

**Bafang Yunji International Co., Ltd. and
subsidiaries**

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

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INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Bafang Yunji International Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Bafang Yunji International Co., Ltd. and its subsidiaries (the "Group") as of June 30, 2025 and 2024, the related consolidated statements of comprehensive income for the three months ended June 30, 2025 and 2024 and for the six months ended June 30, 2025 and 2024, the consolidated statements of changes in equity and cash flows for the six months ended June 30, 2025 and 2024, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements"). Management is responsible for 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 International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit 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 reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2025 and 2024, its consolidated financial performance for the three months ended June 30, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the audits resulting in this independent auditors' report are Li-Huang Lee and Po-Jen Weng.

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 12, 2025

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

BAFANG YUNJI INTERNATIONAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

Assets	June 30, 2025		December 31, 2024		June 30, 2024	
	Amount	%	Amount	%	Amount	%
Current assets						
Cash and cash equivalents (Notes 4, 6 and 34)	\$ 1,432,607	20	\$ 962,149	14	\$ 984,083	16
Financial assets at fair value through profit or loss - current (Notes 4, 7 and 34)	-	-	250,390	4	200,269	3
Financial assets measured at amortized cost – current (Notes 4, 8, 9, 34 and 36)	274,580	4	108,550	2	307,382	5
Notes receivable (Notes 4, 11, 34 and 35)	-	-	-	-	98	-
Accounts receivable (Notes 4, 11, 26, 34 and 35)	160,668	2	178,107	3	170,895	3
Lease receivables (Notes 4, 12 and 35)	25,364	-	29,931	-	34,677	-
Other receivables (Notes 4, 11, 34 and 35)	6,881	-	5,284	-	16,021	-
Current income tax assets (Notes 4 and 28)	7,927	-	8,344	-	22	-
Inventories (Notes 4 and 13)	404,477	6	298,953	5	244,457	4
Other prepayments (Note 18)	101,232	1	149,115	2	72,676	1
Other current assets (Notes 19, 34 and 36)	50,038	1	2,787	-	3,585	-
Total current assets	<u>2,463,774</u>	<u>34</u>	<u>1,993,610</u>	<u>30</u>	<u>2,034,165</u>	<u>32</u>
Non-current assets						
Financial assets at fair value through other comprehensive income - non-current (Notes 4, 10 and 34)	3,750	-	3,750	-	3,750	-
Financial assets measured at amortized cost –non-current (Notes 4, 8, 9 and 34)	9,780	-	9,780	-	-	-
Property, plant and equipment (Notes 4, 15 and 36)	3,007,479	42	2,879,204	43	2,524,231	40
Right-of-use assets (Notes 4, 16 and 35)	1,359,103	19	1,491,751	22	1,440,515	23
Other intangible assets (Notes 4 and 17)	14,883	-	17,474	-	17,157	-
Deferred income tax assets (Notes 4 and 28)	24,934	1	5,777	-	5,059	-
Prepayments for equipment (Note 19)	77,578	1	111,184	2	59,957	1
Refundable deposits (Notes 19 and 34)	165,821	2	177,875	3	179,541	3
Long-term lease receivables (Notes 4, 12 and 35)	25,715	1	32,807	-	46,657	1
Total non-current assets	<u>4,689,043</u>	<u>66</u>	<u>4,729,602</u>	<u>70</u>	<u>4,276,867</u>	<u>68</u>
Total assets	<u>\$ 7,152,817</u>	<u>100</u>	<u>\$ 6,723,212</u>	<u>100</u>	<u>\$ 6,311,032</u>	<u>100</u>
Liabilities and equity						
Current liability						
Short-term loans (Notes 20 and 34)	\$ 702,200	10	\$ 181,963	3	\$ 80,000	1
Notes payable (Notes 21 and 34)	3,317	-	2,160	-	1,883	-
Accounts payable (Notes 21 and 34)	239,855	3	261,494	4	246,823	4
Other payables (Notes 22, 34 and 35)	785,362	11	616,666	9	702,945	11
Current income tax liabilities (Notes 4 and 28)	104,767	2	92,217	1	77,606	1
Lease liabilities - current (Notes 4, 16, 34 and 35)	362,000	5	444,828	7	424,343	7
Long-term loans due within one year (Notes 20, 34 and 36)	7,227	-	4,777	-	4,566	-
Other current liabilities (Note 22)	54,783	1	53,502	1	63,326	1
Total current liabilities	<u>2,259,511</u>	<u>32</u>	<u>1,657,607</u>	<u>25</u>	<u>1,601,492</u>	<u>25</u>
Non-current liabilities						
Long-term loans (Notes 20, 34 and 36)	33,360	-	26,937	-	28,924	1
Provision for liabilities (Notes 4 and 23)	5,759	-	6,698	-	7,120	-
Deferred income tax liabilities (Notes 4 and 28)	11,140	-	25,459	-	22,397	-
Lease liabilities - non-current (Notes 4, 16, 34 and 35)	1,069,286	15	1,134,848	17	1,113,914	18
Net defined benefit liabilities - non-current (Notes 4 and 24)	305	-	347	-	2,590	-
Deposits received (Notes 22, 34 and 35)	59,867	1	55,476	1	55,616	1
Total non-current liabilities	<u>1,179,717</u>	<u>16</u>	<u>1,249,765</u>	<u>18</u>	<u>1,230,561</u>	<u>20</u>
Total liabilities	<u>3,439,228</u>	<u>48</u>	<u>2,907,372</u>	<u>43</u>	<u>2,832,053</u>	<u>45</u>
Equity attributable to shareholders of the Company (Notes 14, 25 and 30)						
Common stock	666,448	9	666,448	10	664,948	10
Capital surplus	1,000,579	14	1,000,579	15	997,826	16
Retained earnings						
Legal reserve	555,767	8	495,473	7	495,473	8
Special reserve	-	-	1,619	-	1,619	-
Undistributed earnings	1,290,823	18	1,362,129	20	1,188,171	19
Total retained earnings	<u>1,846,590</u>	<u>26</u>	<u>1,859,221</u>	<u>27</u>	<u>1,685,263</u>	<u>27</u>
Other equity	(62,002)	(1)	47,148	1	30,614	-
Equity attributable to shareholders of the Company	3,451,615	48	3,573,396	53	3,378,651	53
Non-controlling interests (Notes 14 and 25)	261,974	4	242,444	4	100,328	2
Total equity	<u>3,713,589</u>	<u>52</u>	<u>3,815,840</u>	<u>57</u>	<u>3,478,979</u>	<u>55</u>
Total liabilities and equity	<u>\$ 7,152,817</u>	<u>100</u>	<u>\$ 6,723,212</u>	<u>100</u>	<u>\$ 6,311,032</u>	<u>100</u>

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

BAFANG YUNJI INTERNATIONAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the three months ended June 30				For the six months ended June 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
Operating revenues (Notes 4, 26 and 35)	\$ 2,107,767	100	\$ 1,914,118	100	\$ 4,285,116	100	\$ 3,841,525	100
Operating costs (Notes 4, 13 and 27)	(1,348,316)	(64)	(1,249,848)	(66)	(2,758,300)	(64)	(2,489,005)	(65)
Gross profit	<u>759,451</u>	<u>36</u>	<u>664,270</u>	<u>34</u>	<u>1,526,816</u>	<u>36</u>	<u>1,352,520</u>	<u>35</u>
Operating expenses (Notes 24, 27, 30 and 35)								
Selling and marketing expenses	(395,396)	(19)	(389,903)	(20)	(802,015)	(19)	(785,049)	(20)
General and administrative expenses	(117,448)	(6)	(106,968)	(6)	(232,675)	(6)	(219,932)	(6)
Research and development expenses	(5,475)	-	(4,345)	-	(9,974)	-	(8,651)	-
Total operating expenses	(<u>518,319</u>)	(<u>25</u>)	(<u>501,216</u>)	(<u>26</u>)	(<u>1,044,664</u>)	(<u>25</u>)	(<u>1,013,632</u>)	(<u>26</u>)
Profit from operations	<u>241,132</u>	<u>11</u>	<u>163,054</u>	<u>8</u>	<u>482,152</u>	<u>11</u>	<u>338,888</u>	<u>9</u>
Non-operating income and expenses (Notes 16, 27, 31 and 35)								
Interest income	3,677	-	5,102	-	5,053	-	9,928	-
Other income	11,302	1	13,037	1	22,560	1	32,910	1
Other gains and losses	(10,238)	-	2,338	-	(16,790)	-	15,598	-
Finance costs	(12,717)	(1)	(9,436)	-	(24,863)	(1)	(18,224)	-
Total non-operating income and expenses	(<u>7,976</u>)	<u>-</u>	<u>11,041</u>	<u>1</u>	(<u>14,040</u>)	<u>-</u>	<u>40,212</u>	<u>1</u>
Profit before income tax	233,156	11	174,095	9	468,112	11	379,100	10
Income tax expense (Notes 4 and 28)	(<u>49,396</u>)	(<u>2</u>)	(<u>39,732</u>)	(<u>2</u>)	(<u>95,034</u>)	(<u>3</u>)	(<u>83,861</u>)	(<u>2</u>)
Net profit for the period	<u>183,760</u>	<u>9</u>	<u>134,363</u>	<u>7</u>	<u>373,078</u>	<u>8</u>	<u>295,239</u>	<u>8</u>
Other comprehensive income								
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation of the financial statements of foreign operations (Note 25)	(189,128)	(9)	11,370	1	(167,996)	(4)	44,118	1
Income tax related to items that may be reclassified subsequently to profit or loss (Notes 4, 25 and 28)	<u>30,731</u>	<u>1</u>	(<u>2,086</u>)	<u>-</u>	<u>27,286</u>	<u>1</u>	(<u>8,058</u>)	<u>-</u>
Other comprehensive income for the period	(<u>158,397</u>)	(<u>8</u>)	<u>9,284</u>	<u>1</u>	(<u>140,710</u>)	(<u>3</u>)	<u>36,060</u>	<u>1</u>
Total comprehensive income for the period	<u>\$ 25,363</u>	<u>1</u>	<u>\$ 143,647</u>	<u>8</u>	<u>\$ 232,368</u>	<u>5</u>	<u>\$ 331,299</u>	<u>9</u>
Net profit attributable to								
Owners of the Company	\$ 192,581	9	\$ 139,375	7	\$ 387,538	9	\$ 296,498	8
Non-controlling interests	(<u>8,821</u>)	<u>-</u>	(<u>5,012</u>)	<u>-</u>	(<u>14,460</u>)	<u>-</u>	(<u>1,259</u>)	<u>-</u>
	<u>\$ 183,760</u>	<u>9</u>	<u>\$ 134,363</u>	<u>7</u>	<u>\$ 373,078</u>	<u>9</u>	<u>\$ 295,239</u>	<u>8</u>
Total comprehensive income attributable to								
Owners of the Company	\$ 69,657	3	\$ 147,720	8	\$ 278,388	6	\$ 328,731	9
Non-controlling interests	(<u>44,294</u>)	(<u>2</u>)	(<u>4,073</u>)	<u>-</u>	(<u>46,020</u>)	(<u>1</u>)	<u>2,568</u>	<u>-</u>
	<u>\$ 25,363</u>	<u>1</u>	<u>\$ 143,647</u>	<u>8</u>	<u>\$ 232,368</u>	<u>5</u>	<u>\$ 331,299</u>	<u>9</u>
Earnings per share (Note 29)								
Basic	<u>\$ 2.89</u>		<u>\$ 2.10</u>		<u>\$ 5.81</u>		<u>\$ 4.46</u>	
Diluted	<u>\$ 2.89</u>		<u>\$ 2.09</u>		<u>\$ 5.81</u>		<u>\$ 4.45</u>	

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

BAFANG YUNJI INTERNATIONAL CO., LTD. AND SUBSIDIARIES
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(In Thousands of New Taiwan Dollars)**

	Equity attributable to shareholders of the Company						Other equity items	Total	Non-controlling interests	Total equity
	Share capital		Capital surplus	Retained earnings			Exchange differences arising on translation of foreign operations			
	Number of shares (in thousands of shares)	Share capital		Legal reserve	Special reserve	Undistributed earnings				
Balance as of January 1, 2024	66,495	\$ 664,948	\$ 996,533	\$ 440,197	\$ 4,247	\$ 1,277,604	(\$ 1,619)	\$ 3,381,910	\$ 66,897	\$ 3,448,807
Appropriation and distribution of the second half of 2023 earnings										
Legal reserve	-	-	-	55,276	-	(55,276)	-	-	-	-
Special reserve	-	-	-	-	(2,628)	2,628	-	-	-	-
Cash dividends	-	-	-	-	-	(332,774)	-	(332,774)	-	(332,774)
Changes in ownership interests in subsidiaries	-	-	-	-	-	(509)	-	(509)	509	-
Share-based payment transaction	-	-	1,293	-	-	-	-	1,293	-	1,293
Net profits for the six months ended June 30, 2024	-	-	-	-	-	296,498	-	296,498	(1,259)	295,239
Other comprehensive income after tax for the six months ended June 30, 2024	-	-	-	-	-	-	32,233	32,233	3,827	36,060
Total comprehensive income for the six months ended June 30, 2024	-	-	-	-	-	296,498	32,233	328,731	2,568	331,299
Non-controlling interests	-	-	-	-	-	-	-	-	30,354	30,354
Balance as of June 30, 2024	66,495	\$ 664,948	\$ 997,826	\$ 495,473	\$ 1,619	\$ 1,188,171	\$ 30,614	\$ 3,378,651	\$ 100,328	\$ 3,478,979
Balance as of January 1, 2025	66,645	\$ 666,448	\$ 1,000,579	\$ 495,473	\$ 1,619	\$ 1,362,129	\$ 47,148	\$ 3,573,396	\$ 242,444	\$ 3,815,840
Appropriation and distribution of the second half of 2024 earnings										
Legal reserve	-	-	-	60,294	-	(60,294)	-	-	-	-
Special reserve	-	-	-	-	(1,619)	1,619	-	-	-	-
Cash dividends	-	-	-	-	-	(400,169)	-	(400,169)	-	(400,169)
Net profits for the six months ended June 30, 2025	-	-	-	-	-	387,538	-	387,538	(14,460)	373,078
Other comprehensive income after tax for the six months ended June 30, 2025	-	-	-	-	-	-	(109,150)	(109,150)	(31,560)	(140,710)
Total comprehensive income for the six months ended June 30, 2025	-	-	-	-	-	387,538	(109,150)	278,388	(46,020)	232,368
Non-controlling interests	-	-	-	-	-	-	-	-	65,550	65,550
Balance as of June 30, 2025	66,645	\$ 666,448	\$ 1,000,579	\$ 555,767	\$ -	\$ 1,290,823	(\$ 62,002)	\$ 3,451,615	\$ 261,974	\$ 3,713,589

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

BAFANG YUNJI INTERNATIONAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Profits before income tax	\$ 468,112	\$ 379,100
Adjustments for		
Depreciation expense	384,072	371,152
Amortization expense	2,897	2,808
Finance costs	24,863	18,224
Net gain on fair value changes of financial assets and liabilities at fair value through profit or loss	(88)	(1,103)
Interest income	(5,053)	(9,928)
Share-based compensation cost	-	1,293
Loss on disposal and write-off of property, plant and equipment	11,905	1,548
Write-down of inventories	6,059	-
Gain on lease modification	(794)	(288)
Changes in operating assets and liabilities		
Notes receivable	-	(27)
Accounts receivable	17,573	(9,775)
Inventories	(111,479)	2,936
Other receivables	(1,597)	1,493
Prepayments	47,883	42,960
Other current assets	(370)	(164)
Notes payable	1,157	361
Accounts payable	(21,639)	8,515
Other payables	(61,799)	(54,556)
Other current liabilities	1,281	7,569
Net defined benefit liabilities	(42)	(45)
Cash inflows from operations	762,941	762,073
Interest received	3,820	9,150
Interest paid	(5,687)	(2,192)
Income tax paid	(88,257)	(39,071)
Net cash generated from operating activities	<u>672,817</u>	<u>729,960</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through profit or loss	-	(904,000)
Proceeds from disposal of financial assets at fair value through profit or loss	250,478	915,075

(Continued)

BAFANG YUNJI INTERNATIONAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

	2025	2024
Purchase of financial assets at amortized cost	(\$ 166,030)	\$ -
Proceeds from disposal of financial assets measured at amortized cost	-	233,759
Payment for property, plant and equipment	(383,480)	(256,383)
Proceeds from disposal of property, plant and equipment	19,422	42,726
Increase in refundable deposits	-	(10,307)
Decrease in refundable deposits	12,054	-
Payments of intangible assets	(356)	(1,370)
Payments for right-of-use assets	(4,261)	-
Decrease in lease receivables	17,743	24,600
Increase in other financial assets	(46,881)	-
Decrease in other financial assets	-	7
Increase in prepayments for equipment	(20,078)	(14,391)
Net cash (used in) generated from investing activities	(321,389)	29,716
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from (Repayments) of short-term loans	520,237	(222,000)
Proceeds from long-term loans	15,930	-
Repayment of long-term loans	(2,307)	(2,185)
Repayment of lease principals	(276,609)	(276,591)
Increase in deposits received	4,391	2,155
Distribution of cash dividends	(132,990)	(132,690)
Change in non-controlling interests	65,550	30,354
Net cash generated from (used in) financing activities	194,202	(600,957)
Effect of exchange rate changes on the balance of cash held in foreign currencies	(75,172)	21,841
Net increase in cash and cash equivalents	470,458	180,560
Cash and cash equivalents at the beginning of the period	962,149	803,523
Cash and cash equivalents at the end of the period	\$ 1,432,607	\$ 984,083

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

(Concluded)

BAFANG YUNJI INTERNATIONAL CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. Company History

Bafang Yunji International Co., Ltd. (“the Company”) was incorporated on January 19, 2000, and is currently engaged in restaurant business, wholesale of food and groceries, retail of beverages, manufacturing of processed bean products, and manufacturing of baked and steamed food products.

The Company’s shares have been listed on the Taiwan Stock Exchange since September 2021.

The consolidated financial statements are presented in the Company’s functional currency, the New Taiwan dollar.

2. Date and Procedure for Approval of Financial Statements

The accompanying consolidated financial statements were approved and authorized for issuance by the Board of Directors on August 12, 2025.

3. Application of New and Revised Standards and Interpretation

- (1) Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC).

Amendments to IAS 21 “Lack of Exchangeability”

The initial application of the Amendments to IAS 21 “Lack of Exchangeability” did not have a material impact on the Group’s accounting policies.

- (2) The IFRS Accounting Standards endorsed by the FSC for application starting from 2026

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023

1) Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”

A. The amendments to the application guidance of classification of financial assets

The amendments mainly amend the requirements for the classification of financial assets, including:

- a) if a financial asset contains a contingent feature that could change the timing or amount of contractual cash flows and the contingent event itself does not relate directly to changes in basic lending risks and costs (e.g., whether the debtor achieves a contractually specified reduction in carbon emissions), the financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding if, and only if,
 - In all possible scenarios (before and after the occurrence of a contingent event), the contractual cash flows are solely payments of principal and interest on the principal amount outstanding; and
 - In all possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.
- b) to clarify that a financial asset has non-recourse features if an entity’s ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.
- c) to clarify that the characteristics of contractually linked instruments include a prioritization of payments to the holders of financial assets using multiple contractually linked instruments (tranches) established through a waterfall payment structure, resulting in concentrations of credit risk and a disproportionate allocation of cash shortfalls from the underlying pool between the tranches.

B. The amendments to the application guidance of derecognition of financial liabilities

The amendments mainly stipulate that a financial liability is derecognized on the settlement date. However, when settling a financial liability in cash using an electronic payment system, the Group can choose to derecognize the financial liability before the settlement date if, and only if, the Group has initiated a payment instruction that resulted in:

- The Group having no practical ability to withdraw, stop or cancel the payment instruction;
- The Group having no practical ability to access the cash to be used for settlement as a result of the payment instruction; and

- The settlement risk associated with the electronic payment system being insignificant.

An entity shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application. An entity may restate prior periods if, and only if, it is possible to do so without the use of hindsight.

2) Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

Contracts referencing nature-dependent electricity are contracts that expose an entity to variability in the underlying amount of electricity because the source of electricity generation depends on uncontrollable natural conditions. Contracts referencing nature-dependent electricity include both contracts to buy or sell nature-dependent electricity and financial instruments that reference such electricity. When the Group enters into contracts to buy nature-dependent electricity, which exposes the Group to the risk that it would be required to buy electricity during a delivery interval in which the Group cannot use the electricity, and the design and operation of the electricity market require any amounts of unused electricity to be sold within a specified time, the amendments stipulate that such sales are not necessarily inconsistent with the contract being held in accordance with the Group’s expected usage requirements. The inconsistency will result in the contract being accounted for as financial instruments otherwise. The Group entered into and continue to hold such a contract in accordance with its expected electricity usage requirements, if the Group has bought, and expects to buy, sufficient electricity to offset the sales of any unused electricity in the same market in which it sold the electricity over a reasonable amount of time.

The amendments also stipulate that, if contracts referencing nature-dependent electricity are designated as hedging instruments in hedges of forecast transactions, for such a hedging relationship the Group is permitted to designate as the hedged item a variable nominal amount of forecast electricity transactions that is aligned with the variable amount of nature-dependent electricity expected to be delivered by the generation facility as referenced in the hedging instrument.

For the amendments related to whether contracts referencing nature-dependent electricity are entered into in accordance with expected electricity usage requirements, the Group shall apply retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application. For the amendments related to hedge accounting, the Group shall apply prospectively.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of the amendments on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

- (3) The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced 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”	To be determined by IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

- 1) Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”

The amendments stipulate that, when the Group sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when the Group loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

Conversely, when the Group sells or contributes assets that do not constitute a business to an associate or joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Group’s interest as an unrelated investor in the associate or joint venture, i.e., the Group’s share of the gain or loss is eliminated. Also, when the Group loses control of a subsidiary that does not contain a business but retains significant influence or joint control over an associate of a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Group’s interest as an unrelated investor in the associate or joint venture, i.e., the Group’s share of the gain or loss is eliminated.

- 2) IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 will supersede IAS 1” Presentation of Financial Statements”. The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

- 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. The Group shall disaggregate items with dissimilar characteristic in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the other impacts of the above amended standards and interpretations on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. Summary of Material Accounting Policy Information

(1) Statement of Compliance

The interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

(2) Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- A. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- B. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- C. Level 3 inputs are unobservable inputs for an asset or liability.

(3) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the 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.

See Note 14 and Exhibit 6 of Note 40 for detailed information on subsidiaries (including percentages of ownership and main businesses).

(4) Other material accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2024.

A. Carbon fee provision

In accordance with the Regulations Governing the Collection of Carbon Fees and related regulations of the ROC, the carbon fee provision is recognized and measured on the basis of the best estimate of the expenditure required to settle the obligation for the current year and the proportion of actual emissions to the total annual emissions.

B. Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

C. Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for defined benefit plans except that remeasurement is recognized in profit or loss.

D. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. Significant Accounting Judgments and Estimations, and Main Sources of Assumption Uncertainties

In the application of the Group's accounting policies, management is required to make judgments, estimations, and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Group considers the possible impact of climate change and related government policies and regulations on the cash flow projection, growth rate, discount rate, profitability, and other relevant material estimates. The estimations and the underlying assumptions are reviewed on an ongoing basis by the management. For the other of critical accounting judgments and key sources of estimation uncertainty, refer to the consolidated financial statements for the year ended December 31, 2024.

6. Cash and cash equivalents

	June 30, 2025	December 31, 2024	June 30, 2024
Cash on hand and working capital	\$ 8,616	\$ 9,776	\$ 15,163
Checking accounts and demand deposits	921,061	819,094	726,821
Cash equivalents (investments with original maturity of less than 3 months)			
Time deposits	502,930	133,279	242,099
	<u>\$ 1,432,607</u>	<u>\$ 962,149</u>	<u>\$ 984,083</u>

The interest rate ranges at the balance sheet date for bank deposits was as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Bank demand deposits	0.01%~4.25%	0.002%~4.55%	0.01%~5.4%

7. Financial instruments at fair value through profit or loss

	June 30, 2025	December 31, 2024	June 30, 2024
Mandatorily measured at fair value through profit or loss			
Hybrid financial assets			
- Structured deposits	\$ -	\$ 130,265	\$ 110,264
Non-derivative financial assets			
- Mutual fund beneficiary certificates	-	120,125	90,005
	<u>\$ -</u>	<u>\$ 250,390</u>	<u>\$ 200,269</u>

The Group entered into structured time deposit contracts with financial institutions. The structured time deposit includes an embedded derivative that is not closely related to the host contract. As the host contract included in the hybrid contract is an IFRS 9 asset, it is assessed as a mandatory classification at fair value through profit or loss for the entire hybrid contract.

8. Financial assets measured at amortized cost

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Current</u>			
Time deposits with original maturities of more than 3 months	<u>\$ 274,580</u>	<u>\$ 108,550</u>	<u>\$ 307,382</u>
<u>Non-current</u>			
Corporate bonds - First Commercial Bank	<u>\$ 9,780</u>	<u>\$ 9,780</u>	<u>\$ -</u>

As of June 30, 2025, December 31, 2024 and June 30, 2024, the interest rate ranges for time deposits with original maturity over 3 months were 1.29% to 4.27%, 1.285% to 4.1% and 1.28% to 3.55% per annum.

In October 2024, the Group bought 5-year corporate bonds issued by First Commercial Bank with a coupon rate of 0.52% and an effective interest rate of 1.28%.

Refer to Note 36 for information relating to investments in financial assets at amortized cost pledged as security.

9. Credit risk management of investments in debt instruments

The Group's investments in debt instruments are classified as financial assets at amortized cost.

	June 30, 2025	December 31, 2024	June 30, 2024
Gross carrying amount	\$ 284,360	\$ 118,330	\$ 307,382
Less: Allowance for impairment loss	-	-	-
Amortized cost	<u>\$ 284,360</u>	<u>\$ 118,330</u>	<u>\$ 307,382</u>

The credit risk associated with the Group's bank deposits and other financial instruments is measured and monitored by the Group's finance department. Since the Group's counterparties and trading partners are reputable banks and financial institutions, as well as corporate organizations with investment-grade ratings or higher, there are no significant concerns regarding performance, and therefore, no significant credit risk.

The Group's current credit risk grading mechanism and the total carrying amounts of investments in debt instruments of each credit rating are as follows:

Credit rating	Definition	Recognition basis for expected credit loss	Expected credit loss rate	Total carrying amount as of June 30, 2025	Total carrying amount as of December 31, 2024	Total carrying amount as of June 30, 2024
Normal	Debtors have low credit risk and sufficient ability to repay contractual cash flow obligations	12-month expected credit loss rate	0%	<u>\$ 284,360</u>	<u>\$ 118,330</u>	<u>\$ 307,382</u>

10. Financial assets at fair value through other comprehensive income

Investment in equity instruments at fair value through other comprehensive income

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Non-current</u>			
Domestic investments			
Unlisted shares			
Ordinary shares - WiXtar Corporation	<u>\$ 3,750</u>	<u>\$ 3,750</u>	<u>\$ 3,750</u>

The Group invested in the common stock of WiXtar Corporation for medium- and long-term strategic purposes and expects to earn profits from the long-term investment. The management of the Group considers that it is inconsistent with the aforementioned long-term investment plan to include short-term fair value fluctuations of these investments in profit or loss, and therefore elects to designate these investments as measured at fair value through other comprehensive income or loss.

11. Accounts receivable and other receivables

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Notes receivable</u>			
Total carrying amount			
measured at amortized cost	\$ -	\$ -	\$ 98
Less: Allowance for losses	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 98</u>
<u>Accounts receivable</u>			
Total carrying amount			
measured at amortized cost			
Non-related party	\$ 160,902	\$ 178,386	\$ 171,429
Related party	1,143	1,232	1,093
Less: Allowance for losses	(1,377)	(1,511)	(1,627)
	<u>\$ 160,668</u>	<u>\$ 178,107</u>	<u>\$ 170,895</u>
<u>Other receivables</u>			
Receivables for disposal of			
equipment	\$ 300	\$ 767	\$ 432
Receivables for interest	692	225	782
Others	5,889	4,292	14,807
	<u>\$ 6,881</u>	<u>\$ 5,284</u>	<u>\$ 16,021</u>

(1) Accounts and notes receivable

The Group's sales of merchandises to franchise customers are based on the credit period agreed upon by both parties, and the credit period is 3 to 15 days. Cash (or EasyCard and mobile payment) is mostly used for collection and payment for food and beverage sales, except for accounts receivable from some locations in hypermarkets or department stores and those from conglomerate partnerships, which are mainly based on the credit period negotiated by both parties, with the credit period ranging from 30 to 90 days after the monthly cut-off date. In determining the recoverability of accounts receivable, the Group considers any changes in the credit quality of accounts receivable from the original credit date to the balance sheet date.

To mitigate credit risk, the Group's management assigns a dedicated team to determine credit limits, approve credit facilities and other monitoring procedures to ensure that appropriate actions are taken to collect overdue receivables. In addition, the Group reviews the recoverable amounts of receivables on a case-by-case basis at the balance sheet date to ensure that appropriate impairment losses have been provided for uncollectible receivables. Accordingly, the Company's management believes that the credit risk of the Group has been significantly reduced.

The Group uses the simplified IFRS 9 method to recognize an allowance for losses on accounts receivable based on expected credit losses over the duration of the receivables. The expected credit losses for the duration of the period are calculated using an allowance matrix, which takes into account the customer's past default

history and current financial condition, the economic situation of the industry, as well as the GDP forecast and industry outlook. Since the credit loss history of the Group shows that there is no significant difference in the loss patterns of different customer groups, the allowance matrix does not further differentiate between customer groups and only uses the number of days to establish accounts receivable to determine the expected credit loss rate.

If there is evidence that the counterparty is in serious financial difficulty and the Group cannot reasonably expect to recover the amount, for example, if the counterparty is in liquidation or the debt has been outstanding for more than 120 days, the Group directly writes off the related receivables, but continues the recovery activities, and the amount recovered from the recovery is recognized in profit or loss.

The following table details the loss allowance of accounts receivables and notes receivables based on the Group's allowance matrix.

June 30, 2025

	0~30 days	31~60 days	61~90 days	91~120 days	120 days or more	Total
Expected credit loss rate	0.01%~	0.09%~	5.33%~	16.00%~		
	0.05%	8.39%	25.12%	47.14%	100%	
Total carrying amount	\$ 159,453	\$ 589	\$ 1,316	\$ 51	\$ 636	\$ 162,045
Allowance for losses						
(Lifetime ECLs)	(581)	(18)	(137)	(5)	(636)	(1,377)
Amortized cost	\$ 158,872	\$ 571	\$ 1,179	\$ 46	\$ -	\$ 160,668

December 31, 2024

	0~30 days	31~60 days	61~90 days	91~120 days	120 days or more	Total
Expected credit loss rate	0.01%~	0.09%~	5.65%~	13.71%~		
	0.33%	14.42%	30.66%	41.65%	100%	
Total carrying amount	\$ 176,579	\$ 2,436	\$ 176	\$ 91	\$ 336	\$ 179,618
Allowance for losses						
(Lifetime ECLs)	(954)	(159)	(25)	(37)	(336)	(1,511)
Amortized cost	\$ 175,625	\$ 2,277	\$ 151	\$ 54	\$ -	\$ 178,107

June 30, 2024

	0~30 days	31~60 days	61~90 days	91~120 days	120 days or more	Total
Expected credit loss rate	0.01%~	0.05%~	0.06%~	59.58%~		
	0.74%	28.82%	45.27%	66.03%	100%	
Total carrying amount	\$ 168,782	\$ 3,171	\$ 243	\$ -	\$ 424	\$ 172,620
Allowance for losses						
(Lifetime ECLs)	(842)	(254)	(107)	-	(424)	(1,627)
Amortized cost	\$ 167,940	\$ 2,917	\$ 136	\$ -	\$ -	\$ 170,993

The above is an aging analysis based on the number of days since initial recognition of the accounts receivables.

The movements of the loss allowance of accounts receivables were as follows:

	For the six months ended June 30	
	2025	2024
Balance on January 1	\$ 1,511	\$ 1,565
Foreign currency translation differences	(134)	62
Balance on June 30	<u>\$ 1,377</u>	<u>\$ 1,627</u>

(2) Other receivables

No interest is charged on other receivables. In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the year to ensure that adequate allowance is made for possible irrecoverable amounts.

12. Lease receivables

	June 30, 2025	December 31, 2024	June 30, 2024
Current	\$ 25,364	\$ 29,931	\$ 34,677
Non-current	<u>25,715</u>	<u>32,807</u>	<u>46,657</u>
	<u>\$ 51,079</u>	<u>\$ 62,738</u>	<u>\$ 81,334</u>
Undiscounted lease payments			
Year 1	\$ 26,412	\$ 31,520	\$ 36,842
Year 2	13,524	19,298	25,541
Year 3	7,959	8,684	12,361
Year 4	2,387	3,329	6,870
Year 5	1,519	780	780
More than 5 years	<u>325</u>	<u>715</u>	<u>1,105</u>
	52,126	64,326	83,499
Unrealized interest income receivable	(1,047)	(1,588)	(2,165)
Lease receivables	<u>\$ 51,079</u>	<u>\$ 62,738</u>	<u>\$ 81,334</u>

The Group has been subleasing its leased retail stores to franchisees with annual fixed lease payments. All these leases are denominated in New Taiwan dollars. As the Group subleases the retail stores for all the remaining lease term of the main lease to the sublessee, the subleases are classified as lease receivables.

The interest rates inherent in leases are fixed at the contract dates for the entire term of the lease. As of June 30, 2025, December 31, 2025, and June 30, 2024, the ranges of interest rates inherent in the finance leases were approximately 1.42%-1.75% per annum, 1.51%-1.75% per annum, and 1.42%-1.75% per annum, respectively.

The Group measures the loss allowance for finance lease receivables at an amount equal to lifetime ECLs. As of June 30, 2025, no finance lease receivable was past due. The Group has not recognized a loss allowance for lease receivables after taking into consideration the historical default experience and the future prospects of the industries in which the lessees operate, together with the value of collateral held over these lease receivables.

Lease commitments (the Group as a lessor) with lease terms commencing after the balance sheet dates refer to Note 16.

13. Inventories

	June 30, 2025	December 31, 2024	June 30, 2024
Raw materials	\$ 328,792	\$ 200,214	\$ 165,745
Semi-finished products	10,755	15,221	11,509
Finished goods	28,046	29,067	26,036
Merchandise inventories	36,884	54,451	41,167
	<u>\$ 404,477</u>	<u>\$ 298,953</u>	<u>\$ 244,457</u>

The nature of cost of goods sold is as follows:

	For the three months ended June 30		For the six months ended June 30	
	2025	2024	2025	2024
Cost of inventories sold	\$ 1,342,257	\$ 1,249,848	\$ 2,752,241	\$ 2,489,005
Inventory write-downs (reversed)	6,059	-	6,059	-
	<u>\$ 1,348,316</u>	<u>\$ 1,249,848</u>	<u>\$ 2,758,300</u>	<u>\$ 2,489,005</u>

14. Subsidiary

(1) Subsidiaries included in consolidated financial statements

Entities covered by the consolidated financial statements were as follows:

Name of investee	Name of subsidiary	Nature of business	Proportion of Ownership			Remarks
			June 30, 2025	December 31, 2024	June 30, 2024	
Bafang Yunji International Co., Ltd.	Bafang Yunji Restaurant Co., Ltd.	Food and beverage manufacturing and sales	100%	100%	100%	-
Bafang Yunji International Co., Ltd.	Bafang Yunji (Samoa) International Co., Ltd.	Holding	100%	100%	100%	-
Bafang Yunji International Co., Ltd.	Fang Sin International Trading Co., Ltd.	International Trade	100%	100%	100%	-
Bafang Yunji International Co., Ltd.	Bafang Co., Ltd.	Food and beverage manufacturing and sales	100%	100%	100%	-
Bafang Yunji International Co., Ltd.	Bafang Yunji International (USA) Limited	Holding	100%	100%	100%	(C)
Bafang Yunji International Co., Ltd.	Dante Coffee & Foods Co., Ltd.	Food and beverage manufacturing and sales	100%	100%	100%	-
Bafang Yunji International Co., Ltd.	Bafang Yunji International Company Limited	Food and beverage manufacturing and sales	100%	100%	100%	-

(Continued)

Name of investee	Name of subsidiary	Nature of business	Proportion of Ownership			Remarks
			June 30, 2025	December 31, 2024	June 30, 2024	
Bafang Yunji International Co., Ltd.	Ji Yuan Foods Co., Ltd.	Livestock products manufacturing and sales	100%	100%	60%	(A)
Bafang Yunji (Samoa) International Co., Ltd.	Bafang Yunji Restaurant Group Limited	Holding	-	100%	100%	(I)
Bafang Yunji International Company Limited	Jiashide Limited	Holding	100%	100%	100%	-
Bafang Yunji International Company Limited	Hsin Chiao International Co. Limited	Transportation	100%	100%	100%	-
Bafang Yunji International Company Limited	Long Success (HK) Industrial Limited	Food and beverage manufacturing and sales	100%	100%	100%	-
Bafang Yunji International Company Limited	Rich Grade Limited	Food and beverage manufacturing and sales	100%	100%	100%	-
Bafang Yunji International Company Limited	Wise Success Enterprise Limited	Transportation	100%	100%	100%	-
Jiashide Limited	Heng Yue Feng Trading (Shenzhen) Co., Ltd.	Food wholesale	100%	100%	100%	-
Bafang Yunji International (USA) Limited	Bafang Yunji Foods LLC	Food and beverage manufacturing and sales	60%	60%	60%	(D), (F)
Bafang Yunji International (USA) Limited	Bafang Yunji Restaurant Group LLC	Food and beverage manufacturing and sales	60%	60%	60%	(D), (E)
Bafang Yunji International (USA) Limited	Bafang Yunji Franchise (USA) Co.	Franchising	100%	100%	100%	(B)
Bafang Yunji International (USA) Limited	Bafang Yunji Texas Corporation	Holding	60%	60%	-	(G)
Bafang Yunji Texas Corporation	Bafang Yunji Foods Texas LLC	Food and beverage manufacturing and sales	100%	100%	-	(G)
Bafang Yunji Texas Corporation	Bafang Yunji Restaurant Group Texas LLC	Food and beverage manufacturing and sales	100%	-	-	(H)

(Concluded)

Remarks:

- A. Ji Yuan Food Co., Ltd., located in Tamsui District, New Taipei City, was established on March 28, 2024. Bafang Yunji International Co., Ltd. invested \$30,000 thousand and obtained 60% of the equity. Its main business is livestock product processing and retail. In addition, the Group invested \$182,500 thousand in Ji Yuan Food Co., Ltd. on August 3, 2024. The capital injection was not processed in accordance with the shareholding ratio so that the retained earnings were reduced by \$9 thousand. After the capital injection, the shareholding ratio is 85%. Additionally, on December 31, 2024, the Group acquired a 15% equity stake for \$37,500 thousand in cash, increasing its ownership from 85% to 100%.
- B. In August 2024, the Group invested \$16,140 thousand (USD 500 thousand) to establish Bafang Yunji Franchise (USA) Co. with 100% shareholding ratio.
- C. On February 5, June 14, July 12, October 9, 2024 and January 22, 2025, the Group invested in total of \$398,323 thousand (USD 12,400 thousand) in Bafang Yunji International (USA) Limited.
- D. Bafang Yunji Foods LLC and Bafang Yunji Restaurant Group LLC processed cash capital reduction on April 1, 2024, which increased the shareholding ratio from 59.25% to 60%. The capital reduction was not processed in accordance

with the shareholding ratio so that the retained earnings were reduced by \$509 thousand.

- E. The Group invested in Bafang Yunji Restaurant Group LLC by \$20,197 thousand (US\$626 thousand) on June 14, 2024. After the capital increase, the shareholding ratio was 60%.
- F. The Group invested in Bafang Yunji Foods LLC by \$20,596 thousand (US\$632 thousand) on July 15, 2024. After the capital increase, the shareholding ratio was 60%.
- G. The Group made cash investments of \$231,732 thousand (US\$7,200 thousand) on October 11, 2024, and NT\$385,080 thousand (US\$12,000 thousand) on October 24, 2024, to establish Bafang Yunji Texas Corporation and Bafang Yunji Foods Texas LLC, with shareholding ratio of 60% and 100%, respectively. In addition, on January 22, 2025, the Group made a capital injection of NT\$98,325 thousand (US\$3,000 thousand) into Bafang Yunji Texas Corporation.
- H. The Group made a cash investment of \$148,163 thousand (US\$4,500 thousand) on March 3, 2025, to establish Bafang Yunji Restaurant Group Texas LLC, with shareholding ratio of 100%.
- I. Bafang Yunji Restaurant Group Limited was dissolved in February 2025.

For information on the principal place of business and the country of incorporation, please refer to Note 40, Exhibit 6, "Information on investees, locations, etc." and Exhibit 7, "Information on investment in Mainland China".

The income and other comprehensive income of subsidiaries included in consolidated financial statements were recognized based on the subsidiaries' financial statements reviewed by CPA for the same reporting periods.

(2) Subsidiaries not included in the consolidated financial statements: None.

(3) Information on subsidiaries with significant non-controlling interests

Name of subsidiary	Principal place of business	Percentage of equity and voting rights held by non-controlling interests		
		June 30, 2025	December 31, 2024	June 30, 2024
Bafang Yunji Restaurant Group LLC	United States	40%	40%	40%
Bafang Yunji Foods LLC	United States	40%	40%	40%
Bafang Yunji Texas Corporation	United States	40%	40%	-

Name of subsidiary	Non-controlling interests		
	June 30, 2025	December 31, 2024	June 30, 2024
Bafang Yunji Foods LLC	\$ 17,551	\$ 29,172	\$ 22,907
Bafang Yunji Restaurant Group LLC	48,452	56,396	57,421
Bafang Yunji Texas Corporation	195,971	156,876	-
Others	-	-	20,000
Total	<u>\$ 261,974</u>	<u>\$ 242,444</u>	<u>\$ 100,328</u>

Name of subsidiary	Profit or loss allocated to non-controlling interests			
	For the three months ended June 30		For the six months ended June 30	
	2025	2024	2025	2024
Bafang Yunji Foods LLC	(\$ 4,694)	(\$ 2,645)	(\$ 9,264)	(\$ 5,287)
Bafang Yunji Restaurant Group LLC	(2,158)	(2,367)	(2,119)	4,028
Bafang Yunji Texas Corporation	(1,969)	-	(3,077)	-
Total	(\$ 8,821)	(\$ 5,012)	(\$ 14,460)	(\$ 1,259)

15. Property, plant and equipment

	June 30, 2025				December 31, 2024				June 30, 2024	
Self-use	<u>\$ 3,007,479</u>				<u>\$ 2,879,204</u>				<u>\$ 2,524,231</u>	
	Land	Building and construction	Transportation equipment	Food and beverage equipment	Office equipment	Machinery equipment	Leasehold improvements	Other equipment	Unfinished construction and equipment pending acceptance	Total
Cost										
Balance at January 1, 2025	\$ 851,665	\$ 1,008,118	\$ 86,586	\$ 379,095	\$ 28,132	\$ 751,178	\$ 648,732	\$ 120,811	\$ 320,656	\$ 4,194,973
Addition	-	64,022	7,970	17,537	492	7,307	31,670	27,537	189,743	346,278
Reclassification	-	123	-	1,291	(1,242)	15,836	41,859	5,173	(9,356)	53,684
Disposal	-	-	(258)	(24,764)	(119)	(158)	(36,149)	(251)	(63)	(61,762)
Net exchange differences	(<u>6,311</u>)	(<u>61,675</u>)	(<u>3,183</u>)	(<u>16,229</u>)	(<u>2,400</u>)	(<u>10,709</u>)	(<u>44,849</u>)	(<u>222</u>)	(<u>4,788</u>)	(<u>150,366</u>)
Balance at June 30, 2025	<u>\$ 845,354</u>	<u>\$ 1,010,588</u>	<u>\$ 91,115</u>	<u>\$ 356,930</u>	<u>\$ 24,863</u>	<u>\$ 763,454</u>	<u>\$ 641,263</u>	<u>\$ 153,048</u>	<u>\$ 496,192</u>	<u>\$ 4,382,807</u>
Accumulated depreciation										
Balance at January 1, 2025	\$ -	\$ 189,612	\$ 47,321	\$ 242,622	\$ 19,392	\$ 465,506	\$ 275,299	\$ 76,017	\$ -	\$ 1,315,769
Depreciation expenses	-	16,133	6,382	26,722	1,906	45,650	33,658	7,708	-	138,159
Disposal	-	-	(258)	(12,593)	(38)	(62)	(17,700)	(251)	-	(30,902)
Net exchange differences	-	(<u>6,722</u>)	(<u>2,315</u>)	(<u>11,352</u>)	(<u>1,755</u>)	(<u>8,513</u>)	(<u>16,848</u>)	(<u>193</u>)	-	(<u>47,698</u>)
Balance at June 30, 2025	<u>\$ -</u>	<u>\$ 199,023</u>	<u>\$ 51,130</u>	<u>\$ 245,399</u>	<u>\$ 19,505</u>	<u>\$ 502,581</u>	<u>\$ 274,409</u>	<u>\$ 83,281</u>	<u>\$ -</u>	<u>\$ 1,375,328</u>
Net amount at January 1, 2025	<u>\$ 851,665</u>	<u>\$ 818,506</u>	<u>\$ 39,265</u>	<u>\$ 136,473</u>	<u>\$ 8,740</u>	<u>\$ 285,672</u>	<u>\$ 373,433</u>	<u>\$ 44,794</u>	<u>\$ 320,656</u>	<u>\$ 2,879,204</u>
Net amount at June 30, 2025	<u>\$ 845,354</u>	<u>\$ 811,565</u>	<u>\$ 39,985</u>	<u>\$ 111,531</u>	<u>\$ 5,358</u>	<u>\$ 260,873</u>	<u>\$ 366,854</u>	<u>\$ 69,767</u>	<u>\$ 496,192</u>	<u>\$ 3,007,479</u>
									Unfinished construction and equipment pending acceptance	
	Land	Building and construction	Transportation equipment	Food and beverage equipment	Office equipment	Machinery equipment	Leasehold improvements	Other equipment		Total
Cost										
Balance at January 1, 2024	\$ 804,845	\$ 779,270	\$ 70,767	\$ 369,121	\$ 26,523	\$ 694,445	\$ 542,835	\$ 116,620	\$ 83,793	\$ 3,488,219
Addition	-	315	2,846	28,112	2,628	19,822	26,645	1,635	180,081	262,084
Reclassification	-	-	-	1,595	(1,723)	26,387	103,957	1,547	(98,020)	33,743
Disposal	-	-	(2,041)	(25,123)	(481)	(565)	(38,385)	(133)	(2,002)	(68,730)
Net exchange differences	(<u>2,844</u>)	<u>14,936</u>	<u>1,475</u>	<u>6,049</u>	<u>1,194</u>	<u>4,886</u>	<u>15,262</u>	<u>146</u>	<u>2,944</u>	<u>44,048</u>
Balance at June 30, 2024	<u>\$ 802,011</u>	<u>\$ 794,521</u>	<u>\$ 73,047</u>	<u>\$ 379,754</u>	<u>\$ 28,141</u>	<u>\$ 744,975</u>	<u>\$ 650,314</u>	<u>\$ 119,815</u>	<u>\$ 166,796</u>	<u>\$ 3,759,364</u>
Accumulated depreciation										
Balance at January 1, 2024	\$ -	\$ 157,165	\$ 37,924	\$ 212,677	\$ 16,585	\$ 384,653	\$ 236,501	\$ 64,179	\$ -	\$ 1,109,684
Depreciation expenses	-	14,645	4,983	28,669	1,842	41,408	33,407	6,915	-	131,869
Disposal	-	-	(2,005)	(12,984)	(340)	(565)	(8,397)	(133)	-	(24,424)
Net exchange differences	-	<u>1,713</u>	<u>812</u>	<u>4,418</u>	<u>705</u>	<u>3,494</u>	<u>6,735</u>	<u>127</u>	-	<u>18,004</u>
Balance at June 30, 2024	<u>\$ -</u>	<u>\$ 173,523</u>	<u>\$ 41,714</u>	<u>\$ 232,780</u>	<u>\$ 18,792</u>	<u>\$ 428,990</u>	<u>\$ 268,246</u>	<u>\$ 71,088</u>	<u>\$ -</u>	<u>\$ 1,235,133</u>
Net amount at June 30, 2024	<u>\$ 802,001</u>	<u>\$ 620,998</u>	<u>\$ 31,333</u>	<u>\$ 146,974</u>	<u>\$ 9,349</u>	<u>\$ 315,985</u>	<u>\$ 382,068</u>	<u>\$ 48,727</u>	<u>\$ 166,796</u>	<u>\$ 2,524,231</u>

The Group's property, plant and equipment are depreciated on a straight-line basis over the following useful lives:

Building and construction	
Plant main building	22 to 50 years
Wastewater treatment equipment	10 years
Renovation construction	4 to 5 years
Transportation equipment	1 to 7 years
Food and beverage equipment	1 to 10 years
Office equipment	1 to 10 years
Machinery equipment	1 to 7 years
Leasehold improvements	2 to 20 years
Other equipment	3 to 15 years

For property, plant and equipment pledged as collateral for loans by the Group, please refer to Note 36.

16. Lease agreements

(1) Right-of-use assets

	June 30, 2025	December 31, 2024	June 30, 2024
Carrying amount of right-of-use assets			
Land	\$ 135,589	\$ 139,784	\$ 143,980
Building	1,118,726	1,245,133	1,187,500
Transportation equipment	104,788	106,834	109,035
	<u>\$ 1,359,103</u>	<u>\$ 1,491,751</u>	<u>\$ 1,440,515</u>
	For the three months ended June 30	For the six months ended June 30	
	2025	2024	2025 2024
Addition of right-of-use assets			
Building		\$ 242,115	\$ 346,301
Transportation equipment		25,278	24,083
		<u>\$ 267,393</u>	<u>\$ 370,384</u>
Depreciation expenses of right-of-use assets			
Land	\$ 2,098	\$ 2,097	\$ 4,196 \$ 4,195
Building	104,179	106,934	214,710 208,545
Transportation equipment	13,626	13,574	27,007 26,543
	<u>\$ 119,903</u>	<u>\$ 122,605</u>	<u>\$ 245,913</u> <u>\$ 239,283</u>

Except for the aforementioned addition and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets during the six months ended June 30, 2025 and 2024.

(2) Lease liabilities

	June 30, 2025	December 31, 2024	June 30, 2024
Carry amount of lease liabilities			
Current	<u>\$ 362,000</u>	<u>\$ 444,828</u>	<u>\$ 424,343</u>
Non-current	<u>\$ 1,069,286</u>	<u>\$ 1,134,848</u>	<u>\$ 1,113,914</u>

The discount rate range for lease liabilities is as follows

	June 30, 2025	December 31, 2024	June 30, 2024
Land	1.42%	1.42%	1.42%
Building and construction	1.25%~6.6%	1.25%~4.75%	1.25%~4.5%
Transportation equipment	1.25%~1.75%	1.25%~1.75%	1.25%~1.70%

(3) Significant lease activities and terms

The Group leases certain land and buildings for the use of plants and offices with lease terms of 1 to 20 years. The Group does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms.

The Group incurred lease modification gains of \$794 thousand and \$288 thousand for the six months ended June 30, 2025 and 2024, respectively.

(4) Sublease

The total future lease payments to be received under operating subleases are as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Year 1	\$ 2,025	\$ 3,503	\$ 2,543
Year 2	1,230	724	2,340
Year 3	600	600	915
Year 4	250	550	600
Year 5	-	-	250
	<u>\$ 4,105</u>	<u>\$ 5,377</u>	<u>\$ 6,648</u>

(5) Other lease information

	For the three months ended June 30		For the six months ended June 30	
	2025	2024	2025	2024
Short-term lease expenses	<u>\$ 2,959</u>	<u>\$ 19,239</u>	<u>\$ 5,786</u>	<u>\$ 33,045</u>
Lease expenses for low-value assets	<u>\$ 301</u>	<u>\$ 336</u>	<u>\$ 622</u>	<u>\$ 646</u>
Variable lease payment expense not included in the measurement of lease liabilities	<u>\$ 1,195</u>	<u>\$ 3,035</u>	<u>\$ 3,561</u>	<u>\$ 5,623</u>
Total cash outflows from leases	<u>\$ 138,521</u>	<u>\$ 163,410</u>	<u>\$ 286,578</u>	<u>\$ 315,905</u>

The Group leases certain office equipment qualified as low-value lease. The Group has selected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

All lease commitments with lease periods beginning after the balance sheet date were as follows:

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Lease commitments	<u>\$ 328,451</u>	<u>\$ 163,736</u>

17. Other intangible assets

	<u>For the six months ended June 30</u>	
	<u>2025</u>	<u>2024</u>
<u>Cost</u>		
Balance at the beginning of the period	\$ 46,151	\$ 42,176
Acquired separately	356	1,370
Disposal	(171)	(261)
Net exchange differences	(768)	340
Balance at the end of the period	<u>\$ 45,568</u>	<u>\$ 43,625</u>
<u>Accumulated amortization</u>		
Balance at the beginning of the period	\$ 28,677	\$ 23,619
Amortization expenses	2,897	2,808
Disposal	(171)	(261)
Net exchange differences	(718)	302
Balance at the end of the period	<u>\$ 30,685</u>	<u>\$ 26,468</u>
Net amount at the end of the period	<u>\$ 14,883</u>	<u>\$ 17,157</u>

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

Computer software costs	5 to 10 years
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18. Prepayments

	June 30, 2025	December 31, 2024	June 30, 2024
Prepaid rental	\$ 7,077	\$ 7,089	\$ 5,985
Prepayments for goods	42,620	89,869	26,393
Prepaid insurance	5,970	3,217	5,035
Supplies inventory	6,955	6,725	7,902
Prepayments for maintenance	2,462	3,044	1,685
Prepaid fuel	1,993	1,441	1,688
Prepayments for services	1,188	404	-
Others	32,967	37,326	23,988
	<u>\$ 101,232</u>	<u>\$ 149,115</u>	<u>\$ 72,676</u>

19. Other assets

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Current</u>			
Temporary payments	\$ 306	\$ 230	\$ 309
Other financial assets - current (1)	48,742	1,861	1,861
Others	990	696	1,415
	<u>\$ 50,038</u>	<u>\$ 2,787</u>	<u>\$ 3,585</u>
<u>Non-current</u>			
Prepayments for equipment (2)	\$ 77,578	\$ 111,184	\$ 59,957
Refundable deposits (3)	\$ 165,821	\$ 177,875	\$ 179,541

(1) Other financial assets - restricted bank deposits

The Group's other financial assets-restricted bank demand deposits are mainly for electronic funds transfer services and trust deposits related to the issuance of stored-value cards and gift certificates, as described in Note 36.

(2) Prepayments for equipment

The Group's prepayments for equipment are advanced payments for the purchase of property, plant and equipment used in the production of products or services.

(3) Refundable deposits

The refundable deposits are cash pledges provided by the Group under lease agreements to acquire the real estate right-of-use assets in its sales stores.

20. Loans

(1) Short-term loans

	June 30, 2025	December 31, 2024	June 30, 2024
Unsecured loans	<u>\$ 702,200</u>	<u>\$ 181,963</u>	<u>\$ 80,000</u>

As of June 30, 2025, December 31, 2024 and June 30, 2024, effective interest rates were 1.89% to 6.57%, 1.86% to 7.38% and 1.68% to 1.75 per annum, respectively. The amount drawn was used for short-term operating turnover and material purchases.

(2) Long-term loans

	Maturity date	Material terms	Effective interest rate	June 30, 2025	December 31, 2024	June 30, 2024
Secured loans (Note 36)						
Hang Seng Bank Limited						
Mortgaged loans	2021.6.1-2031.6.1	The total borrowing amount is HK\$10,600,000 and the principal is repayable in 120 equal installments from the date of borrowing (2021.6.1), with interest charged monthly.	2.75%	\$ 25,111	\$ 30,575	\$ 32,152
TOYOTA FINANCE						
Mortgaged loans	2022.3.23 - 2027.4.22	The total borrowing amount is US\$36,726 and the principal is repayable in 60 installments from the date of borrowing (2022.3.23), with interest charged monthly.	3.9%	401	571	685
Mortgaged loans	2022.12.24 - 2027.12.24	The total borrowing amount is US\$28,326 and the principal is repayable in 60 installments from the date of borrowing (2022.12.24), with interest charged monthly.	1.99%	425	568	653
Unsecured loans						
First Commercial Bank, Ltd.						
Bank loans	2025.6.11 - 2028.6.11	The total borrowing amount is US\$500,000. Beginning from June 11, 2025, repayment of principal is waived for the first six months. Thereafter, the principal shall be repaid in 30 installments, with interest accrued and payable on a monthly basis.	6.3%	14,650	-	-
Less: current portion				(7,227)	(4,777)	(4,566)
Long-term bank loans				<u>\$ 33,360</u>	<u>\$ 26,937</u>	<u>\$ 28,924</u>

21. Notes payable and accounts payable

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Notes payable</u>			
Incurred as a result of operations	\$ 3,317	\$ 2,160	\$ 1,883
<u>Accounts payable</u>			
Incurred as a result of operations	\$ 239,855	\$ 261,494	\$ 246,823

(1) Notes payable

As of June 30, 2025, December 31, 2024 and June 30, 2024, the Group had no notes payable to banks in its accounting book.

(2) Accounts payable

The average credit period for accounts payable ranges from 7 to 30 days. The Group has a financial risk management policy to ensure that all accounts payable are paid within the prearranged credit period.

22. Other liabilities

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Current</u>			
Other payables			
Non-related party			
Salaries payable and bonus	\$ 181,969	\$ 251,805	\$ 180,578
Sales tax payable and output VAT	28,460	26,176	30,657
Service expenses payable	6,351	5,630	7,809
Remuneration payable to employees and directors	27,000	17,000	24,000
Insurance premiums payable	16,814	17,018	15,609
Pension payable	8,971	9,244	9,980
Equipment payables	13,951	50,635	16,349
Dividends payable	400,169	132,990	332,774
Others	101,597	106,048	84,909
	<u>785,282</u>	<u>616,546</u>	<u>702,665</u>
Related party (Note 35)			
Others	80	120	280
	<u>\$ 785,362</u>	<u>\$ 616,666</u>	<u>\$ 702,945</u>

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Other liabilities</u>			
Financial liabilities	\$ 34,090	\$ 35,199	\$ 35,978
Advanced receipts	1,260	1,281	1,975
Temporary receipts	5,691	2,878	10,491
Receipts under custody.	<u>13,742</u>	<u>14,144</u>	<u>14,882</u>
	<u>\$ 54,783</u>	<u>\$ 53,502</u>	<u>\$ 63,326</u>
<u>Non-current</u>			
Other liabilities			
Deposits received	<u>\$ 59,867</u>	<u>\$ 55,476</u>	<u>\$ 55,616</u>

23. Provision for liabilities

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Non-current</u>			
Decommissioning liabilities	<u>\$ 5,759</u>	<u>\$ 6,698</u>	<u>\$ 7,120</u>
			Decommissioning liabilities
Balance as of January 1, 2024			\$ 7,036
Provision for the period			361
Disposal in the period			(460)
Net exchange differences			<u>183</u>
Balance as of June 30, 2024			<u>\$ 7,120</u>
Balance as of January 1, 2025			\$ 6,698
Provision for the period			362
Disposal in the period			(880)
Net exchange differences			<u>(421)</u>
Balance as of June 30, 2025			<u>\$ 5,759</u>

The provision for decommissioning liabilities is the estimated cost of restoring the original condition of the leased assets to the lessor when the Group leases the stores from the owners.

24. Retirement benefit plans

(1) Defined contribution plan

The Group's pension plan under the Labor Pension Act is a government-administered defined contribution pension plan, which requires the Group to contribute 6% of employees' monthly salaries to the individual accounts of the Bureau of Labor Insurance.

Within the Group, including the Company and subsidiaries, Bafang Yunji Restaurant Co., Ltd., and Dante Coffee & Foods Co., Ltd. recognized \$8,982 thousand and \$18,270 thousand of expenses in the consolidated statements of comprehensive income for the three months ended June 30, 2025, and for the six months ended June 30, 2025, respectively, in accordance with the specified contribution percentage of the defined contribution plan.

Within the Group, including the Company and subsidiaries, Bafang Yunji Restaurant Co., Ltd., and Dante Coffee & Foods Co., Ltd. recognized \$9,710 thousand and \$19,449 thousand of expenses in the consolidated statements of comprehensive income for the three months ended June 30, 2024, and for the six months ended June 30, 2024, respectively, in accordance with the specified contribution percentage of the defined contribution plan.

The employees of the Group's subsidiaries in Hong Kong are subject to the retirement benefit plans operated by the local governments. The subsidiary is required to contribute a certain percentage of salary costs to the retirement benefit plan to fund the plan. The Group's obligation to this government-operated retirement benefit plan is only to contribute a specific amount. The amounts contributed were recognized as expenses in the consolidated statements of comprehensive income with a total of \$3,776 thousand and \$3,999 thousand for the three months ended June 30, 2025 and 2024, respectively; and \$8,562 thousand and \$8,546 thousand for the six months ended June 30, 2025 and 2024, respectively.

Bafang Yunji Restaurant Group LLC, Bafang Yunji Foods LLC and Bafang Yunji Foods Texas LLC have not established any retirement benefit plans. In addition, no retirement benefit plans are applicable to Ji Yuan Foods Co., Ltd., Fang Sin International Trading Co., Ltd., Bafang Yunji (Samoa) International Co., Ltd., Bafang Yunji International (USA) Limited, Bafang Yunji Franchise (USA) Co., Bafang Yunji Texas Corporation, Bafang Yunji Restaurant Group Texas LLC, and Bafang Co., Ltd., as there were no full-time employees.

(2) Defined benefit plan

Employee benefit expenses in respect of the Group's defined benefit retirement plans were \$113 thousand and \$129 thousand for the three months ended June 30, 2025 and 2024, respectively; and \$241 thousand and \$264 thousand for the six months ended June 30, 2025 and 2024, respectively, calculated using the projected pension cost stated in actuarial reports as of December 31, 2024 and 2023.

25. Equity

(1) Share capital

Common stock

	June 30, 2025	December 31, 2024	June 30, 2024
Authorized number of shares (in thousands)	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Authorized share capital	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>

	June 30, 2025	December 31, 2024	June 30, 2024
Number of issued and fully paid shares (in thousands)	<u>66,645</u>	<u>66,645</u>	<u>66,495</u>
Issued share capital	<u>\$ 666,448</u>	<u>\$ 666,448</u>	<u>\$ 664,948</u>

The issued common stock has a par value of \$10 per share and each share has one voting right and is entitled to receive dividends.

Changes in share capital for the years ended December 31, 2024 primarily resulted from the exercise of employee share options. A total of 150 thousand new ordinary shares were issued, increasing share capital by \$1,500 thousand. The related capital increases were duly registered with the competent authority on November 27, 2024. Refer to Note 30 for details of employee share option exercises during the period.

(2) Capital surplus

	June 30, 2025	December 31, 2024	June 30, 2024
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (A)</u>			
Share issue premium	\$ 977,557	\$ 977,557	\$ 964,945
Difference between the actual acquisition price and the book value of the subsidiary	56	56	-
Employee share-based payment remuneration costs	22,735	22,735	22,735
Lapsed employee stock options	<u>132</u>	<u>132</u>	<u>132</u>
	<u>1,000,480</u>	<u>1,000,480</u>	<u>987,812</u>
<u>May only be used to offset a deficit (B)</u>			
Right of disgorgement	<u>99</u>	<u>99</u>	<u>99</u>
<u>Not for any purpose</u>			
Employee stock options	<u>-</u>	<u>-</u>	<u>9,915</u>
	<u>\$1,000,579</u>	<u>\$1,000,579</u>	<u>\$ 997,826</u>

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

- B. Such capital surplus arises from exercising the right of disgorgement and only to be used to offset a deficit.

(3) Retained Earnings and Dividend Policy

In accordance with the earnings distribution policy of the Company's Articles of Incorporation, the surplus earning distribution or losses make-up proposal may be made after the end of each semi-annual fiscal year. The Board of Directors shall resolve the distribution of earnings in cash, and the shareholders' meeting shall resolve the distribution of earnings by issuing new shares.

Under the dividends policy as set forth in the Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, and setting aside or reversing a special reserve. However, once the legal reserve has accumulated to the amount of the Company's paid-in capital, no further allocation is required. Any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders.

Under the dividends policy as set forth in the Articles, the Company's board of directors is authorized, with the attendance of at least two-thirds of all directors and the approval of a majority of the directors present, to distribute dividends and bonuses, or all or part of the legal reserve and capital surplus as prescribed under Article 241, Paragraph 1 of the Company Act, in the form of cash. Such distribution shall be reported to the shareholders' meeting. However, if the distribution is to be made in the form of new shares, it shall be subject to a resolution adopted at the shareholders' meeting.

The Company's policy on the distribution of remuneration to employees and remuneration to directors as stipulated in the Company's Articles of Incorporation is described in Note 27(7) Remuneration to Employees, Directors and Supervisors.

The Company is in a growth stage and its dividend policy is based on the different stages of Company's business development, profitability, medium- and long-term financial capital budget planning, and shareholders' interests, and other factors. Dividends are paid in the form of stock dividends or cash dividends as appropriate. No less than 20% of the available-for-distribution earnings is appropriated annually as stockholders' dividends, of which no less than 20% of the total dividends should be in cash.

The legal reserve should be appropriated until the balance reaches the total paid-in capital of the Company. The legal reserve may be used to make up for losses if the Company has no losses, the excess of legal reserve over 25% of the paid-in capital may be capitalized as equity or distributed in cash.

According to existing regulations, the Company is required to set aside additional special capital reserve equivalent to the net debit balance of the other components of stockholders' equity. For the subsequent decrease in the deduction amount to stockholders' equity, any special reserve appropriated may be reversed to the extent that the net debit balance reverses. When the Company appropriates special capital reserve for the net debit balance of the other components of

stockholders' equity, it only sets aside the reserve against the accumulated balance of undistributed earnings in the prior periods.

The Board of Directors resolved each half fiscal year earnings distribution for 2025 and 2024 as follows:

	January 1 to June 30, 2025	July 1 to December 31, 2024	January 1 to June 30, 2024
Board of Directors' resolution date	August 12, 2025	March 13, 2025	August 7, 2024
Legal reserve	<u>\$ 38,754</u>	<u>\$ 30,695</u>	<u>\$ 29,599</u>
Appropriation (reversal) of special reserve	<u>\$ 62,002</u>	<u>\$ -</u>	<u>(\$ 1,619)</u>
Cash dividends	<u>\$ 266,579</u>	<u>\$ 400,168</u>	<u>\$ 132,990</u>
Cash dividends per share (NT\$)	<u>\$ 4.00</u>	<u>\$ 6.00</u>	<u>\$ 2.00</u>

The cash dividends for 2025 and 2024 were resolved by the board of directors, and the remaining distribution was approved at the shareholders' meeting held on June 10, 2025.

(4) Special reserve

	For the six months ended June 30	
	2025	2024
Balance at the beginning of the period	\$ 1,619	\$ 4,247
Reversals		
Reversal of the debits to other equity items	(<u>1,619</u>)	(<u>2,628</u>)
Balance at the end of the period	<u>\$ -</u>	<u>\$ 1,619</u>

(5) Exchange differences on translation of financial statements of foreign operations

	For the six months ended June 30	
	2025	2024
Balance at the beginning of the period	\$ 47,148	(\$ 1,619)
Exchange differences on translation of financial statements of foreign operations	(136,436)	40,291
Income tax related to translation of financial statements of foreign operations	<u>27,286</u>	(<u>8,058</u>)
Balance at the end of the period	(<u>\$ 62,002</u>)	<u>\$ 30,614</u>

The translation differences arising from the translation of the financial statements of foreign operations from their functional currencies to the Company's presentation currency (i.e., NTD) are recognized directly in the exchange differences

on translation of financial statements of foreign operations under other comprehensive income.

(6) Non-controlling interests

	For the six months ended June 30	
	2025	2024
Balance at the beginning of the period	\$ 242,444	\$ 66,897
Net loss for the period	(14,460)	(1,259)
Other comprehensive income for the period		
Exchange differences on translation of financial statements of foreign operations	(31,560)	3,827
Changes in ownership interests in subsidiaries	-	509
Increase in non-controlling interests	<u>65,550</u>	<u>30,354</u>
Balance at the end of the period	<u>\$ 261,974</u>	<u>\$ 100,328</u>

26. Revenue

	For the three months ended June 30		For the six months ended June 30	
	2025	2024	2025	2024
<u>Revenue from contracts with customers</u>				
Revenue from merchandise sales	\$ 2,102,218	\$ 1,909,099	\$ 4,274,336	\$ 3,831,495
Licensing revenue	<u>5,549</u>	<u>5,019</u>	<u>10,780</u>	<u>10,030</u>
	<u>\$ 2,107,767</u>	<u>\$ 1,914,118</u>	<u>\$ 4,285,116</u>	<u>\$ 3,841,525</u>

(1) Description of customer contracts

A. Revenue from merchandise sales

The revenue from merchandise sales is derived from the manufacturing and sale of products related to restaurant chains and the sale of food ingredients used by franchisees to manufacture and sell related products. The Group recognizes revenue and accounts receivable at the point when the products are manufactured, sold and the food ingredients delivered to the franchisee's designated location, as the customer has the right to set the price and use the merchandise and has the primary responsibility for the merchandise at the time of resale, and bears the risk of obsolescence of the merchandise. Revenue from merchandise sales is based on contract agreements with fixed prices.

B. Licensing revenue

Licensing revenue is the licensing revenue received by the Group from franchisees. The nature of licensing is to provide franchisees with access to intellectual property that exists during the licensing period.

(2) Contract balance

	June 30, 2025	December 31, 2024	June 30, 2024	January 1, 2024
Notes and accounts receivable (Note 11)	<u>\$ 160,668</u>	<u>\$ 178,107</u>	<u>\$ 170,993</u>	<u>\$ 161,253</u>

(3) Disaggregation of revenue from contracts with customers

		For the six months ended June 30, 2025			
		Taiwan	Hong Kong	United States	Total
Revenue from merchandise sales		\$ 3,312,756	\$ 672,587	\$ 288,993	\$ 4,274,336
Licensing revenue		<u>10,780</u>	<u>-</u>	<u>-</u>	<u>10,780</u>
		<u>\$ 3,323,536</u>	<u>\$ 672,587</u>	<u>\$ 288,993</u>	<u>\$ 4,285,116</u>

		For the three months ended June 30, 2025			
		Taiwan	Hong Kong	United States	Total
Revenue from merchandise sales		\$ 1,645,397	\$ 321,613	\$ 135,208	\$ 2,102,218
Licensing revenue		<u>5,549</u>	<u>-</u>	<u>-</u>	<u>5,549</u>
		<u>\$ 1,650,946</u>	<u>\$ 321,613</u>	<u>\$ 135,208</u>	<u>\$ 2,107,767</u>

		For the six months ended June 30, 2024			
		Taiwan	Hong Kong	United States	Total
Revenue from merchandise sales		\$ 2,882,484	\$ 687,291	\$ 261,720	\$ 3,831,495
Licensing revenue		<u>10,030</u>	<u>-</u>	<u>-</u>	<u>10,030</u>
		<u>\$ 2,892,514</u>	<u>\$ 687,291</u>	<u>\$ 261,720</u>	<u>\$ 3,841,525</u>

		For the three months ended June 30, 2024			
		Taiwan	Hong Kong	United States	Total
Revenue from merchandise sales		\$ 1,427,619	\$ 347,856	\$ 133,624	\$ 1,909,099
Licensing revenue		<u>5,019</u>	<u>-</u>	<u>-</u>	<u>5,019</u>
		<u>\$ 1,432,638</u>	<u>\$ 347,856</u>	<u>\$ 133,624</u>	<u>\$ 1,914,118</u>

27. Net profit from continuing operations

(1) Interest income

	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Bank deposits	\$ 3,166	\$ 4,751	\$ 4,287	\$ 9,169
Interest receivable on leases	511	351	766	759
	<u>\$ 3,677</u>	<u>\$ 5,102</u>	<u>\$ 5,053</u>	<u>\$ 9,928</u>

(2) Other income

	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Rental income (Note 16)	\$ 1,650	\$ 3,798	\$ 3,472	\$ 7,609
Government subsidies (Note 31)	50	-	50	8,274
Others	9,602	9,239	19,038	17,027
	<u>\$ 11,302</u>	<u>\$ 13,037</u>	<u>\$ 22,560</u>	<u>\$ 32,910</u>

(3) Other gains and losses

	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Loss on disposal of property, plant and equipment	(\$ 4,855)	(\$ 2,619)	(\$ 11,905)	(\$ 1,548)
Gain on financial assets at fair value through profit or loss	-	584	88	1,103
Net foreign currency exchange gain (loss)	(5,591)	4,438	(5,121)	16,405
Lease modification gain	500	177	794	288
Other losses	(292)	(242)	(646)	(650)
	<u>(\$ 10,238)</u>	<u>\$ 2,338</u>	<u>(\$ 16,790)</u>	<u>\$ 15,598</u>

(4) Financial costs

	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Interest on bank loans	\$ 3,310	\$ 855	\$ 5,687	\$ 2,192
Interest on lease liabilities	9,407	8,581	19,176	16,032
	<u>\$ 12,717</u>	<u>\$ 9,436</u>	<u>\$ 24,863</u>	<u>\$ 18,224</u>

No interest was capitalized of the Group for the six months ended June 30, 2025 and 2024.

(5) Depreciation and amortization

	For the three months ended June 30		For the six months ended June 30	
	2025	2024	2025	2024
Depreciation expenses summarized by function				
Operating costs	\$ 107,385	\$ 103,779	\$ 217,531	\$ 204,671
Operating expenses	<u>81,032</u>	<u>84,870</u>	<u>166,541</u>	<u>166,481</u>
	<u>\$ 188,417</u>	<u>\$ 188,649</u>	<u>\$ 384,072</u>	<u>\$ 371,152</u>
Amortization expenses summarized by function				
Operating costs	\$ 7	\$ 7	\$ 14	\$ 14
Selling expenses	67	123	156	241
Administrative expenses	<u>1,384</u>	<u>1,277</u>	<u>2,727</u>	<u>2,553</u>
	<u>\$ 1,458</u>	<u>\$ 1,407</u>	<u>\$ 2,897</u>	<u>\$ 2,808</u>

(6) Employee benefit expenses

	For the three months ended June 30		For the six months ended June 30	
	2025	2024	2025	2024
Short-term employee benefits	\$ 423,207	\$ 413,249	\$ 869,429	\$ 838,362
Retirement benefits (Note 24)				
Defined contribution plan	12,758	13,709	26,832	27,995
Defined benefit plan	113	129	241	264
Share-based payment (Note 30)				
Equity settlement	<u>-</u>	<u>646</u>	<u>-</u>	<u>1,293</u>
Total employee benefit expenses	<u>\$ 436,078</u>	<u>\$ 427,733</u>	<u>\$ 896,502</u>	<u>\$ 867,914</u>
Summarized by function				
Operating costs	\$ 195,111	\$ 194,812	\$ 404,929	\$ 389,125
Operating expenses	<u>240,967</u>	<u>232,921</u>	<u>491,573</u>	<u>478,789</u>
	<u>\$ 436,078</u>	<u>\$ 427,733</u>	<u>\$ 896,502</u>	<u>\$ 867,914</u>

(7) Compensation of employees and remuneration of directors

In accordance with the provision of the Articles of Incorporation, the Company shall use the current year's pre-tax profit before the distribution of the remuneration to employees and directors to make up for the accumulated loss, and if there is any remaining balance, the Company shall appropriate not less than 1% as employees' remuneration and not more than 1% as directors' remuneration. In accordance with the amendments of the Securities and Exchange Act in August 2024, the Company resolved at the 2025 shareholders' meeting to amend its Articles of Incorporation that of the employees' remuneration allocated, no less than 40% shall appropriate for non-executive employees.

The accrued compensation of employees and remuneration of directors for the three months and six months ended June 30, 2025 and 2024 are as follows:

Estimated percentage

	For the six months ended June 30	
	2025	2024
Remuneration to employees	1.43%	1.57%
Remuneration to directors	0.61%	0.78%

Amount

	For the three months ended June 30		For the six months ended June 30	
	2025	2024	2025	2024
Remuneration to employees	\$ 4,000	\$ 3,000	\$ 7,000	\$ 6,000
Remuneration to directors	1,500	1,500	3,000	3,000

If there is any change in the amount after the publication of the annual consolidated financial statements, it will be handled as a change in accounting estimate and the adjustment will be posted in the next year.

The remuneration to employees and directors for 2024 and 2023 were resolved by the Board of Directors on March 13, 2025 and March 11, 2024, respectively, as follows:

Amount

	For the year ended December 31	
	2024	2023
	Cash	Cash
Remuneration to employees	\$ 11,600	\$ 10,000
Remuneration to directors	5,400	5,000

The actual amounts of remuneration to employees and directors in 2024 and 2023 did not differ from the amounts recognized in the financial statements in 2024 and 2023.

For information on remuneration to employees and directors resolved by the Board of Directors, please visit the Market Observation Post System.

28. Income tax for continuing operations

(1) Major components of income tax expense recognized in profit or loss

The major components of income tax expense are as follows:

	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Current tax				
In respect of the current period	\$ 54,295	\$ 36,566	\$ 105,317	\$ 77,417
Income tax on unappropriated earnings	555	1,733	555	1,733
Adjustments for prior year	<u>429</u>	<u>(408)</u>	<u>(4,647)</u>	<u>(408)</u>
	<u>55,279</u>	<u>37,891</u>	<u>101,225</u>	<u>78,742</u>
Deferred tax				
In respect of the current period	<u>(5,883)</u>	<u>1,841</u>	<u>(6,191)</u>	<u>5,119</u>
Income tax expense recognized in profit or loss	<u>\$ 49,396</u>	<u>\$ 39,732</u>	<u>\$ 95,034</u>	<u>\$ 83,861</u>

(2) Income tax recognized in other comprehensive income

	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
<u>Deferred tax</u>				
In respect of the current year				
— Exchange differences from foreign operations	<u>(\$ 30,731)</u>	<u>\$ 2,086</u>	<u>(\$ 27,286)</u>	<u>\$ 8,058</u>
Income benefit recognized in other comprehensive income	<u>(\$ 30,731)</u>	<u>\$ 2,086</u>	<u>(\$ 27,286)</u>	<u>\$ 8,058</u>

(3) Income tax assessment status

The income tax returns of the Company and its Taiwan subsidiaries, Bafang Yunji Restaurant Co., Ltd., Fang Sin International Trading Co., Ltd., and Dante Coffee & Foods Co., Ltd., had been assessed by the tax authorities through 2023, 2022, 2023 and 2023, respectively.

29. Earnings per share (EPS)

Unit: NT\$ per share

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Basic earnings per share	\$ 2.89	\$ 2.10	\$ 5.81	\$ 4.46
Diluted earnings per share	\$ 2.89	\$ 2.09	\$ 5.81	\$ 4.45

Earnings attributable to shareholders of the Company and the weighted-average number of shares of common stock used to calculate earnings per share were as follows:

Net profit for the period

	For the three months ended June 30		For the six months ended June 30	
	2025	2024	2025	2024
Net profit attributable to shareholders of the Company	\$ 192,581	\$ 139,375	\$ 387,538	\$ 296,498
Net profit used to calculate diluted earnings per share	\$ 192,581	\$ 139,375	\$ 387,538	\$ 296,498

Number of shares

Unit: In thousands of shares

	For the three months ended June 30		For the six months ended June 30	
	2025	2024	2025	2024
Weighted-average number of shares of common stock used to calculate basic earnings per share	66,645	66,495	66,645	66,495
Impact of potential common stock with dilutive effect:				
Remuneration to employees	40	37	67	60
Employee stock options	-	124	-	124
Weighted-average number of shares of common stock used to calculate diluted earnings per share	66,685	66,656	66,712	66,679

If the Company has the option to pay remuneration to employees in stock or cash, the calculation of diluted earnings per share will adopt the assumption that employee remuneration will be paid in stock and is included in the weighted-average number of shares of common shares outstanding for the purpose of calculating diluted earnings per share when the potential common shares have a dilutive effect. The dilutive effect of these potential common shares will continue to be considered in the calculation of diluted earnings per share prior to the issuance of shares in the following year's resolution for remuneration to employees.

30. Share-based payment agreement

The Company's employee stock option plan

	For the six months ended June 30			
	2025		2024	
Employee stock options	Unit: (In thousands)	Weighted average exercise price (NT\$)	Unit: (In thousands)	Weighted average exercise price (NT\$)
Outstanding at the beginning of the period	-	\$ -	150	\$ 25.9
Exercised in the period	-	-	-	-
Outstanding at the end of the period	-	-	150	25.1
Exercisable at the end of the period	-	-	150	25.1

The Group recognized remuneration costs of \$646 thousand for the three months ended June 30, 2024 and \$1,293 thousand for the six months ended June 30, 2024, for share-based payment agreements.

31. Government subsidies

The Group received government subsidies from the Ministry of Finance for the replacement of old vehicles and from the National Animal Industry Foundation, which were recognized as other income under non-operating income and expenses in the consolidated statements of comprehensive income for the six months ended June 30, 2025 and 2024 in the amounts of \$50 thousand and \$8,274 thousand, respectively.

32. Non-cash transaction

The Group entered into the following non-cash transactions of investing and financing activities for the six months ended June 30, 2025 and 2024.

(1) Non-cash transaction

A. Acquisition and disposal of property, plant and equipment

	For the six months ended June 30	
	2025	2024
Acquisition of property, plant and equipment		
Increase in property, plant and equipment	\$ 346,278	\$ 262,084
Add: Equipment payables at the beginning of the period	50,635	10,549
Decrease in decommissioning liabilities for the period	880	460
Less: Equipment payables at the end of the period	(13,951)	(16,349)
Increase in decommissioning liabilities for the period	(<u>362</u>)	(<u>361</u>)
Cash paid	<u>\$ 383,480</u>	<u>\$ 256,383</u>
Disposal of property, plant and equipment		
Disposal price	\$ 18,955	\$ 42,758
Add: Disposal price receivable at the beginning of the period	767	400
Less: Disposal price receivable at the end of the period	(<u>300</u>)	(<u>432</u>)
Cash received	<u>\$ 19,422</u>	<u>\$ 42,726</u>

B. Cash dividends

The cash dividends resolved by the Board of Directors were not yet distributed as of June 30, 2025 and 2024 (refer to Notes 22 and 25).

C. Prepayments for equipment

The Group reclassified prepayments for equipment to property, plant and equipment of \$53,684 thousand and \$33,743 thousand for the six months ended June 30, 2025 and 2024, respectively.

(2) Changes in liabilities from financing activities

For the six months ended June 30, 2025

	January 1, 2025	Cash flow	New/amended contracts	Non-cash changes Cumulative translation adjustments	Interest expenses	June 30, 2025
Short-term loans	\$ 181,963	\$ 520,237	\$ -	\$ -	\$ -	\$ 702,200
Long-term loans	31,714	13,623	-	(4,750)	-	40,587
Lease liabilities	1,579,676	(276,609)	207,804	(98,761)	19,176	1,431,286
Deposits received	55,476	4,391	-	-	-	59,867
	<u>\$ 1,848,829</u>	<u>\$ 261,642</u>	<u>\$ 207,804</u>	<u>(\$ 103,511)</u>	<u>\$ 19,176</u>	<u>\$ 2,233,940</u>

For the six months ended June 30, 2024

	January 1, 2024	Cash flow	New/amended contracts	Non-cash changes Cumulative translation adjustments	Interest expenses	June 30, 2024
Short-term loans	\$ 302,000	(\$ 222,000)	\$ -	\$ -	\$ -	\$ 80,000
Long-term loans	33,773	(2,185)	-	1,902	-	33,490
Lease liabilities	1,433,882	(276,591)	328,191	36,743	16,032	1,538,257
Deposits received	53,461	2,155	-	-	-	55,616
	<u>\$ 1,823,116</u>	<u>(\$ 498,621)</u>	<u>\$ 328,191</u>	<u>\$ 38,645</u>	<u>\$ 16,032</u>	<u>\$ 1,707,363</u>

33. Capital risk management

The Group conducts capital management to ensure that the Group's businesses are able to maximize shareholder returns by optimizing debt and equity balances while continuing to operate.

The Group's capital structure consists of the Group's net debt (i.e., borrowings less cash and cash equivalents) and equity (i.e., share capital, capital surplus, retained earnings and other equity items).

The Group is not subject to other external capital requirements.

The Group's capital structure is reviewed annually by the Group's key management, which includes consideration of the cost of each type of capital and the related risks. The Group will balance its overall capital structure by paying dividends, issuing new shares, buying back shares and issuing new debt or paying off old debt, as recommended by key management.

34. Financial instrument

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

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

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

A. Fair value hierarchy

June 30, 2025

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at fair value through other comprehensive income</u>				
Investments in equity instruments				
Stocks of domestic non-listed companies	\$ -	\$ -	\$ 3,750	\$ 3,750

December 31, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at fair value through profit or loss</u>				
Fund beneficiary certificates	\$ 120,125	\$ -	\$ -	\$ 120,125
Structured deposits	-	130,265	-	130,265
	<u>\$ 120,125</u>	<u>\$ 130,265</u>	<u>\$ -</u>	<u>\$ 250,390</u>
<u>Financial assets at fair value through other comprehensive income</u>				
Investments in equity instruments				
Stocks of domestic non-listed companies	\$ -	\$ -	\$ 3,750	\$ 3,750

June 30, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at fair value through profit or loss</u>				
Fund beneficiary certificates	\$ 90,005	\$ -	\$ -	\$ 90,005
Structured deposits	-	100,264	-	110,264
	<u>\$ 90,005</u>	<u>\$ 100,264</u>	<u>\$ -</u>	<u>\$ 200,269</u>
<u>Financial assets at fair value through other comprehensive income</u>				
Investments in equity instruments				
Stocks of domestic non-listed companies	\$ -	\$ -	\$ 3,750	\$ 3,750

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

B. The reconciliation of financial instruments measured at fair value in Level 3

For the six months ended June 30, 2025

	<u>Financial assets at FVTOCI</u>
	<u>Equity instruments</u>
Balance at the beginning of the period	\$ 3,750
Balance at the end of the period	\$ 3,750
Unrealized other gains and losses for the period	\$ -

For the six months ended June 30, 2024

	<u>Financial assets at FVTOCI</u>
	<u>Equity instruments</u>
Balance at the beginning of the period	\$ 3,750
Balance at the end of the period	\$ 3,750
Unrealized other gains and losses for the period	\$ -

C. Level 2 fair value measurement valuation techniques and input values

<u>Type of financial instruments</u>	<u>Valuation techniques and input values</u>
Structured deposits mandatorily measured at fair value through profit or loss	The fair value is based on the discounted value of future cash flows using the discount rate curve derived from quoted prices in the open market.

D. Level 3 fair value measurement valuation techniques and input values

The fair value of unlisted (over-the-counter) equity instruments is based on an analysis of the investee's financial condition and operating results, recent transaction prices, quoted prices in active markets for similar instruments and valuation multipliers for comparable companies, and is not based on assumptions supported by observable market prices or interest rates. Significant unobservable input values are as follows, and the fair value of these investments would increase when the liquidity discount is reduced.

(3) Type of financial instruments

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Financial assets</u>			
Measured at amortized cost (Note 1)	\$ 2,099,079	\$ 1,443,606	\$ 1,659,881
Measured at fair value through profit or loss			
Mandatorily measured at fair value through profit or loss	-	250,390	200,269
Financial assets at FVTOCI	3,750	3,750	3,750

Financial liabilities

Measured at amortized cost (Note 2)	1,865,278	1,184,672	1,156,735
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Note 1: The balances include financial assets measured at amortized cost such as cash and cash equivalents, accounts receivable, financial assets at amortized cost - current, other receivables, other financial assets - current, and refundable deposits.

Note 2: The balances include financial liabilities measured at amortized cost such as short-term loans, notes payable, accounts payable, other payables, other financial liabilities - current, long-term loans and deposits received.

(4) Financial risk management objectives and policies

The Group's major financial instruments include equity and debt investments, accounts receivable and accounts payable. The Group's financial management department provides services to each business unit, coordinates access to domestic and international financial markets, and monitors and manages the financial risks associated with the Group's operations through internal risk reports that analyze the risk of violence according to the level and breadth of risk. These risks include market risk (including exchange rate risk and interest rate risk), credit risk and liquidity risk.

The Group's finance department reviews the extent of each risk through annual budgeting and proposes financial planning measures in advance to effectively control each risk. We also regularly evaluate and review the development of each financial

risk and adjust the risk countermeasures. When a significant risk is identified, the risk is reported to the management through the management meeting and the countermeasures are taken.

A. Market risk

The Group's major financial risks arising from its operating activities are foreign currency exchange rate risk (see a. below) and interest rate risk (see b. below).

a. Exchange rate risk

The carrying amounts of monetary assets and monetary liabilities denominated in non-functional currencies as of the balance sheet date are disclosed in Note 39.

Sensitivity analysis

The following table details the Group's sensitivity to a 1% increase and decrease in the New Taiwan dollar (i.e., the functional currency) against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 1%. The amounts disclosed below represent the estimated increase (decrease) in pre-tax profit resulting from a 1% weakening (strengthening) of the New Taiwan dollar against each relevant currency.

	USD Impact	
	For the six months ended June 30	
	2025	2024
Profit or loss	\$ 856	\$ 2,610

b. Interest rate risk

Interest rate risk arises because entities in the Group borrow funds at both fixed and floating interest rates and maintain bank deposits.

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

	June 30, 2025	December 31, 2024	June 30, 2024
Fair value interest rate risk			
- Financial assets	\$ 787,290	\$ 381,874	\$ 659,745
Cash flow interest rate risk			
- Financial assets	969,803	820,955	728,682
- Financial liabilities	742,787	213,677	113,490

Sensitivity analysis

The following sensitivity analysis is based on the interest rate risk of derivative and non-derivative instruments as of the balance sheet date. For floating rate liabilities, the analysis assumes that the amount of the liability outstanding at the balance sheet date is outstanding at the reporting date. The rate of change used in reporting interest rates internally to key management of the Group is an increase or decrease in interest rates by 0.5%, which represents management's assessment of the range of reasonably possible changes in interest rates.

If interest rates had increased/decreased by 0.5%, with all other variables held constant, the Group's pre-tax profit would increase/decrease by \$568 thousand and \$1,538 thousand for the six months ended June 30, 2025 and 2024, respectively, mainly due to the influence on the Group's variable-rate bank deposits.

c. Other price risks

The Group had securities price risk due to investment in equity instruments. The Group's management manages risk by holding a portfolio of different risky investments. In addition, the Group assigns a specific team to monitor price risk and assesses when to increase the hedge of the hedged risk.

Sensitivity analysis

The following sensitivity analysis is based on the equity price exposure at the balance sheet date.

If equity prices had increased/decreased by 3%, comprehensive income for the six months ended June 30, 2025 and 2024 would increase/decrease by \$113 thousand due to changes in fair value through other comprehensive income.

The sensitivity of the Group to financial asset price risk did not change for the six months ended June 30, 2025 and 2024, mainly because the Group's holding of financial assets measured at fair value through other comprehensive income and loss did not change in the current period.

B. Credit risk

Credit risk refers to the risk of financial loss resulting from the default of contractual obligations by the counterparties. As of the balance sheet date, the maximum exposure to credit risk of the Group to financial loss due to non-performance of counterparties' obligations and financial guarantees provided by the Group mainly arises from the carrying amount of financial assets recognized in the Consolidated Balance Sheet.

The Group's policy is to transact only with creditworthy counterparties and to obtain adequate guarantees, if necessary, to mitigate the risk of financial loss arising from default. The Group continuously monitors credit risk and the

creditworthiness of counterparties, and controls credit risk through credit limits on counterparties that are reviewed and approved by management on an annual basis. In addition, the Group reviews the recoverable amounts of receivables on a case-by-case basis at the balance sheet date to ensure that appropriate impairment losses have been provided for uncollectible receivables.

C. Liquidity risk

The Group manages and maintains sufficient cash and cash equivalents to support the Group's operations and mitigate the impact of cash flow fluctuations. The Group's management monitors the use of bank financing facilities and ensures compliance with the terms of the loan agreements.

The ultimate responsibility for liquidity risk management rests with the Company's Board of Directors, which has established an appropriate liquidity risk management framework to address the Group's short-, medium- and long-term funding and liquidity management needs.

Bank loans are an important source of liquidity for the Group. As of June 30, 2025, December 31, 2024 and June 30, 2024, the Group had unutilized financing facilities, as described in b. Financing Facilities below.

a. Liquidity and interest rate risk of non-derivative financial liabilities

The analysis of the remaining contract maturities of non-derivative financial liabilities was prepared based on the undiscounted cash flows (including principal and estimated interest) of the financial liabilities based on the earliest possible date on which the Group could be required to make repayment. Accordingly, the Group's bank loans that may be required to be repaid immediately are listed in the table below at the earliest possible date, without considering the probability that the bank will immediately enforce the right; the maturity analysis of other non-derivative financial liabilities is prepared based on the contractual repayment dates.

The undiscounted interest amount of interest cash flows paid at floating interest rates is derived from the yield rate at the balance sheet date.

June 30, 2025

	Less than 1 year	1 to 2 years	2 to 5 years	5 years or more
Floating interest rate instrument				
Short-term loans	\$ 708,210	\$ -	\$ -	\$ -
Long-term loans	8,772	22,020	9,091	4,542
Lease liabilities	426,635	304,915	427,751	381,116
No interest-bearing liabilities				
Notes payable	3,317	-	-	-
Accounts payable	239,855	-	-	-
Other payables	785,362	-	-	-
Deposits received	59,867	-	-	-
	<u>\$ 2,232,018</u>	<u>\$ 326,935</u>	<u>\$ 436,842</u>	<u>\$ 385,658</u>

Further information on the maturity analysis of lease liabilities is as follows:

	Less than 1 year	1~5 years	5~10 years	10~15 years	15~20 years	20 years or more
Lease liabilities	\$ 426,635	\$ 732,666	\$ 347,675	\$ 21,079	\$ 12,362	\$ -

December 31, 2024

	Less than 1 year	1 to 2 years	2 to 5 years	5 years or more
Floating interest rate instrument				
Short-term loans	\$ 184,404	\$ -	\$ -	\$ -
Long-term loans	5,624	11,048	10,325	7,741
Lease liabilities	486,713	339,856	462,883	440,067
No interest-bearing liabilities				
Notes payable	2,160	-	-	-
Accounts payable	261,494	-	-	-
Other payables	616,666	-	-	-
Deposits received	55,476	-	-	-
	\$ 1,612,537	\$ 350,904	\$ 473,208	\$ 447,808

Further information on the maturity analysis of lease liabilities is as follows:

	Less than 1 year	1~5 years	5~10 years	10~15 years	15~20 years	20 years or more
Lease liabilities	\$ 486,713	\$ 802,739	\$ 349,495	\$ 61,621	\$ 28,951	\$ -

June 30, 2024

	Less than 1 year	1 to 2 years	2 to 5 years	5 years or more
Floating interest rate instrument				
Short-term loans	\$ 80,179	\$ -	\$ -	\$ -
Long-term loans	5,620	11,174	10,423	10,326
Lease liabilities	470,202	330,175	447,454	421,842
No interest-bearing liabilities				
Notes payable	1,833	-	-	-
Accounts payable	246,823	-	-	-
Other payables	702,945	-	-	-
Deposits received	55,616	-	-	-
	\$ 1,563,218	\$ 341,349	\$ 457,877	\$ 432,168

Further information on the maturity analysis of lease liabilities is as follows:

	Less than 1 year	1~5 years	5~10 years	10~15 years	15~20 years	20 years or more
Lease liabilities	\$ 470,202	\$ 777,629	\$ 321,214	\$ 61,553	\$ 39,075	\$ -

The above non-derivative financial assets and liabilities with floating rate instruments are subject to change because the floating rate differs from the interest rate estimated at the balance sheet date.

b. Financing Facilities

	June 30, 2025	December 31, 2024	June 30, 2024
Bank loan facilities (renewable by mutual consent)			
- Amount drawn	\$ 702,200	\$ 181,963	\$ 80,000
- Amount undrawn	<u>722,900</u>	<u>1,002,785</u>	<u>902,450</u>
	<u>\$ 1,425,100</u>	<u>\$ 1,184,748</u>	<u>\$ 982,450</u>
Bank long-term loan facilities			
- Amount drawn	\$ 40,587	\$ 31,714	\$ 33,490
- Amount undrawn	<u>80,000</u>	<u>80,000</u>	<u>130,000</u>
	<u>\$ 120,587</u>	<u>\$ 111,714</u>	<u>\$ 163,490</u>

35. Related party transactions

All intercompany transactions, account balances, revenues and expenses between the Company and subsidiaries, which are related parties of the Company, are eliminated upon consolidation and are therefore not disclosed in the notes.

(1) Name of related party and the relationship

Name of related party	Relationship with the Group
Lin, Chia-Yu	Key management personnel (including the Company's directors)
Worldway International Group Limited	Substantive related party
Meide Eatery	Substantive related party
Chengde Eatery	Substantive related party(closed down on June 17, 2024)
Wuhua Eatery	Substantive related party
Taiyuan Eatery	Substantive related party
Yutingyuan Enterprise	Substantive related party
Taimanhan Diner	Substantive related party
Taimanji Diner	Substantive related party
Yangyang Eatery	Substantive related party
Su, Hsiao-Chi	Substantive related party
Lung, Chia-Hui	Substantive related party
Vivian Peng	Substantive related party
New Taipei City Private Bafang Yunji Social Welfare Charitable Foundation (hereinafter referred to as Bafang Yunji Foundation)	Substantive related party

(2) Operating revenue

Account item	Type of related party/Name	For the three months ended June 30		For the six months ended June 30	
		2025	2024	2025	2024
Sales revenue	Substantive related party	\$ 12,215	\$ 11,840	\$ 24,130	\$ 24,165
Licensing revenue	Substantive related party	<u>110</u>	<u>133</u>	<u>223</u>	<u>275</u>
		<u>\$ 12,325</u>	<u>\$ 11,973</u>	<u>\$ 24,353</u>	<u>\$ 24,440</u>

The Group's sales price and collection period to related parties are the same as those to regular customers.

(3) Operating expenses

Account item	Type of related party/Name	For the three months ended June 30		For the six months ended June 30	
		2025	2024	2025	2024
Operating expenses					
Service expenses	Substantive related party	\$ <u>280</u>	\$ <u>840</u>	\$ <u>640</u>	\$ <u>1,680</u>

(4) Receivables from related parties

Account item	Type of related party/Name	June 30, 2025	December 31, 2024	June 30, 2024
Accounts receivable	Substantive related party	\$ <u>1,143</u>	\$ <u>1,232</u>	\$ <u>1,093</u>

The outstanding receivables due from related parties were not guaranteed. No impairment loss on receivables due from related parties was recognized as of June 30, 2025, December 31, 2024 and June 30, 2024.

(5) Payable to related parties

Account item	Type of related party/Name	June 30, 2025	December 31, 2024	June 30, 2024
Other payables	Substantive related party	\$ <u>80</u>	\$ <u>120</u>	\$ <u>280</u>

The outstanding payables due to related parties were not guaranteed.

(6) Lease agreement – the Group is lessee

Type of related party/Name	For the six months ended June 30	
	2025	2024
<u>Acquisition of right-of-use</u>		
Substantive related party	\$ <u>-</u>	\$ <u>6,329</u>

Account item	Type of related party/Name	June 30, 2025	December 31, 2024	June 30, 2024
Lease liabilities	Substantive related party	\$ 1,448	\$ 3,256	\$ 4,776
		For the three months ended June 30		For the six months ended June 30
Type of related party/Name	2025	2024	2025	2024
<u>Interest expenses</u>				
Substantive related party	\$ 11	\$ 31	\$ 28	\$ 66
<u>Rent expenses</u>				
Substantive related party	\$ 871	\$ 408	\$ 1,601	\$ 800
For the six months ended June 30				
2025				
Type of related party	Lease subject matter	Lease period	Rental determination	Monthly rental
Substantive related party	2304, Tsuen Wan Industrial Centre, Hong Kong	2024.1.1~2025.12.31	Bargain	\$ 132
"	2302, Tsuen Wan Industrial Centre, Hong Kong	2024.1.1~2025.12.31	Bargain	132
"	a property located in Tustin, California, USA	2025.1.1~2025.12.31	Bargain	132
Key management personnel	a property located in Tustin, California, USA	2025.1.1~2025.12.31	Bargain	135
For the six months ended June 30				
2024				
Type of related party	Lease subject matter	Lease period	Rental determination	Monthly rental
Substantive related party	2304, Tsuen Wan Industrial Centre, Hong Kong	2024.1.1~2025.12.31	Bargain	\$ 133
"	2302, Tsuen Wan Industrial Centre, Hong Kong	2024.1.1~2025.12.31	Bargain	133
"	a property located in Tustin, California, USA	2024.1.1~2024.12.31	Bargain	132

(7) Lease agreement - the Group is lessor

Operating lease

The Group leased its assets under an operating lease to the Bafang Yunji Foundation. As of June 30, 2025, December 31, 2024 and June 30, 2024, the total amount of future lease payments to be received was \$138 thousand, \$167 thousand and \$195 thousand, respectively.

The lease income recognized for the three months ended June 30, 2025 and 2024 were both \$14 thousand, and the lease income recognized for the six months ended June 30, 2025 and 2024 were both \$28 thousand.

Capital sublease

The Group subleased the formerly recorded right-to-use assets under capital leases to Chengde Eatery and Yutingyuan Enterprise in 2024 and 2021. As of June 30, 2025, December 31, 2024 and June 30, 2024, the balance of lease receivables was \$2,943 thousand, \$3,694 thousand and \$4,439 thousand, respectively.

No allowance for losses has been provided for capital lease receivables for the six months ended June 30, 2025 and 2024.

(8) Deposits received

Type of related party	June 30, 2025	December 31, 2024	June 30, 2024
Substantive related party	<u>\$ 660</u>	<u>\$ 660</u>	<u>\$ 660</u>

(9) Other income

Type of related party	For the three months ended June 30		For the six months ended June 30	
	2025	2024	2025	2024
Substantive related party				
Others	<u>\$ 3</u>	<u>\$ 29</u>	<u>\$ 11</u>	<u>\$ 32</u>

(10) Remuneration to key management

	For the three months ended June 30		For the six months ended June 30	
	2025	2024	2025	2024
Short-term employee benefits	\$ 31,761	\$ 23,832	\$ 58,918	\$ 49,989
Post-employment benefits	2,438	261	2,897	474
Share-based payments	<u>-</u>	<u>377</u>	<u>-</u>	<u>754</u>
	<u>\$ 34,199</u>	<u>\$ 24,470</u>	<u>\$ 61,815</u>	<u>\$ 51,217</u>

Salary and remuneration to directors and other key management is determined on basis of individual performance and market trends.

36. Pledged assets

The following assets have been pledged as collaterals for loans from financial institutions and payments for Taipei Agricultural Products Marketing Corporation, with the book value of each account as follows.

	June 30, 2025	December 31, 2024	June 30, 2024
Financial assets measured at amortized cost - current			
Bank time deposit	\$ 10,000	\$ 10,000	\$ 10,000
Other financial assets - current	48,742	1,861	1,861
Property, plant and equipment			
Building and construction	97,907	113,420	114,236
	<u>\$ 156,649</u>	<u>\$ 125,281</u>	<u>\$ 126,097</u>

37. Significant Contingent Liabilities and Unrecognized Contract Commitments

In addition to those described in other notes, the Group had the following significant commitments and contingencies as of the balance sheet date.

As of June 30, 2025 and 2024, the total contract amounts for the construction and acquisition of related plant and equipment were \$809,443 thousand and \$317,221 thousand, respectively. The amounts paid were \$503,708 thousand and \$175,704 thousand, respectively.

38. Significant Subsequent Events

- (1) On August 12, 2025, the Board of Directors of the Group resolved to increase the capital of its subsidiary, Bafang Yunji International (USA) Limited, in order to strengthen working capital in California and Texas, U.S.A. The total capital increase amounted to US\$4,200 thousand.
- (2) On August 12, 2025, the Board of Directors of the Group resolved to issue the first and second unsecured convertible bonds in Taiwan in 2025, with a total issuance ceiling of NT\$1,000,000 thousand. Each bond has a par value of NT\$100 thousand, carries a zero coupon rate, and matures in three years. For further information, please refer to the announcements of the Securities and Futures Bureau of the Financial Supervisory Commission and the Market Observation Post System of the Taiwan Stock Exchange.

39. Information on foreign currency assets and liabilities with significant effect

The following information is presented in foreign currencies other than the functional currency of the Group, and the exchange rates disclosed are the rates at which the foreign currencies were translated into the functional currency. Information on foreign currency assets and liabilities with significant effect as follows:

Unit: In thousands of each foreign currency

June 30, 2025

	Foreign currency	Exchange rate	Total carrying amount
Financial assets			
<u>Monetary items</u>			
USD	\$ 2,921	29.3 (USD: NTD)	\$ 85,615
CNY (RMB)	45	4.091 (CNY: NTD)	184
HKD	2,865	3.732 (HKD: NTD)	10,742

December 31, 2024

	Foreign currency	Exchange rate	Total carrying amount
Financial assets			
<u>Monetary items</u>			
USD	\$ 829	32.785 (USD: NTD)	\$ 27,122
CNY (RMB)	45	4.478 (CNY: NTD)	201
HKD	1,525	4.222 (HKD: NTD)	6,317

June 30, 2024

	Foreign currency	Exchange rate	Total carrying amount
Financial assets			
<u>Monetary items</u>			
USD	\$ 8,043	32.45 (USD: NTD)	\$ 260,967
CNY (RMB)	45	4.445 (CNY: NTD)	200
HKD	1,442	4.155 (HKD: NTD)	5,922

The Group's realized and unrealized net foreign exchange gains (losses) were exchange losses of \$5,591 thousand and exchange gains \$4,438 thousand for the three months ended June 30, 2025 and 2024, respectively; and exchange losses of \$5,121 thousand and exchange gains \$16,405 thousand for the six months ended June 30, 2025 and 2024, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions.

40. **Additional Disclosure**

- (1) Information on Significant Transactions
 - A. Financing provided to others (Exhibit 1)
 - B. Endorsements/guarantees provided (Exhibit 2)
 - C. Significant marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Exhibit 3)
 - D. Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Exhibit 4)
 - E. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (None)
 - F. Intercompany relationships and significant intercompany transactions (Exhibit 5)
- (2) Information on investees (Exhibit 6)
- (3) Information on investments in mainland China
 - A. Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (Exhibit 7)
 - B. Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Exhibit 7):
 - a. The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period
 - b. The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period
 - c. The amount of property transactions and the amount of the resultant gains or losses
 - d. The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes
 - e. The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds
 - f. Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services

41. Segment information

Information provided to the key operating decision maker for the purpose of allocating resources and measuring departmental performance, with emphasis on the type of product or service delivered or provided.

<u>Reportable department</u>	<u>Operating brands</u>
Taiwan	- Bafang Yunji - Liang She-Han Pork Ribs - FJ Veggie - Dante Coffee
Hong Kong	- Bafang Yunji - Liang She-Han Pork Ribs - Bai Fung Bento - Bafang Noodles & More
United States	- Bafang Yunji (Bafang Dumpling)

- (1) The following was an analysis of the Group's revenue and results from continuing operations by reportable segments:

	For the six months ended June 30, 2025			
	Taiwan	Hong Kong	United States	Total
Revenue from external customers	\$ 3,323,536	\$ 672,587	\$ 288,993	\$ 4,285,116
Inter-segment revenue	<u>39,043</u>	<u>-</u>	<u>-</u>	<u>39,043</u>
Segment revenue	<u>\$ 3,362,579</u>	<u>\$ 672,587</u>	<u>\$ 288,993</u>	4,324,159
Internal eliminations				(<u>39,043</u>)
Consolidated revenue				<u>\$ 4,285,116</u>
Segment profit or loss	<u>\$ 488,965</u>	<u>\$ 18,535</u>	(<u>\$ 25,348</u>)	\$ 482,152
Interest income				5,053
Rental income				3,472
Loss on disposal of property, plant and equipment				(11,905)
Exchange gains				(5,121)
Financial costs				(24,863)
Other gains and losses				<u>19,324</u>
Net income before tax from continuing operations				<u>\$ 468,112</u>

	For the six months ended June 30, 2024			
	Taiwan	Hong Kong	United States	Total
Revenue from external customers	\$ 2,892,514	\$ 687,291	\$ 261,720	\$ 3,841,525
Inter-segment revenue	49,504	-	-	49,504
Segment revenue	<u>\$ 2,942,018</u>	<u>\$ 687,291</u>	<u>\$ 261,720</u>	3,891,029
Internal eliminations				(49,504)
Consolidated revenue				<u>\$ 3,841,525</u>
Segment profit or loss	<u>\$ 299,514</u>	<u>\$ 33,442</u>	<u>\$ 5,932</u>	\$ 338,888
Interest income				9,928
Rental income				7,609
Loss on disposal of property, plant and equipment				(1,548)
Exchange gains				16,405
Financial costs				(18,224)
Other gains and losses				<u>26,042</u>
Net income before tax from continuing operations				<u>\$ 379,100</u>

The revenues reported above were generated from transactions with external customers. Inter-segment sales were fully eliminated for the six months ended June 30, 2025 and 2024.

Segment profit represents the profit earned by each segment, excluding the share of headquarters management costs and directors' remuneration, share of profit or loss of affiliated companies using the equity method, profit or loss on disposal of affiliated companies, rental income, interest income, profit or loss on disposal of property, plant and equipment, net (gain) loss on foreign currency exchange, finance costs, and income tax expense. This measure is provided to the key operating decision maker for the purpose of allocating resources to the segment and measuring its performance.

(2) Segment total assets

	June 30, 2025	December 31, 2024	June 30, 2024
Taiwan	\$ 4,738,591	\$ 4,250,208	\$ 4,349,714
Hong Kong	1,030,695	1,177,326	1,105,077
United States	<u>1,358,597</u>	<u>1,289,901</u>	<u>851,182</u>
Total segment assets	7,127,883	6,717,435	6,305,973
Unallocated assets	<u>24,934</u>	<u>5,777</u>	<u>5,059</u>
Total consolidated assets	<u>\$ 7,152,817</u>	<u>\$ 6,723,212</u>	<u>\$ 6,311,032</u>

For the purpose of monitoring segment performance and allocating resources to segments:

All assets, other than those of equity-method affiliates and current and deferred income tax assets are allocated to reportable segments. Assets used jointly by reportable segments are allocated on the basis of the revenue earned by each reportable segment.

(3) Revenue from major products and services

The major products and services of the Group's continuing operations are in the same category as reportable segments. Please refer to the disclosure of Segment income information.

(4) Regional information

The Group operates primarily in three regions - Taiwan, Hong Kong, and the United States.

Information on the Group's revenue from external customers from continuing operations by region and non-current assets by region of assets is presented below.

	Revenue from external customers		Non-current assets (Note)		
	For the six months ended		June 30, 2025	December 31, 2024	June 30, 2024
	2025	2024			
Taiwan	\$ 3,323,536	\$ 2,892,514	\$ 2,937,996	\$ 2,942,169	\$ 2,881,139
Hong Kong	672,587	687,291	748,037	794,807	699,495
United States	<u>288,993</u>	<u>261,720</u>	<u>978,076</u>	<u>986,849</u>	<u>691,174</u>
	<u>\$ 4,285,116</u>	<u>\$ 3,841,525</u>	<u>\$ 4,664,109</u>	<u>\$ 4,723,825</u>	<u>\$ 4,271,808</u>

Note: Non-current assets do not include deferred income tax assets.

(5) Information on major customers

For the six months ended June 30, 2025 and 2024, there was no single customer whose revenue amounted to 10% or more of the Group's total revenue.

Bafang Yunji International Co., Ltd. and subsidiaries
Financing provided to others
For the six months ended June 30, 2025

Exhibit 1Unit: In thousands of NT\$, unless otherwise specified

No. (Note 1)	Lender	Borrower	Financial statement account	Related party or not	Maximum amount for the period	Ended Balance	Actual amount drawn	Interest rate range	Nature of Financing (Note 2)	Amount of business transactions	Reasons for short-term financing	allowance for doubtful accounts	Collaterals		Financing limit for each borrower (Note 3)	Aggregate financing limit (Note 3)	Note
													Irem	Value			
0	Bafang Yunji International Co., Ltd.	Bafang Yunji Restaurant Co., Ltd.	Other receivables - related parties	Yes	\$ 100,000	\$ -	\$ -	2%	the need for short-term financing	\$ -	Operating turnover	\$ -	—	\$ -	\$ 690,323	\$ 690,323	
0	Bafang Yunji International Co., Ltd.	Bafang Yunji Restaurant Group LLC	Other receivables - related parties	Yes	99,615	-	-	4.8%	the need for short-term financing	-	Operating turnover	-	—	-	690,323	690,323	
0	Bafang Yunji International Co., Ltd.	Dante Coffee & Foods Co., Ltd.	Other receivables - related parties	Yes	50,000	-	-	2%	the need for short-term financing	-	Operating turnover	-	—	-	\$ 690,323	\$ 690,323	

Note 1: The number column is filled out as follows:
(1) Fill in 0 for the issuer.
(2) Each invested company is numbered in sequential order starting from 1.

Note 2: For nature of funds lending, fill in if it is for business transaction or there is a need for short-term financial accommodation

Note 3: The limit of funds lent to individual recipients is \$3,451,615 thousand * 20% of the net worth of the company that lends funds (Bafang Yunji International Co., Ltd.) = \$690,323 thousand; the total limit of funds lent is \$3,451,615 thousand * 20% of the net worth of the company that lends funds (Bafang Yunji International Co., Ltd.) = \$690,323 thousand.

Bafang Yunji International Co., Ltd. and subsidiaries
Provision of endorsements and guarantees to others
For the six months ended June 30, 2025

Exhibit 2

Unit: In thousands of NT\$, unless otherwise specified

No. (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party (Note 3)	Maximum Balance for the Period	Ending Balance	Amount Actually	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements (%)	Maximum Endorsement/ Guarantee Amount Allowable (Note 3)	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China	Note
		Company name	Nature of Relationship (Note 2)											
0	Bafang Yunji International Co., Ltd.	Dante Coffee & Foods Co., Ltd.	(2)	\$ 690,323	\$ 80,000	\$ 80,000	\$ -	\$ -	2.32	\$ 1,380,646	Y	N	N	
0	Bafang Yunji International Co., Ltd.	Bafang Yunji Foods LLC	(2)	690,323	66,410	58,600	58,600	-	1.7	1,380,646	Y	N	N	
0	Bafang Yunji International Co., Ltd.	Bafang Yunji Restaurant Group LLC	(2)	690,323	332,050	293,000	101,349	-	8.49	1,380,646	Y	N	N	
0	Bafang Yunji International Co., Ltd.	Ji Yuan Foods Co., Ltd.	(2)	690,323	100,000	100,000	-	-	2.9	1,380,646	Y	N	N	
0	Bafang Yunji International Co., Ltd.	Bafang Yunji Restaurant Group Texas LLC	(2)	690,323	66,410	58,600	-	-	1.7	1,380,646	Y	N	N	
0	Bafang Yunji International Co., Ltd.	Bafang Yunji Restaurant Co., Ltd.	(2)	690,323	50,000	50,000	-	-	1.45	1,380,646	Y	N	N	
1	Bafang Yunji International (USA) Limited	Bafang Yunji Restaurant Group Texas LLC	(2)	335,585	127,420	112,435	112,435	-	26.8	419,481	N	N	N	

Note 1: The number column is filled out as follows:

(1) Fill in 0 for the issuer.

(2) Each invested company is numbered in sequential order starting from 1.

Note 2: There are seven conditions in which the Company may have guarantees or endorsements for other parties:

(1) The companies with which it has business relations.

(2) Subsidiaries in which the company directly holds more than 50% of its total outstanding common stocks.

(3) Companies in which the total outstanding common stocks held by the parent company and its subsidiaries, calculated on a combined basis, exceed 50%.

(4) The parent company that directly or indirectly holds more than 90% of the total outstanding common stocks through its subsidiaries.

(5) Companies in same type of business and providing mutual endorsements/guarantees in favor of each other in accordance with the contractual obligations in order to fulfill the needs of the construction project.

(6) Shareholders making endorsements and/or guarantees for their mutually invested company in proportion to their shareholding percentage.

(7) The companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for preconstruction homes pursuant of the Consumer Protection Act for each other.

Note 3: Limit on endorsements/ guarantees provided for a single party: not exceeding 20% of the Company's net assets as of June 30, 2025: \$3,451,615 thousand * 20%= \$690,323 thousand.

Ceiling on total amount of endorsements/ guarantees provided: not exceeding 40% of the Company's net assets as of June 30, 2025: \$3,451,615 thousand * 40%= \$1,380,646 thousand.

Note 4: The maximum endorsement/guarantee amount for Bafang Yunji International (USA) Limited is limited to 100% of the company's net worth. In addition, the maximum amount for any single entity is limited to 80% of the company's net worth.

Bafang Yunji International Co., Ltd. and subsidiaries
Marketable securities held at the end of the period
June 30, 2025

Exhibit 3

Unit: In thousands of NT\$, unless otherwise specified

Holding company name	Type and name of marketable securities	Relationship with the issuers of the marketable securities	Financial statement Account	End of the period				Note
				Number of shares	Carrying amount	Shareholding percentage	Fair value	
Bafang Yunji International Co., Ltd.	<u>Corporate bonds</u> First Commercial Bank	-	Financial assets at amortized cost - non-current	-	\$ 9,780	-	\$ 9,780	Domestic corporate bonds
Fang Sin International Trading Co., Ltd.	<u>Stocks of domestic non-listed companies</u> WiXtar Corporation	-	Financial assets at fair value through other comprehensive income - non-current	150,000	\$ 3,750	0.98%	\$ 3,750	

Note 1: The term “securities” in this table refers to stocks, bonds, beneficial certificates, and derivative securities arising from these instruments, as defined under IFRS 9 “Financial Instruments.”

Note 2: If the issuer of the securities is not a related party, this column may be left blank.

Note 3: For securities measured at fair value, the carrying amount should reflect the fair value after valuation adjustments. For securities not measured at fair value, the carrying amount should reflect the original acquisition cost or amortized cost, net of accumulated impairment.

Note 4: If the securities listed are subject to restrictions due to collateral, pledge for borrowings, or other contractual obligations, such information (including the number of shares pledged, amount guaranteed or pledged, and the nature of usage restrictions) must be disclosed in the Note column.

Note 5: This table includes only those securities that the Company considers material based on the principle of materiality.

Note 6: For information regarding investments in subsidiaries, associates, and joint ventures, please refer to Exhibit 6 and 7.

Bafang Yunji International Co., Ltd. and subsidiaries
Purchase or sale of goods from or to related parties amounting to NT100 million or 20% of the paid-in capital
For the six months ended June 30, 2025

Exhibit 4

Unit: In thousands of NT\$, unless otherwise specified

Purchaser/Seller	Counterparty	Relationship	Transaction				Difference in transaction terms compared to third party transactions		Notes and accounts receivable (payable)		Note
			purchases (sales)	Amount	percentage of total purchases (sales)	Credit period	Unit price	Credit period	Balance	percentage of total notes and accounts receivable (payable)	
Bafang Yunji International Co., Ltd.	Bafang Yunji Restaurant Co., Ltd.	Subsidiary	Sales	\$ 249,883	8.38%	Semi-monthly settlement	Same transaction price as with regular customers	Same credit term as with regular customers	\$ 18,299	14.38%	Note 1

Note 1: The above transactions have been eliminated in the consolidated financial statements.

Bafang Yunji International Co., Ltd. and subsidiaries
Intercompany relationships and significant intercompany transactions
For the six months ended June 30, 2025

Exhibit 5

Unit: In thousands of NT\$, unless otherwise specified

Serial No. (Note 1)	Company name	counterparty	Relationship (Note 2)	History of transaction			
				Financial statement Accounts	Amount	Trading term	As a percentage of total consolidated revenue or total assets (Note 3)
0	Bafang Yunji International Co., Ltd.	Bafang Yunji Restaurant Co., Ltd.	1	Sales revenue	\$ 249,883	Same as regular transaction price	6%
	"	"	1	Accounts receivable	18,299	"	-
	"	"	1	Advertising expenses	18,345	Note 5	-
	"	"	1	Miscellaneous expenses	17,507	Note 5	-
	"	Fang Sin International Trading Co., Ltd.	1	Purchases	33,523	Same as regular transaction price	1%
	"	"	1	Accounts payable	10,977	Same as regular transaction price	-
1	Fang Sin International Trading Co., Ltd.	Bafang Yunji International Company Limited	3	Sales revenue	34,301	Same as regular transaction price	1%
2	Bafang Yunji Foods LLC	Bafang Yunji Restaurant Group LLC	3	Sales revenue	83,823	"	2%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1) Parent company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following Three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

(1) Parent company to subsidiary

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount during the year to consolidated total operating revenues for income statement accounts.

Note 4: The Company may determine discretionally whether to have the material transactions in the Exhibit illustrated according to its materiality.

Note 5: The intercompany transactions, prices and terms are determined in accordance with mutual agreements and no other similar transactions could be used for comparison.

Bafang Yunji International Co., Ltd. and subsidiaries
Information on investees, locations, etc.
For the six months ended June 30, 2025

Exhibit 6

Unit: In thousands of NT\$, unless otherwise specified

Name of investor	Name of investee	Location	Principal business	Original investment amount		Holding at the end of the period			Profit or loss of investee for the period	Investment income or loss recognized in the period	Note
				End of the period	End of last year	Number of shares	Ratio	Carrying amount			
Bafang Yunji International Co., Ltd.	Bafang Yunji (Samoa) International Co., Ltd.	Samoa	Investment management	\$ 50,055	\$ 50,055	1,833,048	100	\$ 24,570	\$ 520	\$ 520	Note 1
				USD 1,833,048	USD 1,833,048			USD 838,572	USD 16,333	USD 16,333	
	Bafang Yunji Restaurant Co., Ltd.	Taiwan	Food and beverage services	150,727	150,727	15,000,000	100	157,187	(2,310)	(2,310)	Note 1
	Fang Sin International Trading Co., Ltd.	Taiwan	Food trading	40,000	40,000	4,000,000	100	43,126	310	310	Note 1
	Bafang Co., Ltd.	Japan	Food processing and food and beverage services	81,621	81,621	30,000	100	46,930	(497)	(497)	Note 1
				JPY 300,000,000	JPY 300,000,000			JPY 230,727,872	(JPY 2,315,512)	(JPY 2,315,512)	
	Bafang Yunji International (USA) Limited	United States	Investment management	549,270	450,951	3,476	100	419,481	(23,305)	(23,305)	Note 1
				USD 17,380,000	USD 14,380,000			USD 14,316,764	(USD 731,494)	(USD 731,494)	
	Bafang Yunji International Company Limited	Hong Kong	Food processing and food and beverage services	476,538	476,538	17,500,000	100	623,510	11,095	11,095	Note 1
Bafang Yunji (Samoa) International Co., Ltd.	Dante Coffee & Foods Co., Ltd.	Taiwan	Food and beverage services	20,000	20,000	2,000,000	100	4,250	(2,789)	(2,789)	Note 1
	Ji Yuan Foods Co., Ltd.	Taiwan	Livestock products manufacturing and sales	250,000	250,000	25,000,000	100	250,667	630	630	Note 1
	Bafang Yunji Restaurant Group Limited	Hong Kong	Investment management	-	397,549	-	-	-	-	-	Note 1
				USD -	USD 12,940,438			USD -	USD -	USD -	
	Bafang Yunji International Company Limited	Hong Kong	Transportation	-	-	1	100	46,396	3,155	3,155	Note 1
				HKD 1	HKD 1			HKD 12,432,038	HKD 771,482	HKD 771,482	
	Long Success (HK) Industrial Limited	Hong Kong	Food and beverage services	-	-	1	100	82,929	(7,819)	(7,819)	Note 1
				HKD 1	HKD 1			HKD 22,221,036	(HKD 1,912,236)	(HKD 1,912,236)	
	Rich Grade Limited	Hong Kong	Food and beverage services	-	-	1	100	9,379	(589)	(589)	Note 1
Bafang Yunji International Company Limited				HKD 1	HKD 1			HKD 2,513,203	(HKD 143,982)	(HKD 143,982)	
	Wise Success Enterprise Limited	Hong Kong	Transportation	-	-	1	100	348	(19)	(19)	Note 1
				HKD 1	HKD 1			HKD 93,170	(HKD 4,739)	(HKD 4,739)	
	Jiashide Limited	Hong Kong	Investment management	6,891	6,891	10,000	100	-	-	-	Note 1
				RMB 1,500,000	RMB 1,500,000						
	Heng Yue Feng Trading (Shenzhen) Co., Ltd.	Mainland China	Food trading	6,891	6,891	-	100	-	-	-	Notes 1, 2
				RMB 1,500,000	RMB 1,500,000						
	Bafang Yunji International (USA) Limited	United States	Food processing	97,050	97,050	-	60	26,327	(23,160)	(13,896)	Note 1, 3
				USD 3,180,000	USD 3,180,000			USD 898,527	(USD 726,947)	(USD 436,168)	
Bafang Yunji International (USA) Limited	Bafang Yunji Restaurant Group LLC	United States	Food and beverage services	84,205	84,205	-	60	72,678	(5,299)	(3,180)	Note 1, 3
				USD 2,700,000	USD 2,700,000			USD 2,480,489	(USD 166,334)	(USD 99,800)	
	Bafang Yunji Franchise (USA) Co.	United States	Franchising	16,140	16,140	500,000	100	13,929	(61)	(61)	Note 1
				USD 500,000	USD 500,000			USD 475,381	(USD 1,912)	(USD 1,912)	
	Bafang Yunji Texas Corporation	United States	Investment management	330,057	231,732	10,200,000	60	293,956	(7,692)	(4,615)	Note 1, 3
				USD 10,200,000	USD 7,200,000			USD 10,032,626	(USD 241,427)	(USD 144,856)	
	Bafang Yunji Texas Corporation	United States	Food processing	385,080	385,080	-	100	344,651	(6,645)	(6,645)	Note 1
				USD 12,000,000	USD 12,000,000			USD 11,762,837	(USD 208,580)	(USD 208,580)	
	Bafang Yunji Restaurant Group Texas LLC	United States	Food and beverage services	148,163	-	-	100	131,544	(332)	(332)	Note 1
				USD 4,500,000	USD -			USD 4,489,573	(USD 10,427)	(USD 10,427)	

Note 1: The above investment income or loss of the investee for the six months ended June 30, 2025 was recognized based on the investee's financial statements for the same period reviewed by CPAs.

Note 2: Please refer to Exhibit 7 for the information on investees in Mainland China.

Note 3: Represents significant non-controlling interests.

Bafang Yunji International Co., Ltd. and subsidiaries
Information on investment in Mainland China
For the six months ended June 30, 2025

Exhibit 7

Unit: In thousands of NT\$, unless otherwise specified

1. The name of the investees in Mainland China, main business, paid-in capital, investment methods, capital outward and inward remittances, shareholding, investment income and losses, investment book value, repatriated investment income and loss.

Name of investee in Mainland China	Main business	Paid-in capital	Investment method (Note 1)	Accumulated investment amount remitted from Taiwan at the beginning of the period	Amount of investment remitted or recovered during the period		Accumulated investment amount remitted from Taiwan at the end of the period	Profit or loss of investee for the period	Shareholding percentage of the Company's direct or indirect investment	Investment income or loss recognized in the period	Carrying amount of investments at the end of the period	Investment income remitted back as of the end of the period	Note
					Remittance	Recovery							
Heng Yue Feng Trading (Shenzhen) Co., Ltd.	Food trading	6,891	(2)	6,891 RMB 1,500,000	-	-	6,891 RMB 1,500,000	- RMB -	100	- RMB -	- RMB -	-	

2. Investment quota for Mainland China.

Accumulated amount of investment from Taiwan to mainland China at the end of the period (Note 4)	Amount of investment approved by the Investment Commission, MOEA	Investment quota for mainland China as stipulated by the Investment Commission, MOEA (Note 3)
\$ 502,428 (USD 16,341,534)	\$ 502,428 (USD 16,341,534)	\$ 2,228,153

Note 1: The investment methods can be divided into the following three types, and just indicate as such.

- (1) Invest in mainland China directly.
- (2) Invest in Mainland China through companies in third regions. (Please specify the investment company of the third region).
- (3) Other methods

Note 2: In the column of investment income or loss recognized in the current period.

- (1) If the investment is under preparation and there is no investment income or loss, it should be noted.
- (2) The basis for recognizing investment income or losses is divided into the following three categories, which should be specified.
 - A. The financial statements have been audited by an international CPA firm with which CPA firms in the ROC. has a cooperative relationship.
 - B. The financial statements have been reviewed by the attesting CPA of the parent company in Taiwan.
 - C. Others: Unreviewed financial statements.

Note 3: In accordance with the "Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China" of the Investment Commission dated 2008.8.29, the higher of 60% of the net worth of the investor company or the consolidated net worth shall be the limit.

Note 4: Including the deregistration of Zhejiang Fuyu Foods Co., Ltd. in July 2020, Xiamen Fuyu Bafang Equity Investment Co., Ltd. in February 2021, and Zhejiang Fuyu Foods Co., Ltd. and Zhejiang Fuyu Restaurant & Management Co., Ltd. in March 2021, and Shanghai Dante Coffee Co., Ltd was deregistered in September 2022, Fujian Bafang Yunji Foods Co., Ltd. was deregistered in September 2023, and Fujian Bafang Yunji Restaurant & Management Co., Ltd. was deregistered in October 2023, the accumulated investment amount of \$472,503 thousand remitted from Taiwan was not repatriated back.

- 3. Significant transactions with investees in Mainland China directly or indirectly through third-region businesses: None.
- 4. Endorsement, guarantee or provision of collaterals provided to investees in Mainland China directly or indirectly through third-region businesses: None.
- 5. Financial accommodation provided to investees in Mainland China directly or indirectly through third-region businesses: None.
- 6. Other transactions that have a significant effect on the current profit or loss or financial position: None.