

GOURMET MASTER CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2021 (Reviewed)		December 31, 2020 (Audited)		March 31, 2020 (Reviewed)	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 5,573,034	26	\$ 4,481,694	20	\$ 4,495,622	20
Financial assets at fair value through profit or loss - current (Note 7)	192,034	1	171,566	1	139,524	1
Financial assets at amortized cost - current (Notes 8 and 31)	782,184	4	1,772,223	8	942,795	4
Notes receivable	1,827	-	2,630	-	3,982	-
Trade receivables (Notes 9, 22 and 30)	208,451	1	268,235	1	259,929	1
Finance lease receivables (Note 10)	57,062	-	62,105	-	59,071	-
Other receivables (Note 30)	135,154	1	133,516	1	131,979	1
Current tax assets	78,202	-	78,267	1	76,949	-
Inventories (Note 11)	675,796	3	706,264	3	742,425	3
Prepayments	258,517	1	232,755	1	192,376	1
Other current assets	<u>8,042</u>	<u>-</u>	<u>6,311</u>	<u>-</u>	<u>9,175</u>	<u>-</u>
Total current assets	<u>7,970,303</u>	<u>37</u>	<u>7,915,566</u>	<u>36</u>	<u>7,053,827</u>	<u>31</u>
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Note 7)	1,028	-	1,028	-	467,802	2
Financial assets at amortized cost - non-current (Note 8)	1,166,688	5	1,210,295	5	1,008,925	4
Investments accounted for using equity method (Note 13)	111,122	1	107,398	1	99,979	1
Property, plant and equipment (Notes 14 and 31)	6,134,617	28	6,228,618	28	6,635,803	29
Right-of-use assets (Note 15)	5,213,992	24	5,534,724	25	6,454,532	28
Investment properties (Notes 16 and 31)	193,999	1	195,188	1	197,256	1
Intangible assets	50,171	-	50,312	-	44,765	-
Deferred tax assets	205,417	1	202,461	1	142,520	1
Prepaid equipment	197,195	1	224,623	1	254,526	1
Refundable deposits	438,037	2	450,131	2	433,210	2
Finance lease receivables - non-current (Note 10)	45,415	-	55,335	-	77,556	-
Other non-current assets	<u>1,348</u>	<u>-</u>	<u>1,584</u>	<u>-</u>	<u>877</u>	<u>-</u>
Total non-current assets	<u>13,759,029</u>	<u>63</u>	<u>14,261,697</u>	<u>64</u>	<u>15,817,751</u>	<u>69</u>
TOTAL	<u>\$ 21,729,332</u>	<u>100</u>	<u>\$ 22,177,263</u>	<u>100</u>	<u>\$ 22,871,578</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 17 and 31)	\$ 780,152	4	\$ 859,903	4	\$ 1,019,311	4
Contract liabilities - current (Note 22)	1,441,891	7	1,428,298	6	1,548,868	7
Notes payable	554	-	899	-	2,106	-
Trade payables (Note 18)	1,222,999	6	1,424,472	6	1,490,325	6
Other payables (Notes 19 and 30)	1,202,368	5	1,299,244	6	1,154,768	5
Current tax liabilities	209,559	1	168,291	1	183,054	1
Lease liabilities - current (Note 15)	1,726,698	8	1,933,745	9	1,987,282	9
Deferred revenue - current	2,702	-	3,926	-	1,867	-
Other current liabilities	<u>53,081</u>	<u>-</u>	<u>43,452</u>	<u>-</u>	<u>38,571</u>	<u>-</u>
Total current liabilities	<u>6,640,004</u>	<u>31</u>	<u>7,162,230</u>	<u>32</u>	<u>7,426,152</u>	<u>32</u>
NON-CURRENT LIABILITIES						
Long-term borrowings (Notes 17 and 31)	148,438	1	148,509	1	156,765	1
Decommission, restoration and rehabilitation provisions	95,367	-	94,783	1	97,667	-
Deferred tax liabilities	98,423	-	90,031	-	110,677	-
Lease liabilities - non-current (Note 15)	3,679,207	17	3,816,863	17	4,689,014	21
Deferred revenue - non-current (Note 26)	6,511	-	7,041	-	8,245	-
Guarantee deposits received	<u>189,568</u>	<u>1</u>	<u>186,792</u>	<u>1</u>	<u>168,829</u>	<u>1</u>
Total non-current liabilities	<u>4,217,514</u>	<u>19</u>	<u>4,344,019</u>	<u>20</u>	<u>5,231,197</u>	<u>23</u>
Total liabilities	<u>10,857,518</u>	<u>50</u>	<u>11,506,249</u>	<u>52</u>	<u>12,657,349</u>	<u>55</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 21)						
Share Capital						
Ordinary shares	<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>2,376,605</u>	<u>11</u>
	<u>2,376,605</u>	<u>11</u>	<u>2,376,605</u>	<u>11</u>	<u>2,376,605</u>	<u>11</u>
Retained earnings						
Legal reserve	1,238,739	6	1,238,739	5	1,145,453	5
Special reserve	594,986	3	594,986	3	317,687	1
Unappropriated earnings	<u>5,531,295</u>	<u>25</u>	<u>5,279,796</u>	<u>24</u>	<u>5,240,646</u>	<u>23</u>
Total retained earnings	<u>7,365,020</u>	<u>34</u>	<u>7,113,521</u>	<u>32</u>	<u>6,703,786</u>	<u>29</u>
Other equity	<u>(626,290)</u>	<u>(3)</u>	<u>(575,871)</u>	<u>(3)</u>	<u>(657,294)</u>	<u>(3)</u>
Total equity attributable to owners of the Company	10,915,335	50	10,714,255	48	10,223,097	45
NON-CONTROLLING INTERESTS	<u>(43,521)</u>	<u>-</u>	<u>(43,241)</u>	<u>-</u>	<u>(8,868)</u>	<u>-</u>
Total equity	<u>10,871,814</u>	<u>50</u>	<u>10,671,014</u>	<u>48</u>	<u>10,214,229</u>	<u>45</u>
TOTAL	<u>\$ 21,729,332</u>	<u>100</u>	<u>\$ 22,177,263</u>	<u>100</u>	<u>\$ 22,871,578</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			
	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 22 and 35)	\$ 4,874,770	100	\$ 4,701,855	100
OPERATING COSTS (Notes 11 and 23)	<u>(2,006,827)</u>	<u>(41)</u>	<u>(1,912,935)</u>	<u>(41)</u>
GROSS PROFIT	<u>2,867,943</u>	<u>59</u>	<u>2,788,920</u>	<u>59</u>
OPERATING EXPENSES (Note 23)				
Selling and marketing expenses	(2,257,243)	(47)	(2,403,223)	(51)
General and administrative expenses	(239,232)	(5)	(223,034)	(5)
Research and development expenses	(10,336)	-	(8,173)	-
Expected credit loss	<u>(2,051)</u>	<u>-</u>	<u>(2,270)</u>	<u>-</u>
Total operating expenses	<u>(2,508,862)</u>	<u>(52)</u>	<u>(2,636,700)</u>	<u>(56)</u>
PROFIT FROM OPERATIONS	<u>359,081</u>	<u>7</u>	<u>152,220</u>	<u>3</u>
NON-OPERATING INCOME AND EXPENSES (Notes 13 and 23)				
Interest income	36,531	1	41,853	1
Other income	39,629	1	45,680	1
Other gains and losses	(25,469)	(1)	(97,120)	(2)
Finance costs	(51,301)	(1)	(65,408)	(1)
Share of profit or loss of associates and joint ventures	<u>3,724</u>	<u>-</u>	<u>4,781</u>	<u>-</u>
Total non-operating income and expenses	<u>3,114</u>	<u>-</u>	<u>(70,214)</u>	<u>(1)</u>
PROFIT BEFORE INCOME TAX	362,195	7	82,006	2
INCOME TAX EXPENSE (Notes 4 and 24)	<u>(111,712)</u>	<u>(2)</u>	<u>(28,192)</u>	<u>(1)</u>
NET PROFIT FOR THE PERIOD	<u>250,483</u>	<u>5</u>	<u>53,814</u>	<u>1</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	(82,304)	(2)	(119,339)	(2)
Items that may be reclassified subsequently to profit or loss:				

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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			
	2021		2020	
	Amount	%	Amount	%
Exchange differences on translating the financial statements of foreign operations	<u>32,621</u>	<u>1</u>	<u>63,438</u>	<u>1</u>
Other comprehensive income (loss) for the period, net of income tax	<u>(49,683)</u>	<u>(1)</u>	<u>(55,901)</u>	<u>(1)</u>
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	<u>\$ 200,800</u>	<u>4</u>	<u>\$ (2,087)</u>	<u>-</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 251,499	5	\$ 65,579	1
Non-controlling interests	<u>(1,016)</u>	<u>-</u>	<u>(11,765)</u>	<u>-</u>
	<u>\$ 250,483</u>	<u>5</u>	<u>\$ 53,814</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 201,080	4	\$ 3,271	-
Non-controlling interests	<u>(280)</u>	<u>-</u>	<u>(5,358)</u>	<u>-</u>
	<u>\$ 200,800</u>	<u>4</u>	<u>\$ (2,087)</u>	<u>-</u>
EARNINGS PER SHARE (Note 25)				
Basic	<u>\$ 1.40</u>		<u>\$ 0.36</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									
	Number of Shares (Thousand)	Share Capital	Capital Surplus	Retained Earnings			Other Equity Exchange Differences on Translating Foreign Operations	Total	Non-controlling Interests	Total Equity
				Legal Reserve	Special Reserve	Unappropriated Earnings				
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
BALANCE, JANUARY 1, 2021	180,000	\$ 1,800,000	\$ 2,376,605	\$ 1,238,739	\$ 594,986	\$ 5,279,796	\$ (575,871)	\$ 10,714,255	\$ (43,241)	\$ 10,671,014
Net profit for the three months ended March 31, 2021	-	-	-	-	-	251,499	-	251,499	(1,016)	250,483
Other comprehensive loss for the three months ended March 31, 2021, net of income tax	-	-	-	-	-	-	(50,419)	(50,419)	736	(49,683)
Total comprehensive income for the three months ended March 31, 2021	-	-	-	-	-	251,499	(50,419)	201,080	(280)	200,800
BALANCE, MARCH 31, 2020	180,000	\$ 1,800,000	\$ 2,376,605	\$ 1,238,739	\$ 594,986	\$ 5,531,295	\$ (626,290)	\$ 10,915,335	\$ (43,521)	\$ 10,871,814

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	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 362,195	\$ 82,006
Adjustments for:		
Depreciation expenses	718,963	819,762
Amortization expenses	4,252	4,850
Expected credit loss recognized on trade receivables	2,051	2,270
Net (gain) loss on fair value changes of financial assets at fair value through profit or loss	(20,468)	17,146
Finance costs	51,301	65,408
Interest income	(36,531)	(41,853)
Share of profit of associates and joint ventures	(3,724)	(4,781)
Loss on disposal of property, plant and equipment	16,097	18,576
Impairment loss of non-financial assets	-	17,045
Government grants	(530)	(630)
Changes in operating assets and liabilities		
Notes receivable	803	(484)
Trade receivables	61,330	43,711
Other receivables	6,974	3,222
Inventories	30,533	18,908
Prepayments	(25,762)	24,060
Other current assets	(1,731)	792
Other operating assets	-	2,113
Contract liabilities	13,593	45,516
Notes payable	(345)	1,494
Trade payables	(201,473)	(57,775)
Other payables	(96,743)	(147,733)
Provisions	584	(388)
Other current liabilities	8,405	1,518
Cash generated from operations	889,774	914,753
Interest paid	(51,299)	(64,289)
Income taxes paid	(64,943)	(38,648)
Net cash generated from operating activities	773,532	811,816
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	-	(21,135)
Proceeds from redemption of financial assets at amortized cost	1,033,646	562,145
Payments for property, plant and equipment	(192,795)	(917,162)
Proceeds from disposal of property, plant and equipment	9,805	677
Increase in refundable deposits	-	(8,190)
Decrease in refundable deposits	12,094	18,025
Payments for intangible assets	(4,269)	(7,432)

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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	
	2021	2020
Decrease in finance lease receivables	12,171	18,131
Increase in other non-current assets	-	(1,942)
Decrease in other non-current assets	236	-
Increase in prepayments for equipment	-	(49,455)
Interest received	<u>26,465</u>	<u>15,326</u>
Net cash generated from (used in) investing activities	<u>897,353</u>	<u>(391,012)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	-	777,000
Repayments of short-term borrowings	(79,751)	(154,914)
Proceeds from guarantee deposits received	2,776	4,977
Refund of guarantee deposits received	-	(7,377)
Repayment of the principal portion of lease liabilities	<u>(502,559)</u>	<u>(362,991)</u>
Net cash (used in) generated from financing activities	<u>(579,534)</u>	<u>256,695</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(11)</u>	<u>(11,165)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,091,340	666,334
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>4,481,694</u>	<u>3,829,288</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 5,573,034</u>	<u>\$ 4,495,622</u>

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

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