Stock code: 2732

La Kaffa International CO., LTD.

2025
Annual Report

Company website: http://www.lakaffagroup.com
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I. Name, title, telephone number, and email address of the spokesperson and acting spokesperson

Spokesperson	Acting Spokesperson
Name: Tammy Hsieh	Name: Vita Huang
Title: Investor Relations Manager	Title: Accounting Manager
Tel: (03) 550-7750	Tel: (03) 550-7750
E-mail: tammy.hsieh@lakaffa.com.tw	E-mail: vita.huang@lakaffa.com.tw

II. Addresses and Telephone Numbers of the Head Office, Branch Offices, and Factories

Headquarters Address:
No. 98, Gaotie 9th Rd., Zhubei City, Hsinchu County, Taiwan
Tel: (03) 550-7750

III. Name, address, website, and telephone number of the stock agency

Name: Shareholder Services Department, SinoPac Securities
Address: 3F., No. 17, Bo'ai Rd., Taipei City, Taiwan
Tel: (02) 2381-6288
Website: http://www.sinotrade.com.tw/

IV. Names of the CPA who audited the most recent annual financial statements, name of the accounting firm, address, website, and telephone number

Name of CPA: Liu Yi-Ching, Chang Cheng-Hsiu Name of Firm: Deloitte Taiwan Address: 20F, No. 100, Songren Rd., Xinyi Dist., Taipei City Tel.: (02) 2725-9988 Website: http://www.deloitte.com.tw

V. Name of overseas securities trading market and method for accessing information on such overseas securities:None.

VI. Company Website:http://www.lakaffagroup.com/

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One. Letter to Shareholders

Dear shareholders:

In 2025, La Kaffa International Co., Ltd. (the "Company") marked more than 20 years since its establishment. Starting with its initial brand "Lakaffa," the Company has expanded to operate the globally recognized "Chatime." It subsequently introduced the Japanese brand "Ginza Anzu Tonkatsu" around a decade ago, followed by well-known brands such as "Osaka Ohsho," "Kyoto Katsugyu," and the Korean fried chicken brand "Kyochon Chicken." The Company has also continued to promote local brands including "Chunshang Pudding Cake" and "Duan Chun Zhen Beef Noodles." In 2025, the Group further added "Hanlin Tea Room," recognized as the originator of bubble milk tea. Over more than two decades, the Group's diversified brand portfolio has enabled it to achieve annual consolidated revenue of NT$4,299,913 thousand.

In the post-pandemic era, operations in Mainland China continue to face challenges due to macroeconomic instability and consumer downtrading. However, the "Chatime" brand has maintained its leading position in markets worldwide, including North America, Australia, and Southeast Asia, and aims to further expand its presence in the U.S. market. In addition, "Chatime," operated by Chatime Group under the Australian subsidiary, continues to maintain a high level of brand recognition in the local market.

In addition, the domestic market has shown a recovering rebound in demand. The restaurant business segment, Kingza Group, has delivered strong performance across its existing brands, and, supported by health-oriented dining brands such as Yang Shin Vegetarian Restaurant, a leading name in Taiwan's vegetarian dining sector, achieved a 27.5% year-over-year increase in annual revenue. "Chunshang Pudding Cake" expanded to 16 stores across Taiwan, demonstrating strong resilience, and its annual revenue also increased compared to the previous year. With the addition of "Hanlin Tea Room" to the Group, the Company has established another milestone in the beverage industry.

Looking ahead to 2026, the La Kaffa International Co., Ltd. Group will continue to face various challenges. The Group remains committed to serving consumers in Taiwan and around the world, and, through Germany BoBoQ GmbH, aims to provide more comprehensive beverage-related services in Europe, enhance global market penetration, and offer better and more diversified "food" and "beverage" brands and services, while advancing its international development strategy of "long-term, stable, growing, technical, and global."

The overview of the 2025 business plan is presented as follows:

I. 2025 Business report

1. Results of business plan implementation

Year	2024	2025	Annual growth rate (%)
Consolidated revenues	$4,013,618 thousand	$4,299,913 thousand	7.13
Consolidated net profit	$218,598 thousand	$50,239 thousand	(77.01)

Year	2024	2025	Annual growth rate (%)
Earnings per share (after tax)	$4.79	$1.09	(77.24)

In 2025, revenue increased steadily compared to 2024, primarily driven by the strong performance of the restaurant business segment, the resilience of "Chunshang Pudding Cake," and the Group's new "Hanlin Tea Room," recognized as the originator of bubble milk tea, which marked another milestone for the Company in the beverage industry.

2. Analysis of financial income and expenses and profitability

Item		2024	2025
Financial structure	Debt to asset ratio (%)	54.21	64.01
	Ratio of long-term capital to property, plant and equipment (%)	634.89	536.09
Solvency	Current ratio (%)	183.90	110.70
	Quick ratio (%)	161.80	98.91
Profitability	Return on assets (%)	4.89	1.88
	Return on equity (%)	9.50	2.80
	Net profit margin (%)	5.40	1.48
	Basic earnings per share ($)	4.79	1.09

3. Research and development status

Unit: NT$1,000

Item	2024	2025
Net operating revenue	4,013,618	4,299,913
R&D expenses	19,901	18,048
R&D expenses as a percentage of revenue (%)	0.50	0.42

II. Overview of the 2026 business plan

1. Business policy

Through a diversified business strategy, and guided by the principles of integrity, reliability, innovation, excellence, and sharing, the Company aims to expand into international markets and establish La Kaffa International as a "brand platform hub." This platform will not only facilitate the global expansion of Taiwanese brands, but also introduce high-quality international brands into Taiwan, driving the development of a multi-brand food and beverage group.

(1) Authorizing domestic and international agents to operate proprietary brands or expanding through franchising

(2) Brand agency and commissioned operations

(3) Strategic equity partnerships

(4) Integration of raw material supply chains

2. Estimated sales volume and basis of estimation

   Prior to 2020, "Chatime" continued to actively expand its global stores, achieving an average annual growth rate of approximately 30%. After 2022, despite the impact of the pandemic, net store growth remained at a level of over 15%. At the same time, La Kaffa's "Chatime" has established a global presence across six continents. In addition, with the inclusion of the Group's "Hanlin Tea Room," the creator of the world's first bubble milk tea, and the expected addition of Europe's pioneer in bubble milk tea, Germany BoBoQ GmbH, in 2026, the resulting structural optimization is driving the enhancement of global market penetration, with the overall benefits expected to be realized in 2026.

3. Important production and sales policies

   (1) Continued active store expansion: the Company further enhancing the overall operational capabilities of "Chatime." The Company is advancing a brand revitalization initiative by leveraging cross-departmental collaboration to further upgrade store design and packaging, brand marketing, and product development specifications. Targeting the Gen Z, the initiative aims to continuously enhance the brand strength and product competitiveness of "Chatime."

   (2) Solid progress in optimizing the fundamentals of the food brands: the total number of stores across the six restaurant brands under Kingza has reached a certain level of economic scale, and nearly half of the outlets have been fully depreciated, thereby lowering the break-even point. The Company continues to optimize its operational management, leveraging bulk procurement advantages to mitigate inflationary pressures and control costs, thereby enhancing profitability.

   (3) Integration of online and offline channels: The pandemic has also reshaped consumers' dining habits. Since establishing its e-commerce division in 2020, La Kaffa Group has launched FMCG (fast-moving consumer goods) products. It currently offers more than 30 FMCG items and continues to develop new products, enabling consumers to enjoy their favorite in-store offerings at home without time constraints.

   (4) Germany BoBoQ GmbH, a pioneer in the European bubble milk tea industry, has successfully transformed into one of the most influential platforms in Europe for bubble milk tea ingredients supply and franchise services by leveraging a franchise system alongside raw material wholesale. This is poised to significantly enhance the Group's global market penetration."

4. Impact of the external competitive, regulatory, and macroeconomic environment

   Since its establishment, competition has been ever-present for La Kaffa International. Amid intensifying competition in tea beverage markets across different countries, the continual introduction of new regulations by securities authorities, rising environmental awareness both domestically and internationally, and a rapidly changing operating environment, the Company's operating performance has indeed been affected. In response to the aforementioned environmental changes, in addition to complying with newly issued regulations by competent authorities in the preparation of statements and requiring suppliers and the Company's products to meet relevant international food safety and hygiene regulations, we also place strong emphasis on ESG and sustainability reporting, continues to strengthen food safety , and closely monitors customer order demand to plan raw material procurement accordingly, thereby enhancing the Company's overall competitiveness.

III. Future outlook and strategic overview

1. **Diversification strategy and international expansion**

   Adopting a diversification strategy, the Company leverages a multi-brand, multi-channel approach to penetrate the daily lives of diverse consumer segments. Going forward, the Company will continue to uphold its core values of "integrity, reliability, innovation, excellence, and sharing," while expanding into international markets to enhance its global visibility and competitiveness.

2. **Building a brand platform center**

   Positioning La Kaffa International as a "brand platform center," the Company not only exports Taiwanese and Asian local brands to international markets, but also actively introduces high-quality international brands into Taiwan, creating a two-way exchange and fostering the development of a scaled and diversified food and beverage group.

3. **Diversified business model and flexible collaboration**

   Going forward, the Company will adopt a diversified operating model, including licensing its proprietary brands to domestic and overseas agents or franchisees, undertaking entrusted brand operations, forming equity-based strategic partnerships, and integrating raw material supply chains. Through these approaches, it aims to establish a flexible and agile food and beverage group structure capable of rapidly responding to evolving market demand and shifting consumer trends.

4. **Internationalization and long-term strategy**

   Guided by the core development principles of "long-term, stability, growth, technology, and internationalization," the Company will continue to introduce digital technology applications—such as smart operations, data analytics, and online membership platforms—to enhance operational efficiency and customer experience, while further strengthening its global brand presence.

5. **Strengthening proprietary brands and targeting younger market segments**

   Our own brands will continue to expand their store presence aggressively. In particular, with **Chatime** as the core, the Company is advancing a brand revitalization initiative encompassing store design upgrades, packaging optimization, marketing innovation, and product development. Targeting the **Gen Z demographic**, it aims to strengthen brand affinity among younger consumers.

6. **Development of economies of scale for food brands**

   In the food brand segment, the Company will achieve economies of scale through group-based management. By lowering the break-even point and enhancing procurement and operational efficiency, it aims to further strengthen profitability and build a more competitive food and beverage footprint.

7. **Omnichannel operations and fmcg expansion**

   The Company will continue to deepen the integrated management of online and offline channels, with a particular focus on strengthening the online sales presence of fast-moving consumer goods (FMCG). Through diversified product offerings and a seamless shopping experience, it aims to meet consumers' comprehensive needs while enhancing brand reach and market share.

Through the continuous efforts of all employees, the Company is committed to building an "international food and beverages brand platform," while advancing along the two core business segments of "food" and "beverages." We would like to extend our sincere appreciation to our shareholders for their strong support, which has enabled La Kaffa International to achieve outstanding results. We would like to extend our sincere appreciation to our shareholders for their strong support, which has enabled La Kaffa International to consistently deliver outstanding results.

Best wishes
for your health and success,

Chairman: Wang Yaohui

Manager: Wang Yaohui

Chief accountant: Huang Ju Ping

Two. Corporate Governance Report

I. Information on directors, the general manager, deputy general managers, associate general managers, and heads of departments and branch offices

(I) Information on directors (Note 1)

April 11, 2026; Unit: shares, %

Job title	Nationality or place of registration	Name	Gender/ age	Election date	Term of office	Initial election date	Shares held at the time of election		Shares currently held		Shares currently held by spouse and minor children		Shares held in the name of others		Principal experience (education)	Current positions concurrently held in the Company and other companies	Other managers, directors, or supervisors having a spousal or second-degree relative relationship			Remarks
							Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)			Job title	Name	Relationship	
Chairman	R.O.C.	Wang Yaohui	Male 51-60	2025.6.3	3rd year	2004.2.16	1,652,753	3.55	1,652,753	3.55	1,801,541	3.87	-	-	Bachelor's degree in the Department of Agribusiness Management, National Pingtung University of Science and Technology Founder and chairman of La Kaffa International Co., Ltd. Business manager of Marketech International Corp.	Note 2	Directors Deputy general manager	Wang Li-Yu Wang Chun-Chieh	Spouse Brother	Note 4
Directors	R.O.C.	Hengtai International Investment Holding Co., Ltd.	-	2025.6.3	3rd year	2012.8.17	6,798,727	14.62	6,798,727	14.62	-	-	-	-	Master's degree in International Business, National Dong Hwa University Co-founder and executive deputy general manager of La Kaffa International Co., Ltd. Deputy General Manager of Fu Ying Asset Management Co., Ltd.	Note 3	Chairman	Wang Yaohui	Spouse	-
		Representative: Wang Li-Yu	Female 51-60	2025.6.3	3rd year	2018.1.25	1,636,541	3.52	1,791,541	3.85	1,662,753	3.57	-	-			Deputy general manager	Wang Chun-Chieh	Brother of spouse	
Directors	R.O.C.	Kuan Jung Investment Co., Ltd.	-	2025.6.3	3rd year	2012.8.17	5,841,517	12.56	5,841,517	12.56	-	-	-	-	EMBA, National Taiwan University of Science and Technology Deputy general manager of La Kaffa International Co., Ltd. Northern region operations manager of Jardine Restaurant Co., Ltd.	General manager of Kingza International Co., Ltd. Chairman of Yangxin Catering Co., Ltd. Chairman of Yanghe Food Co., Ltd.	-	-	-	-
		Representative: Lin Tzu Heng	Male 51-60	2025.6.3	3rd year	2025.6.3	-	-	-	-	-	-	-	-						
Independent director	R.O.C.	Wang Ting Sheng	Male 61-70	2025.6.3	3rd year	2017.5.26	-	-	-	-	-	-	-	-	Master's and doctoral degrees in international business from George Washington University, USA Regional legislator for Hualien County, Legislative Yuan Associate professor, Department of International Business and Trade, Soochow University Section Chief, Credit Investigation and Loan Department, Crédit Agricole, France	Associate professor, Department of International Business, National Dong Hwa University	-	-	-	-
Independent director	R.O.C.	Huang Chen Yuan	Male 51-60	2025.6.3	3rd year	2025.6.3	-	-	-	-	-	-	-	-	Department of Accounting, National Chengchi University Assistant manager, Audit Department, Deloitte Taiwan Finance manager, China Times Publishing Co., Ltd.	CFO, China Times Publishing Co., Ltd. Independent director of Hy Electronic Limited	-	-	-	-
Independent director	R.O.C.	Wang Wen Tsung	Male 61-70	2025.6.3	3rd year	2025.6.3	-	-	-	-	-	-	-	-	Department of Accounting, Feng Chia University EMBA, National Tsing Hua University Senior auditor, KPMG Taiwan Certified public accountant, Hui Min CPAs	Certified public accountant, Bing-Cherng CPAs Independent director of Chyi Ding Technologies Co., Ltd. Independent director of Acer Synergy Manpower Corp. Independent director of Uranus Chemicals Co., Ltd. Supervisor of Enhance and MAXimize Technology				
Independent director	R.O.C.	Chu Tsai Pao	Male 51–60	2025.6.3	3rd year	2025.6.3	-	-	-	-	-	-	-	-	Department of Accounting, Soochow University Five-year junior college program, Department of Mechanical Engineering, Taipei Technical Junior College Assistant manager, Deloitte Taiwan Manager of Rfic Technology Corporation Partner, Chin Min CPAs	Director of Cheng Fu CPAs Director of Shining Biotechnology Co., Ltd.	-	-	-	-

Note 1: At the shareholders' meeting held on June 3, 2025, La Kaffa completed the re-election of its ninth board of directors and elected seven directors (including four independent directors), namely: Wang yaohui, Wang Li-Yu (representative of Hengtai International Investment Holding Co., Ltd.), Lin Tzu Heng (representative of Kuan Jung Investment Co., Ltd.), Wang Ting Sheng (independent director), Wang Wen Tsung (independent director), Huang Chen Yuan (independent director), and Chu Tsai Pao (independent director). Following the shareholders' meeting, La Kaffa convened the first meeting of the ninth board of directors, at which all directors unanimously elected Wang Yaohui as Chairman.

Note 2: The director concurrently serves as general manager of La Kaffa International Co., Ltd.; director of Chatime Group Pty. Ltd., director of Chatime Australia Pty. Ltd., director of Goobne Operations Pty. Ltd., director of Chatime USA, LLC, director of Chatime HK Ltd., director of Kevito Group Ltd., chairman of Kingza International Co., Ltd., chairman of Chun Sun Cake Co., Ltd., chairman of Ten En Tapioca Foods Co., Ltd., director of Kingza USA, LLC, director of Mega Harvest International Limited, director of Oriental Sun International Limited, director of Relight Management Co., Ltd., chairman of Kuan Jung Investment Co., Ltd., chairman of Yun Hao Investment Co., Ltd., director of Chatime Northstar, LLC, director of Chatime Global, LLC, director of Chatime Los Angeles, LLC, director of Chatime Los Angeles West, LLC, director of Chatime Wholesale, LLC, director of Chatime Franchise, LLC, director of Chatime Operations, LLC, director of OMY Group Holdings Pty. Ltd., director of OMY Holdings Pte. Ltd., director of OMY Australia Pty. Ltd., director of OMY Group (SEA) Pte Ltd., and director of Yangxin Catering Co., Ltd.

Note 3: The director concurrently serves as deputy general manager of La Kaffa International Co., Ltd.; director of Chatime Group Pty. Ltd., director of Chatime Australia Pty. Ltd., director of Goobne Operations Pty. Ltd., director of Kingza International Co., Ltd., director of Chun Sun Cake Co., Ltd., director of Ten En Tapioca Foods Co., Ltd., chairman of Han Ley International Co., Ltd., chairman of Jung Teng Investment Co., Ltd., director of Mega Harvest International Limited, director of Oriental Sun International Limited, director of Relight Management Co., Ltd., Chairman of Hengtai International Investment Holding Co., Ltd., chairman of Teng Hou Investment Co., Ltd., director of Chatime Global, LLC, director of Chatime Los Angeles, LLC, director of Chatime Los Angeles West, LLC, director of Chatime Wholesale, LLC, director of Chatime Franchise, LLC, director of Chatime Operations, LLC, director of OMY Group Holdings Pty. Ltd., director of OMY Australia Pty. Ltd., director of Yangxin Catering Co., Ltd., and chairman of Shiny Tea Co., Ltd.

Note 4: The Company's chairman concurrently serves as general manager primarily because the Company's operations are currently in a stage of rapid growth. A flat management structure is therefore adopted at this stage to enhance management efficiency and the execution of decision-making, thereby maximizing corporate value. The Company has actively cultivated suitable candidates internally and, in the future, plans to enhance the functions of the board of directors and strengthen its supervisory function by increasing the number of independent directors.

The following specific measures have already been implemented:

1) The current four independent directors each possess expertise in the fields of finance, accounting, and industry operations, enabling them to effectively perform their supervisory functions.
2) Directors are arranged each year to attend professional director training courses offered by external institutions such as the Securities and Futures Institute in order to enhance the operational effectiveness of the board of directors.
3) Independent directors are able to fully discuss matters and provide recommendations in various functional committees for the board's reference, thereby implementing corporate governance practices.
4) More than half of the board members do not concurrently serve as managerial officers.

1. Major shareholders of juristic-person shareholders:

April 11, 2026

Name of juristic-person shareholder	Major shareholders of juristic-person shareholder
Hengtai International Investment Holding Co., Ltd.	Jung Teng Investment Co., Ltd. (90%): Wang Li-Yu (10%)
Kuan Jung Investment Co., Ltd.	Teng Hou Investment Co., Ltd. (90%): Wang Yaohui (10%)

2. Major shareholders of juristic-person shareholders that are juristic persons:

April 11, 2026

Name of major shareholder of juristic-person shareholder	Major shareholders of institutional entity
Jung Teng Investment Co., Ltd.	Wang Li-Yu (95%); Wang Huang Yu Hui (5%)
Teng Hou Investment Co., Ltd.	Wang Li-Yu (95%); Wang Kuo Nan (5%)

3. Disclosure of professional qualifications of directors and supervisors and independence information of independent directors:

Criteria / Name	Professional qualifications and experience (Note 1)	Independence status	Number of other public companies in which the person concurrently serves as an independent director
Wang Yaohui	1. Professional qualifications: Possesses professional work experience with business and operational judgment capabilities. 2. Business manager of Marketech International Corp., and founder and chairman of La Kaffa International Co., Ltd.	Not applicable	None
Representative of Hengtai International Investment Holding Co., Ltd.: Wang Li-Yu	1. Professional qualifications: Possesses professional work experience with business, finance and operational judgment capabilities. 2. Experience: Co-founder and executive deputy general manager of La Kaffa International Co., Ltd.; deputy general manager of Fu Ying Asset Management Co., Ltd.		None
Representative of Kuan Jung Investment Co., Ltd.: Lin Tzu Heng	1. Professional qualifications: Professional work experience with business and operational judgment capabilities. 2. Experience: Deputy general manager of La Kaffa International Co., Ltd.; northern region operations manager of Jardine Restaurant Co., Ltd.		None

Criteria / Name	Professional qualifications and experience (Note 1)	Independence status	Number of other public companies in which the person concurrently serves as an independent director
Wang Ting Sheng	1. Professional qualifications: Possesses professional experience with business and finance. 2. Experience: Associate Professor, Department of International Business, National Dong Hwa University; Regional legislator for Hualien County, Legislative Yuan of the Republic of China; Section Chief, Credit Investigation and Loan Department, Crédit Agricole, France	1. All independent directors comply with the relevant requirements set forth in Article 14-2 of the Securities and Exchange Act promulgated by the Financial Supervisory Commission and the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" (Note 2). 2. None of the independent directors, their spouses, or their minor children hold any common shares of the Company, either in their own names or through nominees. 3. None of the independent directors has, within the most recent two years, received remuneration for providing audit or commercial, legal, financial, accounting, or other related services to the Company or its affiliated enterprises.	None
Wang Wen Tsung	1. Professional qualifications: Possesses certification as a professional and technical specialist by passing the national examination required for certified public accountants. 2. Experience: Certified public accountant, Bing-Cherng CPAs; Certified public accountant, Hui Min CPAs.		3 company
Huang Chen Yuan	1. Professional qualifications: Possesses accounting expertise and work experience in business and finance. 2. Experience: Chief Financial Officer of China Times Publishing Co., Ltd.; Assistant Manager of the Audit Department of Deloitte Taiwan		1 company
Chu Tsai Pao	1. Professional qualifications: Possesses accounting expertise and work experience in business and finance, and certification as a professional and technical specialist by passing the national examination required for certified public accountants. 2. Experience: Manager of Rfic Technology Corporation, manager of Rfic Technology Corporation and director of Cheng Fu CPAs.		None

Note 1: None of the directors is subject to any of the circumstances set forth in the subparagraphs of Article 30 of the Company Act.

Note 2: (1) Not a government agency, juristic person, or representative thereof as defined under Article 27 of the Company Act.

(2) Does not concurrently serve as an independent director of more than three other public companies in Taiwan.

(3) During the two years prior to election and throughout the term of office, none of the following circumstances has occurred:

a. An employee of the Company or any of its affiliated enterprises.
b. A director or supervisor of the Company or any of its affiliated enterprises.
c. A natural-person shareholder who, together with his/her spouse, minor children,
d. A spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of the managerial personnel described in item a, or the persons described in b and c.
e. A director, supervisor, or employee of a juristic-person shareholder that directly holds more than 5% of the Company's issued shares, ranks among the top five shareholders, or appoints a representative to serve as a director of the Company pursuant to Article 27 of the Company Act.
f. A director, supervisor, or employee of another company in which more than half of the director seats or voting shares are controlled by the same person as the Company.

g. A director, supervisor, or employee of another company or institution whose chairman, general manager, or equivalent position is the same person as, or the spouse of, the chairman or general manager of the Company.
h. A director, supervisor, managerial officer, or shareholder holding more than 5% of shares in a specified company or institution that has financial or business dealings with the Company.
i. A professional individual, sole proprietorship, partnership, company, or institution providing audit services or related commercial, legal, financial, or accounting services to the Company or its affiliated enterprises, where the cumulative compensation received within the most recent two years exceeded NT$500,000, including its proprietors, partners, directors, supervisors, managerial officers, and their spouses.

4. Diversity and independence of the board of directors:

(1) The election of directors of the Company adopts the candidate nomination system in accordance with the "Rules for Election of Directors and the Articles of Incorporation." All candidates are subject to qualification review and approval by the board of directors before being submitted to the shareholders' meeting for election. To strengthen the structure of the board of directors, the Company expressly stipulates in its "Corporate Governance Best Practice Principles" that the composition of the board of directors shall take diversity into consideration, including but not limited to gender, age, nationality, and cultural background. In addition to possessing the knowledge, skills, and professional competence necessary for the performance of duties, the board of directors as a whole shall possess capabilities in operational judgment, accounting and financial analysis, business management, crisis management, industry knowledge, international market perspective, leadership, and decision-making in order to achieve the ideal goals of corporate governance.

The Company places great importance on gender equality, ethical conduct, and leadership reputation among members of the board of directors. Following the re-election of directors in 2025, the current board of directors consists of seven directors. The related structure and independence are described as follows:

- Strengthening the independent oversight mechanism: In response to the corporate governance advancement plan, the number of independent directors in the current term has been increased from three to four, representing 57% of the total. Although the positions of chairman and general manager are held by the same individual, the arrangement whereby independent directors constitute a majority of the board of directors has effectively strengthened the board of directors' independent oversight and checks-and-balances functions.

- Gender equality and professional backgrounds: The current board of directors includes one female director, representing 14% of the total. Members possess diverse professional backgrounds, including expertise in restaurant chain operations, multinational market development, and finance and accounting. They possess the professional knowledge and capabilities required to perform their duties and are able to effectively fulfill managerial decision-making, leadership, and supervisory functions.

- Structural independence: Except for Chairman Wang Yaohui and juristic-person representative director Wang Li-Yu, who are spouses, no more than half of the seats are held by individuals who are spouses or relatives within the second degree of kinship with one another. Overall, the Company's board of directors maintains a high degree of independence and complies with the objectives of corporate governance.

(2) Goals and plans to enhance gender diversity of the board of directors: The Company values gender balance among member of the board of directors. The current proportion of female directors has not yet reached one-third of the total seats of the board of directors, primarily due to industry characteristics and the structure of the available talent pool. The Company has established a clear objective to implement its diversity policy in future director nomination and election processes. In particular, during the next director election, priority will be given to candidates with diverse backgrounds and relevant industry experience, and the Company will actively recruit outstanding female professionals to join the board, with the aim of gradually increasing the proportion of female directors and optimizing the composition of the board of directors.

Implementation of the board of directors diversity policy

Core diversity attributes / Director name	Nationality	Gender	Concurrently serving as employee of the Company	Age range		Business management	Management leadership and decision-making ability	Industry knowledge	Accounting and financial analysis	Risk management	Operational judgment	International market insight
				51–60	61–70							
Wang Yaohui	R.O.C.	Male	✓	✓		✓	✓	✓		✓	✓	✓
Representative of Hengtai International Investment Holding Co., Ltd.: Wang Li-Yu	R.O.C.	Female	✓	✓		✓	✓	✓	✓	✓	✓	✓
Representative of Kuan Jung Investment Co., Ltd.: Lin Tzu Heng	R.O.C.	Male		✓		✓	✓	✓		✓	✓	✓
Wang Ting Sheng	R.O.C.	Male			✓	✓	✓	✓	✓	✓	✓	✓
Wang Wen Tsung	R.O.C.	Male			✓	✓	✓	✓	✓	✓	✓	✓
Huang Chen Yuan	R.O.C.	Male		✓		✓	✓	✓	✓	✓	✓	✓
Chu Tsai Pao	R.O.C.	Male		✓		✓	✓	✓	✓	✓	✓	✓

(II) Information on the general manager, deputy general managers, associate general managers, and heads of departments and branch offices

April 11, 2026; Unit: shares, %

<table>
<tr><th rowspan="2">Job title</th><th rowspan="2">Nationality</th><th rowspan="2">Name</th><th rowspan="2">Gender</th><th rowspan="2">Date assumed office</th><th colspan="2">Shares held</th><th colspan="2">Shares held by spouse and minor children</th><th colspan="2">Shares held in the name of others</th><th rowspan="2">Principal experience (education)</th><th rowspan="2">Current positions concurrently held in other companies</th><th colspan="3">Managers having spousal or second-degree of kinship</th><th rowspan="2">Remarks</th></tr>
<tr><th>Number of shares</th><th>Shareholding ratio (%)</th><th>Number of shares</th><th>Shareholding ratio (%)</th><th>Number of shares</th><th>Shareholding ratio (%)</th><th>Job title</th><th>Name</th><th>Relationship</th></tr>
<tr><td rowspan="2">Chairman and general manager</td><td rowspan="2">R.O.C.</td><td rowspan="2">Wang Yaohui</td><td rowspan="2">Male</td><td rowspan="2">2004.2.13</td><td rowspan="2">1,652,753</td><td rowspan="2">3.55</td><td rowspan="2">1,801,541</td><td rowspan="2">3.87</td><td rowspan="2">-</td><td rowspan="2">-</td><td rowspan="2">Bachelor’s degree in the Department of Agribusiness Management, National Pingtung University of Science and Technology
Founder and chairman of La Kaffa International Co., Ltd.
Business manager of Marketech International Corp.</td><td rowspan="2">Note 1</td><td>Executive deputy general manager
Deputy general manager</td><td>Wang Li-Yu</td><td>Spouse</td><td rowspan="2">Note 3</td></tr>
<tr><td>Deputy general manager</td><td>Wang Chun-Chieh</td><td>Brother</td></tr>
<tr><td rowspan="2">Executive deputy general manager</td><td rowspan="2">R.O.C.</td><td rowspan="2">Wang Li-Yu</td><td rowspan="2">Female</td><td rowspan="2">2004.2.16</td><td rowspan="2">1,791,541</td><td rowspan="2">3.85</td><td rowspan="2">1,662,753</td><td rowspan="2">3.57</td><td rowspan="2">-</td><td rowspan="2">-</td><td rowspan="2">Master’s degree in International Business, National Dong Hwa University
Co-founder and executive deputy general manager of La Kaffa International Co., Ltd.
Deputy General Manager of Fu Ying Asset Management Co., Ltd.</td><td rowspan="2">Note 2</td><td>Chairman</td><td>Wang Yaohui</td><td>Spouse</td><td rowspan="2">-</td></tr>
<tr><td>Deputy general manager</td><td>Wang Chun-Chieh</td><td>Brother of spouse</td></tr>
<tr><td>Deputy general manager</td><td>R.O.C.</td><td>Tseng Yi Hao</td><td>Male</td><td>2010.1.4</td><td>52,237</td><td>0.11</td><td>-</td><td>-</td><td>-</td><td>-</td><td>Department of Electronics, Wufeng Industrial College</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
</table>

April 11, 2026; Unit: shares, %

Job title	Nationality	Name	Gender	Date assumed office	Shares held		Shares held by spouse and minor children		Shares held in the name of others		Principal experience (education)	Current positions concurrently held in other companies	Managers having spousal or second-degree of kinship			Remarks
					Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)			Job title	Name	Relationship	
											Store operations manager of 3 Royalty 3 House International Co., Ltd.					
Deputy general manager	R.O.C.	Wang Chun-Chieh	Male	2007.6.1	202,550	0.44	-	-	-	-	Department of Mechanical Engineering, Oriental Academy of Industry Director of the Business Department of Fubon Insurance Co., Ltd.	Supervisor of Rong Yu Investment Co., Ltd. Supervisor of Zhao Ding Investment Co., Ltd. Director of Chunshang Co. Director of Ten En Tapioca Foods Co., Ltd.	Chairman Directors	Wang Yaohui Wang Li-Yu	Brother Spouse of brother	-
Deputy general manager Financial officer	R.O.C.	Li Shang Che	Male	2017.12.16	-	-	-	-	-	-	Master's degree, Graduate Institute of Management, Yuan Ze University Deputy General Manager of Finance of La Kaffa International Co., Ltd. Senior assistant manager of KGI Securities Co., Ltd.	Director of Mega Harvest International Company Director of Oriental Sun International Limited Director of Relight Management Co., Ltd. Supervisor of Ten En Tapioca Foods Co., Ltd. Supervisor of Jiaxing Ruili Trading Co., Ltd.	-	-	-	-

April 11, 2026; Unit: shares, %

Job title	Nationality	Name	Gender	Date assumed office	Shares held		Shares held by spouse and minor children		Shares held in the name of others		Principal experience (education)	Current positions concurrently held in other companies	Managers having spousal or second-degree of kinship			Remarks
					Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)			Job title	Name	Relationship	
												Supervisor of Express Reach E-commerce Services (Hangzhou)Co., Ltd.				
Deputy general manager	R.O.C.	Li Chung Chen	Female	2019.7.1	40,000	0.09	-	-	-	-	Master's degree, Graduate Institute of Sport, Leisure and Hospitality Management, National Taiwan Normal University Manager of New Balance Taiwan, Inc.	-	-	-	-	-
Assistant general manager	R.O.C.	Chien Tzu Kai (Note 4)	Male	2017.12.4	7,500	0.02	-	-	-	-	Hujiang High School Executive chef of the central kitchen, The Westin Taipei	-	-	-	-	-
Assistant general manager	R.O.C.	Li Pei Ju	Female	2018.1.1	8,000	0.02	-	-	-	-	Department of Public Administration, Chung Hua University Business Manager of Ka Fei Chia International Co. Business Manager of La Kaffa International Co., Ltd.	-	-	-	-	-
Assistant general manager	R.O.C.	Wang Li Wei	Male	2019.3.1	5,000	0.01	-	-	-	-	Department of International Trade, Chihlee Institute of Technology Deputy General Manager of the Operations Management Department of Hai Pa Wang International Group Asistant General Manager of the Operation Division of Blue Ocean International Catering Co., Ltd.	-	-	-	-	-
Chief accountant	R.O.C.	Huang Ju Ping	Female	2016.8.3	43,366	0.09	-	-	-	-	Master's degree, Graduate Institute of Business Administration, National Chiayi University Assistant Manager of GIGABYTE Technology Co., Ltd.	-	-	-	-	-

April 11, 2026; Unit: shares, %

Job title	Nationality	Name	Gender	Date assumed office	Shares held		Shares held by spouse and minor children		Shares held in the name of others		Principal experience (education)	Current positions concurrently held in other companies	Managers having spousal or second-degree of kinship			Remarks
					Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)			Job title	Name	Relationship	

Note 1: The director concurrently serves as general manager of La Kaffa International Co., Ltd.; director of Chatime Group Pty. Ltd., director of Chatime Australia Pty. Ltd., director of Goobne Operations Pty. Ltd., director of Chatime USA, LLC, director of Chatime HK Ltd., director of Kevito Group Ltd., chairman of Kingza International Co., Ltd., chairman of Chun Sun Cake Co., Ltd., chairman of Ten En Tapioca Foods Co., Ltd., director of Kingza USA, LLC, director of Mega Harvest International Limited, director of Oriental Sun International Limited, director of Relight Management Co., Ltd., chairman of Kuan Jung Investment Co., Ltd., chairman of Yun Hao Investment Co., Ltd., director of Chatime Northstar, LLC, director of Chatime Global, LLC, director of Chatime Los Angeles, LLC, director of Chatime Los Angeles West, LLC, director of Chatime Wholesale, LLC, director of Chatime Franchise, LLC, director of Chatime Operations, LLC, director of OMY Group Holdings Pty. Ltd., director of OMY Holdings Pte. Ltd., director of OMY Australia Pty. Ltd., director of OMY Group (SEA) Pte Ltd., and director of Yangxin Catering Co., Ltd.

Note 2: The director concurrently serves as deputy general manager of La Kaffa International Co., Ltd.; director of Chatime Group Pty. Ltd., director of Chatime Australia Pty. Ltd., director of Goobne Operations Pty. Ltd., director of Kingza International Co., Ltd., director of Chun Sun Cake Co., Ltd., director of Ten En Tapioca Foods Co., Ltd., chairman of Han Ley International Co., Ltd., chairman of Jung Teng Investment Co., Ltd., director of Mega Harvest International Limited, director of Oriental Sun International Limited, director of Relight Management Co., Ltd., Chairman of Hengtai International Investment Holding Co., Ltd., chairman of Teng Hou Investment Co., Ltd., director of Chatime Global, LLC, director of Chatime Los Angeles, LLC, director of Chatime Los Angeles West, LLC, director of Chatime Wholesale, LLC, director of Chatime Franchise, LLC, director of Chatime Operations, LLC, director of OMY Group Holdings Pty. Ltd., director of OMY Australia Pty. Ltd., director of Yangxin Catering Co., Ltd., and chairman of Shiny Tea Co., Ltd.

Note 3: The Company’s chairman concurrently serves as general manager primarily because the Company’s operations are currently in a stage of rapid growth. A flat management structure is therefore adopted at this stage to enhance management efficiency and the execution of decision-making, thereby maximizing corporate value. The Company has actively cultivated suitable candidates internally and, in the future, plans to enhance the functions of the board of directors and strengthen its supervisory function by increasing the number of independent directors.

The following specific measures have already been implemented:

1) The current three independent directors each possess expertise in the fields of finance, accounting, and industry operations, enabling them to effectively perform their supervisory functions.
2) Directors are arranged each year to attend professional director training courses offered by external institutions such as the Securities and Futures Institute in order to enhance the operational effectiveness of the board of directors.
3) Independent directors are able to fully discuss matters and provide recommendations in various functional committees for the board’s reference, thereby implementing corporate governance practices.
4) More than half of the board members do not concurrently serve as managerial officers.

Note 4: Assistant general manager, Chien Tzu-Kai, resigned and was dismissed from office on May 28, 2025. The disclosed shareholding information is presented as of the resignation date.

II. Remuneration paid to directors, supervisors, general manager, and deputy general managers in the most recent year

(I) Remuneration paid to general directors and independent directors (Note)

Unit: NT$ thousand; thousand shares

Job title	Name	Remuneration paid to directors								Total of A, B, C, and D and percentage of net income after tax (%)		Remuneration paid to those who also serve as employees								Total of A, B, C, and D and G percentage of net income after tax (%)		Remuneration received from investee companies other than subsidiaries or from the parent company
		Compensation (A)		Pension (B)		Directors' remuneration (C)		Business execution expenses (D)				Salary, Bonuses, and allowances (E)		Pension (F)		Employees' remuneration (G)						
																The Company		All companies in the financial statements				
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	Cash amount	Stock amount	Cash amount	Stock amount	The Company	All companies in the financial statements	
Chairman	Wang Yaohui	-	-	-	-	918	918	-	-	918 1.83%	918 1.83%	7,856	7,856	-	-	-	-	-	-	8,774 17.46%	8,774 17.46%	None
Directors	Representative of Hengtai International Investment Holding Co., Ltd.: Wang Li-Yu																					
Directors	Representative of Kuan Jung Investment Co., Ltd.: Lin Tzu Heng																					
Independent director	Wang Ting Sheng	1,290	1,290	-	-	-	-	34	34	1,324 2.64%	1,324 2.64%	-	-	-	-	-	-	-	-	1,324 2.64%	1,324 2.64%	None
Independent director	Wang Wen Tsung																					
Independent director	Huang Chen Yuan																					
Independent director	Chu Tsai Pao																					

Note: 1. The remuneration policy, system, standards, and structure for general directors and independent directors of La Kaffa are determined based on the duties assumed, risks undertaken, and time invested, among other fa with the correlation between such factors and the remuneration amount explained as follows:
The remuneration for the Company's independent directors is determined in accordance with the Articles of Incorporation, their participation in and contribution to the Company's operations, and with reference to inc standards, and is positively correlated with operating performance.

2. Except as disclosed in the above table, no directors of the Company received remuneration in the most recent year for providing services (such as serving as a non-employee consultant) to all companies in the fin reports.

Remuneration range table

Remuneration range of each director of the Company	Director name			
	Total remuneration for the first four items (A+B+C+D)		Total remuneration for the first seven items (A+B+C+D+E+F+G)	
	The Company	All companies in the financial statements	The Company	All companies in the financial statements
Less than $1,000,000	Wang Ting Sheng, Wang Wen Tsung, Huang Chen Yuan, Chu Tsai Pao, Wang Yaohui, Representative of Kuan Jung Investment Co., Ltd.: Lin Tzu Heng and Representative of Hengtai International Investment Holding Co., Ltd.: Wang Li-Yu	Wang Ting Sheng, Wang Wen Tsung, Huang Chen Yuan, Chu Tsai Pao, Wang Yaohui, Representative of Kuan Jung Investment Co., Ltd.: Lin Tzu Heng and Representative of Hengtai International Investment Holding Co., Ltd.: Wang Li-Yu	Wang Ting Sheng, Wang Wen Tsung, Huang Chen Yuan, Chu Tsai Pao and Representative of Kuan Jung Investment Co., Ltd.: Lin Tzu Heng	Wang Ting Sheng, Wang Wen Tsung, Huang Chen Yuan, Chu Tsai Pao and Representative of Kuan Jung Investment Co., Ltd.: Lin Tzu Heng
$1,000,000 (inclusive)–$2,000,000 (exclusive)	-	-	-	-
$2,000,000 (inclusive)–$3,500,000 (exclusive)	-	-	-	-
$3,500,000 (inclusive)–$5,000,000 (exclusive)	-	-	Wang Yaohui and Representative of Hengtai International Investment Holding Co., Ltd.: Wang Li-Yu	Wang Yaohui and Representative of Hengtai International Investment Holding Co., Ltd.: Wang Li-Yu
$5,000,000 (inclusive)–$10,000,000 (exclusive)	-	-	-	-
$10,000,000 (inclusive)–$15,000,000 (exclusive)	-	-	-	-
$15,000,000 (inclusive)–$30,000,000 (exclusive)	-	-	-	-
$30,000,000 (inclusive)–$50,000,000 (exclusive)	-	-	-	-
$50,000,000 (inclusive)–$100,000,000 (exclusive)	-	-	-	-
$100,000,000 or more	-	-	-	-
Total	7 persons	7 persons	7 persons	7 persons

(II) Remuneration of supervisors: The Company established an audit committee on June 17, 2013 to replace the functions of supervisors; therefore, this is not applicable.

(III) Remuneration of the general manager and deputy general managers

December 31, 2025; Unit: NT$ thousand; %

Job title	Name	Salary (A)		Pension (B)		Bonuses, and allowances (C)		Employees' remuneration (D)				Total of A, B, C, and D and percentage of net income after tax (%)		Remuneration received from investee companies other than subsidiaries or from the parent company
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies in the financial statements	
								Cash amount	Stock amount	Cash amount	Stock amount			
General manager	Wang Yaohui	19,016	19,016	-	-	534	534	561	-	561	-	20,111 40.03%	20,111 40.03%	None
Executive deputy general manager	Wang Li-Yu													
Deputy general manager	Tseng Yi Hao													
Deputy general manager	Wang Chun-Chieh													
Deputy general manager	Li Shang Che													
Deputy general manager	Li Chung Chen													

Remuneration range table

Remuneration range of each general manager and deputy general manager of the Company	Names of the general manager and deputy general managers	
	The Company	All companies in the financial statements
Less than $1,000,000	-	-
$1,000,000 (inclusive)–$2,000,000 (exclusive)	-	-
$2,000,000 (inclusive)–$3,500,000 (exclusive)	Tseng Yi Hao, Wang Chun-Chieh, Li Chung Chen	Tseng Yi Hao, Wang Chun-Chieh, Li Chung Chen
$3,500,000 (inclusive)–$5,000,000 (exclusive)	Wang Yaohui, Wang Li-Yu, Li Shang Che	Wang Yaohui, Wang Li-Yu, Li Shang Che
$5,000,000 (inclusive)–$10,000,000 (exclusive)	-	-
$10,000,000 (inclusive)–$15,000,000 (exclusive)	-	-
$15,000,000 (inclusive)–$30,000,000 (exclusive)	-	-
$30,000,000 (inclusive)–$50,000,000 (exclusive)	-	-
$50,000,000 (inclusive)–$100,000,000 (exclusive)	-	-
$100,000,000 or more	-	-
Total	6 persons	6 persons

(IV) Names of managerial officers receiving employee bonuses and distribution details:

December 31, 2025; Unit: NT$ thousand

Job title		Name	Stock amount	Cash amount	Total	Total amount as a percentage of net income after tax (%)
Managers	Executive deputy general manager	Wang Li-Yu	-	847	847	1.69%
	Deputy general manager	Wang Chun-Chieh				
	Deputy general manager	Tseng Yi Hao				
	Deputy general manager (financial officer)	Li Shang Che				
	Deputy general manager	Li Chung Chen				
	Assistant general manager	Chien Tzu Kai (Note)				
	Assistant general manager	Li Pei Ju				
	Assistant general manager	Wang Li Wei				
	Chief accountant	Huang Ju Ping				

Note: Mr. Chien Tzu Kai resigned and was dismissed from office on May 28, 2025.

(V) Separately compare and explain the analysis of the ratio of the total remuneration paid by the Company and all companies in the consolidated report to the Company’s directors, general manager, and deputy general managers to the net income after tax in the separate or individual financial statements for the most recent two years, and explain the policies, standards, and components for remuneration payment, the procedures for determining remuneration, and the relationship with operating performance and future risks.

1. Analysis of the ratio of the total remuneration paid by the Company and all companies in the consolidated report to directors, general manager, and deputy general managers to the net income after tax in the separate or individual financial statements for the most recent two years:

Unit: NT$ thousands

Item \ Year	2025		2024	
	The Company	All companies in the consolidated statements	The Company	All companies in the consolidated statements
Total directors' remuneration	10,098	10,098	12,972	18,584
Ratio of total directors' remuneration to net income after tax (%)	20.10	20.10	5.93	8.50
Total remuneration of general manager and deputy general managers	20,111	20,111	19,346	19,346
Ratio of total remuneration of general manager and deputy general managers to net income after tax (%)	40.03	40.03	8.85	8.85

2. Policies, standards, and components of remuneration payment, procedures for determining remuneration, and the relationship with operating performance and future risks

   (1) Directors

   The remuneration of the Company's general directors includes compensation, business execution expenses, and remuneration The compensation and business execution expenses are determined by the board of directors under the authorization of the Articles of Incorporation, taking into consideration the directors' degree of participation in operations, contribution value, and industry standards; directors' remuneration is linked to operating results and individual performance evaluations. In accordance with Article 29 of the Articles of Incorporation, no more than 5% of profit for the year shall be appropriated as directors' remuneration in a profitable year. The relevant assessments and reasonableness of remuneration are reviewed by the remuneration committee and the board of directors, and are reviewed on a rolling basis in view of operating conditions, so as to strengthen the balance between sustainable operation and risk control. The total directors' remuneration in 2025 decreased compared with 2024; however, due to the decline in net income after tax in 2025 compared with 2024, the ratio of remuneration to net income after tax increased compared with the same period.

   (2) General manager and deputy general managers

   The remuneration of the Company's general manager and deputy general managers includes salaries, bonuses, employees' remuneration, and pensions. The payment standards are determined by taking into consideration position responsibilities, professional capabilities, and industry standards, and are submitted to the board of directors for resolution after review by the remuneration committee. The evaluation structure is divided into financial indicators (30%) and non-financial indicators (70%). The financial indicators focus on the achievement rates of revenue and profitability, while the non-financial indicators cover operational management, talent development, and implementation of core values. ESG sustainability items, including energy efficiency improvement, carbon reduction planning, and performance in corporate governance evaluations, are also being actively planned as bonus indicators. In 2025, in response to talent retention policies and to maintain market remuneration competitiveness, the total remuneration increased slightly compared with 2024; however, due to the decrease in net income after tax caused by fluctuations in the industry environment, the remuneration ratio relatively increased to 40%. The related reasonableness has been reviewed by the remuneration committee, which determined that it represented a necessary cost for retaining management talent to respond to environmental challenges. In addition, the remuneration system has incorporated risk control mechanisms. Through a high proportion of non-financial indicators and rolling reviews, it ensures that management, while pursuing profitability, also takes into account sustainable corporate operation and risk assessment, so as to safeguard the long-term interests of shareholders.

III. Status of corporate governance operations

(I) Operation of the board of directors

1. Directors' term of office: From June 3, 2025 to June 2, 2028.
2. The chairman convened a total of 9 general board meetings in 2025. The attendance of directors was as follows:

Job title	Name	Actual attendance	Attendance by proxy	Actual attendance rate (%)	Remarks (Note)
Chairman	Wang Yaohui	9	0	100%	Re-elected
Directors	Representative of Hengtai International Investment Holding Co., Ltd.: Wang Li-Yu	9	0	100%	Re-elected
Directors	Representative of Hengtai International Investment Holding Co., Ltd.: Yeh Ting Lun	4	0	100%	Outgoing
Directors	Kuan Jung Investment Co., Ltd. Representative of Kuan Jung Investment Co., Ltd.: Zhao Chen	3	1	75%	Outgoing
Independent director	Wang Ting Sheng	9	0	100%	Re-elected
Independent director	Chen Ching Lin	4	0	100%	Outgoing

Independent director	Wang Yu Sheng	4	0	100%	Outgoing
Independent director	Wang Wen Tsung	5	0	100%	Newly appointed
Independent director	Huang Chen Yuan	5	0	100%	Newly appointed
Independent director	Chu Tsai Pao	5	0	100%	Newly appointed

Other matters required to be stated:

I. If any of the following circumstances occurred in the operation of the board of directors, the date and session of the board meeting, content of the proposals, opinions of all independent directors, and the Company's response to the independent directors' opinions shall be stated:
   (I) Matters set forth in Article 14-3 of the Securities and Exchange Act: All proposals were approved by all directors present.
   (II) In addition to the foregoing matters, other resolutions passed by the board of directors to which independent directors expressed dissenting or qualified opinions that were recorded or stated in writing: None.

II. The implementation status of directors' recusal from proposals involving conflicts of interest shall specify the directors' names, proposal content, reasons for recusal due to conflicts of interest, and participation in voting:

1. Proposal: Ratification of the annual salary adjustments for the Company's managers.
   Director names: Chairman Wang yaohui and director Wang Li-Yu.
   Reasons for recusal due to conflicts of interest: Interested parties to this proposal.
   Participation in voting: (1) Chairman Wang yaohui voluntarily recused himself due to a conflict of interest and designated Independent Director Wang Ting Sheng as the acting chairperson for this proposal.
   (2) After the acting chairperson consulted the other attending directors, the proposal was approved without objection as proposed.
2. Proposal content: Proposal regarding the current policies, systems, standards, and structure for performance evaluation and remuneration of directors and managers.
   Director names: Chairman Wang yaohui and director Wang Li-Yu.
   Reasons for recusal due to conflicts of interest: Interested parties to this proposal.
   Participation in voting: (1) Chairman Wang yaohui voluntarily recused himself due to a conflict of interest and designated Independent Director Wang Ting Sheng as the acting chairperson for this proposal.
   (2) After the acting chairperson consulted the other attending directors, the proposal was approved without objection as proposed.
3. Proposal content: Distribution proposal for the amounts of directors' remuneration and employees' remuneration for 2024 of the Company.
   Director names: Chairman Wang yaohui and director Wang Li-Yu.
   Reasons for recusal due to conflicts of interest: Interested parties to this proposal.
   Participation in voting: (1) Chairman Wang yaohui voluntarily recused himself due to a conflict of interest and designated Independent Director Wang Ting Sheng as the acting chairperson for this proposal.
   (2) After the acting chairperson consulted the other attending directors, the proposal was approved without objection as proposed.
4. Proposal content: Distribution proposal for year-end and performance bonuses for the Company's managers for 2025.
   Director names: Chairman Wang yaohui and director Wang Li-Yu.
   Reasons for recusal due to conflicts of interest: Interested parties to this proposal.
   Participation in voting: (1) Chairman Wang yaohui voluntarily recused himself due to a conflict of interest and designated Independent Director Wang Ting Sheng as the acting chairperson for this proposal.
   (2) After the acting chairperson consulted the other attending directors, the proposal was approved without objection as proposed.

III. Information on the evaluation cycle and period, evaluation scope, methods, and evaluation content of the board of directors' self-evaluation, and the implementation status of the board of directors performance evaluation:

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Conducted once annually	2025	1. Board of directors 2. Individual board members 3. Functional committees (audit committee and remuneration committee)	1. Board performance self-evaluation questionnaire 2. Functional committee performance self-evaluation questionnaire 3. Board member performance self-evaluation questionnaire	▪ Board of directors: 1. Degree of participation in the Company's operations 2. Enhancement of the quality of decisions of the Board of Directors 3. Composition and structure of the board of directors 4. Election and continuing education of directors 5. Internal control The evaluation result is "exceeds standards" ▪ Individual board members: 1. Understanding of the Company's goals and missions 2. Awareness of directors' duties 3. Degree of participation in the Company's operations 4. Internal relationship management and communication 5. Directors' professionalism and continuing education 6. Internal control The evaluation result is "exceeds standards" ▪ Functional committees: 1. Degree of participation in the Company's operations 2. Awareness of the duties of functional committees 3. Enhancement of the quality of functional committee decisions 4. Composition of functional committees and selection of members 5. Internal control The evaluation result is "exceeds standards"

IV. Goals for strengthening board of directors functions in the current year and the most recent year, and assessment of implementation status:

(I) Goals for strengthening board of directors functions:

1. Establishment of independent directors: In order to establish a sound board of directors governance system, improve supervisory functions, and strengthen management functions, the Company has established an audit committee to replace the functions of supervisors.
2. Implementation of corporate governance and adherence to transparent operations: board of directors meetings have been convened quarterly in accordance with regulations, and operational status has been reported during the meetings.
3. Continuing education for directors: Professional continuing education courses for directors are regularly arranged each year, including the latest legal updates, corporate governance, and sustainability-related courses, in order to maintain their core values, professional advantages, and capabilities.

(II) Assessment of implementation status:

1. The Company has established the Rules of Procedure for Board of Birectors Meetings and the Organizational Charter of the Audit Committee and convenes meetings regularly to align with practical operations and comply with legal requirements.
2. The Company has established a remuneration committee to assist the board of directors in carrying out its duties.
3. The Company has designated personnel responsible for promptly releasing material information and posting it on the Market Observation Post System after board of directors meetings in order to protect shareholders' rights and interests.

Note: At the annual general meeting of shareholders of La Kaffa Company held on June 3, 2025, the election of the ninth term of directors was completed.

(II) Operation of the audit committee

1. Committee members' term of office: From June 3, 2025 to June 2, 2028.
2. The chairman of the committee convened a total of 9 general meetings in 2025. The attendance of committee members was as follows:

Job title	Name	Actual attendance	Attendance by proxy	Actual attendance rate (%)	Remarks (Note)
Chairman	Wang Ting Sheng	9	0	100%	Re-elected
Committee member	Chen Ching Lin	4	0	100%	Outgoing
Committee member	Wang Yu Sheng	4	0	100%	Outgoing
Committee member	Wang Wen Tsung	5	0	100%	Newly appointed
Committee member	Huang Chen Yuan	5	0	100%	Newly appointed
Committee member	Chu Tsai Pao	5	0	100%	Newly appointed

Other matters required to be stated:

I. If any of the following circumstances occurred in the operation of the audit committee, the date and session of the audit committee meeting, content of the proposals, resolutions of the audit committee, and the Company's response to the audit committee's opinions shall be stated:

(I) Matters set forth in Article 14-5 of the Securities and Exchange Act:

Meeting date	Proposal content
19th meeting of the 4th term (2025/3/5)	1. 2024 business report and financial statements
	2. 2024 earnings distribution proposal of the Company
	3. Proposal for distribution of cash dividends from fourth-quarter 2024 earnings of the Company
	4. Proposal for distribution of cash dividends from capital surplus by the Company
	5. Proposal for approval of the "Statement on Internal Control System"
	6. Proposal for the appointment and compensation of the Company's attesting CPAs for 2025
	7. Proposal for the Company to provide an endorsement and guarantee limit of US$3 million for Australian subsidiary Chatime Australia Pty. Ltd.
	8. Proposal for newly extending a loan of US$0.5 million to Hong Kong Sky Luck International Trading Limited
	9. Proposal for the liquidation of subsidiary Chatime USA, LLC
	10. Proposal for amendment to the Company's "Articles of Incorporation"
20th meeting of the 4th term (2025/4/10)	1. Proposal for the Company to repurchase treasury shares
21st meeting of the 4th term (2025/5/8)	1. Proposal for approval of the Company's first-quarter 2025 financial report
	2. Proposal for no distribution of first-quarter 2025 earnings of the Company
	3. Proposal for the Company to provide an endorsement and guarantee limit of US$1 million for short-term bank financing of Australian subsidiary Chatime Australia Pty. Ltd. (hereinafter referred to as "Chatime Australia")
	4. Proposal for newly extending a loan of US$0.5 million to Hong Kong Sky Luck International Trading Limited (hereinafter referred to as "Sky Luck")
2nd meeting of the 5th term (2025/8/8)	1. Proposal for approval of the Company's second-quarter 2025 financial report
	2. Proposal for no distribution of second-quarter 2025 earnings of the Company
	3. Proposal for distribution of cash dividends from capital surplus by the Company
	4. Proposal for amendment to the Company's "Internal Control System"
	5. Proposal to apply to E.SUN Bank for a US$1 million exposure limit
3rd meeting of the 5th term (2025/10/16)	1. Proposal for issuance of the fourth domestic unsecured convertible bonds
4th meeting of the 5th term (2025/11/7)	1. Proposal for approval of the Company's third-quarter 2025 financial report
	2. Proposal for no distribution of third-quarter 2025 earnings of the Company
5th meeting of the 5th term (2025/12/9)	1. Proposal for newly extending a loan of US$0.6 million to Hong Kong Sky Luck International Trading Limited (hereinafter referred to as "Sky Luck")
	2. Proposal for the Company's investment in Germany BoBoQ GmbH

	3. Proposal for amendment to the Company's "Internal Control System"
Content of dissenting opinions, qualified opinions, or significant recommendations raised by independent directors: None.	
Committee resolution results and the Company's handling of the committee's opinions: All proposals were unanimously approved by all committee members. The board of directors also approved all proposals in accordance with the committee's recommendations.	

(II) In addition to the foregoing matters, other resolutions not approved by the audit committee but approved by more than two-thirds of all directors: None.

(III) Annual work focus:

1. Assessment of the effectiveness of the internal control system
2. Review of financial reports
3. Revisions to and implementation of procedures for major asset or derivative transactions, lending of funds, or endorsements and guarantees
4. Matters involving directors' own interests
5. Appointment, dismissal, or remuneration of attesting CPAs
6. Other material matters

II. The implementation status of independent directors' recusal from proposals involving conflicts of interest: None.

III. Communication between independent directors, the chief internal auditor, and CPAs:

(I) After completion of audit items, the Company's chief internal auditor provides monthly audit reports to independent directors for review.

(II) The Company's chief internal auditor regularly convenes audit committee meetings each quarter and reports audit operations to independent directors, including explanations of audit results and follow-up status.

(III) The Company regularly convenes board of directors meetings each quarter. The chief internal auditor attends the board of directors meetings and reports to directors and independent directors on the implementation status of internal audit operations.

Audit committee and meeting date	Communication matters
19th meeting of the 4th term (2025/3/5)	▪ 2024 internal control self-assessment report ▪ 2024 Statement on Internal Control System ▪ Internal audit reports
21st meeting of the 4th term (2025/5/8)	Internal audit reports
2nd meeting of the 5th term (2025/8/8)	▪ Internal audit reports ▪ Amendments to the internal control system
4th meeting of the 5th term (2025/11/7)	Internal audit reports
5th meeting of the 5th term (2025/12/9)	▪ Internal audit reports ▪ 2026 audit plan ▪ Amendments to the internal control system
Result: The above matters were all reviewed or approved by the committee, and the independent directors expressed no dissenting opinions.	

(IV) The Company's independent directors regularly communicate and discuss the contents of financial reports and other matters required under relevant laws and regulations with the attesting CPAs through face-to-face meetings or by e-mail. The main communication matters in 2025 were as follows:

Audit committee and meeting date	Communication matters
19th meeting of the 4th term (2025/3/5)	2024 key audit matters and other matters communicated with those charged with governance (audit summary result stage)
4th meeting of the 5th term (2025/11/7)	2025 key audit matters and other matters communicated with those charged with governance (audit planning stage)
Result: The above matters were all reviewed or approved by the committee, and the independent directors expressed no dissenting opinions.	

Note: At the annual general meeting of shareholders of La Kaffa Company held on June 3, 2025, the election of the ninth term of directors was completed.

(III) Status of corporate governance operations and differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor:

Assessment item	Operation status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons therefor
	Yes	No	Summary description	
I. Has the Company established and disclosed corporate governance best practice principles in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies"?	✓		The Company has established its corporate governance best practice principles in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and has disclosed them on the Market Observation Post System and the Company's website.	No material differences.
II. Shareholding structure and shareholders' equity (I) Has the Company established internal operating procedures for handling shareholders' suggestions, inquiries, disputes, and litigation matters, and implemented such procedures accordingly?	✓		(I) In addition to engaging a professional stock affairs agency to handle relevant operations, the Company has also established management procedures for stock affairs operations. In addition, the Company has appointed spokesperson and acting spokesperson internally as channels for shareholders' suggestions and communication, so that such matters can be handled properly.	No material differences.
(II) Does the Company maintain a list of major shareholders who actually control the Company and the ultimate controllers of those major shareholders?	✓		(II) The Company has dedicated personnel internally responsible for handling relevant matters and has engaged a professional stock affairs agency to handle stock affairs matters in accordance with laws and regulations. In addition, changes in shareholdings of major shareholders holding more than 10% of shares are disclosed monthly in accordance with regulations, and the list of ultimate controllers of major shareholders is always under control.	
(III) Has the Company established and implemented risk control and firewall mechanisms with related companies?	✓		(III) The Company has established the "Regulations Governing Endorsements and Guarantees," the "Procedures for Lending Funds to Others," the "Procedures for Acquisition or Disposal of Assets," and the "Management Regulations Governing Transactions with Group Enterprises, Specific Companies, and Related Parties," among others, to regulate business transactions between the Company and its affiliated enterprises, as well as to establish risk control mechanisms and firewall mechanisms.	
(IV) Has the Company established internal regulations prohibiting insiders from trading securities using undisclosed information in the market?	✓		(IV) In accordance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies," the Company has established the "Management Operations for Prevention of Insider Trading" and the "Procedures for Handling Material Inside Information" within its internal control system to prohibit insiders from trading securities using undisclosed information in the market.	
III. Composition and duties of the board of directors (I) Has the board of directors formulated diversity policies, specific management objectives, and implemented them?	✓		(I) The Company has stipulated in its corporate governance best practice principles the capabilities that members of the board of directors should possess and has implemented such requirements, including industrial practical experience, business, finance, accounting, and experience and capabilities related to the Company's operations. Please refer to "Diversity and independence of the board of directors:" (page 11) of this annual report.	No material differences.

Assessment item	Operation status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons therefor
	Yes	No	Summary description	
(II) In addition to establishing the remuneration committee and audit committee as required by law, has the Company voluntarily established other types of functional committees?	✓		(II) In addition to establishing the remuneration committee and audit committee as required by law, the remaining corporate governance operations are handled by each department according to its functions and responsibilities. In addition, in order to promote sustainable development in environmental protection, resource management, social welfare, and other aspects through deliberation and coordination, the "Sustainability Development Committee" was established upon approval by the board of directors on August 8, 2024. The committee consists of one director and two senior executives, and its members possess the professional capabilities required for the committee.	
(III) Has the Company established regulations governing board of directors performance evaluation and its evaluation methods, conducted regular annual performance evaluations, reported the evaluation results to the board of directors, and applied the results as reference for the remuneration and renomination of individual directors?	✓		(III) The Company amended the "Regulations Governing Performance Evaluation of the Board of Directors and Functional Committees" on March 6, 2024, and completed performance evaluations of the board of directors, board members, and functional committees before the end of the first quarter of the following year. The Company reported the 2025 evaluation results to the board of directors on March 10, 2026, and applied the results as reference for the performance, remuneration, and renomination of individual directors. For the above evaluation results, please refer to "III. Information on the evaluation cycle and period, evaluation scope, methods, and evaluation content of the board of directors' self-evaluation, and the implementation status of the board of directors performance evaluation" on page 24.	
(IV) Does the Company regularly evaluate the independence of its attesting CPAs?	✓		(IV) The Company regularly evaluates the independence of its attesting CPAs every year in accordance with regulations and submitted the evaluation to the audit committee for review and then to the board of directors for approval on March 10, 2026. The Company's evaluation items for independence of attesting CPAs:	

Assessment item	Yes	No
1. Whether the attesting CPAs have no direct or material indirect financial interest relationship with the Company	✓	
2. Whether the attesting CPAs have no financing or guarantee arrangements with the Company or the Company's directors and supervisors	✓	
3. Whether the attesting CPAs have no close business relationship or potential employment relationship with the Company	✓	
Assessment item	Yes	No
4. Whether the attesting CPAs have not accepted significant gifts or gratuities from the Company and the Company's directors and managers (with value exceeding normal social etiquette standards).	✓	
5. Whether the attesting CPAs themselves, their spouses or dependents, or members of the audit	✓	

<table>
<tr><th rowspan="2">Assessment item</th><th colspan="3">Operation status</th><th rowspan="2">Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons therefor</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><td></td><td>team have not served during the audit period or within the most recent two years as directors, supervisors, managers, or in positions having a significant influence on the audit work of the Company, and whether it has also been confirmed that they will not assume the aforementioned positions during future audit periods</td><td></td><td></td></tr>
<tr><td>6.</td><td>Whether the attesting CPAs hold no shares of the Company</td><td>✓</td><td></td></tr>
<tr><td>7.</td><td>Whether the attesting CPAs do not have jointly practicing CPAs who left office within one year serving as directors, supervisors, managers, or in positions having significant influence on the Company’s audit matters</td><td>✓</td><td></td></tr>
<tr><td>8.</td><td>Whether the attesting CPAs do not undertake recurring work for the Company or receive fixed salaries from the Company</td><td>✓</td><td></td></tr>
<tr><td colspan="2">Assessment item</td><td>Yes</td><td>No</td></tr>
<tr><td>9.</td><td>As of the most recent attestation engagement, whether there has been no situation in which the CPAs had not been rotated for seven years</td><td>✓</td><td></td></tr>
<tr><td>10.</td><td>Whether the CPAs have complied with Code of Professional Ethics for Certified Public Accountants No. 10 and obtained the “Independence Statement” issued by the attesting CPAs</td><td>✓</td><td></td></tr>
</table>
The Company has also obtained the evaluation data based on 13 Audit Quality Indicators (AQIs) from Deloitte & Touche, as well as the independence statements issued by attesting CPA, Liu Yi Ching, and attesting CPA, Chang Cheng Hsiu. Based on the foregoing, all meet the Company’s evaluation standards for independence and competence and are qualified to serve as the Company’s attesting CPAs. Based on the foregoing, all meet the Company’s evaluation standards for independence and competence and are qualified to serve as the Company’s attesting CPAs.</td><td></td></tr>
<tr><td>IV. Whether the TWSE/TPEx listed company has appointed appropriate and adequate numbers of corporate governance personnel and designated a corporate governance officer responsible for corporate governance-related affairs (including but not limited to providing directors and supervisors with information required for business execution, assisting directors and supervisors in legal compliance, handling matters related to board of directors meetings and shareholders’ meetings in accordance with laws, and preparing minutes of board of directors meetings and shareholders’ meetings)?</td><td>✓</td><td></td><td>The Company appointed a corporate governance officer on March 14, 2023, to coordinate and plan matters related to corporate governance. The main duties include the following:
1. Handling registration of changes to directors.
2. Handling matters related to meetings of the board of directors, various functional committees, and shareholders’ meetings, and assisting the Company in complying with relevant laws and regulations.
3. Preparing minutes of board of directors meetings, functional committee meetings, and shareholders’ meetings.</td><td>No material differences.</td></tr>
</table>

Assessment item	Operation status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons therefor
	Yes	No	Summary description	
			4. Continuing education for directors and arranging on-site continuing education courses for directors. 5. Evaluation and procurement of liability insurance for directors and key officers. 6. Providing directors with information required for business execution and the latest regulatory developments related to company operations to assist directors in complying with laws and regulations. 7. Handling various announcements and filing of material information after board of directors meetings and shareholders' meetings. 8. Revising the latest laws and regulations related to corporate governance and submitting them to the board of directors for discussion. 9. Reporting to the board of directors on the review results regarding whether independent directors meet relevant legal and regulatory qualification requirements at the time of nomination, election, and during their term of office. 10. Handling matters related to changes of directors.	
V. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), established a stakeholder section on the Company's website, and appropriately responded to major corporate social responsibility issues of concern to stakeholders?	✓		The Company has established communication channels with stakeholders and set up a stakeholder section on the Company's website. Smooth communication channels are provided for stakeholders including consumers, clients, government agencies, employees, suppliers, media, and shareholders, and issues of concern are responded to in a timely manner. For the communication status with stakeholders in the most recent year, please refer to the sustainability report or the ESG sustainability development section on the official website.	No material differences.
VI. Has the Company appointed a professional stock affairs agency to handle shareholders' meeting affairs?	✓		The Company has appointed the Stock Affairs Agency Department of SinoPac Securities Co., Ltd. as its professional stock affairs agency to handle various stock affairs matters and has established the "Management of Stock Affairs Operations" to govern related matters.	No material differences.
VII. Information disclosure (I) Has the Company established a website to disclose financial, business, and corporate governance information?	✓		(I) The Company has established a website, and information regarding the Company's finance, business operations, and corporate governance is updated regularly. Relevant information is also disclosed on the Market Observation Post System in accordance with regulations.	No material differences.
(II) Has the Company adopted other methods for information disclosure (such as establishing an English website, designating personnel responsible for collecting and disclosing company information, implementing the spokesperson system, and posting the process of institutional investor conferences on the Company's website)?	✓		(II) The Company has implemented the spokesperson system in accordance with regulations. The investor relations and stock affairs units are responsible for collecting and disclosing company information, and institutional investor conferences are held regularly to enhance the transparency of operating information.	
(III) Has the Company announced and filed the annual financial report within two months after the end of the fiscal year, and announced and filed the first, second, and third quarter financial reports and monthly operating status ahead of the required deadlines?	✓		(III) In accordance with the Securities and Exchange Act, the Company convenes a board of directors meeting within three months after the end of the fiscal year to approve and announce the annual financial report. The Company announced the 2025 annual financial report on March 31, 2026; however, whether the report can be announced within two months after the end of the fiscal year still requires coordination and cooperation among various parties	

Assessment item	Operation status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons therefor
	Yes	No	Summary description	
			regarding the relevant operational schedule. The Company has also completed the announcement and filing of the first, second, and third quarter financial reports for 2025 within 45 days after the end of each quarter and announced the monthly operating status before the 10th day of each month in accordance with the prescribed deadlines.	
VIII. Does the Company have other important information helpful for understanding the operation of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholders' rights, continuing education status of directors and supervisors, implementation status of risk management policies and risk measurement standards, implementation status of customer policies, and the Company's purchase of liability insurance for directors and supervisors, etc.)?	✓		(I) Employee rights: The Company has established an employee welfare committee and a labor-management committee and formulated relevant regulations to protect employee rights. In addition, employee communication channels are provided so that opinions may be expressed at any time through e-mail or suggestion boxes and handled in a fair and reasonable manner. (II) Employee care: The Company plans group insurance for employees, conducts regular health examinations, and organizes employee education and training. The Company has always attached importance to employees' physical and mental health as well as learning and development. (III) Investor relations and stakeholders' rights: The Company honestly discloses company information in accordance with laws and regulations in order to protect the rights and interests of investors and stakeholders and fulfill corporate responsibilities to shareholders. One institutional investor conference was held in 2025. (IV) Supplier relations: The Company maintains smooth complaint channels with suppliers, and dedicated departments are responsible for communication and coordination to protect their legitimate rights and interests. (V) Continuing education status of directors: The Company's directors participate in continuing education every year, and the continuing education status is reported to the Market Observation Post System. For details of continuing education, please refer to "Continuing education status of directors in 2025" on page 67. (VI) Implementation status of risk management policies and risk measurement standards: The Company actively promotes and implements risk management mechanisms and regularly (once a year) evaluates various risks faced by the Company, including credit risk, market risk, liquidity risk, operational risk, and supply chain risk. Relevant response measures are adopted for such risks and reported to the board of directors. On December 9, 2025, the risks involved in various operations and the response measures adopted had already been reported to the board of directors. (VII) Implementation status of customer policies: Dedicated departments of the Company are responsible for customer inquiry and complaint channels to protect consumer rights and interests, and consumer satisfaction surveys are conducted regularly to ensure the best services are provided to consumers.	No material differences.

Assessment item	Operation status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons therefor
	Yes	No	Summary description	
			(VIII) The Company's purchase of liability insurance for directors: The Company has purchased liability insurance for directors in accordance with the Articles of Incorporation. Before renewal of the insurance policy, the board of directors was informed (2025/8/8) of important contents including the insured amount, coverage scope, and insurance premium rate of the liability insurance.	

IX. Please describe the improvements made based on the corporate governance evaluation results released by the Corporate Governance Center of the Taiwan Stock Exchange Corporation in the most recent year, and for items not yet improved, propose priority enhancement items and measures:

(I) Protection of shareholders' rights and interests and equal treatment of shareholders:

1. More than half of the directors and the convener of the audit committee personally attending shareholders' meetings: The Company will continue to actively coordinate directors and independent directors to attend annual general meeting of shareholders.
2. Whether relevant information, such as meeting handbooks and annual reports, is uploaded simultaneously in English: The Company will continue to review and strengthen the disclosure content of English information. In the future, such information will be simultaneously announced on the Market Observation Post System and the Company's official website to ensure that domestic and foreign investors can obtain complete and consistent information in a timely manner; however, whether annual general meetings of shareholders will be convened before the end of May remains under evaluation.

(II) Strengthening the structure and operation of the board of directors

1. Director rotation mechanism: During the 2025 director reelection, the Company completed rotation and optimization based on the term structure and professional backgrounds of independent directors, effectively enhancing the independence, professionalism, and supervisory functions of the board of directors.
2. Whether the Company has established functional committees other than those required by law, such as a nomination committee, risk management committee, or sustainable development committee: the Company established the sustainable development committee on august 8, 2024, and officially launched the operation of the "sustainable development committee" in 2025. The committee is responsible for reviewing sustainable development policies, supervising the progress of greenhouse gas inventory operations, and tracking the achievement rate of sustainability goals, and regularly reports to the board of directors to implement the concept of sustainable corporate operations and enhance the Company's long-term value.

(III) Promotion of sustainable development

1. Enhancement of information disclosure: In addition to preparing sustainability reports to disclose key environmental indicators, the Company officially launched greenhouse gas inventory operations in 2025.
2. Specific implementation measures: The Company has established internal inventory mechanisms and data collection standards to improve the accuracy of environmental data. The inventory results will serve as the basis for setting carbon reduction pathways and medium- to long-term sustainability goals to strengthen the Company's operational resilience in response to climate change.

(IV) Composition, duties, and operation of the remuneration committee:

The Company established the remuneration committee pursuant to a resolution of the board of directors on November 12, 2012. The duties of the committee are to evaluate the remuneration policies and systems for the Company’s directors and managers from a professional and objective standpoint and submit recommendations to the board of directors for reference in its decision-making. The Company’s latest term of independent directors was fully reelected on June 3, 2025. The current independent directors are Wang Ting Sheng, Wang Wen Tsung, Huang Chen Yuan, and Chu Tsai Pao. All committee members satisfy the professional qualification and independence requirements prescribed by laws and regulations.

1. Information on remuneration committee members

December 31, 2025

Identity	Criteria / Name	Professional qualifications and experience	Independence status	Number of other public companies in which the person concurrently serves as a member of the remuneration committee
Convener and independent director	Wang Ting Sheng	Please refer to the relevant disclosures regarding directors’ professional qualifications and independence of independent directors on pages 9–12.		-
Independent director	Huang Chen Yuan			1 company
Independent director	Chu Tsai Pao			-

2. Information on the operation of the remuneration committee
   (1) The Company’s remuneration committee consists of 3 members.
   (2) Term of office of the current committee members: The term is from June 3, 2025 to June 2, 2028. In the most recent year (2025), the remuneration committee convened 3 meetings. The qualifications and attendance status of the committee members are as follows:

Job title	Name	Actual attendance	Attendance by proxy	Actual attendance rate (%)	Remarks (Note)
Chairman	Wang Ting Sheng	3	0	100%	Re-elected
Committee member	Huang Chen Yuan	1	0	100%	Newly appointed
Committee member	Chu Tsai Pao	1	0	100%	Newly appointed
Committee member	Wang Yu Sheng	1	1	50%	Outgoing
Committee member	Chen Ching Lin	1	1	50%	Outgoing

Other matters required to be stated:

I. If the board of directors does not adopt or modifies the recommendations of the remuneration committee, the date and session of the board of directors meeting, content of the proposal, resolution results of the board of directors, and the Company's handling of the remuneration committee's opinions shall be specified (if the remuneration approved by the board of directors is more favorable than the recommendation of the remuneration committee, the differences and reasons therefor shall be specified): None.

II. If any member of the remuneration committee has dissenting or qualified opinions regarding resolutions of the remuneration committee and such opinions are recorded or stated in writing, the date and session of the remuneration committee meeting, content of the proposal, opinions of all members, and the handling of members' opinions shall be specified: None.

III. Policies, systems, standards, and structure for performance evaluation and remuneration of directors and managers:
The functions of the Company's remuneration committee are to evaluate the remuneration policies and systems for the Company's directors and managers from the perspective of the care of a good administrator and professional objectivity. Meetings shall be convened at least twice a year and may be convened at any time when necessary. Recommendations shall be submitted to the board of directors for reference in its decision-making.

1. Powers and duties of the Company's remuneration committee
   (1) Regularly review the Company's remuneration regulations and performance bonus regulations and propose amendment recommendations.
   (2) Establish and regularly review the annual performance targets and the policies, systems, standards, and structure of remuneration for the Company's directors and managers.
   (3) Regularly evaluate the remuneration of the Company's directors, supervisors, and managers.
2. The remuneration committee shall perform its powers and duties in accordance with the following principles:
   (1) The performance evaluation and remuneration of directors and managers shall refer to the general standards of the industry and take into consideration the reasonableness of the relationship among individual performance, the Company's operating performance, and future risks.
   (2) Directors and managers shall not be encouraged to engage in conduct exceeding the Company's risk appetite in pursuit of remuneration.
   (3) The ratio of bonuses distributed based on the short-term performance of directors and senior managers and the timing for payment of a portion of variable remuneration shall be determined with consideration given to industry characteristics and the nature of the Company's business.

IV. Meeting dates, sessions, proposal content, resolution results, and the Company's handling of the remuneration committee's opinions for remuneration committee meetings in the most recent year:

Meeting date and session	Proposal content	Resolution results	The Company's handling of the remuneration committee's opinions
9th meeting of the 5th term (2025/3/5)	1. Implementation of the internal evaluation of the Company's 2024 board of directors performance	Upon inquiry by the chairman and with the consent of all attending committee members, the proposal was submitted to the board of directors for reporting	Reported to the board of directors
	2. Implementation of the internal evaluation of the Company's 2024 audit committee performance	Upon inquiry by the chairman and with the consent of all attending committee members, the proposal	Reported to the audit committee

			was submitted to the audit committee for reporting	
		3. Distribution proposal for 2024 directors' remuneration and employees' remuneration	Upon inquiry by the chairman and with the consent of all attending committee members, the proposal was submitted to the board of directors for discussion	Submitted to the board of directors and approved by all attending directors
	10th meeting of the 5th term (2025/5/8)	Review of the ratification proposal for the annual salary adjustment and remuneration of the Company's managers	Upon inquiry by the chairperson and with the consent of all attending committee members, the proposal was approved	Implemented in accordance with the resolution
	1st meeting of the 6th term (2025/12/9)	1. Proposal regarding the current policies, systems, standards, and structure for performance evaluation and remuneration of directors and managers	Upon inquiry by the chairperson and with the consent of all attending committee members, the proposal was submitted to the board of directors for discussion	Submitted to the board of directors. Except that Chairman Wang Yaohui and juristic-person representative director Wang Li-Yu recused themselves from discussion and voting in accordance with conflict-of-interest requirements, the remaining attending directors approved the proposal
		2. Distribution proposal for the amounts of the Company's 2024 directors' remuneration and employees' remuneration	Upon inquiry by the chairperson and with the consent of all attending committee members, the proposal was submitted to the board of directors for discussion	
		3. Distribution proposal for year-end and performance bonuses for the Company's managers for 2025	Upon inquiry by the chairperson and with the consent of all attending committee members, the proposal was submitted to the board of directors for discussion	
		4. Discussion of the Company's 2026 work plan for the remuneration committee	Upon inquiry by the chairperson and with the consent of all attending committee members, the proposal was approved	Implemented in accordance with the resolution

Note: The board of directors of Liujiao Company approved the appointment of Mr. Wang Ting Sheng, Mr. Huang Chen Yuan, and Mr. Chu Tsai Pao as remuneration committee members on June 3, 2025.

(V) Implementation status of sustainable development promotion and differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons therefor

Promotion item	Implementation status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons therefor
	Yes	No	Summary description	
I. Has the Company established a governance framework for promoting sustainable development, set up a dedicated (or concurrent) unit for promoting sustainable development, authorized senior management by the board of directors to handle relevant matters, and reported supervisory status to the board of directors?	✓		The Company has established a comprehensive governance framework for sustainable development. On August 8, 2024, the board of directors approved the establishment of the "sustainable development committee." The committee consists of directors and department heads, with a director serving as convener to ensure a high level of decision-making authority. A dedicated task force composed of representatives from various departments has also been established under the committee to implement sustainable development strategies according to their respective functions and responsibilities. The sustainable development committee regularly identifies issues of concern to stakeholders and evaluates their impacts from economic, environmental, and social perspectives in order to formulate action plans and management guidelines. The Company's 2024 sustainability report has obtained third-party assurance, and ESG implementation performance and future strategic planning were reported to the board of directors on August 8, 2025. In addition, to strengthen environmental governance, management reports the progress of greenhouse gas inventory operations to the board of directors on a quarterly basis to ensure that inventory and verification operations comply with regulatory disclosure schedules and to fulfill the supervisory functions of the board of directors.	No material differences.
II. Has the Company conducted risk assessments on environmental, social, and corporate governance issues related to the Company's operations in accordance with the principle of	✓		The board of directors of the Company has approved amendments to the "Sustainable Development Best Practice Principles" and formulated relevant risk policies or strategies based on assessments of environmental, social,	No material differences.

Promotion item	Implementation status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons therefor
	Yes	No	Summary description	
materiality and formulated relevant risk management policies or strategies?			and corporate governance issues related to the Company's operations.	
III. Environmental issues (I) Has the Company established appropriate environmental management systems based on its industry characteristics?	✓		(I) The Company has deeply cultivated the global food and beverage service market and has established a comprehensive environmental management system in response to the highly dynamic and globalized characteristics of the chain restaurant industry. In addition to establishing clear environmental management indicators in accordance with the "Sustainable Development Best Practice Principles" to ensure that all global operating locations strictly comply with local environmental regulations, environmental sustainability awareness has also been deeply integrated into the standardized operating procedures (SOPs) of global stores. Specific measures include promoting supply chain localization and green procurement strategies to reduce carbon footprints generated from cross-border transportation, as well as implementing rigorous environmental evaluation mechanisms for suppliers. In addition, the Company has promoted energy-saving and carbon-reduction operating guidelines at store ends, strengthened equipment operation management, water conservation promotion, and refined waste classification and treatment, thereby systematically reducing the impact of operations on the natural environment from the inside out and fulfilling its commitment to environmental friendliness.	No material differences.
(II) Is the Company committed to improving energy efficiency and using renewable materials with low environmental impact?	✓		(II) In terms of improving energy efficiency and resource management, the Company actively invests resources in optimizing operating facilities. In addition to gradually replacing high-energy-	No material differences.

Promotion item	Implementation status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons therefor
	Yes	No	Summary description	
			consuming equipment at store locations and adopting electrical appliances and LED lighting systems with energy-saving labels, the Company also optimizes warehousing and logistics delivery routes through big data to effectively reduce fuel consumption and carbon emissions. Regarding packaging management for core food and beverage products, the Company is committed to promoting the use of alternative materials with low environmental impact, such as recyclable and biodegradable straws and cup lids. Through packaging reduction design and resource recycling mechanisms, the Company maximizes resource utilization. At the same time, paperless digital operations have been fully implemented in offices and stores, and technologies have been improved at the process source to reduce raw material scrap and waste generation, thereby concretely implementing the concept of a circular economy and moving toward low-carbon operation goals.	
(III) Has the Company assessed the potential risks and opportunities posed by climate change to the enterprise now and in the future and adopted related response measures?	✓		(III) The Company attaches great importance to global climate change issues and regards them as an important part of its long-term operational strategy. To implement sustainable operations, the Company has gradually incorporated climate risks into its risk management system and conducted analyses of “physical risks” and “transition risks” with reference to the Task Force on Climate-related Financial Disclosures (TCFD) framework. Regarding responses to physical risks, the Company has adopted dynamic supply chain management strategies in response to threats that global extreme weather events (such as droughts, heavy rainfall, or unusual climate fluctuations) may pose to the production volume and price stability of core food	No material differences.

Promotion item	Implementation status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons therefor
	Yes	No	Summary description	
			and beverage agricultural products such as tea leaves, tapioca starch, and fruit juice. Through promoting supply chain localization, expanding diversified supplier sourcing, and establishing safety inventory management mechanisms, the Company strives to maintain operational stability under climate uncertainty and reduce operational risks arising from supply interruptions. Regarding transition risks and regulatory responses, in response to increasingly stringent international plastic reduction regulations, carbon tax/carbon fee trends in various countries, and energy transition requirements, the Company continues to actively adjust its business strategies based on industry conditions. In addition to continuously investing in the research and adoption of green packaging and environmentally friendly alternative materials, optimizing energy efficiency and waste recycling operations at stores in various countries, the Company also enhances resource allocation capabilities for operations and warehousing logistics through digital management in order to strengthen its ability to respond to global regulatory changes and reduce the impact of increasing regulatory compliance costs. In addition, the Company pays attention to consumer expectations for green consumption under climate change and actively develops low-carbon products to explore potential green business opportunities. In terms of specific implementation pathways, the Company officially launched greenhouse gas inventory operations in 2025 and is currently in the stage of data collection and inventory compilation, aiming to establish a scientific environmental data foundation in order to	

Promotion item	Implementation status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons therefor
	Yes	No	Summary description	
			accurately understand emission conditions throughout operational processes. In the future, the Company will use the inventory results as the basis for further studying carbon reduction targets and action plans, demonstrating the determination of a multinational food and beverage group to implement environmental sustainability and operational resilience.	
(IV) Has the Company compiled statistics on greenhouse gas emissions, water consumption, and total waste weight for the past two years and formulated policies on greenhouse gas reduction, water reduction, or other waste management?	✓		(IV) The Company attaches great importance to resource utilization efficiency and environmental protection. Since 2023, the Company has established a systematic mechanism to continuously compile statistics on greenhouse gas emissions, water consumption, and total waste weight as the basis for environmental management decision-making. In terms of relevant management policies, the Company has adopted the following specific strategies: First, regarding energy management and carbon reduction, the Company implements green procurement policies, prioritizes office and store equipment with energy-saving labels, and has fully replaced lighting systems with LED energy-saving fixtures and high-efficiency air conditioning systems. Second, regarding product packaging and production transportation, the Company continues to pursue “packaging simplification” and “environmentally friendly materials,” reducing energy waste and waste generation at the source through optimization of production process efficiency and warehouse route management. In addition, to strengthen data accuracy, the Company further launched comprehensive greenhouse gas inventory operations in 2025 with the aim of	No material differences.

Promotion item	Implementation status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons therefor
	Yes	No	Summary description	
			formulating more specific reduction targets and action plans. For detailed statistical data and environmental performance for the past two years, please refer to the sustainability report announced on the Company's official website.	
IV. Social issues (I) Has the Company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	✓		(I) The Company complies with relevant labor laws and regulations and has established employment management measures and performance evaluation and promotion procedures to protect the legitimate rights and interests of employees and establish appropriate management measures.	No material differences.
(II) Has the Company established and implemented reasonable employee welfare measures (including remuneration, leave, and other benefits), and appropriately reflected operating performance or results in employee remuneration?	✓		(II) All employees of the Company enjoy various remuneration and benefits without discrimination based on gender, age, nationality, race, or other factors. The Company has also clearly stipulated leave and welfare systems. In addition to complying with the Labor Standards Act and other relevant labor laws and regulations, the Company also provides birthday gifts, employee shopping discounts, childbirth subsidies, and other benefits. The Company conducts regular annual employee performance evaluations to reward employees with outstanding performance and converts operating results into year-end bonuses and employees' remuneration as incentives. From 2023 through 2025, salary adjustments were implemented for three consecutive years based on market salary standards, economic trends, and individual performance in order to maintain overall remuneration competitiveness, with an average annual salary increase of approximately 3%.	No material differences.

Promotion item	Implementation status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons therefor
	Yes	No	Summary description	
(III) Does the Company provide employees with a safe and healthy working environment and regularly implement safety and health education for employees?	✓		(III) The Company attaches importance to employee health and workplace safety. In addition to providing annual health examination benefits, the Company has established dedicated positions to promote and implement occupational safety and health measures and arranges for designated personnel to participate in various professional training programs to strengthen hazard identification and risk assessment capabilities, with the expectation that occupational safety and health concepts will be deeply integrated into the daily work of every employee from top to bottom. To ensure a safe and healthy working environment, the Company conducts annual inspections and maintenance of firefighting equipment. In 2025, the headquarters conducted two firefighting and rescue drills in both the first and second half of the year to enhance employees' emergency response capabilities. Although there were still two occupational injuries in 2025, the Company continues to move toward the goal of zero occupational accidents through the active participation of all employees in educational training, implementation of standard operating procedures (SOPs), and continuous improvement. At the same time, supervisors at all levels continue to care for employees' physical and mental health to ensure employee safety during work.	No material differences.
(IV) Has the Company established effective career capability development and training programs for employees?	✓		(IV) The Company attaches importance to the continuous enhancement of employees' professional capabilities and regularly conducts orientation training for new employees and on-the-job training while planning diversified course content based on competency requirements. In 2026, a total of 10 participants	No material differences.

Promotion item	Implementation status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons therefor
	Yes	No	Summary description	
			completed external training programs covering areas such as "Pre-service Training for Newly Appointed Internal Auditors," "Refresher Training for Fire Safety Managers," "Design New Business Annual Conference | Trend Forum – How Future Consumption and Experience Brands Respond to New-Era Consumer Demands and Capture Key Market Communication Opportunities? Key topics including marketing strategies, creative transformation, design applications, and experience creation packaged as one to grasp the core drivers of consumer and brand growth," "Analysis of Key Points of the Latest Financial Accounting Laws and Regulations and Development Trends of Standards, Common Practices and Legal Liability Analysis of 'Unconventional Transactions' and 'Related Party Transactions,' Corporate Carbon Management Response Strategies Following the Introduction of Carbon Fees in Taiwan, and Discussion of Cases and Legal Liabilities Related to Corporate Alleged Crimes of Illicit enrichment," "Subsidiary Audit Practices," "Key Considerations and Impacts of IFRS S1/S2 on Internal Control and Internal Audit," "Practical Analysis of Matters Requiring Attention for Shareholders' Meetings and the Company Act," "Turning Data into Decisions! Excel x AI for Enhanced Workplace Data Analysis Capability," "Initial Training Course for Fire Safety Managers / Industrial Safety and Health Association of the Republic of China," and "Key Amendments to the Food Safety and Sanitation Act." Regarding internal training, recruitment interviews and communication management skills training were provided for middle and senior managers and store operation supervisors, with approximately 31	

Promotion item	Implementation status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons therefor
	Yes	No	Summary description	
			participants. Through the parallel implementation of external and internal training, the Company strengthens employees' professional knowledge and management capabilities, further promotes overall organizational effectiveness, and establishes a solid talent foundation for the Company's sustainable development.	
(V) Regarding customer health and safety, customer privacy, marketing, and labeling issues related to products and services, does the Company comply with relevant laws and international standards and formulate relevant policies and complaint procedures to protect consumer or client rights and interests?	✓		(V) In accordance with food safety control regulations, the Personal Data Protection Act, and related regulations, the Company has established relevant management measures and is committed to ensuring consumer food safety and information privacy. The Company has established dedicated units responsible for handling consumer complaints and provides free complaint channels to actively respond to consumer needs and opinions. To improve service quality, customer satisfaction surveys are conducted annually, and specific improvement plans and recommendations are proposed for items failing to meet standards in order to continuously optimize customer experience. The Company handles customers' personal information prudently and in compliance with regulations. In 2025, there were no incidents of personal data leakage or penalties imposed by competent authorities, and there were zero complaint cases related to personal information, demonstrating the Company's strong emphasis on information security and protection of customer rights and interests.	No material differences.
(VI) Has the Company established supplier management policies requiring suppliers to comply with relevant regulations on environmental protection, occupational safety and health, or	✓		(VI) Although the Company has not yet separately established an independent "Supplier Management Policy," suppliers are required under the sustainable development policy to comply with relevant laws,	No material differences.

Promotion item	Implementation status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons therefor
	Yes	No	Summary description	
labor and human rights issues, and how is the implementation status?			regulations, and Company requirements regarding environmental protection, occupational safety and health, and labor and human rights. Before establishing cooperative relationships with suppliers, qualification evaluations are conducted for new suppliers, and regular site visits are conducted for existing suppliers to assess their suitability for continued cooperation. If suppliers are found to violate the Company’s sustainable development policy, the Company reserves the right to terminate or rescind contracts at any time. In practical implementation, the Company and its suppliers jointly build a mutually beneficial sustainable value chain and are committed to strengthening the foundation for cooperation in the three major ESG dimensions of environmental, social, and governance in order to enhance the overall sustainability competitiveness of the supply chain. Surveys of existing suppliers are conducted quarterly, and preliminary evaluations are completed before engaging with new suppliers. In 2025, annual audits were conducted for a total of 8 suppliers, among which 6 suppliers were rated as Grade A excellent suppliers, 1 supplier was rated as a Grade B qualified supplier, and 1 new supplier was rated as Grade C unqualified. Cooperation with the latter supplier was discontinued after counseling failed to achieve effective improvements. In addition, to ensure food safety and hygiene quality, the Company requires suppliers to conduct batch flavor testing before product delivery and periodically or irregularly commissions third-party professional institutions to conduct hygiene inspections to ensure stable product quality, allowing consumers to enjoy food while also ensuring health and peace of mind.	

<table>
<tr><th rowspan="2">Promotion item</th><th colspan="3">Implementation status</th><th rowspan="2">Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons therefor</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td>V. Does the Company prepare sustainability reports or other reports disclosing non-financial information with reference to internationally recognized reporting standards or guidelines? Have the aforementioned reports obtained assurance or verification opinions from a third-party verification institution?</td><td>✓</td><td></td><td>The sustainability report prepared by the Company is compiled with reference to the “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and in accordance with the latest GRI Standards issued by the Global Reporting Initiative (GRI). The Company has also engaged Everest CPA & Co. to provide third-party assurance in order to ensure the accuracy of the financial, environmental, and social information and data disclosed in the report.</td><td>No material differences.</td></tr>
<tr><td colspan="5">VI. If the Company has established its own sustainable development best practice principles in accordance with the “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies,” please describe any differences between the implementation thereof and the established principles: None.</td></tr>
<tr><td colspan="5">VII. Other material information helpful to understanding the Company’s sustainable development practices:
(I) Environmental protection: The Company carries out environmental protection management and control in accordance with applicable laws and regulations. Please refer to the information on environmental protection expenditures.
(II) Community involvement, social contributions, social services, and public welfare: Upholding the spirit of “taking from society and giving back to society,” the Company has long been committed to social welfare and local community care. Through diversified charitable sponsorships and community participation programs, the Company transforms corporate resources into positive social influence and actively fulfills its obligations and responsibilities as a corporate citizen.
a. In collaboration with the TFCF Hsinchu, the Company invited 35 disadvantaged and single-parent families to freely select complimentary bread and desserts in-store. By respecting their freedom of choice, the initiative helped ease the financial burden on parents while fulfilling children’s expectations, allowing beneficiary families to experience social care in a warm and welcoming atmosphere.
b. Guided by the philosophy of caring for the next generation, the Company continued to promote the “Chatime Spreading Love” touring campaign, extending charitable resources to remote rural areas with relatively limited educational resources. By supporting dream-realization programs for schoolchildren in remote areas, the Company not only provided necessary supplies, but also emphasized the transmission of positive energy and in-depth interaction across regions, thereby inspiring children’s vision and passion for the future and helping Taiwan’s future leaders grow in an environment filled with love.
c. The Company actively cultivates local sports development in Hsinchu by sponsoring multiple sports, including basketball and archery, as well as scholarships, supporting school teams such as Tongtex Secondary High School and Dadu Elementary School. The Company helps young athletes devote themselves to competitions without worries, contributing to the foundation-building and sustainable development of sports talent in Taiwan.
(III) The Company has issued its annual sustainability report in accordance with regulations and obtained an opinion statement issued by a CPAs. Please refer to the Market Observation Post System or the Company’s official website for relevant information.</td></tr>
</table>

(VI) Climate-related Information onTWSE/TPEx Listed companies

Information on climate-related implementation status

<table>
<tr><th>Item</th><th>Implementation status</th></tr>
<tr><td>1. specify the board of directors’ and management’s oversight and governance of climate-related risks and opportunities.</td><td>To strengthen sustainable governance and respond to climate change challenges, the Company approved the establishment of the “sustainability development committee” on August 8, 2024. The committee operates under the board of directors and is directly supervised by the board of directors. Its members consist of directors and heads of relevant departments and are responsible for overseeing sustainability affairs as well as the planning and implementation of climate strategies. The committee’s primary responsibilities include: (1) formulating the Company’s sustainable development goals and strategies; (2) reviewing and promoting specific management policies and action plans; (3) regularly reviewing and evaluating the achievement of sustainable development goals; (4) continuously monitoring and tracking the implementation performance and improvement cycle of the Group’s environmental management; (5) assessing significant climate-related risks and opportunities and formulating corresponding response measures; and (6) actively participating in domestic and international climate actions and initiatives to strengthen the Company’s leadership in responding to climate change.
In addition, the board of directors has completed revisions to the “Sustainable Development Best Practice Principles” and, based on the environmental, social, and governance (ESG) issues involved in the Company’s operations, established relevant risk management policies and strategies. Through the establishment and operation of the sustainability development committee, the board of directors is able to effectively fulfill its decision-making and supervisory responsibilities regarding the Company’s sustainable development policies and directions, ensuring that sustainability initiatives are integrated into the core of corporate governance. To effectively integrate cross-departmental resources and enhance the execution of sustainability strategies, the sustainability development committee regularly convenes senior executives from various functional areas to discuss and review matters related to the Company’s operations and sustainable development. The Committee also jointly formulates specific medium- and long-term sustainability development plans, promotes ESG-related initiatives, and regularly conducts climate risk and opportunity assessments under the framework of TCFD. For identified risks and opportunities, progress reports are submitted to the board of directors on a quarterly basis. The board of directors is responsible for supervising implementation and coordinating relevant departments in conducting operational risk assessments in accordance with the “Paris Agreement,” the 2050 net-zero emissions target, and the competent authority’s “Climate Change Response Act” and other relevant requirements.</td></tr>
<tr><td>2. Specify how the identified climate-related risks and opportunities affect the Company’s business, strategy, and finance (short-term, medium-term, and long-term)</td><td>The Company’s climate-related risks and opportunities are described below based on the time horizon and characteristics of their impacts:
Physical risks
<table>
<tr><th>Category</th><th>Period</th><th>Risk item</th><th>Impact on the Company</th><th>Response strategy</th></tr>
<tr><td rowspan="2">Acute</td><td>Short-term (1–3 years)</td><td>Damage to store equipment</td><td>Extreme weather events, such as typhoons, heavy rainfall, and strong wind gusts may result in losses of store equipment, buildings, and other assets in high-risk areas.</td><td>Conduct regular safety inspections and provide necessary training to reduce the risk of workplace accidents.</td></tr>
<tr><td>Short-term (1–3 years)</td><td>Impact on raw material transportation</td><td>Extreme weather events, such as typhoons, heavy rainfall, and strong wind gusts may affect the</td><td>Select suppliers located in different geographic regions with comparable production capacity to reduce potential supply</td></tr>
</table></td></tr>
</table>

Item	Implementation status

			delivery speed of food ingredients and raw materials, thereby increasing production lead time.	chain impacts arising from localized disasters or political factors.
	Short-term (1–3 years)	Employee health and safety	Extreme weather events such as typhoons, heavy rainfall, and strong wind gusts may affect workforce management and planning, including employee safety and attendance conditions.	Carry out workforce management and planning.
	Short-term (1–3 years)	Supply chain disruption	Extreme weather events such as typhoons, heavy rainfall, and strong wind gusts may disrupt the supply chain, resulting in shortages of raw materials or equipment and creating operational risks.	Seek multiple suppliers to respond to unexpected events and reduce operational risks arising from reliance on a single supply chain.
Chronic	Short-term (1–3 years)	Changes in rainfall patterns	Climate change may shift rainfall patterns from moderate frequency and intensity to lower frequency but higher intensity rainfall, increasing the likelihood of water rationing or water supply interruptions and thereby increasing operational risks.	Develop emergency response plans and incorporate potential future climate factors into planning to ensure business continuity.
	Short-term (1–3 years)	Temperature changes	Rising average temperatures may shorten the service life of equipment and increase electricity consumption, such as higher air-conditioning demand, resulting in increased equipment maintenance and energy costs.	Upgrade to energy-efficient equipment to reduce electricity costs associated with increased air-conditioning and refrigeration loads caused by rising temperatures.

Transition risks

Category	Period	Risk item	Impact on the Company	Response strategy
Policy and regulatory risk	Short-term (1–3 years)	Electricity consumption control	Rising electricity prices and energy-saving policies, including electricity usage controls during power shortages, may result in higher energy costs and operational risks for La Kaffa International's business locations.	▪Gradually replace equipment with higher energy-efficiency ratio (EER) models and LED lighting fixtures, and install automatic sensor lighting in unoccupied areas. ▪Promote employee energy-saving training and encourage employees to turn off lights and unnecessary electrical appliances.
	Short-term (1–3 years)	Greenhouse gas inventory in compliance with policies	In response to greenhouse gas emission regulations, the Company has strengthened carbon inventory disclosure and carbon reduction management disclosure. In the future, carbon taxes, carbon fees, or cap-and-trade regulations may increase operating costs.	Introduce ISO 14064-1 greenhouse gas inventory management and promote energy efficiency improvements, carbon reduction in the food ingredient supply chain, and logistics optimization.
Technology risk	Short-term (1–3 years)	Costs of introducing smart equipment transformation	The introduction of smart equipment to reduce manual operations may increase initial capital expenditures.	Gradually introduce smart equipment to simplify beverage preparation operations in stores, reduce human operational errors, and improve quality consistency.

Item	Implementation status

Market risk	Medium-term (3–5 years)	Changes in consumer preferences	The Company must meet customer expectations for low-carbon products and continuously launch innovative products to attract younger consumers, which may increase initial R&D expenses. Failure to meet customer expectations may also reduce operating revenue and profit.	Conduct customer surveys to understand consumer preferences and make corresponding adjustments and develop new products.
Goodwill	Medium-term (3–5 years)	Increased stakeholder attention and negative feedback	Growing global and regional sustainability awareness may lead customers, shareholders, non-profit organizations, and media to express more negative opinions and information regarding products and services.	Conduct regular sustainability issue surveys, analyze key areas of concern through the sustainable development committee, and transparently disclose climate change response measures and initiatives.

Opportunities

Period	Risk item	Opportunity	Potential financial impact	Response strategy
Short-term (1–3 years)	Physical risks	Replacement of old equipment with energy-efficient equipment	Increase in asset value	Gradually replace outdated equipment and procure equipment with environmental protection labels. Through equipment procurement expenditures, operating expenses can be reduced in the long term.
Short-term (1–3 years) / medium-term (3–5 years)	Resource efficiency	Transition to low-carbon transportation tools	Increase in capital expenditures	Gradually replace logistics vehicles with electric vehicles. Initial capital expenditures and expense amortization will increase, while energy expenses will be reduced in the long term.
		Promotion of paperless and energy-saving operations	Reduced operating costs and environmental burden	Introduce digital systems and smart monitoring equipment, promote paperless offices and online processes, and strengthen internal resource usage management.
Short-term (1–3 years)	Products and services	Develop low-carbon products and services	Increased market demand	Adjust service processes and reduce plastic packaging by replacing plastic straws with environmentally friendly wheat straws to attract environmentally conscious consumers and increase revenue.
Medium-term (3–5 years)	Market	Launch new products (low-carbon and plant-based products) to increase revenue	Increased operating revenue	In response to market demand, launch food ingredients that reduce cooking energy consumption (such as ready-to-eat pearls) and develop plant-based meat products to replace high-carbon-emission ingredients (beef).
Medium-term (3–5 years)	Resilience	Develop diversified supply sources (including regional and substitute sources) in response to extreme climate change to ensure stable supply	Stable supply chain	Continue seeking and developing cooperation with new product suppliers to stabilize the supply chain, while controlling operating costs and simultaneously diversifying and reducing procurement risks.

Item	Implementation status
3. Specify the financial impacts of extreme climate events and transition actions	Against the backdrop of increasingly frequent extreme weather disasters worldwide, La Kaffa International has taken proactive actions by adopting the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), established by the Financial Stability Board (FSB) in 2015. This enables the Company to proactively disclose its response

<table>
<tr><th>Item</th><th>Implementation status</th></tr>
<tr><td></td><td>policies and preventive measures in addressing climate-related risks, while appropriately disclosing the related financial impacts.
(1) Financial impacts of extreme climate events
a. Frequent and severe extreme weather events, such as typhoons and floods, may result in operational disruptions, supply chain delays, and logistics interruptions, leading to revenue losses and additional operating costs.
b. Post-disaster recovery and repair expenditures may increase, insurance costs may rise, and the Company may also face risks of operational suspension, thereby affecting cash flow and capital turnover.
(2) Financial impacts of transition actions
a. In response to carbon emission regulations and environmental protection requirements, the Company is required to invest capital in greenhouse gas inventories, energy-efficient equipment upgrades, packaging reduction, and digital transformation, which may increase capital expenditures and operating costs in the short term.
b. Market demand has shifted toward low-carbon and green products, prompting increased investment in research and development and marketing resources. Technological transformation may also create financial pressure.
c. In the long term, transition actions will help reduce fluctuations in energy costs, avoid regulatory penalties, enhance corporate competitiveness and brand image, and promote sustainable profitability.
d. The Company is required to strengthen climate risk management and establish early warning and response mechanisms to reduce the financial impacts of extreme events, while enhancing resilience and flexibility in capital allocation.</td></tr>
<tr><td>4. Specify how the identification, assessment, and management processes for climate-related risks are integrated into the overall risk management system</td><td>The Company has incorporated climate-related risks, including transition risks and physical risks, into its overall risk management framework. For the identified risks, relevant departments actively formulate specific project policies and implementation plans and regularly report progress and results to the sustainable development committee. Through a cross-departmental collaboration mechanism, the Company effectively integrates internal resources and continuously conducts risk assessments, response planning, and improvement initiatives, thereby effectively reducing the operational impacts of climate change and enhancing the Company's overall climate resilience and sustainable operation capabilities.</td></tr>
<tr><td>5. If scenario analysis is used to assess resilience in response to climate change risks, specify the scenarios, parameters, assumptions, analytical factors, and major financial impacts</td><td>La Kaffa International assessed the potential impacts of climate hazards by utilizing RCP climate scenarios selected from the IPCC Sixth Assessment Report (AR6). It also utilized publicly available climate models and chart platforms, including the AR6 statistical downscaling data and the "3D Disaster Potential Map" released by the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP), to analyze the "maximum daily high temperature change Note 1" and the "annual maximum one-day rainfall change rate Note 2" that may affect La Kaffa International's headquarters in Hsinchu County under the simulated climate scenarios SSP1-2.6 and SSP5-8.5.
Note 1: Maximum daily high temperature change refers to the maximum value of daily highest temperatures within a year, measured in °C.
Note 2: Annual maximum one-day rainfall change rate refers to the maximum daily rainfall within a year, measured in millimeters.
Key indicators for climate scenario analysis
<table>
<tr><th>Scenario</th><th>Temperature</th><th>Rainfall</th></tr>
<tr><td>SSP 1-2.6</td><td>By 2050, the average annual temperature at the headquarters location is projected to increase</td><td>By 2050, the annual maximum one-day rainfall at the headquarters location is projected to increase by</td></tr>
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<table>
<tr><th>Item</th><th>Implementation status</th></tr>
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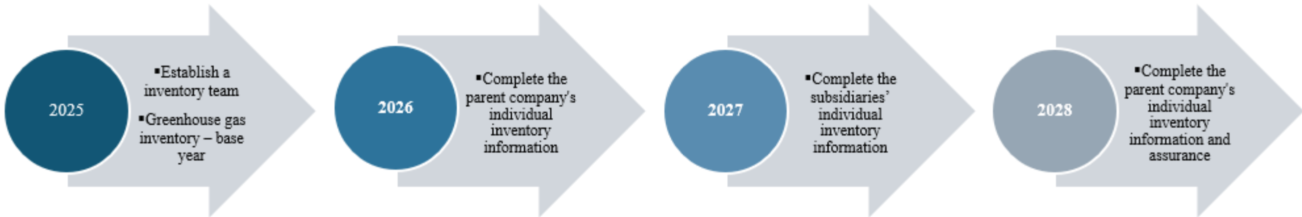
<tr><td></td><td>by 1.1°C compared with the baseline period (1995–2014), with the highest temperature potentially reaching 32.7°C.</td><td>0.4% compared with the baseline period (1995–2014), with the maximum rainfall reaching 240.5 mm.</td></tr>
<tr><td>SSP 5-8.5</td><td>By 2050, the average annual temperature at the headquarters location is projected to increase by 1.5°C compared with the baseline period (1995–2014), with the highest temperature potentially reaching 33.1°C.</td><td>By 2050, the annual maximum one-day rainfall at the headquarters location is projected to increase by 11.2% compared with the baseline period (1995–2014), with the maximum rainfall reaching 257.1 mm.</td></tr>
</table>
La Kaffa International’s headquarters is located in Zhubei City, Hsinchu County. Based on assessments conducted through the The Taiwan Climate Change Projection Information and Adaptation Knowledge Platform, under the simulated climate scenarios SSP1-2.6 and SSP5-8.5, the overall temperature increase before 2050 is not expected to exceed 2°C.
For the location of La Kaffa International’s headquarters, under simulated climate scenarios RCP2.6 to RCP4.5, the differences in the results are not significant. The projected increases in average rainfall and maximum one-day rainfall by the end of the century do not exceed the disaster threshold standards indicated by the “3D Disaster Potential Map,” namely 650 mm of rainfall within 24 hours and the existence of flood-prone areas within a 500-meter radius. Therefore, there is no immediate flood risk. However, there remains a possibility that typhoons or flooding in surrounding areas may result in employee absences caused by transportation disruptions or residential impacts.
</td></tr>
<tr><td>6. If there is a transition plan for managing climate-related risks, specify the content of the plan, as well as the metrics and targets used to identify and manage physical risks and transition risks</td><td>Amid the global trend of increasing emphasis on sustainable development and green energy, La Kaffa International actively evaluates and captures various opportunities arising from climate change. Through concrete actions, the it aims to strengthen corporate resilience, expand markets, and enhance financial performance.
With respect to climate risk and transition metrics, in the short term, the Company will establish at least two qualified suppliers for each procurement category to avoid supply shortages and will develop a global overseas supply chain to reduce dependence on a single production source. In the medium and long term, the Company plans to replace equipment at all stores with smart equipment, while ensuring that packaging materials comply with regulations and meet consumer environmental expectations. In addition, the Company plans to guide suppliers in adopting ESG concepts to mitigate potential abnormalities in raw material production caused by climate change, ultimately achieving the 2050 net-zero emissions target.</td></tr>
<tr><td>7. If internal carbon pricing is used as a planning tool, specify the basis for price determination</td><td>The Company has not adopted internal carbon pricing.</td></tr>
<tr><td>8. If climate-related targets have been established, specify the activities covered, greenhouse gas emission scopes, planning schedule, annual progress, and other related information; if carbon offsets or renewable energy certificates (RECs) are used to achieve the</td><td>In accordance with the national greenhouse gas management policy and sustainable development roadmap, the Company, as an enterprise with paid-in capital of less than NT$5 billion, falls within the third phase of entities subject to greenhouse gas inventories. The Company’s climate-related management targets and progress are as follows:
(1) Covered activities: Covering direct and indirect greenhouse gas emission sources from the Company’s operating locations, including energy usage, process emissions, and operational activities.
(2) Greenhouse gas emission scopes: Inventories will be conducted in accordance with ISO 14064 and national standards, covering Scope 1 (direct emissions) and Scope 2 (energy indirect emissions). Depending on supply chain collaboration progress, the Company may expand to Scope 3 (other indirect emissions) in the future.</td></tr>
</table>

Item	Implementation status
related targets, specify the source and quantity of carbon reduction offsets or the quantity of renewable energy certificates (RECs)	(3) Planning schedule: 2026: Completion of the first greenhouse gas inventory 2028: Completion of third-party verification Annual progress tracking: In accordance with the guidelines and implementation schedule announced by the competent authorities, the Company will progressively establish internal inventory capabilities, data collection processes, and verification preparation procedures. These efforts will also be incorporated into the annual supervision matters of the sustainable development committee to continuously monitor implementation progress and improvement actions. To date, the Company has not adopted carbon offset mechanisms or purchased renewable energy certificates (RECs) to achieve its carbon reduction targets. In the future, based on actual carbon reduction progress and energy transition needs, the Company will evaluate the adoption of market mechanisms such as carbon trading, carbon credits, and RECs, and will disclose the relevant sources and quantities based on actual usage.
9. Greenhouse gas inventory and assurance status, as well as reduction targets, strategies, and specific action plans (also filled in on 1-1 and 1-2)	In 2024, the Company calculated its greenhouse gas emissions through a self-conducted inventory. The greenhouse gas inventory covered the operational sites of the Hsinchu headquarters and 32 directly operated stores (including the central kitchen). In accordance with the “Sustainable Development Roadmap for TWSE/TPEx Listed Companies” officially released by the Financial Supervisory Commission (the “FSC”) on March 3, 2022, all TWSE/TPEx listed companies are required to complete greenhouse gas inventories by 2027 and obtain assurance for greenhouse gas inventories by 2029 in a phased approach. La Kaffa International is committed to promoting effective greenhouse gas management and reduction and has established specific strategies and targets accordingly. The Company conducted its first carbon inventory in 2025 and designated the results of that inventory year as the base year for carbon reduction. At the same time, the Company has invested resources in improving energy efficiency and optimizing production processes, with the aim of gradually reducing greenhouse gas emissions and establishing phased reduction targets for Scope 1 and Scope 2 emissions by 2030 compared with the base year.  La Kaffa International conducted its greenhouse gas inventory in accordance with ISO 14064-1:2018 and the Greenhouse Gas Protocol (GHG Protocol), determined the organizational boundary based on the operational control approach, and designated 2025 as the base year for greenhouse gas emissions calculation and verification. The total greenhouse gas emissions in 2025 amounted to 7,634.915 metric tons of CO_2e, of which Scope 1 emissions accounted for 111.775 metric tons of CO_2e and Scope 2 emissions accounted for 7,523.14 metric tons of CO_2e.

(VII) Status of implementation of ethical corporate management and difference from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor

Assessment item	Operation status			Difference from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Summary description	
I. Establishment of ethical corporate management policies and programs (I) Has the Company established, subject to board of directors approval, an ethical corporate management policy, and clearly stated the ethical corporate management policy and practices in its regulations and external documents, as well as the commitment of the board of directors and senior management to actively implement such management policies? (II) Has the Company established a risk assessment mechanism for unethical conduct, regularly analyzed and assessed business activities within its scope of operations that are at a higher risk of unethical conduct, and formulated preventive programs against unethical conduct accordingly, covering at least the preventive measures for the conduct set forth in each subparagraph of Article 7, Paragraph 2 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies"? (III) Has the Company specified in its preventive programs against unethical conduct the operating procedures, codes of conduct, disciplinary measures for violations, and complaint procedures, implemented them accordingly, and regularly reviewed and revised such programs?	✓ ✓ ✓		(I) The Company has established the "Ethical Corporate Management Best Practice Principles," which were approved by the board of directors. Dedicated personnel are responsible for supervising the ethical corporate management policies and preventive programs and regularly reporting to the board of directors. (II) To ensure the implementation of ethical corporate management, the Company has established effective accounting and internal control systems, and internal auditors regularly examine compliance with the aforementioned systems. (III) The Company has established the "Procedures for Ethical Management and Guidelines for Conduct" to regulate relevant operating procedures and ensure implementation. The guidelines were revised upon discussion and approval by the board of directors on March 13, 2020.	No material differences.
II. Implementation of ethical corporate management (I) Does the Company evaluate the ethical records of counterparties and expressly include ethical conduct clauses in contracts entered into?	✓		(I) The Company has established the "Work Rules," which expressly stipulate that all employees shall not directly or indirectly offer or accept any unreasonable goods, money, or other improper benefits, in order to prevent employees' personal	No material differences.

Assessment item	Operation status			Difference from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Summary description	
			interests from affecting the interests of the Company.	
(II) Has the Company established a dedicated (or concurrent) unit under the board of directors to promote ethical corporate management, and does it regularly (at least once a year) report to the board of directors on its ethical corporate management policies, preventive programs against unethical conduct, and supervision of implementation?	✓		(II) The administration and finance division serves as the dedicated unit responsible for promoting ethical corporate management. In addition, organizational mechanisms have been established across departments, such as assigning procurement, acceptance inspection, and payment responsibilities to different departments for mutual supervision. Audit personnel conduct regular and ad hoc audits, and reports are regularly submitted to the board of directors. The most recent report on the implementation status of ethical corporate management was reported to the board of directors on December 9, 2025.	
(III) Has the Company established policies for preventing conflicts of interest, provided appropriate reporting channels, and implemented such policies?	✓		(III) The Company has established the "Work Rules," which clearly specify ethical corporate management policies and provide explicit reward, disciplinary, and complaint systems, all of which have been implemented actually.	
(IV) Has the Company established effective accounting systems and internal control systems for the implementation of ethical corporate management, and has the internal audit unit formulated relevant audit plans based on the assessment results of unethical conduct risks to examine compliance with preventive programs against unethical conduct, or commissioned CPAs to conduct such audits?	✓		(IV) To ensure the implementation of ethical corporate management, the Company has established effective accounting and internal control systems, and internal auditors regularly examine compliance with the aforementioned systems.	
(V) Does the Company regularly conduct internal and external educational training on ethical corporate management?	✓		(V) The Company regularly conducts educational training for employees to enhance their understanding of the Company's commitment to ethical corporate management and the consequences of violating such principles.	

<table>
<tr><th rowspan="2">Assessment item</th><th colspan="3">Operation status</th><th rowspan="2">Difference from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td>III. Operation of the Company’s whistleblowing system
(I) Has the Company established specific whistleblowing and reward systems, convenient reporting channels, and designated appropriate personnel responsible for handling reported cases?
(II) Has the Company established standard operating procedures for the investigation of reported cases, follow-up measures after completion of investigations, and relevant confidentiality mechanisms?
(III) Has the Company adopted measures to protect whistleblowers from improper treatment resulting from their reports?</td><td>✓
✓
✓</td><td></td><td>(I) The Company has established a “whistleblowing mailbox” and designated a dedicated unit to handle related matters in accordance with the prescribed procedures.
(II) The Company’s “Ethical Corporate Management Best Practice Principles” set forth operating procedures, response measures, and the responsibility of supervisors to maintain the confidentiality of the parties concerned.
(III) All whistleblowing procedures of the Company maintain the confidentiality of whistleblowers, and whistleblowers will not be subject to improper treatment as a result of their reports.</td><td>No material differences.</td></tr>
<tr><td>IV. Enhancement of information disclosure
Does the Company disclose the content and implementation effectiveness of its Ethical Corporate Management Best Practice Principles on its website and the Market Observation Post System?</td><td></td><td></td><td>The Company has established a website to disclose information regarding its corporate culture, business policy, and other related information, and has also disclosed its Ethical Corporate Management Best Practice Principles on the Market Observation Post System.</td><td>No material differences.</td></tr>
<tr><td colspan="5">V. If the Company has established its own Ethical Corporate Management Best Practice Principles in accordance with the “Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies,” please describe any differences between the operation thereof and the established principles:
The Company has established the “Ethical Corporate Management Best Practice Principles” to implement ethical corporate management, and there are no material differences.</td></tr>
<tr><td colspan="5">VI. Other important information helpful for understanding the operation of the Company’s ethical corporate management (such as the Company’s review and revision of its Ethical Corporate Management Best Practice Principles):
(I) The Company complies with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, regulations governing TWSE/TPEx listed companies, and other applicable laws and regulations relating to commercial conduct as the basis for implementing ethical corporate management.
(II) The Company’s “Rules of Procedure for Board of Directors Meetings” clearly stipulate a conflict-of-interest recusal system. During each board meeting held in 2025 and 2026, where any proposal involved the personal interest of a director, the relevant director duly abstained from discussion and voting in accordance with applicable laws and regulations and was also prohibited from exercising voting rights on behalf of another director.
(III) The Company has established the “Management Procedures for Prevention of Insider Trading” and the “Procedures for Handling Material Inside Information,” which apply to directors, managerial officers, and employees. These procedures strictly prohibit the disclosure of material inside information or improper collection of</td></tr>
</table>

Assessment item	Operation status			Difference from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Summary description	
information. To prevent insider trading, the Company has established a proactive alert mechanism and regularly notifies insiders of trading blackout periods (such as 30 days prior to the announcement of annual financial reports and 15 days prior to the announcement of quarterly financial reports). The Company also strengthens legal compliance awareness through periodic educational campaigns to ensure that relevant personnel fulfill their confidentiality obligations and comply with trading regulations.				

(VIII) Other important information that may further enhance the understanding of the Company's corporate governance operations may also be disclosed as follows:

1. The Company convenes investor conferences from time to time, and relevant presentation materials are disclosed on the Company's website and the Market Observation Post System.
2. Continuing education status of directors in 2025

Job title	Name	Organizer	Course title	Training hours
Directors	Wang Yaohui	Taiwan Institute of Directors	New Perspectives on Corporate Governance under Global Sustainability Trends	6
			Board Fraud Governance Strategies — Prevention, Detection, and Response	
Directors	Wang Li-Yu	Taiwan Institute of Directors	New Perspectives on Corporate Governance under Global Sustainability Trends	6
			Board Fraud Governance Strategies — Prevention, Detection, and Response	
Directors	Lin Tzu Heng	Taiwan Institute of Directors	New Perspectives on Corporate Governance under Global Sustainability Trends	6
			Board Fraud Governance Strategies — Prevention, Detection, and Response	
Independent director	Wang Ting Sheng	Taiwan Institute of Directors	New Perspectives on Corporate Governance under Global Sustainability Trends	6
			Board Fraud Governance Strategies — Prevention, Detection, and Response	
Independent director	Wang Wen Tsung	CPA Associations, R.O.C.	Analysis of Criminal Legal Risks in CPA Practice — Focusing on "Loss Recognition" in the International Bills Finance Corp Case	9
			Regulations and Filing Practices for Sustainability Report Assurance Institutions	
		Taiwan Corporate Governance Association	Corporate Governance and Securities Regulations	
Independent director	Chu Tsai Pao	Taiwan Institute of Directors	New Perspectives on Corporate Governance under Global Sustainability Trends	12
			Board Fraud Governance Strategies — Prevention, Detection, and Response	
		CPA Associations, R.O.C.	National Risk Assessment Results and Evaluation Planning for National ML/TF/PF	
			Legal Liabilities for Greenwashing in Sustainability Reports	

Independent director	Huang Chen Yuan	Accounting Research and Development Foundation	ESG Development Trends and Regulations Related to Sustainability Information Disclosure	29
			Analysis of the Latest Securities, Finance, and Tax Regulations and Professional Standards Issues	
			Analysis of the Latest Securities, Finance, and Tax Regulations and Professional Standards Issues	
			Seminar on the Latest Profit-seeking Enterprise Income Tax Practices	
			Analysis of the Latest Securities, Finance, and Tax Regulations and Professional Standards Issues	
			Insights into ESG Trends: Practical Analysis of Corporate Sustainability Practices	
			Analysis of the Latest Securities, Finance, and Tax Regulations and Professional Standards Issues	
			Analysis of Legal Responsibilities Relating to Climate Protection Taxes	
			Analysis of the Latest Securities, Finance, and Tax Regulations and Professional Standards Issues	
			Discussion on the Application of IFRS Sustainability Disclosure Standards and Internal Control Management Practices	
		Taipei Exchange	2025 Insider Equity Dissemination Seminar for TPEx Listed and Emerging Stock Companies	
		Taiwan Corporate Governance Association	Competitiveness vs. Survival: ESG Trends and Strategies	
			Corporate Growth Strategies and External Innovation	

(IX) Status of implementation of the internal control system

1. Statement on Internal Control System:

La Kaffa International Co., Ltd.
Statement on Internal Control System

Date: March 10, 2026

Based on the results of its self-assessment, the Company hereby declares the following with respect to its internal control system for the year 2025:

I. The Company acknowledges that the establishment, implementation, and maintenance of the internal control system are the responsibilities of the Company's board of directors and management. The Company has established such a system. The purpose of the system is to provide reasonable assurance regarding the achievement of objectives relating to the effectiveness and efficiency of operations (including profitability, performance, and safeguarding of assets), the reliability, timeliness, transparency, and regulatory compliance of reporting, and compliance with applicable laws and regulations.

II. Internal control systems have inherent limitations. Regardless of how well designed, an effective internal control system can only provide reasonable assurance regarding the achievement of the aforementioned three objectives. Moreover, due to changes in the environment and circumstances, the effectiveness of the internal control system may change accordingly. Nevertheless, the Company's internal control system incorporates a self-monitoring mechanism, and the Company takes corrective actions promptly once deficiencies are identified.

III. The Company has assessed the effectiveness of the design and implementation of its internal control system based on the criteria for evaluating the effectiveness of internal control systems set forth in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations"). The evaluation criteria adopted under the Regulations classify internal control systems into the following five components according to the process of managerial control: (1) control environment; (2) risk assessment; (3) control activities; (4) information and communication; and (5) monitoring. Each component further includes a number of related items. Please refer to the provisions of the Regulations for the aforementioned items.

IV. The Company has adopted the aforementioned evaluation criteria for internal control systems to assess the effectiveness of the design and implementation of its internal control system.

V. Based on the results of the aforementioned assessment, the Company believes that, as of December 31, 2025, its internal control system (covering the supervision and management of subsidiaries), including the internal control systems related to understanding the degree of achievement of operational effectiveness and efficiency objectives, the reliability, timeliness, transparency, and compliance of reporting with applicable regulations and laws, was effectively designed and implemented and can reasonably assure the achievement of the aforementioned objectives.

VI. This Statement shall constitute a major part of the Company's annual report and prospectus and will be publicly disclosed. If any of the publicly disclosed content contains any false statement, concealment, or other illegal act, the Company shall be subject to the legal liabilities under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.

VII. This Statement was approved by the board of directors on March 10, 2026. Among the seven directors present at the meeting, none expressed any dissenting opinion, and all directors agreed to the contents of this Statement. The Company hereby makes this declaration.

La Kaffa International Co., Ltd.

Chairman: Wang Yaohui (Signature)

General manager: Wang Yaohui (Signature)

2. If a CPA is engaged to conduct a special review of the internal control system, the CPA's review report shall be disclosed: Not applicable.

(X) Major resolutions of the shareholders' meetings and board of directors meetings during the most recent year and up to the date of publication of the annual report:

Meeting type	Date	Major resolutions
Board of directors	2025/1/6	1. Proposal for investment in Han Ley International Co., Ltd. 2. Proposal for amendments to the Company's "Internal Control System – Other Management Operations"
Board of directors	2025/3/5	1. Distribution proposal for 2024 directors' remuneration and employees' remuneration 2. 2024 business report and financial statements 3. 2024 earnings distribution proposal of the Company 4. Proposal for distribution of cash dividends from fourth-quarter 2024 earnings of the Company 5. Proposal for distribution of cash dividends from capital surplus by the Company 6. Proposal for approval of the "Statement on Internal Control System" 7. Proposal for comprehensive election of seven directors (including four independent directors) 8. Proposal for acceptance of nominations for director candidates (including independent directors) 9. Proposal for matters relating to the convening of the 2025 annual general meeting of shareholders 10. Proposal for the Company to provide an endorsement and guarantee limit of US$3 million for Australian subsidiary Chatime Australia Pty. Ltd (hereinafter referred to as Chatime Australia). 11. Proposal for newly extending a loan of US$0.5 million to Hong Kong Sky Luck International Trading Limited (hereinafter referred to as "Sky Luck") 12. Proposal for the liquidation of subsidiary Chatime USA, LLC 13. Proposal for amendment to the Company's "Articles of Incorporation" 14. Proposal for release of non-competition restrictions on newly elected directors and their representatives
Board of directors	2025/4/10	Proposal for the Company to repurchase treasury shares
Board of directors	2025/5/8	1. Proposal for approval of the Company's first-quarter 2025 financial report 2. Proposal for no distribution of first-quarter 2025 earnings of the Company 3. Proposal for the Company to provide an endorsement and guarantee limit of US$1 million for short-term bank financing of Australian subsidiary Chatime Australia Pty. Ltd. (hereinafter referred to as "Chatime Australia") 4. Proposal for newly extending a loan of US$0.5 million to Hong Kong Sky Luck International Trading Limited (hereinafter referred to as "Sky Luck") 5. Review of the ratification proposal for the annual salary adjustment and remuneration of the Company's managers
Shareholders' meeting	2025/6/3	Matters for reporting: 1、 2024 Business report 2、 Report on the review of the 2024 annual financial statements by the Audit Committee. 3、 Report on the distribution of employees' and directors' remuneration for 2024 4、 Report on the distribution of cash dividends from earnings for 2024 5、 Report on the distribution of cash dividends from capital surplus 6、 Report on the issuance of the 3rd domestic unsecured convertible bonds Matters for approval

Meeting type	Date	Major resolutions
		1、 2024 Business report and financial statements proposal 2、 2024 Earnings distribution proposal Matter for discussion: Proposal for amendment to the Company's "Articles of Incorporation" Election matter: Proposal for comprehensive election of seven directors (including four independent directors) Other Matter: Proposal for release of non-competition restrictions on newly elected directors and their representatives
Board of directors	2025/6/3	1. Proposal for election of the chairman of the current board of directors 2. Proposal for appointment of members of the remuneration committee 3. Proposal for appointment of members of the Sustainable Development Committee
Board of directors	2025/8/8	1. Proposal for approval of the Company's second-quarter 2025 financial report 2. Proposal for no distribution of second-quarter 2025 earnings of the Company 3. Proposal for distribution of cash dividends from capital surplus by the Company 4. Proposal for amendment to the Company's "Internal Control System"
Board of directors	2025/10/16	Proposal for issuance of the fourth domestic unsecured convertible bonds
Board of directors	2025/11/7	1. Proposal for approval of the Company's third-quarter 2025 financial report 2. Proposal for no distribution of third-quarter 2025 earnings of the Company
Board of directors	2025/12/19	1. Proposal for the Company's 2026 financial budget 2. Proposal for the Company's 2026 audit plan 3. Distribution proposal for the amounts of the Company's 2024 directors' remuneration and employees' remuneration 4. Distribution proposal for year-end and performance bonuses for the Company's managers for 2025 5. Proposal for newly extending a loan of US$0.6 million to Hong Kong Sky Luck International Trading Limited (hereinafter referred to as "Sky Luck") 6. Proposal for the Company's investment in Germany BoBoQ GmbH 7. Proposal for amendment to the Company's "Internal Control System"
Board of directors	2026/3/10	1. Distribution proposal for 2025 directors' remuneration and employees' remuneration 2. 2025 business report and financial statements 3. 2025 earnings distribution proposal of the Company 4. Proposal for distribution of cash dividends from fourth-quarter 2025 earnings of the Company 5. Proposal for distribution of cash dividends from capital surplus by the Company 6. Proposal for approval of the "Statement on Internal Control System" 7. Proposal for matters relating to the convening of the 2026 annual general meeting of shareholders 8. Proposal for the Company to provide an endorsement and guarantee limit of US$3 million for Australian subsidiary Chatime Australia Pty. Ltd (hereinafter referred to as Chatime Australia). 9. Proposal for newly extending a loan of US$0.5 million to Hong Kong Sky Luck International Trading Limited (hereinafter referred to as "Sky Luck") 10. Proposal for cash capital increase investment in the subsidiary Chatime NorthStar, LLC

Meeting type	Date	Major resolutions
		11. Proposal to amend the Company's "Procedures for Acquisition or Disposal of Assets." 12. Proposal to amend the Company's "Sustainable Development Best Practice Principles" 13. Proposal for changes to the head of internal audit

(XI) During the most recent year and up to the date of publication of the annual report, there were no instances in which any director or supervisor expressed dissenting opinions regarding material resolutions passed by the board of directors that were recorded or stated in writing.

IV. Information on attesting CPAs fees

Amounts of audit fees and non-audit fees paid to the attesting CPAs, their affiliated firms, and affiliated enterprises, as well as the nature of non-audit services

Unit: NT$ thousands

Name of CPA firm	CPA name	Audit period	Audit fees	Non-audit fees (Note 1)	Total	Remarks
Deloitte & Touche	Chiu Cheng Chun Liu Yi Ching	2024.01.01–2024.12.31	4,750	2,615	7,365	Due to internal adjustments within the CPA firm
Deloitte & Touche	Liu Yi Ching Chang Cheng Hsiu	2025.01.01–2025.12.31	5,200	2,332	7,532	

Note 1: Non-audit fees mainly consist of fees for tax certification services, consulting advisory services, and reimbursable expenses.

Note 2: The aforementioned audit fees refer to fees paid by the Company to the attesting CPAs for financial statement audits, reviews, and related services.

(I) If the Company changed its CPA firm and the audit fees paid in the year of change were lower than those of the preceding year, the Company shall disclose the audit fees before and after the change and the reasons therefor: None.

(II) If the audit fees decreased by more than 10% compared with the preceding year, the Company shall disclose the amount, percentage, and reasons for the decrease in audit fees: None.

V. Information on change of CPAs:

(I) Information regarding the former CPAs

<table>
<tr><td>Date of change</td><td colspan="4">Approved by the audit committee and the board of directors on March 5, 2025</td></tr>
<tr><td>Reason for and description of the change</td><td colspan="4">The change was made in accordance with the internal rotation mechanism of the attesting CPA firm (Deloitte & Touche) to maintain the independence of the CPAs</td></tr>
<tr><td rowspan="3">Explanation as to whether the engagement was terminated or not accepted by the client or the CPAs</td><td colspan="2">Party involved / Status</td><td>CPAs</td><td>Appointer</td></tr>
<tr><td colspan="2">Voluntary termination of engagement</td><td>Not applicable</td><td>Not applicable</td></tr>
<tr><td colspan="2">Refusal to accept (or continue) engagement</td><td>Not applicable</td><td>Not applicable</td></tr>
<tr><td>Type of audit opinions other than unmodified audit opinion issued within the most recent two years and the reasons therefor</td><td colspan="4">None</td></tr>
<tr><td rowspan="7">Whether there were any disagreements with the issuer</td><td rowspan="5">Yes</td><td></td><td colspan="2">Accounting principles or practices</td></tr>
<tr><td></td><td colspan="2">Disclosure of financial reports</td></tr>
<tr><td></td><td colspan="2">Audit scope or procedures</td></tr>
<tr><td></td><td colspan="2">Others</td></tr>
<tr><td></td><td colspan="2"></td></tr>
<tr><td>None</td><td colspan="3">✓</td></tr>
<tr><td colspan="4">Description</td></tr>
<tr><td>Other disclosure items (Required disclosures under , Item 1-4–Item 1-7, Subparagraph 6, Article 10 of this Standard)</td><td colspan="4">None</td></tr>
</table>

(II) Information regarding the successor CPAs

Name of CPA firm	Deloitte & Touche
CPA name	Liu Yi Ching, CPA/Chang Cheng Hsiu, CPA
Date of engagement	2025/3/5
Matters and results of consultations conducted prior to the engagement regarding the accounting treatment or application of accounting principles for specific transactions, or regarding the audit opinions that might be issued on the financial reports	None
Written opinions of the successor CPAs regarding matters on which the former CPAs had disagreements	None

(III) The successor CPA’s reply regarding matters specified in Item 1, and Item 2-3, Sub-paragraph 6, Article 10 of this Standard: Not applicable.

VI. If the Company’s chairman, general manager, or managerial officer responsible for finance or accounting matters has, within the most recent year, served at the CPA firm of the attesting CPAs or any of its affiliated enterprises, the Company shall disclose such person’s name, title, and period of employment at the CPA firm or affiliated enterprises: None.

VII. Transfers of shareholdings and changes in share pledging by directors, supervisors, managerial officers, and shareholders holding more than 10% of the Company's shares during the most recent year and up to the date of publication of the annual report.

(I) Changes in shareholdings of directors, supervisors, managerial officers, and major shareholders

Job title	Name	2025		Up to March 31, 2026	
		Increase (decrease) in shares held	Increase (decrease) in pledged shares	Increase (decrease) in shares held	Increase (decrease) in pledged shares
Chairman and general manager	Wang Yaohui	-	-	-	-
Directors	Hengtai International Investment Holding Co., Ltd.	-	580,000	-	2,890,000
	Representative: Wang Li-Yu	88,000	715,000	78,000	236,000
Directors	Kuan Jung Investment Co., Ltd.	-	165,000	-	-
	Representative: Lin Tzu Heng (Note 1)	-	-	-	-
Independent director	Wang Ting Sheng	-	-	-	-
Independent director	Chen Ching Lin (Note 2)	-	-	-	-
Independent director	Wang Yu Sheng (Note 2)	-	-	-	-
Deputy general manager	Tseng Yi Hao	-	-	-	-
Deputy general manager	Wang Chun-Chieh	-	45,000	-	25,000
Deputy general manager	Li Shang Che	-	-	-	-
Deputy general manager	Li Chung Chen	-	-	-	-
Assistant general manager	Chien Tzu Kai (Note 3)	-	-	-	-
Assistant general manager	Li Pei Ju	-	-	-	-
Assistant general manager	Wang Li Wei	-	-	-	-
Chief accountant	Huang Ju Ping	(2,000)	-	1,000	-

Note 1: Kuan Jung Investment Co., Ltd. originally appointed Mr. Zhao Chen as its representative director of the Company and reassigned Mr. Lin Tzu Heng to serve in such position on June 3, 2025.

Note 2: Independent directors Mr. Chen Ching Lin and Mr. Wang Yu Sheng resigned from office at the shareholders' meeting on June 3, 2025. Their shareholdings were no longer required to be reported from that date onward.

Note 3: Mr. Chien Tzu Kai resigned on May 28, 2025.

(II) Information regarding related parties where the counterparties to shareholding transfers are related parties: None.

(III) Information regarding related parties where the counterparties to share pledges are related parties: None.

VIII. Information on shareholders among the top ten shareholders in terms of shareholding percentage who are related parties or are spouses or relatives within the second degree of kinship among themselves

April 11, 2026 Unit: Shares

No.	Name (Note 3)	Shares held by the person		Shares held by spouse and minor children		Shares held in the name of others		Among the top ten shareholders, names of related parties under statement of financial accounting standards No. 6, or spouses or relatives within the second degree of kinship, and their relationships		Remarks
		Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Title (name)	Relationship	
1	Hengtai International Investment Holding Co., Ltd.	6,798,727	14.62	-	-	-	-	-	-	
	Representative: Wang Li-Yu	1,791,541	3.85	1,662,753	3.57	-	-	Wang Yaohui	Spouse	
2	Kuan Jung Investment Co., Ltd.	5,841,517	12.56	-	-	-	-	-	-	
	Representative: Wang Yaohui	1,652,753	3.55	1,801,541	3.87			Wang Li-Yu	Spouse	
3	Zhao Ding Investment Co., Ltd.	4,217,160	9.07	-	-	-	-	-	-	
	Representative: Wang Kuo Nan	0	0	-	-	-	-	Wang Yaohui	First-degree relative	
4	Rong Yu Investment Co., Ltd.	2,306,085	4.96	-	-	-	-	-	-	
	Representative: Wang Huang Yu Hui	0	0	-	-	-	-	Wang Yaohui	Second-degree relative	
5	Wang Li-Yu	1,791,541	3.85	1,662,753	3.57	-	-	Hengtai International Kuan Jung Investment Zhao Ding Investment Rong Yu Investment	Note 2	
6	Wang Yaohui	1,652,753	3.55	1,801,541	3.87	-	-	Hengtai International Kuan Jung Investment Zhao Ding Investment Rong Yu Investment	Note 1	
7	Charlley Investments Pty.Ltd.	885,700	1.90	-	-	-	-	-	-	
8	WANG&QIAN INVESTMENTS PTY. LTD.	421,908	0.91	-	-	-	-	-	-	
9	Liu Chien	398,358	0.86	-	-	-	-	-	-	
10	Pai Cheng Investment Co., Ltd.	375,798	0.81	-	-	-	-	-	-	

Note 1: This shareholder is the spouse of the representatives of Kuan Jung Investment Co., Ltd. and Hengtai International Investment Holding Co., Ltd., and is a relative within the second degree of kinship of the representatives of Zhao Ding Investment Co., Ltd. and Rong Yu Investment Co., Ltd.

Note 2: This shareholder is the spouse of the representatives of Hengtai International Investment Holding Co., Ltd. and Kuan Jung Investment Co., Ltd., while the representatives of Zhao Ding Investment Co., Ltd. and Rong Yu Investment Co., Ltd. are relatives within the second degree of kinship of this shareholder's spouse.

Note 3: The calculation of shareholding ratios includes 1,823,000 treasury shares repurchased by the Company and not yet cancelled as of the book closure date for the annual general meeting of shareholders.

IX. Number of shares held by the Company, the Company's directors, supervisors, managerial officers, and enterprises directly or indirectly controlled by the Company in the same investee company, and the aggregate shareholding ratio calculated on a consolidated basis.

December 31, 2025; Unit: Shares; %

Investee company	Investment by the Company		Investment by directors, supervisors, managerial officers, and enterprises directly or indirectly controlled		Combined investment	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
Chatime Group Pty. Ltd.	4,134,893	70%	-	-	4,134,893	70%
Chatime HK Ltd.	-	100%	-	-	-	100%
Chatime USA, LLC	3,500,000	100%	-	-	3,500,000	100%
Kingza International Co., Ltd.	11,970,487	61%	414,850	2%	12,394,185	63%
Chun Sun Cake Co., Ltd.	400,000	80%	-	-	400,000	80%
Mega Harvest International Limited	164,000	54%	-	-	164,000	54%
Ten En Tapioca Foods Co., Ltd.	2,800,000	100%	-	-	2,800,000	100%
Chatime Northstar, LLC	6,000,000	100%	-	-	6,000,000	100%
Han Ley International Co., Ltd.	4,000,003	100%	-	-	4,000,003	100%
Sky Luck International Trading Limited	-	25%	-	-	-	25%
Kevito Group Ltd.	24,719	22%	-	-	24,719	22%
Chatime Australia Pty. Ltd.	-	-	346,574	70%	346,574	70%
Goobne Australia Pty. Ltd.	-	-	70	70%	70	70%
Chatime International Corp.	-	-	700	70%	700	70%
OMY Group Holdings Pty. Ltd.	-	-	77	38.5%	77	38.5%
OMY Holdings Pte. Ltd.	-	-	77	38.5%	77	38.5%
Chatime Leasing Pty. Ltd.	-	-	70	70%	70	70%
Chatime Hurstville Pty. Ltd.	-	-	226,625	61.25%	226,625	61.25%
Goobne Operations Pty. Ltd.	-	-	70	70%	70	70%
T8 Darling Quarter Pty. Ltd.	-	-	36	35.7%	36	35.7%
OMY Australia Pty. Ltd.	-	-	38.5	38.5%	38.5	38.5%
OMY Group (SEA) Pte Ltd.	-	-	38.5	38.5%	38.5	38.5%
Chatime Global,LLC	-	-	5,312,500	85%	5,312,500	85%
Chatime Los Angeles,LLC	-	-	-	85%	-	85%
Chatime Los Angeles West,LLC	-	-	-	85%	-	85%
Chatime Wholesale,LLC	-	-	-	85%	-	85%
Chatime Franchise,LLC	-	-	-	85%	-	85%
Chatime Operations,LLC	-	-	-	85%	-	85%
Kingza HK Limited	-	-	-	(Note 1)	-	(Note 1)
Kingza USA,LLC	-	-	61,000	61%	61,000	61%
Yangxin Catering Co., Ltd.	-	-	14,403,931	31.11%	14,403,931	31.11%
Yanghe Food Co., Ltd.	-	-	-	(Note 2)	-	(Note 2)
Oriental Sun International Limited	-	-	1,198,800	54%	1,198,800	54%
Shiny Tea Co., Ltd.	-	-	-	100%	-	100%
Z-He（shanghai）Trading Co., Ltd.	-	-	-	25%	-	25%
Z-Time Food&Beverage Management（Shanghai）Co., Ltd.	-	-	-	25%	-	25%
Kingza International (Shanghai) Co., Ltd.	-	-	-	(Note 2)	-	71%
Relight Management Co., Ltd.	-	-	-	54%	-	54%
Jiaxing Ruili Trading Co., Ltd.	-	-	-	54%	-	54%

Investee company	Investment by the Company		Investment by directors, supervisors, managerial officers, and enterprises directly or indirectly controlled		Combined investment	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
Express Reach E-commerce Services (Hangzhou)Co., Ltd.	-	-	-	54%	-	54%
Hangzhou Chunshang Pudding Catering Management Co., Ltd.	-	-	-	38%	-	38%

Note 1: Liquidation and deregistration were completed in May 2025.

Note 2: Yangxin Company issued 2,013,900 no-par-value shares to the shareholders of Yanghe Company to merge with Yanghe Company. Yangxin Company is the surviving company, and Yanghe Company is the dissolved company. The business combination effective date and the capital increase record date are December 31, 2025.

Three. Status of capital raising

I. Capital and shares

(I) Sources of stock capital

1. Sources of stock capital

Unit: Shares

Class of shares	Authorized stock capital			Remarks
	Outstanding shares	Unissued shares	Total	
Registered common shares	46,518,570	53,481,430	100,000,000	1. The Company's shares are TPEx-listed shares. 2. Including 1,823,000 treasury shares.

2. Stock capital formation process

Unit: Thousand Shares; NT$ Thousand

Year/ month	Issue Price ($)	Authorized stock capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Sources of stock capital	Capital contribution by property other than cash	Others
2013.08	10	30,000	300,000	18,791	187,908	Capitalization of earnings of $62,636 thousand	-	Jing-Shou-Zhong-Zi Tzu No. 10233786330 dated August 6, 2013
2014.7	10	30,000	300,000	23,489	234,885	Capitalization of earnings of $46,977 thousand	-	Jing-Shou-Zhong-Zi No. 10333489920 dated July 11, 2014
2015.02	110	30,000	300,000	26,621	266,205	Cash capital increase of $31,320 thousand	-	Jing-Shou-Zhong-Zi No. 10433099820 dated February 4, 2015
2015.8	10	30,000	300,000	27,952	279,515	Capitalization of earnings of $13,310 thousand	-	Jing-Shou-Zhong-Zi No. 10433609900 dated August 4, 2015
2016.4	10	30,000	300,000	28,081	280,811	Conversion of convertible bonds of $1,296 thousand	-	Jing-Shou-Zhong-Zi No. 10533436760 dated April 25, 2016
2016.08	10	50,000	500,000	32,196	321,960	Capitalization of earnings of $40,445 thousand; conversion of convertible bonds of $704 thousand	-	Jing-Shou-Zhong-Zi No. 10534238100 dated August 11, 2016
2016.11	10	50,000	500,000	33,068	330,684	Conversion of convertible bonds of $8,724 thousand	-	Jing-Shou-Zhong-Zi No. 10534439840 dated November 16, 2016
2017.03	10	50,000	500,000	33,218	332,181	Conversion of convertible bonds of $1,497 thousand	-	Jing-Shou-Zhong-Zi No. 10633152340 dated March 21, 2017
2017.04	10	50,000	500,000	33,444	334,443	Conversion of convertible bonds of $2,262 thousand	-	Jing-Shou-Zhong-Zi No. 10633224790 dated April 21, 2017
2017.08	10	50,000	500,000	33,761	337,606	Conversion of convertible bonds of $3,163 thousand	-	Jing-Shou-Zhong-Zi No. 10633480460 dated August 16, 2017

Year/ month	Issue Price ($)	Authorized stock capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Sources of stock capital	Capital contribution by property other than cash	Others
2017.11	10	50,000	500,000	34,750	347,500	Conversion of convertible bonds of $9,424 thousand; stock warrants of $470 thousand	-	Jing-Shou-Zhong-Zi No. 10633687110 dated November 22, 2017
2018.02	10	50,000	500,000	35,890	358,899	Conversion of convertible bonds of $11,349 thousand; stock warrants of $50 thousand	-	Jing-Shou-Zhong-Zi No. 10733080220 dated February 6, 2018
2018.04	10	50,000	500,000	36,308	363,079	Conversion of convertible bonds of $4,155 thousand; stock warrants of $25 thousand	-	Jing-Shou-Zhong-Zi No. 10733226530 dated April 26, 2018
2018.08	10	50,000	500,000	38,097	380,970	Conversion of convertible bonds of $180 thousand; stock warrants of $260 thousand; capitalization of earnings of $17,451 thousand		Jing-Shou-Zhong-Zi No. 10733493440 dated August 22, 2018
2018.11	10	50,000	500,000	37,171	371,712	Conversion of convertible bonds of $40 thousand; stock warrants of $582 thousand; retirement of treasury shares of $9,880 thousand		Jing-Shou-Zhong-Zi No. 10733681140 dated November 21, 2018
2019.03	10	50,000	500,000	38,240	382,405	Conversion of convertible bonds of $10,693 thousand		Jing-Shou-Zhong-Zi No. 10833170430 dated March 25, 2019
2019.06	10	50,000	500,000	38,247	382,467	Stock warrants of $62 thousand	-	Jing-Shou-Zhong-Zi No. 10833348690 dated June 13, 2019
2019.08	10	50,000	500,000	39,288	392,881	Conversion of convertible bonds of $9,641 thousand; stock warrants of $773 thousand	-	Jing-Shou-Zhong-Zi No. 10833487250 dated August 12, 2019
2019.11	10	50,000	500,000	40,091	400,905	Conversion of convertible bonds of $4,774 thousand; stock warrants of $3,250 thousand	-	Jing-Shou-Zhong-Zi No. 10833703410 dated November 18, 2019
2020.02	10	50,000	500,000	40,406	404,061	Conversion of convertible bonds of $796 thousand; stock warrants of $2,360 thousand	-	Jing-Shou-Zhong-Zi No. 10933074330 dated February 15, 2020

Year/ month	Issue Price ($)	Authorized stock capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Sources of stock capital	Capital contribution by property other than cash	Others
2020.06	10	100,000	1,000,000	40,634	406,340	Conversion of convertible bonds of $13 thousand; stock warrants of $2,265 thousand	-	Jing-Shou-Zhong-Zi No. 10933329020 dated June 18, 2020
2020.08	10	100,000	1,000,000	40,644	406,442	Conversion of convertible bonds of $13 thousand; stock warrants of $90 thousand	-	Jing-Shou-Zhong-Zi No. 10933480210 dated August 26, 2020
2020.11	10	100,000	1,000,000	40,689	406,895	Stock warrants of $453 thousand	-	Jing-Shou-Zhong-Zi No. 10933656370 dated November 18, 2020
2021.04	10	100,000	1,000,000	43,238	432,384	Conversion of convertible bonds of $23,384 thousand; stock warrants of $2,105 thousand	-	Jing-Shou-Zhong-Zi No. 11033194710 dated April 12, 2021
2021.05	10	100,000	1,000,000	43,404	434,044	Conversion of convertible bonds of $42 thousand; stock warrants of $1,618 thousand	-	Jing-Shou-Zhong-Zi No. 11033307300 dated May 25, 2021
2021.08	10	100,000	1,000,000	43,470	434,702	Stock warrants of $658 thousand	-	Jing-Shou-Zhong-Zi No. 11033519400 dated August 24, 2021
2021.11	10	100,000	1,000,000	44,925	449,250	Conversion of convertible bonds of $14,318 thousand; stock warrants of $230 thousand	-	Jing-Shou-Zhong-Zi No. 11033712870 dated November 18, 2021
2022.03	10	100,000	1,000,000	45,885	458,852	Conversion of convertible bonds of $9,282 thousand; stock warrants of $320 thousand	-	Jing-Shou-Zhong-Zi No. 11133114280 dated March 3, 2022
2022.06	10	100,000	1,000,000	45,989	459,891	Conversion of convertible bonds of $86 thousand; stock warrants of $953 thousand	-	Jing-Shou-Zhong-Zi No. 11133375910 dated June 22, 2022
2022.08	10	100,000	1,000,000	45,995	459,951	Stock warrants of $60 thousand	-	Jing-Shou-Zhong-Zi No. 11133511820 dated August 18, 2022
2022.11	10	100,000	1,000,000	46,259	462,593	Stock warrants of $2,642 thousand	-	Jing-Shou-Zhong-Zi No. 11133710080 dated November 18, 2022
2023.03	10	100,000	1,000,000	46,269	462,688	Stock warrants of $95 thousand	-	Jing-Shou-Zhong-Zi No. 11233162590 dated March 22, 2023
2023.05	10	100,000	1,000,000	46,448	464,476	Stock warrants of $1,788 thousand	-	Jing-Shou-Zhong-Zi No. 11233306940 dated May 25, 2023

Year/ month	Issue Price ($)	Authorized stock capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Sources of stock capital	Capital contribution by property other than cash	Others
2023.08	10	100,000	1,000,000	46,468	464,681	Stock warrants of $205 thousand	-	Jing-Shou-Zhong-Zi No. 11233494930 dated August 17, 2023
2023.11	10	100,000	1,000,000	46,472	464,721	Stock warrants of $40 thousand	-	Jing-Shou-Shang-Zi No. 11233700180 dated November 23, 2023
2024.04	10	100,000	1,000,000	46,473	464,731	Stock warrants of $10 thousand	-	Jing-Shou-Shang-Zi No. 11330467130 dated April 3, 2024
2024.05	10	100,000	1,000,000	46,515	465,146	Stock warrants of $415 thousand	-	Jing-Shou-Shang-Zi No. 11330583890 dated May 27, 2024
2024.11	10	100,000	1,000,000	46,519	465,186	Stock warrants of $40 thousand		Jing-Shou-Shang-Zi No. 11330951350 dated November 25, 2024

(II) List of major shareholders

Shareholders holding 5% or more of the Company's shares or ranking among the top ten shareholders in terms of shareholding, and the number and percentage of shares held:

April 11, 2026; Unit: Shares

Shares / Name of major shareholder	Number of shares held	Shareholding ratio (%)
Hengtai International Investment Holding Co., Ltd.	6,798,727	14.62
Kuan Jung Investment Co., Ltd.	5,841,517	12.56
Zhao Ding Investment Co., Ltd.	4,217,160	9.07
Rong Yu Investment Co., Ltd.	2,306,085	4.96
Wang Li-Yu	1,791,541	3.85
Wang Yaohui	1,652,753	3.55
CHARLLEY INVESTMENTS PTY. LTD.	885,700	1.90
WANG&QIAN INVESTMENTS PTY. LTD.	421,908	0.91
Liu Chien	398,358	0.86
Pai Cheng Investment Co., Ltd.	375,798	0.81

Note: The calculation of shareholding ratios includes 1,823,000 treasury shares repurchased by the Company and not yet cancelled as of the book closure date for the annual general meeting of shareholders.

(III) Dividend policy and implementation status

1. Dividend policy as set forth in the Articles of Incorporation

Pursuant to Article 29-1 of the Company's Articles of Incorporation, if the Company's annual final accounts show net income after tax for the current period, it shall first cover accumulated losses (including adjustments to undistributed earnings). Ten percent of the resulting amount shall be appropriated as in accordance with the law;

however, this requirement does not apply when the accumulated legal reserve has reached the Company’s paid-in capital. Then, special surplus reserves shall be allocated or reversed in accordance with laws and regulations or the directives of the competent authority. The board of directors shall prepare a proposal for the distribution of remaining earnings, together with any undistributed earnings from the beginning of the period (including adjustments to the amount of undistributed earnings). If the distribution is to be made by issuing new shares, the proposal must be submitted to the shareholders’ meeting for approval. The Company’s dividend policy is formulated in consideration of its current and future development plans, the investment environment, funding needs, domestic and international competitive conditions, and the interests of shareholders. The Company shall distribute no less than 10% of distributable earnings as dividends to shareholders; provided, however, that no distribution may be made when the accumulated distributable earnings are less than 10% of the Company’s paid-in capital. Dividends may be distributed in cash or in shares, of which cash dividends shall account for no less than 30% of the total dividends.

Where the Company has no earnings available for distribution, or where earnings exist but are significantly lower than the amounts previously distributed, or as otherwise deemed appropriate based on the Company’s financial, business, and operational considerations, the Company may distribute all or part of its reserves in accordance with applicable laws and regulations or the requirements of the competent authority. Where such distribution is made in cash, it may be resolved by the board of directors in accordance with Article 241 of the Company Act and reported to the shareholders’ meeting.

2. Status of dividend distribution for the year:

2025	Board of directors approval date	Distribution date	Cash dividend per share (NT$)	Total cash dividends (NT$)
First quarter	2025/05/08	-	-	-
Second quarter	2025/08/08	-	-	-
Third quarter	2025/11/07	-	-	-
Fourth quarter	2026/03/10	2026/05/08	1.00 (Note)	44,695,570

Note: As authorized by the board of directors, the cash dividend per share will be adjusted based on the actual number of outstanding common shares on the dividend record date.

(IV) Impact of the proposed stock dividends for the current year on the Company’s operating performance and earnings per share: Not applicable.

(V) Remuneration to employees, supervisors and directors

1. Remuneration to employees, supervisors and directors

Pursuant to Article 29 of the Company's Articles of Incorporation, if there is a profit during the period when the Company distributes dividends (profit refers to pre-tax income before employee and director bonuses are deducted),1% to 10% of the profit should be allocatedas employee remuneration (of which 0.5% to 5% should be distributed to rank-and-file employees) and no more than 5% as director remuneration. However, if the Company has outstanding cumulative losses (including adjustments to undistributed earnings), it should retain the amount needed to cover those losses in advance. The aforementioned employee remuneration (including distribution to rank-and-file employees) may be paid in shares or cash, and the recipients may include employees of affiliated companies who meet criteria set by the board of directors. The directors' remuneration under the preceding paragraph shall be paid only in cash. The matters set forth in the preceding two paragraphs shall be resolved by the board of directors and reported to the shareholders' meeting.

2. Basis for estimating employees' bonuses and directors' remuneration for the period, basis for calculating the number of shares distributed as stock bonuses, and accounting treatment for differences between the estimated and actual distributed amounts:

If the amount approved by the board of directors after the year differs materially from the accrued amount, such difference shall be adjusted to the expenses recognized in the year of accrual. If the amount subsequently changes by the date of the shareholders' meeting resolution, the change shall be accounted for as a change in accounting estimate and recognized in the year in which the shareholders' meeting resolution is adopted. If the shareholders' meeting resolves to distribute employees' bonuses in the form of shares, the number of shares to be distributed shall be calculated by dividing the approved bonus amount by the fair value of the shares. The fair value of the shares shall be based on the closing price on the day immediately preceding the shareholders' meeting resolution date, after taking into account the effects of ex-rights and ex-dividends. The Company did not distribute employee stock bonuses in 2025.

3. Status of the proposed remuneration distribution approved by the board of directors:

   (1) The Company's remuneration distribution proposal was approved by the board of directors on March 10, 2026. Directors' remuneration amounted to NT$918,533 and employees' remuneration amounted to NT$3,244,260, all of which had been recognized as expenses in the accounts, with no difference from the accrued amounts.

   (2) Amount of employees' remuneration distributed in shares and the percentage thereof to the year's net income after tax in the separate or individual financial statements and total employees' remuneration:

   As all employees' remuneration under the 2025 earnings distribution was distributed in cash, this was not applicable.

4. Distribution of employees', directors' and supervisors' remuneration from the prior year's earnings
   Information relating to the distribution of employees', directors' and supervisors' remuneration for 2024 is set forth below:

Unit: NT$

Item	Accrued amount	Resolved amount	Difference	Reason for difference
Employees' remuneration	8,143,242	8,143,242	-	-
Directors' remuneration	2,895,188	2,895,188	-	-

(VI) Status of share repurchases by the Company:

1. Implementation status of the Company's share repurchase (for completed repurchase)

Repurchase tranche	Second tranche	Third tranche
Board of Directors resolution date	2022/1/24	2025/4/10
Purpose of the purchase	Share transfer to employees	Share transfer to employees
Repurchase period	2022/1/25–2022/3/23	2025/4/11–2025/6/10
Repurchase price range	$70–$130 per share	$60–$120 per share
Type and quantity of shares repurchased	918,000 common shares	905,000 common shares
Amount of shares repurchased	NT$ 96,697,685	NT$ 81,046,262
Ratio of shares repurchased to the planned number of shares to be repurchased (%)	91.8%	60.33%
Number of shares cancelled and transferred	0 shares	0 shares
Cumulative number of the Company's shares held	918,000 shares	1,823,000 shares
Ratio of cumulative number of the Company's shares held to total issued shares (%)	1.97%	3.92%

2. Implementation status of the Company's share repurchase (for ongoing repurchase): None.

II. Status of bond issuances:

(I) The issuances status of the Company's bond issuances is as follows:

<table>
<tr><td colspan="2">Type of bonds</td><td>The third domestic unsecured convertible bonds (27323)</td><td>The fourth domestic unsecured convertible bonds (27324)</td></tr>
<tr><td colspan="2">Issuance date</td><td>January 2024</td><td>February 2025</td></tr>
<tr><td colspan="2">Par value</td><td>NT$100,000</td><td>NT$100,000</td></tr>
<tr><td colspan="2">Issuance and trading venue</td><td>Taipei Exchange</td><td>Taipei Exchange</td></tr>
<tr><td colspan="2">Issue price</td><td>Issued at 100% of par value</td><td>Issued at 100% of par value</td></tr>
<tr><td colspan="2">Total</td><td>NT$600,000,000</td><td>NT$600,000,000</td></tr>
<tr><td colspan="2">Interest rate</td><td>Coupon rate 0%</td><td>Coupon rate 0%</td></tr>
<tr><td colspan="2">Term</td><td>Tenor: 3 years; maturity date: January 2027</td><td>Tenor: 3 years; maturity date: December 2028</td></tr>
<tr><td colspan="2">Guaranteeing institution</td><td>Not applicable</td><td>Not applicable</td></tr>
<tr><td colspan="2">Trustee</td><td>Bank SinoPac Co., Ltd.</td><td>Bank SinoPac Co., Ltd.</td></tr>
<tr><td colspan="2">Underwriting institution</td><td>KGI Securities Co., Ltd.</td><td>Hua Nan Securities Co., Ltd.</td></tr>
<tr><td colspan="2">Attesting attorney</td><td>Peng I Cheng, attorney, Handsome Attorneys-at-Law</td><td>Peng I Cheng, attorney, Handsome Attorneys-at-Law</td></tr>
<tr><td colspan="2">Attesting CPAs</td><td>Chiu Cheng Chun, CPA and Liu Yi Ching, CPA, Deloitte & Touche</td><td>Chiu Cheng Chun, CPA and Liu Yi Ching, CPA, Deloitte & Touche</td></tr>
<tr><td colspan="2">Repayment method</td><td>Unless converted or redeemed in accordance with the conversion terms, the bonds shall be repaid in full in cash at par value upon maturity.</td><td>Unless converted or redeemed in accordance with the conversion terms, the bonds shall be repaid in full in cash at par value upon maturity.</td></tr>
<tr><td colspan="2">Outstanding amount</td><td>NT$600,000,000</td><td>NT$600,000,000</td></tr>
<tr><td colspan="2">Redemption or early repayment terms</td><td>Please refer to the Company's issuance and conversion terms for its third domestic unsecured convertible bonds.</td><td>Please refer to the Company's issuance and conversion terms for its fourth domestic unsecured convertible bonds.</td></tr>
<tr><td colspan="2">Restrictive clauses</td><td>None</td><td>None</td></tr>
<tr><td colspan="2">Name of credit rating agency, rating date, and bond rating result</td><td>None</td><td>None</td></tr>
<tr><td rowspan="2">Additional Rights Attached</td><td>Amount converted (exchanged or subscribed) into common shares, overseas depositary receipts, or other marketable securities as of the date of publication of the annual report</td><td>From the issuance date to February 28, 2026, creditors applied to convert a total of 0 common shares of the Company.</td><td>From the issuance date to February 28, 2026, no creditors have applied to convert into the Company's common shares, as the conversion period has not yet commenced.</td></tr>
<tr><td>Issuance and conversion (exchange or subscription) terms</td><td>Please refer to the Company's issuance and conversion terms for its third domestic unsecured convertible bonds.</td><td>Please refer to the Company's issuance and conversion terms for its fourth domestic unsecured convertible bonds.</td></tr>
<tr><td colspan="2">Potential dilution to shareholding and impact on the rights of existing shareholders</td><td>The issuance of the convertible bonds helps avoid erosion of earnings and reduces dilution of existing shareholders' equity as well as the impact of a significant increase in share capital on earnings per share, thereby best serving the interests of shareholders.</td><td>The issuance of the convertible bonds helps avoid erosion of earnings and reduces dilution of existing shareholders' equity as well as the impact of a significant increase in share capital on earnings per share, thereby best serving the interests of shareholders.</td></tr>
<tr><td colspan="2">Name of custodian institution for the underlying securities of exchange</td><td>None</td><td>None</td></tr>
</table>

(II) Information on convertible bonds

Type of bonds		The third domestic unsecured bonds		The fourth domestic unsecured bonds	
Item \ Year		2025	Up to April 30, 2026	2025	Up to April 30, 2026
Convertible bond market price	Highest	119	100.95	110	107.95
	Lowest	99.55	100.6	104.8	103.1
	Average	101.38	100.9	106.97	105.93
Conversion price		130.7	121	74.3	72
Issue date and initial conversion price		Issue date: January 26, 2024; initial conversion price: $137.7		Issue date: December 8, 2025; initial conversion price: $74.3	
Method of fulfilling conversion obligation		Delivery through issuance of new shares		Delivery through issuance of new shares	

III. Status of preferred share issuances: None.

IV. Status of overseas depositary receipt issuances: None

V. Status of employee stock option issuance:

(I) For employee stock options that have not yet expired, the status as of the date of publication of the annual report and their impact on shareholders' equity shall be disclosed:

December 7, 2025

Type of employee stock options	First issuance of employee stock options in 2019
Effective registration date and total number of units	January 17, 2020 (1,000,000 units)
Issuance date	December 8, 2020
Duration of stock option rights	5 years
Number of units issued	1,000,000 units
Number of units available for issuance	-
Ratio of shares issuable upon exercise to total issued shares	2.15%
Exercise period	2022/12/8–2025/12/7
Method of fulfillment	Issuance of new shares
Restricted exercise period and ratio (%)	Upon completion of 2 years: 50% exercisable Upon completion of 3 years: 75% exercisable Upon completion of 4 years: 100% exercisable
Number of shares acquired through exercised options	259,250 shares
Amount of exercised subscriptions	$28,776,675
Number of unexercised options	-
Subscription price per share for unexercised options	Not applicable
Ratio of unexercised options to total issued shares (%)	-
Impact on shareholders' equity	All shares under this issuance have been fully exercised and therefore have no impact on shareholders' equity.

Note: All employee stock options of the Company expired in 2025.

(II) Names of managerial officers obtaining employee stock options and the top ten employees in terms of the number of shares subscribable through employee stock options, as well as the status of grants and subscriptions:

December 7, 2025 (Note 1); Unit: Thousand Shares/$ Thousand

Item/identity	Job title	Name	Number of stock options granted	Ratio of granted stock options to total issued shares (%)	Exercised				Unexercised			
					Number of shares subscribed	Subscription price	Subscription amount	Ratio of subscribed shares to total issued shares (%)	Number of shares subscribed	Subscription price	Subscription amount	Ratio of subscribed shares to total issued shares (%)
Managers	Executive deputy general manager	Wang Li-Yu	394	0.85	98	2019 $ 113.9 $ 108.6	11,022	0.21	Not applicable			
	Deputy general manager	Wang Chun-Chieh										
	Deputy general manager	Tseng Yi Hao										
	Deputy general manager	Li Shang Che										
	Deputy general manager	Li Chung Chen										
	Assistant general manager	Chien Tzu Kai (Note 2)										
	Assistant general manager	Li Pei Ju										
	Assistant general manager	Wang Li Wei										
	Chief accountant	Huang Ju Ping										
	Subsidiary manager	Lin Tzu Heng										
Employees	Director	Huang Chung Pi	272	0.58	39	2019 $ 113.9 $ 111 $ 108.6	4,378	0.08				
	Executive manager	Huang Ai Ping										
	Manager	Chiu Wen Hsuan										
	Manager	Huang Po Chun										
	Manager	Lo Yu Li										
	Manager	Wei Cheng Che										
	Manager	Yeh Ting Lun										
	Assistant manager	Tseng Chiung Ying										
	Assistant manager	Tseng Hsiu Ling										
	Subsidiary manager	Wen Hao Tse (Note 3)										

Note 1: All employee stock options of the Company expired in 2025. Note 2: Associate general manager Chien Tzu Kai resigned on May 28, 2025. Note 3: Executive manager Wen Hao Tse resigned on November 10, 2025.

VI. Status of restricted employee shares:

Status of restricted employee shares and mergers and acquisitions (including mergers, acquisitions, and demergers): None.

VII. Status of issuance of new shares in connection with mergers and acquisitions or transfer of shares from other companies: None.

VIII. Execution status of the fund utilization plan:

(I) Status of plans and implementation of previous issuances or private placements of securities that have not yet been completed, or that were completed within the most recent three years but whose planned benefits have not yet become significant:

- The Company's third domestic unsecured bonds
  (1) Plan content
    A. Approval date and reference number for the current offering and issuance of securities: FSC securities and futures bureau letter No. 1120365984 dated January 10, 2024.
    B. Total amount of funds required for this plan: NT$610,000 thousand.
    C. Source of funds: Issuance of 6,000 units of the Company's third domestic unsecured convertible bonds, with a par value of NT$100 thousand per unit, issued at 100% of par value, for a total issue amount of NT$600,000 thousand, with a term of three years and a coupon rate of 0%.
    D. Project and progress of fund utilization

Unit: NT$ thousands

Project	Source of funds	Expected completion date	Total funds required	Scheduled fund utilization progress
				Q1 2024
Repayment of bank borrowings	Convertible bonds	Q1 2024	600,000	600,000
	Self-owned funds	Q1 2024	10,000	10,000
	Total		610,000	610,000

    E. Date of uploading this plan to the website designated by the Securities and Futures Bureau: January 10, 2024.
    F. Changes to the plan content, reasons for the changes, and comparison of benefits before and after the changes: None.

(2) status of fund utilization execution

Unit: NT$ thousands

Project	Expected completion date	Utilization of funds	Scheduled fund utilization progress	
			Q1 2024	
Repayment of bank borrowings	Q1 2024	Estimated amount	610,000	The plan for the repayment of bank borrowings was completed in the first quarter of 2024 in accordance with the scheduled progress.
		Actual amount utilized	610,000	
Total		Estimated amount	610,000	
		Actual amount utilized	610,000	

(3) Assessment of execution benefits

The total amount raised through the issuance of the Company's third domestic unsecured convertible bonds was $600,000 thousand. Together with self-owned funds of $10,000 thousand, a total of $610,000 thousand was used to repay bank borrowings by the end of March 2024. If calculated based on the amounts of the borrowings proposed to be repaid and the respective borrowing interest rates, the interest expenses expected to be saved for 2024 and each year from 2025 onward are $9,188 thousand and $11,025 thousand, respectively. In addition to reducing the financial burden and improving debt repayment capacity, this may also strengthen the financial structure and benefit overall operating development.

(II) Information required to be disclosed for the current capital increase by cash, issuance of bonds, or issuance of employee stock option:

- The Company's fourth domestic unsecured bonds

(1) Plan content

A. Approval date and reference number for the current offering and issuance of securities: FSC securities and futures bureau letter No. 1140362343 dated November 18, 2025.

B. Total amount of funds required for this plan: NT$606,000 thousand.

C. Source of funds: Issuance of 6,000 units of the Company's fourth domestic unsecured convertible bonds, with a par value of NT$100 thousand per unit, issued at 100% of par value, for a total issue amount of NT$600,000 thousand, with a term of three years and a coupon rate of 0%.

D. Project and progress of fund utilization

Unit: NT$ thousands

Project	Expected completion time	Total funds required	Expected progress of fund utilization
			Q1 2026
Funds required for repurchase upon exercise of the put option by holders of the Company's third domestic convertible bonds	Q1 2026	606,000	606,000
Total		606,000	606,000

E. Date of uploading this plan to the website designated by the Securities and Futures Bureau: November 18, 2025.

F. Changes to the plan content, reasons for the changes, and comparison of benefits before and after the changes: None.

(2) status of fund utilization execution

Unit: NT$ thousands

<table>
<tr><th rowspan="2">Project</th><th rowspan="2">Expected completion date</th><th rowspan="2">Utilization of funds</th><th colspan="2">Scheduled fund utilization progress</th></tr>
<tr><th>Q1 2026</th><td rowspan="5">In Q1 2026, the actual principal and interest repaid to holders of the CB3 bonds who exercised their put options amounted to $566,307 thousand, and the unused funds amounted to $33,693 thousand, which had been applied to the Company's working capital requirements in Q1 2026. The difference between the unused funds of $33,693 thousand and the planned amount of $606,000 thousand for the repayment to CB3 bondholders exercising their put options under the current plan was 5.56%, which did not exceed 20%; therefore, no material variance existed.</td></tr>
<tr><td rowspan="2">Funds required for repurchase upon exercise of the put option by holders of the Company's third domestic convertible bonds</td><td rowspan="2">Q1 2026</td><td>Estimated amount</td><td>606,000</td></tr>
<tr><td>Actual amount utilized</td><td>606,000</td></tr>
<tr><td colspan="2" rowspan="2">Total</td><td>Estimated amount</td><td>610,000</td></tr>
<tr><td>Actual amount utilized</td><td>610,000</td></tr>
</table>

(3) Assessment of execution benefits

The total amount raised from the issuance of the Company's fourth domestic unsecured convertible bonds was $600,000 thousand, which was planned to be used for the repayment of funds required for holders of the CB3 bonds exercising their put options. Based on the estimated repayment amount and the bank borrowing interest rates in the first half of 2025, the interest expenses expected to be saved are approximately $11,550 thousand in 2026 and approximately $12,600 thousand in 2027. This will reduce the Company's reliance on bank borrowings, preserve flexibility for future fund allocation and utilization, reduce operating risks arising from profit erosion caused by interest rate increases, strengthen the financial structure, and enhance the Company's operational competitiveness.

Four. Operational overview

I. Business activities

(I) Business scope

1. Main Business activities

The Company is principally engaged in the chain food and beverage service business, providing sales and services including hand-shaken beverages, traditional pudding cakes, bakery products, British-style light meals, prepared meals, and American-style Vietnamese cuisine. The Company currently owns several proprietary brands, including “Chatime,” “Chunshang Pudding Cake,” “Bake Code,” “Engolili,” and “MerryPho.” In addition, for its meal business segment, the Company obtained the operating rights in Taiwan for Japan’s “Ginza Anzu Tonkatsut” in 2013, acquired the domestic and overseas agency and operating rights for “Duan Chun Zhen Beef Noodles” in 2015, and obtained the operating rights in Taiwan for Japan’s “Osaka Ohsho” in 2016 and “Kyoto Katsugyu” in 2018. The foregoing self-created and represented brands are primarily operated through directly managed stores in Taiwan, supplemented by franchising, while overseas expansion of the chain business is mainly carried out through regional agency arrangements and franchise operations.

In addition, the Company acquired the operating rights to the well-known traditional pudding cake brand “Chunshang Pudding Cake” in Hsinchu in 2017. In 2018, through its investment in Relight Management Co., Ltd., the Company obtained management control over brands including “Hero Tang TEa” and “GOMAX,” significantly expanding into the hand-shaken beverage market in Mainland China. This expansion is expected to generate new growth momentum for the Company’s future operations and further diversify its food and beverage business portfolio. In 2020, the Company acquired Ten En Tapioca Foods Co., Ltd., achieving vertical integration of upstream raw materials while continuing to maintain the highest market share among tapioca pearl manufacturers in Taiwan. This acquisition also brought new growth momentum to the Company’s future operations and supported the development of a more diversified food and beverage business. In 2023, the Company obtained the agency rights in Taiwan for Korea’s “Kyochon Chicken” and has continued expanding stores in Taiwan. In early January 2025, the Company invested $272 million to acquire 100% equity ownership of “Han Ley International Co., Ltd.”, the owner of the original bubble tea brand “Hanlin Tea Room.” Furthermore, in January 2026, the Company successfully acquired 100% equity ownership of "Germany BoBoQ GmbH." This acquisition not only officially expanded the Group's overseas business footprint, but will also enable the Group to maximize brand competitive advantages through in-depth cross-border resource integration and establish a highly internationalized and diversified food and beverage ecosystem.

2. Business breakdown

Unit: NT$ thousand; %

Year / Major Products	2025		2024	
	Consolidated operating revenue	%	Consolidated operating revenue	%
Franchise, agency, and other related revenue	1,529,733	35.58	1,965,700	48.98
Directly operated store revenue	2,770,180	64.42	2,047,918	51.02
Total	4,299,913	100.00	4,013,618	100.00

3. Current products (services) of the Company

The Company's brand portfolio is evenly balanced between food and beverage business development. Its proprietary brands are primarily rooted in the domestic market while continuing to strengthen overseas expansion, whereas its represented brands mainly focus on store expansion within Taiwan. A summary of the brands under the Company is provided below:

Business division	Chatime	Chunshang Pudding Cake	Bake Code
Brand logo	Chatime	春上布丁蛋糕	BAKE CODE Bakery & Café
Founded	2005	2017	2014
Brand positioning	Authentic Taiwanese fashionable tea beverages	Taiwanese bakery souvenirs / gifts	Artisanal handmade bakery
Target market	Ages 15–35; students and young consumers	Ages 25–45 / general consumers	Ages 25–45 / general consumers
Product features	Bubble milk tea & fruit tea series	Traditional Taiwanese pudding cakes	European-style and Taiwanese/Japanese-style bread
Product Pricing	NT$40~90	NT$40~130	NT$30~180

Business division	Engolili	Merry Pho
Brand logo	英格莉莉 Engolili cafe	Merry Pho 美利河
Founded	2019	2019
Brand positioning	British-style light meals / afternoon tea	American-style Vietnamese cuisine
Target market	Ages 20–40 / female consumers	Ages 20–45 / urban office workers and families
Product features	British-style light meals and desserts	Authentic American-style Vietnamese pho cuisine
Product Pricing	NT$130~400	NT$150~350

Business division	Hanlin Tea Room	Hanlin Tea House	Hanlin Tea Hot Pot
Brand logo	翰林茶館 HANLIN TEA ROOM	翰林茶棧 HANLIN TEA HOUSE	翰林鍋物 HANLIN TEA HOT POT
Founded	1986	2007	2022
Brand positioning	Humanities, Zen aesthetics, and fashion	Consumer-oriented lifestyle for modern fast-paced living	Casual Taiwanese tea beverages / hot pot cuisine
Target market	Ages 18–30; students and young consumers	Ages 18–30; students and young consumers	Ages 18–30; students and young consumers
Product features	The original bubble milk tea that became popular worldwide / Taiwanese-style home cuisine	A premium experience featuring oden and quality tea beverages	Hanlin signature tea beverages and everyday hot pot cuisine
Product Pricing	NT$188~668	NT$75~120	NT$120~348

Business division	Ginza Anzu Tonkatsu	Duan Chun Zhen	Osaka Ohsho	Kyoto Katsugyu	Kyochon Chicken
Brand logo	あんず 銀座杏子日式豬排		大阪王将 OSAKA OHSHO	京都勝牛 牛カツ専門店	KYOCHON CHICKEN 橋村炸雞
Founded	2013	2015	2016	2018	1991
Brand positioning	The most authentic Japanese pork cutlet	Authentic Sichuan-style beef noodles	Japanese-style Chinese cuisine	Japanese fried beef cutlet specialty restaurant	Korean fried chicken specialty restaurant

Business division	Ginza Anzu Tonkatsu	Duan Chun Zhen	Osaka Ohsho	Kyoto Katsugyu	Kyochon Chicken
Brand logo					
Target market	20–45 years old Urban office workers and families	20–70 years old General public	20–45 years old Urban office workers and families	20–45 years old Urban office workers and families	20–45 years old Urban office workers Young budget-conscious consumers College students
Product features	Japanese pork cutlet set meals	Sichuan-style beef noodles / specialty noodles / braised snacks	Original pan-fried dumplings / Tianjin rice	Japanese fried beef cutlets	Sauces directly imported from Korea; best-selling honey fried chicken
Product Pricing	NT$100~350	NT$100~350	NT$80~280	NT$360~550	NT$350~689

Business division	Hero Tang Tea	GOMAX
Brand logo		
Founded	2009	2007
Brand positioning	Trendy hipster style integrating nature and humanities	A simple and pure young lifestyle brand
Target market	Ages 20–45; general consumers	Ages 15–35; young consumers
Product features	Bubble milk tea / fruit tea beverages / cheese milk foam tea	Fresh fruit tea beverages
Product Pricing	NT$30~100	NT$30~100

4. New products (services) planned for development

(1) Continuing to strengthen the multi-brand portfolio by deepening local markets and expanding overseas presence

The Company continues to implement a diversified food and beverage brand strategy, using the Taiwan market as its foundation and leveraging its local operating advantages to build strong brand recognition. In recent years, it has also actively expanded into Southeast Asia, Oceania, Europe, and North America, and will continue to advance its global footprint through a dual-track strategy of direct operations and franchising.

(2) Supporting local startup teams and strengthening brand innovation capabilities

The Company continuously adjusts and optimizes its brands and products in response to market trends and consumer preferences to ensure that each brand maintains growth momentum and development potential in a highly competitive market. Going forward, the Company will continue to develop new brands and introduce promising internationally recognized food and beverage brands to enhance market competitiveness through a multi-brand strategy. At the same time, the Company is actively cultivating multi-brand operational capabilities and innovative business models to expand both the depth and breadth of its brand portfolio, reach diverse consumer segments, generate broader consumer demand, and further improve overall operating performance.

The Company's planned directions for developing new products (services) are as follows:

A. Capturing market trends and consumer insights to optimize product offerings

In recent years, consumers have placed increasing emphasis on health, sustainability, and local flavors. The Company continuously monitors consumer preferences through its POS system and digital customer feedback mechanisms, and uses data analytics to optimize product offerings. In addition to adjusting the taste profiles and packaging of existing products, the Company is actively introducing new products aligned with global trends, such as sugar-free, organic, and plant-based offerings, while also strengthening brand image through youth-oriented positioning and trending topics.

In addition, by leveraging social media platforms and marketing collaborations to track emerging trends, the Company develops seasonal and cross-industry co-branded limited-edition products to enhance brand visibility and market engagement.

B. Establishing a flexible and agile product development system

In response to the competitive pressure of rapid product innovation in the beverage and food service industries, the Company has strengthened the modularization and rapid-response capabilities of its product development function, enabling flexible launches of new products, with an average of one to two new flavors or innovative offerings introduced each quarter.

To balance quality and cost efficiency, the Company is simultaneously advancing product standardization and simplification, improving store-level operational efficiency while strengthening stable raw material supply and food safety management.

(II) Industry overview

The Company's operations are primarily divided into two major segments: tea beverages and food services. In the tea beverage segment, "Chatime" serves as the Company's core brand, with store locations spanning Asia, Europe, the Americas, and Oceania. In recent years, the Company has actively strengthened its presence in Southeast Asia and Oceania, establishing a solid footprint in markets such as Malaysia, Australia, Philippines, and Indonesia, while also successfully expanding into United Kingdom, the Middle East, South Korea, Myanmar, and Japan, continuously broadening its global operational footprint. More recently, the Company has further expanded into Turkey and Ghana, accelerating its presence in the European, Asian, and African markets, demonstrating its proactive international expansion actions and market foresight.

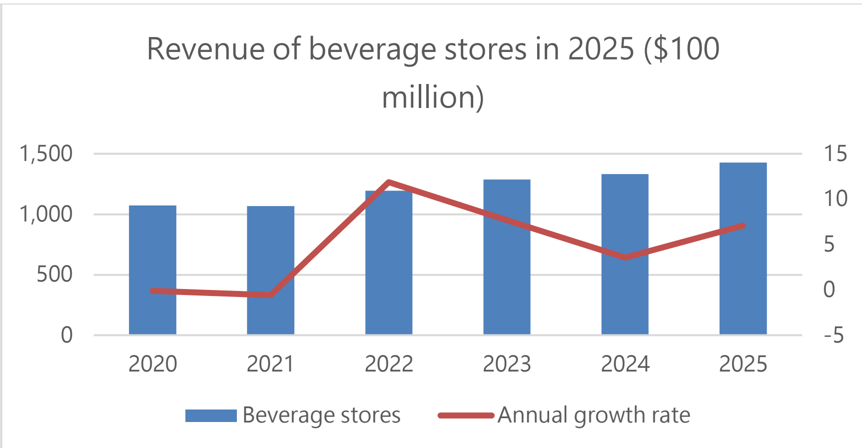
To further strengthen its market position and brand depth in the tea beverage industry, the Company completed the acquisition of "Hanlin Tea Room" in 2025. The brand is one of Taiwan's most iconic tea beverage brands and is widely recognized as the creator of "Taiwan's first bubble milk tea." Hanlin Tea Room has cultivated the domestic market for many years, promoting traditional Eastern tea culture and building strong brand recognition and a loyal consumer base. This acquisition is expected to create complementary synergies with "Chatime," helping expand the Company's product portfolio, enrich its brand mix, and further strengthen its overall competitive advantages and global market penetration.

The current status and development of the industries in which the Company operates are described as follows:

1. Current status and development of the industry

(1) Beverage market

A. Taiwan market



I. Overall market size and trends

Taiwan's beverage store industry has demonstrated steady growth in recent years. Benefiting from the recovery of in-store consumption, as well as operators actively stimulating demand through cross-industry collaborations and new product development, industry revenue reached NT$130.0 billion in 2024, representing an annual growth rate of 3.5%, and hit another record high in 2025, with total revenue exceeding $142.5 billion, representing an annual growth rate of 7.09%. The industry is characterized by relatively low barriers to entry. As of the end of September 2025, the total number of beverage stores in Taiwan exceeded 28,000, with an average annual growth rate of 4.1% over the past five years. Among all segments, hand-shaken beverages remain the dominant market category, accounting for as much as 56% of the market, with store locations highly concentrated in central and southern Taiwan, as well as major metropolitan areas such as Taipei.

II. Operating characteristics and changes in consumer behavior

The industry exhibits a clear seasonal cycle, with two major peak periods each year: the summer months of July to August, driven by demand for cold beverages, and the December to January holiday season, both of which significantly boost operating revenue. On the consumer side, the widespread adoption of food delivery platforms and the advancement of digitalization policies have structurally transformed payment behaviors. Comparing data over the past three years, bank transfers linked to food delivery platforms and mobile payments have shown the strongest growth, while the proportion of cash payments has declined significantly by more than 11 percentage points, indicating that the integration of online and offline (O2O) channels has become a standard operating model in the industry.

III. Key areas of future development

In response to intense market competition, more than 70% of industry participants are focusing their efforts on "new product development" and "food safety control and management." Against the backdrop of an increasingly saturated domestic market, the Company continues to focus on three key development strategies: "multi-brand operations," "overseas expansion," and "refined management." By advancing a dual-brand strategy through "Chatime and Hanlin Tea Room, while integrating international franchising and localized operating strategies, the Company aims to further strengthen brand value and enhance product competitiveness, thereby improving overall operational resilience and global market penetration, and continuing to expand its international footprint in a mature market environment.

B. Global market

a. Overview of the global hand-shaken beverage market

With the continued growth of tea culture and the widespread adoption of online food delivery platforms, the hand-shaken beverage market has maintained strong growth momentum worldwide, with consumer demand expanding rapidly from Asia into North America and Europe. According to the latest market research published by “Grand View Research” and “Fortune Business Insights,” the global core hand-shaken beverage market is estimated to reach approximately US$3.326 billion in 2025. Driven by innovations in fruit tea, the trend toward sugar-free and health-conscious consumption, and the social needs of younger generations, the market is expected to continue expanding at a compound annual growth rate of approximately 12.7%, with the global core market projected to exceed US$8 billion by 2033.

b. Regional analysis of the global market

① Asian market

Asia continues to maintain its position as the global hub and innovation center of the hand-shaken beverage market, accounting for nearly 40% of global market share in 2025.

- Mainland China and Taiwan: The market is facing intense domestic price competition and brand rivalry, and is gradually moving toward premiumization and supply chain integration. Taiwanese brands, leveraging authentic “bubble milk tea” craftsmanship and a diversified multi-brand portfolio, continue to maintain brand premiums and stable market share in this highly competitive environment.
- Southeast Asia: Markets such as Indonesia, Vietnam, Thailand, and Malaysia represent the fastest-growing regions in Asia. Supported by a young demographic dividend and consistently hot climate conditions, hand-shaken beverages have become a rigid and essential category for social and leisure consumption.

② European market

In recent years, the European market has experienced rapid growth, particularly among younger consumers and those seeking healthier beverage options, with significantly increasing acceptance of Asian tea beverages.

- United Kingdom and France: Bubble milk tea has successfully entered mainstream commercial districts, with fruit-flavored tea emerging as the primary revenue driver. The UK market has become increasingly competitive, as international brands actively expand both directly operated and franchised store networks.
- Germany and Spain: Local consumers are gradually recognizing hand-shaken beverages as part of their daily leisure drinks. The Group completed the acquisition of a 100% equity interest in the leading local German brand "Germany BoBoQ GmbH" in January 2026. This acquisition not only establishes a strong supply chain and market beachhead in Germany, but will also serve as a core for expanding into surrounding European markets in the future.

③ North American market

North America is one of the fastest-growing markets outside the Asia-Pacific region and represents the highest share of revenue contribution.

- United States: In 2025, the U.S. market continues to experience rapid growth. Fruit-flavored teas and plant-based milk-based beverages are highly popular. Tea culture has successfully expanded beyond Asian communities and is now widely embraced by diverse consumer groups, becoming an iconic beverage among younger Generation (Gen Z).
- Canada: With the expansion of Asian immigrant populations and localized brand marketing efforts, customized ordering preferences such as adjustable sweetness and ice levels have become deeply embedded in local consumption habits.

④ Middle East and African markets

The Middle East and Africa markets are currently at a pivotal inflection point, transitioning from early-stage emergence to rapid growth, signaling immense untapped potential.

- Middle East: Markets such as the United Arab Emirates and Saudi Arabia are experiencing notable growth. Young consumers in the region are drawn to novel and exotic flavors and are increasingly pursuing healthy and organic beverage options, attracting a growing number of international brands to enter the market.
- Africa: With ongoing urbanization and rising living standards, markets such as South Africa and Kenya show considerable potential. Hand-shaken beverage brands are driving product innovation tailored to local tastes, thereby gradually establishing market awareness.

c. Market trends and future opportunities

- Rising demand for healthy beverages: Consumers' preferences for healthy, low-sugar, sugar-free, and organic beverages have significantly strengthened. The introduction of innovative products such as sugar-free, low-calorie beverages or drinks enriched with superfoods (e.g., chia seeds and natural fruit syrups) has become a key driver of revenue growth.
- Digitalization and delivery services: The integration of online and offline (O2O) channels has become a standard in the food and beverage industry. Optimizing proprietary mobile ordering applications and strengthening partnerships with delivery platforms are essential for increasing purchase frequency and enhancing customer experience.
- Localization and diversification: Adjusting product formulations according to regional taste preferences (e.g., consumers in European and North American markets tend to prefer lighter and more refreshing fruit-flavored teass). By incorporating local ingredients and addressing diverse nutritional needs, the Company can enhance the success rate of brand localization in overseas markets.

d. Future development opportunities of the Company

- Strengthening international market expansion: The Company actively expands into key markets such as Europe, Southeast Asia, and North America. Following the investment of $272 million in January 2025 to acquire 100% equity interest in the parent company, namely Han Ley International Co., Ltd., of “Hanlin Tea Room,” and the acquisition of “Germany BoBoQ GmbH” in January 2026, the Company will continue to advance its multi-brand strategy. Through the deep integration of brand resources including “Chatime,” “Hanlin Tea Room,” and “BoBoQ,” the Group aims to maximize its market share in both domestic and international markets and further enhance overall operational synergies.

- Accelerating digital transformation and delivery services: The Company enhances the operational efficiency of its digital platforms and delivery channels, improves consumer experience, and leverages data analytics to launch customized products, enabling precise responses to market demand.
- Innovation in healthy beverages: The Company responds to the global trend toward healthy eating by continuously developing low-sugar, low-calorie, and high value-added beverages to solidify its product differentiation advantages in the market.

(2) Food and beverage market

The Company’s food and beverage market currently remains primarily centered in Taiwan. Taiwan’s restaurant industry is a fully competitive market, as its entry barriers are relatively lower compared to the technology or manufacturing sectors, attracting a large number of participants and resulting in intense competition. In recent years, as consumer demand for dining has shifted from “satiation” to “quality” and “experience,” preferences for distinctive, flavorful, and high-quality dining environments have increased, further driving the rapid growth of specialty restaurant brands.

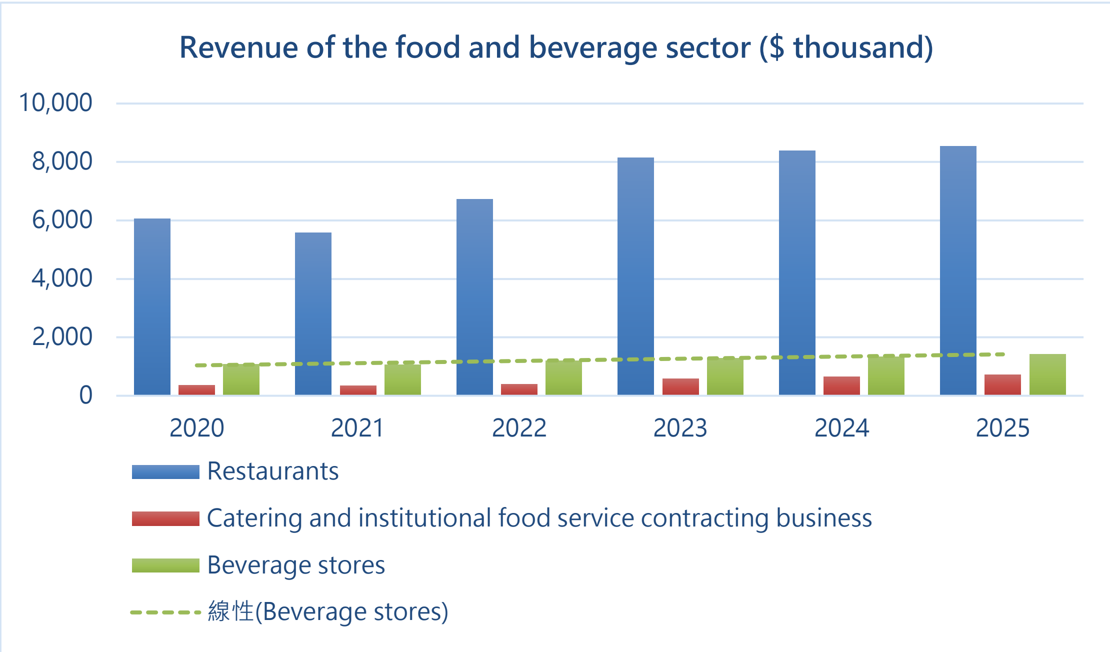
According to data from the Department of Statistics, Ministry of Economic Affairs, Taiwan’s food and beverage industry revenue has reached record highs for three consecutive years, with a year-on-year growth rate of 2.9% in 2025. However, since 2020, the industry was significantly impacted by the global COVID-19 pandemic. Reduced willingness to dine out, combined with government pandemic control measures, resulted in negative revenue growth for two consecutive years in 2020 and 2021. Fortunately, operators actively adjusted their business strategies, including strengthening brand fundamentals, advancing digital transformation, and developing delivery and online ordering channels, gradually laying the foundation for post-pandemic recovery.

As the pandemic gradually eased, dining-out demand rebounded. In 2023, industry revenue surpassed the $1 trillion mark, with growth exceeding 20%. In 2024, due to a higher comparison base, growth slowed to 3.6%, and in 2025, growth remained positive at 2.9%, with the industry expected to continue maintaining steady growth momentum.

According to the latest data from the Department of Statistics, Ministry of Economic Affairs, Taiwan's food and beverage industry revenue reached NT$167.4 billion in 2025, representing a year-on-year growth rate of 2.9%, and setting a new historical record once again. Among which:

- Revenue of the restaurant industry amounted to $853.3 billion, representing a year-on-year growth rate of 1.74%.
- Revenue of the beverage store sector amounted to $142.6 billion, representing a year-on-year growth rate of 7.09%.

As of early 2026, Taiwan's food and beverage market continues to demonstrate stable growth momentum, reflecting solid underlying support from domestic demand. However, operators also face operational challenges such as fluctuations in raw material prices, labor shortages, and rising labor costs. Going forward, the Company will need to more actively enhance product development, strengthen food safety management, drive brand innovation, improve operational efficiency, and diversify distribution channels in order to maintain competitive advantages and ensure long-term sustainable development potential.



Source: Department of Statistics, Ministry of Economic Affairs

(3) Industry development

The tea beverage and food & beverage industries are closely tied to daily consumer demand and are therefore significantly influenced by economic changes across different regions worldwide. In recent years, the consumer market environment has evolved rapidly, and the restaurant industry faces multiple challenges, including demographic shifts (such as declining birth rates and population aging), rising environmental sustainability awareness, and increasing demand for healthier diets. At the same time, these trends have also created new business opportunities. Going forward, the food and beverage industry is expected to focus on the following four key development trends to adapt to market changes and strengthen competitiveness:

1. Value-added ingredients: Use higher-quality, natural, and healthier ingredients to respond to growing consumer concerns regarding wellness and food safety.
2. Experience-oriented offerings: Enhance dining space design and service experience by developing themed restaurants, immersive environments, and personalized experiences to increase customer loyalty.
3. Technology integration: Adopt smart technologies such as self-service ordering, online reservation systems, robotic food delivery, and integrated POS systems to improve operational efficiency and customer convenience.
4. Omnichannel integration: Develop delivery, takeaway, and digital platforms to strengthen online-to-offline integration capabilities and meet consumers' demand for flexibility and immediacy.

In response to industry trends, the Company continues to deepen its multi-brand strategy and innovative product development. Its sales markets are primarily distributed across Asia, Oceania, and the Americas, while actively expanding into other high-potential markets. By continuously monitoring global market dynamics and changes in consumer behavior, and through precise market analysis and the introduction of new products, the Company will further strengthen its international footprint and brand influence, thereby expanding its overall market presence.

2. Industry upstream, midstream, and downstream relationship

The Company's main business is the operation of chain restaurant brands, providing the sales and services of beverages, food, and desserts. The Company's operating model is as follows: it sources raw materials from upstream suppliers, independently develops new beverage flavors and designs food items, and distributes raw materials to directly operated stores, franchisees, or agents. These outlets then carry out further preparation based on menus developed by the Company and sell the final products. Therefore, in terms of its core business, the Company is positioned in the midstream to downstream segment of the food and beverage industry chain.

Upstream	Midstream	Downstream
Supply of raw materials, agricultural products, and packaging materials e.g., coffee beans, concentrated fruit juices, tea leaves, tapioca pearls, decorative ingredients, packaging materials, etc.	Research and development of food and beverages, manufacturing, and brand management e.g., menu design, beverage development, brand establishment and management, etc.	Directly operated stores, franchisees, agents, and general consumers

3. Various product development trends

The Company operates chain restaurant brands, with customers across more than 63 countries worldwide. The food and beverage industry is experiencing the following trends:

(1) The global bubble milk tea trend continues to expand

According to the latest report published by Grand View Research, an internationally recognized market research authority, Taiwan's hand-shaken tea beverage market continues to expand globally, with revenue exceeding NT$104.5 billion in 2025. With the globalization of food and beverage supply chains, bubble milk tea, an iconic beverage originating from Taiwan, has transcended geographical boundaries and successfully entered major international cities such as New York, London, and Singapore, becoming a key driver of growth in the global takeaway leisure beverage market. Driven by rapidly rising demand in European and North American markets, the global market is expected to continue expanding at a compound annual growth rate of 8.9% through 2033. With substantial untapped population potential and underpenetrated regions worldwide, this trend is creating significant blue-ocean opportunities and cross-border expansion potential for Taiwan's chain franchise brands.

(2) Food safety management is becoming increasingly important

Food safety has always been an issue of global concern. In recent years, Taiwan has experienced a series of major food safety incidents, primarily identified either through proactive inspections conducted by the competent food safety authorities or through reports uncovering unscrupulous food businesses suspected of long-term use of unauthorized food additives or the sale of expired food products for profit, even affecting many commonly used daily necessities. As a result, consumer confidence in Taiwan's food safety has been impacted. The globalization of food production and trade has increased food safety risks. Going forward, Taiwan's food safety standards must reach world-class levels in order to expand its chain business footprint to every corner of the world.

(3) The food and beverage industry is developing toward branding and internationalization

Taiwan's food and beverage industry generally requires relatively low levels of equipment investment and capital expenditure, making it one of the preferred industries for entrepreneurs and career changers. However, the low barriers to entry have also intensified market competition. As a result, many operators adopt a chain franchise business model and pursue international expansion to enhance profitability. To enter overseas markets, chain franchise headquarters must first establish comprehensive know-how, develop well-defined standardized operating procedures and training systems, while maintaining an appropriate degree of flexibility to accommodate differences in various countries. International licensing managers must conduct detailed assessments and carefully select local master franchisees to maintain service and quality stability, thereby creating greater brand strength and competitiveness.

(4) Strategic alliances with distribution channels

Chain restaurant operators have recognized the customer-attracting power of department stores and shopping malls, as well as their ability to enhance brand awareness and premium brand image. As a result, major restaurant groups have actively expanded into such venues. One of the primary reasons is that dining traffic in department stores and shopping malls is not clearly divided between lunch and dinner hours, as customers visit and make purchases throughout the day. By extending consumption periods, operators can increase customer traffic. In addition, the availability of parking facilities offers greater convenience, making department stores and shopping malls the preferred locations for future store expansion by chain restaurant operators. Furthermore, with advances in technology and the development of the internet, online food delivery services through digital platforms have also become a mature distribution channel. According to data from Statista, Taiwan's online food delivery market is projected to reach US$7.7 billion in 2025, highlighting the rapid and strong growth of platform-based delivery services.

4. Competition

The takeaway beverage industry is characterized by low start-up capital requirements, relatively simple production processes, and low barriers to entry, which have attracted a large number of entrepreneurs to enter the market. Most brands adopt an open franchise model to rapidly expand their store networks and capture market share. However, this has also resulted in a large number of competing brands and intense market competition. The density of beverage outlets in Taiwan has approached saturation, significantly compressing operating profit margins and creating a highly competitive red-ocean market environment.

In response to domestic market saturation and intensifying competition, an increasing number of Taiwanese chain beverage brands have actively expanded into overseas markets, extending their brand presence into international blue-ocean markets. Brands such as CoCo, 85°C, and 50 Lan (which operates overseas under the "A Little Tea" brand) have successfully established locations across Mainland China, Southeast Asia, and North America, building strong global brand recognition. The Company has also actively expanded into international markets by promoting cross-border brand development through regional agency and brand licensing models.

Competition in Taiwan's overall food and beverage market has also become increasingly intense. In addition to local brands, Japanese food and beverage brands continue to expand, international brands are entering the market aggressively, major chain groups are accelerating store expansion, and companies from non-food and beverage industries are making cross-industry investments to increase market participation, resulting in a diverse and highly competitive landscape. In addition, consumers' increasing emphasis on brand experience, digital services, and sustainability issues has prompted industry players to accelerate the adoption of smart technologies (such as online ordering and digital payment), environmentally friendly packaging, and healthier products to enhance competitiveness.

Looking ahead, chain operations and international expansion will remain the mainstream trends for the growth of food and beverage brands. Only by continuously strengthening brand differentiation, establishing standardized operating procedures, and flexibly responding to the needs of local markets can enterprises secure a place in the highly competitive global food and beverage landscape.

(III) Technical and r&d overview

1. Technological capabilities and research & development status

The Company continues to innovate in tea beverage preparation, breaking through the limitations of traditional manual tea brewing. It has successfully overcome the impact of varying climate conditions worldwide (such as temperature, humidity, and atmospheric pressure) on tea beverage quality. By introducing the concept of “tech-enabled tea beverages,” the Company incorporates mechanized, standardized, and professionalized processes to ensure consistent quality in every cup. Regardless of the country or store location, customers can enjoy the same high-standard taste and experience.

In response to regulatory restrictions imposed by various countries on the importation of food ingredients, the Company actively obtains food certifications and sales permits issued by local governments, proactively overcoming international trade barriers to ensure that its products can legally and smoothly enter global markets. At the same time, in order to better align with local consumer preferences and cultural characteristics, the R&D department continuously develops localized products under the core strategy of “Global Brand, Local Taste,” striving to promote Taiwanese tea culture while satisfying diverse consumer demands worldwide.

To reinforce food safety and process standardization, the Company has established a dedicated food laboratory and regularly commissions third-party professional institutions to conduct product quality and hygiene inspections, ensuring strict control over food safety standards. The Company aims for consumers to not only enjoy premium-quality products, but also experience the brand’s values with health and peace of mind.

2. R&D expenses incurred in each of the most recent five years

Unit: NT$ thousands

Item	2021	2022	2023	2024	2025
R&D expenses	17,278	16,814	19,156	19,901	18,048
Net operating revenue (%)	4,180,123	4,210,620	4,095,736	4,013,618	4,299,913
Percentage of net operating revenue (%)	0.41	0.40	0.47	0.50	0.42

3. Technologies or products successfully developed in the most recent five years

Year	Brands	Item
2021	Chatime	Taro Meets Taurus–Pink Berry Pearl Milk, Taro & Berry Bliss Latte, Golden Butterscotch Milk Tea Drink Golden Pineapple Beverage to Support Farmers–Taiwan Pineapple King and Golden QQ Chunky Mango King—Jasmine Mango Green Tea and Chunky Mango King Chatime's Triple Delight–Oolong Milk Tea Trio and Red Bean & Jelly bubble Milk Tea Mashed Taro–Tai Chi Mashed Taro and Mashed Taro with Red Bean & Taiwanese Jelly
	Engolili	Desserts British Leopard Print Thick Pancake - Cherry Rose Triangle Scones Strawberry, Garlic Crispy Pineapple Scallion, Chocolate, Mentaiko Cream Cheese, Toffee Cinnamon Apple, Extra Cheese, Orange Flavor, Matcha Red Bean, Smooth Peanut Oat Grain, Coconut Cream Frosting, Taro Cream Frosting, Toffee White Chocolate, Pepper Smoked Beef Cream Cheese, Banana Chocolate Scone, Earl Grey Milk Tea, Pineapple Cake, Crispy Pineapple Brown Sugar Mochi, Taro Paste Salted Egg Yolk, Coffee
	Merry Pho	Northern Vietnamese Lemon Fried Fish, Tomato Salsa with Jicama Salad
	Bake Code	Golden Sunshine, Longing to Meet Mashed Taro, Bouchée (Original), Bouchée (Strawberry), Bouchée (Chocolate), Bouchée (Matcha), Bouchée (Taro), Mango Snow Mountain, Mango Milk Dew, Native Mango Panna Cotta, Taro Yolk Pastry, Matcha Mochi Pastry, Italian Proposal Fresh Cream Bun, Swirl Ice Heart Bread, French brûlée, Country Cinnamon Roll, Milky Milky TTES No.18, Sunrise Mashed Taro, Peanut Mountain Sandwich, Japanese Bear Paw Custard, Japanese Chestnut Mousse, Japanese Brown Sugar Mochi Roll, Traditional Scallion Cake, Grilled Mantou - Original, Grilled Mantou - Chocolate, Grilled Mantou - Scallion, Grilled Mantou - Peanut, Grilled Mantou - Milk Crisp, Grilled Mantou - Pork Floss, Grilled Mantou - Sesame, Grilled Mantou - Cinnamon, Pineapple Mummy, Big-Eyed Monster, Ghost Blueberry, Spirit Mask. Brain Pudding Panna Cotta, Ghost Daifuku, American Bagel (Original) 5 pcs, American Bagel (Chocolate) 5 pcs, American Bagel (Cranberry) 5 pcs, American Bagel (Blueberry) 5 pcs, American Bagel (Salted Scallion) 5 pcs, Mille-Feuille Portuguese Egg Tart - Original, Mille-Feuille Portuguese Egg Tart - Taro, Mille-Feuille Portuguese Egg Tart - Red Bean, Mille-Feuille Portuguese Egg Tart - Pumpkin, 6-inch Caramel Taro Crystal Panna Cotta, 8-inch Black Sesame Mille Crêpe Cake, Apricot Mousse Cup, 6-inch Santa Claus (Blueberry Chocolate), Frosted Fruit Roll Christmas Burnt Cheesecake and Christmas Lava Chocolate Cake
	Chunshang Pudding Cake	Soy Milk, Coffee Jelly, Mini Original, Mini Chocolate, Mini Black Tea, Mini Brown Sugar and Mini Rich Milk.
2022	Chatime	Orange Berry Bliss. Red Bean & Jelly Smoothie. Tai Chi Jelly Bubble Milk Tea. Mango Pomelo Sago with Jelly. Golden Mango Pudding Latte. Golden Mango QQ Jelly. Sweet & Salty Cocoa Smoothie Sweet & Salty Grapefruit,
	Engolili	Strawberry Condensed Milk Soufflé Pancake. Cocoa Caramel Banana Soufflé Pancake. Jin Xuan Osmanthus Pearl Soufflé Pancake. Forest Wild Berry Éclair, Jin Xuan Tea Pearl Éclair, Caramel Brownie Éclair, Fresh Matcha Strawberry Leopard Print Soufflé Pancake, Mixed Fruit Leopard Print Soufflé Pancake, Tiramisu Leopard Print Soufflé Pancake, Sunny Pineapple Leopard Print Pancake, Fig Skillet

Year	Brands	Item
		Pancake, Wild Rose Leopard Print Pancake, Porcini Mushroom Braised King Oyster Mushrooms, Golden Crispy Fries, Country-Style Braised Chicken Meatballs, Salmon Pumpkin Cream Soup, Tomato Vegetable Soup
	Bake Code	Mango Boston Pie, Taro Boston Pie, Almond Strawberry Tart, Strawberry Nama Chocolate Cake, Strawberry Nama Chocolate Jewel Box, Berry Tartlet
	Chunshang Pudding Cake	Brown Sugar Mochi Pudding Cake, Pork Floss Taro Pudding Cake, Blueberry Pudding Cake, Pure Honey Pudding Cake, Strawberry Pudding Cake, Black Sesame Soy Milk Pudding Cake, Mango Citrus Pudding Cake, Golden Mango Cake Cup, Earl Grey Tea Cake Cup, Tokachi Fresh Cream Cake Cup, Mini Burger, QQ Cream Puff
2023	Chatime	Berry Four Seasons Spring Tea, Tai Chi Strawberry Fresh Milk, Berry Bubble Milk Tea, Toffee Black Tea, Toffee Tai Chi Bubble Milk Tea, Toffee Tai Chi Thick Latte, Red Bean & Jelly Smoothie, Mango Blossom Smoothie, Deep Sea Pineapple House, Pink Super Pie (Strawberry Au Lait), Rosemary Apple Lime Tea, Taro Coconut Pearl Sago, Taro Milk Tea Sago
	Engolili	Forest Berry Leopard Print Soufflé Pancake, Mango Pomelo Sago Puff Pancake, Mango Pomelo Sago Colorful Pancake Tart, Kyoho Grape Colorful Pancake Tart, Berry Puff Pancake
	Bake Code	French Chanson – Original / Taro / Matcha / Cheese; Rose Taro Cheesecake Tart
	Chunshang Pudding Cake	Taro Cake Cup, Shizuoka Matcha Cake Cup, Banana Cake Cup, Peach Cake, Hami Melon Cake, Lychee Dragon Fruit, Rich Chocolate Cake Cup, Ruby Strawberry Sandwich Cake
2024	Chatime	Warabi Black Tea / Hojicha Soy Milk Cheese Foam Drink, Golden Corn Chowder Smoothie, Peach Cheese Foam Smoothie, Real Grape Pulp Smoothie, Real Grape Pulp Black / Green Tea, Sunday Black Tea (Sunday Black Tea Snowcap, Sunday Black Tea Latte, Sunday Milk Tea, Sunday Soy Milk Cheese Foam Tea), Gyokuro Spring Bud Green Tea, Peach Spring Bud Tea, Golden Buckwheat Tea, Golden Buckwheat Milk Tea, Taro Paste Q Cube Coconut Milk, Mashed Taro Q Cube Milk Tea, M&M Chocolate Latte, M&M Cheese Foam Black Tea
	Bake Code	Ruby Strawberry Cake, Rich Nama Chocolate Cake, Taro Blossom Cake, Phoenix Cake Gift Box, Strawberry Donut, Strawberry Walnut Pastry, Strawberry Chocolate Crunch Pastry, Strawberry Cocoa Cream Pastry, Strawberry Croissant, Strawberry Jewel Box, Strawberry Mille-Feuille Pie, Strawberry Basque Cheesecake
	Engolili	Pan-Seared Fish Risotto with Creamy Shrimp Sauce, Country-Style Tomato Herb Roasted Beef Pasta, Garlic Lemon Butter Grilled Shrimp Pasta, Tandoori Grilled Pork Chop Basil Cream Pasta, Berry Puff Pancake, Peach Skillet Pancake, Rosy Peach Drink, Peach Honey Fruit Slush, Summer Mango Cream Puff Pancake, Mango Berry Fruit Tea, Tropical Slush, Meteor Latte, Cosmic Scone, Spaceman Smoothie, Little Universe Cream Puff Pancake, Berry Leopard Print Pancake, Black Forest Garden Cream Puff Pancake, Grape Gem Cream Puff Pancake, Blueberry Cocoa Latte, Berry Cocoa Latte, Berry Star Wish Cream Puff Pancake
	Merry Pho	White Pepper Mixed Seafood Pho, White Pepper Beef Pho, White Pepper Beef Trio Pho, Laksa Mixed Seafood Stir-Fried Pho, Vietnamese Grilled Pork Cold Pho
	Chunshang Pudding Cake	Rich Peanut Butter Chocolate Layer Cake, Hand-Brewed Thai Milk Tea Cake Cup, Brown Sugar Milk Cake Cup, Rich Taro Filling Cake, Pistachio Chiffon Cube Cup, Strawberry Cake, Uji Matcha Red Bean Cake, Blueberry Cake, Signature Pudding Cake, Lime Cake, Moon Appreciation Egg Yolk Pastry Gift Box, Meteor Cocoa Cake

Year	Brands	Item
2025	Chatime	Tai Chi Mashed Taro Milk, Handmade Taro Milk Tea, Taro Pearl Latte, Matcha Mango Q Latte, Matcha Jelly Q Latte, Matcha Latte, Jasmine Snow Salted Lemon Tea, Jasmine Snow Light Milk Tea, Jasmine Snow Milk Tea, Peach Pink Jelly Yogurt Drink, Peach Boba Yogurt Drink, Peach Pink Jelly Light Milk Tea, Muscat Grape Light Milk Tea, Muscat Grape Fruit Tea
	Bake Code	Strawberry Season (Strawberry Jewel Box / Strawberry Cocoa Cream / Strawberry Mille-Feuille / Strawberry Basque Cake / Strawberry Croissant / Strawberry Crunch / Strawberry Walnut), Mother’s Day Cakes (Fruit Pudding Cake / Strawberry Basque Cake / Sea Salt Pudding Boston Pie), Father’s Day Cake (Choco Daddy), Mid-Autumn Egg Yolk Pastry, Pistachio Cube Bread, Honey Mustard Sausage Bun, Mentaiko French Pastry, Custard Mochi Bun
	Engolili	Berry Star Wish Puff Pancake / Berry Leopard Print Pancake, Real Pudding Puff Pancake / Real Pudding Skillet Pancake / Truffle Red Wine Grilled Steak Risotto / Country-Style Tomato Grilled Squid Risotto / Basil Grilled Chicken Leg Risotto / Lemon Pan-Seared Sea Fish Cream Risotto / Grilled Zucchini Cream Cheese Pumpkin Risotto / Truffle Red Wine Wagyu Hamburger Steak Brunch / Lemon Pan-Seared Sea Fish Brunch / Country-Style Tomato Grilled Chicken Leg Brunch / Basil Grilled Pork Tenderloin Brunch / Sunrise Tomato Grilled Steak Pasta / Lemon Cream Pan-Seared Shrimp Pasta / Truffle Red Wine Chicken Leg Pasta / Tandoori Grilled Pork Tenderloin Basil Cream Pasta / Spicy Garlic Clam Pasta / Fresh Vegetable Bolognese Pasta, Tiramisu Puff Pancake, Fruity Berry Puff Pancake
	Chunshang Pudding Cake	Strawberry Cake, Ham and Cheese Cake, Cranberry Cake, (711) Strawberry Chiffon Cube Cup, (711) Pudding Chiffon Cube Cup, (711) Honey Lemon Chiffon Cube Cup, (711) White Chocolate Lemon Cake

(IV) Short-term and long-term business development plans

In response to the rapid changes in the global food and beverage industry and evolving overall economic trends, the Company continues to dynamically adjust its business strategies. Through systematic short-term and medium- to long-term development plans, the Company steadily expands its operational footprint and enhances its overall competitiveness. The initiatives are summarized as follows:

1. Short-term business development plans

(1) Deepening presence in the Taiwan market and strengthening brand influence

The Company will continue expanding its store network throughout Taiwan while leveraging digital marketing, localized campaigns, and cross-industry collaborations to enhance brand visibility and customer loyalty, thereby increasing market penetration in local markets.

(2) Replicating successful overseas models and accelerating international expansion

Building upon successful experiences in overseas markets such as Southeast Asia, the United States, and Australia, the Company will replicate standardized operating procedures while strengthening brand licensing and joint venture store expansion mechanisms to steadily advance its global footprint.

(3) Strengthening organizational structure and operational efficiency

The Company will optimize its organizational structure and digitalize internal processes by integrating supply chain, improving inventory management efficiency, and enhancing brand management and franchise headquarters support functions.

(4) Localized product development and R&D upgrades

The Company will continue investing in R&D resources to develop beverages and light meals with stronger local appeal based on the consumption preferences of different customer groups in regions such as the Americas and Australia, thereby expanding acceptance among non-Chinese consumers.

(5) Expanding technological applications and introducing smart operational tools

The Company will further develop membership-based digital platforms, optimize POS systems, and implement data analytics tools to enhance customer experience and improve operational decision-making efficiency.

2. Mid-term business development plans

(1) Rapidly capturing market trends and flexibly adjusting product strategies

Through data analysis and customer feedback, the Company aims to quickly identify market trends and competitors' actions, strengthen product innovation and diversification, and respond promptly to changes in consumer preferences.

(2) Expanding the scale and revenue contribution of the chain store system

The Company will actively expand the number of domestic and overseas stores to increase the Group's overall revenue and market share.

(3) Advancing diversified overseas market expansion

With Asia and the Americas as its core markets, the Company will continue expanding into Europe, the Middle East, and Africa, establishing long-term agency, licensing, and brand partnership systems.

(4) Implementing sustainable business concepts

The Company is committed to actively implementing ESG policies, including the use of environmentally friendly packaging materials, energy-efficient equipment, and local sourcing, in order to build an environmentally friendly brand image and enhance long-term corporate sustainability value.

3. Long-term business development plans

(1) Implementing institutionalized management and strengthening organizational governance

The Company will promote a hierarchical accountability system in accordance with its organizational structure, while strengthening internal audit functions, risk management, and performance management to enhance overall operational efficiency and governance quality.

(2) Comprehensive brand building and integrated media marketing

By integrating diversified channels such as physical retail outlets, social media platforms, international exhibitions, and outdoor advertising, the Company aims to deepen brand recognition and customer identification, thereby establishing strong brand assets.

(3) Promoting brand globalization and cultural localization

The Company will continue upholding its vision of "Using a great cup of tea to make Taiwan shine on the world stage," while advancing global market expansion and building a Taiwanese brand with international competitiveness.

(4) Introducing international professional talent and management systems

The Company will recruit professionals with multinational business management experience to promote organizational internationalization and management modernization, with the goal of building a modern chain-store group with global operational scale.

II. Market and production/sales overview

(I) Market analysis

1. Regions where major products (services) are sold (provided)

Unit: NT$ thousands

Region \ Year		2024		2025	
		Amount	%	Amount	%
Export sales	Asia	685,978	17.1	481,225	11.2
	Americas	345,489	8.6	187,685	4.4
	Australia	727,725	18.1	607,225	14.1
	Europe	56,840	1.4	29,259	0.7
	Africa	29,918	0.7	23,035	0.5
	Subtotal	1,845,950	46.0	1,328,429	30.9
Domestic sales		2,167,668	54.0	2,971,484	69.1
Total		4,013,618	100	4,299,913	100

2. Market share

According to statistics released by Taiwan's Ministry of Economic Affairs, total annual revenue of Taiwan's food and beverage industry reached NT$1.67 trillion in 2025, representing an annual increase of 2.9% and setting a new historical high.

Among this, the beverage industry generated revenue of NT$142.6 billion, reflecting a year-on-year growth rate of 7.09%, demonstrating steady growth momentum.

Despite the impact of global economic fluctuations and inflation, which have slowed overall consumer growth trends, the Company maintained stable operations, with consolidated revenue reaching $4.3 billion in 2025, representing an annual increase of 7.13%. This demonstrates that, even in the highly competitive food and beverage market, the Company continues to possess a solid market foundation and strong brand resilience.

3. Future market supply and demand conditions and growth potential

As consumer demand for quality, health, convenience, and digitalization continues to rise, the food and beverage industry is steadily evolving toward innovation and transformation, and is expected to achieve stable growth in the coming years. Changes in Taiwan’s economic structure and lifestyle patterns, together with the increasing number of employed women and the growing proportion of dual-income households, have driven rapid growth in the dining-out population. In addition, the widespread adoption of digital platforms and the increasing demand for diversified dining options have further unlocked the growth potential of the food and beverage market.

Against this backdrop, the Company has consistently adhered to its “Quality First” business philosophy. The launch of the “ LaKaffa Gourmet” APP has not only effectively enhanced member engagement, but has also helped the Company gradually strengthen its brand influence while deepening its presence in the chain restaurant market. As the quality of its food and services continues to receive strong recognition from consumers, La Kaffa will continue expanding investments and actively developing new brands and new stores, with steady revenue growth expected in the future.

4. Competitive advantages

(1) Technology-enabled food and beverage: Intelligent automation enhances quality and efficiency

To expand Taiwanese brands into international markets, the Company has revolutionized traditional tea brewing methods by overcoming environmental factors such as temperature, humidity, and atmospheric pressure across different regions worldwide. Through its “Three-Precision Technology” — precise temperature, precise timing, and precise measurement — the Company standardizes and professionalizes tea beverage preparation to ensure every drink consistently maintains the highest quality standards. In 2020, the Company introduced a new business model featuring the latest Automatic Tea Machine (ATM), utilizing automated and standardized production processes to improve beverage quality consistency while reducing the reliance on the traditional multi-tasking labor model, thereby enhancing store operational efficiency. Currently, this system is primarily applied in the Taiwan market, with plans for future expansion into overseas markets to pioneer a new era of international bubble milk tea operations. In addition, the Company integrates customer sales data through information systems to accurately monitor sales performance across stores and deliver ingredients and raw materials in real time to directly operated stores, franchisees, and agents, enabling rapid responses to end-consumer demand.

(2) Actively obtaining various food certifications to expand global markets

The Company actively obtains various food certifications to ensure its products comply with international food safety standards. Through a solid sales network and flexible marketing strategies, the Company has successfully established a strong reputation for Taiwanese chain restaurant brands, earning the trust of agents and franchise partners across multiple countries while continuously expanding its global market presence and reinforcing its leading position in international food and beverage distribution channels.

(3) Continuous product innovation—global brand, local taste

To satisfy the preferences of consumers from different cultural backgrounds and regions, the Company adheres to its product strategy of "Global Brand, Local Taste," actively developing innovative meals and beverages tailored to local markets. In line with evolving consumer trends, the Company also regularly launches new products to attract customers across different age groups. In recent years, driven by the Korean Wave, Korean fried chicken has gradually become a popular dining choice. The Company's subsidiary, Kingza International, signed an exclusive master agency agreement for Taiwan with Kyochon F&B, the headquarters of Korea's "Kyochon Chicken," introducing "Kyochon Chicken," which is highly popular among Korean travelers. Featuring authentic flavors, exclusive sauces, and traditional preparation processes, the brand has successfully entered the Taiwan market and rapidly expanded its brand presence.

In addition, while many industry peers have gradually scaled down their operations in the China market, the Company has expanded its presence against the market trend through precise market insight. The Group's Hangzhou Ruili established a subsidiary with a 70% ownership stake, strategically targeting the East China bakery market. Currently, "Chunshang Pudding Cake" has successfully partnered with local strategic partners and officially launched its first physical store in China, formally entering the Chinese dessert market. Amid intense competition in the hand-shaken beverage industry, the Company has leveraged its forward-looking strategy of entering the East China bakery market prior to the pandemic. Through the successful establishment of physical stores, the Company is steadily strengthening its group revenue growth momentum and expanding its brand influence.

(4) Actively expanding operations through mergers and acquisitions

The Company continues to advance its "multi-brand strategy." Following the acquisition of 100% equity ownership of "Hanlin Tea Room" in January 2025, the Company successfully reinforced its leadership position in Taiwan's premium tea beverage market through resource integration. To further accelerate international expansion, the Group subsequently acquired 100% ownership and operating rights of "Germany BoBoQ GmbH" in January 2026.

BoBoQ is recognized as a pioneer in the European hand-shaken beverage market and possesses a mature local distribution network. This acquisition not only establishes a solid "European beachhead" for the Group, accelerating the expansion of its brands into major commercial districts in Germany and France, but also enables the Company to directly control local supply chain centers, effectively optimizing logistics costs and strengthening multinational operational resilience. Moving forward, the Company will continue leveraging merger and acquisition synergies to build a diversified food and beverage ecosystem with global competitiveness.

5. favorable and unfavorable factors for future development and corresponding strategies

(1) Favorable factors

A. Clear brand market positioning

The Company adopts a multi-brand strategy and actively establishes clear brand positioning to satisfy the diverse needs of different age groups and consumer segments. Its brands, including Chatime, Chunshang Pudding Cake, Bake Code, Engolili, and MerryPho, each offer differentiated products and services tailored to their respective product characteristics and target markets. This approach effectively reduces the risk of homogeneous competition among brands while generating cross-marketing synergies within the brand portfolio, thereby enhancing customer loyalty and diversifying revenue sources.

Among them, the core brand Chatime serves as the primary driver of the Company's global expansion. The brand currently operates more than 1,000 stores across 63 countries and regions worldwide, making it the Taiwanese hand-shaken tea brand with the broadest international presence. In recent years, Chatime has actively promoted brand revitalization and upgraded its technology-enabled tea beverage offerings, while deepening market penetration through localized flavor strategies to enhance brand competitiveness and operational performance. For example, in the Southeast Asian market, same-store sales in Indonesia have steadily recovered in recent years, demonstrating the initial success of the brand's strategic adjustments.

In the bakery and dessert segment, Chunshang Pudding Cake has been well received by consumers since its establishment. To date, the brand has expanded to 22 stores across Taiwan and has actively entered high-traffic locations such as high-speed rail stations, increasing brand visibility and diversifying sales channels, thereby further strengthening its position in the nostalgic dessert market.

Looking ahead, the Company will continue centering its strategy on clear brand positioning, optimizing its brand portfolio strategy, and expanding market penetration. Through technology-enabled operations and localized product development, the Company aims to further strengthen the competitive advantages of its brands in both domestic and international markets.

B. Significant global tea beverage business opportunities

According to forecasts by market research firm Grand View Research, the global tea beverage market is expected to achieve a compound annual growth rate (CAGR) of 8.9% from 2025 to 2033, demonstrating that the global tea beverage market possesses solid long-term growth potential. Leveraging innovative flavors, flexible business models, and culturally distinctive brand images, Taiwan's hand-shaken tea beverages have gradually expanded into international markets and become one of the most important cultural icons in the global beverage market.

Currently, several Taiwanese brands, including "Sharetea," "Kung Fu Tea," "CoCo Fresh Tea & Juice," and the Company's flagship brand "Chatime," have successfully expanded their overseas operations. In most cases, the number of overseas stores has already exceeded that of their domestic markets, validating the high level of international acceptance and market expansion potential of Taiwan's hand-shaken beverage.

In response to global market trends, the Company has also actively recruited senior management professionals with international market experience, focusing on the development and deep cultivation of mature markets such as Europe and the United States. At the same time, the Company continues strengthening localized brand management strategies and product diversification to better meet the preferences of consumers in different regions. Looking ahead, as global consumer acceptance of tea beverage culture continues to rise, the Company expects to continue expanding its presence in both emerging and existing markets, thereby driving steady revenue growth.

C. Actively expanding overseas business opportunities

The Company actively expands into overseas markets by adopting a "first-mover advantage" strategy, rapidly entering regions where Taiwanese tea and bubble milk tea products have not yet been widely introduced in order to establish brand recognition. Once local consumers accept and develop a preference for Chatime products, the brand becomes recognized as an authentic representative of bubble milk tea, significantly increasing the difficulty for later entrants to penetrate the market. To enhance overall revenue and corporate image, La Kaffa continues expanding its operational footprint through agency and licensing mechanisms combined with diversified marketing strategies, while leveraging established physical Chatime distribution channels in various countries to strengthen brand awareness and expand the Company's operational scale.

To further strengthen brand competitiveness, Chatime has undergone brand repositioning and introduced the brand promise "Cups of Joy," emphasizing inclusiveness, creativity, and a sense of community in order to attract Gen Z consumers worldwide. In addition, Chatime has actively collaborated with internationally recognized brands to launch co-branded products, including partnerships with Taiwan M&M's, Milo, Red Bull, and Demon Slayer: Kimetsu no Yaiba, introducing limited-time beverages to further enhance brand visibility and sales performance.

Through these strategies, the Company has successfully positioned Chatime as a globally leading bubble milk tea brand while continuously expanding its international market presence, enhancing brand value, and diversifying revenue sources.

D. Continuous growth in the dining-out population

With ongoing economic development and the accelerating pace of urban lifestyles, the global dining-out population continues to increase. In particular, the growing prevalence of dual-income households and single-person households has significantly increased demand for ready-to-eat meals and convenient food options. According to statistics released by Taiwan's Directorate-General of Budget, Accounting and Statistics, the proportion of household expenditures allocated to dining out in Taiwan has risen year by year, reflecting that dining out has become one of the primary dietary habits of Taiwanese consumers.

In response to this trend, the Company continues optimizing the product portfolios and store format strategies of its brands, while strengthening store service efficiency and meal quality. At the same time, the Company introduces more options that emphasize speed, health, and flavor in order to meet the lifestyle preferences of different consumer segments. Through the deployment of diversified dining scenarios and distribution touchpoints, the Company effectively expands market penetration and enhances consumer loyalty.

E. E. Keeping pace with the wave of digital transformation through platform-based operations

In response to the rapid digitalization of consumer behavior, the Company has actively embraced digital transformation by establishing an omnichannel digital operating framework. Its "Gourmet" APP integrates membership management, reward points programs, and real-time promotional campaigns to enhance customer experience and increase the frequency of brand interaction, successfully strengthening user loyalty and repeat purchase rates.

In addition, the Company has introduced Automatic Tea Machines (ATM) and data-driven backend management systems to achieve standardized store operations and real-time data monitoring, thereby improving beverage quality consistency and operational efficiency. Through technology adoption and platform-based operating strategies, the Company is gradually transforming itself from a traditional chain restaurant enterprise into a modern food and beverage group driven by both technology and branding, further strengthening its long-term competitive advantages in an increasingly competitive market.

(2) Unfavorable factors and countermeasures

A. Numerous competitors affecting pricing and market share

The take-out hand-shaken tea and chain restaurant industries have relatively low barriers to entry, resulting in a large number of brands, high product homogeneity, and the continuous emergence of new market entrants. As competition becomes increasingly intense, price wars have emerged in certain regional markets, compressing overall profit margins.

Countermeasures

The Company continues investing in product innovation and brand upgrades, establishing strong customer brand loyalty through differentiated product portfolios and localized menu development. On the other hand, by utilizing technology to introduce intelligent tea-making equipment and digital ordering platforms, the Company enhances operational efficiency and customer experience, thereby reducing sensitivity to price competition. At the same time, the Company actively operates its proprietary membership platform, "La Kaffa Gourmet," leveraging data analytics to provide personalized marketing and enhance lifetime value for customers.

B. Human resource challenges and high employee turnover rates

The food and beverage service industry is labor-intensive in nature, with frontline positions often involving shift work and long working hours. As declining birth rates and changing labor values among younger generations continue to reshape the workforce, recruiting talent has become increasingly difficult, while employee turnover rates remain relatively high, posing challenges to operational stability. As the food and beverage service industry is people-oriented, products and service experiences that exceed customer expectations ultimately rely on the proper execution of employees. Therefore, enhancing workforce stability and improving workplace attractiveness have become critical factors for sustainable business operations and competitiveness. Alongside evolving social values and rising labor awareness, establishing a friendly workplace culture and comprehensive training systems has become an essential approach to improving employee retention rates.

Countermeasures

The Company continues optimizing its employee training mechanisms and career development systems by strengthening internal promotion opportunities and diversified incentive programs to enhance employee loyalty and retention willingness. In addition, the Company actively collaborates with vocational and technical schools to promote industry-academia internship and workplace experience programs, proactively cultivating future talent pipelines and strengthening the replenishment of frontline manpower resources.

At the same time, the Company has introduced intelligent equipment and standardized operating procedures to reduce labor burdens and improve operational efficiency, thereby further enhancing working conditions. To address workforce sourcing challenges, the Company has also formulated diversified talent recruitment strategies by expanding recruitment channels and actively employing new immigrants and overseas Chinese students, thereby establishing an inclusive and flexible team structure to strengthen overall human resource resilience.

C. Increasing overseas market control risks as operational scale expands

The number of the Company’s overseas stores has exceeded those in Taiwan, demonstrating that its global market deployment has already reached a considerable scale. However, as overseas operations continue to expand, the complexity of overall operations and management has also increased due to institutional differences among countries, including food import and export regulations, operating standards, legal restrictions, and tax systems. In addition, amid recent global macroeconomic pressures and weakened consumer spending momentum, the revenue performance of certain overseas markets has faced challenges, placing greater demands on the Company’s flexibility in multinational operations and its risk management capabilities.

According to market research forecasts, although the global economy is expected to show moderate recovery in 2025, uncertainties such as inflationary pressures, geopolitical risks, and uneven regional growth are expected to persist. Consumer confidence and purchasing power are anticipated to recover in certain markets, providing potential momentum for the Company's long-term growth in overseas markets. In response to changes in the external environment, the Company will continue optimizing resource allocation, adjusting operational strategies, and strengthening the responsiveness of regional markets in order to steadily advance its global expansion while enhancing overall market resilience and operational stability.

Countermeasures

The Company has established a dedicated international business division and developed regional management structures based on the characteristics of each market, thereby strengthening regulatory compliance and operational risk management for overseas locations. At the same time, the Company continues conducting food safety inspections and certification procedures in various countries to ensure that product import/export activities and store operations comply with applicable regulatory standards.

To reduce risks arising from cultural and management differences, the Company has established long-term strategic partnerships with local agents and utilizes professional local operating teams to promote brand localization, strengthen quality control, and enhance customer service, thereby effectively improving market operational resilience. In addition, the Company regularly holds annual agent conferences as an important platform for deepening cooperation, communicating brand management strategies, sharing operational achievements, and optimizing business strategies, while strengthening communication and connections between headquarters and partners across various regions worldwide.

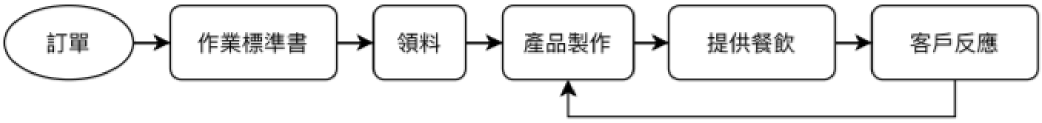
Going forward, the Company will continue optimizing resource allocation and distribution channel strategies based on the performance of individual markets, while steadily advancing the development of its globalization strategy.

(II) Major uses and production processes of principal products

1. Major uses of principal products:

The Company's current principal product brands include Chatime (hand-shaken beverages), Chunshang Pudding Cake (traditional pudding cakes), Bake Code (bakery products), Engolili (British-style light meals), and MerryPho (American-style Vietnamese cuisine). By integrating technology-driven operating models with digital marketing strategies, the Company is committed to promoting Taiwan's distinctive culinary culture to global markets, enabling consumers around the world to experience diversified food and beverage services from Taiwan.

2. Production processes of principal products:



訂單	Orders
領料	Material picking
提供餐飲	Serving food & beverage
作業標準書	Standard working manual
產品製作	Production
客戶反應	Customer Feedback

(III) Supply status of major raw materials:

The Company’s principal raw materials include tea leaves, tapioca pearls, milk tea powder, and concentrated fruit juice, all of which are stably supplied by long-term cooperative suppliers. Over the years, the Company has maintained strong cooperative relationships with its suppliers based on deep mutual trust. As a result, the overall supply of raw materials has remained stable, with no significant shortages or delivery delays occurring, thereby helping ensure product quality and operational continuity. The supply status of each major raw material is summarized in the table below:

Major raw materials	Supply status
Tea Leaves	Good
Tapioca pearls	Good
Milk tea powder	Good
Concentrated juice	Good

(IV) Major suppliers and customers:

1. Names of suppliers accounting for more than 10% of total purchase amount in either of the most recent two years, together with their purchase amounts and percentages, and explanations for changes and fluctuations thereof:

Unit: NT$ thousands

	2024				2025			
Item	Name	Amount	Percentage of annual net purchases (%)	Relationship with the issuer	Name	Amount	Percentage of annual net purchases (%)	Relationship with the issuer
1	Supplier A	237,504	15.07	-	Supplier A	233,372	15.89	-
2	Others	1,338,627	84.93	-	Others	1,235,408	84.11	-
	Net purchases	1,576,131	100.00	-	Net purchases	1,468,780	100.00	-

Reason for changes and fluctuations: The changes were primarily attributable to pricing and quality considerations, as well as adjustments in response to changes in market demand.

2. Names of customers accounting for more than 10% of total purchase amount in either of the most recent two years, together with their purchase amounts and percentages, and explanations for changes and fluctuations thereof:

Unit: NT$ thousands

	2024				2025			
Item	Name	Amount	Percentage of annual net sales (%)	Relationship with the issuer	Name	Amount	Percentage of annual net sales (%)	Relationship with the issuer
1	Customer A	-	-	-	Customer A	-	-	-
2	Others	4,013,618	100.00	-	Others	4,299,913	100.00	-
	Net sales	4,013,618	100.00	-	Net sales	4,299,913	100.00	-

Reason for changes and fluctuations: There were no significant changes in the Company’s major customers in 2025 and 2024.

III. Employee information for the most recent two years and as of the date of publication of the annual report

Unit: Persons

Year		2024	2025	As of March 31, 2026
Number of employees	Administrative personnel	273	302	315
	Full-time store personnel	487	780	804
	Part-time store personnel	852	1,273	1,273
	Total	1,612	2,355	2,392
Average age		32.07	32.06	32.17
Average years of service		3.11	3.07	3.18
Educational background distribution (%)	Master's degree (and above)	2.36	2.0	2.17
	College / university	50	53.63	53.43
	Senior high school	44.42	41.32	41.43
	Below senior high school	3.22	3.05	2.97
Total		100	100	100

IV. Environmental protection expenditure information

The Company operates in the food and beverage service industry, where its principal materials mainly consist of food ingredients, some of which are non-renewable resources. To implement environmental sustainability principles and fulfill its corporate social responsibilities, the Company actively promotes energy conservation, carbon reduction, and resource optimization across all aspects of its operations, continuously enhancing its environmental protection performance.

The Company operates a central kitchen primarily used for the centralized production of bakery products under brands such as "Bake Code." Through this centralized production model, the Company not only improves raw material utilization efficiency, but also effectively reduces carbon emissions generated from packaging consumption and logistics transportation. At the same time, the central kitchen utilizes energy-efficient ovens and high-efficiency ventilation systems, while optimizing baking processes to reduce energy loss.

In terms of packaging, the Company has gradually introduced recyclable and environmentally friendly packaging materials, while moving toward simplified packaging designs and plastic reduction initiatives in order to reduce resource waste and environmental impact. Going forward, the Company will continue investing in environmental protection equipment, strengthening waste classification management, and adjusting internal production processes and operating methods in response to regulatory trends, thereby implementing green operations and sustainable development objectives.

(I) Description of applications, payments, or establishment status where the Company is required by law to obtain pollution facility installation permits, pollution discharge permits, pay pollution prevention and control fees, or establish dedicated environmental protection units or personnel: The Company has duly filed its industrial waste disposal plan in accordance with applicable regulations and has paid the required recycling, removal, and disposal fees.

(II) Description of the Company’s major investments in environmental pollution prevention equipment, including their purposes and expected benefits:

Unit: NT$

<table>
<tr><th>Equipment name</th><th>Quantity</th><th>Acquisition date</th><th>Investment cost</th><th>Purpose and expected benefits</th></tr>
<tr><td>Grease traps and drainage equipment</td><td>10 sets</td><td rowspan="3">Based on the establishment date of each store</td><td>241,500</td><td>To separate grease and other insoluble substances from discharged wastewater in order to prevent food residue and grease from polluting drainage systems.</td></tr>
<tr><td rowspan="2">Water-wash and electrostatic fume exhaust equipment</td><td>3 sets</td><td>253,250</td><td rowspan="2">To reduce the discharge of oil fumes and odors that may pollute the air.</td></tr>
<tr><td>7 sets</td><td>443,000</td></tr>
</table>

(III) Description of the Company’s environmental pollution improvement efforts during the most recent two years and up to the date of publication of the annual report; if any environmental pollution disputes occurred, the handling thereof shall also be explained: None.

(IV) Losses incurred by the Company due to environmental pollution during the most recent two years and up to the date of publication of the annual report (including compensation and violations identified through environmental protection inspections, with required disclosure of the penalty date, reference number, violated legal provisions, details of the violation, and penalty details), together with the estimated amounts of current and future potential losses and corresponding countermeasures; if such amounts cannot be reasonably estimated, the reasons therefor shall be explained: On May 6 and May 19, 2025, under reference numbers 30-114-050009 and 30-114-050016, respectively, wastewater discharged from the grease trap within the Company’s central kitchen was found to have polluted water bodies. As the entire county had been designated as a water pollution control zone on June 12, 2014, the incident was deemed to have violated Article 30, Paragraph 1, Subparagraph 2 of the Water Pollution Control Act. Accordingly, the Company was fined a total amount of NT$60,000.

(V) Current pollution conditions and their impact on the Company's earnings, competitive position, and capital expenditures, as well as the Company's projected material environmental protection capital expenditures for the next two years: None.

V. Labor-management relations

(I) Employee welfare measures, further education, training, retirement systems and their implementation status, as well as labor-management agreements and measures for safeguarding employee rights and interests:

1. Employee welfare measures

(1) Remuneration and bonus system: Based on employees' performance evaluations, the Company provides diversified incentive programs, including referral bonuses, performance achievement bonuses, year-end bonuses, and internal competition bonuses. In addition, the Company has established an employee stock option program, enabling employees to share in the Company's growth and success.

(2) Employee insurance and protection: The Company provides comprehensive insurance coverage for employees, including labor insurance, national health insurance, labor pension contributions, group accident and medical insurance, and overseas business travel insurance.

(3) Various subsidies: Managed by the Employee Welfare Committee, these benefits include holiday gifts and bonuses, marriage, funeral and childbirth incentives, as well as childbirth subsidies, thereby enhancing employees' overall well-being and job satisfaction.

(4) Team-building activities: To promote employee interaction and teamwork, the Company regularly organizes activities such as Happy Hour afternoon tea gatherings, departmental dinners, domestic and overseas travel programs, year-end banquet events, and family day activities, thereby strengthening team cohesion and enhancing emotional connections among employees.

(5) Health examination system

A. Headquarters personnel: Regular health examinations are arranged every two years and conducted by professional health examination institutions during the first quarter. Additional examination items are arranged for senior executives based on specific needs to ensure the physical and mental well-being of management personnel.

B. Store personnel: Each employee undergoes annual catering-related health examinations at designated health examination centers. In accordance with applicable regulations, employees under the age of 40 are required to renew general health examinations every five years; employees aged 40 (inclusive) to 65 are required to renew general health examinations every three years; and employees aged 65 and above are required to renew general health examinations annually. The Company also determines each year, when conducting catering-related health examinations, whether employees meet the statutory age requirements for simultaneously undergoing general health examinations.

2. Further education and training

The Company provides diversified internal and external education and training opportunities aimed at assisting employees in career development, achieving mutual growth between employees and the Company, and establishing a solid foundation for the Company's sustainable operations and development.

(1) Training for store personnel

Store personnel receive systematic professional skills training accompanied by assessment mechanisms to ensure service quality and work efficiency. Training content includes operational procedures, customer service skills, product knowledge, and occupational safety and hygiene, helping employees become familiar with operational practices and enhance practical capabilities. For newly hired personnel, the Company also arranges comprehensive orientation training programs covering the Company's organizational structure, service standards, and operating procedures, assisting employees in quickly adapting to the workplace environment and integrating smoothly into the team.

(2) Training for headquarters management personnel

The Company has established systematic management training programs for headquarters management employees, covering topics such as leadership and supervision, project management, and cross-departmental collaboration. These programs are designed to strengthen management leadership capabilities and decision-making efficiency while improving overall operational effectiveness. For newly hired personnel, the Company also arranges comprehensive onboarding training covering Company policies, internal system operations, corporate culture orientation, and workplace safety regulations, helping employees quickly adapt to the working environment and integrate into the organizational culture.

In addition, the Company encourages employees to participate in external professional courses based on job competency requirements and individual career development objectives. Course topics cover diverse fields including R&D technologies, product safety, labor regulations, and sustainability management, thereby broadening professional perspectives, strengthening professional competencies, and establishing a solid foundation for future career development.

3. Retirement system and implementation status:

   To provide retirement protection for employees, promote harmonious labor-management relations, and improve work efficiency, the Company has established a retirement system in accordance with the Labor Pension Act. The Company contributes 6% of employees' insured monthly salaries, based on applicable salary grading levels, to employees' individual pension accounts maintained by the Bureau of Labor Insurance each month. Upon retirement, employees may receive pension benefits in the form of monthly pension payments or lump-sum pension payments based on the balance and accumulated investment earnings in their individual pension accounts. Employees are also entitled to various social welfare benefits after retirement.

4. Labor-management agreements and measures for safeguarding employee rights and interests

   In accordance with the Labor Standards Act and other applicable labor laws and regulations, the Company enters into employment contracts with employees and has established clear work rules and internal management policies specifying employees' working conditions, rights and obligations, and welfare measures in order to protect the rights and interests of both parties. The Company places great importance on the harmonious development of labor-management relations. All management policies are regularly reviewed and updated in accordance with applicable laws, and formal communication mechanisms are maintained to listen to employee opinions and handle grievance matters, ensuring that labor and management can maintain stable cooperation based on fairness, respect, and mutual trust.

(II) Losses incurred by the Company due to labor-management disputes during the most recent fiscal year and up to the date of publication of the annual report (including violations of the Labor Standards Act identified through labor inspections, with required disclosure of the penalty date, reference number, violated legal provisions, details of the violation, and penalty details), together with estimated amounts of current and future potential losses and corresponding countermeasures; if such amounts cannot be reasonably estimated, the reasons therefor shall be explained:

The Company follows the Labor Standards Act as the governing principle for labor-management relations and adopts a people-oriented management approach in its operations and administration. Accordingly, labor and management relations have remained harmonious, and during the most recent two years and up to the date of publication of the annual report, no labor-management disputes have occurred that materially affected the Company's operations.

VI. Information security management

In accordance with the "Cyber Security Management Act" and relevant information security standards, the Company has established a comprehensive information security risk management framework and appointed information security supervisors and dedicated personnel responsible for the formulation, review, and supervision of information security policies. These measures ensure effective control of information security risks and enhance the Company's overall operational resilience.

To strengthen information security management, the Company integrates internal resources to centrally plan, coordinate, and supervise various information security policies, management measures, and operational mechanisms, thereby ensuring the effectiveness and consistency of implementation standards. The information management department is responsible for formulating information security policies, plans, and technical specifications, while also promoting the implementation and evaluation of security technologies.

Each information system responsible unit is required to closely cooperate with system user departments to regularly review system security requirements, conduct risk assessments, and implement protective measures. The internal audit unit is responsible for auditing and monitoring the execution and effectiveness of information security operations and management practices to ensure proper implementation and supervision of the system. In addition, regular or ad hoc information security audits are conducted for information operations across various departments to proactively identify and improve potential risks. Furthermore, each department is required to assign appropriate personnel to handle information security-related matters based on actual business needs, ensuring clear allocation of information security management responsibilities and effective execution thereof.

1. Information security policy

   To promote the implementation of the information security management system and establish a secure and reliable electronic operating environment, the Company is committed to ensuring the confidentiality, integrity, and availability of critical information assets, while also ensuring the stable operation of information systems and services in compliance with applicable regulatory requirements. The Company has established the following specific information and cybersecurity policy objectives:

   (1) Information confidentiality To ensure that information generated during the Company's operations, R&D, sales, and service activities is accessible only to authorized personnel, thereby preventing data leakage or unauthorized use and ensuring that confidential business information is not disclosed.
   (2) Information integrity The Company prevents information from being subject to unauthorized modification, destruction, or loss, thereby ensuring the accuracy and completeness of data in order to maintain operational accuracy and smooth business operations.
   (3) Information availability: The Company strengthens the stability and sustainable operational capabilities of information systems and resources, reduces the risk of system failures or business interruptions, ensures uninterrupted business operations, and enhances overall operational effectiveness.
   (4) Regulatory compliance and risk management: The Company ensures that all information processing procedures are carried out in accordance with information security-related laws and regulations, policies, and international standards. In addition, the Company implements rigorous internal risk management measures to reduce operational risks and ensure the continuity, legality, and compliance of business operations.

2. Specific information security policy implementation measures

In accordance with risk-oriented principles, the Company has planned and implemented a series of information security management measures to ensure the security of the Company's information assets and further strengthen the protection capabilities of its information systems. The specific management measures are as follows:

(1) Personnel and education training management: To enhance all employees' information security awareness and response capabilities, all employees who use information systems are required to participate in annual information security awareness programs and training courses. In addition, information security supervisors and dedicated personnel regularly participate in professional information security courses and practical training to ensure that they possess up-to-date information security knowledge and response capabilities.

(2) Information system inventory and risk assessment: The Company regularly conducts inventories of critical information assets and performs risk assessments on various information and communication systems to identify potential information security risks. Based on the assessment results, the Company formulates corresponding control measures and preventive plans to continuously strengthen its information security protection capabilities.

(3) System security implementation and maintenance: The Company has established various security protection mechanisms, including intrusion detection systems, firewalls, and vulnerability scanning systems. In addition, the Company ensures that information security patching and maintenance work are regularly carried out to prevent external attacks and internal vulnerabilities.

(4) Information security incident reporting and response: The Company has established a comprehensive information security incident response process and clearly defined reporting mechanisms and response power and responsibilities. Regular response drills are conducted to verify the effectiveness of response capabilities and procedures, ensuring that information security incidents can be handled rapidly and effectively when they occur.

(5) Information security performance and continuous improvement: Through internal audits, information security performance indicators, and annual review meetings, the Company continuously reviews and optimizes its information security management system and implementation effectiveness, while continuously improving information security protection measures to enhance overall security standards.

(6) Social engineering exercises and password management: The Company conducts regular email-based social engineering exercises each year and provides retraining programs for employees who mistakenly open emails or links, while retaining relevant records. In addition, the Company has established stringent information security account and password management requirements, including rules governing default passwords, password length, password complexity, password history records, password validity periods, and account lockout mechanisms for failed login attempts. The Company also evaluates the adoption of multi-factor authentication technologies for core information and communication systems.

(7) Protection measures for confidential and sensitive data: The Company has established appropriate protection measures for the processing and storage of confidential and sensitive data, including physical isolation, dedicated computer operating environments, strict access control mechanisms, data encryption, transmission encryption, and data masking. All relevant personnel are required to comply with data processing regulations to ensure the security of confidential and sensitive data.

(8) Network security and environment segregation Based on network service requirements, the Company has segregated its internal and external networks into independent logical domains (such as DMZs) and ensures separation among development, testing, and production environments. In addition, corresponding information security control measures have been established for different operating environments to ensure the security of each system environment.

3. Resources invested in information security management

(1) The Company arranges for employees to participate in at least one external information security education training program or seminar each year in order

to enhance employees' professional information security knowledge and response capabilities, ensuring that all employees maintain a high level of awareness regarding information security matters.

(2) The Company has joined the Taiwan Computer Emergency Response Team/Coordination Center (TWCERT) and regularly receives threat intelligence information to promptly identify and remediate security vulnerabilities within its systems. This strengthens the timeliness and effectiveness of the Company's information security protection measures and further safeguards the security of the Company's information assets.

(3) To ensure the continued effectiveness of information security management policies and measures, the Company regularly conducts internal and external information security audits to comprehensively examine potential risks and implement improvements based on audit results. Through these audit activities, the Company continuously optimizes its information security management system and ensures appropriate risk control.

(4) The Company has implemented multi-factor authentication mechanisms to strengthen identity verification procedures, prevent unauthorized system access, and enhance the overall level of information security protection.

The Company continues strengthening its information security management system and actively enhancing the information security awareness and protection capabilities of all employees. In 2025, the Company completed the following information security education training and testing:

(1) Training results for information security supervisors and dedicated personnel

The Company's information security supervisors and dedicated personnel completed the following information security-related online courses offered by the Taiwan Academy of Banking and Finance:

① "The Impact of AI on Information Security and Corresponding Countermeasures (E-Course)"

② "Hacker Attack Methods and Key Defense Measures (E-Course)"

③ "Information Security Offensive and Defensive Techniques, Incident Response, and Remedial Measures (E-Course)"

Through these training programs, the Company strengthened professional information security management expertise and enhanced information security incident response and risk management capabilities.

(2) Results of employee information security testing and remedial training

In 2025, the Company conducted social engineering exercises to assess employees' abilities to identify and prevent information security threats. A total of 13 employees failed the initial assessment. In response, the Company immediately arranged remedial information security training and completed the following courses:

① "Basic Information Security Awareness Course"

② "Basic Information Security Concepts Course"

A total of 13 training sessions were completed, effectively enhancing employees' awareness of information security risks and corresponding protective measures.

The Company will continue promoting information security education training and simulation exercises in order to enhance the information security literacy of all employees and implement its information security management objectives.

As of the date of publication of the annual report, the Company has not incurred any losses arising from material information security incidents.

VII. Material contracts

Nature of contract	Party involved	Contract term	Main content	Restrictive clauses
Agency agreement	Chatime Australia Pty. Ltd.	2018/04/04–2038/04/03	Australia	None
Agency agreement	Company A	2011/08/12–2026/08/11	Indonesia	None
Agency agreement	Company D	2015/02/10–2035/12/31	Philippines	None
Agency agreement	ATOM Food International Pte. Ltd.	2013/12/05–2033/12/04	Agency agreement for the Ginza Anzu Tonkatsu (well-known brand)	Confidentiality clause, non-compete clause
Agency agreement	Eat & International Co., Ltd.	2016/10/31–2026/10/31	Agency agreement for the Osaka Ohsho (well-known brand)	Confidentiality clause, non-compete clause
Agency agreement	GOLIP CO., LTD	2018/05/25–2028/05/24	Agency agreement for the Kyoto Katsugyu (well-known brand)	Confidentiality clause, non-compete clause
Agency agreement	Oasis Catering Management Consulting Co., Ltd.	2019/04/22–2024/04/21 (Note)	Taiwan regional brand authorization and technology transfer agreement for Taiyotomato	Confidentiality clause, non-compete clause
Agency agreement	Muzhake Consulting Co., Ltd.	2016/07/29–2041/07/31	Agency authorization for the Duan Chun Zhen brand	Confidentiality clause, non-compete clause
Agency agreement	Muzhake Consulting Co., Ltd.	2017/05/08–2027/05/07	Brand authorization and technology transfer agreement for Duan Chun Zhen in Mainland China (limited to Shanghai / Beijing / Guangzhou)	None
Agency agreement	SAIGON TASTE, INC.	2018/10/15–2038/10/14	Agency authorization for the Pho Rowland Vietnamese cuisine brand	Confidentiality clause, non-compete clause
Agency agreement	KYOCHON F&B CO.,LTD.	2023/03/06–2028/03/05	Agency authorization for the Korean Kyochon Chicken brand	Confidentiality clause, non-compete clause
Guarantee agreement	KYOCHON F&B CO.,LTD.	2023/03/06–2028/03/05	Guarantee that subsidiary Kingza Company will perform the Korean Kyochon Chicken brand agency agreement in accordance with the contract	None
Loan agreement	E.SUN Commercial Bank	2016/11–2036/11	Real estate acquisition financing agreement	None

Note: Oasis F&B Consulting Company Limited has notified the Company that the agreement will not be renewed, and the final store ceased operations on February 29, 2024.

Five. Review and analysis of financial condition, financial performance, and risk matters

I. Financial condition: Major causes of and impacts arising from significant changes in assets, liabilities, and equity during the most recent two years. If the impact is material, the Company shall also explain its future response plans.

(I) Financial condition—international financial reporting standards (consolidated)

Unit: NT$ thousands

Item \ Year	2025	2024	Difference	
			Amount	%
Current assets	2,623,793	2,225,524	398,269	17.90
Investments accounted for using the equity method	107,453	121,812	(14,359)	(11.79)
Property, plant and equipment	700,171	621,064	79,107	12.74
Right-of-use assets	706,180	538,320	167,860	31.18
Intangible assets	1,080,730	794,796	285,934	35.98
Other assets	905,204	851,727	53,477	6.28
Total assets	6,123,531	5,153,243	970,288	18.83
Current liabilities	2,369,984	1,210,138	1,159,846	95.84
Non-current liabilities	1,549,775	1,583,485	(33,710)	(2.13)
Total liabilities	3,919,759	2,793,623	1,126,136	40.31
Common stock	465,186	465,186	-	-
Capital surplus	1,179,636	1,238,061	(58,425)	(4.72)
Retained earnings	330,024	370,986	(40,962)	(11.04)
Other equity	(26,416)	(19,990)	(6,426)	32.15
Non-controlling interests	433,086	402,074	31,012	7.71
Treasury shares	(177,744)	(96,697)	(81,047)	83.82
Total equity	2,203,772	2,359,620	(155,848)	(6.60)

Items with changes of more than 20% over the most recent two years and with fluctuation amounts exceeding NT$10 million:

1. Increase in right-of-use assets: Primarily attributable to higher rental expenses for newly added stores of Kingza Company in 2025 and the addition of the Hanlin subsidiary.
2. Increase in intangible assets: Primarily attributable to the addition of the Hanlin subsidiary in 2025 and the addition of the Yangxin subsidiary by Kingza Company.
3. Increase in current liabilities: Primarily attributable to an increase in short-term borrowings and the reclassification of the third unsecured convertible bonds into long-term liabilities due within one year.
4. Increase in treasury shares: Primarily attributable to treasury share repurchases in 2025.

The above changes were attributable to normal business operations and did not have any material impact on the Company's financial condition.

(II) Financial condition—international financial reporting standards (separate)

Unit: NT$ thousands

Item \ Year	2025	2024	Difference	
			Amount	%
Current assets	1,133,215	689,049	444,166	64.46
Investments accounted for using the equity method	1,808,833	1,616,035	192,798	11.93
Property, plant and equipment	231,425	236,072	(4,647)	(1.97)
Right-of-use assets	93,396	103,657	(10,261)	(9.90)
Investment property	47,461	47,968	(507)	(1.06)
Intangible assets	20,671	22,586	(1,915)	(8.48)
Other assets	413,852	221,057	192,795	87.22
Total assets	3,748,853	2,936,424	812,429	27.67
Current liabilities	1,308,165	282,500	1,025,665	363.07
Non-current liabilities	670,002	696,378	(26,376)	(3.79)
Total liabilities	1,978,167	978,878	999,289	102.09
Common stock	465,186	465,186	-	-
Capital surplus	1,179,636	1,238,061	(58,425)	(4.72)
Retained earnings	330,024	370,986	(40,962)	(11.04)
Other equity	(26,416)	(19,990)	(6,426)	32.15
Treasury shares	(177,744)	(96,697)	(81,047)	83.82
Total equity	1,770,686	1,957,546	(186,860)	(9.55)

Items with changes of more than 20% over the most recent two years and with fluctuation amounts exceeding NT$10 million:

1. Increase in current assets: Primarily attributable to an increase in short-term borrowings of $460,000 thousand.
2. Increase in other assets: Primarily attributable to the $73,526 thousand prepaid investment for BoBoQ in 2025 and the Company's deposit of $110,700 thousand with the court in accordance with a court ruling in connection with litigation initiated by Soaring Elite Limited, a British Virgin Islands company.
3. Increase in current liabilities: Primarily attributable to an increase in short-term borrowings and the reclassification of the third unsecured convertible bonds into long-term liabilities due within one year.
4. Increase in treasury shares: Primarily attributable to treasury share repurchases in 2025.

The above changes were attributable to normal business operations and did not have any material impact on the Company's financial condition.

II. Financial performance: Major causes of significant changes in operating revenue, operating profit, and profit before tax during the most recent two years, as well as projected sales volume and the basis thereof, the potential impact on the Company's future financial and business operations, and corresponding response plans.

(I) Comparative analysis of financial performance

1. Comparative analysis of operating results – International Financial Reporting Standards (consolidated)

Unit: NT$ thousands

Item \ Year	2025	2024	Difference	
			Amount	%
Operating revenue	4,299,913	4,013,618	286,295	7.13
Operating costs	2,079,824	1,958,787	121,037	6.18
Gross profit	2,220,089	2,054,831	165,258	8.04
Realized (unrealized) gains from transactions with associates	299	(320)	619	(193.44)
Operating expenses	2,078,099	1,820,864	257,235	14.13
Net other income and expenses	(2,175)	(4,314)	2,139	(49.58)
Operating profit	140,114	229,333	(89,219)	(38.90)
Non-operating income and expenses	(70,483)	35,448	(105,931)	(298.83)
Profit before tax	69,631	264,781	(195,150)	(73.70)
Income tax expense	5,576	47,898	(42,322)	(88.36)
Net profit for the year	64,055	216,883	(152,828)	(70.47)

Items with changes of more than 20% over the most recent two years and with fluctuation amounts exceeding NT$10 million:

1. Decrease in operating profit, non-operating income and expenses, profit before tax, and net profit for the year: Primarily attributable to the addition of the Hanlin subsidiary in 2025, increases in the operating expenses of Kingza Company, and losses arising from the disposal valuation of Botrista and Pushe Jinghua, as well as impairment losses recognized for Mega Harvest Company.

2. Comparative analysis of operating results – International Financial Reporting Standards (separate)

Unit: NT$ thousands

Year / Item	2025	2024	Difference	
			Amount	%
Operating revenue	1,003,929	1,259,910	(255,981)	(20.32)
Operating costs	467,707	588,194	(120,487)	(20.48)
Gross profit	536,222	671,716	(135,494)	(20.17)
Realized (unrealized) gains from subsidiaries and associates	3,801	5,416	(1,615)	(29.82)
Operating expenses	491,490	477,924	13,566	2.84
Net other income and expenses	(1,562)	(20)	(1,542)	7,710
Operating profit	46,971	199,188	(152,217)	(76.42)
Non-operating income and expenses	(15,702)	56,269	(71,971)	(127.91)
Profit before tax	31,269	255,457	(224,188)	(87.76)
Income tax expense	(18,970)	36,859	(55,829)	(151.47)
Net profit for the year	50,239	218,598	(168,359)	(77.02)
Items with changes of more than 20% over the most recent two years and with fluctuation amounts exceeding NT$10 million: 1. The decrease in operating revenue was primarily due to reduced sales revenue from raw materials and other products in the current year. 2. Decrease in non-operating income and expenses, profit before tax, and net profit for the year: Primarily attributable to foreign exchange gains and losses for the current year, as well as valuation losses arising from the disposal of Botrista and Pushe Jinghua.				

(II) Projected sales volume and the basis thereof, the potential impact on the Company’s future financial and business operations, and corresponding response plans:

The Company formulates store expansion plans based on industry conditions and future market supply and demand trends. Taking into consideration capacity planning and past operating performance, the Company establishes annual sales targets and expands markets in phases in preparation for future operational growth, while prudently evaluating and planning the funding required for store expansion and operations.

III. Cash flows: Analysis and explanation of changes in cash flows during the most recent year, improvement plans for insufficient liquidity, and analysis of cash liquidity for the coming year.

(I) Analysis and explanation of changes in cash flows during the most recent year (2025)

Unit: NT$ thousands

Beginning cash balance (1)	Net cash flows from operating activities for the year (2)	Net cash inflows (outflows) for the year (3)	Cash surplus (shortfall) amount (1)+(2)+(3)	Remedial measures for cash shortfall	
				Investment plan	Financing plan
1,176,629	241,579	(359,600)	1,058,608	Not applicable	Not applicable
Analysis of cash flow changes in 2025: 1. Operating activities: The Company continued to generate positive net cash inflows from profitable operations. 2. Investing activities: Primarily attributable to capital expenditures related to the acquisition of property, plant and equipment for expanding operating locations, as well as increases in long-term equity investments. 3. Financing activities: Primarily attributable to the distribution of cash dividends and the obtaining of bank borrowings.					

(II) Improvement plans for insufficient liquidity: Not applicable.

(III) Analysis of cash liquidity for the coming year (2026):

Unit: NT$ thousands

Beginning cash balance (1)	Estimated net cash flows from operating activities for the year (2)	Estimated cash inflows (outflows) for the year (3)	Cash surplus (shortfall) amount (1)+(2)+(3)	Remedial measures for cash shortfall	
				Investment plan	Financing plan
1,611,788	110,356	(17,100)	1,705,044	Not applicable	Not applicable
1. Analysis of cash flow changes for the coming year: (1) Operating activities: Primarily attributable to the expectation that operating performance will remain stable and continue generating net cash inflows. (2) Investing activities: Primarily attributable to anticipated capital expenditures related to the acquisition of property, plant and equipment for expanding operating locations, as well as income tax payments. (3) Financing activities: Primarily attributable to the estimated net effect of cash dividend distributions and bank borrowings. 2. Remedial measures for estimated cash shortfalls and liquidity analysis: Not applicable.					

IV. Impact of material capital expenditures during the most recent year on the Company's financial and business operations

1. Utilization of material capital expenditures and sources of funding: None.
2. Expected benefits that may be generated: Not applicable.

V. Investment policies in affiliated enterprises during the most recent fiscal year, the primary causes of profits or losses therefrom, improvement plans, and investment plans for the coming year

In 2022, the Company made reinvestments in chain restaurant operations in the United States through its Australian subsidiary. However, as the business remained in its early development stage and had not yet achieved economies of scale, losses were recognized during the period. In addition, competition in the China market has become increasingly intense, particularly in the hand-shaken beverage segment, resulting in business expansion performance falling short of expectations. In response to changes in market conditions, the Company shifted the investment to Hangzhou Chunshang Pudding Catering Management Co., Ltd. through Ruili Company in 2024, adjusting its operating model and business strategies in anticipation of improving market performance through the new operating approach.

In recent years, the Company has actively expanded into overseas markets and invested considerable resources and efforts. However, due to the rapidly changing international market environment, the overall results did not meet expectations. Following prudent evaluation by the management team, the Company decided to adjust its business strategies by refocusing operational priorities and resources on strengthening core brand competitiveness and enhancing operational stability, thereby ensuring the Company's long-term healthy development.

Looking ahead, the Company will continue monitoring industry trends and market developments while evaluating opportunities to introduce high-quality food and beverage businesses with growth potential and alignment with the Company's brand positioning through strategic mergers, acquisitions, or reinvestments. Through these efforts, the Company aims to expand its business footprint, enhance overall revenue momentum, and advance toward diversified operations and sustainable growth objectives.

VI. Analysis and evaluation of risk matters

(I) Risk factors

1. Impact of interest rate fluctuations, exchange rate fluctuations, and inflation during the most recent year and up to the date of publication of the annual report on the Company's profit and loss, and future response measures thereof

Unit: NT$ thousands

Item	2025		2024	
	Amount	Percentage of operating revenue (%)	Amount	Percentage of operating revenue (%)
Interest income	13,144	0.31	17,130	0.43
Interest expense	52,933	1.23	40,025	1.00
Net exchange gain	921	0.02	14,367	0.36
Operating revenue	4,299,913	-	4,013,618	-

(1) Impact of interest rate fluctuations

The Company’s interest income amounted to $13,144 thousand and $17,130 thousand in 2025 and 2024, respectively, representing 0.31% and 0.43% of operating revenue. Interest expenses amounted to $52,933 thousand and $40,025 thousand, respectively, accounting for 1.23% and 1.00% of operating revenue. The increase in interest expense in 2025 compared with the previous year was primarily attributable to the issuance of the fourth domestic unsecured convertible bonds and the related interest compensation accrued for the exercise of the put option on the third domestic unsecured convertible bonds. Overall, the proportions of interest income and interest expense relative to operating revenue remain relatively low. Therefore, even in the event of interest rate fluctuations, no material impact is expected on the Company’s overall operations.

The Company’s operations are primarily funded by its own capital, and the Company maintains favorable credit relationships with its correspondent banks. Going forward, the Company will closely monitor interest rate fluctuations and global economic development trends, actively negotiate with its correspondent banks for the most favorable interest rates, and adopt necessary measures in a timely manner to mitigate the risks arising from interest rate increases.

(2) Impact of exchange rate fluctuations

Most of the Company’s product sales are export-oriented, with foreign currency transactions primarily denominated in U.S. dollars. Net exchange gains in 2025 and 2024 amounted to $921 thousand and $14,367 thousand, respectively, representing 0.02% and 0.36% of operating revenue. The ratio of foreign exchange gain to operating revenue decreased by 0.34% in 2025 compared with the previous year. Overall, exchange rate fluctuations have not had a significant impact on the Company's operations. Nevertheless, in order to address the risks arising from exchange rate fluctuations on the Company's profit and loss, the Company will closely monitor exchange rate fluctuation information and promptly track exchange rate trends. Based on global macroeconomic conditions, exchange rate movements, and future funding requirements, the Company will adjust its foreign currency-denominated assets and liabilities in a timely manner to hedge against exchange rate risks and reduce the impact of exchange rate fluctuations on the Company's profit and loss.

(3) Impact of inflation

In recent years, the overall economic environment has shown a mild inflationary trend due to rising raw material prices. However, as of the present date, inflation has not caused any immediate material impact on the Company. The Company closely monitors fluctuations in raw material market prices and maintains favorable relationships with both suppliers and customers. In addition, the Company is able to flexibly adjust selling prices in response to changes in suppliers' costs, thereby mitigating any material impact arising from inflation.

2. Policies governing high-risk and highly leveraged investments, loans to others, endorsements and guarantees, and derivative financial instrument transactions, the primary causes of related profits or losses, and future response measures

The Company conducts prudent evaluations for all investments and handles such matters in accordance with the "Procedures for Acquisition or Disposal of Assets" and relevant regulations. The Company has not engaged in any high-risk or highly leveraged investments. In addition, the Company has established the "Procedures for Lending Funds to Others" and the "Regulations Governing Endorsements and Guarantees," and all related operations are conducted in accordance with the relevant management regulations and applicable laws and regulations. Furthermore, the Company has not engaged in derivative financial instrument transactions. However, should the Company engage in derivative financial transactions in the future, such transactions will be handled in accordance with the Company's "Procedures for Acquisition or Disposal of Assets."

3. Future R&D plans and estimated R&D expenses to be invested

(1) Future R&D plans

A. Closely monitor market trends and accurately satisfy end-consumer demand

The Company's ultimate customers are general consumers whose preferences are diverse and subject to rapid changes in market trends. To promptly capture trends in consumer preferences, the Company not only analyzes sales data of various products through its store POS systems to identify best-selling and trending products, but also closely monitors international industry developments, media coverage, and market trends as references for product development and adjustments. Through flavor optimization and packaging upgrades for existing products, as well as the launch of innovative products, the Company aims to better align with market demand and satisfy consumer tastes, thereby further enhancing product competitiveness and market acceptance.

B. Strengthen R&D flexibility and commercialization speed to respond rapidly to market changes

In response to consumers' high sensitivity to product changes and rapid product replacement trends, the Company has established a flexible and efficient R&D process to ensure that new product development can be rapidly introduced to the market. Based on market feedback, the R&D team continuously optimizes product portfolios and flexibly adjusts product line offerings, while striving to enhance the standardization and simplification of production processes in order to improve production efficiency and quality consistency. At the same time, the Company actively expands diversified product offerings and strengthens innovation capabilities to reinforce brand competitiveness and create new growth momentum.

(2) Estimated R&D expenses to be invested

As a global chain food and beverage enterprise, the Company is committed to promoting "technology-enabled tea beverages" and "technology-enabled cuisine" to international markets. To strengthen brand competitiveness and product differentiation, the Company has continued to invest in R&D personnel during the current year, focusing on the standardization and technology-driven production processes of tea beverages and food products. Going forward, the Company will continue monitoring market trends, gaining deeper insight into consumer preferences, and strengthening the development of new products and new brands in order to promote Taiwanese tea beverage and culinary culture to global markets.

Future R&D expenditures will continue to be invested based on product development progress and market feedback. As revenue and profitability continue to grow, the Company expects to gradually increase the proportion of R&D expenses in order to support innovation capabilities and long-term development.

Taking tea beverages as an example, the Company is currently researching the use of different fermentation and processing technologies for tea production to create diversified flavor profiles and enhance brand uniqueness. In terms of equipment development, the Company is also developing intelligent cooking devices capable of precisely controlling cooking time, temperature, and ingredient ratios through advanced technologies. These efforts not only ensure food quality, hygiene, and safety, but also improve production efficiency and achieve product standardization goals, thereby facilitating the replication and scalability of operating models.

4. Impact of significant domestic and international policy and legal changes on the Company’s financial and business operations, and corresponding response measures

The Company has not experienced any impact on its financial or business operations arising from significant domestic or international policy and legal changes. Going forward, in addition to periodically collecting and assessing the impact of significant domestic and international policy and legal developments on the Company’s financial and business operations, the Company will also consult relevant professionals to fully obtain and understand external information and adopt appropriate response measures in a timely manner.

5. Impact of technological changes (including information security risks) and industry changes on the Company’s financial and business operations, and corresponding response measures

The Company continuously monitors industry changes and market trends in the industries in which it operates, while also paying close attention to relevant technological developments and changes in order to launch products that align with market trends. The Company ensures compliance with information security policies and regulations through external audits, internal audits, and information system audits, and also conducts information security awareness programs from time to time to strengthen crisis awareness. During the most recent year and up to the date of publication of the annual report, there have been no material technological changes (including information security risks) or industry changes, and the effects thereof have not materially affected the Company's financial or business operations.

For information regarding information security risks, please refer to "VI. Information security management" on page 119 of this annual report.

6. Impact of changes in corporate image on the Company's crisis management and corresponding response measures

The Company has consistently complied with applicable laws and regulations, places great importance on employee ethics and disciplinary management, and requires supervisors and managers to lead by example. As of the present date, the Company has not experienced any incidents that have adversely affected its corporate image. While pursuing operational growth, profitability, and maximization of shareholders' interests, the Company also fulfills its corporate social responsibilities and continues striving to establish a first-class corporate governance image, thereby becoming an enterprise trusted by customers, employees, and shareholders.

7. Expected benefits, potential risks, and corresponding response measures relating to mergers and acquisitions

The Company completed the acquisition of Hanlin International in early 2025 with the objectives of expanding its market presence, strengthening brand resources, and enhancing operational synergies. The expected benefits, potential risks, and corresponding response measures are described as follows:

(1) Expected benefits of the acquisition

A. Market expansion: Through the acquisition of Hanlin Tea Room, the Company obtained its brand, distribution channels, and customer resources, thereby strengthening its presence in the hand-shaken beverage market.

B. Brand enhancement: The Company expanded its product portfolio and leveraged Hanlin's brand influence to enhance the overall brand asset of the Group.

C. Operational synergies: These include operational benefits such as economies of scale in procurement, supply chain integration, and shared human resources.

(2) Potential risks

A. Cultural integration risk: Differences in corporate culture between the two companies may result in integration difficulties or employee turnover.

B. Brand dilution risk: If the brand positioning of Hanlin Tea Room conflicts with the core brands of La Kaffa, the overall brand image may be affected.

C. Financial risk: The acquisition may create funding pressure, or Hanlin's original financial condition may not perform as expected.

D. Operational integration challenges: These include uncertainties relating to the time and costs required for integrating systems, processes, and supply chains.

(3) Response measures

A. Establishment of an integration project team: The Company has formulated integration plans and regularly tracks integration progress.

B. Adjustment of brand positioning strategies: The Company clearly differentiates market positioning and product lines among brands to avoid internal competition.

C. Strengthening internal communication mechanisms: Monthly meetings are conducted to facilitate cultural integration.

D. Risk management and financial review: The Company conducts due diligence in advance and continuously monitors financial and operational indicators following the acquisition.

8. Expected benefits, potential risks, and response measures relating to factory expansion

The Company currently has no plans for factory expansion; therefore, this section is not applicable.

9. Risks arising from concentrated purchases or sales and response measures

(1) Risks arising from concentrated purchases and response measures

To secure reliable and stable supplies of raw materials, and taking into consideration factors such as agricultural production periods, product quality yield rates, sufficient production capacity, and delivery schedule coordination, the Company has maintained long-term cooperative relationships with specific suppliers over many years. The Company maintains favorable cooperative relationships with these suppliers and has not experienced any risk of supply shortages. In addition, each category of raw materials is sourced from more than two suppliers to reduce the risks associated with concentrated purchases. Furthermore, in addition to maintaining sound and stable cooperative relationships with existing suppliers, the Company also seeks other qualified suppliers in a timely manner to further reduce the risks arising from concentrated purchases.

(2) Risks arising from concentrated sales and response measures

The Company operates in the chain food and beverage industry, and its sales counterparties primarily consist of agents, franchisees, and general consumers. Accordingly, the Company is not exposed to significant risks arising from concentrated sales. The Company also continuously conducts credit assessments on the financial and operating conditions of its agents and franchisees and recognizes allowances for doubtful accounts based on overdue receivable collection status and aging analysis. In addition to maintaining sound and stable cooperative relationships with existing customers, the Company continues expanding its network of agents, franchisees, and directly operated stores in order to reduce the risks arising from concentrated sales.

10. Impact, risks, and response measures relating to substantial transfers or changes in shareholdings by directors, supervisors, or major shareholders holding more than 10% of the Company’s shares: None.
11. Impact, risks, and corresponding response measures relating to changes in management control: None.
12. Litigation or non-litigation matters

(1) Any concluded or pending litigation, non-litigation, or administrative dispute cases involving the Company during the most recent two years and up to the date of publication of the annual report that may materially affect shareholders’ equity or securities prices shall disclose the facts in dispute, amount in controversy, date of commencement of litigation, principal parties involved, and current status of the case: On July 20, 2023, Soaring Elite Limited, a British Virgin Islands company, filed a lawsuit with the Taiwan Taipei District Court against six defendants, including La Kaffa Company

and Mega Harvest International Limited (Cayman), seeking joint and several payment by the six defendants of US$3,522,432 as consideration for repurchasing the plaintiff's shares in Mega Harvest International Co., Ltd. (Cayman), together with interest calculated at an annual rate of 5% from March 14, 2023 until the date of full settlement. The case is currently pending before the Taiwan High Court. Both parties are presently in the process of exchanging written pleadings, and the case has not yet been concluded.

(2) Any material litigation, non-litigation, or administrative dispute cases involving the Company, its directors, supervisors, general manager, de facto responsible persons, major shareholders holding more than 10% of the Company's shares, or subordinate companies during the most recent two years and up to the date of publication of the annual report, whether concluded by final judgment or still pending, that may materially affect shareholders' equity or securities prices, shall disclose the facts in dispute, amount in controversy, date of commencement of litigation, principal parties involved, and current handling status thereof: The Australian subsidiary, Chatime Australia Pty Ltd, has paid a penalty of AUD120,960 in accordance with the judgment rendered by The Federal Circuit and Family Court.

(3) Any circumstances involving the Company's directors, supervisors, managerial officers, or major shareholders holding more than 10% of the Company's shares during the most recent two years and up to the date of publication of the annual report that fall under Article 157 of the Securities and Exchange Act, and the Company's current handling status thereof: None.

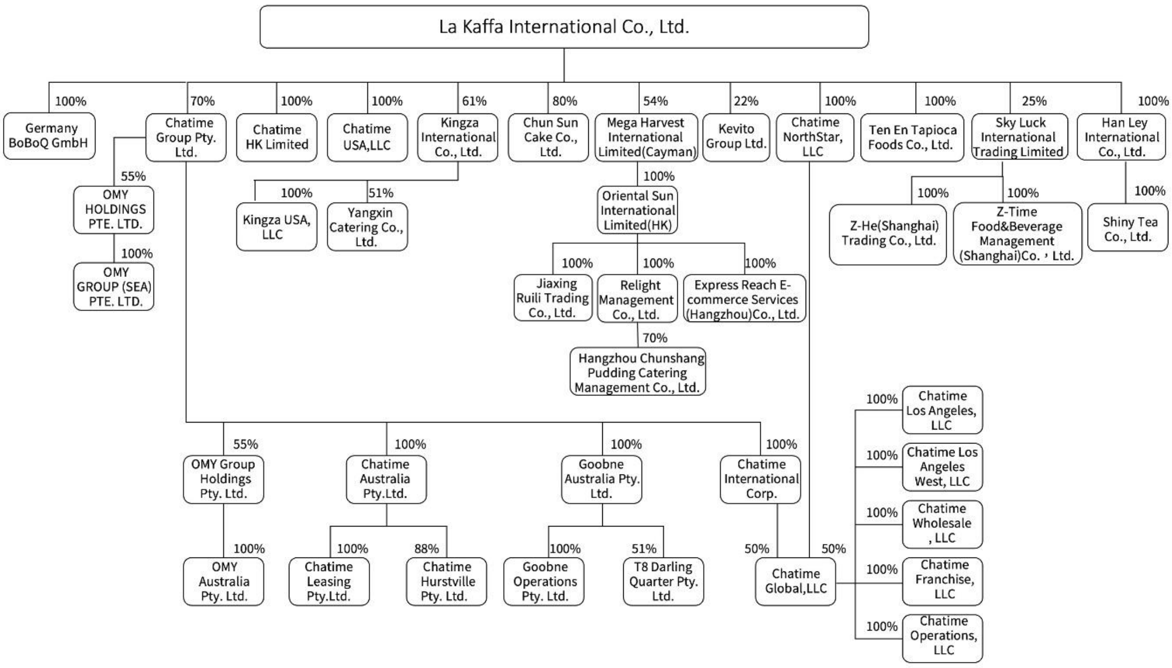
13. Other material risks and response measures: None.

VII. Other material matters: None.

Six. Special disclosures

I. Information on affiliated enterprises

(I) Organizational chart of affiliated enterprises



(II) basic information of affiliated enterprises

December 31, 2025; Unit: NT$ thousand

Enterprise name	Date of establishment Date	Address	Paid-in capital	Principal business activities
Chatime Group Pty. Ltd.	2018/7	Suite 702 Level 7, 66 Goulburn St. Sydney, NSW 2000 Australia	AUD5,907	Re-investment holding company
Chatime HK Ltd.	2013/2	FLAT/RM 501 15/F Capital Centre,151 Gloucester Rd. Wanchai, Hong Kong	USD1,913	Sales of products related to chain restaurant operations
Chatime USA, LLC	2014/1	Corporation Trust Center 1209 Orange St Wilmington, DE 19801	USD3,500	Franchising of chain restaurants and sales of related products
Kingza International Co., Ltd.	2015/12	4F-2., No. 51, Sec. 2, Keelung Rd., Xinyi Dist., Taipei City	NTD 197,350	Franchising of chain restaurants and sales of related products
Chun Shang Co., Ltd.	2017/5	1F., No. 338, Sec. 1, Wenxing Rd., Zhubei City, Hsinchu County	NTD5,000	Franchising of chain restaurants and sales of related products
Mega Harvest International Limited	2017/9	The Grand Pavilion Commercial Centre, Oleander Way,802 West Bay Road, PO Box 32052, Grand Cayman, KY1-1208, Cayman Islands.	RMB 45,282	Re-investment holding company

December 31, 2025; Unit: NT$ thousand

Enterprise name	Date of establishment Date	Address	Paid-in capital	Principal business activities
Ten En Tapioca Foods Co., Ltd.	2006/10	No. 83, Xingong 3rd Rd., Tianzhong Township, Changhua County	NTD28,000	Manufacturing and sales of food
Chatime NorthStar, LLC	2022/1	Corporation Trust Center 1209 Orange St Wilmington, DE 19801	USD6,000	Franchising of chain restaurants and sales of related products
Han Ley International Co., Ltd.	1994/6	No. 26, Ln. 59, Sec. 5, Hewei Rd., West Central Dist., Tainan City	NTD40,000	Franchising of chain restaurants and sales of related products
Sky Luck International Trading Limited	2013/1	FLAT/RM 501 15/F Capital Centre,151 Gloucester Rd. Wanchai, Hong Kong	HKD8,000	Re-investment holding company
Kevito Group Ltd.	2018/6	180 Dundas St. West Suite 1200, Tronto, Ontario Canada M5G 1Z8	CAD2,856	Re-investment holding company
Chatime Australia Pty. Ltd.	2009/4	Suite 702 Level 7, 66 Goulburn St. Sydney, NSW 2000 Australia	AUD495	Franchising of chain restaurants and sales of related products
Goobne Australia Pty. Ltd.	2018/9	Suite 702 Level 7, 66 Goulburn St. Sydney, NSW 2000 Australia	AUD0.1	Franchising of chain restaurants and sales of related products
Chatime International Corp.	2022/7	8 the green, Suite A, Kent, De 19901, USA	AUD0.1	Re-investment holding company
OMY Group Holdings Pty. Ltd.	2025/5	Suite 702 Level 7,66 Goulburn St, Sydney, NSW 2000, Australia	AUD200	Re-investment holding company
OMY Holdings Pte. Ltd.	2025/7	20 Collyer Quay, #09-01, 20 Collyer Quay, Singapore	SGD0.2	Re-investment holding company
Chatime Leasing Pty. Ltd.	2011/12	Suite 702 Level 7, 66 Goulburn St. Sydney, NSW 2000 Australia	AUD0.1	Lease-related business
Chatime Hurstville Pty. Ltd.	2023/1	UNIT 2 Level 7, 66 Goulburn St, Sydney NSW 2000, Australia	AUD370	Franchising of chain restaurants and sales of related products
Goobne Operations Pty. Ltd.	2018/7	Suite 702 Level 7, 66 Goulburn St. Sydney, NSW 2000 Australia	AUD0.1	Franchising of chain restaurants and sales of related products
T8 Darling Quarter Pty. Ltd.	2022/10	Unit 2 Level 7,66 Goulburn St, Sydney NSW 2000, Australia	AUD0.1	Franchising of chain restaurants and sales of related products
OMY Australia Pty. Ltd.	2025/5	Unit 2 Level 7,66 Goulburn St, Sydney NSW 2000, Australia	AUD10	Franchising of chain restaurants and sales of related products
OMY Group (SEA) Pte Ltd.	2025/9	20 Collyer Quay, #09-01, 20 Collyer Quay, Singapore	SGD0.1	Franchising of chain restaurants and sales of related products
Chatime Global,LLC	2022/7	8 the green, Suite A, Kent, De 19901, USA	USD6,250	Franchising of chain restaurants and sales of related products
Chatime Los Angeles, LLC	2022/8	8 the green, Suite A, Kent, De 19901, USA	-	Franchising of chain restaurants and sales of related products

December 31, 2025; Unit: NT$ thousand

Enterprise name	Date of establishment Date	Address	Paid-in capital	Principal business activities
Chatime Los Angeles West, LLC	2022/8	8 the green, Suite A, Kent, De 19901, USA	-	Franchising of chain restaurants and sales of related products
Chatime Wholesale, LLC	2022/7	8 the green, Suite A, Kent, De 19901, USA	-	Franchising of chain restaurants and sales of related products
Chatime Franchise, LLC	2022/7	8 the green, Suite A, Kent, De 19901, USA	-	Franchising of chain restaurants and sales of related products
Chatime Operations, LLC	2022/7	8 the green, Suite A, Dover. Delaware 19901,USA	-	Franchising of chain restaurants and sales of related products
Kingza USA, LLC	2023/10	1209 Orange Street, Wilmington, Delaware 19801	USD100	Franchising of chain restaurants and sales of related products
Yangxin Catering Co., Ltd. (Note)	2012/8	1F and 2F, No. 128, Songjiang Rd., Zhongshan Dist., Taipei City	NTD62,114	Franchising of chain restaurants and sales of related products
Yanghe Food Co., Ltd. (Note)	2022/5	10F-8, No. 152, Songjiang Rd., Zhongshan Dist., Taipei City	-	Manufacturing and sales of food
Shiny Tea Co., Ltd.	2006/3	2 F., No. 26, Ln. 59, Sec. 5, Hewei Rd., West Central Dist., Tainan City	NTD3,500	Sales of products related to chain restaurant operations
Oriental Sun International Limited (HK)	2017/9	FLAT/RM A 12/F ZJ 300, Lockhart Rd Wanchai, Hong Kong	USD2,220	Re-investment holding company and sales of products related to chain restaurant operations
Relight Management Co., Ltd.	2017/11	Room 902, Building 4, No. 108, Xiangyuan Rd., Gongshu Dist., Hangzhou City, Zhejiang Province	RMB41,348	Franchising of chain restaurants and sales of related products
Jiaxing Ruili Trading Co., Ltd.	2019/4	Zone 2, Warehouse No. 3, Zhejiang Haining Cainiao Logistics Park, No. 9, Chuangzhi Rd., Haining Lianhang Economic Development Zone, Chang'an Town, Haining City, Jiaxing City, Zhejiang Province	RMB1,721	Sales of products related to chain restaurant operations
Express Reach E-commerce Services (Hangzhou)Co., Ltd.	2022/12	Room 905, Building 4, No. 108, Xiangyuan Rd., Gongshu Dist., Hangzhou City, Zhejiang Province	RMB2,416	E-commerce sale of restaurant-related products
Hangzhou Chunshang Pudding Catering Management Co., Ltd.	2024/10	Room 901, Building 4, No. 108, Xiangyuan Rd., Gongshu Dist., Hangzhou City, Zhejiang Province	RMB3,500	Sales of products related to chain restaurant operations
Z-He（shanghai）Trading Co., Ltd.	2014/12	Unit 102, Building 6, No. 218, Huting North Rd., Jiuliting Subdistrict, Songjiang Dist., Shanghai City	RMB5,997	Trading of raw materials and equipment for chain restaurants

December 31, 2025; Unit: NT$ thousand

Enterprise name	Date of establishment Date	Address	Paid-in capital	Principal business activities
Z-Time Food&Beverage Management （Shanghai）Co., Ltd.	2013/7	Unit 105, Building 14, No. 218, Huting North Rd., Jiuliting Subdistrict, Songjiang Dist., Shanghai City	RMB6,881	Franchising of chain restaurants and sales of related products

Note: Yangxin Company issued 2,013,900 no-par-value shares to the shareholders of yangxin catering co., ltd. to merge with Yanghe Company. Yangxin Catering Co., Ltd. is the surviving company, and Yanghe Food Co., Ltd. is the dissolved company. The business combination effective date and the capital increase record date are December 31, 2025.

(III) Information on shareholders holding the same shareholdings in enterprises presumed to have controlling and subordinate relationships: None.

(IV) Information on directors, supervisors, and general managers of each affiliated enterprise

December 31, 2025; Unit: shares

Enterprise name	Job title	Name or representative	Shares held	
			Number of shares	Shareholding ratio
Chatime Group Pty. Ltd.	Directors	Wang Yaohui	-	-
		Wang Li-Yu	-	-
		Yeh Ting Lun	-	-
		Zhao,Chen	1,355,654	22.95%
Chatime HK Limited	Directors	Wang Yaohui	-	-
Chatime USA,LLC	Directors	La Kaffa International Co., Ltd.	3,500,000	100%
		Representative: Wang Yaohui	-	-
Kingza International Co., Ltd.	Directors	La Kaffa International Co., Ltd.	11,970,487	60.65%
		Representative: Wang Yaohui	170,638	0.86%
		Representative: Lin Tzu Heng	248,888	1.26%
		Representative: Wang Li-Yu	203,666	1.03%
	Directors	Chen Po Chang	-	-
	Independent director	Shang Peng Chin	-	-
	Independent director	Huang Ching Pei	-	-
	Independent director	Chuang Ming Hung	-	-
Chun Shang Co., Ltd.	Directors	La Kaffa International Co., Ltd.	400,000	80%
		Representative: Wang Yaohui	-	-
		Representative: Wang Li-Yu	-	-

Enterprise name	Job title	Name or representative	Shares held	
			Number of shares	Shareholding ratio
		Representative: Wang Chun Chieh	-	-
	Supervisor	Chen Wei Cheng	-	-
Ten En Tapioca Foods Co., Ltd.	Directors	La Kaffa International Co., Ltd.	2,800,000	100%
		Representative: Wang Yaohui	-	-
		Representative: Wang Chun Chieh	-	-
		Representative: Wang Li-Yu	-	-
	Supervisor	Representative: Li Shang Che	-	-
Chatime Northstar,LLC	Directors	La Kaffa International Co., Ltd.	6,000,000	100%
		Representative: Wang Yaohui		
Sky Luck International Trading Limited	Directors	Yeh Yen Feng	-	-
Han Ley International Co., Ltd.	Directors	La Kaffa International Co., Ltd.	4,000,003	100%
		Representative: Wang Li-Yu	-	-
	Supervisor	Representative: Huang Ai Ping	-	-
Kevito Group Ltd.	Directors	Sphere Group Holdings Ltd.	56,725	50.49%
		Representative: Kenton Chan	-	-
		Representative: Mila Gong	-	-
	Directors	TJW Holdings Inc.	16,572	14.75%
		Representative: Thomas Wong	-	-
	Directors	VCL Holdings Inc.	12,933	11.51%
		Representative: Vacant	-	-
	Directors	La Kaffa International Co., Ltd.	24,719	22%
		Representative: Wang Yaohui	-	-
Chatime Australia Pty. Ltd.	Directors	Zhao,Chen	-	-
		Wang Yaohui	-	-
		Wang Li-Yu	-	-
		Yeh Ting Lun	-	-
Goobne Australia Pty.Ltd	Directors	Zhao,Chen	-	-
Chatime International Corp.	Directors	Zhao,Chen	-	-
OMY Group Holdings Pty. Ltd.	Directors	Zhao,Chen	-	-
		Wang Yaohui	-	-
		Wang Li-Yu	-	-
		TSEUNG,CHING CHERRY	38	19%
		CHUI,HOWIN HW	16	8%
OMY Holdings Pte. Ltd.	Directors	Wang Yaohui	-	-
		Zhao,Chen	-	-
		CHUI,HOWIN HW	16	8%
		NORWATI BINTE NASAIROM	-	-
Chatime Leasing Pty. Ltd.	Directors	Zhao,Chen	-	-
Chatime Hurstville Pty. Ltd.	Directors	Zhao,Chen	-	-
Goobne Operations Pty. Ltd.	Directors	Zhao,Chen	-	-
		Wang Yaohui	-	-

Enterprise name	Job title	Name or representative	Shares held	
			Number of shares	Shareholding ratio
		Wang Li-Yu	-	-
		Yeh Ting Lun	-	-
T8 Darling Quarter Pty. Ltd.	Directors	Zhao,Chen	-	-
		Antonius, Carlos Joseph	-	-
		HE,CHENGCHAO	25	24.5%
		LIN,JIALI	25	24.5%
OMY Australia Pty. Ltd.	Directors	Zhao,Chen	-	-
		Wang Yaohui	-	-
		Wang Li-Yu	-	-
		TSEUNG,CHING CHERRY	-	-
		CHUI,HOWIN HW	-	-
OMY Group (SEA) Pte Ltd.	Directors	Wang Yaohui	-	-
		Zhao,Chen	-	-
		CHUI,HOWIN HW	-	-
		NORWATI BINTE NASAIROM	-	-
Chatime Global,LLC	Directors	Chatime International Corp.	3,125,000	50%
		Representative: Zhao,Chen	-	-
		Chatime Northstar, LLC	3,125,000	50%
		Representative: Wang Yaohui	-	-
		Representative: Wang Li-Yu	-	-
Chatime Los Angeles, LLC	Directors	Chatime Global,LLC	-	-
		Representative: Zhao,Chen	-	-
		Representative: Wang Yaohui	-	-
		Representative: Wang Li-Yu	-	-
Chatime Los Angeles West, LLC	Directors	Chatime Global,LLC	-	-
		Representative: Zhao,Chen	-	-
		Representative: Wang Yaohui	-	-
		Representative: Wang Li-Yu	-	-
Chatime Wholesale, LLC	Directors	Chatime Global,LLC	-	-
		Representative: Zhao,Chen	-	-
		Representative: Wang Yaohui	-	-
		Representative: Wang Li-Yu	-	-
Chatime Franchise, LLC	Directors	Chatime Global,LLC	-	-
		Representative: Zhao,Chen	-	-
		Representative: Wang Yaohui	-	-
		Representative: Wang Li-Yu	-	-
Chatime Operations, LLC	Directors	Chatime Global,LLC	-	-
		Representative: Zhao,Chen	-	-
		Representative: Wang Yaohui	-	-
		Representative: Wang Li-Yu	-	-
Kingza USA, LLC	Directors	Kingza International Co., Ltd.	100,000	100%
		Representative: Wang Yaohui	-	-
Yangxin Catering Co., Ltd. (Note)	Directors	Kingza International Co., Ltd.	23,613,001	51%

Enterprise name	Job title	Name or representative	Shares held	
			Number of shares	Shareholding ratio
		Representative: Wang Yaohui	-	-
		Representative: Wang Li-Yu	-	-
		Representative: Lin Tzu Heng	-	-
		Hung Kuo Hsi	-	-
		Chan Sheng Lin	5,297,462	11%
	Supervisor	Chen Yu Jung	2,951,654	6%
Shiny Tea Co., Ltd.	Directors	Wang Li-Yu	-	-
Mega Harvest International Limited	Directors	Lin Ting Yang	-	-
	Directors	Lin Ting Chou	1,800	0.6%
	Directors	Wang Yaohui	-	-
	Directors	Wang Li-Yu	-	-
	Directors	Li Shang Che	3,000	1%
Oriental Sun International Limited	Directors	Lin Ting Yang	-	-
	Directors	Lin Ting Chou	-	-
	Directors	Wang Yaohui	-	-
	Directors	Wang Li-Yu	-	-
	Directors	Li Shang Che	-	-
Relight Management Co., Ltd.	Directors	Lin Ting Yang	-	-
	Directors	Lin Ting Chou	-	-
	Directors	Wang Yaohui	-	-
	Directors	Wang Li-Yu	-	-
	Directors	Li Shang Che	-	-
	Supervisor	Tsai Ling Ling	-	-
Jiaxing Ruili Trading Co., Ltd.	Directors	Lin Ting Chou	-	-
	Supervisor	Li Shang Che	-	-
Express Reach E-commerce Services (Hangzhou)Co., Ltd.	Directors	Lin Ting Chou	-	-
	Supervisor	Li Shang Che	-	-
Hangzhou Chunshang Pudding Catering Management Co., Ltd.	Directors	Lin Ting Yang	-	-
Z-He（shanghai）Trading Co., Ltd.	Directors	Lu Ming Chieh	-	-
	Supervisor	Kuo Ming Feng	-	-
Z-Time Food&Beverage Management (Shanghai) Co., Ltd.	Directors	Lu Ming Chieh	-	-
	Supervisor	Kuo Ming Feng	-	-

Note: Yangxin Catering Co., Ltd. issued 2,013,900 no-par-value shares to the shareholders of Yanghe Food Co., Ltd. to merge with Yanghe Food Co., Ltd. Yangxin Catering Co., Ltd. is the surviving company, and Yanghe Food Co., Ltd. is the dissolved company. The business combination effective date and the capital increase record date are December 31, 2025.

(V) Operating status of each affiliated enterprise

December 31, 2025; Unit: $ thousand

Enterprise name	Capital amount	Total assets	Total liabilities	Net worth	Operating revenue	Operating profit	Net profit (loss) after tax for the period	Earnings per share after tax
Chatime Group Pty. Ltd.	AUD$5,907	1,060,937	933,316	127,621	655,240	(51,425)	(27,588)	(4.67)
Chatime HK Ltd.	USD$1,913	63,735	15,390	48,345	72,484	(13,968)	(12,106)	-
Chatime USA, LLC	USD$3,500	370	392	-22	-	(186)	(211)	(0.06)
Chatime NorthStar, LLC	USD$6,000	96,248	942	95,306	-	(2,017)	(29,533)	(5.57)
Kingza International Co., Ltd.	NTD$197,600	1,250,913	753,009	497,904	1,771,446	105,420	92,961	4.57
Chun Shang Co., Ltd.	NTD$5,000	124,439	80,263	44,176	244,452	42,032	33,218	66.44
Mega Harvest International Company	RMB$45,282	194,610	28,064	166,546	63,081	(30,389)	(29,470)	(97.87)
Ten En Tapioca Foods Co., Ltd.	NTD$28,000	239,362	59,267	180,095	355,681	22,762	19,023	6.79
Han Ley International Co., Ltd.	NTD$40,000	182,218	110,535	71,683	437,971	38,972	32,021	8.01
Sky Luck International Trading Limited	HKD8,000	(6,622)	59,120	(65,742)	-	(110)	1,603	-
Kevito Group LTD.	CAD2,856	325,099	193,847	131,252	530,752	(41,939)	(54,096)	(481.45)
Chatime Australia Pty. Ltd.	AUD$495	1,124,280	860,688	263,592	631,046	616	(9,994)	(20.19)
Goobne Australia Pty. Ltd.	AUD$0.1	(59,256)	3,180	(62,436)	-	(176)	(515)	(5,150)
Chatime International Corp.	AUD$0.1	79,778	158,806	(79,028)	57,823	(50,513)	(27,755)	-
OMY Group Holdings Pty. Ltd.	AUD200	4,164	(3)	4,167	-	(33)	(33)	(165)
OMY Holdings Pte. Ltd.	SGD0.2	5	-	5	-	-	-	-
Chatime Leasing Pty. Ltd.	AUD$0.1	577,983	578,265	(282)	-	(2)	101	1,010
Chatime Hurstville Pty. Ltd.	AUD$370	24,013	18,013	6,000	26,815	(362)	(1,551)	(4,191.89)
Goobne Operations Pty. Ltd.	AUD$0.1	(55,650)	835	(56,485)	-	(858)	(863)	(8,630)
T8 Darling Quarter Pty. Ltd.	AUD$0.1	(1,287)	2,346	(3,633)	-	161	161	1,578.43
OMY Australia Pty. Ltd.	AUD10	28	(75)	103	68	(102)	(102)	(1,020)
OMY Group (SEA) Pte Ltd.	SGD0.1	2	-	2	-	-	-	-

December 31, 2025; Unit: $ thousand

Enterprise name	Capital amount	Total assets	Total liabilities	Net worth	Operating revenue	Operating profit	Net profit (loss) after tax for the period	Earnings per share after tax
Chatime Global,LLC	USD$6,250	95,898	75,979	19,919	57,823	(50,513)	(54,963)	(8,794.08)
Chatime Los Angeles, LLC	-	6,611	29,270	(22,659)	437	(5,778)	(5,110)	-
Chatime Los Angeles West, LLC	-	49,096	91,713	(42,617)	20,648	(13,806)	(16,321)	-
Chatime Wholesale, LLC	-	4,421	15,989	(11,568)	23,947	(4,759)	(4,784)	-
Chatime Franchise, LLC	-	35	17,644	(17,609)	15,077	(11,806)	(11,803)	-
Chatime Operations, LLC	-	(25)	14,645	(14,670)	-	(6,699)	(6,699)	-
KINGZA USA, LLC	USD$100	4,319	1,689	2,630	2,409	(552)	(552)	(0.18)
Yangxin Catering Co., Ltd. (Note)	NT$62,114	444,002	370,005	73,997	350,420	9,852	4,047	0.09
Yanghe Food Co., Ltd. (Note)	-	-	-	-	42,305	(1,082)	(1,045)	-
Shiny Tea Co., Ltd.	NTD$3,500	5,223	1,531	3,692	3,907	1,087	1,128	-
Oriental Sun International Limited	USD$2,220	221,503	1,124	220,379	(1,651)	1,239	(22,639)	-
Relight Management Co., Ltd.	RMB$41,348	206,222	27302	178,920	(61,078)	(28,557)	(23,724)	-
Jiaxing Ruili Trading Co., Ltd.	RMB$1,721	29,638	200	29,438	(4,838)	121	310	-
Express Reach E-commerce Services (Hangzhou)Co., Ltd.	RMB$2,416	10,463	-	10,463	-	(169)	(153)	-
Hangzhou Chunshang Pudding Catering Management Co., Ltd.	RMB$3,500	8,788	3700	5,088	(6,040)	(10,218)	(10,214)	-
Z-He（shanghai）Trading Co., Ltd.	RMB$5,997	13,798	7,038	6,760	11,635	213	774	-
Z-Time Food&Beverage Management (Shanghai) Co., Ltd.	RMB$6,881	231	28,776	(28,545)	1,572	662	706	-

Note: Yangxin Catering Co., Ltd. issued 2,013,900 no-par-value shares to the shareholders of Yanghe Food Co., Ltd. to merge with Yanghe Food Co., Ltd. Yangxin Catering Co., Ltd. is the surviving company, and Yanghe Food Co., Ltd. is the dissolved company. The business combination effective date and the capital increase record date are December 31, 2025.

(VI) Statement of consolidated financial statements of affiliates

Statement of consolidated financial statements of affiliates

The companies required to be included in the consolidated financial statements of affiliates in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" for the year ended December 31, 2025 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard 10 "Consolidated Financial Statements". Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, La Kaffa International CO., Ltd. and subsidiaries do not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

Company name: La Kaffa International Co., Ltd.

Chairman: Wang Yaohui

March 10, 2026

(VII) Affiliated enterprise report: None.

II. Status of private placements of securities during the most recent year and up to the date of publication of the annual report: None.

III. Other necessary supplementary disclosures: None.

IV. Matters during the most recent year and up to the date of publication of the annual report that have materially affected shareholders’ equity or securities prices as specified under Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act: None.

La Kaffa International Co., Ltd.

Chairman: Wang Yao-Hui

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