

Kingza International Co., Ltd. and  
subsidiaries

Consolidated Financial Statements  
and Independent Auditors' Report  
Q1 2026 and 2025

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For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

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## Independent Auditors' Report

For the reference of Kingza International Co., Ltd.:

### Preface

The consolidated balance sheets of Kingza International Co., Ltd. and its subsidiaries as of March 31, 2026 and 2025, and the consolidated statements of comprehensive income, consolidated statements of changes in equity, and consolidated statements of cash flows for the years ended March 31, 2026 and 2025, as well as the notes to the consolidated financial statements (including the summary of significant accounting policies) have been audited by us. 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 IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC are the responsibility of management. Our responsibility is to express a conclusion on the consolidated financial statements based on our review.

### Scope

We conducted our review in accordance with Statement of Auditing Standards No. 2410, "Review of Financial Statements." The procedures performed in a review of consolidated financial statements include making inquiries, primarily of persons responsible for financial and accounting matters, applying analytical procedures, and performing other review procedures. The scope of a review is substantially less than the scope of an audit. Accordingly, we may not become aware of all significant matters that might be identified in an audit. Therefore, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements are not prepared, in all material respects, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC, and therefore do not present fairly the consolidated financial position of Kingza International Co., Ltd. and its subsidiaries as of March 31, 2026 and 2025, and their consolidated financial performance and consolidated cash flows for the three months ended March 31, 2026 and 2025.

Deloitte Taiwan  
CPA Liu Yi-Ching

CPA Cheng-Hsiu Chang

Document approval number of the Financial  
Supervisory Commission

Jin-Guan-Zheng-Shen-Zi No. 1100356048

Document approval number of the Financial  
Supervisory Commission

Jin-Guan-Zheng-Shen-Zi No. 1120349008

May 7, 2026

Kingza International Co., Ltd. and subsidiaries  
Consolidated balance sheet  
March 31, 2026, December 31, 2025, and March 31, 2025

Unit: NT\$ thousand

Code	Asset	March 31, 2026		December 31, 2025		March 31, 2025	
		Amount	%	Amount	%	Amount	%
<b>Current asset</b>							
1100	Cash and cash equivalents (Note 6)	\$ 259,904	22	\$ 258,291	21	\$ 363,695	42
1136	Financial assets measured at amortized cost - current (Notes 7 and 30)	37	-	37	-	-	-
1150	Notes receivable	-	-	987	-	-	-
1170	Trade receivables (Notes 8 and 29)	118,497	10	127,074	10	95,358	11
1200	Other receivables	190	-	302	-	88	-
1220	Current tax assets (Note 4)	235	-	233	-	207	-
130X	Inventories (Note 9)	46,569	4	47,725	4	37,986	4
1470	Other current assets (Note 15)	17,908	1	18,554	1	15,515	2
11XX	Total current assets	<u>443,340</u>	<u>37</u>	<u>453,203</u>	<u>36</u>	<u>512,849</u>	<u>59</u>
<b>Non-current assets</b>							
1600	Property, plant and equipment (Note 11)	203,233	17	217,822	17	105,794	12
1755	Right-of-use assets (Note 12)	404,378	33	421,896	34	192,812	23
1805	Goodwill (Note 13)	43,971	4	43,971	4	-	-
1821	Intangible assets (Notes 14 and 31)	80,464	7	82,156	7	26,991	3
1840	Deferred tax assets (Note 4)	1,468	-	2,471	-	945	-
1990	Other non-current assets (Note 15)	31,077	2	29,394	2	22,667	3
15XX	Total non-current assets	<u>764,591</u>	<u>63</u>	<u>797,710</u>	<u>64</u>	<u>349,209</u>	<u>41</u>
1XXX	Total assets	<u>\$ 1,207,931</u>	<u>100</u>	<u>\$ 1,250,913</u>	<u>100</u>	<u>\$ 862,058</u>	<u>100</u>
<b>Liabilities and equity</b>							
<b>Current liabilities</b>							
2130	Contract liabilities - current (Note 21)	\$ 16,740	1	\$ 21,085	2	\$ 13,383	2
2150	Notes payable	9	-	10	-	-	-
2170	Accounts payable (Note 29)	83,762	7	86,508	7	71,534	8
2200	Other payables (Notes 17 and 29)	176,867	15	161,151	13	172,551	20
2230	Current tax liabilities (Note 4)	14,210	1	9,126	1	-	-
2250	Provisions for liabilities - current (Note 18)	10,800	1	11,000	1	9,500	1
2280	Lease liabilities - current (Notes 12 and 29)	96,863	8	103,154	8	81,657	10
2320	Long-term loans due within one year (Note 16)	3,645	-	7,603	-	-	-
2399	Other current liabilities	5,072	1	6,294	-	2,628	-
21XX	Total current liabilities	<u>407,968</u>	<u>34</u>	<u>405,931</u>	<u>32</u>	<u>351,253</u>	<u>41</u>
<b>Non-current liabilities</b>							
2540	Long-term borrowings (Note 16)	1,190	-	11,798	1	-	-
2550	Reserve for liabilities - non-current (Note 18)	10,630	1	10,130	1	8,350	1
2570	Deferred tax liabilities (Note 4)	160	-	160	-	34	-
2580	Lease liabilities - non-current (Notes 12 and 29)	315,059	26	324,990	26	115,953	13
25XX	Total non-current liabilities	<u>327,039</u>	<u>27</u>	<u>347,078</u>	<u>28</u>	<u>124,337</u>	<u>14</u>
2XXX	Total liabilities	<u>735,007</u>	<u>61</u>	<u>753,009</u>	<u>60</u>	<u>475,590</u>	<u>55</u>
<b>Equity attributable to owners of the Company (Note 20)</b>							
3100	Ordinary share	197,650	16	197,600	16	196,000	23
3200	Capital reserve	164,375	14	163,890	13	160,679	19
<b>Retained earnings</b>							
3310	Legal reserve	10,870	1	10,870	1	2,765	-
3320	Special surplus reserve	2	-	2	-	642	-
3350	Undistributed earnings	32,541	2	61,905	5	26,337	3
3300	Total retained earnings	<u>43,413</u>	<u>3</u>	<u>72,777</u>	<u>6</u>	<u>29,744</u>	<u>3</u>
3410	Foreign exchange differences from translation of the financial statements of foreign operations	( 54 )	-	( 104 )	-	45	-
31XX	Total owners' equity of the Company	<u>405,384</u>	<u>33</u>	<u>434,163</u>	<u>35</u>	<u>386,468</u>	<u>45</u>
36XX	Non-controlling interest (Note 10)	67,540	6	63,741	5	-	-
3XXX	Total equity	<u>472,924</u>	<u>39</u>	<u>497,904</u>	<u>40</u>	<u>386,468</u>	<u>45</u>
Total liabilities and equity		<u>\$ 1,207,931</u>	<u>100</u>	<u>\$ 1,250,913</u>	<u>100</u>	<u>\$ 862,058</u>	<u>100</u>

The attached notes are part of the consolidated financial statements.

Chairman: Wang Yao-Hui

Managerial Officer: Lin Tzu-Heng

Accounting Officer: Shih Huei-Shan

Kingza International Co., Ltd. and subsidiaries  
Consolidated statement of comprehensive income  
From January 1 to March 31, 2026 and 2025

Unit: NT\$ thousand, except for earnings per share (NT\$)

Code		January 1 to March 31, 2026		January 1 to March 31, 2025	
		Amount	%	Amount	%
4000	Operating revenue (Notes 21 and 29)	\$ 505,269	100	\$ 364,096	100
5000	Operating costs (Notes 9, 22 and 29)	<u>252,360</u>	<u>50</u>	<u>188,168</u>	<u>52</u>
5900	Operating margin	<u>252,909</u>	<u>50</u>	<u>175,928</u>	<u>48</u>
	Operating expenses (Note 22)				
6100	Selling expenses	195,310	39	139,828	38
6200	Administrative expenses	25,926	5	18,948	5
6300	R&D expenses	<u>260</u>	<u>-</u>	<u>260</u>	<u>-</u>
6000	Total operating expense	<u>221,496</u>	<u>44</u>	<u>159,036</u>	<u>43</u>
6500	Other net income and expenses (Note 22)	( <u>50</u> )	<u>-</u>	<u>300</u>	<u>-</u>
6900	Operating income	<u>31,363</u>	<u>6</u>	<u>17,192</u>	<u>5</u>
	Non-operating income and expenses (Notes 22 and 29)				
7020	Other gains and losses	1,004	-	844	-
7100	Interest revenue	67	-	403	-
7510	Interest expense	( <u>2,512</u> )	<u>-</u>	( <u>1,025</u> )	<u>-</u>
7000	Total non-operating income and expenses	( <u>1,441</u> )	<u>-</u>	<u>222</u>	<u>-</u>
7900	Profit before tax	29,922	6	17,414	5
7950	Income tax expenses (Notes 4 and 23)	<u>6,087</u>	<u>1</u>	<u>-</u>	<u>-</u>
8200	Net profit for the period	23,835	5	17,414	5

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Code		January 1 to March 31, 2026		January 1 to March 31, 2025	
		Amount	%	Amount	%
	Other comprehensive income				
8360	Item that may be subsequently reclassified to profit or loss				
8361	Foreign exchange differences from translation of the financial statements of foreign operations	\$ 50	-	\$ 47	-
8500	Total comprehensive income for the current period	<u>\$ 23,885</u>	<u>5</u>	<u>\$ 17,461</u>	<u>5</u>
	Net profit attributable to:				
8610	Owners of the Company	\$ 20,036	4	\$ 17,414	5
8620	Non-controlling interest	<u>3,799</u>	<u>1</u>	<u>-</u>	<u>-</u>
8600		<u>\$ 23,835</u>	<u>5</u>	<u>\$ 17,414</u>	<u>5</u>
	Total comprehensive income attributable to:				
8710	Owners of the Company	\$ 20,086	4	\$ 17,461	5
8720	Non-controlling interest	<u>3,799</u>	<u>1</u>	<u>-</u>	<u>-</u>
8700		<u>\$ 23,885</u>	<u>5</u>	<u>\$ 17,461</u>	<u>5</u>
	Earnings per share (Note 24)				
9750	Basic	<u>\$ 1.01</u>		<u>\$ 0.89</u>	
9850	Dilution	<u>\$ 1.00</u>		<u>\$ 0.87</u>	

The attached notes are part of the consolidated financial statements.

Chairman:  
Wang Yao-Hui

Managerial Officer:  
Lin Tzu-Heng

Accounting Officer:  
Shih Huei-Shan

Kingza International Co., Ltd. and subsidiaries  
Consolidated statement of changes in equity  
From January 1 to March 31, 2026 and 2025

Unit: NT\$ thousand

		Equity attributable to owners of the Company									
Code		Ordinary share		Retained earnings			Foreign exchange differences from translation of the financial statements of foreign operations	Total	Non-controlling interest	Total equity	
		Number of shares (in thousands)	Amount	Capital reserve	Legal reserve	Special surplus reserve					Undistributed earnings
A1	Balance as of January 1, 2025	19,600	\$ 196,000	\$ 175,034	\$ 2,765	\$ 642	\$ 81,443	(\$ 2)	\$ 455,882	\$ -	\$ 455,882
	Appropriation and distribution of earnings for 2024:										
B5	Cash dividends to the Company's shareholders	-	-	-	-	-	( 72,520 )	-	( 72,520 )	-	( 72,520 )
C15	Cash dividends from capital reserves	-	-	( 15,680 )	-	-	-	-	( 15,680 )	-	( 15,680 )
N1	The Company issued employee share options	-	-	1,325	-	-	-	-	1,325	-	1,325
D1	Net profit from January 1 to March 31, 2025	-	-	-	-	-	17,414	-	17,414	-	17,414
D3	Other comprehensive income from January 1 to March 31, 2025	-	-	-	-	-	-	47	47	-	47
D5	Total comprehensive income from January 1 to March 31, 2025	-	-	-	-	-	17,414	47	17,461	-	17,461
Z1	Balance as of March 31, 2025	<u>19,600</u>	<u>\$ 196,000</u>	<u>\$ 160,679</u>	<u>\$ 2,765</u>	<u>\$ 642</u>	<u>\$ 26,337</u>	<u>\$ 45</u>	<u>\$ 386,468</u>	<u>\$ -</u>	<u>\$ 386,468</u>
A1	Balance as of January 1, 2026	19,760	\$ 197,600	\$ 163,890	\$ 10,870	\$ 2	\$ 61,905	(\$ 104)	\$ 434,163	\$ 63,741	\$ 497,904
	Appropriation and distribution of earnings for 2025										
B5	Cash dividends to the Company's shareholders	-	-	-	-	-	( 49,400 )	-	( 49,400 )	-	( 49,400 )
N1	The Company issued employee share options	-	-	469	-	-	-	-	469	-	469
D1	Net profit from January 1 to March 31, 2026	-	-	-	-	-	20,036	-	20,036	3,799	23,835
D3	Other comprehensive income from January 1 to March 31, 2026	-	-	-	-	-	-	50	50	-	50
D5	Total comprehensive income from January 1 to March 31, 2026	-	-	-	-	-	20,036	50	20,086	3,799	23,885
N1	Share-based payment transaction	<u>5</u>	<u>50</u>	<u>16</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>66</u>	<u>-</u>	<u>66</u>
Z1	Balance as of March 31, 2026	<u>19,765</u>	<u>\$ 197,650</u>	<u>\$ 164,375</u>	<u>\$ 10,870</u>	<u>\$ 2</u>	<u>\$ 32,541</u>	<u>(\$ 54)</u>	<u>\$ 405,384</u>	<u>\$ 67,540</u>	<u>\$ 472,924</u>

The attached notes are part of the consolidated financial statements.

Chairman: Wang Yao-Hui

Managerial Officer: Lin Tzu-Heng

Accounting Officer: Shih Huei-Shan

Kingza International Co., Ltd. and subsidiaries  
Consolidated Statements of Cash Flows  
From January 1 to March 31, 2026 and 2025

Unit: NT\$ thousand

<u>Code</u>		<u>January 1 to March 31, 2026</u>	<u>January 1 to March 31, 2025</u>
	Cash flows from operating activities		
A10000	Profit before tax for the period	\$ 29,922	\$ 17,414
A20010	Income and expense items		
A20300	Expected credit impairment loss	100	-
A20100	Depreciation expenses	51,822	40,401
A20200	Amortization expenses	1,913	1,713
A29900	Amortization of long-term prepaid expenses	162	162
A20900	Interest expense	2,512	1,025
A21200	Interest revenue	( 67)	( 403)
A21900	Remuneration cost of employee share options	469	1,325
A22500	Net loss on disposal of property, plant and equipment	50	-
A22900	Net profit from the disposal of right-of-use assets	-	( 23)
A23700	Loss (gain on reversal) on inventory write-downs and obsolescence	( 217)	170
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	987	577
A31150	Accounts receivable	8,463	5,237
A31180	Other receivables	112	( 11)
A31200	Inventories	1,373	4,165
A31240	Other current assets	( 253)	( 4,930)
A32130	Notes payable	( 1)	-
A32125	Contract liability	( 4,345)	1,006
A32150	Accounts payable	( 2,746)	( 15,556)
A32180	Other payables	( 25,120)	( 9,958)
A32230	Other current liabilities	( 1,222)	6
A33000	Cash from operations	63,914	42,320
A33100	Interest collected	67	403
A33300	Interest paid	( 2,512)	( 1,025)
A33500	Income tax paid	-	( 37)
AAAA	Net cash inflow from operating activities	<u>61,469</u>	<u>41,661</u>

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Code		January 1 to March 31, 2026	January 1 to March 31, 2025
	Cash flows from investing activities		
B02700	Acquisition of property, plant and equipment	(\$ 14,080)	(\$ 39,404)
B03700	Increase in guarantee deposits paid	-	( 210)
B03800	Decrease in guarantee deposits	737	-
B07100	Increase in prepayments for equipment	( 2,106)	-
B04500	Acquisition of intangible assets	( 221)	( 720)
BBBB	Net cash outflow from investing activities	( 15,670)	( 40,334)
	Cash flows from financing activities		
C01700	Repayment of long-term loans	( 14,566)	-
C04020	Repayment of the principal of lease liabilities	( 29,729)	( 24,387)
C04800	Exercise of employee share options	66	-
CCCC	Net cash outflow from financing activities	( 44,229)	( 24,387)
DDDD	Effect of exchange rate changes on cash and cash equivalents	43	42
EEEE	Net increase (decrease) in cash and cash equivalents	1,613	( 23,018)
E00100	Cash and cash equivalents at the beginning of the period	<u>258,291</u>	<u>386,713</u>
E00200	Cash and cash equivalents at the end of the period	<u>\$ 259,904</u>	<u>\$ 363,695</u>

The attached notes are part of the consolidated financial statements.

Chairman:  
Wang Yao-Hui

Managerial Officer:  
Lin Tzu-Heng

Accounting Officer:  
Shih Huei-Shan

Kingza International Co., Ltd. and subsidiaries  
Notes to Consolidated Financial Statements  
From January 1 to March 31, 2026 and 2025  
(Unless otherwise specified, amounts are stated in NT\$ thousand)

I. Company History

Kingza International Co., Ltd. (hereinafter referred to as the “Company”) was established on December 14, 2015. Its principal business activities are the franchising of chain restaurants and the sale of related products.

The Company’s shares have been listed on the Taipei Exchange since September 10, 2024.

These consolidated financial statements are presented in NT\$, the functional currency of the Company.

II. Date and Procedures for Authorization of Financial Statements

These consolidated financial statements were approved by the Board of Directors on May 7, 2026.

III. Application of Newly Issued and Revised Standards and Interpretations

- (I) Initial Application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations (IFRIC), and Interpretation Bulletins (SIC) (collectively, the “IFRS Accounting Standards”) Recognized and Issued by the Financial Supervisory Commission (hereinafter referred to as the “FSC”)

The application of the IFRS Accounting Standards recognized and issued by the FSC does not result in material changes to the accounting policies of the consolidated company.

- (II) IFRS accounting standards issued by the IASB but not yet recognized and issued as effective by the FSC

<u>Newly Issued / Amended / Revised Standards and Interpretations</u>	<u>Effective Date Announced by the IASB (Note 1)</u>
Amendments to IFRS 10 and IAS 28, “Sale or Contribution of Assets between an Investor and Its Affiliate or Joint Venture”	To be determined
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note 2)
IFRS 19 “Subsidiaries without Public Accountability: Disclosures” (including the 2025 Amendments)	January 1, 2027
Amendments to IAS 21, “Lack of Exchangeability”	January 1, 2027

Note 1: Unless otherwise specified, the aforementioned newly issued / amended / revised standards or interpretations shall become effective for annual reporting periods beginning after the respective effective dates.

Note 2: On September 25, 2025, the FSC announced that enterprises in Taiwan shall apply IFRS 18 beginning January 1, 2028, and may also elect early adoption after IFRS 18 is recognized by the FSC.

IFRS 18 “Presentation and Disclosure in Financial Statements” and related consequential amendments

IFRS 18 will replace IAS 1 “Presentation of Financial Statements.” The major amendments under the standard include:

- The consolidated company shall assess whether it has specific main business activities involving investment in certain types of assets and the provision of financing to customers, and accordingly classify income and expense items in the statement of profit or loss into operating, investing, financing, income tax, and discontinued operations categories.
- The statement of profit or loss shall present subtotals and totals for operating profit or loss, profit or loss before financing and income tax, and profit or loss.
- Provide guidance to strengthen aggregation and disaggregation requirements: The consolidated company shall identify assets, liabilities, equity, income, expenses, and cash flows arising from individual transactions or other events and classify and aggregate them based on shared characteristics, so that each line item presented in the primary financial statements possesses at least one similar characteristic. Items with dissimilar characteristics shall be disaggregated in the primary financial statements and notes. The consolidated company shall label such items as “other” only when a more informative description cannot be identified.
- Enhance disclosures of management-defined performance measures: When the consolidated company communicates management’s view of an aspect of the consolidated company’s overall financial performance outside the financial statements and to users of the financial statements, it shall disclose relevant information regarding management-defined performance measures in a single note to the financial statements, including a description of the measure, how it is calculated, reconciliations to subtotals or totals specified by IFRS Accounting

Standards, and the effects of income tax and non-controlling interests related to the reconciliation items.

In addition, the following consequential amendments have been made to IAS 7 “Statement of Cash Flows”:

- When the consolidated company prepares cash flows from operating activities using the indirect method, operating profit or loss shall be used as the starting point for reconciliation.
- Interest and dividends received by the consolidated company shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. If the consolidated company is assessed as having specific main business activities, it shall consider the categories in which dividend income, interest income, and interest expenses are presented in the statement of profit or loss in determining the classification of dividends received, interest received, and interest paid in the statement of cash flows. However, each of the aforementioned cash flows may only be classified into a single category of activities in the statement of cash flows.

As of the date these consolidated financial statements were authorized for issuance, the consolidated company is still assessing the impact of the amendments to the various standards and interpretations on its financial position and financial performance. The related impacts will be disclosed upon completion of the assessment.

#### IV. Summary and Description of Significant Accounting Policies

##### (I) Compliance Statement

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC. These consolidated financial statements do not include all of the disclosures required by IFRS Accounting Standards for a complete set of annual financial statements.

##### (II) Basis of Preparation

These consolidated financial statements have been prepared on a historical cost basis.

##### (III) Basis of Consolidation

These consolidated financial statements comprise the financial statements of the Company and entities controlled by the Company (subsidiaries). The financial

statements of subsidiaries have been adjusted to make their accounting policies consistent with those of the consolidated company. In preparing the consolidated financial statements, all transactions, account balances, income, and expenses between entities have been fully eliminated. The total comprehensive income of subsidiaries is attributed to the owners of the Company and non-controlling interests, even if the non-controlling interests thereby become a deficit balance.

When the consolidated company loses control of a subsidiary, the gain or loss on disposal is calculated as the difference between: (1) the aggregate of the fair value of the consideration received and the fair value of any retained investment in the former subsidiary at the date control is lost; and (2) the aggregate of the carrying amounts of the assets (including goodwill), liabilities, and non-controlling interests of the former subsidiary at the date control is lost. The accounting treatment for all amounts previously recognized in other comprehensive income in relation to that subsidiary shall be the same as the basis that would be required if the consolidated company had directly disposed of the related assets or liabilities.

For details of subsidiaries, shareholding percentages, and business activities, please refer to Note 10 and Table 3.

(IV) Other Significant Accounting Policies

Except as described below, please refer to the summary of significant accounting policies in the 2025 consolidated financial statements.

Income tax expenses

Income tax expense represents the sum of current income tax and deferred income tax. Income tax for interim periods is assessed on an annual basis and is calculated by applying the tax rate expected to be applicable to the estimated annual total profit to the interim profit before tax.

V. Major Sources of Uncertainty in Significant Accounting Judgments, Estimates, and Assumptions

Please refer to the description of significant accounting judgments and the key sources of estimation and assumption uncertainty in the 2025 consolidated financial statements.

VI. Cash and cash equivalents

	March 31, 2026	December 31, 2025	March 31, 2025
Cash on hand and petty cash	\$ 2,641	\$ 2,697	\$ 1,966
Bank checks and demand deposits	257,263	255,594	245,126
Cash equivalents			
Bank time deposits	-	-	116,603
	<u>\$ 259,904</u>	<u>\$ 258,291</u>	<u>\$ 363,695</u>

The interest rate range of bank deposits at the balance sheet date is as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Bank deposits	0.10%-1.10%	0.03%-0.73%	0.64%-4.10%

VII. Financial assets measured at amortized cost - current

	March 31, 2026	December 31, 2025	March 31, 2025
Restricted bank deposits	<u>\$ 37</u>	<u>\$ 37</u>	<u>\$ -</u>

As of March 31, 2026 and December 31, 2025, the interest rate on restricted bank deposits were both 0.71%. Information on financial assets measured at amortized cost that have been pledged is disclosed in Note 30.

VIII. Accounts receivable

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Accounts receivable</u>			
Measured at amortized cost			
Total carrying amount - non-related parties	\$ 118,458	\$ 126,941	\$ 95,261
Total carrying amount - related parties	39	133	97
	<u>\$ 118,497</u>	<u>\$ 127,074</u>	<u>\$ 95,358</u>

The consolidated company's average credit period for sales of goods is 30-45 days. In addition, for retail store customers, the consolidated company primarily adopts cash transactions (or credit card payments). Except for certain outlets located in shopping malls or department stores, where accounts receivable are based on credit terms negotiated between both parties, the average credit period is 15-30 days. Accounts receivable are non-interest bearing due to the short credit period. To mitigate credit risk, the consolidated company's management assigns a dedicated team to determine credit limits and implement other monitoring procedures to ensure that appropriate actions are taken for the recovery of overdue receivables. In addition, at each balance sheet date, the consolidated company individually reviews the recoverable amounts of receivables to ensure that appropriate impairment losses have been recognized for uncollectible

receivables. Accordingly, management of the consolidated company considers that the consolidated company's credit risk has been significantly reduced.

The consolidated company recognizes allowance for impairment losses on accounts receivable based on lifetime expected credit losses. Lifetime expected credit losses are calculated using a provision matrix, which takes into consideration customers' historical default records, current financial condition, economic conditions of the industry, and industry outlook. As the consolidated company's historical credit loss experience indicates that there are no significant differences in the loss patterns among different customer groups, the expected credit loss rates are determined solely based on the number of days past due for accounts receivable.

The consolidated company measured accounts receivable using a provision matrix and determined that there were no material loss allowances as of March 31, 2026, December 31, 2025, and March 31, 2025. Details are as follows:

March 31, 2026

	Not past due	Past due 1 to 90 days	Past due 91 to 180 days	Past due 181 to 270 days	Past due 271 to 360 days	Past due for more than 360 days	Total
Total carrying amount	\$114,508	\$ 3,544	\$ 150	\$ 295	\$ -	\$ -	\$118,497
Allowance for losses (lifetime expected credit losses)	-	-	-	-	-	-	-
Amortized cost	<u>\$114,508</u>	<u>\$ 3,544</u>	<u>\$ 150</u>	<u>\$ 295</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$118,497</u>

December 31, 2025

	Not past due	Past due 1 to 90 days	Past due 91 to 180 days	Past due 181 to 270 days	Past due 271 to 360 days	Past due for more than 360 days	Total
Total carrying amount	\$126,197	\$ 482	\$ 295	\$ -	\$ -	\$ 100	\$127,074
Allowance for losses (lifetime expected credit losses)	-	-	-	-	-	-	-
Amortized cost	<u>\$126,197</u>	<u>\$ 482</u>	<u>\$ 295</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$127,074</u>

March 31, 2025

	Not past due	Past due 1 to 90 days	Past due 91 to 180 days	Past due 181 to 270 days	Past due 271 to 360 days	Past due for more than 360 days	Total
Total carrying amount	\$93,096	\$ 1,566	\$ 536	\$ 160	\$ -	\$ -	\$95,358
Allowance for losses (lifetime expected credit losses)	-	-	-	-	-	-	-
Amortized cost	<u>\$93,096</u>	<u>\$ 1,566</u>	<u>\$ 536</u>	<u>\$ 160</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$95,358</u>

Information on changes in the loss allowance for accounts receivable is as follows:

	January 1 to March 31, 2026	January 1 to March 31, 2025
Opening balance	\$ -	\$ -
Add: Impairment loss recognized for the period	100	-
Less: Actual write-offs during the period	( 100)	-
Ending balance	<u>\$ -</u>	<u>\$ -</u>

IX. Inventories

	March 31, 2026	December 31, 2025	March 31, 2025
Raw materials	\$ 39,449	\$ 40,214	\$ 33,165
Merchandises	7,120	7,511	4,821
	<u>\$ 46,569</u>	<u>\$ 47,725</u>	<u>\$ 37,986</u>

For the periods from January 1 to March 31, 2026 and 2025, operating costs related to inventories amounted to NT\$251,690 thousand and NT\$187,348 thousand, respectively.

For the periods from January 1 to March 31, 2026 and 2025, cost of sales included inventory write-down and obsolescence (reversal gain) losses of NT\$(217) thousand and NT\$170 thousand, respectively. The reversal of inventory write-down and obsolescence losses resulted from the disposal of inventories.

X. Subsidiary

(I) Subsidiaries included in the consolidated financial statements

The entities included in the preparation of these consolidated financial statements are as follows:

Name of investing company	Name of subsidiary	Nature of business	Percentage of ownership interest held			Description
			March 31, 2026	December 31, 2025	March 31, 2025	
The Company	Kingza HK Limited (hereinafter referred to as "Kingza HK")	Reinvestment holding company	-	-	100%	1
	Kingza USA, LLC (hereinafter referred to as "Kingza USA")	Franchising of chain restaurants and sales of related products	100%	100%	100%	-
	Yang Shin Food & Beverage, Inc. (hereinafter referred to as "Yang Shin")	Franchising of chain restaurants and sales of related products	51%	51%	-	2、3

Remarks:

- Kingza HK was established in January 2017, and its principal business is reinvestment in Kingza Shanghai in China. In May 2023, the Company's Board

of Directors resolved to liquidate Kingza HK. Kingza HK completed liquidation and deregistration in May 2025.

2. On April 22, 2025, the Company’s Board of Directors approved the acquisition of 51% equity interests in Yang Shin and Yang Ho Food Co., Ltd. (hereinafter referred to as “Yang Ho”) for NT\$102,400 thousand and NT\$4,700 thousand, respectively, in order to integrate internal group resources, enhance operational synergies, enrich the brand portfolio, and further expand into diversified dining formats and consumer segments. The equity purchase agreements were signed on April 23, 2025, with June 1, 2025 designated as the acquisition date.
3. At the extraordinary shareholders’ meeting held on December 1, 2025, Yang Shin approved the merger with Yang Ho in order to enhance operational efficiency, promote sound management, integrate overall resources, and reduce operating costs. The merger was carried out through the issuance of 2,013,900 no-par-value shares to the shareholders of Yang Ho. Yang Shin was the surviving company, and Yang Ho was the dissolved company. Both the merger date and the capital increase record date were December 31, 2025.

(II) Information on subsidiaries with material non-controlling interests (None as of March 31, 2025)

<u>Name of subsidiary</u>	<u>Percentage of ownership interest and voting rights held by non-controlling interests</u>	
	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Yang Shin	49%	49%

For information on the principal place of business and country of incorporation, please refer to Table 3.

<u>Name of subsidiary</u>	<u>Profit or loss attributable to non-controlling interests</u>	<u>Non-controlling interest</u>	
	<u>January 1 to March 31, 2026</u>	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Yang Shin	<u>\$ 3,799</u>	<u>\$ 67,540</u>	<u>\$ 63,741</u>

The following summarized financial information of the subsidiaries is prepared based on the amounts before elimination of intercompany transactions:

Yang Shin

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Current asset	\$ 70,808	\$ 88,603
Non-current assets	441,079	455,698
Current liabilities	( 117,909)	( 139,995)
Non-current liabilities	( <u>212,188</u> )	( <u>230,009</u> )
Equity	<u>\$ 181,790</u>	<u>\$ 174,297</u>
Equity attributable to:		
Owners of the Company	\$ 114,379	\$ 110,437
Non-controlling interest	<u>67,411</u>	<u>63,860</u>
	<u>\$ 181,790</u>	<u>\$ 174,297</u>
		<u>January 1 to</u>
		<u>March 31, 2026</u>
Operating revenue		<u>\$ 115,007</u>
Net profit and total comprehensive income for the current period		<u>\$ 7,490</u>
Net profit and total comprehensive income attributable to:		
Owners of the Company		\$ 3,820
Non-controlling interest		<u>3,670</u>
		<u>\$ 7,490</u>
Cash flows		
Operating activities		\$ 14,322
Investing activities		( 297)
Financing activities		( <u>22,190</u> )
Net cash outflows		<u>(\$ 8,165)</u>

XI. Property, Plant and Equipment

	<u>Lease improvements</u>	<u>Transportation equipment</u>	<u>Miscellaneous equipment</u>	<u>Construction in progress and equipment pending inspection</u>	<u>Total</u>
<u>Costs</u>					
Balance as of January 1, 2026	\$ 437,348	\$ 829	\$ 249,049	\$ 10,324	\$ 697,550
Addition	584	-	4,121	1,553	6,258
Disposal	( 4,251)	-	( 1,160)	-	( 5,411)
Internal transfer	9,879	-	46	( 9,925)	-
Balance as of March 31, 2026	<u>\$ 443,560</u>	<u>\$ 829</u>	<u>\$ 252,056</u>	<u>\$ 1,952</u>	<u>\$ 698,397</u>
<u>Accumulated depreciation and impairment losses</u>					
Balance as of January 1, 2026	\$ 291,759	\$ 725	\$ 187,244	\$ -	\$ 479,728
Depreciation expenses	13,730	35	7,032	-	20,797
Disposal	( 4,251)	-	( 1,110)	-	( 5,361)
Balance as of March 31, 2026	<u>\$ 301,238</u>	<u>\$ 760</u>	<u>\$ 193,166</u>	<u>\$ -</u>	<u>\$ 495,164</u>
Net amount as of March 31, 2026	<u>\$ 142,322</u>	<u>\$ 69</u>	<u>\$ 58,890</u>	<u>\$ 1,952</u>	<u>\$ 203,233</u>
Net amount as of December 31, 2025 and January 1, 2026	<u>\$ 145,589</u>	<u>\$ 104</u>	<u>\$ 61,805</u>	<u>\$ 10,324</u>	<u>\$ 217,822</u>

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Balance as of January 1, 2025	\$ 305,195	\$ -	\$ 180,539	\$ 7,512	\$ 493,246
Addition	2,236	-	3,312	5,049	10,597
Disposal	-	-	( 1,259)	-	( 1,259)
Internal transfer	7,041	-	134	( 7,175)	-
Balance as of March 31, 2025	<u>\$ 314,472</u>	<u>\$ -</u>	<u>\$ 182,726</u>	<u>\$ 5,386</u>	<u>\$ 502,584</u>
<u>Accumulated depreciation</u>					
Balance as of January 1, 2025	\$ 236,538	\$ -	\$ 146,070	\$ -	\$ 382,608
Depreciation expenses	9,877	-	5,564	-	15,441
Disposal	-	-	( 1,259)	-	( 1,259)
Balance as of March 31, 2025	<u>\$ 246,415</u>	<u>\$ -</u>	<u>\$ 150,375</u>	<u>\$ -</u>	<u>\$ 396,790</u>
Net amount as of March 31, 2025	<u>\$ 68,057</u>	<u>\$ -</u>	<u>\$ 32,351</u>	<u>\$ 5,386</u>	<u>\$ 105,794</u>

Depreciation expenses are recognized using the straight-line method over the following estimated useful lives:

Lease improvements	1 to 10 years
Transportation equipment	5 years
Miscellaneous equipment	1 to 10 years

Disposals of property, plant and equipment primarily arose from the closure of directly operated stores or the disposal of related assets.

The consolidated company did not recognize or reverse any impairment losses during the periods from January 1 to March 31, 2026 and 2025. The consolidated company assessed its property, plant and equipment as of March 31, 2026 and March 31, 2025 and determined that there were no indications of impairment.

## XII. Lease agreement

### (I) Right-of-use assets

	March 31, 2026	December 31, 2025	March 31, 2025
Carrying amount of right-of-use assets			
Buildings	\$ 403,456	\$ 421,345	\$ 191,305
Transportation equipment	535	136	517
Wealth-generating tools	387	415	990
	<u>\$ 404,378</u>	<u>\$ 421,896</u>	<u>\$ 192,812</u>
		January 1 to March 31, 2026	January 1 to March 31, 2025
Addition of right-of-use assets		<u>\$ 13,507</u>	<u>\$ 10,423</u>
Depreciation expenses of right-of-use assets			
Buildings		\$ 30,810	\$ 24,731
Transportation equipment		187	172
Wealth-generating tools		28	57
		<u>\$ 31,025</u>	<u>\$ 24,960</u>

Except for additions, recognition of depreciation expense, remeasurement of lease liabilities due to lease modifications with corresponding adjustments to right-of-use assets, and disposals resulting from the closure of directly operated stores, the consolidated company's right-of-use assets did not experience any significant subleases or impairment during the periods from January 1 to March 31, 2026 and 2025.

(II) Lease liabilities

	March 31, 2026	December 31, 2025	March 31, 2025
Carrying amount of lease liabilities			
Current	<u>\$ 96,863</u>	<u>\$ 103,154</u>	<u>\$ 81,657</u>
Non-current	<u>\$ 315,059</u>	<u>\$ 324,990</u>	<u>\$ 115,953</u>

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

	March 31, 2026	December 31, 2025	March 31, 2025
Buildings	1.45%-2.60%	1.45%-2.60%	1.45%-2.00%
Transportation equipment	1.45%-2.60%	1.45%-2.60%	1.45%
Wealth-generating tools	2.00%	2.00%	2.00%

(III) Significant leasing activities and terms

The consolidated company leases certain properties for use as stores and central kitchens. Certain store lease agreements stipulate variable lease payments based on a specified percentage of the gross or net sales of the stores. Such variable payment terms are primarily applied to stores located in department stores. The variable lease payment terms within the consolidated company vary significantly:

1. Most variable payments are calculated based on a specified percentage of the gross sales of the stores;
2. Certain variable payment terms include minimum payment clauses.

(IV) Other leases information

	January 1 to March 31, 2026	January 1 to March 31, 2025
Short-term lease overheads	<u>\$ 508</u>	<u>\$ 1,054</u>
Expenses relating to leases of low-value assets	<u>\$ 2,605</u>	<u>\$ 969</u>
Variable lease payment expenses not included in the measurement of lease liabilities	<u>\$ 30,978</u>	<u>\$ 23,385</u>
Total cash outflow for leases	<u>(\$ 66,256)</u>	<u>(\$ 50,767)</u>

The consolidated company elected to apply the recognition exemptions to leases qualifying as short-term leases or leases of low-value assets and, accordingly, did not recognize the related right-of-use assets and lease liabilities for such leases.

XIII. Goodwill (None from January 1 to March 31, 2025)

January 1 to  
March 31, 2026

Costs

Beginning and ending balance

\$ 43,971

The consolidated company conducted an impairment assessment of goodwill at the end of the annual financial reporting period and used value in use as the basis for determining the recoverable amount. The calculation of value in use is based on the estimated cash flows from the financial forecasts of each cash-generating unit for the next five years and was calculated using a discount rate of 8.04% in 2025 to reflect the specific risks associated with the relevant cash-generating units.

In March 2026, the consolidated company obtained a valuation report. According to the report, the fair value of the trademark rights of subsidiary Yang Shin (including Yang Ho) on the acquisition date was NT\$56,328 thousand, and the calculated goodwill amounted to NT\$43,971 thousand. The consolidated company has adjusted the provisional amounts and the initial accounting treatment retrospectively from the acquisition date. As of March 31, 2026, there had been no significant changes indicating any impairment of goodwill.

XIV. Intangible Assets

	Computer software	Franchise rights	Trademark rights	Total
<u>Costs</u>				
Balance as of January 1, 2026	\$ 7,474	\$ 65,649	\$ 56,328	\$ 129,451
Acquired separately	221	-	-	221
Disposal	-	( 96 )	-	( 96 )
Balance as of March 31, 2026	<u>\$ 7,695</u>	<u>\$ 65,553</u>	<u>\$ 56,328</u>	<u>\$ 129,576</u>
<u>Accumulated amortization and impairment losses</u>				
Balance as of January 1, 2026	\$ 4,154	\$ 43,141	\$ -	\$ 47,295
Amortization expenses	619	1,294	-	1,913
Disposal	-	( 96 )	-	( 96 )
Balance as of March 31, 2026	<u>\$ 4,773</u>	<u>\$ 44,339</u>	<u>\$ -</u>	<u>\$ 49,112</u>
Net amount as of March 31, 2026	<u>\$ 2,922</u>	<u>\$ 21,214</u>	<u>\$ 56,328</u>	<u>\$ 80,464</u>
Net amount as of December 31, 2025 and January 1, 2026	<u>\$ 3,320</u>	<u>\$ 22,508</u>	<u>\$ 56,328</u>	<u>\$ 82,156</u>

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<u>Costs</u>				
Balance as of January 1, 2025	\$ 5,474	\$ 61,942	\$ -	\$ 67,416
Acquired separately	<u>720</u>	<u>-</u>	<u>-</u>	<u>720</u>
Balance as of March 31, 2025	<u>\$ 6,194</u>	<u>\$ 61,942</u>	<u>\$ -</u>	<u>\$ 68,136</u>
<u>Accumulated amortization and impairment losses</u>				
Balance as of January 1, 2025	\$ 1,897	\$ 37,535	\$ -	\$ 39,432
Amortization expenses	<u>476</u>	<u>1,237</u>	<u>-</u>	<u>1,713</u>
Balance as of March 31, 2025	<u>\$ 2,373</u>	<u>\$ 38,772</u>	<u>\$ -</u>	<u>\$ 41,145</u>
Net amount as of March 31, 2025	<u>\$ 3,821</u>	<u>\$ 23,170</u>	<u>\$ -</u>	<u>\$ 26,991</u>

The legal term of trademarks is 10 years; however, the legal term may be renewed every 10 years at minimal cost. The management of the consolidated company believes that the consolidated company has the intention and ability to continually renew the useful lives. The trademark will not be amortized until its useful life is determined to be finite; however, impairment testing is conducted annually regardless of whether there is any indication of impairment.

The consolidated company did not recognize or reverse any impairment losses during the periods from January 1 to March 31, 2026 and 2025. The consolidated company assessed its intangible assets as of March 31, 2026 and March 31, 2025 and determined that there were no indications of impairment.

Amortization expenses are recognized using the straight-line method over the following estimated useful lives:

Computer software	2 to 5 years
Franchise rights	2 to 20 years

For the brand franchise agreements entered into by the consolidated company, please refer to Note 31.

XV. Other assets

	March 31, 2026	December 31, 2025	March 31, 2025
Guarantee deposits	\$ 16,867	\$ 16,867	\$ 10,155
Long-term prepaid expenses	10,200	10,200	10,880
Prepayments for equipment	<u>4,010</u>	<u>2,327</u>	<u>1,632</u>
	<u>\$ 31,077</u>	<u>\$ 29,394</u>	<u>\$ 22,667</u>
Guarantee deposits			
- Current (recognized in other current assets)	<u>\$ 5,213</u>	<u>\$ 5,950</u>	<u>\$ 4,478</u>
- Non-current	<u>\$ 16,867</u>	<u>\$ 16,867</u>	<u>\$ 10,155</u>

XVI. Long-term borrowings (None as of March 31, 2025)

	March 31, 2026	December 31, 2025
<u>Bank borrowings</u>		
Taiwan Cooperative Bank	\$ 788	\$ 14,639
Mega International Commercial Bank	<u>4,047</u>	<u>4,762</u>
	4,835	19,401
Less: Portion due within one year	( <u>3,645</u> )	( <u>7,603</u> )
	<u>\$ 1,190</u>	<u>\$ 11,798</u>

The consolidated company's borrowings are guaranteed by the Small & Medium Enterprise Credit Guarantee Fund, and the principal management of the consolidated company serves as joint guarantors within the approved credit limits. The final maturity date of the borrowings from Taiwan Cooperative Bank is May 31, 2026, and the final maturity date of the borrowings from Mega International Commercial Bank is August 31, 2027.

As of March 31, 2026 and December 31, 2025, the effective annual interest rates ranged from 2.220% to 2.723%.

XVII. Other payables

	March 31, 2026	December 31, 2025	March 31, 2025
Salaries and bonuses payable	\$ 64,704	\$ 83,260	\$ 40,158
Dividends payable	49,400	-	88,200
Payables for construction and equipment	14,202	22,747	6,753
Royalties payable	8,305	7,875	8,036
Insurance premiums payable	7,723	9,828	7,053
Others	<u>32,533</u>	<u>37,441</u>	<u>22,351</u>
	<u>\$ 176,867</u>	<u>\$ 161,151</u>	<u>\$ 172,551</u>

XVIII. Provision

	March 31, 2026	December 31, 2025	March 31, 2025
Decommissioning liabilities			
- Current	\$ 10,800	\$ 11,000	\$ 9,500
- Non-current	\$ 10,630	\$ 10,130	\$ 8,350
	January 1 to March 31, 2026	January 1 to March 31, 2025	
Opening balance	\$ 21,130	\$ 17,450	
Additions during the current period	300	400	
Ending balance	\$ 21,430	\$ 17,850	

The provision for restoration liabilities represents the estimated costs related to restoring leased assets to their original condition at the commencement of the lease upon return of the stores to the lessors, as stipulated in the store lease agreements entered into by the consolidated company.

XIX. Post-employment benefit plans

The pension plan adopted by the Company within the consolidated company under the Labor Pension Act is a government-managed defined contribution plan, under which pension contributions are made at 6% of employees' monthly salaries to their individual accounts with the Bureau of Labor Insurance.

XX. Equity

(I) Common stock capital

	March 31, 2026	December 31, 2025	March 31, 2025
Authorized shares (thousand shares)	50,000	50,000	50,000
Authorized share capital	\$ 500,000	\$ 500,000	\$ 500,000
Issued and fully paid shares (thousand shares)	19,765	19,760	19,600
Issued share capital	\$ 197,650	\$ 197,600	\$ 196,000

The primary reason for the change in the Company's share capital during the period from January 1 to March 31, 2026 was the exercise of employee stock options. As of the date these consolidated financial statements were authorized for issuance, the Company had not yet completed the registration of the capital change with the Ministry of Economic Affairs.

(II) Capital reserve

	<u>March 31,</u> <u>2026</u>	<u>December 31,</u> <u>2025</u>	<u>March 31,</u> <u>2025</u>
<u>May be used to offset</u> <u>deficits, distribute cash,</u> <u>or capitalize share</u> <u>capital (1)</u>			
Share premium	\$ 155,871	\$ 155,681	\$ 149,572
<u>May only be used to offset</u> <u>deficits</u>			
Unclaimed dividends	1	1	-
<u>May not be used for any</u> <u>purpose</u>			
Employee stock options	<u>8,503</u>	<u>8,208</u>	<u>11,107</u>
	<u>\$ 164,375</u>	<u>\$ 163,890</u>	<u>\$ 160,679</u>

- (1) Such capital reserves may be used to offset deficits and may also be used to distribute cash or capitalize share capital when the Company has no deficits; provided that, when capitalizing share capital, the annual amount is limited to a certain percentage of the paid-in capital.

(III) Retained earnings and dividend policy

The Company's earnings distribution or loss compensation may be made after the end of each half year. If earnings distribution is paid in cash, it shall be resolved by the Board of Directors in accordance with Article 228-1 and Paragraph 5 of Article 240 of the Company Act, and reported to the Shareholders' Meeting without requiring shareholder approval.

If there is a surplus in the Company's annual final accounts, the Company shall pay taxation and make up for accumulated losses in accordance with the law, and then 10% of the "Profit after tax for the current period" plus "the amount of items other than the profit after tax for the current period included in the undistributed earnings of the current year" shall be allocated as the legal reserve. However, when the legal reserve has reached the paid-in capital of the Company, further appropriation may not be required. Next, special reserves will be appropriated or reversed in accordance with the Company's operational needs and laws and regulations. The remaining balance, together with the accumulated undistributed earnings, will be used by the Board of Directors to prepare a proposal for the distribution of earnings and submit it to the shareholders' meeting for resolution regarding the distribution of shareholder dividends. For the distribution policy regarding employees' remuneration and directors'

remuneration as stipulated in the Company's Articles of Incorporation, please refer to Note 22(7), Employees' Remuneration and Directors' Remuneration.

In addition, pursuant to the Company's Articles of Incorporation, the dividend policy is determined in consideration of the current and future development plans, investment environment, funding requirements, domestic and international competitive conditions, and shareholders' interests. The Company shall appropriate no less than 10% of the current year's earnings each year for the distribution of shareholders' dividends and bonuses. If there is a loss for the current year or undistributed earnings remain from prior years, earnings from prior years may be distributed; provided that when the accumulated distributable earnings for the current year (i.e., distributable earnings plus undistributed earnings from prior years) are less than 10% of the Company's paid-in capital, dividends or bonuses may not be distributed to shareholders. Shareholders' dividends and bonuses may be distributed in the form of cash dividends or stock dividends, of which cash dividends shall account for no less than 30% of the total shareholders' dividend distribution. Where the aforementioned dividends are distributed in cash, the Board of Directors may resolve such distribution in accordance with Article 241 of the Company Act and report the same to the shareholders' meeting.

Legal reserve shall be appropriated until its balance reaches the total amount of the Company's paid-in capital. Legal reserve may be used to offset deficits. When the Company has no deficits, the portion of legal reserve exceeding 25% of the total paid-in capital may be distributed in cash in addition to being capitalized as share capital.

The Company's earnings distribution proposals for the first half of 2025, the second half of 2025, and 2024 are as follows:

	January 1 to June 30, 2025	July 1 to December 31, 2025	2024
Resolution date of the Board of Directors	August 8, 2025	March 10, 2026	March 5, 2025
Legal reserve	<u>\$ 3,754</u>	<u>\$ 5,233</u>	<u>\$ 8,105</u>
Appropriation of (reversal of) special reserve	<u>\$ 306</u>	<u>(\$ 204)</u>	<u>(\$ 640)</u>
Cash dividends	<u>\$ 29,427</u>	<u>\$ 49,400</u>	<u>\$ 72,520</u>
Cash dividend per share (NT\$)	\$ 1.50	\$ 2.50	\$ 3.70

In addition, the Board of Directors resolved on March 5, 2025 to distribute NT\$15,680 thousand from capital reserve as cash, equivalent to NT\$0.8 per share.

The above cash distribution was approved by the Board of Directors, while the remaining profit distribution items for 2024 were approved at the annual general shareholders' meeting held on June 3, 2025. The remaining profit distribution items for 2025 are expected to be resolved at the annual general shareholders' meeting to be held on June 9, 2026.

Due to the exercise of employee stock options during the second half of 2025, the actual cash dividend distributed per share was adjusted to NT\$2.49936756.

If the number of outstanding shares of the Company changes as a result of employees exercising stock options, the dividend per share shall be adjusted proportionately.

XXI. Revenue

	<u>January 1 to March 31, 2026</u>	<u>January 1 to March 31, 2025</u>
Customer contract revenue		
Food and Beverage Revenue	\$ 476,435	\$ 348,767
Merchandise sales and others	<u>28,834</u>	<u>15,329</u>
	<u>\$ 505,269</u>	<u>\$ 364,096</u>

Contract balance

For accounts receivable, please refer to Note 8.

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>	<u>January 1, 2025</u>
Contract liability				
Customer loyalty programs	8,529	6,943	13,050	12,083
Advance receipts for restaurant gift vouchers	7,073	7,791	-	-
Franchise and agency authorization	631	153	-	-
Advance receipts	445	6,152	-	-
Others	<u>62</u>	<u>46</u>	<u>333</u>	<u>294</u>
	<u>\$ 16,740</u>	<u>\$ 21,085</u>	<u>\$ 13,383</u>	<u>\$ 12,377</u>
Current	<u>\$ 16,740</u>	<u>\$ 21,085</u>	<u>\$ 13,383</u>	<u>\$ 12,377</u>

Changes in contract liabilities primarily arose from the difference between the timing of satisfaction of performance obligations and the timing of customer payments.

XXII. Net profit for the period

(I) Net other gains and losses

	<u>January 1 to March 31, 2026</u>	<u>January 1 to March 31, 2025</u>
Government subsidy income	\$ -	\$ 277
Net profit from the disposal of right-of-use assets	-	23
Net loss on disposal of property, plant and equipment	( <u>50</u> )	<u>-</u>
	( <u>\$ 50</u> )	<u>\$ 300</u>

(II) Interest revenue

	<u>January 1 to March 31, 2026</u>	<u>January 1 to March 31, 2025</u>
Bank deposits	\$ 17	\$ 379
Others	<u>50</u>	<u>24</u>
	<u>\$ 67</u>	<u>\$ 403</u>

(III) Other gains and losses

	<u>January 1 to March 31, 2026</u>	<u>January 1 to March 31, 2025</u>
Net foreign exchange gains	\$ 382	\$ 264
Others	<u>622</u>	<u>580</u>
	<u>\$ 1,004</u>	<u>\$ 844</u>

(IV) Interest expense

	<u>January 1 to March 31, 2026</u>	<u>January 1 to March 31, 2025</u>
Interest on lease liabilities	\$ 2,436	\$ 972
Interest on bank borrowings	54	30
Other interest expenses	<u>22</u>	<u>23</u>
	<u>\$ 2,512</u>	<u>\$ 1,025</u>

(V) Depreciation and amortization

	<u>January 1 to March 31, 2026</u>	<u>January 1 to March 31, 2025</u>
Summary of depreciation expenses by function		
Operating costs	\$ 15,189	\$ 11,272
Operating expenses	<u>36,633</u>	<u>29,129</u>
	<u>\$ 51,822</u>	<u>\$ 40,401</u>
Summary of amortization expenses by function		
Operating costs	\$ 1,294	\$ 1,237
Selling expenses	591	-
Administrative expenses	<u>28</u>	<u>476</u>
	<u>\$ 1,913</u>	<u>\$ 1,713</u>

(VI) Employee benefit expenses

	<u>January 1 to March 31, 2026</u>	<u>January 1 to March 31, 2025</u>
Post-employment Benefits	\$ 6,532	\$ 4,374
Share-based payment		
Equity-settled	469	1,325
Other employee benefits	<u>157,112</u>	<u>99,351</u>
	<u>\$ 164,113</u>	<u>\$ 105,050</u>
Summary by function		
Operating costs	\$ 65,194	\$ 40,060
Operating expenses	<u>98,919</u>	<u>64,990</u>
	<u>\$ 164,113</u>	<u>\$ 105,050</u>

(VII) Employees' and directors' remuneration

Pursuant to the Company's Articles of Incorporation, the Company shall appropriate employees' remuneration and directors' remuneration based on the profit before tax prior to the distribution of employees' remuneration and directors' remuneration for the current year at rates of no less than 1% and no more than 3%, respectively. However, if the Company still has accumulated deficits, an amount shall first be reserved to offset such deficits before appropriating employees' remuneration and directors' remuneration in accordance with the aforementioned percentages. Pursuant to the amendments to the Securities and Exchange Act in August 2024, the Company amended its Articles of Incorporation as approved by the shareholders' meeting in 2025. The amended Articles stipulate that, of the employee remuneration appropriated as described above, no less than 0.5% of profit before tax prior to the distribution of employee remuneration and directors' remuneration for the year shall be allocated as remuneration to entry-level employees.

The estimated employee remuneration (including remuneration for entry-level employees) and directors' remuneration for the period from January 1 to March 31, 2026, and the estimated employee remuneration and directors' remuneration for the period from January 1 to March 31, 2025, are as follows:

Estimated ratio

	<u>January 1 to March 31, 2026</u>	<u>January 1 to March 31, 2025</u>
Employees' remuneration	3.00%	3.00%
Directors' remuneration	1.00%	1.00%

Amount

	<u>January 1 to March 31, 2026</u>	<u>January 1 to March 31, 2025</u>
Employees' remuneration	\$ 750	\$ 544
Directors' remuneration	\$ 250	\$ 181

If there are subsequent changes in the amounts after the date on which the annual consolidated financial statements are authorized for issuance, such changes shall be accounted for as changes in accounting estimates and recognized in the following year.

The employees' remuneration and directors' remuneration for 2025 and 2024 were resolved by the Board of Directors on March 10, 2026 and March 5, 2025, respectively, as follows:

Amount

	<u>2025</u>	<u>2024</u>
Employees' remuneration	\$ 3,154	\$ 2,227
Directors' remuneration	1,004	742

There was no difference between the actual distributed amounts of employees' and directors' remuneration for 2025 and 2024 and the amounts recognized in the consolidated financial statements for 2025 and 2024.

For information regarding employees' and directors' remuneration resolved by the Company's Board of Directors meeting, please refer to MOPS of the Taiwan Stock Exchange.

XXIII. Income Tax

(I) Income tax recognized in profit or loss (None from January 1 to March 31)

The major components of income tax expense are as follows:

	<u>January 1 to March 31, 2026</u>
Current Income Tax	
Generated in the current year	<u>\$ 5,084</u>
Deferred Income Tax	
Generated in the current year	<u>1,003</u>
Income tax expense recognized in profit or loss	<u>\$ 6,087</u>

(II) Income tax assessment status

The Company has had the profit-seeking enterprise income tax returns through 2023 assessed and approved by the tax authorities. Yang Shin has had the profit-seeking enterprise income tax returns through 2024 assessed and approved by the tax authorities.

XXIV. Earnings per share

Unit: NT\$

	<u>January 1 to March 31, 2026</u>	<u>January 1 to March 31, 2025</u>
Basic earnings per share	<u>\$ 1.01</u>	<u>\$ 0.89</u>
Diluted earnings per share	<u>\$ 1.00</u>	<u>\$ 0.87</u>

Net profit and weighted average number of ordinary shares used in the calculation of earnings per share are as follows:

Net profit for the current period attributable to owners of the Company

	<u>January 1 to March 31, 2026</u>	<u>January 1 to March 31, 2025</u>
Net profit used in the calculation of basic and diluted earnings per share	<u>\$ 20,036</u>	<u>\$ 17,414</u>
<u>Number of shares</u>		Unit: Thousand shares

	<u>January 1 to March 31, 2026</u>	<u>January 1 to March 31, 2025</u>
Weighted average number of ordinary shares used in the calculation of basic earnings per share	19,763	19,600
Effect of potentially dilutive ordinary shares:		
Employee stock options	174	405
Employees' remuneration	<u>53</u>	<u>53</u>
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	<u>19,990</u>	<u>20,058</u>

If the consolidated company may elect to settle employees' remuneration in either shares or cash, then for the purpose of calculating diluted earnings per share, it is assumed that employees' remuneration will be settled in shares. Such potential common shares are included in the weighted average number of common shares outstanding when they are dilutive, in order to calculate diluted earnings per share. When calculating diluted earnings per share prior to the resolution of the number of shares to be distributed as employees' remuneration in the following year, the dilutive effect of such potential ordinary shares is also taken into consideration.

XXV. Share-based Payment Arrangements

The Company's employee stock option plan

On June 13, 2023, the Company granted 500 thousand units of employee stock options to employees of the Company who met specific eligibility criteria. The options

have a term of five years. Holders of the options may exercise a certain proportion of the options granted starting from the second anniversary of the issuance. Each unit entitles the holder to subscribe for one ordinary share. After the issuance of the share options, if there are changes in the Company's ordinary shares, the exercise price of the share options shall be adjusted in accordance with the prescribed formula.

The related information on employee stock options is as follows:

Employee stock options	January 1 to March 31, 2026		January 1 to March 31, 2025	
	Unit (thousand)	Weighted average exercise price (NT\$)	Unit (thousand)	Weighted average exercise price (NT\$)
Outstanding at beginning of the period	262	\$ 13.20	456	\$ 14.40
Exercised during the current period	( 5 )	13.20	-	-
Forfeited during the current period	( 7 )	13.20	( 5 )	14.40
Outstanding shares at the end of the period	<u>250</u>	13.20	<u>451</u>	14.40
Exercisable at end of the period	<u>43</u>	13.20	<u>-</u>	-

As of the balance sheet date, the related information on outstanding employee stock options is as follows:

	March 31, 2026	March 31, 2025
Exercise price (NT\$)	\$ 13.20	\$ 14.40
Weighted average remaining contractual life (years)	2.21 years	3.21 years

The employee stock options granted by the Company in June 2023 were valued using the Black-Scholes valuation model. The inputs used in the valuation model are as follows:

	June 2023
Share price at the grant date	NT\$49.01
Exercise price	NT\$15.00
Expected volatility	35.00 %
Duration period	5.00 years
Risk-free interest rate	1.0807%-1.0882%

The expected volatility used in the valuation of the employee stock options granted in June 2023 was based on historical stock price volatility of comparable companies.

The Company conducted stock dividend distributions in 2026 and 2025. Accordingly, the exercise price of the employee stock options granted in June 2023 was adjusted in accordance with the issuance rules, effective from the ex-dividend record dates of April 15, 2026, September 5 and April 9, 2025, to NT\$12.60, NT\$13.20, and NT\$13.48, respectively.

Remuneration expenses recognized for the periods from January 1 to March 31, 2026 and 2025 amounted to NT\$469 thousand and NT\$1,325 thousand, respectively.

## XXVI. Business Combinations

### (I) Acquisition of subsidiaries

	<u>Major operating activities</u>	<u>Acquisition date</u>	<u>Ownership interest / acquisition percentage with voting rights (%)</u>	<u>Consideration transferred</u>
Yang Shin Food & Beverage, Inc. (hereinafter referred to as "Yang Shin")	Franchising of chain restaurants and sales of related products	June 1, 2025	51%	<u>\$102,400</u>
Yang Ho Food Co., Ltd. (hereinafter referred to as "Yang Ho")	Manufacturing and sale of food products	June 1, 2025	51%	<u>\$ 4,700</u>

In order to expand its presence in the restaurant market and establish a foothold in the high-growth vegetarian dining industry, integrate Group resources, enhance operational synergies, and enrich its brand portfolio, the consolidated company resolved through a Board of Directors meeting held on April 22, 2025 to acquire 51% equity interests in Yang Shin and Yang Ho for cash considerations of NT\$102,400 thousand and NT\$4,700 thousand, respectively. The equity purchase agreements were signed on April 23, 2025, with June 1, 2025 as the acquisition date.

### (II) Assets acquired and liabilities assumed as of the acquisition date

	<u>Yang Shin</u>	<u>Yang Ho</u>
Current asset		
Cash and cash equivalents	\$ 20,637	\$ 1,196
Financial assets measured at amortized cost	37	-
Accounts receivable and other receivables	8,239	4,996
Inventories	4,294	2,143
Prepayments	3,502	1,094
Other current assets	9,435	69
Non-current assets		
Property, Plant and Equipment	57,727	20,763
Right-of-use assets	223,553	12,302
Trademark rights	56,328	-
Other intangible assets	99	-
Deferred income tax assets	2,363	-
Other non-current assets	18,937	530
Current liabilities		
Contract liabilities - current	( 8,914)	-
Accounts payable and other payables	( 34,935)	( 5,604)

Lease liabilities - current	( 22,531 )	( 1,300 )
Long-term liabilities due within one year	( 8,154 )	( 2,740 )
Other current liabilities	( 1,627 )	( 9,151 )
Non-current liabilities		
Long-term borrowings	( 3,571 )	( 11,500 )
Provisions - non-current	( 1,850 )	( 560 )
Lease liabilities - non-current	( <u>201,022</u> )	( <u>11,002</u> )
	<u>\$ 122,547</u>	<u>\$ 1,236</u>
(III) Goodwill arising from the acquisition		

	<u>Yang Shin</u>	<u>Yang Ho</u>
Consideration transferred	\$ 102,400	\$ 4,700
Add: Non-controlling interests (49% ownership interests in Yang Shin and Yang Ho)	60,048	606
Less: Fair value of identifiable net assets acquired	( <u>122,547</u> )	( <u>1,236</u> )
Goodwill arising from the acquisition	<u>\$ 39,901</u>	<u>\$ 4,070</u>

The goodwill arising from the acquisition of Yang Shin and Yang Ho primarily resulted from a control premium. In addition, the consideration paid for the business combination included expected synergies, revenue growth, future market development, and employee value. However, such benefits do not meet the recognition criteria for identifiable intangible assets and are therefore not recognized separately.

(IV) Net cash outflow from acquisition of subsidiaries

	<u>Yang Shin</u>	<u>Yang Ho</u>
Consideration paid in cash	\$ 102,400	\$ 4,700
Less: Cash and cash equivalents acquired	( <u>20,637</u> )	( <u>1,196</u> )
	<u>\$ 81,763</u>	<u>\$ 3,504</u>

XXVII. Capital risk management

The consolidated company manages capital to ensure that each entity within the Group can continue as a going concern, while optimizing the balance between debt and equity in order to maximize returns to shareholders.

XXVIII. Financial Instruments

(I) Fair value information - financial instruments not measured at fair value

The management of the consolidated company considers that the carrying amounts of financial assets and financial liabilities not measured at fair value approximate their fair values, or that their fair values cannot be measured reliably.

(II) Types of financial instruments

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
<u>Financial Assets</u>			
Measured at amortized cost			
Cash and cash equivalents	\$ 259,904	\$ 258,291	\$ 363,695
Restricted bank deposits (recognized as financial assets measured at amortized cost)	37	37	-
Notes receivable	-	987	-
Accounts receivable	118,497	127,074	95,358
Other receivables	190	302	88
Guarantee deposits	22,080	22,817	14,633
<u>Financial Liabilities</u>			
Measured at amortized cost			
Notes payable	9	10	-
Accounts payable	83,762	86,508	71,534
Other payables	58,362	67,944	41,586
Long-term borrowings (including those due within a year)	4,835	19,401	-
(III) Financial risk management objectives and policies			

The risk control and hedging strategies adopted by the consolidated company are affected by the operating environment. However, the consolidated company has implemented appropriate risk management and control procedures in accordance with the nature of its operations and the principle of risk diversification. Such risks include market risk (comprising foreign exchange risk and interest rate risk), credit risk, and liquidity risk.

1. Market risk

The consolidated company's operating activities expose it primarily to interest rate risk.

(1) Exchange rate risk

The consolidated company engages in transactions denominated in foreign currencies under licensing arrangements, which expose it to foreign exchange rate risk. To avoid reductions in the value of foreign currency assets and fluctuations in future cash flows due to exchange rate movements, the consolidated company mitigates the impact of exchange

rate volatility through natural hedging of foreign currency assets and liabilities.

For the carrying amounts of monetary assets and monetary liabilities denominated in non-functional currencies as of the balance sheet date, please refer to Note 32.

Sensitivity analysis

The consolidated company is primarily affected by fluctuations in the exchange rate of the USD. The sensitivity analysis of foreign currency risk is primarily based on USD-denominated monetary items as of the end of the financial reporting period. When the functional currency of the consolidated entities appreciates/depreciates by 3% against the USD, profit before tax for the consolidated company from January 1 to March 31, 2026 and 2025 would decrease/increase by NT\$535 thousand and NT\$641 thousand, respectively.

As the above sensitivity analysis is based on foreign currency exposures as of the balance sheet date, management considers that it does not reflect intra-year exposure.

(2) Interest rate risk

As entities within the consolidated company borrow funds at floating interest rates, they are exposed to interest rate risk. The management of the consolidated company regularly monitors changes in market interest rates to ensure that the Company's interest rates remain close to market rates, thereby mitigating risks arising from fluctuations in market interest rates.

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

	March 31, 2026	December 31, 2025	March 31, 2025
Fair value interest rate risk			
- Financial assets	\$ -	\$ -	\$ 116,603
- Financial liabilities	411,922	428,144	197,610
Cash flow interest rate risk			
- Financial assets	253,653	251,650	243,258
- Financial liabilities	4,835	19,401	-

### Sensitivity analysis

The consolidated company's sensitivity analysis of interest rate risk is based on financial assets and financial liabilities with cash flow interest rate risk as of the balance sheet date. The consolidated company uses a 1% increase/decrease in market interest rates as a reasonable basis for reporting interest rate changes to management. Assuming all other variables remain constant, a 1% increase/decrease in market interest rates would increase/decrease the consolidated company's profit before tax from January 1 to March 31, 2026 and 2025 by NT\$622 thousand and NT\$608 thousand, respectively.

#### 2. Credit risk

Credit risk refers to the risk of financial loss to the Group arising from a counterparty's failure to discharge its contractual obligations. The consolidated company's policy is to engage in transactions only with reputable counterparties in order to mitigate the risk of financial losses, and to continuously monitor credit exposures and the creditworthiness of counterparties.

The consolidated company's accounts receivable involve a large number of customers distributed across different regions and are not concentrated on a single customer or geographic area. In addition, the consolidated company continuously assesses the financial condition of its accounts receivable customers; therefore, its credit risk is considered limited. As of the balance sheet date, the maximum credit risk exposure of the consolidated company is equivalent to the carrying amount of financial assets recognized in the accounts.

#### 3. Liquidity risk

The consolidated company manages and maintains sufficient cash positions to support its operations and mitigate the impact of cash flow fluctuations. The management of the consolidated company monitors the utilization of bank financing facilities and ensures compliance with the terms of borrowing agreements.

##### (1) Liquidity and interest rate risk table of non-derivative financial liabilities

The maturity analysis of non-derivative financial liabilities is prepared based on the earliest possible date on which the consolidated company may be required to repay, using the undiscounted cash flows of financial liabilities (including principal and estimated interest).

Accordingly, bank borrowings that may be required to be repaid immediately by the consolidated company are included in the earliest time band in the table below, without considering the probability that the banks will exercise such rights immediately; the maturity analysis of other non-derivative financial liabilities is prepared based on the contractual repayment dates.

March 31, 2026

	On demand or less than 1 year	1 to 5 years	Over 5 years
<u>Non-derivative financial liabilities</u>			
Non-interest- bearing liabilities	\$ 191,599	\$ 9	\$ -
Lease liabilities	105,442	233,222	105,597
Floating rate instruments	<u>3,645</u>	<u>1,190</u>	<u>-</u>
	<u>\$ 300,686</u>	<u>\$ 234,421</u>	<u>\$ 105,597</u>

December 31, 2025

	On demand or less than 1 year	1 to 5 years	Over 5 years
<u>Non-derivative financial liabilities</u>			
Non-interest- bearing liabilities	\$ 154,820	\$ 424	\$ -
Lease liabilities	111,604	238,346	112,564
Floating rate instruments	<u>7,603</u>	<u>11,798</u>	<u>-</u>
	<u>\$ 274,027</u>	<u>\$ 250,568</u>	<u>\$ 112,564</u>

March 31, 2025

	On demand or less than 1 year	1 to 5 years	Over 5 years
<u>Non-derivative financial liabilities</u>			
Non-interest- bearing liabilities	\$ 201,320	\$ -	\$ -
Lease liabilities	84,687	110,779	8,962
	<u>\$ 286,007</u>	<u>\$ 110,779</u>	<u>\$ 8,962</u>

(2) Financing limit

Bank borrowings are an important source of liquidity for the consolidated company. The consolidated company's unused bank financing facilities as of the balance sheet date are as follows:

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Bank borrowing facilities			
- Unused amount	<u>\$ 270,000</u>	<u>\$ 270,000</u>	<u>\$ 200,000</u>

XXIX. Related Party Transactions

The Company's parent company is La Kaffa International Co., Ltd., which held 60.56%, 60.58%, and 61.07% of the Company's common shares as of March 31, 2026, December 31 and March 31, 2025, respectively.

Transactions, account balances, income, and expenses between the Company and its subsidiaries (which are related parties of the Company) are fully eliminated upon consolidation; therefore, they are not disclosed in this note. Except as disclosed in other notes, transactions between the consolidated company and other related parties are as follows:

(I) Name of related party and relationship thereof

<u>Name of related party</u>	<u>Relationship with the Company</u>
La Kaffa International Co., Ltd. (hereinafter referred to as "La Kaffa")	Parent company
Chun-Sun Cake Co., Ltd. (hereinafter referred to as "Chun-Sun")	Fellow subsidiary company
Heng Tai International Investment Holdings Limited (hereinafter referred to as "Heng Tai")	Substantive related party (the Chairman of that company is the spouse of the Company's Chairman)
Ten En Tapioca Foods Co., Ltd. (hereinafter referred to as "Ten En")	Fellow subsidiary company
Han Ley International Co., Ltd. (hereinafter referred to as "Han Ley")	Fellow subsidiary company
Tread Way Development Ltd. (hereinafter referred to as "Tread Way")	Fellow subsidiary company

(II) Operating revenue

<u>Types of related parties</u>	<u>January 1 to March 31, 2026</u>	<u>January 1 to March 31, 2025</u>
Parent company	\$ 147	\$ 116
Fellow subsidiary company	27	20
Substantive related party	-	26
	<u>\$ 174</u>	<u>\$ 162</u>

The sales transactions between the consolidated company and related parties do not differ materially from those with ordinary customers.

(III) Purchases

Types of related parties	January 1 to March 31, 2026	January 1 to March 31, 2025
Parent company	\$ 239	\$ 178
Fellow subsidiary company	<u>40</u>	<u>-</u>
	<u>\$ 279</u>	<u>\$ 178</u>

The purchase transactions between the consolidated company and related parties do not differ materially from those with ordinary suppliers.

(IV) Receivables from related parties

Recognized item	Types of related parties	March 31, 2026	December 31, 2025	March 31, 2025
Accounts receivable	Parent company	\$ 17	\$ 14	\$ 87
	Fellow subsidiary company	<u>22</u>	<u>119</u>	<u>10</u>
		<u>\$ 39</u>	<u>\$ 133</u>	<u>\$ 97</u>

No guarantees were received for the outstanding accounts receivable from related parties. There were no loss allowances recognized for amounts due from related parties as of March 31, 2026, December 31, 2025, and March 31, 2025.

(V) Payables from related parties

Recognized item	Types/names of related parties	March 31, 2026	December 31, 2025	March 31, 2025
Accounts payable	Parent company	\$ 141	\$ 185	\$ 140
	Fellow subsidiary company	<u>-</u>	<u>55</u>	<u>-</u>
		<u>\$ 141</u>	<u>\$ 240</u>	<u>\$ 140</u>

Other payables La Kaffa \$ 29,958 \$ - \$ 62,106

Other payables mainly consisted of dividends payable to La Kaffa and payments made on its behalf. The outstanding balances of payables to related parties were unsecured.

(VI) Lease agreements

Recognized item	Types of related parties	March 31, 2026	December 31, 2025	March 31, 2025
Lease liabilities	Parent company	\$ 2,554	\$ 2,843	\$ 3,702
	Substantive related party	<u>278</u>	<u>381</u>	<u>688</u>
		<u>\$ 2,832</u>	<u>\$ 3,224</u>	<u>\$ 4,390</u>

<u>Recognized item</u>	<u>Types of related parties</u>	<u>January 1 to March 31, 2026</u>	<u>January 1 to March 31, 2025</u>
Interest expense	Parent company	\$ 11	\$ 16
	Substantive related party	<u>2</u>	<u>4</u>
		<u>\$ 13</u>	<u>\$ 20</u>

In June and December 2023, the consolidated company entered into office lease agreements with the parent company and Heng Tai, respectively. The lease terms were 5 years and 3 years, respectively. The rental amounts were determined with reference to the rental rates for similar assets, and fixed lease payments are paid monthly in accordance with the lease agreements.

(VII) Remuneration of key management personnel

The total remuneration to directors and other key management personnel was as follows:

	<u>January 1 to March 31, 2026</u>	<u>January 1 to March 31, 2025</u>
Short-term Employee Benefits	\$ 3,242	\$ 1,762
Post-employment Benefits	117	53
Share-based payment	<u>95</u>	<u>23</u>
	<u>\$ 3,454</u>	<u>\$ 1,838</u>

The remuneration to directors and other key management personnel was determined based on individual performance and market trends.

XXX. Pledged Assets

The following assets had been pledged to financial institutions as collateral for gift voucher performance guarantees (None as of March 31, 2025):

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Restricted bank deposits	<u>\$ 37</u>	<u>\$ 37</u>

XXXI. Material contract

- (I) The consolidated company entered into a franchise agreement with ATOM Food International Pte. Ltd. and obtained the agency rights for the Ginza Anzu Tonkatsu brand in Taiwan. The royalty fees are calculated based on a fixed percentage of monthly operating revenue as agreed by both parties.
- (II) La Kaffa entered into a franchise agreement and a brand consulting agreement with Muchaka Consultants Co., Ltd. and Yu Jhuan Food Company, respectively, to obtain the agency rights for the Duan Chun Zhen Noodle House brand in Taiwan, with a contract term of 25 years. In April 2017, La Kaffa disposed of the business-related assets and franchise-related rights of the Duan Chun Zhen Noodle House business unit to the consolidated company. In 2017, the consolidated company also entered into a

brand licensing agreement with Muchaka Consultants Co., Ltd. for designated regions within China, with a contract term of 10 years. In July 2019, the consolidated company entered into a supplemental agreement to the Duan Chun Zhen brand licensing agreement with Duan Chun Zhen International Co., Ltd. and Muchaka Consultants Co., Ltd., obtaining authorization to develop overseas franchise operations outside Taiwan. The royalty fees are calculated based on a fixed percentage of monthly operating revenue as agreed by both parties.

- (III) The consolidated company entered into a franchise agreement with Eat & International Co., Ltd. and obtained the agency rights for the Osaka Ohsho Gyoza brand in Taiwan, with a contract term of 5 years. If neither party raises any objection 3 months prior to the expiration of the contract, the agreement will be automatically renewed for an additional 5 years. The royalty fees are calculated based on a fixed percentage of monthly operating revenue as agreed by both parties.
- (IV) The consolidated company entered into a master franchise agreement with GOLIP Co., Ltd. and obtained the master franchise rights for the Gyukatsu Kyoto Katsugyu brand in Taiwan, including direct operation of stores by the consolidated company and the execution of sub-franchise agreements between the consolidated company and third parties. The contract term is 10 years, and if neither party raises any objection 6 months prior to the expiration of the contract, the agreement will be automatically renewed for an additional 5 years. In June 2019, the consolidated company also entered into a master franchise agreement for the Hong Kong region with GOLIP Co., Ltd., obtaining the master franchise rights for the Gyukatsu Kyoto Katsugyu brand in Hong Kong. The contract term is 10 years, and if neither party raises any objection 6 months prior to the expiration of the contract, the agreement will be automatically renewed for an additional 5 years. The royalty fees are calculated based on a fixed percentage of monthly operating revenue as agreed by both parties.
- (V) The consolidated company entered into a franchise agreement with KYOCHON F&B Co., Ltd. and obtained the agency rights for the Kyochon Chicken brand in Taiwan, including direct operation of stores by the consolidated company and the execution of sub-franchise agreements between the consolidated company and third parties. The contract term is 5 years. Provided that there is no breach of the matters stipulated in the agreement, the consolidated company may decide whether to renew the agreement for an additional 5 years prior to its expiration. The royalty fees are calculated based on a fixed percentage of monthly operating revenue as agreed by both parties.

- (VI) In July 2025, the consolidated company entered into a franchise agreement and store purchase agreement with Taiwan Torisanwa Co., Ltd., obtaining the franchise rights for Tori Sanwa Chicken in Taiwan (excluding the Taipei Nanjing East Road store), as well as the Breeze Taipei Station store and Hanshin Arena store. The contract term is 10 years. Provided that there is no breach of the matters stipulated in the agreements, the consolidated company may apply for renewal 6 months prior to the expiration of the contracts. The royalty fees are calculated based on a fixed percentage of monthly operating revenue as agreed by both parties.

XXXII. Information on foreign currency assets and liabilities with significant impact

The following information is presented in aggregate for foreign currencies other than the functional currencies of each entity within the consolidated company. The exchange rates disclosed represent the rates at which such foreign currencies are translated into the functional currencies. Foreign currency assets and liabilities with significant impact were as follows:

March 31, 2026

	<u>Foreign Currency</u>	<u>Exchange rate</u>	<u>Carrying amount</u>
Foreign currency assets			
<u>Monetary items</u>			
USD	\$ 558	32.00 (USD: NTD)	\$ 17,849

December 31, 2025

	<u>Foreign Currency</u>	<u>Exchange rate</u>	<u>Carrying amount</u>
Foreign currency assets			
<u>Monetary items</u>			
USD	\$ 571	31.43 (USD: NTD)	\$ 17,950

March 31, 2025

	<u>Foreign Currency</u>	<u>Exchange rate</u>	<u>Carrying amount</u>
Foreign currency assets			
<u>Monetary items</u>			
USD	\$ 643	33.21 (USD: NTD)	\$ 21,366

The consolidated company recognized net foreign exchange gains of NT\$382 thousand and NT\$264 thousand from January 1 to March 31, 2026 and 2025, respectively.

XXXIII. Notes Disclosure Items

- (I) Information on material transactions:

- Loans to others: Table 1.

2. Endorsement/guarantee for others: None.
3. Major marketable securities held at the end of the period (excluding investments in subsidiaries): None.
4. Purchases from and sales to related parties amounting to NT\$100 million or more, or 20% or more of paid-in capital: None.
5. Accounts receivable from related parties amounting to NT\$100 million or more, or 20% or more of paid-in capital: None.
6. Others: Business relationships and significant intercompany transactions and balances between the parent company and subsidiaries, and among subsidiaries: Table 2.

(II) Information on reinvestments: Table 3.

(III) Information on investments in China:

1. Name of investee companies in China, principal business activities, paid-in capital, investment method, status of capital remittance, shareholding percentage, current period profit or loss and recognized investment profit or loss, carrying amount of investments at the end of the period, repatriated investment gains, and investment limits for the China region: None.
2. The following significant transactions with investee companies in China, either directly or indirectly through a third region, including prices, payment terms, and unrealized gains or losses: None.
  - (1) Purchase amounts and percentages, and the ending balances and percentages of the related payables.
  - (2) Sales amounts and percentages, and the ending balances and percentages of the related receivables.
  - (3) Property transaction amounts and the resulting gains or losses.
  - (4) Ending balance of endorsed notes, guarantees, or collateral provided, and the purposes thereof.
  - (5) Highest balance, ending balance, interest rate range, and total interest for the current period of financing provided.
  - (6) Other transactions having a material effect on the current period's profit or loss or financial position, such as the rendering or receipt of services.

#### XXXIV. Segment Information

Information provided to the chief operating decision maker for resource allocation and performance assessment focuses on the types of products delivered or services

provided. In accordance with IFRS 8 "Operating Segments," the consolidated company originally operated as a single segment engaged in franchise chain restaurant operations and the sale of related products. Beginning in June 2025, due to the acquisition of Yang Shin, the reportable segments of the consolidated company are Kingza International (including the United States region) and Yang Shin.

Segment revenue and operating results

The revenue and operating results of the consolidated company's continuing operations were analyzed by reportable segment as follows:

	January 1 to March 31, 2026			Total
	Kingza (including the U.S. region)	Yang Shin	Elimination of inter-segment revenue	
Revenue from external customers	\$ 392,402	\$ 112,867	\$ -	\$ 505,269
Inter-segment revenue	-	2,140	( 2,140 )	-
Consolidated revenue	<u>\$ 392,402</u>	<u>\$ 115,007</u>	<u>( \$ 2,140 )</u>	<u>\$ 505,269</u>
Segment profits	<u>\$ 19,764</u>	<u>\$ 11,332</u>	<u>\$ 267</u>	\$ 31,363
Interest revenue				67
Interest expense				( 2,512 )
Others				<u>1,004</u>
Profit before tax				<u>\$ 29,922</u>

Segment profit refers to the profit earned by each segment, excluding interest income and interest expenses, among others. This measurement amount is provided to the chief operating decision maker for allocating resources to segments and assessing their performance.

As the segment information provided to the operating decision maker by the consolidated company does not include the assets and liabilities of individual operating segments, the segment financial information also does not include the measurement amounts of operating segment assets and liabilities.

Kingza International Co., Ltd. and subsidiaries

Loans to others

January 1 to March 31, 2026

Table 1

Unit: NT\$ thousand, unless otherwise stated

No. (Note 1)	Company extending funds to others	Counterparty to the loan	Transaction item	Whether the counterparty is a related party	Highest balance during the current period	Ending balance	Actual amount drawn	Interest rate range	Nature of fund lending (Note 2)	Transaction amount	Reason for the necessity of short-term financing	Allowance for doubtful accounts recognized	Collateral		Limit on fund lending to an individual counterparty (Note 3)	Total limit on fund lending (Note 3)	Remarks
													Name	Value			
0	Kingza International Co., Ltd.	Yang Shin Food & Beverage, Inc.	Other receivable s	Yes	\$ 38,000	\$ 38,000	\$ 38,000	2.5%	2	\$ -	Operating turnover	\$ -	—	—	\$ 40,538	\$ 81,077	

Note 1: The description for the numbering column are as follows:

- (1) 0 represents the issuer.
- (2) Investee companies are numbered sequentially starting from 1 in Arabic numerals according to each company.

Note 2: The description for the nature of fund lending are as follows:

- (1) Business dealings exist.
- (2) There is a need for short-term financing.

Note 3: The total amount of funds lent by the Company to others shall not exceed 20% of the Company's net worth, and the amount lent to any individual counterparty shall not exceed 10% of the Company's net worth. The limits for fund lending to others were calculated based on the net worth as of March 31, 2026.

Kingza International Co., Ltd. and subsidiaries

Business relationships and significant intercompany transactions and balances between the parent company and subsidiaries, and among subsidiaries

January 1 to March 31, 2026

Table 2

Unit: NT\$ thousand

No. (Note 1)	Name of transaction counterparty	Transaction counterparty	Relationship with the transaction party (Note 2)	Transaction details			
				Account	Amount	Transaction conditions	Percentage of consolidated total revenue or total assets
0	Kingza International Co., Ltd.	Yang Shin Food & Beverage, Inc.	1	Other receivables - related party	\$ 38,794	No significant differences	3%

Note 1: Information on business transactions between the parent company and subsidiaries shall be separately indicated in the numbering column. The numbering method is as follows:

- (1) 0 represents the parent company.
- (2) Subsidiaries are numbered sequentially starting from 1 in Arabic numerals according to each company.

Note 2: The relationships with transaction counterparties are classified into the following three categories:

- (1) Parent company to subsidiary.
- (2) Subsidiary to parent company.
- (3) Subsidiary to subsidiary.

Note 3: The related transactions had been fully eliminated in the preparation of the consolidated financial statements.

Kingza International Co., Ltd. and subsidiaries

Information on investees

January 1 to March 31, 2026

Table 3

Unit: NT\$ thousand, unless otherwise stated

Name of investing company	Name of investee	Location	Main business activities	Original investment amount		Held at the end of the period			Current period profit (loss) of the investee	Investment profit (loss) recognized in the current period	Remarks
				End of the current period	End of last year	Number of shares	Ratio	Carrying amount			
Kingza International Co., Ltd.	Kingza USA, LLC	Corporation Trust Center 1209 Orange St Wilmington, DE 19801	Franchising of chain restaurants and sales of related products	\$ 3,242	\$ 3,242	100,000	100%	\$ 2,968	\$ 288	\$ 288	Subsidiary
	Yang Shin Food & Beverage, Inc.	1F and 2F, No. 128, Songjiang Rd., Zhongshan Dist., Taipei City	Franchising of chain restaurants and sales of related products	107,100	107,100	23,613,001	51%	114,267	7,490	3,954	Subsidiary