

Wowprime Corporation and Subsidiaries

Consolidated Financial Statements for the Nine Months Ended September 30, 2024 and 2023 and Independent Auditors' Review Report

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§Table of Contents§

| | <u>Item</u> | <u>Page</u> | <u>No. of notes to financial statements</u> |
|------|--|-------------|---|
| 1. | Cover | 1 | - |
| 2. | Table of Contents | 2 | - |
| 3. | Independent Auditors' Review Report | 3 | - |
| 4. | Consolidated Balance Sheet | 4 | - |
| 5. | Consolidated Statement of Comprehensive Income | 5~6 | - |
| 6. | Consolidated Statement of Changes in Equity | 7 | - |
| 7. | Consolidated Statements of Cash Flows | 8~9 | - |
| 8. | Notes to Consolidated Financial Statements | | |
| (1) | Company History | 10 | 1 |
| (2) | Date and Procedure of Adoption of Financial Statements | 11 | 2 |
| (3) | Application of New and Revised Standards and Interpretations | 11~14 | 3 |
| (4) | Summary of Significant Accounting Policies | 14~19 | 4 |
| (5) | Main Sources of Uncertainty in Significant Accounting Judgments, Estimates and Assumptions | 19 | 5 |
| (6) | Description of Material Accounting Items | 20~59 | 6 - 36 |
| (7) | Related Party Transactions | 59~60 | 37 |
| (8) | Pledged Assets | 60 | 38 |
| (9) | Significant Contingent Liabilities and Unrecognized Contractual Commitments | 61 | 39 |
| (10) | Significant Subsequent Events | 61 | 40 |
| (11) | Others | 61~62 | 41 |
| (12) | Other Disclosures | 63~64 | 42 |
| | a. Information on material transactions | | |
| | b. Information on invested businesses | | |
| | c. Information on investments in Mainland China | | |
| | d. Information on Major Shareholders | | |
| (13) | Segment Information | 64~66 | 43 |

Independent Auditors' Review Report

The Board and shareholders of Wowprime Corporation,

Introduction

We have reviewed the consolidated balance sheet of Wowprime Corporation and its subsidiaries (both referred to as Wowprime Corporation) as of September 30, 2024 and 2023, the related consolidated statements of comprehensive income for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, the consolidated statements of changes in equity and cash flows for the nine months ended September 30, 2024 and 2023, and the related notes to the consolidated financial statements, including a summary of significant accounting policies. The management shall be responsible for preparing the financial statements fairly presented based on the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standards No. 34 "Interim Financial Reporting," endorsed and issued into effect by the Financial Supervisory Commission. We are only responsible for concluding the consolidated financial statements based on the result of the review.

Scope

We conducted the review in accordance with the "Review of Financial Statements" of the Auditing Standards Bulletin No. 2410. The procedures to review the consolidated financial statements include inquiry (mainly with the person in charge of financial and accounting affairs), analytical procedures, and other review procedures. The scope of the review work is significantly smaller than that of the audit work, so we may not be able to detect all significant matters that can be identified through the audit work. Therefore, we cannot express an audit opinion.

Conclusion

According to our review results, the abovementioned consolidated financial statements appropriately present the consolidated financial position of the Wowprime Corporation as of September 30, 2024 and 2023, its consolidated financial performance for the three months ended September 30, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2024 and 2023 in all material aspects in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standards No. 34 "Interim Financial Reporting," endorsed and issued into effects by the Financial Supervisory Commission.

Deloitte & Touche Taiwan
CPA Nai-Hua Kuo

CPA Cheng-Chuan Yu

Financial Supervisory Commission
Approval No.
Jin-Guan-Zheng-Shen-Zi No.
1070323246

Securities and Futures Bureau Approval No.
Tai-Cai-Zheng-Liu-Zi No. 0930128050

November 7, 2024

Wowprime Corporation and Subsidiaries
Consolidated Balance Sheet
September 30, 2024 and December 31 and September 30, 2023

Unit: NT\$ thousand

| Code | Assets | September 30, 2024 | | December 31, 2023 | | September 30, 2023 | |
|------|--|----------------------|------------|----------------------|------------|----------------------|------------|
| | | Amount | % | Amount | % | Amount | % |
| | Current assets | | | | | | |
| 1100 | Cash and cash equivalents (Note 6) | \$ 2,369,933 | 15 | \$ 2,649,674 | 17 | \$ 2,331,150 | 15 |
| 1100 | Current financial assets at fair value through profit or loss (Notes 7 and 36) | 202,178 | 1 | - | - | - | - |
| 1136 | Financial assets at amortized cost - current (Notes 8, 9, and 38) | 2,846,933 | 19 | 3,132,469 | 20 | 3,387,888 | 21 |
| 1150 | Notes receivable (Notes 10 and 28) | 1,504 | - | 2,321 | - | 1,842 | - |
| 1170 | Net accounts receivable (Notes 10, 28, and 37) | 410,020 | 3 | 578,235 | 4 | 515,552 | 3 |
| 130X | Inventories (Notes 5 and 11) | 1,569,992 | 10 | 1,617,642 | 10 | 1,796,657 | 11 |
| 1410 | Prepayments (Note 18) | 234,897 | 2 | 249,760 | 1 | 266,987 | 2 |
| 1476 | Other financial assets - current (Notes 19 and 38) | 46,556 | - | 37,612 | - | 50,182 | - |
| 1479 | Other current assets - others (Notes 20 and 37) | 34,245 | - | 41,312 | - | 78,345 | 1 |
| 11XX | Total current assets | <u>7,716,258</u> | <u>50</u> | <u>8,309,025</u> | <u>52</u> | <u>8,428,603</u> | <u>53</u> |
| | Non-current assets | | | | | | |
| 1550 | Investments accounted for using the equity method (Note 13) | 78,763 | - | 80,103 | 1 | 82,824 | - |
| 1600 | Property, plant and equipment (Note 14) | 2,270,392 | 15 | 2,297,770 | 14 | 2,206,799 | 14 |
| 1755 | Right-of-use assets (Note 15) | 3,794,362 | 25 | 3,758,545 | 24 | 3,571,797 | 23 |
| 1760 | Investment property (Notes 16 and 38) | 549,146 | 4 | 536,422 | 3 | 623,436 | 4 |
| 1780 | Other intangible assets (Note 17) | 42,055 | - | 40,438 | - | 40,159 | - |
| 1840 | Deferred income tax assets (Note 4 and 30) | 405,028 | 3 | 435,649 | 3 | 429,902 | 3 |
| 1915 | Prepayments for equipment | 30,452 | - | 63,609 | - | 45,889 | - |
| 1990 | Other non-current assets - others (Notes 20) | 401,861 | 3 | 400,334 | 3 | 409,329 | 3 |
| 15XX | Total non-current assets | <u>7,572,059</u> | <u>50</u> | <u>7,612,870</u> | <u>48</u> | <u>7,410,135</u> | <u>47</u> |
| 1XXX | Total assets | <u>\$ 15,288,317</u> | <u>100</u> | <u>\$ 15,921,895</u> | <u>100</u> | <u>\$ 15,838,738</u> | <u>100</u> |
| | Liabilities and equity | | | | | | |
| | Current liabilities | | | | | | |
| 2100 | Short-term borrowings (Notes 21) | \$ - | - | \$ - | - | \$ 150,000 | 1 |
| 2120 | Financial liabilities at fair value through profit or loss - current (Notes 7 and 36) | 6,019 | - | 4,129 | - | 3,639 | - |
| 2130 | Contract liabilities - current (Notes 28 and 37) | 2,891,348 | 19 | 3,096,961 | 19 | 3,011,210 | 19 |
| 2150 | Notes payable (Note 23) | 69,492 | 1 | 77,194 | - | 69,907 | - |
| 2170 | Accounts payable (Note 23) | 656,136 | 4 | 763,057 | 5 | 756,325 | 5 |
| 2200 | Other payables (Notes 24 and 37) | 1,684,870 | 11 | 1,730,020 | 11 | 2,021,647 | 13 |
| 2230 | Current income tax liabilities (Notes 4 and 30) | 65,018 | - | 275,004 | 2 | 204,673 | 1 |
| 2250 | Debt allowance - current (Note 25) | 423 | - | - | - | - | - |
| 2280 | Lease liabilities - current (Note 15 and 34) | 1,108,961 | 7 | 1,246,852 | 8 | 1,202,134 | 8 |
| 2399 | Other current liabilities - others (Notes 24) | 17,385 | - | 20,199 | - | 18,575 | - |
| 21XX | Total current liabilities | <u>6,499,652</u> | <u>42</u> | <u>7,213,416</u> | <u>45</u> | <u>7,438,110</u> | <u>47</u> |
| | Non-current liabilities | | | | | | |
| 2530 | Corporate bonds payable (Note 22) | 652,547 | 4 | 642,824 | 4 | 639,615 | 4 |
| 2550 | Debt allowance - non-current (Note 25) | 154,047 | 1 | 154,974 | 1 | 154,176 | 1 |
| 2570 | Deferred income tax liabilities (Notes 4 and 30) | 303,410 | 2 | 300,166 | 2 | 310,659 | 2 |
| 2580 | Lease liabilities - non-current (Note 15 and 34) | 2,734,017 | 18 | 2,572,483 | 16 | 2,443,304 | 16 |
| 2640 | Net defined benefit liabilities - non-current (Note 26) | 51,853 | - | 52,041 | 1 | 61,227 | - |
| 2645 | Guarantee deposits received | 222,496 | 2 | 205,293 | 1 | 189,687 | 1 |
| 25XX | Total non-current liabilities | <u>4,118,370</u> | <u>27</u> | <u>3,927,781</u> | <u>25</u> | <u>3,798,668</u> | <u>24</u> |
| 2XXX | Total liabilities | <u>10,618,022</u> | <u>69</u> | <u>11,141,197</u> | <u>70</u> | <u>11,236,778</u> | <u>71</u> |
| | Equity attributable to owners of the Company (Note 27) | | | | | | |
| 3110 | Common capital stock | 844,511 | 6 | 844,511 | 6 | 844,511 | 5 |
| 3200 | Capital surplus | 1,910,299 | 12 | 1,888,008 | 12 | 1,887,398 | 12 |
| | Retained earnings | | | | | | |
| 3310 | Legal reserve | 747,027 | 5 | 607,588 | 4 | 607,588 | 4 |
| 3320 | Special reserve | 128,024 | 1 | 105,230 | - | 105,230 | 1 |
| 3350 | Undistributed earnings | 1,023,147 | 6 | 1,394,388 | 9 | 1,128,135 | 7 |
| 3300 | Total retained earnings | 1,898,198 | 12 | 2,107,206 | 13 | 1,840,953 | 12 |
| 3400 | Other equity | (76,302) | - | (128,024) | (1) | (102,586) | (1) |
| 3500 | Treasury stock | (309,066) | (2) | (309,066) | (2) | (309,066) | (2) |
| 31XX | Total equity attributable to owners of the Company | 4,267,640 | 28 | 4,402,635 | 28 | 4,161,210 | 26 |
| 36XX | Non-controlling interests (Note 27) | 402,655 | 3 | 378,063 | 2 | 440,750 | 3 |
| 3XXX | Total equity | <u>4,670,295</u> | <u>31</u> | <u>4,780,698</u> | <u>30</u> | <u>4,601,960</u> | <u>29</u> |
| | Total liabilities and equity | <u>\$ 15,288,317</u> | <u>100</u> | <u>\$ 15,921,895</u> | <u>100</u> | <u>\$ 15,838,738</u> | <u>100</u> |

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

Chairman: Cheng-Hui Chen

Manager: Cheng-Hui Chen

Chief Accountant: Tsung-Hao Liang

Wowprime Corporation and Subsidiaries
Consolidated Statement of Comprehensive Income
For the three months and nine months ended September 30, 2024 and 2023

Unit: NT\$ thousand; EPS in NT\$

| Code | | For the three months ended September 30, 2024 | | For the three months ended September 30, 2023 | | For the nine months ended September 30, 2024 | | For the nine months ended September 30, 2023 | |
|------|--|--|---------------|--|---------------|---|---------------|---|---------------|
| | | Amount | % | Amount | % | Amount | % | Amount | % |
| 4000 | Operating income (Note 28) | \$ 5,752,951 | 100 | \$ 5,824,824 | 100 | \$ 16,764,724 | 100 | \$ 16,816,574 | 100 |
| 5000 | Operating cost (Notes 11 and 29) | (3,021,769) | (53) | (3,111,040) | (53) | (8,800,686) | (52) | (8,906,504) | (53) |
| 5900 | Operating gross profit | <u>2,731,182</u> | <u>47</u> | <u>2,713,784</u> | <u>47</u> | <u>7,964,038</u> | <u>48</u> | <u>7,910,070</u> | <u>47</u> |
| | Operating expenses (Note 29 and 37) | | | | | | | | |
| 6100 | Marketing expenses | (1,932,681) | (34) | (1,926,950) | (33) | (5,690,132) | (34) | (5,517,362) | (33) |
| 6200 | Management expenses | (304,743) | (5) | (331,237) | (6) | (959,208) | (6) | (999,719) | (6) |
| 6300 | R&D expenses | (6,606) | - | (6,964) | - | (19,038) | - | (20,877) | - |
| 6000 | Total operating expenses | (<u>2,244,030</u>) | (<u>39</u>) | (<u>2,265,151</u>) | (<u>39</u>) | (<u>6,668,378</u>) | (<u>40</u>) | (<u>6,537,958</u>) | (<u>39</u>) |
| 6900 | Net profit | <u>487,152</u> | <u>8</u> | <u>448,633</u> | <u>8</u> | <u>1,295,660</u> | <u>8</u> | <u>1,372,112</u> | <u>8</u> |
| | Non-operating income and expenses (Note 29) | | | | | | | | |
| 7100 | Interest income | 18,972 | - | 16,589 | - | 63,853 | - | 46,041 | - |
| 7010 | Other income | 23,692 | 1 | 26,246 | - | 80,221 | - | 89,658 | 1 |
| 7020 | Other gains and losses | (33,976) | (1) | 9,157 | - | (61,351) | - | (13,345) | - |
| 7050 | Financial cost | (26,965) | - | (29,572) | - | (78,349) | - | (87,394) | - |
| 7070 | Share of profit or loss of subsidiaries, affiliates, and joint ventures recognized by using the equity method | <u>411</u> | <u>-</u> | <u>456</u> | <u>-</u> | (<u>1,275</u>) | <u>-</u> | <u>683</u> | <u>-</u> |
| 7000 | Total non-operating income and expenses | (<u>17,866</u>) | <u>-</u> | <u>22,876</u> | <u>-</u> | <u>3,099</u> | <u>-</u> | <u>35,643</u> | <u>1</u> |
| 7900 | Net profits before tax | 469,286 | 8 | 471,509 | 8 | 1,298,759 | 8 | 1,407,755 | 9 |
| 7950 | Income tax expenses (Note 30) | (91,483) | (1) | (92,711) | (2) | (267,813) | (2) | (279,497) | (2) |
| 8000 | Net profit of the period | <u>377,803</u> | <u>7</u> | <u>378,798</u> | <u>6</u> | <u>1,030,946</u> | <u>6</u> | <u>1,128,258</u> | <u>7</u> |
| 8360 | Items that may be reclassified to profit or loss subsequently | | | | | | | | |
| 8361 | Exchange difference for the translation of financial statements of foreign operations (Note 27) | 32,123 | - | 63,871 | 1 | 85,709 | 1 | 3,850 | - |
| 8370 | Share of other comprehensive income of affiliates and joint ventures recognized by using the equity method (Note 27) | (186) | - | 280 | - | (65) | - | 237 | - |
| 8399 | Income tax related to items that may be reclassified to profit or loss subsequently (Note 27 and 30) | (6,388) | - | (12,830) | - | (17,129) | - | (824) | - |
| 8300 | Total other comprehensive income (net after tax) | <u>25,549</u> | <u>-</u> | <u>51,321</u> | <u>1</u> | <u>68,515</u> | <u>1</u> | <u>3,263</u> | <u>-</u> |
| 8500 | Total comprehensive income for the period | <u>\$ 403,352</u> | <u>7</u> | <u>\$ 430,119</u> | <u>7</u> | <u>\$ 1,099,461</u> | <u>7</u> | <u>\$ 1,131,521</u> | <u>7</u> |
| 8600 | Net profit attributable to | | | | | | | | |
| 8610 | Owners of the Company | \$ 362,764 | 7 | \$ 377,713 | 6 | \$ 1,023,147 | 6 | \$ 1,112,977 | 7 |
| 8620 | Non-controlling interests | <u>15,039</u> | <u>-</u> | <u>1,085</u> | <u>-</u> | <u>7,799</u> | <u>-</u> | <u>15,281</u> | <u>-</u> |
| | | <u>\$ 377,803</u> | <u>7</u> | <u>\$ 378,798</u> | <u>6</u> | <u>\$ 1,030,946</u> | <u>6</u> | <u>\$ 1,128,258</u> | <u>7</u> |

| Code | | For the three months ended September 30, 2024 | | For the three months ended September 30, 2023 | | For the nine months ended September 30, 2024 | | For the nine months ended September 30, 2023 | |
|------|--|--|----------|--|----------|---|----------|---|----------|
| | | Amount | % | Amount | % | Amount | % | Amount | % |
| 8700 | Total comprehensive income attributable to | | | | | | | | |
| 8710 | Owners of the Company | \$ 381,567 | 7 | \$ 415,947 | 7 | \$ 1,074,869 | 7 | \$ 1,115,587 | 7 |
| 8720 | Non-controlling interests | 21,785 | - | 14,172 | - | 24,592 | - | 15,934 | - |
| | | <u>\$ 403,352</u> | <u>7</u> | <u>\$ 430,119</u> | <u>7</u> | <u>\$ 1,099,461</u> | <u>7</u> | <u>\$ 1,131,521</u> | <u>7</u> |
| | Earnings per share (EPS) (Note 31) | | | | | | | | |
| 9710 | Basic | \$ 4.40 | | \$ 4.59 | | \$ 12.41 | | \$ 13.55 | |
| 9810 | Diluted | \$ 4.28 | | \$ 4.59 | | \$ 12.13 | | \$ 13.35 | |

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

Chairman:
Cheng-Hui Chen

Manager:
Cheng-Hui Chen

Chief Accountant:
Tsung-Hao Liang

Wowprime Corporation and Subsidiaries
Consolidated Statement of Changes in Equity
For the nine months ended September 30, 2024 and 2023

Unit: NT\$ thousand

| | | Equity attributable to owners of the Company | | | | | | | | | | |
|--|---|--|------------|-------------------|---------------|---------------|------------------------|--|------------------------------|---------------|---------------------------|---------------|
| | | Capital stock | | Retained earnings | | | | Other equity | | | Non-controlling interests | Total equity |
| Code | | Number of shares (thousand shares) | Amount | Capital surplus | Legal reserve | Legal reserve | Undistributed earnings | Exchange difference for the translation of financial statements of foreign operations | Treasury stocks (Note 27) | Total | (Note 27) | |
| A1 | Balance on January 1, 2023 | 76,988 | \$ 769,879 | \$ 1,789,924 | \$ 568,290 | \$ 114,717 | \$ 392,985 | (\$ 105,230) | (\$ 352,801) | \$ 3,177,764 | \$ 414,461 | \$ 3,592,225 |
| A3 | Effect of retrospective application and retrospective restatement | - | - | - | - | - | 15,158 | 34 | - | 15,192 | 1,404 | 16,596 |
| A5 | Balance on January 1, 2023 after restatement | 76,988 | 769,879 | 1,789,924 | 568,290 | 114,717 | 408,143 | (105,196) | (352,801) | 3,192,956 | 415,865 | 3,608,821 |
| Earnings appropriation and distribution for 2022 | | | | | | | | | | | | |
| B1 | Legal reserve | | | | 39,298 | - | (39,298) | - | - | - | - | - |
| B5 | Cash dividends of the Company's shareholders | - | - | - | - | - | (288,545) | - | - | (288,545) | - | (288,545) |
| B9 | Stock dividends of the Company's shareholders | 7,463 | 74,629 | | - | - | (74,629) | - | - | - | - | - |
| B17 | Reversal of special reserve | | | | - | (9,487) | 9,487 | - | - | - | - | - |
| D1 | Net profit for the nine months ended September 30, 2023 | - | - | - | - | - | 1,112,977 | - | - | 1,112,977 | 15,281 | 1,128,258 |
| D3 | Other comprehensive income after tax for the nine months ended September 30, 2023 | - | - | - | - | - | - | 2,610 | - | 2,610 | 653 | 3,263 |
| D5 | Total comprehensive income for the nine months ended September 30, 2023 | - | - | - | - | - | 1,112,977 | 2,610 | - | 1,115,587 | 15,934 | 1,131,521 |
| C5 | Components of equity recognized for the issuance of convertible corporate bonds | - | - | 65,391 | - | - | - | - | - | 65,391 | - | 65,391 |
| L1 | Treasury share transactions (Note 27) | - | - | - | - | - | - | - | 43,735 | 43,735 | - | 43,735 |
| M7 | Changes in percentage of ownership interests in subsidiaries (Note32) | - | - | 10 | - | - | - | - | - | 10 | (10) | - |
| I1 | Convertible bonds converted to ordinary shares (Note 27) | - | 3 | 88 | - | - | - | - | - | 91 | - | 91 |
| N1 | Share-based payment (Note 33) | - | - | 31,985 | - | - | - | - | - | 31,985 | 8,786 | 40,771 |
| O1 | Non-controlling interests (Note32) | - | - | - | - | - | - | - | - | - | 175 | 175 |
| Z1 | Balance on September 30, 2023 | 84,451 | \$ 844,511 | \$ 1,887,398 | \$ 607,588 | \$ 105,230 | \$ 1,128,135 | (\$ 102,586) | (\$ 309,066) | \$ 4,161,210 | \$ 440,750 | \$ 4,601,960 |
| A1 | Balance on January 1, 2024 | 84,451 | \$ 844,511 | \$ 1,888,008 | \$ 607,588 | \$ 105,230 | \$ 1,394,388 | (\$ 128,024) | (\$ 309,066) | \$ 4,402,635 | \$ 378,063 | \$ 4,780,698 |
| Earnings appropriation and distribution for 2023 | | | | | | | | | | | | |
| B1 | Legal reserve | - | - | - | 139,439 | - | (139,439) | - | - | - | - | - |
| B3 | Special reserve | - | - | - | - | 22,794 | (22,794) | - | - | - | - | - |
| B5 | Cash dividends of the Company | - | - | - | - | - | (1,232,155) | - | - | (1,232,155) | - | (1,232,155) |
| D1 | Net profit for the nine months ended September 30, 2024 | - | - | - | - | - | 1,023,147 | - | - | 1,023,147 | 7,799 | 1,030,946 |
| D3 | Other comprehensive income after tax for the nine months ended September 30, 2024 | - | - | - | - | - | - | 51,722 | - | 51,722 | 16,793 | 68,515 |
| D5 | Total comprehensive income for the nine months ended September 30, 2024 | - | - | - | - | - | 1,023,147 | 51,722 | - | 1,074,869 | 24,592 | 1,099,461 |
| N1 | Share-based payment (Note 33) | - | - | 22,291 | - | - | - | - | - | 22,291 | - | 22,291 |
| Z1 | Balance on September 30, 2024 | 84,451 | \$ 844,511 | \$ 1,910,299 | \$ 747,027 | \$ 128,024 | \$ 1,023,147 | (\$ 76,302) | (\$ 309,066) | \$ 4,267,640 | \$ 402,655 | \$ 4,670,295 |

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

Chairman: Cheng-Hui Chen

Manager: Cheng-Hui Chen

Chief Accountant: Tsung-Hao Liang

Wowprime Corporation and Subsidiaries

Consolidated Statements of Cash Flows

For the nine months ended September 30, 2024 and 2023

Unit: NT\$ thousand

| Code | | For the nine months ended September 30, 2024 | For the nine months ended September 30, 2023 |
|--------|---|--|--|
| | Cash flow from operating activities | | |
| A10000 | Net profit before tax of the period | \$ 1,298,759 | \$ 1,407,755 |
| A20010 | Income and expenses | | |
| A20100 | Depreciation expenses | 1,643,140 | 1,606,352 |
| A20200 | Amortization expenses | 13,664 | 12,264 |
| A20400 | Net loss of financial assets and liabilities at fair value through profit or loss | 1,832 | 489 |
| A20900 | Financial cost | 78,349 | 87,394 |
| A21200 | Interest income | (63,853) | (46,041) |
| A21900 | Share-based payment awards | 22,291 | 40,771 |
| A22300 | Share of loss (profit) of affiliates and joint ventures recognized by using the equity method | 1,275 | (683) |
| A22500 | Loss on the disposal of property, plant and equipment | 67,139 | 15,274 |
| A23700 | Impairment loss recognized on non-financial assets | 2,229 | 6,943 |
| A23800 | Gain from price recovery of inventory | (9,783) | 1,738 |
| A29900 | Gain on lease modification | (20,586) | (13,414) |
| A30000 | Net changes in operating assets and liabilities | | |
| A31130 | Notes receivable | 817 | 1,256 |
| A31150 | Accounts receivable | 168,215 | (65,722) |
| A31200 | Inventory | 57,433 | 589,401 |
| A31230 | Prepayments | 14,863 | 51,385 |
| A31240 | Other current assets | 7,029 | (52,117) |
| A32125 | Contract liabilities | (205,613) | (272,901) |
| A32130 | Notes payable | (7,702) | (105,959) |
| A32150 | Accounts payable | (106,921) | 111,608 |
| A32180 | Other payables | 69,674 | 113,552 |
| A32200 | Increase in debt allowance | 423 | - |
| A32230 | Other current liabilities | (2,814) | (24) |
| A32240 | Net defined benefit liability | (188) | (2,788) |
| A33000 | Cash generated from operations | 3,029,672 | 3,486,533 |
| A33300 | Interest paid | (\$ 68,626) | (\$ 81,449) |
| A33500 | Income tax paid | (458,853) | (256,816) |

(Cont'd)

(Cont'd)

| | | For the nine months ended September 30, 2024 | For the nine months ended September 30, 2023 |
|--------|--|--|--|
| Code | | | |
| AAAA | Net cash inflow from operating activities | <u>2,502,193</u> | <u>3,148,268</u> |
| | Cash flow from investing activities | | |
| B00040 | Acquisition of financial assets at amortized cost | - | (1,639,893) |
| B00050 | Proceeds from disposal of financial assets at amortized cost | 285,536 | - |
| B00100 | Acquisition of financial assets at fair value through profit or loss | (202,120) | - |
| B02700 | Acquisition of property, plant and equipment | (730,320) | (669,406) |
| B03700 | Increase in refundable deposits | (1,527) | - |
| B03800 | Decrease in refundable deposits | - | 3,676 |
| B04500 | Acquisition of intangible assets | (14,640) | (11,652) |
| B05350 | Acquisition of right-of-use assets | (17,519) | (39,868) |
| B06500 | Increase in other financial assets | (8,944) | (10,539) |
| B07100 | Increase in prepayments for equipment | (25,738) | (45,040) |
| B07500 | Interest received | <u>63,920</u> | <u>45,701</u> |
| BBBB | Net cash outflow from investing activities | (<u>651,352</u>) | (<u>2,367,021</u>) |
| | Cash flow from financing activities | | |
| C00200 | Decrease in short-term borrowings | - | (626,041) |
| C01200 | Issuance of corporate bonds | - | 701,877 |
| C03000 | Receipt of guarantee deposits received | 17,203 | 51,946 |
| C04020 | Repayment of principal of lease liabilities | (964,342) | (978,147) |
| C04500 | Cash dividends paid | (1,232,155) | - |
| C05100 | Treasury shares sold to employees | - | 43,735 |
| C05800 | Changes in non-controlling interests | <u>-</u> | <u>175</u> |
| CCCC | Net cash outflow from financing activities | (<u>2,179,294</u>) | (<u>806,455</u>) |
| DDDD | Effects of changes in exchange rate on cash and cash equivalents | <u>48,712</u> | <u>2,373</u> |
| EEEE | Increase in cash and cash equivalents | (279,741) | (22,835) |
| E00100 | Opening balance of cash and cash equivalents | <u>2,649,674</u> | <u>2,353,985</u> |
| E00200 | Closing balance of cash and cash equivalents | <u>\$ 2,369,933</u> | <u>\$ 2,331,150</u> |

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

Chairman:

Cheng-Hui Chen

Manager:

Cheng-Hui Chen

Chief Accountant:

Tsung-Hao Liang

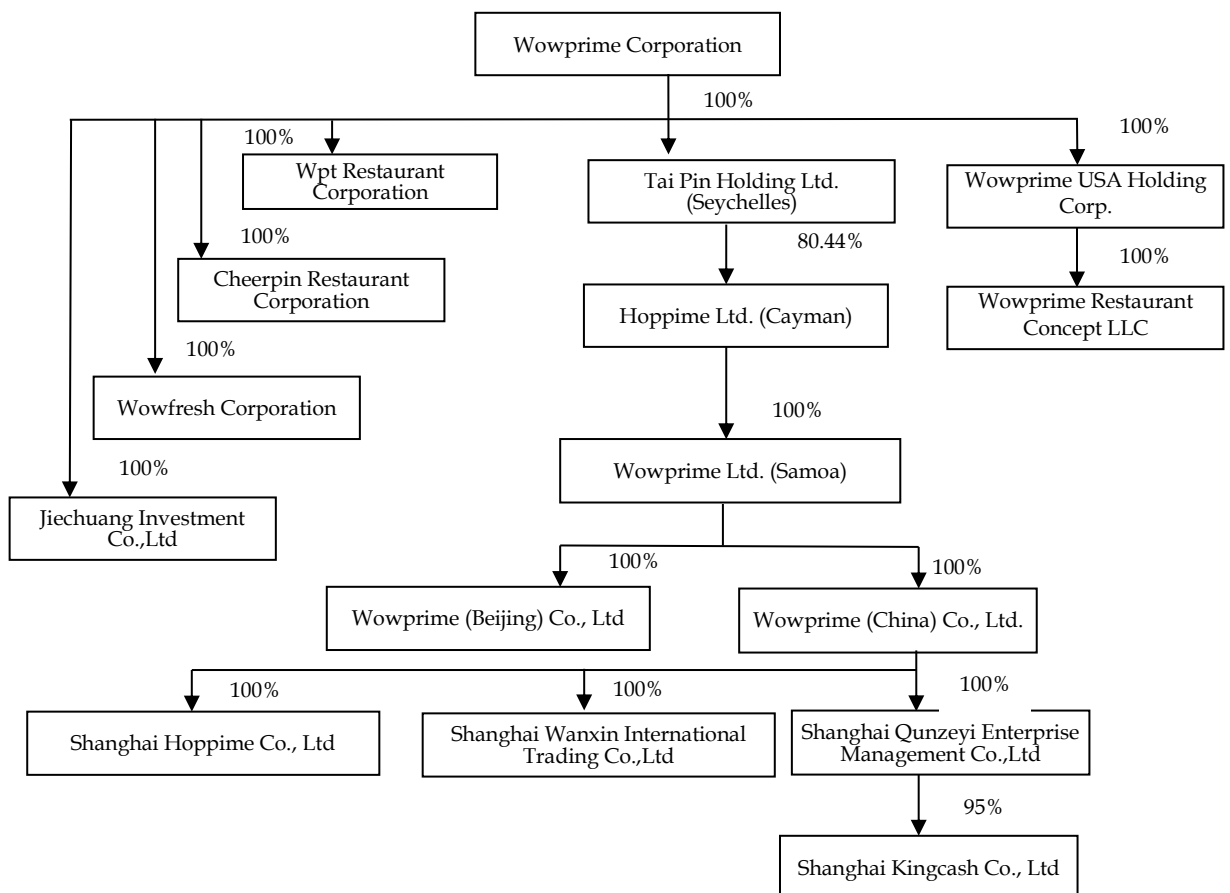
Wowprime Corporation and Subsidiaries
Notes to Consolidated Financial Statements
For the nine months ended September 30, 2024 and 2023
(except for otherwise stated, in NT\$ thousand)

1. Company History

Wowprime Corporation (the “Company”) was formerly known as Wangsteak Co., Ltd. Established in December 1993, the Company was renamed on January 23, 2008. It primarily engages in the industries of restaurants, agricultural and livestock products, food and daily supplies retail, international trade, beverage shops and baked food and steamed food manufacturing.

The stocks of the Company were listed on the Taiwan Stock Exchange for trading on March 6, 2012.

Investment Structure Chart



The consolidated financial statements are presented in the New Taiwan Dollar, which is the Company’s functional currency.

2. Date and Procedure of Adoption of Financial Statements

These consolidated financial statements were approved by the Board on November 7, 2024.

3. Application of New and Revised Standards and Interpretations

- (1) The International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations (IFRIC) and Interpretations (SIC) (hereinafter referred to as “IFRS Accounting Standards”) recognized and issued by the Financial Supervisory Commission (hereinafter referred to as the “FSC”) are applied for the first time.

The application of revised IFRS Accounting Standards approved and issued by the FSC will not result in significant changes in the accounting policies of the consolidated company.

- (2) IFRS accounting standards approved by the FSC for 2025

| <u>New/amended/revised criteria and interpretation</u> | <u>Effective date of IASB release</u> |
|--|---------------------------------------|
| Amendments to IAS 21 “Lack of Exchangeability” | January 1, 2025 (note 1) |

Note 1: Applicable to annual reporting periods beginning on or after January 1, 2025.

Upon initial application of the amendment, prior periods shall not be restated; instead, the impact should be recognized in retained earnings or the cumulative translation differences of foreign operations (as applicable) and in the related affected assets and liabilities as of the initial application date.

- (3) IFRS Accounting Standards issued by IASB but not approved and effective by the FSC

| <u>New/amended/revised criteria and interpretation</u> | <u>Effective date of IASB release (note 1)</u> |
|--|--|
| 「Annual Im-prove-ments to IFRS Accounting Standards — Volume 11」 | January 1, 2026 |
| Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” | January 1, 2026 |
| Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture” | Undetermined |
| IFRS 17 “Insurance Contracts” | January 1, 2023 |
| Amendments to IFRS 17 | January 1, 2023 |
| Amendment to IFRS 17 “Initial application of IFRS 17 and IFRS 9 - comparative information” | January 1, 2023 |

| <u>New/amended/revised criteria and interpretation</u> | <u>Effective date of IASB release (note 1)</u> |
|---|--|
| IFRS 18 “Presentation and Disclosures of Financial Statements” | January 1, 2027 |
| IFRS 19 “Subsidiaries without Public Accountability: Disclosures” | January 1, 2027 |

Note 1: Unless otherwise noted, the above-mentioned new/ amended/ revised standards or interpretations shall come into effect during the annual reporting period starting after that date.

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

According to the amendments, if the consolidated company sells or invests assets in an affiliate (or joint venture), or the consolidated company loses control of a subsidiary but retains material influence (or joint control) over the subsidiary, the consolidated company recognizes all gains or losses arising from the transaction when the abovementioned assets or subsidiary comply with the definition of “business” in IFRS 3 “Business Combinations.”

In addition, if the consolidated company sells or invests assets in an affiliate (or joint venture), or the consolidated company loses control of a subsidiary in a transaction with an affiliate (or joint venture), If the aforementioned assets or the former subsidiary but retains material influence (or joint control) over the subsidiary, the consolidated company only recognizes the gains or losses arising from the transaction to the extent of the investor’s equity irrelevant to the affiliate (or joint venture) when the abovementioned assets or subsidiary do not comply with the definition of “business” in IFRS 3 “Business Combinations”; that is, the consolidated company’s share of the gain or loss shall be eliminated.

- b. IFRS 18 “Presentation and Disclosures of Financial Statements”

IFRS 18 will supersede IAS 1 “Presentation of Financial Statements,” and the main changes of the standard include:

- The income statement shall divide items of income and expenses into operating, investing, fundraising, income tax, and suspended operation categories.
- The income statements shall report the subtotal and total of operating profit or loss, fundraising, profit or loss before tax, and profit or loss.

- Provide guidelines to enhance the summarizing and separation requirements: The consolidated company shall identify assets, liabilities, equity, gains, expenses, and cash flow from individual transactions or other matters and carry out the classification and summary based on the common characteristics to allow the single line items reported in the major financial statements have at least one similar characteristic. Items with different characteristics shall be separated in the major financial statements and notes. The consolidated company may only mark such items as “others” when it is unable to find a more informative name.
 - Addition of disclosures of performance measurement defined by the management: When the consolidated company is carrying out public communications other than financial statements and when users of financial statements are communicating with the management from the perspective of a certain aspect of the overall financial performance of the consolidated company, relevant information on the performance measurement defined by the management shall be disclosed in a single note in the financial statements, including the description of the measurement, the calculation method, the reconciliation of it and the subtotal or total stipulated in the IFRSs, and the effects of relevant reconciliation items on income tax and non-controlling interest.
- c. Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”

This amendment mainly modifies the classification rules for financial assets. If a financial asset includes a contingency that may alter the timing or amount of contractual cash flows, and the nature of the contingency is not directly related to changes in fundamental lending risks and costs (such as whether the borrower achieves a specific carbon emission reduction), such financial assets will still have contractual cash flows that consist solely of payments of principal and interest on the outstanding principal, provided the following two conditions are met:

- All possible scenarios (both before and after the occurrence of the contingency) generate contractual cash flows that solely represent payments of principal and interest on the outstanding principal; and

- The contractual cash flows generated under all possible scenarios do not significantly differ from those of a financial instrument with the same contractual terms but without the contingent feature.

The amendment also allows entities to derecognize a financial liability before the settlement date when using an electronic payment system to settle the liability in cash, provided the following conditions are met:

- The entity does not have the practical ability to revoke, stop, or cancel the payment instruction;
- The entity is unable to access the cash that will be used for settlement because of the payment instruction; and
- The settlement risk associated with the electronic payment system is not significant

Except for the abovementioned effects, if the consolidated Company continues to evaluate the impact of other standards and amendments to the interpretation of the financial status and financial performance as of the date of approval of the consolidated financial statements for publication, the relevant impacts shall be disclosed when the evaluation is completed.

4. Summary of Significant Accounting Policies

(1) Declaration of Compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” approved and issued by the FSC. The consolidated financial statements do not contain all IFRS Accounting Standards disclosures required by the entire annual financial statements.

(2) Basis of Preparation

In addition to financial instruments measured at fair value and net defined benefit liabilities recognized at the present value of defined benefit obligations less the fair value of planned assets, the consolidated financial statements are prepared based on historical cost.

Fair value measurement is divided into levels 1 to 3 according to the observability and importance of relevant input values:

- a. Level 1 input value: refers to the quoted price (unadjusted) of the same assets or liabilities available in the active market on the measurement date.

- b. Level 2 input value: refers to the directly (i.e., price) or indirectly (i.e., derived from price) observable input value of assets or liabilities other than the quotation of level 1.
- c. Level 3 input value: refers to the unobservable input value of assets or liabilities.

(3) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and the entities (subsidiaries) controlled by the Company. In the consolidated statement of comprehensive income, the operating income of the acquired or affiliated subsidiaries since the acquisition date or until the disposal date has been included. The financial statements of the subsidiaries have been adjusted so that their accounting policies are consistent with those of the consolidated Company. In the preparation of the consolidated financial statements, all transactions, account balances, gains and expense losses among the entities have been eliminated. The total comprehensive income of the subsidiaries is attributable to the owners and is the non-controlling interest of the Company, even if the non-controlling interest becomes a loss.

For details of subsidiaries, shareholding ratio and business items, please refer to Note 12, Table 8 and Table 9.

(4) Other Significant Accounting Policies

Except for the following notes, please refer to the Summary of Significant Accounting Policies in the consolidated financial report of 2023.

- a. Criteria for distinguishing between current and non-current assets and liabilities

Current assets include:

- (a) Assets held primarily for trading purposes;
- (b) Assets expected to be realized within 12 months of the balance sheet date; and
- (c) Cash and cash equivalents (other than those restricted from being exchanged or settled more than 12 months after the balance sheet date).

Current liabilities include:

- (a) Liabilities held primarily for trading purposes;
- (b) Liabilities to be settled within 12 months after the balance sheet date (even if a long-term refinancing or rearranged payment agreement is completed

after the balance sheet date, and before the approval for the publication of the financial, they are classified as current liabilities); and

- (c) Liabilities for which the Company has no substantive right to defer the settlement period to at least 12 months after the balance sheet date on the balance sheet date.

Current assets or liabilities that are not classified as current assets or liabilities are classified as non-current assets or non-current liabilities. When the terms of liabilities may be settled by transferring the equity instruments of the consolidated company based on the option of the counterparty of the transaction, if the consolidated company classifies the option as equity instruments, such terms have no effects on the classification of current or non-current liabilities.

b. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

Financial assets are classified as financial assets at FVPL and amortized cost.

Financial asset at FVTPL

Financial assets at FVPL include financial assets that are mandatorily measured at fair value through profit or loss and those designated as at fair value through profit or loss. Financial assets mandatorily measured at fair value through profit or loss include investments in equity instruments investments not designated by the Group as being measured at fair value through other comprehensive income, and investments in debt instruments not qualified for

classification as being measured at amortized cost or at fair value through other comprehensive income.

Financial assets at amortized cost

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

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

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

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

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

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

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

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

b) Impairment of financial assets and contract assets

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

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

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date. For internal credit risk management purposes, the Group determines that the following situations indicate that a financial asset is in default (without taking into account any collateral held by the Group):

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

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

c) Derecognition of financial assets

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

c. Defined benefits and post-retirement benefits

The pension cost of the interim period is calculated based on the pension cost rate determined by actuarial calculation from the end of the previous year to the end of the current period and adjusted for major market fluctuations of the current period, as well as major plan amendments, repayments or other major one-off events.

d. Income tax expenses

Income tax expenses are the sum of current income tax and deferred income tax. The income tax of the interim period is assessed on an annual basis, and the profit before tax of the interim period is calculated at the tax rate applicable to the expected annual total earnings.

5. Main Sources of Uncertainty in Significant Accounting Judgments, Estimates and Assumptions

When adopting accounting policies, the consolidated company's management must make judgments, estimates and assumptions that are based on historical experience and other factors that are not readily apparent from other sources. Actual results may differ from estimates.

When the consolidated company develops significant accounting estimates, the possible impact of inflation and market interest rate fluctuations is included in consideration of cash flow estimates, growth rates, discount rates, profitability, and other relevant significant estimates. The management will continue to examine estimates and basic assumptions.

Main Sources of Uncertainty in Estimates and Assumptions

Impairment Loss of inventories

The net realizable value of inventories is the estimated selling price in the normal business process less the estimated cost of completion and the estimated cost of sales. These estimates are evaluated based on the current market conditions and historical sales of similar products; changes in market conditions may materially affect the estimated results.

6. Cash and cash equivalents

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|----------------------------------|-----------------------|----------------------|-----------------------|
| Cash on hand and working capital | \$ 92,328 | \$ 99,965 | \$ 77,499 |
| Bank checks and demand deposits | 1,951,949 | 2,190,568 | 1,988,972 |
| Cash equivalents | | | |
| Time deposits in banks | <u>325,656</u> | <u>359,141</u> | <u>264,679</u> |
| | <u>\$ 2,369,933</u> | <u>\$ 2,649,674</u> | <u>\$ 2,331,150</u> |

7. Financial instruments at fair value through profit or loss

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|---|-----------------------|----------------------|-----------------------|
| <u>Financial assets - current</u> | | | |
| Mandatory adoption of fair value through profit or loss | | | |
| Hybrid financial assets | | | |
| - Structured deposits | <u>\$ 202,178</u> | <u>\$ -</u> | <u>\$ -</u> |
| <u>Financial liabilities - current</u> | | | |
| Mandatory adoption of fair value through profit or loss | | | |
| Non-derivative financial assets | | | |
| - Call rights of convertible corporate bonds | <u>\$ 6,019</u> | <u>\$ 4,129</u> | <u>\$ 3,639</u> |

The Group signed a structured term deposit agreement with a bank. This structured term deposit includes an embedded derivative that is not closely related to the primary contract. Given that the primary contract within this hybrid agreement falls under IFRS 9, the entire hybrid agreement is required to be measured at fair value through profit or loss.

8. Financial assets at amortized cost

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|--|-----------------------|----------------------|-----------------------|
| <u>Current</u> | | | |
| Time deposits with an original maturity date of more than 3 months | <u>\$ 2,846,933</u> | <u>\$ 3,132,469</u> | <u>\$ 3,387,888</u> |

- (1) As of September 30, 2024 and December 31 and September 30, 2023, the interest rate range of deposits with an original maturity date of more than 3 months was 0.66%-5.12%, 0.535% - 5.12%, and 0.54%- 5.12%.
- (2) For information on credit risk management and impairment loss assessment related to financial assets at amortized costs, please refer to Note 9.
- (3) For information on pledged financial assets at amortized cost, please refer to Note 38.

9. Credit risk management of investments in debt instruments

Debt instruments invested by the consolidated company are financial assets at amortized cost:

| | Measured at amortized cost | | |
|-----------------------|----------------------------|----------------------|-----------------------|
| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
| Total carrying amount | \$ 2,846,933 | \$ 3,132,469 | \$ 3,387,888 |
| Loss allowance | - | - | - |
| Amortized cost | <u>\$ 2,846,933</u> | <u>\$ 3,132,469</u> | <u>\$ 3,387,888</u> |

The credit risk of bank deposits and other financial instruments is measured and monitored by the respective financial departments of the consolidated company. As the counterparties of the consolidated company are banks with good credit and financial institutions and companies/organizations of investment grade or above, there is no major concern of default, and there is no significant credit risk. The consolidated company's current credit risk rating system and the total carrying amount of debt instrument investment of different credit ratings are as follows:

| Credit rating | Definition | Recognition basis of expected credit losses (ECL) | ECL rate | Total carrying amount as of September 30, 2024 | Total carrying amount as of December 31, 2023 | Total carrying amount as of September 30, 2023 |
|---------------|--|---|----------|--|---|--|
| Normal | The debtors' credit risk is low, and they have sufficient ability to settle the contractual cash flows | 12-month ECL | 0 % | <u>\$2,846,933</u> | <u>\$3,132,469</u> | <u>\$3,387,888</u> |

10. Notes receivable and accounts receivable

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|----------------------------|-----------------------|----------------------|-----------------------|
| <u>Notes receivable</u> | | | |
| Measured at amortized cost | | | |
| Total carrying amount | \$ 1,504 | \$ 2,321 | \$ 1,842 |
| Less: Loss allowance | - | - | - |
| | <u>\$ 1,504</u> | <u>\$ 2,321</u> | <u>\$ 1,842</u> |

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|----------------------------|-----------------------|----------------------|-----------------------|
| <u>Accounts receivable</u> | | | |
| Measured at amortized cost | | | |
| Total carrying amount | \$ 410,353 | \$ 578,568 | \$ 515,552 |
| Less: Loss allowance | (<u>333</u>) | (<u>333</u>) | <u>-</u> |
| | <u>\$ 410,020</u> | <u>\$ 578,235</u> | <u>\$ 515,552</u> |

The consolidated company mostly collects cash (or credit card) for sales customers, except for accounts receivable from partial locations in stores or department stores and cooperation with other industries; in such cases, the credit period is based on the negotiation between both parties, and the credit period is 30 to 90 days. When determining the recoverability of accounts receivable, the consolidated company considers any changes in the credit quality of the accounts receivable from the original credit grant date to the balance sheet date.

The consolidated company shall recognize the loss allowance of accounts receivable according to lifetime ECL. The lifetime ECL is calculated by the preparation matrix, which considers the past default records of customers and their current financial situation, the industrial economic situation, as well as the GDP forecast and industrial outlook. As the historical experience of credit loss of the consolidated company shows that there is no significant difference in the loss pattern of different customer groups, the preparation matrix does not further distinguish customer groups and only uses the overdue days of accounts receivable to determine the ECL rate.

The consolidated company measures the loss allowance of notes receivable and accounts receivable according to the preparation matrix as follows:

September 30, 2024

| | Not overdue | Overdue 1 to 30 days | Overdue 31 to 60 days | Overdue 61 to 90 days | Overdue over 90 days | Total |
|----------------------------------|-------------------|-------------------------|--------------------------|--------------------------|-------------------------|-------------------|
| ECL rate | - | - | - | - | - | - |
| Total carrying amount | \$ 409,422 | \$ 1,366 | \$ 428 | \$ 132 | \$ 509 | \$ 411,857 |
| Loss allowance (lifetime ECL) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | (<u>333</u>) | (<u>333</u>) |
| Amortized cost | <u>\$ 409,422</u> | <u>\$ 1,366</u> | <u>\$ 428</u> | <u>\$ 132</u> | <u>\$ 176</u> | <u>\$ 411,524</u> |

December 31, 2023

| | Not overdue | Overdue 1 to 30 days | Overdue 31 to 60 days | Overdue 61 to 90 days | Overdue over 90 days | Total |
|----------------------------------|-------------------|-------------------------|--------------------------|--------------------------|-------------------------|-------------------|
| ECL rate | - | - | - | - | - | - |
| Total carrying amount | \$ 574,183 | \$ 5,301 | \$ 472 | \$ 392 | \$ 541 | \$ 580,889 |
| Loss allowance (lifetime ECL) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | (<u>333</u>) | (<u>333</u>) |
| Amortized cost | <u>\$ 574,183</u> | <u>\$ 5,301</u> | <u>\$ 472</u> | <u>\$ 392</u> | <u>\$ 208</u> | <u>\$ 580,556</u> |

September 30, 2023

| | Not overdue | Overdue 1 to 30 days | Overdue 31 to 60 days | Overdue 61 to 90 days | Overdue over 90 days | Total |
|----------------------------------|-------------------|-------------------------|--------------------------|--------------------------|-------------------------|-------------------|
| ECL rate | - | - | - | - | - | - |
| Total carrying amount | \$ 508,568 | \$ 7,219 | \$ 566 | \$ 184 | \$ 857 | \$ 517,394 |
| Loss allowance (lifetime ECL) | - | - | - | - | - | - |
| Amortized cost | <u>\$ 508,568</u> | <u>\$ 7,219</u> | <u>\$ 566</u> | <u>\$ 184</u> | <u>\$ 857</u> | <u>\$ 517,394</u> |

| | For the nine months ended September 30, 2024 | | |
|--|--|--------------------------|---------------|
| | Group assessment | Individual assessment | Total |
| Opening balance | \$ - | \$ 333 | \$ 333 |
| Add: Impairment loss recognized for the current year | - | - | - |
| Closing balance | <u>\$ -</u> | <u>\$ 333</u> | <u>\$ 333</u> |

11. Inventory

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|----------------------|-----------------------|----------------------|-----------------------|
| Raw materials | \$ 1,409,292 | \$ 1,542,575 | \$ 1,747,303 |
| Products | 467 | 5,330 | 652 |
| Inventory in transit | <u>160,233</u> | <u>69,737</u> | <u>48,702</u> |
| | <u>\$ 1,569,992</u> | <u>\$ 1,617,642</u> | <u>\$ 1,796,657</u> |

The nature of the cost of sales is as follows:

| | For the three months ended September 30, 2024 | For the three months ended September 30, 2023 | For the nine months ended September 30, 2024 | For the nine months ended September 30, 2023 |
|--|--|--|---|---|
| Cost of inventory sold | \$ 3,022,722 | \$ 3,098,019 | \$ 8,810,469 | \$ 8,904,766 |
| Inventory losses (reversal of write-down of inventories) (1) | (<u>953</u>) | <u>13,021</u> | (<u>9,783</u>) | <u>1,738</u> |
| | <u>\$ 3,021,769</u> | <u>\$ 3,111,040</u> | <u>\$ 8,800,686</u> | <u>\$ 8,906,504</u> |

- (1) Inventory write-downs were reversal as a result of the increase in selling prices of the inventory in specific markets .

12. Subsidiary

(1) Subsidiaries included in the consolidated financial statements

The entities in the consolidated financial statements are as follows:

| Name of investee | Name of subsidiary | Nature of business | Percentage of equity held | | | Description |
|--|--|--|---------------------------|-------------------|--------------------|-------------|
| | | | September 30, 2024 | December 31, 2023 | September 30, 2023 | |
| Wowprime Corporation | Tai Pin Holding Ltd. | Investment | 100% | 100% | 100% | - |
| Wowprime Corporation | WPT Restaurant Corporation | F&B, F&B management, and relevant consultation | 100% | 100% | 100% | - |
| Wowprime Corporation | Wowfresh Corporation | Fresh food trading | 100% | 100% | 100% | - |
| Wowprime Corporation | Cheerpin Restaurant Corporation | F&B, F&B management, and relevant consultation | 100% | 100% | 100% | - |
| Wowprime Corporation | Jiechuang Investment Co.,Ltd | Investment | 100% | 100% | 100% | - |
| Wowprime Corporation | Wowprime USA Holding Corp. | Investment | 100% | - | - | (3) |
| Wowprime USA Holding Corp. | Wowprime Restaurant Concept LLC | F&B, F&B management, and relevant consultation | 100% | - | - | (4) |
| Tai Pin Holding Ltd. | Hoppime Ltd. | Investment | 80.44% | 80.44% | 78.45% | (1) 、(2) |
| Hoppime Ltd. | Wowprime Ltd. | Investment | 100% | 100% | 100% | - |
| Wowprime Ltd. | Wowprime (China) Co., Ltd. | F&B, F&B management, and relevant consultation | 100% | 100% | 100% | - |
| Wowprime Ltd. | Wowprime (Beijing) CO., LTD | F&B, F&B management, and relevant consultation | 100% | 100% | 100% | - |
| Wowprime (China) Co., Ltd. | Shanghai Qunzeyi Enterprise Management Co., Ltd. | Management consultant | 100% | 100% | 100% | - |
| Wowprime (China) Co., Ltd. | Shanghai Wanxin International Trading Co., Ltd. | Fresh food trading | 100% | 100% | 100% | - |
| Wowprime (China) Co., Ltd. | Shanghai Hoppime Co., Ltd | F&B, F&B management, and relevant consultation | 100% | 100% | 100% | - |
| Shanghai Qunzeyi Enterprise Management Co., Ltd. | Shanghai Kingcash Co., Ltd | F&B, F&B management, and relevant consultation | 95% | 95% | 95% | - |

Description (1): Subsidiaries with significant non-controlling interests.

(2): Refer to Note 32 for information on considerate and Hoppime Ltd. for the transaction of non-controlling interests.

(3): The consolidated company established Wowprime USA Holding Corp. in April,2024 and injected capital of USD 3.5 million on August 6 of the same year.

(4): The consolidated company established Wowprime Restaurant

Concept LLC in July, 2024 and injected capital of USD 3.4 million on September 16 of the same year.

- (2) Subsidiaries not included in the consolidated financial statements: None.
- (3) Information on subsidiaries with significant non-controlling interests

| Name of subsidiary | Percentage of equity and voting rights held by non-controlling interests | | |
|--------------------|--|-------------------|--------------------|
| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
| Hoppime Ltd. | 19.56% | 19.56% | 21.55% |

For information on principal places of business and countries of incorporation, please refer to Table 8 and Table 9.

| Name of subsidiary | Net (loss) profit allocated to non-controlling interests | | | | Non-controlling interests | | |
|---|--|---|--|--|---------------------------|-------------------|--------------------|
| | For the three months ended September 30, 2024 | For the three months ended September 30, 2023 | For the nine months ended September 30, 2024 | For the nine months ended September 30, 2023 | September 30, 2024 | December 31, 2023 | September 30, 2023 |
| Hoppime Ltd. (excluding non-controlling interests of subsidiaries) | \$ 15,427 | \$ 1,046 | \$ 8,178 | \$ 15,317 | \$ 402,877 | \$ 377,911 | \$ 440,598 |

The summarized financial information of the respective subsidiaries below is prepared based on the amounts before writing off the intercompany transactions:

Hoppime Ltd. and Subsidiaries

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|--|--------------------|-------------------|--------------------|
| Current assets | \$ 1,636,281 | \$ 1,419,429 | \$ 1,505,015 |
| Non-current assets | 2,588,982 | 2,649,091 | 2,768,830 |
| Current liabilities | (1,050,809) | (1,080,278) | (1,162,424) |
| Non-current liabilities | (1,114,980) | (1,056,029) | (1,066,732) |
| Equity | \$ 2,059,474 | \$ 1,932,213 | \$ 2,044,689 |
| Equity attributable to: | | | |
| Owners of the Company | \$ 1,656,819 | \$ 1,554,150 | \$ 1,603,939 |
| Non-controlling interests of Hoppime Ltd. | 402,877 | 377,911 | 440,598 |
| Non-controlling interests of Hoppime Ltd.'s subsidiaries | (222) | 152 | 152 |
| | \$ 2,059,474 | \$ 1,932,213 | \$ 2,044,689 |

| | For the three months ended September 30, 2024 | For the three months ended September 30, 2023 | For the nine months ended September 30, 2024 | For the nine months ended September 30, 2023 |
|--|--|--|---|---|
| Operating revenue | <u>\$ 1,183,866</u> | <u>\$ 1,342,476</u> | <u>\$ 3,272,373</u> | <u>\$ 3,947,600</u> |
| Net profit of the period | \$ 78,479 | \$ 4,894 | \$ 41,428 | \$ 69,988 |
| Other comprehensive income | <u>34,487</u> | <u>60,706</u> | <u>85,833</u> | <u>3,236</u> |
| Total comprehensive income | <u>\$ 112,966</u> | <u>\$ 65,600</u> | <u>\$ 127,261</u> | <u>\$ 73,224</u> |
| Net (loss) profit attributable to: | | | | |
| Owners of the Company | \$ 63,440 | \$ 3,809 | \$ 33,629 | \$ 54,707 |
| Non-controlling interests of Hoppime Ltd. | 15,427 | 1,046 | 8,178 | 15,317 |
| Non-controlling interests of Hoppime Ltd.'s subsidiaries | (<u>388</u>) | <u>39</u> | (<u>379</u>) | (<u>36</u>) |
| | <u>\$ 78,479</u> | <u>\$ 4,894</u> | <u>\$ 41,428</u> | <u>\$ 69,988</u> |
| Total comprehensive income attributable to: | | | | |
| Owners of the Company | \$ 91,181 | \$ 51,428 | \$ 102,669 | \$ 57,290 |
| Non-controlling interests of Hoppime Ltd. | 22,172 | 14,129 | 24,966 | 15,970 |
| Non-controlling interests of Hoppime Ltd.'s subsidiaries | (<u>387</u>) | <u>43</u> | (<u>374</u>) | (<u>36</u>) |
| | <u>\$ 112,966</u> | <u>\$ 65,600</u> | <u>\$ 127,261</u> | <u>\$ 73,224</u> |
| Cash flows | | | | |
| Operating activities | | | \$ 904,335 | \$ 938,994 |
| Investing activities | | | (447,758) | (124,936) |
| Financing activities | | | (465,419) | (565,606) |
| Net cash inflow | | | (<u>\$ 8,842</u>) | <u>\$ 248,452</u> |

13. Investments accounted for using the equity method

Investment in affiliates

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|--|-----------------------|----------------------|-----------------------|
| <u>Aggregate information of individually non- significant affiliates</u> | | | |
| Wei Dao Ltd. | \$ - | \$ - | \$ 3,290 |
| DUDOO LTD. (Cayman) | <u>78,763</u> | <u>80,103</u> | <u>79,534</u> |
| | <u>\$ 78,763</u> | <u>\$ 80,103</u> | <u>\$ 82,824</u> |

The consolidated company's percentage of ownership interest and voting rights in the affiliates as of the balance sheet date are as follows:

| Name of company | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|---------------------|-----------------------|----------------------|-----------------------|
| Wei Dao Ltd. | 20% | 20% | 20% |
| DUDOO LTD. (Cayman) | 14.98% | 14.98% | 14.98% |

For information on the nature of business, principal places of business and countries of incorporation of the abovementioned affiliates, please refer to Table 8.

For Wei Dao Ltd. and Dudoo Ltd. (Cayman), the calculation was based on financial statements not reviewed by CPAs. However, the management of the consolidated company considered that there will not be material adjustments after the financial statements of the abovementioned affiliates are audited by CPAs.

14. Property, plant and equipment

| | Self-owned land | Houses and buildings | Water, electricity, fire-fighting equipment | Office equipment | Kitchen and restaurant equipment | Lease improvements | Other equipment | Total |
|---|--------------------|-------------------------|--|---------------------|--|-----------------------|--------------------|---------------------|
| <u>Cost</u> | | | | | | | | |
| Balance on January 1, 2024 | \$ 122,505 | \$ 132,408 | \$ 1,152,992 | \$ 193,539 | \$ 1,309,438 | \$ 2,309,326 | \$ 295,554 | \$ 5,515,762 |
| Addition | - | - | 142,983 | 23,481 | 157,722 | 260,441 | 29,942 | 614,569 |
| Reclassification | - | - | 2,753 | - | 4,272 | 48,307 | 3,563 | 58,895 |
| Disposal | - | - | (79,441) | (21,946) | (117,201) | (337,994) | (22,445) | (579,027) |
| Net exchange difference | - | - | 1,631 | 1,880 | 8,527 | 18,623 | 4,036 | 34,697 |
| Balance on September 30, 2024 | <u>\$ 122,505</u> | <u>\$ 132,408</u> | <u>\$ 1,220,918</u> | <u>\$ 196,954</u> | <u>\$ 1,362,758</u> | <u>\$ 2,298,703</u> | <u>\$ 310,650</u> | <u>\$ 5,644,896</u> |
| <u>Accumulated depreciation and impairment</u> | | | | | | | | |
| Balance on January 1, 2024 | \$ - | \$ 58,697 | \$ 669,255 | \$ 132,535 | \$ 863,030 | \$ 1,311,177 | \$ 183,298 | \$ 3,217,992 |
| Depreciation expenses | - | 3,081 | 134,675 | 20,024 | 158,226 | 289,153 | 40,515 | 645,674 |
| Disposal | - | - | (68,195) | (20,908) | (100,718) | (303,905) | (18,162) | (511,888) |
| Impairment losses recognized | - | - | - | - | - | 2,229 | - | 2,229 |
| Net exchange difference | - | - | 581 | 1,628 | 6,186 | 9,255 | 2,847 | 20,497 |
| Balance on September 30, 2024 | <u>\$ -</u> | <u>\$ 61,778</u> | <u>\$ 736,316</u> | <u>\$ 133,279</u> | <u>\$ 926,724</u> | <u>\$ 1,307,909</u> | <u>\$ 208,498</u> | <u>\$ 3,374,504</u> |
| Net amount on September 30, 2024 | <u>\$ 22,505</u> | <u>\$ 70,630</u> | <u>\$ 484,602</u> | <u>\$ 63,675</u> | <u>\$ 436,034</u> | <u>\$ 990,794</u> | <u>\$ 102,152</u> | <u>\$ 2,270,392</u> |
| Net amount on December 31, 2023 and January 1, 2024 | <u>\$ 122,505</u> | <u>\$ 73,711</u> | <u>\$ 483,737</u> | <u>\$ 61,004</u> | <u>\$ 446,408</u> | <u>\$ 998,149</u> | <u>\$ 112,256</u> | <u>\$ 2,297,770</u> |
| <u>Cost</u> | | | | | | | | |
| Balance on January 1, 2023 | \$ 122,505 | \$ 132,408 | \$ 1,033,385 | \$ 201,136 | \$ 1,186,927 | \$ 2,176,453 | \$ 246,679 | \$ 5,099,493 |
| Addition | - | - | 163,211 | 21,698 | 200,475 | 310,378 | 46,482 | 742,244 |
| Reclassification | - | - | 3,766 | - | 6,712 | 21,239 | 11,282 | 42,999 |
| Disposal | - | - | (101,061) | (32,578) | (118,044) | (259,488) | (19,757) | (530,928) |
| Net exchange difference | - | - | 82 | (53) | 276 | 1,103 | 155 | 1,563 |
| Balance on September 30, 2023 | <u>\$ 122,505</u> | <u>\$ 132,408</u> | <u>\$ 1,099,383</u> | <u>\$ 190,203</u> | <u>\$ 1,276,346</u> | <u>\$ 2,249,685</u> | <u>\$ 284,841</u> | <u>\$ 5,355,371</u> |
| <u>Accumulated depreciation and impairment</u> | | | | | | | | |
| Balance on January 1, 2023 | \$ - | \$ 54,588 | \$ 625,894 | \$ 143,905 | \$ 808,460 | \$ 1,272,741 | \$ 159,961 | \$ 3,065,549 |
| Depreciation expenses | - | 3,081 | 117,117 | 19,766 | 142,686 | 275,426 | 34,294 | 592,370 |
| Disposal | - | - | (96,617) | (32,020) | (114,707) | (254,339) | (17,971) | (515,654) |
| Impairment losses recognized | - | - | - | - | - | 5,225 | - | 5,225 |
| Net exchange difference | - | - | 45 | (61) | 177 | 822 | 99 | 1,082 |
| Balance on September 30, 2023 | <u>\$ -</u> | <u>\$ 57,669</u> | <u>\$ 646,439</u> | <u>\$ 131,590</u> | <u>\$ 836,616</u> | <u>\$ 1,299,875</u> | <u>\$ 176,383</u> | <u>\$ 3,148,572</u> |
| Net amount on September 30, 2023 | <u>\$ 122,505</u> | <u>\$ 74,739</u> | <u>\$ 452,944</u> | <u>\$ 58,613</u> | <u>\$ 439,730</u> | <u>\$ 949,810</u> | <u>\$ 108,458</u> | <u>\$ 2,206,799</u> |

The consolidated company expects that certain lease improvements no longer have any value in use. Accordingly, impairment losses of \$0 thousand, \$0 thousand, \$2,229 thousand, and \$5,225 thousand were recognized in the related consolidated statements of

comprehensive income for the three months ended September 30, 2024 and 2023, and for the nine months ended September 30, 2024 and 2023. The impairment loss was stated under other profits and losses in the consolidated statements of comprehensive income.

Wowprime Corporation adopted value-in-use as the recoverable amount of leasehold improvement. The discount rates were 3.85% and 4.3%, respectively, for the years ended September 30, 2024 and 2023.

Depreciation expenses are accrued on a straight-line basis over the following useful lives:

| | |
|---|----------------|
| Houses and buildings | |
| Main buildings of houses | 20 to 33 years |
| Decoration equipment | 2 to 6 years |
| Water, electricity, fire-fighting equipment | 1 to 10 years |
| Office equipment | 1 to 6 years |
| Kitchen and restaurant equipment | 1 to 10 years |
| Lease improvements | 1 to 10 years |
| Other equipment | 1 to 6 years |

15. Lease agreement

(1) Acquisition of right-of-use assets

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|--|--|--|---|
| Carrying amount of right-of-use assets | | | |
| Buildings | <u>\$ 3,794,362</u> | <u>\$ 3,758,545</u> | <u>\$ 3,571,797</u> |
| | For the three months ended September 30, 2024 | For the three months ended September 30, 2023 | For the nine months ended September 30, 2024 |
| Acquisition of right-of-use assets | <u>\$ 415,385</u> | <u>\$ 362,003</u> | <u>\$ 758,939</u> |
| Disposal of right-of-use assets | <u>(\$ 49,593)</u> | <u>(\$ 33,306)</u> | <u>(\$ 198,228)</u> |
| Depreciation expenses of right-of-use assets | | | |
| Buildings | <u>\$ 330,032</u> | <u>\$ 342,459</u> | <u>\$ 986,097</u> |
| | For the nine months ended September 30, 2023 | | |
| | | | <u>\$ 1,001,262</u> |

Except for the additions and depreciation expenses recognized listed above, the consolidated company's right-of-use assets had no material sublease for the nine months ended September 30, 2024 and 2023.

(2) Lease liabilities

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|--------------------------------------|-----------------------|----------------------|-----------------------|
| Carrying amount of lease liabilities | | | |
| Current | \$ 1,108,961 | \$ 1,246,852 | \$ 1,202,134 |
| Non-current | <u>2,734,017</u> | <u>2,572,483</u> | <u>2,443,304</u> |
| | <u>\$ 3,842,978</u> | <u>\$ 3,819,335</u> | <u>\$ 3,645,438</u> |

The range of discount rates for lease liabilities is as follows:

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|-----------|-----------------------|----------------------|-----------------------|
| Buildings | 0.765%~4.75% | 0.765%~4.75% | 0.765%~4.75% |

(3) Important lease-in activities and terms

The consolidated company rented certain buildings for offices and retail stores with a lease period ranging from 2 to 8 years. The consolidated company has no preferential right to acquire the leased buildings upon the termination of the lease term.

The consolidated company has rented a large amount of properties to set up stores due to the retail business. The lease terms are negotiated by the management of business departments, including various lease payment terms. To reduce the fixed costs of the newly established stores or to control the flexibility of profit and operations, the consolidated company has included variable payments in the lease terms. The variable lease payment terms of the consolidated company vary significantly:

- a. The majority of the variable payments are based on a specific percentage of store turnover;
- b. Certain variable payment terms include minimum or maximum limit terms.

The variable payment terms may incur higher rental costs for the stores with higher turnover; however, such terms are helpful to the consolidated company's profit management.

The consolidated company expects that the proportion of future variable rental expenses to store sales will be equivalent to the current period.

(4) Other lease information

| | For the three months ended September 30, 2024 | For the three months ended September 30, 2023 | For the nine months ended September 30, 2024 | For the nine months ended September 30, 2023 |
|--|--|--|---|---|
| Variable lease payments and short-term lease expenses not included in the measurement of lease liabilities | <u>\$ 124,480</u> | <u>\$ 118,472</u> | <u>\$ 350,236</u> | <u>\$ 342,733</u> |
| Total cash (outflow) for leases | | | <u>(\$ 1,400,710)</u> | <u>(\$ 1,432,586)</u> |

The consolidated company has selected to apply the recognition exemption to certain leases of dormitories, warehouses, and office equipment that qualify as short-term leases and computer equipment leases that qualify as low-value asset leases to not recognize right-of-use assets and lease liabilities for such leases.

16. Investment properties

| | Houses and buildings |
|--|-------------------------|
| <u>Cost</u> | |
| Balance on January 1, 2024 | \$ 757,520 |
| Net exchange difference | <u>34,314</u> |
| Balance on September 30, 2024 | <u>\$ 791,834</u> |
| <u>Accumulated depreciation and impairment</u> | |
| Balance on January 1, 2024 | \$ 221,098 |
| Depreciation expenses | 11,369 |
| Net exchange difference | <u>10,221</u> |
| Balance on September 30, 2024 | <u>\$ 242,688</u> |
| Net amount on September 30, 2024 | <u>\$ 549,146</u> |
| Net amount on December 31, 2023 and January 1, 2024 | <u>\$ 536,422</u> |
| <u>Cost</u> | |
| Balance on January 1, 2023 | \$ 771,701 |
| Net exchange difference | <u>1,225</u> |
| Balance on September 30, 2023 | <u>\$ 772,926</u> |

| | <u>Houses and buildings</u> |
|--|---------------------------------|
| <u>Accumulated depreciation and impairment</u> | |
| Balance on January 1, 2023 | \$ 136,492 |
| Depreciation expenses | 12,720 |
| Net exchange difference | <u>278</u> |
| Balance on September 30, 2023 | <u>\$ 149,490</u> |
| Net amount on September 30, 2023 | <u>\$ 623,436</u> |

The total amount of lease payments to be collected in the future for leased investment properties under operating leases is as follows:

| | <u>September 30, 2024</u> | <u>December 31, 2023</u> | <u>September 30, 2023</u> |
|---------------|-------------------------------|------------------------------|-------------------------------|
| 1st year | \$ 13,974 | \$ 20,157 | \$ 16,350 |
| 2nd year | 6,993 | 12,451 | 20,150 |
| 3rd year | 6,085 | 6,964 | 12,196 |
| Over 3rd year | <u>3,947</u> | <u>8,631</u> | <u>15,590</u> |
| | <u>\$ 30,999</u> | <u>\$ 48,203</u> | <u>\$ 64,286</u> |

Depreciation expenses are accrued on a straight-line basis over the following useful lives:

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

The fair value of investment properties as of December 31, 2024 and 2023 was appraised by Prudential Cross-strait Real Estate Appraisers Firm on the balance sheet date. The fair value as of September 30, 2024 and 2023 was not appraised by an independent appraiser; however, the consolidated company's management adopted the evaluation model commonly used by market participants for measurement based on the Level 3 input value. The evaluation is based on market evidence of transaction prices of similar real estate, and the fair values of the evaluation are as follows:

| | <u>September 30, 2024</u> | <u>December 31, 2023</u> | <u>September 30, 2023</u> |
|------------|-------------------------------|------------------------------|-------------------------------|
| Fair value | <u>\$ 560,721</u> | <u>\$ 536,422</u> | <u>\$ 636,218</u> |

For the amount of investment property pledged for borrowings, please refer to Note 38.

17. Other intangible assets

| | Computer software | Trademark rights | Total |
|--|----------------------|---------------------|-------------------|
| <u>Cost</u> | | | |
| Balance on January 1, 2024 | \$ 127,950 | \$ 7,012 | \$ 134,962 |
| Acquired separately | 14,640 | - | 14,640 |
| Disposal | (237) | - | (237) |
| Net exchange difference | <u>3,067</u> | <u>-</u> | <u>3,067</u> |
| Balance on September 30, 2024 | <u>\$ 145,420</u> | <u>\$ 7,012</u> | <u>\$ 152,432</u> |
| <u>Accumulated amortization</u> | | | |
| Balance on January 1, 2024 | \$ 90,747 | \$ 3,777 | \$ 94,524 |
| Amortization expenses | 13,313 | 351 | 13,664 |
| Disposal | (237) | - | (237) |
| Net exchange difference | <u>2,426</u> | <u>-</u> | <u>2,426</u> |
| Balance on September 30, 2024 | <u>\$ 106,249</u> | <u>\$ 4,128</u> | <u>\$ 110,377</u> |
| Net amount on September 30, 2024 | <u>\$ 39,171</u> | <u>\$ 2,884</u> | <u>\$ 42,055</u> |
| Net amount on December 31, 2023 and January 1, 2024 | <u>\$ 37,203</u> | <u>\$ 3,235</u> | <u>\$ 40,438</u> |
| <u>Cost</u> | | | |
| Balance on January 1, 2023 | \$ 112,815 | \$ 7,012 | \$ 119,827 |
| Acquired separately | 11,652 | - | 11,652 |
| Net exchange difference | <u>110</u> | <u>-</u> | <u>110</u> |
| Balance on September 30, 2023 | <u>\$ 124,577</u> | <u>\$ 7,012</u> | <u>\$ 131,589</u> |
| <u>Accumulated amortization</u> | | | |
| Balance on January 1, 2023 | \$ 75,759 | \$ 3,310 | \$ 79,069 |
| Amortization expenses | 11,913 | 351 | 12,264 |
| Net exchange difference | <u>97</u> | <u>-</u> | <u>97</u> |
| Balance on September 30, 2023 | <u>\$ 87,769</u> | <u>\$ 3,661</u> | <u>\$ 91,430</u> |
| Net amount on September 30, 2023 | <u>\$ 36,808</u> | <u>\$ 3,351</u> | <u>\$ 40,159</u> |

Amortization expenses are accrued on a straight-line basis over the following useful lives:

| | |
|-------------------|--------------|
| Computer software | 1 to 6 years |
| Trademark rights | 15 years |

Summary of amortization expenses by function:

| | For the three months ended September 30, 2024 | For the three months ended September 30, 2023 | For the nine months ended September 30, 2024 | For the nine months ended September 30, 2023 |
|--------------------|--|--|---|---|
| Operating expenses | <u>\$ 4,927</u> | <u>\$ 4,189</u> | <u>\$ 13,664</u> | <u>\$ 12,264</u> |

18. Prepayments

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|----------------------------------|-----------------------|----------------------|-----------------------|
| <u>Current</u> | | | |
| Prepaid rental | \$ 20,795 | \$ 25,994 | \$ 23,684 |
| Inventory of supplies | 16,132 | 22,619 | 23,255 |
| Prepayment for goods | 57,026 | 33,734 | 37,504 |
| Input/offset against tax payable | 99,483 | 99,276 | 104,285 |
| Other prepaid expenses | <u>41,461</u> | <u>68,137</u> | <u>78,259</u> |
| | <u>\$ 234,897</u> | <u>\$ 249,760</u> | <u>\$ 266,987</u> |

19. Other financial assets - current

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|-----------------------|-----------------------|----------------------|-----------------------|
| <u>Current</u> | | | |
| Trust account deposit | \$ 9,012 | \$ 1,746 | \$ 13,605 |
| Allowance deposit | <u>37,544</u> | <u>35,866</u> | <u>36,577</u> |
| | <u>\$ 46,556</u> | <u>\$ 37,612</u> | <u>\$ 50,182</u> |

The interest rate range of other financial assets on the balance sheet date is as follows:

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|-----------------------|-----------------------|----------------------|-----------------------|
| <u>Current</u> | | | |
| Trust account deposit | 0.610% ~ 0.635% | 0.51% | 0.51% |
| Allowance deposit | 0.30% | 0.30% | 0.30% |

For information on pledged other financial assets, please refer to Note 38.

20. Other assets

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|-------------------------------------|-----------------------|----------------------|-----------------------|
| <u>Current</u> | | | |
| Other receivables | \$ 24,936 | \$ 29,328 | \$ 28,810 |
| Other receivables - related parties | - | 1,029 | - |
| Current income tax assets | 72 | 43 | 24 |
| Others | <u>9,237</u> | <u>10,912</u> | <u>49,511</u> |
| | <u>\$ 34,245</u> | <u>\$ 41,312</u> | <u>\$ 78,345</u> |
| <u>Non-current</u> | | | |
| Refundable deposits | <u>\$ 401,861</u> | <u>\$ 400,334</u> | <u>\$ 409,329</u> |

The Group recognized impairment losses of \$0 thousand and \$1,718 thousand, which were recognized in consolidated statements of comprehensive income-other gains and losses for the three months ended September 30, 2023, and for the nine months ended September 30, 2023, for expects that closing the store to early termination of contract, making the deposit non-refundable

21. Borrowings

Short-term borrowings

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|-----------------------------|-----------------------|----------------------|-----------------------|
| <u>Unsecured borrowings</u> | | | |
| Credit borrowings | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 150,000</u> |

As of September 30, 2023, the interest rate of credit borrowings was 1.7%.

22. Corporate bonds payable

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|------------------------------------|-----------------------|----------------------|-----------------------|
| Domestic unsecured corporate bonds | \$ 652,547 | \$ 642,824 | \$ 639,615 |
| Less: Portion due within 1 year | <u>-</u> | <u>-</u> | <u>-</u> |
| | <u>\$ 652,547</u> | <u>\$ 642,824</u> | <u>\$ 639,615</u> |

On March 29, 2023, the Company issued 7 thousand units of NTD-denominated unsecured convertible corporate bonds with an interest rate of 0% at the price of 101% par value; the total principal was NT\$700,000 thousand.

The holder has the right to convert each unit of corporate bond into a common share of the Company at NT\$248.1 per share. The conversion period is from September 30, 2023 to March 29, 2028.

For the convertible corporate bonds, if the closing price of the Company's common share exceeds the then conversion price of convertible corporate bonds by 30% for 30 consecutive days from September 30, 2023 to March 29, 2028, or if the balance of the outstanding convertible corporate bonds is less than 10% of the total par value initially issued, the Company may recover the bonds within 30 days afterward.

For the convertible bonds, March 29, 2026 is the sell-back base day for bondholders to sell back the convertible corporate bonds in advance. Bondholders may require the Company to redeem the convertible corporate bonds in cash based on the par value of bonds plus the interest compensation.

The convertible corporate bonds include liability and equity components, and the equity component is presented as capital surplus - stock options under equity. The effective interest rate of the initial recognition of liability components is 2%.

| | <u>Amount</u> |
|--|------------------|
| Issuance consideration (less transaction costs of NT\$5,146 thousand) | \$701,877 |
| Equity components (less transaction costs that are allocated to equity of NT\$479 thousand) | (65,391) |
| Liability components | (<u>3,150</u>) |
| Liability components on the issuance date (less transaction costs that are allocated to liabilities of NT\$4,667 thousand) | 633,336 |
| Interest rate calculated at the effective interest rate | 6,370 |
| Conversion of bonds payable to ordinary shares | (<u>91</u>) |
| Liability components as of September 30, 2023 | <u>\$639,615</u> |
| Liability components as of January 1, 2024 | 642,824 |
| Interest rate calculated at the effective interest rate | <u>9,723</u> |
| Liability components as of September 30, 2024 | <u>\$652,547</u> |

23. Notes payable and accounts payable

| | <u>September 30, 2024</u> | <u>December 31, 2023</u> | <u>September 30, 2023</u> |
|-------------------------|-------------------------------|------------------------------|-------------------------------|
| <u>Notes payable</u> | | | |
| Occur due to operations | <u>\$ 69,492</u> | <u>\$ 77,194</u> | <u>\$ 69,907</u> |
| <u>Accounts payable</u> | | | |
| Occur due to operations | <u>\$ 656,136</u> | <u>\$ 763,057</u> | <u>\$ 756,325</u> |

The consolidated company's average credit period for the purchase of food ingredients is 30 to 60 days.

24. Other current liabilities

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|----------------------------------|-----------------------|----------------------|-----------------------|
| <u>Current</u> | | | |
| Other payables | | | |
| Equipment payments payable | \$ 162,945 | \$ 277,769 | \$ 226,870 |
| Salaries and bonuses payable | 806,293 | 849,426 | 740,546 |
| Rental payable | 56,191 | 58,307 | 54,106 |
| Pension payable | 33,389 | 32,254 | 30,787 |
| Premium payable | 90,230 | 85,424 | 85,121 |
| Leave payments payable | 57,971 | 60,260 | 60,260 |
| Business tax payable | 12,006 | 61,082 | 24,311 |
| Dividends payable | - | - | 288,545 |
| Others | 465,305 | 305,498 | 511,101 |
| | <u>1,684,330</u> | <u>1,730,020</u> | <u>2,021,647</u> |
| Other payables - related parties | 540 | - | - |
| | <u>\$ 1,684,870</u> | <u>\$ 1,730,020</u> | <u>\$ 2,021,647</u> |
| Other liabilities | | | |
| Temporary/payment collection | \$ 17,385 | \$ 20,089 | \$ 18,575 |
| Others | - | 110 | - |
| | <u>\$ 17,385</u> | <u>\$ 20,199</u> | <u>\$ 18,575</u> |

25. Debt allowance

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|----------------------------------|-----------------------|----------------------|-----------------------|
| <u>Current</u> | | | |
| Debt allowance for sales returns | <u>\$ 423</u> | <u>\$ -</u> | <u>\$ -</u> |
| <u>Non-current</u> | | | |
| Obligations for restoration | <u>\$ 154,047</u> | <u>\$ 154,974</u> | <u>\$ 154,176</u> |

| | Debt allowance for sales returns | Obligations for restoration |
|-------------------------------|-------------------------------------|--------------------------------|
| Balance on January 1, 2024 | \$ - | \$ 154,974 |
| Provided during the period | 423 | 11,437 |
| Disposed of during the period | - | (15,010) |
| Net exchange difference | - | 2,646 |
| Balance on September 30, 2024 | <u>\$ 423</u> | <u>\$ 154,047</u> |
| Balance on January 1, 2023 | \$ - | \$ 134,903 |
| Provided during the period | - | 26,455 |
| Disposed of during the period | - | (7,263) |
| Net exchange difference | - | 81 |
| Balance on September 30, 2023 | <u>\$ -</u> | <u>\$ 154,176</u> |

According to the lease contract, the consolidated company shall restore the rented stores to the initial condition at the time of the lease on the lease expiry date. When the management of the consolidated company has obligations for restoration under the performance of the lease contracts, the present value of the best estimate of the future economic outflow is recognized as debt allowance. The estimate will be examined and adjusted regularly.

26. Post-employment benefit plan

(1) Defined contribution plan

The pension system under the “Labor Pension Act” is applicable to the Company, WPT, Cheerpin, and Wowfresh within the combined company and is a defined contribution pension plan managed by the government; the Company appropriates 6% of the monthly salaries of employees as pension to the individual accounts with the Bureau of Labor Insurance.

The pension expenses related to the defined contribution plan are included in the following items:

| | For the three months ended September 30, 2024 | For the three months ended September 30, 2023 | For the nine months ended September 30, 2024 | For the nine months ended September 30, 2023 |
|---------------------|--|--|---|---|
| Operating cost | \$ 17,048 | \$ 15,678 | \$ 51,849 | \$ 44,336 |
| Marketing expenses | 34,109 | 31,665 | 103,710 | 90,465 |
| Management expenses | <u>4,963</u> | <u>4,316</u> | <u>14,320</u> | <u>12,562</u> |
| | <u>\$ 56,120</u> | <u>\$ 51,659</u> | <u>\$ 169,879</u> | <u>\$ 147,363</u> |

Wowprime (China) Co., Ltd., Wowprime (Beijing) CO., LTD, Shanghai Wanxin International Trading Co., Ltd., Shanghai Kingcash Co., Ltd., and Shanghai Hoppime

Co., Ltd. within the consolidated company pay the pension according to the Basic Pension Insurance for Enterprise Employees, which is a defined contribution pension approach, stipulated by local governments; the Company appropriates a certain ratio of the monthly salaries of employees to designated accounts.

The pension expenses related to the defined contribution plan are included in the following items:

| | For the three months ended September 30, 2024 | For the three months ended September 30, 2023 | For the nine months ended September 30, 2024 | For the nine months ended September 30, 2023 |
|---------------------|--|--|---|---|
| Operating cost | \$ 8,068 | \$ 7,808 | \$ 23,921 | \$ 23,956 |
| Marketing expenses | 3,458 | 3,345 | 10,252 | 10,266 |
| Management expenses | 5,168 | 5,383 | 15,745 | 16,511 |
| | <u>\$ 16,694</u> | <u>\$ 16,536</u> | <u>\$ 49,918</u> | <u>\$ 50,733</u> |

(2) Defined benefit plan

The pension expenses related to defined benefit plans recognized for the nine months ended September 30, 2024 and 2023 are based on the actuarial pension cost rate as of December 31, 2023 and 2022, and the amounts were as follows:

| | For the three months ended September 30, 2024 | For the three months ended September 30, 2023 | For the nine months ended September 30, 2024 | For the nine months ended September 30, 2023 |
|---------------------|--|--|---|---|
| Management expenses | <u>\$ 189</u> | <u>\$ 227</u> | <u>\$ 6,087</u> | <u>\$ 11,492</u> |

27. Equity

(1) Capital stock

Common shares

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|---|-----------------------|----------------------|-----------------------|
| Authorized number of shares (thousand shares) | <u>100,000</u> | <u>100,000</u> | <u>100,000</u> |
| Authorized capital stock | <u>\$ 1,000,000</u> | <u>\$ 1,000,000</u> | <u>\$ 1,000,000</u> |
| Number of issued and paid-up shares(thousand shares) | <u>84,451</u> | <u>84,451</u> | <u>84,451</u> |
| Issued capital stock | <u>\$ 844,511</u> | <u>\$ 844,511</u> | <u>\$ 844,511</u> |

The ordinary shares issued have a par value of NT\$10 per share, and each share is entitled to one voting right and the right to receive dividends.

From June 30 to July 25, 2023, holders of convertible corporate bonds converted common capital stock of NT\$3 thousand of the Company. The Board of the Company

resolved to set August 21, 2023 as the base day for the capital increase through the conversion of convertible corporate bonds to common shares on August 3, 2023. The alteration registration for the paid-in capital stock of NT\$769,882 thousand was completed on September 13, 2023.

On June 15, 2023, the Company's shareholders' meeting resolved the proposal for the 2022 earnings distribution to distribute share dividends of NT\$74,629 thousand. The alteration registration was completed on September 26, 2023, and the paid-in capital was NT\$844,511 thousand.

(2) Capital surplus

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|-----------------------------------|-----------------------|----------------------|-----------------------|
| <u>May be used to offset</u> | | | |
| <u>losses, distribute cash or</u> | | | |
| <u>capitalize on capital</u> | | | |
| <u>stock (a)</u> | | | |
| Stock issuance premium | \$ 1,785,173 | \$ 1,785,173 | \$ 1,785,173 |
| Treasury stock transactions | 31,985 | 31,985 | 31,985 |
| The difference between the | | | |
| price and the carrying | | | |
| amount of the | | | |
| subsidiary's equity | | | |
| acquired or disposed of | 5,469 | 5,469 | 4,859 |
| <u>May not be used for any</u> | | | |
| <u>purpose</u> | | | |
| Stock options | 87,672 | 65,381 | 65,381 |
| | <u>\$ 1,910,299</u> | <u>\$ 1,888,008</u> | <u>\$ 1,887,398</u> |

- (a) Such capital surplus may be used to make up for deficits and may be used to distribute cash or capitalize on capital stock when the Company has no losses. However, the capitalization shall be limited to a certain percentage of the Company's paid-in capital each year.

(3) Retained earnings and dividend policy

According to the earning distribution policy in the Articles of Incorporation, if the Company records earnings from the final account, after paying taxes and compensating cumulative losses according to the law, the Company shall appropriate 10% as the statutory surplus reserve; however, this shall not apply when the statutory surplus reserve has reached the paid-in capital of the Company. For the remaining earnings, the Company shall appropriate or reverse special surplus reserve according

to the requirements of laws and regulations. Shall there be remaining balances, the Company shall combine such balances with the cumulated undistributed earnings, and the Board shall prepare the proposal for earning distribution and submit it to the shareholders' meeting for the resolution of distributing dividends and bonuses to shareholders when by way of new share issuance. The Company distributes dividends and bonuses or the entire or partial legal reserve and capital surplus. If by way of cash distribution, the Board is authorized to obtain the consent of over half of the attending Director at a Board meeting attended by over two-thirds of Directors and report it to the shareholders' meeting. For the remuneration distribution policy for employees and Directors stipulated in the Articles of Incorporation of the Company, please refer to Note 29(8) remuneration of employees and remuneration of Directors.

The Company provides a special reserve for the net amount of the deduction of other equity accumulated in the previous period. If the undistributed earnings of the previous period are insufficient for appropriation, items other than the net profit of the period plus net profit after tax shall be included in the undistributed earnings of the period.

The Company is in the F&B service industry and in the growth period within the life cycle of an enterprise. The Company has stable profits and a healthy financial structure; therefore, apart from the requirements of the Company Act and the Articles of Incorporation of the Company, the Company will determine the dividend distribution method each year for earning distribution based on the Company's capital planning and operating achievements. However, the principle is to adopt the policy of stable and balanced dividends, and the Board shall formulate the earning distribution method (cash dividend or stock dividend) and amount before the annual shareholders' meeting each year based on the business achievements, financial conditions, and capital planning; the ratio of cash dividend shall not be lower than 20% of the total dividend. However, the ratio of cash dividends to shareholders may be adjusted through a resolution made by the shareholders' meeting based on the actual profits and capital requirements of the year.

The legal reserve shall be appropriated until the balance reaches the paid-in capital stock of the Company. The legal reserve may be used to offset losses. If the legal reserve exceeds 25% of the paid-in capital, when the Company has no losses, the portion can be capitalized or distributed in cash.

The appropriations of earnings for 2023 that had been approved in the shareholders' meeting on June 6, 2024, were as follows:

| | 2023 |
|--------------------------------|--------------|
| Legal reserve | \$ 139,439 |
| Legal reserve | \$ 22,794 |
| Cash dividends | \$ 1,232,155 |
| Cash dividend per share (NT\$) | \$ 14.94 |

The appropriations of earnings for 2022 that had been approved in the shareholders' meeting on June 15, 2023, were as follows:

| | 2022 |
|---------------------------------|------------|
| Legal reserve | \$ 39,298 |
| Legal reserve | (\$ 9,487) |
| Cash dividends | \$ 288,545 |
| Stock dividends | \$ 74,629 |
| Cash dividend per share (NT\$) | \$ 3.87 |
| Stock dividend per share (NT\$) | \$ 1 |

(4) Special Reserve

| | For the nine months ended September 30, 2024 | For the nine months ended September 30, 2023 |
|--|--|--|
| Opening balance | \$ 105,230 | \$ 114,717 |
| Appropriations in respect of Debits to other equity items | 22,794 | - |
| Reversals Reversal of the debits to other items | - | (9,487) |
| Closing balance | <u>\$ 128,024</u> | <u>\$ 105,230</u> |

(5) Other equity

Exchange difference for the translation of financial statements of foreign operations

| | For the nine months ended September 30, 2024 | For the nine months ended September 30, 2023 |
|---|--|--|
| Opening balance | (\$ 128,024) | (\$ 105,230) |
| Effect of retrospective application and retrospective restatement | - | 34 |
| Balance after restatement | (128,024) | (105,196) |
| Occurred in the current period Translation difference of foreign operations | 64,718 | 3,034 |
| Relevant income tax | (12,944) | (614) |

| | For the nine months ended September 30, 2024 | For the nine months ended September 30, 2023 |
|--|--|---|
| Share of affiliates accounted for using the equity method | (65) | 237 |
| Relevant income tax | <u>13</u> | (<u>47</u>) |
| Closing balance | (<u>\$ 76,302</u>) | (<u>\$ 102,586</u>) |
| (6) Non-controlling interests | | |
| | For the nine months ended September 30, 2024 | For the nine months ended September 30, 2023 |
| Opening balance | \$ 378,063 | \$ 414,461 |
| Effect of retrospective application and retrospective restatement | <u>-</u> | <u>1,404</u> |
| Balance after restatement | 378,063 | 415,865 |
| Net profit of the period | 7,799 | 15,281 |
| Other comprehensive income for the period | | |
| Exchange difference for the translation of financial statements of foreign operations | 20,991 | 816 |
| Relevant income tax | (4,198) | (163) |
| Acquisition of non-controlling interests in Hoppime Ltd. (Note 32) | - | 165 |
| Increase in non-controlling interests | <u>-</u> | <u>8,786</u> |
| Closing balance | <u>\$ 402,655</u> | <u>\$ 440,750</u> |
| (7) Treasury stock | | |
| | | Share transfer to employees (thousand shares) |
| Reason for recovery | | |
| Number of shares on January 1, 2024 | | <u>1,998</u> |
| Number of shares on September 30, 2024 | | <u>1,998</u> |
| Number of shares on January 1, 2023 | | 2,359 |
| Exercise of employee share options | | (<u>361</u>) |
| Number of shares on September 30, 2023 | | <u>1,998</u> |

According to the Securities and Exchange Act, the number of shares repurchased by a company shall not exceed 10% of the total issued shares, and the total amount for the repurchased shares shall not exceed the amount of retained earnings plus share issuance premium and realized capital surplus. The Company shall transfer the

repurchased shares within five years from the date of repurchase as mentioned above. If the shares are not transferred within the time limit, the shares shall be deemed as unissued shares of the Company and the alteration registration shall be processed.

On August 3, 2023, the Group's board of directors approved the transfer of 361,000 treasury shares to employees at \$121.15 per share. The Company recorded \$40,771 thousand in compensation costs for the nine months ended September 30, 2023, based on the grant date.

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

The Group's board of directors approved the transfer of 425,000 treasury shares to employees at a price of \$121.15 per share on August 9, 2024. As of the grant date, the Company recorded \$22,291 thousand in compensation costs during the nine months ended September 30, 2024.

The treasury stocks held by the Company may not be pledged in accordance with the Securities and Exchange Act and shall not be entitled to the right to dividend distribution or voting rights. The stocks of the Company held by subsidiaries shall be handled as treasury stocks. Apart from not being able to participate in the capital increase in cash of the Company and the absence of voting rights, the remaining rights are equivalent to those of general shareholders.

28. Income

| | For the three months ended September 30, 2024 | For the three months ended September 30, 2023 | For the nine months ended September 30, 2024 | For the nine months ended September 30, 2023 |
|---------------------------------------|--|--|---|---|
| <u>Income from customer contracts</u> | | | | |
| Income from F&B sales | \$ 5,484,329 | \$ 5,549,213 | \$15,916,498 | \$16,031,669 |
| Revenue from sales of goods | <u>268,622</u> | <u>275,611</u> | <u>848,226</u> | <u>784,905</u> |
| | <u>\$ 5,752,951</u> | <u>\$ 5,824,824</u> | <u>\$16,764,724</u> | <u>\$16,816,574</u> |

(1) Contract balance

| | September 30, 2024 | December 31, 2023 | September 30, 2023 | January 1, 2023 |
|--|-----------------------|----------------------|-----------------------|---------------------|
| Notes receivable and accounts receivable (Note 10) | <u>\$ 411,524</u> | <u>\$ 580,556</u> | <u>\$ 517,394</u> | <u>\$ 452,928</u> |
| Contract liabilities | | | | |
| Collection of dining vouchers in advance | \$ 2,747,671 | \$ 2,943,030 | \$ 2,879,799 | \$ 3,153,933 |
| Customer loyalty program | 134,443 | 131,133 | 126,945 | 98,093 |
| Good income | <u>9,234</u> | <u>22,798</u> | <u>4,466</u> | <u>32,085</u> |
| | <u>\$ 2,891,348</u> | <u>\$ 3,096,961</u> | <u>\$ 3,011,210</u> | <u>\$ 3,284,111</u> |

(2) Details of income from customer contracts

| | For the nine months ended September 30, 2024 | For the nine months ended September 30, 2023 |
|-------------------------------------|--|--|
| <u>Type of commodity or service</u> | | |
| Fine Dining Business Group | \$ 6,811,122 | \$ 7,347,354 |
| Chinese Food Business Group | 932,690 | 869,554 |
| Fast Gourmet Business Group | 2,294,321 | 2,137,452 |
| Hot Pot Business Group | 2,627,343 | 2,418,510 |
| Casual Dining Business Group | 2,210,730 | 2,167,168 |
| Yakiniku Business Group | 1,146,234 | 1,100,726 |
| Retail Trade Business Group | <u>742,284</u> | <u>775,810</u> |
| | <u>\$16,764,724</u> | <u>\$16,816,574</u> |

29. Net profits from continuing operations

(1) Interest income

| | For the three months ended September 30, 2024 | For the three months ended September 30, 2023 | For the nine months ended September 30, 2024 | For the nine months ended September 30, 2023 |
|------------------------------|--|--|---|---|
| Bank deposits | \$ 18,780 | \$ 16,455 | \$ 63,011 | \$ 45,457 |
| Imputed interest on deposits | <u>192</u> | <u>134</u> | <u>842</u> | <u>584</u> |
| | <u>\$ 18,972</u> | <u>\$ 16,589</u> | <u>\$ 63,853</u> | <u>\$ 46,041</u> |

(2) Other income

| | For the three months ended September 30, 2024 | For the three months ended September 30, 2023 | For the nine months ended September 30, 2024 | For the nine months ended September 30, 2023 |
|--------------|--|--|---|---|
| Lease income | \$ 4,896 | \$ 4,747 | \$ 15,172 | \$ 13,123 |
| Others | <u>18,796</u> | <u>21,499</u> | <u>65,049</u> | <u>76,535</u> |
| | <u>\$ 23,692</u> | <u>\$ 26,246</u> | <u>\$ 80,221</u> | <u>\$ 89,658</u> |

(3) Other gains and losses

| | For the three months ended September 30, 2024 | For the three months ended September 30, 2023 | For the nine months ended September 30, 2024 | For the nine months ended September 30, 2023 |
|--|--|--|---|---|
| Losses on the disposal of property, plant and equipment | (\$ 21,565) | (\$ 1,083) | (\$ 67,139) | (\$ 15,274) |
| Impairment losses | - | - | (2,229) | (6,943) |
| Gain on lease modification | 3,266 | 4,359 | 20,586 | 13,414 |
| Net foreign currency exchange (loss) gain | (8,980) | 13,919 | 18,630 | 20,120 |
| Financial assets and liabilities measured at fair value through profit or loss | | | | |

| | For the three months ended September 30, 2024 | For the three months ended September 30, 2023 | For the nine months ended September 30, 2024 | For the nine months ended September 30, 2023 |
|--|--|--|---|---|
| Financial assets measured at fair value through profit or loss | 58 | - | 58 | - |
| Financial liabilities measured at fair value through profit or loss | 560 | (1,679) | (1,890) | (489) |
| Others | (<u>7,315</u>) | (<u>6,359</u>) | (<u>29,367</u>) | (<u>24,173</u>) |
| | (<u>\$ 33,976</u>) | <u>\$ 9,157</u> | (<u>\$ 61,351</u>) | (<u>\$ 13,345</u>) |

The abovementioned losses on the disposal of property, plant and equipment recognized during the nine months ended September 30, 2024 and 2023 were primarily due to the retirement of lease improvements and equipment that have not reached the useful lives resulting from the relocation or closing of partial stores.

(4) Financial cost

| | For the three months ended September 30, 2024 | For the three months ended September 30, 2023 | For the nine months ended September 30, 2024 | For the nine months ended September 30, 2023 |
|--|--|--|---|---|
| Interest on bank borrowings | \$ - | \$ 1,651 | \$ 8 | \$ 9,179 |
| Interest on lease liabilities | 23,706 | 24,726 | 68,613 | 71,838 |
| Interest on convertible corporate bonds | 3,258 | 3,192 | 9,723 | 6,370 |
| Others | <u>1</u> | <u>3</u> | <u>5</u> | <u>7</u> |
| | <u>\$ 26,965</u> | <u>\$ 29,572</u> | <u>\$ 78,349</u> | <u>\$ 87,394</u> |

(5) Impairment losses of non-financial assets

| | For the three months ended September 30, 2024 | For the three months ended September 30, 2023 | For the nine months ended September 30, 2024 | For the nine months ended September 30, 2023 |
|--|--|--|---|---|
| Property, plant and equipment (included in other gains and losses) | \$ - | \$ - | (\$ 2,229) | (\$ 5,225) |
| Refundable deposits (included in other gains and losses) | - | - | - | (<u>1,718</u>) |
| | <u>\$ -</u> | <u>\$ -</u> | (<u>\$ 2,229</u>) | (<u>\$ 6,943</u>) |

(6) Depreciation and amortization

| | For the three months ended September 30, 2024 | For the three months ended September 30, 2023 | For the nine months ended September 30, 2024 | For the nine months ended September 30, 2023 |
|---|--|--|---|---|
| Summary of depreciation expenses by function | | | | |
| Operating cost | \$ 159,635 | \$ 177,466 | \$ 522,112 | \$ 513,574 |
| Operating expenses | <u>392,169</u> | <u>373,056</u> | <u>1,121,028</u> | <u>1,092,778</u> |
| | <u>\$ 551,804</u> | <u>\$ 550,522</u> | <u>\$ 1,643,140</u> | <u>\$ 1,606,352</u> |
| Summary of amortization expenses by function | | | | |
| Operating expenses | <u>\$ 4,927</u> | <u>\$ 4,189</u> | <u>\$ 13,664</u> | <u>\$ 12,264</u> |

(7) Employee benefit expenses

| | For the three months ended September 30, 2024 | For the three months ended September 30, 2023 | For the nine months ended September 30, 2024 | For the nine months ended September 30, 2023 |
|---------------------------------------|--|--|---|---|
| Short-term employee benefits | \$ 1,591,214 | \$ 1,646,939 | \$ 4,823,842 | \$ 4,800,062 |
| Post-employment benefits (Note 26) | | | | |
| Defined contribution plan | 72,814 | 68,195 | 219,797 | 198,096 |
| Defined benefit plan | <u>189</u> | <u>227</u> | <u>6,087</u> | <u>11,492</u> |
| | 73,003 | 68,422 | 225,884 | 209,588 |
| Other employee benefits | <u>258,048</u> | <u>251,822</u> | <u>820,033</u> | <u>754,670</u> |
| Total employee benefit expenses | <u>\$ 1,922,265</u> | <u>\$ 1,967,183</u> | <u>\$ 5,869,759</u> | <u>\$ 5,764,320</u> |
| Summary by function | | | | |
| Operating cost | \$ 815,048 | \$ 800,907 | \$ 2,453,119 | \$ 2,393,021 |
| Operating expenses | <u>1,107,217</u> | <u>1,166,276</u> | <u>3,416,640</u> | <u>3,371,299</u> |
| | <u>\$ 1,922,265</u> | <u>\$ 1,967,183</u> | <u>\$ 5,869,759</u> | <u>\$ 5,764,320</u> |

(8) Remuneration of employees and remuneration of Directors and supervisors

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

The estimated remuneration of employees and remuneration of Directors for the nine months ended September 30, 2024 and 2023 are as follows:

Estimation percentage

| | For the nine months ended September 30, 2024 | For the nine months ended September 30, 2023 |
|---|--|--|
| Remuneration of employees | 0.1% | 0.1% |
| Remuneration of Directors and supervisors | - | - |

Amount

| | For the three months ended September 30, 2024 | For the three months ended September 30, 2023 | For the nine months ended September 30, 2024 | For the nine months ended September 30, 2023 |
|---|--|--|---|---|
| Remuneration of employees | \$ 444 | \$ 457 | \$ 1,241 | \$ 1,345 |
| Remuneration of Directors and supervisors | - | - | - | - |

If there is any change in the amount of the annual consolidated financial statements after the publication date, it will be treated as a change in accounting estimates and will be adjusted and accounted for in the following year.

The remuneration of employees and remuneration of Directors for 2023 and 2022 were resolved by the Board on March 7, 2024 and March 23, 2023, respectively, as follows:

Estimation percentage

| | 2023 | 2022 |
|---------------------------|------|------|
| Remuneration of employees | 0.1% | 0.1% |
| Directors' remuneration | - | - |

Amount

| | 2023 | 2022 |
|---------------------------|----------|--------|
| Remuneration of employees | \$ 1,659 | \$ 480 |
| Directors' remuneration | - | - |

There is no difference between the actual amount of remuneration of employees and remuneration of Directors and supervisors paid for 2023 and 2022 and the amount recognized in the consolidated financial statements for 2023 and 2022.

For information on remuneration of employees and remuneration of Directors resolved by the Board, please visit the “Market Observation Post System (MOPS)” of the Taiwan Stock Exchange for inquiries.

30. Income tax for continuing operations

(1) Income tax recognized in profit or loss

The main components of income tax expense are as follows:

| | For the three months ended September 30, 2024 | For the three months ended September 30, 2023 | For the nine months ended September 30, 2024 | For the nine months ended September 30, 2023 |
|--|--|--|---|---|
| Current income tax | | | | |
| Occurred in the current period | \$ 82,035 | \$ 96,726 | \$ 246,901 | \$ 263,847 |
| Adjustments for previous years | - | 183 | 1,937 | 183 |
| Deferred income tax | | | | |
| Occurred in the current period | <u>9,448</u> | <u>(4,198)</u> | <u>18,975</u> | <u>15,467</u> |
| Income tax expenses recognized in profit or loss | <u>\$ 91,483</u> | <u>\$ 92,711</u> | <u>\$ 267,813</u> | <u>\$ 279,497</u> |

(2) Income tax recognized in other comprehensive income

| | For the three months ended September 30, 2024 | For the three months ended September 30, 2023 | For the nine months ended September 30, 2024 | For the nine months ended September 30, 2023 |
|---|--|--|---|---|
| <u>Deferred income tax</u> | | | | |
| Occurred in the current period | | | | |
| - Translation of foreign operations | <u>(\$ 6,388)</u> | <u>(\$ 12,830)</u> | <u>(\$ 17,129)</u> | <u>(\$ 824)</u> |
| Income tax recognized in other comprehensive income | <u>(\$ 6,388)</u> | <u>(\$ 12,830)</u> | <u>(\$ 17,129)</u> | <u>(\$ 824)</u> |

(3) Approval of income tax

The profit-seeking business income tax returns of the Company, WPT, Cheerpin, Wowfresh, and Jiechuang (subsidiaries) up to 2022 have been approved by the tax authorities. Tai Pin Holding Ltd., Hoppime Ltd., and Wowprime Ltd. are registered in Seychelles, Cayman Islands, and Samoa, respectively, and are not subject to income tax. Therefore, they are not subject to profit-seeking business income tax upon approval by the authority. As of September 30, 2024, the subsidiaries in Mainland China have estimated the tax payable liability and income tax expense subject to local laws and regulations.

31. Earnings per share

Unit: NT\$ per share

| | For the three months ended September 30, 2024 | For the three months ended September 30, 2023 | For the nine months ended September 30, 2024 | For the nine months ended September 30, 2023 |
|----------------------------|--|--|---|---|
| Basic earnings per share | <u>\$ 4.40</u> | <u>\$ 4.59</u> | <u>\$ 12.41</u> | <u>\$ 13.55</u> |
| Diluted earnings per share | <u>\$ 4.28</u> | <u>\$ 4.59</u> | <u>\$ 12.13</u> | <u>\$ 13.35</u> |

The earnings and the weighted average number of common shares used in the calculation of earnings per share are as follows:

Net profit of the period

| | For the three months ended September 30, 2024 | For the three months ended September 30, 2023 | For the nine months ended September 30, 2024 | For the nine months ended September 30, 2023 |
|---|--|--|---|---|
| Net profit used in the calculation of basic earnings per share | \$ 362,764 | \$ 377,713 | \$ 1,023,147 | \$ 1,112,977 |
| Effect of dilutive potential ordinary shares: | | | | |
| Interest on convertible corporate bonds after tax | 2,606 | - | 7,778 | 5,096 |
| Net valuation loss on financial liabilities measured at fair value through profit or loss | (560) | - | 1,890 | 489 |
| Net profit used in the calculation of diluted earnings per share | <u>\$ 364,810</u> | <u>\$ 377,713</u> | <u>\$ 1,032,815</u> | <u>\$ 1,118,562</u> |

Shares

Unit: thousand shares

| | For the three months ended September 30, 2024 | For the three months ended September 30, 2023 | For the nine months ended September 30, 2024 | For the nine months ended September 30, 2023 |
|---|--|--|---|---|
| Weighted average number of common shares used in the calculation of basic earnings per share | 82,453 | 82,210 | 82,453 | 82,131 |
| Effect of dilutive potential ordinary shares: | | | | |
| Convertible corporate bonds | 2,804 | - | 2,698 | 1,617 |
| Remuneration of employees | <u>5</u> | <u>2</u> | <u>7</u> | <u>6</u> |
| Weighted average number of common shares used in the calculation of diluted earnings per share | <u>85,262</u> | <u>82,212</u> | <u>85,158</u> | <u>83,754</u> |

If the consolidated company may choose to pay employees' remuneration in stock or cash, when calculating the diluted earnings per share, it is assumed that the employee's remuneration will be paid in stock, and the weighted average number of outstanding shares is included when the potential common shares have dilutive effects to calculate diluted earnings per share. The dilutive effect of these potential common shares will also be taken into account when calculating the diluted earnings per share before the resolution of the number of shares to be distributed as the remuneration of employees in the following year.

The Company's outstanding convertible bonds were not included in the calculation of diluted earnings per share because the conversion/exercise price exceeded the average market price of the shares from July 1 to September 30, 2023, resulting in an anti-dilutive effect.

32. Equity transactions with non-controlling interests

The consolidated company raised capital at a percentage different from its existing ownership percentage on May 30, 2023. Hoppime Ltd. set up and invested in its percentage of ownership, which increased from 78.12% to 78.45%.

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

| | May 30, 2023 |
|--|---------------------|
| | <u>Hoppime Ltd.</u> |
| Cash consideration receive (paid) | \$ 175 |
| The proportionate share of the carrying amount of subsidiary's the net assets of the subsidiary transferred from non-controlling interests | (<u>165</u>) |
| Differences recognized from equity transactions | <u>\$ 10</u> |
| <u>Line items adjusted for equity transactions</u> | |
| Capital surplus - difference recognized from subsidiary's equity transactions | <u>\$ 10</u> |

34. Share-Based Payment Agreement

Transfer of Treasury Shares to Employees

On August 9, 2024, the Company granted employees 425,000 units of stock options for treasury shares, with each unit entitling the holder to subscribe to one ordinary share. The grant was made to employees of the consolidated company who met specific eligibility criteria. The options were immediately vested and are expected to be fully exercised by November 2024.

| | <u>For the nine months ended September 30, 2024</u> | |
|---|---|---|
| <u>Employee Stock Options</u> | <u>Units (thousands)</u> | <u>Weighted Average Exercise Price (NT\$)</u> |
| Outstanding at beginning of period | - | - |
| Granted during the period | 425 | 121.15 |
| Exercised during the period | <u>-</u> | 121.15 |
| Outstanding at end of period | <u>425</u> | |
| Exercisable at end of period | <u>425</u> | |
| Weighted average fair value of options granted during the period (NT\$) | <u>\$ 52.45</u> | |

The Company used the Black-Scholes valuation model to evaluate the employee stock options granted in August 2024. The input assumptions for the valuation model are as follows:

| | <u>August 2024</u> |
|-------------------------|--------------------|
| Grant-date stock price | NT\$197 |
| Exercise price | NT\$121.15 |
| Expected volatility | 27.74% |
| Expected life | 0.244years |
| Risk-free interest rate | 1.2671% |

The Company granted 361,000 units of treasury stock options to employees on August 3, 2023, with each unit convertible into one ordinary share. The grant was made to eligible employees of the consolidated company who met specific conditions. The options were immediately vested and fully exercised in August 2023.

| | <u>For the nine months ended September 30, 2023</u> | |
|---|---|---|
| <u>Employee Stock Options</u> | <u>Units (thousands)</u> | <u>Weighted Average Exercise Price (NT\$)</u> |
| Outstanding at beginning of period | - | - |
| Granted during the period | 361 | 121.15 |
| Exercised during the period | (<u>361</u>) | 121.15 |
| Outstanding at end of period | <u>-</u> | |
| Exercisable at end of period | <u>-</u> | |
| Weighted average fair value of options granted during the period (NT\$) | <u>\$ 112.94</u> | |

The Company used the Black-Scholes valuation model to evaluate the employee stock options granted in August 2023. The input assumptions for the valuation model are as follows:

| | <u>August 2023</u> |
|-------------------------|--------------------|
| Grant-date stock price | NT\$294 |
| Exercise price | NT\$121.15 |
| Expected volatility | 42.15% |
| Expected life | 0.041years |
| Risk-free interest rate | 0.8079% |

Accordingly, compensation costs of \$22,291 thousand, \$40,771 thousand, \$22,291 thousand, and \$40,771 thousand were recognized in the related consolidated statements of comprehensive income for the three months ended September 30, 2024 and 2023, and for the nine months ended September 30, 2024 and 2023.

Please refer to Note 27(7) for additional information on treasury shares.

34. Information on cash flow

(1) Non-cash transactions

- a. In addition to those disclosed in other notes, the consolidated company conducted the following investing activities with only partial cash receipts and payments for the nine months ended September 30, 2024 and 2023:

| | For the nine months ended September 30, 2024 | For the nine months ended September 30, 2023 |
|--|--|--|
| Acquisition of property, plant and equipment | | |
| Increase in property, plant and equipment | \$ 614,569 | \$ 742,244 |
| Add: Equipment payments payable at the beginning of the period | 277,769 | 173,305 |
| Decommission liabilities at the beginning of the period | 154,974 | 134,903 |
| Less: Equipment payments payable at the end of the period | (162,945) | (226,870) |
| Decommission liabilities at the end of the period | (154,047) | (154,176) |
| Cash paid | <u>\$ 730,320</u> | <u>\$ 669,406</u> |

- b. The consolidated company reclassified the prepayments for equipment to property, plant and equipment for the nine months ended September 30, 2024 and 2023 in the amount of NT\$58,895 thousand and NT\$42,999 thousand, respectively (see Note 14).

(2) Changes in liabilities from financing activities

For the nine months ended September 30, 2024

| | January 1, 2024 | Cash flows | New leases | Non-cash changes | | Exchange difference | September 30, 2024 |
|-------------------|---------------------|---------------------|-------------------|---------------------------------|--------------------------------|------------------------|-----------------------|
| Lease liabilities | <u>\$ 3,819,335</u> | <u>(\$ 964,342)</u> | <u>\$ 741,420</u> | Lease contract remeasurement | Store closing remeasurement | <u>\$ 45,441</u> | <u>\$ 3,842,978</u> |
| | | | | <u>\$ 419,938</u> | <u>(\$ 218,814)</u> | | |

For the nine months ended September 30, 2023

| | January 1, 2023 | Cash flows | New leases | Non-cash changes | | Exchange difference | September 30, 2023 |
|-------------------|---------------------|---------------------|-------------------|---------------------------------|--------------------------------|------------------------|-----------------------|
| Lease liabilities | <u>\$ 3,535,893</u> | <u>(\$ 978,147)</u> | <u>\$ 916,672</u> | Lease contract remeasurement | Store closing remeasurement | <u>\$ 858</u> | <u>\$ 3,645,438</u> |
| | | | | <u>\$ 280,659</u> | <u>(\$ 110,497)</u> | | |

35. Capital risk management

The consolidated company performs capital management to ensure that the enterprises within the Group can maximize shareholder returns by optimizing the balance of debt and equity under the premise of continuing operations. There is no significant change in the consolidated company's overall strategy.

The consolidated company's capital structure consists of the consolidated company's net liabilities (i.e., borrowings less cash and cash equivalents) and equity attributable to the owners of the Company (i.e., capital stock, capital surplus, retained earnings, and other equity).

The consolidated company is not subject to other external capital requirements.

36. Financial instruments

(1) Information on fair value - financial instruments measured at fair value

a. Fair value hierarchy

September 30, 2024

| | Level 1 | Level 2 | Level 3 | Total |
|--|---------|------------|---------|------------|
| <u>Financial assets measured at fair value through profit or loss</u> | | | | |
| Structured deposits | \$ - | \$ 202,178 | \$ - | \$ 202,178 |
| <u>Financial liabilities measured at fair value through profit or loss</u> | | | | |
| Options of convertible corporate bonds | \$ - | \$ 6,019 | \$ - | \$ 6,019 |

December 31, 2023

| | Level 1 | Level 2 | Level 3 | Total |
|--|---------|----------|---------|----------|
| <u>Financial liabilities measured at fair value through profit or loss</u> | | | | |
| Options of convertible corporate bonds | \$ - | \$ 4,129 | \$ - | \$ 4,129 |

September 30, 2023

| | Level 1 | Level 2 | Level 3 | Total |
|--|---------|----------|---------|----------|
| <u>Financial liabilities measured at fair value through profit or loss</u> | | | | |
| Options of convertible corporate bonds | \$ - | \$ 3,639 | \$ - | \$ 3,639 |

There were no transfers between Level 1 and Level 2 fair value measurements for the nine months ended September 30, 2024 and 2023.

b. Valuation techniques and inputs for Level 2 fair value measurement

| <u>Type of financial instrument</u> | <u>Valuation technique and inputs</u> |
|---|---|
| Structured deposits measured at fair value through profit or loss | Discounted cash flow method: Future cash flows are estimated based on the contractually agreed interest rates at the end of the period and discounted using a discount rate that reflects the counterparty's credit risk. |
| Options of convertible corporate bonds | Binomial tree convertible bond valuation model: Based on the observable parameters at the end of the period (i.e., duration, conversion price, risk-free interest rate, and risk discount rate), the binomial tree is used for the calculation and valuation. |

(2) Type of financial instruments

| | <u>September 30, 2024</u> | <u>December 31, 2023</u> | <u>September 30, 2023</u> |
|--|-------------------------------|------------------------------|-------------------------------|
| <u>Financial assets</u> | | | |
| Measured at fair value through profit or loss | | | |
| Mandatorily at fair value through profit or loss | \$ 202,178 | \$ - | \$ - |
| Financial assets at amortized cost (Note 1) | 6,101,743 | 6,831,002 | 6,724,753 |
| <u>Financial liabilities</u> | | | |
| Measured at fair value through profit or loss | | | |
| Options of convertible corporate bonds | 6,019 | 4,129 | 3,639 |
| Measured at amortized cost (Note 2) | 3,285,541 | 3,418,388 | 3,827,181 |

Note 1: The balance includes cash and cash equivalents, financial assets at amortized cost, notes receivable, accounts receivable, other receivables, other financial assets, refundable deposits, and other financial assets at amortized cost.

Note 2: The balance includes short-term borrowings, notes payable, accounts payable, other payables, corporate bonds payable, guarantee deposits received, and other financial liabilities at amortized cost.

(3) Financial risk management objectives and policies

The consolidated company's major financial instruments include cash and cash equivalents, accounts receivable, short-term borrowings, accounts payable, corporate bonds payable and lease liabilities. The consolidated company's financial management department provides services for different business departments, coordinates the operations in the domestic and international financial markets, and monitors and manages the financial risks related to the consolidated company's operations through internal risk reporting that analyzes exposures based on the level and breadth of risks. Such risks include market risk (including exchange rate risk and interest rate risk), credit risk and liquidity risk.

a. Market risk

The main financial risks assumed by the consolidated company' due to its operating activities are the risk of changes in foreign currency exchange rates (see (a) below) and the risk of changes in interest rates (see (b) below).

(a) Exchange rate risk

The consolidated company engages in purchases denominated in foreign currencies, which in turn generate monetary assets (bank deposits) and monetary liabilities denominated in non-functional currencies, giving rise to the exchange rate change exposure of the consolidated company.

Please refer to Note 41 for the carrying amount of monetary assets and monetary liabilities denominated in non-functional currencies of the consolidated company (including monetary items denominated in non-functional currencies written off in the consolidated financial statements) on the balance sheet date.

Sensitivity analysis

The consolidated company is mainly affected by fluctuations in the exchange rate of USD.

The following table details the sensitivity analysis of the consolidated company when the exchange rate of NTD (functional currency) increases and decreases by 1% against the respective relevant foreign currencies. The 1% sensitivity rate is used in the Group's internal reporting of exchange rate risk to key management personnel and represents management's assessment of the reasonable and possible range of changes in foreign currency exchange rates. The positive amount in the following

table represents the increase in net profit before tax when NTD depreciates by 1% against the respective relevant currencies; when NTD strengthens by 1% against the respective relevant currencies, the impact on net profit before tax will be the equivalent negative amounts.

| | Impact of USD | |
|----------------|--|--|
| | For the nine months ended September 30, 2024 | For the nine months ended September 30, 2023 |
| Profit or loss | \$ 5,682 | \$ 4,996 |

The consolidated company's sensitivity to exchange rates increased during the current period, mainly due to the appreciation of the U.S. dollar and an increase in bank deposits denominated in USD.

(b) Interest rate risk

As the entities in the consolidated company borrow funds at fixed and floating interest rates at the same time, interest rate risk exposure arises. Regarding the consolidated company's bank deposits, the interest rate of bank deposits has insignificant fluctuation; therefore, the consolidated company's income and operating cash flows are less affected by changes in market interest rates.

The carrying amounts of the consolidated company's financial assets and financial liabilities with exposure to the interest rate risk on the balance sheet date are as follows:

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|-------------------------------|--------------------|-------------------|--------------------|
| Fair value interest rate risk | | | |
| Financial assets | \$ 3,172,589 | \$ 3,491,610 | \$ 3,652,567 |
| Financial liabilities | 4,495,525 | 4,462,159 | 4,435,053 |
| Cash flow interest rate risk | | | |
| Financial assets | 1,998,505 | 2,228,180 | 2,039,154 |

Sensitivity analysis

The following sensitivity analysis is based on the interest rate risk exposure of non-derivatives on the balance sheet date.

The consolidated company reports an increase or decrease of 0.1% to its management on reasonable risk assessment of changes in interest rate.

If other conditions remain unchanged without considering interest capitalization and the interest rate increases by 0.1%, the consolidated company's net profit before tax for the nine months ended September 30, 2024 and 2023 will increase by NT\$1,499 thousand and NT\$1,529 thousand, respectively.

b. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in a financial loss of the consolidated company. As of the balance sheet date, the consolidated company's maximum credit risk exposure that may arise from a financial loss due to a counterparty's failure to perform its obligations and the consolidated company's provision of financial guarantees is mainly derived from the carrying amount of the financial assets recognized in the consolidated balance sheet.

Counterparties of accounts receivable cover extensive customers in different industries and geographical areas. The Company continuously evaluates the financial condition of customers with accounts receivable.

c. Liquidity risk

The consolidated company manages and maintains a sufficient position of cash and cash equivalents to support Group operations and mitigate the impact of cash flow fluctuations. The consolidated company's management supervises the use of bank financing limits and ensures compliance with contract terms.

Bank borrowings are an important source of liquidity for the consolidated company. For the unused financing limit of the consolidated company, please refer to the description of the financing limit below:

Financing limit

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|---|-----------------------|----------------------|-----------------------|
| Unsecured bank overdraft limit (re-examined annually) | | | |
| - Used amount | \$ - | \$ 11,550 | \$ 185,715 |
| - Unused amount | <u>2,467,845</u> | <u>3,269,705</u> | <u>2,801,260</u> |
| | <u>\$ 2,467,845</u> | <u>\$ 3,281,255</u> | <u>\$ 2,986,975</u> |

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|---------------------------------|-----------------------|----------------------|-----------------------|
| Secured bank overdraft facility | | | |
| - Used amount | \$ - | \$ - | \$ - |
| - Unused amount | <u>226,150</u> | <u>519,240</u> | <u>529,800</u> |
| | <u>\$ 226,150</u> | <u>\$ 519,240</u> | <u>\$ 529,800</u> |

37. Related Party Transactions

Transactions, account balances, and income and expenses between the Company and its subsidiaries (affiliates of the Company) have been eliminated on consolidation and are not disclosed in the note. Except for the disclosures in other notes, the transactions between the consolidated company and other related parties are as follows:

(1) Name of related party and its relationship

| Name of related party | Relationship with the consolidated company |
|-----------------------|--|
| uniEat Co., Ltd. | Subsidiary of affiliates |

(2) Contract liabilities

| Presentation item | Category of related party | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|----------------------|---------------------------|-----------------------|----------------------|-----------------------|
| Contract liabilities | uniEat Co., Ltd. | <u>\$ 10,063</u> | <u>\$ 7,273</u> | <u>\$ -</u> |

(3) Amount due from related parties

| Presentation item | Category of related party | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|---------------------|---------------------------|-----------------------|----------------------|-----------------------|
| Other receivables | uniEat Co., Ltd. | <u>\$ -</u> | <u>\$ 1,029</u> | <u>\$ -</u> |
| Accounts receivable | uniEat Co., Ltd. | <u>\$ 10,063</u> | <u>\$ 7,273</u> | <u>\$ -</u> |

(4) Amount due to related parties (excluding borrowings from related parties)

| Presentation item | Category of related party | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|-------------------|---------------------------|-----------------------|----------------------|-----------------------|
| Other payables | uniEat Co., Ltd. | <u>\$ 540</u> | <u>\$ -</u> | <u>\$ -</u> |

The balance of the outstanding amount due to related parties is not guaranteed.

(5) Other related party transactions

| Presentation item | Category of related party | For the three months ended September 30, 2024 | For the three months ended September 30, 2023 | For the nine months ended September 30, 2024 | For the nine months ended September 30, 2023 |
|---|---------------------------|---|---|--|--|
| Selling Expenses – Miscellaneous Purchases | uniEat Co., Ltd. | \$ 285 | \$ - | \$ 903 | \$ - |
| Administrative Expenses – Miscellaneous Purchases | uniEat Co., Ltd. | \$ - | \$ - | \$ - | \$ 46 |
| Administrative Expenses – Miscellaneous Expenses | uniEat Co., Ltd. | \$ - | \$ - | \$ 3 | \$ - |
| Administrative Expenses – Service Fees | uniEat Co., Ltd. | \$ 997 | \$ 890 | \$ 3,241 | \$ 2,279 |
| Other Income – Other | uniEat Co., Ltd. | \$ - | \$ - | \$ 9,020 | \$ - |

(6) Remuneration of key management personnel

| | For the three months ended September 30, 2024 | For the three months ended September 30, 2023 | For the nine months ended September 30, 2024 | For the nine months ended September 30, 2023 |
|------------------------------|---|---|--|--|
| Short-term employee benefits | \$ 35,760 | \$ 38,471 | \$ 110,514 | \$ 119,994 |
| Post-employment benefit | 247 | 208 | 722 | 644 |
| | <u>\$ 36,007</u> | <u>\$ 38,679</u> | <u>\$ 111,236</u> | <u>\$ 120,638</u> |

The remuneration of Directors and other key management personnel is determined by the Remuneration Committee in accordance with individual performance and market trends.

38. Pledged Assets

The following assets have been provided as guarantee deposits to apply for the letter of credit limit from banks and gift voucher performance guarantee:

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|-------------------------------------|---------------------|---------------------|---------------------|
| Pledged certificate of deposit | \$ 212,146 | \$ 204,415 | \$ 209,966 |
| Balance of restricted time deposits | 645,403 | 886,727 | 885,120 |
| Allowance deposit | 37,544 | 35,866 | 36,577 |
| Investment properties | <u>549,146</u> | <u>536,422</u> | <u>623,436</u> |
| | <u>\$ 1,444,239</u> | <u>\$ 1,663,430</u> | <u>\$ 1,755,099</u> |

39. Significant Contingent Liabilities and Unrecognized Contractual Commitments

In addition to those described in other notes, the material commitments and contingencies of the consolidated company as of the balance sheet date are as follows:

Material commitments

- (1) As of September 30, 2023, the consolidated company had an issued but unused letter of credit of US\$1,107 thousand for the purchase of raw materials.
- (2) The consolidated company's unrecognized contractual commitments are as follows:

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|---|-----------------------|----------------------|-----------------------|
| Acquisition of property, plant and equipment | \$ 59,379 | <u>\$ 75,082</u> | <u>\$ 60,007</u> |

- (3) For the credit limit that the consolidated company applied to banks for selling gift vouchers, as of September 30, 2024 and December 31 and September 30, 2023, the consolidated company had drawn NT\$1,553,343 thousand, NT\$1,770,404 thousand, and NT\$2,006,898 thousand, respectively.

40. Significant subsequent events

None.

41. Significant assets and liabilities denominated in foreign currencies

The information below is aggregated and expressed in foreign currencies other than the functional currencies of each entity in the consolidated company. The exchange rates disclosed refer to the exchange rates at which these foreign currencies are converted into functional currency. Significant assets and liabilities denominated in foreign currencies are as follows:

Unit: dollar in foreign currency

September 30, 2024

| | <u>Foreign currency</u> | <u>Exchange rate</u> | <u>Carrying amount</u> |
|---|-------------------------|----------------------|------------------------|
| Assets denominated in foreign currencies | | | |
| <u>Monetary items</u> | | | |
| USD | \$ 17,110,354 | 31.65(USD: NTD) | \$ 541,543 |
| USD | 841,374 | 7.0074(USD: RMB) | 26,629 |
| JPY | 2,247,731 | 0.2223(JPY: NTD) | 500 |
| AUD | 263,080 | 21.93(AUD: NTD) | 5,770 |
| NTD | \$ 17,110,354 | 0.2211(NTD: RMB) | 1,846 |
| | | | <u>\$ 576,288</u> |

December 31, 2023

| | <u>Foreign currency</u> | <u>Exchange rate</u> | <u>Carrying amount</u> |
|---|-------------------------|----------------------|------------------------|
| Assets denominated in foreign currencies | | | |
| <u>Monetary items</u> | | | |
| USD | \$ 15,556,145 | 30.705(USD: NTD) | \$ 477,652 |
| JPY | 30,825,865 | 0.2172(JPY: NTD) | 6,695 |
| AUD | 494,050 | 20.98(AUD: NTD) | 10,365 |
| RMB | 235,636 | 4.327(RMB: NTD) | 1,020 |
| USD | 966,636 | 7.0827(USD: RMB) | 29,681 |
| NTD | 2,294,273 | 0.2311(NTD: RMB) | 2,294 |
| | | | <u>\$ 527,707</u> |

September 30, 2023

| | <u>Foreign currency</u> | <u>Exchange rate</u> | <u>Carrying amount</u> |
|---|-------------------------|----------------------|------------------------|
| Assets denominated in foreign currencies | | | |
| <u>Monetary items</u> | | | |
| USD | \$ 14,292,922 | 32.27(USD: NTD) | \$ 461,232 |
| USD | 1,187,675 | 7.1798(USD: RMB) | 38,326 |
| JPY | 51,505,584 | 0.2162(JPY: NTD) | 11,136 |
| AUD | 577,433 | 20.55(AUD: NTD) | 11,866 |
| NTD | 3,968,525 | 0.2265(NTD: RMB) | 3,969 |
| | | | <u>\$ 526,529</u> |

The consolidated company is mainly exposed to the exchange rate risk of foreign currencies other than USD. The information below is aggregated and expressed in the functional currencies of entities that hold foreign currencies. The exchange rates disclosed refer to the exchange rates at which these functional currencies are converted into the presentation currency. The significant foreign currency exchange gains and losses (realized and unrealized) are as follows:

| | <u>For the three months ended September 30, 2024</u> | | <u>For the three months ended September 30, 2023</u> | |
|----------------------------|--|---------------------------------|--|---------------------------------|
| <u>Functional currency</u> | <u>Functional currency against presentation currency</u> | <u>Net exchange (loss) gain</u> | <u>Functional currency against presentation currency</u> | <u>Net exchange (loss) gain</u> |
| NTD | 1(NTD: NTD) | (\$ 8,586) | 1(NTD: NTD) | \$ 14,522 |
| RMB | 4.5040(RMB: NTD) | (<u>394</u>) | 4.3670(RMB: NTD) | (<u>603</u>) |
| | | (<u>\$ 8,980</u>) | | <u>\$ 13,919</u> |

| | <u>For the nine months ended September 30, 2024</u> | | <u>For the nine months ended September 30, 2023</u> | |
|----------------------------|--|---------------------------------|--|---------------------------------|
| <u>Functional currency</u> | <u>Functional currency against presentation currency</u> | <u>Net exchange (loss) gain</u> | <u>Functional currency against presentation currency</u> | <u>Net exchange (loss) gain</u> |
| NTD | 1(NTD: NTD) | \$ 19,116 | 1(NTD: NTD) | \$ 19,677 |
| RMB | 4.4427(RMB: NTD) | (<u>486</u>) | 4.3940(RMB: NTD) | <u>443</u> |
| | | <u>\$ 18,630</u> | | <u>\$ 20,120</u> |

42. Other Disclosures

(1) Material transactions:

- a. Loaning of funds to others. (Table 1)
- b. Providing endorsements/ guarantees to others. (Table 2)
- c. Marketable securities held at the end of the period. (Excluding investments in equity of subsidiaries, affiliates and joint ventures). (Table 3)
- d. The cumulative amount of the same securities purchased or sold reaches NT\$300 million or 20% of the paid-in capital. (Table 4)
- e. Acquisition of property at costs of at least NT\$300 million or 20% of the paid-in capital. None
- f. Disposal of property at costs of at least NT\$300 million or 20% of the paid-in capital. None
- g. Purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 5)
- h. Amount due from related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 6)
- i. Trading of derivatives. None
- j. Others: Business relationships, significant transactions, and amounts between the parent company and its subsidiaries and between the subsidiaries. (Table 7)

(2) Information on investees. (Table 8)

(3) Information on investments in Mainland China:

- a. Name of investees in Mainland China, principal business, paid-in capital, investment method, capital remittances, shareholding ratio, investment gain or loss, carrying amount of the investment at the end of the period, repatriation of investment gain or loss, and investment limit in Mainland China. (Table 9)
- b. Any of the following significant transactions with investees in Mainland China, either directly or indirectly through third regions, and their prices, payment terms, and unrealized gains or losses: (Table 2)
 - (1) The amount and percentage of purchases and the closing balance and percentage of relevant amounts payable.
 - (2) The amount and percentage of sales and the closing balance and percentage of relevant amounts receivable.

- (3) The amount of property transactions and the amount of gain or loss arising therefrom.
 - (4) Closing balance and purpose of endorsements/ guarantees or collateral provided.
 - (5) The highest balance, closing balance, interest rate range, and total interest for the current period of the capital financing.
 - (6) Other transactions that have a significant impact on the current profit or loss or financial position (i.e., the provision or receipt of services).
- (4) Information on major shareholders: Names of shareholders with a shareholding ratio of more than 5%, the number of shares held, and the ratio. (Table 10)

43. Segment Information

The information is provided to the chief operating decision-maker for allocating resources and evaluating segment performance, with emphasis on each type of product or service delivered or provided. The consolidated company's reporting segments are as follows:

- | | |
|-----------------|--|
| Taiwan | <ul style="list-style-type: none"> - Wangsteak Western steak - Chamonix French teppanyaki - ikikKaiseki creative cuisine - Yakiyan Roast meat with original flavors - TASTy Western steak - Tokyia Creative Japanese cuisine - PUTIENSingaporean cuisine - Giguo Hokkaido kombu hot pot - Pinnada Japanese pork chop - 12hotpotShabu-shabu - Others New teppanyaki cuisine, mala hot pot, roast duck, and Chinese cuisine |
| Mainland China- | <ul style="list-style-type: none"> Wangsteak Western steak - TASTy Western steak - Others Creative Kaiseki, Szechuan cuisine, Cantonese dim sum and Japanese cuisine |

(1) Segment income and operating results

The following is an analysis of the consolidated company's income and operating results by the reporting segment:

| | For the nine months ended September 30, 2024 | | For the nine months ended September 30, 2023 | |
|--|---|---------------------------|---|---------------------------|
| | Segment income | Segment profit or loss | Segment income | Segment profit or loss |
| Taiwan | \$13,492,351 | \$ 1,214,633 | \$12,868,974 | \$ 1,286,909 |
| Mainland China | 3,272,373 | 81,151 | 3,947,600 | 85,203 |
| United States | - | (124) | - | - |
| Total amount of continuing operations | <u>\$16,764,724</u> | 1,295,660 | <u>\$16,816,574</u> | 1,372,112 |
| Share of profit or loss of affiliates and joint ventures recognized by using the equity method | | (1,275) | | 683 |
| Interest income | | 63,853 | | 46,041 |
| Rental income | | 15,172 | | 13,123 |
| Losses on the disposal of property, plant and equipment | | (67,139) | | (15,274) |
| Exchange gain or loss | | 18,630 | | 20,120 |
| Impairment loss | | (2,229) | | (6,943) |
| Financial cost | | (78,349) | | (87,394) |
| Loss of financial assets and liabilities at fair value through profit or loss | | (1,832) | | (489) |
| General corporate income | | 65,049 | | 76,535 |
| General corporate expenses | | (8,781) | | (10,759) |
| Net profits before tax | | <u>\$ 1,298,759</u> | | <u>\$ 1,407,755</u> |

The segment income reported above is generated from transactions with external customers. There were no inter-segment sales for the nine months ended September 30, 2024 and 2023.

Segment gains refer to the profit earned by each segment, excluding the apportionment of administrative costs of the headquarters and Directors' remuneration, the share of profit or loss of affiliates accounted for using the equity method, lease income, interest income, gain or loss from the disposal of property, plant and equipment, net foreign currency exchange gain or loss, impairment loss, financing cost, loss of financial assets and liabilities at fair value through profit or loss and income tax expenses; the measured amount is provided to the chief operating decision-maker for allocating resources to segments and evaluating their performance.

(2) Total assets of segments

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|--------------------------|-----------------------|----------------------|-----------------------|
| Taiwan | \$ 10,803,695 | \$ 11,682,050 | \$ 11,397,275 |
| Mainland China | 3,890,124 | 3,724,093 | 3,928,737 |
| United States | 110,707 | - | - |
| Unallocated assets | <u>483,791</u> | <u>515,752</u> | <u>512,726</u> |
| Total assets of segments | <u>\$ 15,288,317</u> | <u>\$ 15,921,895</u> | <u>\$ 15,838,738</u> |

All assets other than affiliates are accounted for using the equity method, and deferred income tax assets are allocated to the reporting segments.

Wowprime Corporation and Subsidiaries
Loaning of Funds to Others
For the nine months ended September 30, 2024

Table 1

Unit: NT\$ thousand

| No. (Note 1) | Lender | Borrower | Transaction Items (Note 2) | Related party | Highest amount during the period (Note 3) | Closing balance | Amount drawn down | Interest rate range | Nature of loan (Note 4) | Business transaction amount (Note 5) | Reasons for the necessity of short-term financing (Note 6) | Allowance for bad debt provided | Collateral | | Limit of loans to individual borrowers | Total limit of loans | Remarks |
|-----------------|-----------------------------|---|----------------------------------|------------------|--|--------------------|----------------------|------------------------|-----------------------------------|---|--|---------------------------------------|------------|-------|--|-------------------------|---------|
| | | | | | | | | | | | | | Name | Value | | | |
| 0 | Wowprime Corporation | Wowfresh Corporation | Other receivables | Yes | \$ 100,000 | \$ 100,000 | \$ - | - | Business transactions | \$ 1,617,766 | Business transactions | \$ - | - | \$ - | \$ 1,707,056 | \$ 1,707,056 | 7 |
| 0 | Wowprime Corporation | WPT Restaurant Corporation | Other receivables | Yes | 25,000 | 25,000 | - | - | Necessity of short-term financing | - | Operational development | - | - | - | 1,707,056 | 1,707,056 | 7 |
| 0 | Wowprime Corporation | Wowprime Restaurant Concept LLC | Other receivables | Yes | 96,792 | 95,939 | - | - | Necessity of short-term financing | - | Operational development | - | - | - | 1,707,056 | 1,707,056 | 7 |
| 1 | Wowprime (Beijing) CO., LTD | Wowprime (China) Co., Ltd. | Other receivables | Yes | 45,182 | 45,182 | - | - | Necessity of short-term financing | - | Operational development | - | - | - | 71,056 | 71,056 | 8 |
| 2 | Wowprime (China) Co., Ltd. | Shanghai Wanxin International Trading Co., Ltd. | Other receivables | Yes | 225,910 | 225,910 | - | - | Necessity of short-term financing | - | Operational development | - | - | - | 742,931 | 742,931 | 9 |
| 2 | Wowprime (China) Co., Ltd. | Shanghai Hoppime Co., Ltd. | Other receivables | Yes | 135,546 | 135,546 | 103,919 | 3.35% | Necessity of short-term financing | - | Operational development | - | - | - | 742,931 | 742,931 | 9 |
| 2 | Wowprime (China) Co., Ltd. | Shanghai Kingcash Co., Ltd. | Other receivables | Yes | 45,182 | 45,182 | - | - | Necessity of short-term financing | - | Operational development | - | - | - | 742,931 | 742,931 | 9 |

Note 1: The description of the No. column is as follows:

(1) Fill in “0” for the issuer.

(2) The investees are numbered sequentially, starting from 1 by each company.

Note 2: If the amounts due from affiliates, amounts due from related parties, transactions with shareholders, prepayments, and provisional payments are in the nature of loans, the column shall be completed.

Note 3: The highest balance of loans to others during the year.

Note 4: Business transactions or the necessity of short-term financing shall be filled in for the nature of loans.

Note 5: If the nature of loans is for business transactions, the business transaction amount shall be specified. The business transaction amount refers to the business transaction amount between the lender and the borrower in the most recent year.

Note 6: If there is a necessity for short-term financing in the nature of loans, the reason for the necessity of loans and the use of the funds by the borrower shall be specified (i.e., repayment of borrowings, purchase of equipment, and working capital).

Note 7: The limit of the loaning of funds to others shall be subject to the Procedures for Loan to Others and Endorsement/Guarantee established by the Company in accordance with Article 36-1 of the Securities and Exchange Act and requirements of the Securities and Futures Bureau of the Ministry of Finance that were approved by the shareholders’ meeting: The Company’s cap of the loaning of funds to others is NT\$4,267,640 thousand (net equity) x 40% = NT\$1,707,056 thousand; in addition, the limit of loans to individual borrowers is NT\$4,267,640 thousand (net equity) x 40% = NT\$1,707,056 thousand.

Note 8: The limit of the loaning of funds to others shall be subject to the Procedures for Loan to Others and Endorsement/Guarantee established by the Company in accordance with Article 36-1 of the Securities and Exchange Act and requirements of the Securities and Futures Bureau of the Ministry of Finance that were approved by the shareholders’ meeting: Wowprime (Beijing) CO., LTD’s cap of the loaning of funds to others is NT\$177,642 thousand (net equity) x 40% = NT\$71,056 thousand; in addition, the limit of loans to individual borrowers is NT\$177,642 thousand (net equity) x 40% = NT\$71,056 thousand.

Note 9: The limit of the loaning of funds to others shall be subject to the Procedures for Loan to Others and Endorsement/Guarantee established by the Company in accordance with Article 36-1 of the Securities and Exchange Act and requirements of the Securities and Futures Bureau of the Ministry of Finance that were approved by the shareholders’ meeting: Wowprime (China) Co., Ltd.’s cap of the loaning of funds to others is NT\$1,857,329 thousand (net equity) x 40% = NT\$742,931 thousand; in addition, the limit of loans to individual borrowers is NT\$1,857,329 thousand (net equity) x 40% = NT\$742,931 thousand.

Wowprime Corporation and Subsidiaries
Providing Endorsements/ Guarantees to Others
For the nine months ended September 30, 2024

Table 2

Unit: NT\$ thousand, unless otherwise specified

| No. (Note 1) | Endorsement/ guarantee provider | Counterparty of endorsements/ guarantees | | Endorsement and guarantee limit for a single enterprise (Note 3) | Maximum endorsement/ guarantee balance for the period | Maximum endorsement/ guarantee balance at the end of the period | Amount drawn down | Endorsement/ guarantee amount secured by property | Ratio of accumulated endorsement/ guarantee amount to net worth in the most recent financial statements (%) | Limit of endorsements/ guarantees (Note 3) | Endorsements / guarantees provided by the parent company to subsidiaries | Endorsement / guarantee provided by the subsidiary to the parent company | Endorsements and guarantees provided in Mainland China | Remarks |
|-----------------|------------------------------------|---|--------------------------|--|---|---|----------------------|--|---|---|---|--|--|---------|
| | | Name of company | Relationship (Note 2) | | | | | | | | | | | |
| 0 | Wowprime Corporation | Wowprime (China) Co., Ltd. | 2 | \$ 1,707,056 | \$ 326,591 | \$ 319,795 | \$ - | \$ - | 7.5% | \$ 1,707,056 | Y | N | Y | |

Note 1: The description of the No. column is as follows:

(1) Fill in “0” for the issuer.

Note 2: There are seven types of relationships between the endorsement/ guarantee provider and the counterparty of endorsements/ guarantees. Please indicate the type:

- (1) A company with business dealings.
- (2) A company in which the Company directly or indirectly holds more than 50% of the voting shares.
- (3) A company that directly or indirectly holds more than 50% of the voting shares of the Company.
- (4) Between companies in which the Company directly or indirectly holds more than 90% of the voting shares.
- (5) A company that provides mutual insurance between companies in the same industry or co-builders in accordance with the contract for the needs of contracting projects.
- (6) A company that is endorsed and guaranteed by all contributing shareholders in proportion to their shareholding due to a joint investment relationship.
- (7) The peers in the same trade are engaged in joint guarantees for the performance of the pre-sale house sales contract in accordance with the regulations of the Consumer Protection Act.

Note 3: The limit of endorsements/ guarantees provided is NT\$4,267,640 thousand (net equity) \times 40% = NT\$1,707,056 thousand; in addition, the limit of endorsements/ guarantees provided to a single enterprise is NT\$4,267,640 thousand (net equity) \times 40% = NT\$1,707,056 thousand.

Wowprime Corporation and Subsidiaries
Marketable Securities Held at the End of the Period
For the nine months ended September 30, 2024

Table 3

Unit: NT\$ thousand, unless otherwise specified

| Holding Company | Type and Name of Securities (Note 1) | Relationship with Issuer | Account Item | At the End of the Period | | | | Remarks |
|-----------------------------|---|-----------------------------|---|--------------------------|------------|----------------------------|------------|---------|
| | | | | Number of Shares | Book Value | Shareholding Percentage | Fair Value | |
| Wowprime (China) Co., Ltd. | Structured Deposits | | | | | | | |
| | Fubon Hua Yi Bank Structured Deposits | - | Financial assets at fair value through profit or loss – current | - | \$ 76,891 | - | \$ 76,891 | |
| | DBS Bank Structured Deposits | - | Financial assets at fair value through profit or loss – current | - | 45,230 | - | 45,230 | |
| Wowprime (Beijing) CO., LTD | Structured Deposits | | | | | | | |
| | Fubon Hua Yi Bank Structured Deposits | - | Financial assets at fair value through profit or loss – current | - | 80,057 | - | 80,057 | |

Note 1: The term "securities" in this table refers to stocks, bonds, beneficiary certificates, and securities derived from the aforementioned items that fall within the scope of IFRS 9 "Financial Instruments."

Wowprime Corporation and Subsidiaries

The Cumulative Amount of the Same Securities Purchased or Sold Reaches NT\$300 Million or 20% of the Paid-in capital

For the nine months ended September 30, 2024

Table 4

Unit: NT\$ thousand, unless otherwise specified

| Buying/Selling Company | Type and Name of Securities (Note 1) | Account Item | Counterparty | Relationship | Beginning Balance | | Acquisition | | Sales | | | | Ending Balance | |
|-----------------------------|---------------------------------------|---|-------------------|--------------|-------------------|--------|--------------|------------|--------------|---------------|----------------|-----------------------|----------------|-----------|
| | | | | | Shares/Units | Amount | Shares/Units | Amount | Shares/Units | Selling Price | Carrying Value | Gain/Loss on Disposal | Shares/Units | Amount |
| Wowprime (China) Co., Ltd. | Fubon Hua Yi Bank Structured Deposits | Financial assets at fair value through profit or loss – current | Fubon Hua Yi Bank | - | - | \$ - | - | \$ 122,121 | - | \$ 45,288 | (\$ 45,230) | \$ 58 | - | \$ 76,891 |
| Wowprime (Beijing) CO., LTD | Fubon Hua Yi Bank Structured Deposits | Financial assets at fair value through profit or loss – current | Fubon Hua Yi Bank | - | - | - | - | 80,057 | - | - | - | - | - | 80,057 |

Note 1: The term "securities" in this table refers to stocks, bonds, beneficiary certificates, and securities derived from the aforementioned items.

Note 2: For amounts involving foreign currencies, the beginning balance is translated into New Taiwan Dollars (NT\$) using the exchange rate as of January 1, 2024 (RMB\$ 1:4.327). Acquisition, sales, and ending balances are translated at the exchange rate on the financial reporting date (RMB\$ 1:4.523). Gains or losses on disposal are translated using the average exchange rate from January to September 2024 (RMB\$ 1:4.442).

Wowprime Corporation and Subsidiaries
Purchases from or Sales to Related Parties Amounting to at least NT\$100 Million or 20% of the Paid-in Capital
For the nine months ended September 30, 2024

Table 5

Unit: NT\$ thousand, unless otherwise specified

| Purchase (sale) company | Counterparty | Relationship | Transaction status | | | | Transaction conditions different from general transactions and reasons (Note 1) | | Notes and accounts receivable (payable) | | Remarks |
|---------------------------------|----------------------|--------------|--------------------|------------|---------------------------------------|---|---|---------------|---|---|--|
| | | | Purchases (sales) | Amount | Percentage to total purchases (sales) | Credit period | Unit price | Credit period | Balance | Percentage to total notes and accounts receivable (payable) | |
| Wowprime Corporation | Wowfresh Corporation | Subsidiary | Purchases | \$ 541,797 | 14.21% | Based on the Company's credit period offered to related parties | According to Company's policy | - | Accounts payable (\$ 59,869) | 12.09% | Based on the Company's credit period offered to related parties. |
| Cheerpin Restaurant Corporation | Wowfresh Corporation | Brother | Purchases | 218,782 | 25.00% | Based on the Company's credit period offered to related parties | According to Company's policy | - | Accounts payable (\$ 24,908) | 22.60% | Based on the Company's credit period offered to related parties. |
| Cheerpin Restaurant Corporation | Wowprime Corporation | Subsidiary | Purchases | 641,457 | 73.29% | Based on the Company's credit period offered to related parties | According to Company's policy | - | Accounts payable (\$ 76,577) | 69.48% | Based on the Company's credit period offered to related parties. |
| Wowfresh Corporation | Wowprime Corporation | Subsidiary | Purchases | 178,617 | 16.79% | Based on the Company's credit period offered to related parties | According to Company's policy | - | Accounts payable (\$ 26,736) | 16.33% | Based on the Company's credit period offered to related parties. |

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

Note 2: The above transactions with related parties have been written off in the consolidated financial statements.

Wowprime Corporation and Subsidiaries
Amount Due from Related Parties Amounting to at least NT\$100 Million or 20% of the Paid-in Capital.
September 30, 2024

Table 6Unit: NT\$ thousand, unless otherwise specified

| Companies with amounts receivable accounted for | Counterparty | Relationship | Balance of amount due from related parties | Turnover rate | Overdue amount due from related parties | | Subsequent recovery of the amount due from related parties | Loss allowance provided |
|---|---|--------------|--|---------------|---|-----------------|--|-------------------------|
| | | | | | Amount | Treating method | | |
| Wowprime (China) Co., Ltd. | Shanghai Wanxin International Trading Co., Ltd. | Subsidiary | Other receivables | 0.87 | \$ - | — | \$ 18,092 | \$ - |
| Wowprime (China) Co., Ltd. | Shanghai Hoppime Co., Ltd.. | Subsidiary | \$ 117,148 Other receivables 103,760 | (Note 1) | - | — | - | - |

Note 1: These are advance payments, and turnover ratio analysis is not applicable.

Wowprime Corporation and Subsidiaries

Business Relationships, Significant Transactions, and Amounts Between the Parent Company and Its Subsidiaries and Between the Subsidiaries

For the nine months ended September 30, 2024

Table 7

Unit: NT\$ thousand

| No. (Note 1) | Trader | Counterparty | Relationship with the trader (Note 2) | Transaction status | | | |
|-----------------|---------------------------------|----------------------|---|--------------------|------------|------------------------|---|
| | | | | Item | Amount | Transaction conditions | Percentage to consolidated operating income or total assets (Note 3) |
| 0 | Wowprime Corporation | Wowfresh Corporation | 1 | Purchases | \$ 541,797 | — | 3.23% |
| 1 | Cheerpin Restaurant Corporation | Wowfresh Corporation | 3 | Purchases | 218,782 | — | 1.31% |
| 1 | Cheerpin Restaurant Corporation | Wowprime Corporation | 2 | Purchases | 641,457 | — | 3.83% |
| 2 | Wowfresh Corporation | Wowprime Corporation | 2 | Purchases | 178,617 | — | 1.07% |

Note 1: Information on business transactions between the parent company and its subsidiaries shall be indicated in the No. column. The No. shall be filled in as follows:

- Fill in “0” for the parent company.
- The subsidiaries are numbered sequentially, starting from 1 by each company.

Note 2: There are three types of relationships with traders. Please indicate the type:

- Parent company to subsidiary.
- Subsidiary to parent company.
- Subsidiary to subsidiary.
- Grand subsidiary to subsidiary.

Note 3: For the calculation of the percentage of the transaction amount to the total consolidated operating income or total assets, in the case of assets and liabilities, it is calculated based on the percentage of closing balance to consolidated total assets; in the case of income, it is calculated based on the percentage of the interim cumulative amount to consolidated total operating income.

Wowprime Corporation and Subsidiaries
Investees, Location, and Relevant Information
For the nine months ended September 30, 2024

Table 8

Unit: NT\$ thousand, unless otherwise specified; dollar in foreign currencies

| Name of investee | Investee | Location | Principal business | Initial investment amount | | Held at the end of the period | | | (Loss) profit of investee for the period | Investment (loss) gain recognized during the period | Remarks |
|-----------------------------------|-----------------------------------|----------------|--|---------------------------|------------------|-------------------------------|----------------|---------------------------------|--|---|---------|
| | | | | End of the current period | End of last year | Shares | Percentage (%) | Carrying amount | | | |
| Wowprime Corporation | Tai Pin Holding Ltd. (Seychelles) | Seychelles | Investment | \$ 1,679,751 | \$ 1,679,751 | 21,117,134 | 100 | \$ 1,646,403 RMB 364,006,906 | \$ 33,608 RMB 7,130,285 | \$ 33,608 RMB 7,130,285 | Note 1 |
| | WPT Restaurant Corporation | Taiwan | F&B, F&B management, and relevant consultation | 100,000 | 100,000 | 10,000,000 | 100 | 84,803 | 5,125 | 5,125 | Note 1 |
| | Cheerpin Restaurant Corporation | Taiwan | F&B, F&B management, and relevant consultation | 300,000 | 300,000 | 30,000,000 | 100 | 470,858 | 114,138 | 114,138 | Note 1 |
| | Wowfresh Corporation | Taiwan | Fresh food trading | 500,000 | 500,000 | 50,000,000 | 100 | 552,648 | 41,368 | 41,368 | Note 1 |
| | Jiechuang Investment Co., Ltd | Taiwan | Investment | 11,000 | 11,000 | 1,100,000 | 100 | 763 | (25) | (25) | Note 1 |
| | DuDoo Ltd. (Cayman) | Cayman Islands | Investment | 74,828 | 74,828 | 209,497 | 14.98 | 78,763 | 6,765 | (1,275) | Note 2 |
| | | | | USD 2,422,872 | USD 2,422,872 | | | USD 2,462,834 | USD 210,760 | (USD 50,921) | |
| | Wowprime USA Holding Corp. | USA | Investment | 114,650 | - | | 100 | 110,708 | (69) | (69) | Note 1 |
| | | | | USD 3,500,000 | - | 700 | | USD 3,497,869 | (USD 2,131) | (USD 2,131) | |
| | | | | 108,494 | - | | 100 | 107,496 | (116) | (116) | Note 1 |
| Wowprime USA Holding Corp. | Wowprime Restaurant Concept LLC | USA | F&B, F&B management, and relevant consultation | USD 3,400,000 | - | - | | USD 3,396,406 | (USD 3,594) | (USD 3,594) | |
| Jiechuang Investment Co., Ltd | Wei Dao Ltd. | Taiwan | F&B | 10,000 | 10,000 | 200,000 | 20 | - | - | - | Note 2 |
| Tai Pin Holding Ltd. (Seychelles) | Hoppime Ltd. (Cayman) | Cayman Islands | Investment | 1,596,125 | 1,596,125 | 21,854,913 | 80.44 | 1,656,819 | 41,806 | 33,629 | Note 1 |
| | | | | RMB 353,142,895 | RMB 353,142,895 | | | RMB 366,309,832 | RMB 8,869,834 | RMB 7,134,895 | |
| Hoppime Ltd. (Cayman)) | Wowprime LTD. (Samoa) | Samoa | Investment | 1,290,412 | 1,290,412 | - | 100 | 2,034,973 | 46,589 | 46,589 | Note 1 |
| | | | | RMB 282,707,111 | RMB 282,707,111 | | | RMB 449,916,734 | RMB 9,946,091 | RMB 9,946,091 | |

Note 1: The investment gain or loss of investees for the nine months ended September 30, 2024 above is recognized according to the financial statements of investees of the same period reviewed by CPAs.

Note 2: The investment gain or loss of investees for the nine months ended September 30, 2024 above is recognized according to the financial statements of investees of the same period not reviewed by CPAs.

Wowprime Corporation and Subsidiaries
Information on investments in Mainland China
For the nine months ended September 30, 2024

Table 9

Unit: NT\$ thousand, unless otherwise specified; dollar in foreign currencies

1. Name of Investees in Mainland China, Principal Business, Paid-in capital, Investment Method, Capital Remittances, Shareholding Ratio, Investment Gain or Loss, Carrying Amount of the Investment, Value, and Repatriation of Investment Gain or Loss.

| Name of Investees in Mainland China | Principal business | Paid-in capital | Investment method | Accumulated investment amount remitted from Taiwan at the beginning of the period | Investment amount remitted or recovered during the period | | Accumulated investment amount remitted from Taiwan at the end of the period | Profit or loss of investee for the period | Shareholding ratio in direct or indirect investments of the Company | Investment (loss) gain recognized during the period (Note 2(2)B.) | Carrying amount of the investment at the end of the period | Repatriated investment gain as of the period |
|--|--|-------------------------------|-------------------|---|---|-----------|---|---|---|---|--|--|
| | | | | | Remitted | Recovered | | | | | | |
| Wowprime (China) Co., Ltd. | F&B, F&B management, and relevant consultation | \$ 894,893 RMB 195,090,404 | Note 1(2) | \$ 511,228 USD 17,252,235 | \$ - | \$ - | \$ 511,228 USD 17,252,235 | \$ 47,419 RMB 10,134,208 | 80.44% | \$ 38,144 RMB 8,151,957 | \$ 1,494,036 RMB 330,319,656 | \$ 207,023 USD 6,813,742 |
| Wowprime (Beijing) CO., LTD | F&B, F&B management, and relevant consultation | 118,608 RMB 24,673,989 | Note 1(2) | 92,639 USD 3,057,046 | - | - | 92,639 USD 3,057,046 | (830) (RMB 188,111) | 80.44% | (668) (RMB 151,317) | 142,895 RMB 31,592,969 | 15,439 USD 512,838 |
| Shanghai Qunzeyi Enterprise Management Co., Ltd. | F&B management | 20,990 RMB 4,800,000 | Note 1(2) | - USD - | - | - | - USD - | (7,202) (RMB 1,598,761) | 80.44% | (5,793) (RMB 1,286,044) | (3,226) (RMB 713,219) | - |
| Shanghai Wanxin International Trading Co., Ltd. | Fresh food trading | 23,986 RMB 5,500,000 | Note 1(2) | - USD - | - | - | - USD - | (6,666) (RMB 1,513,471) | 80.44% | (5,362) (RMB 1,217,436) | (45,850) (RMB 10,137,151) | - |
| Shanghai Hoppime Co., Ltd | F&B, F&B management, and relevant consultation | 86,413 RMB 20,000,000 | Note 1(2) | - USD - | - | - | - USD - | 4,288 RMB - | 80.44% | 3,449 RMB 764,463 | (81,192) (RMB 17,950,999) | - |
| Shanghai Kingcash Co., Ltd | F&B, F&B management, and relevant consultation | 21,895 RMB 5,000,000 | Note 1(2) | - USD - | - | - | - USD - | (7,576) (RMB 1,681,763) | 76.418% | (5,790) (RMB 1,285,170) | (3,386) (RMB 748,640) | - |

Note 1: Investment methods are divided into the following three types:
1. Direct investment in Mainland China.
2. Investment in companies in Mainland China through companies in third regions.
3. Other means.

Note 2: In the column of investment gain or loss recognized for the period:
1. Specify if there is no investment gain or loss when it is under preparation.
2. The recognition basis for investment gain or loss is divided into the following three types, which shall be specified.
A. Financial statements reviewed and certified by international CPA firms that have cooperative relationships with the CPA firms in the Republic of China.
B. Financial statements reviewed by the parent company’s CPAs.
C. Others.

2. Limit of investment in Mainland China:

| Accumulated amount of remittance from Taiwan to Mainland China at the end of the period | Amount of investment approved by the Department of Investment Review, Ministry of Economic Affairs | Limit of investments in Mainland China stipulated by the Department of Investment Review, Ministry of Economic Affairs |
|---|--|--|
| NTD 603,867 USD 20,309,281 | NTD 1,028,522 USD 34,407,913 | NTD 2,802,177 |

Note 3: The limit shall be the higher of the net worth of the investee or 60% of the consolidated net worth stated in the “Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China” issued by the Department of Investment Review on August 29, 2008.
3. Significant transactions with investees in Mainland China directly or indirectly through businesses in a third region: None.
4. Endorsements, guarantees, or collateral provided to investees in Mainland China directly and indirectly through businesses in a third region: Table 2.
5. Direct and indirect financing provided to investees in Mainland China through third regions: Table 1.
6. Other transactions that have a significant impact on the current profit or loss or financial position” None.

Wowprime Corporation and Subsidiaries

Information on major shareholders

September 30, 2024

Table 10

Unit: thousand shares

| Name of major shareholders | Shares | |
|--------------------------------|--------------------|----------------------|
| | Total Shares Owned | Ownership Percentage |
| Le Heng Investment Corporation | 4,810,300 | 5.69% |

Note 1: The information of major shareholders presented in this exhibit is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.