Stock Code:7791

LUCKY ROYAL CO., LTD.

Financial Statements

With Independent Auditors' Review Report
For the Six Months Ended June 30, 2026 and 2025

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The independent auditors' review report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and financial statements, the Chinese version shall prevail.

Table of contents

Contents	Page
1. Cover Page	1
2. Table of Contents	2
3. Independent Auditors' Review Report	3
4. Balance Sheets	4
5. Statements of Comprehensive Income	5
6. Statements of Changes in Equity	6
7. Statements of Cash Flows	7
8. Notes to the Financial Statements	
(1) Company history	8
(2) Approval date and procedures of the financial statements	8
(3) Application of new and revised standards, amendments and interpretations	8～10
(4) Summary of material accounting policies	10
(5) Critical accounting judgments and key sources of estimation and assumptions uncertainty	11
(6) Explanation of significant accounts	11～30
(7) Related-party transactions	30～35
(8) Pledged assets	35
(9) Significant contingent liabilities and unrecognized commitments	35～36
(10) Losses Due to Major Disasters	36
(11) Subsequent Events	36
(12) Other	36～37
(13) Other disclosures	
(a) Information on significant transactions	38
(b) Information on investees	38
(c) Information on investment in mainland China	38
(14) Segment information	39～40

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Independent Auditors' Review Report

To the Board of Directors of Lucky Royal Co., Ltd.:

Introduction

We have reviewed the accompanying balance sheets of Lucky Royal Co., Ltd. ("the Company") as of June 30, 2026 and 2025, and the related statements of comprehensive income for the three months and six months ended June 30, 2026 and 2025, as well as the changes in equity and cash flows for the six months then ended, and the related notes to the financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of the financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing of the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG, a Taiwan partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying financial statements do not present fairly, in all material respects, the financial position of Lucky Royal Co., Ltd. as of June 30, 2026 and 2025, and of its financial performance for the three months and six months ended June 30, 2026 and 2025, as well as its cash flows for the six months ended June 30, 2026 and 2025 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Huang, Tsai-Chuan and Wu, Chung-Shun.

KPMG

Taipei, Taiwan (Republic of China)
August 12, 2026

Notes to Readers

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

The auditors' review report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors' review report and financial statements, the Chinese version shall prevail.

(English Translation of Financial Statements and Report Originally Issued in Chinese)

LUCKY ROYAL CO., LTD.

Balance Sheets

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

(Expressed in Thousands of New Taiwan Dollars)

	Assets	June 30, 2026 Amount	%	December 31, 2025 Amount	%	June 30, 2025 Amount	%
	Current assets:						
1100	Cash and cash equivalents (note 6(a))	$ 382,594	10	678,526	16	243,119	6
1150	Notes receivable, net (notes 6(c) and (p))	62,800	2	72,415	2	68,022	2
1170	Accounts receivable, net (notes 6(c) and (p))	446,978	12	241,663	6	453,101	11
1180	Accounts receivable－related parties, net (notes 6(c), (p) and 7)	269	-	264	-	283	-
1200	Other receivables (note 6(d))	953	-	1,074	-	103	-
1210	Other receivables－related parties (notes 6(d) and 7)	3,632	-	2,864	-	4,179	-
130x	Inventories (note 6(e))	265,796	7	242,671	6	281,365	7
1470	Prepayments and other current assets	42,997	1	20,248	-	37,325	1
	Total current assets	1,206,019	32	1,259,725	30	1,087,497	27
	Non-current assets:						
1517	Financial assets measured at fair value through other comprehensive income－non-current (note 6(b))	1,450,300	38	1,809,547	43	1,884,656	46
1600	Property, plant and equipment (notes 6(f) and 9)	1,015,816	27	952,909	23	687,923	17
1755	Right-of-use assets (notes 6(g) and 7)	56,934	1	63,916	2	74,654	2
1760	Investment property (notes 6(h) and 7)	53,442	1	53,954	1	54,466	1
1840	Deferred tax assets	3,033	-	3,033	-	5,747	-
1915	Prepayments for equipment (note 9)	21,924	1	52,429	1	300,854	7
1920	Refundable deposits	1,966	-	1,945	-	2,598	-
	Total non-current assets	2,603,415	68	2,937,733	70	3,010,898	73
	Total assets	**$ 3,809,434**	**100**	**4,197,458**	**100**	**4,098,395**	**100**

	Liabilities and Equity	June 30, 2026 Amount	%	December 31, 2025 Amount	%	June 30, 2025 Amount	%
	Current liabilities:						
2100	Short-term borrowings (notes 6(i) and 9)	$ -	-	-	-	215,000	5
2110	Short-term commercial paper payables (note 6(i))	-	-	-	-	24,990	1
2170	Accounts payable	210,333	6	123,423	3	219,277	6
2180	Accounts payable－related parties (note 7)	14,902	-	7,038	-	16,673	-
2200	Other payables (notes 6(l) and (q))	197,749	5	175,492	5	256,970	6
2216	Dividend payables (note 6(n))	-	-	-	-	231,000	6
2220	Other payables－related parties (note 7)	12,109	-	7,912	-	11,731	-
2230	Current income tax liabilities	26,152	1	86,807	2	74,074	2
2281	Current lease liabilities－non-related parties (note 6(j))	4,536	-	3,991	-	5,649	-
2282	Current lease liabilities－related parties (notes 6(j) and 7)	14,535	-	14,450	-	14,366	-
2399	Other current liabilities	4,900	-	4,057	-	1,384	-
	Total current liabilities	485,216	12	423,170	10	1,071,114	26
	Non-Current liabilities:						
2540	Long-term borrowings (note 6(i))	-	-	-	-	80,000	2
2570	Deferred tax liabilities	65,610	2	65,610	2	65,610	2
2581	Non-current lease liabilities－non-related parties (note 6(j))	6,161	-	6,672	-	8,395	-
2582	Non-current lease liabilities－related parties (notes 6(j) and 7)	32,836	1	40,124	1	47,371	1
2640	Net defined benefit liabilities－non-current	26,540	1	26,606	1	31,111	1
2645	Guarantee deposits received	10	-	10	-	10	-
	Total non-current liabilities	131,157	4	139,022	4	232,497	6
	Total liabilities	616,373	16	562,192	14	1,303,611	32
	Equity (notes 6(b) and (n)):						
3110	Common stock	800,000	21	800,000	19	700,000	17
3200	Capital surplus	699,871	18	699,871	17	6,315	-
	Retained earnings:						
3310	Legal reserve	348,943	9	306,368	7	306,368	7
3320	Special reserve	25,202	1	41,888	1	41,888	1
3350	Unappropriated earnings	398,859	11	510,402	12	388,367	10
		773,004	21	858,658	20	736,623	18
	Other equity:						
3420	Unrealized gains on financial assets measured at fair value through other comprehensive income	920,186	24	1,276,737	30	1,351,846	33
	Total equity	3,193,061	84	3,635,266	86	2,794,784	68
	Total liabilities and equity	**$ 3,809,434**	**100**	**4,197,458**	**100**	**4,098,395**	**100**

See accompanying notes to the financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

LUCKY ROYAL CO., LTD.

Statements of Comprehensive Income

For the three months and six months ended June 30, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars, except for Earnings per Common Share)

		For the three months ended June 30				For the six months ended June 30			
		2026		2025		2026		2025	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	**Operating revenue (notes 6(h), (j), (p) and 7)**	$ 673,825	100	734,104	100	1,160,131	100	1,268,280	100
5000	**Operating costs (notes 6(e), (f), (g), (h), (j), (l), (q), 7 and 9)**	442,610	66	465,831	63	754,512	65	818,763	65
5900	**Gross profit**	231,215	34	268,273	37	405,619	35	449,517	35
6000	**Operating expenses (notes 6(c), (d), (f), (g), (j), (l), (q) and 7):**								
6100	Selling expenses	113,560	17	117,298	16	207,185	18	181,462	14
6200	Administrative expenses	22,548	3	18,235	3	49,771	4	37,829	3
6300	Research and development expenses	10,674	1	10,288	1	21,840	2	21,785	2
6450	Reversal of impairment loss determined in accordance with IFRS9	(928)	-	(694)	-	(928)	-	(238)	-
	Total operating expenses	145,854	21	145,127	20	277,868	24	240,838	19
6900	**Operating income**	85,361	13	123,146	17	127,751	11	208,679	16
7000	**Non-operating income and expenses (notes 6(b), (j), (r) and 7):**								
7100	Interest income	1,828	-	116	-	3,771	-	250	-
7010	Other income	1,734	-	5,631	1	75,420	7	120,867	9
7020	Other gains and losses	(124)	-	(2,842)	-	(107)	-	(3,119)	-
7050	Finance costs	(188)	-	(1,397)	(1)	(390)	-	(2,128)	-
	Total non-operating income and expenses	3,250	-	1,508	-	78,694	7	115,870	9
7900	**Profit before income tax**	88,611	13	124,654	17	206,445	18	324,549	25
7950	**Less: income tax (benefit) expense (note 6(m))**	21,355	3	24,931	3	(10,056)	(1)	38,625	3
	Net profit for the period	67,256	10	99,723	14	216,501	19	285,924	22
8300	**Other comprehensive income (loss) (note 6(n)):**								
8310	**Items that will not be reclassified subsequently to profit or loss**								
8316	Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income	(225,602)	(33)	(305,008)	(42)	(353,906)	(31)	(410,544)	(32)
8349	Less: income tax related to items that will not be reclassified subsequently to profit or loss	-	-	-	-	-	-	-	-
	Total items that will not be reclassified subsequently to profit or loss	(225,602)	(33)	(305,008)	(42)	(353,906)	(31)	(410,544)	(32)
8300	**Other comprehensive income (loss), net of tax**	(225,602)	(33)	(305,008)	(42)	(353,906)	(31)	(410,544)	(32)
8500	**Total comprehensive income (loss) for the period**	**$ (158,346)**	**(23)**	**(205,285)**	**(28)**	**(137,405)**	**(12)**	**(124,620)**	**(10)**
9750	**Basic earnings per share (in New Taiwan dollars) (note 6(o))**	**$**	**0.84**		**1.42**		**2.71**		**4.08**
9850	**Diluted earnings per share (in New Taiwan dollars) (note 6(o))**	**$**	**0.84**		**1.42**		**2.70**		**4.08**

See accompanying notes to the financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

LUCKY ROYAL CO., LTD.

Statements of Changes in Equity

For the six months ended June 30, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars)

			Retained earnings				Total other equity interests	
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total equity
Balance at January 1, 2025	$ 700,000	6,315	269,447	41,888	369,264	680,599	1,763,490	3,150,404
Appropriation and distribution of retained earnings:								
Legal reserve	-	-	36,921	-	(36,921)	-	-	-
Cash dividends of common stock	-	-	-	-	(231,000)	(231,000)	-	(231,000)
Profit for the period	-	-	-	-	285,924	285,924	-	285,924
Other comprehensive income (loss)	-	-	-	-	-	-	(410,544)	(410,544)
Total comprehensive income (loss)	-	-	-	-	285,924	285,924	(410,544)	(124,620)
Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	-	-	-	1,100	1,100	(1,100)	-
Balance at June 30, 2025	**$ 700,000**	**6,315**	**306,368**	**41,888**	**388,367**	**736,623**	**1,351,846**	**2,794,784**
Balance at January 1, 2026	$ 800,000	699,871	306,368	41,888	510,402	858,658	1,276,737	3,635,266
Appropriation and distribution of retained earnings:								
Legal reserve	-	-	42,575	-	(42,575)	-	-	-
Special reserve	-	-	-	(16,686)	16,686	-	-	-
Cash dividends of common stock	-	-	-	-	(304,800)	(304,800)	-	(304,800)
Profit for the period	-	-	-	-	216,501	216,501	-	216,501
Other comprehensive income (loss)	-	-	-	-	-	-	(353,906)	(353,906)
Total comprehensive income (loss)	-	-	-	-	216,501	216,501	(353,906)	(137,405)
Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	-	-	-	2,645	2,645	(2,645)	-
Balance at June 30, 2026	**$ 800,000**	**699,871**	**348,943**	**25,202**	**398,859**	**773,004**	**920,186**	**3,193,061**

See accompanying notes to the financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

LUCKY ROYAL CO., LTD.

Statements of Cash Flows

For the six months ended June 30, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars)

	For the six months ended June 30	
	2026	**2025**
Cash flows from operating activities:		
Profit before income tax	$ 206,445	324,549
Adjustments:		
Adjustments to reconcile profit and loss:		
Depreciation	48,353	44,760
Reversal of impairment loss determined in accordance with IFRS9	(928)	(238)
Interest expense	390	2,128
Interest income	(3,771)	(250)
Dividend income	(73,666)	(115,399)
Losses on disposal of property, plant and equipment, net	-	157
Gains on lease modification	-	(5)
Total adjustments to reconcile profit and loss	(29,622)	(68,847)
Changes in assets and liabilities relating to operating activities:		
Changes in operating assets:		
Notes receivable	9,615	21,150
Accounts receivables	(204,470)	(266,768)
Accounts receivable－related parties	(5)	(10)
Other receivables	(723)	869
Other receivable－related parties	(768)	(1,307)
Inventories	(23,125)	(4,714)
Prepayments and other current assets	(22,749)	(14,198)
Total changes in operating assets, net	(242,225)	(264,978)
Changes in operating liabilities:		
Accounts payable	86,910	92,758
Accounts payable－related parties	7,864	11,121
Other payables	15,987	(81,636)
Other payables－related parties	4,197	3,142
Other current liabilities	843	(1,056)
Net defined benefit liabilities	(66)	(2,073)
Total changes in operating liabilities, net	115,735	22,256
Total changes in operating assets and liabilities, net	(126,490)	(242,722)
Total adjustments	(156,112)	(311,569)
Cash inflow generated from operating activities	50,333	12,980
Interest income received	4,698	266
Interest expense paid	-	(1,339)
Income taxes paid	(50,599)	(13)
Net cash flows from operating activities	4,432	11,894
Cash flows from investing activities:		
Proceeds from disposal of financial assets at fair value through other comprehensive income	5,341	2,193
Acquisition of property, plant and equipment	(55,485)	(51,778)
Decrease (increase) in refundable deposits	(21)	770
Increase in prepayments for equipment	(8,634)	(215,310)
Dividends received	73,666	115,103
Net cash flows from (used in) investing activities	14,867	(149,022)
Cash flows from financing activities:		
Increase in short-term borrowings	-	405,000
Decrease in short-term borrowings	-	(190,000)
Increase in short term commercial paper payables	-	25,000
Decrease in short-term commercial paper payables	-	(100,000)
Proceeds from long-term borrowings	-	115,000
Repayments of long-term borrowings	-	(35,000)
Payment of lease liabilities	(10,041)	(11,557)
Cash dividends paid	(304,800)	-
Interest expense paid	(390)	(452)
Net cash flows from (used in) financing activities	(315,231)	207,991
Net (decrease) increase in cash and cash equivalents	(295,932)	70,863
Cash and cash equivalents at beginning of period	678,526	172,256
Cash and cash equivalents at end of period	**$ 382,594**	**243,119**

See accompanying notes to the financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

LUCKY ROYAL CO., LTD.

Notes to the Financial Statements

For the six months ended June 30, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

Lucky Royal Co., Ltd. ("the Company") was incorporated on August 28, 1986 as a corporation limited by shares under the laws of the Republic of China (R.O.C.). The major business activities of the Company include the manufacturing, wholesale, and retail of dairy products, noodles and vermicelli, and food ice, as well as leasing, restaurant operations, and the import of tobacco and alcohol. The Company's shares were approved for listing and trading on the Taiwan Stock Exchange and have been listed on the Taiwan Stock Exchange since October 28, 2025.

(2) Approval date and procedures of the financial statements

The accompanying financial statements were approved and authorized for issue by the Company's Board of Directors on August 12, 2026.

(3) Application of new and revised standards, amendments and interpretations

(a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2026:

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 9 and IFRS 7 “ Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards – Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(b) The impact of IFRS Accounting Standards endorsed by the FSC but not yet effective

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2027, would not have a significant impact on its financial statements:

- IFRS 19 “Subsidiaries without Public Accountability: Disclosures” and amendments to IFRS 19
- Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”

(Continued)

LUCKY ROYAL CO., LTD.
Notes to the Financial Statements

The Company expects to adopt the following new and amended standards, which effective for annual period beginning on January 1, 2028:

(i) IFRS 18 "Presentation and Disclosure in Financial Statements"

The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.

- A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined 'operating profit' subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company's main business activities.

- Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards.

- Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.

The new standard introduces consequential amendments to IAS 7, which require to use the newly defined operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method. The consequential amendments also provide specific guidance on the classification of interest and dividend cash flows.

The Company is evaluating the impact on its financial statements upon the initial adoption of the new standard.

(ii) Amendments to IAS 28 " The Fair Value Option for Investments in Associates and Joint Ventures"

The Company does not expect the amendments to have a significant impact on its financial statements.

LUCKY ROYAL CO., LTD.
Notes to the Financial Statements

(c) The impact of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

The Company does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 20 “Regulatory Assets and Regulatory Liabilities”

(4) Summary of material accounting policies

Except as described below, the material accounting policies applied in the financial statements are the same as those applied in the consolidated financial statements for the year ended December 31, 2025 and have been applied consistently to all periods presented in the financial statements. Refer to note 4 of the consolidated financial statements for the year ended December 31, 2025 for the details.

(a) Statement of compliance

The accompanying financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as "the Regulations") and the IAS 34, Interim Financial Reporting, as endorsed and issued into effect by the FSC. The financial statements do not present all the disclosures required for a complete set of annual consolidated financial statements prepared under the IFRS Accounting Standards endorsed by the FSC with effective dates.

(b) Employee benefits

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

(c) Income taxes

The Company measured and disclosed interim period income tax expense in accordance with paragraph B12 of IAS 34, Interim Financial Reporting.

Income tax expense for the period is best estimated by multiplying pretax income of the interim reporting period with the effective annual tax rate as forecasted by the management. This is recognized fully as current tax expense.

Temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and their respective tax bases which were recognized directly in equity or in other comprehensive income as tax expense shall be measured based on the tax rates that have been enacted or substantively enacted at the time when the asset or liability is realized or settled.

(Continued)

LUCKY ROYAL CO., LTD.
Notes to the Financial Statements

(5) Critical accounting judgments and key sources of estimation and assumptions uncertainty

The preparation of the financial statements in conformity with the Regulations and IAS 34, Interim Financial Reporting, as endorsed and issued into effect by the FSC requires management to make judgments, and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the financial statements, critical accounting judgments and key sources of estimations and assumptions uncertainty used by management in the application of accounting policies are consistent with those described in note 5 of the consolidated financial statements for the year ended December 31, 2025.

(6) Explanation of significant accounts

Except as described below, the description of significant accounts in the accompanying financial statements is not materially different from those described in note 6 of the consolidated financial statements for the year ended December 31, 2025.

(a) Cash and cash equivalents

	June 30, 2026	December 31, 2025	June 30, 2025
Cash on hand	$ 843	815	851
Savings and checking deposits	381,751	227,711	242,268
Time deposits	-	350,000	-
Cash equivalents－Repurchase agreement	-	100,000	-
Cash and cash equivalents in the consolidated statements of cash flows	**$ 382,594**	**678,526**	**243,119**

The time deposits with a maturity period of three months or less are held for the purpose of meeting short-term cash commitments of the business rather than for the purpose of investment or for other purposes, and the time deposits are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value. Therefore, the time deposits are considered cash equivalents .

(Continued)

LUCKY ROYAL CO., LTD.
Notes to the Financial Statements

(b) Financial assets measured at fair value through other comprehensive income－non-current

	June 30, 2026	December 31, 2025	June 30, 2025
Equity investments measured at fair value through other comprehensive income:			
Stocks listed on domestic markets	**$ 1,450,300**	**1,809,547**	**1,884,656**

(i) Equity investments measured at fair value through other comprehensive income

The Company held equity instrument investment, not held for trading purposes, which have been designated as measured at fair value through other comprehensive income. Of the aforementioned equity instruments, the Company purchased shares of its parent company, Namchow Holdings Co., Ltd., in the previous years, with the amounts of $1,450,300 thousand, $1,804,817 thousand and $1,880,785 thousand as of June 30, 2026, December 31 and June 30, 2025, respectively. Furthermore, the Company did not dispose of shares of its parent company for the six months ended June 30, 2026 and 2025.

For the three months and six months ended June 30, 2026 and 2025, the Company recognized dividend income of $0 thousand, $296 thousand, $73,666 thousand and $115,399 thousand, respectively, related to equity investments measured at fair value through other comprehensive income.

On January 12, 2026, January 8 and January 10, 2025 the Company has sold shares of Capital Securities Co., Ltd. as part of its operational plan. The shares sold had a fair value of $5,341 thousand and $2,193 thousand , resulting in accumulated gain of $2,645 thousand and $1,100 thousand, respectively. The aforementioned accumulated gain has been transferred from other equity to retained earnings.

(ii) For the information of market risk, please refer to note 6(s).

(iii) As of June 30, 2026, December 31 and June 30, 2025, the aforementioned equity investment held by the Company were not pledged as collateral.

(c) Notes receivable and accounts receivable (including related parties)

	June 30, 2026	December 31, 2025	June 30, 2025
Notes receivable	$ 62,800	72,415	68,022
Accounts receivable	447,870	243,400	454,353
Accounts receivable－related parties	269	264	283
Less: allowance for impairment	892	1,737	1,252
	$ 510,047	**314,342**	**521,406**

(Continued)

LUCKY ROYAL CO., LTD.
Notes to the Financial Statements

The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected credit loss provision for notes and accounts receivable (including related parties). To measure the expected credit losses, notes and accounts receivable (including related parties) have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information. The Company's analysis of the expected credit losses on its notes and accounts receivable (including related parties) were determined as follows:

	June 30, 2026		
	Gross carrying amount of notes and accounts receivable	Weighted-average expected credit loss rate	Loss allowance for lifetime expected credit losses
Not past due	$ 505,877	0.07%	350
Past due 1~30 days	4,817	7.23%	348
Past due 31~60 days	61	28.62%	17
Past due 61~90 days	47	84.4%	40
Past due over 91 days	137	100%	137
	$ 510,939		**892**

	December 31, 2025		
	Gross carrying amount of notes and accounts receivable	Weighted-average expected credit loss rate	Loss allowance for lifetime expected credit losses
Not past due	$ 313,139	0.26%	884
Past due 1~30 days	2,606	21.83%	569
Past due 31~60 days	109	53.67%	59
Past due 61~90 days	9	100%	9
Past due over 91 days	216	100%	216
	$ 316,079		**1,737**

	June 30, 2025		
	Gross carrying amount of notes and accounts receivable	Weighted-average expected credit loss rate	Loss allowance for lifetime expected credit losses
Not past due	$ 520,115	0.09%	486
Past due 1~30 days	1,854	21.24%	394
Past due 31~60 days	676	53.12%	359
Past due 61~90 days	11	100%	11
Past due over 91 days	2	100%	2
	$ 522,658		**1,252**

(Continued)

LUCKY ROYAL CO., LTD.
Notes to the Financial Statements

The movement in the allowance for impairment with respect to the Company's notes and accounts receivable (including related parties) were as follows:

	For the six months ended June 30	
	2026	**2025**
Balance at the beginning of the period	$ 1,737	2,514
Impairment losses reversed	(845)	(852)
Amounts written off	-	(410)
Balance at the end of the period	**$ 892**	**1,252**

As of June 30, 2026, December 31 and June 30, 2025, the Company had not provide its notes and accounts receivable (including related parties) as collateral or factored them for cash.

(d) Other receivables (including related parties)

	June 30, 2026	**December 31, 2025**	**June 30, 2025**
Other receivables	$ 1,097	1,301	717
Other receivables－related parties	3,632	2,864	4,179
Less: allowance for impairment	144	227	614
	$ 4,585	**3,938**	**4,282**

The movement in the allowance for impairment with respect to the Company's other receivables was as follows:

	For the six months ended June 30	
	2026	**2025**
Balance at the beginning of the period	$ 227	-
Impairment losses recognized	-	614
Impairment losses reversed	(83)	-
Balance at the end of the period	**$ 144**	**614**

(e) Inventories

	June 30, 2026	**December 31, 2025**	**June 30, 2025**
Merchandise	$ 2,715	1,611	4,483
Finished goods	140,889	120,799	143,301
Work in progress	6,024	3,794	5,454
Raw materials	77,257	85,441	93,018
Supplies	38,911	31,026	35,109
	$ 265,796	**242,671**	**281,365**

(Continued)

The Company except for operating costs arising from the ordinary sale of inventories, other gains and losses directly recorded under operating cost were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Loss on (reversal of) inventory write-downs	$ 263	(1,347)	(1,522)	(9,534)
Loss (gain) on physical count, net	(167)	76	(490)	203
Loss on scrap of inventory	805	468	1,282	5,542
Income from sale of scrap	(70)	(226)	(110)	(351)
Total	**$ 831**	**(1,029)**	**(840)**	**(4,140)**

As of June 30, 2026, December 31 and June 30, 2025, the Company did not pledge its inventories as collateral.

(f) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Company for the six months ended June 30, 2026 and 2025 were as follows:

	Land	Buildings	Machinery and equipment	Other equipment	Unfinished construction and testing equipment	Total
Cost:						
Balance at January 1, 2026	$ 203,978	293,512	531,856	367,231	281,510	1,678,087
Additions	-	15,948	23,829	19,404	2,574	61,755
Disposals	-	-	(7,477)	(2,052)	-	(9,529)
Reclassification	-	20,168	143,335	12,065	(136,429)	39,139
Balance at June 30, 2026	**$ 203,978**	**329,628**	**691,543**	**396,648**	**147,655**	**1,769,452**
Balance at January 1, 2025	$ 203,978	253,150	507,353	318,358	977	1,283,816
Additions	-	9,002	7,976	20,475	38,926	76,379
Disposals	-	-	-	(8,688)	-	(8,688)
Reclassification	-	3,465	2,223	17,126	-	22,814
Balance at June 30, 2025	**$ 203,978**	**265,617**	**517,552**	**347,271**	**39,903**	**1,374,321**
Depreciation and impairment loss :						
Balance at January 1, 2026	$ -	176,973	304,057	244,148	-	725,178
Depreciation	-	5,942	19,983	12,062	-	37,987
Disposals	-	-	(7,477)	(2,052)	-	(9,529)
Balance at June 30, 2026	**$ -**	**182,915**	**316,563**	**254,158**	**-**	**753,636**
Balance at January 1, 2025	$ -	167,237	267,994	226,894	-	662,125
Depreciation	-	4,402	17,982	10,420	-	32,804
Disposals	-	-	-	(8,531)	-	(8,531)
Balance at June 30, 2025	**$ -**	**171,639**	**285,976**	**228,783**	**-**	**686,398**
Carrying amount :						
Balance at January 1, 2026	**$ 203,978**	**116,539**	**227,799**	**123,083**	**281,510**	**952,909**
Balance at June 30, 2026	**$ 203,978**	**146,713**	**374,980**	**142,490**	**147,655**	**1,015,816**
Balance at January 1, 2025	**$ 203,978**	**85,913**	**239,359**	**91,464**	**977**	**621,691**
Balance at June 30, 2025	**$ 203,978**	**93,978**	**231,576**	**118,488**	**39,903**	**687,923**

(Continued)

(i) Loss and gain on disposal

For the three months and six months ended June 30, 2026 and 2025, the Company recognized gains and losses on disposal of property, plant and equipment, please refer to note 6(r).

(ii) Impairment loss

For the three months and six months ended June 30, 2026 and 2025, the Company did not have any significant recognition and reversal of impairment losses on property, plant and equipment. For other related information, please refer to note 6(g) of the consolidated financial statements for the year ended December 31, 2025.

(iii) Collateral

As of June 30, 2026, December 31 and June 30, 2025, the Company did not pledge its property, plant and equipment as collateral for loans and lines of credit.

(g) Right-of-use assets

The Company leases assets including buildings and other equipment. Information about leases, for which the Company is the lessee, is presented below:

	Buildings	Transportation	Office equipment	Frozen equipment	Total
Cost:					
Balance at January 1, 2026	$ 115,976	18,549	4,209	2,265	140,999
Additions	-	627	-	2,245	2,872
Write-off	-	(1,869)	(985)	(2,265)	(5,119)
Balance at June 30, 2026	**$ 115,976**	**17,307**	**3,224**	**2,245**	**138,752**
Balance at January 1, 2025	$ 119,969	26,556	985	2,265	149,775
Additions	9,721	1,099	3,224	-	14,044
Write-off	(78)	(8,376)	-	-	(8,454)
Balance at June 30, 2025	**$ 129,612**	**19,279**	**4,209**	**2,265**	**155,365**
Depreciation:					
Balance at January 1, 2026	$ 65,088	8,080	1,650	2,265	77,083
Depreciation	6,768	1,982	543	561	9,854
Write-off	-	(1,869)	(985)	(2,265)	(5,119)
Balance at June 30, 2026	**$ 71,856**	**8,193**	**1,208**	**561**	**81,818**
Balance at January 1, 2025	$ 64,672	10,446	422	1,133	76,673
Depreciation	7,204	3,060	614	566	11,444
Write-off	(78)	(7,328)	-	-	(7,406)
Balance at June 30, 2025	**$ 71,798**	**6,178**	**1,036**	**1,699**	**80,711**

LUCKY ROYAL CO., LTD.
Notes to the Financial Statements

	Buildings	Transportation	Office equipment	Frozen equipment	Total
Carrying amount:					
Balance at January 1, 2026	$ 50,888	10,469	2,559	-	63,916
Balance at June 30, 2026	$ 44,120	9,114	2,016	1,684	56,934
Balance at January 1, 2025	$ 55,297	16,110	563	1,132	73,102
Balance at June 30, 2025	$ 57,814	13,101	3,173	566	74,654

(h) Investment property

The details of the Company's investment property is presented below:

	Self-owned assets		
	Land	Buildings	Total
Carrying amount:			
Balance at January 1, 2026	$ 34,699	19,255	53,954
Balance at June 30, 2026	$ 34,699	18,743	53,442
Balance at January 1, 2025	$ 34,699	20,279	54,978
Balance at June 30, 2025	$ 34,699	19,767	54,466

The Company's investment property comprises a number of commercial properties that are leased to third parties. Each of the leases contains an initial non-cancelable period of 1 year. Subsequent renewals are negotiable with the lessee, and no contingent rents are charged. Please refer to notes 6(p) and 12 for further related information (including rental income and direct operating expenses).

There were no significant additions, disposal, or recognition and reversal of impairment losses of investment property by the Company for the six months ended June 30, 2026 and 2025. For other related information, please refer to note 6(i) of the consolidated financial statements for the year ended December 31, 2025.

The Company's fair value of investment property was not significantly different from those disclosed in note 6(i) to the consolidated financial statements for the year ended December 31, 2025.

As of June 30, 2026, December 31 and June 30, 2025, the Company did not pledge its investment property as collateral for loans and lines of credit.

(i) Short-term borrowings, long-term borrowings and short-term commercial paper payables

The details, terms and clauses of the Company's short-term borrowings, long-term borrowings and short-term commercial paper payables were as follows:

(i) Short-term borrowings

	June 30, 2025			
	Currency	Range of interest rates (%)	Year of maturity	Amount
Unsecured bank loans	NTD	1.825~1.85	2025~2026	$ 215,000

(Continued)

The Company's ending balance of short-term borrowings was $0 thousand as of June 30, 2026 and December 31, 2025.

As of June 30, 2026, December 31 and June 30, 2025, the Company's unused bank credit facilities for short-term borrowing amounted to $853,491 thousand, $782,230 thousand and 543,737 thousand, respectively.

(ii) Short-term commercial paper payables

	June 30, 2025			
	Currency	Range of interest rates (%)	Year of maturity	Amount
Commercial paper payables	NTD	1.58	2025	$ 25,000
Discount on commercial paper payables				10
Total				**$ 24,990**

As of June 30, 2026 and December 31, 2025, the Company did not hold outstanding short-term commercial paper payables.

As of June 30, 2026, December 31 and June 30, 2025, the Company's unused facilities for short-term commercial paper payables amounted to $50,000 thousand, $50,000 thousand and $575,000 thousand, respectively.

(iii) Long-term borrowings

	June 30, 2025			
	Currency	Range of interest rates (%)	Year of maturity	Amount
Unsecured bank loans	NTD	1.84	2027	$ 80,000
Current				$ -
Non-current				80,000
Total				**$ 80,000**

The Company's ending balance of long-term borrowings was $0 thousand as of June 30, 2026 and December 31, 2025.

As of June 30, 2026, December 31 and June 30, 2025, the unused credit facilities of the Company's long-term borrowings amounted to $700,000 thousand, $700,000 thousand and $120,000 thousand, respectively.

(iv) Collateral of bank's loans

As of June 30, 2026, December 31 and June 30, 2025, the Company did not pledge its assets as collateral for short-term borrowings, long-term borrowings and short-term commercial paper payables.

LUCKY ROYAL CO., LTD.
Notes to the Financial Statements

(j) Lease liabilities

The carrying amount of the Company's lease liabilities were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Related parties	$ 14,535	14,450	14,366
Non-related parties	4,536	3,991	5,649
Current	**$ 19,071**	**18,441**	**20,015**

	June 30, 2026	December 31, 2025	June 30, 2025
Related parties	$ 32,836	40,124	47,371
Non-related parties	6,161	6,672	8,395
Non-current	**$ 38,997**	**46,796**	**55,766**

For the maturity analysis, please refer to note 6(s).

The amounts recognized in profit or loss were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Interest expenses on lease liabilities	**$ 188**	**240**	**390**	**452**
Variable lease payments not included in the measurement of lease liabilities	**$ 1,789**	**1,204**	**3,773**	**2,731**
Income from sub-leasing right-of-use assets	**$ -**	**(363)**	**-**	**(726)**
Expenses relating to short-term leases	**$ 2,701**	**2,092**	**5,261**	**4,119**
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	**$ 407**	**439**	**781**	**790**

The amounts recognized in the statement of cash flows by the Company were as follows:

	For the six months ended June 30	
	2026	2025
Total cash outflow for leases	**$ 20,246**	**18,923**

(k) Operating leases

There were no significant changes in operating lease of the Company for the six months ended June 30, 2026 and 2025. For other related information, please refer to note 6(l) of the consolidated financial statements for the year ended December 31, 2025.

(Continued)

LUCKY ROYAL CO., LTD.
Notes to the Financial Statements

(l) Employee benefits

(i) Defined benefit plans

Subsequent to December 31, 2025, there was no significant market volatility, significant curtailment, reimbursement and settlement or other significant one-time events. Therefore, the pension cost in the interim financial statements was measured and disclosed by the Company according to the pension cost valued by actuary as of December 31, 2025 and 2024.

The Company's expenses recognized in profit or loss were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2026	**2025**	**2026**	**2025**
Operating costs	$ 24	51	47	181
Selling expenses	45	74	92	104
Administrative expenses	46	37	93	54
Research and development expenses	21	26	41	37
	$ 136	**188**	**273**	**376**

(ii) Defined contribution plans

The expenses under the pension plan cost to the Bureau of Labor Insurance and the local government recognized in profit or loss for the Company were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2026	**2025**	**2026**	**2025**
Operating costs	$ 2,080	2,332	4,390	4,472
Selling expenses	1,144	1,117	2,309	2,240
Administrative expenses	400	327	771	615
Research and development expenses	169	179	357	372
	$ 3,793	**3,955**	**7,827**	**7,699**

(iii) Short-term employee benefit

	June 30, 2026	**December 31, 2025**	**June 30, 2025**
Compensated absences liability (recorded under other payables)	**$ 1,084**	**1,340**	**2,612**

(Continued)

LUCKY ROYAL CO., LTD.
Notes to the Financial Statements

(m) Income taxes

Income tax expense was best estimated by multiplying pretax income of the interim period by a projected annual effective tax rate as forecasted by the management.

The Company's components of income tax expense (benefit) were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Current income tax (benefit) expense				
Current period	$ 17,781	24,931	26,615	38,625
Adjustment for prior periods	3,574	-	(36,671)	-
Income tax (benefit) expense from continuing operations	**$ 21,355**	**24,931**	**(10,056)**	**38,625**

The tax authorities have completed the examination for income tax returns of the Company through 2024.

(n) Capital and other equity

Except for the following disclosure , there was no significant change for capital and other equity for the six months ended June 30, 2026 and 2025. For the related information, please refer to note 6(o) of the consolidated financial statements for the year ended December 31, 2025.

(i) Retained earnings

1) Special reserve

The Company adopted the first-time adoption of the IFRSs as endorsed by the FSC. The recognized special reserve in the amount of $16,686 thousand was reverted for the six months ended June 30, 2026 because of the use, disposal or reclassifications of relevant assets. The carrying amount of the above mentioned special reserve amounted to $25,202 thousand, $41,888 thousand and $41,888 thousand as of June 30, 2026, December 31 and June 30, 2025.

2) Earnings distribution

In accordance with the Company's Articles of Incorporation amended at the first extraordinary shareholders' meeting on February 13, 2025, after payment of income taxes and offsetting accumulated deficits, the 10% legal reserve shall be set aside until the accumulated legal reserve equals the Company's paid-in capital. In addition, a special reserve in accordance with applicable laws and regulations shall also be set aside or reversed. The remaining current-year earnings together with accumulated undistributed earnings from preceding years can be distributed according to the distributed plan proposed by the board of directors and submitted to the stockholders' meeting for approval.

(Continued)

The dividend policy of the Company reflects its current and future development plans and takes into accounts factors such as investment climate, funding demand, and domestic and international competition, as well as shareholders' interests. Each year, no less than 10% of earnings available for distribution are assigned to shareholders as dividend bonus. The dividend bonus may be distributed in cash or in the form of stock. Cash dividends shall account for no less than 10% of the total dividends distributed.

On May 25, 2026 and May 28, 2025, the Company's annual shareholders' meetings resolved the distribution of appropriations for 2025 and 2024, respectively. The relevant dividend distributions to shareholders were as follows:

	2025		2024	
	Amount per share (NTD)	**Total amount**	**Amount per share (NTD)**	**Total amount**
Dividends distributed to common shareholders:				
Cash	$ 3.81	**304,800**	3.3	**231,000**

(ii) Other equity, net of tax

	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income
Balance at January 1, 2026	1,276,737
Unrealized gains (losses) on financial assets measured at fair value through comprehensive income	(353,906)
Disposal of investments in equity instruments measured at fair value through other comprehensive income	(2,645)
Balance at June 30, 2026	**$ 920,186**
Balance at January 1, 2025	$ 1,763,490
Unrealized gains (losses) on financial assets measured at fair value through comprehensive income	(410,544)
Disposal of investments in equity instruments measured at fair value through other comprehensive income	(1,100)
Balance at June 30, 2025	**$ 1,351,846**

LUCKY ROYAL CO., LTD.
Notes to the Financial Statements

(o) Earnings per share (EPS)

The calculation of the Company's basic earnings per share and diluted earnings per share for the three months and six months ended June 30, 2026 and 2025, were as follows:

(i) Basic EPS

Unit: thousand shares

	For the three months ended June 30		For the six months ended June 30	
	2026	**2025**	**2026**	**2025**
Net income attributable to common shareholders of the Company	**$ 67,256**	**99,723**	**216,501**	**285,924**
Weighted-average number of common shares outstanding	**80,000**	**70,000**	**80,000**	**70,000**
Basic EPS (in New Taiwan dollars)	**$ 0.84**	**1.42**	**2.71**	**4.08**

ii) Diluted EPS

	For the three months ended June 30		For the six months ended June 30	
	2026	**2025**	**2026**	**2025**
Net income attributable to common shareholders of the Company – diluted	**$ 67,256**	**99,723**	**216,501**	**285,924**
Weighted-average number of common shares outstanding - basic	80,000	70,000	80,000	70,000
Influence of potentially dilutive shares				
– Remuneration to employees	34	45	61	61
Weighted-average number of shares outstanding – diluted	**80,034**	**70,045**	**80,061**	**70,061**
Diluted EPS (in New Taiwan dollars)	**$ 0.84**	**1.42**	**2.70**	**4.08**

(Continued)

LUCKY ROYAL CO., LTD.
Notes to the Financial Statements

(p) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended June 30, 2026			
	Ice cream products	Foods	Management, rental revenue and others	Total
Area of distribution:				
Taiwan	$ 514,548	137,452	3,114	655,114
Europe and United States	-	17,240	-	17,240
New Zealand and Australia	-	1,471	-	1,471
	$ 514,548	**156,163**	**3,114**	**673,825**

	For the three months ended June 30, 2025			
	Ice cream products	Foods	Management, rental revenue and others	Total
Area of distribution:				
Taiwan	$ 593,777	128,815	3,575	726,167
China	1,611	-	-	1,611
Europe and United States	-	5,363	-	5,363
New Zealand and Australia	-	963	-	963
	$ 595,388	**135,141**	**3,575**	**734,104**

	For the six months ended June 30, 2026			
	Ice cream products	Foods	Management, rental revenue and others	Total
Area of distribution:				
Taiwan	$ 838,458	283,448	6,217	1,128,123
China	-	642	-	642
Europe and United States	-	28,598	-	28,598
New Zealand and Australia	-	2,768	-	2,768
	$ 838,458	**315,456**	**6,217**	**1,160,131**

	For the six months ended June 30, 2025			
	Ice cream products	Foods	Management, rental revenue and others	Total
Area of distribution:				
Taiwan	$ 977,525	266,777	7,139	1,251,441
China	2,082	-	-	2,082
Europe and United States	-	12,178	-	12,178
New Zealand and Australia	-	2,579	-	2,579
	$ 979,607	**281,534**	**7,139**	**1,268,280**

(Continued)

(ii) Contract balances

	June 30, 2026	December 31, 2025	June 30, 2025
Notes receivable	$ 62,800	72,415	68,022
Accounts receivable	447,870	243,400	454,353
Accounts receivable－related parties	269	264	283
Less: allowance for impairment	892	1,737	1,252
	$ 510,047	**314,342**	**521,406**

For the details of disclosure on notes and accounts receivable (including related parties) and allowance impairment, please refer to note 6(c).

(q) Remuneration to employees

On February 13, 2025, the Company resolved at the first extraordinary shareholders' meeting to amend its Articles of Incorporation. In accordance with the amended Articles, if the Company has profit in a given fiscal year, not less than 1% shall be allocated as employee remuneration (including a minimum of 30% to those base-level employees). However, if the Company has accumulated losses, the earnings shall first be offset against any deficit. The recipients of the aforementioned employee remuneration, whether in the form of shares or cash, may include employees of the subsidiaries who meet certain specific requirements.

According to the Company's Articles of Incorporation before amendments, once the Company generates a profit in a fiscal year, no less than 0.5% will be distributed as employees' remuneration. However, if the Company has accumulated losses, the earnings shall first be offset against any deficit. Employees who are entitled to receive the aforementioned employee remuneration, in share or cash, may include employees of the subsidiaries who meet certain specific requirements.

For the three months and six months ended June 30, 2026 and 2025, the estimated amounts of employees' compensation were $895 thousand, $(2,279) thousand, $2,085 thousand and $3,278 thousand, respectively. The estimated amounts mentioned above are based on the net profit before tax, excluding employee remunerations, of each respective ending period, multiplied by the percentage of the employee remunerations, as specified in the Company's article. The employee remunerations were expensed under operating expenses for each period. The differences between the actual distributed amounts as determined by the board of directors and those recognized in the financial statements, if any, shall be accounted for as changes in accounting estimates and recognized in profit or loss in the following year.

For the years ended December 31, 2025 and 2024, the remunerations to employees amounted to $4,723 thousand and $4,478 thousand, respectively. The amounts, as stated in the consolidated statements, are identical to those of the actual distributions. The related information can be accessed from Market Observation Post System website.

LUCKY ROYAL CO., LTD.
Notes to the Financial Statements

(r) Non-operating income and expenses

(i) Interest income

The details of the Company's interest income were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Interest income from bank deposits	**$ 1,828**	**116**	**3,771**	**250**

(ii) Other income

The details of the Company's other income were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Dividend income	$ -	296	73,666	115,399
Other income－other	1,734	5,335	1,754	5,468
Total other income	**$ 1,734**	**5,631**	**75,420**	**120,867**

(iii) Other gains and losses

The details of the Company's other gains and losses were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Losses on disposal of property, plant and equipment, net	$ -	-	-	(157)
Gains on lease modification	-	-	-	5
Foreign exchange losses, net	(124)	(2,652)	(64)	(2,777)
Others	-	(190)	(43)	(190)
Other gains and losses, net	**$ (124)**	**(2,842)**	**(107)**	**(3,119)**

(iv) Finance costs

The details of the Company's finance costs were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Interest expenses				
Interest expenses on bank's loans	$ -	1,157	-	1,676
Interest expenses on lease liabilities	188	240	390	452
Finance costs, net	**$ 188**	**1,397**	**390**	**2,128**

(Continued)

(s) Financial instruments

Except for the information mentioned below, there was no significant change in the fair value of the financial instruments and in the degree of exposure to credit risk and market risk－interest rate risk. For the related information, please refer to note 6(u) of the consolidated financial statements for the year ended December 31, 2025.

(i) Concentration of credit risk

Approximately 62%, 57% and 64% of the Company's notes and accounts receivable (including related parties) were from five major customers as of June 30, 2026, December 31 and June 30, 2025, respectively. The Company manages the total amount of transactions with its customers and periodically evaluates their financial positions. Therefore, the Company believes that notes and accounts receivable (including related parties) do not have a significant concentration of credit risk.

(ii) Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments.

	Carrying amount	Contractual cash flows	Within 1 year	1-2 years	2-5 years	Over 5 years
June 30, 2026						
Non-derivative financial liabilities						
Accounts payable (including related parties)	$ 225,235	225,235	225,235	-	-	-
Other payables (including related parties)	209,858	209,858	209,858	-	-	-
Lease liabilities (including related parties)	58,068	59,052	19,533	18,642	20,877	-
Guarantee deposits received	10	10	-	-	-	10
	$ 493,171	**494,155**	**454,626**	**18,642**	**20,877**	**10**
December 31, 2025						
Non-derivative financial liabilities						
Accounts payable (including related parties)	$ 130,461	130,461	130,461	-	-	-
Other payables (including related parties)	183,404	183,404	183,404	-	-	-
Lease liabilities (including related parties)	65,237	66,557	18,988	18,066	29,503	-
Guarantee deposits received	10	10	-	-	-	10
	$ 379,112	**380,432**	**332,853**	**18,066**	**29,503**	**10**
June 30, 2025						
Non-derivative financial liabilities						
Short-term borrowings	$ 215,000	216,259	216,259	-	-	-
Short-term commercial paper payables	24,990	25,000	25,000	-	-	-
Accounts payable (including related parties)	235,950	235,950	235,950	-	-	-
Dividends payable	231,000	231,000	231,000	-	-	-
Other payables (including related parties)	268,701	268,701	268,701	-	-	-
Long-term borrowings	80,000	81,395	1,472	79,923	-	-
Lease liabilities (including related parties)	75,781	77,499	20,646	18,317	38,536	-
Guarantee deposits received	10	10	-	-	-	10
	$ 1,131,432	**1,135,814**	**999,028**	**98,240**	**38,536**	**10**

The Company does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(Continued)

LUCKY ROYAL CO., LTD.
Notes to the Financial Statements

(iii) Other market price risk

The sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for the profit or loss with all other variable factors remaining constant as illustrated below:

	For the six months ended June 30			
	2026		2025	
Prices of securities at the reporting date	Other comprehensive income after income tax	Profit after income tax	Other comprehensive income after income tax	Profit after income tax
Increase 1%	$ 14,503	-	18,847	-
Decrease 1%	$ (14,503)	-	(18,847)	-

(iv) Fair value information

1) Categories and fair values of financial instruments

The Company's financial assets measured at fair value through other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the Company's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs whose carrying amount is reasonably close to the fair value, including cash and cash equivalents, notes and accounts receivable (including related parties), other receivables (including related parties), refundable deposits, short-term borrowings, short-term commercial paper payables, account payables (including related parties), other payables (including related parties), lease liabilities (including related parties), long-term borrowings and guarantee deposits, disclosure of fair value information is not required:

	June 30, 2026				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through other comprehensive income					
Stocks listed on domestic markets	$ 1,450,300	1,450,300	-	-	1,450,300

	December 31, 2025				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through other comprehensive income					
Stocks listed on domestic markets	$ 1,809,547	1,809,547	-	-	1,809,547

(Continued)

LUCKY ROYAL CO., LTD.
Notes to the Financial Statements

	June 30, 2025				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through other comprehensive income					
Stocks listed on domestic markets	$ 1,884,656	1,884,656	-	-	1,884,656

2) Valuation techniques and assumptions used in fair value determination－non-derivative financial instruments

Financial instruments traded in active markets are based on quoted market prices. The quoted price of a financial instrument obtained from main exchanges and on-the-run bonds from Taipei Exchange can be used as a basis to determine the fair value of the listed companies' equity instrument and debt instrument of the quoted price in an active market.

The fair value of financial assets with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.

3) Fair value hierarchy

The Company determines fair value based on assumptions that market participants would use in pricing an asset or a liability in the principal market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

a) Level 1 inputs: Unadjusted quoted prices for identical assets or liabilities in active markets.

b) Level 2 inputs: Other than quoted prices included within Level 1, inputs are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

c) Level 3 inputs: For the asset or liability that are not based on observable market data (unobservable inputs).

There was no such situation that the Company reclassified the financial instruments from one level to another as of the reporting date.

(t) Financial risk management

There were no significant change in the objectives and policies concerning the financial risk that the Company was exposed to. For the related information, please refer to 6(v) of the consolidated financial statements for the year December 31, 2025.

(Continued)

(u) Capital management

The objectives, policies and procedures of the Company's capital management have been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2025. Also, there was no significant change in the Company's capital management information as disclosed for the year ended December 31, 2025. Please refer to note 6(w) of the consolidated financial statements for the year ended December 31, 2025 for the relevant information.

(v) Investing and financing activities not affecting the current cash flow

The Company's investing and financing activities which did not affect the current cash flow for the six months ended June 30, 2026 and 2025, were as follows:

(i) For the acquisition of right-of-use assets, please refer to note 6(g).

(ii) Reconciliation of liabilities arising from financing activities were as follows:

			Non-cash changes		
	January 1, 2026	Cash flows	Acquisition of right-of-use assets	Others	June 30, 2026
Lease liabilities	$ 65,237	(10,041)	2,872	-	58,068
Guarantee deposits received	10	-	-	-	10
Total liabilities from financing activities	**$ 65,247**	**(10,041)**	**2,872**	**-**	**58,078**

			Non-cash changes		
	January 1, 2025	Cash flows	Acquisition of right-of-use assets	Others	June 30, 2025
Short-term borrowings	$ -	215,000	-	-	215,000
Short-term commercial paper payables	99,834	(75,000)	-	156	24,990
Long-term borrowings	-	80,000	-	-	80,000
Lease liabilities	74,347	(11,557)	14,044	(1,053)	75,781
Guarantee deposits received	10	-	-	-	10
Total liabilities from financing activities	**$ 174,191**	**208,443**	**14,044**	**(897)**	**395,781**

(7) Related-party transactions

(a) Parent company and ultimate controlling party

Namchow Holdings Co., Ltd. is both the parent company and the ultimate controlling party of the Company. As of June 30, 2026, December 31 and June 30, 2025, it owned 60.27%, 60.27% and 69.51% of all outstanding shares of the Company, respectively. Namchow Holdings Co., Ltd. has issued the consolidated financial statements available for public use.

(Continued)

LUCKY ROYAL CO., LTD.
Notes to the Financial Statements

(b) Names and relationship with the Group

The followings are related parties that have transactions with the Company during the periods covered in the consolidated financial statements.

Name of related parties	Relationship with the Company
Namchow Holdings Co., Ltd. (Namchow)	Parent Company
Chow Ho Enterprise Co., Ltd. (Chow Ho)	Other related parties
Namchow Oil and Fat Co., Ltd. (Namchow Oil and Fat)	Other related parties
Dian Shui Lou Restaurant Business Co., Ltd. (Dian Shui Lou)	Other related parties
Huaciang Industry Co., Ltd. (Huaciang)	Other related parties
Namchow Consulting Company, Ltd. (Namchow Consulting)	Other related parties
Chen Chang Li (Other related parties)	Other related parties
Chen Fei Lung (Key management personnel)	Key management personnel (The individual has ceased to be a related party of the Company since February 21, 2026.)

(c) Significant transactions with related parties

(i) Operating revenue

The amounts of significant sales by the Company to its related parties were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Parent Company	$ 3	6	8	6
Other related parties:				
Dian Shui Lou	148	93	259	191
Chow Ho	131	299	383	577
Namchow Oil and Fat	-	2	-	3
Huaciang	84	-	84	-
	$ 366	**400**	**734**	**777**

The Company's prices and terms for sales to the aforementioned related party transactions are not materially different from those of the third-party customers. The accounts receivable from related parties were unsecured and no expected credit loss was required based on the assessment by the management.

(Continued)

LUCKY ROYAL CO., LTD.
Notes to the Financial Statements

(ii) Purchases

The amounts of significant purchases by the Company from its related parties were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2026	**2025**	**2026**	**2025**
Other related parties:				
Namchow Oil and Fat	**$ 16,997**	**21,747**	**30,091**	**32,857**

The Company's prices and terms for purchases from the aforementioned related party transactions are not materially different from those of the third-party vendors.

(iii) Management service revenue and expense (recorded under operating revenue and costs)

1) The Company provided management service to its related parties, and the management service revenue collected from its related parties were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2026	**2025**	**2026**	**2025**
Other related parties:				
Dian Shui Lou	**$ -**	**64**	**-**	**160**

2) The related parties provided human resources, factory support, collected and paid utilities, as well as other services to the Company, who paid the following related service expenses:

	For the three months ended June 30		For the six months ended June 30	
	2026	**2025**	**2026**	**2025**
Parent Company	$ -	-	-	28
Other related parties:				
Dian Shui Lou	1,566	1,813	3,849	3,918
Namchow Oil and Fat	4,469	3,987	7,649	7,180
Huaciang	4,960	5,256	8,549	11,240
Chow Ho	86	-	86	-
	$ 11,081	**11,056**	**20,133**	**22,366**

The provision and use of management services between the Company and the aforementioned related parties, including the payment terms and conditions, are handled according to mutual agreements with the parties.

(Continued)

LUCKY ROYAL CO., LTD.
Notes to the Financial Statements

(iv) Leases

1) The Company rents buildings to its related parties, and the amounts of rental income (recorded under operating revenue) collected from its related parties were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Other related parties:				
Dian Shui Lou	$ -	253	-	506
Chow Ho	-	64	-	128
Namchow Oil and Fat	2,880	2,880	5,760	5,760
Huaciang	-	38	-	75
Namchow Consulting	-	8	-	17
	$ 2,880	**3,243**	**5,760**	**6,486**

2) The Company rented office buildings and factories from its parent company, key management personnel and other related parties. For the three months and six months ended June 30, 2026 and 2025, the Company recognized interest expense of $142 thousand, $184 thousand, $295 thousand and $333 thousand, respectively, resulting from the aforementioned lease transactions. As of June 30, 2026, December 31 and June 30, 2025, the carrying amounts of right-of use assets were $46,136 thousand, $53,306 thousand and $60,477 thousand, respectively. The ending balances of lease liabilities were $47,371 thousand, $54,574 thousand and $61,737 thousand, respectively, resulting from the aforementioned lease transactions, which were recorded under lease liabilities－related parties－current and non-current.

The rental transactions between the Company and the aforementioned related parties are based on local rental market rates and rental contract. Rent is collected or paid on a quarterly or monthly basis

(v) Others

Due to its shareholding in the parent company, the Company received cash dividends of $73,666 thousand and $115,103 thousand from the parent company were recognized under non-operating income and expenses－other income for each of the six months ended June 30, 2026 and 2025. As of June 30, 2026 and 2025, the aforementioned dividend receivables have been fully collected..

For the six months ended June 30, 2026 and 2025, the Company received director remuneration from its parent company in the amounts $1,567 thousand and $5,199 thousand, respectively. These amounts were recorded under non-operating income and expenses－other income. As of June 30, 2026 and 2025, the aforementioned director remuneration have been fully collected.

(Continued)

LUCKY ROYAL CO., LTD.
Notes to the Financial Statements

(vi) Receivables from related parties

The Company's details of accounts receivable from related parties arising from sales to related parties, dividend income, and other transactions were as follows:

Account	Type of related parties	June 30, 2026	December 31, 2025	June 30, 2025
Accounts receivable-related parties	Parent Company	$ -	3	1
Accounts receivable-related parties	Other related parties:			
	Dian Shui Lou	102	76	66
	Chow Ho	79	185	215
	Namchow Oil and Fat	-	-	1
	Huaciang	88	-	-
		$ 269	**264**	**283**
Other receivable-related parties	Other related parties:			
	Dian Shui Lou	$ -	-	219
	Chow Ho	-	-	75
	Namchow Oil and Fat	3,632	2,864	3,801
	Huaciang	-	-	81
	Namchow Consulting	-	-	3
		$ 3,632	**2,864**	**4,179**

(Continued)

(vii) Payables to related parties

The Company's details of accounts payable to related parties arising from purchases from related parties and other transactions were as follows:

Account	Type of related parties	June 30, 2026	December 31, 2025	June 30, 2025
Accounts payable-related parties	Other related parties:			
	Namchow Oil and Fat	**$ 14,902**	**7,038**	**16,673**
Other payables-related parties	Parent Company	$ 1,744	1,039	2,114
Other payables-related parties	Other related parties:			
	Dian Shui Lou	618	415	832
	Chow Ho	8	-	-
	Namchow Oil and Fat	4,690	2,361	4,183
	Huaciang	5,049	4,097	4,602
		$ 12,109	**7,912**	**11,731**

(d) Key management personnel compensation

Key management personnel compensation comprised the following:

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Short-term employee benefits	$ 10,421	15,564	20,866	25,489
Post-employments benefits	98	61	195	142
	$ 10,519	**15,625**	**21,061**	**25,631**

(8) Pledged assets:None

(9) Significant contingent liabilities and unrecognized commitments

(a) As of June 30, 2026, December 31 and June 30, 2025, the Company had outstanding letters of credit amounting to $5,759 thousand, $12,060 thousand and $141,263 thousand, respectively, for the purchase of its merchandise, machinery and equipment.

LUCKY ROYAL CO., LTD.
Notes to the Financial Statements

(b) The Company and Paulaner Franchise & Consulting GmbH have entered into a contract for the use of the PBCG brand name and beer brewing techniques in October 2019. In accordance with the contract, PBCG has to provide the right to use its brand name and its management consultation service for restaurant management, information service. The contract lasts for 10 years, starting from October 1, 2019 to September 30, 2029, with the option of extending it for an additional of 10 years, and there will be an automatic renewal for 5 years after the first renewal.

The future minimum payments for trademark royalties under the aforementioned non-cancellable contract are as follows:

	June 30, 2026	June 30, 2025
One year	$ 871	824
One to five years	2,032	2,748
	$ 2,903	**3,572**

(c) As of June 30, 2026, December 31 and June 30, 2025, the Company provided guarantees notes for the purchase of its merchandise and credit facilities amounting to $1,533,700 thousand, $1,582,860 thousand and $2,004,400 thousand, respectively.

(d) For renewing equipment and expanding the factory, the Company entered contracts for the construction and purchase property, plant and equipment. The total contract amounts were $43,190 thousand, $71,884 thousand and $380,470 thousand as of June 30, 2026, December 31 and June 30, 2025, respectively, of which the Company had paid $21,924 thousand, $48,644 thousand and $300,854 thousand, respectively, included in the construction in progress and prepayments for equipment accounts.

(10) Losses Due to Major Disasters: None.

(11) Subsequent Events: None.

(12) Other

(a) A summary of personnel expenses, depreciation and amortization, by function, is as follows:

By function / By nature	Three months ended June 30, 2026			Three months ended June 30, 2025		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Personnel expenses						
Salaries	59,745	44,241	103,986	61,939	41,191	103,130
Labor and health insurance	6,469	3,478	9,947	6,288	3,482	9,770
Pension	2,104	1,825	3,929	2,383	1,760	4,143
Others	3,023	1,885	4,908	3,217	1,771	4,988
Depreciation	21,410	3,275	24,685	19,261	3,510	22,771
Amortization	-	-	-	-	-	-

(Continued)

By function / By nature	Six months ended June 30 2026			Six months ended June 30 2025		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Personnel expenses						
Salaries	109,788	91,476	201,264	112,300	83,462	195,762
Labor and health insurance	12,644	7,993	20,637	11,896	7,944	19,840
Pension	4,437	3,663	8,100	4,653	3,422	8,075
Others	5,868	3,234	9,102	6,064	3,220	9,284
Depreciation	41,900	6,453	48,353	37,624	7,136	44,760
Amortization	-	-	-	-	-	-

(b) Seasonality or cyclicality of interim operations

The ice cream department of the Company's operation is affected by the weather conditions and the impact of seasonal fluctuations. In which ice cream sales at the main areas are easily adversely impacted due to the winter weather conditions from November to the following February each year. The Company attempts to satisfy supply needs by inventory management during this period to reduce the seasonal effects. Generally, revenue and operating profit in the first quarter of ice cream department is relatively low.

LUCKY ROYAL CO., LTD.
Notes to the Financial Statements

(13) Other disclosures

(a) Information on significant transactions:

The following is the information on the Company's significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the six months ended June 30, 2026:

(i) Loans to other parties: None

(ii) Guarantees and endorsements for other parties: None

(iii) Material securities held as of June 30, 2026 (excluding investment in subsidiaries, associates and joint ventures):

Unit: thousand dollars / thousand shares

Name of holder	Nature and name of security	Relationship with the security issuer	Account name	Ending balance				Remarks
				Number of shares	Book value	Holding percentage	Market value	
The Company	Stock: Namchow Holdings Co., Ltd.	The parent company	Financial assets measured at fair value through other comprehensive income—non-current	46,041	1,450,300	15.65 %	1,450,300	

(iv) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock: None

(v) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock: None.

(b) Information on investees:None.

(c) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information: None.

(ii) Limitation on investment in Mainland China:

Accumulated investment amount in Mainland China as of June 30, 2026	Investment (amount) approved by Investment Commission, Ministry of Economic Affairs	Maximum investment amount set by Investment Commission, Ministry of Economic Affairs
154,379	194,406	1,915,837

Note: Huaciang's Board of Directors approved to acquire 93.32% shares in Namchow BVI from Lucky Royal on February 29, 2024. The acquisition price of above transaction amounted to $72,270 thousand. The original investment amount approved by the Department of Investment Review, Ministry of Economic Affairs, R.O.C. will be cancelled after the aforementioned investment is made and is reviewed by the Department of Investment Review, Ministry of Economic Affairs, R.O.C.

(iii) Significant transactions with investees in Mainland China: None.

(Continued)

LUCKY ROYAL CO., LTD.
Notes to the Financial Statements

(14) Segment information

There are two departments in the Company which should be reported: ice cream department, and food department. The ice cream department is engaged in the manufacturing and sales of various types of ice cream. The food department is involved in the manufacturing and sales of frozen prepared foods.

The other operating departments are engaged in food consulting, business management, and leasing operations. Additionally, for the six months ended June 30, 2026 and 2025, these other operating departments did not meet any quantitative thresholds required for reporting.

A reportable department is a strategic business unit providing different products and services. Because each strategic business unit requires different kinds of techniques and marketing tactics, it should be separately managed.

Information on reportable segments and reconciliation for the Company is as follows:

	Three months ended June 30, 2026				
	Ice cream products	Foods	Management, rental revenue and others	Adjustments or elimination	Total
Revenue:					
Revenue from external customers	$ 514,548	156,163	3,114	-	673,825
Inter-segment revenues	-	-	-	-	-
Total revenue	**$ 514,548**	**156,163**	**3,114**	**-**	**673,825**
Reportable segment profit	**$ 55,517**	**29,250**	**594**	**-**	85,361
Interest income and other income					3,562
Other gains and losses					(124)
Finance costs					(188)
Net income before tax					**$ 88,611**

	Three months ended June 30, 2025				
	Ice cream products	Foods	Management, rental revenue and others	Adjustments or elimination	Total
Revenue:					
Revenue from external customers	$ 595,388	135,141	3,575	-	734,104
Inter-segment revenues	-	-	-	-	-
Total revenue	**$ 595,388**	**135,141**	**3,575**	**-**	**734,104**
Reportable segment profit	**$ 93,901**	**27,910**	**1,335**	**-**	123,146
Interest income and other income					5,747
Other gains and losses					(2,842)
Finance costs					(1,397)
Net income before tax					**$ 124,654**

(Continued)

LUCKY ROYAL CO., LTD.
Notes to the Financial Statements

	Six months ended June 30, 2026				
	Ice cream products	Foods	Management, rental revenue and others	Adjustments or elimination	Total
Revenue:					
Revenue from external customers	$ 838,458	315,456	6,217	-	1,160,131
Inter-segment revenues	-	-	-	-	-
Total revenue	**$ 838,458**	**315,456**	**6,217**	**-**	**1,160,131**
Reportable segment profit	**$ 64,799**	**61,603**	**1,349**	**-**	127,751
Interest income and other income					79,191
Other gains and losses					(107)
Finance costs					(390)
Net income before tax					**$ 206,445**

	Six months ended June 30, 2025				
	Ice cream products	Foods	Management, rental revenue and others	Adjustments or elimination	Total
Revenue:					
Revenue from external customers	$ 979,607	281,534	7,139	-	1,268,280
Inter-segment revenues	-	-	-	-	-
Total revenue	**$ 979,607**	**281,534**	**7,139**	**-**	**1,268,280**
Reportable segment profit	**$ 149,373**	**56,800**	**2,506**	**-**	208,679
Interest income and other income					121,117
Other gains and losses					(3,119)
Finance costs					(2,128)
Net income before tax					**$ 324,549**