Wowprime Co., Ltd.

Financial Statements for the
Years Ended December 31, 2023 and 2022 and
Independent Auditors' Report

Deloitte.

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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 Amount	%	December 31, 2022 (Restated) Amount	%	January 1, 2022 (Restated) 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)	50,016	-	37,486	1	43,392	-
Total current assets	5,643,734	45	3,661,939	38	2,887,122	33
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)	184,749	2	171,775	2	134,275	2
Total non-current assets	6,893,127	55	5,953,656	62	5,809,277	67
TOTAL	$ 12,536,861	100	$ 9,615,595	100	$ 8,696,399	100
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	6,872	-	4,546	-	3,549	-
Total current liabilities	5,543,793	44	4,770,353	50	4,284,268	49
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	187,997	2	124,840	1	92,013	1
Total non-current liabilities	2,590,433	21	1,652,286	17	1,569,823	18
Total liabilities	8,134,226	65	6,422,639	67	5,854,091	67
EQUITY (Note 23)						
Ordinary shares	844,511	7	769,879	8	769,879	9
Capital surplus	1,888,008	15	1,789,924	19	1,791,541	21
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)	1,394,388	11	408,143	4	(90,621)	(1)
Total retained earnings	2,107,206	17	1,091,150	11	693,929	8
Other equity (Note 3)	(128,024)	(1)	(105,196)	(1)	(127,228)	(2)
Treasury shares	(309,066)	(3)	(352,801)	(4)	(285,813)	(3)
Total equity	4,402,635	35	3,192,956	33	2,842,308	33
TOTAL	$ 12,536,861	100	$ 9,615,595	100	$ 8,696,399	100

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

WOWPRIME CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 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)	(7,023,486)	(52)	(5,421,846)	(53)
GROSS PROFIT	6,493,137	48	4,895,023	47
PROFIT FROM OPERATIONS	6,493,137	48	4,895,023	47
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	(23,385)	-	(19,712)	-
Total operating expenses	(5,226,715)	(39)	(4,253,025)	(41)
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)	274,816	2	(297,200)	(3)
Total non-operating income and expenses	390,596	3	(160,061)	(1)
PROFIT BEFORE INCOME TAX	1,657,018	12	481,937	5
INCOME TAX EXPENSE (Notes 3 and 26)	(276,508)	(2)	(91,134)	(1)
NET PROFIT FOR THE YEAR	1,380,510	10	390,803	4
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)

	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 (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)	5,699	-	(5,499)	-
Other comprehensive income for the year	(24,108)	-	39,487	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 1,356,402	10	$ 430,290	4
EARNINGS PER SHARE (Note 26)				
Basic	$ 16.79		$ 4.74	
Diluted	$ 16.53		$ 4.74	

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			Other Equity		
	Shares (In Thousands)	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings (Accumulated Deficits)	Exchange Differences on Translating the Financial Statements of Foreign Operations	Treasury Shares (Note 23)	Total
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)
CASH FLOWS FROM OPERATING ACTIVITIES		
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	1,547,885	1,962,994
CASH FLOWS FROM INVESTING ACTIVITIES		
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)

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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	131,058	23,826
Net cash used in financing activities	(1,685,301)	(1,230,844)
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	43,735	28,080
Net cash generated from/(used in) financing activities	6,462	(489,817)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(130,954)	242,333
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,468,665	1,226,332
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 1,337,711	$ 1,468,665

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

(Concluded)

1. GENERAL INFORMATION

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

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

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

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

Impact on total comprehensive income for the current year

	For the Year Ended December 31, 2023
Profit before tax	$ 1,942
Decrease in income tax expense	1,811
Increase in net profit for the year	3,753
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	32
Decrease in other comprehensive income for the year, net of income tax	(128)
Increase in total comprehensive income for the year	$ 3,625
Impact on earnings per share	
Increase in basic earnings per share	$ 0.05
Increase in diluted earnings per share	$ 0.04

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

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

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 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 than could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

d. Foreign currencies

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

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

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

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

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

e. Inventories

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

f. Investments in subsidiaries

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

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

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

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

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

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

g. Investments in associates

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ii. Breach of contract, such as a default;

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

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

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

b) Impairment of financial assets and contract assets

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

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

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

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

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

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

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

c) Derecognition of financial assets

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

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

2) Financial liabilities

a) Subsequent measurement

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

<u>Financial liabilities measured at FVTPL</u>

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.

l. Provisions

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

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 et 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	1,278,177	1,421,604
	$ 1,337,711	$ 1,468,665

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
Financial liabilities at FVTPL - current		
Financial liabilities mandatorily classified as at FVTPL		
Non-derivative financial liabilities		
Conversion of convertible bonds	$ 4,129	$ -

8. FINANCIAL ASSETS AT AMORTIZED COST

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

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

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

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

	Not Past Due	1 to 30 Days	31 to 60 Days	61 to 90 Days	Over 90 Days	Total
Expected credit loss rate	-	-	-	-	-	-
Gross carrying amount	$ 459,583	$ 21	$ 8	$ -	$ -	$ 459,612
Loss allowance (Lifetime ECLs)	-	-	-	-	-	-
Amortized cost	$ 459,583	$ 21	$ 8	$ -	$ -	$ 459,612

December 31, 2022

	Not Past Due	1 to 30 Days	31 to 60 Days	61 to 90 Days	Over 90 Days	Total
Expected credit loss rate	-	-	-	-	-	-
Gross carrying amount	$ 196,843	$ 324	$ -	$ -	$ -	$ 197,167
Loss allowance (Lifetime ECLs)	-	-	-	-	-	-
Amortized cost	$ 196,843	$ 324	$ -	$ -	$ -	$ 197,167

10. INVENTORIES

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

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

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

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

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

a. Investments in subsidiaries

	December 31 2023	December 31 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.	788	4,479
	$ 2,726,295	$ 2,518,211

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)	$ 80,103	$ 78,247

	For the Year Ended December 31	
	2023	2022
The Company's share of:		
Profit from continuing operations	$ 2,053	$ 2,763
Total comprehensive income for the year	$ 1,856	$ 3,414

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
Cost								
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	$ 122,505	$ 132,408	$ 847,637	$ 110,427	$ 874,112	$ 1,467,344	$ 162,392	$ 3,716,825
Accumulated depreciation and impairment								
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	$ -	$ 58,697	$ 485,715	$ 69,117	$ 557,521	$ 826,445	$ 93,995	$ 2,091,490
Carrying amounts at December 31, 2023	$ 122,505	$ 73,711	$ 361,922	$ 41,310	$ 316,591	$ 640,899	$ 68,397	$ 1,625,335
Cost								
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	$ 122,505	$ 132,408	$ 732,463	$ 97,512	$ 741,753	$ 1,302,642	$ 117,144	$ 3,246,427
Accumulated depreciation and impairment								
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	$ -	$ 54,588	$ 452,557	$ 62,740	$ 494,843	$ 772,490	$ 71,560	$ 1,908,778
Carrying amounts at December 31, 2022	$ 122,505	$ 77,820	$ 279,906	$ 34,772	$ 246,910	$ 530,152	$ 45,584	$ 1,337,649

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

	December 31	
	2023	2022
Carrying amounts		
Buildings	$ 2,166,535	$ 1,764,926

	For the Year Ended December 31	
	2023	2022
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

	December 31	
	2023	2022
Carrying amounts		
Current	$ 517,590	$ 350,733
Non-current	$ 1,632,170	$ 1,402,334

Range of discount rate for lease liabilities was as follows:

	December 31	
	2023	2022
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

	For the Year Ended December 31	
	2023	2022
Expenses relating to variable lease payments and short-term leases not included in the measurement of lease liabilities	$ 205,173	$ 180,058
Total cash outflow for leases	$ (768,955)	$ (661,275)

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

All lease commitments with lease terms commencing after the balance sheet dates are as follows:

	December 31	
	2023	2022
Lease commitments	$ 84,977	$ 29,733

14. OTHER INTANGIBLE ASSETS

	Software
Cost	
Balance at January 1, 2023	$ 38,165
Additions	13,647
Balance at December 31, 2023	$ 51,812
Accumulated amortization	
Balance at January 1, 2023	$ 23,790
Amortization expenses	7,941
Balance at December 31, 2023	$ 31,731
Carrying amount at December 31, 2023	$ 20,081
Cost	
Balance at January 1, 2022	$ 26,322
Additions	12,488
Disposals	(645)
Balance at December 31, 2022	$ 38,165

(Continued)

	Software
Accumulated amortization	
Balance at January 1, 2022	$ 20,174
Amortization expenses	4,261
Disposals	(645)
Balance at December 31, 2022	$ 23,790
Carrying amount at December 31, 2022	$ 14,375

(Concluded)

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

Software	1-6 years

	For the Year Ended December 31	
	2023	2022
An analysis of amortization by function		
General and administrative	$ 7,941	$ 4,261

15. PREPAYMENTS

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

16. OTHER FINANCIAL ASSETS - CURRENT

	December 31	
	2023	2022
Trust account	$ 1,745	$ 3,932

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

	December 31	
	2023	2022
Trust account	0.510%	0.385%-0.405%

17. OTHER ASSETS

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

18. BONDS PAYABLE

	December 31	
	2023	2022
Unsecured domestic bonds	$ 642,824	$ -
Less: Current portion	-	-
	$ 642,824	$ -

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	(3,150)
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	(91)
Liability component at December 31, 2023	$ 642,824

19. NOTES PAYABLE AND TRADE PAYABLES

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

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

20. OTHER LIABILITIES

	December 31	
	2023	2022
Current		
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	145,787	128,718
	1,188,995	903,039
Other payables to related parties (Note 33)	16,344	11,467
	$ 1,205,339	$ 914,506

21. PROVISIONS

	December 31	
	2023	2022
Non-current		
Restoration obligation	$ 67,536	$ 56,181

	Restoration Obligation
Balance at January 1, 2023	$ 56,181
Additional provisions recognized	12,762
Disposals	(1,407)
Balance at December 31, 2023	$ 67,536
Balance at January 1, 2022	$ 43,645
Additional provisions recognized	14,419
Disposals	(1,883)
Balance at December 31, 2022	$ 56,181

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:

	For the Year Ended December 31	
	2023	2022
Operating costs	$ 59,839	$ 50,822
Selling and marketing expenses	90,796	77,589
General and administrative expenses	11,934	11,206
	$ 162,569	$ 139,617

b. Defined benefit plans

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

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

	December 31	
	2023	2022
Present value of defined benefit obligation	$ 99,890	$ 112,156
Fair value of plan assets	(47,849)	(50,905)
Net defined benefit liabilities	$ 52,041	$ 61,251

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

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2023	$ 112,156	$ (50,905)	$ 61,251
Service cost			
Current service cost	47	-	47
Net interest expense (income)	1,682	(771)	911
Recognized in profit or loss	1,729	(771)	958
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	443	-	443
Recognized in other comprehensive income	1,933	(333)	1,600
Contributions from the employer	-	(7,958)	(7,958)
Benefits paid	(12,118)	12,118	-
Others	(3,810)	-	(3,810)
Balance at December 31, 2023	$ 99,890	$ (47,849)	$ 52,041

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2022	$ 143,595	$ (44,123)	$ 99,472
Service cost			
Current service cost	46	-	46
Net interest expense (income)	1,077	(335)	742
Recognized in profit or loss	1,123	(335)	788
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	(7,178)	-	(7,178)
Recognized in other comprehensive income	(18,398)	(3,421)	(21,819)
Contributions from the employer	-	(14,827)	(14,827)
Benefits paid	(11,801)	11,801	-
Others	(2,363)	-	(2,363)
Balance at December 31, 2022	$ 112,156	$ (50,905)	$ 61,251

(Concluded)

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

	For the Year Ended December 31	
	2023	2022
General and administrative expenses	$ 958	$ 788

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:

	December 31	
	2023	2022
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:

	December 31	
	2023	2022
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.

	December 31	
	2023	2022
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

	December 31	
	2023	2022
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

	December 31	
	2023	2022
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital*		
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
May only be used to offset a deficit		
Share warrants	65,381	-
	$ 1,888,008	$ 1,789,924

* 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:

	Appropriation of Earnings
	For the Year Ended December 31, 2022
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:

	For the Year Ended December 31, 2021
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:

	For the Year Ended December 31, 2023
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

	December 31	
	2023	2022
Balance at January 1	$ 114,717	$ 114,717
Reversals		
Reversal of the debits to other items	(9,487)	-
Balance at December 31	$ 105,230	$ 114,717

e. Other equity items

Exchange differences on translating the financial statements of foreign operations

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ (105,230)	$ (127,228)
Numbers affected by retrospective application and retrospective restatement	34	-
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	-	(562)
Balance at December 31	$ (128,024)	$ (105,196)

f. Treasury shares

Purpose of Buy-back	Shares Transferred to Employees (In Thousands of Shares)
Number of shares at January 1, 2023	2,359
Exercise of employee share options	(361)
Number of shares at December 31, 2023	1,998
Number of shares at January 1, 2022	1,727
Increase during the year	848
Exercise of employee share options	(216)
Number of shares at December 31, 2022	2,359

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

	For the Year Ended December 31	
	2023	2022
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	351,191	3,491
	$ 13,516,623	$ 10,316,869

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

	December 31, 2023	December 31, 2022	January 1, 2022
Trade receivables (Note 9)	$ 459,612	$ 197,167	$ 201,333
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	18,024	25,524	10,847
	$ 3,009,476	$ 3,175,906	$ 2,933,462

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

	For the Year Ended December 31	
	2023	2022
From contract liabilities at the beginning of the year		
Deferred revenue from gift vouchers	$ 1,058,894	$ 817,245

c. Disaggregation of revenue

	For the Year Ended December 31	
	2023	2022
Type of goods or services		
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	316,432	-
	$ 13,516,623	$ 10,316,869

d. Partially completed contracts

	December 31	
	2023	2022
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	55,112	-
	$ 2,860,432	$ 3,052,289

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

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

b. Other income

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

c. Other gains and losses

	For the Year Ended December 31	
	2023	2022
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	(10,021)	(12,906)
	$ (23,144)	$ 20,038

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

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

e. Depreciation and amortization

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

f. Employee benefits expense

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

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

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

Amount

	For the Year Ended December 31	
	2023	2022
	Cash	Cash
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:

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

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

	For the Year Ended December 31	
	2023	2022
Profit before income tax from continuing operations	$ 1,657,018	$ 481,937
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	16	-
Income tax expense recognized in profit or loss	$ 276,508	$ 91,134

b. Income tax recognized in other comprehensive income

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

c. Current tax assets and liabilities

	December 31	
	2023	2022
Current tax assets		
Tax refund receivable	$ -	$ 629
Current tax liabilities		
Income tax payable	$ 228,440	$ 148,401

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

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax assets				
Temporary differences				
Impairment loss on property, plant and equipment	$ 81	$ -	$ -	$ 81
Exchange differences 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	11,236	2,271	-	13,507
	$ 66,963	$ 5,282	$ 6,019	$ 78,264
Deferred tax liabilities				
Temporary differences				
Decommissioning costs	$ 5,221	$ 460	$ -	$ 5,681
Exchange differences	2,459	(275)	-	2,184
	$ 7,680	$ 185	$ -	$ 7,865

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
Deferred tax assets						
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
	$ 115,800	$ 8,729	$ 124,529	$ (47,703)	$ (9,863)	$ 66,963
Deferred tax liabilities						
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
	$ 78,116	$ 4,080	$ 82,196	$ (74,516)	$ -	$ 7,680

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

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

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

	Before Retrospective Adjustment	After Retrospective Adjustment
Basic earnings per share	$ 5.21	$ 4.74
Diluted earnings per share	$ 5.21	$ 4.74

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

	For the Year Ended December 31	
	2023	**2022**
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	979	-
Earnings used in the computation of diluted earnings per share	$ 1,389,152	$ 390,803

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

	For the Year Ended December 31	
	2023	**2022**
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	7	2
Weighted average number of ordinary shares used in the computation of diluted earnings per share	84,027	82,500

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.

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

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:

	August 2023
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.

	For the Year Ended December 31, 2022	
	Number of Options (In Thousands of Units)	**Weighted-average Exercise0Price ($)**
Balance at January 1	-	-
Options granted	216	130.00
Options exercised	(216)	130.00
Balance at December 31	-	
Options exercisable, end of the year	-	
Weighted-average fair value of options granted ($)	$ 4.04	

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:

	March 2022
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:

	For the Year Ended December 31	
	2023	2022
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	(67,536)	(56,181)
Cash payment	$ 689,954	$ 599,161

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	Non-cash Changes New Leases	Non-cash Changes Remeasurement of Lease Contract	Non-cash Changes Remeasurement of Branch Closure	Closing Balance
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	Non-cash Changes New Leases	Non-cash Changes Remeasurement of Lease Contract	Non-cash Changes Remeasurement of Branch Closure	Closing Balance
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

	December 31	
	2023	2022
Financial assets		
Financial assets at amortized cost (1)	$ 4,728,525	$ 3,528,695
Financial liabilities		
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.

	USD Impact	
	For the Year Ended December 31	
	2023	2022
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:

	December 31	
	2023	2022
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

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

b. Sales of goods

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

c. Contract liabilities

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

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	4,616,876	3,129,440
	$ 4,617,417	$ 3,130,373

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.	7,273	-
		$ 108,600	$ -
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.	1,029	-
		$ 53,318	$ 49,829

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	December 31 2022
Trade payables	Subsidiaries		
	Cheerpin Restaurant Corporation	$ -	$ 2,864
	Wowfresh Corporation	77,193	-
		$ 77,193	$ 2,864
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.	-	199
		$ 16,344	$ 11,467

The outstanding trade payables to related parties are unsecured.

g. Prepayments

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

h. Acquisition of property, plant and equipment

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

i. Other transactions with related parties

Line Item	Related Party Category/Name	December 31 2023	December 31 2022
Other income (management service revenue)	Subsidiaries		
	WPT Restaurant Corporation	$ 8,308	$ 7,237
	Cheerpin Restaurant Corporation	73,243	62,353
	Wowfresh Corporation	4,800	6,000
		$ 86,351	$ 75,590
Other income	Associates		
	uniEat Co., Ltd.	$ 980	$ -
Other expense	Subsidiaries		
	Wowfresh Corporation	$	$ 3,000

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

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

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:

	December 31	
	2023	2022
Restricted deposit balance	$ 886,727	$ 583,665
Pledged deposits	$ 188,415	$ 185,669

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:

	December 31	
	2023	2022
Acquisition of property, plant and equipment	$ 49,087	$ 7,751

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
Financial assets			
Monetary items			
USD	$ 14,671,578	30.705 (USD:NTD)	$ 450,491
Non-monetary items			
Investments accounted for using the equity method			
RMB	356,876,621	4.327 (RMB:NTD)	$ 1,544,205

December 31, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 13,365,516	30.71 (USD:NTD)	$ 410,455
Non-monetary items			
Investments accounted for using the equity method			
RMB	335,667,456	4.408 (RMB:NTD)	$ 1,479,623

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)
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)	(1)	0.2324 (JPY:NTD)	(1)
		$ (671)		$ 48,502

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 INVESTEES
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 (US$ 2,422,872)	74,828 (US$ 2,422,872)	209,497	14.98	80,103 (US$ 2,579,458)	15,988 (US$ 511,316)	2,053 (US$ 65,703)	Note 2
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.

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STATEMENT 1

WOWPRIME CO., LTD.

STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Items	Description	Amount
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)	60,752
		$ 1,337,711

WOWPRIME CO., LTD.

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

Items	Description	Rate	Amount	Note
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%	188,415	
			$ 2,704,760	

WOWPRIME CO., LTD.

STATEMENT OF TRADE RECEIVABLES
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Customer	Description	Amount
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)		166,314
		459,612
Less: Allowance for impairment loss		-
		$ 459,612

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)

		Amount	
Items	**Description**	**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	43,097	43,097
		$ 1,040,437	$ 1,050,112

The market price is based on the net realizable value.

STATEMENT 5

WOWPRIME CO., LTD.

STATEMENT OF OTHER CURRENT ASSETS
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Items	Description	Amount
Other receivables	Related parties	$ 34,929
	Others (Note)	5,019
Others	Others (Note)	10,068
		$ 50,016

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	78,247	-	-	-	-	2,053	(197)	209,497	14.98	80,103	382.36	80,103	The equity method	None
		$ 2,596,458		$ 94,709		$ (131,058)	$ 274,816	$ (28,527)			$ 2,806,398		$ 2,806,398		

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	31,985
	$ 94,709

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

Items	Amount
Acquisition of dividends from subsidiaries	$ (131,058)

STATEMENT 7

WOWPRIME CO., LTD.

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

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

WOWPRIME CO., LTD.

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

Item	Description	Amount
CH Company	Store rent	$ 7,270
DY Company	〃	4,939
RX Company	〃	4,070
TJC Company	〃	3,850
Others (Note)	Store rent, etc.	47,295
		$ 67,424

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)

Customer	Description	Amount
Related parties	Payment for purchase	$ 77,193
Others (Note)	〃	427,330
		$ 504,523

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)

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

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)

Items	Amount
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	351,191
	$ 13,516,623

WOWPRIME CO., LTD.

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

Items	Amount
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	(1,009,490)
Consumption of direct materials	4,399,578
Direct labors	1,587,281
Manufacturing expense	1,024,477
Manufacturing cost	7,011,336
Add: Inventory write-downs	12,150
	$ 7,023,486

WOWPRIME CO., LTD.

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

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)	767,272	86,931	23,385
	$ 4,518,793	$ 684,537	$ 23,385

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)

	2023			2022		
Item	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
	$ 1,816,723	$ 3,095,744	$ 4,912,467	$ 1,446,329	$ 2,390,917	$ 3,837,246
Depreciation	$ 424,133	$ 611,826	$ 1,035,959	$ 360,124	$ 521,438	$ 881,562
Amortization	$ -	$ 7,941	$ 7,941	$ -	$ 4,261	$ 4,261

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)