

Gourmet Master Co. Ltd. and Subsidiaries

**Consolidated Financial Statements for the
Three Months Ended March 31, 2023 and 2022 and
Independent Auditors' Review Report**

GOURMET MASTER CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

	March 31, 2023 (Reviewed)		December 31, 2022 (Audited after Restatement)		March 31, 2022 (Reviewed after Restatement)		January 1, 2022 (Audited after Restatement)	
ASSETS	Amount	%	Amount	%	Amount	%	Amount	%
CURRENT ASSETS								
Cash and cash equivalents (Note 6)	\$ 3,172,652	16	\$ 2,197,876	11	\$ 4,317,578	21	\$ 5,010,293	24
Financial assets at fair value through profit or loss - current (Note 7)	205,613	1	196,868	1	214,960	1	222,939	1
Financial assets at amortized cost - current (Notes 8 and 31)	2,526,098	12	3,231,075	16	2,382,743	11	1,476,627	7
Notes receivable	1,663	-	1,526	-	1,560	-	2,247	-
Trade receivables (Notes 9, 22 and 30)	212,695	1	280,496	1	222,260	1	290,208	1
Finance lease receivables (Note 10)	-	-	8,534	-	27,594	-	35,042	-
Other receivables (Note 30)	116,650	1	130,457	1	113,121	1	89,593	1
Current tax assets	53,036	-	102,313	-	86,441	-	121,039	1
Inventories (Note 11)	851,232	4	935,525	5	853,945	4	763,584	4
Prepayments	392,269	2	287,678	1	250,333	1	264,373	1
Other current assets	<u>7,148</u>	<u>-</u>	<u>7,144</u>	<u>-</u>	<u>5,722</u>	<u>-</u>	<u>7,350</u>	<u>-</u>
Total current assets	<u>7,539,056</u>	<u>37</u>	<u>7,379,492</u>	<u>36</u>	<u>8,476,257</u>	<u>40</u>	<u>8,283,295</u>	<u>40</u>
NON-CURRENT ASSETS								
Financial assets at fair value through profit or loss - non-current (Note 7)	1,096	-	1,105	-	1,030	-	997	-
Financial assets at amortized cost - non-current (Note 8)	668,665	3	665,612	3	650,459	3	553,309	3
Investments accounted for using equity method (Note 13)	133,923	1	112,317	-	105,613	1	101,673	1
Property, plant and equipment (Notes 14 and 31)	6,568,634	32	6,536,937	32	5,780,535	27	5,690,811	27
Right-of-use assets (Note 15)	4,446,768	22	4,637,532	23	4,633,361	22	4,844,355	23
Investment properties (Notes 16 and 31)	186,702	1	187,558	1	191,077	1	191,087	1
Intangible assets	42,038	-	44,844	-	47,316	-	48,117	-
Deferred tax assets	326,683	1	326,181	2	319,247	2	319,357	1
Prepaid equipment	242,613	1	266,612	1	503,739	2	487,821	2
Refundable deposits	385,784	2	388,764	2	415,154	2	408,861	2
Finance lease receivables - non-current (Note 10)	-	-	-	-	4,469	-	7,271	-
Other non-current assets	<u>978</u>	<u>-</u>	<u>1,137</u>	<u>-</u>	<u>1,394</u>	<u>-</u>	<u>1,722</u>	<u>-</u>
Total non-current assets	<u>13,003,884</u>	<u>63</u>	<u>13,168,599</u>	<u>64</u>	<u>12,653,394</u>	<u>60</u>	<u>12,655,381</u>	<u>60</u>
TOTAL	<u>\$ 20,542,940</u>	<u>100</u>	<u>\$ 20,548,091</u>	<u>100</u>	<u>\$ 21,129,651</u>	<u>100</u>	<u>\$ 20,938,676</u>	<u>100</u>
LIABILITIES AND EQUITY								
CURRENT LIABILITIES								
Short-term borrowings (Notes 17 and 31)	\$ 233,990	1	\$ 413,055	2	\$ 398,390	2	\$ 204,179	1
Contract liabilities - current (Note 22)	1,319,474	7	1,323,204	7	1,429,884	7	1,405,179	7
Notes payable	4,403	-	3,839	-	574	-	605	-
Trade payables (Note 18)	1,634,618	8	1,384,512	7	1,323,027	6	1,478,660	7
Other payables (Notes 19 and 30)	1,265,676	6	1,385,733	7	1,107,463	5	1,313,878	6
Current tax liabilities	78,936	1	58,268	-	129,383	1	86,532	1
Lease liabilities - current (Note 15)	1,498,065	7	1,526,776	7	1,601,347	8	1,626,416	8
Deferred revenue - current	2,917	-	4,353	-	2,916	-	4,168	-
Other current liabilities	<u>63,214</u>	<u>-</u>	<u>57,216</u>	<u>-</u>	<u>41,433</u>	<u>-</u>	<u>53,038</u>	<u>-</u>
Total current liabilities	<u>6,101,293</u>	<u>30</u>	<u>6,156,956</u>	<u>30</u>	<u>6,034,417</u>	<u>29</u>	<u>6,172,655</u>	<u>30</u>
NON-CURRENT LIABILITIES								
Decommission, restoration and rehabilitation provisions	106,106	-	113,721	-	92,776	-	90,037	1
Deferred tax liabilities	92,320	-	83,026	-	194,286	1	195,646	-
Lease liabilities - non-current (Note 15)	3,006,659	15	3,211,553	16	3,185,144	15	3,361,822	16
Deferred revenue - non-current (Note 26)	2,754	-	3,223	-	4,777	-	5,082	-
Guarantee deposits received	<u>185,718</u>	<u>1</u>	<u>184,887</u>	<u>1</u>	<u>189,213</u>	<u>1</u>	<u>189,447</u>	<u>1</u>
Total non-current liabilities	<u>3,393,557</u>	<u>16</u>	<u>3,596,410</u>	<u>17</u>	<u>3,666,196</u>	<u>17</u>	<u>3,842,034</u>	<u>18</u>
Total liabilities	<u>9,494,850</u>	<u>46</u>	<u>9,753,366</u>	<u>47</u>	<u>9,700,613</u>	<u>46</u>	<u>10,014,689</u>	<u>48</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 21)								
Share capital								
Ordinary shares	<u>1,800,000</u>	<u>9</u>	<u>1,800,000</u>	<u>9</u>	<u>1,800,000</u>	<u>8</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>12</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	1,449,595	7	1,340,270	6	1,340,270	6
Special reserve	671,682	3	671,682	3	575,871	3	575,871	3
Unappropriated earnings	<u>5,196,327</u>	<u>26</u>	<u>4,948,578</u>	<u>24</u>	<u>5,809,677</u>	<u>28</u>	<u>5,570,632</u>	<u>27</u>
Total retained earnings	<u>7,317,604</u>	<u>36</u>	<u>7,069,855</u>	<u>34</u>	<u>7,725,818</u>	<u>37</u>	<u>7,486,773</u>	<u>36</u>
Other equity	<u>(335,900)</u>	<u>(2)</u>	<u>(347,842)</u>	<u>(2)</u>	<u>(380,296)</u>	<u>(2)</u>	<u>(671,682)</u>	<u>(3)</u>
Total equity attributable to owners of the Company	11,158,309	54	10,898,618	53	11,522,127	54	10,991,696	53
NON-CONTROLLING INTERESTS	<u>(110,219)</u>	<u>-</u>	<u>(103,893)</u>	<u>-</u>	<u>(93,089)</u>	<u>-</u>	<u>(67,709)</u>	<u>(1)</u>
Total equity	<u>11,048,090</u>	<u>54</u>	<u>10,794,725</u>	<u>53</u>	<u>11,429,038</u>	<u>54</u>	<u>10,923,987</u>	<u>52</u>
TOTAL	<u>\$ 20,542,940</u>	<u>100</u>	<u>\$ 20,548,091</u>	<u>100</u>	<u>\$ 21,129,651</u>	<u>100</u>	<u>\$ 20,938,676</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			
	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 22 and 36)	\$ 5,198,088	100	\$ 4,851,673	100
OPERATING COSTS (Notes 11 and 23)	<u>(2,144,033)</u>	<u>(41)</u>	<u>(1,985,216)</u>	<u>(41)</u>
GROSS PROFIT	<u>3,054,055</u>	<u>59</u>	<u>2,866,457</u>	<u>59</u>
OPERATING EXPENSES (Note 23)				
Selling and marketing expenses	(2,449,262)	(47)	(2,296,542)	(47)
General and administrative expenses	(238,038)	(5)	(222,995)	(5)
Research and development expenses	(20,096)	-	(15,639)	-
Expected credit loss	<u>(15,881)</u>	<u>-</u>	<u>(1,192)</u>	<u>-</u>
Total operating expenses	<u>(2,723,277)</u>	<u>(52)</u>	<u>(2,536,368)</u>	<u>(52)</u>
PROFIT FROM OPERATIONS	<u>330,778</u>	<u>7</u>	<u>330,089</u>	<u>7</u>
NON-OPERATING INCOME AND EXPENSES (Notes 13 and 23)				
Interest income	30,633	-	37,207	1
Other income	37,522	1	37,533	1
Other gains and losses	(10,381)	-	(15,579)	(1)
Finance costs	(44,570)	(1)	(43,074)	(1)
Share of profit or loss of associates and joint ventures	<u>5,164</u>	<u>-</u>	<u>3,940</u>	<u>-</u>
Total non-operating income and expenses	<u>18,368</u>	<u>-</u>	<u>20,027</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	349,146	7	350,116	7
INCOME TAX EXPENSE (Notes 4 and 24)	<u>(111,375)</u>	<u>(2)</u>	<u>(110,845)</u>	<u>(2)</u>
NET PROFIT FOR THE PERIOD	<u>237,771</u>	<u>5</u>	<u>239,271</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	55,771	1	412,364	9
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			
	2023		2022	
	Amount	%	Amount	%
Exchange differences on translating the financial statements of foreign operations	<u>(40,177)</u>	<u>(1)</u>	<u>(127,366)</u>	<u>(3)</u>
Other comprehensive income for the period, net of income tax	<u>15,594</u>	<u>-</u>	<u>284,998</u>	<u>6</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 253,365</u>	<u>5</u>	<u>\$ 524,269</u>	<u>11</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 247,749	5	\$ 239,045	5
Non-controlling interests	<u>(9,978)</u>	<u>-</u>	<u>226</u>	<u>-</u>
	<u>\$ 237,771</u>	<u>5</u>	<u>\$ 239,271</u>	<u>5</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 259,691	5	\$ 530,431	11
Non-controlling interests	<u>(6,326)</u>	<u>-</u>	<u>(6,162)</u>	<u>-</u>
	<u>\$ 253,365</u>	<u>5</u>	<u>\$ 524,269</u>	<u>11</u>
EARNINGS PER SHARE (Note 25)				
Basic	<u>\$ 1.38</u>		<u>\$ 1.33</u>	<u>=</u>

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

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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		
	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, 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
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	(19,218)	(19,218)
Net profit for the three months ended March 31, 2022	-	-	-	-	-	239,045	-	239,045	226	239,271
Other comprehensive loss for the three months ended March 31, 2022, net of income tax	-	-	-	-	-	-	291,386	291,386	(6,388)	284,998
Total comprehensive income for the three months ended March 31, 2022	-	-	-	-	-	239,045	291,386	530,431	(6,162)	524,269
BALANCE, MARCH 31, 2022	180,000	\$ 1,800,000	\$ 2,376,605	\$ 1,340,270	\$ 575,871	\$ 5,809,677	\$ (380,296)	\$ 11,522,127	\$ (93,089)	\$ 11,429,038
BALANCE, JANUARY 1, 2023	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
Net profit for the three months ended March 31, 2023	-	-	-	-	-	247,749	-	247,749	(9,978)	237,771
Other comprehensive loss for the three months ended March 31, 2023, net of income tax	-	-	-	-	-	-	11,942	11,942	3,652	15,594
Total comprehensive income for the three months ended March 31, 2023	-	-	-	-	-	247,749	11,942	259,691	(6,326)	253,365
BALANCE, MARCH 31, 2023	180,000	\$ 1,800,000	\$ 2,376,605	\$ 1,449,595	\$ 671,682	\$ 5,196,327	\$ (335,900)	\$ 11,158,309	\$ (110,219)	\$ 11,048,090

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	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 349,146	\$ 350,116
Adjustments for:		
Depreciation expenses	637,132	656,782
Amortization expenses	3,962	3,694
Expected credit loss recognized on trade receivables	15,881	1,192
Net (gain) loss on fair value changes of financial assets at fair value through profit or loss	(8,745)	7,979
Finance costs	44,570	43,074
Interest income	(30,633)	(37,207)
Share of profit of associates and joint ventures	(5,164)	(3,940)
Loss on disposal of property, plant and equipment	11,540	13,110
Impairment loss (gain) of non-financial assets	282	(829)
Government grants	(1,950)	(1,860)
Changes in operating assets and liabilities		
Notes receivable	(137)	687
Trade receivables	61,567	57,986
Other receivables	23,281	(1,140)
Inventories	89,338	(91,125)
Prepayments	(104,591)	14,040
Other current assets	(4)	1,628
Contract liabilities	(3,730)	24,705
Notes payable	564	(31)
Trade payables	250,106	(155,633)
Other payables	(120,057)	(225,633)
Provisions	(7,615)	2,739
Other current liabilities	5,998	(11,605)
Cash generated from operations	1,210,741	648,729
Interest paid	(44,570)	(43,074)
Income taxes paid	(32,638)	(34,646)
Net cash generated from operating activities	1,133,533	571,009
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	-	(907,049)
Proceeds from redemption of financial assets at amortized cost	723,940	-
Purchase of long-term investments accounted for using the equity method	(16,442)	-
Payments for property, plant and equipment	(239,825)	(199,469)
Proceeds from disposal of property, plant and equipment	9,748	2,728
Increase in refundable deposits	-	(6,293)
Decrease in refundable deposits	2,980	-

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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	
	2023	2022
Payments for intangible assets	(1,263)	(1,738)
Decrease in finance lease receivables	-	19,175
Decrease in other non-current assets	159	328
Increase in prepayments for equipment	(29,800)	(15,918)
Interest received	<u>21,159</u>	<u>14,356</u>
Net cash generated from (used in) investing activities	<u>470,656</u>	<u>(1,093,880)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	-	194,211
Repayments of short-term borrowings	(179,065)	-
Proceeds from guarantee deposits received	831	-
Refund of guarantee deposits received	-	(234)
Repayment of the principal portion of lease liabilities	<u>(415,631)</u>	<u>(434,745)</u>
Net cash used in financing activities	<u>(593,865)</u>	<u>(240,768)</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(35,548)</u>	<u>70,924</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	974,776	(692,715)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>2,197,876</u>	<u>5,010,293</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 3,172,652</u>	<u>\$ 4,317,578</u>

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

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