

# GOURMET MASTER CO. LTD. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2016 (Reviewed)		December 31, 2015 (Audited)		March 31, 2015 (Reviewed)	
	Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>						
Cash and cash equivalents (Note 6)	\$ 3,630,044	29	\$ 3,054,982	25	\$ 2,905,734	28
Financial assets at fair value through profit or loss - current (Note 7)	115,800	1	108,900	1	-	-
Debt investments with no active market - current (Notes 9 and 29)	805,698	6	979,185	8	153,948	1
Notes receivable	5,432	-	6,522	-	143	-
Trade receivables (Note 10)	234,562	2	262,608	2	214,907	2
Other receivables	63,687	1	85,503	1	47,908	-
Current tax assets	11,666	-	140	-	9,923	-
Inventories (Note 11)	575,904	5	636,774	5	485,996	5
Prepayments (Note 16)	354,616	3	414,433	3	286,597	3
Other current assets (Note 16)	32,304	-	21,524	-	11,652	-
Total current assets	<u>5,829,713</u>	<u>47</u>	<u>5,570,571</u>	<u>45</u>	<u>4,116,808</u>	<u>39</u>
<b>NONCURRENT ASSETS</b>						
Held-to-maturity financial assets - non-current (Note 8)	32,326	-	32,969	-	-	-
Debt investments with no active market - noncurrent (Notes 9 and 29)	194,656	1	195,568	2	93,749	1
Investments accounted for using equity method (Note 13)	79,218	1	71,072	1	62,381	1
Property, plant and equipment (Notes 14 and 29)	5,220,738	42	5,318,642	43	5,049,770	48
Investment properties	173,371	1	173,747	1	-	-
Intangible assets	90,027	1	92,275	1	80,037	1
Deferred tax assets	93,239	1	128,349	1	102,928	1
Prepaid equipment (Note 16)	119,777	1	125,761	1	347,931	3
Refundable deposits (Note 16)	501,384	4	507,662	4	537,498	5
Other noncurrent assets (Note 16)	71,812	1	73,082	1	70,126	1
Total noncurrent assets	<u>6,576,548</u>	<u>53</u>	<u>6,719,127</u>	<u>55</u>	<u>6,344,420</u>	<u>61</u>
<b>TOTAL</b>	<u>\$ 12,406,261</u>	<u>100</u>	<u>\$ 12,289,698</u>	<u>100</u>	<u>\$ 10,461,228</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Short-term borrowing (Notes 17 and 29)	\$ 30,930	-	\$ 31,073	-	\$ 3,005	-
Notes payable	1,545	-	-	-	24	-
Trade payables (Note 18)	1,119,116	9	1,203,149	10	1,059,813	10
Other payables (Note 19)	1,117,103	9	1,240,067	10	1,003,400	10
Current tax liabilities	127,829	1	131,479	1	116,796	1
Receipts in advance (Note 19)	906,214	7	822,404	7	563,568	6
Current portion of long-term borrowings (Notes 17 and 29)	65,205	1	54,235	-	26,778	-
Other current liabilities (Note 19)	19,053	-	23,099	-	15,727	-
Total current liabilities	<u>3,386,995</u>	<u>27</u>	<u>3,505,506</u>	<u>28</u>	<u>2,789,111</u>	<u>27</u>
<b>NONCURRENT LIABILITIES</b>						
Long-term borrowings (Notes 17 and 29)	846,574	7	966,327	8	629,572	6
Decommission, restoration and rehabilitation provisions (Note 19)	78,485	1	72,843	1	55,999	-
Deferred tax liabilities	-	-	597	-	6,402	-
Guarantee deposits received (Note 19)	58,573	-	51,814	-	66,043	1
Total noncurrent liabilities	<u>983,632</u>	<u>8</u>	<u>1,091,581</u>	<u>9</u>	<u>758,016</u>	<u>7</u>
Total liabilities	<u>4,370,627</u>	<u>35</u>	<u>4,597,087</u>	<u>37</u>	<u>3,547,127</u>	<u>34</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 20)</b>						
Share capital	1,411,200	11	1,411,200	11	1,411,200	14
Capital surplus						
Additional paid-in capital	2,681,126	22	2,681,126	22	2,681,126	26
Retained earnings						
Reserve	476,860	4	476,860	4	424,109	4
Special reserve	38,098	-	38,098	-	38,098	-
Unappropriated earnings	3,059,266	25	2,689,963	22	1,962,167	19
Total retained earnings	3,574,224	29	3,204,921	26	2,424,374	23
Other equity	300,494	2	336,894	3	345,901	3
Total equity attributable to owners of the Company	<u>7,967,044</u>	<u>64</u>	<u>7,634,141</u>	<u>62</u>	<u>6,862,601</u>	<u>66</u>
<b>NON-CONTROLLING INTERESTS</b>	<u>68,590</u>	<u>1</u>	<u>58,470</u>	<u>1</u>	<u>51,500</u>	<u>-</u>
Total equity	<u>8,035,634</u>	<u>65</u>	<u>7,692,611</u>	<u>63</u>	<u>6,914,101</u>	<u>66</u>
<b>TOTAL</b>	<u>\$ 12,406,261</u>	<u>100</u>	<u>\$ 12,289,698</u>	<u>100</u>	<u>\$ 10,461,228</u>	<u>100</u>

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

# GOURMET MASTER CO. LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	<b>For the Three Months Ended March 31</b>			
	<b>2016</b>		<b>2015</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
OPERATING REVENUE	\$ 5,468,800	100	\$ 4,775,696	100
OPERATING COSTS (Note 21)	<u>(2,398,424)</u>	<u>(44)</u>	<u>(2,045,118)</u>	<u>(43)</u>
GROSS PROFIT	<u>3,070,376</u>	<u>56</u>	<u>2,730,578</u>	<u>57</u>
OPERATING EXPENSES (Note 21)				
Selling and marketing expenses	(2,303,860)	(42)	(2,162,080)	(45)
General and administrative expenses	(264,188)	(5)	(244,180)	(5)
Research and development expenses	<u>(8,969)</u>	<u>-</u>	<u>(10,321)</u>	<u>-</u>
Total operating expenses	<u>(2,577,017)</u>	<u>(47)</u>	<u>(2,416,581)</u>	<u>(50)</u>
OPERATING INCOME	<u>493,359</u>	<u>9</u>	<u>313,997</u>	<u>7</u>
NONOPERATING INCOME AND EXPENSES				
Other income (Note 21)	40,319	1	17,776	-
Other gains and losses (Note 21)	(29,807)	(1)	(69,430)	(1)
Finance costs	(4,883)	-	(1,811)	-
Share of profit of associates and joint ventures	<u>8,146</u>	<u>-</u>	<u>3,670</u>	<u>-</u>
Total nonoperating income and expenses	<u>13,775</u>	<u>-</u>	<u>(49,795)</u>	<u>(1)</u>
PROFIT BEFORE INCOME TAX	507,134	9	264,202	6
INCOME TAX EXPENSE (Note 22)	<u>(127,837)</u>	<u>(2)</u>	<u>(72,067)</u>	<u>(2)</u>
NET PROFIT FOR THE YEAR	<u>379,297</u>	<u>7</u>	<u>192,135</u>	<u>4</u>
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Exchange differences arising on translation to the presentation currency	(41,272)	(1)	(63,724)	(1)
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	<u>4,998</u>	<u>-</u>	<u>10,615</u>	<u>-</u>
Total other comprehensive income	<u>(36,274)</u>	<u>(1)</u>	<u>(53,109)</u>	<u>(1)</u>

(Continued)

# GOURMET MASTER CO. LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2016		2015	
	Amount	%	Amount	%
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	\$ 343,023	6	\$ 139,026	3
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 369,303	7	\$ 189,291	4
Non-controlling interests	9,994	-	2,844	-
	\$ 379,297	7	\$ 192,135	4
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 332,903	6	\$ 138,708	3
Non-controlling interests	10,120	-	318	-
	\$ 343,023	6	\$ 139,026	3
EARNINGS PER SHARE (Note 23)				
Basic	\$ 2.62		\$ 1.34	

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

(Concluded)

**GOURMET MASTER CO. LTD. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
(In Thousands of New Taiwan Dollars)  
(Reviewed, Not Audited)

	Equity Attributable to the Owners of the Company						Other Equity Exchange Differences on Translating Foreign Operations	Total	Non-controlling Interests	Total Equity
	Shares (Thousand)	Share Capital	Capital Surplus	Retained Earnings		Unappropriated Earnings				
				Reserve	Special Reserve					
BALANCE, JANUARY 1, 2015	141,120	\$ 1,411,200	\$ 2,681,126	\$ 424,109	\$ 38,098	\$ 1,772,876	\$ 396,484	\$ 6,723,893	\$ 51,182	\$ 6,775,075
Net profit for the three months ended March 31, 2015	-	-	-	-	-	189,291	-	189,291	2,844	192,135
Other comprehensive income (loss) for the three months ended March 31, 2015, net of income tax	-	-	-	-	-	-	(50,583)	(50,583)	(2,526)	(53,109)
Total comprehensive income for the three months ended March 31, 2015	-	-	-	-	-	189,291	(50,583)	138,708	318	139,026
BALANCE, MARCH 31, 2015	<u>141,120</u>	<u>\$ 1,411,200</u>	<u>\$ 2,681,126</u>	<u>\$ 424,109</u>	<u>\$ 38,098</u>	<u>\$ 1,962,167</u>	<u>\$ 345,901</u>	<u>\$ 6,862,601</u>	<u>\$ 51,500</u>	<u>\$ 6,914,101</u>
BALANCE, JANUARY 1, 2016	141,120	\$ 1,411,200	\$ 2,681,126	\$ 476,860	\$ 38,098	\$ 2,689,963	\$ 336,894	\$ 7,634,141	\$ 58,470	\$ 7,692,611
Net profit for the three months ended March 31, 2016	-	-	-	-	-	369,303	-	369,303	9,994	379,297
Other comprehensive income (loss) for the three months ended March 31, 2016, net of income tax	-	-	-	-	-	-	(36,400)	(36,400)	126	(36,274)
Total comprehensive income for the three months ended March 31, 2016	-	-	-	-	-	369,303	(36,400)	332,903	10,120	343,023
BALANCE, MARCH 31, 2016	<u>141,120</u>	<u>\$ 1,411,200</u>	<u>\$ 2,681,126</u>	<u>\$ 476,860</u>	<u>\$ 38,098</u>	<u>\$ 3,059,266</u>	<u>\$ 300,494</u>	<u>\$ 7,967,044</u>	<u>\$ 68,590</u>	<u>\$ 8,035,634</u>

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

# GOURMET MASTER CO. LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2016	2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 507,134	\$ 264,202
Adjustments for:		
Depreciation expenses	289,290	267,983
Amortization expenses	9,443	6,096
Net gain on fair value change of financial assets at fair value through profit or loss	(6,900)	-
Interest expense	4,883	1,811
Interest income	(17,457)	(5,547)
Share of profit of associates and joint ventures	(8,146)	(3,670)
Loss on disposal of property, plant and equipment	2,226	42,120
Loss on disposal of intangible assets	7	57
Impairment loss of non-financial assets	3,935	638
Amortization of prepayments for lease	333	332
Changes in operating assets and liabilities		
Notes receivable	1,090	75
Trade receivables	28,063	23,744
Other receivables	26,121	26,753
Inventories	60,882	47,447
Prepayments	59,817	74,160
Other current assets	(10,780)	964
Other operating assets	937	3,622
Notes payable	1,545	24
Trade payables	(84,033)	65,798
Other payables	(157,726)	(185,938)
Provisions	5,642	(727)
Receipts in advance	83,810	(78,406)
Other current liabilities	(4,046)	133
Cash generated from operations	796,070	551,671
Interest paid	(3,617)	(209)
Income taxes paid	(109,391)	(36,919)
Net cash generated from operating activities	<u>683,062</u>	<u>514,543</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of debt investments with no active market	-	(191,627)
Proceeds from sale of debt investments with no active market	174,399	-
Payments for property, plant and equipment	(136,867)	(339,333)
Proceeds from disposal of property, plant and equipment	17,904	3,972
Increase in refundable deposits	(19,013)	(11,530)
Decrease in refundable deposits	22,807	15,326
Payments for intangible assets	(11,425)	(10,836)

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# GOURMET MASTER CO. LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2016	2015
Increase in prepaid equipment	(60,124)	(132,759)
Interest received	<u>13,152</u>	<u>7,836</u>
Net cash generated from ( used in ) investing activities	<u>833</u>	<u>(658,951)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	-	3,005
Proceeds from long-term borrowings	-	640,757
Repayments of long-term borrowings	(97,893)	-
Proceeds from guarantee deposits received	7,920	8,321
Refund of guarantee deposits received	<u>(1,138)</u>	<u>(9,784)</u>
Net cash ( used in ) generated from financing activities	<u>(91,111)</u>	<u>642,299</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(17,722)</u>	<u>(72,260)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	575,062	425,631
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>3,054,982</u>	<u>2,480,103</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 3,630,044</u>	<u>\$ 2,905,734</u>

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

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