

Gourmet Master Co. Ltd. and Subsidiaries

**Consolidated Financial Statements for the
Nine Months Ended September 30, 2015 and 2014 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Stockholders
Gourmet Master Co. Ltd.

We have reviewed the accompanying consolidated balance sheets of Gourmet Master Co. Ltd. (the "Company") and its subsidiaries as of September 30, 2015 and 2014 and the related consolidated statements of comprehensive income for the three months ended September 30, 2015 and 2014, nine months ended September 30, 2015 and 2014, and changes in equity and cash flows for the nine months ended September 30, 2015 and 2014. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these consolidated financial statements based on our reviews.

We conducted our reviews in accordance with Statement of Auditing Standards No. 36 "Review of Financial Statements" issued by the Auditing Standards Committee of the Accounting Research and Development Foundation of the Republic of China. A review consists principally of applying analytical procedures to financial data and of making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the Republic of China, the objective of which is the expression of an opinion regarding the consolidated financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the consolidated financial statements referred to in the first paragraph for them to be in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard 34 "Interim Financial Reporting" endorsed by the Financial Supervisory Commission of the Republic of China.

November 10, 2015

Deloitte & Touche

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' review report and consolidated financial statements shall prevail.

GOURMET MASTER CO. LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2015 (Reviewed)		December 31, 2014 (Audited)		September 30, 2014 (Reviewed)	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 3,496,179	29	\$ 2,480,103	25	\$ 2,364,502	26
Financial assets at fair value through profit or loss - current (Note 7)	109,500	1	-	-	-	-
Debt investments with no active market - current (Notes 9 and 30)	121,957	1	56,070	1	224,598	2
Notes receivable	7,340	-	218	-	67	-
Trade receivables (Note 10)	364,764	3	238,551	2	196,333	2
Other receivables	85,763	1	76,950	1	60,865	1
Current tax assets	46,031	-	7,291	-	6,242	-
Inventories (Note 11)	569,669	5	533,994	5	526,112	6
Prepayments (Note 16)	416,205	3	361,089	4	359,756	4
Other current assets (Note 16)	24,916	-	12,616	-	12,593	-
Total current assets	<u>5,242,324</u>	<u>43</u>	<u>3,766,882</u>	<u>38</u>	<u>3,751,068</u>	<u>41</u>
NONCURRENT ASSETS						
Held-to-maturity financial assets - noncurrent (Note 8)	33,026	-	-	-	-	-
Debt investments with no active market - noncurrent (Notes 9 and 30)	163,116	1	-	-	-	-
Investments accounted for using equity method (Note 13)	65,079	1	58,710	1	117,835	1
Property, plant and equipment (Notes 14 and 30)	5,475,688	45	4,922,226	50	4,443,452	48
Investment properties (Notes 15 and 30)	174,123	2	-	-	-	-
Intangible assets	99,181	1	75,936	1	76,684	1
Deferred tax assets	109,850	1	81,596	1	68,321	1
Prepaid equipment (Note 16)	124,675	1	297,939	3	229,873	2
Refundable deposits (Note 16)	523,868	4	545,718	5	488,468	5
Other noncurrent assets (Note 16)	76,303	1	73,748	1	71,607	1
Total noncurrent assets	<u>6,844,909</u>	<u>57</u>	<u>6,055,873</u>	<u>62</u>	<u>5,496,240</u>	<u>59</u>
TOTAL	<u>\$ 12,087,233</u>	<u>100</u>	<u>\$ 9,822,755</u>	<u>100</u>	<u>\$ 9,247,308</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 17)	\$ 32,199	-	\$ -	-	\$ -	-
Notes payable	472	-	-	-	2	-
Trade payables (Note 18)	1,011,854	9	994,015	10	855,626	9
Other payables (Note 19)	1,362,298	11	1,171,192	12	1,151,342	12
Current tax liabilities	129,265	1	83,823	1	71,519	1
Receipts in advance (Note 19)	832,183	7	641,974	7	612,407	7
Current portion of long-term borrowings (Notes 17 and 30)	54,379	1	934	-	-	-
Other current liabilities (Note 19)	26,425	-	15,594	-	17,893	-
Total current liabilities	<u>3,449,075</u>	<u>29</u>	<u>2,907,532</u>	<u>30</u>	<u>2,708,789</u>	<u>29</u>
NONCURRENT LIABILITIES						
Long-term borrowings (Notes 17 and 30)	984,226	8	14,846	-	-	-
Decommission, restoration and rehabilitation provisions (Note 19)	56,750	-	56,726	-	42,893	1
Deferred tax liabilities	-	-	653	-	1,189	-
Guarantee deposits received (Note 19)	69,784	1	67,923	1	91,006	1
Total noncurrent liabilities	<u>1,110,760</u>	<u>9</u>	<u>140,148</u>	<u>1</u>	<u>135,088</u>	<u>2</u>
Total liabilities	<u>4,559,835</u>	<u>38</u>	<u>3,047,680</u>	<u>31</u>	<u>2,843,877</u>	<u>31</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 20)						
Share capital	1,411,200	12	1,411,200	14	1,411,200	15
Capital surplus						
Additional paid-in capital	2,681,126	22	2,681,126	27	2,681,126	29
Retained earnings						
Reserve	476,860	4	424,109	4	424,109	5
Special reserve	38,098	-	38,098	1	38,098	-
Unappropriated earnings	2,339,521	20	1,772,876	18	1,561,153	17
Total retained earnings	2,854,479	24	2,235,083	23	2,023,360	22
Other equity	531,070	4	396,484	4	237,552	3
Total equity attributable to owners of the Company	<u>7,477,875</u>	<u>62</u>	<u>6,723,893</u>	<u>68</u>	<u>6,353,238</u>	<u>69</u>
NON-CONTROLLING INTERESTS	<u>49,523</u>	<u>-</u>	<u>51,182</u>	<u>1</u>	<u>50,193</u>	<u>-</u>
Total equity	<u>7,527,398</u>	<u>62</u>	<u>6,775,075</u>	<u>69</u>	<u>6,403,431</u>	<u>69</u>
TOTAL	<u>\$ 12,087,233</u>	<u>100</u>	<u>\$ 9,822,755</u>	<u>100</u>	<u>\$ 9,247,308</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			
	2015		2014		2015		2014	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 21 and 34)	\$ 5,485,843	100	\$ 4,736,857	100	\$ 15,005,419	100	\$ 13,079,073	100
OPERATING COSTS (Note 22)	<u>(2,402,083)</u>	<u>(44)</u>	<u>(2,158,222)</u>	<u>(45)</u>	<u>(6,446,375)</u>	<u>(43)</u>	<u>(5,756,042)</u>	<u>(44)</u>
GROSS PROFIT	<u>3,083,760</u>	<u>56</u>	<u>2,578,635</u>	<u>55</u>	<u>8,559,044</u>	<u>57</u>	<u>7,323,031</u>	<u>56</u>
OPERATING EXPENSES (Note 22)								
Selling and marketing expenses	(2,282,589)	(41)	(2,173,747)	(46)	(6,591,077)	(44)	(6,069,181)	(47)
General and administrative expenses	(268,559)	(5)	(241,935)	(5)	(747,195)	(5)	(700,791)	(5)
Research and development expenses	<u>(8,066)</u>	<u>-</u>	<u>(4,819)</u>	<u>-</u>	<u>(27,765)</u>	<u>-</u>	<u>(23,975)</u>	<u>-</u>
Total operating expenses	<u>(2,559,214)</u>	<u>(46)</u>	<u>(2,420,501)</u>	<u>(51)</u>	<u>(7,366,037)</u>	<u>(49)</u>	<u>(6,793,947)</u>	<u>(52)</u>
OPERATING INCOME	<u>524,546</u>	<u>10</u>	<u>158,134</u>	<u>4</u>	<u>1,193,007</u>	<u>8</u>	<u>529,084</u>	<u>4</u>
NONOPERATING INCOME AND EXPENSES								
Other income (Notes 22 and 25)	81,664	1	71,714	1	160,865	1	140,398	1
Other gains and losses (Note 22)	(62,876)	(1)	(8,804)	-	(253,375)	(2)	(64,218)	-
Finance cost (Note 22)	(801)	-	-	-	(2,166)	-	-	-
Share of the profit or loss of associates and joint ventures	<u>1,855</u>	<u>-</u>	<u>(10,432)</u>	<u>-</u>	<u>6,249</u>	<u>-</u>	<u>(18,646)</u>	<u>-</u>
Total nonoperating income and expenses	<u>19,842</u>	<u>-</u>	<u>52,478</u>	<u>1</u>	<u>(88,427)</u>	<u>(1)</u>	<u>57,534</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	544,388	10	210,612	5	1,104,580	7	586,618	5
INCOME TAX EXPENSE (Note 23)	<u>(123,532)</u>	<u>(3)</u>	<u>(78,868)</u>	<u>(2)</u>	<u>(297,670)</u>	<u>(2)</u>	<u>(256,122)</u>	<u>(2)</u>
NET PROFIT FOR THE PERIOD	<u>420,856</u>	<u>7</u>	<u>131,744</u>	<u>3</u>	<u>806,910</u>	<u>5</u>	<u>330,496</u>	<u>3</u>
OTHER COMPREHENSIVE INCOME								
Items that will not be reclassified subsequently to profit or loss:								
Exchange differences arising on translation to the presentation currency	289,585	5	158,177	3	129,164	1	14,661	-
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating foreign operations	<u>(24,867)</u>	<u>-</u>	<u>(40,291)</u>	<u>(1)</u>	<u>3,368</u>	<u>-</u>	<u>4,965</u>	<u>-</u>
Other comprehensive income for the period, net of income tax	<u>264,718</u>	<u>5</u>	<u>117,886</u>	<u>2</u>	<u>132,532</u>	<u>1</u>	<u>19,626</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 685,574</u>	<u>12</u>	<u>\$ 249,630</u>	<u>5</u>	<u>\$ 939,442</u>	<u>6</u>	<u>\$ 350,122</u>	<u>3</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			
	2015		2014		2015		2014	
	Amount	%	Amount	%	Amount	%	Amount	%
NET PROFIT ATTRIBUTABLE								
TO:								
Owner of the Company	\$ 413,814	8	\$ 124,363	3	\$ 788,740	5	\$ 315,786	3
Non-controlling interests	<u>7,042</u>	-	<u>7,381</u>	-	<u>18,170</u>	-	<u>14,710</u>	-
	<u>\$ 420,856</u>	<u>8</u>	<u>\$ 131,744</u>	<u>3</u>	<u>\$ 806,910</u>	<u>5</u>	<u>\$ 330,496</u>	<u>3</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE								
TO:								
Owner of the Company	\$ 677,604	12	\$ 244,049	5	\$ 923,326	6	\$ 335,101	3
Non-controlling interests	<u>7,970</u>	-	<u>5,581</u>	-	<u>16,116</u>	-	<u>15,021</u>	-
	<u>\$ 685,574</u>	<u>12</u>	<u>\$ 249,630</u>	<u>5</u>	<u>\$ 939,442</u>	<u>6</u>	<u>\$ 350,122</u>	<u>3</u>
EARNINGS PER SHARE								
(Note 24)								
Basic	<u>\$ 2.93</u>		<u>\$ 0.88</u>		<u>\$ 5.59</u>		<u>\$ 2.24</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 the 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				
				Reserve	Special Reserve						
BALANCE AT JANUARY 1, 2014	141,120	\$ 1,411,200	\$ 2,681,126	\$ 366,706	\$ 38,098	\$ 1,487,603	\$ 218,237	\$ 6,202,970	\$ 71,184	\$ 6,274,154	
Appropriation of 2013 earning											
Reserve	-	-	-	57,403	-	(57,403)	-	-	-	-	
Cash dividends distributed by the Company	-	-	-	-	-	(183,456)	-	(183,456)	-	(183,456)	
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	(36,012)	(36,012)	
Change in capital surplus from investments in associates accounted for by using equity method	-	-	-	-	-	(1,377)	-	(1,377)	-	(1,377)	
Net profit for the nine months ended September 30, 2014	-	-	-	-	-	315,786	-	315,786	14,710	330,496	
Other comprehensive income (loss) for the nine months ended September 30, 2014, net of income tax	-	-	-	-	-	-	19,315	19,315	311	19,626	
Total comprehensive income for the nine months ended September 30, 2014	-	-	-	-	-	315,786	19,315	335,101	15,021	350,122	
BALANCE AT SEPTEMBER 30, 2014	<u>141,120</u>	<u>\$ 1,411,200</u>	<u>\$ 2,681,126</u>	<u>\$ 424,109</u>	<u>\$ 38,098</u>	<u>\$ 1,561,153</u>	<u>\$ 237,552</u>	<u>\$ 6,353,238</u>	<u>\$ 50,193</u>	<u>\$ 6,403,431</u>	
BALANCE AT JANUARY 1, 2015	141,120	\$ 1,411,200	\$ 2,681,126	\$ 424,109	\$ 38,098	\$ 1,772,876	\$ 396,484	\$ 6,723,893	\$ 51,182	\$ 6,775,075	
Appropriation of 2014 earning											
Reserve	-	-	-	52,751	-	(52,751)	-	-	-	-	
Cash dividends distributed by the Company	-	-	-	-	-	(169,344)	-	(169,344)	-	(169,344)	
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	(17,775)	(17,775)	
Net profit for the nine months ended September 30, 2015	-	-	-	-	-	788,740	-	788,740	18,170	806,910	
Other comprehensive income (loss) for the nine months ended September 30, 2015, net of income tax	-	-	-	-	-	-	134,586	134,586	(2,054)	132,532	
Total comprehensive income for the nine months ended September 30, 2015	-	-	-	-	-	788,740	134,586	923,326	16,116	939,442	
BALANCE AT SEPTEMBER 30, 2015	<u>141,120</u>	<u>\$ 1,411,200</u>	<u>\$ 2,681,126</u>	<u>\$ 476,860</u>	<u>\$ 38,098</u>	<u>\$ 2,339,521</u>	<u>\$ 531,070</u>	<u>\$ 7,477,875</u>	<u>\$ 49,523</u>	<u>\$ 7,527,398</u>	

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	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 1,104,580	\$ 586,618
Adjustments for:		
Depreciation expenses	794,471	651,698
Amortization expenses	21,047	16,065
Net gain on fair value change of financial assets held for trading	(4,500)	-
Interest expense	2,166	-
Interest income	(26,616)	(25,948)
Share of profit or loss of associates and joint ventures	(6,249)	18,646
Loss on disposal of property, plant and equipment	156,796	41,376
Loss on disposal of intangible assets	503	97
Impairment loss of non-financial assets	5,787	1,487
Amortization of prepayments for lease	995	407
Changes in operating assets and liabilities		
Increase in financial assets held for trading	(105,000)	-
(Increase) decrease in notes receivable	(7,122)	974
(Increase) decrease in trade receivables	(126,390)	40,064
(Increase) decrease in other receivables	(2,650)	537
Increase in inventories	(41,500)	(70,393)
(Increase) decrease in prepayments	(55,116)	37,044
(Increase) decrease in other current assets	(12,300)	14
Increase in other operating assets	(3,550)	(58,686)
Increase (decrease) in notes payable	472	(294)
Increase in trade payables	17,839	43,129
Increase in other payables	28,047	184,703
Increase in provisions	24	13,660
Increase in receipts in advance	190,209	43,781
Increase (decrease) in other current liabilities	<u>10,831</u>	<u>(5,387)</u>
Cash generated from operations	1,942,774	1,519,592
Interest paid	(2,166)	-
Income taxes paid	<u>(318,372)</u>	<u>(249,748)</u>
Net cash generated from operating activities	<u>1,622,236</u>	<u>1,269,844</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of debt investments with no active market	(229,003)	-
Purchase of held-to-maturity financial assets	(33,026)	-
Proceeds from sale of debt investments with no active market	-	61,097
Acquisition of associates	(173)	-
Proceeds from capital reduction of investment accounted for equity	-	53,239
Payments for property, plant and equipment	(965,821)	(1,195,200)
Proceeds from disposal of property, plant and equipment	37,117	3,417

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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	
	2015	2014
Increase in refundable deposits	\$ (47,825)	\$ (112,575)
Decrease in refundable deposits	77,677	44,205
Payments for intangible assets	(43,005)	(18,457)
Proceeds from disposal of intangible assets	7	81
Increase in prepaid equipment	(376,318)	(54,212)
Interest received	<u>20,453</u>	<u>24,999</u>
Net cash used in investing activities	<u>(1,559,917)</u>	<u>(1,193,406)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	32,199	-
Proceeds from long-term borrowings	1,006,362	-
Repayments of long-term borrowings	(8,779)	-
Proceeds from guarantee deposits received	19,580	45,684
Refund of guarantee deposits received	(18,276)	(42,150)
Dividends paid to owners to the Company	(169,344)	(183,456)
Dividends paid to non-controlling interests	<u>(17,775)</u>	<u>(36,012)</u>
Net cash generated from (used in) financing activities	<u>843,967</u>	<u>(215,934)</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>109,790</u>	<u>282</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,016,076	(139,214)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>2,480,103</u>	<u>2,503,716</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 3,496,179</u>	<u>\$ 2,364,502</u>

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

(Concluded)

GOURMET MASTER CO. LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015 AND 2014 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

1. GENERAL INFORMATION

Gourmet Master Co. Ltd. (the “Company”) was incorporated in the Cayman Islands in September 2008.

The Company and its subsidiaries (collectively, the “Group”) mainly engages in the production and wholesale of bakery products, retail of beverages, wholesale of bakery machinery, and the business of multiple shops and alliance shops.

The Company’s shares have been listed on the Taiwan Stock Exchange (“TSE”) since November 22, 2010.

The functional currency of the Company is Renminbi. For greater comparability and consistency of financial reporting, the consolidated financial statements are presented in New Taiwan dollars since the Company’s stocks are listed on the Taiwan Stock Exchange.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on November 10, 2015.

3. APPLICATION OF NEW AND REVISED STANDARDS, AMENDMENTS AND INTERPRETATIONS

- a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the 2013 version of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) endorsed by the FSC

Rule No. 1030029342 and Rule No. 1030010325 issued by the FSC on April 3, 2014, stipulated that the Group should apply the 2013 version of IFRS, IAS, IFRIC and SIC (collectively, the “IFRSs”) endorsed by the FSC and the related amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers starting January 1, 2015.

Except for the following, whenever applied, the initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the 2013 IFRSs version would not have any material impact on the Group’s accounting policies:

- 1) IFRS 12 “Disclosure of Interests in Other Entities”

IFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in IFRS 12 are more extensive than in the current standards.

2) IFRS 13 “Fair Value Measurement”

IFRS 13 establishes a single source of guidance for fair value measurements. It defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The disclosure requirements in IFRS 13 are more extensive than those required by the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only will be extended by IFRS 13 to cover all assets and liabilities within its scope.

The fair value measurements under IFRS 13 will be applied prospectively from January 1, 2015. Refer to Note 28 for related disclosures.

3) Amendments to IAS 1 “Presentation of Items of Other Comprehensive Income”

The amendments to IAS 1 requires items of other comprehensive income to be grouped into those items that (1) will not be reclassified subsequently to profit or loss; and (2) may be reclassified subsequently to profit or loss. Income taxes on related items of other comprehensive income are grouped on the same basis. Under current IAS 1, there were no such requirements.

The Group retrospectively applied the above amendments starting in 2015. Items not expected to be reclassified to profit or loss are the exchange differences on translating the presentation currency. Items expected to be reclassified to profit or loss is the exchange differences on translating foreign operations. However, the application of the above amendments will not have any impact on the net profit for the period, other comprehensive income for the period (net of income tax), and total comprehensive income for the period.

b. New IFRSs in issue but not yet endorsed by the FSC

The Group has not applied the following New IFRSs issued by the IASB but not yet endorsed by the FSC. As of the date the consolidated financial statements were authorized for issue, the FSC has not announced their effective dates.

New IFRSs	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRSs 2010-2012 Cycle	July 1, 2014 (Note 2)
Annual Improvements to IFRSs 2011-2013 Cycle	July 1, 2014
Annual Improvements to IFRSs 2012-2014 Cycle	January 1, 2016 (Note 4)
IFRS 9 “Financial Instruments”	January 1, 2018
Amendments to IFRS 9 and IFRS 7 “Mandatory Effective Date of IFRS 9 and Transition Disclosures”	January 1, 2018
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	January 1, 2016 (Note 3)
Amendments to IFRS 10, IFRS 12 and IAS 28 “Investment Entities: Applying the Consolidation Exception”	January 1, 2016
Amendment to IFRS 11 “Accounting for Acquisitions of Interests in Joint Operations”	January 1, 2016
IFRS 15 “Revenue from Contracts with Customers”	January 1, 2018
Amendment to IAS 1 “Disclosure Initiative”	January 1, 2016
Amendments to IAS 16 and IAS 38 “Clarification of Acceptable Methods of Depreciation and Amortization”	January 1, 2016
Amendments to IAS 16 and IAS 41 “Agriculture: Bearer Plants”	January 1, 2016
Amendment to IAS 19 “Defined Benefit Plans: Employee Contributions”	July 1, 2014

(Continued)

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendment to IAS 36 “Impairment of Assets: Recoverable Amount Disclosures for Non-financial Assets”	January 1, 2014
Amendment to IAS 39 “Novation of Derivatives and Continuation of Hedge Accounting”	January 1, 2014
IFRIC 21 “Levies”	January 1, 2014

(Concluded)

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual periods beginning on or after their respective effective dates.

Note 2: The amendment to IFRS 2 applies to share-based payment transactions with grant date on or after July 1, 2014; the amendment to IFRS 3 applies to business combinations with acquisition date on or after July 1, 2014; the amendment to IFRS 13 is effective immediately; the remaining amendments are effective for annual periods beginning on or after July 1, 2014.

Note 3: Prospectively applicable to transactions occurring in annual periods beginning on or after January 1, 2016.

Note 4: The amendment to IFRS 5 is applied prospectively to changes in a method of disposal that occur in annual periods beginning on or after January 1, 2016; the remaining amendments are effective for annual periods beginning on or after January 1, 2016.

The initial application of the above New IFRSs, whenever applied, would not have any material impact on the Group’s accounting policies, except for the following:

1) IFRS 9 “Financial Instruments”

Recognition and measurement of financial assets

With regards to financial assets, all recognized financial assets that are within the scope of IAS 39 “Financial Instruments: Recognition and Measurement” are subsequently measured at amortized cost or fair value. Under IFRS 9, the requirement for the classification of financial assets is stated below.

For the Group’s debt instruments that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, their classification and measurement are as follows:

- a) For debt instruments, if they are held within a business model whose objective is to collect the contractual cash flows, the financial assets are measured at amortized cost and are assessed for impairment continuously with impairment loss recognized in profit or loss, if any. Interest revenue is recognized in profit or loss by using the effective interest method;
- b) For debt instruments, if they are held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of financial assets, the financial assets are measured at fair value through other comprehensive income (FVTOCI) and are assessed for impairment. Interest revenue is recognized in profit or loss by using the effective interest method, and other gain or loss shall be recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses. When the debt instruments are derecognized or reclassified, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.

Except for above, all other financial assets are measured at fair value through profit or loss. However, the Group may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognized in profit or loss. No subsequent impairment assessment is required, and the cumulative gain or loss previously recognized in other comprehensive income cannot be reclassified from equity to profit or loss.

The impairment of financial assets

IFRS 9 requires that impairment loss on financial assets is recognized by using the “Expected Credit Losses Model”. The credit loss allowance is required for financial assets measured at amortized cost, financial assets mandatorily measured at FVTOCI, lease receivables, contract assets arising from IFRS 15 “Revenue from Contracts with Customers”, certain written loan commitments and financial guarantee contracts. A loss allowance for the 12-month expected credit losses is required for a financial asset if its credit risk has not increased significantly since initial recognition. A loss allowance for full lifetime expected credit losses is required for a financial asset if its credit risk has increased significantly since initial recognition and is not low. However, a loss allowance for full lifetime expected credit losses is required for trade receivables that do not constitute a financing transaction.

For purchased or originated credit-impaired financial assets, the Group takes into account the expected credit losses on initial recognition in calculating the credit-adjusted effective interest rate. Subsequently, any changes in expected losses are recognized as a loss allowance with a corresponding gain or loss recognized in profit or loss.

2) Amendment to IAS 36 “Recoverable Amount Disclosures for Non-financial Assets”

In issuing IFRS 13 “Fair Value Measurement”, the IASB made consequential amendment to the disclosure requirements in IAS 36 “Impairment of Assets”, introducing a requirement to disclose in every reporting period the recoverable amount of an asset or each cash-generating unit. The amendment clarifies that such disclosure of recoverable amounts is required only when an impairment loss has been recognized or reversed during the period. Furthermore, the Group is required to disclose the discount rate used in measurements of the recoverable amount based on fair value less costs of disposal measured using a present value technique.

3) Annual Improvements to IFRSs: 2010-2012 Cycle

Several standards including IFRS 2 “Share-based Payment”, IFRS 3 “Business Combinations” and IFRS 8 “Operating Segments” were amended in this annual improvement.

IFRS 13 was amended to clarify that the issuance of IFRS 13 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of not discounting is immaterial.

4) Annual Improvements to IFRSs: 2011-2013 Cycle

Several standards, including IFRS 3, IFRS 13 and IAS 40 “Investment Property”, were amended in this annual improvement.

The scope in IFRS 13 of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis was amended to clarify that it includes all contracts that are within the scope of, and accounted for in accordance with, IAS 39 or IFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within IAS 32.

5) Amendments to IAS 16 and IAS 38 “Clarification of Acceptable Methods of Depreciation and Amortization”

The entity should use appropriate depreciation and amortization method to reflect the pattern in which the future economic benefits of the property, plant and equipment and intangible asset are expected to be consumed by the entity.

The amended IAS 16 “Property, Plant and Equipment” requires that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate. The amended standard does not provide any exception from this requirement.

The amended IAS 38 “Intangible Assets” requires that there is a rebuttable presumption that an amortization method that is based on revenue that is generated by an activity that includes the use of an intangible asset is not appropriate. This presumption can be overcome only in the following limited circumstances:

- a) In which the intangible asset is expressed as a measure of revenue (for example, the contract that specifies the entity’s use of the intangible asset will expire upon achievement of a revenue threshold); or
- b) When it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

An entity should apply the aforementioned amendments prospectively for annual periods beginning on or after the effective date.

6) IFRS 15 “Revenue from Contracts with Customers”

IFRS 15 establishes principles for recognizing revenue that apply to all contracts with customers, and will supersede IAS 18 “Revenue”, IAS 11 “Construction Contracts” and a number of revenue-related interpretations from January 1, 2017.

When applying IFRS 15, an entity shall recognize revenue by applying the following steps:

- Identify the contract with the customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contracts; and
- Recognize revenue when the entity satisfies a performance obligation.

When IFRS 15 is effective, an entity may elect to apply this Standard either retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of initially applying this Standard recognized at the date of initial application.

7) Annual Improvements to IFRSs: 2012-2014 Cycle

Several standards, including IFRS 5 “Non-current assets held for sale and discontinued operations”, IFRS 7, IAS 19 and IAS 34, were amended in this annual improvement.

IAS 34 was amended to clarify that other disclosure information required by IAS 34 should be included in interim financial statements. If the Group includes the information in other statements (such as management commentary or risk report) issued at the same time, it is not required to repeat the disclosure in the interim financial statements. However, it is required to include a cross-reference from the interim financial statements to that issued statements that is available to users on the same terms and at the same time as the interim financial statements.

8) Amendment to IAS 1 “Disclosure Initiative”

The amendment clarifies that the consolidated financial statements should be prepared for the purpose of disclosing material information. To improve the understandability of its consolidated financial statements, the Group should disaggregate the disclosure of material items into their different natures or functions, and disaggregate material information from immaterial information.

The amendment further clarifies that the Group should consider the understandability and comparability of its consolidated financial statements to determine a systematic order in presenting its footnotes.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group’s financial position and financial performance, and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICY

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed by the FSC. Disclosure information included in the consolidated financial statements is less than those required in a complete set of annual financial statements.

b. Basis of consolidation

See Note 12 and Tables 7 and 8 for the detailed information of subsidiaries (including the percentage of ownership and main business).

c. Others

The same accounting policies of these consolidated financial statements have been followed as were applied in the preparation of the Group’s consolidated financial statements for the year ended December 31, 2014, except for those described below.

Income tax expense is the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period’s pre-tax income the tax rate that would be applicable to expected total annual earnings.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The same critical accounting judgments and key sources of estimation uncertainty of consolidated financial statements have been followed in these consolidated financial statements as were applied in the preparation of the consolidated financial statements for the year ended December 31, 2014.

6. CASH AND CASH EQUIVALENTS

	September 30, 2015	December 31, 2014	September 30, 2014
Cash on hand	\$ 956,844	\$ 115,765	\$ 103,564
Checking accounts and demand deposits	1,814,760	1,116,362	1,210,511
Cash equivalent (investments with original maturities less than three months)			
Time deposits	<u>724,575</u>	<u>1,247,976</u>	<u>1,050,427</u>
	<u>\$ 3,496,179</u>	<u>\$ 2,480,103</u>	<u>\$ 2,364,502</u>

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	September 30, 2015	December 31, 2014	September 30, 2014
<u>Financial assets at FVTPL - current</u>			
Financial assets held for trading			
Non-derivative financial assets			
Domestic quoted shares	<u>\$ 109,500</u>	<u>\$ -</u>	<u>\$ -</u>

8. HELD-TO-MATURITY FINANCIAL ASSETS

	September 30, 2015	December 31, 2014	September 30, 2014
<u>Non-current</u>			
Bank debentures - China Development Bank	<u>\$ 33,026</u>	<u>\$ -</u>	<u>\$ -</u>

In May 2015, the Group bought 10-year bank debentures issued by China Development Bank with a coupon rate of 4.25% and an effective interest rate of 4.17%, and a maturity date of December 2, 2024, at US\$1,006 thousand. (Par value of US\$1,000 thousand).

9. DEBT INVESTMENTS WITH NO ACTIVE MARKET

	September 30, 2015	December 31, 2014	September 30, 2014
<u>Current</u>			
Time deposits with original maturity more than 3 months	\$ 121,957	\$ 5,150	\$ 15,150
Restricted bank deposits	<u>-</u>	<u>50,920</u>	<u>209,448</u>
	<u>\$ 121,957</u>	<u>\$ 56,070</u>	<u>\$ 224,598</u>
<u>Non-current</u>			
Restricted bank deposits	<u>\$ 163,116</u>	<u>\$ -</u>	<u>\$ -</u>

Refer to Note 30 for information relating to bond investments with no active market pledged as security.

10. TRADE RECEIVABLES

	September 30, 2015	December 31, 2014	September 30, 2014
Trade receivables	\$ 375,639	\$ 249,249	\$ 196,333
Less: Allowance for impairment loss	<u>(10,875)</u>	<u>(10,698)</u>	<u>-</u>
	<u>\$ 364,764</u>	<u>\$ 238,551</u>	<u>\$ 196,333</u>

The average credit period on sales of goods was between 30 days and 60 days. In determining the recoverability of a trade receivable, the Group considered any change in the credit quality of the trade receivable since the date credit was initially granted to the end of the reporting period. The Group recognized an allowance for impairment loss of 100% against all receivables over 60 days because historical experience had been that receivables that are past due beyond 60 days were not recoverable.

For the trade receivables balances that were past due at the end of the reporting period, the Group did not recognize an allowance for impairment loss, because there was not a significant change in credit quality and the amounts were still considered recoverable. The Group did not hold any collateral or other credit enhancements for these balances.

The aging of receivables was as follows:

	September 30, 2015	December 31, 2014	September 30, 2014
Less than 60 days	\$ 335,907	\$ 176,641	\$ 119,070
61-90 days	1,566	8,378	2,052
91-180 days	1,523	3,936	16,453
181-360 days	3,825	31,351	30,911
Over 361 days	<u>32,818</u>	<u>28,943</u>	<u>27,847</u>
	<u>\$ 375,639</u>	<u>\$ 249,249</u>	<u>\$ 196,333</u>

The above aging schedule was based on the invoice date.

The aging of receivables that were past due but not impaired was as follow:

	September 30, 2015	December 31, 2014	September 30, 2014
Less than 90 days	\$ 1,566	\$ 8,378	\$ 2,052
91 days to 180 days	1,523	3,936	16,453
181 days to 361 days	3,825	31,351	30,911
Over 361 days	<u>21,943</u>	<u>18,245</u>	<u>27,847</u>
	<u>\$ 28,857</u>	<u>\$ 61,910</u>	<u>\$ 77,263</u>

The above aging schedule was based on the invoice date.

Within the receivables that were past due but not impaired, the receivables of outlets in shopping malls were collected by the mall first, which means the procedures and timing for the billing of the Company were longer. The experience showed that the receivables were collectable, so there was no impairment loss recognized.

The movements of the allowance for doubtful trade receivables were as follows:

	Individually Assessed for Impairment	Collectively Assessed for Impairment	Total
Balance at January 1, 2014	\$ -	\$ -	\$ -
Add: Impairment losses recognized on receivables	-	-	-
Foreign exchange translation gains and losses	<u>-</u>	<u>-</u>	<u>-</u>
Balance at September 30, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Balance at January 1, 2015	\$ 10,698	\$ -	\$ 10,698
Add: Impairment losses recognized on receivables	-	-	-
Foreign exchange translation gains and losses	<u>177</u>	<u>-</u>	<u>177</u>
Balance at September 30, 2015	<u>\$ 10,875</u>	<u>\$ -</u>	<u>\$ 10,875</u>

11. INVENTORIES

	September 30, 2015	December 31, 2014	September 30, 2014
Finished goods	\$ 24,894	\$ 29,500	\$ 36,976
Work in process	9,058	2,999	4,459
Raw materials and supplies	405,710	409,322	392,005
Merchandise	<u>130,007</u>	<u>92,173</u>	<u>92,672</u>
	<u>\$ 569,669</u>	<u>\$ 533,994</u>	<u>\$ 526,112</u>

As of September 30, 2015 and 2014, the allowance for inventory devaluation was \$10,196 thousand and \$0 thousand, respectively.

The cost of inventories recognized as cost of goods sold for the three months ended and the nine months ended September 30, 2015 and 2014 included inventory write-down of \$4,361 thousand, \$415 thousand, \$5,787 thousand and \$1,487 thousand, respectively.

The obsolescence of inventories recognized as cost of goods sold for the three months ended and the nine months ended September 30, 2015 and 2014 was \$93,986 thousand, \$96,415 thousand, \$252,523 thousand and \$239,604 thousand, respectively.

12. SUBSIDIARIES

Subsidiary Included in Consolidated Financial Statements

Investor	Investee	Main Businesses	% of Ownership			Note
			September 30, 2015	December 31, 2014	September 30, 2014	
Gourmet Master Co. Ltd.	85 Degree Co., Ltd.	Investment	100	100	100	
	Prime Scope Trading Limited	Investment	100	100	100	
	Perfect 85 Degrees C, Inc.	Manufacturing of baking fund and sale	100	100	100	
Perfect 85 Degrees C, Inc.	85 Degrees Café International Pty Ltd.	Grocery and drink retailing	51	51	51	
	Lucky Bakery Limited	Investment	100	100	100	
	WinPin 85 Investments, Inc.	Grocery and drink retailing	-	100	100	c
	WinPin 85 Investments, LLC	Grocery and drink retailing	100	-	-	c
	Golden 85 Investments, LLC	Grocery and drink retailing	65	65	65	
85 Degree Co., Ltd.	Comestibles Master Co., Ltd.	Grocery and drink retailing	100	100	100	
Comestibles Master Co., Ltd.	Mei Wei Master Co., Ltd.	Grocery and drink retailing	100	100	100	a
	Fang Song Comestibles Ltd.	Grocery and drink retailing	100	-	-	d
Mei Wei Master Co., Ltd.	Mei Wei Fu Xing Ltd.	Grocery and drink retailing	60	60	60	
Lucky Bakery Limited	Profit Sky International Limited	Investment	100	100	-	b
Profit Sky International Limited	WinCase Limited	Grocery and drink retailing	100	100	-	b
	Worldinn Limited	Manufacturing of baking fund and sale	100	100	-	b
Prime Scope Trading Limited	Shanghai Gourmet Master Food & Beverage Ltd.	Grocery and drink retailing	100	100	100	
	He-Shia Food & Beverage Ltd.	Grocery and drink retailing	100	100	100	
	Sheng-Pin (Hangzhou) Food Ltd.	Manufacturing of baking food and sale	100	100	100	
	He-Shia (Nanjing) Food & Beverage Ltd.	Grocery and drink retailing	100	100	100	
	Beijing 85 Food & Beverage Ltd.	Grocery and drink retailing	27	100	100	
	Zhejiang 85 Food & Beverage Ltd.	Grocery and drink retailing	100	100	100	
	Sheng-Pin (Beijing) Food Ltd.	Manufacturing of baking food and sale	61	100	100	
	Fuzhou 85 Food & Beverage Ltd.	Grocery and drink retailing	100	100	100	
	Sheng-Pin (Jiangsu) Food Ltd.	Manufacturing of baking food and sale	100	100	100	
	Sheng-Pin (Xiamen) Food Ltd.	Manufacturing of baking food and sale	100	100	100	
	Sheng-Pin (Qingdao) Food Ltd.	Manufacturing of baking food and sale	100	100	100	
	Xiamen 85 Food & Beverage Ltd.	Grocery and drink retailing	100	100	100	
	Shenyang 85 Food & Beverage Ltd.	Grocery and drink retailing	100	100	100	
	Sheng-Pin (Shenyang) Food Ltd.	Manufacturing of baking food and sale	100	100	100	
	Shanghai Gourmet Master Food & Beverage Ltd.	85 Degree (Qingdao) Food & Beverage Management Ltd.	Grocery and drink retailing	100	100	100
85 Degree (Jiangsu) Food Ltd.		Manufacturing of baking food and sale	25	25	25	
Sheng-Pin (Shanghai) Food Ltd.		Manufacturing of baking food and sale	100	100	100	
Mai-Jia (Shanghai) Food Ltd.		Manufacturing of baking food and sale	100	100	100	
Shanghai Howco Jing Way Food & Beverage Ltd.		Grocery and drink retailing	100	100	100	
Shenzhen 85 Food & Beverage Ltd.		Grocery and drink retailing	85	85	85	
Chengdu 85 Food & Beverage Ltd.		Grocery and drink retailing	100	100	100	
Sheng-Pin (Wuhan) Food Ltd.		Manufacturing of baking food and sale	100	100	100	
Wuhan Jing Way Food & Beverage Ltd.		Grocery and drink retailing	57	57	57	
Jianxi Jing Way Food & Beverage Ltd.		Grocery and drink retailing	100	100	100	
Jin Wei Industrial (Shanghai) Ltd.		Grocery sale	100	100	100	
Guangzhou 85 Degree Food & Beverage Management Ltd.		Grocery and drink retailing	100	100	100	
85 Degree (Jiangsu) Food Ltd.		Manufacturing of baking food and sale	75	75	75	
Mai-Jia (Chengdu) Food Ltd.		Manufacturing of baking food and sale	100	100	100	
Jia Ding Jing Way Food & Beverage Ltd.		Grocery and drink retailing	100	100	100	
He-Shia Food Beverage Ltd.	Wuhan Jing Way Food & Beverage Ltd.	Grocery and drink retailing	43	43	43	
	Beijing 85 Food & Beverage Ltd.	Grocery and drink retailing	73	-	-	
	Sheng-Pin (Beijing) Food Ltd.	Manufacturing of baking food and sale	39	-	-	
Shenzhen 85 Food & Beverage Ltd.	Sheng-Pin (Shenzhen) Food Ltd.	Manufacturing of baking food and sale	100	100	100	
85 Degree (Qingdao) Food & Beverage Management Ltd.	Qingdao Jie Wei Food & Beverage Management Ltd.	Grocery and drink retailing	100	100	100	

- a. In order to improve the efficiency of the management and operation of the factories and stores, Comestibles Master Co., Ltd. has transferred the management and operation of most stores to Mei Wei Master Co., Ltd. since May 2014.
- b. In November 2014, the Group acquired 50% ownership interest in Profit Sky International Limited. As a result, the Group gained control over Profit Sky International Limited and its subsidiaries. Therefore, Profit Sky International Limited and its subsidiaries have been included in the consolidated financial statements since December 2014.
- c. In order to simplify the investment structure of the Group, WinPin 85 Investments, Inc. has been changed to be held by Perfect 85 Degree C, Inc., and the Company type of WinPin 85 Investments, Inc. has been changed to LLC since January 2015.
- d. Fang Song Comstibles Ltd. was established in Taiwan in April 2015.

13. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	September 30, 2015	December 31, 2014	September 30, 2014
Investment in associate	\$ 65,079	\$ 58,710	\$ 57,076
Investment in joint venture	<u>-</u>	<u>-</u>	<u>60,759</u>
	<u>\$ 65,079</u>	<u>\$ 58,710</u>	<u>\$ 117,835</u>

- a. Investment in associate

	September 30, 2015	December 31, 2014	September 30, 2014
<u>Material associate</u>			
The Hot Pot Food and Beverage Management Co., Ltd.	<u>\$ 65,079</u>	<u>\$ 58,710</u>	<u>\$ 57,076</u>

Name of Associate	<u>Proportion of Ownership and Voting Rights</u>		
	September 30, 2015	December 31, 2014	September 30, 2014
The Hot Pot Food and Beverage Management Co., Ltd.	23%	23%	23%

Refer to Table 7 “Information on Investees” for the nature of activities, principal place of business and country of incorporation of the associate.

Investments accounted for by the equity method and the share of profit or loss and other comprehensive income of those investments were calculated based on the financial statements that have not been reviewed. Management believes there is no material impact on the equity method accounting or the calculation of the share of profit or loss and other comprehensive income, from the financial statements that have not been reviewed.

b. Investment in joint venture

	September 30, 2015	December 31, 2014	September 30, 2014
<u>Material joint venture</u>			
Profit Sky International Limited	\$ <u> -</u>	\$ <u> -</u>	\$ <u>60,759</u>
	Proportion of Ownership and Voting Rights		
Name of Associate	September 30, 2015	December 31, 2014	September 30, 2014
Profit Sky International Limited	-	-	50%

In November 2014, the Group acquired 50% interest in Profit Sky International Limited. As a result, the Group can control Profit Sky International Limited and its subsidiaries. And, Profit Sky International Limited and its subsidiaries have been included in the consolidated financial statements since December 2014.

Investments accounted for by the equity method and the share of profit or loss and other comprehensive income of those investments were calculated based on the financial statements that have not been reviewed. Management believes there is no material impact on the equity method accounting or the calculation of the share of profit or loss and other comprehensive income, from the financial statements that have not been reviewed.

14. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery and Equipment	Leasehold Improvements	Transportation Equipment	Office Equipment	Other Equipment	Construction in Progress	Total
<u>Cost</u>									
Balance at January 1, 2014	\$ 420,211	\$ 660,046	\$ 2,038,066	\$ 1,921,773	\$ 53,411	\$ 452,426	\$ 153,315	\$ 148,095	\$ 5,847,343
Additions	-	4,567	308,148	320,932	8,053	89,537	36,483	459,568	1,227,288
Disposal	-	(1,176)	(126,533)	(127,572)	(6,866)	(27,516)	(55,241)	-	(344,904)
Reclassified	-	-	53,137	104,418	-	(37,915)	2,454	(122,094)	-
Effect of foreign currency exchange differences	1,543	2,165	6,734	9,207	119	1,748	(152)	1,133	22,497
Balance at September 30, 2014	<u>\$ 421,754</u>	<u>\$ 665,602</u>	<u>\$ 2,279,552</u>	<u>\$ 2,228,758</u>	<u>\$ 54,717</u>	<u>\$ 478,280</u>	<u>\$ 136,859</u>	<u>\$ 486,702</u>	<u>\$ 6,752,224</u>
<u>Accumulated depreciation and impairment</u>									
Balance at January 1, 2014	\$ -	\$ 63,086	\$ 764,567	\$ 754,836	\$ 27,021	\$ 234,296	\$ 104,147	\$ -	\$ 1,947,953
Depreciation charge for the period	-	26,944	262,544	263,039	7,588	74,856	16,727	-	651,698
Disposal	-	(1,184)	(112,977)	(102,982)	(5,941)	(24,425)	(52,602)	-	(300,111)
Reclassified	-	-	22,899	-	-	(24,051)	1,152	-	-
Effect of foreign currency exchange differences	-	316	3,434	4,181	73	1,317	(89)	-	9,232
Balance at September 30, 2014	<u>\$ -</u>	<u>\$ 89,162</u>	<u>\$ 940,467</u>	<u>\$ 919,074</u>	<u>\$ 28,741</u>	<u>\$ 261,993</u>	<u>\$ 69,335</u>	<u>\$ -</u>	<u>\$ 2,308,772</u>
Carrying amounts at January 1, 2014	<u>\$ 420,211</u>	<u>\$ 596,960</u>	<u>\$ 1,273,499</u>	<u>\$ 1,166,937</u>	<u>\$ 26,390</u>	<u>\$ 218,130</u>	<u>\$ 49,168</u>	<u>\$ 148,095</u>	<u>\$ 3,899,390</u>
Carrying amounts at September 30, 2014	<u>\$ 421,754</u>	<u>\$ 576,440</u>	<u>\$ 1,339,085</u>	<u>\$ 1,309,684</u>	<u>\$ 25,976</u>	<u>\$ 216,287</u>	<u>\$ 67,524</u>	<u>\$ 486,702</u>	<u>\$ 4,443,452</u>

(Continued)

	Land	Buildings	Machinery and Equipment	Leasehold Improvements	Transportation Equipment	Office Equipment	Other Equipment	Construction in Progress	Total
<u>Cost</u>									
Balance at January 1, 2015	\$ 526,638	\$ 766,870	\$ 2,453,486	\$ 2,511,621	\$ 52,158	\$ 533,539	\$ 226,092	\$ 442,698	\$ 7,513,102
Additions	-	362,797	373,401	425,093	7,413	88,793	22,069	321,728	1,601,294
Disposals	-	(2,063)	(181,951)	(226,832)	(5,785)	(44,524)	(36,419)	(3,505)	(501,079)
Reclassified	-	583,151	5,458	31,078	-	93	5,375	(625,155)	-
Transferred to investment properties	(101,505)	(74,486)	-	-	-	-	-	-	(175,991)
Effect of foreign currency exchange differences	7,455	40,283	47,564	61,588	466	10,500	4,526	(275)	172,107
Balance at September 30, 2015	<u>\$ 432,588</u>	<u>\$ 1,676,552</u>	<u>\$ 2,697,958</u>	<u>\$ 2,802,548</u>	<u>\$ 54,252</u>	<u>\$ 588,401</u>	<u>\$ 221,643</u>	<u>\$ 135,491</u>	<u>\$ 8,609,433</u>
<u>Accumulated depreciation and impairment</u>									
Balance at January 1, 2015	\$ -	\$ 100,892	\$ 1,040,730	\$ 1,031,079	\$ 29,075	\$ 293,231	\$ 95,869	\$ -	\$ 2,590,876
Depreciation expense	-	28,205	299,909	331,617	7,026	98,842	28,496	-	794,095
Disposals	-	(2,063)	(139,929)	(110,038)	(3,183)	(38,865)	(13,088)	-	(307,166)
Reclassified	-	(16)	79	16	-	9	(88)	-	-
Transferred to investment properties	-	(1,492)	-	-	-	-	-	-	(1,492)
Effect of foreign currency exchange differences	-	1,845	20,175	26,458	360	6,711	1,883	-	57,432
Balance at September 30, 2015	<u>\$ -</u>	<u>\$ 127,371</u>	<u>\$ 1,220,964</u>	<u>\$ 1,279,132</u>	<u>\$ 33,278</u>	<u>\$ 359,928</u>	<u>\$ 113,072</u>	<u>\$ -</u>	<u>\$ 3,133,745</u>
Carrying amounts at January 1, 2015	<u>\$ 526,638</u>	<u>\$ 665,978</u>	<u>\$ 1,412,756</u>	<u>\$ 1,480,542</u>	<u>\$ 23,083</u>	<u>\$ 240,308</u>	<u>\$ 130,223</u>	<u>\$ 442,698</u>	<u>\$ 4,922,226</u>
Carrying amounts at September 30, 2015	<u>\$ 432,588</u>	<u>\$ 1,549,181</u>	<u>\$ 1,476,994</u>	<u>\$ 1,523,416</u>	<u>\$ 20,974</u>	<u>\$ 228,473</u>	<u>\$ 108,571</u>	<u>\$ 135,491</u>	<u>\$ 5,475,688</u>

(Concluded)

The above items of property, plant and equipment were depreciated on a straight-line basis over the estimated useful life of the asset:

Building	
Main buildings	20-39 years
Power system engineering	11 years
Furnishing	3-41 years
Machinery and equipment	1-20 years
Leasehold improvements	1-40 years
Transportation equipment	1-15 years
Office equipment	1-11 years
Other equipment	1-11 years

Property, plant and equipment pledged as collateral for bank borrowings were set out in Note 30.

15. INVESTMENT PROPERTIES

	Completed Investment Property
<u>Cost</u>	
Balance at January 1, 2015	\$ -
Transferred from property, plant and equipment	<u>175,991</u>
Balance at September 30, 2015	<u>\$ 175,991</u>

(Continued)

	Completed Investment Property
<u>Accumulated depreciation and impairment</u>	
Balance at January 1, 2015	\$ -
Transferred from property, plant and equipment	(1,492)
Depreciation expense	<u>(376)</u>
Balance at September 30, 2015	<u>\$ (1,868)</u>
Carrying amounts at September 30, 2015	<u>\$ 174,123</u> (Concluded)

The investment properties were depreciated using the straight-line method over their estimated useful lives as follows:

Main buildings 49 years

The management of the Group had used the valuation model that market participants would use in determining the fair value. The valuation was arrived at by reference to market evidence of transaction prices for similar properties. The appraisal of fair value was as follows.

	September 30, 2015
Fair value	<u>\$ 185,907</u>

The investment properties pledged as collateral for bank borrowing were set out in Note 30.

16. OTHER ASSETS

	September 30, 2015	December 31, 2014	September 30, 2014
<u>Current</u>			
Prepaid rental	\$ 299,245	\$ 205,603	\$ 229,079
Prepayments	44,322	69,333	54,984
Offset against business tax payable	19,166	47,329	41,378
Other prepayments	53,472	38,824	34,315
Others	<u>24,916</u>	<u>12,616</u>	<u>12,593</u>
	<u>\$ 441,121</u>	<u>\$ 373,705</u>	<u>\$ 372,349</u>
<u>Non-current</u>			
Prepaid equipment	\$ 124,675	\$ 297,939	\$ 229,873
Refundable deposits	523,868	545,718	488,468
Long-term prepayments for lease	69,600	63,616	61,968
Others	<u>6,703</u>	<u>10,132</u>	<u>9,639</u>
	<u>\$ 724,846</u>	<u>\$ 917,405</u>	<u>\$ 789,948</u>

- a. Prepaid rental is due to store lease arrangement.
- b. Prepaid equipment is due to purchasing new equipment for factory.
- c. Refundable deposits are for rental of stores and factories.
- d. Long-term prepayments for lease are land use right in China.

17. BORROWINGS

- a. Short-term borrowings

	September 30, 2015	December 31, 2014	September 30, 2014
<u>Unsecured borrowings</u>			
Line of credit borrowings	\$ <u>32,199</u>	\$ _____	\$ _____

The weighted average effective interest rate on line of credit borrowing was 3.75% per annum as of September 30, 2015.

- b. Long-term borrowings

	September 30, 2015	December 31, 2014	September 30, 2014
<u>Secured borrowings (Note 30)</u>			
Bank loans	\$ 1,038,605	\$ 15,780	\$ -
Less: Current portion	<u>(54,379)</u>	<u>(934)</u>	<u>-</u>
Long-term borrowings	<u>\$ 984,226</u>	<u>\$ 14,846</u>	<u>\$ -</u>

Long-term borrowings were as follows:

Borrowing Content	September 30, 2015	December 31, 2014	September 30, 2014
Borrowings at floating rate:			
NT secured bank loan	\$ 79,200	\$ -	\$ -
	88,000	-	-
US secured bank loan	16,040	15,780	-
	493,480	-	-
	361,885	-	-
Less: Current portion	<u>(54,379)</u>	<u>(934)</u>	<u>-</u>
	<u>\$ 984,226</u>	<u>\$ 14,846</u>	<u>\$ -</u>

The range of weighted average effective interest rate on bank loans was 1.39%-1.87% and 1.70% per annum as of September 30, 2015 and December 31, 2014, respectively.

18. TRADE PAYABLES

The average credit period on purchases of certain goods was 45 days. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

19. OTHER LIABILITIES

	September 30, 2015	December 31, 2014	September 30, 2014
<u>Current</u>			
Other payables			
Payable for equipment suppliers	\$ 314,201	\$ 151,142	\$ 154,175
Payable for salaries and bonus	465,960	460,869	444,955
Utilities	96,543	91,127	108,089
Insurance	63,395	58,194	56,095
Rent payable	46,175	38,308	31,136
Others (shipping expense and maintenance expense, etc.)	<u>376,024</u>	<u>371,552</u>	<u>356,892</u>
	<u>\$ 1,362,298</u>	<u>\$ 1,171,192</u>	<u>\$ 1,151,342</u>
Other liabilities			
Receipts in advance	\$ 832,183	\$ 641,974	\$ 612,407
Others	<u>26,425</u>	<u>15,594</u>	<u>17,893</u>
	<u>\$ 858,608</u>	<u>\$ 657,568</u>	<u>\$ 630,300</u>
<u>Non-current</u>			
Decommission restoration and rehabilitation provision	\$ 56,750	\$ 56,726	\$ 42,893
Guarantee deposits received	<u>69,784</u>	<u>67,923</u>	<u>91,006</u>
	<u>\$ 126,534</u>	<u>\$ 124,649</u>	<u>\$ 133,899</u>

Receipts in advance are mainly gift vouchers which have been issued but not have been redeemed yet.

20. EQUITY

a. Share capital

Ordinary shares

	September 30, 2015	December 31, 2014	September 30, 2014
Number of shares authorized (in thousands)	<u>850,000</u>	<u>850,000</u>	<u>850,000</u>
Shares authorized	<u>\$ 8,500,000</u>	<u>\$ 8,500,000</u>	<u>\$ 8,500,000</u>
Number of shares issued and fully paid (in thousands)	<u>141,120</u>	<u>141,120</u>	<u>141,120</u>
Shares issued	<u>\$ 1,411,200</u>	<u>\$ 1,411,200</u>	<u>\$ 1,411,200</u>

b. Capital surplus

The capital surplus from shares issued in excess of par (including additional paid-in capital from issuance of common shares) may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to capital (limited to a certain percentage of the Company's capital surplus and once a year).

The capital surplus from long-term investments, employee stock options and conversion options may not be used for any purpose.

c. Retained earnings and dividend policy

The Company's Articles of Incorporation provide that reserve should be set aside at 10% of annual net income less any accumulated losses. In addition, a special reserve should be appropriated as needed. The remainder of the income should be appropriated in the following order:

- a. 3% or less as bonus to employees (including subsidiaries' employees);
- b. 1% or less as remuneration to directors and supervisors; and
- c. The earnings appropriated should not be less than 30% of the after-tax earnings. And the cash dividends should not be less than 10% of the sum of cash dividends and stock dividends.

In accordance with the amendments to the Company Act in May 2015, the recipients of dividends and bonuses are limited to shareholders and do not include employees. Because the Company is incorporated in Cayman Islands, the Company Act of the Republic of China is not applicable to the Company. The Company is uncertain about making proposals for consequential amendments to the Company's Articles of Incorporation in the 2016 annual shareholders' meeting. For information about the accrual basis of the employee remuneration and remuneration to directors and supervisors for the nine months ended September 30, 2015 and 2014, and the actual appropriations for the years ended December 31, 2014 and 2013, please refer to Note 22 employee benefits expense.

Under Rule No. 1010012865 and Rule No. 1010047490 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs", the Company should appropriate or reverse to a special reserve. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses and thereafter distributed.

The appropriations of earnings for 2014 and 2013 have been approved in the shareholders' meeting on June 9, 2015 and June 6, 2014, respectively, were as follows:

	Appropriation of Earnings		Dividends Per Share (NT\$)	
	For the Year Ended December 31		For the Year Ended December 31	
	2014	2013	2014	2013
Reserve	\$ 52,751	\$ 57,403	\$ -	\$ -
Cash dividends	169,344	183,456	1.2	1.3

21. REVENUE

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2015	2014	2015	2014
Revenue from the sale of goods	\$ 5,485,843	\$ 4,736,857	\$ 15,005,419	\$ 13,079,073

22. NET PROFIT

a. Other income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2015	2014	2015	2014
Interest income	\$ 12,492	\$ 11,200	\$ 26,616	\$ 25,948
Income from government grants	51,792	50,788	69,494	74,101
Others	<u>17,380</u>	<u>9,726</u>	<u>64,755</u>	<u>40,349</u>
	\$ <u>81,664</u>	\$ <u>71,714</u>	\$ <u>160,865</u>	\$ <u>140,398</u>

b. Other gains and losses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2015	2014	2015	2014
Net foreign exchange losses	\$ 7,658	\$ 5,176	\$ 4,779	\$ 4,875
Loss on disposal of property, plant and equipment	(59,504)	(6,185)	(156,796)	(41,376)
Others	<u>(11,030)</u>	<u>(7,795)</u>	<u>(101,358)</u>	<u>(27,717)</u>
	\$ <u>(62,876)</u>	\$ <u>(8,804)</u>	\$ <u>(253,375)</u>	\$ <u>(64,218)</u>

c. Finance costs

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2015	2014	2015	2014
Interest on bank loans	\$ 1,028	\$ -	\$ 6,561	\$ -
Less: Amounts included in the cost of qualifying assets	<u>(227)</u>	<u>-</u>	<u>(4,395)</u>	<u>-</u>
	\$ <u>801</u>	\$ <u>-</u>	\$ <u>2,166</u>	\$ <u>-</u>

Information about capitalized interest was as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2015	2014	2015	2014
Capitalized interest	\$ 227	\$ -	\$ 4,395	\$ -
Capitalization rate	1.35%-1.37%	-	1.15%-1.44%	-

d. Depreciation and amortization

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2015	2014	2015	2014
Property, plant and equipment	\$ 265,743	\$ 225,193	\$ 794,095	\$ 651,698
Investment property	376	-	376	-
Intangible assets	<u>8,271</u>	<u>5,586</u>	<u>21,047</u>	<u>16,065</u>
	<u>\$ 274,390</u>	<u>\$ 230,779</u>	<u>\$ 815,518</u>	<u>\$ 667,763</u>
An analysis of depreciation by function				
Operating costs	\$ 41,923	\$ 38,418	\$ 126,786	\$ 117,207
Operating expenses	<u>224,196</u>	<u>186,775</u>	<u>667,685</u>	<u>534,491</u>
	<u>\$ 266,119</u>	<u>\$ 225,193</u>	<u>\$ 794,471</u>	<u>\$ 651,698</u>
An analysis of amortization by function				
Selling and marketing expenses	\$ 1,534	\$ 499	\$ 3,989	\$ 1,874
General and administrative expenses	<u>6,737</u>	<u>5,087</u>	<u>17,058</u>	<u>14,191</u>
	<u>\$ 8,271</u>	<u>\$ 5,586</u>	<u>\$ 21,047</u>	<u>\$ 16,065</u>

e. Employee benefits expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2015	2014	2015	2014
Post-employment benefits				
Defined contribution plans	\$ 10,072	\$ 10,161	\$ 31,866	\$ 29,187
Other employee benefits	<u>1,272,858</u>	<u>1,296,653</u>	<u>3,709,385</u>	<u>3,493,554</u>
	<u>\$ 1,282,930</u>	<u>\$ 1,306,814</u>	<u>\$ 3,741,251</u>	<u>\$ 3,522,741</u>
An analysis of employee benefits expense by function				
Operating costs	\$ 185,399	\$ 218,230	\$ 518,878	\$ 463,364
Operating expenses	<u>1,097,431</u>	<u>1,088,584</u>	<u>3,222,373</u>	<u>3,059,377</u>
	<u>\$ 1,282,830</u>	<u>\$ 1,306,814</u>	<u>\$ 3,741,251</u>	<u>\$ 3,522,741</u>

For the nine months ended September 30, 2015 and 2014, the bonus to employees and the remuneration to directors and supervisors was \$0 thousand.

Material differences between such estimated amounts and the amounts proposed by the board of directors on or before the annual consolidated financial statements are authorized for issue are adjusted in the year the bonus and remuneration were recognized. If there is a change in the proposed amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in accounting estimate.

There was no bonus to employees and remuneration to directors and supervisors for 2014 and 2013. And they have been approved in the shareholders' meeting on June 9, 2015 and June 6, 2014, respectively.

There was no difference between the amounts of the bonus to employees and the remuneration to directors and supervisors approved in the shareholders' meetings on June 9, 2015, and June 6, 2014, and the amounts recognized in the financial statements for the years ended December 31, 2014 and 2013.

Information on the bonus to employees, directors and supervisors proposed by the Company's board of directors is available on the Market Observation Post System website of the Taiwan Stock Exchange.

23. INCOME TAX

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2015	2014	2015	2014
Current tax				
In respect of the current period	\$ 106,115	\$ 80,984	\$ 314,614	\$ 257,077
Adjustments for prior period	<u>8,668</u>	<u>4,066</u>	<u>9,672</u>	<u>2,611</u>
	<u>114,783</u>	<u>85,050</u>	<u>324,286</u>	<u>259,688</u>
Deferred tax				
In respect of the current period	<u>8,749</u>	<u>(6,182)</u>	<u>(26,616)</u>	<u>(3,566)</u>
Income tax expense recognized in profit or loss	<u>\$ 123,532</u>	<u>\$ 78,868</u>	<u>\$ 297,670</u>	<u>\$ 256,122</u>

b. Income tax assessment

The income tax returns through 2012, 2013 and 2013 of Comestibles Master Co., Ltd., Mei Wei Master Co., Ltd. and Mei Wei Fu Xing, except for the Company which is tax-free, have been assessed by the tax authorities in R.O.C. The other companies have been examined their tax returns by according to local law.

24. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2015	2014	2015	2014
Basic earnings per share				
From continuing operations	<u>\$ 2.93</u>	<u>\$ 0.88</u>	<u>\$ 5.59</u>	<u>\$ 2.24</u>

The earnings and weighted average number of ordinary shares outstanding in the computation of earnings per share were as follows:

Net Profit for the Period

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2015	2014	2015	2014
Earnings used in computation of basic earnings per share	<u>\$ 413,814</u>	<u>\$ 124,363</u>	<u>\$ 788,740</u>	<u>\$ 315,786</u>

Weighted Average Number of Ordinary Shares Outstanding (In Thousand Shares)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2015	2014	2015	2014
Weighted average number of ordinary shares used in computation of basic earnings per share	<u>141,120</u>	<u>141,120</u>	<u>141,120</u>	<u>141,120</u>

25. GOVERNMENT GRANTS

The amounts of project subsidies and incentives received for the three months and the nine months ended September 30, 2015 and 2014 were \$51,792 thousand, \$50,788 thousand, \$69,494 thousand and \$74,101 thousand, respectively. The government grants were recognized in non-operating income and expenses - other income in the consolidated statements of comprehensive income.

26. NON-CASH TRANSACTIONS

For the nine months ended September 30, 2015 and 2014, the Group entered into the following non-cash investing activities which were not reflected in the consolidated statement of cash flows:

- The Group acquired property, plant and equipment with an aggregate fair value of \$1,601,294 thousand, of which amount \$472,414 thousand was reclassified from prepaid equipment and paid other payables in the amount of \$163,059 thousand. Net cash used in acquiring property, plant and equipment was \$965,821 thousand in the nine months ended September 30, 2015. (Please refer to Note 14).

- b. The Group acquired property, plant and equipment with an aggregate fair value of \$1,227,288 thousand, \$32,088 thousand was recognized as other payables. Net cash used in acquiring property, plant and equipment was \$1,195,200 thousand in the nine months ended September 30, 2014. (Please refer to Note 14).

27. OPERATING LEASE ARRANGEMENTS

Operating leases relate to leases of store and plant with lease terms between 1 and 10 years. All operating lease contracts over 5 years contain clauses for 1 to 5 years market rental reviews. The Group does not have a bargain purchase option to acquire the leased property and plant at the expiration of the lease periods.

The future minimum lease payments of non-cancellable operating lease commitments were as follows:

	September 30, 2015	December 31, 2014	September 30, 2014
Not later than 1 year	\$ 1,918,524	\$ 1,845,335	\$ 1,563,855
Later than 1 year and not later than 5 years	4,340,199	4,463,857	3,702,101
Later than 5 years	<u>725,474</u>	<u>998,484</u>	<u>667,610</u>
	<u>\$ 6,984,197</u>	<u>\$ 7,307,676</u>	<u>\$ 5,933,566</u>

28. FINANCIAL INSTRUMENTS

- a. Fair value of financial instruments not carried at fair value

The management considers that carrying amounts of financial assets and financial liabilities were recognized in the consolidated financial statements as approximate amounts of their fair values.

- b. Categories of financial instruments

	September 30, 2015	December 31, 2014	September 30, 2014
<u>Financial assets</u>			
Fair value through profit or loss (FVTPL)			
Held for trading	\$ 109,500	\$ -	\$ -
Loans and receivables (Note 1)	4,239,119	2,851,892	2,846,365
Held-to maturity investments (Note 2)	33,026	-	-
<u>Financial liabilities</u>			
Amortized cost (Note 3)	2,979,468	1,720,118	1,562,015

Note 1: The balances included loans and receivables measured at amortized cost, which comprise cash and cash equivalents, debt investments with no active market, notes receivable, trade and other receivables.

Note 2: The balances included bank debentures investments.

Note 3: The balances included financial liabilities measured at amortized cost, which comprise, short-term borrowings, notes payable, trade and other payables, current portion of long-term borrowings and long-term borrowings.

c. Financial risk management objectives and policies

The Group's major financial instruments included equity, debt investments, trade receivables, trade payables and borrowings. The Group's Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below).

a) Foreign currency risk

The Group had foreign currency deposits and borrowings, which exposed the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the reporting period are set out in Note 32.

Sensitivity analysis

The Group was mainly exposed to the U.S. dollars.

The following table details the Group's sensitivity to a 1% increase and decrease in Renminbi (the functional currency) against the relevant foreign currencies. The sensitivity analysis included only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. A positive number below indicates an increase in pre-tax profit associated with Renminbi weaken 1% against the relevant currency. For a 1% strengthening of Renminbi against the relevant currency, there would be an equal and opposite impact on pre-tax profit and the balances below would be negative.

	U.S. Dollars Impact	
	For the Nine Months Ended	
	September 30	
	2015	2014
Profit or loss	\$ (3,165)	\$ 3,441*

* This was mainly attributable to the exposure outstanding on U.S. dollars receivables and cash in bank, which were not hedged at the end of the reporting period.

b) Interest rate risk

The Group was exposed to interest rate risk because entities in the Group borrowed funds at floating interest rates.

The carrying amount of the Group's financial liabilities with exposure to interest rates at the end of the reporting period were as follows.

	September 30, 2015	December 31, 2014	September 30, 2014
Cash flow interest rate risk			
Financial assets	\$ 285,073	\$ 56,070	\$ 224,598
Financial liabilities	1,070,804	15,780	-

Sensitivity analysis

The sensitivity analyses below were determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 1% basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 1% basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the nine months ended September 30, 2015 and 2014 would decrease/increase by \$5,893 thousand and \$1,684 thousand, respectively, which was mainly attributable to the Group's variable-rate bank borrowings.

The Group's sensitivity to interest rates increased during the current period mainly due to the increase in variable rate debt instruments.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure of counterparties to discharge an obligation and financial guarantees provided by the Group could arise from the carrying amount of the respective recognized financial assets as stated in the balance sheets.

Most of the Group's counterparties were franchisees traded for a long-term, and the Group monitored trade receivables from franchisees continuously. So impairment loss recognized on trade receivables was not significant. Trade receivables consisted of a large number of customers and spread across diverse industries between geographical locations. The Group assessed no the concentration of credit risk was observed.

The concentration of credit risk with counterparties did not exceed 10 percent of gross monetary assets at any time during the six months ended 2015 and 2014.

Because counterparties of liquidity were the banks monitored by regulators in the People's Republic of China and Republic of China, the credit risk was limited.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As of September 30, 2015, December 31, 2014 and September 30, 2014, the Group had available unutilized bank loan facilities set out in below.

	September 30, 2015	December 31, 2014	September 30, 2014
Unsecured bank loan facility:			
Amount used	\$ 32,199	\$ -	\$ -
Amount unused	<u>430,935</u>	<u>-</u>	<u>-</u>
	<u>\$ 463,134</u>	<u>\$ -</u>	<u>\$ -</u>
Secured bank loan facility:			
Amount used	\$ 1,038,605	\$ 15,780	\$ -
Amount unused	<u>719,185</u>	<u>634,220</u>	<u>-</u>
	<u>\$ 1,757,790</u>	<u>\$ 650,000</u>	<u>\$ -</u>

29. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Besides as disclosed elsewhere in other notes, details of transactions between the Group and other related parties are disclosed below:

a. Sales of goods

Account Items	Related Parties Categories	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2015	2014	2015	2014
Sales of goods	Joint ventures	\$ -	\$ 9,249	\$ -	\$ 16,117
	Associates	<u>-</u>	<u>-</u>	<u>-</u>	<u>44</u>
		<u>\$ -</u>	<u>\$ 9,249</u>	<u>\$ -</u>	<u>\$ 16,161</u>

There is no significant difference between sales to related parties and sales to other customers.

b. Purchases of goods

Related Parties Categories	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2015	2014	2015	2014
Related party	<u>\$ 14,079</u>	<u>\$ 21,832</u>	<u>\$ 56,236</u>	<u>\$ 75,499</u>

The purchases price is 65% of the sale price, and paid 30 days date of purchases.

c. Receivables from related parties (excluding loans to related parties)

Line Items	Related Party Categories	September 30, 2015	December 31, 2014	September 30, 2014
Trade receivables	Joint ventures	\$ -	\$ -	\$ 2,678
	Associates	<u>-</u>	<u>37</u>	<u>46</u>
		<u>\$ -</u>	<u>\$ 37</u>	<u>\$ 2,724</u>
Other receivables	Joint ventures	\$ -	\$ -	\$ 782
	Associates	<u>254</u>	<u>745</u>	<u>459</u>
		<u>\$ 254</u>	<u>\$ 745</u>	<u>\$ 1,241</u>

The outstanding trade receivables from related parties are unsecured. For the nine months ended September 30, 2015 and 2014, no impairment loss was recognized for trade receivables from related parties.

d. Other transactions with related parties

The Group performed technical services for joint ventures and associates. For the three months and the nine months ended September 30, 2015 and 2014, other income amounted to \$683 thousand, \$1,603 thousand, \$2,413 thousand and \$5,470 thousand, respectively.

e. Compensation of key management personnel

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2015	2014	2015	2014
Short-term employee benefits	<u>\$ 3,108</u>	<u>\$ 6,338</u>	<u>\$ 11,456</u>	<u>\$ 17,897</u>

The remuneration of directors and key executives was determined by the remuneration committee having regard to the performance of individuals and market trends.

30. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collaterals for bank borrowings and other contracts:

	September 30, 2015	December 31, 2014	September 30, 2014
Property, plant and equipment			
Land	\$ 293,761	\$ 293,761	\$ 202,305
Buildings	21,787	69,835	12,971
Bond investments with no active market			
Restriicted bank deposits	163,116	50,920	209,448
Investment properties	<u>62,461</u>	<u>-</u>	<u>-</u>
	<u>\$ 541,125</u>	<u>\$ 414,516</u>	<u>\$ 424,724</u>

31. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group as of September 30, 2015, December 31, 2014 and September 30, 2014 were as follows:

Significant Commitments

- a. As of September 30, 2015, December 31, 2014 and September 30, 2014, unused letters of credit for purchases of raw materials and machinery and equipment amounted to approximately US\$0 thousand, US\$4,000 thousand, JPY15,000 thousand and US\$2,000 thousand, respectively.
- b. Unrecognized commitments are as follows:

	September 30, 2015	December 31, 2014	September 30, 2014
Acquisition of property, plant and equipment	<u>\$ 295,981</u>	<u>\$ 671,290</u>	<u>\$ 452,667</u>

32. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than functional currencies of the group entities and the exchange rates between foreign currencies and respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

September 30, 2015

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 10,778	6.3613 (USD:RMB)	\$ 354,894
USD	8,707	32.9261 (USD:NTD)	286,703
HKD	3,026	4.2410 (HKD:RMB)	12,834
NTD	2,106	0.1932 (HKD:RMB)	2,106

Financial liabilities

Monetary items			
USD	29,099	6.3613 (USD:RMB)	958,118

December 31, 2014

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 1,233	6.1190 (USD:RMB)	\$ 38,432
USD	9,411	31.1579 (USD:NTD)	293,248

September 30, 2014

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 11,336	6.1525 (USD:RMB)	\$ 344,126

The Group is mainly exposed to USD. The following information was aggregated by the functional currencies of the group entities, and the exchange rates between respective functional currencies and the presentation currency were disclosed. The significant (realized and unrealized) foreign exchange gains (losses) were as follows:

For the Three Months Ended September 30				
2015			2014	
Foreign Currencies	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Gain (Loss)
USD	30.914 (USD:NTD)	\$ 178	30.134 (USD:NTD)	\$ (450)
NTD	1.01 (NTD:NTD)	24,584	1 (NTD:NTD)	7,032
RMB	5.012 (RMB:NTD)	(17,243)	4.903 (RMB:NTD)	(1,367)
HKD	4.012 (HKD:NTD)	87	3.912 (HKD:NTD)	81
AUD	22.106 (AUD:NTD)	<u>52</u>	27.806 (AUD:NTD)	<u>(120)</u>
		<u>\$ 7,658</u>		<u>\$ 5,176</u>

For the Nine Months Ended September 30				
2015			2014	
Foreign Currencies	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Gain (Loss)
USD	30.914 (USD:NTD)	\$ (470)	30.134 (USD:NTD)	\$ (439)
NTD	1.01 (NTD:NTD)	16,762	1 (NTD:NTD)	4,684
RMB	5.012 (RMB:NTD)	(11,565)	4.903 (RMB:NTD)	431
HKD	4.012 (HKD:NTD)	151	3.912 (HKD:NTD)	48
AUD	22.106 (AUD:NTD)	<u>(99)</u>	27.806 (AUD:NTD)	<u>151</u>
		<u>\$ 4,779</u>		<u>\$ 4,875</u>

33. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

- 1) Financings provided to others. (Table 1)
- 2) Endorsements/guarantees provided. (Table 2)
- 3) Marketable securities held (excluding investment in subsidiaries, associates and joint controlled entities). (Table 3)

- 4) Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital. (None)
 - 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital. (None)
 - 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital. (None)
 - 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 4)
 - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 5)
 - 9) Trading in derivative instruments. (None)
 - 10) Intercompany relationships and significant intercompany transactions. (Table 6)
 - 11) Information on investees. (Table 7)
- b. Information on investments in mainland China
- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the Mainland China area. (Table 8)
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (None)
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
 - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
 - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services.

34. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Group's principal geographical areas are China, Taiwan and the United States (USA).

a. Revenue from major products and services

The following is an analysis of the Group's revenue from continuing operations categorized by major products and services:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2015	2014	2015	2014
Beverages	\$ 1,654,911	\$ 1,378,518	\$ 4,582,950	\$ 3,601,437
Cake	1,944,024	1,710,411	5,158,129	4,625,785
Bread	1,788,001	1,640,138	5,143,170	4,824,506
Other	<u>98,907</u>	<u>7,790</u>	<u>121,170</u>	<u>27,345</u>
	<u>\$ 5,485,843</u>	<u>\$ 4,736,857</u>	<u>\$ 15,005,419</u>	<u>\$ 13,079,073</u>

b. Geographical information

The Group's revenue from continuing operations from external customers by location of operations are detailed below:

	Revenue from External Customers	
	For the Nine Months Ended September 30	
	2015	2014
China	\$ 10,716,221	\$ 9,407,157
Taiwan	2,413,834	2,256,320
USA	1,586,507	1,290,746
Others	<u>288,857</u>	<u>124,850</u>
	<u>\$ 15,005,419</u>	<u>\$ 13,079,073</u>

c. Significant customer information

The consolidated company has no client that its revenue is over 10% of the income statement for the nine months ended September 30, 2015 and 2014.

GOURMET MASTER CO. LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
1	Shanghai Gourmet Master Food & Beverage Ltd.	Sheng-Pin (Wuhan) Food Ltd.	Other receivable - related parties	Yes	\$ 51,760 (RMB 10,000)	\$ 51,760 (RMB 10,000)	\$ 51,760 (RMB 10,000)	3.75	For short-term financing	\$ -	Working capital loan	\$ -	-	\$ -	\$ 747,788	\$ 1,495,575	Note 1
		Sheng-Pin (Shanghai) Food Ltd.	Other receivable - related parties	Yes	77,640 (RMB 15,000)	77,640 (RMB 15,000)	77,640 (RMB 15,000)	3.75	For short-term financing	-	Working capital loan	-	-	-	747,788	1,495,575	Note 1
		85 Degree (Jiangsu) Food Ltd.	Other receivable - related parties	Yes	103,520 (RMB 20,000)	103,520 (RMB 20,000)	103,520 (RMB 20,000)	3.75	For short-term financing	-	Working capital loan	-	-	-	747,788	1,495,575	Note 1
		Prime Scope Trading Limited	Other receivable - related parties	Yes	129,400 (RMB 25,000)	129,400 (RMB 25,000)	-	3.75	For short-term financing	-	Working capital loan	-	-	-	747,788	1,495,575	Note 1
2	He-Shia Food & Beverage Ltd.	Beijing 85 Food & Beverage Ltd.	Other receivable - related parties	Yes	129,400 (RMB 25,000)	-	-	3.75	For short-term financing	-	Working capital loan	-	-	-	747,788	1,495,575	Note 1
		Zhejiang 85 Food & Beverage Ltd.	Other receivable - related parties	Yes	103,520 (RMB 20,000)	-	-	3.75	For short-term financing	-	Working capital loan	-	-	-	747,788	1,495,575	Note 1
		Shenyang 85 Food & Beverage Ltd.	Other receivable - related parties	Yes	77,640 (RMB 15,000)	77,640 (RMB 15,000)	77,640 (RMB 15,000)	3.75	For short-term financing	-	Working capital loan	-	-	-	747,788	1,495,575	Note 1
		Sheng-Pin (Beijing) Food Ltd.	Other receivable - related parties	Yes	77,640 (RMB 15,000)	77,640 (RMB 15,000)	-	3.75	For short-term financing	-	Working capital loan	-	-	-	747,788	1,495,575	Note 1
3	He-Shia (Nanjing) Food & Beverage Ltd.	Sheng-Pin (Xiamen) Food Ltd.	Other receivable - related parties	Yes	103,520 (RMB 20,000)	51,760 (RMB 10,000)	51,760 (RMB 10,000)	3.75	For short-term financing	-	Working capital loan	-	-	-	747,788	1,495,575	Note 1
		Sheng-Pin (Shanghai) Food Ltd.	Other receivable - related parties	Yes	103,520 (RMB 20,000)	103,520 (RMB 20,000)	103,520 (RMB 20,000)	3.75	For short-term financing	-	Working capital loan	-	-	-	747,788	1,495,575	Note 1
4	Comestibles Master Co., Ltd.	Mei Wei Master Co., Ltd.	Other receivable - related parties	Yes	100,000	100,000	100,000	3.75	For short-term financing	-	Working capital loan	-	-	-	575,608	575,608	Note 2
		WinPin 85 Investments, LLC	Other receivable - related parties	Yes	59,267 (US\$ 1,800)	-	-	3.75	For short-term financing	-	Working capital loan	-	-	-	575,608	575,608	Note 2
		Wincase Limited	Other receivable - related parties	Yes	12,723 (HK\$ 3,000)	12,723 (HK\$ 3,000)	12,723 (HK\$ 3,000)	5.25	For short-term financing	-	Working capital loan	-	-	-	575,608	575,608	Note 2
		85 Degree Co., Ltd.	Other receivable - related parties	Yes	50,000	50,000	50,000	3.75	For short-term financing	-	Working capital loan	-	-	-	575,608	575,608	Note 2
		Perfect 85 Degrees C, Inc.	Other receivable - related parties	Yes	240,361 (US\$ 7,300)	181,094 (US\$ 5,500)	181,094 (US\$ 5,500)	3.75	For short-term financing	-	Working capital loan	-	-	-	575,608	575,608	Note 2
		Gourmet Master Co. Ltd.	Other receivable - related parties	Yes	49,389 (US\$ 1,500)	49,389 (US\$ 1,500)	49,389 (US\$ 1,500)	3.75	For short-term financing	-	Working capital loan	-	-	-	575,608	575,608	Note 2
5	Profit Sky International Limited	Wincase Limited	Other receivable - related parties	Yes	7,634 (HK\$ 1,800)	7,634 (HK\$ 1,800)	7,634 (HK\$ 1,800)	5.25	For short-term financing	-	Working capital loan	-	-	-	747,788	1,495,575	Note 1

Note 1: According to Gourmet Master Co. Ltd. financing provided procedure the limit of amount is calculated as follow:

- a. The total amount for lending for funding for a short-term period shall not exceed forty percent (40%) of the net worth of Gourmet Master Co. Ltd., which was reviewed by CPA. While subsidiaries whose voting shares are 100% owned directly or indirectly, by Gourmet Master Co. Ltd. are not subject to the above restrictions.

$$\$7,477,875 \text{ (in thousands)} \times 40\% = \$2,991,150 \text{ (in thousands).}$$

- b. The total amount for lending to a company for a short-term period shall not exceed twenty percent (20%) of the net worth of Gourmet Master Co. Ltd., and the amount shall not exceed the amount of transaction.

$$\$7,477,875 \text{ (in thousands)} \times 20\% = \$1,495,575 \text{ (in thousands).}$$

- c. The total amount for lending to a company for funding for a short-term period shall not exceed \$7,477,875 (in thousands) x 20% = \$1,495,575 (in thousands) of the net worth of Gourmet Master Co. Ltd. The total amount for lending to a company for funding for a short-term period shall not exceed \$7,477,875 (in thousands) x 10% = \$747,788 (in thousands) of the net worth of Gourmet Master Co. Ltd.

Note 2: According to Company Act the total amount for lending to a company for funding for a short-term period shall not exceed \$1,439,020 (in thousand) x 40% = \$575,608 (in thousands) of the net worth of Comestibles Master Co., Ltd. reviewed by CPA.

Note 3: Transaction above is already written off in consolidated financial statements.

GOURMET MASTER CO. LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 3)	Maximum Amount Endorsed/Guar anteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 3)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship (Note 2)											
0	Gourmet Master Co. Ltd.	85 Degree (Jiangsu) Food Ltd.	c	\$ 1,495,575	\$ 1,251,191 (US\$ 38,000)	\$ 1,251,191 (US\$ 38,000)	\$ 856,079 (US\$ 26,000)	\$ -	16.73	\$ 3,738,938	Yes	No	Yes	
1	He-Shia Food & Beverage Ltd.	Shanghai Gourmet Master Food & Beverage Ltd.	c	1,495,575	258,800 (RMB 50,000)	-	-	-	-	3,738,938	No	No	Yes	
2	Comestibles Master Co., Ltd.	Gourmet Master Co. Ltd.	d	287,804	131,704 (US\$ 4,000)	131,704 (US\$ 4,000)	16,463 (US\$ 500)	163,785	9.15	719,510	No	Yes	No	
		WinPin 85 Investment, LLC	c	287,804	197,557 (US\$ 6,000)	197,557 (US\$ 6,000)	-	-	13.73	719,510	No	No	No	

Note 1: Number should be noted in number column.

- Number 0 represents issuer.
- Start from number 1 represents the order of the investee.

Note 2: Relationship information of endorser and endorsee should be noted.

- Trading partner.
- Majority owned subsidiary.
- The Company and subsidiary owns over fifty percent (50%) ownership of the investee company.
- A subsidiary jointly owned over fifty percent (50%) by the Company and the Company's directly-owned subsidiary.
- Guaranteed by the Company according to the construction contract.
- An investee company. The guarantees were provided based on the Company's proportionate share in the investee company.

Note 3: The limit of amount is calculated as follows:

- The total amount of guarantee shall not exceed fifty percent (50%) of net worth Gourmet Master Co. Ltd. $\$7,477,875$ (in thousands) $\times 50\% = \$3,738,938$ (in thousands).
- The total amount of the guarantee provided by Gourmet Master Co. Ltd. to any individual entity shall not exceed twenty percent (20%) of net worth of Gourmet Master Co. Ltd. $\$7,477,875 \times 20\% = \$1,495,575$ (in thousands).
- Comestibles Master Co., Ltd. total amount of guarantee shall not exceed fifty (50%) of net worth Comestibles Master Co., Ltd. $\$1,439,020$ (in thousands) $\times 50\% = 719,510$ (in thousands).
- Comestibles Master Co., Ltd. total amount of guarantee provided Comestibles Master Co., Ltd. to any individual entity shall not exceed twenty percent (20%) of net worth of Comestibles Master Co., Ltd. $\$1,439,020 \times 20\% = 287,804$ (in thousands).

GOURMET MASTER CO. LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

SEPTEMBER 30, 2015

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2015				Note
				Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Comestibles Master Co., Ltd.	<u>Bank debentures</u> China Development Bank	NA	Hold-to-maturity financial assets	-	\$ 33,026	-	\$ 33,026	
	<u>Shares</u> Tehmag Foods Co., Ltd.	NA	Financial assets held for trading	600	109,500	1.96	109,500	

GOURMET MASTER CO. LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015
(In Thousands of New Taiwan Dollars)

Buyer	Related Party	Relationship	Transaction Detail				Abnormal Transaction	Notes/Accounts Payable or Receivable				Note
			Purchases/ Sales	Amount	% to Total	Payment Term		Unit Price	Payment Term	Account	Ending Balance	
Comestibles Master Co., Ltd.	Mei Wei Master Co., Ltd.	Affiliated company	Sales	\$ 346,012	16	25 days	Based on the Group's transfer pricing policy	-	Trade receivables	\$ 39,348	19	Note
Jin Wei Industrial (Shanghai) Ltd.	Shanghai Gourmet Master Food & Beverage Ltd.	Parent company	Sales	889,932	22	60 days	Based on the Group's transfer pricing policy	-	Trade receivables	107,521	17	Note
	He-Shia Food & Beverage Ltd.	Affiliated company	Sales	365,842	9	60 days	Based on the Group's transfer pricing policy	-	Trade receivables	48,245	8	Note
	Beijing 85 Food & Beverage Ltd.	Affiliated company	Sales	301,823	7	60 days	Based on the Group's transfer pricing policy	-	Trade receivables	37,045	6	Note
	He-Shia (Nanjing) Food & Beverage Ltd.	Affiliated company	Sales	795,248	19	60 days	Based on the Group's transfer pricing policy	-	Trade receivables	106,781	17	Note
	Zhejiang 85 Food & Beverage Ltd.	Affiliated company	Sales	212,474	5	60 days	Based on the Group's transfer pricing policy	-	Trade receivables	30,334	5	Note
	Fuzhou 85 Food & Beverage Ltd.	Affiliated company	Sales	277,342	7	60 days	Based on the Group's transfer pricing policy	-	Trade receivables	38,287	6	Note
	Xiamen 85 Food & Beverage Ltd.	Affiliated company	Sales	208,584	5	60 days	Based on the Group's transfer pricing policy	-	Trade receivables	30,694	5	Note
	Wuhan Jing Way Food & Beverage Ltd.	Affiliated company	Sales	100,708	2	60 days	Based on the Group's transfer pricing policy	-	Trade receivables	14,111	2	Note
	Shenzheng 85 Food & Beverage Ltd.	Affiliated company	Sales	252,194	6	60 days	Based on the Group's transfer pricing policy	-	Trade receivables	33,675	5	Note
	Chengdu 85 Food & Beverage Ltd.	Affiliated company	Sales	155,065	4	60 days	Based on the Group's transfer pricing policy	-	Trade receivables	14,547	2	Note
Sheng-Pin (Shanghai) Food Ltd.	Jin Wei Industrial (Shanghai) Ltd.	Affiliated company	Sales	435,394	97	60 days	Based on the Group's transfer pricing policy	-	Trade receivables	52,019	86	Note
Sheng-Pin (Hangzhou) Food Ltd.	Jin Wei Industrial (Shanghai) Ltd.	Affiliated company	Sales	382,286	100	60 days	Based on the Group's transfer pricing policy	-	Trade receivables	57,397	48	Note
Sheng-Pin (Jiangsu) Food Ltd.	Jin Wei Industrial (Shanghai) Ltd.	Affiliated company	Sales	284,264	99	60 days	Based on the Group's transfer pricing policy	-	Trade receivables	38,163	100	Note
Sheng-Pin (Xiamen) Food Ltd.	Jin Wei Industrial (Shanghai) Ltd.	Affiliated company	Sales	256,179	100	60 days	Based on the Group's transfer pricing policy	-	Trade receivables	40,989	100	Note
Sheng-Pin (Beijing) Food Ltd.	Jin Wei Industrial (Shanghai) Ltd.	Affiliated company	Sales	177,929	100	60 days	Based on the Group's transfer pricing policy	-	Trade receivables	25,852	100	Note
Mai-Jia (Chengdu) Food Ltd.	Jin Wei Industrial (Shanghai) Ltd.	Affiliated company	Sales	111,204	100	60 days	Based on the Group's transfer pricing policy	-	Trade receivables	17,462	100	Note
Sheng-Pin (Shenzheng) Food Ltd.	Jin Wei Industrial (Shanghai) Ltd.	Affiliated company	Sales	143,118	100	60 days	Based on the Group's transfer pricing policy	-	Trade receivables	19,343	100	Note
Perfect 85 Degrees C, Inc.	WinPin 85 Investments, LLC	Parent company	Sales	545,506	81	30 days	Based on the Group's transfer pricing policy	-	Trade receivables	58,634	83	Note
	Golden 85 Investments, LLC	Parent company	Sales	125,693	19	30 days	Based on the Group's transfer pricing policy	-	Trade receivables	12,288	17	Note

Note: Transaction above is already written off in consolidated financial statements.

GOURMET MASTER CO. LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

SEPTEMBER 30, 2015

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Comestibles Master Co., Ltd.	Perfect 85 Degrees C, Inc. Mei Wei Master Co., Ltd.	Affiliated company	\$ 181,094	(Note)	\$ -	-	\$ -	\$ -
		Parent company	100,000	(Note)	-	-	-	-
Jin Wei Industrial (Shanghai) Ltd.	Shanghai Gourmet Master Food & Beverage Ltd. He-Shia (Nanjing) Food & Beverage Ltd.	Parent company	107,521	17.07	-	-	-	-
		Affiliated company	106,781	15.36	-	-	-	-
Shanghai Gourmet Master Food & Beverage Ltd.	85 Degree (Jiangsu) Food Ltd.	Affiliated company	209,147	(Note)	-	-	-	-
He-Shia Food & Beverage Ltd.	Shanghai Gourmet Master Food & Beverage Ltd. Beijing 85 Food & Beverage Ltd. Zhejiang 85 Food & Beverage Ltd. Shenyang 85 Food & Beverage Ltd.	Affiliated company	442,677	(Note)	-	-	-	-
		Affiliated company	188,122	(Note)	-	-	-	-
		Affiliated company	105,404	(Note)	-	-	-	-
		Affiliated company	139,581	(Note)	-	-	-	-
Worldinn Limited	Wincase Limited	Affiliated company	124,155	(Note)	-	-	-	-
He-Shia (Nanjing) Food & Beverage Ltd.	Shenyang 85 Food & Beverage Ltd.	Affiliated company	103,520	(Note)	-	-	-	-
Xiamen 85 Food & Beverage Ltd.	Fuzhou 85 Food & Beverage Ltd.	Affiliated company	154,607	(Note)	-	-	-	-

Note: The ending balance is primarily consisted of other receivables, which is not applicable for the calculation of turnover ratio.

GOURMET MASTER CO. LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Intercompany Transactions			
				Financial Statement Account	Amount	Payment Terms	% to Total Sales or Assets (Note 3)
1	Comestibles Master Co., Ltd.	Perfect 85 Degrees C, Inc. Mei Wei Master Co., Ltd. 85 Degrees Co., Ltd. Wincase Limited Gourmet Master Co. Ltd.	c	Other receivables	\$ 181,094	Financings provided, annual interest rate 3.75%	1
			c	Other receivables	100,000	Financings provided, annual interest rate 3.75%	1
			c	Other receivables	50,000	Financings provided, annual interest rate 3.75%	-
			c	Other receivables	12,723	Financings provided, annual interest rate 5.25%	-
			b	Other receivables	49,389	Financings provided, annual interest rate 3.75%	-
2	Mei Wei Master Co., Ltd.	Comestibles Master Co., Ltd. Comestibles Master Co., Ltd.	c	Purchases	346,012	25 days	2
			c	Trade payables	39,348	25 days	-
3	Shanghai Gourmet Master Food & Beverage Ltd.	Sheng-Pin (Shanghai) Food Ltd. Sheng-Pin (Wuhan) Food Ltd. Jin Wei Industrial (Shanghai) Ltd. Jin Wei Industrial (Shanghai) Ltd. Sheng-Pin (Shenzhen) Food Ltd. Mai-Jia (Chengdu) Food Ltd. 85 Degree (Jiangsu) Food Ltd. 85 Degree (Jiangsu) Food Ltd.	c	Other receivables	77,640	Financings provided, annual interest rate 3.75%	1
			c	Other receivables	51,760	Financings provided, annual interest rate 3.75%	-
			c	Purchases	889,932	60 days	6
			c	Trade payables	107,521	60 days	1
			c	Other receivables	94,721	-	1
			c	Other receivables	34,607	-	-
			c	Other receivables	105,627	-	1
			c	Other receivables	103,520	Financings provided, annual interest rate 3.75%	1
4	He-Shia Food & Beverage Ltd.	Shanghai Gourmet Master Food & Beverage Ltd. Beijing 85 Food & Beverage Ltd. Shenyang 85 Food & Beverage Ltd. Shenyang 85 Food & Beverage Ltd. Jin Wei Industrial (Shanghai) Ltd. Jin Wei Industrial (Shanghai) Ltd. Guangzhou 85 Degree Food & Beverage Management Ltd. Chengdu 85 Food & Beverage Ltd. Zhejiang 85 Food & Beverage Ltd.	c	Other receivables	442,677	-	4
			c	Other receivables	188,122	-	2
			c	Other receivables	61,941	-	1
			c	Other receivables	77,640	Financings provided, annual interest rate 3.75%	1
			c	Purchases	365,842	60 days	2
			c	Trade payables	48,245	60 days	-
			c	Other receivables	36,077	-	-
			c	Other receivables	96,921	-	1
c	Other receivables	105,404	-	1			
5	Beijing 85 Food & Beverage Ltd.	Jin Wei Industrial (Shanghai) Ltd. Jin Wei Industrial (Shanghai) Ltd.	c	Purchases	301,823	60 days	2
			c	Trade payables	37,045	60 days	-
6	He-Shia (Nanjing) Food & Beverage Ltd.	Jin Wei Industrial (Shanghai) Ltd. Jin Wei Industrial (Shanghai) Ltd. Sheng-Pin (Xiamen) Food Ltd. Shenzhen 85 Food Beverage Ltd.	c	Purchases	795,248	60 days	5
			c	Trade payables	106,781	60 days	1
			c	Other receivables	51,760	Financings provided, annual interest rate 3.75%	-
			c	Other receivables	103,520	Financings provided, annual interest rate 3.75%	1

(Continued)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Intercompany Transactions			
				Financial Statement Account	Amount	Payment Terms	% to Total Sales or Assets (Note 3)
7	Wuhan Jing Way Food & Beverage Ltd.	Jin Wei Industrial (Shanghai) Ltd. Sheng-Pin (Wuhan) Food Ltd.	c c	Purchases Other receivables	\$ 100,708 32,676	60 days -	1 -
8	Zhejiang 85 Food & Beverage Ltd.	Jin Wei Industrial (Shanghai) Ltd. Jin Wei Industrial (Shanghai) Ltd.	c c	Purchases Trade payables	212,474 30,334	60 days 60 days	1 -
9	Fuzhou 85 Food & Beverage Ltd.	Jin Wei Industrial (Shanghai) Ltd. Jin Wei Industrial (Shanghai) Ltd. Guangzhou 85 Degree Food & Beverage Management Ltd. Chengdu 85 Food & Beverage Ltd.	c c c c	Purchases Trade payables Other receivables Other receivables	277,342 38,287 36,232 44,534	60 days 60 days - -	2 - - -
10	Xiamen 85 Food & Beverage Ltd.	Jin Wei Industrial (Shanghai) Ltd. Jin Wei Industrial (Shanghai) Ltd. Fuzhou 85 Food & Beverage Ltd.	c c c	Purchases Trade payables Other receivables	208,584 30,694 154,607	60 days 60 days -	1 - 1
11	Shenzheng 85 Food & Beverage Ltd.	Jin Wei Industrial (Shanghai) Ltd. Jin Wei Industrial (Shanghai) Ltd.	c c	Purchases Trade payables	252,194 33,675	60 days 60 days	2 -
12	Chengdu 85 Food & Beverage Ltd.	Jin Wei Industrial (Shanghai) Ltd.	c	Purchases	155,065	60 days	1
13	Jin Wei Industrial (Shanghai) Ltd.	Sheng-Pin (Shanghai) Food Ltd. Sheng-Pin (Shanghai) Food Ltd. Sheng-Pin (Hangzhou) Food Ltd. Sheng-Pin (Hangzhou) Food Ltd. Sheng-Pin (Jiangsu) Food Ltd. Mai-Jia (Shanghai) Food Ltd. Mai-Jia (Chengdu) Food Ltd. Sheng-Pin (Xiamen) Food Ltd. Sheng-Pin (Shenzheng) Food Ltd. Sheng-Pin (Beijing) Food Ltd. Sheng-Pin (Wuhan) Food Ltd. Sheng-Pin (Qingdao) Food Ltd. Sheng-Pin (Jiangsu) Food Ltd. Sheng-Pin (Xiamen) Food Ltd. 85 Degree (Jiangsu) Food Ltd.	c c c c c c c c c c c c c c c c	Purchases Trade payables Purchases Trade payables Purchases Purchases Purchases Purchases Purchases Purchases Purchases Purchases Trade payables Trade payables Other receivables	435,394 52,019 382,286 57,397 284,264 69,431 111,204 256,179 143,118 177,929 81,915 68,693 38,163 40,989 83,004	60 days 60 days 60 days 60 days 60 days 60 days 60 days 60 days 60 days 60 days 60 days 60 days 60 days 60 days 60 days -	3 - 3 - 2 - 1 2 1 1 1 1 - - - 1
14	Sheng-Pin (Hangzhou) Food Ltd.	Zhejiang 85 Food & Beverage Ltd.	c	Other receivables	62,112	-	1
15	WinPin 85 Investments, LLC	Perfect 85 Degrees C, Inc. Perfect 85 Degrees C, Inc. Perfect 85 Degrees C, Inc.	c c c	Purchases Trade payables Selling and marketing expense - others	545,506 58,634 64,710	30 days 30 days -	4 - -
16	Golden 85 Investments, LLC	Perfect 85 Degrees C, Inc.	c	Purchases	125,693	30 days	1

(Continued)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Intercompany Transactions			
				Financial Statement Account	Amount	Payment Terms	% to Total Sales or Assets (Note 3)
17	Perfect 85 Degrees C, Inc.	Comestibles Master Co., Ltd. Comestibles Master Co., Ltd.	c c	Purchases	\$ 46,840	30 days	-
				Trade payables	7,408	30 days	-
18	Wincase Limited	Profit Sky International Limited Worldinn Limited	c c	Other receivables	94,481	-	1
				Purchases	78,758	30 days	1
19	Worldinn Limited	Wincase Limited	c	Other receivables	124,155	-	1
20	Profit Sky International Limited	Worldinn Limited	c	Other receivables	90,931	-	1

Note 1: Intercompany relationships and significant intercompany transactions information should be noted in number column.

- a. Number 0 represents parent company.
- b. Number 1 to 20 represents subsidiaries.

Note 2: a. Represents the transactions from parent company to subsidiary.
b. Represents the transactions from subsidiary to parent company.
c. Represents the transactions between subsidiaries.

Note 3: The asset accounts and liability accounts amounts are calculated as percentage of consolidated total assets. The income accounts amounts are calculated as percentage of consolidated total gross sales.

(Concluded)

GOURMET MASTER CO. LTD. AND SUBSIDIARIES

INFORMATION OF INVESTEEES
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2015			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				September 30, 2015	December 31, 2014	Shares	%	Carrying Amount			
Gourmet Master Co. Ltd.	85 Degree Co., Ltd.	Malaysia	Investment	\$ 553,447	\$ 553,447	12,899,078	100	\$ 1,394,679	\$ 172,681	\$ 172,681	Note 1
	Prime Scope Trading Limited	Hong Kong	Investment	1,539,063 (US\$ 46,743)	1,539,063 (US\$ 46,743)	46,742,963	100	5,239,190	549,898	549,898	
	Perfect 85 Degrees C, Inc.	USA	Manufacturing of baking food and sale	248,677 (US\$ 7,553)	248,677 (US\$ 7,553)	5,301,000	100	773,576	105,265	105,265	
	85 Degrees Café International Pty. Ltd.	Australia	Grocery and drink retailing	41,100 (AUD 1,785)	41,100 (AUD 1,785)	1,785,000	51	23,267	(12,056)	(6,149)	
	Lucky Bakery Limited	Samoa	Investment	182,246 (US\$ 5,535)	181,093 (US\$ 5,500)	5,535,000	100	114,338	(6,087)	(6,087)	
Perfect 85 Degrees C, Inc.	Golden 85 Investments, LLC	USA	Grocery and drink retailing	64,911 (US\$ 1,971)	64,911 (US\$ 1,971)	-	65	31,297	40,132	26,086	Notes 1 and 2
	Winpin 85 Investments, LLC	USA	Grocery and drink retailing	289,750 (US\$ 8,800)	-	-	100	397,755	55,780	55,780	Notes 1 and 4
Lucky Bakery Limited	Profit Sky International Limited	Hong Kong	Investment	176,426 (HK\$ 41,600)	176,426 (HK\$ 41,600)	-	100	108,472	(5,969)	(5,969)	Notes 1 and 2
Profit Sky International Limited	Wincase Limited	Hong Kong	Grocery and drink retailing	118,748 (HK\$ 28,000)	118,748 (HK\$ 28,000)	-	100	55,317	(94)	(94)	Notes 1 and 2
	Worldinn Limited	Hong Kong	Manufacturing of baking food and sale	127,230 (HK\$ 30,000)	127,230 (HK\$ 30,000)	-	100	49,107	(6,056)	(6,056)	Notes 1 and 2
85 Degree Co., Ltd.	Comestibles Master Co., Ltd.	Taichung City, Taiwan (R.O.C.)	Grocery and drink retailing	553,447	553,447	95,908,727	100	1,439,020	194,827	194,827	
Comestibles Master Co., Ltd.	Mei Wei Master Co., Ltd.	Taichung City, Taiwan (R.O.C.)	Grocery and drink retailing	129,349	220,606	12,934,886	100	28,936	(97,126)	(97,126)	
	The Hot Pot Food and Beverage Management Co., Ltd.	Taichung City, Taiwan (R.O.C.)	Food and beverage; Grocery and drink retailing	58,012	57,841	5,801,164	23	65,079	27,200	6,198	Note 2
	Fang Song Comestibles Ltd.	Taichung City, Taiwan (R.O.C.)	Grocery and drink retailing	10,000	-	-	100	9,975	(25)	(25)	Note 2
Mei Wei Master Co., Ltd.	Mei Wei Fu Xing Ltd.	Taichung City, Taiwan (R.O.C.)	Grocery and drink retailing	1,800	1,800	-	60	1,739	(661)	(397)	Note 2

Note 1: The exchange rate was US\$1=NT\$32.926; RMB1=NT\$5.176; AUD1=NT\$23.025; HK\$1=NT\$4.241 as of September 30, 2015.

Note 2: The carrying amount was based on the net assets of investee as of September 30, 2015, which was not reviewed by CPA.

Note 3: For information of investment in Mainland China, please refer to Table 8.

Note 4: In order to simplify the investment structure of the Group, WinPin 85 Investments, Inc. has been held by Perfect 85 Degree C, Inc. of the Group, and it has changed the Company type to LLC since January 2015.

GOURMET MASTER CO. LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital (RMB in Thousands) (Note)	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2015	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2015	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of September 30, 2015	Accumulated Repatriation of Investment Income as of September 30, 2015	Note
					Outward	Inward							
Prime Scope Trading Limited													
Shanghai Gourmet Master Food & Beverage Ltd.	Grocery and drink retailing	\$ 327,977 US\$ (9,961)	Direct investment	\$ -	\$ -	\$ -	\$ -	\$ 156,446	100	\$ 156,446	\$ 1,575,333	\$ -	Note 1
He-Shia Food & Beverage Ltd.	Grocery and drink retailing	80,813 US\$ (2,454)	Direct investment	-	-	-	-	46,484	100	46,484	1,662,780	-	Note 1
Sheng-Pin (Hangzhou) Food Ltd.	Manufacturing of baking food and sale	65,852 US\$ (2,000)	Direct investment	-	-	-	-	30,344	100	30,735	206,119	-	Notes 1 and 2
He-Shia (Nanjing) Food & Beverage Ltd.	Grocery and drink retailing	65,852 US\$ (2,000)	Direct investment	-	-	-	-	83,526	100	83,526	693,214	-	Notes 1 and 2
Beijing 85 Food & Beverage Ltd.	Grocery and drink retailing	263,408 US\$ (8,000)	Direct investment	-	-	-	-	(16,363)	27	(4,340)	18,767	-	Notes 1 and 2
Zhejiang 85 Food & Beverage Ltd.	Grocery and drink retailing	65,852 US\$ (2,000)	Direct investment	-	-	-	-	28,988	100	28,988	10,069	-	Notes 1 and 2
Sheng-Pin (Beijing) Food Ltd.	Manufacturing of baking food and sale	214,019 US\$ (6,500)	Direct investment	-	-	-	-	7,505	61	6,504	78,584	-	Notes 1 and 2
Fuzhou 85 Food & Beverage Ltd.	Grocery and drink retailing	16,463 US\$ (500)	Direct investment	-	-	-	-	92,171	100	92,171	272,665	-	Notes 1 and 2
Sheng-Pin (Jiangsu) Food Ltd.	Manufacturing of baking food and sale	148,167 US\$ (4,500)	Direct investment	-	-	-	-	(4,226)	100	(6,151)	152,136	-	Notes 1 and 2
Sheng-Pin (Xiamen) Food Ltd.	Manufacturing of baking food and sale	65,852 US\$ (2,000)	Direct investment	-	-	-	-	20,313	100	18,517	46,555	-	Notes 1 and 2
Sheng-Pin (Qingdao) Food Ltd.	Manufacturing of baking food and sale	82,315 US\$ (2,500)	Direct investment	-	-	-	-	1,539	100	1,539	30,139	-	Notes 1 and 2
Xiamen 85 Food & Beverage Ltd.	Grocery and drink retailing	32,926 US\$ (1,000)	Direct investment	-	-	-	-	129,011	100	129,011	231,213	-	Notes 1 and 2
Shenyang 85 Food & Beverage Ltd.	Grocery and drink retailing	32,926 US\$ (1,000)	Direct investment	-	-	-	-	(29,646)	100	(29,646)	(78,000)	-	Notes 1 and 2
Sheng-Pin (Shenyang) Food Ltd.	Manufacturing of baking food and sale	131,704 US\$ (4,000)	Direct investment	-	-	-	-	(9,316)	100	(9,316)	70,446	-	Notes 1 and 2
85 Degree (Qingdao) Food & Beverage Management Ltd.	Grocery and drink retailing	65,852 US\$ (2,000)	Direct investment	-	-	-	-	5,579	100	5,579	97,274	-	Notes 1 and 2
85 Degree (Jiangsu) Food Ltd.	Manufacturing of baking food and sale	658,520 US\$ (20,000)	Direct investment	-	-	-	-	2,252	25	(332)	166,092	-	Note 1
Shanghai Gourmet Master Food & Beverage Ltd.													
Sheng-Pin (Shanghai) Food Ltd.	Manufacturing of baking food and sale	93,168 (RMB 18,000)	Direct investment	-	-	-	-	11,708	100	7,556	133,209	-	Note 1
Mai-Jia (Shanghai) Food Ltd.	Manufacturing of baking food and sale	36,750 (RMB 7,100)	Direct investment	-	-	-	-	4,418	100	9,439	74,708	-	Notes 1 and 2
Shanghai Howco Jing Way Food & Beverage Ltd.	Grocery and drink retailing	77,640 (RMB 15,000)	Direct investment	-	-	-	-	2,104	100	2,104	102,245	-	Notes 1 and 2
Shenzhen 85 Food & Beverage Ltd.	Grocery and drink retailing	69,168 (RMB 13,363)	Direct investment	-	-	-	-	68,980	85	58,633	51,885	-	Notes 1 and 2
Chengdu 85 Food & Beverage Ltd.	Grocery and drink retailing	34,110 (RMB 6,590)	Direct investment	-	-	-	-	(2,850)	100	(2,850)	(18,170)	-	Notes 1 and 2

(Continued)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital (RMB in Thousands) (Note)	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2015	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2015	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of September 30, 2015	Accumulated Repatriation of Investment Income as of September 30, 2015	Note
					Outward	Inward							
Sheng-Pin (Wuhan) Food Ltd.	Manufacturing of baking food and sale	\$ 82,816 (RMB 16,000)	Direct investment	\$ -	\$ -	\$ -	\$ -	\$ (376)	100	\$ (1,348)	\$ 5,559	\$ -	Notes 1 and 2
Wuhan Jing Way Food & Beverage Ltd.	Grocery and drink retailing	238,096 (RMB 46,000)	Direct investment	-	-	-	-	(11,376)	57	(6,430)	67,119	-	Notes 1 and 2
Jianxi Jing Way Food & Beverage Ltd.	Grocery and drink retailing	31,056 (RMB 6,000)	Direct investment	-	-	-	-	(4,210)	100	(4,210)	10,567	-	Notes 1 and 2
Jin Wei Industrial (Shanghai) Ltd.	Grocery sale	10,352 (RMB 2,000)	Direct investment	-	-	-	-	91,862	100	87,999	135,523	-	Note 1
Guangzhou 85 Degree Food & Beverage Management Ltd.	Grocery and drink retailing	31,056 (RMB 6,000)	Direct investment	-	-	-	-	(16,567)	100	(16,567)	(15,453)	-	Notes 1 and 2
Mai-Jia (Chengdu) Food Ltd.	Manufacturing of baking food and sale	128,106 (RMB 24,750)	Direct investment	-	-	-	-	10,520	100	9,590	104,904	-	Notes 1 and 2
85 Degree (Jiangsu) Food Ltd.	Manufacturing of baking food and sale	658,520 (US\$ 20,000)	Direct investment	-	-	-	-	2,252	75	(985)	493,207	-	Note 1
Jia Ding Jing Way Food & Beverage Ltd.	Grocery and drink retailing	5,176 (RMB 1,000)	Direct investment	-	-	-	-	2,518	100	2,518	10,625	-	Notes 1 and 2
Shenzheng 85 Food & Beverage Ltd.	Manufacturing of baking food and sale	33,644 (RMB 6,500)	Direct investment	-	-	-	-	13,219	85	10,459	(11,332)	-	Notes 1 and 2
85 Degree (Qingdao) Food & Beverage Management Ltd.	Grocery and drink retailing	7,764 (RMB 1,500)	Direct investment	-	-	-	-	802	100	802	9,516	-	Notes 1 and 2
Qingdao Jie Wei Food & Beverage Management Ltd.	Grocery and drink retailing	7,764 (RMB 1,500)	Direct investment	-	-	-	-	802	100	802	9,516	-	Notes 1 and 2
He-Shia Food & Beverage Ltd.	Grocery and drink retailing	238,096 (RMB 46,000)	Direct investment	-	-	-	-	(11,376)	43	(4,946)	51,630	-	Notes 1 and 2
Wuhan Jing Way Food & Beverage Ltd.	Grocery and drink retailing	238,096 (RMB 46,000)	Direct investment	-	-	-	-	(11,376)	43	(4,946)	51,630	-	Notes 1 and 2
Beijing 85 Food & Beverage Ltd.	Grocery and drink retailing	263,408 (US\$ 8,000)	Direct investment	-	-	-	-	(16,363)	73	(12,023)	51,980	-	Notes 1 and 2
Sheng-Pin (Beijing) Food Ltd.	Manufacturing of baking food and sale	214,019 (US\$ 6,500)	Direct investment	-	-	-	-	7,505	39	-	50,940	-	Notes 1 and 2

Accumulated Outward Remittance for Investment in Mainland China as of September 30, 2015	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
NA	NA	NA

Note 1: The exchange rate was US\$1=NT\$32.926, RMB1=NT\$5.176 as of September 30, 2015.

Note 2: The carrying amount was based on the net assets of investee as of September 30, 2015, which was not reviewed by CPA.

(Concluded)