

GOURMET MASTER CO. LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2021 (Audited)		December 31, 2020 (Audited)		June 30, 2020 (Reviewed)	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 5,360,206	25	\$ 4,481,694	20	\$ 5,310,302	24
Financial assets at fair value through profit or loss - current (Notes 7 and 13)	209,530	1	171,566	1	153,067	1
Financial assets at amortized cost - current (Notes 8 and 33)	728,334	4	1,772,223	8	696,716	3
Notes receivable	2,486	-	2,630	-	1,586	-
Trade receivables (Notes 9, 24 and 32)	243,412	1	268,235	1	285,424	1
Finance lease receivables (Note 10)	54,457	-	62,105	-	60,593	-
Other receivables (Note 32)	165,534	1	133,516	1	123,589	1
Current tax assets	93,609	1	78,267	1	81,773	-
Inventories (Note 11)	702,050	3	706,264	3	640,759	3
Prepayments (Note 18)	250,459	1	232,755	1	225,410	1
Other current assets	<u>7,029</u>	<u>-</u>	<u>6,311</u>	<u>-</u>	<u>8,904</u>	<u>-</u>
Total current assets	<u>7,817,106</u>	<u>37</u>	<u>7,915,566</u>	<u>36</u>	<u>7,588,123</u>	<u>34</u>
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Notes 7 and 13)	1,002	-	1,028	-	1,068	-
Financial assets at amortized cost - non-current (Notes 8)	1,357,201	6	1,210,295	5	993,598	5
Investments accounted for using equity method (Note 13)	91,375	1	107,398	1	90,865	-
Property, plant and equipment (Notes 14 and 33)	5,932,616	28	6,228,618	28	6,363,712	28
Right-of-use assets (Note 15)	5,011,490	23	5,534,724	25	6,209,690	28
Investment properties (Notes 16 and 33)	192,806	1	195,188	1	195,857	1
Intangible assets (Note 17)	51,182	-	50,312	-	45,779	-
Deferred tax assets	197,159	1	202,461	1	148,914	1
Prepaid equipment (Note 18)	278,418	1	224,623	1	269,807	1
Refundable deposits (Note 18)	435,174	2	450,131	2	425,959	2
Finance lease receivables - non-current (Note 10)	29,966	-	55,335	-	71,909	-
Other non-current assets (Note 18)	<u>1,703</u>	<u>-</u>	<u>1,584</u>	<u>-</u>	<u>646</u>	<u>-</u>
Total non-current assets	<u>13,580,092</u>	<u>63</u>	<u>14,261,697</u>	<u>64</u>	<u>14,817,804</u>	<u>66</u>
TOTAL	<u>\$ 21,397,198</u>	<u>100</u>	<u>\$ 22,177,263</u>	<u>100</u>	<u>\$ 22,405,927</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowing (Notes 19 and 33)	\$ 365,257	2	\$ 859,903	4	\$ 1,114,504	5
Contract liabilities - current (Note 24)	1,414,816	6	1,428,298	6	1,551,563	7
Notes payable	264	-	899	-	1,403	-
Trade payables (Note 20)	1,267,133	6	1,424,472	6	1,283,386	6
Payables for dividends (Notes 23 and 29)	-	-	-	-	540,000	2
Other payables (Notes 21 and 32)	1,229,299	6	1,299,244	6	1,164,934	5
Current tax liabilities	157,110	1	168,291	1	125,430	1
Lease liabilities - current (Note 15)	1,698,902	8	1,933,745	9	1,910,052	8
Deferred revenue - current (Notes 28)	4,135	-	3,926	-	1,839	-
Other current liabilities	<u>57,750</u>	<u>-</u>	<u>43,452</u>	<u>-</u>	<u>39,369</u>	<u>-</u>
Total current liabilities	<u>6,194,666</u>	<u>29</u>	<u>7,162,230</u>	<u>32</u>	<u>7,732,480</u>	<u>34</u>
NON-CURRENT LIABILITIES						
Long-term borrowings (Notes 19 and 32)	144,750	1	148,509	1	154,285	1
Decommission, restoration and rehabilitation provisions (Note 21)	90,966	-	94,783	1	96,080	-
Deferred tax liabilities	99,961	1	90,031	-	68,730	-
Lease liabilities - non-current (Note 15)	3,487,354	16	3,816,863	17	4,428,143	20
Deferred revenue - non-current (Notes 28)	5,986	-	7,041	-	7,661	-
Guarantee deposits received (Note 21)	<u>188,618</u>	<u>1</u>	<u>186,792</u>	<u>1</u>	<u>167,277</u>	<u>1</u>
Total non-current liabilities	<u>4,017,635</u>	<u>19</u>	<u>4,344,019</u>	<u>20</u>	<u>4,922,176</u>	<u>22</u>
Total liabilities	<u>10,212,301</u>	<u>48</u>	<u>11,506,249</u>	<u>52</u>	<u>12,654,656</u>	<u>56</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>2,376,605</u>	<u>11</u>
Retained earnings						
Legal Reserve	1,238,739	6	1,238,739	5	1,238,739	5
Special reserve	594,986	3	594,986	3	594,986	3
Unappropriated earnings	<u>5,927,474</u>	<u>27</u>	<u>5,279,796</u>	<u>24</u>	<u>4,538,043</u>	<u>20</u>
Total retained earnings	<u>7,761,199</u>	<u>36</u>	<u>7,113,521</u>	<u>32</u>	<u>6,371,768</u>	<u>28</u>
Other equity	<u>(716,829)</u>	<u>(3)</u>	<u>(575,871)</u>	<u>(3)</u>	<u>(783,258)</u>	<u>(3)</u>
Total equity attributable to owners of the Company	11,220,975	52	10,714,255	48	9,765,115	44
NON-CONTROLLING INTERESTS	<u>(36,078)</u>	<u>-</u>	<u>(43,241)</u>	<u>-</u>	<u>(13,844)</u>	<u>-</u>
Total equity	<u>11,184,897</u>	<u>52</u>	<u>10,671,014</u>	<u>48</u>	<u>9,751,271</u>	<u>44</u>
TOTAL	<u>\$ 21,397,198</u>	<u>100</u>	<u>\$ 22,177,263</u>	<u>100</u>	<u>\$ 22,405,927</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 June 30				For the Six Months Ended June 30			
	2021		2020		2021		2020	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 24 and 38)	\$ 4,877,818	100	\$ 4,420,517	100	\$ 9,752,588	100	\$ 9,122,372	100
OPERATING COSTS (Notes 11 and 25)	(1,949,628)	(40)	(1,831,338)	(42)	(3,956,455)	(41)	(3,744,273)	(41)
GROSS PROFIT	2,928,190	60	2,589,179	58	5,796,133	59	5,378,099	59
OPERATING EXPENSES (Note 25)								
Selling and marketing expenses	(2,317,108)	(48)	(2,082,835)	(47)	(4,574,351)	(47)	(4,486,058)	(49)
General and administrative expenses	(235,110)	(5)	(216,097)	(5)	(474,342)	(5)	(439,131)	(5)
Research and development expenses	(9,965)	-	(7,708)	-	(20,301)	-	(15,881)	-
Expected credit loss(gain)	3,088	-	(7,352)	-	1,037	-	(9,622)	-
Total operating expenses	(2,559,095)	(53)	(2,313,992)	(52)	(5,067,957)	(52)	(4,950,692)	(54)
PROFIT FROM OPERATIONS	369,095	7	275,187	6	728,176	7	427,407	5
NON-OPERATING INCOME AND EXPENSES (Notes 25, 28 and 32)								
Interest income	37,176	1	31,579	1	73,707	1	73,432	1
Other income	202,196	4	32,482	1	241,825	3	78,162	1
Other gains and losses	(38,692)	(1)	894	-	(64,161)	(1)	(96,226)	(1)
Finance costs	(48,160)	(1)	(61,671)	(2)	(99,461)	(1)	(127,079)	(2)
Share of profit of associates and joint ventures	(5,023)	-	(420)	-	(1,299)	-	4,361	-
Total non-operating income and expenses	147,497	3	2,864	-	150,611	2	(67,350)	(1)
PROFIT BEFORE INCOME TAX	516,592	10	278,051	6	878,787	9	360,057	4
INCOME TAX EXPENSE (Note 26)	(115,431)	(2)	(69,026)	(1)	(227,143)	(2)	(97,218)	(1)
NET PROFIT FOR THE PERIOD	401,161	8	209,025	5	651,644	7	262,839	3
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that will not be reclassified subsequently to profit or loss:								
Exchange differences arising on translation to the presentation currency	(89,339)	(2)	(151,762)	(3)	(171,643)	(2)	(271,101)	(3)
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating the financial statements of foreign operations	1,261	-	19,779	-	33,882	-	83,217	1

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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 June 30				For the Six Months Ended June 30			
	2021		2020		2021		2020	
	Amount	%	Amount	%	Amount	%	Amount	%
Other comprehensive income (loss) for the period, net of income tax	(88,078)	(2)	(131,983)	(3)	(137,761)	(2)	(187,884)	(2)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 313,083</u>	<u>6</u>	<u>\$ 77,042</u>	<u>2</u>	<u>\$ 513,883</u>	<u>5</u>	<u>\$ 74,955</u>	<u>1</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:								
Owners of the Company	\$ 396,179	8	\$ 207,982	5	\$ 647,678	7	\$ 273,561	3
Non-controlling interests	<u>4,982</u>	<u>-</u>	<u>1,043</u>	<u>-</u>	<u>3,966</u>	<u>-</u>	<u>(10,722)</u>	<u>-</u>
	<u>\$ 401,161</u>	<u>8</u>	<u>\$ 209,025</u>	<u>5</u>	<u>\$ 651,644</u>	<u>7</u>	<u>\$ 262,839</u>	<u>3</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:								
Owners of the Company	\$ 305,640	6	\$ 82,018	2	\$ 506,720	5	\$ 85,289	1
Non-controlling interests	<u>7,443</u>	<u>-</u>	<u>(4,976)</u>	<u>-</u>	<u>7,163</u>	<u>-</u>	<u>(10,334)</u>	<u>-</u>
	<u>\$ 313,083</u>	<u>6</u>	<u>\$ 77,042</u>	<u>2</u>	<u>\$ 513,883</u>	<u>5</u>	<u>\$ 74,955</u>	<u>1</u>
EARNINGS PER SHARE (Note 27)								
Basic	<u>\$ 2.20</u>		<u>\$ 1.16</u>		<u>\$ 3.60</u>		<u>\$ 1.52</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							Total	Non-controlling Interests	Total Equity
	Shares (Thousand)	Share Capital	Capital Surplus	Retained Earnings			Other Equity Exchange Differences on Translating Foreign Operations			
				Legal Reserve	Special Reserve	Unappropriated Earnings				
BALANCE AT 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
Appropriation of 2019 earning										
Legal Reserve	-	-	-	93,286	-	(93,286)	-	-	-	-
Special reserve	-	-	-	-	277,299	(277,299)	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(540,000)	-	(540,000)	-	(540,000)
Net profit for the six months ended June 30, 2020	-	-	-	-	-	273,561	-	273,561	(10,722)	262,839
Other comprehensive income (loss) for the six months ended June 30, 2020, net of income tax	-	-	-	-	-	-	(188,272)	(188,272)	388	(187,884)
Total comprehensive income for the six months ended June 30, 2020	-	-	-	-	-	273,561	(188,272)	85,289	(10,334)	74,955
BALANCE AT JUNE 30, 2020	180,000	\$ 1,800,000	\$ 2,376,605	\$ 1,238,739	\$ 594,986	\$ 4,538,043	\$ (783,258)	\$ 9,765,115	\$ (13,844)	\$ 9,751,271
BALANCE AT 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 six months ended June 30, 2021	-	-	-	-	-	647,678	-	647,678	3,966	651,644
Other comprehensive income for the six months ended June 30, 2021, net of income tax	-	-	-	-	-	-	(140,958)	(140,958)	3,197	(137,761)
Total comprehensive income for the six months ended June 30, 2021	-	-	-	-	-	647,678	(140,958)	506,720	7,163	513,883
BALANCE AT JUNE 30, 2021	180,000	\$ 1,800,000	\$ 2,376,605	\$ 1,238,739	\$ 594,986	\$ 5,927,474	\$ (716,829)	\$ 11,220,975	\$ (36,078)	\$ 11,184,897

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 Six Months Ended June 30	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 878,787	\$ 360,057
Adjustments for:		
Depreciation expenses	1,418,013	1,607,057
Amortization expenses	7,922	9,940
Expected credit loss (reversed)/recognized on trade receivables	(1,037)	9,622
Net (gain) loss on fair value change of financial assets at fair value through profit or loss	(37,964)	3,603
Finance costs	99,461	127,079
Interest income	(73,707)	(73,432)
Dividend income	-	(7,260)
Share of loss (profit) of associates and joint ventures	1,299	(4,361)
Loss on disposal of property, plant and equipment	39,469	34,054
Impairment loss of non-financial assets	8,854	10,596
Government grants	(1,055)	(1,106)
Deduction on lease expense	-	(86,623)
Changes in operating assets and liabilities		
Notes receivable	144	1,912
Trade receivables	30,106	6,272
Other receivables	(3,307)	(6,656)
Inventories	4,214	126,412
Prepayments	(17,704)	(25,569)
Other current assets	(718)	1,063
Other operating assets	-	402
Contract liabilities	(13,482)	48,211
Notes payable	(635)	791
Trade payables	(157,339)	(264,714)
Other payables	(69,945)	(130,033)
Provisions	(3,817)	(1,975)
Other current liabilities	14,298	2,316
Cash generated from operations	2,121,857	1,747,658
Interest paid	(100,281)	(124,836)
Income taxes paid	(238,434)	(220,832)
Net cash generated from operating activities	1,783,142	1,401,990
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of financial assets at fair value through profit or loss	-	464,093
Purchase of financial assets at amortized cost	-	(149,755)
Proceeds from redemption of financial assets at amortized cost	896,983	921,452
Acquisition of associates	-	(120)

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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 Six Months Ended June 30	
	2021	2020
Payments for property, plant and equipment	(357,962)	(995,601)
Proceeds from disposal of property, plant and equipment	10,347	703
Increase in refundable deposits	-	(25,563)
Decrease in refundable deposits	16,289	38,071
Payments for intangible assets	(9,691)	(13,964)
Decrease in finance lease receivables	34,432	35,579
Increase in other non-current assets	(119)	-
Increase in prepayments for equipment	(53,795)	(82,230)
Interest received	56,521	66,999
Dividends received from associates	-	8,815
Net cash generated from investing activities	<u>593,005</u>	<u>268,479</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	-	973,711
Repayments of short-term borrowings	(494,646)	(251,533)
Proceeds from guarantee deposits received	1,826	5,682
Refund of guarantee deposits received	-	(9,870)
Repayment of the principal portion of lease liabilities	(1,046,508)	(883,975)
Dividends paid to non-controlling interests	-	-
Donations from shareholders	-	-
Net cash used in financing activities	<u>(1,539,328)</u>	<u>(165,985)</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>41,693</u>	<u>(23,470)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	878,512	1,481,014
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>\$ 5,360,206</u>	<u>\$ 5,310,302</u>

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

(Concluded)