TTFB Company Limited
Parent Company Only Financial Statements and Independent Auditors' Report
December 31, 2021 and 2020
(Stock Code: 2729)

Address: Floor 7-1, No. 176, Jianyi Road, Zhonghe District, New Taipei City
Telephone: (02) 2248-3988

Independent Auditor's Report Translated From Chinese

To the Board of Directors and Shareholders of TTFB Company Limited

Opinion

We have audited the accompanying parent company only balance sheets of TTFB Company Limited as at December 31, 2021 and 2020, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2021 and 2020, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the auditors' responsibilities for the audit of the parent company only financial statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements. These matters were addressed in the context of our audit of the Company's 2021 parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2021 parent company only financial statements are stated as follows:

Audit of POS System and Accuracy in Recognition of Retail Sales Revenue

Description

For the accounting policies applied on operating revenue, please refer to Note 4 (28). For details of operating revenue accounts, please refer to Note 6 (18).

TTFB Company Limited is primarily engaged in the operation of food chains and beverage service activities in Taiwan. Sales revenue arises mainly through direct retail sales to customer in stores. Sales revenue was NT$3,999,561 thousands for the year ended December 31, 2021. The Company has a large number of stores which handles significant cash revenue daily including food and beverage. The amount of cash receipts rely on POS system to collect and summarize transaction records, and generate information for accounting department to make appropriate accounting entries in the accounting system. Although each transaction is low-valued, we consider the audit of POS system and accuracy in recognition of retail sales revenue a key audit matter, given the voluminous number of retail sales transaction.

How our audit addressed the matter

We performed the following audit procedures:

- Understood and evaluated the system environment of the POS and the backend system, and tested the integrity of the information transmitted from the POS to the backend system, and the sales records are not allowed to be changed manually.
- Viewed the schedule of data upload and data transfer.
- Viewed the sales receipts are automatically generated and cannot be modified.
- Selected samples and checked the revenue report of independent stores is consistent with the daily cash receipts, credit card bill and cash vouchers.
- Selected samples and checked the revenue report of stores at malls is consistent with the daily revenue and daily cash report/counter statement at malls.
- Viewed the amount of cash deposited by independent stores are consistent with revenue report and bank statement.

Audit the Completeness and Correctness of the Recognition of Right-of-use Assets and Lease Liabilities

Description

For the accounting policies applied on right-of-use assets and lease liabilities, please refer to Note 4 (14) of the parent company only financial statements. For details of right-of-use assets, please refer to Note 6 (7) of the parent company only financial statements.

TTFB Company Limited leases its store locations from different third parties for its operations. The amounts of right-of-use assets and lease liabilities which are applicable to IFRS 16 is significant. The completeness and correctness of right-of-use assets and lease liabilities are identified as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures:

- Understood and evaluated the internal control procedures of adding, changing, deposing and terminating lease contracts.
- Selected samples and checked the lease contracts those are consistent with the calculation of right-of-use assets and lease liabilities.
- Selected samples and re-calculated the right-of-use assets and lease liabilities to confirm the accounting treatment accordance with IFRS 16.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by the Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the generally accepted auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the generally accepted auditing standards in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatements of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers, Taiwan

Chun-Yao Lin

Accountant

Shu-Chiung Chang

Approval document number issued by the former Securities and Futures Commission, Ministry of Finance: (85) Tai-Cai-Zheng (6) 68702

Approval document number issued by the former Financial Supervisory Commission of the Executive Yuan: Jin-Guan-Zheng-Fan-Zi No. 0990042602

March 31, 2022

TTFB COMPANY LIMITED
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2021			December 31, 2020		
				Amount	%		Amount	%
	Current assets							
1100	Cash and cash equivalents	6 (1)	$	951,429	18	$	940,897	17
1136	Financial assets at amortized cost - current	6 (2) and 8		178,330	3		492,170	9
1170	Accounts receivable, net	6 (3)		282,685	6		267,300	5
1180	Accounts receivable, net - related parties	7		29,184	1		20,732	-
1210	Other receivables - related parties	7		10,753	-		9,130	-
130X	Inventories	6 (4)		153,153	3		105,879	2
1470	Other current assets			65,117	1		49,566	1
11XX	**Total current assets**			1,670,651	32		1,885,674	34
	Non-current assets							
1550	Investments accounted for using equity method	6 (5)		332,800	7		327,404	6
1600	Property, plant and equipment	6 (6) (8) and 8		1,661,450	32		1,517,886	28
1755	Right-of-use assets	6 (7) and 7		1,383,018	27		1,639,420	30
1780	Intangible assets			17,405	-		17,441	-
1840	Deferred income tax assets	6 (24)		18,234	-		20,295	1
1900	Other non-current assets	6 (6)		86,763	2		61,617	1
15XX	**Total non-current assets**			3,499,670	68		3,584,063	66
1XXX	**Total assets**		$	5,170,321	100	$	5,469,737	100

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TTFB COMPANY LIMITED
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2021 Amount	%	December 31, 2020 Amount	%
	Current liabilities					
2120	Financial liabilities at fair value through profit or loss - current	6 (10)	$ -	-	$ 560	-
2180	Accounts payable - related parties	7	6,228	-	8,049	-
2200	Other payables	6 (9)	464,521	9	468,068	9
2220	Other payables - related parties	7	150,939	3	122,144	2
2230	Current income tax liabilities		117,291	2	145,587	3
2280	Lease liabilities - current	7	296,133	6	315,771	6
2320	Long-term liabilities - current portion	6 (11) (12)	809,683	16	780,401	14
2399	Other current liabilities - others		18,792	-	16,184	-
21XX	**Total current liabilities**		1,863,587	36	1,856,764	34
	Non-current liabilities					
2540	Long-term borrowings	6 (12) and 8	170,625	3	73,950	1
2550	Provisions - non-current	6 (14)	31,031	1	28,878	1
2570	Deferred income tax liabilities	6 (24)	368	-	256	-
2580	Lease liabilities - non-current	7	1,101,316	21	1,331,760	24
2600	Other non-current liabilities	6 (13)	10,912	-	13,549	-
25XX	**Total non-current liabilities**		1,314,252	25	1,448,393	26
2XXX	**Total liabilities**		3,177,839	61	3,305,157	60
	Equity					
	Capital	6 (15)				
3110	Capital stock		232,667	5	232,663	4
	Capital surplus	6 (16)				
3200	Capital surplus		1,292,124	25	1,292,030	24
	Retained earnings	6 (17)				
3310	Legal reserve		232,663	5	232,660	4
3320	Special reserve		19,619	-	21,659	-
3350	Unappropriated retained earnings		324,108	6	491,207	9
	Other equity interest					
3400	Other equity interest		(22,679)	-	(19,619)	-
3500	Treasury stock	6 (15)	(86,020)	(2)	(86,020)	(1)
3XXX	**Total equity**		1,992,482	39	2,164,580	40
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	6 (17) and 11				
3X2X	**Total liabilities and equity**		$ 5,170,321	100	$ 5,469,737	100

TTFB COMPANY LIMITED
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

	Items	Notes	2021 Amount	2021 %	2020 Amount	2020 %
4000	Operating revenue	6 (18) and 7	$ 3,999,561	100	$ 4,389,458	100
5000	Operating costs	6 (4) (13)(22) (23) and 7	(2,035,987)	(51)	(2,058,203)	(47)
5900	Gross profit		1,963,574	49	2,331,255	53
	Operating expenses	6 (13)(22) (23) and 7				
6100	Selling expenses		(1,448,179)	(36)	(1,482,384)	(34)
6200	General and administrative expenses		(380,113)	(9)	(358,385)	(8)
6450	Expected loss on credit impairment	12 (2)	(9)	-	(3)	-
6000	Total operating expenses		(1,828,301)	(45)	(1,840,772)	(42)
6900	Operating profit		135,273	4	490,483	11
	Non-operating income and expenses					
7100	Interest income	6 (2)	5,495	-	8,145	-
7010	Other income	6 (19) and 7	65,379	2	83,835	2
7020	Other gains and losses	6 (7) (8) (20)	430	-	(56,732)	(1)
7050	Finance costs	6 (6) (21)	(27,609)	(1)	(31,857)	(1)
7070	Share of profit (loss) of subsidiaries, associates and joint ventures accounted for using equity method	6 (5)	8,456	-	(38,797)	(1)
7000	Total non-operating income and expenses		52,151	1	(35,406)	(1)
7900	**Profit before income tax**		187,424	5	455,077	10
7950	Income tax expense	6 (24)	(26,319)	(1)	(85,285)	(2)
8200	**Profit for the year**		$ 161,105	4	$ 369,792	8
	Other comprehensive income (loss)					
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311	Remeasurement of defined benefit plans	6 (13)	$ 2,140	-	($ 1,394)	-
8330	Share of other comprehensive loss of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	6 (5)	(2,014)	-	-	-
8349	Income tax relating to components of other comprehensive income that will not be reclassified to profit or loss	6 (24)	(428)	-	278	-
8310	Components of other comprehensive income (loss) that will not be reclassified to profit or loss		(302)	-	(1,116)	-
	Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8361	Exchange differences on translating the financial statements of foreign operations		(1,046)	-	2,040	-
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss		(1,046)	-	2,040	-
8300	**Total other comprehensive income (loss) for the year, net of income tax**		($ 1,348)	-	$ 924	-
8500	**Total comprehensive income for the year**		$ 159,757	4	$ 370,716	8
	Earnings per share (in dollars)	6 (25)				
9750	Basic earnings per share		$	7.04	$	15.95
9850	Diluted earnings per share		$	6.54	$	14.53

TTFB COMPANY LIMITED
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

			Capital surplus		Retained earnings			Other equity interest			
	Notes	Capital stock	Issue of shares at premium	Stock options	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translating the financial statements of foreign operations	Unrealized gains (losses) from financial assets at fair value through other comprehensive income	Treasury stock	Total equity
2020											
Balance at January 1, 2020		$ 232,660	$1,210,890	$81,047	$ 232,660	$ 14,780	$ 362,070	($ 21,659)	$ -	$ -	$ 2,112,448
Profit for the year		-	-	-	-	-	369,792	-	-	-	369,792
Other comprehensive income (loss) for the year		-	-	-	-	-	(1,116)	2,040	-	-	924
Total comprehensive income for the year		-	-	-	-	-	368,676	2,040	-	-	370,716
Appropriation and distribution of 2019 earnings:	6 (17)										
Special reserve		-	-	-	-	6,879	(6,879)	-	-	-	-
Cash dividends		-	-	-	-	-	(232,660)	-	-	-	(232,660)
Treasury stock buyback	6 (15)	-	-	-	-	-	-	-	-	(86,020)	(86,020)
Conversion of convertible bonds	6 (11) (15)	3	104	(11)	-	-	-	-	-	-	96
Balance at December 31, 2020		$ 232,663	$1,210,994	$81,036	$ 232,660	$ 21,659	$ 491,207	($ 19,619)	$ -	($ 86,020)	$ 2,164,580
2021											
Balance at January 2021		$ 232,663	$1,210,994	$81,036	$ 232,660	$ 21,659	$ 491,207	($ 19,619)	$ -	($ 86,020)	$ 2,164,580
Profit for the year		-	-	-	-	-	161,105	-	-	-	161,105
Other comprehensive income (loss) for the year		-	-	-	-	-	1,712	(1,046)	(2,014)	-	(1,348)
Total comprehensive income (loss) for the year		-	-	-	-	-	162,817	(1,046)	(2,014)	-	159,757
Appropriation and distribution of 2020 earnings:	6 (17)										
Legal reserve		-	-	-	3	-	(3)	-	-	-	-
Special reserve		-	-	-	-	(2,040)	2,040	-	-	-	-
Cash dividends		-	-	-	-	-	(331,953)	-	-	-	(331,953)
Conversion of convertible bonds	6 (11) (15)	4	104	(10)	-	-	-	-	-	-	98
Balance at December 31, 2021		$ 232,667	$1,211,098	$81,026	$ 232,663	$ 19,619	$ 324,108	($ 20,665)	($ 2,014)	($ 86,020)	$ 1,992,482

TTFB COMPANY LIMITED
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 187,424	$ 455,077
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6 (6) (7) (22)	534,676	573,399
Amortization expense	6 (22)	10,510	11,469
Loss on disposal of property, plant and equipment	6 (20)	-	6,563
Expected loss on credit impairment	12 (2)	9	3
Impairment loss on property, plant and equipment	6 (6) (8) (20)	-	46,527
Interest expense	6 (21)	27,609	31,857
Interest income		(5,495)	(8,145)
Net gain on financial liabilities at fair value through profit or loss	6 (10) (20)	(560)	(1,440)
Share of (profit) loss of subsidiaries, associates and joint ventures accounted for using equity method	6 (5)	(8,456)	38,797
Gain on lease modifications	6 (7) (20)	(827)	(394)
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable, net		(15,394)	(6,634)
Accounts receivable, net - related parties		(8,452)	(4,634)
Other receivables - related parties		(1,623)	(198)
Inventories		(47,274)	16,287
Other current assets		(16,328)	(978)
Changes in operating liabilities			
Accounts payable - related parties		(1,821)	3,271
Other payables		23,238	80,204
Other payables - related parties		28,795	20,085
Other current liabilities		2,608	(1,506)
Other non-current liabilities		(697)	(662)
Cash inflow generated from operations		707,942	1,258,948
Interest received		5,520	7,801
Interest paid		(17,350)	(20,783)
Income tax paid		(52,870)	(169)
Net cash flows from operating activities		643,242	1,245,797
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from redemption of financial assets at amortized cost		313,840	334,650
Acquisition of property, plant and equipment	6 (6) (26)	(381,596)	(356,382)
Acquisition of intangible assets		(5,583)	(3,407)
(Increase) decrease in guarantee deposits paid (listed in "Other non-current assets")		(5,835)	586
(Increase) decrease in prepaid equipment (listed in "Other non-current assets")		(19,252)	1,544
Increase in other non-current assets		(4,196)	(3,310)
Net cash flows used in investing activities		(102,622)	(26,319)

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TTFB COMPANY LIMITED
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2021	Year ended December 31 2020
CASH FLOWS FROM FINANCING ACTIVITIES			
Net changes in short-term borrowings	6 (27)	$ -	($ 80,000)
Increase in long-term borrowings	6 (27)	120,890	67,720
Decrease in long-term borrowings	6 (27)	(4,875)	-
Increase (decrease) in guarantee deposits received (listed in "Other non-current liabilities")		200	(1,200)
Repayment of the principal portion of lease liabilities	6 (7) (27)	(314,350)	(333,953)
Cash dividends paid	6 (17)	(331,953)	(232,660)
Treasury stock buyback	6 (15)	-	(86,020)
Net cash flows used in financing activities		(530,088)	(666,113)
Increase in cash and cash equivalents		10,532	553,365
Cash and cash equivalents at beginning of year	6 (1)	940,897	387,532
Cash and cash equivalents at end of year	6 (1)	$ 951,429	$ 940,897

TTFB Company Limited
Notes to Parent Company Only Financial Statement
January 1 to December 31, 2021 and 2020

Unit: NT$1,000
(Unless otherwise specified)

1. Company history

TTFB Company Limited (hereinafter referred to as the "Company") was established in the Republic of China. The Company mainly operates restaurants, food and beverage retailing, etc. businesses. The Company's stocks were listed for trading on the Taipei Exchange starting from September 17, 2012.

2. Date and Procedures for Passing the Financial Report

The accompanying standalone financial statements were approved and authorized for issuance by the board of directors on March 31, 2022.

3. Application of New and Revised International Financial Reporting Standards

(1) The impact from adopting the newly released and revised International Financial Reporting Standards recognized by the Financial Supervisory Commission.

The following table summarizes the applicable newly released, corrected and amended standards and interpretations of the International Financial Reporting Standards recognized by the Financial Supervisory Commission in 2021:

Newly released / corrected / amended standards and interpretations	Effective Date Issued by IASB
Amendment to IFRS 4, "Extension to Temporary Exemption from Application of IFRS 9"	January 1, 2021
IFRS 9, IAS 39, IFRS 7, IFRS 4 and Phase II amendment to interest rate benchmark reform of IFRS 16.	January 1, 2021
IFRS 16 amendment, Covid-19-Related Rent Concessions beyond 30 June 2021	April 1, 2021 (Note)

Note: The FSC allows the application in advance starting January 1, 2021.

The Company believes that the adoption of aforementioned IFRSs will not have a significant effect on the financial position and performance.

(2) Impact of the newly released and amended IFRS recognized by the FSC not yet adopted by the Company

The following table summarizes the applicable newly released, corrected and amended standards and interpretations of the International Financial Reporting Standards recognized by the Financial Supervisory Commission in 2022:

Newly released / corrected / amended standards and interpretations	Effective Date Issued by IASB
IFRS 3 amendment, "Reference to Conceptual Framework"	January 1, 2022
Amendment to IAS 16 - "Property, Plant and Equipment: Proceeds before Intended Use.”	January 1, 2022
Amendment to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract"	January 1, 2022
Annual improvements to 2018 - 2020 cycle	January 1, 2022

The Company believes that the adoption of aforementioned IFRSs will not have a significant effect on the financial position and performance.

(3) IFRSs issued by the IASB but not yet recognized by the FSC

The following table summarizes the applicable newly released, corrected and amended standards and interpretations of the International Financial Reporting Standards issued by the IASB but not yet recognized by the FSC:

Newly released / corrected / amended standards and interpretations	Effective Date Issued by IASB
IFRS 10 and IAS 28 amendments, Sale or contribution of assets between an investor and its associate or joint venture	To be determined by the IASB
IFRS 17 - Insurance contracts	January 1, 2023
Amendment to IFRS 17 - Insurance contracts	January 1, 2023
Amendment to IFRS 17 - "Initial Application of IFRS 17 and IFRS 9 -- Comparative Information"	January 1, 2023
Amendment to IAS 1 - "Classification of Liabilities as Current or Non-Current"	January 1, 2023
Amendment to IAS 1 - "Disclosure of Accounting Policies"	January 1, 2023
Amendment to IAS 8 - "Definition of Accounting Estimates"	January 1, 2023
Amendment to IAS 12 - "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023

The Company believes that the adoption of aforementioned IFRSs will not have a significant effect on the financial position and performance.

4. Summary of Significant Accounting Policies

The principal accounting polices applied in the preparation of these parent company only financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

These parent company only financial statements of the Company have been prepared in accordance with the "Rules Governing the Preparation of Financial Statements by Securities Issuers."

(2) Basis of preparation

I. Except for the following items, these consolidated financial statements have been prepared under the historical cost convention.

(I) Financial assets and financial liabilities at fair value through profit or loss (including derivatives).

(II) Financial assets at fair value through other comprehensive income

(III) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.

II. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the standalone financial statements are disclosed in Note 5.

(3) Foreign currency translation

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The parent company only financial statements are presented in New Taiwan dollars, which is the Company's functional currency and reporting currency.

I. Foreign currency transactions and balances

(I) Foreign currency transactions are translated into the functional currency using the spot exchange rate at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.

(II) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated using the spot exchange rate at the balance sheet date. Exchange differences arising from re-translation at the balance sheet date are recognized in profit or loss.

(III) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated using spot exchange rate at the balance sheet date. Their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated using spot exchange at the balance sheet date. Their translation differences are recognized in other comprehensive income. For those which are not measured at fair value, they measured by the historical exchange rate of the initial transaction date.

(IV) All foreign exchange gains and losses are presented in the statement of comprehensive income within "Other gains and losses.”

II. Translation of foreign operations

(I) The operating results and financial position of all the company entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

A. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet.

B. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period.

C. All resulting exchange differences are recognized in other comprehensive income.

(II) When the foreign operation that is partially disposed of or sold is a subsidiary, the accumulated conversion difference recognized as other comprehensive income is re-attributed to the foreign operation's non-controlling interests on a pro rata basis. However, even if the Company retains part of its equity in the former subsidiary, but has lost control of the subsidiary of the foreign operation, it will be treated with as a disposal of the entire equity of the foreign operation.

(4) Classification of current and non-current items

I. Assets that meet one of the following criteria are classified as current assets:

(I) Assets arising from operating activities that are expected to be realized or are intended to be sold or consumed within the normal operating cycle.

(II) Assets held mainly for trading purposes.

(III) Assets that are expected to be realized within twelve months from the balance sheet date.

(IV) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.

Those that do not meet the above criteria are considered non-current.

II. Liabilities that meet one of the following criteria are classified as current liabilities:

(I) Liabilities that are expected to be paid off within the normal operating cycle.

(II) Assets held mainly for trading purposes.

(III) Liabilities that are to be paid off within twelve months from the balance sheet date.

(IV) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Those that do not meet the above criteria are considered non-current.

(5) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(6) Financial assets measured at amortized cost

The Company holds time deposits that are not considered cash equivalents. Due to the short holding period, the impact of discounting is insignificant and is measured by the amount of investment.

(7) Accounts and notes receivable

I. Refers to accounts and notes that have been unconditionally charged for the right to exchange the value of the consideration due to the transfer of goods or services.

II. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(8) Impairment of financial assets

Regarding the debt instruments measured at fair value through other comprehensive income and financial assets measured at amortized cost, the Company considers all reasonable and supportable information (including forward-looking ones) and measure the loss allowance based on the 12-month expected credit losses for those that do not have their credit risk increased significantly since initial recognition. For those that have increased significantly since initial recognition, the loss allowance is measured based on the full lifetime expected credit losses. A loss allowance for full lifetime expected credit losses is also required for contract assets or trade receivables that do not constitute a financing transaction.

(9) De-recognition of financial assets

A financial asset is derecognized when the Company's rights to receive cash flows from the financial assets have expired.

(10) Lessor's lease transaction - Operating lease

Lease income from operating leases, less any incentives given to the lessee, is amortized in current profit or loss on a straight-line basis over the lease term.

(11) Inventories

Inventories are measured at the lower of cost or net realizable value, and the cost is determined by weighted-average method. The cost of finished goods and work-in-progress comprises raw materials, direct labor, other direct costs and related production overheads (amortized according to normal production capacity), but excludes borrowing costs. At the end of year, inventories are evaluated at the lower of cost or net realizable value. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable costs of completion and selling expenses.

(12) Investments accounted for using equity method - Subsidiaries

I. Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

II. Unrealized gains or losses on transactions between Company and its subsidiaries are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.

III. The Company recognized the profit and loss upon the acquisition of subsidiaries as the current profit and loss. Other comprehensive profit and loss after the acquisition are recognized as the other comprehensive profit and loss. If the Company's recognized profit and loss of the subsidiaries is equal to or exceeds the equity in the subsidiaries, the Company will continue to recognize the loss in proportion to its shareholding.

IV. Pursuant to the “Guidelines Governing the Preparation of Financial Reports by Securities Issuers,” the profit or loss during the period and other comprehensive income presented in the parent company only financial reports shall be the same as the allocations of profit or loss during the period and of other comprehensive income attributable to the owners of the parent company presented in the financial reports prepared on a consolidated basis and the owners' equity presented in the parent company only financial reports shall be the same as the equity attributable to owners of the parent presented in the financial reports prepared on a consolidated basis.

(13) Property, plant and equipment

I. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.

II. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the costs of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

III. Land is not depreciated. Other property, plant and equipment apply the cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

IV. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any changes are accounted for as a change in estimate under IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors," from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings	5 years to 50 years
Transportation equipment	5 years
Office equipment	2 years to 5 years
Kitchen and dining room equipment	2 years to 15 years
Leasehold improvements	2 years to 5 years

(14) Leasing agreements (lessee) - Right-of-use assets/lease liabilities

I. Leases are recognized as right-of-use assets and lease liabilities at the date at which the leased assets are available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognized as expenses on a straight-line basis over the lease term.

II. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments include:

(I) Fixed payments, less any lease incentives receivables.

(II) Variable lease payments that depend on an index or rate.

The Company subsequently measures the lease liability at amortized cost using the interest method and recognizes interest expense over the lease term. The lease liability is re-measured and the amount of re-measurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

III. At the commencement date, the right-of-use asset is recognized at cost which includes:

(I) The amount of initial measurement of lease liability.

(II) Any original direct costs incurred.

(III) The estimated cost of dismantling, removing the underlying asset and restoring its location, or restoring the underlying asset to the condition required in the lease terms and conditions.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's service life or the end of lease term. When the lease liability is re-measured, the amount of re-measurement is recognized as an adjustment to the right-of-use asset.

(15) Intangible assets

I. Trademark

Trademarks acquired separately are recognized at acquisition cost. Trademarks are assets with a limited useful life and are amortized based on the estimated useful life of 6 to 12 years based on the straight-line method.

II. Computer software

Computer software is recognized at the cost of acquisition, and amortized based on the estimated useful life of 3 to 7 years based on the straight-line method.

(16) Impairment of non-financial assets

I. The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less disposal cost or value in use. Except for goodwill, when the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.

II. Goodwill are regularly estimated for its recoverable amount. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The goodwill impairment loss will not be reversed in subsequent years.

III. Goodwill is allocated to cash-generating units for the purpose of conducting the impairment testing. The allocation is identified based on the operating segment, and the goodwill is allocated to cash-generation units or groups of cash-generation units expected to benefit from the business combination that generates goodwill.

(17) Borrowings

Refers to long- and short-term funds borrowed from banks. Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

(18) Accounts and notes payable

I. Refers to debts incurred as a result of the purchase of raw materials, goods or services and the notes payable due to business and non-business purposes.

II. The short-term accounts and notes payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(19) Financial liabilities at fair value through profit or loss

I. Refers to financial liabilities held for trading with the main purpose of repurchasing in the near term, and other than derivatives designated as hedging instruments according to hedge accounting.

II. The Company measures financial assets at fair value in initial recognition. The related transaction costs are recognized in profit and loss. These financial assets are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial assets are recognized in profit or loss.

(20) Convertible bonds receivable

The convertible corporate bonds payable issued by the Company are embedded with conversion rights (holders can choose to convert them into the Company's common stock which is converted into a fixed amount of shares for a fixed amount), sell-back rights and buy-back rights. The prices at the initial issuance are categorized into financial asset, financial liabilities or equity based on the issuance conditions listed below:

I. Embedded sell-back and buy-back rights: Recorded as "financial assets or liabilities at fair value through profit and loss" in the initial recognition. On the balance sheet date later on, the difference is recognized as "the gain or loss of financial assets (liabilities) at fair value through profit or loss" based on the measurement at fair value.

II. The main contract of corporate bonds: Measured at fair value at initial recognition. The difference between the value and the redemption value is recognized as the premium discount of corporate bond liability payable. It is recognized in profit or loss over the circulation period by adopting the effective interest method of amortization process, and as an adjustment of "financing cost".

III. Embedded conversion options (meeting the definition of equity): The remaining value from deducting the abovementioned "financial assets or liabilities at fair value through profit and loss" and "corporate bond payable" from the issuance amount at initial recognition is recognized as "Capital surplus -- Stock options", and will not be remeasured in the future.

IV. Any transaction costs directly attributable to the issuance are allocated to the components of each liability and equity in proportion to the abovementioned original book value.

V. When holders convert bonds, the recognized liability components (including "corporate bond payable" and "financial assets or liabilities at fair value through profit and loss") are treated with measurement based on their classifications, and the book value of the abovementioned liability components plus the book value of "Capital surplus -- Stock options" are used as the cost of issuing common shares.

(21) De-recognition of financial liabilities

The Company derecognizes financial liabilities when the obligations specified in the contract are fulfilled, cancelled or expired.

(22) Offsetting financial assets and liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

(23) Provisions

Provision (which is for decommissioning liabilities) is a present statutory or deferred obligation as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision should be the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The discount rate used should be the pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Amortization is recognized as interest expense. Future operating losses shall not be recognized as provisions.

(24) Employee benefits

I. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expenses in that period when the employees render service.

II. Pension

(I) Defined contribution plans

For defined contribution plans, the contributions are recognized as pension expenses when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

(II) Defined benefit plans

A. Net obligation under a defined benefit plan is defined as the present value of an amount in pension benefits that employees will receive on retirement for their services with the Group in the current period or prior periods. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined-benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using the market yield rate of high-quality corporate bonds whose balance sheet date is consistent with the currency and period of the defined-benefit plan. In countries where there is no deep market for high-quality corporate bonds, the market yield rate on government bond (at the balance sheet date) is used.

B. Re-measurements arising on defined-benefit plans are recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.

C. The related expenses of the past service cost are immediately recognized as profit or loss.

III. Termination benefits

Refer to when companies decide to terminate the employees before the normal retirement date, or when employees decide to accept the benefits in exchange for the termination. The Company recognizes expenses when it has made a clear commitment, and has a detailed formal termination plan, and there is no real possibility of canceling the plan. Severance benefits provided to encourage voluntary layoffs are only recognized as expenses when it is probable that employees will accept the offer and the number of people can be reasonably estimated. Liabilities that are not expected to be paid off within twelve months from the balance sheet date should be discounted.

IV. Remuneration for employees and directors

Remunerations for employees and directors are recognized as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

(25) Income taxes

I. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.

II. The current income tax expense is calculated based on the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

III. Deferred income tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone balance sheet. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

IV. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred income tax assets are reassessed.

V. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts. There is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities. The same taxation authority levies them on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.

(26) Capital

I. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

II. When the Company buys back the issued shares, the consideration paid, including any directly attributable incremental costs, is recognized as a deduction of shareholders' equity with the net amount after tax. When the purchased shares are subsequently reissued, the difference between the consideration received and the book value after deducting any directly attributable incremental costs and the impact of income tax is recognized as an adjustment to shareholders' equity.

(27) Dividend distribution

Dividends are recorded in the Company's financial report in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities. Stock dividends are recorded as dividends to be distributed and transferred to be common stocks on the base date of issuance of new shares.

(28) Revenue recognition

Product sales

I. The Company provides sales and services of catering, beverages and desserts. Sales revenue is recognized when the food and beverage services are sold to customers.

II. The transaction price of the sales is charged to the customer immediately when the customer purchases the food and beverage service.

(29) Government subsidies

Government subsidies are recognized at fair value once it is reasonably convinced that the Company complies with the conditions for subsidies and will be receiving the subsidies. If the nature of the government subsidies is to compensate the expenses incurred by the Company, the government subsidies are recognized as current gains and losses on a systematic basis during the period in which the related expenses are incurred.

5. Critical Accounting Judgments and Key Sources of Estimation and Uncertainty

The preparation of these parent company only financial statements requires the management to make critical judgments in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Please see the following explanation of critical accounting judgments and key sources of estimation and uncertainty:

(1) Important judgments adopted by the accounting policies

None.

(2) Critical accounting estimates and assumptions

None.

6. Statements of main accounting items

(1) Cash and cash equivalents

	December 31, 2021	December 31, 2020
Cash on hand and petty cash	$ 7,957	$ 5,757
Demand deposits and checking account deposits	246,203	393,457
Cash equivalents		
Time deposits with an original maturity of less than 3 months	697,269	541,683
	$ 951,429	$ 940,897

I. The Company associates with a variety of financial institutions, all with high credit quality, to disperse credit risk, so it expects that the probability of counterparty default is remote.

II. The Company has no cash and cash and cash equivalents pledged to others.

(2) Financial assets measured at amortized cost

Items	December 31, 2021	December 31, 2020
Time deposits with an original maturity of more than 3 months but less than 1 year	$ 170,000	$ 483,880
Pledged time deposits	8,330	8,290
	$ 178,330	$ 492,170

I. Financial assets at amortized cost is recognized in the profit or loss shown as follows:

	2021	2020
Interests income	$ 2,846	$ 5,915

II. While not considering the collaterals or other credit enhancements, the financial assets at fair value through other comprehensive income held by the Company had the maximum exposure of credit risk at $178,330 and $492,170 as of December 31, 2021 and 2020, respectively.

III. Please see Note 8 how the Company provides financial assets at amortized cost as a pledged collateral.

IV. Please see Note 12 (2) for the credit risk information related to financial assets at amortized cost.

(3) Notes and accounts receivable

	December 31, 2021	December 31, 2020
Accounts receivable	$ 282,781	$ 267,387
Less: Loss allowance	(96)	(87)
	$ 282,685	$ 267,300

I. Aging of accounts receivable is as follows:

	December 31, 2021	December 31, 2020
Not past due	$ 274,583	$ 266,268
Up to 30 days	7,079	-
More than 90 days past due	1,119	1,119
	$ 282,781	$ 267,387

The above is an aging report based on the number of days past due.

II. As of December 31, 2021 and 2020, accounts receivable were from contracts with customers. The balances of accounts receivable as of January 1, 2020 were $260,753.

III. While not considering collaterals or other credit enhancements held, the notes receivable held by the Company had a maximum exposure of credit risk at $0 and $0, respectively, as of December 31, 2021 and 2020; the accounts receivable held by the Company had a maximum exposure of credit risk at and $282,685 and $267,300, respectively, as of December 31, 2021 and 2020.

IV. The Company does not hold any collateral.

V. Please refer to Note 12 (2) for the information on credit risk of accounts receivable and notes receivable.

(4) Inventories

	December 31, 2021		
	Cost	Loss allowance on decline in market value of inventories	Book value
Raw materials	$ 96,626	$ -	$ 96,626
Work in process	56,308	-	56,308
Merchandise	219	-	219
	$ 153,153	$ -	$ 153,153

	December 31, 2020		
	Cost	Loss allowance on decline in market value of inventories	Book value
Raw materials	$ 61,771	$ -	$ 61,771
Work in process	43,457	-	43,457
Merchandise	651	-	651
	$ 105,879	$ -	$ 105,879

The cost of inventories recognized as losses by the Company:

	2021	2020
Cost of goods sold	$ 2,035,987	$ 2,058,203

(5) Investments accounted for using equity method

I. Details of investments accounted for using the equity method:

	December 31, 2021	December 31, 2020
Subsidiaries:		
So Delicious Restaurant Management Co., Ltd.	$ 321,702	$ 319,761
Yuen Kwan Co., Ltd.	9,231	5,799
Wachan International Ltd.	885	883
Very Thai Co., Ltd.	982	961
	$ 332,800	$ 327,404

For information on the Company's subsidiaries, please refer to Note 4 (3) of 2021 consolidated financial statements.

II. Share of gains or losses of the subsidiaries recognized by using the equity method:

Investee	2021	2020
So Delicious Restaurant Management Co., Ltd.	$ 5,001	($ 44,291)
Others	3,455	5,494
	$ 8,456	($ 38,797)

III. Share of other comprehensive income of the subsidiaries recognized by the adoption of the equity method:

Investee	2021	2020
So Delicious Restaurant Management Co., Ltd.	($ 2,014)	$ -

(6) Property, plant and equipment

	2021							
	Land	Buildings	Transportation equipment	Office equipment	Kitchen and dining room equipment	Leasehold improvements	Unfinished construction and equipment under acceptance	Total
January 1								
Cost	$ 538,913	$ 90,633	$ 1,355	$ 24,823	$ 719,407	$1,208,905	$ 244,992	$2,829,028
Accumulated depreciation and impairments	-	(24,489)	(847)	(21,464)	(411,478)	(852,864)	-	(1,311,142)
	$ 538,913	$ 66,144	$ 508	$ 3,359	$ 307,929	$ 356,041	$ 244,992	$1,517,886
January 1	$ 538,913	$ 66,144	$ 508	$ 3,359	$ 307,929	$ 356,041	$ 244,992	$1,517,886
Additions	-	-	-	1,284	53,567	72,182	229,271	356,304
Reclassification (Note 1)	-	-	-	(380)	(16)	2,600	(2,327)	(123)
Depreciation expense	-	(1,977)	(226)	(1,388)	(80,483)	(128,543)	-	(212,617)
December 31	$ 538,913	$ 64,167	$ 282	$ 2,875	$ 280,997	$ 302,280	$ 471,936	$1,661,450
December 31								
Cost	$ 538,913	$ 90,633	$ 1,355	$ 25,727	$ 760,258	$1,283,687	$ 471,936	$3,172,509
Accumulated depreciation and impairments	-	(26,466)	(1,073)	(22,852)	(479,261)	(981,407)	-	(1,511,059)
	$ 538,913	$ 64,167	$ 282	$ 2,875	$ 280,997	$ 302,280	$ 471,936	$1,661,450

	2020							
	Land	Buildings	Transportation equipment	Office equipment	Kitchen and dining room equipment	Leasehold improvements	Unfinished construction and equipment under acceptance	Total
January 1								
Cost	$ 538,913	$ 90,633	$ 1,355	$ 22,898	$ 674,484	$1,140,822	$ 45,840	$2,514,945
Accumulated depreciation	-	(22,425)	(621)	(19,674)	(344,536)	(727,259)	-	(1,114,515)
	$ 538,913	$ 68,208	$ 734	$ 3,224	$ 329,948	$ 413,563	$ 45,840	$1,400,430
January 1	$ 538,913	$ 68,208	$ 734	$ 3,224	$ 329,948	$ 413,563	$ 45,840	$1,400,430
Additions	-	-	-	1,925	78,705	112,581	205,640	398,851
Disposal	-	-	-	-	(3,096)	(3,608)	-	(6,704)
Reclassification (Note 2)	-	-	-	-	1,623	6,662	(6,488)	1,797
Impairment loss	-	-	-	-	(16,847)	(29,680)	-	(46,527)
Depreciation expense	-	(2,064)	(226)	(1,790)	(82,404)	(143,477)	-	(229,961)
December 31	$ 538,913	$ 66,144	$ 508	$ 3,359	$ 307,929	$ 356,041	$ 244,992	$1,517,886
December 31								
Cost	$ 538,913	$ 90,633	$ 1,355	$ 24,823	$ 719,407	$1,208,905	$ 244,992	$2,829,028
Accumulated depreciation and impairments	-	(24,489)	(847)	(21,464)	(411,478)	(852,864)	-	(1,311,142)
	$ 538,913	$ 66,144	$ 508	$ 3,359	$ 307,929	$ 356,041	$ 244,992	$1,517,886

Note 1: The current reclassification is due to the transfer of the prepaid equipment (listed in "Other non-current assets") in and out the other current assets.

Note 2: The current reclassification is due to the transfer to the prepaid equipment (listed in "Other non-current assets").

I. The capitalized borrowing costs for property, plant and equipment and their interest rates are as follows:

	2021	2020
Capitalized amount	$ 1,487	$ 513
Range of capitalized interest	1.02%	1.01%~1.21%

II. The abovementioned real estate, plant and equipment are all assets for own use.

III. Information on property, plant and equipment pledged to others as collateral is provided in Note 8.

(7) Leasing arrangements - lessee

I. The underlying assets leased by the Company include houses, machinery and equipment, and the leasing contracts are typically made for periods of 1 to 15 years. Lease contracts are negotiated separately and include a variety of terms and conditions. There are no restrictions for the leased assets, except that they cannot be used as loan collaterals.

II. The lease periods of the machinery and equipment leased by the Company did not exceed 12 months and the leased underlying assets were machinery and equipment of low value.

III. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	December 31, 2021 Book value	December 31, 2020 Book value	2021 Depreciation expense	2020 Depreciation expense
Buildings	$ 1,383,018	$ 1,639,420	$ 322,059	$ 343,438

IV. The increase of the Company's right-of-use assets in 2021 and 2020 was $140,044 and $228,012, respectively.

V. The information on profit or loss items related to lease contracts is as follows:

	2021	2020
Items affecting current profit and loss		
Interest expenses on lease liabilities	$ 15,698	$ 18,640
Expenses for short-term lease contracts	815	297
Lease of low-value assets	2,257	2,265
Fees for variable lease payments	145,475	176,117
Gain on lease modifications	827	394

VI. The Company's total cash flow used on leases for 2021 and 2020 was $478,595 and $531,272, respectively.

VII. Impact of variable lease payments on lease liabilities.

(I) The targets in the Company's lease contract with variable lease payment terms are those related to revenue generated by stores. About 70% of the lease targets of stores and offices are based on variable-priced payment terms, which are mainly related to revenue. Variable payment terms are used for a variety of reasons, primarily to align lease payments with stores that generate higher cash flows. Variable lease payments related to revenue are recognized as expenses in the period in which these related payment terms are triggered.

(II) When the revenue of all stores within the Company increases by 1%, the lease contract with variable lease payment will increase the total lease payment amount by approximately $1,455.

VIII. The Company reduced the scope of lease due to contract modification for the periods between January 1 and December 31 of 2021 and 2020, and the right-of-use assets and lease liabilities for the period ended on December 31, 2021 and 2020 were reduced by $74,387, $84,761 and $75,214, $84,919, respectively.

(8) Impairment of non-financial assets

I. The Company incurred impairment losses due to lower-than-expected sales in some stores and changes in the operating environment. The details are as follows:

	2021		2020	
	Recognized in Profit or loss for the period	Recognized in Other comprehensive income	Recognized in Profit or loss for the period	Recognized in Other comprehensive income
Impairment loss - Kitchen and dining room equipment	$ -	$ -	$ 16,847	$ -
Impairment loss - Leasehold improvement	-	-	29,680	-
	$ -	$ -	$ 46,527	$ -

II. The details of the above impairment losses disclosed by segments are as follows:

	2021		2020	
	Recognized in Profit or loss for the period	Recognized in Other comprehensive income	Recognized in Profit or loss for the period	Recognized in Other comprehensive income
Food and beverage segment	$ -	$ -	$ 46,257	$ -

(9) Other payables

	December 31, 2021	December 31, 2020
Payroll and bonus payable	$ 124,689	$ 130,317
Insurance premium payable	87,109	42,687
Payables for property, plant and equipment	57,957	83,249
Business tax payable	44,909	72,883
Pension payable	40,752	32,378
Untaken leave payable	30,377	28,748
Others	78,728	77,806
	$ 464,521	$ 468,068

(10) Financial liabilities at fair value through profit or loss

Items	December 31, 2021	December 31, 2020
Current items:		
Designated as financial liabilities at fair value through profit or loss		
Puttable convertible corporate bonds	$ 1,840	$ 1,840
Valuation adjustment	(1,840)	(1,280)
	$ -	$ 560

I. As of December 31, 2021, the Company's account of "financial liabilities at fair value through profit or loss at initial recognition" was at $0. This is because that the Company's convertible bonds are considered a hybrid instrument, and the Company designated the convertible bonds payable as a whole as a financial liability at fair value through profit or loss at initial recognition.

II. For 2021 and 2020, the Group has recognized changes in fair value of $560 and $1,440, respectively, and there was no change in credit risk attributable to the liability.

III. Please refer to Note 6 (11) for the issuance criteria of the Company's first series domestic unsecured convertible bonds are as follows:

(11) Bonds payable

	December 31, 2021	December 31, 2020
Bonds payable	$ 799,800	$ 799,900
Less: Discount on corporate bonds payable	(9,617)	(19,659)
	790,183	780,241
Less: Corporate bonds matured in one year or a business cycle or have the put option exercised Corporate bonds	(790,183)	(780,241)
	$ -	$ -

I. Domestic convertible bonds issued by the Company

The issuance criteria of the Company's first series domestic unsecured convertible bonds are as follows

(I) The Company issued its first series domestic unsecured convertible bonds, a total of $800,000, at 0%, as approved by the authority. The bonds mature 3 years from the issue date, and circulates from December 11, 2019 to December 11, 2022. They are redeemed in cash at face value at the time of maturity. The bonds were listed for trading on the Taipei Exchange starting from December 11, 2019.

(II) The bondholders may request the Company to convert the bonds into common stocks at any time starting from the day following the day three months after the issue date to the maturity date, except for the stop-transfer period as specified by the regulations. The rights and obligations of the common shares after the conversion are the same as those of the outstanding common shares originally issued.

(III) The bondholders may request the Company to redeem the convertible bonds held at 100% of the bond face value (the annual yield to put is 0%) when the convertible bonds have been issued for two years.

(IV) During the period starting from the day following the day three months after issuing the convertible bonds to the day 40 day before the maturity date, if the closing price of the Company's common stocks exceeds the then conversion price by 30% and more for 30 consecutive trading days, the Company may, within the following 30 business days, buy back all bonds at the face value with cash.

(V) During the period starting from the day following the day three months after issuing the convertible bonds to the 40 days before the maturity date, if the outstanding balance of the bonds is less than 10% of total initial issue amount, the Company may buy back all remaining bonds at the face value with cash at any time.

(VI) In accordance with the provisions of the conversion, all bonds redeemed (including the repurchases from the Taipei Exchange), repaid or converted will be cancelled, with all rights and obligations still attached to the corporate bonds also extinguished, and no longer issued.

(VII) As of December 31, 2021, a total of $200 in face value had been converted into 680 shares of common stock, resulting in a capital reserve of $208, and a reduction of capital reserve - stock options of $21.

II. The Company separated the equity-based conversion options from the liability components in accordance with the IAS 32 Financial Instruments: Presentation when issuing convertible bonds, and a total of $81,047 was recognized in "Capital surplus - Stock options". In accordance with IFRS 9 Financial Instruments, the embedded call and put options were separated because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts, and the net values were recognized as "financial assets or liabilities at fair value through profit or loss". The effective interest rate of the bonds payable after such separation was 1.07%.

(12) Long-term borrowings

Type of borrowings	Borrowing period and payment method	Range of interest rate	Collateral	December 31, 2021
Long-term bank borrowings				
Secured borrowings	From November 2019 to November 2024, with the installment payments starting from November 2021.	1.02%	Property, plant and equipment	$ 6,230
Secured borrowings	From March 2020 to November 2024, with the installment payments starting from November 2021.	1.02%	Property, plant and equipment	28,568
Secured borrowings	From May 2020 to November 2024, with the installment payments starting from November 2021.	1.02%	Property, plant and equipment	24,424
Secured borrowings	From June 2020 to November 2024, with the installment payments starting from November 2021.	1.02%	Property, plant and equipment	13,036
Secured borrowings	From January 2021 to November 2024, with the installment payments starting from November 2021.	1.02%	Property, plant and equipment	23,722
Secured borrowings	From April 2021 to November 2024, with the installment payments starting from November 2021.	1.02%	Property, plant and equipment	26,822

Secured borrowings	From May 2021 to November 2024, with the installment payments starting from November 2021.	1.02%	Property, plant and equipment	7,469
Secured borrowings	From May 2021 to November 2024, with the installment payments starting from November 2021.	1.02%	Property, plant and equipment	16,750
Secured borrowings	From July 2021 to November 2024, with the installment payments starting from November 2021.	1.02%	Property, plant and equipment	7,664
Secured borrowings	From August 2021 to November 2024, with the installment payments starting from November 2021.	1.02%	Property, plant and equipment	35,440
				190,125
Less: Long-term borrowings (including current portion)				(19,500)
				$ 170,625

Type of borrowings	Borrowing period and payment method	Range of interest rate	Collateral	December 31, 2020
Long-term bank borrowings				
Secured borrowings	From November 2019 to November 2024, with the installment payments starting from November 2021.	1.02%~1.21%	Property, plant and equipment	$ 6,390
Secured borrowings	From March 2020 to November 2024, with the installment payments starting from March 2022.	1.01%~1.02%	Property, plant and equipment	29,300
Secured borrowings	From May 2020 to November 2024, with the installment payments starting from May 2022.	1.02%	Property, plant and equipment	25,050
Secured borrowings	From June 2020 to November 2024, with the installment payments starting from June 2022.	1.02%	Property, plant and equipment	13,370
				74,110
Less: Long-term borrowings (including current portion)				(160)
				$ 73,950

I. The Company signed a secured loan commitment agreement with CTBC Bank on June 29, 2021. The main commitments are that the principal and times interest earned in the annual consolidated statement is greater than 1.1 times, and the tangible net worth is no less than NT$1.8 billion.

II. Please see Note 8 for the collaterals provided by the Company for the long-term borrowings.

III. The Company's unutilized borrowings as of December 31, 2021 and 2020 are shown as follows:

	December 31, 2021	December 31, 2020
Mature within one year	$ 2,005,000	$ 2,205,000
Maturity of more than one year	-	120,890
	$ 2,005,000	$ 2,325,890

(13) Pensions

I. (I) The Company operates a defined-benefit pension plan in accordance with the "Labor Standards Act", which cover all regular employees’ service years prior to the enforcement of the "Labor Pension Act" on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last six months prior to retirement. The Company contributes a monthly amount equal to 2% of employees’ monthly salaries and wages to a retirement fund at the Bank of Taiwan, the trustee, under the name of the independent retirement fund committee.

(II) The amounts recognized in the balance sheet are as follows:

	December 31, 2021	December 31, 2020
Present value of defined benefit obligations	($ 20,517)	($ 22,432)
Fair value of plan assets	11,135	10,213
Net defined benefit liability (listed in "Other non-current liabilities")	($ 9,382)	($ 12,219)

(III) Changes in net defined benefit liabilities are as follows:

	2021		
	Present value of defined benefit obligations	Fair value of plan assets	Net confirmed benefit debt
January 1	($ 22,432)	$ 10,213	($ 12,219)
Interest (expense) income	(89)	42	(47)
	(22,521)	10,255	(12,266)
Re-measurements:			
Return on plan assets	-	136	136
Change in demographic assumptions	(78)	-	(78)
Change in financial assumptions	1,044	-	1,044
Experience adjustments	1,038	-	1,038
	2,004	136	2,140
Pension fund contribution	-	744	744
December 31	($ 20,517)	$ 11,135	($ 9,382)

	2020		
	Present value of defined benefit obligations	Fair value of plan assets	Net confirmed benefit debt
January 1	($ 20,599)	$ 9,113	($ 11,486)
Interest (expense) income	(149)	66	(83)
	(20,748)	9,179	(11,569)
Re-measurements:			
Return on plan assets	-	290	290
Change in demographic assumptions	(20)	-	(20)
Change in financial assumptions	(1,163)	-	(1,163)
Experience adjustments	(501)	-	(501)
	(1,684)	290	(1,394)
Pension fund contribution	-	744	744
December 31	($ 22,432)	$ 10,213	($ 12,219)

(IV) The Bank of Taiwan was commissioned to manage the assets of the Company's defined benefit pension plan in accordance with the annual investment and utilization plan for the labor pension fund and the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund" (Article 6: The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilization of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings are less than the aforementioned rates, government shall make payments for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating the fund and hence the Company is unable to disclose the classification of fair value of plan asset in accordance with IAS19 paragraph 142. The composition of fair value of plan assets as of December 31, 2021 and 2020 is given in the Annual Labor Retirement Fund Utilization Report announced by the government.

(V) The principal actuarial assumptions used were as follows:

	2021	2020
Discount rate	0.75%	0.40%
Future salary increases	3.00%	3.00%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with the published statistics and experience in the 6th Taiwan Standard Ordinary Experience Mortality Table. Because the main actuarial assumption changes, the present value of defined benefit obligation is affected. The analysis is as follows:

	Discount rate		Future salary increases	
	0.25% increase	0.25% decrease	0.25% increase	0.25% decrease
December 31, 2021				
Effect on present value of defined benefit obligation	($ 713)	$ 747	$ 729	($ 700)
December 31, 2020				
Effect on present value of defined benefit obligation	($ 840)	$ 882	$ 857	($ 821)

The sensitivity analysis above analyzes the impact from changing one of the assumptions while others remain constant. In practice, more than one assumption may change all at once. The sensitivity analysis is the same with the method used to calculate the net pension liabilities of the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

(VI) The expected contribution to the defined benefit pension plans of the Company for the year ending December 31, 2022 is $744.

(VII) As of December 31, 2021, the weighted average duration of the retirement plan is 14 years. The analysis of timing of the future pension payment is as follows:

Within 1 year	$	150
1-2 years		485
Over 2 years		22,231
	$	22,866

II. (I) Effective July 1, 2005, the Company has established a defined contribution pension plan (hereinafter referred to as the “New Plan”) under the Labor Pension Act (hereinafter referred to as the “Act”), covering all regular employees with domestic citizenship. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(II) The pension costs under the defined contribution pension plans of the Company for the years ended December 31, 2021 and 2020 were $55,207 and $57,192, respectively.

(14) Provisions

	Decommissioning liabilities	
	2021	2020
January 1	$ 28,878	$ 27,158
Added for the period	562	843
Used for the period	(116)	(408)
Current reversal	-	(377)
Discount amortization	1,707	1,662
December 31	$ 31,031	$ 28,878

In accordance with announced policies and the applicable contractual or regulatory requirements, the Company is obliged to dismantle, remove or restore the location of part of the property, plant and equipment. Therefore, the present value of the cost expected to dismantle, remove or restore the location is recognized as a provision. The Company expects that the main provisions will occur at times the next 12 years.

(15) Capital

I. As of December 31, 2021, the Company's authorized capital was $500,000, consisting of 50,000 thousand shares of ordinary stock, and the paid-in capital was $232,667 with a par value of $10 per share. All proceeds from shares issued have been collected.

II. The movements in the number of the Company's common stocks outstanding are as follows:

	2021	2020
	Number of Shares	Number of Shares
January 1	22,893,333	23,266,000
Treasury stock buyback	-	(373,000)
Conversion of convertible bonds	347	333
December 31	22,893,680	22,893,333

III. Treasury stock

(I) Reasons for repurchase of shares and changes in the quantity:

		December 31, 2021	
Company name of the shareholding	Reasons for buyback	Number of Shares	Book value
The Company	Transfer shares to employees	373,000	$ 86,020

		December 31, 2020	
Company name of the shareholding	Reasons for buyback	Number of Shares	Book value
The Company	Transfer shares to employees	373,000	$ 86,020

(II) The Securities and Exchange Act stipulates that the percentage of the Company's repurchase of outstanding shares shall not exceed 10% of the Company's total issued shares, and the total value of shares purchased shall not exceed the retained earnings plus the premium of issued shares and the amount of realized capital reserve.

(III) The shares bought back by the Company in accordance with the Securities and Exchange Act shall not be pledged. Before transfer, shareholders are not entitled to the shareholders' rights.

(IV) According to the provisions of the Securities and Exchange Act, the share repurchased to be transferred to employees shall be transferred within five years from the date of the purchase. If the transfer is not made within the time limit, the shares are deemed as unissued shares, and change of registration shall be made to cancel the shares. In order to maintain the Company’s credit and shareholder’s equity, the shares bought back should have the registration changed to cancel the shares within six months from the date of the purchase.

(16) Capital surplus

In accordance with the Company Act, any capital surplus arising from paid-in capital in excess of the par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the Securities and Exchange Act requires that the amount of capital surplus to be capitalized, as above, should not exceed 10% of paid-in capital each year. Capital surpluses should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(17) Retained earnings

I. According to the provisions of the Articles of Incorporation, the current year's earnings after year-end accounting, if any, shall first be used to pay taxes and offset prior years' operating losses, and then 10% of the remaining amount shall be set aside as legal reserve. This does not apply if the legal reserve has reached the Company's paid-in capital. The Company shall set aside or reverse special reserve in accordance with related laws or competent authority. The remaining earnings, along with the beginning undistributed earnings, are accumulated as distributed earnings which can be proposed by the board to the shareholder meeting to be resolved as dividends distributed to shareholders.

II. The Company's dividend policy is as follows: In order to meet the needs for business expansion and growth, the Company may plan the required funds based on the Company's overall capital budgeting, and distribute stock to retain the capital needed. The rest can be distributed in the form of cash dividends. However, cash dividends cannot be less than 20% of the total dividends for the year distributed to shareholders.

III. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of the legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted. The distribution of the reserve is limited to the portion in excess of 25% of the Company’s paid-in capital.

IV. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When the debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

V. (I) The distribution of 2020 and 2019 earnings had been resolved at the shareholder meetings on August 30, 2021 and June 23, 2020, respectively. Details are summarized below:

	2020		2019	
	Amount	Amount per share (NT$)	Amount	Amount per share (NT$)
Legal reserve	$ 3	$ -	$ -	$ -
Special reserve	(2,040)	-	6,879	-
Cash dividends	331,953	14.50	232,660	10.00
	$ 329,916		$ 239,539	

For information on earnings distribution, please visit the Market Observation Post System of the Taiwan Stock Exchange.

(II) The distribution of 2021 earnings was approved by the board on March 31, 2022. Details are summarized below:

	2021	
	Amount	Amount per share (NT$)
Legal reserve	$ 3	$ -
Special reserve	3,060	-
Cash dividends	91,575	4.00
Stock dividends	72,115	3.15
	$ 166,753	

The abovementioned 2021 earnings distribution has not been approved by the shareholder general meeting as of March 31, 2022.

(18) Operating revenue

	2021	2020
Revenue from contracts with customers	$ 3,999,561	$ 4,389,458

Segmentation of revenue from contracts with customers:

The Company derives its revenue from the transfer of food and beverage-related services, which can be divided into the following main geographic regions:

2021	Taiwan	Total
Revenue from contracts with external customers	$ 3,999,561	$ 3,999,561

2020	Taiwan	Total
Revenue from contracts with external customers	$ 4,389,458	$ 4,389,458

(19) Other income

	2021	2020
Revenue from government subsidies (Note)	$ 60,023	$ 77,637
Rental income	2,714	2,717
Other miscellaneous incomes	2,642	3,481
	$ 65,379	$ 83,835

Note: Relevant government subsidies received by the Company due to the effect of the novel coronavirus pandemic.

(20) Other benefits and losses

	2021	2020
Loss on disposal of property, plant and equipment	$ -	($ 6,563)
Gain on lease modifications	827	394
Losses from exchange	(729)	(2,799)
Financial liabilities at fair value through profit or loss Profit	560	1,440
Impairment loss on real estate, plant and equipment	-	(46,527)
Other miscellaneous expenses	(228)	(2,677)
	$ 430	($ 56,732)

(21) Financial cost

	2021	2020
Interest expense -- Bank borrowings	$ 1,652	$ 2,143
Other interest expense		
Lease liabilities	15,698	18,640
Corporate bonds	10,039	9,913
Decommissioning liabilities	1,707	1,662
Imputed interest from deposits	-	12
	29,096	32,370
Less: Capitalized interest	(1,487)	(513)
	$ 27,609	$ 31,857

(22) Expenses by nature

	2021	2020
Consumed raw materials	$ 1,050,536	$ 1,047,029
Change in inventory of products and work-in-progress	(12,419)	7,728
Employee benefits expenditure	1,298,893	1,344,669
Depreciation charges on property, plant and equipment	212,617	229,961
Depreciation expenses for right-of-use assets	322,059	343,438
Operating leases	148,547	178,679
Amortization expense	10,510	11,469
Other expenses	833,545	736,002
	$ 3,864,288	$ 3,898,975

(23) Employee benefits expenditure

All employees

	2021	2020
Payroll expenses	$ 1,069,172	$ 1,116,259
Labor and health insurance fees	125,032	119,120
Pension costs	55,254	57,275
Other expenses	49,435	52,015
	$ 1,298,893	$ 1,344,669
Number of employees	3,222	3,386

Regular employees

	2021	2020
Payroll expenses	$ 842,397	$ 869,184
Labor and health insurance fees	96,348	92,446
Pension costs	43,562	45,379
Other expenses	30,318	30,578
	$ 1,012,625	$ 1,037,587
Number of regular employees	1,594	1,675

I. According to the provisions of the Articles of Incorporation, if the Company is profitable in the fiscal year, it shall allocate 1% of the profit as the remuneration of employees in the form of stocks or cash as resolved by the board. Employees of subsidiaries are also entitled to receive remuneration. Up to 0.5% (inclusive) of the aforementioned profit may be distributed as director remuneration at the discretion of the board of directors. Employee’s and director’s remuneration proposals are to be raised for resolution during the shareholders’ meetings.

   If any, profits must first be taken to offset cumulative losses before the remainder can be distributed as employee/director remuneration in the above percentages.

II. For 2021 and 2020, employee remuneration was accrued at $1,903 and 4,620, respectively, and director remuneration was accrued at $951 and $2,310, respectively. The abovementioned amounts were listed as payroll expenses.

   The employee remuneration and director remuneration were estimated and accrued based on 1% and 0.5% of profit of current year distributable for the year ended December 31, 2021, respectively.

   The employee remuneration and director remuneration resolved by the board for 2020 were consistent with the amount recognized in the 2020 financial report.

   Information about employees remuneration and director remuneration of the Company as resolved by the board will be posted in the Market Observation Post System.

III. The Company's salary and remuneration policy

   (I) External competitiveness and internal fairness are important considerations for the overall salary and remuneration level of employees, which can effectively attract and retain talents.

   (II) The performance management system is aligned with employees' remuneration, which gives them motivation and drives the Company's positive development.

(III) Make connections between the achievement of the Company's long- and short-term goals, individuals' commitment, positions held and overall work performance, meeting the purpose of motivating employees.

(IV) Establish a remuneration committee to effectively measure the overall remuneration standard of the Company's directors and managerial officers.

(24) Income taxes

I. Income tax expense

(I) Components of income tax expense:

	2021	2020
Current tax:		
Current tax on profits for the year	$ 24,097	$ 93,094
Over or under provision of prior year's income tax	477	(2,072)
Total current tax	24,574	91,022
Deferred income tax:		
Origin and reversal of temporary differences	1,745	(5,737)
Income tax expense	$ 26,319	$ 85,285

(II) The income tax relating to components of other comprehensive income is as follows

	2021	2020
Re-measurement of defined benefit plans	$ 428	($ 278)

II. Reconciliation between income tax expense and accounting profit

	2021	2020
Tax calculated based on profit before tax and statutory tax rate	$ 37,485	$ 91,015
Changes in items excluded according to tax laws	2,036	1,992
Tax-exempt income under the tax laws	(12,004)	(15,527)
Temporary difference of unrecognized deferred income tax assets	(1,675)	9,877
Over or under provision of prior year's income tax	477	(2,072)
Income tax expense	$ 26,319	$ 85,285

III. Amounts of deferred tax assets or liabilities as a result of temporary differences are as follows:

	2021			
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Deferred income tax assets:				
-Temporary differences:				
Unrealized exchange losses	$ 686	$ 144	$ -	$ 830
Defined benefit obligations	2,444	(140)	(428)	1,876
Untaken leave payable	5,750	326	-	6,076
Decommissioning liabilities	3,956	714	-	4,670
Impairment of non-financial assets	7,459	(2,677)	-	4,782
Sub-total	20,295	(1,633)	(428)	18,234
Deferred income tax liabilities:				
-Temporary differences:				
Net income of financial assets at fair value through profit or loss	(256)	(112)	-	(368)
Total	$ 20,039	($ 1,745)	($ 428)	$ 17,866

	2020			
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Deferred income tax assets:				
-Temporary differences:				
Unrealized exchange losses	$ 396	$ 290	$ -	$ 686
Defined benefit obligations	2,297	(131)	278	2,444
Untaken leave payable	5,783	(33)	-	5,750
Decommissioning liabilities	3,659	297	-	3,956
IFRS 16 effect	1,889	(1,889)	-	-
Impairment of non-financial assets	-	7,459	-	7,459
Sub-total	14,024	5,993	278	20,295
Deferred income tax liabilities:				
-Temporary differences:				
Net income of financial assets at fair value through profit or loss	-	(256)	-	(256)
Total	$ 14,024	$ 5,737	$ 278	$ 20,039

IV. The Company's income tax returns through 2019 have been assessed and approved by the tax authority.

(25) Earnings per share

	2021		
	Amount after tax	Weighted average share outstanding (thousand shares)	Earnings per share (NT$)
Basic earnings per share			
Profit for the year	$ 161,105	22,894	$ 7.04
Diluted earnings per share			
Profit for the year	$ 161,105	22,894	
Assumed conversion of all dilutive potential ordinary shares			
Employee compensation	-	13	
Convertible bonds	8,031	2,959	
Profit attributable to ordinary shareholders of the Company plus assumed conversion of all dilutive potential ordinary shares	$ 169,136	25,866	$ 6.54

	2020		
	Amount after tax	Weighted average share outstanding (thousand shares)	Earnings per share (NT$)
Basic earnings per share			
Profit for the year	$ 369,792	23,188	$ 15.95
Diluted earnings per share			
Profit for the year	$ 369,792	23,188	
Assumed conversion of all dilutive potential ordinary shares			
Employee compensation	-	26	
Convertible bonds	7,930	2,778	
Profit attributable to ordinary shareholders of the Company plus assumed conversion of all dilutive potential ordinary shares	$ 377,722	25,992	$ 14.53

(26) Supplemental cash flow information

Investing activities with partial cash payments:

	2021	2020
Purchase of property, plant and equipment	$ 356,304	$ 398,851
Add: Opening balance of payables on equipment	83,249	40,780
Less: Ending balance of payables on equipment	(57,957)	(83,249)
Cash paid during the year	$ 381,596	$ 356,382

(27) Changes in liabilities arising from financing activities

	2021				
	Short-term debts	Long-term borrowings	Lease liabilities	Bonds payable	Total liabilities arising from financing activities
January 1	$ -	$ 74,110	$1,647,531	$ 780,241	$ 2,501,882
Change in cash flow from financing activities	-	116,015	(314,350)	-	(198,335)
Acquisition of right-of-use asset (excluding decommissioning costs)	-	-	139,482	-	139,482
Decrease in lease liability	-	-	(75,214)	-	(75,214)
Other non-cash transactions	-	-	-	9,942	9,942
December 31	$ -	$ 190,125	$ 1,397,449	$ 790,183	$ 2,377,757

	2020				
	Short-term debts	Long-term borrowings	Lease liabilities	Bonds payable	Total liabilities arising from financing activities
January 1	$ 80,000	$ 6,390	$1,839,234	$ 770,425	$ 2,696,049
Change in cash flow from financing activities	(80,000)	67,720	(333,953)	-	(346,233)
Acquisition of right-of-use asset (excluding decommissioning costs)	-	-	227,169	-	227,169
Decrease in lease liability	-	-	(84,919)	-	(84,919)
Other non-cash transactions	-	-	-	9,816	9,816
December 31	$ -	$ 74,110	$ 1,647,531	$ 780,241	$ 2,501,882

7. Related-Party Transactions

(1) Name and relationship of the related parties

Name of the related parties	Relationship with the Company
Yuen Kwan Co., Ltd.	Subsidiary
So Delicious Restaurant Management Co., Ltd.	Subsidiary
Thaitown Restaurant Management Co., Ltd.	Subsidiary
TTFB World Co., Ltd.	Subsidiary
New Taste Restaurant Group Ltd.	Subsidiary
Wachan International Ltd.	Subsidiary
Very Thai Co., Ltd.	Subsidiary
Thai Gourmet International Trading Co., Ltd.	Subsidiary
Kung Fu Kitchen Co., Ltd.	Subsidiary
YUM-Tech Co., Ltd.	Subsidiary
TT Technology Lab Co., Ltd.	Subsidiary
ZHE TAI CO., LTD.	Other related party
Mary & Majestic, Inc.	Other related party
Infinity Kitchen Co., Ltd.	Other related party

Note: The board meeting held on September 17, 2020 resolved to dissolve and liquidate New Taste Restaurant Group Ltd., which began the dissolution and liquidation procedures. The dissolution registration was completed on November 17, 2020, and it have not been the Company's related party since that date.

(2) Significant transactions with the related parties

I. Operating revenue

	2021	2020
Subsidiary	$ 2,495	$ 509
Other related party	43,640	3,886
	$ 46,135	$ 4,395

Revenue from sales of food and beverage and services.

II. Purchase

	2021	2020
Purchase of merchandise:		
Subsidiary	$ 42,567	$ 37,695
Processing expense		
Yuen Kwan Co., Ltd.	57,531	59,313
	$ 100,098	$ 97,008

The abovementioned purchase of goods and services from related parties are handled in accordance with the agreed conditions.

III. Account receivable from related parties.

	December 31, 2021	December 31, 2020
Accounts receivable		
Thaitown Restaurant Management Co., Ltd.	$ 15,021	$ 15,135
Infinity Kitchen Co., Ltd.	9,915	4,128
Thai Gourmet International Trading Co., Ltd.	3,028	-
Subsidiary	1,220	1,469
	$ 29,184	$ 20,732
Other receivables		
Thaitown Restaurant Management Co., Ltd.	$ 7,411	$ 7,467
TTFB World Co., Ltd.	1,899	-
Subsidiary	831	1,663
Other related party	612	-
	$ 10,753	$ 9,130

Account receivables from related parties mainly involve labor service income, sales of goods and advance payment for customs declaration fees.

IV. Related party payment

	December 31, 2021	December 31, 2020
Accounts payable		
Yuen Kwan Co., Ltd.	$ 5,799	$ 7,618
Subsidiary	429	431
	$ 6,228	$ 8,049
Other payables		
Yuen Kwan Co., Ltd.	$ 139,867	$ 115,244
Subsidiary	10,538	6,378
Other related party	534	522
	$ 150,939	$ 122,144

Accounts payable are mainly processing fees and purchase of goods for inventory, and other payables are mainly agency collection and payment.

V. Operating expenses

	2021	2020
Subsidiary	$ 4,974	$ 4,416
Other related party	1,811	1,778
	$ 6,785	$ 6,194

Mainly refers to the related expenses paid for contracted purchase and operating lease.

VI. Non-operating income and expenses

	2021	2020
Rental income		
Subsidiary	$ 2,029	$ 2,032
Other miscellaneous incomes		
Subsidiary	$ 286	$ 286
Other related party	2,174	45
	$ 2,460	$ 331

VII. Leasing arrangements - lessee

(I) The Company leases offices from its subsidiaries, and the lease contract period is 10 years, with the payments made before the 26th of each month. The Company mainly leases houses from its related parties, and the lease contract period is 5 to 8 years, and the payments are made on the 10th of the next month.

(II) Acquire right-of-use assets

	December 31, 2021 Book value	December 31, 2020 Book value	2021 Depreciation expense	2020 Depreciation expense
Subsidiary	$ 5,419	$ 12,978	$ 1,220	$ 1,853
Other related party	28,525	9,393	3,875	2,689
	$ 33,944	$ 22,371	$ 5,095	$ 4,542

(III) Lease liabilities

A. Balance at the end of period

	December 31, 2021	December 31, 2020
Subsidiary	$ 5,594	$ 13,131
Other related party	29,887	9,452
	$ 35,481	$ 22,583

B. Interest expenses

	2021	2020
Subsidiary	$ 89	$ 155
Other related party	195	118
	$ 284	$ 273

(3) Compensation of key management personnel

	2021	2020
Salary and short-term employee benefits	$ 19,616	$ 23,391
Employment retirement benefits	638	843
Termination benefits	382	(93)
	$ 20,636	$ 24,141

8. Pledged assets

Assets pledged by the Company as collateral are as follows:

Assets	Book value December 31, 2021		Book value December 31, 2020		Purpose
Pledged time deposits (recognized as "Financial assets at amortized cost - current")	$	8,330	$	8,290	Performance guarantee
Property, plant and equipment		487,894		488,628	Long- and short-term borrowings
	$	496,224	$	496,918	

9. Material contingent liabilities and unrecognized contractual commitments

(1) Contingencies

None.

(2) Commitments

I. The capital expenditures for property, plant and equipment that have been contracted but not yet incurred as of December 31, 2021 and 2020 were $166,305 and $214,288, respectively.

II. Operating lease agreement

Please see Note 7.

10. Losses Due to Major Disasters

None.

11. Major Subsequent Issues

(1) Please refer to Note 6 (17) 5.(2) for the details of the 2021 earnings distribution.

(2) Part of the Company's inventories stored at Mayfull Logistics Corporation suffered from a fire incident on March 10, 2022. The fire has no impact on the Company's current supply. The inventories were insured with fire insurance policies. As of March 31, 2022, the related insurance claims are still in progress.

12. Others

(1) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amounts of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(2) Financial instruments

I. Types of financial instrument

	December 31, 2021	December 31, 2020
Financial assets		
Financial assets measured at amortized cost		
Cash and cash equivalents	$ 951,429	$ 940,897
Financial assets measured at amortized cost	178,330	492,170
Accounts receivable	282,685	267,300
Account receivable - related parties	29,184	20,732
Other receivables - related parties	10,753	9,130
Guarantee deposits paid (listed in "Other non-current assets")	48,898	43,063
	$ 1,501,279	$ 1,773,292
Financial liabilities		
Financial liabilities at amortized cost		
Financial liabilities at fair value through profit or loss - current	$ -	$ 560
Accounts payable - related parties	6,228	8,049
Other payables	464,521	468,068
Other payables - related parties	150,939	122,144
Corporate bonds payable (including current portion)	790,183	780,241
Long-term borrowings (including current portion)	190,125	74,110
Guarantee deposits received (listed in "Other non-current liabilities")	1,530	1,330
	$ 1,603,526	$ 1,454,502
Lease liabilities (Current and non-current)	$ 1,397,449	$ 1,647,531

II. Risk management policies

(I) The Company’s activities expose it to a variety of financial risks, including market risk (exchange rate, interest rate and price), credit risk and liquidity risk.

(II) Risk management is carried out by the Company's finance department under policies approved by the Board of Directors. Company finance department identifies, evaluates and hedges financial risks in close collaboration with the Company’s other operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as currency exchange risk, interest rate risk, credit risk, the use of derivatives and non-derivative financial instruments and investment of excess liquidity.

III. Significant financial risks and degrees of financial risks

(I) Market risk

Foreign exchange risk

A. The Company is a multinational operation and therefore is subject to exchange rate risk arising from transactions between the different currencies of the Company and counterparties, mainly in US dollars and RMB. The related exchange risk is from assets and liabilities already recognized.

B. The Company's management has set up policies to require the Company to hedges its overall exchange rate risk through its finance department.

C. The Company's operations involve certain non-functional currencies, so it is subject to the impact of exchange rate fluctuation. The details of assets and liabilities denominated in foreign currencies whose values would be materially affected by exchange rate fluctuations are as follows:

	December 31, 2021				
				Sensitivity Analysis	
	Foreign currency (in thousand)	Exchange rate	Book value (NTD)	Fluctuation	Profit and loss affected
(Foreign currency: Functional currency)					
Financial assets					
Monetary items					
RMB : NTD	$ 8,798	4.344	$ 38,219	1%	$ 382
USD : NTD	19	27.68	526	1%	5

	December 31, 2020				
				Sensitivity Analysis	
	Foreign currency (in thousand)	Exchange rate	Book value (NTD)	Fluctuation	Profit and loss affected
(Foreign currency: Functional currency)					
Financial assets					
Monetary items					
RMB : NTD	$ 3,626	4.377	$ 15,871	1%	$ 159
USD : NTD	1,154	28.48	32,866	1%	329

Price risk

The equity instruments owned by the Company exposing to the price risk are financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage the price risk of equity instruments, the Company diversifies its investment portfolio in a manner that is based on the limits set by the Company.

Cash flow and fair value interest rate risk

The Company has no debt instruments with significant exposure to interest rate risk.

(II) Credit risk

A. Credit risk refers to the risk of financial loss of the Company arising from default by the clients or counterparties of financial instruments under contract obligations, and the defaults are the contract cash flow from accounts receivable.

B. The management of credit risk is established with a Company perspective. According to the internal credit policy, each operating entity of the Company is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilization of credit limits is regularly monitored.

C. The Company uses IFRS 9 to provide an assumption that if a contract payment is overdue for more than 90 days in accordance with the agreed payment terms, it is considered a breach of contract.

D. The Company uses IFRS 9 to provide the following assumption as a basis for determining whether there is a significant increase in the credit risk of financial instruments after the original recognition:

If the contract payment is overdue for more than 30 days in accordance with the agreed payment terms, the credit risk of the financial asset is significantly increased since the original recognition.

E. The Company may write off the amount of financial assets that cannot be reasonably expected to be recovered after recourse. However, the Company will continue the recourse to protect the rights of the claims. For the years ended December 31, 2021 and 2020, the Company had no written-off claims that were still in recourse.

F. The expected loss rate of customers in the good-credit group is 0.03%. The total book values of accounts receivable on December 31, 2021 and 2020 were $282,781 and $267,387, respectively, and the loss allowances were $96 and $87, respectively.

G. The Company adopts a simplified method in which the loss allowance for the accounts receivable is shown as follows:

	2021
	Accounts receivable
January 1	$ 87
Impairment loss recognized	9
December 31	$ 96

	2020
	Accounts receivable
January 1	$ 84
Impairment loss recognized	3
December 31	$ 87

The impairment losses recognized on receivables arising from contracts with customers in 2021 and 2020 were $9 and $3, respectively.

(III) Liquidity risk

A. Cash flow forecasting is performed by the operating entities of the Company and aggregated by the Company's finance department. It monitors rolling forecasts of liquidity requirements to ensure the Company has sufficient cash to meet operational needs, and maintains sufficient unspent borrowing commitments at all times, so that the Company does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance, and compliance with internal balance sheet ratio targets.

B. The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

December 31, 2021

Non-derivative financial liabilities:	Within 1 year	1 to 2 years	Over 2 years
Accounts payable - related parties	$ 6,228	-	-
Other payables	464,521	-	-
Other payables - related parties	150,939	-	-
Bonds payable	799,800	-	-
Long-term borrowings	21,345	21,148	152,457
Lease liabilities	307,505	270,305	828,621
Guarantee deposits received (listed in "Other non-current liabilities")	-	-	1,530

December 31, 2020

Non-derivative financial liabilities:	Within 1 year	1 to 2 years	Over 2 years
Accounts payable - related parties	$ 8,049	-	-
Other payables	468,068	-	-
Other payables - related parties	122,144	-	-
Bonds payable	799,900	-	-
Long-term borrowings	915	14,149	61,731
Lease liabilities	329,268	286,024	1,084,234
Guarantee deposits received (listed in "Other non-current liabilities")	-	-	1,330

(3) Fair value information

I. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability. The call or put options embedded in the Company's convertible bonds are in this Level.

II. Financial instruments not measured at fair value

The book value of the Company's financial liabilities at fair value through profit or loss, and others such as cash and cash equivalents; financial assets at amortized cost -current, accounts receivable (related parties); other accounts receivable (related parties); refundable deposit (listed in "Other non-current assets"); short-term borrowings, accounts payable; other payables (related parties), corporate bonds payable; long-term borrowings; lease liabilities and deposits received (listed in "Other non-current liabilities") is a reasonable approximation of fair value.

III. The related information for financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities is as follows:

(I) The related information for the nature of the assets and liabilities is as follows:

December 31, 2021	Level 1	Level 2	Level 3	Total
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
Puttable convertible corporate bonds	$ -	$ -	$ -	$ -

December 31, 2020	Level 1	Level 2	Level 3	Total
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
Puttable convertible corporate bonds	$ -	$ -	$ 560	$ 560

(II) The fair value obtained through valuation techniques can refer to the current fair value of other financial instruments with similar substantive conditions and characteristics, discounted cash flow method, or other valuation techniques.

IV. The following table shows the changes in Level 3 in 2021 and 2020:

	2021	2020
	Debt	Debt
January 1	$ 560	$ 2,000
Recognized in profit or loss (Note)	(560)	(1,440)
December 31	$ -	$ 560

Note: Other gains and losses

V. External appraisers are commissioned to conduct the valuation procedures for fair value measurements classified in Level 3. They regularly calibrate valuation models, conduct back-tests, update inputs and data required for the valuation models and adjust any necessary fair value to ensure that the valuation results are reasonable.

VI. The quantitative information about the significant unobservable input value of the valuation model and the sensitivity analysis of the significant unobservable input value change used in the Level 3 fair value measurements are explained as follows:

	Fair value as of December 31, 2021	Valuation technique	Significant Unobservable inputs	Range (weighted average)	Relationship between inputs and fair value
Puttable convertible corporate bonds	$ -	Binary tree valuation method	Stock price volatility	22.5%	The higher the stock price volatility, the higher the fair value

	Fair value as of December 31, 2021	Valuation technique	Significant Unobservable inputs	Range (weighted average)	Relationship between inputs and fair value
Puttable convertible corporate bonds	$ 560	Binary tree valuation method	Stock price volatility	30.94%	The higher the stock price volatility, the higher the fair value

VII. The Company has carefully assessed the valuation models and parameters used to measure fair value. However, use of different valuation models or parameters may result in different measurement. For financial assets or liabilities classified in Level 3, changes in valuation parameters have the following impacts on the income or other comprehensive income of the period:

			December 31, 2021			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Inputs	Changes	Favorable change	Adverse changes	Favorable change	Adverse changes
Financial liabilities						
Puttable convertible corporate bonds	Stock price volatility	±5%	$ -	$ -	$ -	$ -

			December 31, 2020			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Inputs	Changes	Favorable change	Adverse changes	Favorable change	Adverse changes
Financial liabilities						
Puttable convertible corporate bonds	Stock price volatility	±5%	$ 20	$ 30	$ -	$ -

(4) Others

In response to the outbreak of the novel coronavirus pandemic, the government has upped the control to Level 3 since the middle of May 2021 which prohibited the consumption of food and beverages inside establishments, and the business of the food and beverage industry has been greatly affected.

In addition to integrating its six popular brands in a short period of time, the Company has built hundreds of cloud stores of the brands to demonstrate its cloud competitiveness as the largest take-out and delivery service in the country, and the take-out and delivery service has also been fully upgraded. The related services of "Worry-Free Restaurant" have also evolved according to the needs of take-out and delivery. A new food pickup process has been designed, and the pandemic control equipment in the surrounding environments and job sites gas also been improved.

During the Level 3 pandemic control period, food take-out and delivery have become the mainstream consumption for those who used to dine out. The Group has launched the personal meal box subscription program to cater to office workers, single people or small families, and it is expected that more food and beverage business opportunities will be created. The Company has also recently formed in-house brand delivery fleets for particular business districts. From the selection of food ingredients, cooking methods to delivery, the Group has controlled the every aspect of delivery business, ensuring the safety and deliciousness of delivered meals. Since the end of July 2021, the government has lowered the pandemic control alert to Level 2. After dine-in services are re-opened, consumers have begun to eat in restaurants again, which is helpful to the business.

For the Company's net cash flow from operating activities, the unused loan amount is $2,005,000. The Company has sufficient working capital, and there is no risk to future operations and financing.

13. Additional Disclosures

(1) Significant transactions information

I. Loans to others: None.

II. Provision of endorsements and guarantees to others: None.

III. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to Table 1.

IV. Acquisition or sale of the same security with the accumulated cost reaching NT$300 million or 20% of the Company's paid-in capital: None.

V. Acquisition of real estate reaching NT$300 million or 20% of paid-in capital or more: None. Please see Table 2.

VI. Disposal of real estate reaching NT$300 million or 20% of paid-in capital or more: None.

VII. Purchases from or sales to related parties with amounts exceeding NT$100 million or 20% of paid-in capital or more: Please refer to Table 3.

VIII. Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more: Please refer to Table 4.

IX. Engaged in derivative trading: None.

X. Significant inter-company transactions during the reporting periods: Please refer to Table 5.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in China): Please refer to Table 6.

(3) Information on investments in China

I. Basic information: Please refer to Table 7.

II. Significant transactions, either directly or indirectly through a third area, with investee companies in China: Please see Table 5.

(4) Information on Major Shareholders

Information on major shareholders: Detailed in Table 8.

14. Operating Segments Information

Not applicable.

TTFB Company Limited

Holdings of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

January 1 to December 31, 2021

Table 1

Unit: TWD 1,000

(Unless otherwise specified)

Securities held by	Types of negotiable securities	Names of negotiable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	End of period				Remarks (Note 4)
					Number of Shares	Book value (Note 3)	Ownership	Fair value	
Kung Fu Kitchen Co., Ltd.	Stocks	Infinity Kitchen Co., Ltd.	Other related party	Financial assets at fair value through other comprehensive income - non-current	1,900,000	$16,986	19%	$16,986	None

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities within the scope of IFRS 9, Financial Instruments.

Note 2: The box is exempt if the issuer of the negotiable securities is not a related person.

Note 3: Fair value is determined based on fair value less accumulated impairment for marketable securities measured at fair value. Fair value is determined based on the acquisition cost or amortized cost less accumulated impairment for marketable securities not measured at fair value.

Note 4: If the listed negotiable securities are restricted due to being used as a guarantee, pledge or other agreements, the remark box shall be filled with a description to clarify the number of shares as guarantee or borrowings or the amount and restrictions.

TTFB Company Limited

Acquisition of real estate exceeding NT$300 million or 20% of paid-in capital

January 1 to December 31, 2021

Table 2

Unit: TWD 1,000

(Unless otherwise specified)

Company acquiring real property	Property Name	Date of the occurrence of the event (Note 3)	Transaction Amount (Note 4)	Payment Status	Counterparty	Relationship with the endorser/guarantor	If the transaction counterparty is a related person, the data on the previous transfer				Reference for price determination (Note 1)	Purpose of acquisition and use status	Other provisions
							Owner	Relationship	Date of transfer	Amount			
TTFB Company Limited	Unfinished construction and equipment under acceptance	2019 to 2021	$ 271,619	$ 235,119	Engtown Construction Corporation	Non-related party	-	-	-	-	-	Established a global R&D center	-
TTFB Company Limited	Unfinished construction and equipment under acceptance	2020 to 2021	53,000	34,450	Dung-Cheng Technology Co., Ltd.	Non-related party	-	-	-	-	-	Established a global R&D center	-

Note 1: If the acquired assets need to be appraised, the appraisal results should be indicated in the "Reference for price determination".
Note 2: Paid-in capital refers to the amount in paid-in capital of the parent company. In the event the issuer's shares have no par value or a par value other than NT$10, the calculation of transaction amounts of 20% of paid-in capital will be substituted by the 10% of equity attributable to owners of the parent company.
Note 3: Date of occurrence: Refers to the earliest of the signing date, payment date, deal date, date of ownership transfer, board of directors' resolution date or any other dates when the transaction counterparty and the amount can be verified with certainty.
Note 4: The transaction amount is disclosed based on the contract price.

TTFB Company Limited

Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more

January 1 to December 31, 2021

Table 3

Unit: TWD 1,000

(Unless otherwise specified)

				Transaction			Differences in transaction terms compared with third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with theendorser/guarantor	Purchase / Sales	Amount	Percentage of total purchases (sales)	Credit term	Unit Price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Remarks
TTFB Company Limited	Yuen Kwan Co., Ltd.	Subsidiary	Processing expense	$ 57,531	5.51%	Net 30	Same with other transactions	Net 30	($ 5,799)	93.11%	

TTFB Company Limited

Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more

December 31, 2021

Table 4

Unit: TWD 1,000

(Unless otherwise specified)

Company in accounts receivable	Counterparty	Relationship with the endorser/guarantor	Balance of AR from related party	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Amount of recognized allowance for bad debts
					Amount	Actions Taken		
Yuen Kwan Co., Ltd.	TTFB Company Limited	Parent company	$ 139,867	Note 1	$ -	-	$ 135,810	-

Note 1: It is of the nature of collection of payment as an agent, so it is not applicable.

TTFB Company Limited
Significant inter-company transactions during the reporting periods
January 1 to December 31, 2021

Table 5

Unit: TWD 1,000
(Unless otherwise specified)

				Status of transaction			
Code (Note 1)	Company Name	Counterparty	Relationship (Note 2)	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (%) (Note 3)
0	TTFB Company Limited	Yuen Kwan Co., Ltd.	1	Processing expense	$ 57,531	The Company and related parties handle and receive payment according to the agreed purchase price and conditions.	1.36
0	TTFB Company Limited	Yuen Kwan Co., Ltd.	1	Rental income	2,006	The Company and related parties handle and receive payment according to the agreed purchase price and conditions.	0.05
0	TTFB Company Limited	Yuen Kwan Co., Ltd.	1	Operating expenses	2,514	The Company and related parties handle and receive payment according to the agreed purchase price and conditions.	0.06
0	TTFB Company Limited	Yuen Kwan Co., Ltd.	1	Accounts receivable	1,219	The Company and related parties handle and receive payment according to the conditions agreed in the contracts.	0.02
0	TTFB Company Limited	Yuen Kwan Co., Ltd.	1	Accounts payable	5,799	The Company and related parties handle and receive payment according to the conditions agreed in the contracts.	0.11
0	TTFB Company Limited	Yuen Kwan Co., Ltd.	1	Other payables	139,867	The Company and related parties handle and receive payment according to the agreed outsourcing procurement price and conditions.	2.62
0	TTFB Company Limited	So Delicious Restaurant Management Co., Ltd.	1	Right-of-use assets	5,419	The Company and related parties handle and receive payment according to the conditions agreed in the contracts.	0.10
0	TTFB Company Limited	So Delicious Restaurant Management Co., Ltd.	1	Lease liabilities	5,594	The Company and related parties handle and receive payment according to the conditions agreed in the contracts.	0.10
0	TTFB Company Limited	So Delicious Restaurant Management Co., Ltd.	1	Depreciation expenses - right-of-use assets	1,220	The Company and related parties handle and receive payment according to the conditions agreed in the contracts.	0.03
0	TTFB Company Limited	Thai Gourmet International Trading Co., Ltd.	1	Purchase	42,567	The Company and related parties handle and receive payment according to the agreed purchase price and conditions.	1.01
0	TTFB Company Limited	Thai Gourmet International Trading Co., Ltd.	1	Accounts receivable	3,028	The Company and related parties handle and receive payment according to the conditions agreed in the contracts.	0.06
0	TTFB Company Limited	Thai Gourmet International Trading Co., Ltd.	1	Sales	2,415	The Company and related parties handle and receive payment according to the agreed sales price and conditions.	0.06

0	TTFB Company Limited	Thai Gourmet International Trading Co., Ltd.	1	Other payables	4,158	The Company and related parties handle and receive payment according to the agreed outsourcing procurement price and conditions.	0.08
0	TTFB Company Limited	TTFB World Co., Ltd.	1	Other receivables	1,899	The Company and related parties handle and receive payment according to the agreed outsourcing procurement price and conditions.	0.04
0	TTFB Company Limited	Thaitown Restaurant Management Co., Ltd.	1	Accounts receivable	15,021	The Company and related parties handle and receive payment according to the conditions agreed in the contracts.	0.28
0	TTFB Company Limited	Thaitown Restaurant Management Co., Ltd.	1	Other receivables	7,411	The Company and related parties handle and receive payment according to the conditions agreed in the contracts.	0.14
0	TTFB Company Limited	Thaitown Restaurant Management Co., Ltd.	1	Other payables	6,315	The Company and related parties handle and receive payment according to the conditions agreed in the contracts.	0.12
1	Yuen Kwan Co., Ltd.	Thaitown Restaurant Management Co., Ltd.	3	Sales	2,654	The Company and related parties handle and receive payment according to the agreed sales price and conditions.	0.06

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 the counterparty is classified into the following three categories; fill in the number of categories each case belongs to (If transactions between the parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose it 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 subsidiaries.

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

Note 4: Individual transactions with an amount less than $1,000 wil not be disclosed.

TTFB Company Limited
Names, locations and other information of investee companies (not including investees in China)
January 1 to December 31, 2021

Table 6

Unit: NT$ 1000
(Unless otherwise specified)

Name of Investor	Investee (Note 1, 2)	Location	Main business activities	Initial investment amount: Balance at the end of the period	Initial investment amount: End of the previous year	Shares held as of the end of period: Number of Shares	Shares held as of the end of period: Ownership	Shares held as of the end of period: Book value	Net profit (loss) of the investee for the current period (Note 2 (2))	Investment income(loss) recognized by the Company for the current period (Note 2 (3))	Remarks
TTFB Company Limited	So Delicious Restaurant Management Co., Ltd.	Taiwan	Holding company	$ 400,000	$ 400,000	40,000,000	100	$ 321,702	$ 5,001	$ 5,001	Subsidiary
TTFB Company Limited	Yuen Kwan Co., Ltd.	Taiwan	Retail sale of agricultural and fishery products	1,913	1,913	100,000	100	9,231	3,432	3,432	Subsidiary
TTFB Company Limited	Wachan International Ltd.	Taiwan	Retail sale of food and beverage	1,000	1,000	100,000	100	885	2	2	Subsidiary
TTFB Company Limited	Very Thai Co., Ltd.	Taiwan	Retail sale of food and beverage	1,000	1,000	100,000	100	982	21	21	Subsidiary
So Delicious Restaurant Management Co., Ltd.	TTFB World Co., Ltd. (B.V.I.)	British Virgin Islands	Holding company	220,305	218,082	36,251	100	159,810	(2,512)	-	Subsidiary of the Company
So Delicious Restaurant Management Co., Ltd.	Thai Gourmet International Trading Co., Ltd.	Taiwan	Wholesale of food and beverage	21,000	21,000	2,100,000	100	36,253	14,464	-	Subsidiary of the Company
So Delicious Restaurant Management Co., Ltd.	Kung Fu Kitchen Co., Ltd.	Taiwan	Retail sale of food and beverage	20,000	20,000	2,000,000	100	17,463	(519)	-	Subsidiary of the Company
So Delicious Restaurant Management Co., Ltd.	YUM-Tech Co., Ltd.	Taiwan	Wholesale of food and beverage	1,000	1,000	100,000	100	605	(146)	-	Subsidiary of the Company
So Delicious Restaurant Management Co., Ltd.	Great Win Logistics Co., Ltd.	Taiwan	Wholesale of food and beverage	1,000	1,000	100,000	100	913	(28)	-	Subsidiary of the Company
So Delicious Restaurant Management Co., Ltd.	Fresh Daily Co., Ltd.	Taiwan	Wholesale of food and beverage	1,000	1,000	100,000	100	913	(28)	-	Subsidiary of the Company

So Delicious Restaurant Management Co., Ltd.	Fast Gourmet Co., Ltd.	Taiwan	Wholesale of food and beverage	1,000	1,000	100,000	100	925	(28)	-	Subsidiary of the Company
So Delicious Restaurant Management Co., Ltd.	TT Technology Lab Co., Ltd.	Taiwan	Software industry	16,000	-	1,600,000	100	8,609	(7,391)	-	Subsidiary of the Company
So Delicious Restaurant Management Co., Ltd.	An Hsin Environmental Co., Ltd.	Taiwan	Cleaning and environmental protection	1,000	-	100,000	100	990	(10)	-	Subsidiary of the Company
TTFB World Co., Ltd. (B.V.I.)	TTFB World Co., Ltd. (CAYMAN)	Cayman Islands	Holding company	196,347	195,430	6,145,161	100	136,577	(1,814)	-	Subsidiary of the Company
TTFB World Co., Ltd. (B.V.I.)	Mega City Food Court Limited (CAYMAN)	Cayman Islands	Holding company	34,950	33,895	1,089,000	100	18,763	(661)	-	Subsidiary of the Company
TTFB World Co., Ltd. (CAYMAN)	TTFB World Co., Ltd. (SAMOA)	Samoa	Holding company	197,105	197,105	6,076,161	100	135,899	(1,634)	-	Subsidiary of the Company
Mega City Food Court Limited (CAYMAN)	Mega City Food Court Limited (H.K.)	Hong Kong	Holding company	33,292	33,153	1,015,000	100	20,902	(481)	-	Subsidiary of the Company
TTFB World Co., Ltd. (SAMOA)	TTFB World Co., Ltd.	Taiwan	Holding company	40,150	40,150	4,015,000	100	25,629	541	-	Subsidiary of the Company

Note 1: If the publicly listed company has an overseas holding company and uses the consolidated financial report as the main financial report in accordance with the local laws and regulations, the disclosure of the overseas invested company may only disclose the relevant information of the holding company.

Note 2: Those that are not as described in Note 1 shall be filled in accordance with the following rules:

(1) "Investee," "Location," "Main business activities," "Initial investment amount" and "End-of-year shareholdings" are to be filled on order of the Company (publicly listed) and its re-investment and all investees either directly or indirectly invested and the further re-investment. The relation (either subsidiaries or second-tier subsidiaries) between investees and the Company (publicly listed) are to be specified in the remarks field.

(2) The field of "Net profit (loss) of the investee for the year ended" shall have the profit or loss of each investee filled in.

(3) The field of "Investment income (loss) recognized by the Company for the year ended" only requires the Company (publicly listed) to recognize the directly-invested subsidiaries and the profit or loss incurred by adopting the equity method, and the rest can be omitted. When filling in "Recognition of profit or loss in directly-invested subsidiaries for the year", make sure that the profit or loss of subsidiary have included their own profit or loss incurred in their re-investment. When filling in "Recognition of profit or loss in directly-invested subsidiaries for the year," make sure that the profit or loss of subsidiary have included their own profit or loss incurred in their re-investment.

TTFB Company Limited
Information on investments in China
January 1 to December 31, 2021

Table 7

Unit: NT$1,000
(Unless otherwise specified)

Investee in China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to China as of January 1, 2021	Amount remitted from Taiwan to China/Amount remitted back to Taiwan for the period: Remitted to	Amount remitted from Taiwan to China/Amount remitted back to Taiwan for the period: Remitted back	Accumulated amount of remittance from Taiwan to China as of December 31, 2021	Net profit (loss) of the investee for the current period	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the year ended December 31, 2021 (Note 2)	Book value of investments in China as of December 31, 2021	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2021	Remarks
Thaitown Restaurant Management Co., Ltd.	Food and beverage management and liquor wholesale	$ 189,156	Note1(2)	$ 189,156	$ -	$ -	$ 189,156	($ 2,601)	100	($ 2,601)	$ 130,297	-	Note 2 (2) B and Note 4

Company Name	Accumulated amount of remittance from Taiwan to China as of December 31, 2021	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in China imposed by the Investment Commission of MOEA
TTFB Company Limited and Subsidiaries	$ 189,156	$ 292,214	$ 1,195,489

Note 1: Investment methods are classified into the following three categories; fill in the number of categories each case belongs to:
(1) Directly invest in a company in China.
(2) Through investing in an existing company in the third area (TTFB World Co., Ltd. (SAMOA) and Mega City Food Court Limited (H.K.)), which then invested in China.
(3) Others
Note 2: Net profit (loss) of the investee for the year:
(1) If it is still under preparation with no actual gain or loss, it shall be indicated in the box.
(2) The basis for recognition of the investment gains or losses is divided into the following three,
A. Financial statements audited and validated by an international accounting firm that has a collaborative relationship with CPA firms in Taiwan.
B. Financial statements audited and validated by a certified accountant or accounting firm who work with the parent company in Taiwan.
C. Others.
Note 3: The relevant figures in this table should be presented in New Taiwan Dollars.
Note 4: As of December 31, 2021, the accumulated investment remittance to Thaitown Restaurant Management Co., Ltd. is US$ 5,793,264.

TTFB Company Limited

Information on Major Shareholders

December 31, 2021

Table 8

	Shares	
Name of Main Shareholders	No. of shares held	Ownership
ZHE TAI CO., LTD.	6,155,000	26.45%
CHEN-I HSU	4,637,000	19.92%
Fubon Life Insurance	1,449,000	6.22%
HUAN TAI LTD.	1,393,000	5.98%

TTFB Company Limited
Cash and cash equivalents
December 31, 2021

Schedule 1 Unit: NT$1,000

Items	Summary		Amount
Cash on hand and petty cash			$ 7,957
Demand deposits and checking account deposits denominated in NTD			243,271
Demand deposit in foreign currency	US$ 19,375.27	Exchange rate 27.68	537
	RMB 551,447.91	Exchange rate 4.344	2,395
Certificate of deposit in NTD	The maturity date is from January to March 29, 2022, and the annual interest rate is 0.05% to 0.37%.		683,880
Certificate of deposit in foreign currency	RMB 3,082,264.79 Exchange rate 4.344 The maturity date is on January 5, 2022, and the annual interest rate is 2.5%.		13,389
			$ 951,429

TTFB Company Limited
Accounts receivable
December 31, 2021

Schedule 2 — Unit: NT$1,000

Client Name	Amount	Remarks
Customer A	$ 17,423	
Customer B	13,909	
Others	251,449	The balance of each client did not exceed 5% of this account.
	282,781	
Less: Loss allowance	(96)	
	$ 282,685	

TTFB Company Limited
Changes in investments accounted for using equity method
January 1 to December 31, 2021

Schedule 3

Unit: NT$1,000

Title	Opening Balance Number of shares (thousand)	Opening Balance Amount	Increase this period (Note 1) Number of shares (thousand)	Increase this period (Note 1) Amount	Decrease this period (Note 2) Number of shares (thousand)	Decrease this period (Note 2) Amount	Balance at the end of period Number of shares (thousand)	Balance at the end of period Ownership	Balance at the end of period Amount	Equity net value
So Delicious Restaurant Management Co., Ltd.	40,000	$ 319,761	-	$ 5,001	-	($ 3,060)	40,000	100%	$ 321,702	$ 321,529
Yuen Kwan Co., Ltd.	100	5,799	-	3,432	-	-	100	100%	9,231	10,834
Wachan International Ltd.	100	883	-	2	-	-	100	100%	885	141
Very Thai Co., Ltd.	100	961	-	21	-	-	100	100%	982	105
		$ 327,404		$ 8,456		($ 3,060)			$ 332,800	$ 332,609

Note 1: The increase in the current period is the investment income recognized by using the equity method.

Note 2: The decrease in the current period is the exchange differences arising from translation of foreign operations and other comprehensive income recognized by using the equity method.

TTFB Company Limited
Changes in right-of-use assets
January 1 to December 31, 2021

Schedule 4

Unit: NT$1,000

Items	Opening Balance	Increase this period	Decrease this period	Balance at the end of period	Remarks
Cost:					
Buildings	$ 2,300,535	$ 140,044	($ 100,429)	$ 2,340,150	
Accumulated depreciation:					
Buildings	($ 661,115)	($ 322,059)	$ 26,042	($ 957,132)	
Total	$ 1,639,420	($ 182,015)	($ 74,387)	$ 1,383,018	

TTFB Company Limited
Long-term borrowings
December 31, 2021

Schedule 5

Unit: NT$1,000

Creditors	Summary	Mature within one year	Maturity of more than one year	Total	Contract Duration	Interest Rate	Pledge or Guarantee	Remarks
CTBC Bank	Long-term borrowings (secured)	$ 639	$ 5,591	$ 6,230	2019.11~2024.11	1.02%	Property, plant and equipment	
CTBC Bank	Long-term borrowings (secured)	2,930	25,638	28,568	2020.03~2024.11	1.02%	Property, plant and equipment	
CTBC Bank	Long-term borrowings (secured)	2,505	21,919	24,424	2020.05~2024.11	1.02%	Property, plant and equipment	
CTBC Bank	Long-term borrowings (secured)	1,337	11,699	13,036	2020.06~2024.11	1.02%	Property, plant and equipment	
CTBC Bank	Long-term borrowings (secured)	2,433	21,289	23,722	2021.01~2024.11	1.02%	Property, plant and equipment	
CTBC Bank	Long-term borrowings (secured)	2,751	24,071	26,822	2021.04~2024.11	1.02%	Property, plant and equipment	
CTBC Bank	Long-term borrowings (secured)	766	6,703	7,469	2021.05~2024.11	1.02%	Property, plant and equipment	
CTBC Bank	Long-term borrowings (secured)	1,718	15,032	16,750	2021.05~2024.11	1.02%	Property, plant and equipment	
CTBC Bank	Long-term borrowings (secured)	786	6,878	7,664	2021.07~2024.11	1.02%	Property, plant and equipment	
CTBC Bank	Long-term borrowings (secured)	3,635	31,805	35,440	2021.08~2024.11	1.02%	Property, plant and equipment	
		$ 19,500	$ 170,625	$ 190,125				

TTFB Company Limited
Lease liabilities
December 31, 2021

Schedule 6 Unit: NT$1,000

Items	Summary	Lease Period	Discount rate	Balance at the end of period	Remarks
Buildings	Stores and offices for operations	October 2011 to July 2033	1.20%	$ 1,397,449	

TTFB Company Limited
Bonds payable
December 31, 2021

Schedule 7 Unit: NT$1,000

Name of bonds	Trustee	Date of issue	Interest payment date	Interest Rate	Amount issued	Amount paid	Amount Balance at the end of period	Unamortized premium (discount)	Book value	Repayment methods	Collateral	Remarks
TTFB Company Limited first series domestic unsecured convertible bonds	Fubon Securities Co. Ltd.	108.12.11	-	0.00%	$ 800,000	$ -	$799,800	($ 9,617)	$790,183	Repayment in cash at maturity according to the face value of the bond	None	None
Less: Corporate bonds matured in one year or a business cycle or have the put option exercised									(790,183)			
									$ -			

Note: As of December 31, 2021, a total of $200 in face value had been converted into 680 shares of common stock.

TTFB Company Limited
Operating costs
January 1 to December 31, 2021

Schedule 8 Unit: NT$1,000

Items	Amount	Remarks
Opening raw materials inventory	$ 61,771	
Add: Incoming materials in the current period	1,085,390	
Less: Ending raw materials inventory	(96,626)	
Direct materials	1,050,535	
Director labor	439,585	
Manufacturing cost	562,495	
Manufacturing expenses	2,052,615	
Add: Opening work-in-progress inventory	43,457	
Less: Ending work-in-progress inventory	(56,308)	
Reclassified as other expenses	(4,209)	
	2,035,555	
Add: Opening product inventory	651	
Less: Ending product inventory	(219)	
Operating cost in the current period	$ 2,035,987	

TTFB Company Limited
Marketing expenses
January 1 to December 31, 2021

Schedule 9 Unit: NT$1,000

Items	Summary	Amount	Remarks
Salaries expense		$ 463,290	
Depreciation expense		336,782	
Handling fee		161,191	
Rent expense		107,894	
Water, electricity and gas utilities		88,574	
Others		290,448	The balance of each separate account did not exceed 5% of balance of this account.
		$ 1,448,179	

TTFB Company Limited
General and administrative expenses
January 1 to December 31, 2021

Schedule 10 Unit: NT$1,000

Items	Summary	Amount	Remarks
Salaries expense		$ 218,408	
Insurance expenses		21,613	
Depreciation expense		20,626	
Others		119,466	The balance of each separate account did not exceed 5% of balance of this account.
		$ 380,113	

TTFB Company Limited
Employee benefits, depreciation and amortization expenses
January 1 to December 31, 2021

Schedule 11

Unit: NT$1,000

	2021			2020		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
All employees						
Welfare expenses						
Payroll expenses	$ 419,562	$ 648,659	$ 1,068,221	$ 425,903	$ 688,046	$ 1,113,949
Labor and health insurance fees	47,837	77,195	125,032	45,695	73,425	119,120
Pension costs	20,023	35,231	55,254	21,200	36,075	57,275
Directors' remuneration	-	951	951	-	2,310	2,310
Other personnel expenses	10,684	38,751	49,435	10,377	41,638	52,015
Regular employees						
Welfare expenses						
Payroll expenses	$ 398,965	$ 442,481	$ 841,446	$ 411,796	$ 455,078	$ 866,874
Labor and health insurance fees	45,784	50,564	96,348	44,478	47,968	92,446
Pension costs	19,449	24,113	43,562	20,889	24,490	45,379
Directors' remuneration	-	951	951	-	2,310	2,310
Other personnel expenses	9,926	20,392	30,318	9,568	21,010	30,578
Depreciation expense	177,268	357,408	534,676	184,436	388,963	573,399
Amortization expense	-	10,510	10,510	-	11,469	11,469

Notes:

1. As of the end of 2021 and 2020, the total number of employee was 3,222 and 3,386, respectively; the number of regular employees was 1,594 and 1,675, respectively, and the number of directors who did not hold a concurrent position as an employee was 6 and 6, respectively.
2. The Company's stocks are listed on the Taipei Exchange and the following information is disclosed:
   (1) For 2021 and 2020, the average benefit expenditures for all employees were $404 and $397, respectively, and the average benefit expenditures for regular employees were $637 and $620, respectively.
   (2) For 2021 and 2020, the average salary expenses for all employees were $332 and 330, respectively, and the average salary expenses for regular employees were $530 and $519, respectively.
   (3) The average of salary expenses for all employees is adjusted by 0.61%, and the average of salary expenses for regular employees is adjusted by 2.12%.
   (4) The Company has set up an audit committee in 2021 and 2020, so there is no remuneration for supervisors.