Stock Code: 2751

Kingza International Co., Ltd. and subsidiaries

Consolidated Financial Statements and Independent Auditors' Report

Q2 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 June 30, 2026 and 2025, and the consolidated statements of comprehensive income for the periods from April 1 to June 30, 2026 and 2025 and from January 1 to June 30, 2026 and 2025, consolidated statements of changes in equity, and consolidated statements of cash flows for the periods from January 1 to June 30, 2026 and 2025, as well as the notes to the consolidated financial statements (including the summary of material accounting policies) have been reviewed 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 June 30, 2026 and 2025, their consolidated financial performance for the three months ended June 30, 2026 and 2025, and their consolidated financial performance and consolidated cash flows for the six months ended June 30, 2026 and 2025.

Emphasis of Matter

As described in Note 13 to the consolidated financial statements, Kingza International Co., Ltd. and its subsidiaries acquired 51% equity interests in Yang Shin Food & Beverage, Inc. and Yang Ho Food Co., Ltd., respectively, on June 1, 2025, and adjusted the original accounting treatment and provisional amounts of Yang Shin Food & Beverage, Inc. and Yang Ho Food Co., Ltd. from the acquisition date based on the valuation report, and restated the comparative period information.

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

August 7, 2026

Kingza International Co., Ltd. and subsidiaries

Consolidated balance sheet

June 30, 2026, December 31, 2025, and June 30, 2025

Unit: NT$ thousand

Code	Asset	June 30, 2026 Amount	%	December 31, 2025 Amount	%	June 30, 2025 (Restated) Amount	%
	Current asset						
1100	Cash (Note 6)	$ 240,624	19	$ 258,291	21	$ 226,936	19
1136	Financial assets measured at amortized cost - current (Notes 7 and 30)	-	-	37	-	37	-
1150	Notes receivable	-	-	987	-	995	-
1170	Trade receivables (Notes 8 and 29)	138,620	11	127,074	10	104,672	9
1200	Other receivables	146	-	302	-	308	-
1220	Current tax assets (Note 4)	87	-	233	-	302	-
130X	Inventories (Note 9)	49,301	4	47,725	4	47,736	4
1470	Other current assets (Note 15)	19,618	1	18,554	1	18,660	2
11XX	Total current assets	448,396	35	453,203	36	399,646	34
	Non-current assets						
1600	Property, plant and equipment (Note 11)	207,089	16	217,822	17	180,517	15
1755	Right-of-use assets (Note 12)	420,167	33	421,896	34	419,410	36
1805	Goodwill (Note 13)	72,221	6	43,971	4	43,971	4
1821	Intangible assets (Notes 14 and 31)	83,376	7	82,156	7	81,723	7
1840	Deferred tax assets (Note 4)	1,468	-	2,471	-	3,308	-
1990	Other non-current assets (Note 15)	32,345	3	29,394	2	50,800	4
15XX	Total non-current assets	816,666	65	797,710	64	779,729	66
1XXX	Total assets	$ 1,265,062	100	$ 1,250,913	100	$ 1,179,375	100
Code	Liabilities and equity						
	Current liabilities						
2130	Contract liabilities - current (Note 21)	$ 18,198	2	$ 21,085	2	$ 20,865	2
2150	Notes payable	-	-	10	-	-	-
2170	Accounts payable (Note 29)	93,946	7	86,508	7	88,793	8
2200	Other payables (Notes 17 and 29)	180,247	14	161,151	13	123,929	10
2230	Current tax liabilities (Note 4)	12,286	1	9,126	1	-	-
2250	Provisions for liabilities - current (Note 18)	8,500	1	11,000	1	8,300	1
2280	Lease liabilities - current (Notes 12 and 29)	107,087	9	103,154	8	106,454	9
2320	Long-term loans due within one year (Note 16)	2,857	-	7,603	-	10,278	1
2399	Other current liabilities	4,476	-	6,294	-	4,544	-
21XX	Total current liabilities	427,597	34	405,931	32	363,163	31
	Non-current liabilities						
2540	Long-term borrowings (Note 16)	476	-	11,798	1	14,605	1
2550	Reserve for liabilities - non-current (Note 18)	13,010	1	10,130	1	11,660	1
2570	Deferred tax liabilities (Note 4)	160	-	160	-	34	-
2580	Lease liabilities - non-current (Notes 12 and 29)	321,544	25	324,990	26	318,448	27
25XX	Total non-current liabilities	335,190	26	347,078	28	344,747	29
2XXX	Total liabilities	762,787	60	753,009	60	707,910	60
	Equity attributable to owners of the Company (Note 20)						
	Share capital						
3110	Ordinary share capital	198,113	16	197,600	16	196,180	17
3140	Share capital received in advance	31	-	-	-	748	-
3100	Total share capital	198,144	16	197,600	16	196,928	17
3200	Capital reserve	164,911	13	163,890	13	162,466	14
	Retained earnings						
3310	Legal reserve	19,857	1	10,870	1	10,870	1
3320	Special surplus reserve	104	-	2	-	2	-
3350	Undistributed earnings	51,085	4	61,905	5	38,998	3
3300	Total retained earnings	71,046	5	72,777	6	49,870	4
3410	Foreign exchange differences from translation of the financial statements of foreign operations	(53)	-	(104)	-	(308)	-
31XX	Total owners' equity of the Company	434,048	34	434,163	35	408,956	35
36XX	Non-controlling interest (Note 10)	68,227	6	63,741	5	62,509	5
3XXX	Total equity	502,275	40	497,904	40	471,465	40
	Total liabilities and equity	$ 1,265,062	100	$ 1,250,913	100	$ 1,179,375	100

The attached notes are part of the consolidated financial statements.

(Please refer to the review report issued by Deloitte Taiwan on August 7, 2026)

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

April 1 to June 30, 2026 and 2025, and January 1 to June 30, 2026 and 2025

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

Code		April 1 to June 30, 2026 Amount	%	April 1 to June 30, 2025 Amount	%	January 1 to June 30, 2026 Amount	%	January 1 to June 30, 2025 Amount	%
4000	Operating revenue (Notes 21 and 29)	$ 507,195	100	$ 399,849	100	$ 1,012,464	100	$ 763,945	100
5000	Operating costs (Notes 9, 22 and 29)	246,763	49	195,316	49	499,123	49	383,484	50
5900	Operating margin	260,432	51	204,533	51	513,341	51	380,461	50
	Operating expenses (Note 22)								
6100	Selling expenses	194,932	38	158,783	40	390,242	39	298,611	39
6200	Administrative expenses	27,608	6	24,499	6	53,534	5	43,447	6
6300	R&D expenses	283	-	289	-	543	-	549	-
6000	Total operating expense	222,823	44	183,571	46	444,319	44	342,607	45
6500	Other net income and expenses (Note 22)	226	-	651	-	176	-	951	-
6900	Operating income	37,835	7	21,613	5	69,198	7	38,805	5
	Non-operating income and expenses (Notes 22 and 29)								
7020	Other gains and losses	645	-	(1,724)	-	1,649	-	(880)	-
7100	Interest revenue	739	-	1,122	-	806	-	1,525	-
7510	Interest expense	(2,443)	-	(1,547)	-	(4,955)	(1)	(2,572)	-
7000	Total non-operating income and expenses	(1,059)	-	(2,149)	-	(2,500)	(1)	(1,927)	-
7900	Profit before tax	36,776	7	19,464	5	66,698	6	36,878	5
7950	Income tax expenses (Notes 4 and 23)	7,015	1	-	-	13,102	1	-	-
8200	Net profit for the period	29,761	6	19,464	5	53,596	5	36,878	5
	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	1	-	(393)	-	51	-	(346)	-
8500	Total comprehensive income for the current period	$ 29,762	6	$ 19,071	5	$ 53,647	5	$ 36,532	5
	Net profit attributable to:								
8610	Owners of the Company	$ 27,633	6	$ 20,126	5	$ 47,669	5	$ 37,540	5
8620	Non-controlling interest	2,128	-	(662)	-	5,927	-	(662)	-
8600		$ 29,761	6	$ 19,464	5	$ 53,596	5	$ 36,878	5
	Total comprehensive income attributable to:								
8710	Owners of the Company	$ 27,634	6	$ 19,733	5	$ 47,720	5	$ 37,194	5
8720	Non-controlling interest	2,128	-	(662)	-	5,927	-	(662)	-
8700		$ 29,762	6	$ 19,071	5	$ 53,647	5	$ 36,532	5
	Earnings per share (Note 24)								
9750	Basic	$ 1.40		$ 1.03		$ 2.41		$ 1.92	
9850	Dilution	$ 1.38		$ 1.01		$ 2.38		$ 1.88	

The attached notes are part of the consolidated financial statements.

(Please refer to the review report issued by Deloitte Taiwan on August 7, 2026)

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

January 1 to June 30, 2026 and 2025

Unit: NT$ thousand

Code		Equity attributable to owners of the Company										
		Share capital				Retained earnings						
		Number of shares (in thousands)	Amount	Share capital received in advance	Capital reserve	Legal reserve	Special surplus reserve	Undistributed earnings	Foreign exchange differences from translation of the financial statements of foreign operations	Total	Non-controlling interest	Total equity
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											
B1	Legal reserve	-	-	-	-	8,105	-	(8,105)	-	-	-	-
B3	Special surplus reserve	-	-	-	-	-	(640)	640	-	-	-	-
B5	Cash dividends to the Company's shareholders	-	-	-	-	-	-	(72,520)	-	(72,520)	-	(72,520)
M5	Acquired partial equity interest in subsidiaries.	-	-	-	-	-	-	-	-	-	63,171	63,171
C15	Cash dividends from capital reserves	-	-	-	(15,680)	-	-	-	-	(15,680)	-	(15,680)
N1	The Company issued employee share options	-	-	-	3,050	-	-	-	-	3,050	-	3,050
M3	Disposal of subsidiaries accounted for using the equity method	-	-	-	-	-	-	-	40	40	-	40
D1	Net profit from January 1 to June 30, 2025	-	-	-	-	-	-	37,540	-	37,540	(662)	36,878
D3	Other comprehensive income from January 1 to June 30, 2025	-	-	-	-	-	-	-	(346)	(346)	-	(346)
D5	Total comprehensive income from January 1 to June 30, 2025	-	-	-	-	-	-	37,540	(346)	37,194	(662)	36,532
N1	Share-based payment transaction	18	180	748	62	-	-	-	-	990	-	990
Z1	Balance as of June 30, 2025	19,618	$ 196,180	$ 748	$ 162,466	$ 10,870	$ 2	$ 38,998	($ 308)	$ 408,956	$ 62,509	$ 471,465
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											
B1	Legal reserve	-	-	-	-	8,987	-	(8,987)	-	-	-	-
B3	Special surplus reserve	-	-	-	-	-	102	(102)	-	-	-	-
B5	Cash dividends to the Company's shareholders	-	-	-	-	-	-	(49,400)	-	(49,400)	-	(49,400)
O1	Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	(1,441)	(1,441)
C3	Unclaimed dividends	-	-	-	2	-	-	-	-	2	-	2
N1	The Company issued employee share options	-	-	-	883	-	-	-	-	883	-	883
D1	Net profit from January 1 to June 30, 2026	-	-	-	-	-	-	47,669	-	47,669	5,927	53,596
D3	Other comprehensive income from January 1 to June 30, 2026	-	-	-	-	-	-	-	51	51	-	51
D5	Total comprehensive income from January 1 to June 30, 2026	-	-	-	-	-	-	47,669	51	47,720	5,927	53,647
N1	Share-based payment transaction	51	513	31	136	-	-	-	-	680	-	680
Z1	Balance as of June 30, 2026	19,811	$ 198,113	$ 31	$ 164,911	$ 19,857	$ 104	$ 51,085	($ 53)	$ 434,048	$ 68,227	$ 502,275

The attached notes are part of the consolidated financial statements.
(Please refer to the review report issued by Deloitte Taiwan on August 7, 2026)

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

January 1 to June 30, 2026 and 2025

Unit: NT$ thousand

Code		January 1 to June 30, 2026	January 1 to June 30, 2025
	Cash flows from operating activities		
A10000	Profit before tax for the period	$ 66,698	$ 36,878
A20010	Income and expense items		
A20100	Depreciation expenses	105,231	82,537
A20200	Amortization expenses	3,769	3,454
A20300	Expected credit impairment loss	146	-
A29900	Amortization of long-term prepaid expenses	324	324
A20900	Interest expense	4,955	2,572
A21200	Interest revenue	(806)	(1,525)
A21900	Remuneration cost of employee share options	883	3,050
A22500	Net loss (gain) on disposal of property, plant and equipment	175	(343)
A22900	Net profit from the disposal of right-of-use assets	(117)	(24)
A23700	Loss (gain on reversal) on inventory write-downs and obsolescence	(217)	275
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	987	(418)
A31150	Accounts receivable	(11,702)	8,430
A31180	Other receivables	156	497
A31200	Inventories	(598)	747
A31240	Other current assets	(2,574)	(3,147)
A32125	Contract liability	(2,887)	(426)
A32130	Notes payable	(10)	-
A32150	Accounts payable	7,438	(11,075)
A32180	Other payables	(5,020)	(1,155)
A32200	Provision	(2,100)	(600)
A32230	Other current liabilities	(1,818)	224
A33000	Cash from operations	162,913	120,275
A33100	Interest collected	806	1,525
A33300	Interest paid	(4,955)	(2,572)
A33500	Income tax paid	(8,792)	(132)
AAAA	Net cash inflow from operating activities	149,972	119,096

(continued on next page)

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Code		January 1 to June 30, 2026	January 1 to June 30, 2025
	Cash flows from investing activities		
B00050	Disposal of financial assets measured at amortized cost	$ 37	$ -
B02200	Net cash outflow from acquisition of subsidiaries (Note 26)	-	(85,267)
B02200	Net cash outflow from acquisition of businesses (Note 26)	(6,854)	-
B02700	Acquisition of property, plant and equipment	(32,440)	(55,438)
B02800	Net cash inflow from the disposal of property, plant and equipment	977	701
B03700	Increase in guarantee deposits paid	(1,796)	(350)
B03800	Decrease in guarantee deposits	1,046	110
B04500	Acquisition of intangible assets	(558)	(766)
B07100	Increase in prepayments for equipment	(1,439)	-
BBBB	Net cash outflow from investing activities	(41,027)	(141,010)
	Cash flows from financing activities		
C01700	Repayment of long-term loans	(16,068)	(1,082)
C04020	Repayment of the principal of lease liabilities	(60,434)	(49,259)
C04500	Cash dividends	(49,398)	(88,200)
C04800	Exercise of employee share options	680	990
C05800	Cash dividends paid to non-controlling interests	(1,441)	-
CCCC	Net cash outflow from financing activities	(126,661)	(137,551)
DDDD	Effect of exchange rate changes on cash	49	(312)
EEEE	Net decrease in cash	(17,667)	(159,777)
E00100	Opening cash balance	258,291	386,713
E00200	Ending cash balance	$ 240,624	$ 226,936

The attached notes are part of the consolidated financial statements.

(Please refer to the review report issued by Deloitte Taiwan on August 7, 2026)

Chairman:	Managerial Officer:	Accounting Officer:
Wang Yao-Hui	Lin Tzu-Heng	Shih Huei-Shan

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 August 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 endorsed by the FSC applicable in 2027

Newly Issued / Amended / Revised Standards and Interpretations	Effective Date Announced by the IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note 1)
IFRS 19 "Subsidiaries without Public Accountability: Disclosures" (including the 2025 Amendments)	January 1, 2027
Amendments to IAS 21, "Lack of Exchangeability"	January 1, 2027
Amendments to IAS 28 "Amendments to the Fair Value Option for Investments in Associates and Joint Ventures"	January 1, 2027 (Note 2)

Note 1: Enterprises in Taiwan shall apply IFRS 18 from January 1, 2028, with early application permitted.

Note 2: The amendments shall be applied concurrently with IFRS 18.

IFRS 18 "Presentation and Disclosure in Financial Statements" and related consequential amendments, and Amendments to IAS 28 "Amendments to the Fair Value Option for Investments in Associates and Joint Ventures"

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.

Upon initial application of IFRS 18, a venture capital organization, mutual fund, unit trust, or similar entity (or indirectly through such an entity) may change its election for measuring investments in associates or joint ventures from the equity method to fair value through profit or loss. The amendments to IAS 28 clarify that the aforementioned "similar entities" include entities that, under IFRS 18, are assessed as having investment in specified types of assets as a main business activity. If the consolidated company meets the aforementioned conditions, it may elect to make this change on the date of initial application.

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.

The consolidated company does not expect to early apply IFRS 18 and related consequential amendments.

In addition to the aforementioned impacts, as of the date these consolidated financial statements were authorized for issuance, the consolidated company is still assessing the other impacts of the amendments to the standards and interpretations on its financial position and financial performance, and the related impacts will be disclosed upon completion of the assessment.

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

Newly Issued / Amended / Revised Standards and Interpretations	Effective Date Announced by the IASB (Note)
Amendments to IFRS 10 and IAS 28, "Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture"	To be determined
IFRS 20 "Regulatory Assets and Regulatory Liabilities"	January 1, 2029

Note: 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.

In addition to the aforementioned impacts, as of the date these consolidated financial statements were authorized for issuance, the consolidated company is still assessing the other impacts of the amendments to the standards and interpretations on its financial position and financial performance, and 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 4.

(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

	June 30, 2026	December 31, 2025	June 30, 2025
Cash on hand and petty cash	$ 3,572	$ 2,697	$ 2,632
Bank checks and demand deposits	237,052	255,594	224,304
	$ 240,624	$ 258,291	$ 226,936

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

	June 30, 2026	December 31, 2025	June 30, 2025
Bank deposits	0.10%-1.25%	0.03%-0.73%	0.64%-0.80%

VII. Financial assets measured at amortized cost - current

	June 30, 2026	December 31, 2025	June 30, 2025
Restricted bank deposits	$ -	$ 37	$ 37

As of December 31 and June 30, 2025, the interest rates 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

	June 30, 2026	December 31, 2025	June 30, 2025
Accounts receivable			
Measured at amortized cost			
Total carrying amount - non-related parties	$ 138,658	$ 126,941	$ 104,641
Total carrying amount - related parties	8	133	31
Less: Loss allowance	(46)	-	-
	$ 138,620	$ 127,074	$ 104,672

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 measures the loss allowance for accounts receivable using a provision matrix as follows:

June 30, 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	$134,409	$ 560	$ 3,402	$ -	$ 149	$ 146	$138,666
Allowance for losses (lifetime expected credit losses)	-	-	-	-	-	(46)	(46)
Amortized cost	$134,409	$ 560	$ 3,402	$ -	$ 149	$ 100	$138,620

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	$126,197	$ 482	$ 295	$ -	$ -	$ 100	$127,074

June 30, 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	$103,051	$ 1,521	$ -	$ -	$ 100	$ -	$104,672
Allowance for losses (lifetime expected credit losses)	-	-	-	-	-	-	-
Amortized cost	$103,051	$ 1,521	$ -	$ -	$ 100	$ -	$104,672

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

	January 1 to June 30, 2026	January 1 to June 30, 2025
Opening balance	$ -	$ -
Add: Impairment loss recognized for the period	146	-
Less: Actual write-offs during the period	(100)	-
Ending balance	$ 46	$ -

IX. Inventories

	June 30, 2026	December 31, 2025	June 30, 2025
Raw materials	$ 43,018	$ 40,214	$ 42,253
Merchandises	6,283	7,511	5,483
	$ 49,301	$ 47,725	$ 47,736

The cost of goods sold related to inventories for the periods from April 1 to June 30, 2026 and 2025 and from January 1 to June 30, 2026 and 2025 was NT$245,982 thousand, NT$194,464 thousand, NT$497,672 thousand, and NT$381,812 thousand, respectively.

The cost of goods sold for the periods from April 1 to June 30, 2026 and 2025 and from January 1 to June 30, 2026 and 2025 included inventory write-down and obsolescence losses (reversal gains) of NT$0, NT$105 thousand, NT$(217) thousand, and NT$275 thousand, respectively. The recovery in the net realizable value of inventories was due to 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
			June 30, 2026	December 31, 2025	June 30, 2025	
The Company	Kingza HK Limited (hereinafter referred to as "Kingza HK")	Reinvestment holding company	-	-	-	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%	51%	2、3
	Yang Ho Food Co., Ltd. (hereinafter referred to as "Yang Ho")	Manufacturing and sale of food products	-	-	51%	3

Remarks:

1. 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

	Percentage of ownership interest and voting rights held by non-controlling interests		
Name of subsidiary	June 30, 2026	December 31, 2025	June 30, 2025
Yang Shin	49%	49%	49%

For information on the principal place of business and country of incorporation, please refer to Table 4.

	Profit or loss attributable to non-controlling interests				Non-controlling interest		
Name of subsidiary	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025	June 30, 2026	December 31, 2025	June 30, 2025
Yang Shin	$ 2,128	($ 382)	$ 5,927	($ 382)	$68,227	$63,741	$62,111
Others	-	(280)	-	(280)	-	-	398
	$ 2,128	($ 662)	$ 5,927	($ 662)	$68,227	$63,741	$62,509

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

Yang Shin

	June 30, 2026	December 31, 2025	June 30, 2025
Current asset	$ 64,050	$ 88,603	$ 69,292
Non-current assets	439,332	455,698	381,316
Current liabilities	(108,691)	(139,995)	(105,659)
Non-current liabilities	(211,505)	(230,009)	(204,284)
Equity	$ 183,186	$ 174,297	$ 140,665
Equity attributable to:			
Owners of the Company	$ 114,971	$ 110,437	$ 78,554
Non-controlling interest	68,215	63,860	62,111
	$ 183,186	$ 174,297	$ 140,665

	April 1 to June 30, 2026	January 1 to June 30, 2026	January 6 to June 30, 2025
Operating revenue	$ 98,565	$ 213,572	$ 22,356
Net profit (loss) and total comprehensive income for the current period	$ 4,340	$ 11,830	($ 780)
Net profit (loss) and total comprehensive income attributable to:			
Owners of the Company	$ 2,213	$ 6,033	($ 398)
Non-controlling interest	2,127	5,797	(382)
	$ 4,340	$ 11,830	($ 780)
Cash flows			
Operating activities		$ 18,748	$ 37,192
Investing activities		(759)	(9,026)
Financing activities		(34,641)	(2,715)
Net cash (outflows) inflows		($ 16,652)	$ 24,451

XI. Property, Plant and Equipment

	Lease improvements	Transportation equipment	Miscellaneous equipment	Other equipment	Construction in progress and equipment pending inspection	Total
Costs						
Balance as of January 1, 2026	$ 437,348	$ 829	$ 249,049	$ -	$ 10,324	$ 697,550
Acquired through business combinations (Note 26)	7,156	-	-	-	-	7,156
Addition	14,540	-	9,610	-	1,577	25,727
Disposal	(20,447)	-	(6,365)	-	-	(26,812)
Internal transfer	11,636	-	46	-	(11,682)	-
Balance as of June 30, 2026	$ 450,233	$ 829	$ 252,340	$ -	$ 219	$ 703,621
Accumulated depreciation						
Balance as of January 1, 2026	$ 291,759	$ 725	$ 187,244	$ -	$ -	$ 479,728
Depreciation expenses	28,145	69	14,250		-	42,464
Disposal	(19,529)	-	(6,131)	-	-	(25,660)
Balance as of June 30, 2026	$ 300,375	$ 794	$ 195,363	$ -	$ -	$ 496,532
Net amount as of June 30, 2026	$ 149,858	$ 35	$ 56,977	$ -	$ 219	$ 207,089
Net amount as of December 31, 2025 and January 1, 2026	$ 145,589	$ 104	$ 61,805	$ -	$ 10,324	$ 217,822
Costs						
Balance as of January 1, 2025	$ 305,195	$ -	$ 180,539	$ -	$ 7,512	$ 493,246
Acquired through business combinations (Note 26)	84,792	829	54,586	1,077	-	141,284
Addition	11,550	-	7,097	-	5,110	23,757
Disposal	(7,146)	-	(5,427)	-	-	(12,573)
Internal transfer	11,530	-	325	-	(11,855)	-
Balance as of June 30, 2025	$ 405,921	$ 829	$ 237,120	$ 1,077	$ 767	$ 645,714
Accumulated depreciation						
Balance as of January 1, 2025	$ 236,538	$ -	$ 146,070	$ -	$ -	$ 382,608
Acquired through business combinations (Note 26)	35,270	644	26,725	155	-	62,794
Depreciation expenses	20,196	12	11,794	8	-	32,010
Disposal	(7,146)	-	(5,069)	-	-	(12,215)
Balance as of June 30, 2025	$ 284,858	$ 656	$ 179,520	$ 163	$ -	$ 465,197
Net amount as of June 30, 2025	$ 121,063	$ 173	$ 57,600	$ 914	$ 767	$ 180,517

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
Other equipment	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 June 30, 2026 and 2025. The consolidated company assessed its property, plant and equipment as of June 30, 2026 and 2025 and determined that there were no indications of impairment.

XII. Lease agreement

(I) Right-of-use assets

	June 30, 2026	December 31, 2025	June 30, 2025
Carrying amount of right-of-use assets			
Buildings	$ 417,074	$ 421,345	$ 418,066
Transportation equipment	2,735	136	561
Wealth-generating tools	358	415	783
	$ 420,167	$ 421,896	$ 419,410

	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Addition of right-of-use assets			$ 63,453	$ 26,917
Acquired through business combinations (Note 26)			$ -	$ 235,855
Depreciation expenses of right-of-use assets				
Buildings	$ 31,488	$ 25,328	$ 62,298	$ 50,059
Transportation equipment	225	186	412	358
Wealth-generating tools	29	53	57	110
	$ 31,742	$ 25,567	$ 62,767	$ 50,527

Except for acquisitions through business combinations, additions, recognition of depreciation expense, remeasurement of lease liabilities due to lease modifications

with corresponding adjustments to right-of-use assets, and expenses 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 June 30, 2026 and 2025.

(II) Lease liabilities

	June 30, 2026	December 31, 2025	June 30, 2025
Carrying amount of lease liabilities			
Current	$ 107,087	$ 103,154	$ 106,454
Non-current	$ 321,544	$ 324,990	$ 318,448

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

	June 30, 2026	December 31, 2025	June 30, 2025
Buildings	1.45%-2.60%	1.45%-2.60%	1.45%-2.60%
Transportation equipment	1.45%-2.60%	1.45%-2.60%	1.45%-2.60%
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 or net sales of the stores;
2. Certain variable payment terms include minimum payment clauses.

(IV) Other leases information

	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Short-term lease overheads	$ 420	$ 377	$ 928	$ 1,431
Expenses relating to leases of low-value assets	$ 2,145	$ 1,059	$ 4,750	$ 2,028
Variable lease payment expenses not included in the measurement of lease liabilities	$ 33,314	$ 27,369	$ 64,292	$ 50,754
Total cash outflow for leases			($ 135,235)	($ 105,917)

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

	January 1 to June 30, 2026	January 1 to June 30, 2025
Costs		
Opening balance	$ 43,971	$ -
Acquired through business combinations during the current period (Note 26)	28,250	43,971
Ending balance	$ 72,221	$ 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 valuation reports for the acquisition of Yang Shin and Yang Ho. According to the reports, 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 from the acquisition date. As of June 30, 2026, there had been no significant changes indicating any impairment of goodwill.

XIV. Intangible Assets

	Computer software	Franchise rights	Trademark rights	Total
Costs				
Balance as of January 1, 2026	$ 7,474	$ 65,649	$ 56,328	$129,451
Acquired separately	558	4,431	-	4,989
Disposal	-	(96)	-	(96)
Balance as of June 30, 2026	$ 8,032	$ 69,984	$ 56,328	$134,344
Accumulated amortization and impairment losses				

	Computer software	Franchise rights	Trademark rights	Total
Balance as of January 1, 2026	$ 4,154	$ 43,141	$ -	$ 47,295
Amortization expenses	1,272	2,497	-	3,769
Disposal	-	(96)	-	(96)
Balance as of June 30, 2026	$ 5,426	$ 45,542	$ -	$ 50,968
Net amount as of June 30, 2026	$ 2,606	$ 24,442	$ 56,328	$ 83,376
Net amount as of December 31, 2025 and January 1, 2026	$ 3,320	$ 22,508	$ 56,328	$ 82,156
Costs				
Balance as of January 1, 2025	$ 5,474	$ 61,942	$ -	$ 67,416
Acquired through business combinations (Note 26)	234	-	56,328	56,562
Acquired separately	720	46	-	766
Balance as of June 30, 2025	$ 6,428	$ 61,988	$ 56,328	$124,744
Accumulated amortization and impairment losses				
Balance as of January 1, 2025	$ 1,897	$ 37,535	$ -	$ 39,432
Acquired through business combinations (Note 26)	135	-	-	135
Amortization expenses	995	2,459	-	3,454
Balance as of June 30, 2025	$ 3,027	$ 39,994	$ -	$ 43,021
Net amount as of June 30, 2025	$ 3,401	$ 21,994	$ 56,328	$ 81,723

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 June 30, 2026 and 2025. The consolidated company assessed its intangible assets as of June 30, 2026 and 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

	June 30, 2026	December 31, 2025	June 30, 2025
Non-current			
Guarantee deposits	$ 18,803	$ 16,867	$ 17,667
Long-term prepaid expenses	10,200	10,200	10,880
Prepayments for construction and equipment	3,342	2,327	22,253
	$ 32,345	$ 29,394	$ 50,800
Guarantee deposits			
- Current (recognized in other current assets)	$ 4,764	$ 5,950	$ 4,648
- Non-current	$ 18,803	$ 16,867	$ 17,667

XVI. Long-term borrowings

	June 30, 2026	December 31, 2025	June 30, 2025
Bank borrowings			
Taiwan Cooperative Bank	$ -	$ 14,639	$ 18,693
Mega International Commercial Bank	3,333	4,762	6,190
	3,333	19,401	24,883
Less: Portion due within one year	(2,857)	(7,603)	(10,278)
	$ 476	$ 11,798	$ 14,605

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 June 30, 2026, December 31, 2025, and June 30, 2025, the effective annual interest rates were 2.220%, 2.220% to 2.273%, and 2.220% to 2.273%, respectively.

XVII. Other payables

	June 30, 2026	December 31, 2025	June 30, 2025
Salaries and bonuses payable	$ 73,383	$ 83,260	$ 63,678
Royalties payable	41,591	7,875	7,464
Payables for construction and equipment	14,193	22,747	12,285
Insurance premiums payable	9,951	9,828	7,062
Others	41,129	37,441	33,440
	$ 180,247	$ 161,151	$ 123,929

XVIII. Provision

	June 30, 2026	December 31, 2025	June 30, 2025
Decommissioning liabilities			
- Current	$ 8,500	$ 11,000	$ 8,300
- Non-current	$ 13,010	$ 10,130	$ 11,660

	January 1 to June 30, 2026	January 1 to June 30, 2025
Opening balance	$ 21,130	$ 17,450
Acquired through business combinations (Note 26)	-	2,410
Additions during the current period	2,480	700
Used during the current period	(2,100)	(600)
Ending balance	$ 21,510	$ 19,960

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) Ordinary share capital

	June 30, 2026	December 31, 2025	June 30, 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)	19,811	19,760	19,618
Issued share capital	$ 198,113	$ 197,600	$ 196,180
Share capital received in advance	$ 31	$ -	$ 748

The changes in the Company's share capital from January 1 to June 30, 2026 were mainly due to the exercise of employee stock options; share capital received in advance of NT$31 thousand (3 thousand shares) represented proceeds received in advance from 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

	June 30, 2026	December 31, 2025	June 30, 2025
May be used to offset deficits, distribute cash, or capitalize share capital (1)			
Share premium	$ 158,228	$ 155,681	$ 150,260
May only be used to offset deficits			
Unclaimed dividends	3	1	-
May not be used for any purpose			
Employee stock options	6,680	8,208	12,206
	$ 164,911	$ 163,890	$ 162,466

(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	$ 3,754	$ 5,233	$ 8,105
Appropriation of (reversal of) special reserve	$ 306	($ 204)	($ 640)
Cash dividends	$ 29,427	$ 49,400	$ 72,520
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 aforementioned cash dividends were approved by resolutions of the Board of Directors, and the remaining earnings distribution items for 2025 and 2024 were approved at the annual general shareholders' meetings held on June 9, 2026 and June 3, 2025, respectively.

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.

The Company's Board of Directors resolved on the following interim earnings distribution for 2026:

	January 1 to June 30, 2026
Resolution date of the Board of Directors	August 7, 2026
Legal reserve	$ 4,767
Reversal of special reserve	($ 51)
Cash dividends	$ 39,623
Cash dividend per share (NT$)	$ 2.00

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

	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Customer contract revenue				
Food and Beverage Revenue	$ 492,195	$ 386,589	$ 968,630	$ 735,356
Merchandise sales and others	15,000	13,260	43,834	28,589
	$ 507,195	$ 399,849	$1,012,464	$ 763,945

Contract balance

For accounts receivable, please refer to Note 8.

	June 30, 2026	December 31, 2025	June 30, 2025	January 1, 2025
Contract liability				
Customer loyalty programs	$ 8,721	$ 6,943	$ 12,903	$ 12,083
Advance receipts for restaurant gift vouchers	6,993	7,791	-	-
Franchise and agency authorization	1,008	153	-	-
Advance receipts	1,430	6,152	-	-
Others	46	46	7,962	294
	$ 18,198	$ 21,085	$ 20,865	$ 12,377
Current	$ 18,198	$ 21,085	$ 20,865	$ 12,377

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

	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Net (loss) gain on disposal of property, plant and equipment	($ 125)	$ 343	($ 175)	$ 343
Net profit from the disposal of right-of-use assets	117	1	117	24
Government subsidy income	234	307	234	584
	$ 226	$ 651	$ 176	$ 951

(II) Interest revenue

	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Bank deposits	$ 547	$ 1,098	$ 564	$ 1,477
Others	192	24	242	48
	$ 739	$ 1,122	$ 806	$ 1,525

(III) Other gains and losses

	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Net foreign exchange gains (losses)	($ 68)	($ 2,231)	$ 314	($ 1,967)
Others	713	507	1,335	1,087
	$ 645	($ 1,724)	$ 1,649	($ 880)

(IV) Interest expense

	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Interest on lease liabilities	$ 2,395	$ 1,473	$ 4,831	$ 2,445
Interest on bank borrowings	25	51	79	81
Other interest expenses	23	23	45	46
	$ 2,443	$ 1,547	$ 4,955	$ 2,572

(V) Depreciation and amortization

	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Summary of depreciation expenses by function				
Operating costs	$ 15,582	$ 11,258	$ 30,771	$ 22,530
Operating expenses	37,827	30,878	74,460	60,007
	$ 53,409	$ 42,136	$105,231	$ 82,537
Summary of amortization expenses by function				
Operating costs	$ 1,203	$ 1,222	$ 2,497	$ 2,459
Selling expenses	624	-	1,215	-
Administrative expenses	28	519	56	995
Research expenses	1	-	1	-
	$ 1,856	$ 1,741	$ 3,769	$ 3,454

(VI) Employee benefit expenses

	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Post-employment Benefits	$ 6,415	$ 4,864	$ 12,947	$ 9,238
Share-based payment Equity-settled	414	1,725	883	3,050
Other employee benefits	149,599	111,108	306,711	210,459
	$156,428	$117,697	$320,541	$222,747
Summary by function				
Operating costs	$ 61,300	$ 40,874	$126,494	$ 80,934
Operating expenses	95,128	76,823	194,047	141,813
	$156,428	$117,697	$320,541	$222,747

(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 periods from April 1 to June 30, 2026 and 2025 and from January 1 to June 30, 2026 and 2025 were as follows:

Estimated ratio

	January 1 to June 30, 2026	January 1 to June 30, 2025
Employees' remuneration	2.95%	3.06%
Directors' remuneration	0.98%	1.30%

Amount

	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Employees' remuneration	$ 1,011	$ 659	$ 1,761	$ 1,203
Directors' remuneration	$ 337	$ 220	$ 587	$ 401

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

	2025	2024
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, please refer to MOPS of the Taiwan Stock Exchange.

XXIII. Income Tax

(I) Income tax recognized in profit or loss (April 1 to June 30, 2025 and January 1 to June 30, 2025: none)

The major components of income tax expense are as follows:

	April 1 to June 30, 2026	January 1 to June 30, 2026
Current Income Tax		
Generated in the current year	$ 7,343	$ 12,427
Adjustments for prior years	(328)	(328)
	7,015	12,099
Deferred Income Tax		
Generated in the current year	-	1,003
Income tax expense recognized in profit or loss	$ 7,015	$ 13,102

(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$

	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Basic earnings per share	$ 1.40	$ 1.03	$ 2.41	$ 1.92
Diluted earnings per share	$ 1.38	$ 1.01	$ 2.38	$ 1.88

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

	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Net profit used in the calculation of basic and diluted earnings per share	$ 27,633	$ 20,126	$ 47,669	$ 37,540

Number of shares

Unit: Thousand shares

	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share	19,768	19,600	19,765	19,600
Effect of potentially dilutive ordinary shares:				
Employee stock options	163	288	168	294
Employees' remuneration	34	20	54	110
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	19,965	19,908	19,987	20,004

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:

	January 1 to June 30, 2026		January 1 to June 30, 2025	
Employee stock options	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	(54)	12.66	(74)	13.48
Forfeited during the current period	(17)	12.84	(29)	13.64
Outstanding shares at the end of the period	191	12.60	353	13.48
Exercisable at end of the period	90	12.60	140	13.48

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

	June 30, 2026	December 31, 2025	June 30, 2025
Exercise price (NT$)	$ 12.60	$ 13.20	$ 13.48
Weighted average remaining contractual life (years)	1.96 years	2.45 years	2.96 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.

The remuneration costs recognized for the periods from April 1 to June 30, 2026 and 2025 and from January 1 to June 30, 2026 and 2025 were NT$414 thousand, NT$1,725 thousand, NT$883 thousand, and NT$3,050 thousand, respectively.

XXVI. Business Combinations

(I) Acquisition of subsidiaries

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

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) Acquisition of Businesses

The consolidated company entered into store asset purchase and sale agreements and brand and trademark licensing agreements with four companies, including Palais de Chine Catering Co., Ltd., to acquire the complete rights to use the "Mei Lei" and "KENPONG" brands and trademarks, as well as their store assets (hereinafter referred to as "Mei Lei"), for total cash consideration transferred of NT$35,104 thousand, with June 1, 2026 as the acquisition date.

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

	Mei Lei	Yang Shin	Yang Ho
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	761	4,294	2,143
Prepayments	-	3,502	1,094
Other current assets	-	9,435	69
Non-current assets			
Property, Plant and Equipment	7,156	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	(1,063)	(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	-	(201,022)	(11,002)
	$ 6,854	$ 122,547	$ 1,236

The initial accounting treatment for part of the acquisition was only provisional as of the balance sheet date. As of the date the consolidated financial statements were authorized for issue, the required market valuations and other calculations had not yet been completed; therefore, the identifiable net assets as of the acquisition date were provisionally determined based on the consolidated company's management's best estimates.

(IV) Goodwill arising from the acquisition

	Mei Lei	Yang Shin	Yang Ho
Consideration transferred	$ 35,104	$ 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	(6,854)	(122,547)	(1,236)
Goodwill arising from the acquisition	$ 28,250	$ 39,901	$ 4,070

As of the date the consolidated financial statements were authorized for issue, the purchase price allocation report for the acquisition of Mei Lei had not yet been completed; therefore, the difference between the investment cost and the net value of the equity acquired was provisionally recognized as goodwill.

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.

(V) Net cash outflow from acquisition of businesses and subsidiaries

	Mei Lei	Yang Shin	Yang Ho
Consideration paid in cash	$ 35,104	$ 102,400	$ 4,700
Less: Cash and cash equivalents acquired	-	(20,637)	(1,196)
	$ 35,104	$ 81,763	$ 3,504

As of June 30, 2026, the consolidated company had NT$28,250 thousand remaining unpaid (recognized in other payables).

(VI) Impact of business combination on operating results

From the acquisition date, the operating results of the acquiree are as follows:

	Yang Shin	Yang Ho
Operating revenue	$ 22,356	$ 565
Net loss for the year	($ 770)	($ 582)

The operating results of the Mei Lei business from the beginning of the fiscal year in which the acquisition date occurred to the acquisition date were unavailable; therefore, the pro forma information for the period from January 1 to June 30, 2026 is not disclosed.

Had the business combination of Yang Shin and Yang Ho occurred on the first day of the financial reporting year in which the acquisition date falls, i.e., from January 1 to June 30, 2025, the consolidated company's pro forma revenue would have been NT$920,740 thousand, and pro forma net profit would have been NT$37,873 thousand. Such amounts do not reflect the revenue and operating results that the consolidated company would actually have generated had the business combination been completed at the beginning of the acquisition year, and should not be used as a forecast of future operating results.

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

	June 30, 2026	December 31, 2025	June 30, 2025
Financial Assets			
Measured at amortized cost			
Cash and cash equivalents	$ 240,624	$ 258,291	$ 226,936
Restricted bank deposits (recognized as financial assets measured at amortized cost)	-	37	37
Notes receivable	-	987	995
Accounts receivable	138,620	127,074	104,672
Other receivables	146	302	308
Guarantee deposits	23,567	22,817	22,315

Financial Liabilities			
Measured at amortized cost			
Notes payable	-	10	-
Accounts payable	93,946	86,508	88,793
Other payables	97,624	67,944	51,733
Long-term borrowings (including those due within a year)	3,333	19,401	24,883

(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 June 30, 2026 and 2025 would decrease/increase by NT$450 thousand and NT$533 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:

	June 30, 2026	December 31, 2025	June 30, 2025
Fair value interest rate risk			
- Financial liabilities	$ 428,631	$ 428,144	$ 424,902
Cash flow interest rate risk			
- Financial assets	232,724	251,650	222,266
- Financial liabilities	3,333	19,401	24,883

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 June 30, 2026 and 2025 by NT$1,147 thousand and NT$987 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.

June 30, 2026

	On demand or less than 1 year	1 to 5 years	Over 5 years
Non-derivative financial liabilities			
Non-interest-bearing liabilities	$ 191,617	$ 2	$ -
Lease liabilities	115,954	245,360	98,611
Floating rate instruments	2,857	476	-
	$ 310,428	$ 245,838	$ 98,611

December 31, 2025

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

June 30, 2025

	On demand or less than 1 year	1 to 5 years	Over 5 years
Non-derivative financial liabilities			
Non-interest-bearing liabilities	$ 140,997	$ 574	$ -
Lease liabilities	115,128	215,885	130,102
Floating rate instruments	10,278	14,605	-
	$ 266,403	$ 231,064	$ 130,102

(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:

	June 30, 2026	December 31, 2025	June 30, 2025
Bank borrowing facilities			
- Unused amount	$ 270,000	$ 270,000	$ 220,000

XXIX. Related Party Transactions

The Company's parent company is La Kaffa International Co., Ltd., which held 60.42%, 60.58%, and 60.85% of the Company's ordinary shares as of June 30, 2026, December 31 and June 30, 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, major transactions between the consolidated company and other related parties are as follows:

(I) Name of related party and relationship thereof

Name of related party	Relationship with the Company
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)
Han Ley International Co., Ltd. (hereinafter referred to as "Han Ley")	Fellow subsidiary company

(II) Operating revenue

Types of related parties	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Parent company	$ 39	$ 28	$ 186	$ 144
Fellow subsidiary company	8	6	35	26
Substantive related party	-	7	-	33
	$ 47	$ 41	$ 221	$ 203

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	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Parent company	$ 339	$ 73	$ 578	$ 251
Fellow subsidiary company	-	-	40	-
	$ 339	$ 73	$ 618	$ 251

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	June 30, 2026	December 31, 2025	June 30, 2025
Accounts receivable		$ 8	$ 14	$ 23
	Parent company			
	Fellow subsidiary company	-	119	8
		$ 8	$ 133	$ 31

No guarantees were received for the outstanding accounts receivable from related parties. There were no loss allowances recognized for accounts receivable from related parties as of June 30, 2026, December 31, 2025, and June 30, 2025.

(V) Payables from related parties

Recognized item	Types of related parties	June 30, 2026	December 31, 2025	June 30, 2025
Accounts payable	Parent company	$ 216	$ 185	$ 31
	Fellow subsidiary company	-	55	-
		$ 216	$ 240	$ 31
Other payables	Parent company	$ 75	$ -	$ 4

The outstanding balances of payables to related parties were unsecured.

(VI) Lease agreements

Recognized item	Types of related parties	June 30, 2026	December 31, 2025	June 30, 2025
Lease liabilities		$ 2,265		$ 3,417
	Parent company		$ 2,843	
	Substantive related party	174		586
			381	
		$ 2,439	$ 3,224	$ 4,003

Recognized item	Types of related parties	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Interest expense	Parent company	$ 10	$ 15	$ 21	$ 31
	Substantive related party	1	3	3	7
		$ 11	$ 18	$ 24	$ 38

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) Property, plant and equipment acquired (January 1 to June 30, 2026: none)

	Acquisition consideration
Name of related party	January 1 to June 30, 2025
La Kaffa	$ 4

The consolidated company acquired equipment for operating use from La Kaffa, and the acquisition consideration was determined with reference to the market transaction prices of similar assets.

(VIII) Remuneration of key management personnel

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

	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Salaries and others	$ 2,979	$ 1,879	$ 6,221	$ 3,641
Post-employment Benefits	116	53	233	106
Share-based payment	93	20	188	43
	$ 3,188	$ 1,952	$ 6,642	$ 3,790

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:

	June 30, 2026	December 31, 2025	June 30, 2025
Restricted bank deposits	$ -	$ 37	$ 37

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.

(VII) In June 2026, the consolidated company entered into a franchise agreement with フランチャイズビジネスインキュベーション株式会社 to obtain the store development rights for the “Naruse’s Unagi” brand in Taiwan. The contract term is 10 years. If there is no breach of the matters stipulated in the contract, the consolidated company may, upon mutual agreement between both parties, extend the contract for 5 years within 6 months prior to the expiration of the contract; royalties are calculated based on a certain percentage of monthly operating revenue as agreed by both parties.

(VIII) The consolidated company entered into a brand and trademark licensing agreement with Jun Pin Catering Co., Ltd. to obtain the complete rights to use the “Mei Lei” and “KENPONG” brands and trademarks. The contract term is 10 years, and upon

expiration of the licensing period, the consolidated company will acquire all rights to the brands and trademarks without consideration in accordance with the contract.

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:

June 30, 2026

	Foreign Currency	Exchange rate	Carrying amount
Foreign currency assets			
Monetary items			
USD	$ 471	31.85 (USD: NTD)	$ 14,998

December 31, 2025

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

June 30, 2025

	Foreign Currency	Exchange rate	Carrying amount
Foreign currency assets			
Monetary items			
USD	$ 607	29.30 (USD: NTD)	$ 17,781

The consolidated company's net foreign exchange (losses) gains for the periods from April 1 to June 30, 2026 and 2025 and from January 1 to June 30, 2026 and 2025 were NT$(68) thousand, NT$(2,231) thousand, NT$314 thousand, and NT$(1,967) thousand, respectively.

XXXIII. Notes Disclosure Items

(I) Information on material transactions:

1. Loans to others: Table 1.
2. Endorsement/guarantee for others: Table 2.

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 3.

(II) Information on reinvestments: Table 4.

(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 June 30, 2026			
	Kingza (including the U.S. region)	Yang Shin	Elimination of inter-segment revenue	Total
Revenue from external customers	$ 801,670	$ 210,794	$ -	$ 1,012,464
Inter-segment revenue	-	2,778	(2,778)	-
Consolidated revenue	$ 801,670	$ 213,572	($ 2,778)	$ 1,012,464
Segment profits	$ 50,528	$ 18,399	$ 271	$ 69,198
Interest revenue				806
Interest expense				(4,955)
Others				1,649
Profit before tax				$ 66,698

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 June 30, 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 receivables	Yes	$ 38,000	$ 38,000	$ 20,000	2.5%	2	$ -	Operating turnover	$ -	—	—	$ 43,405	$ 86,810	

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 June 30, 2026.

Kingza International Co., Ltd. and subsidiaries

Endorsement/guarantee for others

January 1 to June 30, 2026

Table 2

Unit: NT$ thousand, unless otherwise stated

No. (Note 1)	Name of the endorsing/guaranteeing company	Endorsed/guaranteed party		Maximum endorsement/ guarantee amount for a single enterprise (Note 2)	Maximum endorsement/ guarantee balance during the current period	Ending balance of endorsements/ guarantees	Actual amount drawn	Amount of endorsements/ guarantees secured by property	Ratio of accumulated endorsement/ guarantee amount to net worth in the latest financial statements (%)	Maximum limit for endorsements/ guarantees (Note 2)	Endorsements/ guarantees provided by the parent company for subsidiaries (Note 3)	Endorsements/ guarantees provided by subsidiaries for the parent company (Note 3)	Endorsements/ guarantees provided to entities in China (Note 3)	Remarks
		Name of company	Relationship											
0	Kingza International Co., Ltd.	Yang Shin Food & Beverage, Inc.	Subsidiary	$ 86,810	$ 20,000	$ 20,000	$ -	$ -	4.61	$ 217,024	Y	—	—	—

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 total amount of endorsements/guarantees provided by the Company shall not exceed 50% of the Company's net worth; the amount of individual endorsements/guarantees shall not exceed 20% of the Company's net worth. Endorsements/guarantees provided for others are calculated based on the net worth as of June 30, 2026.

Note 3: "Y" shall be entered only for endorsements/guarantees provided by a listed parent company for its subsidiary, endorsements/guarantees provided by a subsidiary for its listed parent company, or endorsements/guarantees provided to entities in China.

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 June 30, 2026

Table 3

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	$ 20,028	No significant differences	2%

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 June 30, 2026

Table 4

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%	$ 4,836	$ 2,155	$ 2,155	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%	114,983	11,830	6,169	Subsidiary