chain F&amp;B industry category.</li> <li>13. 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>14. Formally established the “Food Art R&amp;D Center.”</li> <li>15. 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>1. 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>2. Established the first Taipei Zhongxiao East Road Branch of the Wagyuhabu Business Segment.</li> <li>3. TASTy organized the “Reach Out to New Blood” event; CEO Sen-Pin Lee joined the event to call for blood donation.</li> <li>4. 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>5. Established the first Taichung Wenxin Branch of the Meeting Point Business Segment.</li> <li>6. 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>7. 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>8. 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>1. Established the first Taichung Gongyi Branch of The Meatiest Business Segment.</li> <li>2. 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>3. Formally established the “Wowfresh Meat Packing Plant.”</li> <li>4. Established the first MRT Ximen Branch of the Truwow Business Segment.</li> <li>5. Received the “2022 Taiwan Service Industry Golden Award” from the Commercial Times: Chain hot pot restaurant: Gold medal - Giguo</li> <li>6. 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>7. At the “7th From Farm to Table Restaurant” organized by AMOT, 12hotpot and hot were awarded three-star traceability restaurant and two-star traceability restaurant, respectively.</li> <li>8. Received the F&amp;B Service Award - Gold Award from the “2022 Happy Enterprises” by 1111.</li> <li>9. Vegtable was elected in the 2022 “Taiwanese Cuisine with Local Specialties” by the Ministry of Economic Affairs.</li> <li>10. 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>11. On the “Yushan Public Welfare Day,” our employees climbed Yushan, donated 300 pairs of slippers, and helped maintain the trails in Yushan.</li> <li>12. At the “2022 Outstanding Store Manager Selection” organized by Taiwan Chain Stores and Franchise Association, Yi-Fang Liu from ikki and Yi-Quan Hu from 12hotpot received the title of outstanding store manager.</li> <li>13. 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>14. Xiang Duck won the Pioneer Innovation Award of the “2022 The Dailyview Best Reviewed Online Award.”</li> <li>15. Wowprime Group received the Excellent Enterprise from the “6th Elite Award Ceremony” from the Department of Labor.</li> </ol>
2023	<ol style="list-style-type: none"> <li>1. During the outbreak, the Group took the initiative to donate supplies and was invited to participate in the “COVID-19 Donation Gratitude and Recognition Gala” held by CDC and was awarded a medal</li> <li>2. At the “10th Service Angel Award in 2023,” four of our employees won the Service Angel Award, including Hsiang-Ling Chen from hot7, Chia-Hua Wu from POWER of MEAT, Chin-Hsiang Hsiao from XIANGLA and Shuan-You Yeh from 12MINI.</li> <li>3. Awarded the ITQi Superior Taste Award: “Exceptional”-Three Stars: Wowprime Select Premium-Peach Wood Smoked Duck Breast “Remarkable”-Two Stars: Wowprime Select Premium - Peppery Beef Short Ribs; 12hotpot-Stone Hot Pot; 12hotpot - Selected Hot Pot Ingredients; TASTy-Curry Yogurt Sauce</li> <li>4. At the “8th From Farm to Table Restaurant” organized by AMOT, 12hotpot was awarded the three-star traceability restaurant</li> <li>5. Chained brand restaurant in “2023 Taiwan Service Industry Golden Award” by the Commercial Times: Gold Medal: Oh my! Yakiyan</li> <li>6. Established the first Taipei Nanjing East Branch of the Hsun Chang Business Segment.</li> <li>7. Received the Taipei City 1st Middle-aged and Elderly Friendly Enterprise Certification - Wowprime Corporation</li> <li>8. Vegtable was recognized as the “2023 Modern Taiwanese Cuisine Restaurant” by the Ministry of Economic Affairs.</li> </ol>

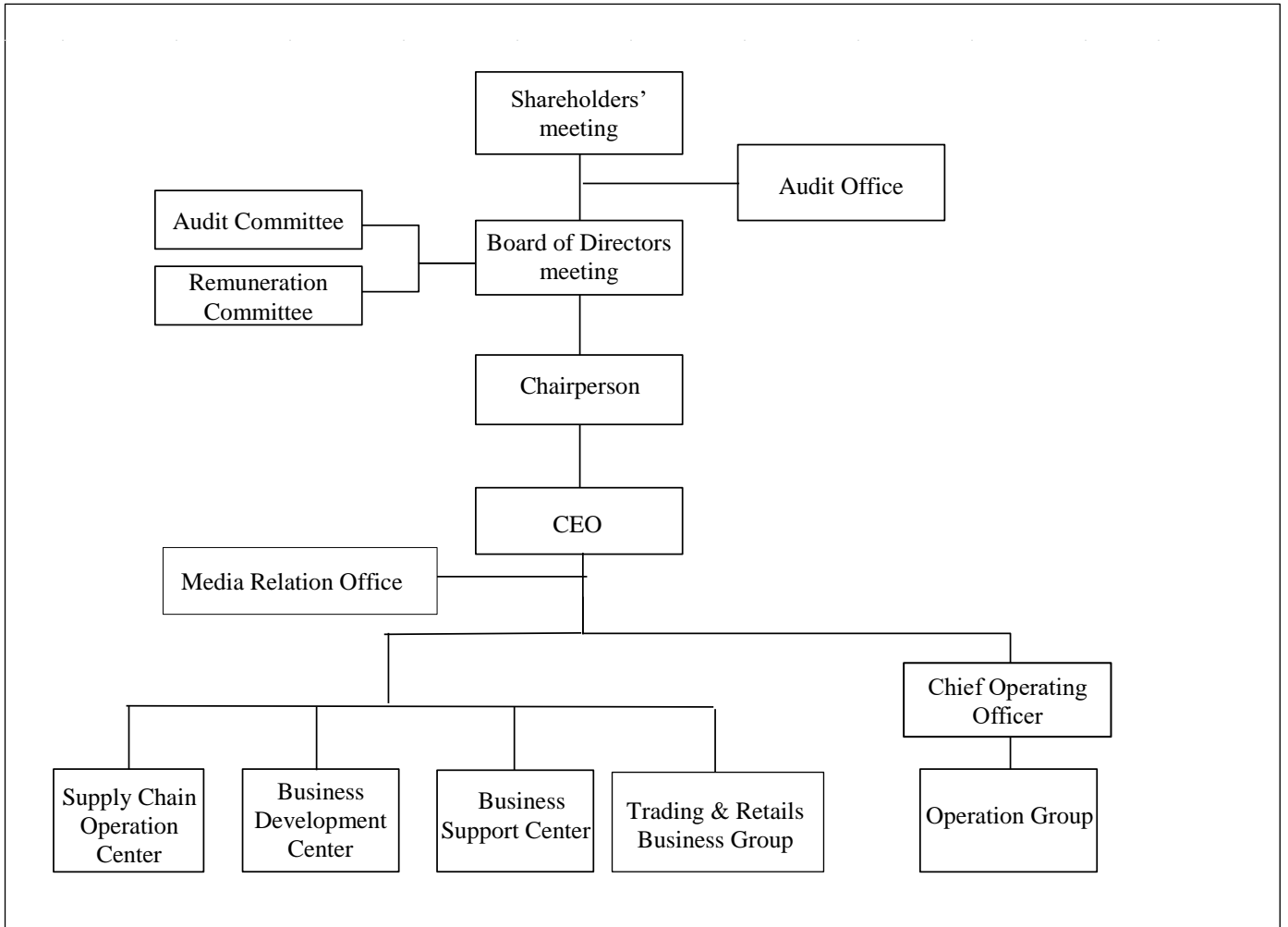
Time	Overview
	<ul style="list-style-type: none"> <li>9. On the “Yushan Public Welfare Day,” employees climbed Yushan, donated 10 capitan helmets, and helped maintain the trails in Yushan.</li> <li>10. Received the “2022 Happy Enterprises” F&amp;B Service Award - Golden Award - from 1111 Job Bank</li> <li>11. Taichung City Government Happy Workplace Award - Happy Creativity Award: WPT Restaurant Corporation and Cheerpin Restaurant Corporation; Three-star Award: Cheerpin Restaurant Corporation</li> <li>12. 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.</li> <li>13. Established the first MRT Ximen Branch of the Chingu Business Segment.</li> </ul>

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.
Trading & Retails Business Group	President	Responsible for Trading&Retails operation development and operation management to achieve corporation development target.

## 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)

Mar.31,2024 Unit : Shares

Title	Nationality	Name	Gender and age	Elected (assumption) date(year)	Tenure	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	2023 6.15	3 years	1993 .12.07	3,801,282	4.94	3,379,578	4.00	55,393	0.07	-	-	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.	Chairman	Cheng-Hui Chen	Father	Note2

Title	Nationality	Name	Gender and age	Elected (assumption) date(year)	Tenure	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	
Director	ROC	Guo-Yao Su	Male 71~80	2023.6.15	3 years	2012.3.27	-	-	-	-	-	-	-	-	1. Bachelor, Hospitality Management, California State Polytechnic University, Pomona 2. Professional Expert for Projects, NKUHT 3. Commissioner of CFCT 4. General Manager, Le Cordon Bleu Taiwan-NKUHT 5. Senior consultant to Chairman, China Airlines 6. President, The Landis, Taipei 7. President, Tempus Hotel, Taichung 8. President, Tayih Landis, Tainan 9. Vice President, The Landis Management Co., Ltd. 10. Adjunct Instructor, Department of Hospitality Management, Tunghai University	1. Director, The Alliance Cultural Foundation 2. Director, The Grand Hotel	-	-	-	

Title	Nationality	Name	Gender and age	Elected (assumption) date(year)	Tenure	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	
Director	ROC	LEH HERNG INVESTMENT LTD	-	2023. 6.15	3 years	2023. 6.15	2,737,836	3.56	3,810,300	4.51	-	-	-	-	None	None	-	-	-	
		Representative: Yu-Jou Chen	Female 21~30	2023. 6.15	3 years	2023. 6.15	530,054	0.69	582,803	0.69	-	-	-	-	1.Double Major in Supply Chain Management and Business Psychology of Business School, Penn State University 2.MBA, China Europe International Business School 3.Market Analyst of Evalueserve 4.Market Memembers Manager, IKEA	None	Chairman	Cheng-Hui Chen	Father	
Independent director	ROC	Yi-Chia Chiu	Male 51~60	2023 6.15	3 year	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	1. NCCU -Associate Dean, NCCU College of Commerce. -CEO, EMBA -Professor, TIIPM 2. Independent Director, Dynamic Electronics Co., Ltd.	-	-	-	

Title	Nationality	Name	Gender and age	Elected (assumption) date(year)	Tenure	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	
															University Executive Master of Business Administration 4.Independent Director, Globe Union Industrial Corp.	3. Independent Director, Flytech Technology Co., Ltd.				
Independent director	ROC	Bai-Zhou Chen	Male 61~70	2023.6.15	3 years	2023.6.15	-	-	-	-	-	-	-	-	1. Master, Manufacturing System Engineering, North Carolina University 2. Bachelor, Department of Mechanical Engineering, Tamkang University 3.Chairman serving as General Manager, Philips	1.Personal Tutor, NTUTEC 2.Senior Advisor of the Board Directors, Telexpress Corp. 3.Professional Specialist, Providence University, Tamkang University	-	-	-	

Title	Nationality	Name	Gender and age	Elected (assumption) date(year)	Tenure	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	Min-Chiu Jian	Female 61~70	2023.6.15	3 years	2023.6.15	-	-	-	-	-	-	-	-	1. Master, Department of Accounting, Soochow University 2. Certified Public Accountant, JingHua Accounting Office 3. Auditor, Audit Department, Deloitte	1. In-Charge Accountant , Qinmin Accounting Firm 2. Independent Director, Redwood Group Ltd. 3. Independent Director, HeySong Corporation 4. Independent Director, SKFH 5. Supervisor, COHO Biomedical Technology Co.,Ltd 6. Supervisor, CTBC Investments	-	-	-	
Independent director	ROC	Shao-Gui Wu	Male 51~60	2023.6.15	3 years	2023.6.15									1. EMBA, CYUT 2. National Taipei University, Department of Law 3. Obligatory Lawyer, Eden Social Welfare Foundation 4. Lecturer, School of Continuing Education, Tunghai University 5. Lecturer (Adjunct), Business Administration, CYUT	1. Lawyer, JANG SHINN LAW FIRM 2. Lecturer, JANG SHINN 3. Lecturer (Adjunct), Accounting, CYUT	-	-	-	

Note 1: The company re-election for all directors on 2023.06.15, newly appointed directors: LEH HERNG INVESTMENT LTD., Bai-Zhou Chen, Min-Chiu Jian, Shao-Gui Wu; The directors Sen-Pin Lee, Cheng Chi, Wen-Chin Wu not continue in the position

Note 2: If the Chairman is concurrently as 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, there are four Independent Directors in directors members, over half of the members are not concurrently employees or managers.

2. Major shareholder of a corporate shareholder:

Corporate Shareholder	The Main Shareholder of Juristic Shareholder
LEH HERNG INVESTMENT LTD	British Angela Business Golden Harvest Group Limited

3. Major shareholder of a major shareholder who is a corporation: None.

Juristic Person	The Main Shareholder of Juristic Person
British Angela Business Golden Harvest Group Limited	Mei-Hui Ying

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
Guo-Yao Su	Academic background: Bachelor, Hospitality Management, California State Polytechnic University, Pomona Career achievements: Director of The Alliance Cultural Foundation 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
LEH HERNG INVESTMENT LTD  Representative: YU-JOU CHEN	Academic background: Double Major in Supply Chain Management and Business Psychology of Business School, Penn State University MBA, China Europe International Business School Career achievements: Market Analyst of Evalueserve Market Members Manager, IKEA 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
Yi-Chia Chiu	<p>Academic background: Ph.D., Institute of Management of Technology, National Chiao Tung University</p> <p>Career achievements:</p> <p>National Chengchi University</p> <ul style="list-style-type: none"> <li>- Associate Dean, College of Commerce</li> <li>- CEO, EMBA</li> <li>- Professor, NCCU Graduate Institute of Technology, Innovation &amp; Intellectual Property Management</li> <li>- Independent Director, Dynamic Electronics Co., Ltd.</li> <li>- Independent Director, Flytech Technology Co., Ltd.</li> </ul> <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
Bai-Zhou Chen	<p>Academic background:</p> <ul style="list-style-type: none"> <li>-Master, Manufacturing System Engineering, North Carolina University</li> <li>- Bachelor, Department of Mechanical Engineering, Tamkang University</li> </ul> <p>Career achievements:</p> <ul style="list-style-type: none"> <li>-Chairman serving as General Manager, Philips</li> <li>-Personal Tutor, NTUTEC</li> <li>-Senior Advisor of the Board of Directors, Telexpress Corp.</li> <li>- Professional Specialist, Providence University, Tamkang University</li> </ul> <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

Criteria Name	Professional qualifications and experience	Independence	Number of concurrent duties as an independent director at a public company
Min-Chiu Jian	<p>Academic background: Master, Department of Accounting, Soochow University</p> <p>Career achievements:</p> <ul style="list-style-type: none"> <li>- Certified Public Accountant, JingHua Accounting Office</li> <li>- Auditor, Audit Department, Deloitte</li> <li>- In-Charge Accountant, Qinmin Accounting Firm</li> <li>- Independent Director, Redwood Group Ltd.</li> <li>- Independent Director, HeySong Corporation</li> <li>- Independent Director, SKFH</li> <li>- Supervisor, COHO Biomedical Technology Co.,Ltd</li> <li>- Supervisor, CTBC Investments</li> </ul> <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>	3
Shao-Gui Wu	<p>Academic background: EMBA, CYUT College of Law and Business, NCHU</p> <p>Career achievements:</p> <ul style="list-style-type: none"> <li>-Obligatory Lawyer, Eden Social Welfare Foundation</li> <li>-Lecturer, School of Continuing Education, Tunghai University</li> <li>-Lecturer (Adjunct), Business Administration, CYUT</li> <li>-Lecturer (Adjunct), Accounting, CYUT</li> <li>-Lawyer, JANG SHINN LAW FIRM</li> <li>-Lecturer, JANG SHINN</li> </ul> <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

(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 seven Directors of the Company (including three Independent Directors), four is a total of two female Director, accounting for 28% of all Directors; there is one Directors who are concurrently managers, accounting for less than one-third of the number of Directors; the average age of Directors is 57.

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 seven Directors, there are including four 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

Identity	Name	Basic Composition							Professional skills							Professional background					
		Gender	Concurrently an employee	Age					Term and seniority of independent director		Ability to make operational	Ability to perform accounting and financial analysis	Business administration	Ability to conduct management	Industry knowledge	Cosmopolitan market view	Leadership	Decision-making ability	Business and finance	Legal affairs	Experience required for industry
				21 to 30 years	31 to 40 years	41 to 50 years old	51 to 60 years	61 to 70 years old	71 to 80 years old	under 3 years											
Director	Cheng-Hui Chen	Male	✓					✓					✓	✓	✓	✓	✓	✓	✓		✓
	Guo-Yao Su	Male							✓				✓		✓	✓	✓	✓			✓
	LEH HERNG INVESTMENT LTD Representative: YU-JOU CHEN	Female		✓									✓		✓	✓	✓	✓			✓
Independent director	Yi-Chia Chiu	Male					✓				✓		✓	✓	✓	✓	✓	✓	✓		✓
	Bai-Zhou Chen	Male						✓		✓		✓		✓	✓	✓	✓	✓			✓
	Min-Chiu Jian	Female							✓		✓		✓		✓	✓	✓	✓	✓		✓
	Shao-Gui Wu	Male						✓			✓		✓		✓			✓			✓

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

Apr.30,2024 Unit : Shares

Title	Nationality	Name	Gender	Assumption date (year)	Shareholding		Shareholding of spouse and underage children		Shares held in the name of other persons		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	3,379,578	4.00	55,393	0.07	-	-	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.	-	-	-
COO	ROC	Wei-Jin Li	Male	2024.1.1	63,102	0.07	4,976	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 President	ROC	Xian-Zheng Wu	Male	2020.1.1	16,280	0.02	340	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	143,713	0.17	18,691	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		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 President	ROC	Yi-Zhen Lu	Female	2021.1.1	81,832	0.10	-	-	-	-	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	-	-	-
Business Group Vice President	ROC	Yi-Chan Wu	Female	2024.4.1	6,931	0.01	-	-	-	-	1. CYUT 2. Wowprime Corporation - Manager of Power of Meat Business Segment	None	-	-	-
Trade & Retail Business Group President	ROC	Cheng-Xian Wang	Male	2014.9.10	145,712	0.17	-	-	-	-	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 (Representative), Wowfresh Corporation	-	-	-
Supply Chain Operations Vice President	ROC	Jia-Ying Chou	Female	2023.11.1	84,433	0.10	-	-	-	-	1. EMBA of CYUT 2. Phd.- Feng Chia University 3. Wowprime Corporation- Manager of RD Division 4. Wowfresh Corporation- Manager of Product Planning Division	None	-	-	-
Business Support Center President	ROC	Chien-Lun Chiu	Male	2017.8.3	102,255	0.12	-	-	-	-	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		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 President	ROC	Bi-Shan Lee	Female	2023.3.1.	25,288	0.03	4,500	0.01	-	-	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	52,499	0.01	7,329	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	16,492	0.02	-	-	-	-	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: President of Business Group, Pei-Jin Chen (2023.03.01)

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 2023

##### (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		Remuner ation received from an investee other than a subsidiar y 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 Compa ny	All compani es within the financial statemen ts	The Co mp any	All compani es within the financia l stateme nts	The Co mp any	All compani es within the financia l stateme nts	The Co mp any	All compani es within the financia l stateme nts	The Company	All compani es within the financial statemen ts	The Company	All companies within the financial statements	The Com pany	All compani es within the financia l stateme nts	The Company		All companies within the financial statements		The Company	All compani es within the financial statemen ts	
Amo unt of bonu s in cash	Amo unt of bonu s in share s															Amo unt of bonu s in cash	Amo unt of bonu s in share s					
Chair person	Cheng-Hui Chen	600	600	-	-			-	-	0.04	0.04	53,469	57,777	3,627	3,627	-	-	-	-	4.18	4.49	None
Director	Sen-Pin Lee (Note)																					
Director	Guo-Yao Su																					
Director	LEH HERNG Investment Representative: Yu-Jou Chen																					
Indepen dent director	Cheng Chi (Note)	3,500	3,500	-	-			-	-	0.25	0.25	-	-	-	-	-	-	-	0.25	0.25	None	
Indepen dent director	Wen-Chin Wu (Note)																					



Independent director	Yi-Chia Chiu																					
Independent director	Bai-Zhou Chen																					
Independent director	Min-Chiu Jian																					
Independent director	Shao-Gui Wu																					
Total		4,100	4,100	-	-			-	-	0.30	0.30	53,469	57,777	3,627	3,627	-	-	-	-	4.43	4.74	None

Note: The company re-election for all directors in 2023.06.15. The directors Sen-Pin Lee, Cheng Chi, Wen-Chin Wu not continue in their position.

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, Guo-Yao Su, LEH HERNG INVESTMENT LTD Representative:Yu-Jou Chen Cheng Chi, Wen-Chin Wu, Bai-Zhou Chen, Min-Chiu Jian, Shao-Gui Wu	Cheng-Hui Chen, Sen-Pin Lee, Guo-Yao Su, LEH HERNG INVESTMENT LTD Representative:Yu-Jou Chen Cheng Chi, Wen-Chin Wu, Bai-Zhou Chen, Min-Chiu Jian, Shao-Gui Wu	Guo-Yao Su, LEH HERNG INVESTMENT LTD Representative:Yu-Jou Chen Cheng Chi, Wen-Chin Wu, Bai-Zhou Chen, Min-Chiu Jian, Shao-Gui Wu	Guo-Yao Su, LEH HERNG INVESTMENT LTD Representative:Yu-Jou Chen Cheng Chi, Wen-Chin Wu, Bai-Zhou Chen, Min-Chiu Jian, Shao-Gui Wu
NT\$1,000,000 (inclusive)~ NT\$2,000,000 (exclusive)	Yi-Chia Chiu	Yi-Chia Chiu	Yi-Chia Chiu	Yi-Chia Chiu
NT\$2,000,000 (inclusive)~ NT\$3,500,000(exclusive)	-	-	-	-
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)	-	-	-	-
NT\$50,000,000(include)~ NT\$100,000,000(exclusive)	-	-	Cheng-Hui Chen	Cheng-Hui Chen
Over NT\$100,000,000	-	-	-	-
Total	10	10	10	10

(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	18,753	26,823	581	671	95,298	96,209	-	-	-	-	8.3	8.96	None
COO	Wei-Jin Li													
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	Yi-Zhen Lu													
Vice President of the Internal Audit Office	Hui-Ying Chang													
President of Trading & Retail Business Group	Cheng-Xian Wang													
President of Business Support Center	Chien-Lun Chiu													
President of Business Development Center	Bi-Shan Lee													
President of the Supply Chain Operations Center	Jia-Ying Chou													

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	Pei-Jin Chen	Pei-Jin Chen
NT\$1,000,000 (inclusive)~NT\$2,000,000 (exclusive)	Jia-Ying Chou	Jia-Ying Chou
NT\$2,000,000 (inclusive)~NT\$3,500,000 (exclusive)		
NT\$3,500,000 (inclusive)~NT\$5,000,000 (exclusive)	Hui-Ying Chang	Hui-Ying Chang
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 Bi-Shan Lee	Peng-Rong Hou Xian-Zheng Wu Wei-Jin Li Yi-Zhen Lu Chien-Lun Chiu Cheng-Xian Wang Bi-Shan Lee
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)		
NT\$50,000,000 (inclusive)~NT\$100,000,000 (exclusive)	Cheng-Hui Chen	Cheng-Hui Chen
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 2023 had been approved under the resolution made at the Board meeting on 7 March 2024. The employee remuneration distribution will be allotted with NT\$1,659,000. 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 2023		Ratio of total remuneration to net income in 2022	
	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements
Director (Note 1)	4.43%	4.74%	10.83%	12.32%
President and vice president	8.30%	8.96%	20.65%	23.96%

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 five meetings (A) in the most recent year (2023).

(1) Attendance of Directors is as follows:

Title	Name	Number of attendance/pre sence (B)	Number of attendance by proxy	Attendance/prese nce rate (%) [B/A](%)	Remarks
Chairperson	Cheng-Hui Chen	5	-	100%	Continue in term of office after re-election on 2023.06.15 shareholders' meeting
Director	Guo-Yao Su	4	1	80%	
Independent director	Yi-Chia Chiu	5	-	100%	
Director	Sen-Pin Lee	2		100%	Dismissal in term of office after re-election on 2023.06.15 shareholders' meeting (Should attend in person for two times)
Independent director	Cheng Chi	1	-	50%	
Independent director	Wen-Chin Wu	0	2	-	
Director	LEH HERNG INVESTMENT LTD	3	-	100%	Dismissal in term of office after re-election on 2023.06.15 shareholders' meeting (Should attend in person for three times)
Independent director	Bai-Zhou Chen	3	-	100%	
Independent director	Min-Chiu Jian	3		100%	
Independent director	Shao-Gui Wu	3		100%	

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 page 44.
  - (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 2023 had been completed and declared by the end of Q1 2024; 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 2023: (○: attended in person; △: attended by proxy)					
Name of Independent Director	2023/3/23	2023/5/9	2023/6/15	2023/8/3	2023/11/2
Cheng Chi(Note)	○	-	-	-	-
Yi-Chia Chiu	○	○	○	○	○
Wen-Chin Wu (Note)	△	△	-	-	-
Bai-Zhou Chen			○	○	○
Min-Chiu Jian			○	○	○
Shao-Gui Wu			○	○	○
Note: Dismissal after re-election on 2023.06.15 shareholders meeting. (Should Attend Two Times)					

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

Evaluation periodicity	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Executed each year	2023/1/1~2023/12/31	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	2023/1/1~2023/12/31	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



Evaluation periodicity	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Executed each year	2023/1/1~2023/12/31	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 can 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 (2023); 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	4	-	100%	For professional qualifications, please refer to the descriptions on page 27
Independent director	Bai-Zhou Chen	2	2	100%	
Independent director	Min-Chiu Jian	2	2	100%	
Independent director	Shao-Gui Wu	2	2	100%	
Independent director	Cheng Chi	1	-	50%	Dismissal after the re-election on 2023.06.15 shareholders' meeting(Should attend two times)
Independent director	Wen-Chin Wu	0	2	-	
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
23 March 2023 (1 <sup>st</sup> in 2023)	<ol style="list-style-type: none"> <li>1. Proposal for the "2022 Business Report and Financial Report"</li> <li>2. Proposal for the "2022 Internal Control System Declaration"</li> <li>3. Regulation for financing limits providing to subsidiary WPT Restaurant Corporation.</li> <li>4. Regulation for financing character providing to subsidiary Wowfresh Corporation</li> <li>5. Proposal for financing limits to subsidiary</li> <li>6. Proposal for endorsement/guarantee providing to subsidiary</li> <li>7. Proposal for increasing the investment of important subsidiary</li> <li>8. Regulation for "Internal Control System and Internal Audit"</li> <li>9. Proposal for appointment of finance and remuneration in CPAs of the Company.</li> </ol>	Approved by all Independent Directors as proposed with no dissenting opinion.
9 May 2023 (2 <sup>nd</sup> in 2023)	<ol style="list-style-type: none"> <li>1. Report of the Q1 financial statements of 2023</li> <li>2. Proposal for "Certificate Publish Accountants provide pre-approved review procedures for non-assurance services"</li> <li>3. Proposal for releasing the newly elected directors from non-competition restrictions</li> </ol>	
3 August 2023 (3 <sup>rd</sup> in 2023)	<ol style="list-style-type: none"> <li>1. Report of the Q2 financial statements of 2023</li> <li>2. Proposal for financing limits providing to subsidiaries Wowfresh Corporation</li> <li>3. Proposal for financing limits to subsidiary</li> </ol>	
2 November 2023 (4 <sup>th</sup> in 2023)	<ol style="list-style-type: none"> <li>1. Report of the Q3 financial statements of 2023</li> <li>2. Proposal for financing limits providing to subsidiary WPT Restaurant Corporation.</li> <li>3. Proposal for the amendments to the "Rules of procedure for Shareholders' Meeting".</li> <li>4. Proposal for the amendments to the "Corporate Governance Best Practice Principles."</li> </ol>	
7 March 2024 (1 <sup>st</sup> in 2024)	<ol style="list-style-type: none"> <li>1. Proposal for the "2023 Business Report and Financial Report"</li> <li>2. Proposal for the "2023 Internal Control System Declaration"</li> <li>3. Proposal for financing limits to subsidiary</li> <li>4. Proposal for endorsement/guarantee</li> </ol>	

		providing to subsidiary 5. Proposal for appointment of finance and remuneration in CPAs of the Company 6. Proposal for reinvestment and establishment of a new subsidiary	
(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.			
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.			
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):			
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.			
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.			

(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 31 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 2024; 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 pages 43-44 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 7 March 2024 and then reported to and approved by the Board after a review. The evaluation results under the resolution at the Board meeting on 7 March 2024 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 2023:			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 2023 financial statements on 11 March 2024. 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 2023 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>	None
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>	

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>	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>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 in continuing education and actively engages professional</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>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. Two sessions were arranged in 2023. 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 2023, 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> <p>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.</p> <p>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.</p> <p>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 from 2024 whether including to the rule of “Procedures for the Prevention of Insider Trading”.</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	
			<p>(II) Strengthen the Board's structure and operation:</p> <p>1.The rules of performance evaluation of the board of directors has been set, and also finished the part of the 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 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</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>management plans.</p> <p>(III) Improve information transparency:</p> <p>1. The Company has concurrently declared material 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. For the part of Investor Conference Video Link also has been uploaded in 2023.</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:</p> <p>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 2023:

Tenure of the current Directors: From 15 June 2023 to 14 June 2026.

Title	Name	Date (year)	Organizer	Course name	Number of hours of continuing education Number of hours	Compliance with the requirements (No)
Director	Cheng-Hui Chen	2023/8/3	Taiwan Corporate Governance Association	The board of directors governance under EGS	3	Yes
		2023/11/6		ESG law issues that the board of directors should concern	3	
Director	Guo-Yao Su	2023/8/3	Taiwan Corporate Governance Association	The board of directors governance under EGS	3	
		2023/11/6		ESG law issues that the board of directors should concern	3	
Director	Yu-Jou Chen	2023/8/3	Taiwan Corporate Governance Association	The board of directors governance under EGS	3	
		2023/9/26		Operation secret risk and management under digital transition	3	
		2023/11/6		The board of directors governance under EGS	3	
		2023/11/24		Uncovering secret corporation governance: The manager	3	
Independent director	Yi-Chia Chiu	2023/8/4	Taiwan Corporate Governance Association	The role of directors and management challenges under corporation governance 3.0 regulations	3	
		2023/7/21		How does a new start-up company carry out equity planning and organizational structure design	3	
Independent director	Bai-Zhou Chen	2023/8/3	Taiwan Corporate Governance Association	The board of directors governance under EGS	3	
		2023/10/31		The prospective of management rights and shareholders activism from the analysis of foreign investment voting practice case	3	
		2023/11/6		ESG law issues that the board of directors should concern	3	
		2023/12/1		The era of strong supervision of personal information is coming	3	
Independent director	Min-Chiu Jian	2023/8/3	Taiwan Corporate Governance Association	The board of directors governance under EGS	3	
		2023/11/6		ESG law issues that the board of directors should concern	3	
		2023/9/28	Taiwan Academy of Banking and Finance	Implementation of honest management, fair hospitality and financial friendliness, AML/CFT supervision trends	3	

Title	Name	Date (year)	Organizer	Course name	Number of hours of continuing education Number of hours	Compliance with the requirements (No)
		2023/10/31	Taiwan Academy of Banking and Finance	Green energy innovative business models, financial technology and information security risk and gender equality of Corporate Governance	3	
		2023/11/9	Securities & Futures Institute	Insider trading / swing trading case analysis and business judgement rule	3	
		2023/11/20	Taiwan Insurance Institute	IFRS17 management issue and actual case analysis	3	
Independent director	Shao-Gui Wu	2023/8/5	Taiwan Corporate Governance Association	Case study of corporate financial statements cheating	3	
		2023/9/4	Financial Supervisory Commission	14th Corporation Governance Forum in Taipei	3	

Note: The continuing education of Directors in 2023 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 2023

Participating manager		Date (year)	Organizer	Course name	Number of hours of continuing education
President, Business Support Center	Chien-Lun Chiu	2023/3/28	Accounting Research And Development Foundation	Investigation practical experience and case analysis on Corporate business cheating situation	6.0
		2023/5/31		Common deficiencies and practical analysis of important internal control regulations in “financial report review”	6.0
Vice President of Internal Audit	Hui-Ying Chang	2023/7/19	The Institute of Internal Auditors, R.O.C	Internal Audit Digital Transformation practical seminar	6.0
		2023/9/1	Accounting Research And Development Foundation	How to apply "Robotic Process Automation" (RPA) to improve internal control	6.0
Financial Director	Zhong-Hao Liang	2023/7/24	Accounting Research And Development Foundation	Continue Training Courses by Accounting Supervisors on Issuer Securities Dealer Stock Exchange	12.0

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 Apr. 2024

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)	Bai-Zhou Chen				None
Committee member (Independent Director)	Min-Chiu Jian				3
Committee member (Independent Director)	Shao-Gui Wu				2

2. Information on the operation of the Remuneration Committee

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

(2) Tenure of the current members: From 15 June 2023 to 14 June 2026. Two meetings (A) were held for the Remuneration Committee in the most recent year (2023); 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%	Continue in office
Independent director	Cheng Chi	1	-	100%	Previous Appointment (Should attendance one time in person)
Independent director	Wen-Chin Wu	-	1	0%	
Independent director	Bai-Zhou Chen	1	-	100%	Newly Appointment (Should attendance one time in person)
Independent director	Min-Chiu Jian	1	-	100%	
Independent director	Shao-Gui Wu	1	-	100%	

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.
    - (2) Establishing and examining the performance targets of Directors and managers of the Company and policies, systems, standards, and structures of remuneration regularly.
    - (3) Evaluating the performance target achievements of the Company's Directors and managers and establishing the individual remunerations and amounts regularly.
  2. The Remuneration Committee shall exercise its authority based on the following principles
    - (1) Ensure that the Company's remuneration policies are compliant with relevant laws and regulations.
    - (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.
    - (3) Not to induce Directors and managers to engage in acts exceeding the risk appetite of the Company for seeking remunerations.
    - (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.
    - (5) A member of the Remuneration Committee shall not participate in the discussion and vote for the decision of its individual remuneration.

IV. Resolutions of the Remuneration Committee

Meeting date/session	Motion content	Resolution	Company's handling of the remuneration committee's opinions
23 March 2023 (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 buyback shares then transfer to employees	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. The proposal of ratifying the allocation volume and the list of repurchasing shares then transfer to employees in 2022			
	3 August 2023 (2 <sup>nd</sup> in 2023)	1. The third time buyback stocks for transferring employees to ratify for the first time. 2. Proposal for the salary structure and payment amount for the Company's Directors and managers on the first half year of 2023			
	7 March 2024 (1 <sup>st</sup> in 2024)	1. Proposal for the salary structure and payment amount for the Company's Directors and managers in 2023 2. The proposal of buyback shares then transfer to employees 3. Proposal for establishing the ratio of Director remuneration and employee remuneration in 2023 4. Proposal for drawing employee remuneration and Director remuneration in advance for 2024			

(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		<p>The Company formally established and launched the dedicated corporate social responsibility team on 30 January 2015. In 2023, the team be regulated for “Sustainable Development Committee”, and 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.</p> <p>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.</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. Has the Company conducted risk assessments on environmental, social and corporate governance issues related to the Company's operations in accordance with the materiality principle, and formulated relevant risk management policies and strategies?	V		<p>The data disclosed covers the period from January 2023 to December 2023. The boundary of risk 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 77-79 of the annual report.</p>	
III. Environmental Issues				
(I) Has the Company set up an appropriate environmental management system based on the	V		(I) The Company has established its Procedures for Environmental Safety Management and	

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>characteristics of its industry?</p> <p>(II) Is the Company committed to improving the energy efficiency of resources and to the use of renewable materials with low environmental impact?</p> <p>(III) Has the Company evaluated the potential risks and opportunities of climate change to the</p>	<p>V</p> <p>V</p>		<p>Control that aims to effectively achieve environmental safety maintenance and energy 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 2023 reached to 81%. The procurement ratio packaging materials certified by BPI in reached 98%. By doing so, we commit to reducing the impacts of the operations of the Company on natural environments.</p> <p>(III) Since 2012, the Company has been actively promoting the green branding plan,</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>Company at present and in the future and adopted countermeasures for climate-related 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>participated in the “green action voluntary energy-saving sign” organized by the Ministry 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 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. 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>1,098hours</td></tr><tr><td>Emergency care personnel training</td><td>At least one person in each store</td><td>2,382hours</td></tr><tr><td>General in-service safety and health education and training</td><td>In-service employees</td><td>10,134 hours</td></tr><tr><td>Safety education and training for newly promoted directors of departments</td><td>41 persons</td><td>1,344 hours</td></tr></table></div>	Item	Frequency	Hours	Fire prevention training	Once a month	1,098hours	Emergency care personnel training	At least one person in each store	2,382hours	General in-service safety and health education and training	In-service employees	10,134 hours	Safety education and training for newly promoted directors of departments	41 persons	1,344 hours	
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Safety education and training for newly promoted directors of departments	41 persons	1,344 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 pages 129-130 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 2023, 60 suppliers for evaluation, 50 suppliers not to be improved but 10 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 20 July 2023.	
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\$11,803,000.</p> <p>b. 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 12,244,000 c.c.;</p> <p>c. Tokiya organized the “<b>Books for Children’s Hope</b>,” a charity bazaar to create education equality, and successfully raised NT\$2,722,000.</p> <p>d. 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 23 social welfare groups/food banks and cumulative with 32,496 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 required by Paiyun Lodge to improve hiking quality. .</p> <p>(5) Organized “Entrepreneur Craze” to strive for families in 2020. 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) Support local "Social Innovation Enterprises", and purchase more than 10 million agricultural products from social enterprises each year to help these enterprises self-sufficient in the market mechanism and to increase employment opportunities. At the same time, it can solve specific social problems and achieve the purpose of public welfare to balance social development. Wowprime also won the first place award in “Social Innovation and Service Procurement” from small or medium size enterprises division of the Ministry of Economic Affairs.</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	
7. Risk management policies and strategies:				
Risk category	Significant risks	Risk control method		
Market risk	Market competition and international political and economic development	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.		
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 f s 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.		

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	
		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.			
Risk category	Significant risks	Risk control method				
Environmental 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:				

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	
					(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 declarations and 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) Climate-related information of listed companies

Implementation of climate-related information

Item	Implementation status
1. Describe the supervision and governance of climate-related risks and opportunities by the Board and the management.	<b>1.</b> The Board and the Audit Committee of Wowprime Corporation are the highest supervisory roles for risk management, and the Sustainability Committee, directly subordinated to the Board, is established with the COO as the general convener. There is an ESG Team subordinated to the ESG Committee, primarily responsible for examining and managing climate-related risks and opportunities and ensuring that the climate change issue is included in the corporate governance structure and decision-making process. <b>2.</b> The implementation summary and performance of the ESG Committee shall be reported and discussed at the Board meeting once a year.
2. Describe the effects of climate risks and opportunities identified on the Company's business, strategy and finance (short-, mid- and long-term).	<b>1.</b> Wowprime Group carried out the identification, evaluation and disclosure of climate-related risks and opportunities based on the Task Force on Climate-related Financial Disclosures (TCFD) structure in 2023 to reinforce the completeness and transparency of climate-related information disclosure. <b>2.</b> Wowprime Corporation identified 12 climate risks and 9 climate opportunities in 2023 and defined short-term as 0-3

years, mid-term as 3-5 years, and long-term as more than 5 years. Based on the probable occurrence period and effects, countermeasures and management policies are formulated as follows:

(1) Summary of 12 risks

Period	Risk	Effect	Concrete countermeasure
Short-term	Personal injury	In case of injury of an employee of the Company when commuting due to extreme weather, it may result in subsequent occupational disaster compensation or a decrease in operating human resources, an increase in labor costs, and the Company may be required to assume legal responsibility and pay corresponding compensation.	<ol style="list-style-type: none"> <li>1. Reminders and precautions are issued in advance according to typhoon holidays.</li> <li>2. Enhance traffic safety education for employees when commuting.</li> </ol>
Short-term	The increase in the cost of raw material procurement	Climate change has resulted in a decrease in the output of raw materials and an increase in price, which have a direct impact on gross profit and net profit.	<ol style="list-style-type: none"> <li>1. Use frozen or greenhouse-grown fruits and vegetables to maintain the stability and cost of raw materials.</li> <li>2. Enter into annual pricing contracts with farmers to control the stability of the output and cost of fruits and vegetables.</li> </ol>
Short-term	Supply chain disruption	The necessity to seek alternative suppliers will result in an increase in production cost, a decrease in inventory level, loss of inventory level, and the Company may face losses arising from products-in-progress.	<ol style="list-style-type: none"> <li>1. Engage in contractual farming systems with farmers in different production areas and engage suppliers from multiple countries to stabilize the sources of raw materials.</li> <li>2. Adjust the stock preparation cycle to respond to possible effects on finance caused by uncontrollable factors at the origin of raw materials.</li> </ol>
Short-term	Damages to store equipment	Operating losses resulting from the suspension of operations due to abnormal equipment damages caused by climate, such as:	Implement a regular preventive maintenance plan to ensure the healthy operation of store equipment,

			Inventory loss, equipment damages and loss of customers.	including regular inspections, maintenance and repair.	
	Short-term	Changes in market preferences	The increase in demand for low-carbon food ingredients and environmental packaging may result in an increase in the cost of dish R&D or packaging and inventory.	<ol style="list-style-type: none"> <li>1. Continue to perform market analysis to understand the changes in the demand of consumers and the market trends on a timely basis.</li> <li>2. Improve interactions with customers and proactively collect customer feedback. Understand customers' opinions and expectations to make timely adjustments and improve customer satisfaction.</li> </ol>	
	Mid-term	Restriction of business locations	Climate change has made site selection difficult. In addition to cost and customer source, we must also pay attention to whether the topography and sites are prone to flooding, power shortages and other relevant problems. Existing sites may also be restricted. If there are long-term leases, the Company may have to pay compensation or default payments for the early termination of such leases.	The Development Engineering Department assesses the environmental factors of the existing and potential future sites, identifies the climate and environmental risks that may be brought by the locations, and reduces the probability of occurrence of risks to prevent potential impacts on the Group.	
	Mid-term	Penalties for non-compliance	Fines imposed by governmental agencies or regulatory agencies may result in additional expenses and damages to credit and reputation.	<ol style="list-style-type: none"> <li>1. Understand relevant laws and regulations of the industry and region to ensure compliance in terms of legal compliance.</li> <li>2. Evaluate potential risks that may be brought by regulations in due course and track such risks at internal meetings, including fines related to finance, legal disputes, and reputation risks.</li> </ol>	

	Mid-term	Cost of carbon fees and carbon taxes	The direct increase in production cost has a direct negative impact on gross profit and net profit. Meanwhile, additional resources are required to be invested for compliance with regulations, including monitoring, reporting and verifying carbon emissions, which will increase the cost of legal compliance.	Conduct carbon emissions management and assessment as early as possible to understand the carbon emissions in the organization's production and operating activities and formulate emission reduction measures in the future.	
	Mid-term	Cost of water and power rationing	The uncertainty in the supply of energy results in unstable operations of the Group, and the operating income may be forced to reduce or incur additional expenses and costs.	<ol style="list-style-type: none"> <li>1. Formulate an emergency response plan to respond to sudden interruption of water and electricity supply.</li> <li>2. Establish comprehensive major incident reporting and handling procedures and corresponding handling procedures to ensure that we can respond quickly and effectively in the event of an incident.</li> </ol>	
	Mid-term	Climate change-related transformation plan	It is necessary to keep track of regulatory updates and domestic and international trends to ensure that the Group's policies and measures implemented comply with future requirements and to introduce climate change-related transformation plans in accordance with relevant regulations, which may result in additional operating costs and expenses.	<ol style="list-style-type: none"> <li>1. The Public Affairs Department continues to update the latest domestic regulatory trends and forward them to various departments for discussions and responses.</li> <li>2. After the governmental department has formulated acts related to climate change, the Company will establish a transformation plan based on relevant policies. The COO shall lead the ESG Committee to carry out the risk and opportunity evaluation plan, supervise cross-department communications, monitor the implementation status of departments, and regularly report to the Board.</li> <li>3. Encourage employees to take sustainability-related courses and</li> </ol>	

				keep abreast of industry and regulatory trends. <b>4.</b> Wowprime Corporation expects to introduce the greenhouse gas (GHG) inventory in 2026 and complete the verification in 2028.	
	Mid-term	Impact on corporate image	A damaged image will affect consumers' purchasing decisions, resulting in a decline in sales. It also affects the willingness of stakeholders in terms of cooperation, consumption and long-term investments in the Company or corporate image.	<b>1.</b> Raise awareness of environmental sustainability within the Group and organize internal climate change education courses to improve the internal awareness of climate change issues. <b>2.</b> Disclose sustainability activities related to climate change issues in annual reports and sustainability reports to improve corporate image.	
	Mid-term	Cost of low-carbon technology transformation	Equipment investment, technology upgrades and training have an impact on the capital budget, which will cause an increase in fixed costs. Adjustments to operating procedures during the course of technological development may result in unstable operating efficiency, which will affect production volume and market supply.	Conduct cost-benefit analysis and regularly track relevant performance to ensure that investment expectations are consistent with expected benefits.	
	(2) Summary of 9 opportunities				
	Period	Opportunity	Effect	Concrete countermeasure	
	Short-term	Improve resource efficiency	Use LED lighting, equipment with environmental labels and inverter A/C to save energy and cost during the course of	LED lighting is adopted throughout, and only equipment with environmental labels is selected. Inverter A/C models are also mainly opted for split-type A/C.	



			production.		
	Short-term	Circular economy	A circular economy maximizes the use of resources, improves the efficiency of production and operation, and reduces production costs.	<ol style="list-style-type: none"> <li>1. For waste edible oil, we engaged legal clearing suppliers and recycling suppliers to transform waste edible oil into bio-diesel to improve the recycling value of business wastes.</li> <li>2. Food waste is transported to livestock farms by removal operators, where it is cooked at high temperatures before being fed to pigs to prevent food waste from becoming a medium for the transmission of diseases.</li> <li>3. We created premium manure and frass by feeding organic black soldier flies with food waste for recycling and provided them to agricultural product suppliers to plant environmental vegetables with high quality to supply to restaurants under the Wowprime Corporation. In 2023, a total of approximately 36 tons of total food waste of the Group was processed.</li> </ol>	
	Short-term	Green procurement and green transportation	Adopt efficient transportation methods and storage systems to reduce inventory costs, improve the overall supply chain efficiency, and reduce the dependence on and use of limited resources to mitigate the demand for energy and operating risks during operations.	<ol style="list-style-type: none"> <li>1. Increase the purchase of FSC-certified tissue paper on a yearly basis.</li> <li>2. Adopt centralized inventory management and distribution to branch stores to improve the transportation loading rate and save the number of distributed transportation vehicles.</li> <li>3. Set a minimum order volume to improve ordering efficiency and optimize the store delivery frequency through the assistance of data analysis to save on the number of transportation vehicles.</li> </ol>	

				<ol style="list-style-type: none"> <li>For obsolete and low-turnover inventory management, reduce the number of inventory plates, save warehouse freezer plate spaces and reduce energy consumption.</li> <li>Use additional agricultural products in R&amp;D and dishes and maximize the use of agricultural resources while supporting local farmers.</li> </ol>	
	Short-term	Reinforce food safety	Improve brand trust and stabilize brand loyalty, which may help reduce possible fines and the risk of legal litigation.	<ol style="list-style-type: none"> <li>Compare the evaluation of crops with the results of the external sampling tests by the Department of Health to identify high-risk raw materials.</li> <li>Adopt the rapid screening test for pesticide residues developed by the Agricultural Research Institute, Council of Agriculture, Executive Yuan to control the safety of raw materials of fruits and vegetables and classify raw material risks; high-risk raw materials will be included for control and tested frequently.</li> </ol>	
	Short-term	Improve brand image	Establish sustainable brand loyalty and increase market share through media and press releases, thereby increasing sales and income.	Create brand management strategies that align with the image of social responsibility and respond to the expectations of customers and investors through media or press releases.	
	Mid-term	Auditing and counseling high-risk suppliers	Manage potential risks (i.e., supply suspension, quality and other issues) brought by high-risk suppliers through regular audits and consultation. Reduce the losses that may be caused by suppliers in the future, thereby increasing the stability of operations.	<ol style="list-style-type: none"> <li>Continue to focus on the supplier's sustainable development plans in the future and current status and establish long-term cooperation with suppliers with the awareness of sustainable transformation.</li> <li>Conduct environmental assessments of new suppliers and major suppliers, respectively, with special</li> </ol>	

	Mid-term	Environmental assessment and evaluation system of suppliers	Conduct environmental assessments of suppliers to verify the handling systems and violations of environmental aspects of suppliers to reduce losses that may be caused by suppliers in the future and, in turn, improve operating stability.	attention attached to high-risk crops and strengthen the source management of raw materials.	
	Mid-term	Low-carbon product R&D	Through the development of low-carbon products, we can satisfy consumers' low-carbon needs, expand our customer base and improve customer loyalty to maintain industrial competitiveness and improve profits.	<b>1.</b> Use local food ingredients, keep abreast of the market and demand for low-carbon products and continue to discuss and develop diverse dishes. <b>2.</b> In response to the Traceability System in Restaurants and the policy promoted by the governmental departments, the Group's F&B brands joined AMOT.	
	Mid-term	Improve investment intention	Evaluate and develop new projects, expand businesses or carry out technology upgrades to reduce the cost of energy consumption so as to optimize the competitiveness of Wowprime Corporation and improve the investment intention of external parties.	<b>1.</b> Upgrade energy-saving equipment to improve production efficiency while reducing energy consumption. <b>2.</b> Monitor changes in relevant regulations to formulate corresponding sustainability strategies.	
3. Describe the impact of extreme weather events and transformation actions on finance.	<b>1.</b> The impact of extreme weather (personnel injury, rising cost of raw material procurement, supply chain disruption, damage to store equipment and restrictions of business locations) and transformational actions (costs of carbon taxes and carbon fees, punishments for non-compliance, cost of water and electricity rationing, climate change-related transformation plans, cost of low-carbon technology transformation, changes in market preferences, and impact on corporate image) on finance are as summarized and described in the risks in item 2 above. <b>2.</b> Wowprime Corporation will continue to reduce the impact brought by climate risks through the management of climate issues. Meanwhile, it will keep abreast of the global trend of net zero, respond to energy conservation and carbon reduction and improve its management measures.				
4. Describe the incorporation method of the identification, evaluation and management	<b>1.</b> Wowprime Corporation divides risks into four major categories: market risks, operating risks (including climate change risks), environmental risks and financial risks. Aspects taken into consideration include environmental				

procedures of climate risks in the overall risk management system.	<p>protection, social responsibility and corporate governance, and there are corresponding control methods for various material risk matters in place.</p> <p>2. Wowprime Corporation's Business Planning Office carries out the inventory and comprehension of internal and external risk issues through regular systems to improve the response capacity of the Company. Meanwhile, an independent audit unit with three lines of defense is formed with accurate division of authority and responsibility and decentralization of responsibility. In the event of a major incident, the Group will immediately notify the relevant units for acceptance, and the CEO will initiate the crisis management team to handle the incident.</p>
5. If scenario analysis is used to assess resilience in the face of climate change risks, the scenarios, parameters, assumptions, analysis factors used and major financial impacts shall be specified.	-
6. If there is a transformation plan in response to the management of climate-related risks, the content of the plan and the indicators and targets used to identify and manage physical risks and transformation risks shall be specified.	-
7. If internal carbon pricing is used as a planning tool, the basis for setting the price shall be specified.	-
8. If climate-related goals are set, the activities covered, the scope of GHG emissions, the planned period, and the progress of each year shall be specified; if carbon offsets or renewable energy certificates (RECs) were used to achieve the goals, the source and quantity of carbon reduction credits or quantity of RECs used for exchange shall be specified.	-
9. GHG inventory and assurance.	-

(IX) 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) 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.	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?				
(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 2022, 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 2023, 11256 persons completed the training, and the total training hour was 279,744 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.				

(X) 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.

(XI) 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

wowprime

王品餐飲股份有限公司  
內部控制制度聲明書

日期：一一三年三月七日

本公司民國一一二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的達成，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，認為本公司於民國一一二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一一三年三月七日董事會通過，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
2023/3/23	Board of Directors Meeting	<ol style="list-style-type: none"> <li>1. Proposal for the 2022 business report and financial statements.</li> <li>2. Proposal for the distribution of employee remuneration and Director remuneration of 2022.</li> <li>3. Proposal for profit distribution of 2022.</li> <li>4. Proposal for issuing new shares through capital increase of earnings</li> <li>5. The Company issuing the declaration of "Internal Controlling on Strategies"</li> <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 buyback 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> </ol>

Date	Category	Content of resolution
		23. Ratification of the proposal for the dismissal of a manager. 24. Ratification of the proposal for the appointment of a manager. 25. Proposal for the change in the manager of a branch. 26. Proposal for directors and managers remuneration structure and payment amount of 2022.
2023/5/9	Board of Directors meeting	1. Report of the Q1 consolidated financial statements in 2023. 2. Proposal for “Certificate Publish Accountants provide pre-approved review procedures for non-assurance services” 3. Release the newly elected directors from non-competition restrictions 4. Proposal for the establishment/cancellation for subsidiaries 5. Proposal for the schedule of GHGs inventory and verification.
2023/6/15	Board of Directors meeting (extraordinary)	1. Proposal for the election of chairman 2. Proposal for hiring the members of Remuneration Committee
2023/8/3	Board of Directors meeting	1. Report of the Q2 consolidated financial statements in 2023. 2. Proposal for financing limits provided to subsidiary Wowfresh Corporation. 3. Proposal for financing limits to subsidiaries. 4. Proposal for directors remuneration. 5. Proposal for setting the manager of information security and the staff of information security. 6. Proposal for capital increase record date for the 1st domestic unsecured convertible bond transfer to common stock 7. Proposal for record date of earning distribution with cash dividend and issuing new shares through capital increase of earnings. 8. Proposal for the application of voucher guarantee and letter issuance limits with financial institutions. 9. The third time buying back shares for the first time transferring to employee 10. Proposal for directors and managers remuneration structure and payment amount of 2023 first half year
2023/11/2	Board of Directors meeting	1. Report of the Q3 consolidated financial statements in 2023. 2. Proposal for financing limits providing to subsidiary WPT Restaurant Corporation. 3. Proposal for the establishment of the “2023 Budgets.” 4. Proposal for the establishment of the “2023 Audit Plan.” 5. Proposal for the application of voucher guarantee and letter issuance limits with financial institutions. 6. Proposal for the amendments to the “Rules of Procedures of shareholders Meetings.” 7. Proposal for the amendments to the “Corporate Governance Best Practice Principles.” 8. Ratification of the proposal for the appointment of a manager. 9. Proposal for subsidiaries establishment registration and abolition.
2024/3/7	Board of Directors meeting	1. Proposal for the 2023 business report and financial statements. 2. Proposal for the distribution of employee remuneration and Director remuneration of 2023 3. Proposal for employees and directors remuneration and payment amount of 2024 in advance.

Date	Category	Content of resolution
		4. Proposal for profit distribution of 2023. 5. The Company issuing the declaration of “Internal Controlling on Strategies” 6. Proposal for the agenda of the 2024 annual shareholders’ meeting of the Company 7. According to requirements under Article 172-1 of the Company, the Company accepts proposals from shareholders holding over 1% of the Company’s shares. 8. Proposal for financing limits to subsidiaries. 9. Proposal for endorsement/guarantee limits to subsidiaries. 10. Proposal for the application of voucher guarantee and letter issuance limits with financial institutions. 11. Proposal for the appointment and compensation of CPAs of the Company in 2024. 12. Independence and adequacy evaluations of the Company’s CPAs. 13. Ratification of the proposal for the appointment of a manager. 14. Ratification of the proposal for buyback shares transferring to employees. 15. Proposal for shift in investment on newly subsidiaries. 16. Proposal for directors and managers remuneration structure and payment amount of 2023.

2. Resolutions of the shareholders’ meeting and their implementation:

Date	Content of resolution and its implementation
2023.6.15	1. Report of the 2022 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. 2. Proposal for earning distribution in 2022. 3. Proposal for issuing new shares through capital increase of earnings Implementation: Form the shareholders meeting resolution in 2023, dividends on shareholders' shares are allocated from the distributable surplus is NT\$74,628,880. Issuing new shares through capital increase of earnings with 7,462,888 shares, the face value for each share is NT\$10. For each 1000 shares distribute with 100 shares for free. For the official letter No.11230184750 on 2023/9/26 already change registration condition on capital increase. 4. Proposal for the amendments to the “Regulations Governing the Acquisition and Disposal of Assets” Implementation: It has been processed in accordance with the revised regulations and announced on the company's website. 5. Proposal for the amendments to the “Rules of procedure for Shareholders' Meeting”. Implementation:

Date	Content of resolution and its implementation
	<p>It has been processed in accordance with the revised regulations and announced on the company's website.</p> <p>6. Proposal for the amendments to the “Regulations for Director Election.”</p> <p>Implementation:</p> <p>Already finishing registration from the official letter No.11230120900 approved on 2023.06.30</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	2023/1~2023/12	4,550	2,767	7,317	
	Cheng-Quan Yu					

Note: Non-audit fee NT\$2,767 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 2023.

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	2023		As of 30 April 2024	
		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	(321,704)	-	-	-
Director	Sen-Pin Lee (Note 1)	(90,000)	-	-	-
Director	Guo-Yao Su	0	-	-	-
Legal Person as Corporate Director	LEH HERNG INVESTMENT LTD (Note 2)	1,072,464	-	-	2,132,000

Title	Name	2023		As of 30 April 2024	
		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
	Representative: Yu-Jou Chen (Note 2)	52,749			
Independent Director	Cheng Chi (Note 1)	-	-	-	-
Independent Director	Yi-Chia Chiu				
Independent Director	Wen-Chin Wu (Note 1)	-	-	-	-
Independent Director	Bai-Zhou Chen (Note 2)	-	-	-	-
Independent Director	Min-Chiu Jian (Note 2)	-	-	-	-
Independent Director	Shao-Gui Wu (Note 2)	-	-	-	-
COO	Wei-Jin Li	27,711			
President of the Business Group	Xian-Zheng Wu	18,650		(13,000)	
President of the Business Group	Peng-Rong Hou	33,077	-	-	-
President of the Business Group	Pei-Jin Chen (Note 1)	-	-	-	-
President of the Business Group	Yi-Zhen Lu	39,240	-	-	-
Vice President of the Business Group	Yi-Chan Wu (Note 2)	-	-	-	-
President of Trading & Retails Business Group	Cheng-Xian Wang	68,712	-	-	-
Vice President of the Supply Chain Operations Center	Jia-Ying Chou (Note 2)	-	-	1,010	-
President of the Business Support Center	Chien-Lun Chiu	39,255	-	-	-
Vice President of the Business Development Center	Bi-Shan Lee	14,228	-	-	-
President of the Internal Audit Office	Hui-Ying Chang	14,751	-	-	-
Chief Finance Operator	Zhong-Hao Liang	16,492	-	-	-

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	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 2024; 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 % Percentag e	Name (or name)	Relation ship	
Le Heng Investment LTD	3,801,300	4.51%	-	-	-	-	-	-	
Cheng-Hui Chen	3,379,578	4.00%	55,393	0.07%	-	-	Le Heng Investment Ltd Representative Yu-Jou Chen	Father/ Daughter	
Special Account for Investment in Merrill Lynch entrusted by HSBC	1,448,783	1.72%	-	-	-	-	-	-	
Xiu-Hui Yang	1,182,217	1.40%							
DS Foundation	911,161	1.08%	-	-	-	-	-	-	
Riqing Investment Co.,Ltd	865,614	1.02%							
Special Account for Investment in Illinois Institution on Retirement Funds entrusted by HSBC	794,746	0.94%	-	-	-	-	-	-	
Newly Labor Pension Fund	726,782	0.86%	-	-	-	-	-	-	
Special account for Wowprime Employee Stock Ownership Trust entrusted by CTBC	722,502	0.86%	-	-	-	-	-	-	

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 % Percentag e	Name (or name)	Relation ship	
JPMorgan Chase Bank Taipei Branch is entrusted with the custody of Advanced Starlight Fund Company's Advanced Aggregate International Stock Index Fund Investment Account	668,593	0.79%	-	-	-	-	-	-	

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.	21,117,134	100.00%	-	-	21,117,134	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.	-	-	22,309,291	82.11%	22,309,291	82.11%
Wowprime Ltd.	-	-	-	82.11%	-	82.11%
Wowprime (China) Co., Ltd.	-	-	-	82.11%	-	82.11%
Wowprime (Beijing) CO.,LTD	-	-	-	82.11%	-	82.11%
SHANGHAI QUNZEYI ENTERPRISE MANAGEMENT CO.,LTD	-	-	-	82.11%	-	82.11%
SHANGHAI WANXIN INTERNATIONAL TRADING CO.,LTD	-	-	-	82.11%	-	82.11%
SHANGHAI HOPPIE CO.,LTD	-	-	-	82.11%	-	82.11%
SHANGHAI KINGCASH CO., LTD	-	-	-	78.00%	-	78.00%

## Four. Fund Raising Status

### I. Capital and shares

#### (I) Source of share capital

##### 1. Category of issued shares

30 April 2024; Unit: share

Type of equity	Authorized capital stock			Remarks
	Shares outstanding	Unissued shares	Total	
Common shares	84,451,109	15,548,891	100,000,000	Outstanding listed stocks

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

30 April 2024; 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
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

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
2023.9	10	100,000,000	1,000,000,000	76,988,221	769,882,210	Convertible bonds transfer NT\$3,380		Jing-Shou-Shang-Zi No.11230169370 dated 13 Sep 2023
2023.9	10	100,000,000	1,000,000,000	84,451,109	844,511,090	Capital increase from earnings of 74,628,880		Jing-Shou-Shang-Zi No.11230184750 dated 13 Sep 2023

## (II) Shareholder structure

30 April 2024; Unit: person; share

Shareholder structure Quantity	Government agencies	Financial institutions	Other legal persons	Individuals	Foreign institutions and foreigners	Total
Number of people	1	17	263	93,651	248	94,180
No. of Shares Held	726,782	2,341,892	10,799,201	54,070,235	16,512,999	84,451,109
Shareholding (%)	0.86	2.77	12.79	64.03	19.55	100.00

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

30 April 2024; Unit: person; share

Shareholding tier	Number of Shareholders	No. of Shares Held	Ownership
1 to 999	81,512	2,140,580	2.53
1,000 to 5,000	11,048	18,625,518	22.05
5,001 to 10,000	814	6,042,978	7.16
10,001 to 15,000	258	3,204,218	3.79
15,001 to 20,000	156	2,824,882	3.34
20,001 to 30,000	116	2,870,157	3.40
30,001 to 40,000	54	1,869,040	2.21
40,001 to 50,000	38	1,741,442	2.06
50,001 to 100,000	89	6,183,554	7.32
100,001 to 200,000	37	5,096,380	6.03
200,001 to 400,000	28	7,852,201	9.30
400,001 to 600,000	18	8,891,124	10.53
600,001 to 800,000	5	3,513,382	4.16

800,001 to 1,000,000	2	1,776,775	2.10
Over NT\$1,000,001	5	11,818,878	13.99
Total	94,180	84,451,109	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 2024; Unit: share

Name of major shareholder	Shares	No. of Shares Held	Shareholding (%)
Le Heng Investment LTD		3,810,300	4.51%
Cheng-Hui Chen		3,379,578	4.00%
Special Account for Investment in Merrill Lynch entrusted by HSBC		1,448,783	1.72%
Xiu-Hui Yang		1,182,217	1.40%
DS Foundation		911,161	1.08%
Riqing Investment Co.,Ltd		865,614	1.02%
Special Account for Investment in Illinois Institution on Retirement Funds entrusted by HSBC		794,746	0.94%
Newly Labor Pension Fund		726,782	0.86%
Special account for Wowprime Employee Stock Ownership Trust entrusted by CTBC		722,502	0.86%
JPMorgan Chase Bank Taipei Branch is entrusted with the custody of Advanced Starlight Fund Company's Advanced Aggregate International Stock Index Fund Investment Account		668,593	0.79%
Total		14,510,276	17.18%

(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		2022	2023	As of 30 April of the year
Market price per share	Highest	170.00	374.00	263.00
	Lowest	100.00	161.00	216.50
	Average	128.62	273.16	241.97
Net worth per share	Before distribution	41.47	52.13	-
	After distribution	36.61	37.19	-
Earnings per share	Weighted average number of shares		82,498 thousand shares	82,213 thousand shares
	EPS	Before Regulation	5.21	16.79
		After Regulation	4.74	
Dividends per share	Cash dividends		3.51	14.94
	Stock dividends	Stock dividends from earnings	1	-
		Capital surplus distributed as dividends	-	-
	Accumulated unpaid dividends		-	-
Investment return analysis	Price-to-earning ratio		27.14	16.27
	Price-to-dividend ratio		36.64	18.28
	Cash dividend yield		2.73	5.47

Note: As of the publication date of the annual report, the data in has not 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 2023 of the Company formulated by the Board on 7 March 2024 is as follows:

	Earning Distribution (NT \$Thousand)	Dividend Per Share (NT\$)
Surplus Reserve	\$ 139,439	\$ -
Special Surplus Reserve	22,794	-
Cash Dividend	1,232,155	14.94

The proposal for profit distribution in 2023 is to be resolved at the annual shareholders' meeting to be convened on 6 June 2024.

(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 2023. 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 7, 2024 have made resolution for employee remuneration distribution with NT\$1,659,000 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 2022 was approved at the Board meeting on 23 March, 2023 that there is distribution for employee remuneration with NT\$480,000 and director remuneration with NT\$0 by cash. There was no difference between the actual distribution amount and the amount recognized.

(IX) Buyback of shares by the Company:

30 April 2024

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	538,000 shares	361,000 shares
Accumulated number of the Company's shares held by the Company	0 share	1,511,000 shares	1,998,000 shares
Ratio of cumulative number of the Company's shares held to the total issued shares (%)	0 %	1.79%	2.37%

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\$699,900,000
	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	The creditors of the conversion company exercise the right of conversion already transferred 338 shares.
	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 2,644,125 for new shares. The share capital inflation rate is 3.13% 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		2023	As of Mar. 31, 2024
Item			
Convertible Price	Highest	127.50	115.5
	Lowest	108.30	109
	Average	116.23	112.79
Transfer Price		264.7	264.7
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

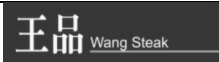



The Company primarily engages in F&B services and provides Western-style steaks, creative Japanese cuisines, yakiniku of original tastes, Hokkaido kombu hot pot, creative Kaiseki cuisine, French teppanyaki, Japanese pork chop curry, stone hot pot and shabu shabu, Chinese cuisine, and other F&C services.

##### (2) Operating ratio

Unit: NT\$ Thousand; %



Year Product	2021		2022	
	Net revenue	Ratio (%)	Net revenue	Ratio (%)
F&B income	17,114,524	93.41	21,191,261	94.95
Retail income	1,206,517	6.59	1,126,446	5.05
Total	18,321,041	100.00	22,317,707	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>Let Us Get Together today!</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 maters
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 seven 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	XIANGLA
Brand logo		
Establishment time	2004	2022
Brand character	Passionate, lively, sincere, and approachable	Casual, zero-distance, lively, and generous
Dish positioning	Focus on different pairings between meat and condiments to create the Japanese yakiniku with various ways to eat	Six special ways to eat wagyu with free-flow premium seafood and meat
Commitment of brand	<b>Yakiniku of variety to satisfy everyone's appetite</b>	<b>Satisfy your cravings for spiciness</b>
Service positioning	Lively and passionate services	Precision, conciseness, and promptness


Business Segment	The Meatiest	True Wow
Brand logo		
Establishment time	2022	2022
Brand character	Premium quality with uniqueness	Young, trend, lively
Dish positioning	Yakiniku bistro with award-winning cocktails that features specialty meat of rich flavors	“Yummy & Funny” Korean Cuisine
Commitment of brand	<b>No restrain, just eat!</b>	Shock with awesome Korean flavor
Service positioning	Professional, passionate, and caring	The most local and delicious Korean cuisine

Business Segment	Itamae	Joxiang
Brand logo		
Establishment time	2022	2023
Brand character	Stable, Pursue the extreme, Japanese professional artisan	Insurgent
Dish positioning	Premium Japan and Australia Wagyu beef, selected sea food , combine with advanced Teppanyaki cooking technique to make delicious meals for customers	Surf and Turf Teppanyaki dishes
Commitment of brand	Extreme Wagyu, Teppanyaki Taoism	Various surf and turf dishes Delicious Teppanyaki meals
Service positioning	Wagyu Teppanyaki	Lively Service, Relaxed Dining

Business Segment	HSUN CHANG	ChaoChou BANG
Brand logo		
Establishment time	2023	2024
Brand character	Delicate texture, Japanese spirit	Trendy, domineering, confident, imaginatively rich
Dish positioning	Delicate hotpot dish with selected four seasons ingredients	Refined Casserole Porridge + Exquisite Chinese Cuisine
Commitment of brand	Meet one time in one session, . treat with attentive attitude	Fresh and mellow porridge Get together with Happiness
Service positioning	Detailed butler service	Considerate Enthusiastic Friendly

Business Segment	ChinguBBQ	THE WANG
Brand logo		
Establishment time	2023	2022
Brand character	Young & New, Colorful & Lively, Surprising & Interesting	Light luxury, Tasty
Dish positioning	Mainly provide personal pork belly BBQ service by each table and show three kinds of awesome ways to taste BBQ ; Offer unlimited side dish and traditional Korean cuisine; Use domestic Korean sauce to show authentic flavor.	High-end French restaurant featuring iced fresh porterhouse from the U.S. (Annual production volume of less than 2%)
Commitment of brand	Friend! Taste BBQ together will become more closer!	Only treat the most important person in our heart
Service positioning	Feel at ease and caring like a friend	Professional, Adequate, and Thoughtful

Business Segment	Wagyushabu	JINFENGLAIYI
Brand logo		
Establishment time	2021	2021
Brand character	Easy and Lively	Tasty, Cozy, Modern
Dish positioning	Specialty restaurant for wagyu hot pot	Cantonese cuisine with Hainanese chicken feature
Commitment of brand	<b>Free-flow wagyu</b>	<b>Seek for food standard and provide local Cantonese cuisine</b>
Service positioning	Care, Passion, with Japanese style	Professional, Adequate, and Thoughtful

Business Segment	AMIGO
Brand logo	
Establishment time	2021
Brand character	Fun, Unique, Passion
Dish positioning	Western food for cuisine with Spanish style
Commitment of brand	<b>With passion to combine special dishes and share the dishes to the persons who are curious and passionate with life</b>
Service positioning	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 actual growth rate of consumption was 1.31% in 2023. Based on report of Directorate-General of Budget, Accounting and Statistics, Executive Yuan, ROC., the economic growth rate in 2024 is 3.43% for prediction. Along with epidemic situation moves towards coexistence and opening up, vaccine coverage has increased and borders have been lifted, consumer confidence has recovered. In 2023, the Real private consumption growth rate is 8.32%, in the part of revenge travel for foreign country, the consumption rate over 4% and increase the largest range in recent 30 years and also over the level before COVID-19.

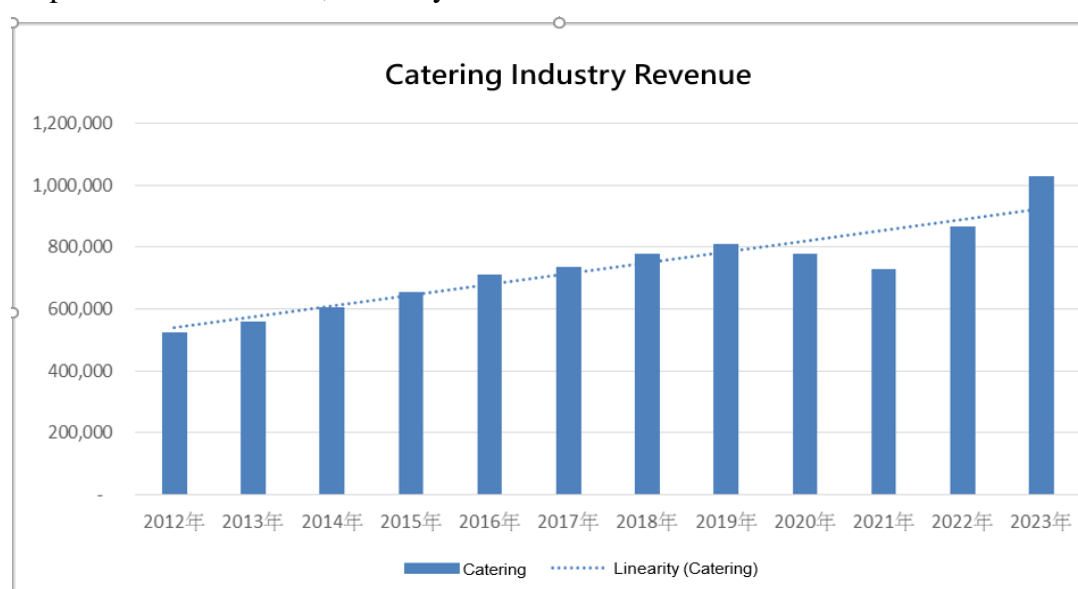
From the investigation of National Statistic, the consumption for each house from 10.6% in 2012 increase to 13.1% in 2020. It shows the demand for dining out is increasing each year. However, the COVID-19 epidemic outbreak in May in 2021 was severe. Taiwan has been raised to level 3 alert. Form the condition that all restaurants been forid dinning inside, the consumption rate in restaurants and hotels decreased to 12.77%. When people coexistence with COVID in 2022, the demand for domestic market became warmer. The consumption rate in restaurants and hotel increase to 13.77% and grow with 1%. Based the data from Ministry of Economic, the sales revenue is one trillion and twenty seven point nine billion and increase with 18.79% per year. It shows the catering industry recovery strongly. It shows not only over the level of epidemic period but also over the level for trillion sales revenue.

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 consumtion 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

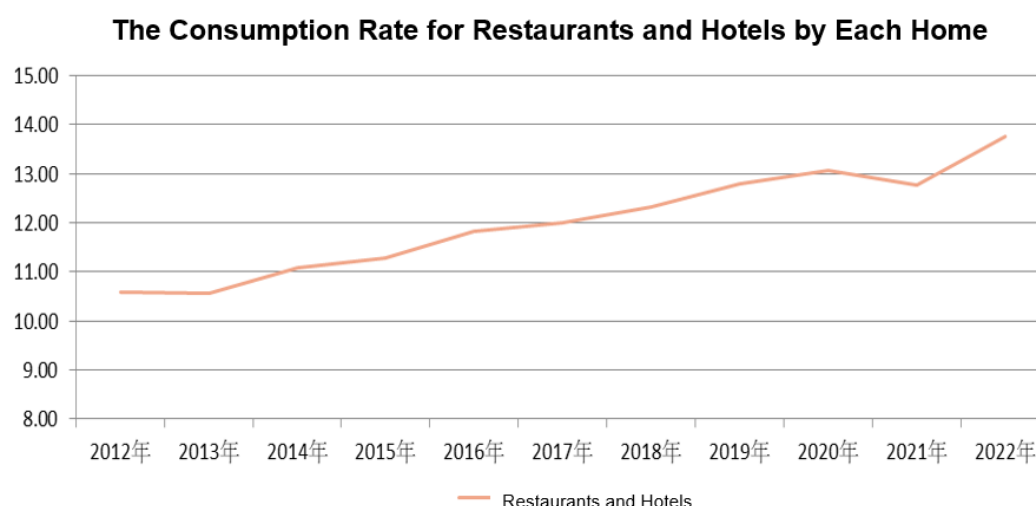
	Real private consumption growth rate	Economic growth rate %	Total amount of F&B industry
	(%)	GDP	NT\$ million
2014	3.70	4.72	606,643
2015	2.86	1.47	653,809
2016	2.64	2.17	710,901
2017	2.70	3.31	737,419
2018	2.05	2.79	777,467
2019	2.25	3.06	811,577
2020	(2.55)	3.39	777,563
2021	(0.25)	6.62	728,007
2022	3.75	2.59	865,326
2023	8.32	1.31	1,027,892

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



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 “Oh my!Yakiyan”, “Power of Meat”, “The Meatiest” and “Chingu”. 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-spicy 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	Chingu (launched as scheduled)	launched as scheduled	2024 Jan.
New brand II	Under planning	5,000	2024~2025
New brand III	Under planning	5,000	
New brand IV	Under planning	5,000	

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	2019	2020	2021	2022	2023
Research and development expenses	13,706	18,271	19,835	21,603	26,575
Net revenue	16,232,208	15,233,747	17,196,937	18,321,041	22,317,707
R&D expenses/net operating income	0.08%	0.12%	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
Taiwan	2019	Veggtable	Classic Taiwanese cuisine
		THE WANG-PRIME STEAK	Premium steak house
	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

Regions	Year	Brand	Item
		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
	2022	The Meatiest	Yakiniku bistro
		True Wow	Korean cuisine
		Itame	Wagyu teppanyaki
	2023	Joxiang	Teppanyaki
		Hsunchang	Delicate hot pot
		Chingu	Korean teppanyaki
	2024	ChaoChouBang	Casserole porridge and Chinese cuisine
Mainland China	2021	JINFENGLAIYI	Cantonese bistro
		Amino AMIGO	Mexican style western cuisine
		Wagyuhabu	Hot pot cuisine
	2022	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	2022		2023	
	Amount	Amount	Amount	Percentage
Taiwan	13,736,640	74.98	17,280,899	77.43
Mainland China	4,584,401	25.02	5,036,808	22.57
Total	18,321,041	100.00	22,317,707	100.00

#### 2. Market share

According to the 2024 Taiwan Chain Store Almanac, the number of direct-selling restaurants was 5,060 in 2023, and the number of our stores as of the publication date of the annual report was 337, accounting for approximately 6.66%.



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

	Number of stores	Total number of stores
Fast food	290	19,436
Coffee and simple meals	77	2,409
Beverage	234	10,149
Restaurants	440	5,060
Total	1,041	37,054

Source: 2024 Taiwan Chain Store Almanac

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

According to the statistics of the Statistics Department of the Ministry of Economic Affairs, the catering industry got rid of the interference of the epidemic COVID-19 and the domestic demand market was hot, driving output value growing significantly compared with the previous year with the annual revenue reaching 1.279 trillion dollars when it compared to previous year with an annual increase 18.8% for new record high.

During the epidemic period, Wowprime bucked the trend to expand investments, insisted on continuing to develop new brands and new stores, and increased the advantages of clustering with multi-brand joint development. The company also increased member adhesion with the "Wang Pin Crazy Food" APP, and guided customers for each other. Wowprime has been operated the chain catering market steadily for a long time, and its strong brand power, catering and service quality have been well recognized by consumers, which will help increase the Company's revenue and market share.

### 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 2024, the total number of stores nationwide reached 337. 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.



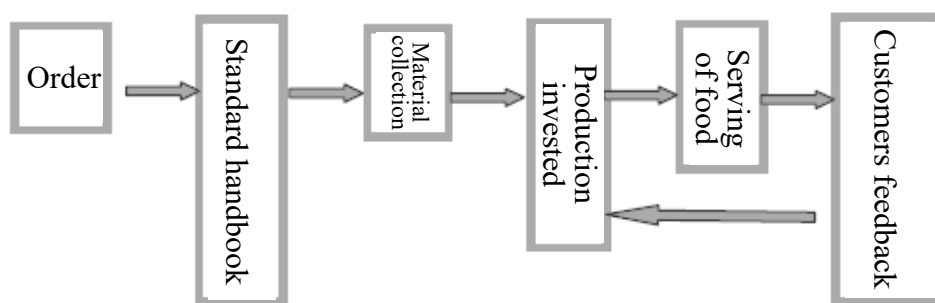
#### (II) Main use of major products and their manufacturing processes

##### 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	2022				2023				As of Q1 of the year 2024			
	Name	Amount	Ratio to net purchase throughout the year(%)	Relations hipwith the issuer	Name	Amount	Ratio to net purchase throughout the year(%)	Relations hip with the issuer	Name	Amount	Ratio to net purchase throughout the year(%)	Relations hip With the issuer
1	Supplier A	3,129,440	90.05	Subsidiary of the Company	Supplier A	4,616,876	83.56	Subsidiary of the Company	Supplier A	196,807	15.58	Subsidiary of the Company
	Others	345,681	9.95	—	Others	908,492	16.44	—	Others	1,066,385	84.42	—
	Total net purchase	3,475,121	100.00	—	Total net purchase	5,525,368	100.00	—	Total net purchase	1,263,192	100.00	—

Description of changes:

In 2023, 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	2022				2023			
		Domestic		Overseas		Domestic		Overseas	
		Volume	Value	Volume	Value	Volume	Value	Volume	Value
Taiwan Business Segment		20,569	13,736,640	-	-	26,348	17,280,899	-	-
Overseas Business Segment		4,921	4,584,401	-	-	5,695	5,036,808	-	-
Total		25,490	18,321,041	-	-	32,403	22,317,707	-	-

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		2022	2023	As of 30 April 2024
Number of employees	Direct	9,070	10,236	10,039
	Indirect	430	510	534
	Total	9,500	10,836	10,573
Average age		26.56	27.65	28.03
Average service seniority		3.11	3.03	3.18
Education distribution ratio (%)	PhD	0%	0%	0%
	Master degree	1.25%	1.42%	1.49%
	College diploma	63.35%	60.83%	60.49%
	Senior high school	33.81%	36.18%	36.40%
	Below senior high school	1.59%	1.58%	1.61%

IV. Environmental protection expenditure

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

31 December 2023; unit: NT\$ Thousand

Equipment	Quantity	Acquisition date	Investment costs	Undepreciated balance	Usage and potential benefits estimated
Water drain for grease trap	348	Based on the establishment date of each store	9,079	3,026	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	280	Based on the establishment date of each store	26,150	1,814	Reduce air pollution resulting from emissions of cooking fumes and smells.
	323	Lease	7,279	--	

- (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):

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\$179 thousand and NT\$61 thousand were imposed in year 2022 and year 2023. 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 in 2022. 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 2023 is as follows:

Program	Total number of participants	Total number of hours
Store training for new employees	11,656	279,744
Digital learning	265,957	71,707

Program	Total number of participants	Total number of hours
Chain management training	8,134	60,832
Leadership management training	5,308	13,138
External training	46	471
Total	291,101	425,892

- (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 2023, the Company has appropriated NT\$52,041 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 2023, the Company appropriated NT\$202,255 thousand 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.

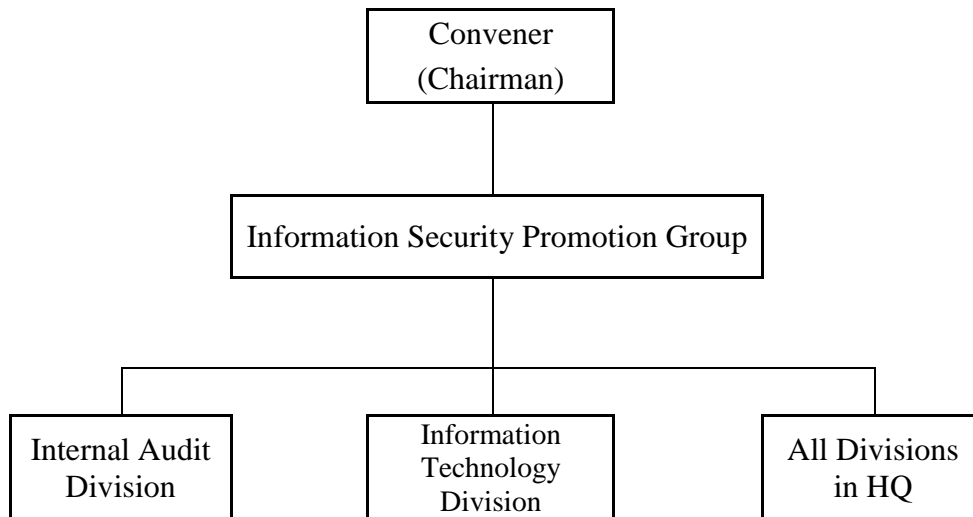
## VI. Administration for Information Security

- (I) To illustrate information security risk management, security strategy, specific administration projects, and the resources which be invested in information security management etc.

### 1. Information Security Risk Management Structure, Information Security Strategy

In order to do efficient management and maintain the information in PC environment properly for ensuring information usage and the process of confidential, perfection and usability, and to let related staffs to execute project following with the rules by the resolutions of the board of directors, lower any information security events which can bring any impact. Therefore, the company set the "Information Security Strategy". In order to carry out the information security, the company let the chairman to be the organizer and to establish the "information security promotion group", based on ISO 27001: 2013 Information Security Management International Standard to set information security management system, and also strengthen the works on information security management.





2. Specific management project

The company based on ISO 27001:2013 Information Security Management International Standard under PDCA circular operation mode to follow three points as follows:

- A. To set up appropriate organization to ensure follow the information security management rules and related laws.
- B. Information asset authorized usage under control to protect and keep normal operation.
- C. All the staffs have the responsibilities and duties to protect information assets.

3. The resources which to be invested in information security management

- A. In order to set up information security cognition for all staffs, the company should hold the training for information security each year.
- B. In order to ensure service or system keep working, the company should conduct operation and training periodically each year.
- C. In order to improve the safety of internet security, the company should check internet service and firewall conditions periodically each year.
- D. In order to prevent harms from virus, the anti-virus software need to keep update the character codes for anti-virus.
- E. Execute risk assessments periodically each year and doing improvement works for all items with high risks.
- F. Look all the parts on weak points, penetrative test, and focus on weakness items for amendment.
- G. Convening information security management conference each year to ensure information security execution be matched with related laws or regulations requirements.

(II.) List the significant information security events, which be suffered from losses, potential influences and related measures from recent years until the date for annual report published. If the situation can't be evaluated reasonably, the company should illustrate the truth why it could not be evaluate reasonably: None

VII. Important contracts

Type of contract	Party	Contract starting and ending date	Main content	Restrictive clauses
Borrowing contract	CTBC Bank	2023.05.31~2024.05.31	Short-term loans/performance guarantee	None
Borrowing contract	First Commercial Bank	2023.07.07~2024.07.07	Performance guarantee	None
Borrowing contract	Bank SinoPac	2023.10.31~2024.10.31	Short-term loans/performance guarantee	None
Borrowing contract	Taishin International Bank	2023.06.30~2024.06.30	Short-term loans	None
Borrowing contract	E.SUN Bank	2023.07.04~2024.07.04	Short-term loans	None
Borrowing contract	E.SUN Bank	2023.09.30~2024.09.30	Performance trust	None
Borrowing contract	Sunny Bank	2024.01.01~2025.12.31	Performance trust	None
Borrowing contract	Cathay United Bank	2023.08.30~2024.08.30	Short-term loans	None
Borrowing contract	DBS Bank Limited	2023.12.31~2024.12.31	Short-term loans	None
Borrowing contract	Far Eastern International Bank Co., Ltd.	2023.12.25~2024.12.25	Short-term loans/performance guarantee	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 30 April of the year
		2019	2020	2021	2022	2023	
Current assets		5,670,712	5,928,959	6,278,364	7,327,251	8,309,025	( Note 2 )
Property, plant and equipment		2,651,077	1,922,288	2,040,155	2,033,944	2,297,770	
Intangible assets		38,606	41,645	30,839	40,758	40,438	
Other assets		4,424,129	5,393,302	5,619,213	5,061,661	5,274,662	
Total Assets		12,784,524	13,286,194	13,968,571	14,463,614	15,921,895	
Current liabilities	Before distribution	5,199,003	6,165,859	7,155,323	7,779,321	7,213,416	
	After distribution	5,536,705	6,492,952	7,155,323	8,142,495	( Note 1 )	
Non-current liabilities		3,237,249	3,022,823	3,427,661	3,075,472	3,927,781	
Total Liabilities	Before distribution	8,436,252	9,188,682	10,582,984	10,854,793	11,141,197	
	After distribution	8,773,954	9,515,775	10,582,984	11,217,967	( Note 1 )	
Equity attributable to owners of the parent company		3,382,883	3,484,117	2,842,308	3,192,956	4,402,635	
Capital stock		769,879	769,879	769,879	769,879	844,511	
Capital surplus		1,867,344	1,797,170	1,791,541	1,789,924	1,888,008	
Retained earnings	Before distribution	1,045,224	1,111,643	693,929	1,091,150	2,107,206	
	After distribution	707,522	784,550	693,929	727,976	( Note 1 )	
Other equity		( 143,141 )	( 114,717 )	( 127,228 )	( 105,196 )	128,024	
Treasury stock		( 156,423 )	( 79,858 )	( 285,813 )	( 352,801 )	( 309,066 )	
Non-controlling interests		965,389	613,395	543,279	415,865	378,063	
Total equity	Before distribution	4,348,272	4,097,512	3,385,587	3,608,821	4,780,698	
	After distribution	4,010,570	3,770,419	3,385,587	3,245,647	( Note 1 )	

Note 1: The proposal for profit distribution in 2023 was approved by the board of directors

Note 2: As of the publication date of the annual report, the consolidated financial data in 2024 has not been reviewed by CPAs.

## 2. Individual Condensed Balance Sheet - IFRS

Unit: NT\$ Thousand

Item \ Year		Financial data for the most recent five years (year)					Financial data for as of 30 April of the year
		2019	2020	2021	2022	2023	
Current assets		3,389,517	3,042,411	2,887,122	3,661,939	5,643,734	( Note 2 )
Property, plant and equipment		1,032,558	1,063,467	1,149,481	1,337,649	1,625,335	
Intangible assets		5,684	10,038	6,148	14,375	20,081	
Other assets		3,900,744	4,765,924	4,653,648	4,601,632	5,247,711	
Total Assets		8,328,503	8,881,840	8,696,399	9,615,595	12,536,861	
Current liabilities	Before distribution	3,713,619	3,942,331	4,284,268	4,770,353	5,543,793	
	After distribution	4,051,321	4,269,424	4,284,268	5,133,527	(Note 1)	
Non-current liabilities		1,232,001	1,455,392	1,569,823	1,652,286	2,590,433	
Total Liabilities	Before distribution	4,945,620	5,397,723	5,854,091	6,422,639	8,134,226	
	After distribution	5,283,322	5,724,816	5,854,091	6,785,813	(Note 1)	
Equity attributable to owners of the parent company		3,382,883	3,484,117	2,842,308	3,192,956	4,402,635	
Capital stock		769,879	769,879	769,879	769,879	844,511	
Capital surplus		1,867,344	1,797,170	1,791,541	1,789,924	1,888,008	
Retained earnings	Before distribution	1,045,224	1,111,643	693,929	1,091,150	2,107,206	
	After distribution	707,522	784,550	693,929	727,976	(Note 1)	
Other equity		( 143,141 )	( 114,717 )	( 127,228 )	( 105,196 )	( 128,024 )	
Treasury stock		( 156,423 )	( 79,858 )	( 285,813 )	( 352,801 )	( 309,066 )	
Non-controlling interests		-	-	-	-	-	
Total equity	Before distribution	3,382,883	3,484,117	2,842,308	3,192,956	4,402,635	
	After distribution	3,045,181	3,157,024	2,842,308	2,829,782	(Note 1)	

Note 1: The proposal for profit distribution in 2023 was approved by the board of directors

Note 2: As of the publication date of the annual report, the individual financial data in 2024 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 30 April of the year
	2019	2020	2021	2022	2023	
Operating revenue	16,232,208	15,233,747	17,196,937	18,321,041	23,317,707	(Note)
Operating gross profit	7,215,769	7,045,693	7,314,199	7,937,928	10,432,427	
Operating profits or losses	604,113	555,330	(20,927)	470,667	1,782,762	
Non-operating income and expenses	(163,642)	(209,815)	(237,463)	(100,889)	(53,930)	
Net profits before tax	440,471	345,515	(258,390)	369,778	1,728,832	
Net profits for the period from continuing operations	348,985	255,926	(171,861)	263,192	1,380,250	
Losses from discontinued operations	-	-	-	-	-	
Net profits (losses) for the period	348,985	255,926	(171,861)	263,192	1,380,250	
Other comprehensive income (net after tax) for the period	(86,541)	32,723	(13,113)	48,272	(31,465)	
Total comprehensive income for the period	262,444	288,649	(184,974)	311,464	1,348,785	
Net profits attributable to shareholders of parent company	355,018	348,263	(104,703)	390,803	1,380,510	
Net profits attributable to non-controlling interests	(6,033)	(92,337)	(67,158)	(127,611)	(260)	
Total comprehensive income attributable to shareholders of parent company	302,795	371,149	(113,065)	430,290	1,356,402	
Total comprehensive income attributable to non-controlling interests	(40,351)	(82,500)	(71,909)	(118,826)	(7,617)	
Earnings per share	4.34	4.19	(1.27)	4.74	16.79	

Note: As of the publication date of the annual report, the consolidated financial data in 2024 has not been reviewed by CPAs.

## 2. Individual Condensed Income Statement – IFRS

Unit: NT\$ Thousand

Item \ Year	Financial data for the most recent five years (year)					Financial data for as of 30 April of the year
	2019	2020	2021	2023	2023	
Operating revenue	7,571,216	8,000,901	8,095,703	10,316,869	13,516,623	
Operating gross profit	3,649,978	3,893,484	3,690,037	4,895,023	6,493,137	
Operating profits or losses	344,647	477,420	(93,226)	641,998	1,266,422	
Non-operating income and expenses	81,599	(65,502)	(108,370)	(160,061)	390,596	
Net profits before tax	426,246	411,918	(201,596)	481,937	1,657,018	
Net profits for the period from continuing operations	355,018	348,263	(104,703)	390,803	1,380,510	
Losses from discontinued operations	-	-	-	-	-	
Net profits (losses) for the period	355,018	348,263	(104,703)	390,803	1,380,510	
Other comprehensive income (net after tax) for the period	(52,223)	22,886	(8,362)	39,487	(24,108)	(Note)
Total comprehensive income for the period	302,795	371,149	(113,065)	430,290	1,356,402	
Net profits attributable to shareholders of parent company	355,018	348,263	(104,703)	390,803	1,380,510	
Net profits attributable to non-controlling interests	-	-	-	-	-	
Total comprehensive income attributable to shareholders of parent company	302,795	371,149	(113,065)	430,290	1,356,402	
Total comprehensive income attributable to non-controlling interests	-	-	-	-	-	
Earnings per share	4.34	4.19	(1.27)	4.74	16.79	

Note: As of the publication date of the annual report, the individual financial data in 2024 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
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
2023	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 30 April of the year
		2019	2020	2021	2022	2023	
Financial structure %	Debt to assets ratio	65.99	69.16	75.76	75.05	69.97	(Note)
	Ratio of long-term capital to property, plant, and equipment	247.90	312.84	302.53	301.69	352.78	
Solvency %	Current ratio	109.07	96.16	87.74	94.19	115.19	
	Quick ratio	75.81	66.35	55.38	61.01	90.08	
	Interests coverage multiplier	640.03	409.82	(46.32)	340.62	1606.88	
Operating performance	Accounts receivable turnover rate (times)	63.21	64.91	49.29	41.53	43.19	
	Average collection days	5.77	5.62	7.41	8.79	8.45	
	Inventory turnover rate (times)	6.79	5.58	5.79	4.90	5.93	
	Accounts payable turnover rate (times)	19.97	14.92	14.38	13.16	14.31	
	Average sales days	53.74	65.43	63.03	74.46	61.55	
	Property, plant and equipment turnover rate (times)	6.08	7.32	8.30	8.82	9.45	
	Total assets turnover rate (times)	1.27	1.15	1.23	1.27	1.40	
Profitability %	Return on assets	3.72	2.65	(0.22)	2.72	9.69	
	Return on equity	10.50	7.45	(5.43)	8.72	36.34	
	Ratio of net profit before tax to paid-in capital	57.21	44.88	(33.56)	48.03	204.71	
	Net margin	2.15	1.68	(1.00)	1.44	6.18	
	Earnings per share (NT\$)	4.77	4.61	(1.40)	4.74	16.79	
Cash flows %	Cash flow ratio	48.27	38.44	30.75	36.24	59.72	
	Cash flow adequacy ratio	132.95	147.51	128.28	134.31	200.75	
	Cash flow reinvestment ratio	33.70	36.49	40.29	54.34	56.17	
Leverage	Operating leverage	4.64	4.63	(102.81)	5.56	2.22	
	Financial leverage	1.16	1.25	0.11	1.48	1.07	



Note: As of the publication date of the annual report, still has consolidated financial data in 2024 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. The Ratio of Solvency increased mainly because of revenue increasing lead to operation funds increasing in 2023.
2. Inventory turnover rate increase mainly because keep doing consumption on inventory.
3. The Ratio of Profitability increase:  
Mainly because of 2023 sales revenue bring along related benefit and net profits increase
4. Cash Flow Ratio and Cash Adequacy Ratio increase:  
Mainly because of 2023 sales revenue increasing lead to cash flow into operation activity.  
Operating leverage and Financial leverage decrease: Mainly because of 2023 sales revenue bring along net profits increase.

## 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 30 April of the year
		2019	2020	2021	2022	2023	Note
Financial structure %	Debt to assets ratio	59.38	60.77	67.32	66.79	64.88	
	Ratio of long-term capital to property, plant, and equipment	445.75	445.48	382.98	361.81	427.16	
Solvency %	Current ratio	91.27	77.17	67.39	76.67	101.80	
	Quick ratio	77.59	74.47	63.68	74.18	82.81	
	Interests coverage multiplier	3413.74	3330.48	(1231.81)	2751.94	5465.47	
Operating performance	Accounts receivable turnover rate (times)	49.75	63.95	48.97	51.78	41.16	
	Average collection days	7.34	5.71	7.45	7.05	8.87	
	Inventory turnover rate (times)	6.30	13.84	36.10	41.45	12.16	
	Accounts payable turnover rate (times)	13.36	11.75	16.69	32.91	18.77	
	Average sales days	57.95	26.38	10.11	8.81	30.01	
	Property, plant and equipment turnover rate (times)	7.31	7.22	7.03	7.70	8.26	
	Total assets turnover rate (times)	0.91	0.90	0.93	1.07	1.08	
Profitability %	Return on assets	4.80	4.17	(1.05)	4.43	12.69	
	Return on equity	10.68	10.14	(3.31)	12.95	36.35	
	Ratio of net profit before tax to paid-in capital	55.37	53.50	(26.19)	62.60	196.21	
	Net margin	4.69	4.35	(1.29)	3.79	10.21	
	Earnings per share (NT\$)	4.77	4.61	(1.40)	4.74	16.79	
Cash flows %	Cash flow ratio	28.94	41.71	25.91	41.15	27.92	
	Cash flow adequacy ratio	108.17	124.37	106.85	126.85	127.23	
	Cash flow reinvestment ratio	14.54	25.22	17.72	40.00	18.47	
Leverage	Operating leverage	3.18	2.52	(7.73)	2.38	1.82	
	Financial leverage	1.04	1.03	0.86	1.03	1.02	

Note: As of the publication date of the annual report, still has individual financial data in 2024 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. Current ratio increasing is mainly due to the company move inventory from Wowfresh to Parent Company for management and 2023 sales revenue increasing lead to operation fund increasing.
2. Interests coverage multiplier increase mainly due to the profit increasing.
3. Accounts Receivable Turnover rate decrease / Average Collection Days increase mainly due to sales revenue in the end of the year growing dramatically in 2023.
4. Inventory turnover rate decrease/ Average sales days increase mainly due to the company move inventory from Wowfresh to Parent Company in 2023.
5. Accounts Payable turnover rate decrease mainly due to corporation regulation and purchasing lead to Accounts Payable increase in 2023.
6. Profitability Ratio increase mainly due to sales revenue in 2023 increasing.
7. Cash Flow Reinvestment Ratio decrease mainly due to operation spots expanding in 2023 lead to related asset increasing.
8. Operating leverage decrease mainly due to the sales revenue and profits in 2023 increased.

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

本公司民國一一二年度營業報告書、財務報告暨合併財務報表及盈餘分派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

邱奕嘉

民 國 一 一 三 年 三 月 七 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	2023	2022	Difference	
			Amount	%
Current assets	8,309,025	7,327,251	981,774	13.40
Investments accounted for using the equity method	80,103	81,904	(1,801)	(2.20)
Property, plant and equipment	2,297,770	2,033,944	263,826	12.97
Intangible assets	40,438	40,758	(320)	(0.79)
Other assets	5,194,559	4,979,757	214,802	4.31
Total Assets	15,921,895	14,463,614	1,458,281	10.08
Current liabilities	7,213,416	7,779,321	(565,905)	(7.27)
Non-current liabilities	3,927,781	3,075,472	852,309	27.71
Total liabilities	11,141,197	10,854,793	286,404	2.64
Equity attributable to owners of the Company	4,402,635	3,192,956	1,209,679	37.89
Capital stock	844,511	769,879	74,632	9.69
Capital surplus	1,888,008	1,789,924	98,084	5.48
Retained earnings	2,107,206	1,091,150	1,016,056	93.12
Other equity	(128,024)	(105,196)	(22,828)	21.70
Treasury stock	(309,066)	(352,801)	43,735	(12.40)
Non-controlling interests	378,063	415,865	(37,802)	(9.09)
Total equity	4,780,698	3,608,821	1,171,877	32.47
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				
(1) Increase in current assets :				
Mainly due to the profit-related working capital increased in 2023.				
(2) Increase in property, plant and equipment :				
Mainly due to operation spots expanding in 2023 more than previous year and related operation equipments also increased.				
(3) Increase in non-current liabilities : Mainly due to the company issue corporate bonds in 2023.				
(4) Increase in Equity attributable to owners and Retained earnings of the Company:				
Mainly due to the year of 2023 has profit				
(5) Other equity decrease : The exchange difference caused by subsidiary in China expressed functional currency conversing into Taiwan parent company.				
(6) Decrease in Treasury stock : The company executed treasury stock transferring to employees in 2023.				
(7) Decrease in non-controlling interests :				
Mainly due to equity planning and buyback few parts of shares from Offshore Company.				

## 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	2023	2022	Changes	
			Amount	%
Operating revenue	22,317,707	18,321,041	3,996,666	21.81
Operating cost	11,885,460	10,383,113	1,502,347	14.47
Operating gross profit	10,432,247	7,937,928	2,494,319	31.42
Operating expenses	8,649,485	7,467,261	1,182,224	15.83
Operating (losses) gains	1,782,762	470,667	1,312,095	278.77
Non-operating income and expenses	(53,930)	(100,889)	46,959	(46.55)
Net (loss) profit before tax	1,728,832	369,778	1,359,054	367.53
Income tax expenses (gains)	348,582	106,586	241,996	227.04
Net (loss) profit for the period	1,380,250	263,192	1,117,058	424.43
For changes during two periods reaching 10% and above and the absolute amount of change reaching NT\$10 million, the analysis is as follows:				
(1) Increase in Operating Revenue/ Cost / Expense : The reason is mainly due to increasing operation spots and doing compensatory consumption after epidemic period lead to the sales revenue increase. In addition, the related operation costs and expenses also increased				
(2) Decrease in Non-operating income and expenses : The reason is mainly due to fixed deposit in bank increased in 2023 and influenced interest income increasing by raising interest rate.				
(3) Increase in Income tax expenses (gains): Mainly due to profits increase then recognizing the part of income tax expense increased.				
(4) Based on above operating gains, net (loss) profit before tax and net (loss) profit for the Period, the variation is mainly due to the growing revenue in 2023 attributes to related gains and profits increased.				

### (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 (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	4,307,549	( 2,382,822 )	( 1,607,394 )	( 21,644 )	2,649,674		
<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 2024

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
2,649,674	4,500,000	(1,600,000)	(2,600,000)	10,000	2,959,674	-	-
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. After relaxation of epidemic prevention measures in 2023 in China, the economy recovery was still not as good as expectation. In 2024 Q1, the economic growth rate is 5.3%, which is almost the same as the economic growth rate for 5.2% of whole year in 2023. The economy situation became stable. In 2024, China business group will continue to regulate operation constitution, brands and the number of restaurants. This strategy is in order to eliminate weak part and to maintain strong part to keep in large profit situation. 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 2024, 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 2023, we recorded the loss for exchange with NT\$501 thousand, accounting for approximately 0.002% and 0.04% 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

The inflation rate in 2023 was 1.31%, 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\$25 million. As of 31 December 2023, 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 2023, 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 2023,

(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 2024 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.

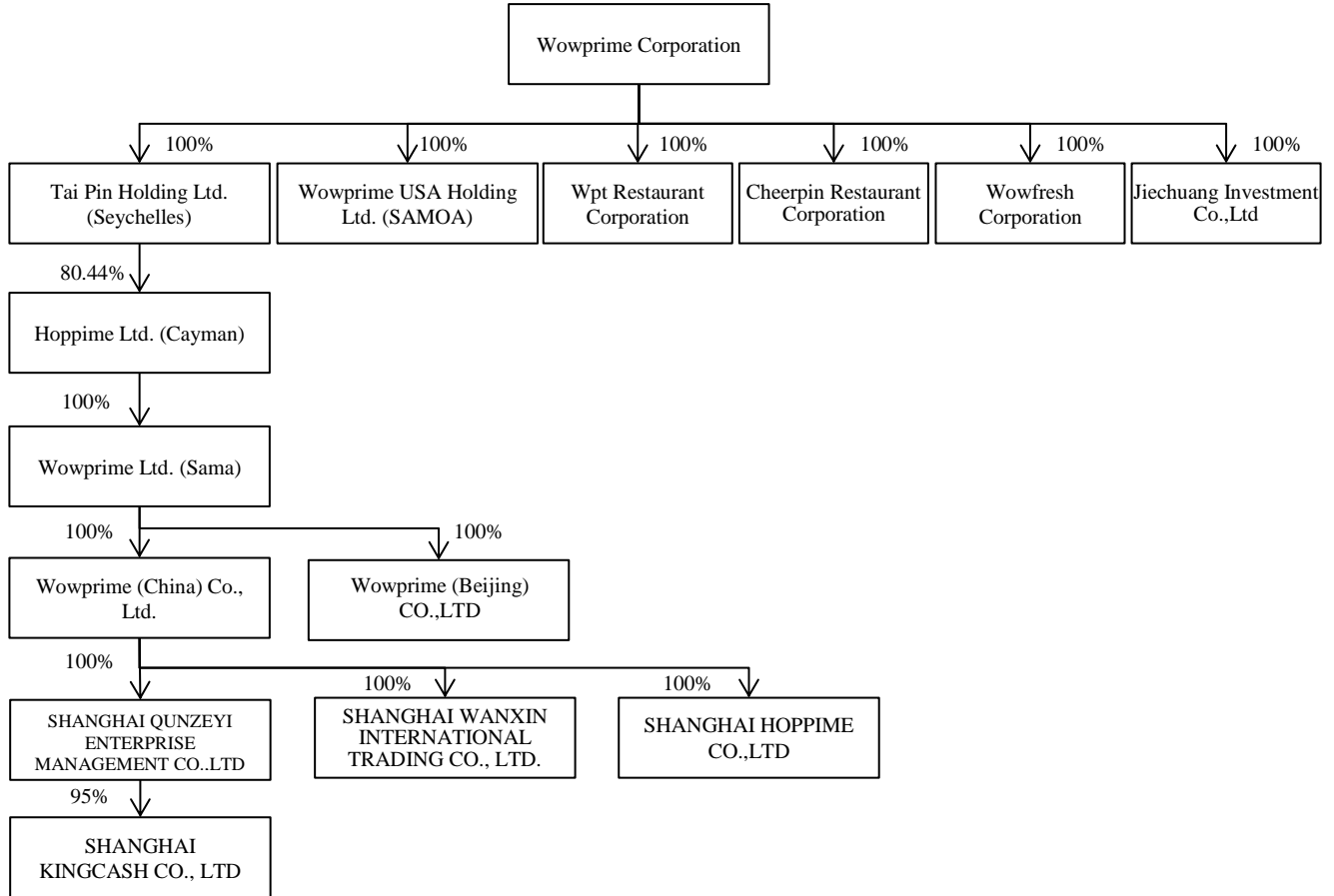
VII. Other important matters: None.

## 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.	637,250 (USD 21,117,134)	Investment
HOPPIME LTD. (CAYMAN)	2011.9.15	Floor 4, Willow House, Cricket Square, P O Box 2804, Grand Cayman KY1-1112, Cayman Islands	813,309 (USD 27,169,004)	Investment
WOWPRIME LTD. (SAMOYA)	2003.3.5	Offshore Chambers, P.O.Box 217, Apia, Samoa	966,540 (USD 32,435,486)	Investment
Wowprime (China) Co., Ltd.	2003.7.4	9F, Meiluo Mansion, Tianshiqiao Road, Xuhui District, Shanghai	894,893 (RMB 195, 090,404)	F&B, F&B management, and relevant consultation

Company name	Establishment Date (year)	Address	Paid-in capital	Paid-in capital
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	9.84%
WOWPRIME LTD. (SAMOYA)	Director	Cheng-Hui Chen	-	-
Wowprime (China) Co., Ltd.	Director	Cheng-Hui Chen	-	-
	Director	Mei-Hui Ying	-	-
	Supervisor	Yun-Xia Lei		
Wowprime (Beijing) CO.,LTD	Director	Cheng-Hui Chen	-	-
	Supervisor	Yun-Xia Lei	-	-
SHANGHAI QUNZEYI ENTERPRISE MANAGEMENT CO.,LTD	Director	Cheng-Hui Chen		
	Director	Mei-Hui Ying		
	Director	Yu-Jou Chen		
	Supervisor	Yun-Xia Lei		
Shanghai Wanxin International Trading Co., Ltd.	Director	Cheng-Hui Chen		
	Director	Mei-Hui Ying		
	Director	Yu-Jou Chen		
	Supervisor	Yun-Xia Lei		
SHANGHAI HOPPIE CO.,LTD	Director	Cheng-Hui Chen		
	Director	Mei-Hui Ying		
	Director	Yu-Jou Chen		
	Supervisor	Yun-Xia Lei		
SHANGHAI KINGCASH CO., LTD	Director	Cheng-Hui Chen		
	Supervisor	Yun-Xia Lei		
WPT RESTAURANT CORPORATION	Chairperson	Cheng-Hui Chen (Note)	10,000,000	100.0%
	Director	Wei-Jin Li (Note)		
	Supervisor	Chien-Lun Chiu (Note)		
CHEERPIN RESTAURANT CORPORATION	Chairperson	Cheng-Hui Chen (Note)	30,000,000	100.0%
	Director	Wei-Jin Li (Note)		

Company name	Title	Name or representative	Shareholding	
			Shares	Ownership
WOWFRESH CORPORATION	Supervisor	Chien-Lun Chiu (Note)		
	Chairperson	Cheng-Hui Chen (Note)	50,000,000	100.0%
	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	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)	637,250	1,559,092	14,887	1,544,205	-	( 49 )	( 1,796 )	-
Hoppime (Cayman)	813,309	1,933,191	1,130	1,932,061	-	( 9,729 )	( 2,910 )	-
Wowprime (Samoa)	966,540	1,903,753	-	1,903,753	-	-	6,509	-
Wowprime (China)	894,893	3,734,123	2,001,129	1,732,994	4,899,484	159,211	(371)	-
Wowprime (Beijing)	118,608	211,825	41,067	170,758	72,042	2,838	6,879	-
WPT	100,000	129,031	49,352	79,679	276,926	21,742	20,906	-
Cheerpin	300,000	1,267,535	734,865	532,670	2,929,712	241,815	192,564	-
Wowfresh	500,000	918,366	349,413	568,953	6,457,132	71,778	64,780	-
Jiechuang	11,000	811	23	788	-	(36)	( 3,691 )	-
Shanghai Qunzeyi	20,990	3,081	-	3,081	-	-	( 628 )	-
Shanghai Wanxin	23,986	57,408	105,389	( 47,981 )	236,696	( 56,620 )	(56,180)	-
Shanghai Hoppime	86,413	123,125	223,799	( 100,674 )	77,983	( 1,844 )	(6,144)	-
Shanghai Kingcash	21,895	32,263	29,225	3,038	58,310	14	(658)	-



(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 2023 (from 1 January 2023 to 31 December 2023), 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 7, 2024

(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 2023

### 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, 2023 and 2022, 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 material accounting policy information (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, 2023 and 2022, 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 Financial Statement Audit and Attestation Engagements of 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, 2023. 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, 2023 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.

Formaterial accounting policy information, refer to Note 4(n).

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

1. We obtained an understanding of and tested whether the general computer control environment of POS systems was effective.
2. We obtained an understanding of and tested the effectiveness of the design and implementation of internal controls over the catering revenue recognition process.
3. We understood and evaluated POS systems and accounting system data transfer mechanisms and tested whether the transaction data had been correctly transferred.
4. We verified whether the sales data and daily sales reports of the POS system match the amounts recorded in the revenue journal, and we verified the completeness and accuracy of revenue recognition for food and beverage sales.

#### **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, 2023 and 2022 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, 2023 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 11, 2024

#### 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, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

ASSETS	2023		December 31, 2022 (Restated)		January 1, 2022 (Restated)	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 2,649,674	17	\$ 2,353,985	17	\$ 1,970,419	14
Financial assets at amortized cost - current (Notes 8 and 38)	3,132,469	20	1,747,995	12	1,295,115	9
Notes receivable (Notes 9 and 27)	2,321	-	3,098	-	972	-
Trade receivables (Notes 9, 27 and 37)	578,235	4	449,830	3	428,331	3
Inventories (Notes 5 and 10)	1,617,642	10	2,387,796	17	1,848,398	13
Prepayments (Note 17)	249,760	1	318,372	2	653,759	5
Other financial assets - current (Notes 18 and 38)	37,612	-	39,643	-	30,584	-
Other current assets (Notes 19, 29 and 37)	41,312	-	26,532	-	50,786	1
Total current assets	<u>8,309,025</u>	<u>52</u>	<u>7,327,251</u>	<u>51</u>	<u>6,278,364</u>	<u>45</u>
NON-CURRENT ASSETS						
Investments accounted for using the equity method (Note 12)	80,103	1	81,904	1	84,547	1
Property, plant and equipment (Notes 13 and 37)	2,297,770	14	2,033,944	14	2,040,155	15
Right-of-use assets (Note 14)	3,758,545	24	3,432,184	24	3,804,141	27
Investment properties (Notes 15 and 38)	536,422	3	635,209	4	640,749	5
Other intangible assets (Note 16)	40,438	-	40,758	-	30,839	-
Deferred tax assets (Notes 3, 4 and 29)	435,649	3	453,793	3	620,325	4
Prepaid equipment	63,609	-	43,848	-	32,337	-
Other non-current assets (Note 19)	400,334	3	414,723	3	437,114	3
Total non-current assets	<u>7,612,870</u>	<u>48</u>	<u>7,136,363</u>	<u>49</u>	<u>7,690,207</u>	<u>55</u>
TOTAL	<u>\$ 15,921,895</u>	<u>100</u>	<u>\$ 14,463,614</u>	<u>100</u>	<u>\$ 13,968,571</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 20 and 38)	\$ -	-	\$ 776,041	5	\$ 538,920	4
Financial liabilities at fair value through profit or loss - current (Note 7)	4,129	-	-	-	-	-
Contract liabilities - current (Note 27)	3,096,961	19	3,284,111	23	3,060,002	22
Notes payable (Note 22)	77,194	-	175,866	1	55,975	-
Trade payables (Note 22)	763,057	5	644,717	5	701,489	5
Other payables (Notes 23 and 37)	1,730,020	11	1,566,410	11	1,397,013	10
Current tax liabilities (Notes 4 and 29)	275,004	2	198,103	1	76,711	1
Lease liabilities - current (Notes 14 and 34)	1,246,852	8	1,112,710	8	1,303,690	9
Other current liabilities (Note 23)	20,199	-	21,363	-	21,523	-
Total current liabilities	<u>7,213,416</u>	<u>45</u>	<u>7,779,321</u>	<u>54</u>	<u>7,155,323</u>	<u>51</u>
NON-CURRENT LIABILITIES						
Bonds payable (Note 21)	642,824	4	-	-	-	-
Provisions - non-current (Note 24)	154,974	1	134,903	1	117,470	1
Deferred tax liabilities (Notes 3, 4 and 29)	300,166	2	318,394	2	525,001	4
Lease liabilities - non-current (Notes 14 and 34)	2,572,483	16	2,423,183	17	2,589,639	18
Net defined benefit liabilities - non-current (Note 25)	52,041	1	61,251	-	99,472	1
Guarantee deposits received	205,293	1	137,741	1	96,079	1
Total non-current liabilities	<u>3,927,781</u>	<u>25</u>	<u>3,075,472</u>	<u>21</u>	<u>3,427,661</u>	<u>25</u>
Total liabilities	<u>11,141,197</u>	<u>70</u>	<u>10,854,793</u>	<u>75</u>	<u>10,582,984</u>	<u>76</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 26)						
Ordinary shares	844,511	6	769,879	5	769,879	5
Capital surplus	1,888,008	12	1,789,924	12	1,791,541	13
Retained earnings (Note 3)						
Legal reserve	607,588	4	568,290	4	669,833	5
Special reserve	105,230	-	114,717	1	114,717	1
Unappropriated earnings (accumulated deficit)	1,394,388	9	408,143	3	(90,621)	(1)
Total retained earnings	<u>2,107,206</u>	<u>13</u>	<u>1,091,150</u>	<u>8</u>	<u>693,929</u>	<u>5</u>
Other equity	(128,024)	(1)	(105,196)	(1)	(127,228)	(1)
Treasury shares	(309,066)	(2)	(352,801)	(2)	(285,813)	(2)
Total equity attributable to owners of the Company	4,402,635	28	3,192,956	22	2,842,308	20
NON-CONTROLLING INTERESTS (Notes 3, 26 and 31)	<u>378,063</u>	<u>2</u>	<u>415,865</u>	<u>3</u>	<u>543,279</u>	<u>4</u>
Total equity	<u>4,780,698</u>	<u>30</u>	<u>3,608,821</u>	<u>25</u>	<u>3,385,587</u>	<u>24</u>
TOTAL	<u>\$ 15,921,895</u>	<u>100</u>	<u>\$ 14,463,614</u>	<u>100</u>	<u>\$ 13,968,571</u>	<u>100</u>

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, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	2023		2022 (Restated)	
	Amount	%	Amount	%
OPERATING REVENUE (Note 27)	\$ 22,317,707	100	\$ 18,321,041	100
OPERATING COSTS (Notes 10 and 28)	<u>(11,885,460)</u>	<u>(53)</u>	<u>(10,383,113)</u>	<u>(56)</u>
GROSS PROFIT	<u>10,432,247</u>	<u>47</u>	<u>7,937,928</u>	<u>44</u>
OPERATING EXPENSES (Note 28)				
Selling and marketing expenses	(7,378,095)	(33)	(6,459,644)	(35)
General and administrative expenses	(1,244,815)	(6)	(986,014)	(6)
Research and development expenses	<u>(26,575)</u>	<u>-</u>	<u>(21,603)</u>	<u>-</u>
Total operating expenses	<u>(8,649,485)</u>	<u>(39)</u>	<u>(7,467,261)</u>	<u>(41)</u>
PROFIT FROM OPERATIONS	<u>1,782,762</u>	<u>8</u>	<u>470,667</u>	<u>3</u>
NON-OPERATING INCOME AND EXPENSES (Note 28)				
Interest income	69,470	-	22,648	-
Other income (Note 37)	124,662	1	121,113	1
Other gains and losses	(134,696)	(1)	(92,674)	(1)
Finance costs	(114,729)	-	(153,674)	(1)
Share of profit or associates and joint ventures	<u>1,363</u>	<u>-</u>	<u>1,698</u>	<u>-</u>
Total non-operating income and expenses	<u>(53,930)</u>	<u>-</u>	<u>(100,889)</u>	<u>(1)</u>
PROFIT BEFORE INCOME TAX	1,728,832	8	369,778	2
INCOME TAX EXPENSE (Notes 3 and 29)	<u>(348,582)</u>	<u>(2)</u>	<u>(106,586)</u>	<u>-</u>
NET PROFIT FOR THE YEAR	<u>1,380,250</u>	<u>6</u>	<u>263,192</u>	<u>2</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 25)	(1,600)	-	21,819	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 29)	320	-	(4,364)	-

(Continued)

# WOWPRIME CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	2023		2022 (Restated)	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations (Note 3)	\$ (37,526)	-	\$ 37,859	-
Share of other comprehensive income or loss of associates and joint ventures recognized by the equity method	(197)	-	651	-
Income tax relating to items that may be reclassified subsequently to profit or loss (Note 29)	<u>7,538</u>	<u>-</u>	<u>(7,693)</u>	<u>-</u>
Other comprehensive (loss) income for the year, net of income tax	<u>(31,465)</u>	<u>-</u>	<u>48,272</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 1,348,785</u>	<u>6</u>	<u>\$ 311,464</u>	<u>2</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 1,380,510	6	\$ 390,803	2
Non-controlling interests	<u>(260)</u>	<u>-</u>	<u>(127,611)</u>	<u>(1)</u>
	<u>\$ 1,380,250</u>	<u>6</u>	<u>\$ 263,192</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 1,356,402	6	\$ 430,290	2
Non-controlling interests	<u>(7,617)</u>	<u>-</u>	<u>(118,826)</u>	<u>-</u>
	<u>\$ 1,348,785</u>	<u>6</u>	<u>\$ 311,464</u>	<u>2</u>
EARNINGS PER SHARE (Note 30)				
Basic	<u>\$ 16.79</u>		<u>\$ 4.74</u>	
Diluted	<u>\$ 16.53</u>		<u>\$ 4.74</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, 2023 AND 2022  
 (In Thousands of New Taiwan Dollars)

	Equity Attributable Owners of the Company										
	Retained Earnings					Other Equity					
	Share Capital					Unappropriated Earnings (Accumulated Deficits)	Exchange Differences on Translating the Financial Statements	Treasury Shares (Note 26)	Total	Non-controlling Interests (Note 26)	Total Equity
	Shares (In Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve		Of Foreign Operations				
BALANCE AT JANUARY 1, 2022	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
Effect of retrospective application and retrospective restatement	-	-	-	-	-	10,922	-	-	10,922	741	11,663
BALANCE AT JANUARY 1, 2022 AFTER ADJUSTMENTS	76,988	769,879	1,791,541	669,833	114,717	(90,621)	(127,228)	(285,813)	2,842,308	543,279	3,385,587
Appropriation of 2021 earnings											
Legal reserve	-	-	-	(101,543)	-	101,543	-	-	-	-	-
Net profit (loss) for the year ended December 31, 2022	-	-	-	-	-	390,803	-	-	390,803	(127,611)	263,192
Other comprehensive income for the year ended December 31, 2022, net of income tax	-	-	-	-	-	17,455	22,032	-	39,487	8,785	48,272
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	408,258	22,032	-	430,290	(118,826)	311,464
Treasury share transactions (Note 26)	-	-	(785)	-	-	(6,883)	-	(66,988)	(74,656)	-	(74,656)
Actual acquisition or disposal of part of interests in subsidiaries	-	-	(1,478)	-	-	-	-	-	(1,478)	(13,559)	(15,037)
Changes in percentage of ownership interests in subsidiaries (Note 31)	-	-	(139)	-	-	(4,154)	-	-	(4,293)	4,293	-
Share-based payment (Note 32)	-	-	785	-	-	-	-	-	785	87	872
Non-controlling interests (Note 31)	-	-	-	-	-	-	-	-	-	591	591
BALANCE AT DECEMBER 31, 2022	76,988	769,879	1,789,924	568,290	114,717	408,143	(105,196)	(352,801)	3,192,956	415,865	3,608,821
Appropriation of 2022 earnings											
Legal reserve	-	-	-	39,298	-	(39,298)	-	-	-	-	-
Stock dividends distributed by the Company	7,463	74,629	-	-	-	(74,629)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(288,545)	-	-	(288,545)	-	(288,545)
Reversal of special reserve	-	-	-	-	(9,487)	9,487	-	-	-	-	-
Net profit (loss) for the year ended December 31, 2023	-	-	-	-	-	1,380,510	-	-	1,380,510	(260)	1,380,250
Other comprehensive (loss) income for the year ended December 31, 2023, net of income tax	-	-	-	-	-	(1,280)	(22,828)	-	(24,108)	(7,357)	(31,465)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	1,379,230	(22,828)	-	1,356,402	(7,617)	1,348,785
Equity component of convertible bonds	-	-	65,391	-	-	-	-	-	65,391	-	65,391
Convertible bonds converted to ordinary shares	-	3	88	-	-	-	-	-	91	-	91
Treasury share transactions (Note 26)	-	-	-	-	-	-	-	43,735	43,735	-	43,735
Actual acquisition or disposal of part of interests in subsidiaries	-	-	610	-	-	-	-	-	610	(39,136)	(38,526)
Changes in percentage of ownership interests in subsidiaries (Note 31)	-	-	10	-	-	-	-	-	10	(10)	-
Share-based payment (Note 32)	-	-	31,985	-	-	-	-	-	31,985	8,786	40,771
Non-controlling interests (Note 31)	-	-	-	-	-	-	-	-	-	175	175
BALANCE AT DECEMBER 31, 2023	84,451	\$ 844,511	\$ 1,888,008	\$ 607,588	\$ 105,230	\$ 1,394,388	\$ (128,024)	\$ (309,066)	\$ 4,402,635	\$ 378,063	\$ 4,780,698

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, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 1,728,832	\$ 369,778
Adjustments for:		
Depreciation expenses	2,161,928	2,133,957
Amortization expenses	16,402	13,358
Expected credit loss	333	-
Net loss on financial assets and liabilities at fair value through profit loss	979	-
Finance costs	114,729	153,674
Interest income	(69,470)	(22,648)
Share-based payment awards	40,771	872
Share of loss (profit) of associates and joint ventures	(1,363)	(1,698)
Loss on disposal of inventories	-	25,312
Loss on disposal of property, plant and equipment	28,632	108,472
Loss on disposal of subsidiaries	-	2,864
Impairment loss recognized on non-financial assets	93,551	15,406
Write-down of inventories	-	25,225
Reversal of write-down inventories	(12,923)	-
Gain on lease modification	(14,101)	(30,042)
Changes in operating assets and liabilities		
Notes receivable	777	(2,126)
Trade receivables	(128,738)	(21,499)
Inventories	783,077	(589,935)
Prepayments	68,612	335,387
Other current assets	(14,689)	25,050
Contract liabilities	(187,150)	224,109
Notes payable	(98,672)	119,891
Trade payables	118,340	(56,772)
Other payables	60,131	197,988
Other payables to related parties	(434)	(476)
Other current liabilities	(1,164)	(160)
Net defined benefit liabilities	(10,810)	(16,402)
Cash generated from operations	4,677,580	3,009,585
Interest paid	(105,701)	(153,606)
Income tax paid	(264,330)	(36,741)
Net cash generated from operating activities	4,307,549	2,819,238
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of financial assets at amortized cost	(1,384,474)	(452,880)
Payments for property, plant and equipment	(951,900)	(868,955)
Decrease in refundable deposits	9,027	20,810
Payments for intangible assets	(16,387)	(22,965)
Payments for right-of-use assets	(47,113)	(36,220)
Decrease (increase) in other financial assets	2,031	(9,059)

(Continued)

# WOWPRIME CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
Increase in prepayments for equipment	\$ (62,760)	\$ (25,437)
Interest received	<u>68,754</u>	<u>21,854</u>
Net cash used in investing activities	<u>(2,382,822)</u>	<u>(1,372,852)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	-	237,121
Repayment of short-term borrowings	(776,041)	-
Proceeds from bonds payable	701,877	-
Proceeds from guarantee deposits received	67,552	41,662
Repayment of the principal portion of lease liabilities	(1,317,621)	(1,269,734)
Dividends paid to owners of the Company	(288,545)	-
Costs for treasury share buyback (Note 26)	-	(102,736)
Treasury shares transferred to employees (Note 26)	43,735	28,080
Acquisition of subsidiaries (Note 31)	(38,526)	(15,037)
Changes in non-controlling interests	<u>175</u>	<u>591</u>
Net cash used in financing activities	<u>(1,607,394)</u>	<u>(1,080,053)</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES</b>	<u>(21,644)</u>	<u>17,233</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	295,689	383,566
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u>2,353,985</u>	<u>1,970,419</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>\$ 2,649,674</u>	<u>\$ 2,353,985</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, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

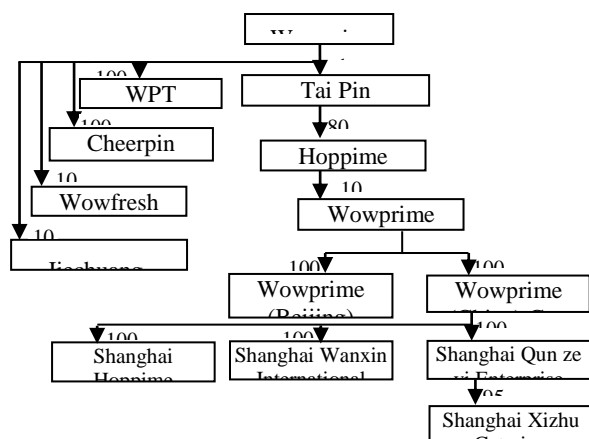
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### 1. GENERAL INFORMATION

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.

#### 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 7, 2024.

## 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 "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

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

### Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

The amendments clarify that the initial recognition exemption under IAS 12 does not apply to transactions in which equal taxable and deductible temporary differences arise on initial recognition. The Group applied the amendments and recognized a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations on January 1, 2022. The Group shall apply the amendments prospectively to transactions other than leases and decommissioning obligations that occur on or after January 1, 2022. Upon initial application of the amendments to IAS 12, the Group recognized the cumulative effect of retrospective application in retained earnings on January 1, 2022, and restated comparative information.

Had the Group applied the original IAS 12 in the current year, the following adjustments should be made to reflect the line items and balances under the amendments to IAS 12.

### Impact on assets, liabilities and equity for the current year

	<b>December 31, 2023</b>
Increase in deferred tax assets	<u>\$ 318,594</u>
Increase in assets	<u>\$ 318,594</u>
Increase in deferred tax liabilities	<u>\$ 297,983</u>
Increase in liabilities	<u>\$ 297,983</u>
Increase in retained earnings	\$ 18,911
Decrease in other equity	(94)
Increase in non-controlling interests	<u>1,794</u>
Increase in equity	<u>\$ 20,611</u>

Impact on total comprehensive income for the current year

	<b>For the Year Ended December 31, 2023</b>
Decrease in income tax expense	\$ (4,178)
Increase in net profit for the year	<u>4,178</u>
Items that may be reclassified subsequently to profit or loss:	
Exchange differences on translation of the financial statements of foreign operations	(204)
Income tax related to items that may be reclassified subsequently	<u>41</u>
Decrease in other comprehensive income for the year, net of income tax	<u>(163)</u>
Increase in total comprehensive income for the year	<u>\$ 4,015</u>
Increase in net profit attributable to:	
Owners of the Company	\$ 3,753
Non-controlling interests	<u>425</u>
	<u>\$ 4,178</u>
Increase in total comprehensive income attributable to:	
Owners of the Company	\$ 3,625
Non-controlling interests	<u>390</u>
	<u>\$ 4,015</u>
Impact on earnings per share	
Increase in basic earnings per share	<u>\$ 0.05</u>
Increase in diluted earnings per share	<u>\$ 0.04</u>

Upon initial application of the amendments to IAS 12, the impact for the prior year is summarized below:

Impact on assets, liabilities and equity for the prior year

	<b>As Originally Stated</b>	<b>Adjustments Arising from Initial Application</b>	<b>Restated</b>
<u>December 31, 2022</u>			
Deferred tax assets	<u>\$ 121,271</u>	<u>\$ 332,522</u>	<u>\$ 453,793</u>
Total effect on assets	<u>\$ 121,271</u>	<u>\$ 332,522</u>	<u>\$ 453,793</u>
Deferred tax liabilities	<u>\$ 2,468</u>	<u>\$ 315,926</u>	<u>\$ 318,394</u>
Total effect on liabilities	<u>\$ 2,468</u>	<u>\$ 315,926</u>	<u>\$ 318,394</u>

(Continued)



	<b>As Originally Stated</b>	<b>Adjustments Arising from Initial Application</b>	<b>Restated</b>
Retained earnings	\$ 392,985	\$ 15,158	\$ 408,143
Non-controlling interests	414,461	1,404	415,865
Other equity	<u>(105,230)</u>	<u>34</u>	<u>(105,196)</u>
Total effect on equity	<u>\$ 702,216</u>	<u>\$ 16,596</u>	<u>\$ 718,812</u>
<u>January 1, 2022</u>			
Deferred tax assets	<u>\$ 161,777</u>	<u>\$ 458,548</u>	<u>\$ 620,325</u>
Total effect on assets	<u>\$ 161,777</u>	<u>\$ 458,548</u>	<u>\$ 620,325</u>
Deferred tax liabilities	<u>\$ 78,116</u>	<u>\$ 446,885</u>	<u>\$ 525,001</u>
Total effect on liabilities	<u>\$ 78,116</u>	<u>\$ 446,885</u>	<u>\$ 525,001</u>
Retained earnings	\$ (101,543)	\$ 10,922	\$ (90,621)
Non-controlling interests	<u>542,538</u>	<u>741</u>	<u>543,279</u>
Total effect on equity	<u>\$ 440,995</u>	<u>\$ 11,663</u>	<u>\$ 452,658</u> (Concluded)

Impact on total comprehensive income for the prior year

	<b>As Originally Stated</b>	<b>Adjustments Arising from Initial Application</b>	<b>Restated</b>
Income tax expense	<u>\$ (111,476)</u>	<u>\$ 4,890</u>	<u>\$ (106,586)</u>
Total effect on net profit for the year	<u>258,302</u>	<u>4,890</u>	<u>263,192</u>
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit plans	21,819	-	21,819
Income tax related to items that will not be reclassified subsequently	(4,364)	-	(4,364)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of the financial statements of foreign operations	37,816	43	37,859 (Continued)

	As Originally Stated	Adjustments Arising from Initial Application	Restated
Share of other comprehensive income of affiliates and joint ventures using the equity method	\$ 651	\$ -	\$ 651
Income tax related to items that may be reclassified subsequently	<u>(7,693)</u>	<u>-</u>	<u>(7,693)</u>
Total effect on other comprehensive income for the year, net of income tax	<u>48,229</u>	<u>43</u>	<u>48,272</u>
Total effect on total comprehensive income for the year	<u>\$ 306,531</u>	<u>\$ 4,933</u>	<u>\$ 311,464</u>
Impact on net profit attributable to:			
Owners of the Company	\$ 386,567	\$ 4,236	\$ 390,803
Non-controlling interests	<u>(128,265)</u>	<u>654</u>	<u>(127,611)</u>
	<u>\$ 258,302</u>	<u>\$ 4,890</u>	<u>\$ 263,192</u>
Impact on total comprehensive income attributable to:			
Owners of the Company	\$ 426,020	\$ 4,270	\$ 430,290
Non-controlling interests	<u>(119,489)</u>	<u>663</u>	<u>(118,826)</u>
	<u>\$ 306,531</u>	<u>\$ 4,933</u>	<u>\$ 311,464</u>
<u>Impact on earnings per share</u>			
Basic earnings per share	<u>\$ 4.68</u>	<u>\$ 0.06</u>	<u>\$ 4.74</u>
Diluted earnings per share	<u>\$ 4.68</u>	<u>\$ 0.06</u>	<u>\$ 4.74</u>

(Concluded)

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"	January 1, 2024 (Note 3)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards will be 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.

Note 3: The amendments provide some transition relief regarding disclosure requirements.

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 exist 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 repaying 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, 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 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. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

<b>New, Amended and Revised Standards and Interpretations</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
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 21 “Lack of Exchangeability”	January 1, 2025 (Note 2)

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

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”

The amendments stipulate that, when the Group sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when the Group loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

Conversely, when the Group sells or contributes assets that do not constitute a business to an associate or joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Group’s interest as an unrelated investor in the associate or joint venture, i.e., the Group’s share of the gain or loss is eliminated. Also, when the Group loses control of a subsidiary that does not contain a business but retains significant influence or joint control over an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Group’s interest as an unrelated investor in the associate or joint venture, i.e., the Group’s share of the gain or loss is eliminated.

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 MATERIAL ACCOUNTING POLICY INFORMATION**

a. Statement of compliance

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

b. Basis of preparation

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

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

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

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

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and

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

Current liabilities include:

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

See Note 11, 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 and accumulated impairment loss. 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

Except the following situations, all financial liabilities are measured at amortized cost using the effective interest method:

#### Financial liabilities measured at FVTPL

Financial liabilities measured at FVTPL include those held for trading and those designated as measured at fair value through profit or loss.

Financial liabilities measured at fair value through profit and loss are financial liabilities held for trading. Related profits or losses are recognized in other profits and losses.

### 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.

## 3) Convertible bonds

The component parts of compound instruments (i.e., convertible bonds) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument and is measured at amortized cost using the effective interest method until the date of conversion or maturity. Liability components that are embedded in non-equity derivatives are measured at fair value.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised; in which case, the balance recognized in equity will be transferred to capital surplus - share premiums. When the conversion option remains unexercised at maturity, the balance recognized in equity will be transferred to capital surplus - share premiums.

Transaction costs that relate to the issuance of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component.

## 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.

### Decommissioning and restoration obligation

Pursuant to the lease agreement, the Group has an obligation, at the end of the respective lease terms, to restore the leased plant assets to their original condition at the time of the lease. Provisions are recognized based on the present value of the best estimate of future outflows of economic benefits that will be required for fulfillment of the restoration obligation stated on the lease contract.

#### 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. MATERIAL 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 takes into account the impacts of inflation and possible market interest rate fluctuations on the relevant material accounting estimates of cash flows, growth rates, discount rates, and profitability. The management will continue to review the estimates and the basic assumptions.

### Key Sources of Estimation Uncertainty

#### Write-down of inventories

The net realizable value of inventories is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The estimation of net realizable value is based on current market conditions and historical experience in the sale of product of a similar nature. Changes in market conditions may have a material impact on the estimation of the net realizable value.

## 6. CASH AND CASH EQUIVALENTS

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Cash on hand	\$ 99,965	\$ 82,108
Checking accounts and demand deposits	2,190,568	2,103,491
Cash equivalents		
Time deposits	<u>359,141</u>	<u>168,386</u>
	<u>\$ 2,649,674</u>	<u>\$ 2,353,985</u>

The market rate intervals of bank savings at the end of the reporting period were as follows:

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Demand deposits	0.05%-3.8%	0.05%-2%
Time deposits	1.35%-2.45%	2.025%-2.1%

## 7. FINANCIAL INSTRUMENTS AT FVTPL

**December 31,  
2023**

### Financial liabilities at FVTPL - current

Financial liabilities mandatorily classified as at FVTPL

Non-derivative instruments

Convertible options

\$ 4,129

## 8. FINANCIAL ASSETS AT AMORTIZED COST

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
<u>Current</u>		
Time deposits with original maturities of more than 3 months	<u>\$ 3,132,469</u>	<u>\$ 1,747,995</u>

- a. The ranges of interest rates for time deposits with original maturities of more than 3 months were approximately 0.535% to 5.12% and 0.415% to 4.73% per annum as of December 31, 2023 and 2022, respectively.
- b. Financial assets measured at amortized cost pledged as collateral for bank borrowings are set out in Note 38.



## 9. NOTES RECEIVABLE AND TRADE RECEIVABLES

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
<u>Notes receivable</u>		
At amortized cost		
Gross carrying amount	\$ 2,321	\$ 3,098
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>
	<u>\$ 2,321</u>	<u>\$ 3,098</u>
<u>Trade receivables</u>		
At amortized cost		
Gross carrying amount	\$ 578,568	\$ 449,830
Less: Allowance for impairment loss	<u>(333)</u>	<u>-</u>
	<u>\$ 578,235</u>	<u>\$ 449,830</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 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, 2023

	<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	\$ 574,183	\$ 5,301	\$ 472	\$ 392	\$ 541	\$ 580,889
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(333)</u>	<u>(333)</u>
Amortized cost	<u>\$ 574,183</u>	<u>\$ 5,301</u>	<u>\$ 472</u>	<u>\$ 392</u>	<u>\$ 208</u>	<u>\$ 580,556</u>

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>

The movements of the loss allowance of trade receivable were as follows:

	<b>For the Year Ended December 31, 2023</b>		
	<b>Collectively</b>	<b>Individually</b>	<b>Total</b>
Balance at January 1	\$ -	\$ -	\$ -
Add: Net remeasurement of loss allowance	<u>-</u>	<u>333</u>	<u>333</u>
Balance at December 31	<u>\$ -</u>	<u>\$ 333</u>	<u>\$ 333</u>

## 10. INVENTORIES

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Raw materials	\$ 1,542,575	\$ 2,299,582
Finished goods	5,330	3,322
Inventory in transit	<u>69,737</u>	<u>84,892</u>
	<u>\$ 1,617,642</u>	<u>\$ 2,387,796</u>

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

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Cost of inventories sold	\$ 11,898,383	\$ 10,332,576
(Reversal of) inventory write-downs	(12,923)	25,225
Scrapping and write-off of inventories (b)	<u>-</u>	<u>25,312</u>
	<u>\$ 11,885,460</u>	<u>\$ 10,383,113</u>

- Inventory write-downs were reversal as a result of the increase in selling prices of the inventory in specific markets.
- In March 2022 a fire occurred Wowfresh Corporation' inventory was stored at the external logistics warehouse, The Group recognized impairment of Inventories \$25,312 thousand in the year ended 2022.

## 11. SUBSIDIARIES

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

Investor	Investee	Nature of Activities	Percentage of Ownership (%)		Remark
			December 31		
			2023	2022	
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	-	-	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	80.44	78.12	1), 4)
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	-

- 1) Hoppime Ltd. is a subsidiary with material non-controlling interests.
- 2) 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.
- 3) 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.
- 4) Refer to Note 31 for information on considerate and Hoppime Ltd. for the transaction of non-controlling interests.

### 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	
	2023	2022
Hoppime Ltd.	19.56%	21.88%

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		Accumulated Non-controlling Interests	
	For the Year Ended December 31		December 31	
	2023	2022	2023	2022
Hoppime Ltd. (excluding non-controlling interests of subsidiaries)	\$ <u>(227)</u>	\$ <u>(126,952)</u>	\$ <u>377,911</u>	\$ <u>415,677</u>

The summarized financial information below represents amounts before intragroup eliminations.

Hoppime Ltd. and Hoppime Ltd.'s subsidiaries:

	December 31	
	2023	2022
Current assets	\$ 1,419,429	\$ 1,463,002
Non-current assets	2,649,091	2,984,907
Current liabilities	(1,080,278)	(1,378,634)
Non-current liabilities	<u>(1,056,029)</u>	<u>(1,169,276)</u>
Equity	\$ <u>1,932,213</u>	\$ <u>1,899,999</u>
Equity attributable to:		
Owners of Hoppime Ltd.	\$ 1,554,150	\$ 1,484,134
Non-controlling interests of Hoppime Ltd.	377,911	415,677
Non-controlling interest of Hoppime Ltd.'s subsidiaries	<u>152</u>	<u>188</u>
	\$ <u>1,932,213</u>	\$ <u>1,899,999</u>
	For the Year Ended December 31	
	2023	2022
Revenue	\$ <u>5,036,808</u>	\$ <u>4,584,401</u>
Loss for the year	\$ (2,943)	\$ (561,647)
Other comprehensive (loss) income for the year	<u>(36,309)</u>	<u>33,243</u>
Total comprehensive loss for the year	\$ <u>(39,252)</u>	\$ <u>(528,404)</u>
Loss attributable to:		
Owners of Hoppime Ltd.	\$ (2,683)	\$ (434,036)
Non-controlling interests of Hoppime Ltd.	(227)	(126,952)
Non-controlling interest of Hoppime Ltd.'s subsidiaries	<u>(33)</u>	<u>(659)</u>
	\$ <u>(2,943)</u>	\$ <u>(561,647)</u>

(Continued)

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Total comprehensive loss attributable to:		
Owners of Hoppime Ltd.	\$ (31,635)	\$ (409,578)
Non-controlling interests of Hoppime Ltd.	(7,581)	(118,182)
Non-controlling interest of Hoppime Ltd.'s subsidiaries	<u>(36)</u>	<u>(644)</u>
	<u>\$ (39,252)</u>	<u>\$ (528,404)</u>
Net cash inflow (outflow) from:		
Operating activities	\$ 1,196,689	\$ 1,028,554
Investing activities	(146,374)	(133,285)
Financing activities	<u>(756,399)</u>	<u>(891,753)</u>
Net cash inflow	<u>\$ 293,916</u>	<u>\$ 3,516</u>
		(Concluded)

## 12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

### Investments in Associates

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Aggregate information of associates that are not individually material is as follows		
WEI DAO LTD.	\$ -	\$ 3,657
DUDOO LTD. (Cayman)	<u>80,103</u>	<u>78,247</u>
	<u>\$ 80,103</u>	<u>\$ 81,904</u>

The percentage of ownership interest and voting rights of the consolidated Company in associates on the balance sheet date are as follows:

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
WEI DAO LTD.	20%	20%
DUDOO LTD. (Cayman)	14.98%	14.98%

#### a. WEI DAO LTD.

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
The Group's share of:		
Net loss for the year	<u>\$ (690)</u>	<u>\$ (1,065)</u>
Total comprehensive loss for the year	<u>\$ (690)</u>	<u>\$ (1,065)</u>

b. DUDOO LTD. (Cayman)

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
The Group's share of:		
Net profit for the year	<u>\$ 2,053</u>	<u>\$ 2,763</u>
Total comprehensive income for the year	<u>\$ 1,856</u>	<u>\$ 3,414</u>

For information on associates' main business, operating location and registered country, refer to Table 6.

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 was accounted for using the equity method. WEI DAO LTD. and the management of the Company carried out the impairment test on the equity investment by comparing its recoverable amount with its carrying amount. The recoverable amount of an investment in an associate is assessed individually for each associate. In determining the value in use of the investments, the Group estimated the present value of the estimated future cash flows expected to arise from the operations of the invested companies and from their ultimate disposal by using discount rates of 1.68%. After evaluation, the carrying amount of the Group's investment in WEI DAO LTD. was higher than the fair value by \$2,967 thousand. The loss on impairment of investment accounted for using the equity method was \$2,967 thousand in 2023.

The fair value of the investment was accounted for using the equity method. WEI DAO LTD.'s 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 in WEI DAO LTD. was higher than the fair value by \$4,992 thousand. The loss on impairment of investment accounted for using the equity method was \$4,992 thousand in 2022.

### 13. PROPERTY, PLANT AND EQUIPMENT

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Assets used by the Group	<u>\$ 2,297,770</u>	<u>\$ 2,033,944</u>

## 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, 2023	\$ 122,505	\$ 132,408	\$ 1,033,385	\$ 201,136	\$ 1,186,927	\$ 2,176,453	\$ 246,679	\$ 5,099,493
Additions	-	-	242,080	31,312	226,114	472,414	64,515	1,076,435
Reclassifications	-	-	3,766	-	6,712	21,239	11,282	42,999
Disposals	-	-	(125,365)	(37,885)	(146,318)	(351,806)	(25,144)	(686,518)
Effects of foreign currency exchange differences	-	-	(874)	(1,024)	(3,997)	(8,974)	(1,778)	(16,647)
Balance at December 31, 2023	<u>\$ 122,505</u>	<u>\$ 132,408</u>	<u>\$ 1,152,992</u>	<u>\$ 193,539</u>	<u>\$ 1,309,438</u>	<u>\$ 2,309,326</u>	<u>\$ 295,554</u>	<u>\$ 5,515,762</u>
<b>Accumulated depreciation and impairment</b>								
Balance at January 1, 2023	\$ -	\$ 54,588	\$ 625,894	\$ 143,905	\$ 808,460	\$ 1,272,741	\$ 159,961	\$ 3,065,549
Depreciation expenses	-	4,109	160,310	26,556	196,395	372,093	47,170	806,633
Disposals	-	-	(116,593)	(37,016)	(138,941)	(342,732)	(22,604)	(657,886)
Impairment losses recognized	-	-	-	-	-	13,622	-	13,622
Effects of foreign currency exchange differences	-	-	(356)	(910)	(2,884)	(4,547)	(1,229)	(9,926)
Balance at December 31, 2023	<u>\$ -</u>	<u>\$ 58,697</u>	<u>\$ 669,255</u>	<u>\$ 132,535</u>	<u>\$ 863,030</u>	<u>\$ 1,311,177</u>	<u>\$ 183,298</u>	<u>\$ 3,217,992</u>
Carrying amounts at December 31, 2023	<u>\$ 122,505</u>	<u>\$ 73,711</u>	<u>\$ 483,737</u>	<u>\$ 61,004</u>	<u>\$ 446,408</u>	<u>\$ 998,149</u>	<u>\$ 112,256</u>	<u>\$ 2,297,770</u>
<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>

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 \$13,622 thousand and \$10,812 thousand in 2023 and 2022. The impairment loss was stated under other profits and losses in the consolidated statements of comprehensive income.

The Group adopted value-in-use as the recoverable amount of these utilities and fire-fighting equipment, office equipment and dining equipment, leasehold improvement and other equipment. The discount rates were 4.2% and 4.45%, respectively, for the years ended December 31, 2023 and 2022.

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	1-10 years
Office equipment	1-6 years
Dining equipment	1-10 years
Leasehold improvement	1-10 years
Other equipment	1-6 years

## 14. LEASE ARRANGEMENTS

### a. Right-of-use assets

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
<u>Carrying amounts</u>		
Buildings	<u>\$ 3,758,545</u>	<u>\$ 3,432,184</u>
	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Additions to right-of-use assets	<u>\$ 1,427,161</u>	<u>\$ 1,037,824</u>
Disposals of right-of-use assets	<u>\$ (150,940)</u>	<u>\$ (369,331)</u>
Depreciation charge for right-of-use assets		
Buildings	<u>\$ 1,338,329</u>	<u>\$ 1,348,486</u>

Except for the above additions and recognized depreciation, the Group did not have significant sublease of right-of-use assets during the years ended December 31, 2023 and 2022.

### b. Lease liabilities

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
<u>Carrying amounts</u>		
Current	<u>\$ 1,246,852</u>	<u>\$ 1,112,710</u>
Non-current	<u>\$ 2,572,483</u>	<u>\$ 2,423,183</u>

Range of discount rate for lease liabilities was as follows:

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Buildings	0.765%-4.75%	0.765%-4.45%

### 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, 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.

d. Other lease information

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Expenses relating to variable lease payments and short-term leases not included in the measurement of lease liabilities	<u>\$ 470,535</u>	<u>\$ 432,152</u>
Total cash outflow for leases	<u>\$ (1,930,728)</u>	<u>\$ (1,875,679)</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>2023</b>	<b>2022</b>
Lease commitments	<u>\$ 138,005</u>	<u>\$ 37,417</u>

## 15. INVESTMENT PROPERTIES

	<b>Buildings</b>
<u>Cost</u>	
Balance at January 1, 2023	\$ 771,701
Effects of foreign currency exchange differences	<u>(14,181)</u>
Balance at December 31, 2023	<u>\$ 757,520</u>
	(Continued)

## Buildings

### Accumulated depreciation and impairment

Balance at January 1, 2023	\$ 136,492
Depreciation expenses	16,966
Impairment losses recognized	71,600
Effects of foreign currency exchange differences	<u>(3,960)</u>
Balance at December 31, 2023	<u>\$ 221,098</u>
Carrying amounts at December 31, 2023	<u>\$ 536,422</u>

### Cost

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>

### Accumulated depreciation and impairment

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>

(Concluded)

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

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Year 1	\$ 20,157	\$ 12,550
Year 2	12,451	5,129
Year 3	6,964	-
More than 3 years	<u>8,631</u>	<u>-</u>
	<u>\$ 48,203</u>	<u>\$ 17,679</u>

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

Buildings	42 years
-----------	----------

The determination of fair value was performed by Prudential Cross-strait real estate appraisers Firm. as of December 31, 2023 and 2022. The valuation was based on the cash flow approach. 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>2023</b>	<b>2022</b>
Fair value	<u>\$ 536,422</u>	<u>\$ 635,209</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 recognition and reversal of impairment loss as \$71,600 thousand and \$1,979 thousand, respectively, which was recognized in consolidated statement of comprehensive income-other gains and losses for the years ended December 31, 2023 and 2022. The Group adopts the value in use as the recoverable amount of the investment properties, and the discount rate adopted is 3.05% and 3.15%, respectively.

The investment properties pledged as collateral for bank borrowings are set out in Note 38.

## 16. OTHER INTANGIBLE ASSETS

	<b>Software</b>	<b>Trademarks</b>	<b>Total</b>
<u>Cost</u>			
Balance at January 1, 2023	\$ 112,815	\$ 7,012	\$ 119,827
Additions	16,387	-	16,387
Effect of foreign currency exchange differences	<u>(1,252)</u>	<u>-</u>	<u>(1,252)</u>
Balance at December 31, 2023	<u>\$ 127,950</u>	<u>\$ 7,012</u>	<u>\$ 134,962</u>
<u>Accumulated amortization</u>			
Balance at January 1, 2023	\$ 75,759	\$ 3,310	\$ 79,069
Amortization expenses	15,935	467	16,402
Effect of foreign currency exchange differences	<u>(947)</u>	<u>-</u>	<u>(947)</u>
Balance at December 31, 2023	<u>\$ 90,747</u>	<u>\$ 3,777</u>	<u>\$ 94,524</u>
Carrying amount at December 31, 2023	<u>\$ 37,203</u>	<u>\$ 3,235</u>	<u>\$ 40,438</u>
<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>

(Continued)

	Software	Trademarks	Total
<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>
			(Concluded)

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

Software	1-6 years
Trademarks	15 years

	<u>For the Year Ended December 31</u>	
	2023	2022
An analysis of amortization by function		
Operating expenses	<u>\$ 16,402</u>	<u>\$ 13,358</u>

## 17. PREPAYMENTS

	<u>December 31</u>	
	2023	2022
<u>Current</u>		
Prepaid rent	\$ 25,994	\$ 28,669
Supplies	22,619	28,804
Prepayment for purchases	33,734	95,939
Input tax/offset against business tax payable	99,276	92,825
Others	<u>68,137</u>	<u>72,135</u>
	<u>\$ 249,760</u>	<u>\$ 318,372</u>

## 18. OTHER FINANCIAL ASSETS - CURRENT

	<u>December 31</u>	
	2023	2022
<u>Current</u>		
Trust account	\$ 1,746	\$ 3,932
Reserve account	<u>35,866</u>	<u>35,711</u>
	<u>\$ 37,612</u>	<u>\$ 39,643</u>

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

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
<u>Current</u>		
Trust account	0.51%	0.385%-0.405%
Reserve account	0.30%	0.30%

Refer to Note 38 for information on other financial assets pledged as collateral or for security.

## 19. OTHER ASSETS

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
<u>Current</u>		
Other receivables	\$ 29,328	\$ 16,909
Other receivables to related parties	1,029	-
Tax refund receivable	43	668
Others	<u>10,912</u>	<u>8,955</u>
	<u>\$ 41,312</u>	<u>\$ 26,532</u>
<u>Non-current</u>		
Refundable deposits	<u>\$ 400,334</u>	<u>\$ 414,723</u>

The Group recognized impairment losses of \$5,362 thousand and \$1,581 thousand, respectively, which were recognized in consolidated statements of comprehensive income-other gains and losses for the years ended December 31, 2023 and 2022, For expects that closing the store to early termination of contract, making the deposit non-refundable.

## 20. BORROWINGS

### Short-term Borrowings

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
<u>Unsecured borrowings</u>		
Line of credit borrowings	<u>\$ -</u>	<u>\$ 776,041</u>

The range of weighted average effective interest rates on line of credit borrowings was 1.42%-3.65% per annum at December 31, 2022.

## 21. BONDS PAYABLE

	December 31, 2023
Unsecured domestic bonds	\$ 642,824
Less: Current portion	<u>-</u>
	<u>\$ 642,824</u>

On March 29, 2023, the company issued 7,000 units with issued at 101% of the face value of NTD denominated unsecured convertible corporate bonds at a coupon rate of 0% with a principal amounted to \$700,000 thousand.

Holder of each unit of corporate bond is entitled to convert into the ordinary shares of the merged company at NT\$295 per share. The conversion period lasts from June 30, 2023 to March 29, 2028.

Between June 30, 2023 and March 29, 2028, if the closing price for the ordinary shares of the Company exceeds 30% of the conversion price of the convertible corporate bond at the time for 30 business days in a row, the merged company may recover the bonds in the following 30 business days. Alternatively, if the remaining amount of outstanding convertible corporate bonds is less than 10% of the total carrying amount at the time of initial issuance, the merged company may recover the bonds in 30 business day thereafter.

In the event that the bondholders sell the convertible bonds before the sell-back date March 29, 2026, the bondholders may require the merged company to redeem the convertible bond held at par value in cash.

Such convertible corporate bonds include liability and equity component, where equity component is recognized in capital surplus - stock option under equity. The effective interest rate for the initial recognition of the liabilities component is 2%.

	Amount
Proceeds from issuance (less transaction costs of \$5,146 thousand)	\$ 701,877
Equity component (less transaction costs allocated to the equity component of \$479 thousand)	(65,391)
Liability component	<u>(3,150)</u>
Liability component at the date of issue (less transaction costs allocated to the liability component of \$4,667 thousand)	633,336
Interest changed at an effective interest rate	9,579
Conversion of bonds payable to ordinary shares	<u>(91)</u>
Liability component at December 31, 2023	<u>\$ 642,824</u>

## 22. NOTES PAYABLE AND TRADE PAYABLES

	<u>December 31</u>	
	2023	2022
<u>Notes payable</u>		
Operating	<u>\$ 77,194</u>	<u>\$ 175,866</u>
<u>Trade payables</u>		
Operating	<u>\$ 763,057</u>	<u>\$ 644,717</u>

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

## 23. OTHER LIABILITIES

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
<u>Current</u>		
Other payables		
Payables for purchase of equipment	\$ 277,769	\$ 173,305
Payables for salaries and bonus	849,426	699,126
Payables for rent	58,307	45,592
Payables for retirement benefit	32,254	28,472
Payables for insurance	85,424	76,240
Payables for annual leave	60,260	46,286
Payables for tax expense	61,082	62,752
Others	<u>305,498</u>	<u>434,203</u>
	1,730,020	1,565,976
Other payables to related parties	<u>-</u>	<u>434</u>
	<u>\$ 1,730,020</u>	<u>\$ 1,566,410</u>
Other liabilities		
Temporary receipts/receipts under custody	\$ 20,089	\$ 17,538
Others	<u>110</u>	<u>3,825</u>
	<u>\$ 20,199</u>	<u>\$ 21,363</u>

## 24. PROVISIONS

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
<u>Non-current</u>		
Decommissioning liabilities	<u>\$ 154,974</u>	<u>\$ 134,903</u>
		<b>Decommissioning Liabilities</b>
Balance at January 1, 2023		\$ 134,903
Additional provisions recognized		32,124
Disposals		(11,118)
Effect of foreign currency exchange differences		<u>(935)</u>
Balance at December 31, 2023		<u>\$ 154,974</u>
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>

Under the lease agreement, the Company is required to restore the leased premises to the original condition at the lease termination date. The Company's management recognizes a provision for liabilities for restoration obligations under lease agreements at the present value of the best estimate of the future economic outflows that will result from the restoration obligations. This estimate is reviewed and adjusted periodically.

## 25. 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>2023</b>	<b>2022</b>
Operating costs	\$ 61,131	\$ 52,148
Selling and marketing expenses	124,098	104,072
General and administrative expenses	<u>17,026</u>	<u>18,018</u>
	<u>\$ 202,255</u>	<u>\$ 174,238</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>2023</b>	<b>2022</b>
Present value of defined benefit obligation	\$ 99,890	\$ 112,156
Fair value of plan assets	<u>(47,849)</u>	<u>(50,905)</u>
Net defined benefit liabilities	<u>\$ 52,041</u>	<u>\$ 61,251</u>



Movements in net defined benefit liabilities 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, 2023	<u>\$ 112,156</u>	<u>\$ (50,905)</u>	<u>\$ 61,251</u>
Service cost			
Current service cost	47	-	47
Net interest expense (income)	<u>1,682</u>	<u>(771)</u>	<u>911</u>
Recognized in profit or loss	<u>1,729</u>	<u>(771)</u>	<u>958</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(333)	(333)
Actuarial loss (gain)			
Changes in financial assumptions	1,490	-	1,490
Experience adjustments	<u>443</u>	<u>-</u>	<u>443</u>
Recognized in other comprehensive income	<u>1,933</u>	<u>(333)</u>	<u>1,600</u>
Contributions from the employer	-	(7,958)	(7,958)
Benefits paid	(12,118)	12,118	-
Others	<u>(3,810)</u>	<u>-</u>	<u>(3,810)</u>
Balance at December 31, 2023	<u>\$ 99,890</u>	<u>\$ (47,849)</u>	<u>\$ 52,041</u>
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>

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>2023</b>	<b>2022</b>
General and administrative expenses	<u>\$ 958</u>	<u>\$ 788</u>

Through the defined benefit plans under the Labor Standards Act, 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>2023</b>	<b>2022</b>
Discount rates	1.375%	1.50%
Expected rates of salary increase	2%	2.00%

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

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Discount rates		
0.25% increase	<u>\$ (2,947)</u>	<u>\$ (3,418)</u>
0.25% decrease	<u>\$ 3,079</u>	<u>\$ 3,573</u>
Expected rates of salary increase		
0.25% increase	<u>\$ 3,004</u>	<u>\$ 3,490</u>
0.25% decrease	<u>\$ (2,890)</u>	<u>\$ (3,355)</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>2023</b>	<b>2022</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	12.1 years	12.4 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>2023</b>	<b>2022</b>
Operating costs	\$ 31,758	\$ 34,731
Selling and marketing expenses	13,611	15,246
General and administrative expenses	<u>21,896</u>	<u>24,019</u>
	<u>\$ 67,265</u>	<u>\$ 73,996</u>

## 26. EQUITY

a. Share capital

Ordinary shares

	<b>December 31</b>	
	<b>2023</b>	<b>2022</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>84,451</u>	<u>76,988</u>
Shares issued	<u>\$ 844,511</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.

The changes in the Company's share capital are attributable to stock dividends and the conversion of convertible bonds into ordinary shares.

From June 30, 2023, to July 25, 2023, bonds were converted into the Company's ordinary shares in the amount of \$3 thousand. On August 3, 2023, the board of directors resolved the subscription base date to be August 21, 2023 and completed the change registration in September 13, 2023. The share capital was \$769,882 thousand.

On June 15, 2023, the board of directors determined the earnings distribution proposal and resolved to distribute a stock dividend of NT\$74,629 thousand from the earnings of the year 2022. The change registration was completed on September 26, 2023, and the share capital was \$844,511 thousand.

The above earnings distribution proposal was approved by the FSC Securities and Futures Bureau on July 27, 2023 and the board of directors determined the subscription base date to be September 15, 2023.

b. Capital surplus

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital*</u>		
Issuance of ordinary shares premium	\$ 1,785,173	\$ 1,785,075
Treasury share transactions	31,985	-
Differences between the equity purchase price and the carrying amount arising from the actual acquisition or disposal of subsidiaries	5,469	4,849
<u>May only be used to offset a deficit</u>		
Changes in percentage of ownership interests in subsidiaries	<u>65,381</u>	<u>-</u>
	<u>\$ 1,888,008</u>	<u>\$ 1,789,924</u>

\* 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).

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 28-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 2022 were as follows:

	<b>For the Year Ended December 31, 2022</b>
Legal reserve	\$ 39,298
Special reserve	(9,487)
Cash dividends	288,545
Stock dividends	74,629
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 on March 23, 2023, the rest is subject to the resolution in the shareholders' meeting on June 15, 2023.

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 2023 that had been proposed in the board of directors' meeting on March 7, 2024, were as follows:

	<b>For the Year Ended December 31, 2023</b>
Legal reserve	\$ 139,439
Special reserve	22,794
Cash dividends	1,232,155
Cash dividends per share (NT\$)	14.94

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 6, 2024.

d. Special reserve

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Balance at January 1	\$ 114,717	\$ 114,717
Reversals		
Reversal of the debits to other items	<u>(9,487)</u>	<u>-</u>
Balance at December 31	<u>\$ 105,230</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>2023</b>	<b>2022</b>
Balance at January 1	\$ (105,230)	\$ (127,228)
Effect of retrospective application and retrospective restatement	<u>34</u>	<u>-</u>
Balance at January 1 after adjustments	(105,196)	(127,228)
Recognized for the year		
Exchange differences on translating the financial statements of foreign operations	(28,330)	24,070
Related income tax	5,660	(4,807)
Share of associated by using the equity method	(197)	651
Related income tax	39	(130)
Reclassification		
Disposal of foreign operators	-	2,810
Related income tax	<u>-</u>	<u>(562)</u>
Balance at December 31	<u>\$ (128,024)</u>	<u>\$ (105,196)</u>

f. Non-controlling interests

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Balance at January 1	\$ 414,461	\$ 542,538
Effect of retrospective application and retrospective restatement	<u>1,404</u>	<u>741</u>
Balance at January 1 after adjustments	415,865	543,279
Share in profit for the year	(260)	(127,611)
Exchange differences on translating the financial statements of foreign operations	(9,196)	10,979
Related income tax	1,839	(2,194)
Acquisition of non-controlling interests in Hoppime Ltd. (Note 31)	(39,136)	(13,559)

(Continued)

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Acquisition of non-controlling interests in new shares of Hoppime Ltd. at a percentage different from its existing ownership percentage (Note 31)	\$ 165	\$ 4,884
Increase in non-controlling interests	<u>8,786</u>	<u>87</u>
Balance at December 31	<u>\$ 378,063</u>	<u>\$ 415,865</u>
		(Concluded)

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, 2023	2,359
Exercise of employee share options	<u>(361)</u>
Number of shares at December 31, 2023	<u>1,998</u>
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>

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'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 to employees for proceeds of \$28,080 thousand on May 30, 2022, 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.

The Group's board of directors decided to transfer 361 thousand treasury shares to its employees at the transfer price of \$121.15 per treasury share on August 3, 2023. The Company had recognized compensation costs of \$40,771 thousand on the grant date in 2023.

The Group transferred 361 thousand to employees for proceeds of \$43,735 thousand on August 31, 2023.

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.

## 27. REVENUE

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Revenue from contracts with customers		
Revenue from the sale of food and beverages	\$ 21,191,261	\$ 17,114,524
Revenue from the sale of goods	<u>1,126,446</u>	<u>1,206,517</u>
	<u>\$ 22,317,707</u>	<u>\$ 18,321,041</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, 2023</b>	<b>December 31, 2022</b>	<b>January 1, 2022</b>
Notes receivable and trade receivables (Note 9)	<u>\$ 580,556</u>	<u>\$ 452,928</u>	<u>\$ 429,303</u>
Contract liabilities			
Deferred revenue from gift vouchers	\$ 2,943,030	\$ 3,153,933	\$ 2,905,529
Customer loyalty programs	131,133	98,093	143,509
Sale of goods	<u>22,798</u>	<u>32,085</u>	<u>10,964</u>
	<u>\$ 3,096,961</u>	<u>\$ 3,284,111</u>	<u>\$ 3,060,002</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>2023</b>	<b>2022</b>
From contract liabilities at the beginning of the year		
Deferred revenue from gift vouchers	<u>\$ 1,084,547</u>	<u>\$ 888,515</u>

c. Disaggregation of revenue

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
<u>Type of goods or services</u>		
Fine dining business group	\$ 9,497,027	\$ 7,835,934
Chinese food business group	1,145,276	925,030
Fast casual business group	2,929,712	2,505,203
Hot pot business group	3,333,546	2,455,961
Casual dining business group	2,868,084	2,225,451
Roast business group	1,469,415	1,176,948
Retail trade business group	<u>1,074,647</u>	<u>1,196,514</u>
	<u>\$ 22,317,707</u>	<u>\$ 18,321,041</u>

d. Partially completed contracts

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Catering sales services		
- completed in 2023	\$ -	\$ 2,024,168
- completed in 2024	1,609,578	926,936
- completed in 2025	758,885	192,168
- completed in 2026	510,550	1,240
- completed in or after 2027	<u>64,017</u>	<u>9,421</u>
	<u>\$ 2,943,030</u>	<u>\$ 3,153,933</u>

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

## 28. NET PROFIT FROM CONTINUING OPERATIONS

a. Interest income

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Bank deposits	\$ 68,686	\$ 22,212
Imputed interest on deposits	<u>784</u>	<u>436</u>
	<u>\$ 69,470</u>	<u>\$ 22,648</u>

b. Other income

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Rental income	\$ 18,248	\$ 19,003
Government grants (Note 33)	31,867	25,527
Others	<u>74,547</u>	<u>76,583</u>
	<u><b>\$ 124,662</b></u>	<u><b>\$ 121,113</b></u>

c. Other gains and losses

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Loss on disposal of property, plant and equipment	\$ (28,632)	\$ (108,472)
Impairment losses	(93,551)	(15,406)
Gain on contract modification	14,101	30,042
Net foreign exchange gains (losses)	(501)	55,957
Demolition recovery	(8,934)	(4,848)
Loss on disposal of subsidiaries	-	(2,864)
Financial liabilities at fair value through profit or loss	(979)	-
Others	<u>(16,200)</u>	<u>(47,083)</u>
	<u><b>\$ (134,696)</b></u>	<u><b>\$ (92,674)</b></u>

The loss on disposal of property, plant and equipment recognized in 2023 and 2022 above was mainly due to the retirement of leasehold improvements and equipment that had not reached the end of their useful lives as a result of the relocation or closure of some of the stores.

d. Finance costs

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Interest on lease liabilities	\$ 95,459	\$ 137,573
Interest on bank loans	9,682	16,096
Interest on convertible bonds	9,579	-
Others	<u>9</u>	<u>5</u>
	<u><b>\$ 114,729</b></u>	<u><b>\$ 153,674</b></u>

e. Impairment losses of non-financial assets

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Property, plant and equipment (included in other gains and losses)	\$ (13,622)	\$ (10,812)
Investment properties (included in other gains and losses)	(71,600)	1,979
Investment using the equity method (included in other gains and losses)	(2,967)	(4,992)
Refundable deposits (included in other gains and losses)	<u>(5,362)</u>	<u>(1,581)</u>
	<u><b>\$ (93,551)</b></u>	<u><b>\$ (15,406)</b></u>

f. Depreciation and amortization

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
An analysis of depreciation by function		
Operating costs	\$ 696,830	\$ 666,930
Operating expenses	<u>1,465,098</u>	<u>1,467,027</u>
	<u>\$ 2,161,928</u>	<u>\$ 2,133,957</u>
An analysis of amortization by function		
Operating expenses	<u>\$ 16,402</u>	<u>\$ 13,358</u>

g. Employee benefits expense

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Short-term benefits	\$ 6,387,567	\$ 5,189,303
Post-employment benefits (Note 25)		
Defined contribution plans	269,520	248,234
Defined benefit plans	<u>958</u>	<u>788</u>
	270,478	249,022
Other employee benefits	<u>987,411</u>	<u>792,708</u>
Total employee benefits expense	<u>\$ 7,645,456</u>	<u>\$ 6,231,033</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 3,187,746	\$ 2,672,147
Operating expenses	<u>4,457,710</u>	<u>3,558,886</u>
	<u>\$ 7,645,456</u>	<u>\$ 6,231,033</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. The compensation of employees and remuneration to directors and supervisors for the years ended December 31, 2023 and 2022 which have been approved by the Company's board of directors on March 7, 2024 and March 23, 2023, respectively, were as follows:

Accrual rate

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Compensation of employees	0.1%	0.1%
Remuneration of directors and supervisors	-	-

Amount

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Compensation of employees	\$ 1,659	\$ 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, 2022 and 2021.

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

## 29. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense were as follows:

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Current tax		
In respect of the current year	\$ 341,756	\$ 158,066
Adjustments for prior years	<u>100</u>	<u>65</u>
	<u>341,856</u>	<u>158,131</u>
Deferred tax		
In respect of the current year	<u>6,726</u>	<u>(51,545)</u>
Income tax expense recognized in profit or loss	<u>\$ 348,582</u>	<u>\$ 106,586</u>

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

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Profit (loss) before income tax from continuing operations	<u>\$ 1,728,832</u>	<u>\$ 369,778</u>
Income tax expense (benefit) calculated at the statutory rate	\$ 401,471	\$ (12,291)
Tax-exempt income	(54,912)	(32,948)
Nondeductible expenses in determining taxable income	2,463	1,962
Unused benefit of tax loss	(3,514)	140,146
Unrecognized deductible temporary differences	2,974	9,652
Adjustments for prior years' tax	<u>100</u>	<u>65</u>
Income tax expense recognized in profit or loss	<u>\$ 348,582</u>	<u>\$ 106,586</u>

b. Income tax recognized in other comprehensive income

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
<u>Deferred tax</u>		
In respect of the current year		
Translation of foreign operations	\$ 7,538	\$ (7,704)
Remeasurement of defined benefit plan	<u>320</u>	<u>(4,364)</u>
Total income tax recognized in other comprehensive income	<u>\$ 7,858</u>	<u>\$ (12,068)</u>

c. Current tax assets and liabilities

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Current tax assets		
Tax refund receivable	<u>\$ 43</u>	<u>\$ 668</u>
Current tax liabilities		
Income tax payable	<u>\$ 275,004</u>	<u>\$ 198,103</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, 2023

	<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	\$ 59,875	\$ (11,281)	\$ -	\$ (841)	\$ 47,753
Write-down of inventories	3,896	172	-	(23)	4,045
Impairment loss on margin deposits	-	917	-	(21)	896
Impairment loss on property, plant and equipment	81	-	-	-	81
Exchange differences on translating the financial statements of foreign operations	26,307	(1,839)	7,538	-	32,006
Exchange differences	-	193	-	-	193
Lease liabilities	304,102	(12,895)	-	(5,292)	285,915
Provisions	28,420	4,527	-	(268)	32,679
Defined benefit obligation	12,250	(2,162)	320	-	10,408
Expected credit losses	-	67	-	-	67
Payables for annual leave	9,179	2,795	-	-	11,974
Others	<u>9,683</u>	<u>(51)</u>	<u>-</u>	<u>-</u>	<u>9,632</u>
	<u>\$ 453,793</u>	<u>\$ (19,557)</u>	<u>\$ 7,858</u>	<u>\$ (6,445)</u>	<u>\$ 435,649</u>
<u>Deferred tax liabilities</u>					
Temporary differences					
Right-of-use assets	\$ 304,102	\$ (12,895)	\$ -	\$ (5,292)	\$ 285,915
Decommissioning cost	11,824	349	-	(105)	12,068
Exchange differences	<u>2,468</u>	<u>(285)</u>	<u>-</u>	<u>-</u>	<u>2,183</u>
	<u>\$ 318,394</u>	<u>\$ (12,831)</u>	<u>\$ -</u>	<u>\$ (5,397)</u>	<u>\$ 300,166</u>

For the year ended December 31, 2022

	Opening Balance	Effect of Retrospective Application of Amendments to IAS 12	Opening Balance (Restated)	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	\$ 13,333	\$ -	\$ 13,333	\$ 46,571	\$ -	\$ (29)	\$ 59,875
Write-down of inventories	1,480	-	1,480	2,416	-	-	3,896
Impairment loss on property, plant and equipment	5,158	-	5,158	(5,176)	-	99	81
Lease liabilities	-	434,331	434,331	(137,228)	-	6,999	304,102
Provisions	-	24,217	24,217	4,048	-	155	28,420
Exchange differences on translating the financial statements of foreign operations	31,806	-	31,806	2,194	(7,693)	-	26,307
Exchange differences	7,110	-	7,110	(7,110)	-	-	-
Defined benefit obligation	19,894	-	19,894	(3,280)	(4,364)	-	12,250
Loss carryforwards	52,265	-	52,265	(52,265)	-	-	-
Payables for annual leave	6,630	-	6,630	2,549	-	-	9,179
Others	24,101	-	24,101	(14,892)	-	474	9,683
	<u>\$ 161,777</u>	<u>\$ 458,548</u>	<u>\$ 620,325</u>	<u>\$ (162,173)</u>	<u>\$ (12,057)</u>	<u>\$ 7,698</u>	<u>\$ 453,793</u>
<u>Deferred tax liabilities</u>							
Temporary differences							
Right-of-use assets	\$ -	\$ 434,331	\$ 434,331	\$ (137,228)	\$ -	\$ 6,999	\$ 304,102
Decommissioning cost	-	12,554	12,554	(842)	-	112	11,824
Exchange differences	-	-	-	2,468	-	-	2,468
Associates	78,116	-	78,116	(78,116)	-	-	-
	<u>\$ 78,116</u>	<u>\$ 446,885</u>	<u>\$ 525,001</u>	<u>\$ (213,718)</u>	<u>\$ -</u>	<u>\$ 7,111</u>	<u>\$ 318,394</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 2021 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, 2023.

**30. EARNINGS PER SHARE**

**Unit: NT\$ Per Share**

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Basic earnings per share	<u>\$ 16.79</u>	<u>\$ 4.74</u>
Diluted earnings per share	<u>\$ 16.53</u>	<u>\$ 4.74</u>

The weighted average number of shares outstanding used in the earnings per share computation was adjusted retrospectively for the issuance of bonus shares on September 15, 2023. The basic and diluted earnings per share adjusted retrospectively for the year ended December 31, 2022 were as follows:

**Unit: NT\$ Per Share**

	<b>Before Retrospective Adjustments</b>	<b>After Retrospective Adjustments</b>
Basic earnings per share	<u>\$ 5.21</u>	<u>\$ 4.74</u>
Diluted earnings per share	<u>\$ 5.21</u>	<u>\$ 4.74</u>

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

### Net Profit for the Year

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Earnings used in the computation of basic earnings per share	\$ 1,380,510	\$ 390,803
Effect of potentially dilutive ordinary shares:		
Interest on convertible bonds	7,663	-
Net loss on valuation of financial liabilities at fair value through profit or loss	<u>979</u>	<u>-</u>
Earnings used in the computation of diluted earnings per share	<u>\$ 1,389,152</u>	<u>\$ 390,803</u>

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

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Weighted average number of ordinary shares used in the computation of basic earnings per share	82,213	82,498
Effect of potentially dilutive ordinary shares:		
Convertible bonds	1,807	-
Compensation of employees or bonuses issued to employees	<u>7</u>	<u>2</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>84,027</u>	<u>82,500</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.

## 31. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

The Group raised capital at a percentage different from its existing ownership percentage on May 30, 2023. Hoppime Ltd. set up and invested in its percentage of ownership, which increased from 78.12% to 78.45%. On December 20, 2023, the Company acquired 1.99% ownership of Hoppime Ltd. As a result, its percentage of ownership increased from 78.45% to 80.44%.

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. set up and invested in its percentage of ownership, which 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.

	<b>December 20, 2023</b>	<b>May 30, 2023</b>	<b>April 29, 2022</b>	<b>April 19, 2022</b>
	<b>Hoppime Ltd.</b>	<b>Hoppime Ltd.</b>	<b>Hoppime Ltd.</b>	<b>Hoppime Ltd.</b>
Cash consideration receive (paid)	\$ (38,526)	\$ 175	\$ 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>39,136</u>	<u>(165)</u>	<u>(4,884)</u>	<u>13,559</u>
Differences recognized from equity transactions	<u>\$ 610</u>	<u>\$ 10</u>	<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	\$ 610	\$ -	\$ -	\$ (1,478)
Capital surplus - difference recognized from subsidiary's equity transactions	-	10	(139)	-
Unappropriated earnings	<u>-</u>	<u>-</u>	<u>(4,154)</u>	<u>-</u>
	<u>\$ 610</u>	<u>\$ 10</u>	<u>\$ (4,293)</u>	<u>\$ (1,478)</u>

## 32. SHARE-BASED PAYMENT ARRANGEMENTS

### Transfer of Treasury Stock to Employees

On August 3, 2023, the Company granted 361 thousand employee stock options through treasury shares, each unit of which can subscribe for one ordinary share. Employees, including those who are in subsidiaries, are granted when they meet certain conditions. Since all granted employees meet the vested criteria, the stock options will be fully exercised by August 2023.

	<b>From January 1 to December 31, 2023</b>	
	<b>Number of Options (In Thousands)</b>	<b>Weighted- average Exercise Price (NT\$)</b>
Balance at January 1	-	-
Options granted	361	121.15
Options exercised	<u>(361)</u>	<u>121.15</u>
Balance at December 31	<u>-</u>	
Options exercisable, end of period	<u>-</u>	
Weighted average fair value of options given during the year (NT\$)	<u>\$ 112.94</u>	



The employee stock options granted by the Group in August 2023 are priced using the Black - Scholes model, and the inputs to the model are as follows:

	<b>August 2023</b>
Share price at the grant date (NT\$)	\$ 294
Exercise price (NT\$)	121.15
Exercise volatility (%)	42.15
Exercise lives (years)	0.041
Risk free interest rate (%)	0.8079

The Company granted 216 thousand units of treasury shares options to employees, each unit entitling them to subscribe for one share of ordinary shares on March 8, 2022. The grant was made to the Consolidated Company's employees who met certain conditions, and the vesting conditions were immediate. The grant was fully executed in March 2022.

	<b>From January 1 to December 31, 2022</b>	
	<b>Number of Options (In Thousands)</b>	<b>Weighted- average Exercise Price (NT\$)</b>
Balance at January 1	-	-
Options granted	216	130
Options exercised	<u>(216)</u>	130
Balance at December 31	<u>-</u>	
Options exercisable, end of period	<u>-</u>	
Weighted average fair value of options given during the year (NT\$)	<u>\$ 4.04</u>	

The employee stock options granted by the Group in March 2022 are priced by using the Black - Scholes model, and the inputs to the model are as follows:

	<b>March 2022</b>
Share price at the grant date (NT\$)	\$ 125
Exercise price (NT\$)	130
Exercise volatility (%)	29.21
Exercise lives (years)	0.175
Risk free interest rate (%)	0.1444

The stock options transferred to employees from treasury shares amounted to \$40,771 thousand and \$872 thousand for the years ended December 31, 2023 and 2022, respectively.

For information on treasury shares, refer to Note 26 (g).

### 33. GOVERNMENT GRANTS

The Group applied for wage subsidies provided by the local government as so far \$31,867 thousand was recognized as other income in 2023.

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.

### 34. 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, 2023 and 2022:

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Acquisition of property, plant and equipment		
Increase in property, plant and equipment	\$ 1,076,435	\$ 858,205
Add: Payable for purchase of equipment, balance at January 1	173,305	201,488
Decommissioning liability, balance at January 1	134,903	117,470
Less: Payable for purchase of equipment, balance at December 31	(277,769)	(173,305)
Decommissioning liability, balance at December 31	<u>(154,974)</u>	<u>(134,903)</u>
Cash payment	<u>\$ 951,900</u>	<u>\$ 868,955</u>

- 2) The Group reclassified the amounts of \$42,999 thousand and \$13,926 thousand from prepayments for equipment to property, plant and equipment for the years ended December 31, 2023 and 2022, respectively (see Note 13).

#### b. Changes in liabilities arising from financing activities

##### For the year ended December 31, 2023

	Opening Balance	Cash Flows	New Leases	Non-cash Changes		Exchange Differences	Closing Balance
				Remeasurement of Lease Contract	Remeasurement of Branch Closure		
Lease liabilities	<u>\$ 3,535,893</u>	<u>\$ (1,317,621)</u>	<u>\$ 1,380,048</u>	<u>\$ 398,405</u>	<u>\$ (165,041)</u>	<u>\$ (12,349)</u>	<u>\$ 3,819,335</u>

##### For the year ended December 31, 2022

	Opening Balance	Cash Flows	New Leases	Non-cash Changes		Exchange Differences	Closing Balance
				Remeasurement of Lease Contract	Remeasurement of Branch Closure		
Lease liabilities	<u>\$ 3,893,329</u>	<u>\$ (1,269,734)</u>	<u>\$ 1,001,604</u>	<u>\$ 277,978</u>	<u>\$ (399,373)</u>	<u>\$ 32,089</u>	<u>\$ 3,535,893</u>

### 35. 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.

### 36. FINANCIAL INSTRUMENTS

#### a. Fair value of financial instruments measured at fair value

##### 1) Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial liabilities at FVTPL Convertible bonds options	\$ -	\$ 4,129	\$ -	\$ 4,129

There were no transfers between Levels 1 and 2 in the current year.

##### 2) Valuation techniques and inputs used for Level 2 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Convertible bonds of options	Call and put options of convertible bonds are valued using the binomial tree valuation model, based on observable inputs at the end of the period such as the closing price of the stock, volatility, risk-free interest rate, risk discount rate, and liquidity risk at the balance sheet date.

#### b. Categories of financial instruments

	<u>December 31</u>	
	2023	2022
<u>Financial assets</u>		
Financial assets at amortized cost (1)	\$ 6,831,002	\$ 5,026,183
<u>Financial liabilities</u>		
Convertible options	4,129	-
Financial liabilities at amortized cost (2)	3,418,388	3,300,775

- 1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, financial assets at amortized cost, 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, bonds 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 40.

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>2023</b>	<b>2022</b>
Profit or loss	\$ 5,073	\$ 4,330

The Group's sensitivity to foreign currency increased during the current year mainly due to the increase 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>2023</b>	<b>2022</b>
Fair value interest rate risk		
Financial assets	\$ 3,491,610	\$ 1,916,381
Financial liabilities	4,462,159	4,311,934
Cash flow interest rate risk		
Financial assets	2,228,180	2,143,134

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, 2023 and 2022 would have increased by \$2,228 thousand and \$2,143 thousand, respectively.

2) Credit risk

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

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

3) Liquidity risk

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

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

Financing facilities

	December 31	
	2023	2022
Unsecured bank overdraft facilities, reviewed annually and payable on demand:		
Amount used	\$ 11,550	\$ 776,041
Amount unused	<u>3,269,705</u>	<u>2,480,600</u>
	<u>\$ 3,281,255</u>	<u>\$ 3,256,641</u>
Secured bank overdraft facilities:		
Amount used	\$ -	\$ -
Amount unused	<u>519,240</u>	<u>528,960</u>
	<u>\$ 519,240</u>	<u>\$ 528,960</u>

### 37. 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. Li Sen Bin	Subsidiaries of associate Key management personnel (Retirement from April 1, 2023)

b. Contract liabilities

Related Party Category/Name	December 31	
	2023	2022
uniEat Co., Ltd.	<u>\$ 7,273</u>	<u>\$ -</u>

c. Receivables from related parties

Line Item	Related Party Category/Name	December 31	
		2023	2022
Other receivables	uniEat Co., Ltd.	<u>\$ 1,029</u>	<u>\$ -</u>
Trade receivables	uniEat Co., Ltd.	<u>\$ 7,273</u>	<u>\$ -</u>

d. Payables to related parties (without loan by related parties)

Line Item	Related Party Category/Name	December 31	
		2023	2022
Other payables	uniEat Co., Ltd.	<u>\$ -</u>	<u>\$ 434</u>

e. 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).

f. Acquisition of property, plant and equipment

Related Party Category/Name	Purchase Price	
	For the Year Ended December 31 2023	2022
uniEat Co., Ltd.	\$ 699	\$ -

g. Other income

Line Item	Related Party Name	For the Year Ended December 31	
		2023	2022
Other income	Associates uniEat Co., Ltd.	\$ 980	\$ -

h. Compensation of key management personnel

		For the Year Ended December 31	
		2023	2022
Short-term employee benefits		\$ 160,762	\$ 126,199
Post-employment benefits		873	1,045
		<u>\$ 161,635</u>	<u>\$ 127,244</u>

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

### 38. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

	December 31	
	2023	2022
Pledged deposits	\$ 204,415	\$ 201,669
Restricted deposit balance	886,727	583,665
Reserve account	35,866	35,711
Investment properties	<u>536,422</u>	<u>635,209</u>
	<u>\$ 1,663,430</u>	<u>\$ 1,456,254</u>

### 39. 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, 2023 and 2022 were as follows:

#### Significant Commitments

- a. As of December 31, 2023, unused letters of credit for purchases of raw materials amounted to approximately US\$376 thousand.
- b. Unrecognized commitments were as follows:

	December 31	
	2023	2022
Acquisition of property, plant and equipment	\$ <u>75,082</u>	\$ <u>19,537</u>

- c. As of December 31, 2023 and 2022, the Group had a line of credit to sell gift vouchers, of which \$1,770,404 thousand and \$1,606,913 thousand had been drawn, respectively.

### 40. 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, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 15,556,145	30.705 (USD:NTD)	\$ 477,652
JPY	30,825,865	0.2172 (JPY:NTD)	6,695
AUD	494,050	20.98 (AUD:NTD)	10,365
RMB	235,636	4.327 (RMB:NTD)	1,020
USD	966,636	7.0827 (USD:RMB)	29,681
NTD	2,294,273	0.2311 (NTD:RMB)	<u>2,294</u>
			\$ <u>527,707</u>

#### December 31, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
<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>



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			
	2023		2022	
Functional Currency	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Gain (Loss)
NTD	1 (NTD:NTD)	\$ (1,206)	1 (NTD:NTD)	\$ 54,698
RMB	4.327 (RMB:NTD)	<u>705</u>	4.4080 (RMB:NTD)	<u>1,259</u>
		<u>\$ (501)</u>		<u>\$ 55,957</u>

#### 41. 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: (Table 2)
- a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
  - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
  - c) The amount of property transactions and the amount of the resultant gains or losses.
  - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
  - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
  - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services.
- d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder. None

## 42. 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>- 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			
	2023		2022	
	Segment Revenue	Segment Profit	Segment Revenue	Segment Profit
Taiwan	\$ 17,280,899	\$ 1,688,071	\$ 13,736,640	\$ 890,280
Mainland China	<u>5,036,808</u>	<u>94,691</u>	<u>4,584,401</u>	<u>(419,613)</u>
Total for continuing operations	<u>\$ 22,317,707</u>	1,782,762	<u>\$ 18,321,041</u>	470,667
Share of profit of associates accounted for using the equity method		1,363		1,698
Interest income		69,470		22,648
Rental income		18,248		19,003
Loss on disposal of property, plant and equipment		(28,632)		(108,472)
Exchange (gain) loss		(501)		55,957
Impairment loss		(93,551)		(15,406)
Loss on disposals of subsidiaries		-		(2,864)
Finance costs		(114,729)		(153,674)
Losses on financial liabilities at fair value through profit or loss.		(979)		-
Government grants		-		25,527
General revenue		106,414		76,583
General expense		<u>(11,033)</u>		<u>(21,889)</u>
Profit before tax (from continuing operations)		<u>\$ 1,728,832</u>		<u>\$ 369,778</u>

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales during the years ended December 31, 2023 and 2022.

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	
	2023	2022
Taiwan	\$ 11,682,050	\$ 9,845,430
Mainland China	3,724,093	4,082,487
Others	<u>515,752</u>	<u>535,697</u>
Total from continuing operations	<u>\$ 15,921,895</u>	<u>\$ 14,463,614</u>

All assets except those associates accounted for using the equity method and deferred tax assets are allocated to the reportable department.

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>2023</b>	<b>2022</b>
Taiwan	\$ 17,280,899	\$ 13,736,640
Mainland China	<u>5,036,808</u>	<u>4,584,401</u>
	<u>\$ 22,317,707</u>	<u>\$ 18,321,041</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, 2023 and 2022.

TABLE 1

WOWPRIME CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(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	\$ -	-	Business transaction purposes	\$ 4,616,876	Business transaction purposes	\$ -	-	\$ -	\$ 1,761,054	\$ 1,761,054	7
		WPT Restaurant Corporation	Other receivables	Yes	50,000	25,000	-	-	Short-term financing	-	Supporting the subsidiary's short-term operating requirements	-	-	-	1,761,054	1,761,054	7
1	Wowprime (Beijing) Co., Ltd.	Wowprime (China) Co., Ltd.	Other receivables	Yes	44,775	43,730	43,730	3.65%	Short-term financing	-	Supporting short-term operating requirements	-	-	-	68,303	68,303	8
2	Wowprime (China) Co., Ltd.	Shanghai Wanxin International Trade Co., Ltd.	Other receivables	Yes	223,875	218,650	-	-	Short-term financing	-	Supporting short-term operating requirements	-	-	-	693,197	693,197	9
		Shanghai Hoppime Catering Management Co., Ltd.	Other receivables	Yes	134,325	131,190	43,730	3.65%	Short-term financing	-	Supporting short-term operating requirements	-	-	-	693,197	693,197	9
		Shanghai Xizhu Catering Management Co., Ltd.	Other receivables	Yes	44,775	43,730	-	-	Short-term financing	-	Supporting short-term operating requirements	-	-	-	693,197	693,197	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. (\$4,402,635 thousand × 40% = \$1,761,054 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. (\$4,402,635 thousand × 40% = \$1,761,054 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. (\$170,758 thousand × 40% = \$68,303 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. (\$170,758 thousand × 40% = \$68,303 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. (\$1,732,993 thousand × 40% = \$693,197 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. (\$1,732,993 thousand × 40% = \$693,197 thousand).

TABLE 2

WOWPRIME CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(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	\$ 1,761,054	\$ 600,000	\$ -	\$ -	\$ -	-	\$ 1,761,054	Y	N	N	
		Wowprime (China) Co., Ltd.	b	1,761,054	323,088	312,714	-	-	7.1	1,761,054	Y	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. (\$4,402,635 thousand × 40% = \$1,761,054 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. (\$4,402,635 thousand × 40% = \$1,761,054 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, 2023  
(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	\$ 4,616,876	83.39	According to the Company's credit period to related parties	According to Company's policy	-	Trade payables \$ (77,193)	13.45	According to the Company's credit period to related parties
Cheerpin Restaurant Corporation	Wowfresh Corporation	Brother	Purchase	866,137	80.95	According to the Company's credit period to related parties	According to Company's policy	-	Trade payables (28,823)	21.84	According to the Company's credit period to related parties
Cheerpin Restaurant Corporation	Wowprime Co., Ltd.	Subsidiary	Purchase	178,531	16.86	According to the Company's credit period to related parties	According to Company's policy	-	Trade payables (77,467)	58.71	According to the Company's credit period to related parties
Wowfresh Corporation	Wowprime Co., Ltd.	Subsidiary	Purchase	132,507	2.97	According to the Company's credit period to related parties	According to Company's policy	-	Trade payables (20,560)	10.67	According to the Company's credit period to related parties
Shanghai Wanxin International Trade Co., Ltd.	Wowprime (China) Co., Ltd.	Subsidiary	Purchase	182,754	97.51	According to the Company's credit period to related parties	According to Company's policy	-	Trade payables (103,036)	99.99	According to the Company's credit period to related parties

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

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

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

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

**TABLE 4**

**WOWPRIME CO., LTD. AND SUBSIDIARIES**

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OF 20% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(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 \$ 103,036	1.32	\$ -	-	\$ 27,195	\$ -

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, 2023  
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Total Sales or Assets (Note 3)
0	Wowprime Co., Ltd.	Wowfresh Corporation	a	Purchases	\$ 4,616,876	-	20.69
1	Cheerpin Restaurant Corporation	Wowfresh Corporation	c	Purchases	866,137	-	3.88

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-subsidiary 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.

TABLE 6

WOWPRIME CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEEES  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(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, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2023	December 31, 2022	Number of Shares	%	Carrying Amount			
Wowprime Co., Ltd.	Tai Pin Holding Ltd. (Seychelles)	Seychelles	Investment	\$ 1,679,751	\$ 1,617,647	21,117,134	100.00	\$ 1,544,205	\$ (1,796)	\$ (1,796)	Note 1
	WPT Restaurant Corporation	Taiwan	Catering and catering management	100,000	100,000	10,000,000	100.00	79,679	20,906	20,906	Note 1
	Cheerpin Restaurant Corporation	Taiwan	Catering and catering management	300,000	300,000	30,000,000	100.00	532,670	192,564	192,564	Note 1
	Wowfresh Corporation	Taiwan	Fresh food trading	500,000	500,000	50,000,000	100.00	568,953	64,780	64,780	Note 1
	Jiechuang Investment Co., Ltd.	Taiwan	Investment	11,000	11,000	1,100,000	100.00	788	(3,691)	(3,691)	Note 1
	DuDoo Ltd. (Cayman)	Cayman	Investment	74,828	74,828	209,497	14.98	80,103	15,988	2,053	Note 2
				(US\$ 2,422,872)	(US\$ 2,422,872)			(US\$ 2,579,458)	(US\$ 511,316)	(US\$ 65,703)	
Jiechuang Investments Co., Ltd.	We Dao Ltd.	Taiwan	Catering	10,000	10,000	200,000	20.00	-	(3,451)	(690)	Note 2
Tai Pin Holding Ltd. (Seychelles)	Hoppime Ltd. (Cayman)	Cayman	Investment	1,596,125 (RMB 353,142,895)	1,527,079 (RMB 337,386,272)	21,854,913	80.44	1,554,150 (RMB 359,174,937)	(2,910) (RMB (825,591))	(2,683) (RMB (738,093))	Note 1
Hoppime Ltd. (Cayman)	Wowprime Limited (Samoa)	Samoa	Investment	1,290,412 (RMB 282,707,111)	1,290,412 (RMB 282,707,111)	-	100.00	1,903,753 (RMB 439,970,642)	6,509 (RMB 1,317,493)	6,509 (RMB 1,317,493)	Note 1

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, 2023  
(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, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023	Net Income (Loss) of Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2 b (2).)	Carrying Amount as of December 31, 2023	Accumulated Repatriation of Investment Income as of December 31, 2023
					Outflow	Inflow						
Wowprime (China) Co., Ltd.	Catering and catering management	\$ 894,893 (RMB 195,090,404)	Note 1 (b)	\$ 511,228 (US\$ 17,252,235)	\$ -	\$ -	\$ 511,228 (US\$ 17,252,235)	\$ (371) (RMB (252,007))	80.44	\$ (691) (RMB (288,138))	\$ 1,394,020 (RMB 322,167,699)	\$ 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)	6,879 (RMB 1,569,492)	80.44	5,388 (RMB 1,229,174)	137,358 (RMB 31,744,286)	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\$ -)	(628) (RMB (143,191))	80.44	(489) (RMB (111,581))	2,479 (RMB 572,824)	-
Shanghai WanXin International Trade Co., Ltd.	Fresh food trade	23,986 (RMB 5,500,000)	Note 1 (b)	- (US\$ -)	-	-	- (US\$ -)	(56,180) (RMB (12,821,545))	80.44	(44,046) (RMB (10,052,180))	(38,596) (RMB (8,919,715))	-
Shanghai Hoppime Catering Management Co., Ltd.	Catering and catering management	86,413 (RMB 20,000,000)	Note 1 (b)	- (US\$ -)	-	-	- (US\$ -)	(6,144) (RMB (1,391,523))	80.44	(4,810) (RMB (1,089,258))	(80,982) (RMB (18,715,462))	-
Shanghai Xizhu Catering Management Co., Ltd.	Catering and catering management	21,895 (RMB 5,000,000)	Note 1 (b)	- (US\$ -)	-	-	- (US\$ -)	(658) (RMB (150,093))	76.418	(487) (RMB (111,110))	2,322 (RMB 536,530)	-

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, 2023	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)	\$ 2,868,418

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: Table 2
- 6. Transactions with material effects on the net income (loss) of the Company: None.

## **Appendix 2. Individual Financial Statements of 2023**

### **INDEPENDENT AUDITORS' REPORT**

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

#### **Opinion**

We have audited the accompanying parent company only financial statements of Wowprime Co., Ltd. (the “Company”), which comprise the parent company only balance sheets as of December 31, 2023 and 2022, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent company only financial statements, including material accounting policy information (collectively referred to as the “parent company only financial statements”).

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2023 and 2022, and its parent company only financial performance and its parent company only 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 Financial Statement Audit and Attestation Engagements of 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 Parent company only 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 parent company only financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the parent company only 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 parent company only financial statements for the year ended December 31, 2023 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 parent company only 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 material accounting policy information, refer to Note 4(m).

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

1. We obtained an understanding of and tested whether the general computer control environment of POS systems was effective.
2. We obtained an understanding of and tested the effectiveness of the design and implementation of internal controls over the catering revenue recognition process.
3. We understood and evaluated POS systems and accounting system data transfer mechanisms and tested whether the transaction data had been correctly transferred.
4. We verified whether the sales data and daily sales reports of the POS system match the amounts recorded in the revenue journal, and we verified the completeness and accuracy of revenue recognition for food and beverage sales.

**Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements**

Management is responsible for the preparation and fair presentation of the parent company only 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 parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only 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 Parent Company Only Financial Statements**

Our objectives are to obtain reasonable assurance about whether the parent company only 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 parent company only 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 parent company only 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 parent company only 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 parent company only financial statements, including the disclosures, and whether the parent company only 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 parent company only 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 parent company only financial statements for the year ended December 31, 2023 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 11, 2024

#### Notice to Readers

*The accompanying parent company only 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 parent company only financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying parent company only 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 parent company only financial statements shall prevail.*

# WOWPRIME CO., LTD.

## BALANCE SHEETS

DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2023		December 31, 2022 (Restated)		January 1, 2022 (Restated)	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 1,337,711	11	\$ 1,468,665	15	\$ 1,226,332	14
Financial assets at amortized cost - current (Notes 8 and 34)	2,704,760	22	1,657,059	17	1,193,364	14
Trade receivables (Notes 9, 24 and 33)	459,612	4	197,167	2	201,333	2
Current tax assets (Notes 4 and 26)	-	-	629	-	629	-
Inventories (Notes 5 and 10)	1,040,437	8	114,550	1	147,038	2
Prepayments (Notes 15 and 33)	49,453	-	182,451	2	74,672	1
Other financial assets - current (Note 16)	1,745	-	3,932	-	362	-
Other current assets (Notes 17 and 33)	<u>50,016</u>	<u>-</u>	<u>37,486</u>	<u>1</u>	<u>43,392</u>	<u>-</u>
Total current assets	<u>5,643,734</u>	<u>45</u>	<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 (Notes 3 and 11)	2,806,398	22	2,596,458	27	2,743,858	32
Property, plant and equipment (Notes 12 and 33)	1,625,335	13	1,337,649	14	1,149,481	13
Right-of-use assets (Note 13)	2,166,535	17	1,764,926	18	1,648,413	19
Other intangible assets (Note 14)	20,081	-	14,375	-	6,148	-
Deferred tax assets (Notes 3, 4 and 26)	78,264	1	66,963	1	124,529	1
Prepaid equipment	11,765	-	1,510	-	2,573	-
Other non-current assets (Note 17)	<u>184,749</u>	<u>2</u>	<u>171,775</u>	<u>2</u>	<u>134,275</u>	<u>2</u>
Total non-current assets	<u>6,893,127</u>	<u>55</u>	<u>5,953,656</u>	<u>62</u>	<u>5,809,277</u>	<u>67</u>
TOTAL	<u>\$ 12,536,861</u>	<u>100</u>	<u>\$ 9,615,595</u>	<u>100</u>	<u>\$ 8,696,399</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Financial liabilities at fair value through profit or loss - current (Note 7)	\$ 4,129	-	\$ -	-	\$ -	-
Contract liabilities - current (Note 24)	3,009,476	24	3,175,906	33	2,933,462	34
Notes payable (Note 19)	67,424	-	55,445	1	50,432	-
Trade payables (Notes 19 and 33)	504,523	4	120,816	1	102,760	1
Other payables (Notes 20 and 33)	1,205,339	10	914,506	9	778,574	9
Current tax liabilities (Notes 4 and 26)	228,440	2	148,401	2	52,150	1
Lease liabilities - current (Notes 13 and 30)	517,590	4	350,733	4	363,341	4
Other current liabilities	<u>6,872</u>	<u>-</u>	<u>4,546</u>	<u>-</u>	<u>3,549</u>	<u>-</u>
Total current liabilities	<u>5,543,793</u>	<u>44</u>	<u>4,770,353</u>	<u>50</u>	<u>4,284,268</u>	<u>49</u>
NON-CURRENT LIABILITIES						
Bonds payable (Note 18)	642,824	5	-	-	-	-
Provisions - non-current (Note 21)	67,536	1	56,181	1	43,645	1
Deferred tax liabilities (Notes 3, 4 and 26)	7,865	-	7,680	-	82,196	1
Lease liabilities - non-current (Notes 13 and 30)	1,632,170	13	1,402,334	14	1,252,497	14
Net defined benefit liabilities - non-current (Note 22)	52,041	-	61,251	1	99,472	1
Guarantee deposits received	<u>187,997</u>	<u>2</u>	<u>124,840</u>	<u>1</u>	<u>92,013</u>	<u>1</u>
Total non-current liabilities	<u>2,590,433</u>	<u>21</u>	<u>1,652,286</u>	<u>17</u>	<u>1,569,823</u>	<u>18</u>
Total liabilities	<u>8,134,226</u>	<u>65</u>	<u>6,422,639</u>	<u>67</u>	<u>5,854,091</u>	<u>67</u>
EQUITY (Note 23)						
Ordinary shares	<u>844,511</u>	<u>7</u>	<u>769,879</u>	<u>8</u>	<u>769,879</u>	<u>9</u>
Capital surplus	<u>1,888,008</u>	<u>15</u>	<u>1,789,924</u>	<u>19</u>	<u>1,791,541</u>	<u>21</u>
Retained earnings (Note 3)						
Legal reserve	607,588	5	568,290	6	669,833	8
Special reserve	105,230	1	114,717	1	114,717	1
Unappropriated earnings (accumulated deficit)	<u>1,394,388</u>	<u>11</u>	<u>408,143</u>	<u>4</u>	<u>(90,621)</u>	<u>(1)</u>
Total retained earnings	<u>2,107,206</u>	<u>17</u>	<u>1,091,150</u>	<u>11</u>	<u>693,929</u>	<u>8</u>
Other equity (Note 3)	<u>(128,024)</u>	<u>(1)</u>	<u>(105,196)</u>	<u>(1)</u>	<u>(127,228)</u>	<u>(2)</u>
Treasury shares	<u>(309,066)</u>	<u>(3)</u>	<u>(352,801)</u>	<u>(4)</u>	<u>(285,813)</u>	<u>(3)</u>
Total equity	<u>4,402,635</u>	<u>35</u>	<u>3,192,956</u>	<u>33</u>	<u>2,842,308</u>	<u>33</u>
TOTAL	<u>\$ 12,536,861</u>	<u>100</u>	<u>\$ 9,615,595</u>	<u>100</u>	<u>\$ 8,696,399</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, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except (Loss) Earnings Per Share)

	2023		2022 (Restated)	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 24 and 33)	\$ 13,516,623	100	\$ 10,316,869	100
OPERATING COSTS (Notes 10, 25 and 33)	<u>(7,023,486)</u>	<u>(52)</u>	<u>(5,421,846)</u>	<u>(53)</u>
GROSS PROFIT	<u>6,493,137</u>	<u>48</u>	<u>4,895,023</u>	<u>47</u>
PROFIT FROM OPERATIONS	<u>6,493,137</u>	<u>48</u>	<u>4,895,023</u>	<u>47</u>
OPERATING EXPENSES (Note 25)				
Selling and marketing expenses	(4,518,793)	(34)	(3,740,809)	(36)
General and administrative expenses	(684,537)	(5)	(492,504)	(5)
Research and development expenses	<u>(23,385)</u>	<u>-</u>	<u>(19,712)</u>	<u>-</u>
Total operating expenses	<u>(5,226,715)</u>	<u>(39)</u>	<u>(4,253,025)</u>	<u>(41)</u>
NON-OPERATING INCOME AND EXPENSES (Notes 25 and 33)				
Interest income	52,119	-	13,792	-
Other income	117,688	1	121,482	1
Other gains and losses	(23,144)	-	20,038	1
Finance costs	(30,883)	-	(18,173)	-
Share of profit (loss) of subsidiaries, associates and joint ventures (Note 3)	<u>274,816</u>	<u>2</u>	<u>(297,200)</u>	<u>(3)</u>
Total non-operating income and expenses	<u>390,596</u>	<u>3</u>	<u>(160,061)</u>	<u>(1)</u>
PROFIT BEFORE INCOME TAX	1,657,018	12	481,937	5
INCOME TAX EXPENSE (Notes 3 and 26)	<u>(276,508)</u>	<u>(2)</u>	<u>(91,134)</u>	<u>(1)</u>
NET PROFIT FOR THE YEAR	<u>1,380,510</u>	<u>10</u>	<u>390,803</u>	<u>4</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Notes 22 and 23)	(1,600)	-	21,819	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 26)	320	-	(4,364)	-

(Continued)

# WOWPRIME CO., LTD.

## STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except (Loss) Earnings Per Share)

	<b>2023</b>		<b>2022 (Restated)</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations (Notes 3 and 23)	\$ (28,527)	-	\$ 27,531	-
Income tax relating to items that may be reclassified subsequently to profit or loss (Notes 23 and 26)	<u>5,699</u>	<u>-</u>	<u>(5,499)</u>	<u>-</u>
Other comprehensive income for the year	<u>(24,108)</u>	<u>-</u>	<u>39,487</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u>\$ 1,356,402</u>	<u>10</u>	<u>\$ 430,290</u>	<u>4</u>
<b>EARNINGS PER SHARE (Note 26)</b>				
Basic	<u>\$ 16.79</u>		<u>\$ 4.74</u>	
Diluted	<u>\$ 16.53</u>		<u>\$ 4.74</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, 2023 AND 2022  
(In Thousands of New Taiwan Dollars)

	Share Capital			Retained Earnings		Unappropriated Earnings (Accumulated Deficits)	Other Equity	Treasury Shares (Note 23)	Total
	Shares (In Thousands)	Share Capital	Capital Surplus	Legal Reserve	Special Reserve		Exchange Differences on Translating the Financial Statements of Foreign Operations		
BALANCE AT JANUARY 1, 2022	76,988	\$ 769,879	\$ 1,791,541	\$ 669,833	\$ 114,717	\$ (101,543)	\$ (127,228)	\$ (285,813)	\$ 2,831,386
Effect of retrospective application and retrospective restatement	-	-	-	-	-	10,922	-	-	10,922
BALANCE AT JANUARY 1, 2022 AS RESTATED	76,988	769,879	1,791,541	669,833	114,717	(90,621)	(127,228)	(285,813)	2,842,308
Appropriation of 2021 earnings Legal reserve	-	-	-	(101,543)	-	101,543	-	-	-
Net profit for the year ended December 31, 2022	-	-	-	-	-	390,803	-	-	390,803
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	17,455	22,032	-	39,487
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	408,258	22,032	-	430,290
Treasury share transactions (Note 23)	-	-	(785)	-	-	(6,883)	-	(66,988)	(74,656)
Actual acquisition or disposal of part of interests in subsidiaries	-	-	(1,478)	-	-	-	-	-	(1,478)
Changes in percentage of ownership interests in subsidiaries	-	-	(139)	-	-	(4,154)	-	-	(4,293)
Share-based payment (Note 28)	-	-	785	-	-	-	-	-	785
BALANCE AT DECEMBER 31, 2022	76,988	769,879	1,789,924	568,290	114,717	408,143	(105,196)	(352,801)	3,192,956
Appropriation of 2022 earnings Legal reserve	-	-	-	39,298	-	(39,298)	-	-	-
Share dividends distributed by the Company	7,463	74,629	-	-	-	(74,629)	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(288,545)	-	-	(288,545)
Reversal of special reserve	-	-	-	-	(9,487)	9,487	-	-	-
Net profit for the year ended December 31, 2023	-	-	-	-	-	1,380,510	-	-	1,380,510
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	-	(1,280)	(22,828)	-	(24,108)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	1,379,230	(22,828)	-	1,356,402
Equity component of convertible bonds issued by the Company	-	-	65,391	-	-	-	-	-	65,391
Convertible bonds converted to ordinary shares	-	3	88	-	-	-	-	-	91
Treasury share transactions (Note 23)	-	-	-	-	-	-	-	43,735	43,735
Actual acquisition or disposal of part of interests in subsidiaries	-	-	610	-	-	-	-	-	610
Changes in percentage of ownership interests in subsidiaries	-	-	10	-	-	-	-	-	10
Share-based payment (Note 28)	-	-	31,985	-	-	-	-	-	31,985
BALANCE AT DECEMBER 31, 2023	84,451	\$ 844,511	\$ 1,888,008	\$ 607,588	\$ 105,230	\$ 1,394,388	\$ (128,024)	\$ (309,066)	\$ 4,402,635

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

# WOWPRIME CO., LTD.

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022 (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	\$ 1,657,018	\$ 481,937
Adjustments for:		
Depreciation expenses	1,035,959	881,562
Amortization expenses	7,941	4,261
Net loss on fair value changes of financial assets or liabilities at fair value through profit or loss	979	-
Finance costs	30,883	18,173
Interest income	(52,119)	(13,792)
Share-based payment awards	-	506
Share of (profit) loss of subsidiaries, associates and joint ventures	(274,816)	297,200
Loss on disposal of property, plant and equipment	10,944	13,244
Loss on disposal of subsidiary	-	2,864
Write-down of inventories	12,150	-
Loss (gain) on lease modification	529	(550)
Changes in operating assets and liabilities		
Trade receivables	(262,445)	4,166
Inventories	(938,037)	32,488
Prepayments	132,998	(107,779)
Other current assets	(8,426)	13,102
Contract liabilities	(166,430)	242,444
Notes payable	11,979	5,013
Trade payables	383,707	18,056
Other payables	195,796	125,373
Other current liabilities	2,326	997
Net defined benefit liabilities	(10,810)	(16,402)
Cash generated from operations	1,770,126	2,002,863
Interest paid	(21,304)	(18,173)
Income tax paid	(200,937)	(21,696)
Net cash generated from operating activities	<u>1,547,885</u>	<u>1,962,994</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at amortized cost	(1,047,701)	(463,695)
Acquisition of investments accounted for using equity method	(62,104)	(177,018)
Disposal of subsidiary	-	22,567
Payments for property, plant and equipment	(689,954)	(599,161)
Increase in refundable deposits	(16,362)	(15,723)
Payments for intangible assets	(13,647)	(12,488)
Payments for right-of-use assets	(28,724)	(17,070)
Other financial assets	2,187	(3,570)
Increase in prepayments equipment	(11,457)	(1,510)
		(Continued)

# WOWPRIME CO., LTD.

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022 (Restated)
Interest received	\$ 51,403	\$ 12,998
Dividends received from subsidiaries	<u>131,058</u>	<u>23,826</u>
Net cash used in financing activities	<u>(1,685,301)</u>	<u>(1,230,844)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of convertible bonds	701,877	-
Proceeds from guarantee deposits received	63,157	32,827
Repayment for the principal portion of lease liabilities	(513,762)	(447,988)
Dividends paid	(288,545)	-
Costs for treasury shares buyback (Note 23)	-	(102,736)
Treasury shares transferred to employees	<u>43,735</u>	<u>28,080</u>
Net cash generated from/(used in) financing activities	<u>6,462</u>	<u>(489,817)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(130,954)	242,333
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>1,468,665</u>	<u>1,226,332</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 1,337,711</u>	<u>\$ 1,468,665</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, 2023 AND 2022

(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 7, 2024.

#### 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 “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

Except for the following, the initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Company’s accounting policies:

Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities  
arising from a Single Transaction”

The amendments clarify that the initial recognition exemption under IAS 12 does not apply to transactions in which equal taxable and deductible temporary differences arise on initial recognition. The Company applied the amendments and recognized a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations on January 1, 2022. The Company shall apply the amendments prospectively to transactions other than leases and decommissioning obligations that occur on or after January 1, 2022. Upon initial application of the amendments to IAS 12, the Company recognized the cumulative effect of retrospective application in retained earnings on January 1, 2022, and restated comparative information.

Had the applied the original IAS 12 in the current year, the following adjustments should be made to reflect the line items and balances under the amendments to IAS 12.

Impact on assets, liabilities and equity for the current year

	<b>December 31, 2023</b>
Investments measured by equity method	\$ 10,991
Increase in deferred tax assets	<u>13,507</u>
Increase in assets	<u>\$ 24,498</u>
Increase in deferred tax liabilities	<u>\$ 5,681</u>
Increase in liabilities	<u>\$ 5,681</u>
Increase in retained earnings	\$ 18,911
Decrease in other equity	<u>(94)</u>
Increase in equity	<u>\$ 18,817</u>

Impact on total comprehensive income for the current year

	<b>For the Year Ended December 31, 2023</b>
Profit before tax	\$ 1,942
Decrease in income tax expense	<u>1,811</u>
Increase in net profit for the year	<u>3,753</u>
Items that may be reclassified subsequently to profit or loss:	
Decrease in exchange differences on the translation of the financial statements of foreign operations	(160)
Increase in income tax related to items that may be reclassified subsequently	<u>32</u>
Decrease in other comprehensive income for the year, net of income tax	<u>(128)</u>
Increase in total comprehensive income for the year	<u>\$ 3,625</u>
Impact on earnings per share	
Increase in basic earnings per share	<u>\$ 0.05</u>
Increase in diluted earnings per share	<u>\$ 0.04</u>

Upon initial application of the amendments to IAS 12, the impact for the prior year is summarized below:

Impact on assets, liabilities and equity for the prior year

	<b>As Originally Stated</b>	<b>Adjustments Arising from Initial Application</b>	<b>Restated</b>
<u>December 31, 2022</u>			
Investments accounted for using the equity method	\$ 2,587,281	\$ 9,177	\$ 2,596,458
Deferred tax assets	<u>55,727</u>	<u>11,236</u>	<u>66,963</u>
Total effect on assets	<u>\$ 2,643,008</u>	<u>\$ 20,413</u>	<u>\$ 2,663,421</u>
Deferred tax liabilities	<u>\$ 2,459</u>	<u>\$ 5,221</u>	<u>\$ 7,680</u>
Total effect on liabilities	<u>\$ 2,459</u>	<u>\$ 5,221</u>	<u>\$ 7,680</u>
Retained earnings	\$ 392,985	\$ 15,158	\$ 408,143
Other equity	<u>(105,230)</u>	<u>34</u>	<u>(105,196)</u>
Total effect on equity	<u>\$ 287,755</u>	<u>\$ 15,192</u>	<u>\$ 302,947</u>
<u>January 1, 2022</u>			
Investments accounted for using the equity method	\$ 2,737,585	\$ 6,273	\$ 2,743,858
Deferred tax assets	<u>115,800</u>	<u>8,729</u>	<u>124,529</u>
Total effect on assets	<u>\$ 2,853,385</u>	<u>\$ 15,002</u>	<u>\$ 2,868,387</u>
Deferred tax liabilities	<u>\$ 78,116</u>	<u>\$ 4,080</u>	<u>\$ 82,196</u>
Total effect on liabilities	<u>\$ 78,116</u>	<u>\$ 4,080</u>	<u>\$ 82,196</u>
Retained earnings	<u>\$ (101,543)</u>	<u>\$ 10,922</u>	<u>\$ (90,621)</u>
Total effect on equity	<u>\$ (101,543)</u>	<u>\$ 10,922</u>	<u>\$ (90,621)</u>



Impact on total comprehensive income for the prior year

	As Originally Stated	Adjustments Arising from Initial Application	Restated
Profit from operations	\$ 641,998	\$ -	\$ 641,998
Non-operating income and expenses			
Interest income	13,792	-	13,792
Other income	121,482	-	121,482
Other gains and losses	20,038	-	20,038
Finance costs	(18,173)	-	(18,173)
Share of profit or loss of subsidiaries, associates and joint ventures accounted for using the equity method	(300,070)	2,870	(297,200)
Total non-operating income and expenses	(162,931)	2,870	(160,061)
Profit before tax	479,067	2,870	481,937
Income tax expense	(92,500)	1,366	(91,134)
Total effect on net profit for the year	386,567	4,236	390,803
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit plan	21,819	-	21,819
Income tax related to items that may not be reclassified subsequently	(4,364)	-	(4,364)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on the translation of the financial statements of foreign operations	27,497	34	27,531
Income tax related to items that may be reclassified subsequently	(5,499)	-	(5,449)
Total effect on other comprehensive income for the year, net of income tax	39,453	34	39,487
Total effect on total comprehensive income for the year	\$ 426,020	\$ 4,270	\$ 430,290

Impact on earnings per share

Basic earnings per share	\$ 4.68	\$ 0.06	\$ 4.74
Diluted earnings per share	\$ 4.68	\$ 0.06	\$ 4.74

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024
Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”	January 1, 2024 (Note 3)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards will be 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.

Note 3: The amendments provide some transition relief regarding disclosure requirements.

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 exist at the end of the reporting period, the liability is classified as non-current regardless of whether the 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, which may have difficulty complying with the covenants and repaying 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, at the option of the counterparty, result in its settlement by a transfer of the Company’s own equity instruments, and if such an 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.

Except for the above impact, 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. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

<b>New, Amended and Revised Standards and Interpretations</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
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 21 “Lack of Exchangeability”	January 1, 2025 (Note 2)

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

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”

The amendments stipulate that, when the Company sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when the Company loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

Conversely, when the Company sells or contributes assets that do not constitute a business to an associate or joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Company’s interest as an unrelated investor in the associate or joint venture, i.e., the Company’s share of the gain or loss is eliminated. Also, when the Company loses control of a subsidiary that does not contain a business but retains significant influence or joint control over an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Company’s interest as an unrelated investor in the associate or joint venture, i.e., the Company’s share of the gain or loss is eliminated.

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 MATERIAL ACCOUNTING POLICY INFORMATION**

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 financial instruments at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

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

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

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 period, 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.

Except for freehold land which is not depreciated, the 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 the 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 and accumulated impairment loss. 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

Except for the following situations, all financial liabilities are measured at amortized cost using the effective interest method:

#### Financial liabilities measured at FVTPL

Financial liabilities measured at FVTPL include those held for trading and those designated as measured at fair value through profit or loss.

Financial liabilities held for trading are measured at fair value, and related gains or losses are recognized in other gains and losses.

### 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.

## 3) Convertible bonds

The components of compound financial instruments (convertible bonds) issued by the Company is classified as financial liabilities and equity, respectively, on initial recognition, based on the substance of the contractual agreements and the definitions of financial liabilities and equity instruments.

On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument and is measured at amortized cost using the effective interest method until the date of conversion or maturity. Liability components that are embedded in non-equity derivatives are measured at fair value.

The conversion right classified as equity is equal to the remaining amount of the fair value of the compound instrument as a whole less the fair value of the liability component determined separately and is recognized in equity, net of the income tax effect, and is not subsequently measured. When the conversion right is exercised, the related liability component and the amount in equity are transferred to equity and capital surplus - issue premium.

If the conversion right of the convertible bonds is not executed on the maturity date, the amount recognized in equity will be transferred to capital surplus - issue premium. Transaction costs related to the issuance of convertible bonds are allocated to the liability (included in the carrying amount of the liability) and equity components (included in equity) of the instrument in proportion to the total apportioned price.

## 1. 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.

### Decommissioning and restoration obligation

Pursuant to the lease agreement, the Company has an obligation, at the end of the respective lease terms, to restore the leased shops to their original condition at the time of the lease. Provisions are recognized based on the present value of the best estimate of future outflows of economic benefits that will be required for fulfillment of the restoration obligation stated on the lease contract.

#### 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 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, 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 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.

The adjustment of income tax payable in the previous year shall be included in the current income tax.

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. MATERIAL 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.

When developing material accounting estimates, the considers the possible impact of inflation and interest rate fluctuations on the cash flow projection, growth rates, discount rates, profitabilities and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

### **Key Sources of Estimation Uncertainty**

#### Write-down of inventories

The net realizable value of inventories is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The estimation of net realizable value is based on current market conditions and historical experience in the sale of product of a similar nature. Changes in market conditions may have a material impact on the estimation of the net realizable value.

## 6. CASH AND CASH EQUIVALENTS

	December 31	
	2023	2022
Cash on hand	\$ 59,534	\$ 47,061
Checking accounts and demand deposits	<u>1,278,177</u>	<u>1,421,604</u>
	<u>\$ 1,337,711</u>	<u>\$ 1,468,665</u>

The market rate intervals of demand deposits at the end of the year were as follows:

	December 31	
	2023	2022
Demand deposits	0.51%-1.45%	0.385%-1.05%

## 7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2023	2022
<u>Financial liabilities at FVTPL - current</u>		
Financial liabilities mandatorily classified as at FVTPL		
Non-derivative financial liabilities		
Conversion of convertible bonds	<u>\$ 4,129</u>	<u>\$ -</u>

## 8. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2023	2022
<u>Current</u>		
Time deposits with original maturities of more than 3 months	<u>\$ 2,704,760</u>	<u>\$ 1,657,059</u>

- a. The ranges of interest rates for time deposits with original maturities of more than 3 months were approximately 0.535% to 5.12% and 0.415% to 4.73% per annum as of December 31, 2023 and 2022, respectively.
- b. Financial assets measured at amortized cost pledged as collateral for bank borrowings are set out in Note 34.

## 9. TRADE RECEIVABLES

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
<u>Trade receivables</u>		
At amortized cost		
Gross carrying amount	\$ 459,612	\$ 197,167
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>
	<u>\$ 459,612</u>	<u>\$ 197,167</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, 2023

	<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	\$ 459,583	\$ 21	\$ 8	\$ -	\$ -	\$ 459,612
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 459,583</u>	<u>\$ 21</u>	<u>\$ 8</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 459,612</u>

### 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>



## 10. INVENTORIES

	December 31	
	2023	2022
Raw materials	\$ 992,784	\$ 111,230
Finished goods	4,556	3,320
Inventory in transit	<u>43,097</u>	<u>-</u>
	<u>\$ 1,040,437</u>	<u>\$ 114,550</u>

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

	For the Year Ended December 31	
	2023	2022
Cost of inventories sold	\$ 7,011,336	\$ 5,421,846
Inventory write-downs	<u>12,150</u>	<u>-</u>
	<u>\$ 7,023,486</u>	<u>\$ 5,421,846</u>

## 11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2023	2022
Investments in subsidiaries	\$ 2,726,295	\$ 2,518,211
Investments in associate	<u>80,103</u>	<u>78,247</u>
	<u>\$ 2,806,398</u>	<u>\$ 2,296,458</u>

### a. Investments in subsidiaries

	December 31	
	2023	2022
Tai Pin Holding Ltd.	\$ 1,544,205	\$ 1,479,622
WPT Restaurant Corporation	79,679	58,773
Cheerpin Restaurant Corporation	532,670	469,908
Wowfresh Corporation	568,953	505,429
Jeichuang Investment Co., Ltd.	<u>788</u>	<u>4,479</u>
	<u>\$ 2,726,295</u>	<u>\$ 2,518,211</u>

Name of Subsidiary	Proportion of Ownership and Voting Rights	
	December 31	
	2023	2022
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)	-	-

In consideration of operation, 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 6 for the details of the subsidiaries indirectly held by the Company.

b. Investments in associate

	December 31	
	2023	2022
Associate that is not individually material		
DUDOO LTD. (Cayman)	<u>\$ 80,103</u>	<u>\$ 78,247</u>
	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
The Company's share of:		
Profit from continuing operations	<u>\$ 2,053</u>	<u>\$ 2,763</u>
Total comprehensive income for the year	<u>\$ 1,856</u>	<u>\$ 3,414</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's shareholding ratio of DUDOO LTD. (Cayman) is less than 20%. However, the contract agreed by both companies indicates that Wow Prime owns one director of the board. Thus, Wow Prime has significant impact on DUDOO LTD. (Cayman).

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.

## 12. 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, 2023	\$ 122,505	\$ 132,408	\$ 732,463	\$ 97,512	\$ 741,753	\$ 1,302,642	\$ 117,144	\$ 3,246,427
Additions	-	-	197,036	21,011	202,665	324,714	50,920	796,346
Reclassifications	-	-	-	-	-	1,202	-	1,202
Disposals	-	-	(81,862)	(8,096)	(70,306)	(161,214)	(5,672)	(327,150)
Balance at December 31, 2023	<u>\$ 122,505</u>	<u>\$ 132,408</u>	<u>\$ 847,637</u>	<u>\$ 110,427</u>	<u>\$ 874,112</u>	<u>\$ 1,467,344</u>	<u>\$ 162,392</u>	<u>\$ 3,716,825</u>
<u>Accumulated depreciation and impairment</u>								
Balance at January 1, 2023	\$ -	\$ 54,588	\$ 452,557	\$ 62,740	\$ 494,843	\$ 772,490	\$ 71,560	\$ 1,908,778
Depreciation expenses	-	4,109	111,728	14,462	130,065	210,481	28,073	498,918
Disposals	-	-	(78,570)	(8,085)	(67,387)	(156,526)	(5,638)	(316,206)
Balance at December 31, 2023	<u>\$ -</u>	<u>\$ 58,697</u>	<u>\$ 485,715</u>	<u>\$ 69,117</u>	<u>\$ 557,521</u>	<u>\$ 826,445</u>	<u>\$ 93,995</u>	<u>\$ 2,091,490</u>
Carrying amounts at December 31, 2023	<u>\$ 122,505</u>	<u>\$ 73,711</u>	<u>\$ 361,922</u>	<u>\$ 41,310</u>	<u>\$ 316,591</u>	<u>\$ 640,899</u>	<u>\$ 68,397</u>	<u>\$ 1,625,335</u>
<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>

The management of the Company estimated the future profit of various business locations on December 31, 2023 and 2022. There is no impairment loss in 2023 and 2022.

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	1-10 years
Office equipment	1-6 years
Dining equipment	1-10 years
Leasehold improvement	1-10 years
Other equipment	1-6 years

## 13. LEASE ARRANGEMENTS

### a. Right-of-use assets

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Carrying amounts</u>		
Buildings	<u>\$ 2,166,535</u>	<u>\$ 1,764,926</u>

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Additions to right-of-use assets	\$ 628,599	\$ 632,299
Disposals of right-of-use assets	\$ 22,263	\$ 29,462
Depreciation charge for right-of-use assets		
Buildings	\$ 537,041	\$ 458,145

Except for the aforementioned addition and recognized depreciation, the Company did not have significant sublease of right-of-use assets during the years ended December 31, 2023 and 2022.

b. Lease liabilities

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
<u>Carrying amounts</u>		
Current	\$ 517,590	\$ 350,733
Non-current	\$ 1,632,170	\$ 1,402,334

Range of discount rate for lease liabilities was as follows:

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Buildings	0.765%-1.758%	0.765%-1.64%

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>2023</b>	<b>2022</b>
Expenses relating to variable lease payments and short-term leases not included in the measurement of lease liabilities	<u>\$ 205,173</u>	<u>\$ 180,058</u>
Total cash outflow for leases	<u>\$ (768,955)</u>	<u>\$ (661,275)</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>2023</b>	<b>2022</b>
Lease commitments	<u>\$ 84,977</u>	<u>\$ 29,733</u>

#### 14. OTHER INTANGIBLE ASSETS

	<b>Software</b>
<u>Cost</u>	
Balance at January 1, 2023	\$ 38,165
Additions	<u>13,647</u>
Balance at December 31, 2023	<u>\$ 51,812</u>
<u>Accumulated amortization</u>	
Balance at January 1, 2023	\$ 23,790
Amortization expenses	<u>7,941</u>
Balance at December 31, 2023	<u>\$ 31,731</u>
Carrying amount at December 31, 2023	<u>\$ 20,081</u>
<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>

(Continued)

	<b>Software</b>
<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>
	(Concluded)

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

Software 1-6 years

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
An analysis of amortization by function		
General and administrative	<u>\$ 7,941</u>	<u>\$ 4,261</u>

## 15. PREPAYMENTS

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
<u>Current</u>		
Prepaid rent	\$ 4,823	\$ 4,196
Supplies	20,760	2,222
Prepayment for purchases	15,982	171,534
Others	<u>7,888</u>	<u>4,499</u>
	<u>\$ 49,453</u>	<u>\$ 182,451</u>

## 16. OTHER FINANCIAL ASSETS - CURRENT

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Trust account	<u>\$ 1,745</u>	<u>\$ 3,932</u>

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

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Trust account	0.510%	0.385%-0.405%

## 17. OTHER ASSETS

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
<u>Current</u>		
Other receivables	\$ 5,019	\$ 2,045
Other receivables form related parties (Note 33)	34,929	28,052
Others	<u>10,068</u>	<u>7,389</u>
	<u>\$ 50,016</u>	<u>\$ 37,486</u>
<u>Non-current</u>		
Refundable deposits	\$ 166,360	\$ 149,998
Other receivables form related parties (Note 33)	<u>18,389</u>	<u>21,777</u>
	<u>\$ 184,749</u>	<u>\$ 171,775</u>

## 18. BONDS PAYABLE

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Unsecured domestic bonds	\$ 642,824	\$ -
Less: Current portion	<u>-</u>	<u>-</u>
	<u>\$ 642,824</u>	<u>\$ -</u>

On March 29, 2023, the Company issued 7 thousand, 0% NTD-denominated unsecured convertible bonds in Taiwan, with an aggregate principal amount of \$700,000 thousand.

Each bond entitles the holder to convert it into ordinary shares of the Company at a conversion price of \$295. Conversion may occur at any time between June 30, 2023 and March 29, 2028.

Between June 30, 2023 and March 29, 2028, if the closing price for the ordinary shares of the Company exceeds 30% of the conversion price of the convertible corporate bond at the time for 30 business days in a row, the merged company may recover the bonds in the following 30 business days. Alternatively, if the remaining amount of outstanding convertible corporate bonds is less than 10% of the total carrying amount at the time of initial issuance, the Company may recover the bonds at any time thereafter.

In the event that the bondholders sell the convertible bonds before the sell-back date of March 29, 2026, the bondholders may require the merged company to redeem the convertible bond held at par value in cash.

The convertible bonds contain both liability and equity components. The equity component was presented in equity under the heading of capital surplus - options. The effective interest rate of the liability component was 2% per annum on initial recognition.

Proceeds from issuance (less transaction costs of \$5,146 thousand)	\$ 701,877
Equity component (less transaction costs allocated to the equity component of \$479 thousand)	(65,391)
Liability component	<u>(3,150)</u>
Liability component at the date of issue (less transaction costs allocated to the liability component of \$4,667 thousand)	633,336
Interest charged at an effective interest rate	9,579
Convertible bonds converted into ordinary shares	<u>(91)</u>
Liability component at December 31, 2023	<u>\$ 642,824</u>

## 19. NOTES PAYABLE AND TRADE PAYABLES

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Notes payable</u>		
Operating	<u>\$ 67,424</u>	<u>\$ 55,445</u>
<u>Trade payables</u>		
Operating		
Unrelated parties	\$ 427,330	\$ 117,952
Related parties (Note 33)	<u>77,193</u>	<u>2,864</u>
	<u>\$ 504,523</u>	<u>\$ 120,816</u>

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

## 20. OTHER LIABILITIES

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Current</u>		
Other payables		
Payables for purchase of equipment	\$ 191,614	\$ 96,577
Payables for salaries and bonus	613,765	464,269
Payables for rent	37,001	34,181
Payables for retirement benefit	29,458	25,745
Payables for insurance	71,437	63,374
Payables for annual leave	50,999	37,026
Payables for tax expense	48,934	53,149
Others	<u>145,787</u>	<u>128,718</u>
	1,188,995	903,039
Other payables to related parties (Note 33)	<u>16,344</u>	<u>11,467</u>
	<u>\$ 1,205,339</u>	<u>\$ 914,506</u>



## 21. PROVISIONS

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
<u>Non-current</u>		
Restoration obligation	\$ <u>67,536</u>	\$ <u>56,181</u>
		<b>Restoration Obligation</b>
Balance at January 1, 2023		\$ 56,181
Additional provisions recognized		12,762
Disposals		<u>(1,407)</u>
Balance at December 31, 2023		\$ <u>67,536</u>
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>

Pursuant to the lease agreement, the Company has an obligation, at the end of the respective lease terms, to restore the leased shops to their original condition at the time of the lease. Provisions are recognized based on the present value of the best estimate of future outflows of economic benefits that will be required for fulfillment of the restoration obligation stated on the lease contract. This estimate will be reviewed periodically and adjusted as necessary.

## 22. 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>2023</b>	<b>2022</b>
Operating costs	\$ 59,839	\$ 50,822
Selling and marketing expenses	90,796	77,589
General and administrative expenses	<u>11,934</u>	<u>11,206</u>
	\$ <u>162,569</u>	\$ <u>139,617</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>2023</b>	<b>2022</b>
Present value of defined benefit obligation	\$ 99,890	\$ 112,156
Fair value of plan assets	<u>(47,849)</u>	<u>(50,905)</u>
Net defined benefit liabilities	<u>\$ 52,041</u>	<u>\$ 61,251</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, 2023	<u>\$ 112,156</u>	<u>\$ (50,905)</u>	<u>\$ 61,251</u>
Service cost			
Current service cost	47	-	47
Net interest expense (income)	<u>1,682</u>	<u>(771)</u>	<u>911</u>
Recognized in profit or loss	<u>1,729</u>	<u>(771)</u>	<u>958</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(333)	(333)
Actuarial loss (gain)			
Changes in financial assumptions	1,490	-	1,490
Experience adjustments	<u>443</u>	<u>-</u>	<u>443</u>
Recognized in other comprehensive income	<u>1,933</u>	<u>(333)</u>	<u>1,600</u>
Contributions from the employer	-	(7,958)	(7,958)
Benefits paid	(12,118)	12,118	-
Others	<u>(3,810)</u>	<u>-</u>	<u>(3,810)</u>
Balance at December 31, 2023	<u>\$ 99,890</u>	<u>\$ (47,849)</u>	<u>\$ 52,041</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, 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> (Concluded)

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

	<b><u>For the Year Ended December 31</u></b>	
	<b><u>2023</u></b>	<b><u>2022</u></b>
General and administrative expenses	<u>\$ 958</u>	<u>\$ 788</u>

Through the defined benefit plans under the Labor Standards Act, 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.

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

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Discount rates	1.375%	1.50%
Expected rates of salary increase	2.00%	2.00%

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

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Discount rates		
0.25% increase	\$ (2,947)	\$ (3,418)
0.25% decrease	\$ 3,079	\$ 3,573
Expected rates of salary increase		
0.25% increase	\$ 3,004	\$ 3,490
0.25% decrease	\$ (2,890)	\$ (3,355)

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>2023</b>	<b>2022</b>
Expected contributions to the plan for the next year	\$ 1,028	\$ 1,028
Average duration of the defined benefit obligation	12.1 years	12.4 years

## 23. EQUITY

### a. Share capital

#### Ordinary shares

	<b>December 31</b>	
	<b>2023</b>	<b>2022</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)	84,451	76,988
Shares issued	\$ 844,511	\$ 769,879

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

Changes in the Company's equity capital are caused by stock dividends and the conversion of convertible corporate bonds into ordinary shares.

From June 30, 2023 to July 25, 2023, convertible bonds were converted to ordinary shares for the amount of \$3 thousand under advance receipts for share capital since, as of the date of financial statements, registration was not completed. On August 3, 2023, the board of directors resolved to set the base date of capital increase to August 21, 2023. The registration for paid-in capital of \$769,882 thousand was completed on September 13, 2023.

On June 15, 2023, the Company passed the resolution of the shareholders' meeting to distribute the 2022 earnings distribution and distributed a stock dividend of \$74,629 thousand, and the change registration was completed on September 26, 2023, with a paid-in capital of \$844,511 thousand.

The above-mentioned capital surplus was approved by the Securities and Futures Bureau of the Financial Supervisory Commission on July 27, 2023, and the board of directors resolved to set September 15, 2023 as the base date for capital increase.

b. Capital surplus

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital*</u>		
Issuance of ordinary shares	\$ 1,785,173	\$ 1,785,075
Treasury share transactions	31,985	-
Difference between consideration paid and the carrying amount of the subsidiaries' net assets during actual acquisition	5,469	4,849
<u>May only be used to offset a deficit</u>		
Share warrants	<u>65,381</u>	<u>-</u>
	<u>\$ 1,888,008</u>	<u>\$ 1,789,924</u>

\* 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).

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 25-g.

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 2022 were as follows:

	<b>Appropriation of Earnings For the Year Ended December 31, 2022</b>
Legal reserve	\$ 39,298
Special reserve	\$ (9,487)
Cash dividends	\$ 288,545
Share dividends	\$ 74,629
Cash dividends per share (NT\$)	\$ 3.87
Share dividends per share (NT\$)	\$ 1

The above appropriations for cash dividends were resolved by the Company's board of directors on March 23, 2023, the other proposed appropriations were resolved by the shareholders in their meeting on June 15, 2023.

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	\$ 101,543

The appropriations of earnings for 2023 that had been proposed in the board of directors' meeting on March 7, 2024, were as follows:

	<b>For the Year Ended December 31, 2023</b>
Legal reserve	\$ 139,439
Special reserve	22,794
Cash dividends	1,232,155
Cash dividends per share (NT\$)	14.94

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 6, 2024.

d. Special reserve

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Balance at January 1	\$ 114,717	\$ 114,717
Reversals		
Reversal of the debits to other items	<u>(9,487)</u>	<u>-</u>
Balance at December 31	<u>\$ 105,230</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>2023</b>	<b>2022</b>
Balance at January 1	\$ (105,230)	\$ (127,228)
Numbers affected by retrospective application and retrospective restatement	<u>34</u>	<u>-</u>
Balance after restatement	(105,196)	(127,228)
Recognized for the year		
Exchange differences on translating the financial statements of foreign operations	(28,330)	24,070
Related income tax	5,660	(4,807)
Share of associated by using the equity method	(197)	651
Related income tax	39	(130)
Reclassification		
Disposal of foreign operators	-	2,810
Related income tax	<u>-</u>	<u>(562)</u>
Balance at December 31	<u>\$ (128,024)</u>	<u>\$ (105,196)</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, 2023	2,359
Exercise of employee share options	<u>(361)</u>
Number of shares at December 31, 2023	<u>1,998</u>
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>

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'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 treasury shares to employees for proceeds of \$28,080 thousand on May 30, 2022.

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.

The Company board of directors decided to transfer 361 thousand treasury shares to its employee, at the transfer price of \$121.15 per treasury share on August 3, 2023, The Company had recognized compensation costs of \$31,985 thousand on the grant date in 2023.

The Company's board of directors decided to repurchase 361 thousand treasury shares and transfer them to its employees on August 31, 2023, the total amount was \$43,735 thousand.

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.



## 24. REVENUE

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Revenue from contracts with customers		
Revenue from the sale of food and beverages	\$ 13,165,432	\$ 10,313,378
Revenue from the sale of goods	<u>351,191</u>	<u>3,491</u>
	<u>\$ 13,516,623</u>	<u>\$ 10,316,869</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, 2023</b>	<b>December 31, 2022</b>	<b>January 1, 2022</b>
Trade receivables (Note 9)	<u>\$ 459,612</u>	<u>\$ 197,167</u>	<u>\$ 201,333</u>
Contract liabilities			
Deferred revenue from gift vouchers	\$ 2,860,432	\$ 3,052,289	\$ 2,785,439
Customer loyalty programs	131,020	98,093	137,176
Sale of goods	<u>18,024</u>	<u>25,524</u>	<u>10,847</u>
	<u>\$ 3,009,476</u>	<u>\$ 3,175,906</u>	<u>\$ 2,933,462</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>2023</b>	<b>2022</b>
From contract liabilities at the beginning of the year		
Deferred revenue from gift vouchers	<u>\$ 1,058,894</u>	<u>\$ 817,245</u>

c. Disaggregation of revenue

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
<u>Type of goods or services</u>		
Fine dining business	\$ 4,863,071	\$ 3,996,667
Casual dining business	2,868,084	2,225,451
Hot pot business	3,189,587	2,279,547
Chinese food business	810,034	638,256
Roast meat business	1,469,415	1,176,948
Trade and retail business	<u>316,432</u>	<u>-</u>
	<u>\$ 13,516,623</u>	<u>\$ 10,316,869</u>

d. Partially completed contracts

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Catering sales services		
- completed in 2023	\$ -	\$ 1,953,027
- completed in 2024	1,552,150	916,427
- completed in 2025	750,252	182,835
- completed in 2026	502,918	-
- completed in or after 2027	<u>55,112</u>	<u>-</u>
	<u>\$ 2,860,432</u>	<u>\$ 3,052,289</u>

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

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

a. Interest income

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Bank deposits	\$ 51,254	\$ 13,182
Imputed interest on deposits	617	350
Loan receivables and interest income (Note 33)	<u>248</u>	<u>260</u>
	<u>\$ 52,119</u>	<u>\$ 13,792</u>

b. Other income

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Government grants (Note 29)	\$ -	\$ 19,488
Managing service income (Note 33)	86,351	75,590
Others	<u>31,337</u>	<u>26,404</u>
	<u>\$ 117,688</u>	<u>\$ 121,482</u>

c. Other gains and losses

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Loss on disposal of property, plant and equipment	\$ (10,944)	\$ (13,244)
Net foreign exchange (losses) gains	(671)	48,502
(Loss) gain on contract modification	(529)	550
Financial liabilities at fair value through profit or loss	(979)	-
Loss on disposal of investments	-	(2,864)
Others	<u>(10,021)</u>	<u>(12,906)</u>
	<u>\$ (23,144)</u>	<u>\$ 20,038</u>

The losses on disposal recognized in the years 2023 and 2022 mainly resulted from the relocation or closure of some stores, leading to the scrapping of leasehold improvements and equipment that had not reached their useful life.

d. Finance costs

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Interest on lease liabilities	\$ (21,296)	\$ (16,162)
Interest on bank loans	-	(2,007)
Interest on convertible bonds	(9,579)	-
Others	<u>(8)</u>	<u>(4)</u>
	<u>\$ (30,883)</u>	<u>\$ (18,173)</u>

e. Depreciation and amortization

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
An analysis of depreciation by function		
Operating costs	\$ 424,133	\$ 360,124
Operating expenses	<u>611,826</u>	<u>521,438</u>
	<u>\$ 1,035,959</u>	<u>\$ 881,562</u>
An analysis of amortization by function		
Operating expenses	<u>\$ 7,941</u>	<u>\$ 4,261</u>

f. Employee benefits expense

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Short-term benefits	\$ 4,121,413	\$ 3,242,822
Post-employment benefits (Note 22)		
Defined contribution plans	162,569	139,617
Defined benefit plans	<u>958</u>	<u>788</u>
	4,284,940	3,383,227
Other employee benefits	<u>627,527</u>	<u>454,019</u>
Total employee benefits expense	<u>\$ 4,912,467</u>	<u>\$ 3,837,246</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 1,816,723	\$ 1,446,329
Operating expenses	<u>3,095,744</u>	<u>2,390,917</u>
	<u>\$ 4,912,467</u>	<u>\$ 3,837,246</u>

g. 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. The compensation of employees and remuneration to directors and supervisors for the years ended December 31, 2023 and 2022 which have been approved by the Company's board of directors on March 7, 2024 and March 23, 2023, were as follows:

Accrual rate

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Compensation of employees	0.1%	0.1%
Remuneration of directors and supervisors	-	-

Amount

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
	<b>Cash</b>	<b>Cash</b>
Compensation of employees	\$ 1,659	\$ 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, 2022 and 2021.

Information on the compensation of employees and remuneration of directors and supervisors resolved by the Company's board of directors in 2022 and 2021 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

## 26. INCOME TAXES

### a. Income tax recognized in profit or loss

Major components of income tax expense were as follows:

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Current tax		
In respect of the current year	\$ 281,589	\$ 117,947
Adjustments for prior years	<u>16</u>	<u>-</u>
	<u>281,605</u>	<u>117,947</u>
Deferred tax		
In respect of the current year	<u>(5,097)</u>	<u>(26,813)</u>
Income tax expense recognized in profit or loss	<u>\$ 276,508</u>	<u>\$ 91,134</u>

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

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Profit before income tax from continuing operations	<u>\$ 1,657,018</u>	<u>\$ 481,937</u>
Income tax expense calculated at the statutory rate	\$ 331,404	\$ 96,387
Tax-exempt income	(54,912)	(31,378)
Nondeductible expenses in determining taxable income	-	-
Unused benefit of tax loss	-	26,125
Adjustments for prior years' tax	<u>16</u>	<u>-</u>
Income tax expense recognized in profit or loss	<u>\$ 276,508</u>	<u>\$ 91,134</u>

### b. Income tax recognized in other comprehensive income

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
<u>Deferred tax</u>		
In respect of the current year		
Translation of foreign operations	\$ 5,699	\$ (5,499)
Remeasurement of defined benefit plan	<u>320</u>	<u>(4,364)</u>
Total income tax recognized in other comprehensive income	<u>\$ 6,019</u>	<u>\$ (9,863)</u>

c. Current tax assets and liabilities

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Current tax assets		
Tax refund receivable	\$ <u>-</u>	\$ <u>629</u>
Current tax liabilities		
Income tax payable	\$ <u>228,440</u>	\$ <u>148,401</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, 2023

	<b>Opening Balance</b>	<b>Recognized in Profit or Loss</b>	<b>Recognized in Other Comprehensive Income</b>	<b>Closing Balance</b>
<u>Deferred tax assets</u>				
Temporary differences				
Impairment loss on property, plant and equipment	\$ 81	\$ -	\$ -	\$ 81
Exchange differences on translating the financial statements of foreign operations	26,307	-	5,699	32,006
Defined benefit obligation	12,251	(2,163)	320	10,408
Payables for annual leave	7,405	2,795	-	10,200
Inventory write-downs	-	2,430	-	2,430
Associates	9,683	(51)	-	9,632
Provision	<u>11,236</u>	<u>2,271</u>	<u>-</u>	<u>13,507</u>
	<u>\$ 66,963</u>	<u>\$ 5,282</u>	<u>\$ 6,019</u>	<u>\$ 78,264</u>
<u>Deferred tax liabilities</u>				
Temporary differences				
Decommissioning costs	\$ 5,221	\$ 460	\$ -	\$ 5,681
Exchange differences	<u>2,459</u>	<u>(275)</u>	<u>-</u>	<u>2,184</u>
	<u>\$ 7,680</u>	<u>\$ 185</u>	<u>\$ -</u>	<u>\$ 7,865</u>

For the year ended December 31, 2022

	Opening Balance	Effect of Retrospective Application of Amendments to IAS 12	Opening Balance (As Restated)	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	\$ -	\$ -	\$ 81
Exchange differences	7,068	-	7,068	(7,068)	-	-
Exchange differences on translating the financial statements of foreign operations	31,806	-	31,806	-	(5,499)	26,307
Defined benefit obligation	19,895	-	19,895	(3,280)	(4,364)	12,251
Payables for annual leave	5,298	-	5,298	2,107	-	7,405
Loss carryforwards	51,652	-	51,652	(51,652)	-	-
Associates	-	-	-	9,683	-	9,683
Provision	-	8,729	8,729	2,507	-	11,236
	<u>\$ 115,800</u>	<u>\$ 8,729</u>	<u>\$ 124,529</u>	<u>\$ (47,703)</u>	<u>\$ (9,863)</u>	<u>\$ 66,963</u>
<u>Deferred tax liabilities</u>						
Temporary differences						
Associates	\$ 78,116	\$ -	\$ 78,116	\$ (78,116)	\$ -	\$ -
Decommissioning costs	-	4,080	4,080	1,141	-	5,221
Exchange differences	-	-	-	2,459	-	2,459
	<u>\$ 78,116</u>	<u>\$ 4,080</u>	<u>\$ 82,196</u>	<u>\$ (74,516)</u>	<u>\$ -</u>	<u>\$ 7,680</u>

e. Income tax assessments

The income tax returns of the Company through 2021 have been assessed by the tax authorities.

## 27. EARNINGS PER SHARE

Unit: NT\$ Per Share

	<u>For the Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Basic earnings (losses) per share	<u>\$ 16.79</u>	<u>\$ 4.74</u>
Diluted earnings (losses) per share	<u>\$ 16.53</u>	<u>\$ 4.74</u>

The weighted average number of shares outstanding used for the earnings per share computation was adjusted retroactively for the issuance of bonus shares on September 15, 2023. The basic and diluted earnings per share adjusted retrospectively for the year ended December 31, 2022 were as follows:

Unit: NT\$ Per Share

	<u>Before Retrospective Adjustment</u>	<u>After Retrospective Adjustment</u>
Basic earnings per share	<u>\$ 5.21</u>	<u>\$ 4.74</u>
Diluted earnings per share	<u>\$ 5.21</u>	<u>\$ 4.74</u>

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

### Net Profit for the Year

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Earnings used in the computation of basic earnings per share	\$ 1,380,510	\$ 390,803
Effect of potentially dilutive ordinary shares		
Interest on convertible bonds (after tax)	7,663	-
Net loss on financial liability valuation at fair value through profit or loss	<u>979</u>	<u>-</u>
Earnings used in the computation of diluted earnings per share	<u>\$ 1,389,152</u>	<u>\$ 390,803</u>

The weighted average number of ordinary shares outstanding (in thousands of shares) was as follows:

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Weighted average number of ordinary shares used in the computation of basic earnings per share	82,213	82,498
Effect of potentially dilutive ordinary shares:		
Conversion of convertible bonds	1,807	-
Compensation of employees or bonuses issued to employees	<u>7</u>	<u>2</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>84,027</u>	<u>82,500</u>

The Company may settle the compensation or bonuses paid to employees in cash or shares; therefore, the Company assumes that the entire amount of the compensation or bonuses will be settled in shares, and the resulting potential shares will be 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.

## 28. SHARE-BASED PAYMENT ARRANGEMENT

### Transfer of Treasury Shares to Employees

On August 3, 2023, the Company granted 361 thousand employee stock options through treasury shares, each unit of which can subscribe for one ordinary share. Employees, including those who are in subsidiaries, are granted when they meet certain conditions. Since all granted employees meet the vested criteria, the stock options will be fully exercised by August 2023.



	<b>For the Year Ended December 31, 2023</b>	
	<b>Number of Options (In Thousands of Units)</b>	<b>Weighted- average Exercise Price (\$)</b>
Balance at January 1	-	-
Options granted	361	121.15
Options exercised	<u>(361)</u>	<u>121.15</u>
Balance at December 31	<u>-</u>	
Options exercisable, end of the year	<u>-</u>	
Weighted-average fair value of options granted (\$)	<u>\$ 112.94</u>	

In August 2023, the Company used the Black-Scholes evaluation model for its employees' stock options, and the input values used in the evaluation model are as follows:

	<b>August 2023</b>
Grant-date share price	\$294
Exercise price	\$121.15
Expected volatility	42.15%
Expected life (in years)	0.041
Risk-free interest rate	0.8079%

On March 8, 2022, the Company granted 216 thousand units of employee treasury stock options, each of which can subscribe for one ordinary share. The granted to employees of the merged company who meet certain conditions, and the vested condition is immediate vested, which has been fully implemented in March 2022.

	<b>For the Year Ended December 31, 2022</b>	
	<b>Number of Options (In Thousands of Units)</b>	<b>Weighted- average Exercise Price (\$)</b>
Balance at January 1	-	-
Options granted	216	130.00
Options exercised	<u>(216)</u>	<u>130.00</u>
Balance at December 31	<u>-</u>	
Options exercisable, end of the year	<u>-</u>	
Weighted-average fair value of options granted (\$)	<u>\$ 4.04</u>	

In March 2022, the Company used the Black-Scholes evaluation model for its employees' stock options, and the input values used in the evaluation model are as follows:

	<b>March 2022</b>
Grant-date share price	\$125
Exercise price	\$130
Expected volatility	29.21%
Expected life (in years)	0.175
Risk-free interest rate	0.1444%

In 2023 and 2022, the Company's share option compensation costs for the transfer of treasury shares to employees were \$31,985 thousand and \$785 thousand, respectively.

Please refer to Note 23(f) for details on the treasury shares.

## 29. 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.

## 30. 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, 2023 and 2022:

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Acquisition of property, plant and equipment		
Increase in property, plant and equipment	\$ 796,346	\$ 622,256
Add: Payable for purchase of equipment, balance at January 1	96,577	86,018
Decommissioning liability, balance at January 1	56,181	43,645
Less: Payable for purchase of equipment, balance at December 31	(191,614)	(96,577)
Decommissioning liability, balance at December 31	<u>(67,536)</u>	<u>(56,181)</u>
Cash payment	<u>\$ 689,954</u>	<u>\$ 599,161</u>

- 2) The Company reclassified the amounts of \$1,202 thousand and \$2,573 thousand from prepayments for equipment to property, plant and equipment for the years ended December 31, 2023 and 2022, respectively.

b. Changes in liabilities arising from financing activities

For the year ended December 31, 2023

	Opening Balance	Cash Flows	New Leases	Non-cash Changes		Closing Balance
				Remeasureme nt of Lease Contract	Remeasureme nt of Branch Closure	
Lease liabilities	\$ 1,753,067	\$ (513,762)	\$ 599,875	\$ 332,314	\$ (21,734)	\$ 2,149,760

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	\$ 1,615,838	\$ (447,988)	\$ 355,181	\$ 260,048	\$ (30,012)	\$ 1,753,067

### 31. CAPITAL RISK 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.

### 32. FINANCIAL INSTRUMENTS

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

1) Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial liabilities at FVTPL				
Convertible bond option	\$ -	\$ 4,129	\$ -	\$ 4,129

There were no transfers between Levels 1 and 2 in the current year.

2) Valuation techniques and inputs applied for Level 2 fair value measurement

Financial Instrument	Valuation Technique and Inputs
Convertible bond option	Binary Tree Convertible Bond Valuation Model: The valuation is calculated using a binary tree based on observable parameters at the end of the period, such as the tenure, conversion price, risk-free rate, and discount rate.

b. Categories of financial instruments

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
<u>Financial assets</u>		
Financial assets at amortized cost (1)	\$ 4,728,525	\$ 3,528,695
<u>Financial liabilities</u>		
Measured at fair value through profit or loss		
Convertible bond option	4,129	-
Financial liabilities at amortized cost (2)	2,608,107	1,215,607

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, bond 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 36.

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>2023</b>	<b>2022</b>
Profit or loss	\$ 4,505	\$ 4,105

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>2023</b>	<b>2022</b>
Fair value interest rate risk		
Financial assets	\$ 2,704,760	\$ 1,682,188
Financial liabilities	2,792,584	1,753,067
Cash flow interest rate risk		
Financial assets	1,279,922	1,425,536

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, 2023 and 2022 would have increased or decreased by \$1,280 thousand and \$1,426 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.

## 33. 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. Sales of goods

<u>Related Party Category/Name</u>	<u>For the Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Subsidiaries		
WPT Restaurant Corporation	\$ 5,394	\$ -
Cheerpin Restaurant Corporation	178,531	-
Wowfresh Corporation	<u>132,507</u>	<u>-</u>
	<u>\$ 316,432</u>	<u>\$ -</u>

### c. Contract liabilities

<u>Related Party Category/Name</u>	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
uniEat Co., Ltd.	<u>\$ 7,273</u>	<u>\$ -</u>

d. Purchases of goods

Related Party Category/Name	For the Year Ended December 31	
	2023	2022
Subsidiaries		
WPT Restaurant Corporation	\$ 102	\$ 232
Cheerpin Restaurant Corporation	439	701
Wowfresh Corporation	<u>4,616,876</u>	<u>3,129,440</u>
	<u>\$ 4,617,417</u>	<u>\$ 3,130,373</u>

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

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

Line Item	Related Party Category/Name	December 31	
		2023	2022
Accounts receivable	Associate		
	Subsidiaries		
	WPT Restaurant Corporation	\$ 3,300	\$ -
	Cheerpin Restaurant Corporation	77,467	-
	Wowfresh Corporation	20,560	-
	Associate		
	uniEat Co., Ltd.	<u>7,273</u>	<u>-</u>
		<u>\$ 108,600</u>	<u>\$ -</u>
Other receivables	Subsidiaries		
	WPT Restaurant Corporation	\$ 1,598	\$ 7,469
	Cheerpin Restaurant Corporation	24,894	13,647
	Wowfresh Corporation	25,797	28,713
	Associate		
	uniEat Co., Ltd.	<u>1,029</u>	<u>-</u>
		<u>\$ 53,318</u>	<u>\$ 49,829</u>

The outstanding receivables from related parties mainly for purchasing materials and lease agreements (refer to 33-j) are unsecured. For the years ended December 31, 2023 and 2022, no impairment losses were recognized for trade receivables from related parties.

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

Line Item	Related Party Category/Name	December 31	
		2023	2022
Trade payables	Subsidiaries		
	Cheerpin Restaurant Corporation	\$ -	\$ 2,864
	Wowfresh Corporation	<u>77,193</u>	<u>-</u>
		<u>\$ 77,193</u>	<u>\$ 2,864</u>
Other payables	Subsidiaries		
	Cheerpin Restaurant Corporation	\$ 11,777	\$ 7,881
	WPT Restaurant Corporation	430	387
	Wowfresh Corporation	4,137	3,000
	Associates		
	uniEat Co., Ltd.	<u>-</u>	<u>199</u>
		<u>\$ 16,344</u>	<u>\$ 11,467</u>

The outstanding trade payables to related parties are unsecured.

g. Prepayments

Related Party Category/Name	December 31	
	2023	2022
Subsidiaries		
Wowfresh Corporation	<u>\$ -</u>	<u>\$ 131,887</u>

h. Acquisition of property, plant and equipment

Related Party Category/Name	Purchase Price	
	For the Year Ended December 31	
	2023	2022
uniEat Co., Ltd.	<u>\$ 699</u>	<u>\$ -</u>

i. Other transactions with related parties

Line Item	Related Party Category/Name	December 31	
		2023	2022
Other income (management service revenue)	Subsidiaries		
	WPT Restaurant Corporation	\$ 8,308	\$ 7,237
	Cheerpin Restaurant Corporation	73,243	62,353
	Wowfresh Corporation	<u>4,800</u>	<u>6,000</u>
		<u>\$ 86,351</u>	<u>\$ 75,590</u>
Other income	Associates		
	uniEat Co., Ltd.	<u>\$ 980</u>	<u>\$ -</u>
Other expense	Subsidiaries		
	Wowfresh Corporation	<u>\$ -</u>	<u>\$ 3,000</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, 2023 and 2022, the balance of other receivables were \$21,777 thousand and \$25,129 thousand and the interest income was recognized due to financial lease of \$248 thousand and \$260 thousand.

k. Remuneration of key management personnel

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Short-term employee benefits	\$ 119,962	\$ 83,320
Post-employment benefits	<u>675</u>	<u>747</u>
	<u>\$ 120,637</u>	<u>\$ 84,067</u>

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

### 34. 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>2023</b>	<b>2022</b>
Restricted deposit balance	<u>\$ 886,727</u>	<u>\$ 583,665</u>
Pledged deposits	<u>\$ 188,415</u>	<u>\$ 185,669</u>

### 35. 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, 2023 and 2022 were as follows:

#### Significant Commitments

a. Unrecognized commitments were as follows:

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Acquisition of property, plant and equipment	<u>\$ 49,087</u>	<u>\$ 7,751</u>

b. As of December 31, 2023 and 2022, the Company had a line of credit to sell gift vouchers, of which \$1,770,404 thousand and \$1,606,913 thousand had been drawn, respectively.

### 36. 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, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 14,671,578	30.705 (USD:NTD)	<u>\$ 450,491</u>
Non-monetary items			
Investments accounted for using the equity method			
RMB	356,876,621	4.327 (RMB:NTD)	<u>\$ 1,544,205</u>

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	335,667,456	4.408 (RMB:NTD)	<u>\$ 1,479,623</u>

The significant realized and unrealized foreign exchange gains (losses) were as follows:

For the Year Ended December 31				
Functional Currency	2023		2022	
	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Gain (Loss)
USD	30.705 (USD:NTD)	\$ (683)	30.71 (USD:NTD)	\$ 48,489
RMB	4.327 (RMB:NTD)	13	4.408 (SGD:NTD)	14
JPY	0.2172 (JPY:NTD)	<u>(1)</u>	0.2324 (JPY:NTD)	<u>(1)</u>
		<u>\$ (671)</u>		<u>\$ 48,502</u>

### 37. 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
  - 10) Other: Intercompany relationships and significant intercompany transactions (Table 5)
- b. Information on 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: (Table 2)
    - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
    - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
    - c) The amount of property transactions and the amount of the resultant gains or losses.
    - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
    - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
    - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services.
- d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder. None

TABLE 1

WOWPRIME CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(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	\$ -	-	Business dealings	\$ 4,616,876	Business dealings	\$ -	-	\$ -	\$ 1,761,054	\$ 1,761,054	7
		WPT Restaurant Corporation	Other receivables	Yes	50,000	25,000	-	-	Short-term financing	-	Supporting short-term operating requirements	-	-	-	1,761,054	1,761,054	7
1	Wowprime (Beijing) Co., Ltd.	Wowprime (China) Co., Ltd.	Other receivables	Yes	44,775	43,730	43,730	3.65%	Short-term financing	-	Supporting short-term operating requirements	-	-	-	68,303	68,303	8
2	Wowprime (China) Co., Ltd.	Shanghai Wanxin International Trade Co., Ltd.	Other receivables	Yes	223,875	218,650	-	-	Short-term financing	-	Supporting short-term operating requirements	-	-	-	693,197	693,197	9
		Shanghai Hoppime Catering Management Co., Ltd.	Other receivables	Yes	134,325	131,190	43,730	3.65%	Short-term financing	-	Supporting short-term operating requirements	-	-	-	693,197	693,197	9
		Shanghai Xizhu Catering Management Co., Ltd.	Other receivables	Yes	44,775	43,730	-	-	Short-term financing	-	Supporting short-term operating requirements	-	-	-	693,197	693,197	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. (\$4,402,635 thousand × 40% = \$1,761,054 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. (\$4,402,635 thousand × 40% = \$1,761,054 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. (\$170,758 thousand × 40% = \$68,303 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. (\$170,758 thousand × 40% = \$68,303 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. (\$1,732,993 thousand × 40% = \$693,197 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. (\$1,732,993 thousand × 40% = \$693,197 thousand).

TABLE 2

WOWPRIME CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(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	\$ 1,761,504	\$ 600,000	\$ -	\$ -	\$ -	-	\$ 1,761,054	Y	N	N	
		Wowprime (China) Co., Ltd.	b	1,761,504	323,088	312,714	-	-	7.1	1,761,054	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. (\$4,402,635 thousand × 40% = \$1,761,054 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. (\$4,402,635 thousand × 40% = \$1,761,054 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, 2023  
(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	\$ 4,616,876	83.39	According to the Company's credit period to related parties	According to Company's policy	-	Trade payables \$ (77,193)	13.45	According to the Company's credit period to related parties
Cheerpin Restaurant Corporation	Wowfresh Corporation	Brother	Purchase	866,137	80.95	According to the Company's credit period to related parties	According to Company's policy	-	Trade payables (28,823)	21.84	According to the Company's credit period to related parties
	Wowprime Co., Ltd.	Subsidiary	Purchase	178,531	16.86	According to the Company's credit period to related parties	According to Company's policy	-	Trade payables (77,467)	58.71	According to the Company's credit period to related parties
Wowfresh Corporation	Wowprime Co., Ltd.	Subsidiary	Purchase	132,507	2.97	According to the Company's credit period to related parties	According to Company's policy	-	Trade payables (20,560)	10.67	According to the Company's credit period to related parties
Shanghai Wanxin International Trade Co., Ltd.	Wowprime (China) Co., Ltd.	Subsidiary	Purchase	182,754	97.51	According to the Company's credit period to related parties	According to Company's policy	-	Trade payables (103,036)	99.99	According to the Company's credit period to related parties

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

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

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

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

**TABLE 4**

**WOWPRIME CO., LTD. AND SUBSIDIARIES**

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OF 20% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(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 \$ 103,036	1.32	\$ -	-	\$ 27,195	\$ -

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**

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% of Total Sales or Assets (Note 3)
0	Wowprime Co., Ltd.	Wowfresh Corporation	a	Purchase	\$ 4,616,876	-	20.69
1	Cheerpin Restaurant Corporation	Wowfresh Corporation	c	Purchase	866,137	-	3.88

Note 1    The information on business dealings between the parent company and subsidiaries shall be numbered in the “Code” column with the following coding method:

- a.    Parent company will be coded “0”.
- b.    The subsidiaries are coded from “1” in the order presented in the table above.

Note 2    Relations with counterparty can be any one of the following three types:

- a.    Parent company to subsidiary.
- b.    Subsidiary to parent company.
- c.    Between subsidiaries.
- d.    Sub-subsidiary to subsidiary.

Note 3    Regarding the percentage of the transaction amount to consolidated revenue or total assets, it is computed based on the ending balance to the consolidated total assets for balance sheet items; and based on the interim accumulated amount to the consolidated revenue for profit or loss items.



TABLE 6

WOWPRIME CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEEES  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(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, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2023	December 31, 2022	Number of Shares	%	Carrying Amount			
Wowprime Co., Ltd.	Tai Pin Holding Ltd. (Seychelles)	Seychelles	Investment	\$ 1,679,751	\$ 1,617,647	21,117,134	100.00	\$ 1,544,205	\$ (1,796)	\$ (1,796)	Note 1
	WPT Restaurant Corporation	Taiwan	Catering and catering management	100,000	100,000	10,000,000	100.00	79,679	20,906	20,906	Note 1
	Cheerpin Restaurant Corporation	Taiwan	Catering and catering management	300,000	300,000	30,000,000	100.00	532,670	192,564	192,564	Note 1
	Wowfresh Corporation	Taiwan	Fresh food trading	500,000	500,000	50,000,000	100.00	568,953	64,780	64,780	Note 1
	Jiechuang Investment Co., Ltd.	Taiwan	Investment	11,000	11,000	1,100,000	100.00	788	(3,691)	(3,691)	Note 1
	DuDoo Ltd. (Cayman)	Cayman	Investment	74,828	74,828	209,497	14.98	80,103	15,988	2,053	Note 2
				(US\$ 2,422,872)	(US\$ 2,422,872)			(US\$ 2,579,458)	(US\$ 511,316)	(US\$ 65,703)	
Jiechuang Investments Co., Ltd.	We Dao Ltd.	Taiwan	Catering	10,000	10,000	200,000	20.00	-	(3,451)	(690)	Note 2
Tai Pin Holding Ltd. (Seychelles)	Hoppime Ltd. (Cayman)	Cayman	Investment	1,596,125 (RMB 353,142,895)	1,527,079 (RMB 337,386,272)	21,854,913	80.44	1,554,150 (RMB 359,174,937)	(2,910) (RMB (825,591))	(2,683) (RMB (738,093))	Note 1
Hoppime Ltd. (Cayman)	Wowprime Limited (Samoa)	Samoa	Investment	1,290,412 (RMB 282,707,111)	1,290,412 (RMB 282,707,111)	-	100.00	1,903,753 (RMB 439,970,642)	6,509 (RMB 1,317,493)	6,509 (RMB 1,317,493)	Note 1

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, 2023  
(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, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023	Net Income (Loss) of Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2 b (2).)	Carrying Amount as of December 31, 2023	Accumulated Repatriation of Investment Income as of December 31, 2023
					Outflow	Inflow						
Wowprime (China) Co., Ltd.	Catering and catering management	\$ 894,893 (RMB 195,090,404)	Note 1 (b)	\$ 511,228 (US\$ 17,252,235)	\$ -	\$ -	\$ 511,228 (US\$ 17,252,235)	\$ (371) (RMB (252,007))	80.44	\$ (691) (RMB (288,138))	\$ 1,394,020 (RMB 322,167,699)	\$ 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)	6,879 (RMB 1,569,492)	80.44	5,388 (RMB 1,229,174)	137,358 (RMB 31,744,286)	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\$ -)	(628) (RMB (143,191))	80.44	(489) (RMB (111,581))	2,479 (RMB 572,824)	-
Shanghai WanXin International Trade Co., Ltd.	Fresh food trade	23,986 (RMB 5,500,000)	Note 1 (b)	- (US\$ -)	-	-	- (US\$ -)	(56,180) (RMB (12,821,545))	80.44	(44,046) (RMB (10,052,180))	(38,596) (RMB (8,919,715))	-
Shanghai Hoppime Catering Management Co., Ltd.	Catering and catering management	86,413 (RMB 20,000,000)	Note 1 (b)	- (US\$ -)	-	-	- (US\$ -)	(6,144) (RMB (1,391,523))	80.44	(4,810) (RMB (1,089,258))	(80,982) (RMB (18,715,462))	-
Shanghai Xizhu Catering Management Co., Ltd.	Catering and catering management	21,895 (RMB 5,000,000)	Note 1 (b)	- (US\$ -)	-	-	- (US\$ -)	(658) (RMB (150,093))	76.418	(487) (RMB (111,110))	2,322 (RMB 536,530)	-

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, 2023	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)	\$ 2,868,418

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: Table 2.
- 6. Transactions with material effects on the net income (loss) of the Company: None.

# WOWPRIME CO., LTD.

## THE CONTENTS OF STATEMENTS OF MAJOR ACCOUNTING ITEMS

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Item	Statement Index
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Statement of financial assets at amortized cost - current	Statement 2
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Statement of inventories	Statement 4
Statement of prepayment	Note 15
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Statement of changes in investments accounted for using equity method	Statement 6
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**STATEMENT 1****WOWPRIME CO., LTD.****STATEMENT OF CASH AND CASH EQUIVALENTS****DECEMBER 31, 2023****(In Thousands of New Taiwan Dollars)**

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<b>Items</b>	<b>Description</b>	<b>Amount</b>
Cash on hand		\$ 59,534
Bank deposits		
Checking deposits		23,568
Demand deposits		1,193,857
Foreign-currency demand deposits	(Including US\$1,558 thousand @30.705)	<u>60,752</u>
		<u>\$ 1,337,711</u>

**WOWPRIME CO., LTD.****STATEMENT OF FINANCIAL ASSETS AT AMORTIZED COST - CURRENT****DECEMBER 31, 2023****(In Thousands of New Taiwan Dollars)**

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<b>Items</b>	<b>Description</b>	<b>Rate</b>	<b>Amount</b>	<b>Note</b>
Domestic investment				
Time deposits with original maturities of more than 3 months	Time deposits trust	0.535%-1.57%	\$ 1,500,000	
	Time deposits	0.555%-4.50%	1,016,345	
	Time deposits pledge	0.54%-5.12%	<u>188,415</u>	
			<u>\$ 2,704,760</u>	

**WOWPRIME CO., LTD.****STATEMENT OF TRADE RECEIVABLES****DECEMBER 31, 2023****(In Thousands of New Taiwan Dollars)**

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<b>Customer</b>	<b>Description</b>	<b>Amount</b>
Related parties	Receivable from payment	\$ 108,600
Taishin (Bank TS)	Receivable from credit card	71,811
EZ Company	Receivable from food and beverages sold	40,352
TZ Company	Receivable from food and beverages sold	36,789
JF Company	Receivable from food and beverages sold	35,746
Others (Note)		<u>166,314</u>
		459,612
Less: Allowance for impairment loss		<u>-</u>
		<u>\$ 459,612</u>

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

**WOWPRIME CO., LTD.****STATEMENT OF INVENTORIES****DECEMBER 31, 2023****(In Thousands of New Taiwan Dollars)**

Items	Description	Amount	
		Cost	Net Realizable Value
Raw materials	Meat	\$ 733,592	\$ 736,233
	Seafood	130,382	134,189
	Vegetable/bread	24,030	26,052
	Others	104,780	106,101
Merchandise	Fresh food products	4,556	4,440
	Goods in transit	<u>43,097</u>	<u>43,097</u>
		<u>\$ 1,040,437</u>	<u>\$ 1,050,112</u>

The market price is based on the net realizable value.

**WOWPRIME CO., LTD.****STATEMENT OF OTHER CURRENT ASSETS****DECEMBER 31, 2023****(In Thousands of New Taiwan Dollars)**

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<b>Items</b>	<b>Description</b>	<b>Amount</b>
Other receivables	Related parties	\$ 34,929
	Others (Note)	5,019
Others	Others (Note)	<u>10,068</u>
		<u>\$ 50,016</u>

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



WOWPRIME CO., LTD.

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD  
DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars)

Name of Investees	Balance at January 1, 2023		Increase in the Current Year		Decrease in the Current Year		Investment Gain (Loss)	Accumulated Translation Adjustment	Balance at December 31, 2023			Market Value/ Net Assets Value		Evaluation Basis	Pledged as Collateral or for Security
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount			Number of Shares	Percentage of Shares	Amount	Unite Price (NT\$)	Total Amount		
Tai Pin Holding Ltd. (Note 1)	20,117,134	\$ 1,479,622	1,000,000	\$ 94,709	-	\$ -	\$ (1,796)	\$ (28,330)	21,117,134	100	\$ 1,544,205	73.13	\$ 1,544,205	The equity method	None
WPT Restaurant Corporation (Note 1)	10,000,000	58,773	-	-	-	-	20,906	-	10,000,000	100	79,679	7.97	79,679	The equity method	None
Cheerpin Restaurant Corporation (Note 1)	30,000,000	469,908	-	-	-	(129,802)	192,564	-	30,000,000	100	532,670	17.76	532,670	The equity method	None
Wowfresh Corporation (Note 1)	50,000,000	505,429	-	-	-	(1,256)	64,780	-	50,000,000	100	568,953	11.38	568,953	The equity method	None
Jeichuang Investment Co., Ltd. (Note 1)	1,100,000	4,479	-	-	-	-	(3,691)	-	1,100,000	100	788	0.72	788	The equity method	None
Dudoo Ltd. (Note 2)	209,497	<u>78,247</u>	-	<u>-</u>	-	<u>-</u>	<u>2,053</u>	<u>(197)</u>	209,497	14.98	<u>80,103</u>	382.36	<u>80,103</u>	The equity method	None
		<u>\$ 2,596,458</u>		<u>\$ 94,709</u>		<u>\$ (131,058)</u>	<u>\$ 274,816</u>	<u>\$ (28,527)</u>			<u>\$ 2,806,398</u>		<u>\$ 2,806,398</u>		

- Note 1: These companies have been audited by CPAs.
- Note 2: These companies were calculated based on their financial statements not audited by CPAs.
- Note 3: Net values of equity interest were calculated based on the financial statements of investee companies and ratio of shareholding of the Company.
- Note 4: The increase for the period is as follows:

Items	Amount
Acquisition of equity in subsidiaries	\$ 62,104
Differences between the equity purchase price and the carrying amount arising from the actual acquisition or disposal of subsidiaries	610
Changes in all interests in subsidiaries	10
Share-based payment	<u>31,985</u>
	<u>\$ 94,709</u>

- Note 5: The decrease for the period is as follows:

Items	Amount
Acquisition of dividends from subsidiaries	<u>\$ (131,058)</u>

**WOWPRIME CO., LTD.****STATEMENT OF OTHER NON-CURRENT ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars)**

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<b>Items</b>	<b>Description</b>	<b>Amount</b>
Other receivables form related parties	Sublease subsidiary	\$ 18,389
Refundable deposits	Deposits of rental stores	<u>166,360</u>
		<u>\$ 184,749</u>

**WOWPRIME CO., LTD.****STATEMENT OF NOTES PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars)**

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<b>Item</b>	<b>Description</b>	<b>Amount</b>
CH Company	Store rent	\$ 7,270
DY Company	"	4,939
RX Company	"	4,070
TJC Company	"	3,850
Others (Note)	Store rent, etc.	<u>47,295</u>
		<u>\$ 67,424</u>

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

**WOWPRIME CO., LTD.****STATEMENT OF TRADES PAYABLES****DECEMBER 31, 2023****(In Thousands of New Taiwan Dollars)**

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<b>Customer</b>	<b>Description</b>	<b>Amount</b>
Related parties	Payment for purchase	\$ 77,193
Others (Note)	"	<u>427,330</u>
		<u>\$ 504,523</u>

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

**WOWPRIME CO., LTD.****STATEMENT OF LEASE LIABILITIES****DECEMBER 31, 2023****(In Thousands of New Taiwan Dollars)**

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Type	Description	Lease Period	Discount Rate	Ending Balance	Note
Buildings	Leasing of stores and outlets, etc.	2-8 years	0.765%-1.758%	<u>\$ 2,149,760</u>	

Note: Lease liabilities matured within one year of \$517,590 thousand has been recognized as current liabilities.

**WOWPRIME CO., LTD.****STATEMENT OF OPERATING REVENUE  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars)**

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<b>Items</b>	<b>Amount</b>
High-class delicacy	\$ 2,387,406
Fancy food	8,640,256
Budget food	2,137,770
Revenue from raw materials and the sale of goods	<u>351,191</u>
	<u>\$ 13,516,623</u>

**WOWPRIME CO., LTD.****STATEMENT OF OPERATING COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars)**

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<b>Items</b>	<b>Amount</b>
Direct raw materials	
Raw materials, beginning of the year	\$ 114,550
Add: Purchase during the period	5,525,368
Less: Transferred to operating	(230,850)
Raw materials, end of year	<u>(1,009,490)</u>
Consumption of direct materials	4,399,578
Direct labors	1,587,281
Manufacturing expense	<u>1,024,477</u>
Manufacturing cost	7,011,336
Add: Inventory write-downs	<u>12,150</u>
	<u><u>\$ 7,023,486</u></u>

**WOWPRIME CO., LTD.****STATEMENT OF OPERATING EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars)**

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Type	Selling and Marketing	General and Administrative	Research and Development
Salaries	\$ 2,068,101	\$ 525,871	\$ -
Rent	171,675	556	-
Utilities	188,176	3,840	-
Advertising	410,984	19,223	-
Insurance	223,144	22,043	-
Depreciation	598,645	13,181	-
Pension	90,796	12,892	-
Others (Note)	<u>767,272</u>	<u>86,931</u>	<u>23,385</u>
	<u>\$ 4,518,793</u>	<u>\$ 684,537</u>	<u>\$ 23,385</u>

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



## WOWPRIME CO., LTD.

**SUMMARY OF EMPLOYEE BENEFITS, DEPRECIATION AND AMORTIZATION EXPENSES BY FUNCTIONS**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**  
(In Thousands of New Taiwan Dollars)

Item	2023			2022		
	Operating Cost	Operating Expense	Total	Operating Cost	Operating Expense	Total
Employee benefits						
Salaries	\$ 1,527,441	\$ 2,593,972	\$ 4,121,413	\$ 1,228,328	\$ 2,011,094	\$ 3,239,422
Labor and health insurances	139,967	245,187	385,154	119,488	207,215	326,703
Pensions	59,839	103,688	163,527	50,823	89,582	140,405
Remuneration to directors	-	4,100	4,100	-	3,400	3,400
Other employee benefits	89,476	148,797	238,273	47,690	79,626	127,316
	<u>\$ 1,816,723</u>	<u>\$ 3,095,744</u>	<u>\$ 4,912,467</u>	<u>\$ 1,446,329</u>	<u>\$ 2,390,917</u>	<u>\$ 3,837,246</u>
Depreciation	<u>\$ 424,133</u>	<u>\$ 611,826</u>	<u>\$ 1,035,959</u>	<u>\$ 360,124</u>	<u>\$ 521,438</u>	<u>\$ 881,562</u>
Amortization	<u>\$ -</u>	<u>\$ 7,941</u>	<u>\$ 7,941</u>	<u>\$ -</u>	<u>\$ 4,261</u>	<u>\$ 4,261</u>

Note 1: The number of employees in the year and in the previous year was 8,611 and 7,366, respectively, and the number of directors who were not employees was 5 in both years.

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

- a. The average employee benefit expense of this year was NT\$571 thousand ("Total employee benefit expense - Total remuneration to Directors of the year"/"Number of employees - Number of Directors who were not employees of the year").

The average employee benefit expense of the preceding year was NT\$520 thousand ("Total employee benefit expense - Total remuneration to directors of the preceding year"/"Number of employees - Number of Directors who were not employees of the preceding year").

- b. The average employee salary expense of this year is NT\$479 thousand (Total salary expense of the year/"Number of employees - Number of Directors who were not employees of the year").

The average employee salary expense of the preceding year was NT\$440 thousand (Total salary expense of the preceding year/"Number of employees - Number of Directors who were not employees of the preceding year").

- c. Change in average employee salary expense was 8.86% (Average employee salary expense of the year - Average employee salary expense of the preceding year)/Average employee salary expense of the preceding year).

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

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

- 1) The remuneration of the directors of the Company shall be paid in accordance with the provisions of the Articles of Association of the Company, taking into account the usual level of the interbank, and shall be authorized to be determined by the board of directors. If the Company has surplus, it shall be allocated in accordance with the provisions of the Articles of Association and submitted to the ordinary meeting of shareholders after being reviewed by the remuneration committee and approved by the board of directors. If the directors are also employees, they shall also be paid remuneration in accordance with the provisions of the following BC.
- 2) The remuneration standard of the general manager and deputy general manager of the Company shall be determined by the human resources unit of the Company in accordance with the relevant provisions of the Company's performance appraisal and performance bonus, and according to the individual performance and the degree of contribution to the overall operation of the Company, and the principles shall be formulated according to the level of market peers, and submitted to the salary and remuneration committee for review.

(Continued)

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

(Concluded)

Wowprime Corporation

Representative: Cheng-Hui Chen