

# GOURMET MASTER CO. LTD. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

ASSETS	2022		2021	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Note 6)	\$ 2,197,876	11	\$ 5,010,293	24
Financial assets at fair value through profit or loss - current (Notes 7 and 29)	196,868	1	222,939	1
Financial assets at amortized cost - current (Notes 8 and 31)	3,231,075	16	1,476,627	7
Notes receivable	1,526	-	2,247	-
Trade receivables (Notes 9, 22 and 30)	280,496	1	290,208	1
Finance lease receivables (Note 10)	8,534	-	35,042	-
Other receivables (Note 30)	130,457	1	89,593	1
Current tax assets	102,313	-	121,039	1
Inventories (Note 11)	935,525	5	763,584	4
Prepayments	287,678	1	264,373	1
Other current assets	7,144	-	7,350	-
Total current assets	<u>7,379,492</u>	<u>36</u>	<u>8,283,295</u>	<u>40</u>
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through profit or loss - non-current (Notes 7 and 29)	1,105	-	997	-
Financial assets at amortized cost - non-current (Note 8)	665,612	3	553,309	3
Investments accounted for using the equity method (Note 13)	112,317	1	101,673	1
Property, plant and equipment (Notes 14 and 31)	6,536,937	32	5,690,811	27
Right-of-use assets (Note 15)	4,637,532	23	4,844,355	23
Investment properties (Notes 16 and 31)	187,558	1	191,087	1
Intangible assets	44,844	-	48,117	-
Deferred tax assets (Note 24)	271,858	1	203,245	1
Prepaid equipment	266,612	1	487,821	2
Refundable deposits	388,764	2	408,861	2
Finance lease receivables - non-current (Note 10)	-	-	7,271	-
Other non-current assets	1,137	-	1,722	-
Total non-current assets	<u>13,114,276</u>	<u>64</u>	<u>12,539,269</u>	<u>60</u>
<b>TOTAL</b>	<u>\$ 20,493,768</u>	<u>100</u>	<u>\$ 20,822,564</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Notes 17 and 31)	\$ 413,055	2	\$ 204,179	1
Contract liabilities - current (Note 22)	1,323,204	7	1,405,179	7
Notes payable	3,839	-	605	-
Trade payables (Note 18)	1,384,512	7	1,478,660	7
Other payables (Note 19)	1,385,733	7	1,313,878	6
Current tax liabilities	58,268	-	86,532	1
Lease liabilities - current (Note 15)	1,526,776	7	1,626,416	8
Deferred revenue - current (Note 26)	4,353	-	4,168	-
Other current liabilities	57,216	-	53,038	-
Total current liabilities	<u>6,156,956</u>	<u>30</u>	<u>6,172,655</u>	<u>30</u>
<b>NON-CURRENT LIABILITIES</b>				
Decommission, restoration and rehabilitation provisions	113,721	-	90,037	1
Deferred tax liabilities (Note 24)	28,703	-	79,534	-
Lease liabilities - non-current (Note 15)	3,211,553	16	3,361,822	16
Deferred revenue - non-current (Note 26)	3,223	-	5,082	-
Guarantee deposits received	184,887	1	189,447	1
Total non-current liabilities	<u>3,542,087</u>	<u>17</u>	<u>3,725,922</u>	<u>18</u>
Total liabilities	<u>9,699,043</u>	<u>47</u>	<u>9,898,577</u>	<u>48</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 21)</b>				
Share capital				
Ordinary shares	<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>12</u>	<u>2,376,605</u>	<u>11</u>
Retained earnings				
Legal reserve	1,449,595	7	1,340,270	6
Special reserve	671,682	3	575,871	3
Unappropriated earnings	4,948,578	24	5,570,632	27
Total retained earnings	<u>7,069,855</u>	<u>34</u>	<u>7,486,773</u>	<u>36</u>
Other equity	<u>(347,842)</u>	<u>(2)</u>	<u>(671,682)</u>	<u>(3)</u>
Total equity attributable to owners of the Company	10,898,618	53	10,991,696	53
<b>NON-CONTROLLING INTERESTS</b>	<u>(103,893)</u>	<u>-</u>	<u>(67,709)</u>	<u>(1)</u>
Total equity	<u>10,794,725</u>	<u>53</u>	<u>10,923,987</u>	<u>52</u>
<b>TOTAL</b>	<u>\$ 20,493,768</u>	<u>100</u>	<u>\$ 20,822,564</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 FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 22 and 36)	\$ 19,513,836	100	\$ 19,861,133	100
OPERATING COSTS (Notes 11 and 23)	<u>(8,265,362)</u>	<u>(42)</u>	<u>(8,110,170)</u>	<u>(41)</u>
GROSS PROFIT	<u>11,248,474</u>	<u>58</u>	<u>11,750,963</u>	<u>59</u>
OPERATING EXPENSES (Note 23)				
Selling and marketing expenses	(9,554,309)	(49)	(9,347,820)	(47)
General and administrative expenses	(893,159)	(5)	(961,368)	(5)
Research and development expenses	(69,154)	-	(38,764)	-
Expected credit (loss) gain (Notes 9 and 10)	<u>(549)</u>	<u>-</u>	<u>12,231</u>	<u>-</u>
Total operating expenses	<u>(10,517,171)</u>	<u>(54)</u>	<u>(10,335,721)</u>	<u>(52)</u>
PROFIT FROM OPERATIONS	<u>731,303</u>	<u>4</u>	<u>1,415,242</u>	<u>7</u>
NON-OPERATING INCOME AND EXPENSES (Notes 23, 26 and 30)				
Interest income	140,161	1	137,835	1
Other income	120,281	1	304,829	1
Other gains and losses	(105,090)	(1)	(180,506)	(1)
Finance costs	(177,392)	(1)	(186,074)	(1)
Share of profit or loss of associates and joint ventures	<u>15,383</u>	<u>-</u>	<u>8,998</u>	<u>-</u>
Total non-operating income and expenses	<u>(6,657)</u>	<u>-</u>	<u>85,082</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	724,646	4	1,500,324	7
INCOME TAX EXPENSE (Note 24)	<u>(255,241)</u>	<u>(2)</u>	<u>(430,739)</u>	<u>(2)</u>
NET PROFIT FOR THE YEAR	<u>469,405</u>	<u>2</u>	<u>1,069,585</u>	<u>5</u>
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Exchange differences arising on translation to the presentation currency	174,881	1	(83,440)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	<u>145,497</u>	<u>1</u>	<u>(5,188)</u>	<u>-</u>

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# GOURMET MASTER CO. LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
Other comprehensive income (loss) for the year, net of income tax	<u>320,378</u>	<u>2</u>	<u>(88,628)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 789,783</u>	<u>4</u>	<u>\$ 980,957</u>	<u>5</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 483,082	2	\$ 1,093,252	5
Non-controlling interests	<u>(13,677)</u>	<u>-</u>	<u>(23,667)</u>	<u>-</u>
	<u>\$ 469,405</u>	<u>2</u>	<u>\$ 1,069,585</u>	<u>5</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 806,922	4	\$ 997,441	5
Non-controlling interests	<u>(17,139)</u>	<u>-</u>	<u>(16,484)</u>	<u>-</u>
	<u>\$ 789,783</u>	<u>4</u>	<u>\$ 980,957</u>	<u>5</u>
EARNINGS PER SHARE (Note 25)				
Basic	<u>\$ 2.68</u>		<u>\$ 6.07</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 FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	Equity Attributable to the Owners of the Company						Other Equity			
	Number of Shares (In Thousands)	Share Capital	Capital Surplus	Retained Earnings		Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	Total	Non-controlling Interests	Total Equity
				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 the 2020 earnings										
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	-	-	-	-	-	-	-	-	(7,984)	(7,984)
Net profit for the year ended December 31, 2021	-	-	-	-	-	1,093,252	-	1,093,252	(23,667)	1,069,585
Other comprehensive loss for the year ended December 31, 2021, net of income tax	-	-	-	-	-	-	(95,811)	(95,811)	7,183	(88,628)
Total comprehensive income for the year ended December 31, 2021	-	-	-	-	-	1,093,252	(95,811)	997,441	(16,484)	980,957
BALANCE AT DECEMBER 31, 2021	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 the 2021 earnings										
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	-	-	-	-	-	-	-	-	(19,045)	(19,045)
Net profit for the year ended December 31, 2022	-	-	-	-	-	483,082	-	483,082	(13,677)	469,405
Other comprehensive loss for the year ended December 31, 2022, net of income tax	-	-	-	-	-	-	323,840	323,840	(3,462)	320,378
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	-	483,082	323,840	806,922	(17,139)	789,783
BALANCE AT DECEMBER 31, 2022	180,000	\$ 1,800,000	\$ 2,376,605	\$ 1,449,595	\$ 671,682	\$ 4,948,578	\$ (347,842)	\$ 10,898,618	\$ (103,893)	\$ 10,794,725

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

# GOURMET MASTER CO. LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 724,646	\$ 1,500,324
Adjustments for:		
Depreciation expense	2,543,655	2,745,255
Amortization expense	15,342	15,677
Expected credit loss recognized/(reversed) on trade receivables	549	(12,231)
Net gain on fair value changes of financial assets at fair value through profit or loss	26,071	(51,373)
Finance costs	177,392	186,074
Interest income	(140,161)	(137,835)
Dividend income	(8,712)	(7,920)
Share of profit of associates and joint ventures	(15,383)	(8,998)
Loss on disposal of property, plant and equipment	61,310	103,674
Loss on disposal of intangible assets	10	56
Impairment loss of non-financial assets	14,020	64,738
Government grants	(7,621)	(7,048)
Changes in operating assets and liabilities		
Notes receivable	721	383
Trade receivables	(610)	(5,350)
Other receivables	(23,480)	(11,888)
Inventories	(161,061)	(61,049)
Prepayments	(23,305)	(31,618)
Other current assets	206	(1,039)
Contract liabilities	(81,975)	(23,119)
Notes payable	3,234	(294)
Trade payables	(94,148)	54,188
Other payables	71,855	10,047
Deferred revenue	5,810	5,418
Provisions	23,684	(4,746)
Other current liabilities	4,178	9,586
Cash generated from operations	3,116,227	4,330,912
Interest paid	(177,392)	(181,487)
Income taxes paid	(384,223)	(566,551)
Net cash generated from operating activities	<u>2,554,612</u>	<u>3,582,874</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at amortized cost	(1,837,662)	-
Proceeds from sale of financial assets at amortized cost	-	952,582
Purchase of long-term investments accounted for using the equity method	(1,150)	-
Payments for property, plant and equipment	(1,446,023)	(683,571)
Proceeds from disposal of property, plant and equipment	34,912	19,318
Decrease in refundable deposits	20,097	41,270
Payments for intangible assets	(9,728)	(14,274)

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# GOURMET MASTER CO. LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
Decrease in finance lease receivables	44,560	48,164
Increase in other non-current assets	-	(138)
Decrease in other non-current assets	585	-
Increase in prepayments for equipment	-	(263,198)
Interest received	121,563	189,351
Dividends received from associates	5,889	14,723
Other dividends received	<u>8,712</u>	<u>7,920</u>
Net cash (used in) generated from investing activities	<u>(3,058,245)</u>	<u>312,147</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	208,876	-
Repayments of short-term borrowings	-	(655,724)
Repayments of long-term borrowings	-	(148,509)
Proceeds from guarantee deposits received	-	2,655
Refund of guarantee deposits received	(4,560)	-
Repayment of the principal portion of lease liabilities	(1,668,436)	(1,907,164)
Dividends paid to owners of the Company	(900,000)	(720,000)
Dividends paid to non-controlling interests	<u>(19,045)</u>	<u>(7,984)</u>
Net cash used in financing activities	<u>(2,383,165)</u>	<u>(3,436,726)</u>
<b>EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES</b>	<u>74,381</u>	<u>70,304</u>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	(2,812,417)	528,599
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u>5,010,293</u>	<u>4,481,694</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>\$ 2,197,876</u>	<u>\$ 5,010,293</u>

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

(Concluded)