

Tofu Restaurant Co., Ltd. and Subsidiaries

Consolidated Financial Statements for the Six Months Ended June 30, 2025 and 2024 and Independent Auditors' Review Report

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Independent Auditors' Review Report

The Board of Directors and Shareholders

Tofu Restaurant Co., Ltd.

Foreword

We have reviewed the consolidated balance sheets of Tofu Restaurant Co., Ltd. and its subsidiaries as of June 30, 2025 and 2024, and the related consolidated statements of comprehensive income for the three-month periods from April 1 to June 30, 2025 and 2024, and for the six-month periods from January 1 to June 30, 2025 and 2024, as well as the consolidated statements of changes in equity, consolidated statements of cash flows for the six-month periods then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standard 34, *Interim Financial Reporting*, as endorsed and issued by the Financial Supervisory Commission of the Republic of China (Taiwan). Our responsibility is to express a conclusion on these consolidated financial statements based on our review.

Scope of the report

Except as explained in the Basis for Qualified Conclusion section of this report, we conducted our reviews in accordance with Statement on Auditing Standards No. 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial statements consists principally of inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the Republic of China, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As stated in Note 12 to the consolidated financial statements, the financial statements of certain immaterial subsidiaries included in the accompanying consolidated financial statements as of and for the six months ended June 30, 2025, have not been reviewed by independent auditors. As of June 30, 2025, these subsidiaries' total assets amounted to NT\$252,207 thousand, representing 11.87% of the consolidated total assets; total liabilities amounted to NT\$52,440 thousand, representing 5.58% of the consolidated total liabilities. Their total comprehensive income amounted to NT\$2,913 thousand and NT\$6,699 thousand for the three-month and six-month periods ended June 30, 2025, respectively, representing 3.60% and 3.66% of consolidated total comprehensive income for the respective periods.

Conclusion with a Qualified Opinion

Based on our reviews, except for the adjustments that might have been determined had the financial statements of the immaterial subsidiaries referred to in the Basis for Qualified Conclusion paragraph been reviewed by independent auditors, nothing has come to our attention that causes us to believe that the consolidated financial statements referred to above are not presented fairly, in all material respects, in conformity with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standard 34,

Interim Financial Reporting, as endorsed and issued by the Financial Supervisory Commission of the Republic of China (Taiwan), with respect to the consolidated financial position of Tofu Restaurant Co., Ltd. and its subsidiaries as of June 30, 2025 and 2024, and their consolidated financial performance and consolidated cash flows for the three-month and six-month periods then ended.

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

Deloitte & Touche

August 13, 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
June 30, 2025 and December 31 and June 30, 2024

Unit: NTD thousand

Code	Assets	June 30, 2025		December 31, 2024		June 30, 2024		Code	Liabilities and equity	June 30, 2025		December 31, 2024		June 30, 2024	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
	Current assets								Current liabilities						
1100	Cash and cash equivalents (Note 6)	\$ 492,488	23	\$ 683,144	28	\$ 668,876	33	2100	Short-term borrowings (Note 17)	\$ -	-	\$ 5,000	-	\$ 5,000	-
1110	Financial assets at fair value through profit or loss – current (Note 7)							2170	Notes and accounts payable	84,713	4	104,721	4	167,093	8
		37,437	2	41,333	2	41,138	2	2180	Accounts payable – related parties (Note 29)	4,560	-	5,732	-	9,361	-
1136	Financial assets measured at amortized cost – current (Note 9)	163,215	8	147,215	6	77,186	4	2213	Payables for equipment	2,765	-	14,769	1	12,725	1
1170	Account receivable (Notes 10 & 22)	266,362	12	283,768	12	290,254	15	2219	Other payables (Notes 18 & 29)	190,484	9	226,860	10	191,549	10
1180	Accounts receivable - related parties (Note 10, 22 & 29)	-	-	42	-	64	-	2230	Current income tax liabilities (Notes 4 & 24)	49,444	2	48,533	2	47,113	2
130X	Inventories (Note 11)	51,386	2	63,890	3	41,303	2	2280	Lease liabilities – current (Note 14)	161,705	8	140,873	6	114,855	6
1410	Prepayments	12,068	1	8,138	-	8,295	-	2322	Current portion of long-term borrowings (Notes 17 & 30)	15,026	1	15,184	1	9,439	1
1470	Other current assets (Note 29)	3,761	-	3,306	-	2,193	-	2399	Other current liabilities (Note 22)	27,908	1	20,879	1	15,856	1
11XX	Total current assets	<u>1,026,717</u>	<u>48</u>	<u>1,230,836</u>	<u>51</u>	<u>1,129,309</u>	<u>56</u>	21XX	Total current liabilities	<u>536,605</u>	<u>25</u>	<u>582,551</u>	<u>25</u>	<u>572,991</u>	<u>29</u>
	Non-current assets								Non-Current liabilities						
1510	Financial assets at fair value through profit or loss – non-current (Note 7)	89,168	4	94,978	4	81,961	4	2540	Long-term borrowings (Notes 17 & 30)	181,175	9	186,027	8	194,582	10
1520	Financial assets at fair value through other comprehensive income (Note 8)	4,224	-	4,809	-	7,625	-	2550	Provisions – non-current (Note 19)	5,993	-	5,933	-	4,943	-
1535	Financial assets measured at amortized cost – non-current (Notes 9 & 30)	748	-	748	-	-	-	2580	Lease liabilities – non-current (Note 14)	216,524	10	243,068	10	184,451	9
1600	Property, plant and equipment (Notes 13 & 30)	454,932	22	505,414	21	471,842	24	2640	Net defined benefit liability – non-current	12	-	-	-	-	-
1755	Right-of-use assets (Note 14)	377,434	18	384,173	16	299,634	15	25XX	Total non-current liabilities	<u>403,704</u>	<u>19</u>	<u>435,028</u>	<u>18</u>	<u>383,976</u>	<u>19</u>
1805	Goodwill (Note 15)	91,830	4	91,830	4	5,820	-	2XXX	Total liabilities	<u>940,309</u>	<u>44</u>	<u>1,017,579</u>	<u>43</u>	<u>956,967</u>	<u>48</u>
1821	Other intangible assets (Note 16)	63,531	3	63,940	3	1,649	-		Equity (Notes 21 & 27)						
1840	Deferred income tax assets (Note 24)	-	-	81	-	-	-	3110	Common stock	266,939	12	266,939	11	262,674	13
1915	Prepayments for equipment	1,010	-	293	-	367	-	3200	Capital surplus	483,986	23	483,986	20	376,727	18
1920	Refundable deposits	15,684	1	16,280	1	11,760	1		Retained earnings						
15XX	Total non-current assets	<u>1,098,561</u>	<u>52</u>	<u>1,162,546</u>	<u>49</u>	<u>880,658</u>	<u>44</u>	3310	Legal reserves	206,945	10	165,521	7	165,521	8
								3320	Special reserves	3,528	-	114	-	114	-
								3350	Undistributed earnings	210,804	10	446,581	19	233,883	12
								3400	Other equity	(4,348)	-	(3,528)	-	(670)	-
								31XX	Total equity attributable to owners of the Company	1,167,854	55	1,359,613	57	1,038,249	51
								36XX	Non-controlling interests	17,115	1	16,190	-	14,751	1
								3XXX	Total equity	<u>1,184,969</u>	<u>56</u>	<u>1,375,803</u>	<u>57</u>	<u>1,053,000</u>	<u>52</u>
1XXX	Total assets	<u>\$2,125,278</u>	<u>100</u>	<u>\$2,393,382</u>	<u>100</u>	<u>\$2,009,967</u>	<u>100</u>		Total liabilities and equity	<u>\$2,125,278</u>	<u>100</u>	<u>\$2,393,382</u>	<u>100</u>	<u>\$2,009,967</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.
Please refer to the review report issued by Deloitte & Touche on August 13, 2025.

Tofu Restaurant Co., Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income
For the three and six months ended June 30, 2025 and 2024

Unit: NTD thousand
(Except for earnings per share which is in NTD)

Code		Three months ended June 30				Six months ended June 30			
		2025		2024		2025		2024	
		Amount	%	Amount	%	Amount	%	Amount	%
4100	Operating revenue (Notes 22 & 29)	\$ 957,645	100	\$ 856,873	100	\$ 1,959,094	100	\$ 1,716,438	100
5110	Operating costs (Notes 11, 23 & 29)	<u>462,978</u>	<u>49</u>	<u>408,675</u>	<u>48</u>	<u>947,137</u>	<u>49</u>	<u>810,183</u>	<u>47</u>
5900	Gross profit	<u>494,667</u>	<u>51</u>	<u>448,198</u>	<u>52</u>	<u>1,011,957</u>	<u>51</u>	<u>906,255</u>	<u>53</u>
	Operating expenses (Notes 23 & 29)								
6100	Selling and marketing expenses	333,768	35	288,984	34	682,663	35	578,036	34
6200	General and administrative expenses	40,389	4	46,630	5	84,195	4	88,877	5
6300	Research and development expenses	<u>1,448</u>	<u>-</u>	<u>1,576</u>	<u>-</u>	<u>2,892</u>	<u>-</u>	<u>3,027</u>	<u>-</u>
6000	Total operating expenses	<u>375,605</u>	<u>39</u>	<u>337,190</u>	<u>39</u>	<u>769,750</u>	<u>39</u>	<u>669,940</u>	<u>39</u>
6900	Income from operations	<u>119,062</u>	<u>12</u>	<u>111,008</u>	<u>13</u>	<u>242,207</u>	<u>12</u>	<u>236,315</u>	<u>14</u>
	Non-operating income and expenses (Note 23, 29 & 32)								
7100	Interest income	1,975	-	2,472	-	4,339	-	5,088	-
7010	Other income	2,332	-	114	-	3,392	-	1,135	-
7020	Other gains and losses	(14,611)	(1)	10,015	1	(11,014)	-	11,751	1
7050	Finance costs	(<u>2,453</u>)	<u>-</u>	(<u>2,175</u>)	<u>-</u>	(<u>4,919</u>)	<u>-</u>	(<u>4,156</u>)	<u>-</u>
7000	Total non-operating income and expenses	(<u>12,757</u>)	(<u>1</u>)	<u>10,426</u>	<u>1</u>	(<u>8,202</u>)	<u>-</u>	<u>13,818</u>	<u>1</u>
7900	Income before income tax	106,305	11	121,434	14	234,005	12	250,133	15
7950	Income tax expense (Notes 4 & 24)	(<u>25,089</u>)	(<u>3</u>)	(<u>21,421</u>)	(<u>2</u>)	(<u>50,078</u>)	(<u>3</u>)	(<u>46,801</u>)	(<u>3</u>)
8200	Net income	<u>81,216</u>	<u>8</u>	<u>100,013</u>	<u>12</u>	<u>183,927</u>	<u>9</u>	<u>203,332</u>	<u>12</u>
	Other Comprehensive Income								
8310	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	120	-	(599)	-	(585)	-	(599)	-
8360	Items that may be reclassified subsequently to profit or loss								
8361	Exchange differences on translation of financial statements of foreign operations	(<u>521</u>)	<u>-</u>	(<u>6</u>)	<u>-</u>	(<u>462</u>)	<u>-</u>	<u>85</u>	<u>-</u>
8300	Other comprehensive income for the period	(<u>401</u>)	<u>-</u>	(<u>605</u>)	<u>-</u>	(<u>1,047</u>)	<u>-</u>	(<u>514</u>)	<u>-</u>
8500	Total comprehensive income in the current period	<u>\$ 80,815</u>	<u>8</u>	<u>\$ 99,408</u>	<u>12</u>	<u>\$ 182,880</u>	<u>9</u>	<u>\$ 202,818</u>	<u>12</u>
	Net Income Attributable to:								
8610	Owners of the Company	\$ 80,170	8	\$ 99,041	12	\$ 182,775	9	\$ 201,538	12
8620	Non-controlling interests	<u>1,046</u>	<u>-</u>	<u>972</u>	<u>-</u>	<u>1,152</u>	<u>-</u>	<u>1,794</u>	<u>-</u>
8600		<u>\$ 81,216</u>	<u>8</u>	<u>\$ 100,013</u>	<u>12</u>	<u>\$ 183,927</u>	<u>9</u>	<u>\$ 203,332</u>	<u>12</u>
	Total Comprehensive Income Attributable to:								
8710	Owners of the Company	\$ 80,025	8	\$ 98,439	12	\$ 181,955	9	\$ 200,982	12

8720	Non-controlling interests	<u>790</u>	<u>-</u>	<u>969</u>	<u>-</u>	<u>925</u>	<u>-</u>	<u>1,836</u>	<u>-</u>
8700		<u>\$ 80,815</u>	<u>8</u>	<u>\$ 99,408</u>	<u>12</u>	<u>\$ 182,880</u>	<u>9</u>	<u>\$ 202,818</u>	<u>12</u>
	Earnings Per Share (Note 25)								
	From continuing operations								
9710	Basic	<u>\$ 3.00</u>		<u>\$ 3.77</u>		<u>\$ 6.85</u>		<u>\$ 7.67</u>	
9810	Diluted	<u>\$ 3.00</u>		<u>\$ 3.77</u>		<u>\$ 6.84</u>		<u>\$ 7.67</u>	

The accompanying notes are an integral part of the consolidated financial statements.
Please refer to the review report issued by Deloitte & Touche on August 13, 2025.

Tofu Restaurant Co., Ltd. and Subsidiaries
Consolidated Statements of Changes in Equity
Six months ended June 30, 2025 and 2024

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, 2024	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 reserves	-	-	-	39,286	-	(39,286)	-	-	-	-	-
B3	Special reserves	-	-	-	-	47	(47)	-	-	-	-	-
B5	Cash dividends	-	-	-	-	-	(349,356)	-	-	(349,356)	-	(349,356)
D1	Net profit for the six months ended June 30, 2024	-	-	-	-	-	201,538	-	-	201,538	1,794	203,332
D3	Other comprehensive income (loss), net of tax, for the six months ended June 30, 2024	-	-	-	-	-	-	43	(599)	(556)	42	(514)
D5	Total comprehensive income for the six months ended June 30, 2024	-	-	-	-	-	201,538	43	(599)	200,982	1,836	202,818
Z1	Balance at June 30, 2024	26,267	\$ 262,674	\$ 376,727	\$ 165,521	\$ 114	\$ 233,883	(\$ 71)	(\$ 599)	\$ 1,038,249	\$ 14,751	\$ 1,053,000
A1	Balance at January 1, 2025	26,694	\$ 266,939	\$ 483,986	\$ 165,521	\$ 114	\$ 446,581	(\$ 113)	(\$ 3,415)	\$ 1,359,613	\$ 16,190	\$ 1,375,803
	Appropriation and distribution of 2024 earnings											
B1	Legal reserves	-	-	-	41,424	-	(41,424)	-	-	-	-	-
B3	Special reserves	-	-	-	-	3,414	(3,414)	-	-	-	-	-
B5	Cash dividends	-	-	-	-	-	(373,714)	-	-	(373,714)	-	(373,714)
D1	Net profit for the six months ended June 30, 2025	-	-	-	-	-	182,775	-	-	182,775	1,152	183,927
D3	Other comprehensive income (loss), net of tax, for the six months ended June 30, 2025	-	-	-	-	-	-	(235)	(585)	(820)	(227)	(1,047)
D5	Total comprehensive income for the six months ended June 30, 2025	-	-	-	-	-	182,775	(235)	(585)	181,955	925	182,880
Z1	Balance at June 30, 2025	26,694	\$ 266,939	\$ 483,986	\$ 206,945	\$ 3,528	\$ 210,804	(\$ 348)	(\$ 4,000)	\$ 1,167,854	\$ 17,115	\$ 1,184,969

The accompanying notes are an integral part of the consolidated financial statements.
Please refer to the review report issued by Deloitte & Touche on August 13, 2025.

Tofu Restaurant Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
Six months ended June 30, 2025 and 2024

Unit: NTD thousand

Code		Six months ended June 30	
		2025	2024
	Cash flows from operating activities		
A10000	Current net profit before tax	\$ 234,005	\$ 250,133
	Items of Income and Expense:		
A20100	Depreciation expenses	154,200	121,194
A20200	Amortization expenses	409	422
A20400	Net (gain) loss on financial assets at fair value through profit or loss	9,706	(11,991)
A20900	Finance costs	4,919	4,156
A21300	Dividend income	(2,219)	-
A21200	Interest income	(4,339)	(5,088)
A22500	Loss on disposal of property, plant and equipment	532	11
A29900	Gain on lease modification	(5)	-
A30000	Net changes in operating assets and liabilities:		
A31150	Accounts receivable	17,406	(16,367)
A31160	Accounts receivable – related parties	42	427
A31190	Other receivables – related parties	33	65
A31200	Inventories	12,504	(2,729)
A31230	Prepayments	(3,930)	(1,368)
A31240	Other current assets	(488)	641
A32150	Notes and accounts payable	(20,008)	23,502
A32160	Accounts payable – related parties	(1,172)	(1,050)
A32180	Other payables	(36,446)	(11,755)
A32190	Other payables – related parties	70	(225)
A32200	Provisions	461	(50)
A32230	Other current liabilities	7,041	1,220
A33000	Cash generated from operations	372,721	351,148
A33100	Interest received	4,339	5,088
A33300	Interest paid	(4,919)	(4,156)
A33500	Income tax paid	(49,086)	(64,810)
AAAA	Net cash flows from operating activities	323,055	287,270

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Code		Six months ended June 30	
		2025	2024
	Cash Flows from Investing Activities		
B00040	Acquisition of financial assets measured at amortized cost	(\$ 16,000)	\$ -
B02700	Payments for acquisition of property, plant and equipment	(26,033)	(86,372)
B03700	Increase in refundable deposits	(2,026)	(1,455)
B03800	Decrease in refundable deposits	2,622	326
B07100	Increase in prepayments for equipment	(920)	(576)
B07600	Dividends received	<u>2,219</u>	<u>-</u>
BBBB	Net cash used in investing activities	<u>(40,138)</u>	<u>(88,077)</u>
	Cash Flows from Financing Activities		
C00200	Decrease in Short-term Borrowings	(5,000)	-
C01600	Proceeds from long-term borrowings	-	15,000
C01700	Repayments of long-term borrowings	(5,010)	(2,796)
C03800	Decrease in other payables – related parties	-	(9,800)
C04020	Repayments of lease liabilities	(89,387)	(68,633)
C04500	Cash dividends paid	<u>(373,714)</u>	<u>(349,356)</u>
CCCC	Net cash used in financing activities	<u>(473,111)</u>	<u>(415,585)</u>
DDDD	Effect of Exchange Rate Changes on Cash and Cash Equivalents	<u>(462)</u>	<u>85</u>
EEEE	Net increase in cash and cash equivalents	(190,656)	(216,307)
E00100	Cash and cash equivalents at beginning of period	<u>683,144</u>	<u>885,183</u>
E00200	Cash and cash equivalents at end of period	<u>\$ 492,488</u>	<u>\$ 668,876</u>

The accompanying notes are an integral part of the consolidated financial statements.
Please refer to the review report issued by Deloitte & Touche on August 13, 2025.

Tofu Restaurant Co., Ltd. and Subsidiaries
Notes to Consolidated Financial Statements
Six months ended June 30, 2025 and 2024
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

1. Organization and Operations

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 consolidated financial statements were approved by the board of directors on August 13, 2025.

3. Application of Newly Issued and Amended Standards and Interpretations

(1) Initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), International Financial Reporting Interpretations Committee (IFRIC), and Standing Interpretations Committee (SIC) (hereinafter referred to as “IFRSs”) approved and issued by the Financial Supervisory Commission (hereinafter referred to as “FSC”) to be effective.

1. Amendments to IAS 21, *Lack of Exchangeability*, is not expected to result in a material change to the accounting policies of the consolidated companies.

(2) IFRS Accounting Standards endorsed by FSC that are applicable from 2026 onwards

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

As of the date the consolidated financial statements were authorized for issue, the Group is still in the process of assessing the potential impact of these amendments on its financial position and financial performance.

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

<u>New/ Revised/ Amended Standards and Interpretations</u>	<u>Effective Date Issued by IASB (Note 1)</u>
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 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

This consolidated financial statement has been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” approved and issued by the FSC. The consolidated financial statements do not include all the disclosure information required

(2) Basis of Preparation

Except for financial instruments measured at fair value, the consolidated financial statements have been prepared on a historical cost basis.

Fair value measurements are categorized into three levels based on the observability and significance of the inputs used in the valuation techniques, as follows:

Level 1 inputs: Quoted (unadjusted) prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 inputs: Unobservable inputs for the asset or liability.

(3)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 parent and to non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

For details of the subsidiaries, including the percentage of ownership and principal business activities, please refer to Note 12 and Schedule 5.

(4)Other significant accounting policies

In addition to the following descriptions, please refer to the Summary of Significant Accounting Policies in the 2024 consolidated financial statement.

A.Income Tax Expense

Income tax expense represents the total amount of current income tax and deferred income tax. For interim periods, income tax is assessed on an annual basis, and the tax expense is calculated by applying the estimated average annual effective tax rate to the profit before tax for the interim period.

5. Critical Accounting Judgments and Key Sources of Estimation and Uncertainty

When developing critical accounting estimates, the Group has taken into consideration the potential impacts of U.S. retaliatory tariff measures, including their effects on estimates related to cash flows, growth rates, discount rates, and profitability. Management will continue to review these estimates and underlying assumptions on an ongoing basis.

For other critical accounting judgments and key sources of estimation and uncertainty, please refer to the consolidated financial statements for the year ended December 31, 2024.

6. Cash and Cash Equivalents

	June 30, 2025	December 31, 2024	June 30, 2024
Cash on hand and revolving funds	\$ 3,356	\$ 3,429	\$ 2,747
Demand deposits in banks	382,384	372,715	466,129
Cash equivalents			
Time deposits with banks	106,748	307,000	200,000
	<u>\$ 492,488</u>	<u>\$ 683,144</u>	<u>\$ 668,876</u>

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

	June 30, 2025	December 31, 2024	June 30, 2024
Bank deposits	0.050%~1.600%	0.002%~1.705%	0.050%~1.690%

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

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Current</u>			
Domestic Investments			
Listed (or OTC-listed)			
Stocks	\$ 3,183	\$ 3,262	\$ 4,148
Overseas investments			
Funds	<u>34,254</u>	<u>38,071</u>	<u>36,990</u>
	<u>\$ 37,437</u>	<u>\$ 41,333</u>	<u>\$ 41,138</u>
<u>Non-current</u>			
Domestic investments			
Limited partnerships	\$ 41,645	\$ 43,457	\$ 42,269
Overseas investments			
Limited partnerships	<u>47,523</u>	<u>51,521</u>	<u>39,692</u>
	<u>\$ 89,168</u>	<u>\$ 94,978</u>	<u>\$ 81,961</u>

8. Financial Assets at Fair Value Through Other Comprehensive Income (FVTOCI)

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Non-current</u>			
Domestic Investments			
Unlisted Equity Instruments:			
Micro Electricity Co. Ltd.	\$ 3,274	\$ 2,908	\$ 5,724
Genesis Lavie Hospitality & Catering Management Consulting Co., Ltd.	<u>950</u>	<u>1,901</u>	<u>1,901</u>
	<u>\$ 4,224</u>	<u>\$ 4,809</u>	<u>\$ 7,625</u>

The Group invested in Micro Electricity Co., Ltd. and Genesis Lavie Hospitality & Catering Management Consulting Co., Ltd. for medium- to long-term strategic purposes and expects to generate returns through long-term holdings. As the management of the Group believes that recognizing short-term fair value fluctuations of these investments in profit or loss would not align with the aforementioned long-term investment strategy, the Group has designated these investments as measured at fair value through other comprehensive income (FVOCI).

9. Financial Assets Measured at Amortized Cost

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Current</u>			
Time deposits with original maturities over one year	<u>\$ 163,215</u>	<u>\$ 147,215</u>	<u>\$ 77,186</u>

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Non-current</u>			
Pledged time deposits	\$ 748	\$ 748	\$ -

(1) As of June 30, 2025, December 31, 2024, and June 30, 2024, the annual interest rates for time deposits ranged from 0.77% to 3.82%, 0.77% to 3.82%, and 1.65% to 5.35%, respectively.

(2) For information on financial assets measured at amortized cost that have been pledged, please refer to Note 30.

10. Accounts Receivable

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Accounts receivable</u> at amortized cost			
Total carrying amount	\$ 266,362	\$ 283,768	\$ 290,254
Less: Allowance for impairment loss	-	-	-
	<u>266,362</u>	<u>283,768</u>	<u>290,254</u>
<u>Accounts receivable –</u> <u> Related parties</u>	-	42	64
	<u>\$ 266,362</u>	<u>\$ 283,810</u>	<u>\$ 290,318</u>

The Group primarily collects payments from customers in cash or by credit card. Trade receivables mainly arise from collaboration with retail stores or department stores, where credit terms are based on mutual agreements. The average credit period is 15 to 30 days from the end of the month, and no interest is charged on trade receivables.

To mitigate credit risk, the Group has established credit and accounts receivable management policies to ensure that appropriate actions are taken to recover overdue receivables. At each balance sheet date, the Group reviews the recoverability of each receivable individually to ensure that adequate impairment losses are recognized for receivables that are deemed uncollectible. Accordingly, the management of the Group believes that credit risk has been significantly reduced.

The Group recognizes a loss allowance for trade receivables based on lifetime expected credit losses. Lifetime expected credit losses are calculated using a provision matrix that considers the historical default records and current financial condition of customers, the economic environment of the industry, and industry outlook. As historical experience has shown no significant differences in the loss patterns among different customer groups, the Group does not further segment the receivables by customer group in the provision matrix but determines the expected credit loss rates based solely on the number of days past due. When there is objective evidence that the counterparty is experiencing significant financial difficulty and the Group does not reasonably expect to recover the outstanding amount, the Group writes off the related trade receivable. Nevertheless, collection efforts will continue, and any subsequent recoveries are recognized in profit or loss.

The loss allowance for receivables measured by the Group based on the provision matrix is as follows:

June 30, 2025

	Not past due	1-60 days past due	61-90 days past due	Over 90 days past due	Total
Total Carrying Amount (including related parties)	\$ 266,362	\$ -	\$ -	\$ -	\$ 266,362
Allowance for losses (Lifetime Expected Credit Losses)	-	-	-	-	-
Amortized cost	<u>\$ 266,362</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 266,362</u>

December 31, 2024

	Not past due	1-60 days past due	61-90 days past due	Over 90 days past due	Total
Total Carrying Amount (including related parties)	\$ 249,206	\$ 34,604	\$ -	\$ -	\$ 283,810
Allowance for losses (Lifetime Expected Credit Losses)	-	-	-	-	-
Amortized cost	<u>\$ 249,206</u>	<u>\$ 34,604</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 283,810</u>

June 30, 2024

	Not past due	1-60 days past due	61-90 days past due	Over 90 days past due	Total
Total Carrying Amount (including related parties)	\$ 287,291	\$ 3,027	\$ -	\$ -	\$ 290,318
Allowance for losses (Lifetime Expected Credit Losses)	-	-	-	-	-
Amortized cost	<u>\$ 287,291</u>	<u>\$ 3,027</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 290,318</u>

11. Inventories

	June 30, 2025	December 31, 2024	June 30, 2024
Merchandise	\$ 1,845	\$ 1,560	\$ 1,846
Raw materials	48,983	61,204	38,967
Work in process	200	510	192
Semi-finished Goods	358	616	298
	<u>\$ 51,386</u>	<u>\$ 63,890</u>	<u>\$ 41,303</u>

The nature of cost of goods sold is as follows:

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Cost of inventories sold	\$ 462,978	\$ 408,675	\$ 947,137	\$ 810,183

12. Subsidiaries

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

Investor	Subsidiary	Nature of Business	Ownership Percentage			Remarks
			June 30, 2025	December 31, 2024	June 30, 2024	
The Company	VNT International Co., Ltd.	Investment holding	51%	51%	51%	—
	TSA International Co., Ltd. (TSA)	Investment holding	100%	100%	100%	—
	TAROKO FOOD TAIWAN CO., LTD. (TAROKO)	Food & beverage sales	100%	100%	-	1, 2 & 4
	Taroko Cuisine Ltd. (Taroko Cuisine)	Food & beverage sales	-	-	-	1, 3 & 4
VNT International Co., Ltd.	VTI International Co., Ltd.	Investment holding	100%	100%	100%	—
TSA	Safe Foods Co., Ltd. (Safe Foods)	Food manufacturing	51%	51%	51%	—
	Duofu Co., Ltd. (Duofu)	Trading	100%	100%	100%	—

A. This is a non-significant subsidiary, and its financial statements were not reviewed by independent auditors.

B. On April 10, 2024, the Company's board of directors resolved to acquire 100% of the equity interest in TAROKO FOOD TAIWAN CO., LTD. (TAROKO) through a share swap and cash consideration. On May 31, 2024, the board further resolved that the effective date of the share swap and cash settlement would be August 1, 2024. For related information, please refer to Note 27.

C. On August 1, 2024, the Company acquired 100% of the equity interest in Taroko Cuisine Ltd. (Taroko) through a cash transaction. For details, please refer to Note 27.

D. In order to reduce operating costs and improve efficiency, TAROKO and Taroko entered into a short-form merger under the Company Act and Business Mergers and Acquisitions Act. TAROKO is the surviving entity, and Taroko is the dissolved entity. The merger was carried out through the issuance of new shares by TAROKO at a share exchange ratio of 1 share of TAROKO common stock for every 9.058 shares of Taroko common stock. The new shares were issued by TAROKO to shareholders of Taroko, and the merger effective 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, 2025	\$ 206,912	\$ 78,737	\$ 493,814	\$ 125,839	\$ 28,342	\$ 919	\$ 14,865	\$ 36,771	\$ 986,199
Additions	-	-	10,912	1,875	600	-	495	130	14,012
Disposals	-	-	(2,160)	(765)	(204)	-	(47)	-	(3,176)
Reclassifications	-	-	152	51	17	-	-	-	220
Balance as of June 30, 2025	\$ 206,912	\$ 78,737	\$ 502,718	\$ 127,000	\$ 28,755	\$ 919	\$ 15,313	\$ 36,901	\$ 997,255
<u>Accumulated Depreciation</u>									
Balance as of January 1, 2025	\$ -	\$ 15,785	\$ 329,338	\$ 89,778	\$ 18,994	\$ 891	\$ 7,779	\$ 18,220	\$ 480,785
Depreciation Expense	-	1,970	45,237	9,374	2,482	28	2,150	2,941	64,182
Disposals	-	-	(1,688)	(716)	(192)	-	(48)	-	(2,644)
Balance as of June 30, 2025	\$ -	\$ 17,755	\$ 372,887	\$ 98,436	\$ 21,284	\$ 919	\$ 9,881	\$ 21,161	\$ 542,323
Carrying amount at June 30, 2025	\$ 206,912	\$ 60,982	\$ 129,831	\$ 28,564	\$ 7,471	\$ -	\$ 5,432	\$ 15,740	\$ 454,932
Carrying amount as of December 31, 2024 and January 1, 2025	\$ 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, 2024	\$ 206,912	\$ 77,833	\$ 364,149	\$ 99,254	\$ 21,998	\$ 705	\$ 11,911	\$ 35,245	\$ 818,007
Additions	-	-	57,622	13,835	2,985	-	1,066	1,563	77,071
Disposals	-	-	-	(839)	(151)	-	(47)	-	(1,037)
Reclassifications	-	-	42	209	-	-	-	-	251
Balance as of June 30, 2024	\$ 206,912	\$ 77,833	\$ 421,813	\$ 112,459	\$ 24,832	\$ 705	\$ 12,930	\$ 36,808	\$ 894,292
<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	-	1,969	35,950	7,925	1,931	-	1,701	2,706	52,182
Disposals	-	-	-	(830)	(149)	-	(47)	-	(1,026)
Balance as of June 30, 2024	\$ -	\$ 13,816	\$ 288,188	\$ 80,734	\$ 17,685	\$ 705	\$ 5,819	\$ 15,503	\$ 422,450
Carrying amount at June 30, 2024	\$ 206,912	\$ 64,017	\$ 133,625	\$ 31,725	\$ 7,147	\$ -	\$ 7,111	\$ 21,305	\$ 471,842
Accumulated Depreciation	\$ 206,912	\$ 65,986	\$ 111,911	\$ 25,615	\$ 6,095	\$ -	\$ 7,746	\$ 22,448	\$ 446,713

No impairment losses were recognized or reversed for the periods from January 1 to June 30, 2025 and 2024. Depreciation expense is calculated on a straight-line basis over the following estimated useful lives:

Buidlings	20 years
Restaurant Renovations	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 property, plant and equipment pledged as collateral for borrowings, please refer to Note 30.

14. Lease Agreements

(1)Right-of-use Assets

	June 30, 2025	December 31, 2024	June 30, 2024
Carrying amount of right-of-use assets			
Buildings	\$ 377,434	\$ 384,173	\$ 299,634

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Additions to right-of-use assets			\$ 83,680	\$ 115,715
Depreciation of right-of-use assets				
Buildings	\$ 45,013	\$ 34,995	\$ 90,018	\$ 69,012

Except for the additions and depreciation recognized as mentioned above, there were no significant subleases or impairment of right-of-use assets during the periods from January 1 to June 30, 2025 and 2024.

(2) Lease Liabilities

	June 30, 2025	December 31, 2024	June 30, 2024
	Carrying amount		
Current	\$ 161,705	\$ 140,873	\$ 114,855
Non-current	\$ 216,524	\$ 243,068	\$ 184,451

Ranges of discount rates for lease liabilities are as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
	Buildings	1.40%~2.62%	1.40%~2.62%

(3) Material lease-in activities and terms

The Group leases certain retail spaces for use as store locations, with lease terms ranging from 1 to 12 years. Some store leases include both fixed lease payments and variable lease payments based on a specified percentage of the store's sales revenue.

(4) Other leasing information

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Short-term lease expenses	\$ 56,738	\$ 55,028	\$ 116,276	\$ 111,461
Variable lease payments not included in the measurement of lease liabilities	\$ 11,535	\$ 10,175	\$ 24,888	\$ 20,526
Total cash outflows for leases			(\$ 233,216)	(\$ 202,475)

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

15. Goodwill

	June 30, 2025	December 31, 2024	June 30, 2024
Goodwill	<u>\$ 91,830</u>	<u>\$ 91,830</u>	<u>\$ 5,820</u>

The Group recognized goodwill of NT\$5,820 thousand arising from the merger with Dopu Co., Ltd. on September 30, 2017. In addition, goodwill of NT\$86,010 thousand was recognized in connection with the merger with TAROKO FOOD TAIWAN CO., LTD. and Taroko Cuisine Ltd. on August 1, 2024 (please refer to Note 27). The goodwill primarily represents the expected benefits from future revenue growth of the brand.

16. Other Intangible Assets

	June 30, 2025	December 31, 2024	June 30, 2024
Trademark Rights	\$ 62,700	\$ 62,700	\$ -
Franchise Rights	665	1,061	1,456
Computer Software	<u>166</u>	<u>179</u>	<u>193</u>
	<u>\$ 63,531</u>	<u>\$ 63,940</u>	<u>\$ 1,649</u>

There were no significant additions, disposals, or impairments of the Group's other intangible assets for the periods from January 1 to June 30, 2025 and 2024, respectively. For information regarding the brand franchise agreements entered into by the Group, please refer to Note 31.

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

Franchise Rights	6 years
Computer Software	3 to 5 years

17. Borrowings

(1) Short-term Borrowings

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Unsecured Borrowings</u>			
Credit Line Borrowings	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ 5,000</u>

The annual interest rate for short-term bank borrowings was 2.85% as of December 31, 2024 and June 30, 2024, respectively.

(2) Long-term Borrowings

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Secured borrowings</u>			
Bank loan (Note 1)	\$ 105,179	\$ 108,027	\$ 110,837

	June 30, 2025	December 31, 2024	June 30, 2024
Bank loan (Note 2)	77,861	78,184	78,184
Unsecured Borrowings			
Bank Loans (Note 3)	13,161	15,000	15,000
Less: Portion Due Within			
One Year	(15,026)	(15,184)	(9,439)
Long-term Borrowings	<u>\$ 181,175</u>	<u>\$ 186,027</u>	<u>\$ 194,582</u>

- A. The bank borrowing is secured by the Company's land and buildings (see Note 30). The maturity date of the borrowing was November 10, 2040 as of June 30, 2025, December 31, 2024, and June 30, 2024, respectively. The annual interest rates were 2.045%, 2.240%, and 2.240%, respectively.
- B. The bank borrowing is secured by the Company's land and buildings (see Note 30). The maturity date of the borrowing was June 30, 2041 as of June 30, 2025, December 31, 2024, and June 30, 2024, respectively. The annual interest rates were 2.36%, 2.36%, and 2.36%, respectively.
- C. The maturity date of the bank borrowing was March 5, 2027 as of June 30, 2025, December 31, 2024, and June 30, 2024, respectively. The annual interest rates were 0.50%, 0.50%, and 0.50%, respectively.

18. Other Payables

	June 30, 2025	December 31, 2024	June 30, 2024
Salaries and bonuses payable	\$ 113,713	\$ 149,352	\$ 125,854
labor and health insurance			
premiums payable	20,130	20,591	17,169
Business tax payable	18,555	17,420	14,907
Pension payable	13,751	13,441	11,305
Others	<u>24,335</u>	<u>26,056</u>	<u>22,314</u>
	<u>\$ 190,484</u>	<u>\$ 226,860</u>	<u>\$ 191,549</u>

19. Provisions

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Non-Current</u>			
Decommissioning liability			
reserve	<u>\$ 5,993</u>	<u>\$ 5,933</u>	<u>\$ 4,943</u>

The Group leases operating premises from lessors. In accordance with the lease agreements, the Group is required to restore the leased assets to their original condition at the commencement of the lease upon termination. Accordingly, a decommissioning liability reserve has been recognized based on the estimated cost of such restoration work.

20. Post-Employment Benefit Plans

The pension plan under the "Labor Pension Act" adopted by the Group is a government-managed defined contribution plan. The Group contributes 6% of each employee's monthly wages to the individual pension accounts at the Bureau of Labor Insurance.

21. Equity

(1) Common Stock

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Numbers of shares authorized (in thousands)	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>
Authorized capital	<u>\$ 600,000</u>	<u>\$ 600,000</u>	<u>\$ 600,000</u>
Issued and paid shares (in thousands)	<u>26,694</u>	<u>26,694</u>	<u>26,267</u>
Issued capital	<u>\$ 266,939</u>	<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>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)</u>			
Share premium	<u>\$ 483,986</u>	<u>\$ 483,986</u>	<u>\$ 376,727</u>

Note: Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).

(3) Retained Earnings and Dividend Policy

On May 30, 2024, the Company's shareholders resolved to amend its Articles of Incorporation. According to the amended earnings distribution policy, if the Company recognizes net income in its annual final accounts, the income shall first be used to pay taxes in accordance with applicable laws and to offset accumulated deficits. Thereafter, 10% of the remaining earnings shall be appropriated as legal reserve. However, if the legal reserve has reached the amount of the Company's paid-in capital, the appropriation may be discontinued. Any remaining earnings shall then be appropriated or reversed as special reserve in accordance with applicable laws or operating requirements. The resulting amount, combined with unappropriated retained earnings from prior years, shall be the cumulative distributable earnings. After setting aside a portion of earnings as necessary, the Board of Directors shall draft a distribution proposal and submit it to the shareholders' meeting for approval of dividends and bonuses to shareholders.

No less than 30% of the cumulative distributable earnings shall be distributed as shareholders' dividends and bonuses each year, of which cash dividends shall not be less than 20% of the total dividends and bonuses distributed to shareholders. Furthermore, if the distribution of dividends, bonuses, legal reserve, or capital reserve (in whole or in part) is made in the form of cash, the Board of Directors is authorized to

resolve such distribution with the attendance of at least two-thirds of the directors and the approval of a majority of the attending directors, and report the distribution to the shareholders' meeting.

According to the earnings distribution policy under the Company's previous Articles of Incorporation, if the Company recognized net income in its annual final accounts, the income was to be used first to pay taxes in accordance with applicable laws and to offset accumulated deficits. Thereafter, 10% of the remaining earnings was to be appropriated as legal reserve, unless the legal reserve had reached the amount of the Company's paid-in capital, in which case the appropriation could be discontinued. Any remaining earnings were to be appropriated or reversed as special reserve in accordance with applicable laws or operating requirements. The resulting amount, together with unappropriated retained earnings from previous years, constituted the cumulative distributable earnings. After retaining a portion of the earnings as needed, the Board of Directors would propose a distribution plan and submit it to the shareholders' meeting for approval of dividends and bonuses to shareholders. Cash dividends were not to be less than 20% of the total dividends and bonuses distributed to shareholders. If the distribution of dividends, bonuses, legal reserve, or capital reserve (in whole or in part) was made in the form of cash, the Board of Directors was authorized to resolve such distribution with the attendance of at least two-thirds of the directors and the approval of a majority of the attending directors, and report the distribution to the shareholders' meeting.

For the policy regarding remuneration to employees and directors as stipulated in the Articles of Incorporation, please refer to Note 23(7), "Employee and Director Remuneration."

The legal reserve shall be appropriated until it equals the Company's paid-in capital. It may be used to offset deficits. When the Company has no accumulated deficit, the portion of the legal reserve that exceeds 25% of the paid-in capital may be capitalized or distributed in cash.

The earnings distribution for 2024 and 2023 was as follows:

	2024	2023
Legal reserve	<u>\$ 41,424</u>	<u>\$ 39,286</u>
Appropriation (Reversal) of Special Reserve	<u>\$ 3,414</u>	<u>\$ 47</u>
Cash dividends	<u>\$373,714</u>	<u>\$349,356</u>
Cash dividend per share (NT\$)	\$ 14	\$ 13.3

The aforementioned cash dividends were resolved by the Board of Directors on March 11, 2025 and March 8, 2024, respectively. The remaining items of earnings distribution were approved by the shareholders at their meetings on May 28, 2025 and May 30, 2024, respectively.

(4) Other Equity Items

A. Exchange Differences on Translation of Foreign Operations

	Six months ended June 30	
	2025	2024
Beginning balance	(\$ 113)	(\$ 114)
Arising during the period		
Exchange differences on	(<u>235</u>)	<u>43</u>

translation of financial statements of foreign operations		
Ending balance	(<u>\$ 348</u>)	(<u>\$ 71</u>)

B. Unrealized valuation gain (loss) on financial assets at FVTOCI

	Six months ended June 30	
	2025	2024
Beginning balance	(<u>\$ 3,415</u>)	<u>\$ -</u>
Arising during the period		
Unrealized gain		
(loss)	(<u>585</u>)	(<u>599</u>)
Other comprehensive		
income for the period	(<u>585</u>)	(<u>599</u>)
Ending balance	(<u>\$ 4,000</u>)	(<u>\$ 599</u>)

(5) Non-Controlling Interests

	Six months ended June 30	
	2025	2024
Beginning balance	\$ 16,190	\$ 12,915
Net income for the period	1,152	1,794
Other comprehensive income		
for the period		
Exchange differences on		
translation of financial		
statements of foreign		
operations	(<u>227</u>)	<u>42</u>
Ending balance	<u>\$ 17,115</u>	<u>\$ 14,751</u>

22. Revenue

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Restaurant revenue	\$ 955,044	\$ 854,687	\$ 1,953,713	\$ 1,711,725
Other revenue	<u>2,601</u>	<u>2,186</u>	<u>5,381</u>	<u>4,713</u>
	<u>\$ 957,645</u>	<u>\$ 856,873</u>	<u>\$ 1,959,094</u>	<u>\$ 1,716,438</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

	June 30, 2025	December 31, 2024	June 30, 2024	January 1, 2024
Accounts receivable (Note 10)	\$ 266,362	\$ 283,768	\$ 290,254	\$ 273,887
Accounts receivable – related parties	\$ -	\$ 42	\$ 64	\$ 491
Contract liabilities (included in other current liabilities)	\$ 16,347	\$ 9,975	\$ 6,793	\$ 6,353

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:

	Six months ended June 30	
	2025	2024
<u>From contract liabilities at the beginning of the period</u>		
Sale of goods	\$ 5	\$ 22

23. Profit from Continuing Operations

(1) Interest Income

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Bank deposits	\$ 1,961	\$ 2,461	\$ 4,306	\$ 5,066
Imputed interest on deposits	14	11	33	22
	\$ 1,975	\$ 2,472	\$ 4,339	\$ 5,088

(2) Other Income

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Dividend income	\$ 2,219	\$ -	\$ 2,219	\$ -
Government grants (Note 26)	-	8	20	8
Lease modification gain	-	-	5	-
Others	113	106	1,148	1,127
	\$ 2,332	\$ 114	\$ 3,392	\$ 1,135

(3) Other Gains and Losses

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Net gain (loss) on financial assets at fair value through profit or loss	(\$ 13,951)	\$ 10,136	(\$ 9,706)	\$ 11,991

Net foreign exchange loss	(660)	(121)	(939)	(240)
Others	-	-	(369)	-
	<u>(\$ 14,611)</u>	<u>\$ 10,015</u>	<u>(\$ 11,014)</u>	<u>\$ 11,751</u>

(4) Finance Costs

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Interest on lease liabilities	\$ 1,371	\$ 966	\$ 2,665	\$ 1,855
Interest on bank borrowings	<u>1,082</u>	<u>1,209</u>	<u>2,254</u>	<u>2,301</u>
	<u>\$ 2,453</u>	<u>\$ 2,175</u>	<u>\$ 4,919</u>	<u>\$ 4,156</u>

(5) Depreciation and Amortization

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Depreciation expenses by function				
Operating costs	\$ 14,395	\$ 11,776	\$ 29,010	\$ 23,053
Operating expenses	<u>62,198</u>	<u>50,348</u>	<u>125,190</u>	<u>98,141</u>
	<u>\$ 76,593</u>	<u>\$ 62,124</u>	<u>\$ 154,200</u>	<u>\$ 121,194</u>
Amortization expenses by function:				
Operating expenses	<u>\$ 204</u>	<u>\$ 205</u>	<u>\$ 409</u>	<u>\$ 422</u>

(6) Employee Benefits Expense

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Short-term employee benefits	\$ 301,758	\$ 264,357	\$ 625,784	\$ 539,665
Post-employment benefits (Note 20)				
Defined contribution plans	<u>13,898</u>	<u>11,438</u>	<u>27,843</u>	<u>22,756</u>
Total employee benefits	<u>\$ 315,656</u>	<u>\$ 275,795</u>	<u>\$ 653,627</u>	<u>\$ 562,421</u>
By function				
Operating costs	\$ 125,994	\$ 104,587	\$ 259,150	\$ 212,401
Operating expenses	<u>189,662</u>	<u>171,208</u>	<u>394,477</u>	<u>350,020</u>
	<u>\$ 315,656</u>	<u>\$ 275,795</u>	<u>\$ 653,627</u>	<u>\$ 562,421</u>

(7) Remuneration to Employees and Directors

In accordance with the Company's Articles of Incorporation, employee remuneration and director remuneration shall be appropriated at not less than 0.5% and not more than 5%, respectively, of profit before tax, before deducting such remuneration.

Pursuant to the amendment to the Securities and Exchange Act in August 2024, the Company's shareholders approved the amendment to the Articles of Incorporation at the shareholders' meeting in 2025, stipulating that not less than 0.2% of profit before tax, before deducting employee and director remuneration, shall be allocated as remuneration to rank-and-file employees.

The estimated amounts of employee remuneration (including remuneration to rank-and-file employees) and director remuneration for the six months ended June 30, 2025 and 2024 are as follows:

Estimated Rate

	<u>Six months ended June 30</u>	
	<u>2025</u>	<u>2024</u>
Employee compensation	0.5%	0.5%
Directors' remuneration	-	-

Amount

	<u>Three months ended June 30</u>		<u>Six months ended June 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Employee compensation	\$ 456	\$ 610	\$ 1,148	\$ 1,250
Directors' remuneration	\$ -	\$ -	\$ -	\$ -

If the amounts are subsequently changed after the approval and issuance of the annual consolidated financial statements, such changes shall be accounted for as changes in accounting estimates and recognized in the following year.

The employee and director remuneration for 2024 and 2023 were approved by the Board of Directors on March 11, 2025 and March 8, 2024, respectively, as follows:

Amount

	<u>2024</u>	<u>2023</u>
	<u>Cash</u>	<u>Cash</u>
Employee compensation	\$ 2,577	\$ 2,456
Directors' remuneration	\$ 2,577	\$ 2,456

The actual distributions of employee and director remuneration for 2024 and 2023 were consistent with the amounts recognized in the consolidated financial statements for the respective years.

For details regarding the employee and director remuneration as approved by the Board of Directors, please refer to the Market Observation Post System (MOPS) of the Taiwan Stock Exchange.

24. Income Taxes

(1) Income Tax Recognized in Profit or Loss

The main components of income tax expense are as follows:

	<u>Three months ended June 30</u>		<u>Six months ended June 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Current income tax Incurred in the current period	\$ 25,089	\$ 21,395	\$ 50,078	\$ 46,775
Current year Adjustments for prior years	<u>-</u>	<u>26</u>	<u>-</u>	<u>26</u>
Total income tax expense recognized in profit or loss	<u>\$ 25,089</u>	<u>\$ 21,421</u>	<u>\$ 50,078</u>	<u>\$ 46,801</u>

(2) Income Tax Assessment

The Company's income tax returns have been assessed and approved by the tax authorities through the year ended 2023.

25. Earnings Per Share

	Unit: NT\$ per share			
	<u>Three months ended June 30</u>		<u>Six months ended June 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Basic earnings per share	<u>\$ 3.00</u>	<u>\$ 3.77</u>	<u>\$ 6.85</u>	<u>\$ 7.67</u>
Diluted earnings per share	<u>\$ 3.00</u>	<u>\$ 3.77</u>	<u>\$ 6.84</u>	<u>\$ 7.67</u>

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

Net Income for the Period

	<u>Three months ended June 30</u>		<u>Six months ended June 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Net income attributable to owners of the Company	<u>\$ 80,170</u>	<u>\$ 99,041</u>	<u>\$ 182,775</u>	<u>\$ 201,538</u>
Net income used in basic and diluted EPS calculation	<u>\$ 80,170</u>	<u>\$ 99,041</u>	<u>\$ 182,775</u>	<u>\$ 201,538</u>

Shares

	Unit: Thousands of shares			
	<u>Three months ended June 30</u>		<u>Six months ended June 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Weighted-average number of ordinary shares for basic EPS	26,694	26,267	26,694	26,267

Effect of potentially dilutive ordinary shares:

Employee compensations	6	5	10	8
Weighted-average number of ordinary shares for diluted EPS	<u>26,700</u>	<u>26,272</u>	<u>26,704</u>	<u>26,275</u>

If the Company has the option to settle employee compensation in shares or in cash, it shall be assumed, for the purpose of calculating diluted earnings per share, that the compensation will be settled in shares. The resulting potential ordinary shares shall be included in the weighted average number of shares outstanding, provided the effect is dilutive. The dilutive effect of such potential ordinary shares shall continue to be considered in the calculation of diluted earnings per share until the number of shares to be distributed to employees is resolved at the shareholders' meeting in the subsequent year.

26. Government Grants

In January and February 2025, the Group received employment incentives under the "Taoyuan Youth Employment Stability Program" from the Department of Labor, Taoyuan City Government, with an approved government grant amounting to NT\$20 thousand. As of June 30, 2025, the amount was recognized under other income.

In April 2024, the Group received a government grant of NT\$8 thousand under the "Stable Employment Program" from the Ministry of Labor, which was recognized under other income as of June 30, 2024.

27. Business Combinations

(1) Acquisition of Subsidiaries

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

On August 1, 2024, the Company acquired 100% equity interest in TAROKO FOOD TAIWAN CO., LTD. and Taroko Cuisine Ltd. For further details, please refer to Note 12.

(2) Consideration Transferred

	TAROKO FOOD TAIWAN CO., LTD.	Taroko Cuisine Ltd.
Cash	\$ 56,049	\$ 18,500
Issuance of equity instruments	<u>111,524</u>	<u>-</u>
Total	<u>\$167,573</u>	<u>\$ 18,500</u>

Issuance of Equity Instruments

The Company issued 427 thousand new ordinary shares with a par value of NT\$10 each as part of the consideration for acquiring Taroko Food Taiwan Co., Ltd. The fair value of these ordinary shares, determined based on the closing price on the acquisition date, amounted to NT\$111,524 thousand.

(3) Assets Acquired and Liabilities Assumed on Acquisition Date

	<u>TAROKO FOOD TAIWAN CO., LTD.</u>	<u>Taroko Cuisine Ltd.</u>
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	(15,384)	(1,754)
Non-current Liabilities		
Lease liabilities		
Current Liabilities		
Accounts payable	(<u>14,467</u>)	(<u>891</u>)
	<u>\$ 92,072</u>	<u>\$ 7,991</u>

(4) Goodwill Arising from the Acquisition

	<u>TAROKO FOOD TAIWAN CO., LTD.</u>	<u>Taroko Cuisine Ltd.</u>
Consideration transferred	\$167,573	\$ 18,500
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	\$ 56,049	\$ 18,500
Less: Cash and cash equivalents acquired	(24,341)	(7,408)
	<u>\$ 31,708</u>	<u>\$ 11,092</u>

28. Financial Instruments

(1) Fair value of financial instruments not measured at fair value

The management of the Group considers that the carrying amounts of financial assets and financial liabilities not measured at fair value approximate their fair values.

(2) Fair value of financial instruments measured at fair value on a recurring basis

A. Fair value hierarchy

June 30, 2025

	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value through profit or loss</u>				
Limited partnerships	\$ -	\$ -	\$ 89,168	\$ 89,168
Mutual funds	34,254	-	-	34,254
Equity instruments				
Domestic listed (OTC)stocks	<u>3,183</u>	<u>-</u>	<u>-</u>	<u>3,183</u>
	<u>\$ 37,437</u>	<u>\$ -</u>	<u>\$ 89,168</u>	<u>\$ 126,605</u>

Financial assets at fair value through other comprehensive income

Equity instruments				
Domestic listed (non-OTC)stocks	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,224</u>	<u>\$ 4,224</u>

December 31, 2024

	Level 1	Level 2	Level 3	Total
<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 (OTC)stocks	<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 (non-OTC)stocks	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,809</u>	<u>\$ 4,809</u>
<u>June 30, 2024</u>				
	<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	\$ -	\$ -	\$ 81,961	\$ 81,961
Mutual funds	36,990	-	-	36,990
Equity instruments				
Domestic listed (OTC)stocks	<u>4,148</u>	<u>-</u>	<u>-</u>	<u>4,148</u>
	<u>\$ 41,138</u>	<u>\$ -</u>	<u>\$ 81,961</u>	<u>\$ 123,099</u>
<u>Financial assets at fair value through other comprehensive income</u>				
Equity instruments				
Domestic listed (non-OTC)stocks	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,625</u>	<u>\$ 7,625</u>

There were no transfers between Level 1 and Level 2 fair value measurements for the six months ended June 30, 2025 and 2024.

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

<u>Types of financial instruments</u>	<u>Valuation techniques and 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

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Financial assets</u>			
Financial assets at fair value through profit or loss:			
Limited partnerships	\$ 89,168	\$ 94,978	\$ 81,961
Mutual funds	34,254	38,071	36,990
Equity instruments	3,183	3,262	4,148
Financial assets measured at amortized cost			
Cash and cash equivalents	492,488	683,144	668,876
Financial assets measured at amortized cost	163,963	147,963	77,186
Accounts receivable	266,362	283,768	290,254
Accounts receivable — related parties	-	42	64
Other receivables (classified under other current assets)	47	66	51
Other receivables — related parties (classified under other current assets)	2	35	71
Refundable deposits	15,684	16,280	11,760
Financial assets at fair value through other comprehensive income	4,224	4,809	7,625
<u>Financial Liabilities</u>			
Financial liabilities measured at amortized cost			
Short-term borrowings	-	5,000	5,000
Notes and accounts payable	84,713	104,721	167,093
Accounts payable — related parties	4,560	5,732	9,361
Other payables (including related parties)	15,456	18,445	18,608
Payables for	2,765	14,769	12,725

equipment			
Long-term borrowings (including current portion)	196,201	201,211	204,021

(4) Financial Risk Management Objectives and Policies

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 (A) 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:

	June 30, 2025	December 31, 2024	June 30, 2024
Fair value interest rate risk			
- Financial assets	\$ 270,711	\$ 454,963	\$ 277,186
- Financial liabilities	391,390	398,941	299,306
Cash flow interest rate risk			
- Financial assets	382,384	372,715	466,129
- Financial liabilities	183,040	191,211	209,021

Sensitivity Analysis

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

If the annual interest rate had increased or decreased by 0.1%, with all other variables held constant, the Group's profit before tax for the six months ended June 30, 2025 and 2024 would have increased or decreased by NT\$100 thousand and NT\$129 thousand, respectively.

(B) Other Price Risk

The Group is exposed to price risk arising from investments in funds and equity securities. The Group's management manages such risk by holding a diversified portfolio of investments with varying risk profiles. Investments in unlisted equity securities are held for strategic, rather than trading, purposes and are not actively traded by the Group.

Sensitivity Analysis

The following sensitivity analysis is based on the exposure to equity price risk of securities as of the balance sheet date.

If the prices of financial assets measured at fair value through profit or loss had increased or decreased by 5%, the Group's profit before tax for the six months ended June 30, 2025 and 2024 would have increased or decreased by NT\$6,330 thousand and NT\$6,155 thousand, respectively, as a result of changes in the fair value of financial assets measured at fair value through profit or loss.

If the prices of financial assets measured at fair value through other comprehensive income had increased or decreased by 5%, the Group's other comprehensive income before tax for the six months ended June 30, 2025 and 2024 would have increased or decreased by NT\$211 thousand and NT\$381 thousand, respectively, as a result of changes in the fair value of financial assets measured at fair value through other comprehensive income.

B. Credit Risk

Credit risk refers to the risk of financial loss to the Group if a counterparty fails to meet its contractual obligations. As of the balance sheet date, the Group's maximum exposure to credit risk arises primarily from the carrying amounts of financial assets recognized on the balance sheet.

To mitigate credit risk, the Group has established credit policies and accounts receivable management procedures to ensure that appropriate actions are taken for overdue receivables. In addition, the recoverable amounts of receivables are individually assessed at each balance sheet date to ensure that adequate impairment losses are recognized for unrecoverable amounts. Accordingly, management believes that the Group's credit risk has been significantly reduced. Accounts receivable are derived from a large number of customers. The Group continuously monitors and evaluates the financial condition of its customers.

The Group does not have any significant concentration of credit risk with any single counterparty or group of counterparties having 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.

June 30, 2025

	Less than 3 months	3 to 12 months	1-5 years	More than 5 years
<u>Non-derivative financial liabilities</u>				
Non-interest-bearing liabilities	\$ 282,522	\$ -	\$ -	\$ -
Lease liabilities	46,308	119,853	192,115	29,194
Floating-rate instruments	2,428	9,066	56,292	150,333
Fixed-rate instruments	<u>1,919</u>	<u>5,756</u>	<u>5,756</u>	<u>-</u>
	<u>\$ 333,177</u>	<u>\$ 134,675</u>	<u>\$ 254,163</u>	<u>\$ 179,527</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	\$ 166,161	\$ 192,115	\$ 25,464	\$ 3,730	\$ -	\$ -
Floating rate instruments	11,494	56,292	70,474	76,494	3,365	-
Fixed-rate instruments	<u>7,675</u>	<u>5,756</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 185,330</u>	<u>\$ 254,163</u>	<u>\$ 95,938</u>	<u>\$ 80,224</u>	<u>\$ 3,365</u>	<u>\$ -</u>

December 31, 2024

	Less than 3 months	3 to 12 months	1-5 years	More than 5 years
<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	<u>20</u>	<u>5,756</u>	<u>9,593</u>	<u>-</u>
	<u>\$ 400,774</u>	<u>\$ 119,830</u>	<u>\$ 281,885</u>	<u>\$ 187,589</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	\$ 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>
	<u>\$ 168,522</u>	<u>\$ 281,885</u>	<u>\$ 98,492</u>	<u>\$ 73,108</u>	<u>\$ 15,989</u>	<u>\$ -</u>

June 30, 2024

	Less than 3 months	3 to 12 months	1-5 years	More than 5 years
Non-derivative financial liabilities				
Non-interest-bearing liabilities	\$ 380,728	\$ -	\$ -	\$ -
Lease liabilities	34,563	83,762	170,423	17,984
Floating-rate instruments	<u>2,535</u>	<u>16,382</u>	<u>68,627</u>	<u>160,878</u>
	<u>\$ 417,826</u>	<u>\$ 100,144</u>	<u>\$ 239,050</u>	<u>\$ 178,862</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	\$ 118,325	\$ 170,423	\$ 13,347	\$ 4,637	\$ -	\$ -
Floating-rate instruments	<u>18,917</u>	<u>68,627</u>	<u>68,995</u>	<u>68,995</u>	<u>22,888</u>	<u>-</u>
	<u>\$ 137,242</u>	<u>\$ 239,050</u>	<u>\$ 82,342</u>	<u>\$ 73,632</u>	<u>\$ 22,888</u>	<u>\$ -</u>

(B) Financing Facilities

	June 30, 2025	December 31, 2024	June 30, 2024
Unsecured Bank Loan Facilities			
– Amount utilized	\$ 13,161	\$ 5,000	\$ 20,000
– Amount unutilized	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 13,161</u>	<u>\$ 5,000</u>	<u>\$ 20,000</u>
Secured Bank Loan Facilities			
– Amount utilized	\$ 183,040	\$ 191,817	\$ 189,021
– Amount unutilized	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 183,040</u>	<u>\$ 191,817</u>	<u>\$ 189,021</u>

29. 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

Name of Related Party	Relationship with the Group
TIEN PENG FOOD CORP. (“TIEN PENG FOOD”)	Substantial related party
Share Food Co., Ltd. (“Share Food”)	Substantial related party

(2) Sales

Category/Name of Related Party	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Substantial related party	<u>\$ 23</u>	<u>\$ 104</u>	<u>\$ 64</u>	<u>\$ 167</u>

(3) Purchases

Category / Name of Related Party	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Substantial related party				
TIEN PENG FOOD CORP.	\$ 12,309	\$ 11,512	\$ 25,510	\$ 23,823
Share Food Co., Ltd.	<u>1,863</u>	<u>1,938</u>	<u>3,369</u>	<u>3,499</u>
	<u>\$ 14,172</u>	<u>\$ 13,450</u>	<u>\$ 28,879</u>	<u>\$ 27,322</u>

The purchase prices for transactions between the Group and related parties are determined based on contractual agreements, as there are no comparable arm's length transactions available. The payment terms are similar to those with unrelated parties.

(4) Processing Fees

Account title	Category of Related Party	Three months ended June 30		Six months ended June 30	
		2025	2024	2025	2024
Operating costs	Substantial related party	<u>\$ 2,690</u>	<u>\$ 2,654</u>	<u>\$ 5,248</u>	<u>\$ 5,371</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

Account title	Category of Related Party	Three months ended June 30		Six months ended June 30	
		2025	2024	2025	2024
Selling expenses	Substantial related party	<u>\$ -</u>	<u>\$ 127</u>	<u>\$ -</u>	<u>\$ 500</u>
Administrative expenses	Substantial related party	<u>\$ 210</u>	<u>\$ 211</u>	<u>\$ 420</u>	<u>\$ 428</u>
Research and development expenses	Substantial related party	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 3</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

Account title	Category of Related Party	June 30, 2025	December 31, 2024	June 30, 2024
Accounts receivable - related parties	Substantial related party	\$ -	\$ 42	\$ 64
Other receivables - related parties	Substantial related party	\$ 2	\$ 35	\$ 71

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

Account title	Category of Related Party	June 30, 2025	December 31, 2024	June 30, 2024
Accounts payable - related parties	Substantial related party	\$ 4,560	\$ 5,732	\$ 9,361
Other Payables - related parties	Substantial related party	\$ 1,007	\$ 1,076	\$ 1,081

(8) Other Transactions with Related Parties

Account title	Category of Related Party	Three months ended June 30		Six months ended June 30	
		2025	2024	2025	2024
Rental income	Substantial related party	\$ -	\$ 74	\$ 33	\$ 157

(9) Compensation of Key Management Personnel

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Short-term employee benefits	\$ 2,868	\$ 2,835	\$ 6,027	\$ 5,452

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

30. Assets Pledged as Collateral

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

	June 30, 2025	December 31, 2024	June 30, 2024
Land	\$ 206,912	\$ 206,912	\$ 206,912
Buildings	60,982	62,951	64,017
Time deposits pledged (classified as non-current)	748	748	-

financial assets measured
at amortized cost)

\$ 268,642 \$ 270,611 \$ 270,929

31. Significant

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.

32. 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. Purchase or sale of goods with related parties amounting to NT\$100 million or 20% of paid-in capital or more: None

E. Receivables from related parties amounting to NT\$100 million or 20% of paid-in capital or more: None

F. Others: Business relationships and significant intercompany transactions between the parent company and its subsidiaries, as well as among subsidiaries. (Schedule 4)

(2) Information on Investments in Subsidiaries and Affiliates. (Schedule 5)

(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

33. Segment Information

The information provided to the chief operating decision maker (CODM) for the purpose of resource allocation and performance assessment focuses on each operating segment. The Group's operating segments are the food and beverage segment and others.

However, the information provided to the CODM for resource allocation and performance assessment is also based on the nature of the products or services delivered or rendered. As 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 preparation of the financial statements. Accordingly, the segment revenue and operating results for the three-month and six-month periods ended June 30, 2025 and 2024 are presented in the consolidated statements of comprehensive income for the respective periods. The segment assets as of June 30, 2025, December 31, 2024, and June 30, 2024 are presented in the consolidated balance sheets.

Tofu Restaurant Co., Ltd. and Subsidiaries
Loans to Other Parties
Six months ended June 30, 2025

Schedule 1

Unit: NTD thousand

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 Counterpart	Total Loan Ceiling	Remarks
												Name	Value			
0	The Company	Safe Foods Co., Ltd.	Other receivables – related parties	\$ 10,000	\$ 10,000	\$ 10,000	At market rates	Necessary for short-term liquidity	\$ -	Operating funding	\$ -	None	\$ -	\$ 116,785	\$ 467,141	(Note)

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
Six months ended June 30, 2025

Schedule 2

Unit: NTD thousand

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	\$ 350,356	\$ 40,800	\$ -	\$ -	\$ -	-	\$ 583,926	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
June 30, 2025

Schedule 3

Unit: NT\$ thousands, unless otherwise specified

Holding Entity	Type and Name of Security	Relationship with Issuer	Account Title	End of the period				Remarks
				Number of Shares	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	\$ 34,254	-	\$ 34,254	
	<u>Limited partnerships</u> Pu Shi Jin Hua Limited partnerships	—	Financial assets at fair value through profit or loss – non-current	-	41,645	3% (Note 1)	41,645	
	Andra Global Technology Growth Fund LP	—	Financial assets at fair value through profit or loss – non-current	-	47,523	1% (Note 1)	47,523	
TSA	<u>Stocks</u> TCI CO., LTD.	Investee company	Financial assets at fair value through profit or loss – current	22,000	2,684	-	2,684	
	RFD Micro Electricity Co. Ltd.	Investee company	Financial assets at fair value through other comprehensive income – non-current	57,238	3,274	-	3,274	

Note 1: The shareholding percentage is calculated based on the capital contribution as of June 30, 2025.

Note 2: The amount is measured at fair value as of June 30, 2025.

Note 3: The securities listed in this table are disclosed by the Company based on the principle of materiality.

Note 4: For information regarding investments in subsidiaries, please refer to Schedule 5.

Tofu Restaurant Co., Ltd. and Subsidiaries
Business Relationships and Significant Transactions Between Parent and Subsidiaries
Six months ended June 30, 2025

Schedule 4

Unit: NTD thousand

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	The Company	Safe Foods Co., Ltd.	1	Other receivables – related parties	\$ 10,000	—	-
				Accounts payable – related parties	5,231	—	-
		TAROKO FOOD TAIWAN CO., LTD.	1	Purchases	30,674	—	2%
				Accounts receivable – related parties	7,453	—	-

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

Note 2: Except for loans of funds, other transactions between the Company and related parties are conducted in accordance with general commercial terms.

Note 3: The disclosure of significant intercompany transactions in this table is determined by the Company based on the principle of materiality.

Tofu Restaurant Co., Ltd. and Subsidiaries
Information, Location... and Other Related Information of Subsidiaries
Six months ended June 30, 2025

Schedule 5

Unit: NT\$ thousands

Investor	Name of Investee	Region	Principal Business Activities	Original Investment Amount		Balance at end of period			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	Shares	Percentage	Book Value			
The Company	VNT International Co., Ltd.	Samoa	Investment holding	\$ 2,369	\$ 2,369	76,500	51%	\$ 1,645	(\$ 64)	(\$ 33)	—
	TSA	Taiwan	Investment holding	29,000	29,000	2,900,000	100%	36,255	944	944	—
	TAROKO FOOD TAIWAN CO., LTD.	Taiwan	Food and beverage sales and services	186,073	186,073	261,040	100%	192,207	6,558	6,558	—
VNT International Co., Ltd.	VT1 International Co., Ltd.	Vietnam	Investment holding	3,092	3,092	100,000	100%	2,397	(24)	(24)	—
TSA	Safe Foods Co., Ltd.	Taiwan	Food manufacturing and related businesses	12,750	12,750	1,275,000	51%	16,168	2,414	1,231	—
	Duofu	Taiwan	Trading	1,000	1,000	100,000	100%	1,319	39	39	—