

GOURMET MASTER CO. LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

	September 30, 2022 (Reviewed)		December 31, 2021 (Audited)		September 30, 2021 (Reviewed)	
ASSETS	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 2,479,224	12	\$ 5,010,293	24	\$ 5,322,784	26
Financial assets at fair value through profit or loss - current (Notes 7 and 29)	196,476	1	222,939	1	229,104	1
Financial assets at amortized cost - current (Notes 8 and 31)	3,108,875	15	1,476,627	7	1,336,727	7
Notes receivable	1,567	-	2,247	-	1,253	-
Trade receivables (Notes 9, 22 and 30)	254,788	1	290,208	1	356,637	2
Finance lease receivables (Note 10)	13,095	-	35,042	-	46,643	-
Other receivables (Note 30)	129,570	1	89,593	1	162,379	1
Current tax assets	100,721	1	121,039	1	94,530	-
Inventories (Note 11)	1,016,363	5	763,584	4	753,837	4
Prepayments	265,849	1	264,373	1	249,224	1
Other current assets	<u>5,276</u>	<u>-</u>	<u>7,350</u>	<u>-</u>	<u>8,916</u>	<u>-</u>
Total current assets	<u>7,571,804</u>	<u>37</u>	<u>8,283,295</u>	<u>40</u>	<u>8,562,034</u>	<u>42</u>
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Notes 7 and 29)	1,143	-	997	-	1,005	-
Financial assets at amortized cost - non-current (Note 8)	599,823	3	553,309	3	75,219	-
Investments accounted for using equity method (Note 13)	102,079	-	101,673	1	89,059	1
Property, plant and equipment (Notes 14 and 31)	6,387,352	31	5,690,811	27	5,786,245	28
Right-of-use assets (Note 15)	4,676,998	23	4,844,355	23	4,691,142	23
Investment properties (Notes 16 and 31)	188,905	1	191,087	1	191,815	1
Intangible assets	44,598	-	48,117	-	50,315	-
Deferred tax assets	261,231	1	203,245	1	200,918	1
Prepaid equipment	467,934	2	487,821	2	406,463	2
Refundable deposits	390,824	2	408,861	2	416,525	2
Finance lease receivables - non-current (Note 10)	282	-	7,271	-	3,133	-
Other non-current assets	<u>1,212</u>	<u>-</u>	<u>1,722</u>	<u>-</u>	<u>1,730</u>	<u>-</u>
Total non-current assets	<u>13,122,381</u>	<u>63</u>	<u>12,539,269</u>	<u>60</u>	<u>11,913,569</u>	<u>58</u>
TOTAL	<u>\$ 20,694,185</u>	<u>100</u>	<u>\$ 20,822,564</u>	<u>100</u>	<u>\$ 20,475,603</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowing (Notes 17 and 31)	\$ 420,457	2	\$ 204,179	1	\$ 338,336	2
Contract liabilities - current (Note 22)	1,430,873	7	1,405,179	7	1,400,411	7
Notes payable	1,794	-	605	-	899	-
Trade payables (Note 18)	1,392,818	7	1,478,660	7	1,363,792	7
Other payables (Note 19)	1,342,492	7	1,313,878	6	1,268,980	6
Current tax liabilities	56,003	-	86,532	1	77,707	1
Lease liabilities - current (Note 15)	1,570,941	8	1,626,416	8	1,301,448	6
Deferred revenue - current (Note 26)	2,945	-	4,168	-	2,785	-
Other current liabilities	<u>55,563</u>	<u>-</u>	<u>53,038</u>	<u>-</u>	<u>64,239</u>	<u>-</u>
Total current liabilities	<u>6,273,886</u>	<u>31</u>	<u>6,172,655</u>	<u>30</u>	<u>5,818,597</u>	<u>29</u>
NON-CURRENT LIABILITIES						
Decommission, restoration and rehabilitation provisions	97,098	-	90,037	1	89,271	-
Deferred tax liabilities	43,079	-	79,534	-	117,560	1
Lease liabilities - non-current (Note 15)	3,234,086	16	3,361,822	16	3,526,999	17
Deferred revenue - non-current (Note 26)	3,761	-	5,082	-	5,508	-
Guarantee deposits received	<u>185,302</u>	<u>1</u>	<u>189,447</u>	<u>1</u>	<u>189,109</u>	<u>1</u>
Total non-current liabilities	<u>3,563,326</u>	<u>17</u>	<u>3,725,922</u>	<u>18</u>	<u>3,928,447</u>	<u>19</u>
Total liabilities	<u>9,837,212</u>	<u>48</u>	<u>9,898,577</u>	<u>48</u>	<u>9,747,044</u>	<u>48</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 21)						
Capital						
Share capital	<u>1,800,000</u>	<u>9</u>	<u>1,800,000</u>	<u>9</u>	<u>1,800,000</u>	<u>9</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	1,449,595	7	1,340,270	6	1,340,270	7
Special reserve	671,682	3	575,871	3	575,871	3
Unappropriated earnings	<u>4,820,232</u>	<u>24</u>	<u>5,570,632</u>	<u>27</u>	<u>5,392,376</u>	<u>26</u>
Total retained earnings	<u>6,941,509</u>	<u>34</u>	<u>7,486,773</u>	<u>36</u>	<u>7,308,517</u>	<u>36</u>
Other equity	<u>(183,976)</u>	<u>(1)</u>	<u>(671,682)</u>	<u>(3)</u>	<u>(713,136)</u>	<u>(4)</u>
Total equity attributable to owners of the Company	10,934,138	53	10,991,696	53	10,771,986	52
NON-CONTROLLING INTERESTS	<u>(77,165)</u>	<u>(1)</u>	<u>(67,709)</u>	<u>(1)</u>	<u>(43,427)</u>	<u>-</u>
Total equity	<u>10,856,973</u>	<u>52</u>	<u>10,923,987</u>	<u>52</u>	<u>10,728,559</u>	<u>52</u>
TOTAL	<u>\$ 20,694,185</u>	<u>100</u>	<u>\$ 20,822,564</u>	<u>100</u>	<u>\$ 20,475,603</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 September 30				For the Nine Months Ended September 30			
	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 22 and 36)	\$ 5,145,053	100	\$ 5,083,522	100	\$ 14,375,569	100	\$ 14,836,110	100
OPERATING COSTS (Notes 11 and 23)	<u>(2,209,943)</u>	<u>(43)</u>	<u>(2,079,348)</u>	<u>(41)</u>	<u>(6,060,819)</u>	<u>(42)</u>	<u>(6,035,803)</u>	<u>(41)</u>
GROSS PROFIT	<u>2,935,110</u>	<u>57</u>	<u>3,004,174</u>	<u>59</u>	<u>8,314,750</u>	<u>58</u>	<u>8,800,307</u>	<u>59</u>
OPERATING EXPENSES (Note 23)								
Selling and marketing expenses	(2,458,999)	(48)	(2,379,374)	(47)	(7,069,315)	(49)	(6,953,725)	(47)
General and administrative expenses	(236,788)	(5)	(249,671)	(5)	(673,758)	(5)	(724,013)	(5)
Research and development expenses	(18,467)	-	(8,880)	-	(50,239)	-	(29,181)	-
Expected credit gain (loss) (Notes 9 and 10)	<u>592</u>	<u>-</u>	<u>(115)</u>	<u>-</u>	<u>3,544</u>	<u>-</u>	<u>922</u>	<u>-</u>
Total operating expenses	<u>(2,713,662)</u>	<u>(53)</u>	<u>(2,638,040)</u>	<u>(52)</u>	<u>(7,789,768)</u>	<u>(54)</u>	<u>(7,705,997)</u>	<u>(52)</u>
PROFIT FROM OPERATIONS	<u>221,448</u>	<u>4</u>	<u>366,134</u>	<u>7</u>	<u>524,982</u>	<u>4</u>	<u>1,094,310</u>	<u>7</u>
NON-OPERATING INCOME AND EXPENSES (Notes 23, 26 and 30)								
Interest income	33,888	1	33,726	-	107,562	1	107,433	1
Other income	31,046	-	35,292	1	98,747	1	277,117	2
Other gains and losses	(13,870)	-	(13,928)	-	(50,823)	(1)	(78,089)	(1)
Finance costs	(44,031)	(1)	(43,703)	(1)	(131,553)	(1)	(143,164)	(1)
Share of profit of associates and joint ventures	<u>4,100</u>	<u>-</u>	<u>(2,317)</u>	<u>-</u>	<u>5,145</u>	<u>-</u>	<u>(3,616)</u>	<u>-</u>
Total non-operating income and expenses	<u>11,133</u>	<u>-</u>	<u>9,070</u>	<u>-</u>	<u>29,078</u>	<u>-</u>	<u>159,681</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	232,581	4	375,204	7	554,060	4	1,253,991	8
INCOME TAX EXPENSE (Notes 4 and 24)	<u>(71,601)</u>	<u>(1)</u>	<u>(110,939)</u>	<u>(2)</u>	<u>(188,424)</u>	<u>(1)</u>	<u>(338,082)</u>	<u>(2)</u>
NET PROFIT FOR THE PERIOD	<u>160,980</u>	<u>3</u>	<u>264,265</u>	<u>5</u>	<u>365,636</u>	<u>3</u>	<u>915,909</u>	<u>6</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 September 30				For the Nine Months Ended September 30			
	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that will not be reclassified subsequently to profit or loss:								
Exchange differences arising on translation to the presentation currency	\$ 81,653	2	\$ (9,258)	-	\$ 330,649	2	\$ (180,901)	(1)
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating the financial statements of foreign operations	110,414	2	16,665	-	156,115	1	50,547	-
Other comprehensive income (loss) for the period, net of income tax	192,067	4	7,407	-	486,764	3	(130,354)	(1)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 353,047</u>	<u>7</u>	<u>\$ 271,672</u>	<u>5</u>	<u>\$ 852,400</u>	<u>6</u>	<u>\$ 785,555</u>	<u>5</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:								
Owners of the Company	\$ 164,949	3	\$ 267,318	5	\$ 354,736	3	\$ 914,996	6
Non-controlling interests	(3,969)	-	(3,053)	-	10,900	-	913	-
	<u>\$ 160,980</u>	<u>3</u>	<u>\$ 264,265</u>	<u>5</u>	<u>\$ 365,636</u>	<u>3</u>	<u>\$ 915,909</u>	<u>6</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:								
Owners of the Company	\$ 356,983	7	\$ 271,011	5	\$ 842,442	6	\$ 777,731	5
Non-controlling interests	(3,936)	-	661	-	9,958	-	7,824	-
	<u>\$ 353,047</u>	<u>7</u>	<u>\$ 271,672</u>	<u>5</u>	<u>\$ 852,400</u>	<u>6</u>	<u>\$ 785,555</u>	<u>5</u>
EARNINGS PER SHARE (Note 25)								
Basic	<u>\$ 0.92</u>		<u>\$ 1.49</u>		<u>\$ 1.97</u>		<u>\$ 5.08</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 Foreign Operations	Total	Non-controlling Interests	Total Equity
	Shares (Thousand)	Share Capital	Capital Surplus	Retained Earnings		Unappropriated Earnings				
				Legal Reserve	Special Reserve					
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
Appropriation of 2020 earning										
Legal Reserve	-	-	-	101,531	-	(101,531)	-	-	-	-
Special reserve	-	-	-	-	(19,115)	19,115	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(720,000)	-	(720,000)	-	(720,000)
Cash dividends distributed by non-controlling	-	-	-	-	-	-	-	-	(8,010)	(8,010)
Net profit for the nine months ended September 30, 2021	-	-	-	-	-	914,996	-	914,996	913	915,909
Other comprehensive income (loss) for the nine months ended September 30, 2021, net of income tax	-	-	-	-	-	-	(137,265)	(137,265)	6,911	(130,354)
Total comprehensive income for the nine months ended September 30, 2021	-	-	-	-	-	914,996	(137,265)	777,731	7,824	785,555
BALANCE AT SEPTEMBER 30, 2021	180,000	\$ 1,800,000	\$ 2,376,605	\$ 1,340,270	\$ 575,871	\$ 5,392,376	\$ (713,136)	\$ 10,771,986	\$ (43,427)	\$ 10,728,559
BALANCE AT JANUARY 1, 2022	180,000	\$ 1,800,000	\$ 2,376,605	\$ 1,340,270	\$ 575,871	\$ 5,570,632	\$ (671,682)	\$ 10,991,696	\$ (67,709)	\$ 10,923,987
Appropriation of 2021 earning										
Legal reserve	-	-	-	109,325	-	(109,325)	-	-	-	-
Special reserve	-	-	-	-	95,811	(95,811)	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(900,000)	-	(900,000)	-	(900,000)
Cash dividends distributed by non-controlling	-	-	-	-	-	-	-	-	(19,414)	(19,414)
Net profit for the nine months ended September 30, 2022	-	-	-	-	-	354,736	-	354,736	10,900	365,636
Other comprehensive income (loss) for the nine months ended September 30, 2022, net of income tax	-	-	-	-	-	-	487,706	487,706	(942)	486,764
Total comprehensive income for the nine months ended September 30, 2022	-	-	-	-	-	354,736	487,706	842,442	9,958	852,400
BALANCE AT SEPTEMBER 30, 2022	180,000	\$ 1,800,000	\$ 2,376,605	\$ 1,449,595	\$ 671,682	\$ 4,820,232	\$ (183,976)	\$ 10,934,138	\$ (77,165)	\$ 10,856,973

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 Nine Months Ended September 30	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 554,060	\$ 1,253,991
Adjustments for:		
Depreciation expense	1,914,556	2,090,503
Amortization expense	11,324	11,736
Expected credit loss reversed on trade receivables	(3,544)	(922)
Net loss (gain) on fair value change of financial assets at fair value through profit or loss	26,463	(57,538)
Finance Costs	131,553	143,164
Interest income	(107,562)	(107,433)
Dividend income	(8,712)	(7,920)
Share of (profit) loss of associates and joint ventures	(5,145)	3,616
Loss on disposal of property, plant and equipment	48,946	88,277
Loss on disposal of intangible assets	10	-
Impairment loss of non-financial assets	(2,889)	8,048
Government grants	(5,688)	(5,220)
Changes in operating assets and liabilities		
Notes receivable	680	1,377
Trade receivables	29,315	(81,739)
Other receivables	(11,679)	(6,338)
Inventories	(227,113)	(47,290)
Prepayments	(1,476)	(16,469)
Other current assets	2,074	(2,605)
Other operating assets	-	(146)
Contract liabilities	25,694	(27,887)
Notes payable	1,189	-
Trade payables	(85,842)	(60,680)
Other payables	28,614	(29,969)
Provisions	7,061	(5,512)
Deferred revenue	2,907	3,687
Other current liabilities	<u>2,525</u>	<u>19,646</u>
Cash generated from operations	2,327,321	3,166,377
Interest paid	(131,553)	(143,255)
Income taxes paid	<u>(293,076)</u>	<u>(415,857)</u>
Net cash generated from operating activities	<u>1,902,692</u>	<u>2,607,265</u>

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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 Nine Months Ended September 30	
	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	\$ (1,596,498)	\$ -
Proceeds from sale of financial assets at amortized cost	-	1,570,572
Purchase of long-term investments accounted for using the equity method	(1,150)	-
Payments for property, plant and equipment	(1,144,374)	(502,053)
Proceeds from disposal of property, plant and equipment	29,290	10,267
Decrease in refundable deposits	18,037	33,606
Payments for intangible assets	(4,583)	(12,628)
Decrease in finance lease receivables	42,166	-
Decrease in long-term finance lease receivables	-	60,301
Decrease in other non-current assets	510	-
Increase in prepayments for equipment	-	(181,840)
Interest received	78,127	82,219
Dividends received from associates	5,889	14,723
Other dividends received	8,712	7,920
Net cash (used in) generated from investing activities	<u>(2,563,874)</u>	<u>1,083,087</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	216,278	-
Repayments of short-term borrowings	-	(521,567)
Repayments of long-term borrowings	-	(148,509)
Proceeds from guarantee deposits received	-	2,317
Refund of guarantee deposits received	(4,145)	-
Repayment of the principal portion of lease liabilities	(1,252,822)	(1,507,784)
Dividends paid to owners of the Company	(900,000)	(720,000)
Dividends paid to non-controlling interests	<u>(19,414)</u>	<u>(8,010)</u>
Net cash used in financing activities	<u>(1,960,103)</u>	<u>(2,903,553)</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>90,216</u>	<u>54,291</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	<u>(2,531,069)</u>	<u>841,090</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>5,010,293</u>	<u>4,481,694</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 2,479,224</u>	<u>\$ 5,322,784</u>

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

(Concluded)