

# GOURMET MASTER CO., LTD. AND SUBSIDIARIES

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

ASSETS	March 31, 2020 (Reviewed)		December 31, 2019 (Audited)		March 31, 2019 (Reviewed)	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 4,495,622	20	\$ 3,829,288	17	\$ 2,704,228	11
Financial assets at fair value through profit or loss - current (Note 7)	139,524	1	156,670	1	2,318,891	10
Financial assets at amortized cost - current (Notes 8 and 33)	942,795	4	1,495,925	7	599,588	3
Notes receivable	3,982	-	3,498	-	4,097	-
Trade receivables (Notes 9 and 32)	259,929	1	300,041	1	263,687	1
Finance lease receivables (Note 10)	59,071	-	70,524	-	82,443	-
Other receivables (Note 32)	131,979	1	119,698	1	78,647	-
Current tax assets	76,949	-	84,745	-	114,877	1
Inventories (Note 11)	742,425	3	770,703	3	777,416	3
Prepayments (Note 18)	192,376	1	214,194	1	250,130	1
Other current assets (Note 18)	9,175	-	9,967	-	17,618	-
Total current assets	<u>7,053,827</u>	<u>31</u>	<u>7,055,253</u>	<u>31</u>	<u>7,211,622</u>	<u>30</u>
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Note 7)	467,802	2	468,077	2	967,767	4
Financial assets at amortized cost - non-current (Notes 8 and 33)	1,008,925	4	1,020,179	5	880,482	4
Investments accounted for using equity method (Note 13)	99,979	1	95,198	-	97,504	-
Property, plant and equipment (Notes 14 and 33)	6,635,803	29	5,729,366	25	6,156,589	26
Right-of-use assets (Note 15)	6,454,532	28	6,725,151	30	7,159,883	30
Investment properties (Notes 16 and 33)	197,256	1	198,573	1	202,972	1
Intangible assets (Note 17)	44,765	-	42,315	-	44,843	-
Deferred tax assets	142,520	1	139,543	1	119,256	1
Prepaid equipment (Note 18)	254,526	1	256,654	1	289,719	1
Refundable deposits (Note 18)	433,210	2	444,234	2	448,308	2
Long-term finance lease receivables (Note 10)	77,556	-	100,382	-	161,760	1
Other non-current assets (Note 18)	877	-	335,863	2	2,743	-
Total non-current assets	<u>15,817,751</u>	<u>69</u>	<u>15,555,535</u>	<u>69</u>	<u>16,531,826</u>	<u>70</u>
TOTAL	<u>\$ 22,871,578</u>	<u>100</u>	<u>\$ 22,610,788</u>	<u>100</u>	<u>\$ 23,743,448</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowing (Notes 19 and 33)	\$ 1,019,311	4	\$ 396,724	2	\$ 407,469	2
Contract liabilities - current (Note 24)	1,548,868	7	1,503,352	7	1,565,163	7
Notes payable	2,106	-	612	-	1,879	-
Trade payables (Note 20)	1,490,325	6	1,548,100	7	1,379,912	6
Other payables (Notes 21 and 32)	1,154,768	5	1,356,090	6	1,304,259	5
Current tax liabilities	183,054	1	146,572	1	260,048	1
Lease liabilities - current (Note 15)	1,987,282	9	1,950,037	8	2,111,724	9
Deferred revenue - current	1,867	-	1,889	-	2,009	-
Other current liabilities (Note 21)	38,571	-	37,053	-	53,294	-
Total current liabilities	<u>7,426,152</u>	<u>32</u>	<u>6,940,429</u>	<u>31</u>	<u>7,085,757</u>	<u>30</u>
NON-CURRENT LIABILITIES						
Long-term borrowings (Notes 19, 32 and 33)	156,765	1	156,169	1	160,365	1
Decommission, restoration and rehabilitation provisions (Note 21)	97,667	-	98,055	-	98,041	-
Deferred tax liabilities	110,677	-	162,681	1	162,697	1
Lease liabilities - non-current (Note 15)	4,689,014	21	4,856,224	21	5,071,353	21
Deferred revenue - non-current	8,245	-	8,971	-	10,884	-
Guarantee deposits received (Note 21)	168,829	1	171,943	1	176,963	1
Total non-current liabilities	<u>5,231,197</u>	<u>23</u>	<u>5,454,043</u>	<u>24</u>	<u>5,680,303</u>	<u>24</u>
Total liabilities	<u>12,657,349</u>	<u>55</u>	<u>12,394,472</u>	<u>55</u>	<u>12,766,060</u>	<u>54</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 23)						
Capital						
Share capital	<u>1,800,000</u>	<u>8</u>	<u>1,800,000</u>	<u>8</u>	<u>1,800,000</u>	<u>8</u>
Capital surplus						
Additional paid-in capital	<u>2,376,605</u>	<u>11</u>	<u>2,376,605</u>	<u>11</u>	<u>2,369,956</u>	<u>10</u>
Retained earnings						
Legal reserve	1,145,453	5	1,145,453	5	978,691	4
Special reserve	317,687	1	317,687	1	227,788	1
Unappropriated earnings	<u>5,240,646</u>	<u>23</u>	<u>5,175,067</u>	<u>23</u>	<u>5,716,179</u>	<u>24</u>
Total retained earnings	<u>6,703,786</u>	<u>29</u>	<u>6,638,207</u>	<u>29</u>	<u>6,922,658</u>	<u>29</u>
Other equity	<u>(657,294)</u>	<u>(3)</u>	<u>(594,986)</u>	<u>(3)</u>	<u>(132,388)</u>	<u>(1)</u>
Total equity attributable to owners of the Company	10,223,097	45	10,219,826	45	10,960,226	46
NON-CONTROLLING INTERESTS	<u>(8,868)</u>	<u>-</u>	<u>(3,510)</u>	<u>-</u>	<u>17,162</u>	<u>-</u>
Total equity	<u>10,214,229</u>	<u>45</u>	<u>10,216,316</u>	<u>45</u>	<u>10,977,388</u>	<u>46</u>
TOTAL	<u>\$ 22,871,578</u>	<u>100</u>	<u>\$ 22,610,788</u>	<u>100</u>	<u>\$ 23,743,448</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)

	For the Three Months Ended March 31			
	2020		2019	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 24 and 37)	\$ 4,701,855	100	\$ 5,706,835	100
OPERATING COSTS (Notes 11, 25 and 32)	<u>(1,912,935)</u>	<u>(41)</u>	<u>(2,283,744)</u>	<u>(40)</u>
GROSS PROFIT	<u>2,788,920</u>	<u>59</u>	<u>3,423,091</u>	<u>60</u>
OPERATING EXPENSES (Note 25)				
Selling and marketing expenses	(2,403,223)	(51)	(2,712,419)	(48)
General and administrative expenses	(225,304)	(5)	(257,510)	(4)
Research and development expenses	<u>(8,173)</u>	<u>-</u>	<u>(8,377)</u>	<u>-</u>
Total operating expenses	<u>(2,636,700)</u>	<u>(56)</u>	<u>(2,978,306)</u>	<u>(52)</u>
PROFIT FROM OPERATIONS	<u>152,220</u>	<u>3</u>	<u>444,785</u>	<u>8</u>
NON-OPERATING INCOME AND EXPENSES (Notes 14, 25, 28 and 32)				
Other income	87,533	2	116,000	2
Other gains and losses	(97,120)	(2)	(17,872)	-
Finance costs	(65,408)	(1)	(65,265)	(1)
Share of profit or loss of associates and joint ventures	<u>4,781</u>	<u>-</u>	<u>4,665</u>	<u>-</u>
Total non-operating income and expenses	<u>(70,214)</u>	<u>(1)</u>	<u>37,528</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	82,006	2	482,313	9
INCOME TAX EXPENSE (Note 26)	<u>(28,192)</u>	<u>(1)</u>	<u>(164,064)</u>	<u>(3)</u>
NET PROFIT FOR THE PERIOD	<u>53,814</u>	<u>1</u>	<u>318,249</u>	<u>6</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Exchange differences arising on translation to the presentation currency	(119,339)	(2)	254,124	4
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	<u>63,438</u>	<u>1</u>	<u>(68,160)</u>	<u>(1)</u>

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# 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			
	2020		2019	
	Amount	%	Amount	%
Other comprehensive income (loss) for the period, net of income tax	<u>(55,901)</u>	<u>(1)</u>	<u>185,964</u>	<u>3</u>
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	<u>\$ (2,087)</u>	<u>-</u>	<u>\$ 504,213</u>	<u>9</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 65,579	1	\$ 317,314	6
Non-controlling interests	<u>(11,765)</u>	<u>-</u>	<u>935</u>	<u>-</u>
	<u>\$ 53,814</u>	<u>1</u>	<u>\$ 318,249</u>	<u>6</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 3,271	-	\$ 502,613	9
Non-controlling interests	<u>(5,358)</u>	<u>-</u>	<u>1,600</u>	<u>-</u>
	<u>\$ (2,087)</u>	<u>-</u>	<u>\$ 504,213</u>	<u>9</u>
EARNINGS PER SHARE (Note 27)				
Basic	<u>\$ 0.36</u>		<u>\$ 1.76</u>	<u>=</u>

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 Owners of the Company						Other Equity			
							Exchange			
							Differences on			
							Translating			
	Number of					Unappropriated	Foreign	Total	Non-controlling	Total Equity
	Shares	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Earnings	Operations		Interests	
	(Thousand)									
BALANCE, JANUARY 1, 2019	180,000	\$ 1,800,000	\$ 2,369,956	\$ 978,691	\$ 227,788	\$ 5,395,920	\$ (317,687)	\$ 10,454,668	\$ 23,259	\$ 10,477,927
Effect of retrospective application and retrospective restatement	-	-	-	-	-	2,945	-	2,945	521	3,466
BALANCE AT JANUARY 1, 2019 AS RESTATED	180,000	1,800,000	2,369,956	978,691	227,788	5,398,865	(317,687)	10,457,613	23,780	10,481,393
Net profit for the three months ended March 31, 2019	-	-	-	-	-	317,314	-	317,314	935	318,249
Other comprehensive loss for the three months ended March 31, 2019, net of income tax	-	-	-	-	-	-	185,299	185,299	665	185,964
Total comprehensive income for the three months ended March 31, 2019	-	-	-	-	-	317,314	185,299	502,613	1,600	504,213
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	(8,218)	(8,218)
BALANCE, MARCH 31, 2019	180,000	\$ 1,800,000	\$ 2,369,956	\$ 978,691	\$ 227,788	\$ 5,716,179	\$ (132,388)	\$ 10,960,226	\$ 17,162	\$ 10,977,388
BALANCE, JANUARY 1, 2020	180,000	\$ 1,800,000	\$ 2,376,605	\$ 1,145,453	\$ 317,687	\$ 5,175,067	\$ (594,986)	\$ 10,219,826	\$ (3,510)	\$ 10,216,316
Net profit for the three months ended March 31, 2020	-	-	-	-	-	65,579	-	65,579	(11,765)	53,814
Other comprehensive loss for the three months ended March 31, 2020, net of income tax	-	-	-	-	-	-	(62,308)	(62,308)	6,407	(55,901)
Total comprehensive income for the three months ended March 31, 2020	-	-	-	-	-	65,579	(62,308)	3,271	(5,358)	(2,087)
BALANCE, MARCH 31, 2020	180,000	\$ 1,800,000	\$ 2,376,605	\$ 1,145,453	\$ 317,687	\$ 5,240,646	\$ (657,294)	\$ 10,223,097	\$ (8,868)	\$ 10,214,229

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	
	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 82,006	\$ 482,313
Adjustments for:		
Depreciation expenses	819,762	873,704
Amortization expenses	4,850	4,797
Expected credit loss recognized on trade receivables	2,270	-
Net (gain) loss on fair value changes of financial assets at fair value through profit or loss	17,146	(12,660)
Interest expense	65,408	65,265
Interest income	(41,853)	(58,406)
Share of profit of associates and joint ventures	(4,781)	(4,665)
Loss on disposal of property, plant and equipment	18,576	17,630
Impairment loss of non-financial assets	17,045	6,883
Government grants	(630)	(501)
Changes in operating assets and liabilities		
Notes receivable	(484)	(1,677)
Trade receivables	43,711	48,533
Other receivables	3,222	(343)
Inventories	18,908	(18,296)
Prepayments	24,060	24,842
Other current assets	792	5,403
Other operating assets	2,113	419
Contract liabilities	45,516	149,005
Notes payable	1,494	856
Trade payables	(57,775)	(167,585)
Other payables	(147,733)	(41,613)
Provisions	(388)	6,067
Other current liabilities	1,518	5,993
Cash generated from operations	914,753	1,385,964
Interest paid	(64,289)	(11,133)
Income taxes paid	(38,648)	(52,005)
Net cash generated from operating activities	811,816	1,322,826
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through profit or loss	-	(22,180)
Purchase of financial assets at amortized cost	(21,135)	(254,886)
Proceeds from redemption of financial assets at amortized cost	562,145	517,506
Payments for property, plant and equipment	(917,162)	(235,523)
Proceeds from disposal of property, plant and equipment	677	2,388
Increase in refundable deposits	(8,190)	(12,760)
Decrease in refundable deposits	18,025	14,634

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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	
	2020	2019
Payments for intangible assets	(7,432)	(2,179)
Decrease in finance lease receivables	18,131	21,164
Increase in other non-current assets	(1,942)	-
Increase in prepayments for equipment	(49,455)	(104,910)
Interest received	<u>15,326</u>	<u>27,628</u>
Net cash used in investing activities	<u>(391,012)</u>	<u>(49,118)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	777,000	-
Repayments of short-term borrowings	(154,914)	-
Proceeds from guarantee deposits received	4,977	12,116
Refund of guarantee deposits received	(7,377)	(1,075)
Repayment of the principal portion of lease liabilities	(362,991)	(583,446)
Dividends paid to non-controlling interests	<u>-</u>	<u>(8,218)</u>
Net cash generated from (used in) financing activities	<u>256,695</u>	<u>(580,623)</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(11,165)</u>	<u>(52,961)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	666,334	640,124
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>3,829,288</u>	<u>2,064,104</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 4,495,622</u>	<u>\$ 2,704,228</u>

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

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