

Tofu Restaurant Co., Ltd.
and Subsidiaries

Consolidated Financial Statements for
the Years Ended December 31, 2024
and 2023 and Independent Auditors'
Report

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Representation Letter

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2024 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard 10 “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, Hi-Lai Foods Co., Ltd. and Subsidiaries do not prepare a separate set of consolidated financial statements of affiliates.

It is hereby certified that the information disclosed herein is true and correct.

Company Name: Tofu Restaurant Co., Ltd.

Chairman: Po-Hsun Wu

March 11, 2025

Independent Auditors' Report

The Board of Directors and Shareholders
Tofu Restaurant Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Tofu Restaurant Co., Ltd. (the “Company”) and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Key audit matter for the Group’s consolidated financial statements for the year ended December 31, 2024 is stated as follows:

Revenue Recognition

Tofu Restaurant Co., Ltd. and its subsidiaries operate a chain restaurant business in Taiwan, with revenue primarily generated from the direct provision of dining services to consumers through stores located across Taiwan. The consolidated net operating revenue for the year 2024 amounted to NT\$3,649,818 thousand. Given the large number of stores and the fact that customers are primarily individual consumers, the transaction amounts are individually small but the volume of daily transactions is substantial. Additionally, newly opened stores may face performance pressure, which may affect the timing of revenue recognition. Accordingly, revenue recognition related to newly opened stores was identified as a key audit matter for the year. For details on the revenue recognition policy, please refer to Note 4(14) of the consolidated financial statements.

The audit procedures performed in this area included the following:

1. Obtained an understanding of the internal control system and operating procedures related to the sales and collection cycle, and performed tests of relevant controls.
2. Selected samples of store-level revenue details and verified their consistency with uniform invoices, reconciliation statements from counters, and amounts received.

Other matters

We have also audited the parent company only financial statements of Tofu Restaurant Co., Ltd. as of and for the years ended December 31, 2024 and 2023 on which we have issued an unmodified opinion.

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

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

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

Those charged with governance, including the members of the Audit Committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Ya-Yun Chang and Cheng-Chih Lin. Deloitte & Touche

March 11, 2025

Notice to Readers

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

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

Tofu Restaurant Co., Ltd. and Subsidiaries
Consolidated Balance Sheet
December 31, 2024 and 2023

Unit: NTD thousand

| Code | Assets | December 31, 2024 | | December 31, 2023 | | Code | Liabilities and equity | December 31, 2024 | | December 31, 2023 | |
|------|---|---------------------|------------|---------------------|------------|------|--|---------------------|------------|---------------------|------------|
| | | Amount | % | Amount | % | | | Amount | % | Amount | % |
| | Current assets | | | | | | Current liabilities | | | | |
| 1100 | Cash and cash equivalents (Notes 4 & 6) | \$ 683,144 | 28 | \$ 885,183 | 42 | 2100 | Short-term borrowings (Notes 4, 17 & 31) | \$ 5,000 | - | \$ 5,000 | - |
| 1110 | Financial assets at fair value through profit or loss – current (Notes 4 & 7) | 41,333 | 2 | 38,577 | 2 | 2170 | Notes and accounts payable | 104,721 | 4 | 143,591 | 7 |
| 1136 | Financial assets measured at amortized cost – current (Notes 4 & 9) | 147,215 | 6 | 77,186 | 3 | 2180 | Accounts payable – related parties (Note 30) | 5,732 | - | 10,411 | - |
| 1170 | Account Receivable (Note 4, 10 & 22) | 283,768 | 12 | 273,887 | 13 | 2213 | Payables for equipment | 14,769 | 1 | 22,026 | 1 |
| 1180 | Accounts receivable – related parties (Notes 10, 22 & 30) | 42 | - | 491 | - | 2219 | Other payables (Notes 18 & 30) | 226,860 | 10 | 213,329 | 10 |
| 130X | Inventories (Notes 4 & 11) | 63,890 | 3 | 38,574 | 2 | 2230 | Current income tax liabilities (Notes 4 & 24) | 48,533 | 2 | 65,122 | 3 |
| 1410 | Prepayments | 8,138 | - | 6,927 | - | 2280 | Lease liabilities – current (Notes 4, 5 & 14) | 140,873 | 6 | 101,007 | 5 |
| 1470 | Other current assets (Note 30) | 3,306 | - | 2,899 | - | 2322 | Current portion of long-term borrowings (Notes 4, 17 & 31) | 15,184 | 1 | 9,338 | - |
| 11XX | Total current assets | <u>1,230,836</u> | <u>51</u> | <u>1,323,724</u> | <u>62</u> | 2399 | Other current liabilities (Note 22) | <u>20,879</u> | <u>1</u> | <u>14,636</u> | <u>1</u> |
| | Non-current assets | | | | | 21XX | Total current liabilities | <u>582,551</u> | <u>25</u> | <u>584,460</u> | <u>27</u> |
| 1510 | Financial assets at fair value through profit or loss – non-current (Notes 4 & 7) | 94,978 | 4 | 72,531 | 4 | | Non-Current liabilities | | | | |
| 1520 | Financial assets at fair value through other comprehensive income - non-current (Notes 4 & 8) | 4,809 | - | 8,224 | - | 2540 | Long-term borrowings (Notes 4, 17 & 31) | 186,027 | 8 | 182,479 | 9 |
| 1535 | Financial assets measured at amortized cost – non-current (Notes 4, 9 & 31) | 748 | - | - | - | 2550 | Provisions – non-current (Notes 4 & 19) | 5,933 | - | 4,253 | - |
| 1600 | Property, plant and equipment (Notes 4, 13 & 31) | 505,414 | 21 | 446,713 | 21 | 2580 | Lease liabilities – non-current (Notes 4, 5 & 14) | <u>243,068</u> | <u>10</u> | <u>151,217</u> | <u>7</u> |
| 1755 | Right-of-use assets (Notes 4, 5 & 14) | 384,173 | 16 | 252,191 | 12 | 25XX | Total non-current liabilities | <u>435,028</u> | <u>18</u> | <u>337,949</u> | <u>16</u> |
| 1805 | Goodwill (Notes 4, 15 & 27) | 91,830 | 4 | 5,820 | - | 2XXX | Total non-current liabilities | <u>1,017,579</u> | <u>43</u> | <u>922,409</u> | <u>43</u> |
| 1821 | Other intangible assets (Notes 4, 16, 27 & 32) | 63,940 | 3 | 2,071 | - | | Equit (Notes 4, 21, 26 & 27) | | | | |
| 1840 | Deferred income tax assets (Notes 4 & 24) | 81 | - | - | - | 3110 | Common stock | 266,939 | 11 | 262,674 | 12 |
| 1915 | Prepayments for equipment | 293 | - | 42 | - | 3200 | Capital surplus | 483,986 | 20 | 376,727 | 18 |
| 1920 | Refundable deposits | <u>16,280</u> | <u>1</u> | <u>10,631</u> | <u>1</u> | | Retained earnings | | | | |
| 15XX | Total non-current assets | <u>1,162,546</u> | <u>49</u> | <u>798,223</u> | <u>38</u> | 3310 | Legal reserves | 165,521 | 7 | 126,235 | 6 |
| | | | | | | 3320 | Special reserves | 114 | - | 67 | - |
| | | | | | | 3350 | Undistributed earnings | 446,581 | 19 | 421,034 | 20 |
| | | | | | | 3400 | Other equity | (<u>3,528</u>) | - | (<u>114</u>) | - |
| | | | | | | | Total equity attributable to owners of the Company | 1,359,613 | 57 | 1,186,623 | 56 |
| | | | | | | 31XX | | | | | |
| | | | | | | 36XX | Non-controlling interests | <u>16,190</u> | - | <u>12,915</u> | <u>1</u> |
| | | | | | | 3XXX | Total equity | <u>1,375,803</u> | <u>57</u> | <u>1,199,538</u> | <u>57</u> |
| 1XXX | Total assets | <u>\$ 2,393,382</u> | <u>100</u> | <u>\$ 2,121,947</u> | <u>100</u> | | Total liabilities and equity | <u>\$ 2,393,382</u> | <u>100</u> | <u>\$ 2,121,947</u> | <u>100</u> |

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

Tofu Restaurant Co., Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income
For the Years Ended December 31, 2024 and 2023

Unit: NTD thousand

(Except for earnings per share which is in NTD)

| Code | | 2024 | | 2023 | |
|------|---|-------------------|--------------|-------------------|--------------|
| | | Amount | % | Amount | % |
| 4100 | Operating revenue (Note 4, 22 & 30) | \$ 3,649,818 | 100 | \$ 3,099,054 | 100 |
| 5110 | Operating cost (Notes 4, 11, 23 & 30) | <u>1,748,818</u> | <u>48</u> | <u>1,445,201</u> | <u>47</u> |
| 5900 | Gross profit | <u>1,901,000</u> | <u>52</u> | <u>1,653,853</u> | <u>53</u> |
| | Operating expenses (Notes 23 & 30) | | | | |
| 6100 | Selling and marketing expenses | 1,241,341 | 34 | 1,010,232 | 32 |
| 6200 | General and administrative expenses | 165,054 | 5 | 147,939 | 5 |
| 6300 | Research and development expenses | <u>6,382</u> | <u>-</u> | <u>5,582</u> | <u>-</u> |
| 6000 | Total operating expenses | <u>1,412,777</u> | <u>39</u> | <u>1,163,753</u> | <u>37</u> |
| 6900 | Income from operations | <u>488,223</u> | <u>13</u> | <u>490,100</u> | <u>16</u> |
| | Non-operating income and expenses (Note 4, 23 & 33) | | | | |
| 7100 | Interest income | 9,680 | - | 9,113 | - |
| 7190 | Other income | 1,933 | - | 1,799 | - |
| 7020 | Other gains and losses | 25,324 | 1 | (3,443) | - |
| 7050 | Fiance costs | (<u>9,286</u>) | <u>-</u> | (<u>7,827</u>) | <u>-</u> |
| 7000 | Total non-operating income and expenses | <u>27,651</u> | <u>1</u> | (<u>358</u>) | <u>-</u> |
| 7900 | Income before income tax | 515,874 | 14 | 489,742 | 16 |
| 7950 | Income tax expense (Notes 4 & 21) | (<u>98,365</u>) | (<u>3</u>) | (<u>99,892</u>) | (<u>3</u>) |
| 8200 | Net income | <u>417,509</u> | <u>11</u> | <u>389,850</u> | <u>13</u> |

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| Code | | 2024 | | 2023 | |
|------|---|-------------------|-----------|-------------------|-----------|
| | | Amount | % | Amount | % |
| | Other Comprehensive Income | | | | |
| | Items that will not be reclassified to profit or loss: | | | | |
| 8316 | Unrealized gains (losses) on equity instruments measured at fair value through other comprehensive income | (\$ 3,415) | - | \$ 4,523 | - |
| | Items that may be reclassified subsequently to profit or loss: | | | | |
| 8361 | Exchange differences on translation of financial statements of foreign operations | <u>3</u> | <u>-</u> | (<u>88</u>) | <u>-</u> |
| 8300 | Other comprehensive income for the year | (<u>3,412</u>) | <u>-</u> | <u>4,435</u> | <u>-</u> |
| 8500 | Total Comprehensive Income for the Year | <u>\$ 414,097</u> | <u>11</u> | <u>\$ 394,285</u> | <u>13</u> |
| | Net Income Attributable to: | | | | |
| 8610 | Owners of the Company | \$ 414,236 | 11 | \$ 388,336 | 13 |
| 8620 | Non-controlling interests | <u>3,273</u> | <u>-</u> | <u>1,514</u> | <u>-</u> |
| 8600 | | <u>\$ 417,509</u> | <u>11</u> | <u>\$ 389,850</u> | <u>13</u> |
| | Total Comprehensive Income Attributable to: | | | | |
| 8710 | Owners of the Company | \$ 410,822 | 11 | \$ 392,812 | 13 |
| 8720 | Non-controlling interests | <u>3,275</u> | <u>-</u> | <u>1,473</u> | <u>-</u> |
| 8700 | | <u>\$ 414,097</u> | <u>11</u> | <u>\$ 394,285</u> | <u>13</u> |
| | Earnings Per Share (Note 25) | | | | |
| | From continuing operations | | | | |
| 9710 | Basic | <u>\$ 15.66</u> | | <u>\$ 14.78</u> | |
| 9810 | Diluted | <u>\$ 15.66</u> | | <u>\$ 14.78</u> | |

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

Tofu Restaurant Co., Ltd. and Subsidiaries
Consolidated Statements of Changes in Equity
For the Years Ended December 31, 2024 and 2023

Unit: NT\$ thousands,
unless otherwise stated

| | | Equity attributable to owners of the Company | | | | | | Other equity items | | | | |
|------|--|--|------------|-------------------|----------------|------------------|---|---|--------------|---------------------------|--------------|-------------------------|
| | | Common stock | | Retained earnings | | | Exchange differences on translation of financial statements of foreign operations | Unrealized Gain (Loss) on Financial Assets At Fair Value Through Other Comprehensive Income | Total | Non-controlling interests | Total equity | |
| Code | | Shares (in thousands) | Amount | Capital surplus | Legal reserves | Special reserves | | | | | | Unappropriated earnings |
| A1 | Balance as of January 1, 2023 | 26,267 | \$ 262,674 | \$ 376,727 | \$ 98,980 | \$ 242 | \$ 317,929 | - | - | \$ 1,056,485 | \$ 11,442 | \$ 1,067,927 |
| | Appropriation and distribution of 2022 earnings | | | | | | | | | | | |
| B1 | Legal reserve | - | - | - | 27,255 | - | (27,255) | - | - | - | - | - |
| B5 | Cash dividends | - | - | - | - | - | (262,674) | - | - | (262,674) | - | (262,674) |
| B17 | Reversal of special reserve | - | - | - | - | (175) | 175 | - | - | - | - | - |
| D1 | Net income for 2023 | - | - | - | - | - | 388,336 | - | - | 388,336 | 1,514 | 389,850 |
| D3 | Other comprehensive income for 2023 | - | - | - | - | - | - | (47) | 4,523 | 4,476 | (41) | 4,435 |
| D5 | Total comprehensive income for 2023 | - | - | - | - | - | 388,336 | (47) | 4,523 | 392,812 | 1,473 | 394,285 |
| Q1 | Disposal of equity instruments measured at fair value through other comprehensive income | - | - | - | - | - | 4,523 | - | (4,523) | - | - | - |
| Z1 | Balance as of December 31, 2023 | 26,267 | 262,674 | 376,727 | 126,235 | 67 | 421,034 | (114) | - | 1,186,623 | 12,915 | 1,199,538 |
| | Appropriation and distribution of 2023 earnings | | | | | | | | | | | |
| B1 | Legal reserve | - | - | - | 39,286 | - | (39,286) | - | - | - | - | - |
| B3 | Special reserve | - | - | - | - | 47 | (47) | - | - | - | - | - |
| B5 | Cash dividends | - | - | - | - | - | (349,356) | - | - | (349,356) | - | (349,356) |
| D1 | Net income for 2024 | - | - | - | - | - | 414,236 | - | - | 414,236 | 3,273 | 417,509 |
| D3 | Other comprehensive income for 2024 | - | - | - | - | - | - | 1 | (3,415) | (3,414) | 2 | (3,412) |
| D5 | Total comprehensive income for 2024 | - | - | - | - | - | 414,236 | 1 | (3,415) | 410,822 | 3,275 | 414,097 |
| H1 | Issuance of new shares through merger | 427 | 4,265 | 107,259 | - | - | - | - | - | 111,524 | - | 111,524 |
| Z1 | Balance as of December 31, 2024 | 26,694 | \$ 266,939 | \$ 483,986 | \$ 165,521 | \$ 114 | \$ 446,581 | (\$ 113) | (\$ 3,415) | \$ 1,359,613 | \$ 16,190 | \$ 1,375,803 |

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

Tofu Restaurant Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2024 and 2023

| Code | | 2024 | Unit: NTD thousand 2023 |
|--------|--|----------------|----------------------------|
| | Cash Flows from Operating Activities | | |
| A10000 | Profit before income tax | \$ 515,874 | \$ 489,742 |
| | Adjustments for income and expense items: | | |
| A20100 | Depreciation expenses | 268,364 | 204,270 |
| A20200 | Amortization expenses | 831 | 891 |
| A20400 | Net (gain) loss on financial assets at fair value through profit or loss | (25,203) | 3,417 |
| A20900 | Finance costs | 9,286 | 7,827 |
| A21200 | Interest income | (9,680) | (9,113) |
| A22500 | Loss on disposal of property, plant and equipment | 15 | 1,286 |
| A29900 | Gain on lease modification | - | (46) |
| A30000 | Net changes in operating assets and liabilities: | | |
| A31150 | Accounts receivable | 3,281 | (37,794) |
| A31160 | Accounts receivable – related parties | 449 | (196) |
| A31190 | Other receivables – related parties | 101 | (135) |
| A31200 | Inventories | (17,239) | 9,264 |
| A31230 | Prepayments | (1,211) | (3,065) |
| A31240 | Other current assets | 4,915 | 352 |
| A32150 | Notes and accounts payable | (48,257) | (1,123) |
| A32160 | Accounts payable – related parties | (4,679) | 941 |
| A32180 | Other payables | 15,638 | 30,216 |
| A32190 | Other payables – related parties | (203) | 86 |
| A32210 | Advance receipts | - | (178) |
| A32200 | Provisions | (50) | (164) |
| A32230 | Other current liabilities | (2,756) | 1,860 |
| A33000 | Cash generated from operations | 709,476 | 698,338 |
| A33100 | Interest received | 9,680 | 9,113 |
| A33300 | Interest paid | (9,286) | (7,827) |
| A33500 | Income tax paid | (115,182) | (100,423) |
| AAAA | Net cash flows from operating activities | <u>594,688</u> | <u>599,201</u> |

| <u>Code</u> | | <u>2024</u> | <u>2023</u> |
|-------------|---|-------------------|-------------------|
| | Cash Flows from Investing Activities | | |
| B00010 | Acquisition of financial assets at fair value through other comprehensive income | \$ - | (\$ 1,285) |
| B00020 | Proceeds from disposal of financial assets at fair value through other comprehensive income | - | 9,447 |
| B00040 | Acquisition of financial assets measured at amortized cost | (147,215) | (77,186) |
| B00060 | Proceeds from repayment of financial assets measured at amortized cost | 77,186 | - |
| B00100 | Acquisition of financial assets at fair value through profit or loss | - | (9,921) |
| B02200 | Net cash outflow from acquisition of subsidiaries | (42,800) | - |
| B02700 | Payments for acquisition of property, plant and equipment | (166,585) | (89,008) |
| B02800 | Proceeds from disposal of property, plant and equipment | - | 952 |
| B03700 | Increase in refundable deposits | (2,602) | (3,078) |
| B03800 | Decrease in refundable deposits | 406 | 574 |
| B07100 | Increase in prepayments for equipment | (11,313) | (815) |
| BBBB | Net cash used in investing activities | (292,923) | (170,320) |
| | Cash Flows from Financing Activities | | |
| C01600 | Proceeds from long-term borrowings | 15,000 | - |
| C01700 | Repayments of long-term borrowings | (5,606) | (7,331) |
| C03800 | Decrease in other payables – related parties | (9,800) | - |
| C04020 | Repayments of lease liabilities | (154,045) | (121,779) |
| C04500 | Cash dividends paid | (349,356) | (262,674) |
| CCCC | Net cash used in financing activities | (503,807) | (391,784) |
| DDDD | Effect of Exchange Rate Changes on Cash and Cash Equivalents | <u>3</u> | (<u>88</u>) |
| EEEE | Net Increase (Decrease) in Cash and Cash Equivalents for the Year | (202,039) | 37,009 |
| E00100 | Cash and Cash Equivalents at Beginning of Year | <u>885,183</u> | <u>848,174</u> |
| E00200 | Cash and Cash Equivalents at End of Year | <u>\$ 683,144</u> | <u>\$ 885,183</u> |

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

Tofu Restaurant Co., Ltd. and Subsidiaries
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2024 and 2023

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

1. Company History

Tofu Restaurant Co., Ltd. (hereinafter referred to as the “Company”) was incorporated in January 2008 in Taipei City. The Company is primarily engaged in the operation of restaurants, food and food manufacturing businesses.

The Company’s shares have been listed on the Taipei Exchange (TPEX) since September 25, 2019.

These parent company only financial statements are presented in New Taiwan Dollars, the Company’s functional currency.

2. Approval of the Financial Statements

The parent company only financial statements were approved by the board of directors and authorized for issue on March 31, 2025

3. Application of Newly Issued and Amended Standards and Interpretations

(1) Initial application of International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs), IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission (FSC) of Taiwan
The adoption of the revised IFRSs endorsed and issued into effect by the FSC did not result in any material changes to the accounting policies of the Company and its subsidiaries (hereinafter collectively referred to as the “Group”).

(2) IFRS Accounting Standards endorsed by FSC that are applicable from 2025 onwards

| New/ Revised/ Amended Standards and Interpretations | Effective Date Issued by IASB |
|--|-------------------------------|
| Amendments to IAS 21 “Lack of Exchangeability” | January 1, 2025 (Note 1) |
| Amendments to IFRS 9 and IFRS 7: Guidance on Classification and Measurement of Financial Instruments | January 1, 2026 (Note 2) |

Note 1: This amendment applies for annual reporting periods beginning after January 1, 2025. Upon initial application of the amendment, the Company shall not restate the comparative periods, but shall recognize any effect in the exchange differences of foreign operations under retained earnings or equity, as appropriate, and the related affected assets and liabilities as of the date of initial application.

Note 2: This amendment applies to annual periods beginning on or after January 1, 2026, with early adoption permitted from January 1, 2025. Upon initial application, retrospective application is required, but restatement of comparative periods is not mandatory. However, if the Company can restate without using hindsight, it may choose to restate prior periods.

As of the approval date of these financial statements, the Company has evaluated the impact of the above amendments and concluded that they are not expected to have a material effect on its financial position or performance.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

| New/ Revised/ Amended Standards and Interpretations | Effective Date Issued by IASB (Note 1) |
|--|--|
| “Annual Improvements to IFRS Accounting Standards - Volume 11” | January 1, 2026 |

| | <u>Effective Date Issued by IASB (Note 1)</u> |
|---|---|
| New/ Revised/ Amended Standards and Interpretations Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” | January 1, 2026 |
| Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity” | January 1, 2026 |
| Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture” | To be determined by IASB |
| IFRS 17 “Insurance Contracts” | January 1, 2023 |
| Amendments to IFRS 17 | January 1, 2023 |
| Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9- Comparative Information” | January 1, 2023 |
| IFRS 18 “Presentation and Disclosure in Financial Statements” | January 1, 2027 |
| IFRS 19 “Subsidiaries without Public Accountability: Disclosures” | January 1, 2027 |

Note 1: Unless otherwise specified, the above-mentioned new/ revised/ amended standards or interpretations will take effect during the annual reporting period beginning on or after each date.

IFRS 18 – Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1 “Presentation of Financial Statements.” Key changes include:

- The income statement shall present profit and loss items by category: operating, investing, financing, income tax, and discontinued operations.
- Subtotals such as “Operating Profit,” “Profit Before Financing and Tax,” and “Net Profit or Loss” must be reported.
- Additional guidance is provided to enhance aggregation and disaggregation. The Company must identify assets, liabilities, equity, income, expenses, and cash flows arising from individual transactions and events and classify them based on shared characteristics. Items lacking shared characteristics must be disaggregated and presented separately in the primary financial statements and notes. The label “other” shall only be used when no more informative description can be provided.
- Disclosure is required for management-defined performance measures: When the Company communicates management’s perspective of financial performance externally, such measures must be disclosed in a single note, including definitions, calculation methods, reconciliations to IFRS-defined subtotals/totals, and the related tax and non-controlling interest impacts.

Other than the above, as of the approval date of these parent company only financial statements, the Company continues to evaluate the potential impacts of the newly issued or amended standards and will disclose any material effects upon completion of such assessment.

4. Summary of Significant Accounting Policies

(1) Statement of compliance

The consolidated financial statements have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, and IFRSs as endorsed by the FSC.

(2) Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for the 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 plan assets.

The fair value measurement is classified into three levels based on the observability and significance of relevant inputs:

A. Level 1 inputs: Quoted (unadjusted) prices in active markets for identical assets or liabilities on the measurement date.

B. Level 2 inputs: Inputs, other than quoted market prices within level 1 that are observable, either directly (i.e. prices) or indirectly (derived from prices) for assets or liabilities.

C. Level 3 inputs: Unobservable inputs for assets or liabilities.

(3) Classification of current and non-current assets and liabilities

Current assets include:

A. Assets held primarily for the purpose of trading;

B. Assets expected to be realized within 12 months after the balance sheet date; and

C. Cash (excluding assets restricted from being exchanged or used to settle a liability for at least 12 months after the balance sheet date).

Current liabilities include:

A. Liabilities held primarily for the purpose of trading;

B. Liabilities due to be settled within 12 months after the balance sheet date; and

C. Liabilities for which there is no substantive right at the balance sheet date to defer settlement until at least 12 months after the balance sheet date.

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

(4) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries). The financial statements of subsidiaries have been adjusted to ensure the accounting policies are line with those of the Group. All intra-group transactions, balances, income, and expenses are eliminated in full upon consolidation. The total comprehensive income of subsidiaries is attributed to the owners of the Company and non-controlling interests, even if this results in a deficit balance for the non-controlling interests.

(5) Business Combinations

Business combinations are accounted for using the acquisition method.

Acquisition-related costs are recognized as expenses in the periods in which the costs are incurred and the services are received.

Goodwill is measured as the excess of the aggregate of the fair value of the consideration transferred and the acquirer's previously held equity interest in the acquiree at the acquisition date over the net amount of the identifiable assets acquired and liabilities assumed at the acquisition date.

(6) Foreign Currencies

Transactions in currencies other than the Company's functional currency (i.e., foreign currencies) are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary items denominated in foreign currencies are retranslated at the closing exchange rate at the end of each reporting period. Exchange differences arising from the settlement of such monetary items or from translating them at reporting period-end

exchange rates are recognized in profit or loss in the period in which they arise. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Exchange differences arising from such translations are recognized in profit or loss, unless the changes in fair value are recognized in other comprehensive income, in which case the exchange differences are also recognized in other comprehensive income.

Non-monetary items measured at historical cost in a foreign currency are translated using the exchange rate at the transaction date and are not retranslated subsequently. When preparing the parent company only financial statements, the assets and liabilities of foreign operations (including subsidiaries whose functional currency is different from that of the Company) are translated into New Taiwan Dollars at the exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rate for the period. Exchange differences arising therefrom are recognized in other comprehensive income and attributed to owners of the Company and non-controlling interests as appropriate.

(7) Inventories

Inventories consist of raw materials, work in process, and merchandise. Inventories are measured at the lower of cost and net realizable value. The comparison between cost and net realizable value is performed on an item-by-item basis, except where it is appropriate to group similar or related items.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Inventory costs are determined using the weighted-average method.

(8) Property, Plant and Equipment

Property, plant and equipment are initially recognized at cost and subsequently measured at cost less accumulated depreciation.

Except for owned land, which is not depreciated, other items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Significant components are depreciated separately. The Group reviews the estimated useful lives, residual values, and depreciation methods at the end of each reporting period, and applies changes prospectively as changes in accounting estimates.

Upon disposal, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

(9) Goodwill

Goodwill arising from a business combination is initially measured at cost as of the acquisition date and subsequently measured at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill is allocated to each cash-generating unit (CGU), or group of CGUs, that is expected to benefit from the synergies of the combination.

Each CGU to which goodwill has been allocated is tested for impairment annually, or more frequently if there is any indication that the unit may be impaired, by comparing the carrying amount of the CGU (including goodwill) with its recoverable amount. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of the goodwill allocated to the unit, and then to the other assets of the unit pro rata based on the carrying amount of each asset. Any impairment loss is recognized directly in profit or loss and is not reversed in subsequent periods.

When a portion of a CGU to which goodwill has been allocated is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal.

(10) Intangible Assets

A. Separately acquired intangible assets

Finite-life intangible assets that are separately acquired are initially measured at cost. After initial recognition, they are carried at cost less accumulated amortization. Amortization is calculated on a straight-line basis over the asset's useful life. The Group reviews the estimated useful lives, residual values, and amortization methods at the end of each reporting period and applies changes prospectively as changes in accounting estimates. Intangible assets with indefinite useful lives are carried at cost less accumulated impairment losses.

B. Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognized at fair value on the acquisition date, separately from goodwill. Subsequent measurement is consistent with the policy for separately acquired intangible assets.

C. Derecognition

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

(11) Impairment of Property, Plant and Equipment, Right-of-Use Assets, and Intangible Assets (Excluding Goodwill)

At each balance sheet date, the Group assesses whether there is any indication that property, plant and equipment, right-of-use assets, or intangible assets (excluding goodwill) may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. If it is not possible to estimate the recoverable amount of an individual asset, the Group determines the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of the asset's (or cash-generating unit's) fair value less costs of disposal and its value in use. If the recoverable amount of an individual asset or a cash-generating unit is less than its carrying amount, the carrying amount is reduced to its recoverable amount, and the resulting impairment loss is recognized in profit or loss.

A previously recognized impairment loss is reversed in subsequent periods if there has been a change in the estimates used to determine the asset's recoverable amount. The reversal is limited such that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized in prior years, net of depreciation or amortization. Reversal of an impairment loss is recognized in profit or loss.

(12) Financial Instruments

Financial assets and financial liabilities are recognized in the consolidated balance sheet when the Group becomes a party to the contractual provisions of the financial instrument.

At initial recognition, financial assets and financial liabilities are measured at fair value. For financial instruments not classified as measured at fair value through profit or loss (FVTPL), the transaction costs that are directly attributable to the acquisition or issuance of the financial assets or financial liabilities are added to or deducted from the fair value. For financial instruments classified as FVTPL, transaction costs are recognized immediately in profit or loss.

A. Financial Assets

Regular way purchases or sales of financial assets are recognized and derecognized using trade date accounting.

(A) Categories of Measurement

The Group classifies its financial assets into the following categories:

- Financial assets at fair value through profit or loss (FVTPL)
- Financial assets measured at amortized cost
- Equity investments measured at fair value through other comprehensive income (FVOCI)

a. Financial Assets at Fair Value Through Profit or Loss (FVTPL)

Financial assets at FVTPL include those that are mandatorily measured at fair value through profit or loss, as well as those designated as such upon initial recognition. Mandatorily measured financial assets include equity investments that are not designated as measured at FVOCI.

These assets are subsequently measured at fair value, and any dividends, interest income, and gains or losses arising from remeasurement are recognized in other income and losses.

For the determination of fair value, please refer to Note 29.

b. Financial Assets Measured at Amortized Cost

A financial asset is classified as measured at amortized cost if it meets both of the following conditions:

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

(b) The contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at amortized cost (including cash and cash equivalents, accounts receivable [including related parties], other receivables [including related parties], and refundable deposits) are subsequently measured at amortized cost using the effective interest method, net of any impairment loss. Foreign exchange gains or losses are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of the financial asset.

Cash equivalents include short-term, highly liquid time deposits that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value, and are held to meet short-term cash commitments.

c. Equity Instruments Measured at Fair Value Through Other Comprehensive Income (FVOCI)

Upon initial recognition, the Group may make an irrevocable election to designate an investment in an equity instrument that is not held for trading and is not a contingent consideration recognized by an acquirer in a business combination to be measured at fair value through other comprehensive income. Such equity investments are measured at fair value. Subsequent changes in fair value are recognized in other comprehensive income and accumulated in other equity. Upon disposal of the investment, the cumulative gain or loss previously recognized in other comprehensive income is transferred directly to retained earnings and is not reclassified to profit or loss.

Dividends from equity instruments measured at FVOCI are recognized in profit or loss when the right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment.

(B) Impairment of Financial Assets

At each balance sheet date, the Group assesses impairment losses on financial assets measured at amortized cost (including accounts receivable) based on expected credit losses.

Loss allowances for accounts receivable are recognized based on lifetime expected credit losses.

Expected credit losses are a weighted average of credit losses with the probability of default as the weight.

The 12-month expected credit loss represents the expected credit losses resulting from default events possible within 12 months after the reporting date.

Lifetime expected credit losses represent the expected credit losses resulting from all possible default events over the expected life of the financial instrument.

Impairment losses for all financial assets are recognized through an allowance account to reduce the carrying amount.

(C) Derecognition of Financial Assets

A financial asset is derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset is transferred and substantially all the risks and rewards of ownership of the asset are transferred to another entity.

For financial assets measured at amortized cost, the difference between the asset's carrying amount and the consideration received upon derecognition is recognized in profit or loss.

B. Equity Instruments

Equity instruments issued by the Group are recognized at the amount of consideration received, net of direct issuance costs.

C. Financial Liabilities

(A) Subsequent Measurement

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

(B) Derecognition of Financial Liabilities

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

(13) Provisions

Provisions are recognized for obligations, including those specified in lease agreements requiring the lessee to maintain or restore the leased asset prior to returning it to the lessor. The amount is based on the best estimate of the expenditure required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties associated with the obligation. Provisions are measured at the present value of the estimated cash flows required to settle the obligation.

Asset Retirement and Restoration Obligations

Under certain lease agreements, the Group is obligated to restore leased premises to their original condition at the end of the lease term. A provision is recognized at the present value of the best estimate of future outflows of economic benefits expected to be incurred in fulfilling the restoration obligations.

(14) Revenue Recognition

The Group identifies performance obligations under customer contracts, allocates the transaction price to each performance obligation, and recognizes revenue when each

performance obligation is satisfied.

Sales revenue primarily arises from the provision of food and beverage services and the sale of merchandise, and is recognized at the point in time when the customer purchases the goods or services.

(15) Leases

At contract inception, the Group assesses whether a contract is, or contains, a lease. As a lessee, the Group recognizes a right-of-use asset and a lease liability on the lease commencement date for all leases, except for leases of low-value assets and short-term leases, which are recognized as expense on a straight-line basis over the lease term.

The right-of-use asset is initially measured at cost, which includes the initial measurement of the lease liability and any estimated costs to restore the leased asset. Subsequently, it is measured at cost less accumulated depreciation and accumulated impairment losses, and is adjusted for any remeasurement of the lease liability.

Right-of-use assets are presented separately in the consolidated balance sheet.

Depreciation is calculated on a straight-line basis from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term.

The lease liability is initially measured at the present value of the lease payments, which includes fixed payments. If the interest rate implicit in the lease is readily determinable, it is used to discount the lease payments; otherwise, the lessee's incremental borrowing rate is used.

Subsequently, the lease liability is measured at amortized cost using the effective interest method. Interest expense is allocated over the lease term. When a change in the lease term results in a change in future lease payments, the lease liability is remeasured and the corresponding adjustment is made to the right-of-use asset. If the carrying amount of the right-of-use asset has been reduced to zero, any remaining remeasurement amount is recognized in profit or loss. Lease liabilities are presented separately in the consolidated balance sheet.

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

(16) Borrowing Costs

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

(17) Government Grants

Government grants are recognized only when there is reasonable assurance that the Company will comply with the conditions attached to the grants and that the grants will be received.

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

(18) Employee Benefits

A. Short-term Employee Benefits

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

B. Post-employment Benefits

For defined contribution retirement plans, contributions are recognized as expenses in the periods in which the employees provide services.

(19) Share-based Payment Arrangements

Employee stock options are measured at the fair value of the equity instruments granted on the grant date and the best estimate of the number of equity instruments expected to vest. Expenses are recognized on a straight-line basis over the vesting

period, with a corresponding adjustment to capital surplus – employee stock options. If the options vest immediately on the grant date, the cost is recognized in full on the grant date. In the case of cash capital increases reserved for employee subscription, the grant date is the date on which the employee subscription is confirmed.

(20) Income Taxes

Income tax expense comprises current income tax and deferred income tax.

A. Current Income Tax

Current income tax is calculated based on taxable income (loss) for the year, determined in accordance with the tax laws of each jurisdiction in which the Group operates.

An additional income tax on unappropriated earnings, calculated in accordance with the Income Tax Act of the Republic of China, is recognized in the year the appropriation of earnings is approved by the shareholders' meeting.

Adjustments to current tax of prior years are recognized in the current period's income tax expense.

B. Deferred Income Tax

Deferred income tax is recognized for temporary differences between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases used in the computation of taxable income.

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

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be recovered. Previously unrecognized deferred income tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow for the recovery of the deferred tax assets.

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

C. Current and Deferred Income Tax Recognition

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

5. Critical Accounting Judgments and Key Sources of Estimation Uncertainty

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

Key Sources of Estimation Uncertainty

Lessee's Incremental Borrowing Rate

To determine the discount rate used for measuring lease liabilities, the Company refers to a risk-free interest rate for a similar term and currency as a base rate, and adjusts it by

incorporating an estimated credit risk premium of the lessee and lease-specific adjustments, such as characteristics of the underlying asset and whether the lease is secured.

6. Cash and Cash Equivalents

| | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|----------------------------------|--------------------------|--------------------------|
| Cash on hand and revolving funds | \$ 3,429 | \$ 2,549 |
| Demand deposits | 372,715 | 432,634 |
| Cash equivalents | | |
| Time deposits with banks | <u>307,000</u> | <u>450,000</u> |
| | <u>\$683,144</u> | <u>\$885,183</u> |

The interest rate ranges for bank deposits as of the balance sheet dates were as follows:

| | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|---------------|--------------------------|--------------------------|
| Bank deposits | 0.002%~1.705% | 0.050%~1.565% |

7. Financial Assets at Fair Value Through Profit or Loss (FVTPL)

| | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|-------------------------------|--------------------------|--------------------------|
| <u>Current</u> | | |
| Domestic Investments | | |
| Listed (or OTC-listed) Stocks | \$ 3,262 | \$ 4,347 |
| Overseas investments | | |
| Funds | <u>38,071</u> | <u>34,230</u> |
| | <u>\$ 41,333</u> | <u>\$ 38,577</u> |
| <u>Non-current</u> | | |
| Domestic investments | | |
| Limited partnerships | \$ 43,457 | \$ 42,269 |
| Overseas investments | | |
| Limited partnerships | <u>51,521</u> | <u>30,262</u> |
| | <u>\$ 94,978</u> | <u>\$ 72,531</u> |

8. Financial Assets Measured at Amortized Cost

| | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|--|--------------------------|--------------------------|
| <u>Non-current</u> | | |
| Domestic Investments | | |
| Unlisted Equity Instruments: | | |
| Micro Electricity Co. Ltd. | \$ 2,908 | \$ 5,724 |
| Genesis Lavie Hospitality &Catering Management Consulting Co., Ltd. | <u>1,901</u> | <u>2,500</u> |
| | <u>\$ 4,809</u> | <u>\$ 8,224</u> |

The Group has invested in Wei Dian Energy Co., Ltd., Teng Yun Technology Services Co., Ltd., and Flavor Rarity Restaurant Management Consulting Co., Ltd. for medium- to long-term strategic purposes and expects to benefit from long-term investment returns. Management believes that including short-term fair value fluctuations of these investments in profit or loss would not align with the Group's long-term investment strategy. Therefore, these investments are designated as measured at fair value through other comprehensive income (FVOCI).

9. Financial Assets Measured at Amortized Cost

| | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|--|--------------------------|--------------------------|
| <u>Current</u> | | |
| Time deposits with original maturities over one year | <u>\$147,215</u> | <u>\$ 77,186</u> |
| <u>Non-current</u> | | |
| Pledged time deposits | <u>\$ 748</u> | <u>\$ -</u> |

(1) As of 2024 and December 31, 2023, the annual interest rates for the time deposits ranged from 0.77% to 3.82% and 1.65% to 5.35%, respectively.

(2) For information on pledged financial assets measured at amortized cost, please refer to Note 31.

10. Accounts Receivable

| | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|---|--------------------------|--------------------------|
| <u>Accounts receivable</u> | | |
| at amortized cost | | |
| Total | \$283,768 | \$273,887 |
| Less: Allowance for impairment loss | <u>-</u> | <u>-</u> |
| | 283,768 | 273,887 |
| <u>Accounts receivable– Related parties</u> | <u>42</u> | <u>491</u> |
| | <u>\$283,810</u> | <u>\$274,378</u> |

The Company primarily adopts cash or credit card payments for customer transactions. Accounts receivable mainly arise from certain outlets located in department stores or retail partners, for which credit terms are negotiated between both parties. The average credit period is 15 to 30 days, and no interest is charged on accounts receivable.

To mitigate credit risk, the Group has established credit policies and accounts receivable management procedures to ensure that appropriate actions are taken for the recovery of overdue balances. In addition, at each balance sheet date, the recoverability of accounts receivable is assessed individually to ensure that adequate impairment losses are recognized for uncollectible amounts. Management believes that the credit risk has been significantly reduced as a result.

The Group recognizes loss allowances for accounts receivable based on lifetime expected credit losses. The lifetime expected credit losses are calculated using a provision matrix, which takes into account the customer's historical default rates, current financial condition, industry trends, and economic conditions. Given that the Group's historical

experience shows no significant differences in loss patterns among customer groups, the provision matrix is not further segmented by customer type and is instead based solely on the number of days past due.

If there is objective evidence that a counterparty is in severe financial difficulty and the Group does not reasonably expect to recover the outstanding amount, the account is written off. However, collection efforts continue, and any subsequent recoveries are recognized in profit or loss.

The Group measures the loss allowance for accounts receivable using a provision matrix, as shown below:

December 31, 2024

| | Not Past Due | 1–60 Days Past Due | 61–90 Days Past Due | Over 90 Days Past Due | Total |
|---|-------------------|-----------------------|------------------------|-----------------------------|-------------------|
| Gross Carrying Amount (including related parties) | \$ 249,206 | \$ 34,604 | \$ - | \$ - | \$ 283,810 |
| Loss Allowance (Lifetime Expected Credit Losses) | - | - | - | - | - |
| Amortized cost | <u>\$ 249,206</u> | <u>\$ 34,604</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 283,810</u> |

December 31, 2023

| | Not Past Due | 1–60 Days Past Due | 61–90 Days Past Due | Over 90 Days Past Due | Total |
|---|-------------------|-----------------------|------------------------|-----------------------------|-------------------|
| Gross Carrying Amount (including related parties) | \$ 235,896 | \$ 38,482 | \$ - | \$ - | \$ 274,378 |
| Loss Allowance (Lifetime Expected Credit Losses) | - | - | - | - | - |
| Amortized cost | <u>\$ 235,896</u> | <u>\$ 38,482</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 274,378</u> |

11. Inventories

| | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|---------------------|--------------------------|--------------------------|
| Merchandise | \$ 1,560 | \$ 1,792 |
| Raw materials | 61,204 | 35,585 |
| Work in process | 510 | 412 |
| Semi-finished Goods | <u>616</u> | <u>785</u> |
| | <u>\$ 63,890</u> | <u>\$ 38,574</u> |

The nature of cost of goods sold is as follows:

| | <u>2024</u> | <u>2023</u> |
|--------------------------|---------------------|---------------------|
| Cost of inventories sold | <u>\$ 1,748,818</u> | <u>\$ 1,445,201</u> |

12. Subsidiaries

The reporting entity of this consolidated financial report comprises the following:

| Investor | Subsidiary | Nature of Business | Ownership Percentage | | Remarks |
|-----------------------------|--|-----------------------|----------------------|-------------------|-------------|
| | | | December 31, 2024 | December 31, 2023 | |
| The Company | VNT International Co., Ltd. | Investment holding | 51% | 51% | — |
| | TSA International Co., Ltd. (TSA) | Investment holding | 100% | 100% | — |
| | TAROKO FOOD TAIWAN CO., LTD. (TAROKO) | Food & beverage sales | 100% | - | (1)& (3) |
| | Taroko Cuisine Ltd. (Taroko Cuisine) | Food & beverage sales | - | - | (2)& (3) |
| VNT International Co., Ltd. | VT1 International Co., Ltd. | Investment holding | 100% | 100% | — |
| TSA | Safe Foods Co., Ltd. (Safe Foods) | Food manufacturing | 51% | 51% | — |
| | Duofu Co., Ltd. (Duofu) | Trading | 100% | 100% | — |

A. On April 10, 2024, the Company's board of directors resolved to acquire 100% equity interest in TAROKO FOOD TAIWAN CO., LTD. through a combination of share exchange and cash acquisition. On May 31, 2024, it was further resolved that the base date for the share exchange and cash settlement would be August 1, 2024. For related information, please refer to Note 26.

B. On August 1, 2024, the Company acquired 100% equity interest in Taroko Cuisine Ltd. through a cash acquisition. Please refer to Note 26.

C. In order to reduce operating costs and improve management efficiency, TAROKO and Taroko Cuisine carried out a simplified merger in accordance with the Company Act and the Business Mergers and Acquisitions Act, with TAROKO as the surviving entity and Taroko Cuisine as the dissolved entity. The merger was effected through a share swap, at an exchange ratio of 1 share of TAROKO common stock for every 9.058

shares of Taroko Cuisine common stock. New shares were issued by TAROKO to the shareholders of Taroko Cuisine. The merger base date was set as December 31, 2024.

13. Property, Plant and Equipment

| | Land | Buildings | Restaurant Decoration | Kitchen Equipment | Office Equipment | Transportatio n Equipment | Other Equipment | Storage Equipment | Total |
|--|------------|-----------|--------------------------|----------------------|---------------------|------------------------------|--------------------|----------------------|------------|
| <u>Cost</u> | | | | | | | | | |
| Balance as of January 1, 2024 | \$ 206,912 | \$ 77,833 | \$ 364,149 | \$ 99,254 | \$ 21,998 | \$ 705 | \$ 11,911 | \$ 35,245 | \$ 818,007 |
| Additions | - | 904 | 121,338 | 25,402 | 7,144 | - | 3,014 | 1,526 | 159,328 |
| Acquired through Business Combination | - | - | 689 | 261 | 228 | 214 | - | - | 1,392 |
| Disposals | - | - | (1,313) | (977) | (1,235) | - | (60) | - | (3,585) |
| Reclassifications | - | - | 8,951 | 1,899 | 207 | - | - | - | 11,057 |
| Balance as of December 31, 2024 | \$ 206,912 | \$ 78,737 | \$ 493,814 | \$ 125,839 | \$ 28,342 | \$ 919 | \$ 14,865 | \$ 36,771 | \$ 986,199 |
| <u>Accumulated Depreciation</u> | | | | | | | | | |
| Balance as of January 1, 2024 | \$ - | \$ 11,847 | \$ 252,238 | \$ 73,639 | \$ 15,903 | \$ 705 | \$ 4,165 | \$ 12,797 | \$ 371,294 |
| Depreciation Expense | - | 3,938 | 78,413 | 17,107 | 4,320 | 186 | 3,674 | 5,423 | 113,061 |
| Disposals | - | - | (1,313) | (968) | (1,229) | - | (60) | - | (3,570) |
| Balance as of December 31, 2024 | \$ - | \$ 15,785 | \$ 329,338 | \$ 89,778 | \$ 18,994 | \$ 891 | \$ 7,779 | \$ 18,220 | \$ 480,785 |
| Net Book Value as of December 31, 2024 | \$ 206,912 | \$ 62,952 | \$ 164,476 | \$ 36,061 | \$ 9,348 | \$ 28 | \$ 7,086 | \$ 18,551 | \$ 505,414 |
| <u>Cost</u> | | | | | | | | | |
| Balance as of January 1, 2023 | \$ 206,912 | \$ 77,833 | \$ 307,967 | \$ 84,973 | \$ 18,644 | \$ 705 | \$ 4,318 | \$ 33,624 | \$ 734,976 |
| Additions | - | - | 80,707 | 17,111 | 4,002 | - | 7,593 | 1,621 | 111,034 |
| Disposals | - | - | (34,596) | (4,666) | (1,056) | - | - | - | (40,318) |
| Reclassifications | - | - | 10,071 | 1,836 | 408 | - | - | - | 12,315 |
| Balance as of December 31, 2023 | \$ 206,912 | \$ 77,833 | \$ 364,149 | \$ 99,254 | \$ 21,998 | \$ 705 | \$ 11,911 | \$ 35,245 | \$ 818,007 |
| <u>Accumulated Depreciation</u> | | | | | | | | | |
| Balance as of January 1, 2023 | \$ - | \$ 7,869 | \$ 230,138 | \$ 64,451 | \$ 13,984 | \$ 705 | \$ 2,264 | \$ 8,140 | \$ 327,551 |
| Depreciation Expense | - | 3,978 | 54,886 | 13,426 | 2,975 | - | 1,901 | 4,657 | 81,823 |
| Disposals | - | - | (32,786) | (4,238) | (1,056) | - | - | - | (38,080) |
| Balance as of December 31, 2023 | \$ - | \$ 11,847 | \$ 252,238 | \$ 73,639 | \$ 15,903 | \$ 705 | \$ 4,165 | \$ 12,797 | \$ 371,294 |
| Net Book Value as of December 31, 2023 | \$ 206,912 | \$ 65,986 | \$ 111,911 | \$ 25,615 | \$ 6,095 | \$ - | \$ 7,746 | \$ 22,448 | \$ 446,713 |

No impairment losses were recognized or reversed in 2024 and 2023.

Depreciation is calculated on a straight-line basis over the following estimated useful lives:

| | |
|--------------------------|-----------|
| Buildings | 20 years |
| Restaurant decoration | 2~5 years |
| Kitchen equipment | 2~8 years |
| Office equipment | 2~5 years |
| Transportation equipment | 3~5 years |
| Other equipment | 2~5 years |
| Storage equipment | 3~7 years |

For information regarding property, plant and equipment pledged as collateral for borrowings, please refer to Note 31.

14. Lease Agreements

(1) Right-of-use Assets

| | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|--|--------------------------|--------------------------|
| Carrying amount of right-of-use assets | | |
| Buildings | <u>\$384,173</u> | <u>\$252,191</u> |
| | <u>2024</u> | <u>2023</u> |
| Additions to right-of-use assets | <u>\$254,996</u> | <u>\$175,420</u> |
| Depreciation of right-of-use assets | | |
| Buildings | <u>\$155,303</u> | <u>\$122,447</u> |

Except for the additions and depreciation listed above, the Group did not incur significant subleases or impairment of right-of-use assets in 2024 and 2023.

(2) Lease Liabilities

| | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|--------------------------------------|--------------------------|--------------------------|
| Carrying amount of lease liabilities | | |
| Current portion | <u>\$140,873</u> | <u>\$101,007</u> |
| Non-current portion | <u>\$243,068</u> | <u>\$151,217</u> |

The discount rate range for lease liabilities is as follows:

| | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|-----------|--------------------------|--------------------------|
| Buildings | 1.40%~2.62% | 1.40%~2.62% |

(3) Significant Leasing Activities and Terms

The Group leases various retail spaces for use as stores, with lease terms ranging from 1 to 6 years. Certain store leases include both fixed lease payments and variable lease payments based on a specified percentage of the store's revenue.

(4) Other Lease Information

| | <u>2024</u> | <u>2023</u> |
|--|--------------------|--------------------|
| Short-term lease expenses | <u>\$230,419</u> | <u>\$206,945</u> |
| Variable lease payments not included in the measurement of lease liabilities | <u>\$ 43,403</u> | <u>\$ 39,418</u> |
| Total cash outflows for leases | <u>(\$432,401)</u> | <u>(\$371,345)</u> |

The Group has elected to apply the recognition exemption for short-term leases of buildings and kitchen equipment. Accordingly, no right-of-use assets or lease liabilities are recognized for such leases.

15. Goodwill

| | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|--|--------------------------|--------------------------|
| Goodwill | <u>\$ 91,830</u> | <u>\$ 5,820</u> |
| | <u>2024</u> | <u>2023</u> |
| Beginning Balance | \$ 5,820 | \$ 5,820 |
| Acquired through Business Combination (Note 27)) | <u>86,010</u> | <u>-</u> |
| Ending Balance | <u>\$ 91,830</u> | <u>\$ 5,820</u> |

The Group recognized goodwill of NT\$5,820 thousand resulting from the absorption of Dopu Co., Ltd. on September 30, 2017. In addition, goodwill of NT\$86,010 thousand was recognized upon the merger with TAROKO International Co., Ltd. and TAROKO Trading Co., Ltd. on August 1, 2024. The goodwill primarily arose from the anticipated benefits associated with growth in brand-related revenue.

For impairment testing purposes, this goodwill is associated with the Group as a whole, which is considered a single cash-generating unit (CGU). Accordingly, the recoverable amount of the Group as a whole is compared with the carrying amount of its net assets to determine whether an impairment loss is required.

The recoverable amount is determined based on value in use, which is calculated using estimated cash flows from the Group's management-approved financial budgets for the next five years, discounted at an annual rate ranging from 6.60% to 10.40%. Other key assumptions include projected revenue and gross margin, which are based on historical performance and management's expectations of market trends.

Based on the assessment, the recoverable amount of the Group's CGU exceeded its carrying amount; therefore, no impairment loss was recognized.

16. Other Intangible Assets

| | <u>Trademark Rights</u> | <u>Franchise Rights</u> | <u>Computer Software</u> | <u>Total</u> |
|--|-----------------------------|-----------------------------|------------------------------|------------------|
| <u>Cost</u> | | | | |
| Balance as of January 1, 2024 | \$ - | \$ 3,792 | \$ 2,512 | \$ 6,304 |
| Acquired through Business Combination | <u>62,700</u> | <u>-</u> | <u>-</u> | <u>62,700</u> |
| Balance as of December 31, 2024 | <u>\$ 62,700</u> | <u>\$ 3,792</u> | <u>\$ 2,512</u> | <u>\$ 69,004</u> |
| <u>Accumulated Amortization</u> | | | | |
| Balance as of January 1, 2024 | \$ - | \$ 1,940 | \$ 2,293 | \$ 4,233 |
| Amortization expense | <u>-</u> | <u>791</u> | <u>40</u> | <u>831</u> |
| Balance as of December 31, 2024 | <u>\$ -</u> | <u>\$ 2,731</u> | <u>\$ 2,333</u> | <u>\$ 5,064</u> |
| Net carrying amount as of December 31, 2024 | <u>\$ 62,700</u> | <u>\$ 1,061</u> | <u>\$ 179</u> | <u>\$ 63,940</u> |

| | Trademark Rights | Franchise Rights | Computer Software | Total |
|--|---------------------|---------------------|----------------------|----------|
| <u>Cost</u> | | | | |
| Balance as of January 1 and December 31, 2023 | \$ - | \$ 3,792 | \$ 2,512 | \$ 6,304 |
| <u>Accumulated Amortization</u> | | | | |
| Balance as of January 1, 2023 | \$ - | \$ 1,147 | \$ 2,195 | \$ 3,342 |
| Amortization expense | - | 793 | 98 | 891 |
| Balance as of December 31, 2023 | \$ - | \$ 1,940 | \$ 2,293 | \$ 4,233 |
| Net carrying amount as of December 31, 2023 | \$ - | \$ 1,852 | \$ 219 | \$ 2,071 |

The legal term of the trademark is ten years, but it can be renewed every ten years at minimal cost. The Group's management intends and has the ability to continue renewing the trademark indefinitely. Management has conducted studies regarding product life cycles, market conditions, competitive environment, industry trends, and brand expansion opportunities. The results indicate that the trademark is expected to generate net cash inflows for an indefinite period, and therefore, it is classified as an intangible asset with an indefinite useful life.

The trademark will not be amortized until its useful life is determined to be finite. However, it is subject to annual impairment testing regardless of whether there is any indication of impairment.

There were no material additions, disposals, or impairment of other intangible assets of the Group in 2024 and 2023.

For information regarding the brand franchise agreements, please refer to Note 32.

Amortization of intangible assets is calculated on a straight-line basis over the following estimated useful lives:

| Category | Useful Life |
|-------------------|--------------|
| Franchise Rights | 6 years |
| Computer Software | 3 to 5 years |

17. Borrowings

(1) Short-term Borrowings

| | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|-----------------------|--------------------------|--------------------------|
| Unsecured Borrowings | | |
| Credit Facility Loans | <u>\$ 5,000</u> | <u>\$ 5,000</u> |

The annual interest rates for bank revolving credit loans were 2.85% and 2.72% in 2024 and 2023, respectively.

(2) Long-term Borrowings

| | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|--------------------------------------|--------------------------|--------------------------|
| <u>Secured borrowings</u> | | |
| Bank loan (Note 1) | \$108,027 | \$113,633 |
| Bank loan (Note 2) | 78,184 | 78,184 |
| Unsecured Borrowings | | |
| Bank Loans (Note 3) | 15,000 | - |
| Less: Portion Due Within One Year | (15,184) | (9,338) |
| Long-term Borrowings | <u>\$186,027</u> | <u>\$182,479</u> |

(Note 1) The bank loan is secured by the Company's land and buildings (refer to Note 31). The loan matures on November 10, 2040, for both 2024 and December 31, 2023. The annual interest rates were 2.24% and 2.12% for 2024 and 2023, respectively.

(Note 2) The bank loan is secured by the Company's land and buildings (refer to Note 31). The loan matures on June 25, 2041, for both 2024 and December 31, 2023. The annual interest rates were 2.36% and 2.23% for 2024 and 2023, respectively.

(Note 3) The bank loan matures on March 5, 2027, and bears an annual interest rate of 0.50%.

18. Other Payables

| | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|--|--------------------------|--------------------------|
| Accrued salaries and bonuse | \$149,352 | \$139,621 |
| Accrued labor and health insurance premiums | 20,591 | 16,193 |
| Business tax payable | 17,420 | 13,785 |
| Pension payable | 13,441 | 10,527 |
| Others | 26,056 | 33,203 |
| | <u>\$226,860</u> | <u>\$213,329</u> |

19. Provisions

| | <u>Asset Retirement Obligations</u> |
|--|---|
| Beginning balance – January 1, 2024 | \$ 4,253 |
| Additional provisions | 1,730 |
| Amounts used or reversed | (50) |
| Ending balance – December 31, 2024 | <u>\$ 5,933</u> |
| Beginning balance – January 1, 2023 | \$ 3,343 |
| Additional provisions | 1,140 |
| Amounts used or reversed | (230) |
| Ending balance – December 31, 2023 | <u>\$ 4,253</u> |

The Group leases premises for business operations. According to the lease agreements, the Group is required to restore the leased properties to their original condition at the end of the lease term. The provision for asset retirement obligations represents the estimated costs to be incurred for such restoration work.

20. Post-employment Benefit Plans

The Group applies the retirement system under the Labor Pension Act, which is a government-managed defined contribution plan. The Group contributes an amount equal to 6% of each employee's monthly salary to the employees' individual pension accounts maintained by the Bureau of Labor Insurance.

21. Equity

(1) Common Stock

| | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|---|--------------------------|--------------------------|
| Authorized shares (in thousands) | <u>60,000</u> | <u>30,000</u> |
| Authorized capital | <u>\$600,000</u> | <u>\$300,000</u> |
| Issued and fully paid shares (in thousands) | <u>26,694</u> | <u>26,267</u> |
| Issued capital | <u>\$266,939</u> | <u>\$262,674</u> |

The increase in share capital was due to the issuance of new shares for the acquisition of TAROKO FOOD TAIWAN CO., LTD.

(2) Capital Surplus

| | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|---|--------------------------|--------------------------|
| May be used to offset deficits, distribute cash dividends, or be capitalized (Note) | | |
| Share Premium | <u>\$483,986</u> | <u>\$376,727</u> |

Note: This type of capital surplus may be used to offset accumulated deficits. If the Company has no deficits, it may be used to distribute cash dividends or be capitalized. However, the amount to be capitalized each year shall be subject to a certain percentage of the paid-in capital in accordance with relevant laws and regulations.

(3) Retained Earnings and Dividend Policy

On May 30, 2024, the Company's shareholders approved an amendment to the Articles of Incorporation regarding its earnings distribution policy. According to the revised Articles:

If there is a surplus at the end of the fiscal year, the Company shall first pay all applicable taxes, offset accumulated deficits, and then appropriate 10% of the remaining earnings as legal reserve. If the legal reserve has reached the amount of paid-in capital, no further appropriation is required. The remainder, after appropriation or reversal of special reserves required by laws or operational needs, constitutes the distributable earnings for the year. These, combined with

undistributed retained earnings from previous years, form the accumulated distributable earnings. The Board of Directors shall then draft an earnings distribution proposal, which will be submitted to the shareholders' meeting for approval. At least 30% of the accumulated distributable earnings shall be distributed as shareholders' dividends, of which cash dividends shall not be less than 20% of the total dividends distributed.

If all or part of the dividends, legal reserve, or capital surplus is to be distributed in the form of cash, the Board of Directors is authorized to do so with the approval of at least two-thirds of the directors present and a majority vote of the directors present, and such distribution shall be reported to the shareholders' meeting.

Under the previous version of the Articles of Incorporation, the earnings distribution policy followed the same principle, including the 10% legal reserve, minimum 20% cash dividend ratio, and the same authorization process for cash distributions.

The Company's policy on employee and director remuneration is described in Note 22

(7).The legal reserve shall be appropriated until it equals the Company's paid-in capital. It may be used to offset accumulated deficits. When no deficit exists, any portion of the legal reserve exceeding 25% of paid-in capital may be distributed as cash dividends or used to increase capital.

The earnings distribution for 2023 and 2022 was as follows:

| | 2023 | 2022 |
|--|------------------|------------------|
| Legal reserve | <u>\$ 39,286</u> | <u>\$ 27,255</u> |
| Appropriation (Reversal) of Special Reserve | <u>\$ 47</u> | <u>(\$ 175)</u> |
| Cash dividends | <u>\$349,356</u> | <u>\$262,674</u> |
| Cash dividend per share (NT\$) | \$ 13.3 | \$ 10.0 |

The above cash dividends were approved by the Board of Directors on March 8, 2024 and March 10, 2023, respectively. Other distribution items were approved at the shareholders' meetings held on May 30, 2024 and May 30, 2023, respectively.

The Board of Directors proposed the earnings distribution plan for 2024 on March 11, 2025, as follows:

| | 2024 |
|-------------------------------------|------------------|
| Legal reserve | <u>\$ 41,424</u> |
| Appropriation of Special Reserve | <u>\$ 3,414</u> |
| Cash dividends (Note) | <u>\$373,714</u> |
| Cash Dividend per Share (NT\$) | \$ 14 |

Note:The cash dividend per share was calculated based on 26,694 thousand outstanding shares as of March 11, 2025.

The above cash dividends were approved by the Board of Directors and the remaining items are pending approval at the shareholders' meeting scheduled for May 28, 2025.

(4) Other Components of Equity

A.Exchange Differences on Translation of Foreign Operations

| | 2024 | 2023 |
|-------------------|-----------------|----------------|
| Beginning balance | <u>(\$ 114)</u> | <u>(\$ 67)</u> |

| | <u>2024</u> | <u>2023</u> |
|---|-----------------|-----------------|
| Exchange differences arising from the translation of foreign operations | <u>1</u> | <u>(47)</u> |
| Ending balance | <u>(\$ 113)</u> | <u>(\$ 114)</u> |

B. Unrealized Gain (Loss) on Financial Assets Measured at Fair Value Through Other Comprehensive Income (FVOCI)

| | <u>2024</u> | <u>2023</u> |
|--|-------------------|----------------|
| Beginning balance | <u>\$ -</u> | <u>\$ -</u> |
| Share of other comprehensive income of subsidiaries under the equity method | <u>(3,415)</u> | <u>4,523</u> |
| Total other comprehensive income for the year | <u>(3,415)</u> | <u>4,523</u> |
| Cumulative gain (loss) reclassified to retained earnings upon disposal by subsidiaries | <u>-</u> | <u>(4,523)</u> |
| Ending balance | <u>(\$ 3,415)</u> | <u>\$ -</u> |

(5) Non-controlling interests

| | <u>2024</u> | <u>2023</u> |
|---|------------------|------------------|
| Beginning balance | <u>\$ 12,915</u> | <u>\$ 11,442</u> |
| Net income | <u>3,273</u> | <u>1,514</u> |
| Total Comprehensive Income for the Year | | |
| Exchange differences arising from the translation of foreign operations | <u>2</u> | <u>(41)</u> |
| Ending balance | <u>\$ 16,190</u> | <u>\$ 12,915</u> |

22. Revenue

| | <u>2024</u> | <u>2023</u> |
|--------------------|---------------------|---------------------|
| Restaurant revenue | <u>\$ 3,573,798</u> | <u>\$ 3,089,619</u> |
| Other revenue | <u>76,020</u> | <u>9,435</u> |
| | <u>\$ 3,649,818</u> | <u>\$ 3,099,054</u> |

(1) Description of Customer Contracts

A. Restaurant revenue is derived from the sale of food and beverage services at the Group's store locations and is recognized at the point of sale.

B. Other revenue mainly represents revenue from the sale of seasonal gift boxes and other goods, recognized at the point of customer purchase.

(2) Contract Balances

| | December 31, 2024 | December 31, 2023 | January 1, 2023 |
|--|----------------------|----------------------|-------------------|
| Accounts receivable (Note 10) | <u>\$ 283,768</u> | <u>\$ 273,887</u> | <u>\$ 236,093</u> |
| Accounts receivable – related parties | <u>\$ 42</u> | <u>\$ 491</u> | <u>\$ 295</u> |
| Contract liabilities (included in other current liabilities) | <u>\$ 9,975</u> | <u>\$ 6,353</u> | <u>\$ 6,531</u> |

Contract liabilities mainly consist of customer loyalty programs and advance receipts. Revenue recognized in the current year that was included in the contract liabilities at the beginning of the year is as follows:

| <u>Source</u> | 2024 | 2023 |
|---------------|--------------|---------------|
| Sale of goods | <u>\$ 32</u> | <u>\$ 178</u> |

23. Profit from Continuing Operations

(1) Interest Income

| | 2024 | 2023 |
|------------------------------|-----------------|-----------------|
| Bank deposits | \$ 9,610 | \$ 9,060 |
| Imputed interest on deposits | <u>70</u> | <u>53</u> |
| | <u>\$ 9,680</u> | <u>\$ 9,113</u> |

(2) Other Income

| | 2024 | 2023 |
|-----------------------------|-----------------|-----------------|
| Government grants (Note 33) | \$ 18 | \$ 160 |
| Lease modification gain | - | 46 |
| Others | <u>1,915</u> | <u>1,593</u> |
| | <u>\$ 1,933</u> | <u>\$ 1,799</u> |

(3) Other Gains and Losses

| | 2024 | 2023 |
|--|-----------|--------------|
| Net foreign exchange loss | \$ 25,203 | (\$ 3,417) |
| Net gain (loss) on financial assets at fair value through profit or loss | 121 | (13) |
| Others | <u>-</u> | <u>(13)</u> |

| | <u>2024</u> | <u>2023</u> |
|--|------------------|-------------------|
| | <u>\$ 25,324</u> | <u>(\$ 3,443)</u> |

(4) Finance Costs

| | <u>2024</u> | <u>2023</u> |
|-------------------------------|-----------------|-----------------|
| Interest on bank borrowings | \$ 4,752 | \$ 4,624 |
| Interest on lease liabilities | <u>4,534</u> | <u>3,203</u> |
| | <u>\$ 9,286</u> | <u>\$ 7,827</u> |

(5) Depreciation and Amortization

| | <u>2024</u> | <u>2023</u> |
|------------------------------------|------------------|------------------|
| Depreciation expenses by function | | |
| Operating costs | \$ 50,831 | \$ 40,474 |
| Operating expenses | <u>217,533</u> | <u>163,796</u> |
| | <u>\$268,364</u> | <u>\$204,270</u> |
| Amortization expenses by function: | | |
| Operating expenses | <u>\$ 831</u> | <u>\$ 891</u> |

(6) Employee Benefits Expense

| | <u>2024</u> | <u>2023</u> |
|--|---------------------|-------------------|
| Short-term employee benefits | \$ 1,144,289 | \$ 926,395 |
| Post-employment benefits (Note 20): | | |
| Defined contribution plans | <u>48,896</u> | <u>39,120</u> |
| Total employee benefits | <u>\$ 1,193,185</u> | <u>\$ 965,515</u> |
| By function | | |
| Operating costs | \$ 472,486 | \$ 366,479 |
| Operating expenses | <u>720,699</u> | <u>599,036</u> |
| | <u>\$ 1,193,185</u> | <u>\$ 965,515</u> |

(7) Remuneration to Employees and Directors

In accordance with the Company's Articles of Incorporation, no less than 0.5% and no more than 5% of profit before tax, before deducting remuneration to employees and directors, shall be appropriated for remuneration to employees and directors, respectively.

The estimated remuneration to employees and directors for the years ended December 31, 2024 and 2023, as approved by the Board of Directors on March 11, 2025 and March 8, 2024, respectively, are as follows:

Estimated Rate

| | <u>2024</u> | <u>2023</u> |
|---------------------------|-------------|-------------|
| Remuneration to Employee | 0.5% | 0.5% |
| Remuneration to Directors | 0.5% | 0.5% |

Amount

| | <u>2024</u> | | <u>2023</u> | |
|---------------------------|-------------|---------------|-------------|---------------|
| | <u>Cash</u> | <u>Shares</u> | <u>Cash</u> | <u>Shares</u> |
| Remuneration to Employee | \$ 2,577 | \$ - | \$ 2,456 | \$ - |
| Remuneration to Directors | 2,577 | - | 2,456 | - |

If the actual amounts approved after the individual financial statements are authorized for issue differ from the estimated amounts, the difference is accounted for as a change in accounting estimate and adjusted in the following year accordingly.

There were no differences between the amounts of remuneration to employees and directors actually distributed for 2023 and 2022 and the amounts recognized in the individual financial statements for those years.

Information on the resolutions of the Board of Directors regarding the remuneration to employees and directors is available on the Market Observation Post System (MOPS) of the Taiwan Stock Exchange.

24. Income Taxes

(1) Income Tax Recognized in Profit or Loss

The major components of income tax expense recognized in profit or loss are as follows:

| | <u>2024</u> | <u>2023</u> |
|---|------------------|------------------|
| Current income tax | | |
| Current year | \$ 98,339 | \$ 99,846 |
| Adjustments for prior years | <u>26</u> | <u>46</u> |
| Total income tax expense recognized in profit or loss | <u>\$ 98,365</u> | <u>\$ 99,892</u> |

A reconciliation between accounting profit and income tax expense is as follows:

| | <u>2024</u> | <u>2023</u> |
|---|------------------|------------------|
| Profit before tax | <u>\$515,874</u> | <u>\$489,742</u> |
| Income tax calculated at statutory rate | \$103,175 | \$ 97,949 |
| Temporary differences not recognized as deferred tax assets | - | - |
| Adjustments in respect of prior years' income tax | (4,836) | 1,897 |
| Income tax expense recognized | <u>26</u> | <u>46</u> |

| | | |
|---------------------------------|--------------------------|--------------------------|
| | <u>2024</u> | <u>2023</u> |
| in profit or loss | | |
| Profit before tax | <u>\$ 98,365</u> | <u>\$ 99,892</u> |
| (2) Current Tax Liabilities | | |
| | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
| Current Income Tax Liabilities | | |
| Income Tax Payable | <u>\$ 48,533</u> | <u>\$ 65,122</u> |

(3) Deferred Tax Assets

The movements in deferred tax assets for the year ended December 31, 2024 were as follows:

2024

| | <u>Beginning Balance</u> | <u>Acquired through Business Combination</u> | <u>Ending Balance</u> |
|---------------------------------|--------------------------|--|-----------------------|
| <u>Deferred Tax Liabilities</u> | | | |
| Temporary Differences | | | |
| Unrealized Exchange Loss | <u>\$ -</u> | <u>\$ 81</u> | <u>\$ 81</u> |

(4) Status of Income Tax Assessments

As of the end of 2022, the Company's corporate income tax filings have been assessed and approved by the tax authority.

25. Earnings Per Share

Unit: NT\$ per share

| | | |
|----------------------------|-----------------|-----------------|
| | <u>2024</u> | <u>2023</u> |
| Basic earnings per share | <u>\$ 15.66</u> | <u>\$ 14.78</u> |
| Diluted earnings per share | <u>\$ 15.66</u> | <u>\$ 14.78</u> |

The net income and weighted-average number of ordinary shares used to calculate earnings per share were as follows:

Net Income for the Year

| | | |
|--|------------------|------------------|
| | <u>2024</u> | <u>2023</u> |
| Net income attributable to owners of the Company | <u>\$414,236</u> | <u>\$388,336</u> |
| Net income used in basic and diluted EPS calculation | <u>\$414,236</u> | <u>\$388,336</u> |

Shares

Unit: Thousands of shares

| | | |
|--|-------------|-------------|
| | <u>2024</u> | <u>2023</u> |
| Weighted-average number of ordinary shares for basic EPS | 26,446 | 26,267 |
| Effect of potentially dilutive ordinary shares: | | |
| Employee stock options | - | - |

| | | |
|--|---------------|---------------|
| | 2024 | 2023 |
| Employee bonuses | <u>13</u> | <u>11</u> |
| Weighted-average number of ordinary shares for diluted EPS | <u>26,459</u> | <u>26,278</u> |

If the Company is entitled to settle employee remuneration by issuing shares or by paying cash, it is assumed that the remuneration will be settled in shares when calculating diluted earnings per share. Such potential ordinary shares are included in the weighted-average number of shares outstanding for the calculation of diluted earnings per share only if they have a dilutive effect. This assumption remains in effect until the number of shares to be distributed as employee remuneration is resolved in the subsequent year.

26. Share-based Payment Arrangements

(1) Employee Stock Options Plan

In January 2018, the Company granted 2,000 units of employee stock options, with each unit entitling the holder to subscribe for 1,000 ordinary shares. Accordingly, the total number of new ordinary shares to be issued under these stock options was 2,000 thousand shares. The grantees were all full-time employees of the Company. The stock options could be exercised in accordance with the Employee Stock Option Plan from the grant date. The contractual term of the stock options is five years (counted individually from each issuance date). The exercise price must not be lower than the net asset value per share according to the most recent CPA-audited or reviewed financial statements.

The stock option information is as follows:

| | | |
|----------------------------------|-----------------------------|---|
| | 2023 | |
| <u>Employee Stock Options</u> | <u>Units (in thousands)</u> | <u>Weighted Average Exercise Price (NT\$)</u> |
| Outstanding at beginning of year | 25 | \$ 25.5 |
| Forfeited during the year | (25) | 25.5 |
| Outstanding at end of year | <u>-</u> | - |
| Exercisable at end of year | <u>-</u> | - |

The fair value of the employee stock options granted in January 2018 was estimated using the Black-Scholes option pricing model. The inputs to the model on the grant date were as follows:

| | |
|-------------------------|-----------------|
| | January 5, 2018 |
| Grant date share price | NT\$ 50.0 |
| Exercise price | NT\$ 80.0 |
| Expected volatility | 22.21% |
| Expected life | 5 years |
| Expected dividend yield | - |
| Risk-free interest rate | 0.08% |

The expected volatility was based on the historical share price volatility of comparable listed companies in similar industries.

27. Business Combinations

(1) Acquisition of Subsidiaries

| | Principal Activities | Acquisition Date | Ownership / Voting Rights (%) | Consideration Transferred |
|------------------------------|------------------------------------|------------------|-------------------------------|---------------------------|
| TAROKO FOOD TAIWAN CO., LTD. | Sale of food and beverage services | August 1, 2024 | 100 | <u>\$ 167,573</u> |
| Taroko Cuisine Ltd. | Sale of food and beverage services | August 1, 2024 | 100 | <u>\$ 18,500</u> |

The Company acquired 100% equity interest in TAROKO FOOD TAIWAN CO., LTD. and Taroko Cuisine Ltd. on August 1, 2024. Please refer to Note 12 for investments accounted for using the equity method.

(2) Consideration Transferred

| | TAROKO FOOD TAIWAN CO., LTD. | Taroko Cuisine Ltd. |
|---------------------------------|------------------------------|---------------------|
| Cash Consideration | \$ 56,049 | \$ 18,500 |
| Equity Instruments Issued | <u>111,524</u> | - |
| Total Consideration Transferred | <u>\$167,573</u> | <u>\$ 18,500</u> |

Equity Instruments Issued

The Company issued 427 thousand ordinary shares with a par value of NT\$10 per share as part of the consideration for acquiring TAROKO FOOD TAIWAN CO., LTD. The fair value of the newly issued shares was determined based on the closing market price on the acquisition date, totaling NT\$111,524 thousand.

(3) Assets Acquired and Liabilities Assumed on Acquisition Date

| | TAROKO FOOD TAIWAN CO., LTD. | Taroko Cuisine Ltd. |
|--------------------------------------|------------------------------|---------------------|
| Current Assets | | |
| Cash and cash equivalents | \$ 24,341 | \$ 7,408 |
| Accounts receivable | 11,840 | 1,322 |
| Inventories | 7,894 | 183 |
| Other current assets | 4,494 | 924 |
| Non-current Assets | | |
| Property, plant and equipment | 1,392 | - |
| Right-of-use assets | 29,661 | 2,628 |
| Intangible assets | 57,800 | 4,900 |
| Refundable deposits | 3,020 | 433 |
| Deferred income tax assets | 81 | - |
| Other financial assets – non-current | 748 | - |
| Current Liabilities | | |
| Accounts payable | (3,032) | (565) |
| Notes payable | (4,269) | (1,521) |
| Other current liabilities | (12,047) | (5,076) |
| Lease liabilities – current | (15,384) | (1,754) |
| Non-current Liabilities | | |

| | TAROKO FOOD TAIWAN CO., LTD. | Taroko Cuisine Ltd. |
|------------------------------------|---------------------------------------|-----------------------------------|
| Lease liabilities – non-current | (<u>14,467</u>) <u>\$ 92,072</u> | (<u>891</u>) <u>\$ 7,991</u> |

(4) Goodwill Arising from the Acquisition

| | TAROKO FOOD TAIWAN CO., LTD. | Taroko Cuisine Ltd. |
|--|---------------------------------|------------------------|
| Consideration transferred | <u>\$167,573</u> | <u>\$ 18,500</u> |
| Less: Fair value of net identifiable assets acquired | (<u>92,072</u>) | (<u>7,991</u>) |
| Goodwill arising from the acquisition | <u>\$ 75,501</u> | <u>\$ 10,509</u> |

The goodwill generated from the acquisition of TAROKO FOOD TAIWAN CO., LTD. and Taroko Cuisine Ltd. primarily represents control premiums. The consideration paid reflects the anticipated synergies, revenue growth, future market developments, and the value of employees of TAROKO FOOD TAIWAN CO., LTD. and Taroko Cuisine Ltd. However, these benefits do not meet the criteria for recognition as separately identifiable intangible assets and are therefore not recognized separately.

(5) Net Cash Outflow Arising from Acquisition of Subsidiaries

| | TAROKO FOOD TAIWAN CO., LTD. | Taroko Cuisine Ltd. |
|---|---------------------------------------|--------------------------------------|
| Cash consideration paid | <u>\$ 56,049</u> | <u>\$ 18,500</u> |
| Less: Cash and cash equivalents acquired | (<u>24,341</u>) <u>\$ 31,708</u> | (<u>7,408</u>) <u>\$ 11,092</u> |

(6) Impact of Business Combination on Operating Results

The operating results contributed by the acquired companies since the acquisition date are as follows:

| | TAROKO FOOD TAIWAN CO., LTD. | Taroko Cuisine Ltd. |
|---------------------------|---------------------------------|---------------------|
| Revenue | <u>\$ 71,393</u> | <u>\$ 10,480</u> |
| Net Income for the Period | <u>\$ 6,783</u> | <u>\$ 326</u> |

If the acquisitions of TAROKO FOOD TAIWAN CO., LTD. and Taroko Cuisine Ltd. had occurred on January 1, 2024, the Group's pro forma consolidated operating revenue and net income for 2024 would have been NT\$3,765,623 thousand and NT\$418,414 thousand, respectively. These pro forma amounts do not reflect the actual results that would have been generated had the business combinations been completed at the beginning of the reporting year, and therefore, should not be considered indicative of future performance

In preparing the pro forma consolidated operating revenue and net income as if the acquisitions had taken place on the first day of the financial year, management considered the following factors:

A. Depreciation was calculated based on the fair value of property, plant and equipment recognized at the acquisition date under purchase accounting, rather than the carrying amounts recorded in the pre-acquisition financial statements; and

B. Borrowing costs were estimated based on the post-acquisition capital structure, credit standing, and debt-to-equity ratio of the Group.

28. Capital Risk Management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing shareholder returns through the optimization of the debt and equity balance. There has been no change in the overall strategy of the Group.

The Group's capital structure consists of equity, which includes share capital, capital surplus, retained earnings, and other equity.

The Group is not subject to any externally imposed capital requirements.

Key management personnel regularly review the Group's capital structure by considering the cost of each category of capital and the associated risks. Based on the recommendations of management, the Group may adjust its capital structure by paying dividends, issuing new shares, repurchasing shares, or issuing or repaying debt.

29. Financial Instruments

(1) Fair Management believes that the carrying amounts of financial assets and financial liabilities not measured at fair value approximate their fair values.

(2) Fair Value Information – Financial Instruments Measured at Fair Value on a Recurring Basis

A. Fair Value Hierarchy

December 31, 2024

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|--|------------------|----------------|------------------|-------------------|
| <u>Financial assets at fair value through profit or loss</u> | | | | |
| Limited partnerships | \$ - | \$ - | \$ 94,978 | \$ 94,978 |
| Mutual funds | 38,071 | - | - | 38,071 |
| Equity instruments (domestic listed shares) | <u>3,262</u> | <u>-</u> | <u>-</u> | <u>3,262</u> |
| | <u>\$ 41,333</u> | <u>\$ -</u> | <u>\$ 94,978</u> | <u>\$ 136,311</u> |
| <u>Financial assets at fair value through other comprehensive income</u> | | | | |
| Equity instruments (domestic listed shares) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4,809</u> | <u>\$ 4,809</u> |

December 31, 2023

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|--|------------------|----------------|------------------|-------------------|
| <u>Financial assets at fair value through profit or loss</u> | | | | |
| Limited partnerships | \$ - | \$ - | \$ 72,531 | \$ 72,531 |
| Mutual funds | 34,230 | - | - | 34,230 |
| Equity instruments (domestic listed shares) | <u>4,347</u> | <u>-</u> | <u>-</u> | <u>4,347</u> |
| | <u>\$ 38,577</u> | <u>\$ -</u> | <u>\$ 72,531</u> | <u>\$ 111,108</u> |
| <u>Financial assets at fair value through other comprehensive income</u> | | | | |
| Equity instruments (domestic listed shares) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 8,224</u> | <u>\$ 8,224</u> |

There were no transfers between Level 1 and Level 2 fair value measurements during 2024 and 2023.

B. Valuation Techniques and Inputs Used for Level 3 Fair Value Measurements

| <u>Type of Financial Instrument</u> | <u>Valuation Techniques and Significant Unobservable Inputs</u> |
|--|---|
| Limited partnerships | Asset-based approach: Fair value is determined based on the aggregate value of underlying assets and liabilities. A significant unobservable input is a discount for lack of marketability. |
| Unlisted equity investments (domestic) | Market approach: Valuation is based on observable transaction prices of comparable companies. Inputs include financial metrics such as price-to-book (P/B) ratios adjusted for differences between the investee and comparable companies. An increase in P/B ratio or a decrease in liquidity discount would result in a higher fair value. |

(3) Categories of Financial Instruments

| | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|--|--------------------------|--------------------------|
| <u>Financial Assets</u> | | |
| Financial assets at fair value through profit or loss: | | |
| Limited partnerships | \$ 94,978 | \$ 72,531 |
| Mutual funds | 38,071 | 34,230 |

| | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|---|--------------------------|--------------------------|
| Equity instruments | 3,262 | 4,347 |
| Financial assets measured at amortized cost | | |
| Cash and cash equivalents | \$683,144 | \$885,183 |
| Financial assets measured at amortized cost – | | |
| current | 147,215 | 77,186 |
| Accounts receivable | 283,768 | 273,887 |
| Accounts receivable – | | |
| related parties | 42 | 491 |
| Other receivables | | |
| (classified under other current assets) | 66 | 313 |
| Other receivables – related parties (classified under other current assets) | 35 | 136 |
| Refundable deposits | 16,280 | 10,631 |
| Financial assets at fair value through other comprehensive income | 4,809 | 8,224 |
| <u>Financial Liabilities</u> | | |
| Financial liabilities measured at amortized cost | | |
| Short-term borrowings | 5,000 | 5,000 |
| Notes and accounts payable | 104,721 | 143,591 |
| Accounts payable – | | |
| related parties | 5,732 | 10,411 |
| Other payables (including related parties) | 18,445 | 30,747 |
| Payables for equipment | 14,769 | 22,026 |
| Long-term borrowings (including current portion) | 201,211 | 191,817 |

(4) Objectives and Policies of Financial Risk Management

The Group's finance department provides services to business units and coordinates access to domestic financial markets. It monitors and manages the financial risks relating to the Group's operations through internal risk reports that analyze exposure by degree and magnitude of risks. These risks include market risk (including interest rate risk), credit risk, and liquidity risk.

A. Market Risk

The Group's operating activities expose it primarily to interest rate risk (see (1) below). There have been no changes in the Group's exposure to market risks or the manner in which such risks are managed and measured.

(A) Interest Rate Risk

The carrying amounts of the Group's interest rate-sensitive financial instruments as of the balance sheet date are as follows:

| | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|-------------------------------|--------------------------|--------------------------|
| Fair value interest rate risk | | |
| – Financial assets | \$454,963 | \$527,186 |
| – Financial liabilities | 398,941 | 252,224 |
| Cash flow interest rate risk | | |
| – Financial assets | 372,715 | 432,634 |
| – Financial liabilities | 191,211 | 196,817 |

Sensitivity Analysis

The following sensitivity analysis is based on the interest rate risk exposure of non-derivative instruments at the balance sheet date. For floating rate financial assets, the analysis assumes the financial assets outstanding at the balance sheet date were outstanding for the entire reporting period.

If interest rates had increased/decreased by 0.1%, with all other variables held constant, the Group's profit before tax for 2024 and 2023 would have increased/decreased by NT\$182 thousand and NT\$236 thousand, respectively.

(B) Other Price Risk

The Group is exposed to price risk primarily through its investments in mutual funds and equity securities. The Group manages this risk by maintaining a diversified portfolio. Investments in unlisted equity securities are not held for trading purposes but are strategic in nature, and the Group does not actively trade these investments.

Sensitivity Analysis

The following sensitivity analysis is based on the Group's equity price risk exposure at the balance sheet date.

If the fair value of financial assets at fair value through profit or loss had increased/decreased by 5%, the Group's profit before tax for 2024 and 2023 would have increased/decreased by NT\$6,816 thousand and NT\$5,555 thousand, respectively.

If the fair value of financial assets at fair value through other comprehensive income had increased/decreased by 5%, the Group's other comprehensive income after tax for 2024 and 2023 would have increased/decreased by NT\$240 thousand and NT\$411 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 to the Group. As of the balance sheet date,

the maximum exposure to credit risk is primarily represented by the carrying amounts of financial assets recognized on the consolidated balance sheet.

To mitigate credit risk, the Group has established credit evaluation and accounts receivable management policies to ensure that proper actions are taken for overdue receivables. Additionally, as of the balance sheet date, the Group reviews the collectability of accounts receivable on an individual basis to ensure that any uncollectible amounts are adequately provided for through impairment losses. Management believes that the Group's credit risk has been significantly reduced as a result.

The Group's accounts receivable are spread over a large number of customers. The Group continuously evaluates the financial conditions of its customers to manage credit risk.

There is no significant concentration of credit risk with any single counterparty or group of counterparties sharing similar characteristics.

C. Liquidity Risk

The Group manages liquidity risk by maintaining adequate levels of cash and cash equivalents to fund its operations and to mitigate the effects of cash flow fluctuations.

(A) Liquidity and Interest Rate Risk Table for Non-Derivative Financial Liabilities

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities based on the earliest date on which the Group could be required to repay. The amounts presented are the undiscounted cash flows, including principal and estimated interest. Accordingly, borrowings that are callable by banks at any time are classified in the earliest time band regardless of the likelihood of early repayment. All other financial liabilities are based on their contractual maturity dates.

December 31, 2024

| | <u>Within 3 Months</u> | <u>3 Months to 1 Year</u> | <u>1 to 5 Years</u> | <u>Over 5 Years</u> |
|---|----------------------------|-------------------------------|---------------------|-------------------------|
| <u>Non-Derivative Financial Liabilities</u> | | | | |
| Non-interest-bearing liabilities | \$ 352,082 | \$ - | \$ - | \$ - |
| Lease liabilities | 45,210 | 98,725 | 217,097 | 33,610 |
| Floating rate instruments | 3,462 | 15,349 | 55,195 | 153,979 |
| Fixed-rate instruments | 20 | 5,756 | 9,593 | - |
| | <u>\$ 400,774</u> | <u>\$ 119,830</u> | <u>\$ 281,885</u> | <u>\$ 187,589</u> |

Additional breakdown of contractual maturities:

| | <u>Within 1 Year</u> | <u>1-5 Years</u> | <u>5-10 Years</u> | <u>10-15 Years</u> | <u>15-20 Years</u> | <u>Over 20 Years</u> |
|---------------------------|--------------------------|----------------------|-----------------------|------------------------|------------------------|--------------------------|
| Lease liabilities | \$ 143,935 | \$ 217,097 | \$ 29,497 | \$ 4,113 | \$ - | \$ - |
| Floating rate instruments | 18,811 | 55,195 | 68,995 | 68,995 | 15,989 | - |
| Fixed-rate instruments | <u>5,776</u> | <u>9,593</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

| Within 1 Year | 1–5 Years | 5–10 Years | 10–15 Years | 15–20 Years | Over 20 Years |
|-------------------|-------------------|------------------|------------------|------------------|------------------|
| <u>\$ 168,522</u> | <u>\$ 281,885</u> | <u>\$ 98,492</u> | <u>\$ 73,108</u> | <u>\$ 15,989</u> | <u>\$ -</u> |

December 31, 2023

| | Within 3 Months | 3 Months to 1 Year | 1 to 5 Years | Over 5 Years |
|---|--------------------|-----------------------|-------------------|-------------------|
| <u>Non-Derivative Financial Liabilities</u> | | | | |
| Non-interest-bearing liabilities | \$ 389,357 | \$ - | \$ - | \$ - |
| Lease liabilities | 32,246 | 71,796 | 154,526 | - |
| Floating rate instruments | <u>8,356</u> | <u>10,050</u> | <u>53,602</u> | <u>162,841</u> |
| | <u>\$ 429,959</u> | <u>\$ 81,846</u> | <u>\$ 208,128</u> | <u>\$ 162,841</u> |

Additional breakdown of contractual maturities:

| | Within 1 Year | 1–5 Years | 5–10 Years | 10–15 Years | 15–20 Years | Over 20 Years |
|------------------------------|-------------------|-------------------|------------------|------------------|------------------|------------------|
| Lease liabilities | \$ 104,042 | \$ 154,526 | \$ - | \$ - | \$ - | \$ - |
| Floating rate instruments | <u>18,406</u> | <u>53,602</u> | <u>67,003</u> | <u>67,003</u> | <u>28,835</u> | <u>-</u> |
| | <u>\$ 122,448</u> | <u>\$ 208,128</u> | <u>\$ 67,003</u> | <u>\$ 67,003</u> | <u>\$ 28,835</u> | <u>\$ -</u> |

(B) Financing Facilities

| | December 31, 2024 | December 31, 2023 |
|---------------------------------|----------------------|----------------------|
| Secured bank loan facilities | | |
| – Amount utilized | \$ 20,000 | \$ 5,000 |
| – Amount unutilized | <u>-</u> | <u>-</u> |
| | <u>\$ 20,000</u> | <u>\$ 5,000</u> |
| Secured bank loan facilities | | |
| – Amount utilized | \$186,207 | \$191,817 |
| – Amount unutilized | <u>-</u> | <u>-</u> |
| | <u>\$186,207</u> | <u>\$191,817</u> |

30. Related Party Transactions

Transactions, account balances, revenues, and expenses between the Company and its subsidiaries (which are related parties) have been eliminated in full upon consolidation and

are therefore not disclosed in this note.

Transactions between the Group and other related parties are as follows.

(1) Names of Related Parties and Their Relationships with the Company

| <u>Name of Related Party</u> | <u>Relationship with the Company</u> |
|---|--------------------------------------|
| Ten Peng Foods Co., Ltd. (“Ten Peng Foods”) | Substantive related party |
| Share Food Co., Ltd. (“Share Food”) | Substantive related party |

(2) Sales to Related Parties

| <u>Category / Name of Related Party</u> | <u>2024</u> | <u>2023</u> |
|---|---------------|-----------------|
| Substantive related party | | |
| Share Food Co., Ltd. | <u>\$ 597</u> | <u>\$ 1,161</u> |

(3) Purchases from Related Parties

| <u>Category / Name of Related Party</u> | <u>2024</u> | <u>2023</u> |
|---|------------------|------------------|
| Substantive related parties | | |
| Ten Peng Foods Co., Ltd. | \$ 50,032 | \$ 44,862 |
| Share Food Co., Ltd. | <u>7,852</u> | <u>9,813</u> |
| | <u>\$ 57,884</u> | <u>\$ 54,675</u> |

The purchase prices for transactions between the Group and related parties were determined based on contractual terms, as there were no comparable transactions with unrelated parties. The payment terms were similar to those with non-related parties.

(4) Processing Fees

| <u>Item</u> | <u>Category of Related Party</u> | <u>2024</u> | <u>2023</u> |
|-----------------|----------------------------------|------------------|------------------|
| Operating costs | Substantive related party | <u>\$ 11,099</u> | <u>\$ 10,805</u> |

The Group engaged related parties to provide food processing services and other miscellaneous services. As there were no comparable transactions with third-party vendors for similar types of food processing, the fees were determined based on contractual terms. The payment terms were comparable to those with unrelated parties.

(5) Operating Expenses

| <u>Item</u> | <u>Category of Related Party</u> | <u>2024</u> | <u>2023</u> |
|----------------------------|----------------------------------|---------------|---------------|
| Selling expenses | Substantive related party | <u>\$ 127</u> | <u>\$ -</u> |
| General and administrative | Substantive related party | <u>\$ 848</u> | <u>\$ 877</u> |

| Item | Category of Related Party | 2024 | 2023 |
|-----------------------------------|---------------------------|-------------|-------------|
| expenses | | | |
| Research and development expenses | Substantive related party | <u>\$ 7</u> | <u>\$ -</u> |

The above primarily represents rental and other payments to related parties. The transaction prices were determined through negotiations between both parties, and there were no comparable transactions with unrelated parties.

(6) Receivables from Related Parties

| Item | Category of Related Party | December 31, 2024 | December 31, 2023 |
|---------------------------------------|-----------------------------|-------------------|-------------------|
| Accounts receivable – related parties | Substantive related parties | <u>\$ 42</u> | <u>\$ 491</u> |
| Other receivables – related parties | Substantive related parties | <u>\$ 35</u> | <u>\$ 136</u> |

Accounts receivable primarily represent sales to related parties, while other receivables mainly represent advances paid on behalf of related parties. The settlement terms were comparable to those with unrelated parties.

(7) Payables to Related Parties

| Item | Category of Related Party | December 31, 2024 | December 31, 2023 |
|------------------------------------|-----------------------------|-------------------|-------------------|
| Accounts payable – related parties | Substantive related parties | <u>\$ 5,732</u> | <u>\$ 10,411</u> |
| Other Payables – related parties | Substantive related parties | <u>\$ 1,076</u> | <u>\$ 1,279</u> |

(8) Loans to Related Parties

| Item | Category / Name of Related Party | December 31, 2024 | December 31, 2023 |
|----------------------------------|----------------------------------|-------------------|-------------------|
| Other payables – related parties | Subsidiaries | | |
| | Safe Foods Co., Ltd. | <u>\$ -</u> | <u>\$ 9,800</u> |

(9) Other Transactions with Related Parties

| Item | Category of Related Party | 2024 | 2023 |
|---------------|---------------------------|---------------|---------------|
| Rental income | Substantive related party | <u>\$ 357</u> | <u>\$ 300</u> |

| | | | |
|--------------|---------------------------|-----------------------|--------------------|
| Other income | Substantive related party | \$ <u> -</u> | \$ <u> 89</u> |
|--------------|---------------------------|-----------------------|--------------------|

(10) Compensation of Key Management Personnel

| | | |
|------------------------------|------------------|------------------|
| | <u>2024</u> | <u>2023</u> |
| Short-term employee benefits | <u>\$ 16,262</u> | <u>\$ 15,447</u> |

The remuneration of the directors and other key management personnel is determined based on individual performance and prevailing market conditions.

31. Assets Pledged as Collateral

The following assets have been pledged as collateral for the Company's bank borrowings:

| | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|---|--------------------------|--------------------------|
| Land | \$206,912 | \$206,912 |
| Buildings | 62,951 | 65,986 |
| Time deposits pledged (classified as non-current financial assets measured at amortized cost) | <u>748</u> | <u>-</u> |
| | <u>\$270,611</u> | <u>\$272,898</u> |

32. Significant Contracts

The Group entered into a franchise agreement with the Thai cuisine brand Baan Phadthai, acquiring the exclusive rights for franchise operations in Taiwan. The contract term is six years.

The Group also entered into a franchise agreement with Ah Da Shi Beef Noodles with a contract term of five years.

33. Other Matters

In April 2023, the Group received a government subsidy of NT\$70 thousand from the Ministry of Labor under the "111 Academic Year Dual-Track Training Flagship Program" for the first cohort of four-year vocational trainees. As of September 30, 2023, the amount was recognized under other income.

In July 2023, the Group also received an approved subsidy of NT\$21 thousand under the "Employment Stability Program" from the Ministry of Labor, which was recognized under other income as of December 31, 2023.

In April 2024, the Group received an additional NT\$8 thousand in government subsidies under the "Employment Stability Program," which was recognized under other income as of December 31, 2024.

Furthermore, in August 2024, the Group received an approved employment incentive of NT\$10 thousand under the "Taoyuan Youth Employment Incentive Program" from the Taoyuan City Government Department of Labor, of which NT\$1 thousand was recognized under other income as of December 31, 2024.

34. Supplementary Disclosures

(1) Significant Transactions:

- A. Loans to other parties (Schedule 1)
- B. Endorsements and guarantees provided (Schedule 2)
- C. Holding of marketable securities at year-end (excluding investments in subsidiaries) (Schedule 3)
- D. Total purchases or sales of the same security amounting to NT\$300 million or 20% of paid-in capital or more (Schedule 4)
- E. Acquisition of real estate amounting to NT\$300 million or 20% of paid-in capital or more: None
- F. Disposal of real estate amounting to NT\$300 million or 20% of paid-in capital or more: None
- G. Purchase or sale of goods with related parties amounting to NT\$100 million or 20% of paid-in capital or more: None
- H. Receivables from related parties amounting to NT\$100 million or 20% of paid-in capital or more: None
- I. Transactions involving derivative financial instruments: None
- J. Other: Business Relationships and Significant Transactions Between Parent and Subsidiaries(Schedule 5)

(2) Information on Investments in Subsidiaries and Affiliates (Schedule 6)

(3) Investment in Mainland China:

A.Information on investee companies in Mainland China, including name, principal business activities, paid-in capital, investment method, remittance of funds, ownership percentage, investment gain or loss, carrying amount at year-end, amount of earnings repatriated to Taiwan, and the ceiling on investment in Mainland China: None

B.Significant transactions with investee companies in Mainland China conducted directly or indirectly through a third area, including pricing, payment terms, and unrealized gains or losses: None

(4) Information on Major Shareholders:

Includes the names, number of shares held, and percentage of ownership of shareholders holding 5% or more of the Company's equity (Schedule 7)

35. Segment Information

The information provided to the chief operating decision maker for the purpose of allocating resources and assessing segment performance focuses on the operating segments. The operating segments of the consolidated entity are the food and beverage segment and others.

(1) Segment Revenue, Operating Results, Total Assets and Liabilities

The information reported to the chief operating decision-maker (CODM) for the purpose of resource allocation and performance assessment focuses on the types of products or services delivered or provided. The Group is engaged primarily in the food and beverage business. The CODM considers the Group as a single operating segment. The basis of measurement used by the CODM is consistent with that used in the consolidated financial statements.

Accordingly, segment revenue and operating results for the years 2024 and 2023 are the

same as those presented in the consolidated statements of comprehensive income for the respective years,

(2) Revenue by Major Product Category

| | <u>2024</u> | <u>2023</u> |
|---------------------------|---------------------|---------------------|
| Food and beverage revenue | \$ 3,573,798 | \$ 3,089,619 |
| Other revenue | <u>76,020</u> | <u>9,435</u> |
| | <u>\$ 3,649,818</u> | <u>\$ 3,099,054</u> |

(3) Geographical Information

All of the Group's operations are located in Taiwan.

(4) Information about Major Customers

For the years 2024 and 2023, there were no single customers accounting for 10% or more of the Group's total revenue.

Tofu Restaurant Co., Ltd. and Subsidiaries
Loans to Other Parties
2024

Schedule 1

Unit: NT\$ thousands

| NO. | Lending Company | Borrower | Account Name | Maximum Balance for the Period | Ending Balance | Amount Actually Drawn | Interest Rate Range | Nature of Financing | Transaction Amount | Reason for Short-term Financing Needs | Allowance for Bad Debt | Collateral | | Ceiling for Loans to Individual Counterparty | Total Loan Ceiling | Remarks |
|-----|-----------------|----------------------|-------------------------------------|--------------------------------|----------------|-----------------------|---------------------|------------------------------------|--------------------|---------------------------------------|------------------------|------------|-----------|--|--------------------|---------|
| | | | | | | | | | | | | Name | V a l u e | | | |
| 0 | The Company | Safe Foods Co., Ltd. | Other receivables – related parties | \$ 30,000 | \$ 10,000 | \$ 10,000 | At market rates | Necessary for short-term liquidity | \$- | Operating funding | \$ - | None | \$ - | \$ 135,961 | \$ 543,845 | (註) |

Note: The ceiling on loans to a single entity shall not exceed 10% of the lending company's net worth. The total ceiling on loans to others shall not exceed 40% of the lending company's net worth.

Tofu Restaurant Co., Ltd. and Subsidiaries
Endorsements and Guarantees Provided
2024

Schedule 2

Unit: NT\$ thousands

| No. | Guarantor Company | Guaranteed Party | | Guarantee Limit for a Single Entity (Note 2) | Maximum Balance for the Period | Ending Balance | Amount Actually Utilized | Secured by Collateral | % of Net Worth | Maximum Guarantee Limit (Note 2) | Parent to Subsidiary | Subsidiary to Parent | Guarantee for Mainland China |
|-----|-------------------|----------------------|--------------|--|--------------------------------|----------------|--------------------------|-----------------------|----------------|----------------------------------|----------------------|----------------------|------------------------------|
| | | Company Name | Relationship | | | | | | | | | | |
| 0 | The Company | Safe Foods Co., Ltd. | Note 1 | \$ 407,883 | \$ 40,800 | \$ 40,800 | \$ 40,800 | \$ - | 3.00 | \$ 679,806 | Yes | No | No |

Note 1: The guarantor holds, directly or indirectly, more than 50% of the voting shares of the guaranteed party.

Note 2: The ceiling for guarantees provided to a single entity shall not exceed 30% of the guarantor's net worth as per the latest financial statements. The aggregate ceiling for guarantees to all parties shall not exceed 50% of the guarantor's net worth.

Tofu Restaurant Co., Ltd. and Subsidiaries
Securities Held at the End of the Period
December 31, 2024

Schedule 3

Unit: NT\$ thousands, unless otherwise specified

| Holding Entity | Type and Name of Security | Relationship with Issuer | Account Title | End of 2024 | | | | Remarks |
|----------------|--|--------------------------|---|--------------------------|-----------------|----------------|---------------------|---------|
| | | | | Number of Shares / Units | Carrying Amount | Ownership (%) | Fair Value (Note 2) | |
| The Company | <u>Mutual funds</u> UI-Hansabay Blossom Fund Q | — | Financial assets at fair value through profit or loss – current | 8,710 | \$ 38,071 | - | \$ 38,071 | |
| | <u>Limited partnerships</u> Pu Shi Jin Hua Limited partnerships | — | Financial assets at fair value through profit or loss – non-current | - | 43,457 | 3% (Note 1) | 43,457 | |
| | Andra Global Technology Growth Fund LP | — | Financial assets at fair value through profit or loss – non-current | - | 51,521 | 1% (Note 1) | 51,521 | |
| TSA | <u>Stocks</u> TCI CO., LTD. | Investee company | Financial assets at fair value through profit or loss – current | 22,000 | 2,706 | - | 2,706 | |
| | Grand Fortune Securities Co., Ltd. | Investee company | Financial assets at fair value through profit or loss – current | 45,358 | 556 | - | 556 | |
| | RFD Micro Electricity Co. Ltd. | Investee company | Financial assets at fair value through other comprehensive income – non-current | 57,238 | 2,908 | - | 2,908 | |
| | Genesis Lavie Hospitality & Catering Management Consulting Co., Ltd. | Investee company | Financial assets at fair value through other comprehensive income – non-current | 250,000 | 1,901 | - | 1,901 | |

Note 1: Ownership percentage is based on capital contributions as of December 31, 2024.

Note 2: Fair value is measured as of December 31, 2024.

Tofu Restaurant Co., Ltd. and Subsidiaries
Acquisition or Disposal of the Same Securities with Aggregate Amount Reaching NT\$300 Million or 20% of Paid-in Capital
For the Year Ended December 31, 2024

Schedule 4

Unit: NT\$ thousands, unless otherwise specified

| Company | Type and Name of Security | Account Title | Counterparty | Relationship | Beginning Balance | | Acquired During the Year | | Disposed During the Year | | | | Ending Balance | |
|-------------|------------------------------|---|--------------|--------------|-------------------|--------|--------------------------|------------|--------------------------|------------|------------|-------------------------|----------------|---------------|
| | | | | | Shares | Amount | Shares | Amount | Shares | Sale Price | Book Value | Gain (Loss) on Disposal | Shares | Amount (Note) |
| The Company | TAROKO FOOD TAIWAN CO., LTD. | Investments accounted for using the equity method | — | — | - | \$ - | 250,000 | \$ 167,573 | - | \$ - | \$ - | \$ - | 261,040 | \$ 193,182 |

Note: The ending book value as of December 31, 2024 includes adjustments from corporate restructuring.

Tofu Restaurant Co., Ltd. and Subsidiaries
Business Relationships and Significant Transactions Between Parent and Subsidiaries
2024

Schedule 5

Unit: NT\$ thousands

| No. | Transacting Party | Counterparty | Relationship with Transacting Party (Note 1) | Transaction Details | | | |
|-----|-------------------|------------------------------|--|---------------------------------------|-----------|----------------------------|--|
| | | | | Account | Amount | Transaction Terms (Note 2) | Percentage of Consolidated Revenue or Total Assets |
| 0 | Parent Company | Safe Foods Co., Ltd. | 1 | Other receivables – related parties | \$ 10,168 | — | - |
| | | | | Accounts payable – related parties | 8,263 | — | - |
| | | | | Purchases | 62,860 | — | 2% |
| | | | | Interest income | 168 | — | - |
| | | | | Research and development expenses | 21 | — | - |
| | | Duofu Co., Ltd. | 1 | Other income | 39 | — | - |
| | | | | Accounts receivable – related parties | 542 | — | - |
| | | | | Other payables – related parties | 14 | — | - |
| | | TAROKO FOOD TAIWAN CO., LTD. | 1 | Sales | 2,455 | — | - |
| | | | | Other receivables – related parties | 162 | — | - |
| | | | 管 Administrative expenses | 744 | — | - | |

Note 1: Indicates transactions between the parent company and its subsidiaries.

Note 2: Except for intercompany loans, other related-party transactions are conducted under normal commercial terms.

Tofu Restaurant Co., Ltd. and Subsidiaries
Information on Investee Companies

2024

Schedule 6

Unit: NT\$ thousands, unless otherwise specified

| Investor | Name of Investee | Region | Principal Business Activities | Original Investment Amount | | Balance of Investment | | | Profit (Loss) of Investee for the Period | Recognized Investment Gain (Loss) for the Period | Remarks |
|-----------------------------|------------------------------|---------|---|---------------------------------------|-----------------------------------|-----------------------|----------------------|------------|--|--|---------|
| | | | | Ending Balance for the Current Period | Ending Balance for the Prior Year | Number of Shares | Ownership Percentage | Book Value | | | |
| The Company | VNT International Co., Ltd. | Samoa | Investment holding | \$ 2,369 | \$ 2,369 | 76,500 | 51% | \$ 1,913 | (\$ 185) | (\$ 94) | — |
| | TSA | Taiwan | Investment holding | 29,000 | 29,000 | 2,900,000 | 100% | 35,896 | 2,630 | 2,630 | — |
| | TAROKO FOOD TAIWAN CO., LTD. | Taiwan | Food and beverage sales and services | 186,073 | - | 261,040 | 100% | 193,182 | 6,783 | 6,783 | Note |
| | Taroko Cuisine Ltd. | Taiwan | Food and beverage sales and services | - | - | - | - | - | 326 | 326 | Note |
| VNT International Co., Ltd. | VT1 International Co., Ltd. | Vietnam | Investment holding | 3,092 | 3,092 | 100,000 | 100% | 2,742 | (25) | (25) | — |
| TSA | Safe Foods Co., Ltd. | Taiwan | Food manufacturing and related businesses | 12,750 | 12,750 | 1,275,000 | 51% | 14,937 | 6,865 | 3,501 | — |
| | Duofu | Taiwan | Trading | 1,000 | 1,000 | 100,000 | 100% | 1,279 | 88 | 88 | — |

Note: TAROKO FOOD TAIWAN CO., LTD. acquired 100% equity interest in Taroko Cuisine Ltd. through a share swap as resolved by the Board of Directors. December 31, 2024 was designated as the merger date.

Tofu Restaurant Co., Ltd.
Information on Major Shareholders
December 31, 2024

Schedule 7

| Name of Major Shareholder | Shares | |
|--|-----------------------|-------------------------|
| | Number of Shares Held | Shareholding Percentage |
| Bayna Investment Co., Ltd. | 2,910,117 | 10.90% |
| Weida International Investment Co., Ltd. | 2,854,398 | 10.69% |
| Jieren Investment Co., Ltd. | 1,605,811 | 6.01% |
| Anjie International Investment Co., Ltd. | 1,538,758 | 5.76% |

Note: The above information is based on data provided by the Taiwan Depository & Clearing Corporation (TDCC) as of the last business day of the relevant quarter, and includes shareholders holding 5% or more of the Company's issued common and preferred shares that have been registered in book-entry form (including treasury shares).

The number of shares recorded in the Company's parent-only financial statements may differ from the TDCC figures due to differences in calculation methods or reference date.