Stock code: 2732

La Kaffa International Co., Ltd.
and Its Subsidiaries

Consolidated Financial Statements and Independent Auditor's Report

Q1 2026 and 2025

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Independent Auditor's Report

To the board of directors and shareholders of La Kaffa International Co., Ltd.:

Introduction

We have reviewed the accompanying consolidated balance sheets of La Kaffa International Co., Ltd. and its subsidiaries as of March 31, 2026 and March 31, 2025, and the related consolidated statements of comprehensive income, changes in equity, and cash flows for the three-month periods then ended, as well as the notes to the consolidated financial statements (including a summary of significant accounting policies). The preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34, "Interim Financial Reporting," as endorsed and issued into effect by the Financial Supervisory Commission, are the responsibility of management. Our responsibility is to express a conclusion on the consolidated financial statements based on our review.

Scope

We conducted our review in accordance with Statement of Auditing Standards No. 2410, "Review of Financial Statements." A review of consolidated financial statements consists principally of making inquiries, primarily of persons responsible for financial and accounting matters, applying analytical procedures, and performing other review procedures. A review is substantially less in scope than an audit and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

Deloitte & Touche

Liu Yi Ching, CPA	Chang Cheng Hsiu, CPA
Financial Supervisory Commission approval number FSC Securities and Futures Bureau Letter No. 1100356048	Financial Supervisory Commission approval number FSC Securities and Futures Bureau Letter No. 1120349008

May 7, 2026

La Kaffa International Co., Ltd. and Its Subsidiaries
Consolidated Balance Sheet
As of March 31, 2026, and December 31 and March 31, 2025

Unit: NT$ thousands

Code	Assets	March 31, 2026 Amount	%	December 31, 2025 Amount	%	March 31, 2025 (as restated) Amount	%
	Current assets						
1100	Cash and cash equivalents (Notes 6)	$ 923,093	16	$ 1,611,788	26	$ 1,047,829	20
1136	Financial assets measured at amortized cost - non-current (Notes 8 and 35)	16,506	-	15,794	-	41,793	1
1150	Notes receivable (Notes 9)	3,661	-	4,630	-	3,831	-
1170	Accounts receivable - non-related parties (Notes 9)	426,904	7	430,067	7	418,352	8
1180	Accounts receivable - related parties (Notes 9 and 34)	4,168	-	21,032	-	1,724	-
1197	Finance lease receivables – current (Notes 10)	196,007	3	198,104	3	207,126	4
1200	Other receivables - non-related parties (Note 9)	21,177	-	18,980	-	29,774	1
1210	Other receivables - related parties (Note 9 and 34)	51,368	1	-	-	33,394	1
1220	Current tax assets (Notes 4)	28,389	1	21,271	1	27,751	-
130X	Inventory (Notes 11)	373,606	6	209,010	4	200,928	4
1410	Prepayments	86,144	2	70,480	1	76,629	1
1470	Other current liabilities	23,740	1	22,637	1	11,429	-
11XX	Total current assets	2,154,763	37	2,623,793	43	2,100,560	40
	Non-current assets						
1510	Financial assets measured at fair value through profit or loss—non-current (Notes 7)	130,379	2	130,379	2	136,676	3
1535	Financial assets measured at amortized cost - non-current (Notes 8, 35 and 36)	117,406	2	117,116	2	6,354	-
1550	Investments accounted for using the equity method (Notes 13)	105,852	2	107,453	2	118,113	2
1600	Property, plant and equipment (Notes 14, 19 and 35)	690,367	12	700,171	11	615,188	12
1755	Right-of-use assets (Notes 15)	740,964	13	706,180	12	548,846	10
1805	Goodwill (Notes 16 and 30)	875,705	15	641,038	11	616,559	12
1821	Intangible assets (Notes 17 and 37)	432,260	7	439,692	7	400,953	8
1840	Deferred tax assets (Notes 4)	169,240	3	129,011	2	157,180	3
194D	Finance lease receivables - non-current (Notes 10)	345,109	6	378,774	6	451,460	9
1990	Other non-current assets (Notes 18)	82,113	1	149,924	2	65,438	1
15XX	Total non-current assets	3,689,395	63	3,499,738	57	3,116,767	60
1XXX	Total assets	$ 5,844,158	100	$ 6,123,531	100	$ 5,217,327	100
Code	Liabilities and equity						
	Current liabilities						
2100	Short-term borrowings (Notes 19 and 35)	$ 675,985	12	$ 554,290	9	$ 249,615	5
2120	Financial liabilities at fair value through profit or loss - current (Notes 7 and 20)	4,740	-	21,360	-	11,820	-
2130	Contract liabilities - current (Note 25)	65,361	1	55,778	1	40,274	1
2150	Notes payable	9	-	10	-	608	-
2170	Accounts payable	324,047	6	286,651	5	237,993	5
2180	Accounts payable - related parties (Note 34)	8,236	-	2,279	-	-	-
2219	Other payables - non-related parties (Notes 21 and 30)	475,912	8	360,416	6	390,698	8
2220	Other payables - related parties (Notes 21 and 34)	1,036	-	910	-	602	-
2230	Current tax liabilities (Notes 4)	53,425	1	39,035	1	69,540	1
2250	Provisions - current (Notes 22)	15,635	-	17,215	-	13,965	-
2280	Lease liabilities - current (Notes 15 and 34)	425,727	7	419,164	7	418,107	8
2320	Current portion of long-term liabilities (Notes 19, 20 and 35)	46,365	1	597,333	10	584,093	11
2399	Other current liabilities	14,304	-	15,543	-	9,475	-
21XX	Total current liabilities	2,110,782	36	2,369,984	39	2,026,790	39
	Non-current liabilities						
2527	Contract liabilities - non-current (Note 25)	5,792	-	6,382	-	11,388	-
2530	Bonds payable (Notes 20)	563,842	10	560,566	9	-	-
2540	Long-term borrowings (Notes 19 and 35)	26,383	1	37,611	1	28,685	1
2550	Provisions - non-current (Notes 22)	16,908	-	14,154	-	13,124	-
2560	Current tax liabilities - non-current (Note 4)	-	-	-	-	3,653	-
2570	Deferred tax liabilities (Notes 4)	61,195	1	29,292	-	79,717	2
2580	Lease liabilities - non-current (Notes 15 and 34)	882,754	15	886,834	15	809,193	15
2670	Other non-current liabilities	15,659	-	14,936	-	17,833	-
25XX	Total non-current liabilities	1,572,533	27	1,549,775	25	963,593	18
2XXX	Total liabilities	3,683,315	63	3,919,759	64	2,990,383	57
	Equity attributable to owners of the parent (Notes 24)						
3100	Common shares	465,186	8	465,186	8	465,186	9
3200	Capital surplus	1,134,899	19	1,179,636	19	1,215,261	23
	Retained earnings						
3310	Legal reserve	252,150	4	252,150	4	230,290	4
3320	Special earnings reserve	19,990	1	19,990	-	31,714	1
3350	Undistributed earnings	64,407	1	57,884	1	29,722	1
3300	Total retained earnings	336,547	6	330,024	5	291,726	6
3400	Exchange differences arising from translation of financial statements of foreign operations	(18,418)	-	(26,416)	-	(13,269)	-
3500	Treasury shares	(177,744)	(3)	(177,744)	(3)	(96,697)	(2)
31XX	Total equity attributable to owners of the Company	1,740,470	30	1,770,686	29	1,862,207	36
36XX	Non-controlling interests (Notes 12 and 31)	420,373	7	433,086	7	364,737	7
3XXX	Total equity	2,160,843	37	2,203,772	36	2,226,944	43
	Total liabilities and equity	$ 5,844,158	100	$ 6,123,531	100	$ 5,217,327	100

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

Chairman: Wang Yaohui　　Manager: Wang Yaohui　　Chief accountant: Huang Ju Ping

La Kaffa International Co., Ltd. and Its Subsidiaries

Consolidated Income Statement

For the three-month periods ended March 31, 2026 and 2025

Unit: NT$ thousand, except for earnings per share, which is expressed in NT$ per share.

Code		For the three months ended March 31, 2026 Amount	%	For the three months ended March 31, 2025 Amount	%
4000	Operating revenue (Notes 25, 34 and 40)	$ 1,341,834	100	$ 933,426	100
5000	Operating costs (Notes 11, 26, and 34)	675,828	50	455,498	49
5900	Gross profit	666,006	50	477,928	51
5910	Realized gains from transactions with associates	524	-	859	-
5950	Realized gross profit	666,530	50	478,787	51
	Operating expenses (Notes 26)				
6100	Selling expenses	444,817	33	318,485	34
6200	Administrative expenses	138,478	11	135,226	14
6300	Research and development expenses	3,453	-	5,071	1
6000	Total operating expenses	586,748	44	458,782	49
6510	Net other income and expenses (Notes 24)	(253)	-	557	-
6900	Operating profit	79,529	6	20,562	2
	Non-operating income and expenses (Notes 13, 26 and 34)				
7020	Other gains and losses	13,454	1	7,918	1
7100	Interest income	1,471	-	2,749	-
7510	Interest expense	(13,736)	(1)	(9,711)	(1)
7060	Share of profit or loss of associates accounted for using the equity method	(2,157)	-	(5,125)	-
7000	Total non-operating income and expenses	(968)	-	(4,169)	-

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Code		For the three months ended March 31, 2026 Amount	%	For the three months ended March 31, 2025 Amount	%
7900	Profit before tax	$ 78,561	6	$ 16,393	2
7950	Income tax expense (Notes 4 and 27)	18,152	2	4,481	1
8200	Net income for the period	60,409	4	11,912	1
	Other comprehensive income				
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences arising from translation of financial statements of foreign operations	11,800	1	9,421	1
8500	Total comprehensive income for the period	$ 72,209	5	$ 21,333	2
	Net profits attributable to:				
8610	Owners of the parent	$ 51,219	4	$ 11,941	1
8620	Non-controlling interests	9,190	-	(29)	-
8600		$ 60,409	4	$ 11,912	1
	Total comprehensive income attributable to:				
8710	Owners of the parent	$ 59,217	4	$ 18,662	2
8720	Non-controlling interests	12,992	1	2,671	-
8700		$ 72,209	5	$ 21,333	2
	Earnings per share (Note 28)				
9750	Basic	$ 1.10		$ 0.26	
9850	Diluted	$ 1.00		$ 0.26	

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

Chairman: Wang Yaohui Manager: Wang Yaohui Chief accountant: Huang Ju Ping

La Kaffa International Co., Ltd. and Its Subsidiaries
Consolidated Statement of Changes in Equity
For the three-month periods ended March 31, 2026 and 2025

Unit: NT$ thousands

		Equity attributable to owners of the parent										
		Common shares			Retained earnings							
Code		Number of shares	Common stock	Capital surplus	Legal reserve	Special earnings reserve	Undistributed earnings	Exchange differences arising from translation of financial statements of foreign operations	Treasury shares	Total	Non-controlling interests	Total equity
A1	balance at January 1, 2025	46,518,570	$ 465,186	$ 1,238,061	$ 230,290	$ 31,714	$ 108,982	($ 19,990)	($ 96,697)	$ 1,957,546	$ 402,074	$ 2,359,620
	2024 earnings distribution:											
B5	Cash dividends to the Company's shareholders	-	-	-	-	-	(91,201)	-	-	(91,201)	-	(91,201)
C15	Cash dividends from capital surplus	-	-	(22,800)	-	-	-	-	-	(22,800)	-	(22,800)
O1	Employee stock options issued by subsidiaries	-	-	-	-	-	-	-	-	-	1,325	1,325
O1	Cash dividends paid by subsidiaries	-	-	-	-	-	-	-	-	-	(41,333)	(41,333)
D1	Net income for the three months ended March 31, 2025	-	-	-	-	-	11,941	-	-	11,941	(29)	11,912
D3	Other comprehensive income, net of tax, for the three months ended March 31, 2025	-	-	-	-	-	-	6,721	-	6,721	2,700	9,421
D5	Total comprehensive income for the three months ended March 31, 2025	-	-	-	-	-	11,941	6,721	-	18,662	2,671	21,333
Z1	Balance as of March 31, 2025	46,518,570	$ 465,186	$ 1,215,261	$ 230,290	$ 31,714	$ 29,722	($ 13,269)	($ 96,697)	$ 1,862,207	$ 364,737	$ 2,226,944
A1	Balance at January 1, 2026	46,518,570	$ 465,186	$ 1,179,636	$ 252,150	$ 19,990	$ 57,884	($ 26,416)	($ 177,744)	$ 1,770,686	$ 433,086	$ 2,203,772
	2025 earnings distribution:											
B5	Cash dividends to the Company's shareholders	-	-	-	-	-	(44,696)	-	-	(44,696)	-	(44,696)
C15	Cash dividends from capital surplus	-	-	(44,696)	-	-	-	-	-	(44,696)	-	(44,696)
M7	Changes in ownership interests in subsidiaries	-	-	(41)	-	-	-	-	-	(41)	107	66
O1	Employee stock options issued by subsidiaries	-	-	-	-	-	-	-	-	-	469	469
O1	Cash dividends paid by subsidiaries	-	-	-	-	-	-	-	-	-	(26,281)	(26,281)
D1	Net income for the three months ended March 31, 2026	-	-	-	-	-	51,219	-	-	51,219	9,190	60,409
D3	Other comprehensive income, net of tax, for the three months ended March 31, 2026	-	-	-	-	-	-	7,998	-	7,998	3,802	11,800
D5	Total comprehensive income for the three months ended March 31, 2026	-	-	-	-	-	51,219	7,998	-	59,217	12,992	72,209
Z1	Balance at March 31, 2026	46,518,570	$ 465,186	$ 1,134,899	$ 252,150	$ 19,990	$ 64,407	($ 18,418)	($ 177,744)	$ 1,740,470	$ 420,373	$ 2,160,843

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

Chairman: Wang Yaohui

Manager: Wang Yaohui

Chief accountant: Huang Ju Ping

La Kaffa International Co., Ltd. and Its Subsidiaries
Consolidated Statements of Cash Flows
For the three-month periods ended March 31, 2026 and 2025

Unit: NT$ thousands

Code		For the three months ended March 31, 2026	For the three months ended March 31, 2025
	Cash flows from operating activities		
A10000	Profit before tax for the period	$ 78,561	$ 16,393
A20010	income and expense items		
A20100	Depreciation expense	114,525	94,179
A20200	Amortization expense	7,918	7,677
A20300	Expected credit loss	5,904	2,745
A20400	Net gain on financial assets and liabilities measured at fair value through profit or loss	(528)	(1,104)
A20900	Interest expense	20,680	17,439
A21200	Interest income	(8,415)	(10,477)
A21900	Employee stock option compensation cost	469	1,325
A22300	Share of profit or loss of associates accounted for using the equity method	2,157	5,125
A22500	Net loss (gain) on disposal of property, plant and equipment	382	(258)
A22900	Net gain on disposal of right-of-use assets	(129)	(23)
A23700	Reversal gain on inventory write-downs and obsolescence	(6)	(225)
A23900	Realized gains from transactions with associates	(524)	(859)
A24100	Net gain (loss) on foreign currency exchange	212	(1,219)
A24200	Gain on redemption of bonds payable	(3,201)	-
A29900	Amortization of long-term prepaid expenses	412	250
A29900	Other income and expenses	152	254
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	969	(629)
A31150	Accounts receivable	35,069	49,234
A31180	Other receivables	(1,956)	7,602
A31200	Inventory	(303)	22,398
A31230	Prepayments	(9,290)	(18,144)
A31240	Other current liabilities	(316)	585
A32125	Contract liabilities	1,451	(7,262)
A32130	Notes payable	(1)	(11,863)
A32150	Accounts payable	16,059	(49,654)
A32180	Other payables	(18,249)	(44,105)
A32200	Provisions	(162)	(50)
A32230	Other current liabilities	(2,456)	(2,451)
A33000	Cash generated from operations	239,384	76,883
A33100	Interest and dividends received	1,297	2,881
A33300	Interest and dividends paid	(15,370)	(6,623)
A33500	income tax paid	(12,945)	(12,032)
AAAA	Net cash inflow from operating activities	212,366	61,109

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Code		For the three months ended March 31, 2026	For the three months ended March 31, 2025
	Cash flows from investing activities		
B00040	Decrease in financial assets measured at amortized cost	$ -	$ 1,007
B02200	Net cash outflow on acquisition of subsidiaries (Note 30)	(276,102)	(234,231)
B02700	Purchase of property, plant and equipment	(42,487)	(48,190)
B02800	Net cash inflow (outflow) from disposal of property, plant and equipment	(179)	264
B03700	Increase in deposits paid	(1,371)	(3,264)
B03800	Decrease in deposits paid	3,059	1,211
B04300	Increase in other receivables - related parties	(65,792)	(16,312)
B04400	Decrease in other receivables - related parties	15,575	15,740
B04500	Acquisition of intangible assets	(287)	(739)
B06700	Decrease in other non-current assets	1,979	1,456
B07100	Increase in prepayments for construction and equipment	-	(214)
BBBB	Net cash outflow from investing activities	(365,605)	(283,272)
	Cash flows from financing activities		
C00100	Increase in short-term borrowings	119,143	150,000
C01300	Redemption of corporate bonds	(560,700)	-
C01700	Repayment of long-term borrowings	(15,084)	(1,033)
C03000	Receipt of deposits received	12,584	4,179
C03100	Refund of deposits received	(12,515)	(5,225)
C03700	Increase in other payables - related parties	126	-
C04020	Repayment of lease liabilities principal	(70,328)	(59,874)
C04300	Increase in other non-current liabilities	223	125
C04800	Exercise of employee stock options	66	-
CCCC	Net cash (outflow) inflow from financing activities	(526,485)	88,172
DDDD	Effect of exchange rate changes on cash and cash equivalents	(8,971)	5,191
EEEE	Net decrease in cash and cash equivalents	(688,695)	(128,800)
E00100	Cash and cash equivalents at the beginning of the period	1,611,788	1,176,629
E00200	Cash and cash equivalents at the end of the period	$ 923,093	$ 1,047,829

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

Chairman: Wang Yaohui Manager: Wang Yaohui Chief accountant: Huang Ju Ping

La Kaffa International Co., Ltd. and Its Subsidiaries
Notes to consolidated financial statements
For the three-month periods ended March 31, 2026 and 2025
(Unless otherwise stated, amounts are expressed in NT$ thousands)

I. Company history

La Kaffa International Co., Ltd. (hereinafter referred to as the "Company") was established on February 16, 2004. Its principal business activities are the franchising of chain food and beverage outlets and the sale of related products.

The Company's shares have been listed for trading on the Taipei Exchange since January 2015.

This consolidated financial report is presented in New Taiwan dollars, the functional currency of the Company.

II. Date and procedures for approval of the financial statements

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

III. Application of newly issued and amended standards and interpretations

(I) First-time adoption of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations (IFRIC), and Interpretations Committee Statements (SIC) (hereinafter referred to as the the "IFRS") as endorsed and issued into effect by the Financial Supervisory Commission (hereinafter referred to as the the "FSC").

The adoption of IFRSs endorsed and issued into effect by the Financial Supervisory Commission will not result in a material change to the accounting policies of the Group.

(II) IFRS issued by the International Accounting Standards Board (hereinafter referred to as the "IASB") but not yet endorsed and issued into effect by the FSC

newly issued/amended/revised standards and interpretations	Effective date issued by IASB (Note 1)
Amendments to IFRS 10 and IAS 28, "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	Undecided
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note 2)
IFRS 19 "Subsidiaries without Public Accountability: Disclosures" (including the 2025 amendments)	January 1, 2027

Amendment to IAS 21 "Translation of a Hyperinflationary Economy into a Presentation Currency"	January 1, 2027

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

Note 2: On September 25, 2025, the FSC announced that entities in Taiwan shall apply IFRS 18 starting from January 1, 2028, and may elect early adoption after IFRS 18 is endorsed by the FSC.

IFRS 18 "Presentation and Disclosure in Financial Statements" and related consequential amendments

IFRS 18 will replace IAS 1 "Presentation of Financial Statements." The main changes introduced by this standard include:

1. The Group shall assess whether it has specified main business activities involving investing in particular types of assets and providing financing to customers, and, based on such assessment, classify income and expenses in the statement of profit or loss into the categories of operating, investing, financing, income taxes and discontinued operations.
2. The statement of profit or loss shall present subtotals and totals for operating profit or loss, profit or loss before financing and income taxes, and profit or loss.
3. Provides guidance to enhance the requirements of aggregation and disaggregation: The group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. Items with dissimilar characteristics shall be disaggregated in the primary financial statements and the notes. The Group labels items as "other" only if it cannot find a more informative label.
4. Increase disclosures of management-defined performance measures: When the Group makes public communications outside the financial statements, and communicates management's view of a particular aspect of the Group's overall financial performance to users of the financial statements, it shall disclose, in a single note to the financial statements, information related to management-defined performance measures. Such disclosures shall include a description of the

measure, how it is calculated, a reconciliation to subtotals or totals specified by IFRS, and the income tax and non-controlling interest effects of the related reconciling items.

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

1. When the Group prepares cash flows from operating activities using the indirect method, operating profit or loss shall be used as the starting point for reconciliation.
2. Interest and dividends received by the Group shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. If, upon assessment, the Group is determined to have specific main business activities, it shall consider the category in which dividend income, interest income and interest expense are presented in the statement of profit or loss in determining the classification of dividends received, interest received and interest paid in the statement of cash flows. However, each of the aforementioned cash flows shall be classified in only one category of activities in the statement of cash flows.

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

IV. Summary of significant accounting policies

(I) Statement of compliance

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

(II) Basis of preparation

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

Fair value measurements are categorized into Levels 1 to 3 based on the observability and significance of the relevant inputs:

1. Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.
2. Level 2 inputs: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
3. Level 3 inputs: unobservable inputs for the asset or liability.

(III) Basis for consolidation

The consolidated financial statements comprise the financial statements of the Company and the entities controlled by the Company (subsidiaries). The consolidated statement of comprehensive income includes the profit or loss of subsidiaries acquired or disposed of during the period from the acquisition date or up to the date of disposal． The financial statements of the subsidiaries have been adjusted to be consistent with the accounting policies of the Group. In preparing the consolidated financial statements, all intercompany transactions, account balances, income and expenses among the entities have been fully offset. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to non-controlling interests, even if this results in a deficit balance for the non-controlling interests.

Changes in the Group’s ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group and non-controlling interests have been adjusted to reflect changes in their relative interests in the subsidiary. Any difference between the amount by which non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

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

For details of subsidiaries, shareholding percentages and business activities, please refer to Note 12 and Schedules 5 and 6.

(IV) Other significant accounting policies

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

Income tax expense

Income tax expense is the aggregate amount of current tax and deferred tax. Income taxes for interim periods are assessed on an annual basis and are calculated by applying the tax rate that is expected to be applicable to the estimated total annual earnings to the interim period's profit before tax.

V. Significant accounting judgments, estimates and key sources of estimation uncertainty

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

VI. Cash and cash equivalents

	March 31, 2026	December 31, 2025	March 31, 2025
Cash on hand and petty cash	$ 6,660	$ 6,406	$ 5,870
Bank checks and demand deposits	819,256	1,467,159	772,558
Cash equivalents			
Time deposits	97,177	64,692	193,848
Repurchase agreements	-	73,531	75,553
	$ 923,093	$ 1,611,788	$ 1,047,829

The interest rate ranges of bank deposits and repurchase agreements at the balance sheet date are as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Bank Deposits	0.00%~4.40%	0.00%~1.15%	0.00%~4.30%
Repurchase agreements	-	3.95%	4.45%

VII. Financial instruments measured at fair value through profit or loss

	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets - non-current			
Financial assets mandatorily measured at fair value through profit or loss			
Non-derivative financial assets			
- Domestic limited partnerships	$ 68,598	$ 68,598	$ 69,018
- Overseas unlisted preferred shares	61,781	61,781	67,658
	$ 130,379	$ 130,379	$ 136,676
Financial liabilities - current			
Held for trading			
Derivative instruments (not designated for hedging)			
- Put and call options of convertible bonds (Note 20)	$ 4,740	$ 21,360	$ 11,820

VIII. Financial assets measured at amortized cost

	March 31, 2026	December 31, 2025	March 31, 2025
Current			
Time deposits with original maturities exceeding three months (I)	$ 16,469	$ 15,757	$ 41,793
Restricted bank deposits (II)	37	37	-
	$ 16,506	$ 15,794	$ 41,793
Non-current			
Restricted bank deposits (II)	$ 117,406	$ 117,116	$ 6,354

(I) As of March 31, 2026, December 31, 2025, and March 31, 2025, the interest rates on time deposits with original maturities of more than three months ranged from 3.90% to 4.40%, 3.90% to 4.20%, and 1.60% to 4.25%, respectively.

(II) As of March 31, 2026, December 31, 2025, and March 31, 2025, the interest rates on restricted bank deposits ranged from 0.69% to 3.50%, 0.69% to 4.20%, and 1.20% to 4.20%, respectively. Restricted deposits included security deposits placed with the court to avoid provisional execution; please refer to Notes 35 and 36.

For information on the pledging of financial assets measured at amortized cost, please refer to Note 35.

IX. Notes receivable, accounts receivable, and other receivables

	March 31, 2026	December 31, 2025	March 31, 2025
Notes receivable			
Arising from operating activities	$ 3,661	$ 4,630	$ 3,831
Accounts receivable			
Measured at amortized cost			
Gross carrying amount—non-related parties	$ 515,288	$ 509,316	$ 483,196
Gross carrying amount—related parties	4,168	21,032	1,724
Less: Allowance for loss	(88,384)	(79,249)	(64,844)
	$ 431,072	$ 451,099	$ 420,076
Other receivables - non-related parties			
Income tax refundable	$ 3,385	$ 59	$ 2,211
Others	17,792	18,921	27,563
	$ 21,177	$ 18,980	$ 29,774
Other receivables - related parties	$ 51,368	$ -	$ 33,394

(I) Accounts receivable

The Group’s average credit period for sales of goods is 30 to 90 days. For store customers, transactions are generally settled in cash (or by credit card). Except for receivables arising from certain outlets located in shopping malls or department stores—where credit terms are determined through mutual agreement—the average credit period is 15 to 90 days. No interest is charged on accounts receivable due to the short credit period. To mitigate credit risk, management of the Group has assigned a dedicated team responsible for determining credit limits and implementing other monitoring procedures to ensure that appropriate actions are taken to recover overdue receivables. In addition, the Group reviews the recoverable amount of receivables individually at each balance sheet date to ensure that appropriate impairment losses are recognized for receivables that are not recoverable. Accordingly, management of the Company considers that the Group’s credit risk has been significantly reduced.

The Group recognizes a loss allowance for accounts receivable based on lifetime expected credit losses. Lifetime expected credit losses are calculated using a provision matrix, taking into account customers' historical default experience, current financial condition, industry economic conditions, and industry outlook.

If there is evidence that a counterparty to a transaction is experiencing significant financial difficulty and the Group cannot reasonably expect to recover the amount, the Group continues its recovery efforts, and any amounts subsequently recovered are recognized in profit or loss.

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

March 31, 2026

	Not past due	Past due 1–90 days	Past due 91–180 days	Past due 181–270 days	Past due 271–360 days	Past due over 360 days	Total
Gross carrying amount	$ 374,111	$ 37,306	$ 14,253	$ 2,610	$ 4,756	$ 86,420	$ 519,456
Loss allowance (lifetime expected credit losses)	(19)	(897)	(1,811)	(115)	(2,158)	(83,384)	(88,384)
Amortized cost	$ 374,092	$ 36,409	$ 12,442	$ 2,495	$ 2,598	$ 3,036	$ 431,072

December 31, 2025

	Not past due	Past due 1–90 days	Past due 91–180 days	Past due 181–270 days	Past due 271–360 days	Past due over 360 days	Total
Gross carrying amount	$ 397,656	$ 33,429	$ 5,306	$ 7,225	$ 17,125	$ 69,607	$ 530,348
Loss allowance (lifetime expected credit losses)	(4,926)	(4,150)	(174)	(2,179)	(8,455)	(59,365)	(79,249)
Amortized cost	$ 392,730	$ 29,279	$ 5,132	$ 5,046	$ 8,670	$ 10,242	$ 451,099

March 31, 2025

	Not past due	Past due 1–90 days	Past due 91–180 days	Past due 181–270 days	Past due 271–360 days	Past due over 360 days	Total
Gross carrying amount	$ 343,364	$ 42,215	$ 17,418	$ 8,477	$ 11,528	$ 61,918	$ 484,920
Loss allowance (lifetime expected credit losses)	-	-	(1,031)	(770)	(1,125)	(61,918)	(64,844)
Amortized cost	$ 343,364	$ 42,215	$ 16,387	$ 7,707	$ 10,403	$ -	$ 420,076

The movements in the loss allowance for accounts receivable are as follows:

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Beginning balance	$ 79,249	$ 61,269
Acquired through business combinations	1,437	-
Impairment loss recognized during the period	5,904	2,745
Actual write-offs during the period	(162)	-
Exchange differences on translation	1,956	830
Period-end balance	$ 88,384	$ 64,844

(II) Other receivables

The Group assessed its other receivables as of March 31, 2026, December 31, 2025, and March 31, 2025, and concluded that no loss allowance was required.

X. Finance lease receivables

	March 31, 2026	December 31, 2025	March 31, 2025
Undiscounted lease payments			
1st year	$ 218,468	$ 221,109	$ 233,754
2nd year	162,985	174,238	196,831
3rd year	113,079	122,124	141,545
4th year	65,318	73,072	90,409
The 5th year	25,619	30,523	41,450
Over 5 years	4,340	6,530	18,641
	589,809	627,596	722,630
Less: unearned finance income	(48,693)	(50,718)	(64,044)
Net investment in the lease (presented as finance lease receivables)	$ 541,116	$ 576,878	$ 658,586
Current	$ 196,007	$ 198,104	$ 207,126
Non-current	345,109	378,774	451,460
	$ 541,116	$ 576,878	$ 658,586

The Group subleases the leased stores to franchisees. As the entire lease term of the head lease is subleased, the sublease is classified as a finance lease.

The interest rate implicit in the lease is determined at the commencement date of the lease and is not subsequently revised during the lease term. As of March 31, 2026, December 31, 2025, and March 31, 2025, the average implicit interest rates of finance leases ranged from 2.98% to 6.50% per annum.

The Group measures the loss allowance for finance lease receivables based on lifetime expected credit losses. As of the balance sheet date, there were no overdue finance lease receivables outstanding. Considering past default experience, the Group assessed the finance lease receivables and determined that no loss allowance was required.

XI. Inventory

	March 31, 2026	December 31, 2025	March 31, 2025
Products	$ 344,196	$ 146,713	$ 131,927
Raw materials	29,410	62,297	69,001
	$ 373,606	$ 209,010	$ 200,928

The cost of sales related to inventories for the three-month periods ended March 31, 2026 and 2025 amounted to NT$667,170 thousand and NT$440,517 thousand, respectively.

The cost of sales for the three-month periods ended March 31, 2026 and 2025 included reversal gains on inventory write-downs and obsolescence of NT$(6) thousand and NT$(225) thousand, respectively. Such reversals resulted from the disposal and utilization of inventories.

XII. Subsidiary

(I) Subsidiaries included in the consolidated financial statements

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

Name of investor company	Subsidiary name	Nature of business	Ownership percentage March 31, 2026	Ownership percentage December 31, 2025	Ownership percentage March 31, 2025	Description
The Company	Chatime Group Pty. Ltd. (hereinafter referred to as "Chatime Group")	Re-investment holding company	70%	70%	70%	2
	Chatime HK Limited (hereinafter referred to as "Chatime HK")	Sales of products related to chain restaurant operations	100%	100%	100%	-
	Chatime USA, LLC (hereinafter referred to as "Chatime USA")	Franchising of chain restaurants and sales of related products	100%	100%	100%	3
	Kingza International CO., LTD. (hereinafter referred to as "Kingza Company")	Franchising of chain restaurants and sales of related products	61%	61%	61%	1
	Chun-Sun Cake CO., LTD. (hereinafter referred to as "Chun-Sun Cake Company.")	Franchising of chain restaurants and sales of related products	80%	80%	80%	-
	Mega Harvest International Limited (Cayman) (hereinafter referred to as "Mega Harvest International Company")	Re-investment holding company	54%	54%	54%	-
	Ten En Tapioca Foods Co., Ltd. (hereinafter referred to as "Tian En Company")	Manufacturing and sales of food	100%	100%	100%	-
	Chatime NorthStar, LLC (hereinafter referred to as "Chatime NorthStar")	Franchising of chain restaurants and sales of related products	100%	100%	100%	-
	Han Ley International Co., Ltd. (hereinafter referred to as "Han Ley Company")	Franchising of chain restaurants and sales of related products	100%	100%	100%	5
	Germany BoBo Q GmbH (hereinafter referred to as "Germany BoBo Q")	Sales of food	100%	-	-	6
Chatime Group	Chatime Australia Pty. Ltd. (hereinafter referred to as "Chatime AU")	Franchising of chain restaurants and sales of related products	100%	100%	100%	-
	Goobne Australia Pty. Ltd. (hereinafter referred to as "Goobne AU")	Franchising of chain restaurants and sales of related products	100%	100%	100%	-
	Chatime International Corp. (hereinafter referred to as "Chatime International")	Re-investment holding company	100%	100%	100%	-
	OMY Group Holdings Pty. Ltd. (hereafter referred to as "OMY Group Holdings")	Re-investment holding company	55%	55%	-	2
	OMY Group Holdings Pty. Ltd. (hereafter referred to as "OMY Holdings")	Re-investment holding company	55%	55%	-	2
Chatime AU	Chatime Leasing Pty. Ltd. (hereafter referred to as "Chatime Leasing")	Lease-related business	100%	100%	100%	-
	Chatime Hurstville Pty. Ltd. (hereinafter referred to as "Chatime Hurstville")	Franchising of chain restaurants and sales of related products	88%	88%	88%	-
Goobne AU	Goobne Operations Pty. Ltd. (hereinafter referred to as "Goobne Operations")	Franchising of chain restaurants and sales of related products	100%	100%	100%	-
	T8 Darling Quarter Pty. Ltd. (hereinafter referred to as "T8 Darling")	Franchising of chain restaurants and sales of related products	51%	51%	51%	-

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Name of investor company	Subsidiary name	Nature of business	Ownership percentage March 31, 2026	Ownership percentage December 31, 2025	Ownership percentage March 31, 2025	Description
OMY Group Holdings	OMY Australia Pty. Ltd. (hereinafter referred to as "OMY Australia")	Franchising of chain restaurants and sales of related products	100%	100%	-	2
OMY Holdings	OMY Group (SEA) Pte Ltd. (hereinafter referred to as "OMY Group (SEA) ")	Franchising of chain restaurants and sales of related products	100%	100%	-	2
Chatime International	Chatime Global, LLC (hereinafter referred to as "Chatime Global")	Franchising of chain restaurants and sales of related products	50%	50%	50%	-
Chatime NorthStar	Chatime Global, LLC (hereinafter referred to as "Chatime Global")	Franchising of chain restaurants and sales of related products	50%	50%	50%	-
Chatime Global	Chatime Los Angeles, LLC (hereinafter referred to as "Chatime Los Angeles")	Franchising of chain restaurants and sales of related products	100%	100%	100%	-
	Chatime Los Angeles West, LLC (hereinafter referred to as "Chatime Los Angeles West")	Franchising of chain restaurants and sales of related products	100%	100%	100%	-
	Chatime Wholesale, LLC (hereinafter referred to as "Chatime Wholesale")	Franchising of chain restaurants and sales of related products	100%	100%	100%	-
	Chatime Franchise, LLC (hereinafter referred to as "Chatime Franchise")	Franchising of chain restaurants and sales of related products	100%	100%	100%	-
	Chatime Operation, LLC (hereinafter referred to as "Chatime Operation")	Franchising of chain restaurants and sales of related products	100%	100%	100%	-
Kingza Company	Kingza HK Limited (hereinafter referred to as "Kingza HK")	Re-investment holding company	-	-	100%	1
	Kingza USA, LLC (hereinafter referred to as "Kingza USA")	Franchising of chain restaurants and sales of related products	100%	100%	100%	-
	Yangxin Catering Co., Ltd. (hereinafter referred to as "Yangxin Company")	Franchising of chain restaurants and sales of related products	51%	51%	-	1
Mega Harvest International Company	Oriental Sun International Limited (HK) (hereinafter referred to as "Oriental Sun International Company")	Reinvestment holding company also engaged in the sale of products related to chain restaurant operations	100%	100%	100%	-
Oriental Sun International Limited (HK)	Relight Management Co., Ltd. (hereinafter referred to as "Relight Company")	Franchising of chain restaurants and sales of related products	100%	100%	100%	-
	Jiaxing Ruili Trading Co., Ltd. (hereinafter referred to as "Jiaxing Ruili Company")	Sales of products related to chain restaurant operations	100%	100%	100%	-
	Express Reach E-commerce Services (Hangzhou)Co., Ltd. (hereinafter referred to as "Express Reach Company")	E-commerce sale of restaurant-related products	100%	100%	100%	4
Relight Company	Hangzhou Chunshang Pudding Catering Management Co., Ltd. (hereinafter referred to as "Hangzhou Chunshang Pudding Company")	Sales of products related to chain restaurant operations	70%	70%	70%	4
Han Ley Company	Shiny Tea Co., Ltd.	Sales of products related to chain restaurant operations	100%	100%	100%	5

Remarks:

1. As Kingza issued ordinary shares upon the exercise of employee stock options, the Company's shareholding percentages as of March 31, 2026, December 31, 2025, and March 31, 2025 were 60.56%, 60.58%, and 60.71%, respectively.

In April 2025, the board of directors of Kingza Company approved the acquisition of equity interests to integrate internal resources, enhance operational synergies, and enrich its brand portfolio to further cover diverse dining formats and consumer segments. The Group acquired 51% equity interests in Yangxin Company and Yanghe Foods Co., Ltd. (hereinafter referred to as “Yanghe”) for NT$102,400 thousand and NT$4,700 thousand, respectively. The share purchase agreements were signed on April 23, 2025, with June 1, 2025 as the acquisition date.

Yangxin Company additionally resolved at its extraordinary shareholders’ meeting held on December 1, 2025, to undertake a merger with Yanghe Company, for the purposes of enhancing operating efficiency, promoting sound management, integrating overall resources, and reducing operating costs, by issuing 2,013,900 no-par-value shares to the shareholders of 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.

In May 2023, the Board of Directors of Kingza resolved to liquidate Kingza HK. Kingza HK completed its liquidation and deregistration in May 2025.

2. In May 2025, the board of directors of Chatime Group approved an investment in a newly established Australian subsidiary, OMY Group Holdings, acquiring a 55% equity interest. Its principal business is to invest in OMY Australia to develop new brands and markets. As of March 31, 2026, Chatime Group had remitted a total of AUD 110 thousand to invest in OMY Group Holdings; OMY Group Holdings had remitted a total of AUD 10 thousand to invest in OMY Australia.

   In September 2025, the board of directors of Chatime Group approved an investment in a newly established Singapore subsidiary, OMY Holdings, acquiring a 55% equity interest. Its principal business is to invest in OMY Group (SEA) to develop new brands and markets. As of March 31, 2026, Chatime Group had remitted a total of SGD 110 to invest in OMY Holdings; OMY Holdings had remitted a total of SGD 100 to invest in OMY Group (SEA).

   In October 2023, the board of directors of Chatime Group resolved to establish a subsidiary, Chatime Sourcing Pte. Ltd., in Singapore to strengthen the supply chains in the United States and Australia. The incorporation was completed in February 2024. As of March 31, 2026, Chatime Group had not yet remitted any investment amount.

3. In March 2025, the board of directors of the Company resolved to liquidate Chatime USA. As of the date of approval for issuance of these consolidated financial statements, the liquidation process is still ongoing.
4. Oriental Sun International Limited (HK) invested in and established Express Reach Compan in Mainland China. In 2025, Oriental Sun International Company resolved to liquidate Express Reach Company. As of the date of approval for issuance of these consolidated financial statements, the liquidation process is still ongoing.

   Relight Company invested in Hangzhou Chunshang Pudding Company in Mainland China, holding a 70% equity interest, and the establishment registration was completed in October 2024. As of March 31, 2026, Relight Company had cumulatively remitted an investment amount of RMB 2,450 thousand.
5. In January 2025, the board of directors of the Company resolved to acquire 100% of the equity interests in Han Ley Company and its subsidiaries for NT$272,000 thousand, in order to expand the global market for handcrafted buble milk tea beverages, leverage advantages in key raw materials, and extend the upstream brand value chain. The acquisition agreement was signed on the same date, with March 1, 2025 designated as the acquisition date.
6. The Company's board of directors resolved on December 9, 2025 to acquire a 100% equity interest in Germany BoBo Q for EUR 10,000 thousand. Through this investment, the Company will not only continue to benefit from existing raw material sales but also enter the European market, marking a key step in the international expansion of its bubble milk tea brand. The acquisition date was January 1, 2026.

(II) Information on subsidiaries with material non-controlling interests

	Percentage of equity interest and voting rights held by non-controlling interests		
Subsidiary name	March 31, 2026	December 31, 2025	March 31, 2025
Chatime Group	30%	30%	30%
Kingza Company	39%	39%	39%
Mega Harvest International Company	46%	46%	46%
Yangxin Company	49%	49%	-

For information on the principal place of business and the country of incorporation, please refer to Schedules 5 and 6.

Subsidiary name	Profit (loss) attributable to non-controlling interests: For the three months ended March 31, 2026	Profit (loss) attributable to non-controlling interests: For the three months ended March 31, 2025	Non-controlling interests: March 31, 2026	Non-controlling interests: December 31, 2025	Non-controlling interests: March 31, 2025
Chatime Group	($ 168)	($ 5,136)	$ 36,416	$ 35,089	$ 38,455
Kingza Company	7,614	5,970	159,883	171,146	150,452
Mega Harvest International Company	(2,957)	(2,874)	146,317	147,075	163,337
Yangxin Company	3,799	-	67,450	63,741	-
Others	902	2,011	10,217	16,035	12,493
	$ 9,190	($ 29)	$ 420,373	$ 433,086	$ 364,737

The following summarized financial information of the subsidiaries is presented on a basis before the elimination of intercompany transactions:

Chatime Group and its subsidiaries

	March 31, 2026	December 31, 2025	March 31, 2025
Current assets	$ 450,630	$ 450,616	$ 449,007
Non-current assets	629,758	644,858	805,056
Current liabilities	(469,604)	(461,117)	(467,185)
Non-current liabilities	(441,943)	(472,200)	(605,240)
Equity	$ 168,841	$ 162,157	$ 181,638
Equity attributable to:			
Owners of the parent	$ 131,749	$ 126,369	$ 143,889
Non-controlling interests of Chatime Group	36,416	35,089	38,455
Non-controlling interests of subsidiaries of Chatime Group	676	699	(706)
	$ 168,841	$ 162,157	$ 181,638

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Operating revenue	$ 161,596	$ 166,872
Net loss for the period and total comprehensive income	($ 625)	($ 17,045)
Net loss and total comprehensive income attributable to:		
Owners of the parent	($ 391)	($ 11,983)
Non-controlling interests of Chatime Group	(168)	(5,136)
Non-controlling interests of subsidiaries of Chatime Group	(66)	74
	($ 625)	($ 17,045)
Cash flow		
Operating activities	$ 3,330	($ 1,640)
Investing activities	(773)	(1,183)
Financing activity	(2,083)	(7,830)
Effect of exchange rate changes	474	16
Net cash inflow (outflow)	$ 948	($ 10,637)

Kingza Company and its subsidiaries

	March 31, 2026	December 31, 2025	March 31, 2025
Current assets	$ 443,340	$ 453,203	$ 512,849
Non-current assets	764,591	797,710	349,209
Current liabilities	(407,968)	(405,931)	(351,253)
Non-current liabilities	(327,039)	(347,078)	(124,337)
Equity	$ 472,924	$ 497,904	$ 386,468
Equity attributable to:			
Owners of the parent	$ 245,501	$ 263,017	$ 236,016
Non-controlling interests of Kingza Company	159,883	171,146	150,452
Non-controlling interests of Kingza Company's subsidiaries	67,540	63,741	-
	$ 472,924	$ 497,904	$ 386,468

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Operating revenue	$ 505,269	$ 364,096
Net income for the period	$ 23,835	$ 17,414
Other comprehensive income	50	47
Total comprehensive income	$ 23,885	$ 17,461
Net profits attributable to:		
Owners of the parent	$ 12,422	$ 11,444
Non-controlling interests of Kingza Company	7,614	5,970
Non-controlling interests of Kingza Company's subsidiaries	3,799	-
	$ 23,835	$ 17,414
Total comprehensive income attributable to:		
Owners of the parent	$ 12,445	$ 11,476
Non-controlling interests of Kingza Company	7,641	5,985
Non-controlling interests of Kingza Company's subsidiaries	3,799	-
	$ 23,885	$ 17,461
Cash flow		
Operating activities	$ 61,469	$ 41,661
Investing activities	(15,670)	(40,334)
Financing activity	(44,229)	(24,387)
Effect of exchange rate changes	43	42
Net cash inflow (outflow)	$ 1,613	($ 23,018)

Wanfeng International Co., Ltd. and its subsidiaries

	March 31, 2026	December 31, 2025	March 31, 2025
Current assets	$ 179,769	$ 173,842	$ 213,583
Non-current assets	255,087	259,945	287,467
Current liabilities	(23,294)	(19,609)	(25,125)
Non-current liabilities	(7,877)	(8,455)	(12,669)
Equity	$ 403,685	$ 405,723	$ 463,256
Equity attributable to:			
Owners of the parent	$ 256,213	$ 257,121	$ 296,068
Non-controlling interests of Wanfeng International	146,317	147,075	163,337
Non-controlling interest of Wanfeng International's subsidiary’s subsidiaries	1,155	1,527	3,851
	$ 403,685	$ 405,723	$ 463,256

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Operating revenue	$ 8,480	$ 19,417
Net loss for the period and total comprehensive income	($ 6,906)	($ 6,558)
Net loss and total comprehensive income attributable to:		
Owners of the parent	(3,538)	(3,438)
Non-controlling interests of Wanfeng International	(2,957)	(2,874)
Non-controlling interest of Wanfeng International's subsidiary’s subsidiaries	(411)	(246)
	($ 6,906)	($ 6,558)
Cash flow		
Operating activities	($ 671)	($ 11,279)
Investing activities	2,124	(1,118)
Financing activity	(708)	(2,427)
Effect of exchange rate changes	4,153	2,780
Net cash inflow (outflow)	$ 4,898	($ 12,044)

Yangxin Company

	March 31, 2026	December 31, 2025
Current assets	$ 70,808	$ 88,603
Non-current assets	441,079	455,698
Current liabilities	(117,909)	(139,995)
Non-current liabilities	(212,188)	(230,009)
Equity	$ 181,790	$ 174,297
Equity attributable to:		
Owners of the parent	$ 86,006	$ 84,372
Non-controlling interests of Kingza Company	28,373	26,065
Non-controlling interest of Yangxin Company	67,411	63,860
	$ 181,790	$ 174,297

	For the three months ended March 31, 2026
Operating revenue	$ 115,007
Net income for the period and total comprehensive income	$ 7,490
Net income and total comprehensive income attributable to:	
Owners of the parent	$ 2,322
Non-controlling interests of Kingza Company	1,498
Non-controlling interest of Yangxin Company	3,670
	$ 7,490
Cash flow	
Operating activities	$ 14,322
Investing activities	(297)
Financing activity	(22,190)
Net cash outflow	($ 8,165)

XIII. Investments accounted for using the equity method

	March 31, 2026	December 31, 2025	March 31, 2025
Material associate			
Kevito Group Ltd. (hereinafter referred to as "Kevito Group")	$ 105,852	$ 107,453	$ 118,113
Individually immaterial associates			
Sky Luck International Trading Limited (hereinafter referred to as "Sky Luck Company")	-	-	-
	$ 105,852	$ 107,453	$ 118,113

(I) Material associate

			Percentage of ownership interest and voting rights		
Company name	Nature of business	Principal place of business	March 31, 2026	December 31, 2025	March 31, 2025
Kevito Group	Re-investment holding company	Canada	22%	22%	22%

For expansion into the Canadian market, the Company acquired an equity interest in Kevito Group, a Canadian distributor, for USD 2,110 thousand and additionally subscribed to Kevito Group's capital increase for USD 2,110 thousand, resulting in an ownership percentage of 22%. At the acquisition date, goodwill of $70,677 thousand and franchisee relationships of $26,354 thousand arising from the acquisition were included in the cost of the investment in associates. The subsidiaries of Kevito Group are mainly engaged in the franchising of chain restaurant outlets and the sale of related products.

The following summarized financial information has been prepared based on the associate's consolidated financial statements in accordance with IFRS and has been adjusted to reflect the application of the equity method.

Kevito Group

	March 31, 2026	December 31, 2025	March 31, 2025
Current assets	$ 134,077	$ 164,625	$ 195,117
Non-current assets	142,026	160,474	182,244
Current liabilities	(83,773)	(121,474)	(116,946)
Non-current liabilities	(67,739)	(72,373)	(92,242)
Equity	124,591	131,252	168,173
Equity not held by the Group	(97,181)	(102,377)	(131,174)
Equity held by the Group	$ 27,410	$ 28,875	$ 36,999
The Group's ownership interest	22%	22%	22%
Equity held by the Group	$ 27,410	$ 28,875	$ 36,999
Unrealized profit or loss from downstream transactions	(799)	(1,323)	(763)
Goodwill	70,677	70,677	70,677
franchise relationship	8,564	9,224	11,200
Carrying amount of investments	$ 105,852	$ 107,453	$ 118,113

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Operating revenue	$ 116,658	$ 124,696
Net loss for the period and total comprehensive income	($ 6,811)	($ 20,300)

(II) Aggregate information of individually immaterial associates

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
The Group's share		
Net loss for the period and total comprehensive income	$ -	$ -

Company name	Percentage of ownership interest and voting rights		
	March 31, 2026	December 31, 2025	March 31, 2025
Sky Luck Company	25%	25%	25%

XIV. Property, plant and equipment

	Land	Buildings and leasehold improvements	Machinery and equipment	Transportation equipment	Miscellaneous equipment	Construction in progress and equipment pending inspection	Total
Cost							
Balance at January 1, 2026	$ 145,828	$ 844,780	$ 80,988	$ 44,911	$ 423,538	$ 13,171	$ 1,553,216
Acquisitions through business combination (Note 30)	-	-	692	-	697	-	1,389
Additions	-	18,114	155	-	8,456	1,578	28,303
Disposals	-	(6,110)	-	-	(1,868)	-	(7,978)
Internal transfer	-	9,879	-	-	46	(9,925)	-
Net foreign exchange differences	-	3,123	6	1,381	3,329	130	7,970
Balance at March 31, 2026	$ 145,828	$ 869,786	$ 81,841	$ 46,292	$ 434,198	$ 4,954	$ 1,582,899
Accumulated depreciation							
Balance at January 1, 2026	$ -	$ 468,382	$ 43,641	$ 29,706	$ 311,316	$ -	$ 853,045
Acquisitions through business combination (Note 30)	-	-	624	-	430	-	1,054
Depreciation expense	-	25,300	2,541	993	13,051	-	41,885
Disposals	-	(6,110)	-	-	(1,665)	-	(7,775)
Net foreign exchange differences	-	1,493	(1)	817	2,014	-	4,323
Balance at March 31, 2026	$ -	$ 489,065	$ 46,805	$ 31,516	$ 325,146	$ -	$ 892,532
Net amount as of March 31, 2026	$ 145,828	$ 380,721	$ 35,036	$ 14,776	$ 109,052	$ 4,954	$ 690,367
Net amounts as of December 31, 2025 and January 1, 2026	$ 145,828	$ 376,398	$ 37,347	$ 15,205	$ 112,222	$ 13,171	$ 700,171
Cost							
balance at January 1, 2025	$ 145,828	$ 691,725	$ 77,283	$ 42,174	$ 340,933	$ 11,459	$ 1,309,402
Acquisitions through business combination (Note 30)	-	24,437	1,444	2,323	3,070	-	31,274
Additions	-	2,451	764	-	5,224	6,676	15,115
Disposals	-	-	-	(780)	(1,794)	-	(2,574)
Internal transfer	-	7,041	-	-	155	(7,211)	(15)
Net foreign exchange differences	-	1,948	-	636	1,476	94	4,154
Balance at March 31, 2025	$ 145,828	$ 727,602	$ 79,491	$ 44,353	$ 349,064	$ 11,018	$ 1,357,356
Accumulated depreciation							
balance at January 1, 2025	$ -	$ 381,052	$ 33,373	$ 24,438	$ 249,475	$ -	$ 688,338
Acquisitions through business combination (Note 30)	-	16,981	463	1,425	2,572	-	21,441
Depreciation expense	-	18,733	2,407	950	11,185	-	33,275
Disposals	-	-	-	(780)	(1,788)	-	(2,568)
Net foreign exchange differences	-	643	-	324	715	-	1,682
Balance at March 31, 2025	$ -	$ 417,409	$ 36,243	$ 26,357	$ 262,159	$ -	$ 742,168
Net amount as of March 31, 2025	$ 145,828	$ 310,193	$ 43,248	$ 17,996	$ 86,905	$ 11,018	$ 615,188

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

Buildings	
Main building structure	38 to 50 years
Engineering systems, etc.	5 to 26 years
Leasehold improvements	1 to 10 years
Machinery and equipment	1 to 10 years
Transportation equipment	3 to 10 years
Miscellaneous equipment	1 to 10 years

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

The Group did not recognize or reverse any impairment losses during the three-month periods ended March 31, 2026 and 2025.

For the amount of property, plant and equipment pledged as collateral for borrowings, please refer to Note 35.

XV. Lease agreements

(I) Right-of-use assets

	March 31, 2026	December 31, 2025	March 31, 2025
Carrying amount of right-of-use assets			
Buildings	$ 724,447	$ 687,198	$ 520,477
Parking lots	5,538	5,975	7,286
Transportation equipment	10,592	12,592	20,093
Other equipment	387	415	990
	$ 740,964	$ 706,180	$ 548,846

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Additions of right-of-use assets	$ 94,117	$ 21,947
Acquisitions through business combination (Note 30)	$ 16,544	$ 46,255
Depreciation expense of right-of-use assets		
Buildings	$ 68,586	$ 57,186
Parking lots	437	437
Transportation equipment	3,589	3,224
Other equipment	28	57
	$ 72,640	$ 60,904

Other than the additions and depreciation expense recognized as described above, as well as the remeasurement of lease liabilities resulting from lease modifications with corresponding adjustments to right-of-use assets and the disposal arising from the closure of directly operated stores, the Group's right-of-use assets did not experience any significant subleases or impairment during the three-month periods ended March 31, 2026 and 2025.

(II) Lease liabilities

	March 31, 2026	December 31, 2025	March 31, 2025
Carrying amount of lease liabilities			
Current	$ 425,727	$ 419,164	$ 418,107
Non-current	$ 882,754	$ 886,834	$ 809,193

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

	March 31, 2026	December 31, 2025	March 31, 2025
Buildings	1.45%～6.50%	1.45%～6.50%	1.45%～6.50%
Parking lots	1.45%	1.45%	1.45%
Transportation equipment	1.45%～5.20%	1.45%～2.60%	1.45%～1.70%
Other equipment	1.45%～2.00%	2.00%	1.45%～2.00%

(III) Significant leasing activities and terms

The Group leases certain properties for use as stores and central kitchens. For some store leases, variable lease payments are determined based on a specified percentage of the store’s gross or net sales. Such variable payment terms are primarily applied to stores located in department stores. Variable lease payment terms within the Group vary significantly:

1. Most variable payments are calculated as a specified percentage of the store’s gross sales;
2. Certain variable payment terms include minimum payment clauses.

(IV) Other lease information

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Expenses relating to short-term or low-value asset leases and variable lease payments not included in the measurement of lease liabilities	$ 58,865	$ 38,137
Total cash outflow for leases	($ 134,578)	($ 102,350)

The Group elects to apply the recognition exemption to leases that qualify as short-term leases or leases of low-value assets and does not recognize related right-of-use assets and lease liabilities for such leases.

XVI. Goodwill

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Cost		
Beginning balance	$ 672,870	$ 524,717
Acquisitions through business combination during this period (Note 30)	234,667	104,182
Period-end balance	$ 907,537	$ 628,899
Accumulated impairment losses		
Beginning and ending balances	$ 31,832	$ 12,340
Ending net amount	$ 875,705	$ 616,559

At the end of each annual reporting period, the Group performs an impairment assessment of the recoverable amount of goodwill, using value in use as the basis for determining the recoverable amount. The calculation of value in use is based on estimated cash flows derived from the financial forecasts of each cash-generating unit over the next five years, and discounted using annual rates of 8.04%–12.51% and 11.31%–13.84% for 2025 and 2024, respectively, to reflect the specific risks of the respective cash-generating units.

The Company's investment in Wanfeng International Company was affected by competition in the China market, resulting in a decrease in its estimated future cash flows, and thus its recoverable amount was lower than its carrying amount. After assessment, the Company recognized a goodwill impairment loss of NT$19,492 thousand on its investment in Wanfeng International Company in 2025, which was recorded under other gains and losses. As of March 31, 2026, there were no significant changes indicating any impairment.

Based on the valuation reports obtained by the Group, the fair values of the trademarks of subsidiary Han Ley International and sub-subsidiary Yangxin Company (including Yanghe Company) at the acquisition dates were NT$125,335 thousand and

NT$56,328 thousand, respectively, and the resulting goodwill amounted to NT$104,182 thousand and NT$43,971 thousand, respectively. The Group has adjusted the provisional amounts and the initial accounting for the business combinations retrospectively from the acquisition dates.

XVII. Intangible assets

	Computer software	Franchise	Trademark right	franchise relationship	Customer relation	Total
Cost						
Balance at January 1, 2026	$ 52,138	$ 96,231	$ 326,100	$ 114,082	$ 76,035	$ 664,586
Separately acquired	287	-	-	-	-	287
Disposals	-	(96)	-	-	-	(96)
Net foreign exchange differences	3,241	-	-	-	-	3,241
Balance at March 31, 2026	$ 55,666	$ 96,135	$ 326,100	$ 114,082	$ 76,035	$ 668,018

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	Computer software	Franchise	Trademark right	franchise relationship	Customer relation	Total
Accumulated amortization and impairment						
Balance at January 1, 2026	$ 43,468	$ 53,201	$ -	$ 91,264	$ 36,961	$ 224,894
Amortization expense	1,784	1,696	-	2,854	1,584	7,918
Disposals	-	(96)	-	-	-	(96)
Net foreign exchange differences	3,042	-	-	-	-	3,042
Balance at March 31, 2026	$ 48,294	$ 54,801	$ -	$ 94,118	$ 38,545	$ 235,758
Net amount as of March 31, 2026	$ 7,372	$ 41,334	$ 326,100	$ 19,964	$ 37,490	$ 432,260
Net amounts as of December 31, 2025 and January 1, 2026	$ 8,670	$ 43,030	$ 326,100	$ 22,818	$ 39,074	$ 439,692
Cost						
balance at January 1, 2025	$ 48,219	$ 92,524	$ 144,437	$ 114,082	$ 76,035	$ 475,297
Acquisitions through business combination (Note 30)	-	-	125,335	-	-	125,335
Separately acquired	739	-	-	-	-	739
Net foreign exchange differences	720	-	-	-	-	720
Balance at March 31, 2025	$ 49,678	$ 92,524	$ 269,772	$ 114,082	$ 76,035	$ 602,091
Accumulated amortization and impairment						
balance at January 1, 2025	$ 36,411	$ 45,986	$ -	$ 79,856	$ 30,625	$ 192,878
Amortization expense	1,601	1,640	-	2,852	1,584	7,677
Net foreign exchange differences	583	-	-	-	-	583
Balance at March 31, 2025	$ 38,595	$ 47,626	$ -	$ 82,708	$ 32,209	$ 201,138
Net amount as of March 31, 2025	$ 11,083	$ 44,898	$ 269,772	$ 31,374	$ 43,826	$ 400,953

The legal term of trademarks is 10 years, but it can be renewed every 10 years at minimal cost. Management of the Group considers that the Group has the intention and ability to continually renew the useful life. The trademark will not be amortized until its useful life is determined to be finite; however, it is tested for impairment annually, irrespective of whether there is any indication of impairment.

The Group did not recognize or reverse any impairment losses during the three-month periods ended March 31, 2026 and 2025.

For brand franchise agreements entered into by the Group, please refer to Note 37.

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

Computer software	1 to 10 years
Franchise	2 to 20 years
franchise relationship	10
Customer relation	12

XVIII. Other non-current assets

	March 31, 2026	December 31, 2025	March 31, 2025
Deposits paid	$ 40,905	$ 39,716	$ 43,365
Long-term prepaid expenses	10,200	10,450	11,883
Advances for construction and equipment	20,323	16,173	3,451
Prepayments for investments	-	73,526	-
Others	10,685	10,059	6,739
	$ 82,113	$ 149,924	$ 65,438

XIX. Loans

(I) Short-term borrowings

	March 31, 2026	December 31, 2025	March 31, 2025
Secured loans			
Bank loans	$ 70,000	$ 100,000	$ -
Unsecured loans			
Bank credit loans	605,985	454,290	249,615
	$ 675,985	$ 554,290	$ 249,615

The interest rates on short-term borrowings as of March 31, 2026, December 31, 2025, and March 31, 2025 ranged from 1.94% to 6.11%, 1.94% to 6.11%, and 1.97% to 6.11%, respectively.

The Group has provided land and buildings as collateral for bank borrowings, and the Group's key management personnel have acted as joint and several guarantors within the approved credit limits.

(II) Long-term borrowings

	March 31, 2026	December 31, 2025	March 31, 2025
Secured loans			
Bank loans	$ 33,654	$ 48,738	$ 35,873
Unsecured loans			
Bank credit loans	-	-	63
	33,654	48,738	35,936
Less: current portion	(7,271)	(11,127)	(7,251)
	$ 26,383	$ 37,611	$ 28,685

As of March 31, 2026, December 31, 2025, and March 31, 2025, the effective annual interest rates ranged from 2.10% to 7.39% for all periods.

The Group has pledged guarantees provided by the Small and Medium Enterprise Credit Guarantee Fund of Taiwan, as well as land and buildings, as collateral for bank borrowings. In addition, members of the Group's key management personnel have acted as joint guarantors within the approved credit facilities. For the carrying amounts of property, plant and equipment pledged as collateral for borrowings, please refer to Note 35.

XX. Bonds payable

	March 31, 2026	December 31, 2025	March 31, 2025
Domestic unsecured convertible bonds	$ 639,300	$ 1,200,000	$ 600,000
Less: discount on convertible bonds	(36,364)	(53,228)	(23,158)
	602,936	1,146,772	576,842
Less: current portion	(39,094)	(586,206)	(576,842)
	$ 563,842	$ 560,566	$ -

(I) The third domestic unsecured bonds

The Company issued 6,000 units of unsecured New Taiwan dollar-denominated convertible bonds with a coupon rate of 0% on January 26, 2024. The total principal amount was NT$600,000 thousand, issued at 100% of par value, for total proceeds of NT$600,000 thousand.

Each bondholder is entitled to convert each unit into the Company’s common shares at a conversion price of NT$137.7 per share. However, after the issuance of the convertible bonds, except where common shares are issued upon conversion of, or subscription under, various securities with rights to convert into or subscribe for common shares issued or privately placed by the Company, or where new shares are issued as employee remuneration, if there is any increase in the Company’s common shares, reissuance or private placement of various securities with rights to convert into or subscribe for common shares at a conversion or subscription price lower than the market price per share, capital reduction resulting in a decrease in common shares other than due to cancellation of treasury shares, or distribution of cash dividends on common shares, the conversion price shall be adjusted in accordance with Article 11 of the Company’s Domestic Third Unsecured Convertible Bond Issuance and Conversion Regulations． The conversion period is from April 27, 2024 to January

26, 2027. If the convertible bonds have not been converted by that time, they will be redeemed in cash at par value in a lump sum on January 26, 2027.

After the conversion price of the bonds has been determined, if any ex-rights or ex-dividend events occur prior to the actual issuance date, the conversion price shall be adjusted in accordance with the conversion price adjustment formula. As the Company carried out cash dividend distributions in 2026 and 2025, the conversion price of the bonds was adjusted in accordance with the terms of the indenture from the ex-dividend record dates of April 15, 2026, September 13, 2025, and April 9, 2025, to NT$121.0, NT$124.8, and NT$127.3 per share, respectively.

Upon the expiration of two years from the issuance of the convertible bonds, which serves as the put option exercise date for bondholders to request early redemption, bondholders may, in accordance with the conversion rules, give written notice to the Company to require the Company to repurchase the bonds at par value. As of March 31, 2026, holders of the Company's third domestic unsecured convertible bonds had exercised their early redemption rights for bonds with an aggregate principal amount of NT$560,700 thousand.

From the day following the expiration of three months after the issuance of the convertible bonds to the date 40 days prior to maturity, if the closing price of the Company’s common shares on the TPEx exceeds the then-current conversion price of the convertible bonds by more than 30% for 30 consecutive business days, or if the outstanding balance of the convertible bonds falls below 10% of the total original issuance amount, the Company may redeem all of the bonds in cash at par value.

The aforementioned convertible bonds comprise a host debt instrument, put/redemption option derivative, and a conversion option of equity component. The equity component is presented under equity as capital surplus—conversion rights. The effective interest rate of the liability component of the third domestic unsecured convertible bonds at initial recognition was 2.15%.

The movements in the host debt component for the three-month periods ended March 31, 2025 and 2026 were as follows:

The liability components at January 1, 2025	$ 573,754
Interest calculated using the effective interest method	3,088
Liability component as of March 31, 2025	$ 576,842
Liability component as of January 1, 2026	$ 586,206
Interest calculated using the effective interest method	697
Redemption of corporate bonds	(547,809)
The liability components at March 31, 2026	$ 39,094

The movements in the put/call option derivative instrument for the three-month periods ended March 31, 2025 and 2026 were as follows:

balance at January 1, 2025	$ 7,260
Loss from changes in fair value	4,560
Balance at March 31, 2025	$ 11,820
Balance at January 1, 2026	$ 17,220
Gain on change in fair value	(1,128)
Redemption of corporate bonds	(16,092)
Balance at March 31, 2026	$ -

The changes in the equity component—conversion rights (presented under capital surplus)—are as follows:

Balance at January 1, 2025 and March 31, 2025	$ 29,215
Balance at January 1, 2026	$ 29,215
Redemption of corporate bonds	(27,301)
Balance at March 31, 2026	$ 1,914

As of March 31, 2026, none of the holders of the third domestic unsecured convertible bonds had exercised their conversion rights.

(II) The fourth domestic unsecured bonds

The Company issued 6,000 units of unsecured New Taiwan dollar-denominated convertible bonds with a coupon rate of 0% on December 8, 2025. The total principal amount was NT$600,000 thousand, issued at 100% of par value, for total proceeds of NT$600,000 thousand.

Each bondholder is entitled to convert each unit into the Company's common shares at a conversion price of $74.3 per share. However, after the issuance of the convertible bonds, except where common shares are issued upon conversion of, or subscription under, various securities with rights to convert into or subscribe for common shares issued or privately placed by the Company, or where new shares are issued as employee remuneration, if there is any increase in the Company's common shares, reissuance or private placement of various securities with rights to convert into or subscribe for common shares at a conversion or subscription price lower than the market price per share, capital reduction resulting in a decrease in common shares other than due to cancellation of treasury shares, or distribution of cash dividends on common shares, the conversion price shall be adjusted in accordance with Article 11 of the Company's Regulations Governing the Issuance and Conversion of the Third Domestic Unsecured Convertible Corporate Bonds． The conversion period is from March 9, 2026 to December 8, 2028. If the convertible bonds have not been converted by that time, they will be redeemed in cash at par value in a lump sum on December 8, 2028.

After the conversion price of the bonds has been determined, if any ex-rights or ex-dividend events occur prior to the actual issuance date, the conversion price shall be adjusted in accordance with the conversion price adjustment formula. As the Company carried out a cash dividend distribution in 2026, the conversion price of the bonds was adjusted in accordance with the terms of the indenture to NT$72.0 per share, effective from the ex-dividend record date of April 15, 2026.

Upon the expiration of two years from the issuance of the convertible bonds, which serves as the put option exercise date for bondholders to request early redemption, bondholders may, in accordance with the conversion rules, give written notice to the Company to require the Company to repurchase the bonds at par value.

From the day following the expiration of three months after the issuance of the convertible bonds to the date 40 days prior to maturity, if the closing price of the Company's common shares on the TPEx exceeds the then-current conversion price of the convertible bonds by more than 30% for 30 consecutive business days, or if the outstanding balance of the convertible bonds falls below 10% of the total original issuance amount, the Company may redeem all of the bonds in cash at par value.

The aforementioned convertible bonds comprise a host debt instrument, put/redemption option derivative, and a conversion option of equity component. The equity component is presented under equity as capital surplus—conversion rights. The effective interest rate of the liability component of the fourth domestic unsecured convertible bonds at initial recognition was 2.33%.

The movements in the host debt component for the three-month period ended March 31, 2026 were as follows (none for the three-month period ended March 31, 2025):

Liability component as of January 1, 2026	$ 560,566
Interest calculated using the effective interest method	3,276
The liability components at March 31, 2026	$ 563,842

The movements in the put/call option derivative instrument for the three-month period ended March 31, 2026 were as follows (none for the three-month period ended March 31, 2025):

Balance at January 1, 2026	$ 4,140
Loss from changes in fair value	600
Balance at March 31, 2026	$ 4,740

The movements in the conversion option component of equity (under capital surplus) were as follows (none as of March 31, 2025):

Balance at January 1, 2026 and March 31, 2026	$ 32,130

As of March 31, 2026, none of the holders of the fourth domestic unsecured convertible bonds had exercised their conversion rights.

XXI. Other payables

	March 31, 2026	December 31, 2025	March 31, 2025
Other payables - non-related parties			
Salaries and bonuses payable	$ 151,885	$ 175,243	$ 125,999
Dividends payable	115,673	-	155,334
Construction and equipment payables	25,852	37,169	9,576
Investment payables	18,355	-	-
Others	164,147	148,004	99,789
	$ 475,912	$ 360,416	$ 390,698
Other payables - related parties	$ 1,036	$ 910	$ 602

XXII. Provisions

	March 31, 2026	December 31, 2025	March 31, 2025
Decommissioning liability			
Current	$ 15,635	$ 17,215	$ 13,965
Non-current	$ 16,908	$ 14,154	$ 13,124

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Beginning balance	$ 31,369	$ 20,896
Acquisitions through business combination (Note 30)	-	5,550
Additions during the period	1,220	651
Utilized during the period	(162)	(50)
Net foreign exchange differences	116	42
Period-end balance	$ 32,543	$ 27,089

Provision for decommissioning liabilities represents the estimated costs that the Group is required to incur to restore leased stores to their original condition at the commencement of the lease upon returning the leased assets to the lessor.

XXIII. Post-employment benefit plan

For the Company and its subsidiaries within the Group— Kingza Company, Chun-Sun Cake Co., Wanfeng Taiwan Branch, Tian En Co., Han Ley Company, Shiny Tea Company, and Yangxin Company—the pension system under the Labor Pension Act is a government-managed defined contribution plan, under which pension contributions are made at 6% of each employee’s monthly salary to individual accounts with the Bureau of Labor Insurance.

Employees of Chatime Group, Relight Company and Jiaxing Relight Company, Express Reach E-commerce Services (Hangzhou) Co., Ltd., Hangzhou Chun-Sun Pudding Company and Germany BoBo Q within the Group are members of retirement benefit plans operated by the respective local governments. These subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit plans to fund the plans. The Group’s obligation with respect to these government-operated retirement benefit plans is limited to the contribution of specified amounts.

XXIV. Equity

(I) Common stock

	March 31, 2026	December 31, 2025	March 31, 2025
Authorized shares	100,000,000	100,000,000	100,000,000
Authorized capital	$ 1,000,000	$ 1,000,000	$ 1,000,000
Issued and fully paid shares	46,518,570	46,518,570	46,518,570
Issued capital	$ 465,186	$ 465,186	$ 465,186

(II) Capital surplus

	March 31, 2026	December 31, 2025	March 31, 2025
Available for offsetting losses, distribution of cash, or capitalizing into share capital (1).			
Share premium	$ 252,463	$ 269,858	$ 329,441
Premium on conversion of corporate bonds	643,753	643,753	643,753
Donated assets	9,103	9,103	9,103
Difference between consideration paid or received for the acquisition or disposal of equity interests in subsidiaries and the carrying amount thereof	77,523	77,523	77,523
	982,842	1,000,237	1,059,820
Available only for offsetting losses			
Recognition of changes in ownership interests in subsidiaries (2)	102,409	102,450	103,163
Unclaimed dividends	27	27	26
	102,436	102,477	103,189
Not available for any purpose			
Conversion options	34,044	61,345	29,215
Employee stock options	15,577	15,577	23,037
	49,621	76,922	52,252
	$ 1,134,899	$ 1,179,636	$ 1,215,261

(1) Such capital surplus may be used to offset losses or, when the Company has no accumulated deficit, may be distributed in cash or capitalized into share capital; provided, however, that any capitalization is limited each year to a prescribed percentage of the Company's paid-in capital.

(2) Such capital surplus represents the effects of equity transactions recognized by the Company arising from changes in the equity of subsidiaries when the Company has not actually acquired or disposed of equity interests in those subsidiaries, or adjustments recognized by the Company under the equity method in respect of the capital surplus of subsidiaries.

(III) Retained earnings and dividend policy

According to the Company's earnings distribution policy as stipulated in its Articles of Incorporation, the distribution of earnings or appropriation of losses may be made after the end of each quarter. Where earnings are distributed in cash, such distribution shall be resolved by the Board of Directors in accordance with Article 228-1 and Paragraph 5 of Article 240 of the Company Act and reported to the shareholders' meeting, and is not required to be submitted to the shareholders' meeting for approval.

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) using the "net income after tax for the period" plus any amounts included in the year’s undistributed earnings balance from sources other than "net income after tax for the period." Ten percent of the resulting amount shall be appropriated as legal reserve in accordance with the law; provided, however, that 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.

For the Company’s policy on the distribution of employees’ and directors’ remuneration as stipulated in the Articles of Incorporation, please refer to Note 26 (7) – Employees’ and Directors’ Remuneration.

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.

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.

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

The Company's earnings distribution proposals for 2025 and 2024 were as follows:

	Q4 2025	Q2 2025	Q4 2024	Q2 2024
Date of board resolution	March 10, 2026	August 8, 2025	March 5, 2025	August 8, 2024
Legal reserve	$ 5,024	$ -	$ 9,440	$ 12,420
Appropriation (reversal) of special reserve	$ 6,426	$ -	($ 11,724)	$ -
Cash dividends	$ 44,696	$ -	$ 91,201	$ 113,991
Cash dividends per share ($)	$ 1.00	$ -	$ 2.00	$ 2.50

In addition, the Board of Directors resolved on March 10, 2026, August 8, 2025, and March 5, 2025 to distribute cash from capital surplus in the amounts of NT$44,696 thousand (NT$1.0 per share), NT$67,043 thousand (NT$1.5 per share), and NT$22,800 thousand (NT$0.8 per share), respectively.

The above cash dividends have been approved for distribution by the Board of Directors. The remaining earnings distribution items for 2024 were approved at the annual shareholders' meeting held on June 3, 2025. The remaining earnings distribution items for 2025 are subject to approval at the annual shareholders' meeting scheduled to be held on June 9, 2026.

(IV) Treasury shares

Purpose of repurchase	Transfer of shares to employees (thousand shares)
Number of shares as of January 1 and March 31, 2026	1,823
Number of shares as of January 1 and March 31, 2025	918

On April 10, 2025, the Company's board of directors approved the implementation of the third repurchase of treasury shares, under which the Company planned to repurchase 1,500 thousand of its shares. The execution period was from April 11, 2025 to June 10, 2025. A total of 905 thousand shares had been repurchased, at an average repurchase price of NT$89.55 per share. As of March 31, 2026, it has not yet been transferred to employees.

Treasury shares held by the Company may not be pledged in accordance with the Securities and Exchange Act and do not carry rights to dividend distributions, voting rights, or any other shareholder rights.

XXV. Revenue

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Revenue from contracts with customers		
Franchise, agency, and other related revenue	$ 561,875	$ 371,918
Directly operated store revenue	779,959	561,508
	$ 1,341,834	$ 933,426

(I) Contract balance

For notes receivable and accounts receivable, please refer to Note 9.

	March 31, 2026	December 31, 2025	March 31, 2025	January 1, 2025
Contract liabilities				
Franchise and agency licensing	$ 36,568	$ 30,058	$ 27,386	$ 34,154
Sales of goods	15,355	15,599	9,375	9,387
Customer loyalty program	8,529	6,943	13,049	12,083
Advance receipts for dining vouchers	7,073	7,791	-	-
Others	3,628	1,769	1,852	2,041
	$ 71,153	$ 62,160	$ 51,662	$ 57,665
Current	$ 65,361	$ 55,778	$ 40,274	$ 45,382
Non-current	5,792	6,382	11,388	12,283
	$ 71,153	$ 62,160	$ 51,662	$ 57,665

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

(II) Disaggregation of revenue from contracts with customers

For disaggregated revenue information, please refer to Note 40.

XXVI. Profit from continuing operations

(I) Net other income and expenses

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Interest income from finance lease receivables	$ 6,944	$ 7,728
Net gain on disposal of right-of-use assets	129	23
Net (loss) gain on disposal of property, plant and equipment	(382)	258
Interest expense on lease liabilities	(6,944)	(7,728)
Others	-	276
	($ 253)	$ 557

(II) Interest income

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Bank Deposits	$ 789	$ 1,458
Financial assets measured at fair value through profit or loss	86	139
Others	596	1,152
	$ 1,471	$ 2,749

(III) Other gains and losses

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Net gain on financial assets and liabilities measured at fair value through profit or loss	$ 528	$ 1,104
Net foreign exchange gains	9,793	6,128
Gain on redemption of bonds payable	3,201	-
Others	(68)	686
	$ 13,454	$ 7,918

(IV) Interest expense

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Bank loan interest	$ 4,270	$ 2,017
Interest on lease liabilities	5,384	4,339
Interest on convertible bonds	3,973	3,088
Other interest expenses	109	267
	$ 13,736	$ 9,711

(V) Depreciation and amortization

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Summary of depreciation expenses by function		
Operating costs	$ 22,241	$ 18,413
Operating expenses	92,284	75,766
	$ 114,525	$ 94,179
Summary of amortization expenses by function		
Operating costs	$ 1,740	$ 1,654

Selling expenses	5,098	4,996
Administrative expenses	1,059	1,025
Research and development expenses	21	2
	$ 7,918	$ 7,677

(VI) Employee benefits expense

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Post-employment benefits	$ 16,265	$ 13,264
Share-based payments		
Equity-settled	469	1,325
Other employee benefits	340,611	249,207
	$ 357,345	$ 263,796
Summary by function		
Operating costs	$ 94,072	$ 59,189
Operating expenses	263,423	204,607
	$ 357,345	$ 263,796

(VII) Employees’ and directors' remuneration

In accordance with 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 allocated as employee remuneration and no more than 5% as directors’ remuneration. At the Company’s annual general meeting of shareholders in 2025, a resolution was passed to amend the Articles of Incorporation, stipulating that, of the aforementioned employees’ remuneration, 0.5% to 5% of the profit before tax for the year, prior to the deduction of employees’ and directors’ remuneration, shall be allocated as remuneration for rank-and-file employees.

The estimated employee compensation and directors' remuneration for the three-month periods ended March 31, 2026 and 2025 were as follows:

Estimated percentages

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Employees’ remuneration	2.69%	4.57%
Directors’ remuneration	0.87%	1.09%

Amount

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Employees' remuneration	$ 1,910	$ 611
Directors' remuneration	$ 619	$ 146

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

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

Amount

	2025	2024
	Cash	Cash
Employees' remuneration	$ 3,244	$ 8,143
Directors' remuneration	$ 919	$ 2,895

The actual amounts of employees' and directors' remuneration distributed for 2025 and 2024 did not differ from the amounts recognized in the consolidated financial statements for 2025 and 2024.

For information regarding the employees' remuneration and directors' remuneration resolved by the Company's board of directors, please refer to the Taiwan Stock Exchange's Market Observation Post System.

XXVII. Income tax

(I) Income tax expense recognized in profit or loss

The major components of income tax expense are as follows:

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Current income tax		
Arising in the current period	$ 26,478	$ 6,716
Adjustments for prior years	-	10
	26,478	6,726
Deferred income tax		
Arising in the current period	(8,326)	(2,245)
Income tax expense recognized in profit or loss	$ 18,152	$ 4,481

(II) Status of income tax assessments

The income tax returns of the Company and Yangxin through 2024, and those of Kingza, Chun-Sun Cake, Ten En, Han Ley, Shiny Tea, and Wanfeng Taiwan Branch through 2023, have been assessed by the tax authorities.

XXVIII. Earnings per share

Unit: $ per share

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Basic earnings per share	$ 1.10	$ 0.26
Diluted earnings per share	$ 1.00	$ 0.26

Earnings and the weighted average number of common shares used to calculate earnings per share are as follows:

Net income for the period

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Net income attributable to owners of the Company	$ 51,219	$ 11,941
Effect of potentially dilutive common shares:		
Interest on convertible bonds	3,973	-
Gain on redemption of bonds payable	(3,201)	-
Net gain on financial assets at fair value through profit or loss	(528)	-
Net profit used in the calculation of diluted earnings per share	$ 51,463	$ 11,941

Number of shares

Unit: Thousand Shares

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Weighted average number of common shares used in the calculation of basic earnings per share	46,506	45,601
Effect of potentially dilutive common shares:		
Convertible bonds	4,694	-
Employees' remuneration	68	65
Weighted average number of common shares used in the calculation of diluted earnings per share	51,268	45,666

If the Group may elect to settle employee remuneration in shares or in cash, then, for the purpose of calculating diluted earnings per share, it is assumed that such remuneration will be settled in shares, and such potential common shares are included in the weighted average number of common shares outstanding when they have a dilutive effect, in order to calculate diluted earnings per share. When calculating diluted earnings per share prior to the resolution in the following year regarding the number of shares to be issued as employee remuneration, the dilutive effect of such potential common shares shall continue to be taken into account.

The outstanding convertible bonds of the Group, if converted during the three-month period ended March 31, 2025, would have had an anti-dilutive effect and therefore were not included in the calculation of diluted earnings per share.

XXIX. Share-based payment arrangement

(I) The Company's employee stock option plan

The Company granted 1,000 thousand employee share options on December 8, 2020, to employees of the Company and its subsidiaries who meet specified conditions. The share options have a term of five years. From the date two years after the grant date, the holders may exercise a specified proportion of the options granted. Each unit entitles the holder to subscribe for one common share. The exercise price of the share options is the closing price of the Company's common shares on the grant date. After the grant of the share options, if there is any change in the Company's common shares, the exercise price shall be adjusted in accordance with the prescribed formula.

Information relating to employee stock options was as follows (none for the three-month period ended March 31, 2026):

	For the three months ended March 31, 2025	
Employee stock options	Unit (Thousands)	Weighted average exercise price ($)
Outstanding at the beginning of the period	633	$103.10
Exercised during the period	-	-
Forfeited during the period	(3)	103.10
Outstanding at the end of the period	630	103.10
Exercisable at the end of the period	630	103.10

As of the balance sheet date, information relating to outstanding employee stock options was as follows (none as of March 31, 2026 and December 31, 2025):

	March 31, 2025
Range of exercise prices ($)	$103.10
Weighted-average remaining contractual term (years)	0.69

The employee stock options granted by the Company in December 2020 were measured using the Black–Scholes option pricing model. The inputs used in the valuation model are as follows:

	December 2020
Grant date share price	$ 122.00
Exercise price	$ 122.00
Expected volatility	47.79%
Term of validity	3.99
Risk-free interest rate	0.13%

The expected volatility used in the valuation of the employee share options granted in December 2020 was based on the Company's historical share price volatility.

As the Company carried out cash dividend distributions in 2025, the exercise price of the employee stock options granted in December 2020 was adjusted in accordance with the terms of the plan to NT$98.40 and NT$100.40 per share, effective from the ex-dividend record dates of September 13, 2025 and April 9, 2025, respectively.

(II) Employee stock option plan of subsidiaries

On June 13, 2023, Kingza Company granted 500 thousand units of employee stock options to eligible employees of Kingza Company. The share options have a term of five years. From the date two years after the grant date, the holders may exercise a specified proportion of the options granted. Each unit entitles the holder to subscribe for one common share. After the issuance of the stock options, if there are changes in the common shares of Kingza Company, the exercise price of the options is adjusted in accordance with the prescribed formula.

Information on employee share options is as follows:

Employee stock options	For the three months ended March 31, 2026		For the three months ended March 31, 2025	
	Unit (Thousands)	Weighted average exercise price ($)	Unit (Thousands)	Weighted average exercise price ($)
Outstanding at the beginning of the period	262	$ 13.20	456	$ 14.40
Exercised during the period	(5)	13.20	-	-
Forfeited during the period	(7)	13.20	(5)	14.40
Outstanding at the end of the period	250	13.20	451	14.40
Exercisable at the end of the period	43	13.20	-	-

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

	March 31, 2026	December 31, 2025	March 31, 2025
Range of exercise prices ($)	$13.20	$13.20	$14.40
Weighted-average remaining contractual term (years)	2.21	2.45	3.21

The employee stock options granted by Kingza Company in June 2023 were measured using the Black–Scholes option pricing model. The inputs used in the valuation model are as follows:

	June 2023
Grant date share price	$49.01
Exercise price	$15.00
Expected volatility	35.00%
Term of validity	5.00 years
Risk-free interest rate	1.0807%-1.0882%

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

As Kingza Company carried out cash dividend distributions in 2026 and 2025, the exercise price of the employee stock options granted in June 2023 was adjusted in accordance with the terms of the plan to NT$12.60, NT$13.20, and NT$13.48 per share, effective from the ex-dividend record dates of April 15, 2026, September 5, 2025, and April 9, 2025, respectively.

The compensation costs recognized for the three-month periods ended March 31, 2026 and 2025 were NT$469 thousand and NT$1,325 thousand, respectively.

XXX. Business combination

(I) Acquisition of subsidiaries

	Major operating activities	Acquisition date	Acquisition percentage (%)
Germany BoBo Q	Sales of products related to chain restaurant operations	January 1, 2026	100
Han Ley Company	Franchising of chain restaurants and sales of related products	March 1, 2025	100
Yangxin Company	Franchising of chain restaurants and sales of related products	June 1 to December	51
Yanghe Company	Manufacturing and sales of food	June 1 to December	51

To expand the global market for handcrafted bubble milk tea beverages, leverage advantages in key raw materials, and extend the upstream brand value chain, the Group's board of directors approved, on January 6, 2025, the acquisition of Han Ley Group for cash consideration of $272,000 thousand. The share purchase agreement was signed on the same date, with March 1, 2025 designated as the acquisition date.

In addition, to expand its presence in the food and beverage market, enter the high-growth vegetarian dining sector, integrate Group resources, enhance operational synergies, and enrich its brand portfolio, the board of directors of Kingza Company approved, on April 22, 2025, the acquisition of 51% equity in Yangxin Company and Yanghe Company for cash consideration of $102,400 thousand and $4,700 thousand, respectively. The share purchase agreements were signed on April 23, 2025, with June 1, 2025 designated as the acquisition date.

The Group's board of directors resolved on December 9, 2025 to acquire a 100% equity interest in Germany BoBo Q GmbH for EUR 10,000 thousand. Through this investment, the Company will not only continue to benefit from existing raw material sales but also enter the European market, marking a key step in the international expansion of its bubble milk tea brand. The acquisition date was January 1, 2026.

(II) Assets acquired and liabilities assumed at the acquisition date

	Germany BoBo Q	Han Ley Consolidated Company	Yangxin Company	Yanghe Company
Current assets				
Cash	$ 2,247	$ 37,769	$ 20,637	$ 1,196
Financial assets measured at amortized cost	-	-	37	-
Accounts receivable and other receivables	20,949	44,177	8,239	4,996
Current income tax assets	5,524	-	-	-
Inventory	147,801	11,469	4,294	2,143
Prepayments	6,322	111	3,502	1,094
Other current liabilities	1,046	452	9,435	69
Non-current assets				
Property, plant and equipment	335	9,833	57,727	20,763
Right-of-use assets	16,544	46,255	223,553	12,302
Trademark right	-	125,335	56,328	-
Other intangible assets	-	-	99	-
Deferred income tax assets	-	814	2,363	-
Other non-current assets	2,603	895	18,937	530
Current liabilities				
Contract liabilities - current	(6,280)	(498)	(8,914)	-
Notes payable	-	(12,471)	-	-
Accounts payable and other payables	(43,250)	(35,294)	(34,935)	(5,604)
Provisions - current	-	(3,850)	-	-
Current income tax liabilities	-	(2,399)	-	-
Lease liabilities - current	(7,349)	(17,975)	(22,531)	(1,300)
Long-term liabilities due within one year	-	(3,924)	(8,154)	(2,740)
Other current liabilities	(1,072)	(207)	(1,627)	(9,151)
Non-current liabilities				
Long-term borrowings	-	(581)	(3,571)	(11,500)
Non-current provisions	-	(1,700)	(1,850)	(560)
Non-current lease liabilities	(9,857)	(30,297)	(201,022)	-
Deferred tax liabilities	-	(96)	-	-
	$ 135,563	$ 167,818	$ 122,547	$ 1,236

The initial accounting for the acquisition of Germany BoBo Q was provisional as of the balance sheet date. As of the date these consolidated financial statements were authorized for issuance, the required market valuations and other calculations had not yet been completed. Accordingly, the identifiable net assets at the acquisition date were recognized on a provisional basis based on management's best estimate.

(III) Goodwill arising from acquisition

	Germany BoBo Q	Han Ley Consolidated Company	Yangxin Company	Yanghe Company
Consideration transferred	$ 370,230	$ 272,000	$ 102,400	$ 4,700
Add: Non-controlling interests (49% ownership interests in Yangxin Company and Yanghe Company)	-	-	60,048	606
Less: fair value of identifiable net assets acquired	(135,563)	(167,818)	(122,547)	(1,236)
Goodwill arising from acquisition	$ 234,667	$ 104,182	$ 39,901	$ 4,070

The goodwill arising from the acquisition of Han Ley Company, Yangxin Company, and Yanghe Company is primarily attributable to the control premium. In addition, the consideration transferred in the business combinations includes expected synergies, revenue growth, future market development, and the value of the workforce. However, these benefits do not meet the recognition criteria for identifiable intangible assets and are therefore not recognized separately.

As of the date these financial statements were authorized for issuance, the purchase price allocation report for the acquisition of Germany BoBo Q had not yet been completed. Accordingly, the difference between the acquisition cost and the net assets acquired has been provisionally recorded as goodwill.

(IV) Net cash outflow on acquisition of subsidiaries

	Germany BoBo Q	Han Ley Consolidated Company	Yangxin Company	Yanghe Company
Cash consideration paid	$ 370,230	$ 272,000	$ 102,400	$ 4,700
Less: cash balances acquired	(2,247)	(37,769)	(20,637)	(1,196)
	$ 367,983	$ 234,231	$ 81,763	$ 3,504

The Group had prepaid an investment amount of NT$73,526 thousand prior to the acquisition date. As of March 31, 2026, NT$18,355 thousand (EUR 500 thousand) remained unpaid in accordance with the investment agreement and was recognized under other payables.

(V) Effect of business combinations on operating results

The operating results contributed by the acquiree for the three-month period ended March 31, 2026 since the acquisition date were as follows:

	Germany BoBo Q
Operating revenue	$ 124,521
Net profit for the year	$ 10,709

The operating results contributed by the acquiree for the month ended March 31, 2025 since the acquisition date were as follows:

	Han Ley Consolidated Company
Operating revenue	$ 30,310
Net profit for the year	$ 866

Had these business combinations occurred at the beginning of the annual reporting periods in which the acquisition dates fell, the Group's pro forma revenue for the three-month periods ended March 31, 2026 and 2025 would have been

NT$1,341,834 thousand and NT$1,007,848 thousand, respectively, and the Group's pro forma net income would have been NT$60,409 thousand and NT$14,763 thousand, respectively. These amounts do not reflect the actual revenue and operating results that the Group would have generated had the business combinations been completed at the beginning of the acquisition year, nor should they be used as an indication of future operating results.

XXXI. Equity transactions with non-controlling interests (none for the three-month period ended March 31, 2025)

During the three-month period ended March 31, 2026, Kingza Company issued ordinary shares upon the exercise of employee stock options, resulting in a decrease in the Company's ownership interest from 60.58% to 60.56%.

As the above transactions did not result in a change in the Group's control over these subsidiaries, they were accounted for as equity transactions.

XXXII. Capital risk management

The Group manages its capital to ensure that entities within the Group are able to continue as going concerns while optimizing the balance between debt and equity so as to maximize returns to shareholders.

XXXIII. Financial instruments

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

March 31, 2026

	Carrying amount	Fair value Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities measured at amortized cost:					
- The third domestic unsecured convertible bonds	$ 39,094	$ -	$ -	$ 38,848	$ 38,848
- The fourth domestic unsecured convertible bonds	563,842	-	-	566,940	566,940
	$ 602,936	$ -	$ -	$ 605,788	$ 605,788

December 31, 2025

	Carrying amount	Fair value Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities measured at amortized cost:					
- The third domestic unsecured convertible bonds	$ 586,206	$ -	$ -	$ 586,920	$ 586,920
- The fourth domestic unsecured convertible bonds	560,566	-	-	563,940	563,940
	$ 1,146,772	$ -	$ -	$ 1,150,860	$ 1,150,860

March 31, 2025

	Carrying amount	Fair value Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities measured at amortized cost:					
- The third domestic unsecured convertible bonds	$ 576,842	$ -	$ -	$ 578,280	$ 578,280

In estimating the fair value of the liability component of the convertible bonds, the Group assumes that The third domestic unsecured convertible bonds And the fourth domestic unsecured convertible bonds will be redeemed on January 26, 2027 and December 8, 2028, respectively. The risk discount rate is determined with reference to the yields of corporate bonds with equivalent credit ratings of the guarantor bank.

Except as described above, management of the Group considers that the carrying amounts of financial assets and financial liabilities not measured at fair value approximate their fair values, or that their fair values cannot be reliably measured.

(II) Fair value information – financial instruments measured at fair value on a recurring basis

1. Fair value hierarchy

March 31, 2026

	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss				
Investment in equity instruments	$ -	$ -	$ 61,781	$ 61,781
Limited partnerships	-	-	68,598	68,598
	$ -	$ -	$ 130,379	$ 130,379
Financial liabilities at fair value through profit or loss				
Held for trading	$ -	$ -	$ 4,740	$ 4,740

December 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss				
Investment in equity instruments	$ -	$ -	$ 61,781	$ 61,781
Limited partnerships	-	-	68,598	68,598
	$ -	$ -	$ 130,379	$ 130,379

	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit or loss				
Held for trading	$ -	$ -	$ 21,360	$ 21,360

March 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss				
Investment in equity instruments	$ -	$ -	$ 67,658	$ 67,658
Limited partnerships	-	-	69,018	69,018
	$ -	$ -	$ 136,676	$ 136,676
Financial liabilities at fair value through profit or loss				
Held for trading	$ -	$ -	$ 11,820	$ 11,820

There were no transfers between Level 1 and Level 2 fair value measurements during the three-month periods ended March 31, 2026 and 2025.

2. Reconciliation of financial instruments measured at Level 3 fair value

For the three months ended March 31, 2026

	Measured at fair value through profit or loss		
Financial assets	Equity instrument	Limited partnerships	Total
Beginning balance	$ 61,781	$ 68,598	$ 130,379
Recognized in profit or loss			
- Unrealized	-	-	-
Period-end balance	$ 61,781	$ 68,598	$ 130,379

Financial liabilities	Measured at fair value through profit or loss Held for trading
Beginning balance	$ 21,360
Redemption	(16,902)
Recognized in profit or loss	
- Unrealized	(528)
Period-end balance	$ 4,740

For the three months ended March 31, 2025

	Measured at fair value through profit or loss		
Financial assets	Equity instrument	Limited partnerships	Total

Beginning balance	$ 61,994	$ 69,018	$ 131,012
Recognized in profit or loss			
- Unrealized	5,664	-	5,664
Period-end balance	$ 67,658	$ 69,018	$ 136,676

Financial liabilities	Measured at fair value through profit or loss Held for trading
Beginning balance	$ 7,260
Recognized in profit or loss	
- Unrealized	4,560
Period-end balance	$ 11,820

3. Valuation techniques and assumptions used in Level 3 fair value measurements

Equity instrument investments represent shares of non-TWSE/TPEx listed companies without an active market. Their fair value is determined using a market approach with reference to recent financing activities of the investee companies and market conditions. In addition, a discounted cash flow method is applied to estimate the present value of expected returns from holding these investments, and a valuation model is used under the income approach to allocate the overall enterprise value to each preferred share in estimating fair value.

Limited partnerships are valued based on the aggregate value of their individual assets or individual liabilities to reflect the overall value of the underlying investments. The significant unobservable input is a discount for market liquidity.

(III) Types of financial instruments

	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets			
Measured at fair value through profit or loss			
Equity instrument	$ 61,781	$ 61,781	$ 67,658
Limited partnerships	68,598	68,598	69,018
Financial assets measured at amortized cost			
Cash and cash equivalents	923,093	1,611,788	1,047,829
Time deposits with original maturities exceeding three months (classified as financial assets at amortized cost – current)	16,469	15,757	41,793
Notes receivable	3,661	4,630	3,831

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	March 31, 2026	December 31, 2025	March 31, 2025
Accounts receivable (including related parties)	$ 431,072	$ 451,099	$ 420,076
Other receivables (including related parties, excluding tax refund receivables):	69,160	18,921	60,957
<u>Financial assets</u>			
Financial assets measured at amortized cost			
Finance lease receivables	541,116	576,878	658,586
Restricted bank deposits (classified as financial assets measured at amortized cost)	117,443	117,153	6,354
Deposits paid (recognized under other current assets and non-current assets)	63,692	62,631	54,988
<u>Financial liabilities</u>			
Measured at fair value through profit or loss			
Held for trading	4,740	21,360	11,820
Measured at amortized cost			
Short-term borrowings	675,985	544,290	249,615
Notes payable	9	10	608
Accounts payable	332,283	288,930	237,993
Other payables (including related parties):	198,092	165,156	102,401
Measured at amortized cost			
Bonds payable (including current portion):	$ 602,936	$ 1,146,772	$ 576,842
Long-term borrowings (including current portion):	33,654	48,738	35,936
Deposits received (recognized under other non-current liabilities):	11,803	11,482	13,860

(IV) financial risk management objectives and policies

The Group’s risk control and hedging strategies are influenced by the operating environment; however, the Group has implemented appropriate risk management and control procedures based on the nature of its operations and the principle of risk diversification. These risks include market risk (comprising foreign exchange risk and interest rate risk), credit risk, and liquidity risk.

1. Market risk

The Group’s operating activities expose it to the principal financial risks of foreign exchange rate risk and interest rate risk.

(1) Exchange rate risk

The Group engages in sales and purchases denominated in foreign currencies, which give rise to exposure to foreign exchange rate fluctuations. To mitigate the risk of decreases in the value of foreign currency assets and fluctuations in future cash flows arising from exchange rate movements, the Group manages its exposure by naturally offsetting foreign currency assets and liabilities.

For the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the functional currency as of the balance sheet date, please refer to Note 38.

Sensitivity analysis

The Group is primarily exposed to fluctuations in the U.S. dollar exchange rate. The sensitivity analysis of foreign exchange risk is primarily based on the USD-denominated monetary items as of the end of the reporting period. When the functional currencies of the Group entities appreciate/depreciate by 3% against the U.S. dollar, the Group's profit before tax for the three-month periods ended March 31, 2026 and 2025 would decrease/increase by NT$5,212 thousand and NT$5,828 thousand, respectively.

As the aforementioned sensitivity analysis is based on the foreign currency exposure outstanding at the balance sheet date, management considers that it does not reflect exposures during the year.

(2) Interest rate risk

As entities within the Group borrow funds at both fixed and floating interest rates, the Group is exposed to interest rate risk. Management of the

Group monitors changes in market interest rates on a regular basis and adjusts the proportion of floating-rate financial liabilities so that the Group's interest rates approximate market rates, in order to respond to the risks arising from fluctuations in market interest rates.

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

	March 31, 2026	December 31, 2025	March 31, 2025
Fair value interest rate risk			
- Financial assets	$ 816,831	$ 803,843	$ 1,009,528
- Financial liabilities	2,531,573	2,952,395	1,946,569
Cash flow interest rate risk			
- Financial assets	821,718	1,506,703	769,231
- Financial liabilities	89,483	103,403	143,124

Sensitivity analysis

For the sensitivity analysis of interest rate risk, the Group bases its calculations on financial assets and liabilities with cash flow interest rate risk as of the balance sheet date. The Group uses a 1% increase/decrease in market interest rates as a reasonable basis for assessing interest rate risk for reporting to management. With all other variables held constant, a 1% increase/decrease in market interest rates would result in an increase/decrease in the Group's profit before tax of NT$1,831 thousand and NT$1,565 thousand for the three-month periods ended March 31, 2026 and 2025, respectively.

2. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in a financial loss to the Group. The Group's policy is to transact only with counterparties of sound credit standing to mitigate the risk of financial loss, and to continuously monitor credit exposure and the creditworthiness of its counterparties.

The Group's accounts receivable are due from a large number of customers and are geographically diversified, with no concentration in any single customer or region. In addition, the Group continually evaluates the financial condition of its customers; therefore, its credit risk is considered limited. At the balance sheet date, the Group's maximum exposure to credit risk is equal to the carrying amount of the financial assets recognized.

3. Liquidity risk

The Group manages and maintains sufficient levels of cash and cash equivalents to support its operations and mitigate the impact of fluctuations in cash flows. Management of the Group monitors the utilization of bank credit facilities and ensures compliance with the terms of borrowing agreements.

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

The remaining contractual maturity analysis of non-derivative financial liabilities is prepared based on the earliest dates on which the Group can be required to repay, using the undiscounted cash flows of the financial liabilities (including principal and estimated interest). Accordingly, bank borrowings for which the Group may be required to repay immediately are presented in the earliest time band in the table below, without taking into account the likelihood that the banks will exercise such rights immediately. The maturity analysis of other non-derivative financial liabilities is prepared based on the contractual repayment dates.

March 31, 2026

	Payable on demand or within one year	1 to 5 years	Over 5 years
Non-derivative financial liabilities			
Non-interest-bearing liabilities	$ 675,218	$ 25,826	$ 663
Lease liabilities	469,648	834,398	115,402
Floating-rate instruments	169,571	8,937	10,975
fixed-rate instruments	552,779	570,313	-
	$ 1,867,216	$ 1,439,474	$ 127,040

December 31, 2025

	Payable on demand or within one year	1 to 5 years	Over 5 years

Non-derivative financial liabilities			
Non-interest-bearing liabilities	$ 485,254	$ 28,607	$ 722
Lease liabilities	457,392	829,355	122,080
Floating-rate instruments	72,400	19,544	11,459
fixed-rate instruments	1,079,223	567,174	-
	$ 2,094,269	$ 1,444,680	$ 134,261

March 31, 2025

	Payable on demand or within one year	1 to 5 years	Over 5 years
Non-derivative financial liabilities			
Non-interest-bearing liabilities	$ 525,113	$ 2,780	$ 915
Lease liabilities	459,156	815,146	56,440
Floating-rate instruments	122,173	8,040	12,911
fixed-rate instruments	711,535	7,733	-
	$ 1,817,977	$ 833,699	$ 70,266

(2) Credit lines

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

	March 31, 2026	December 31, 2025	March 31, 2025
Bank borrowing limit - Undrawn amount	$ 796,197	$ 885,148	$ 893,205

XXXIV. Related party transaction

Transactions, account balances, revenues, and expenses between the Company and its subsidiaries (related parties of the Company) have been fully eliminated upon consolidation and are therefore not disclosed in this note. Except as disclosed in other notes, significant transactions between the Group and its related parties are as follows:

(I) Names of related parties and their relationships

Name of related party	Relationship with the Company
Sky Luck International Trading Limited (hereinafter referred to as "Sky Luck Company")	Associate
Z-He (shanghai)Trading Co., Ltd. (Hereinafter Referred to as "Z-He Company")	Associate
Kevito Ltd. (Hereinafter Referred to as "Kevito")	Associate
CHENG－CHAO HE	Other related party
Jia-li Lin	Other related party
Hengtai International Investment Holding Co., Ltd. (hereinafter referred to as "Hengtai Company")	Substantive related party

(II) Operating revenue

Related party category	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Associate	$ 16,138	$ 13,905
Substantive related party	-	26
	$ 16,138	$ 13,931

The Group's sales transactions with related parties are not materially different from those with non-related parties.

(III) Purchase

Related party category	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Associate	$ 21,508	$ -

The Group's purchase transactions with related parties are not materially different from those with non-related parties.

(IV) Accounts receivable from related parties (excluding loans to related parties)

Account line item	Related party category	March 31, 2026	December 31, 2025	March 31, 2025
accounts receivable - related parties	Associate	$ 4,168	$ 21,032	$ 1,724

No collateral has been received for the outstanding accounts receivable from related parties.

(V) Amounts payable to related parties (excluding borrowings from related parties)

Account line item	Name of related party	March 31, 2026	December 31, 2025	March 31, 2025
Accounts payable - related parties	Associate	$ 8,236	$ 2,279	$ -
Other payables - related parties	Other related party	$ 1,036	$ 910	$ 602

No collateral has been provided for the outstanding accounts payable to related parties.

(VI) Lease agreement

Account line item	Related party category	March 31, 2026	December 31, 2025	March 31, 2025
Lease liabilities	Substantive related party	$ 278	$ 381	$ 688

Account line item	Related party category	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Interest expense	Substantive related party	$ 2	$ 4

In December 2023, Kingza Company entered into a lease with Hengtai Company for office premises. The lease term is three years, and the lease payments are based on rental levels for similar assets, with fixed lease payments paid monthly in accordance with the lease agreement.

(VII) Loans to related parties and interest receivable (December 31, 2025: None)

Name of related party	March 31, 2026	March 31, 2025
Other receivables - related parties		
Loans receivable		
Sky Luck Company	$ 51,192	$ 33,205
Interest receivable		
Sky Luck Company	176	189
	$ 51,368	$ 33,394

Name of related party	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Interest income		
Sky Luck Company	$ 176	$ 189

The Group provided loans to Sky Luck Company at interest rates comparable to market rates; the annual interest rate was 2% for the three-month periods ended March 31, 2026 and 2025.

(VIII) key management personnel compensation

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Salaries and others	$ 8,902	$ 8,261
Share-based payments	117	939
	$ 9,019	$ 9,200

The remuneration of directors and other key management personnel is determined by the remuneration committee based on individual performance and market trends.

XXXV. Pledged and mortgaged assets

The following assets have been pledged to financial institutions as collateral for bank borrowings, voucher performance guarantees, and leases, as well as deposited with the court as security to avoid provisional execution:

	March 31, 2026	December 31, 2025	March 31, 2025
Restricted bank deposits (classified as financial assets measured at amortized cost)	$ 117,443	$ 117,153	$ 6,354
Net amount of buildings and leasehold improvements	92,464	93,991	8,958
Land owned	145,829	145,829	38,884
	$ 355,736	$ 356,973	$ 54,196

XXXVI. Significant contingent liabilities

The Company, together with Wanfeng International Company and five other defendants, is involved in litigation initiated by Soaring Elite Limited, a British Virgin Islands company. The plaintiff claims that the defendants shall jointly and severally repurchase the shares it holds in Wanfeng International Company for a consideration of USD 3,522 thousand, together with interest calculated at an annual rate of 5% from March 14, 2023 until the date of settlement. On November 14, 2025, the Taiwan Taipei District Court rendered a judgment against the co-defendants, ordering them to jointly and severally pay USD 3,522 thousand to the plaintiff upon delivery of the disputed shares to Wanfeng International Company, while dismissing the remainder of the claims. The co-defendants have filed an appeal against the judgment, and the case is currently pending before the Taiwan High Court.

The Company's management has engaged attorneys to handle the litigation and continues to assess the development of the case. At present, the financial impact of the litigation on the Company's financial position cannot be reasonably estimated. In addition, according to a ruling by the Taipei District Court, the Company may provide guarantees to avoid a provisional execution. The Company has deposited $110,700 thousand of bank deposits in the court according to the ruling (recognized as financial assets measured at amortized cost - non-current).

XXXVII. Material contracts

(I) The Group entered into a franchise agreement with ATOM Food International Pte. Ltd., obtaining the exclusive agency rights for the Ginza Anzu Tonkatsu brand in Taiwan. Royalties are calculated based on a specified percentage of monthly revenue as agreed by both parties.

(II) The Group entered into a franchise agreement and a brand consultancy agreement with Muzhake Consulting Co., Ltd. and Yuzhuan Foods Co., Ltd., obtaining the exclusive agency rights for the Duan Chun Zhen Beef Noodles brand in Taiwan. The contract term is 25 years. In addition, in 2017, the Group entered into a brand licensing agreement with Muzhake Consulting Co., Ltd. for designated regions within Mainland China, with a contract term of 10 years. In July 2019, the Group entered into a supplemental agreement to the Duan Chun Zhen brand licensing agreement with Duan Chun Zhen Catering Co., Ltd. and Muzhake Consulting Co., Ltd., obtaining authorization to develop franchise operations in overseas countries outside Taiwan. Royalties are calculated based on a specified percentage of monthly revenue as agreed by both parties.

(III) The Group entered into a franchise agreement with Eat & International Co., Ltd., obtaining the exclusive agency rights for the Osaka Ohsho Gyoza brand in Taiwan. The contract term is five years and will automatically renew for an additional five-year period unless either party raises an objection at least three months prior to the expiration date. Royalty fee are calculated based on a specified percentage of monthly revenue as agreed by both parties.

(IV) The Group entered into a master franchise agreement with GOLIP Co., Ltd., obtaining the master franchise rights for the Kyoto Katsugyu brand in Taiwan (including directly operated stores by the Group and sub-franchise arrangements entered into between the

Group and third parties). The contract term is 10 years and will automatically renew for an additional five-year period unless either party raises an objection at least six months prior to the expiration date. In addition, in June 2019, the Group entered into a master franchise agreement with GOLIP Co., Ltd. for the Hong Kong region, obtaining the master franchise rights for the Kyoto Katsugyu brand in Hong Kong. The contract term is 10 years and will automatically renew for an additional five-year period unless either party raises an objection at least six months prior to the expiration date. Royalty fees are calculated based on a specified percentage of monthly revenue as agreed by both parties.

(V) The Group entered into a franchise agreement with SAIGON TASTE, INC., obtaining the franchise rights for the Pho Rowland brand in the Asia region. The contract term is 20 years.

(VI) The Group entered into a franchise agreement with KYOCHON F&B Co., Ltd., obtaining the master franchise rights for the Kyochon Chicken brand in Taiwan (including directly operated stores by the Group and sub-franchise arrangements entered into between the Group and third parties). The contract term is five years, and provided there is no breach of the contract, the Group may decide, prior to the expiration of the agreement, whether to renew it for an additional five-year period. Royalty fees are calculated based on a specified percentage of monthly revenue as agreed by both parties.

(VII) In July 2025, the Group entered into a franchise agreement and store purchase agreements with Taiwan Torisanwa Co., Ltd., obtaining the franchise rights for the Torisanwa brand in Taiwan (excluding the Nanjing East Road store in Taipei), as well as acquiring the stores at Breeze Taipei Station and Hanshin Arena. The contract term is 10 years, and provided there is no breach of the agreement, the Group may apply for renewal at least six months prior to the expiration date. Royalty fees are calculated based on a specified percentage of monthly revenue as agreed by both parties.

XXXVIII. Information on foreign currency-denominated assets and liabilities with significant impact

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

March 31, 2026

Foreign currency assets	Foreign currency	Exchange rate	Carrying amount
Monetary items			
USD	$ 8,537	32.00 (USD:NTD)	$ 273,131
USD	156	6.91 (USD: RMB)	4,978
AUD	1,051	21.96 (AUD:NTD)	23,080
Non-monetary items			
Financial assets measured at fair value through profit or loss			
USD	1,931	32.00 (USD:NTD)	61,781
Equity-accounted associate			
CAD	4,610	22.96 (CAD/NTD)	105,852
Foreign currency liabilities			
Monetary items			
USD	3,000	1.46 (USD: AUD)	95,985
USD	262	32.00 (USD:NTD)	8,384
EUR	500	36.71 (EUR:NTD)	18,355

December 31, 2025

Foreign currency assets	Foreign currency	Exchange rate	Carrying amount
Monetary items			
USD	$ 8,087	31.43 (USD:NTD)	$ 254,196
USD	153	6.99 (USD: RMB)	4,822
AUD	1,115	21.01 (AUD:NTD)	23,416
EUR	1,371	36.90 (EUR:NTD)	50,580
Non-monetary items			
Financial assets measured at fair value through profit or loss			
USD	1,966	31.43 (USD:NTD)	61,781
Equity-accounted associate			
CAD	4,684	22.94 (CAD/NTD)	107,453

	Foreign currency	Exchange rate	Carrying amount
Foreign currency liabilities			
Monetary items			
USD	3,000	1.50 (USD: AUD)	94,290
USD	107	31.43 (USD:NTD)	3,353

March 31, 2025

	Foreign currency	Exchange rate	Carrying amount
Foreign currency assets			
Monetary items			
USD	$ 8,624	33.21 (USD:NTD)	$ 286,376
USD	226	7.26 (USD: RMB)	7,513
AUD	1,381	20.81 (AUD:NTD)	28,746
Non-monetary items			
Financial assets measured at fair value through profit or loss			
USD	2,038	33.21 (USD:NTD)	67,658
Equity-accounted associate			
CAD	5,100	23.16 (CAD/NTD)	118,113
Foreign currency liabilities			
Monetary items			
USD	3,000	1.60 (USD: AUD)	99,615

The Group recognized net foreign exchange gains of NT$9,793 thousand and NT$6,128 thousand for the three-month periods ended March 31, 2026 and 2025, respectively. As the Group engages in transactions denominated in various foreign currencies and the functional currencies of the Group entities are diverse, it is impracticable to disclose exchange gains or losses by each foreign currency that has a significant impact.

XXXIX. Notes disclosures

(I) Relevant Information on significant transactions:

1. Lending of funds to others: Please refer to Schedule 1.
2. Endorsements and guarantees for others: Please refer to Schedule 2.
3. Significant marketable securities held at the end of the period (excluding investments in subsidiaries and associates): Schedule 3.

4. Information on purchases from and sales to related parties amounting to NT$100 million or more, or 20% or more of paid-in capital: None.
5. Receivables from related parties amounting to NT$100 million or more, or 20% or more of paid-in capital: None.
6. Others: The business relationships and significant intercompany transactions and balances between the parent company and its subsidiaries, and among the subsidiaries: Schedule 4.

(II) Information on investee companies: Schedule 5.

(III) Information on investment in China:

1. Names of investee companies in Mainland China, principal business activities, paid-in capital, investment method, capital remittance status, shareholding percentage, investment income or loss, carrying amount of the investment at period-end, repatriated investment income, and the ceiling on investment in Mainland China: Please refer to Schedule 6.
2. Significant transactions with investee companies in Mainland China, whether conducted directly or indirectly through third regions, including their pricing, payment terms, and unrealized gains or losses: Please refer to Schedule 1 and Schedule 4.
   (1) Purchase amounts and percentages, and the ending balances and percentages of the related payables.
   (2) Sales amounts and percentages, and the ending balances and percentages of the related receivables.
   (3) The amount of property transactions and the generated gains or losses.
   (4) The ending balance of notes endorsed/guaranteed or collateral provided, and their purposes.
   (5) The maximum balance, ending balance, interest rate range, and total interest for the period in respect of financing.
   (6) Other transaction events that have a material effect on profit or loss or financial position for the period, such as the provision or receipt of services.

XL. Segment information

The Group’s principal operations comprise the franchising of chain restaurant outlets and the manufacture and sale of related products. The chief operating decision maker uses the overall financial information of the Company as a basis for resource allocation and performance evaluation. In accordance with IFRS 8 Operating Segments, the information provided to the chief operating decision maker for purposes of resource allocation and segment performance assessment focuses on geographical regions. Accordingly, the reportable segments are Taiwan region, subsidiary Kingza in the Taiwan region, Americas and Australia, Europe, and China regions.

Segment revenue and operating results

The Group's revenue and operating results from continuing operations are analyzed by reportable segment as follows:

	For the three months ended March 31, 2026						
	Taiwan region	Subsidiary Kingza International in Taiwan region	Americas and Australia region	Europe region	China region	Elimination of intersegment revenue	Total
Revenue from external customers	$541,968	$505,269	$161,596	$124,521	$ 8,480	$ -	$1,341,834
Intersegment revenue	73,108	-	-	-	-	(73,108)	-
Consolidated revenue	$615,076	$505,269	$161,596	$124,521	$ 8,480	($ 73,108)	$1,341,834
Segment revenue	$ 49,482	$ 31,363	($ 9,978)	$ 14,770	($ 3,156)	($ 2,952)	$ 79,529
Interest income							$ 1,894
Interest expense							(14,158)
Share of profit or loss of associates accounted for using the equity method							(2,157)
Others							13,453
Profit before tax							$ 78,561

	For the three months ended March 31, 2025					
	Taiwan region	Subsidiary Kingza International in Taiwan region	Americas and Australia region	China region	Elimination of intersegment revenue	Total
Revenue from external customers	$ 383,041	$ 364,096	$ 166,872	$ 19,417	$ -	$ 933,426
Intersegment revenue	50,516	-	-	-	(50,516)	-
Consolidated revenue	$ 433,557	$ 364,096	$ 166,872	$ 19,417	($ 50,516)	$ 933,426
Segment revenue	$ 32,203	$ 17,192	($ 21,229)	($ 3,916)	($ 3,688)	$ 20,562
Interest income						2,749
Interest expense						(9,711)
Share of profit or loss of associates accounted for using the equity method						(5,125)
Others						7,918
Profit before tax						$ 16,393

Segment profit represents the profit earned by each segment, excluding interest income, interest expense, and the share of profit or loss of associates accounted for using the equity method. This measure is provided to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance.

As the segment information provided to the chief operating decision maker does not include the assets and liabilities of individual operating segments, the segment financial information likewise does not include measures of segment assets and liabilities.

La Kaffa International Co., Ltd. and Its Subsidiaries

Lending of Funds to Others

For the three months ended March 31, 2026

Schedule 1

Unit: Unless otherwise specified, amounts are in thousands of New Taiwan Dollars.

No. (Note 1)	Lending Company	Borrower	Account title	Related party	Maximum balance for this period (Note 4)	Period-end balance (Note 4)	Actual amount drawn	Interest rate range	Nature of funds lent (Note 2)	Transaction amount	Reason for short-term financing	Allowance for doubtful accounts recognized	Collateral		Financing limit for individual counterparty (Note 3)	Aggregate financing limit (Note 3)	Remarks
													Name	Value			
0	La Kaffa International Co., Ltd.	Sky Luck International Trading Limited	Other receivables - related parties	Yes	$ 51,192 (USD 1,600 thousand)	$ 51,192 (USD 1,600 thousand)	$ 51,192 (USD 1,600 thousand)	2.0%	2	$ -	Working capital	$ -	—	—	$ 174,047	$ 348,094	Note 3
1	Kingza International CO., LTD.	Yangxin Catering Co., Ltd.	Other receivables - related parties	Yes	38,000	38,000	38,000	2.5%	2	-	Working capital	-	—	—	40,538	81,077	Note 5
2	Relight Management Co., Ltd. (Relight Company)	Mega Harvest International Limited (Cayman)	Other receivables - related parties	Yes	57,863 (RMB 12,500 thousand)	57,863 (RMB 12,500 thousand)	57,863 (RMB 12,500 thousand)	3.0%	2	-	Working capital	-	—	—	71,678	71,678	Note 6

Note 1: The numbering in the “No.” column is explained as follows:

(1) Fill in '0' for the issuer.

(2) Invested companies are numbered sequentially starting from “1.”

Note 2: The nature of financing is explained as follows:

(1) Business transactions exist.

(2) There is a need for short-term financing.

Note 3: The total amount of financing provided by the Company to others shall not exceed 20% of the Company’s net worth; the amount provided to any individual counterparty shall not exceed 10% of the Company’s net worth. Such financing is calculated based on the net worth as of March 31, 2026.

Note 4: Amounts are translated at the exchange rate as of March 31, 2026.

Note 5: The aggregate amount of funds loaned by Kingza to others shall not exceed 20% of its net worth, and the amount of any individual loan shall not exceed 10% of its net worth. The limits for such loans were calculated based on Kingza International's net worth as of March 31, 2026.

Note 6: The total amount of financing provided by Relight Company to others shall not exceed 40% of its net worth. Such financing is calculated based on the net worth as of March 31, 2026.

La Kaffa International Co., Ltd. and Its Subsidiaries

Endorsement/guarantee for Others

For the three months ended March 31, 2026

Schedule 7

Unit: Unless otherwise specified, amounts are in thousands of New Taiwan Dollars.

Number (Note 1)	Name of endorsing/ guaranteeing company	Endorsed/guaranteed party		Endorsement/ guarantee limit for a single enterprise (Note 2)	Maximum endorsement/ guarantee balance for the current period (Note 4)	Period-end endorsement/ guarantee balance (Note 4)	Actual amount drawn (Note 4)	Amount secured by collateral pledged	Ratio of cumulative endorsement/ guarantee amount to net worth in the most recent financial statements (%)	Maximum endorsement/ guarantee limit (Note 2)	Endorsement/ guarantee by parent company for subsidiary (Note 3)	Endorsement and guarantee by a subsidiary to its parent company (Note 3)	Endorsement and guarantee to mainland China region (Note 3)	Remarks
		Company name	Relationship											
0	La Kaffa International Co., Ltd.	Chatime Australia Pty. Ltd.	Sub-subsidiary	$ 348,094	$ 127,980 (USD 4,000 thousand)	$ 127,980 (USD 4,000 thousand)	$ 95,985 (USD 3,000 thousand)	$ -	7.35	$ 870,235	Y	—	—	—

Note 1: The numbering in the “No.” column is explained as follows:

(1) Fill in '0' for the issuer.

(2) Invested companies are numbered sequentially starting from “1.”

Note 2: The total amount of endorsements/guarantees provided by the Company shall not exceed 50% of the Company’s net worth; the amount of each individual endorsement/guarantee shall not exceed 20% of the Company’s net worth. Such endorsements/guarantees provided for others are calculated based on the net worth as of March 31, 2026.

Note 3: Fill in “Y” only for endorsements/guarantees provided by a TWSE/TPEx-listed parent company to its subsidiaries, by subsidiaries to a TWSE/TPEx-listed parent company, or those provided in the Mainland China region.

Note 4: Amounts are translated at the exchange rate as of March 31, 2026.

La Kaffa International Co., Ltd. and Its Subsidiaries

Significant marketable securities held at period-end

March 31, 2026

Schedule 3

Unit: NT$ thousands

Holding company	Type and name of marketable securities (Note 1)	Relationship with the issuer of securities	Account title	Period-end				Remarks
				Number of shares	Carrying amount	Shareholding ratio	Fair value	
La Kaffa International Co., Ltd.	Equity investments in unlisted foreign companies							
	Botrista Technology, Inc.	—	Financial assets measured at fair value through profit or loss—non-current	1,133,891	$ 61,781	1%	$ 61,781	Note 2
	Pushe Jinghua Limited Partnership	—	Financial assets measured at fair value through profit or loss—non-current	-	68,598	5%	68,598	Note 3

Note 1: The term “marketable securities” as used in this Schedule refers to equity securities, bonds, beneficiary certificates, and securities derived from the aforementioned items that fall within the scope of IFRS 9 “Financial Instruments.”

Note 2: Represents holdings of preferred shares.

Note 3: The shareholding ratio is calculated based on the capital contribution as of March 31, 2026.

La Kaffa International Co., Ltd. and Its Subsidiaries

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

For the three months ended March 31, 2026

Schedule 4

Unit: NT$ thousands

No. (Note 1)	Name of transacting party	Counterparty to the transaction	Relationship with transacting party (Note 2)	Nature of transactions			
				Title	Amount	Transaction terms	Ratio of consolidated total revenue or total assets (Note 3)
0	La Kaffa International Co., Ltd.	Chatime Australia Pty. Ltd.	1	accounts receivable - related parties	$ 15,725	No material differences	-
			1	Contract liabilities	9,025	No material differences	-
			1	Operating revenue	38,844	No material differences	3%
		Chatime Global, LLC	1	accounts receivable - related parties	19,707	No material differences	-
			1	Operating revenue	13,401	No material differences	1%
		Chun-Sun Cake CO., LTD.	1	accounts receivable - related parties	4,202	No material differences	-
			1	Revenue from the sale of goods	5,265	No material differences	-
		Ten En Tapioca Foods Co., Ltd.	1	Accounts payable - related parties	4,118	No material differences	-
			1	Purchase	13,944	No material differences	1%
1	Kingza International CO., LTD.	Yangxin Catering Co., Ltd.	3	Other receivables - related parties	38,794	No material differences	1%
			3	Accounts payable - related parties	2,085	No material differences	-
2	Chatime Northstar	Chatime Global, LLC	3	Other receivables - related parties	4,313	No material differences	-
3	Mega Harvest International Company	Relight Management Co., Ltd.	3	Other payables - related parties	59,128	No material differences	1%

Note 1: Information on business transactions between the parent company and its subsidiaries shall be separately indicated in the “No.” column. The numbering method is as follows:

(1) Fill in "0" for the parent company.

(2) Subsidiaries shall be numbered sequentially starting from 1 according to each specific entity.

Note 2: The relationship with the counterparty falls into one of the following three categories; only the category needs to be indicated:

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 3: The ratio of transaction amounts to consolidated total revenue or total assets is calculated as follows: for balance sheet accounts, based on the ending balance as a percentage of consolidated total assets; for profit or loss accounts, based on the cumulative amount for the period as a percentage of consolidated total revenue.

La Kaffa International Co., Ltd. and Its Subsidiaries

Information on Invested Companies

For the three months ended March 31, 2026

Schedule 5

Unit: NT$ thousands

Name of investor company	Name of invested company	Location	Principal business activities	Original investment amount		Ending balance			Investee company's current period (loss) profit	Investment (loss) profit recognized in current period	Remarks
				Ending balance, current period	Ending balance, prior year	Number of shares	Percentage	Carrying amount			
La Kaffa International Co., Ltd.	Chatime Group Pty. Ltd.	Suite 702 Level 7,66 Goulburn St, Sydney, NSW 2000, Australia	Re-investment holding company	$ 108,243	$ 108,243	4,134,893	70%	$ 107,931	($ 625)	($ 391)	Subsidiary
	Chatime HK Ltd.	FLAT/RM 1501 15/F Capital Centre 151 Gloucester Road Wan Chai, Hong Kong	Sales of products related to chain restaurant operations	61,531	61,531	-	100%	59,549	10,216	10,216	Subsidiary
	Chatime USA, LLC	Corporation Trust Center 1209 Orange St Wilmington, DE 19801	Franchising of chain restaurants and sales of related products	111,238	111,238	3,500,000	100%	(23)	-	-	Subsidiary, Note 3
	Kingza International CO., LTD.	4F-2., No. 51, Sec. 2, Keelung Rd., Xinyi Dist., Taipei City	Franchising of chain restaurants and sales of related products	271,213	271,213	11,970,487	61%	244,937	23,835	12,422	Subsidiary
	Chun-Sun Cake CO., LTD.	1F., No. 338, Sec. 1, Wenxing Rd., Zhubei City, Hsinchu County	Franchising of chain restaurants and sales of related products	90,000	90,000	400,000	80%	99,657	6,897	5,517	Subsidiary
	Mega Harvest International Limited (Cayman)	The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, PO Box 32052, Grand Cayman, KY1-1208, Cayman Islands	Re-investment holding company	338,980	338,980	164,000	54%	256,213	(3,643)	(3,538)	Subsidiary
	Ten En Tapioca Foods Co., Ltd.	No. 83, Xingong 3rd Rd., Tianzhong Township, Changhua County	Manufacturing and sales of food	480,000	480,000	2,800,000	100%	510,600	5,682	3,966	Subsidiary
	Chatime NorthStar, LLC	Corporation Trust Center 1209 Orange St Wilmington, DE 19801	Franchising of chain restaurants and sales of related products	185,683	185,683	6,000,000	100%	89,862	(7,076)	(7,076)	Subsidiary
	Han Ley International Co., Ltd.	No. 26, Ln. 59, Sec. 5, Hewei Rd., West Central Dist., Tainan City	Franchising of chain restaurants and sales of related products	272,000	272,000	4,000,003	100%	306,704	5,504	5,504	Subsidiary
	Germany BoBoQ GmbH	Karl-Marx-Str. 255, 12057 Berlin Germany	Sales of food	370,230	-	25,000	100%	380,146	10,709	10,709	Subsidiary
	Sky Luck International Trading Limited	FLAT/RM 1501 15/F Capital Centre 151 Gloucester Road Wan Chai, Hong Kong	Re-investment holding company	25,602	25,602	-	25%	-	1,353	-	Associate
	Kevito Group Ltd.	180 Dundas St.West, Suite 1200, Toronto, Ontario Canada M5G 1Z8	Re-investment holding company	130,951	130,951	24,719	22%	105,852	(6,811)	(2,157)	Associate

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Name of investor company	Name of invested company	Location	Principal business activities	Original investment amount		Ending balance			Investee company's current period (loss) profit	Investment (loss) profit recognized in current period	Remarks
				Ending balance, current period	Ending balance, prior year	Number of shares	Percentage	Carrying amount			
Chatime Group Pty. Ltd.	Chatime Australia Pty. Ltd.	Suite 702 Level 7,66 Goulburn St, Sydney, NSW 2000, Australia	Franchising of chain restaurants and sales of related products	$ 108,243	$ 108,243	495,106	100%	$ 281,353	$ 1,786	$ -	Sub-subsidiary
	Goobne Australia Pty. Ltd.	Suite 702 Level 7,66 Goulburn St, Sydney, NSW 2000, Australia	Franchising of chain restaurants and sales of related products	2	2	100	100%	(65,511)	(249)	-	Sub-subsidiary
	Chatime International Corp.	8 the green, Suite A, Kent, De 19901, USA	Re-investment holding company	3	3	1,000	100%	(99,699)	(5,825)	-	Sub-subsidiary
	OMY Group Holdings Pty. Ltd.	Suite 702 Level 7,66 Goulburn St, Sydney, NSW 2000, Australia	Re-investment holding company	2,121	2,121	110	55%	2,399	(5)	-	Sub-subsidiary
	OMY Holdings Pte. Ltd.	20 Collyer Quay, #09-01, 20 Collyer Quay, Singapore	Re-investment holding company	2	2	110	55%	3	-	-	Sub-subsidiary
Chatime Australia Pty. Ltd.	Chatime Leasing Pty. Ltd.	Suite 702 Level 7,66 Goulburn St, Sydney, NSW 2000, Australia	Lease-related business	2	2	100	100%	(293)	1	-	Sub-subsidiary
	Chatime Hurstville Pty. Ltd.	Unit 2 Level 7, 66 Goulburn St, Sydney NSW 2000, Australia	Franchising of chain restaurants and sales of related products	6,697	6,697	323,750	88%	5,649	(331)	-	Sub-subsidiary
Goobne Australia Pty. Ltd.	Goobne Operations Pty. Ltd.	Suite 702 Level 7,66 Goulburn St, Sydney, NSW 2000, Australia	Franchising of chain restaurants and sales of related products	2	2	100	100%	(59,281)	(246)	-	Sub-subsidiary
	T8 Darling Quarter Pty. Ltd.	Unit 2 Level 7,66 Goulburn St, Sydney NSW 2000, Australia	Franchising of chain restaurants and sales of related products	130	130	52	51%	(1,939)	(6)	-	Sub-subsidiary
OMY Group Holdings Pty. Ltd.	OMY Australia Pty. Ltd.	Unit 2 Level 7,66 Goulburn St, Sydney NSW 2000, Australia	Franchising of chain restaurants and sales of related products	194	194	100	100%	97	(45)	-	Sub-subsidiary
OMY Holdings Pte. Ltd.	OMY Group (SEA) Pte Ltd.	20 Collyer Quay, #09-01, 20 Collyer Quay, Singapore	Franchising of chain restaurants and sales of related products	2	2	100	100%	3	-	-	Sub-subsidiary
Chatime International Corp.	Chatime Global, LLC	8 the green, Suite A, Kent, De 19901, USA	Franchising of chain restaurants and sales of related products	106,224	98,257	3,375,000	50%	12,243	(11,653)	-	Sub-subsidiary
Chatime NorthStar, LLC	Chatime Global, LLC	8 the green, Suite A, Kent, De 19901, USA	Franchising of chain restaurants and sales of related products	106,123	98,202	3,375,000	50%	12,243	(11,653)	-	Sub-subsidiary
Chatime Global, LLC	Chatime Los Angeles, LLC	8 the green, Suite A, Kent, De 19901, USA	Franchising of chain restaurants and sales of related products	8,934	8,318	-	100%	(23,689)	(615)	-	Sub-subsidiary
	Chatime Los Angeles West, LLC	8 the green, Suite A, Kent, De 19901, USA	Franchising of chain restaurants and sales of related products	8,712	6,768	-	100%	(48,560)	(5,117)	-	Sub-subsidiary
	Chatime Wholesale, LLC	8 the green, Suite A, Kent, De 19901, USA	Franchising of chain restaurants and sales of related products	22,129	17,403	-	100%	(11,987)	(209)	-	Sub-subsidiary
	Chatime Franchise, LLC	8 the green, Suite A, Kent, De 19901, USA	Franchising of chain restaurants and sales of related products	8,318	6,089	-	100%	(22,195)	(4,221)	-	Sub-subsidiary
	Chatime Operations, LLC	8 the green, Suite A, Dover. Delaware 19901, USA	Franchising of chain restaurants and sales of related products	-	-	-	100%	(14,801)	131	-	Sub-subsidiary

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Name of investor company	Name of invested company	Location	Principal business activities	Original investment amount		Ending balance			Investee company's current period (loss) profit	Investment (loss) profit recognized in current period	Remarks
				Ending balance, current period	Ending balance, prior year	Number of shares	Percentage	Carrying amount			
Kingza International CO., LTD.	Kingza USA, LLC	Corporation Trust Center 1209 Orange St Wilmington, DE 19801	Franchising of chain restaurants and sales of related products	$ 3,242	$ 3,242	100,000	100%	$ 2,968	$ 288	$ -	Sub-subsidiary
	Yangxin Catering Co., Ltd.	1F and 2F, No. 128, Songjiang Rd., Zhongshan Dist., Taipei City	Franchising of chain restaurants and sales of related products	107,100	107,100	23,613,001	51%	114,267	7,490	-	Sub-subsidiary
Mega Harvest International Limited (Cayman)	Oriental Sun International Limited (HK)	FLAT/RM A 12/F ZJ 300, Lockhart Rd Wanchai, Hong Kong	Re-investment holding company and sales of products related to chain restaurant operations	69,893	69,893	2,220,000	100%	223,645	(3,210)	-	Sub-subsidiary
Han Ley International Co., Ltd.	Shiny Tea Co., Ltd.	2 F., No. 26, Ln. 59, Sec. 5, Hewei Rd., West Central Dist., Tainan City	Sales of products related to chain restaurant operations	3,625	3,625	-	100%	3,870	177	-	Sub-subsidiary

Note 1: Except for associates, all other amounts have been fully eliminated upon the preparation of the consolidated financial statements.

Note 2: For information on invested companies in Mainland China, please refer to Schedule 6.

Note 3: In March 2025, the Company’s board of directors resolved to liquidate Chatime USA. As of the date of authorization of these consolidated financial statements for issuance, the liquidation process is still in progress.

La Kaffa International Co., Ltd. and Its Subsidiaries

information on investments in mainland China

For the three months ended March 31, 2026

Schedule 6

Unit: Unless otherwise specified, amounts are in thousands of New Taiwan Dollars.

Name of investee company in Mainland China	Principal business activities	Paid-in capital (Note 6)	Investment method	Beginning balance of cumulative investment remitted from Taiwan for the current period	Amount of investment remitted or repatriated during the current period		Ending balance of cumulative investment remitted from Taiwan for the current period	Investee company's profit or loss for the current period	Shareholding ratio held directly or indirectly by the Company	Investment income (loss) recognized in the current period (Note 4)	Carrying amount of investment at the end of the period	Accumulated investment income remitted back as of the end of the period	Remarks
					Remittances	Repatriation							
Z-He (shanghai)Trading Co., Ltd.	Trading of raw materials and equipment for chain restaurants	$ 27,760 (RMB 5,997 thousand)	Note 1	$ 11,070 (USD 333 thousand)	$ -	$ -	$ 11,070 (USD 333 thousand)	$ 1,167	25%	$ -	$ 9,294	$ -	—
Z-Time Food&Beverage Management (Shanghai)Co., Ltd.	Franchising of chain restaurants and sales of related products	31,852 (RMB 6,881 thousand)	Note 1	14,532 (USD 437 thousand)	-	-	14,532 (USD 437 thousand)	(16)	25%	-	2,174	-	—
Relight Management Co., Ltd.	Franchising of chain restaurants and sales of related products	191,399 (RMB 41,348 thousand)	Note 2	$ 297,753 (RMB 60,000 thousand , USD800 thousand)	-	-	297,753 (RMB 60,000 thousand , USD800 thousand)	(3,402)	54%	(1,853)	97,607	-	—
Jiaxing Ruili Trading Co., Ltd.	Sales of products related to chain restaurant operations	7,969 (RMB 1,721 thousand)	Note 2	7,760 (USD 250 thousand)	-	-	7,760 (USD 250 thousand)	24	54%	13	16,522	-	—
Express Reach E-commerce Services (Hangzhou)Co., Ltd.	E-commerce sale of restaurant-related products	11,186 (RMB 2,416 thousand)	Note 2	-	-	-	-	-	54%	-	5,868	-	Note 7
Hangzhou Chunshang Pudding Catering Management Co., Ltd.	Sales of products related to chain restaurant operations	16,202 (RMB 3,500 thousand)	Note 3	-	-	-	-	(1,370)	38%	(522)	1,468	-	—

Accumulated investment amount remitted from Taiwan to mainland China at the end of the current period	investment amount approved by the Investment Commission, Ministry of Economic Affairs (Note 6)	Pursuant to investment limit in mainland China stipulated by the Investment Commission, Ministry of Economic Affairs (Note 5)
$ 331,115 (USD 1,820 thousand; RMB 60,000 thousand)	$ 429,908 (USD 4,756 thousand; RMB 60,000 thousand)	$ 1,044,282

Note 1: Indirect investment in companies in mainland China through the associate Sky Luck International Trading Limited.

Note 2: Indirect investment in companies in mainland China through the sub-subsidiary Oriental Sun International Limited (HK).

Note 3: Indirect investment in companies in mainland China through the sub-sub-subsidiary Relight Management Co., Ltd.

Note 4: Investment income (loss) recognized for the current period is based on the financial statements audited by the auditors of the Taiwan parent company.

Note 5: Calculated at 60% of the Company’s equity attributable to owners as of March 31, 2026, in accordance with MOEA Letter No. 09704604680.

Note 6: Amounts are translated at the exchange rate as of March 31, 2026.

Note 7: In 2025, Oriental Sun International Limited (HK) resolved to liquidate Express Reach Company. As of the date of approval for issuance of these consolidated financial statements, the liquidation process is still ongoing.

Note 8: The amounts have been fully eliminated upon the preparation of the consolidated financial statements.