

Gourmet Master Co. Ltd. and Subsidiaries

**Consolidated Financial Statements for the
Six Months Ended June 30, 2013 and 2012 and
Independent Accountants' Review Report**

INDEPENDENT ACCOUNTANTS' 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 (collectively referred to as the "Group") as of June 30, 2013, December 31, 2012, June 30, 2012 and January 1, 2012 and the related consolidated statements of comprehensive income for the three months ended June 30, 2013 and 2012, six months ended June 30, 2013 and 2012, and changes in equity and cash flows for the six months ended June 30, 2013 and 2012. 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 "Engagements to Review 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 above for them to be in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers issued by the Financial Supervisory Commission of the Republic of China, and International Financial Reporting Standard 1 "First-time Adoption of International Financial Reporting Standards" and International Accounting Standard 34 "Interim Financial Reporting" endorsed by the Financial Supervisory Commission of the Republic of China.

August 13, 2013

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 accountants' 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 accountants' review report and consolidated financial statements shall prevail.

GOURMET MASTER CO. LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

ASSETS	June 30, 2013		December 31, 2012		June 30, 2012		January 1, 2012		LIABILITIES AND EQUITY	June 30, 2013		December 31, 2012		June 30, 2012		January 1, 2012	
	Amount	%	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%	Amount	%
CURRENT ASSETS									CURRENT LIABILITIES								
Cash and cash equivalents (Notes 4 and 6)	\$ 3,131,000	34	\$ 2,541,543	30	\$ 2,664,514	34	\$ 3,477,523	44	Notes payable	\$ 969	-	\$ 1,204	-	\$ 6	-	\$ 19	-
Financial assets at fair value through profit or loss-current (Note 4)	8,473	-	9,202	-	9,266	-	9,376	-	Trade payables (Note 14)	760,726	8	744,974	9	689,036	9	755,147	9
Debt investments with no active market - current (Notes 4, 7 and 25)	322,470	4	742,261	9	687,082	9	665,979	8	Other payables (Note 15)	1,630,310	18	840,445	10	815,550	10	631,404	8
Notes receivable	2,310	-	2,401	-	3,244	-	6,382	-	Current tax liabilities	112,219	1	138,071	1	144,964	2	164,227	2
Trade receivables (Notes 4, 5 and 8)	173,648	2	228,083	3	149,092	2	186,853	2	Receipts in advance (Note 15)	526,547	6	516,498	6	380,482	5	450,085	6
Other receivables	50,023	1	48,872	1	28,473	-	39,505	1	Current portion of long-term borrowings	452	-	668	-	356	-	360	-
Current tax assets	8,737	-	6,400	-	7,289	-	133	-	Other current liabilities (Note 15)	<u>14,036</u>	<u>-</u>	<u>16,303</u>	<u>-</u>	<u>11,670</u>	<u>-</u>	<u>14,416</u>	<u>-</u>
Inventories (Notes 4 and 9)	389,952	4	389,083	4	311,941	4	371,233	5	Total current liabilities	<u>3,045,259</u>	<u>33</u>	<u>2,258,163</u>	<u>26</u>	<u>2,042,064</u>	<u>26</u>	<u>2,015,658</u>	<u>25</u>
Prepayments (Note 13)	566,074	6	631,850	7	1,147,607	14	675,781	8	NONCURRENT LIABILITIES								
Other current assets (Note 13)	<u>12,068</u>	<u>-</u>	<u>12,721</u>	<u>-</u>	<u>11,628</u>	<u>-</u>	<u>11,374</u>	<u>-</u>	Long-term borrowings	-	-	-	-	494	-	681	-
Total current assets	<u>4,664,755</u>	<u>51</u>	<u>4,612,416</u>	<u>54</u>	<u>5,020,136</u>	<u>63</u>	<u>5,444,139</u>	<u>68</u>	Decommission, restoration and rehabilitation provisions (Note 4)	21,735	-	19,247	-	15,595	-	14,705	-
NONCURRENT ASSETS									Guarantee deposits received (Note 15)	51,159	1	51,552	1	54,327	1	53,568	1
Debt investment with no active market - noncurrent (Notes 4, 7 and 25)	1,700	-	1,700	-	1,700	-	1,700	-	Other noncurrent liabilities (Note 15)	<u>-</u>	<u>-</u>	<u>426</u>	<u>-</u>	<u>36</u>	<u>-</u>	<u>56</u>	<u>-</u>
Investments accounted for using equity method (Note 10)	88,307	1	96,198	1	112,095	2	-	-	Total noncurrent liabilities	<u>72,894</u>	<u>1</u>	<u>71,225</u>	<u>1</u>	<u>70,452</u>	<u>1</u>	<u>69,010</u>	<u>1</u>
Property, plant and equipment (Notes 4, 11 and 25)	3,836,324	42	3,397,262	40	2,347,190	30	2,198,689	28	Total liabilities	<u>3,118,153</u>	<u>34</u>	<u>2,329,388</u>	<u>27</u>	<u>2,112,516</u>	<u>27</u>	<u>2,084,668</u>	<u>26</u>
Trademarks (Notes 4 and 12)	2,357	-	2,032	-	1,476	-	1,439	-	EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 16)								
Computer software (Notes 4 and 12)	54,254	-	18,191	-	19,918	-	17,820	-	Share capital	<u>1,411,200</u>	<u>16</u>	<u>1,411,200</u>	<u>16</u>	<u>1,411,200</u>	<u>18</u>	<u>1,344,000</u>	<u>17</u>
Goodwill	745	-	745	-	745	-	745	-	Capital surplus	-	-	-	-	-	-	-	-
Other intangible assets (Notes 4 and 12)	3,943	-	3,887	-	4,051	-	4,274	-	Additional paid-in capital	<u>2,681,126</u>	<u>29</u>	<u>2,681,126</u>	<u>31</u>	<u>2,681,126</u>	<u>34</u>	<u>2,748,326</u>	<u>34</u>
Deferred tax assets (Note 4)	60,498	1	46,511	1	72,168	1	45,029	1	Retained earnings	-	-	-	-	-	-	-	-
Refundable deposits (Note 13)	435,091	5	377,695	4	338,350	4	273,728	3	Reserve	366,706	4	268,972	3	268,972	3	156,864	2
Other noncurrent assets (Note 13)	<u>15,389</u>	<u>-</u>	<u>6,369</u>	<u>-</u>	<u>7,440</u>	<u>-</u>	<u>8,467</u>	<u>-</u>	Special reserve	38,098	-	-	-	-	-	-	-
Total noncurrent assets	<u>4,498,608</u>	<u>49</u>	<u>3,950,590</u>	<u>46</u>	<u>2,905,133</u>	<u>37</u>	<u>2,551,891</u>	<u>32</u>	Unappropriated earnings	<u>1,238,363</u>	<u>14</u>	<u>1,755,003</u>	<u>21</u>	<u>1,333,810</u>	<u>17</u>	<u>1,424,569</u>	<u>18</u>
									Total retained earnings	<u>1,643,167</u>	<u>18</u>	<u>2,023,975</u>	<u>24</u>	<u>1,602,782</u>	<u>20</u>	<u>1,581,433</u>	<u>20</u>
									Other equity	<u>197,262</u>	<u>2</u>	<u>(7,369)</u>	<u>-</u>	<u>34,890</u>	<u>-</u>	<u>127,893</u>	<u>2</u>
									Total equity attributable to owners of the Company	5,932,755	65	6,108,932	71	5,729,998	72	5,801,652	73
									NON-CONTROLLING INTERESTS								
										<u>112,455</u>	<u>1</u>	<u>124,686</u>	<u>2</u>	<u>82,755</u>	<u>1</u>	<u>109,710</u>	<u>1</u>
									Total equity	<u>6,045,210</u>	<u>66</u>	<u>6,233,618</u>	<u>73</u>	<u>5,812,753</u>	<u>73</u>	<u>5,911,362</u>	<u>74</u>
TOTAL	<u>\$ 9,163,363</u>	<u>100</u>	<u>\$ 8,563,006</u>	<u>100</u>	<u>\$ 7,925,269</u>	<u>100</u>	<u>\$ 7,996,030</u>	<u>100</u>	TOTAL	<u>\$ 9,163,363</u>	<u>100</u>	<u>\$ 8,563,006</u>	<u>100</u>	<u>\$ 7,925,269</u>	<u>100</u>	<u>\$ 7,996,030</u>	<u>100</u>

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

GOURMET MASTER CO. LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2013		2012		2013		2012	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 17 and 29)	\$ 3,592,574	100	\$ 3,182,705	100	\$ 7,177,306	100	\$ 6,474,444	100
OPERATING COSTS	<u>1,566,292</u>	<u>44</u>	<u>1,419,295</u>	<u>45</u>	<u>3,139,456</u>	<u>44</u>	<u>2,868,965</u>	<u>44</u>
GROSS PROFIT	<u>2,026,282</u>	<u>56</u>	<u>1,763,410</u>	<u>55</u>	<u>4,037,850</u>	<u>56</u>	<u>3,605,479</u>	<u>56</u>
OPERATING EXPENSES								
Selling and marketing expenses	1,614,225	45	1,344,790	42	3,146,698	44	2,562,218	40
General and administrative expenses	178,348	5	145,249	5	360,408	5	302,691	5
Research and development expenses	<u>4,659</u>	<u>-</u>	<u>2,343</u>	<u>-</u>	<u>8,513</u>	<u>-</u>	<u>5,458</u>	<u>-</u>
Total operating expenses	<u>1,797,232</u>	<u>50</u>	<u>1,492,382</u>	<u>47</u>	<u>3,515,619</u>	<u>49</u>	<u>2,870,367</u>	<u>45</u>
OPERATING INCOME	<u>229,050</u>	<u>6</u>	<u>271,028</u>	<u>8</u>	<u>522,231</u>	<u>7</u>	<u>735,112</u>	<u>11</u>
NONOPERATING INCOME AND EXPENSES (Note 18)								
Other income	24,306	1	58,016	2	49,602	1	77,424	1
Share of the profit or loss of associates and joint ventures	(4,540)	-	(3,461)	-	(11,038)	-	(3,461)	-
Other gains and losses	<u>(28,376)</u>	<u>(1)</u>	<u>(1,826)</u>	<u>-</u>	<u>(39,866)</u>	<u>(1)</u>	<u>(15,706)</u>	<u>-</u>
Total nonoperating income and expenses	<u>(8,610)</u>	<u>-</u>	<u>52,729</u>	<u>2</u>	<u>(1,302)</u>	<u>-</u>	<u>58,257</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	220,440	6	323,757	10	520,929	7	793,369	12
INCOME TAX EXPENSE (Notes 4 and 19)	<u>74,234</u>	<u>2</u>	<u>79,892</u>	<u>3</u>	<u>185,332</u>	<u>2</u>	<u>218,286</u>	<u>3</u>
NET PROFIT FOR THE PERIOD	<u>146,206</u>	<u>4</u>	<u>243,865</u>	<u>7</u>	<u>335,597</u>	<u>5</u>	<u>575,083</u>	<u>9</u>
OTHER COMPREHENSIVE INCOME								
Exchange differences on translating foreign operations	<u>63,212</u>	<u>2</u>	<u>(7,758)</u>	<u>-</u>	<u>202,438</u>	<u>3</u>	<u>(122,960)</u>	<u>(2)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 209,418</u>	<u>6</u>	<u>\$ 236,107</u>	<u>7</u>	<u>\$ 538,035</u>	<u>8</u>	<u>\$ 452,123</u>	<u>7</u>
NET PROFIT ATTRIBUTABLE TO:								
Owner of the Company	\$ 139,935	4	\$ 235,196	8	\$ 324,792	5	\$ 558,949	9
Non-controlling interests	<u>6,271</u>	<u>-</u>	<u>8,669</u>	<u>-</u>	<u>10,805</u>	<u>-</u>	<u>16,134</u>	<u>-</u>
	<u>\$ 146,206</u>	<u>4</u>	<u>\$ 243,865</u>	<u>8</u>	<u>\$ 335,597</u>	<u>5</u>	<u>\$ 575,083</u>	<u>9</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 June 30				For the Six Months Ended June 30			
	2013		2012		2013		2012	
	Amount	%	Amount	%	Amount	%	Amount	%
TOTAL COMPREHENSIVE INCOME								
ATTRIBUTABLE TO:								
Owner of the Company	\$ 207,233	6	\$ 255,440	8	\$ 529,423	8	\$ 465,946	7
Non-controlling interests	<u>2,185</u>	<u>-</u>	<u>(19,333)</u>	<u>(1)</u>	<u>8,612</u>	<u>-</u>	<u>(13,823)</u>	<u>-</u>
	<u>\$ 209,418</u>	<u>6</u>	<u>\$ 236,107</u>	<u>7</u>	<u>\$ 538,035</u>	<u>8</u>	<u>\$ 452,123</u>	<u>7</u>
EARNINGS PER SHARE								
(Note 20)								
Basic	<u>\$0.99</u>		<u>\$1.67</u>		<u>\$2.30</u>		<u>\$3.96</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						Exchange Differences on Translating Foreign Operations	Total	Non-controlling Interests	Total Equity
	Share Capital	Capital Surplus	Retained Earnings		Unappropriated Earnings					
			Reserve	Special Reserve						
BALANCE AT JANUARY 1, 2012	\$ 1,344,000	\$ 2,748,326	\$ 156,864	\$ -	\$ 1,424,569	\$ 127,893	\$ 5,801,652	\$ 109,710	\$ 5,911,362	
Appropriation of 2011 earning										
Reserve	-	-	112,108	-	(112,108)	-	-	-	-	
Cash dividends distributed by the Company	-	-	-	-	(537,600)	-	(537,600)	-	(537,600)	
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	(13,132)	(13,132)	
Issue of share dividends from capital surplus	67,200	(67,200)	-	-	-	-	-	-	-	
Net profit for the six months ended June 30, 2012	-	-	-	-	558,949	-	558,949	16,134	575,083	
Other comprehensive income (loss) for the six months ended June 30, 2012, net of income tax	-	-	-	-	-	(93,003)	(93,003)	(29,957)	(122,960)	
Total comprehensive income for the six months ended June 30, 2012	-	-	-	-	558,949	(93,003)	465,946	(13,823)	452,123	
BALANCE AT JUNE 30, 2012	<u>\$ 1,411,200</u>	<u>\$ 2,681,126</u>	<u>\$ 268,972</u>	<u>\$ -</u>	<u>\$ 1,333,810</u>	<u>\$ 34,890</u>	<u>\$ 5,729,998</u>	<u>\$ 82,755</u>	<u>\$ 5,812,753</u>	
BALANCE AT JANUARY 1, 2013	\$ 1,411,200	\$ 2,681,126	\$ 268,972	\$ -	\$ 1,755,003	\$ (7,369)	\$ 6,108,932	\$ 124,686	\$ 6,233,618	
Appropriation of 2012 earnings										
Reserve	-	-	97,734	-	(97,734)	-	-	-	-	
Special reserve	-	-	-	38,098	(38,098)	-	-	-	-	
Cash dividends distributed by the Company	-	-	-	-	(705,600)	-	(705,600)	-	(705,600)	
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	(20,843)	(20,843)	
Net profit for the six months ended June 30, 2013	-	-	-	-	324,792	-	324,792	10,805	335,597	
Other comprehensive income (loss) for the six months ended June 30, 2013, net of income tax	-	-	-	-	-	204,631	204,631	(2,193)	202,438	
Total comprehensive income for the six months ended June 30, 2013	-	-	-	-	324,792	204,631	529,423	8,612	538,035	
BALANCE AT JUNE 30, 2013	<u>\$ 1,411,200</u>	<u>\$ 2,681,126</u>	<u>\$ 366,706</u>	<u>\$ 38,098</u>	<u>\$ 1,238,363</u>	<u>\$ 197,262</u>	<u>\$ 5,932,755</u>	<u>\$ 112,455</u>	<u>\$ 6,045,210</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 Six Months Ended June 30	
	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 520,929	\$ 793,369
Adjustments for:		
Depreciation expenses	354,386	245,850
Amortization expenses	6,559	2,934
Interest expense	64	408
Interest income	(13,182)	(20,666)
Share of loss of associates and joint ventures	11,038	3,461
Loss (gain) on disposal of property, plant and equipment	20,049	(629)
Loss on disposal of intangible assets	40	133
Reversal of write-down of non-financial assets	(697)	(720)
Changes in operating assets and liabilities		
Decrease in notes receivable	91	3,138
Decrease in trade receivables	54,435	37,761
Decrease in other receivables	352	11,031
(Increase) decrease in inventories	(75)	60,056
Decrease (increase) in prepayments	65,776	(471,826)
Decrease (increase) in other current assets	653	(254)
(Increase) decrease in other operating assets	(9,020)	1,027
Decrease in notes payable	(235)	(13)
Increase (decrease) in trade payables	15,752	(66,111)
Increase in other payables	44,606	44,561
Increase in provisions	2,488	890
Increase (decrease) in receipts in advance	10,049	(69,603)
Decrease in other current liabilities	(2,267)	(2,745)
Decrease in other operating liabilities	(426)	(20)
Cash generated from operations	1,081,365	572,032
Interest paid	(64)	(408)
Income taxes paid	(210,609)	(271,232)
Net cash generated from operating activities	<u>870,692</u>	<u>300,392</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition debt investments with no active market	-	(21,103)
Proceeds from debt investments with no active market	419,791	-
Acquisition of investment accounted for by equity method	-	(115,590)
Payment for property, plant and equipment	(648,103)	(478,066)
Proceeds from property, plant and equipment	834	13,509
Increase in refundable deposits	(87,683)	(74,292)
Decrease in refundable deposits	47,107	4,570
Acquisition of intangible assets	(41,230)	(5,459)

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GOURMET MASTER CO. LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Six Months Ended June 30	
	2013	2012
Proceeds from intangible assets	\$ 17	\$ -
Interest received	<u>11,679</u>	<u>20,666</u>
Net cash used in investing activities	<u>(297,588)</u>	<u>(655,765)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of long-term borrowings	(216)	(191)
Increase in guarantee deposits received	1,642	2,546
Decrease in guarantee deposits received	(3,013)	(1,323)
Dividends paid to owners of the Company	-	(348,510)
Dividends paid to non-controlling interest	<u>(20,843)</u>	<u>(13,132)</u>
Net cash used in financing activities	<u>(22,430)</u>	<u>(360,610)</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>38,783</u>	<u>(97,026)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	589,457	(813,009)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	<u>2,541,543</u>	<u>3,477,523</u>
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	<u>\$ 3,131,000</u>	<u>\$ 2,664,514</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 SIX MONTHS ENDED JUNE 30, 2013 AND 2012 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

1. GENERAL INFORMATION

- a. Gourmet Master Co. Ltd. (the “Company”) was incorporated in the Cayman Islands in September 2008.
- b. 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 report was approved by the Board of Directors and authorized for issue on August 13, 2013.

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

- a. New and revised Standards, Amendments and Interpretations in issue but not yet effective

In addition to the disclosure in Note 3 to the consolidated financial statements as of March 31, 2013, the Company and its entire controlled subsidiaries (the “Group”) have not applied the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), International Financial Reporting Interpretations (IFRIC), and Standing Interpretations (SIC) that have been issued by the IASB.

As of the date that the consolidated financial statements were approved and authorized for issue, the Financial Supervisory Commission (“FSC”) has not determined and not announced the effective dates for the following new and revised standards, amendments and interpretations.

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

Note: Unless otherwise noted, the above new and revised Standards, Amendments and Interpretations are effective for annual periods beginning on or after the respective effective dates.

- b. Significant changes in accounting policy resulted from new and revised Standards, Amendments and Interpretations in issue but not yet effective

The initial application of the above new and revised standards, amendments and interpretations had not any material impact on the Group's accounting policies.

- c. Material impact on consolidated financial statements resulted from new and revised standards, amendments and interpretations in issue but not yet effective

The initial application of the above new and revised standards, amendments and interpretations, had no any material impact on the consolidated financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICY

On May 14, 2009, the FSC announced the "Framework for the Adoption of IFRSs by the Companies in the ROC." In this framework, starting 2013, companies with shares listed on the Taiwan Stock Exchange or traded on the Taiwan GreTai Securities Market or Emerging Stock Market should prepare their consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, and the Interpretations approved by the FSC. The date of transition to IFRSs was January 1, 2012. Refer to Note 30 for the impact of IFRS conversion on the consolidated financial statements.

Statement of Compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, IFRS 1 "First-time Adoption of International Financial Reporting Standards" and IAS 34 "Interim Financial Reporting" as endorsed by the FSC. Disclosure information included in interim financial reports is less than disclosures required in a full set of annual financial reports.

Basis of Consolidation

The consolidated financial statements have been prepared on the same basis as the consolidated financial statements as of March 31, 2013. Refer to the Note 4 to the consolidated financial statements as of March 31, 2013 for details.

Subsidiary included in consolidated financial statements:

The consolidated entities as of June 30, 2013, December 31, 2012, June 30, 2012 and January 1, 2012 were as follows:

Investor	Investee	Main Businesses	% of Ownership			
			June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
Gourmet Master Co. Ltd.	85 Degree Co., Ltd.	Investment	100%	100%	100%	100%
	Prime Scope Trading Limited	Investment	100%	100%	100%	100%
	Perfect 85 Degrees C, Inc.	Investment	100%	100%	100%	100%
	85 Degrees Café International Pty Ltd.	Grocery and drink retailing	51%	51%	51%	51%
	Lucky Bakery Limited	Investment	100%	100%	100%	100%
Perfect 85 Degrees C, Inc.	WinPin 85 Investments, Inc.	Grocery and drink retailing	100%	100%	100%	-
	Golden 85 Investments, LLC	Grocery and drink retailing	65%	65%	65%	65%
85 Degree Co., Ltd.	Comestibles Master Co., Ltd.	Grocery and drink retailing	100%	100%	100%	100%

(Continued)

Investor	Investee	Main Businesses	% of Ownership			
			June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
Comestibles Master Co., Ltd.	Mei Wei Master Co., Ltd. The Hot Pot Food and Beverage Management Co., Ltd.	Grocery and drink retailing	100%	100%	100%	100%
		Grocery and drink retailing	76%	76%	-	-
Mei Wei Master Co., Ltd.	Mei Wei Fu Xing Ltd. Mei Wei San Min Ltd.	Grocery and drink retailing	60%	60%	60%	60%
		Grocery and drink retailing	-	-	100%	60%
The Hot Pot Food and Beverage Management Co., Ltd.	The Hot Pot Food and Beverage Management Limited	Investment	90%	90%	-	-
Prime Scope Trading Limited	Shanghai Gourmet Master Food & Beverage Ltd.	Grocery and drink retailing	100%	100%	100%	100%
	He-Shia Food & Beverage Ltd.	Grocery and drink retailing	100%	100%	100%	100%
	Sheng-Pin (Hangzhou) Food Ltd.	Manufacturing of baking food and sale	100%	100%	100%	100%
	He-Shia (Nanjing) Food & Beverage Ltd.	Grocery and drink retailing	100%	100%	100%	100%
	Beijing 85 Food & Beverage Ltd.	Grocery and drink retailing	100%	100%	100%	100%
	Zhejiang 85 Food & Beverage Ltd.	Grocery and drink retailing	100%	100%	100%	100%
	Sheng-Pin (Beijing) Food Ltd.	Manufacturing of baking food and sale	100%	100%	100%	100%
	Fuzhou 85 Food & Beverage Ltd.	Grocery and drink retailing	100%	100%	100%	100%
	Sheng-Pin (Jiangsu) Food Ltd.	Manufacturing of baking food and sale	100%	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%	-
	85 Degree (Qingdao) Food & Beverage Management Ltd.	Grocery and drink retailing	100%	100%	-	-
	85 Degree (Jiangsu) Food Ltd.	Manufacturing of baking food and sale	68%	-	-	-
Shanghai Gourmet Master Food & Beverage Ltd.	Sheng-Pin (Shanghai) Food Ltd.	Manufacturing of baking food and sale	100%	100%	100%	100%
	Mai-Jai (Shanghai) Food Ltd.	Manufacturing of baking food and sale	100%	100%	100%	100%
	Shanghai Howco Jing Way Food & Beverage Ltd.	Grocery and drink retailing	100%	100%	100%	100%
	Shenzheng 85 Food & Beverage Ltd.	Grocery and drink retailing	85%	85%	85%	85%
	Chengdu 85 Food & Beverage Ltd.	Grocery and drink retailing	100%	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	100%	100%	100%	-
	Jianxi Jing Way Food & Beverage Ltd.	Grocery and drink retailing	100%	100%	100%	-
	Jin Wei Industrial (Shanghai) Ltd.	Grocery and drink retailing	100%	100%	-	-
	Guangzhou 85 Degree Food & Beverage Management Ltd.	Grocery and drink retailing	100%	100%	-	-
	85 Degree (Jiangsu) Food Ltd.	Manufacturing of baking food and sale	32%	-	-	-
	Mai-Jai (Chengdu) Food Ltd.	Manufacturing of baking food and sale	100%	-	-	-
Shenzheng 85 Food & Beverage Ltd.	Sheng-Pin (Shenzheng) Food & Beverage Ltd.	Manufacturing of baking food and sale	100%	100%	100%	100%
85 Degree (Qingdao) Food & Beverage Management Ltd.	Qingdao Jie Wei Food & Beverage Management Ltd.	Manufacturing of baking food and sale	100%	100%	-	-

(Concluded)

Other Significant Accounting Policies

The same accounting policies have been followed in these consolidated financial statements as were applied in the preparation of the consolidated financial statements for the three months ended March 31, 2013, except for those described below. Refer to Note 4 to the consolidated financial statements as of March 31, 2013 for the details of summary of significant accounting policy.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the management of the Group are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical Judgements in Applying Accounting Policies

The following are the critical judgments, apart from those involving estimations that the management of the Group have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements.

Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Income Taxes

As of June 30, 2013, December 31, 2012, June 30, 2012, and January 1, 2012, the carrying amount of the deferred tax assets in relation to unused tax losses was \$25,832 thousand, \$12,523 thousand, \$37,211 thousand and \$12,911 thousand, respectively. As of June 30, 2013, December 31, 2012, June 30, 2012, and January 1, 2012, no deferred tax asset has been recognized on the tax loss of \$101,971 thousand, \$87,092 thousand, \$39,997 thousand and \$36,048 thousand, respectively, due to the unpredictability of future profit streams. The realizability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future profits generated are less than expected, a material reversal of deferred tax assets may arise, which would be recognized in profit or loss for the period in which such reversal takes place.

Estimated Impairment of Trade Receivables

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. Where the actual future cash flows are less than expected, a material impairment loss may arise.

6. CASH AND CASH EQUIVALENTS

	June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
Cash on hand	\$ 211,117	\$ 159,075	\$ 91,141	\$ 74,281
Checking accounts and demand deposits	2,823,838	1,973,184	2,113,881	2,109,000
Cash equivalent				
Time deposits with original maturities less than three months	<u>96,045</u>	<u>409,284</u>	<u>459,492</u>	<u>1,294,242</u>
	<u>\$ 3,131,000</u>	<u>\$ 2,541,543</u>	<u>\$ 2,664,514</u>	<u>\$ 3,477,523</u>

Cash equivalents include time deposits that have a maturity of three months or less from the date of acquisition, are readily convertible to a known amount of cash, and are subject to an insignificant risk of change in value; these were held for the purpose of meeting short-term cash commitments.

Refer to Note 6 to the consolidated financial statements as of March 31, 2013 for other related information on cash and cash equivalents.

7. DEBT INVESTMENTS WITH NO ACTIVE MARKET

	June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
Time deposits with original maturity more than three months	\$ 319,830	\$ 738,959	\$ 688,782	\$ 666,907
Trust fund account	<u>4,340</u>	<u>5,002</u>	<u>-</u>	<u>772</u>
	<u>\$ 324,170</u>	<u>\$ 743,961</u>	<u>\$ 688,782</u>	<u>\$ 667,679</u>
Current	\$ 322,470	\$ 742,261	\$ 687,082	\$ 665,979
Noncurrent	<u>1,700</u>	<u>1,700</u>	<u>1,700</u>	<u>1,700</u>
	<u>\$ 324,170</u>	<u>\$ 743,961</u>	<u>\$ 688,782</u>	<u>\$ 667,679</u>

Refer to Note 25 for information relating to bond investments with no active market pledged as security.

Refer to Note 7 to the consolidated financial statements as of March 31, 2013 for other related information on bond investments with no active market.

8. TRADE RECEIVABLES

	June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
Trade receivables	\$ 173,648	\$ 228,083	\$ 149,092	\$ 186,853
Less: Allowance for doubtful accounts	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 173,648</u>	<u>\$ 228,083</u>	<u>\$ 149,092</u>	<u>\$ 186,853</u>

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.

Age of receivables that are past due but not impaired was as follow:

	June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
In 90 days	\$ 7,595	\$ 79	\$ 3,014	\$ 5,233
90 days to 180 days	14,127	8,287	6,009	13,425
181 days to 361 days	17,452	1,482	8,650	10,083
Over 361 days	<u>665</u>	<u>4,845</u>	<u>2,059</u>	<u>5,814</u>
	<u>\$ 39,839</u>	<u>\$ 14,693</u>	<u>\$ 19,732</u>	<u>\$ 34,555</u>

Above analysis was based on the billing date.

On the above age of receivables that are past due but not impaired, the receivables of outlets in shopping malls are collected by the mall first, which means the procedures for the billing of the Company is longer. The experience shows that the receivables are collectable, so there was no impairment loss recognized.

Refer to Note 8 to the consolidated financial statements as of March 31, 2013 for other information related to trade receivables.

9. INVENTORIES

	June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
Finished goods	\$ 27,767	\$ 34,125	\$ 32,623	\$ 40,846
Work in process	3,794	4,046	29,936	21,648
Raw materials and supplies	301,931	315,182	186,700	201,841
Inventory in transit	<u>56,460</u>	<u>35,730</u>	<u>62,682</u>	<u>106,898</u>
	<u>\$ 389,952</u>	<u>\$ 389,083</u>	<u>\$ 311,941</u>	<u>\$ 371,233</u>

The cost of inventories recognized as cost of goods sold in the three months and the six months ended June 30, 2013 included write-downs of \$268 thousand and reversal of inventory write-downs of \$697 thousand, respectively. Previous write-downs were reversed as a result of increased selling prices in certain markets. The cost of inventories recognized as cost of goods sold in the three months and six months ended June 30, 2012 included reversal of inventory write-downs of \$765 thousand and \$720 thousand, respectively.

10. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
Investment in jointly controlled entities				
Unlisted company				
Profit Sky International Limited	<u>\$ 88,307</u>	<u>\$ 96,198</u>	<u>\$ 112,095</u>	<u>\$ -</u>

As the end of the reporting period, the proportion of ownership and voting rights in jointly controlled entities held by the Group were as follows:

Company	June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
Profit Sky International Limited	50%	50%	50%	-

For the six months ended June 30, 2013 and 2012, the equity-method investees' financial statements, which had been used to determine the carrying amount of the Group's investments share of profit and other comprehensive income of associates, had not been reviewed. The Group believes that, had Company's financial statements been reviewed, any adjustments arising would have had no material effect on the Group's financial statements.

Refer to Note 10 to the consolidated financial statement as March 31, 2013 for other information related to investment in jointly controlled entities.

11. PROPERTY, PLANT AND EQUIPMENT

	June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
Land	\$ 421,101	\$ 417,259	\$ 293,761	\$ 293,761
Buildings	619,531	381,229	52,531	52,404
Machinery and equipment	1,301,554	1,234,863	1,002,085	936,366
Leasehold improvements	925,171	894,493	733,041	673,772
Transportation equipment	27,575	27,124	27,482	29,027
Office equipment	209,165	206,524	185,097	51,629
Other equipment	67,277	71,474	53,193	161,730
Construction in process	<u>264,950</u>	<u>164,296</u>	<u>-</u>	<u>-</u>
	<u>\$ 3,836,324</u>	<u>\$ 3,397,262</u>	<u>\$ 2,347,190</u>	<u>\$ 2,198,689</u>

	Land	Buildings	Machinery and Equipment	Leasehold Improvements	Transportation Equipment	Office Equipment	Other Equipment	Construction in Progress	Total
<u>Cost</u>									
January 1, 2012	\$ 293,761	\$ 70,700	\$ 1,284,430	\$ 966,125	\$ 43,560	\$ 89,905	\$ 267,795	\$ -	\$ 3,016,276
Additions	-	2,673	187,538	154,006	2,246	33,236	5,206	-	384,905
Reclassified	-	521	(15,319)	(3,843)	1,817	184,346	(123,866)	-	43,656
Disposal	-	-	(33,066)	(3,660)	(2,320)	(3,480)	(2,570)	-	(45,096)
Effect of foreign currency exchange difference	-	(3)	(22,948)	(1,046)	(592)	(430)	(2,684)	-	(27,703)
June 30, 2012	<u>\$ 293,761</u>	<u>\$ 73,891</u>	<u>\$ 1,400,635</u>	<u>\$ 1,111,582</u>	<u>\$ 44,711</u>	<u>\$ 303,577</u>	<u>\$ 143,881</u>	<u>\$ -</u>	<u>\$ 3,372,038</u>
January 1, 2013	\$ 417,259	\$ 414,094	\$ 1,729,320	\$ 1,391,242	\$ 47,953	\$ 354,068	\$ 172,067	\$ 164,296	\$ 4,690,299
Additions	-	144,239	136,581	215,199	4,126	33,046	7,706	146,865	687,762
Reclassified	-	87,020	17,425	(60,139)	657	3,002	726	(48,691)	-
Disposal	-	-	(4,310)	(28,543)	(2,067)	(3,068)	(2,643)	-	(40,631)
Effect of foreign currency exchange difference	3,842	20,812	70,662	58,663	1,255	15,575	1,295	2,480	174,584
June 30, 2013	<u>\$ 421,101</u>	<u>\$ 666,165</u>	<u>\$ 1,949,678</u>	<u>\$ 1,576,422</u>	<u>\$ 51,924</u>	<u>\$ 402,623</u>	<u>\$ 179,151</u>	<u>\$ 264,950</u>	<u>\$ 5,512,014</u>

(Continued)

	Land	Buildings	Machinery and Equipment	Leasehold Improvements	Transportation Equipment	Office Equipment	Other Equipment	Construction in Progress	Total
Accumulated depreciation and impairment									
January 1, 2012	\$ -	\$ 18,296	\$ 348,064	\$ 292,353	\$ 14,533	\$ 38,276	\$ 106,065	\$ -	\$ 817,587
Depreciation charge for the year	-	3,066	112,467	91,386	4,103	21,780	13,048	-	245,850
Disposal	-	-	(22,215)	(3,602)	(1,414)	(2,710)	(2,275)	-	(32,216)
Reclassified	-	-	(33,645)	(1,593)	166	61,191	(26,119)	-	-
Effect of foreign currency exchange difference	-	(2)	(6,121)	(3)	(159)	(57)	(31)	-	(6,373)
June 30, 2012	<u>\$ -</u>	<u>\$ 21,360</u>	<u>\$ 398,550</u>	<u>\$ 378,541</u>	<u>\$ 17,229</u>	<u>\$ 118,480</u>	<u>\$ 90,688</u>	<u>\$ -</u>	<u>\$ 1,024,848</u>
January 1, 2013	\$ -	\$ 32,865	\$ 494,457	\$ 496,749	\$ 20,829	\$ 147,544	\$ 100,593	\$ -	\$ 1,293,037
Depreciation charge for the year	-	13,224	142,693	140,748	4,362	38,491	14,868	-	354,386
Disposal	-	-	(5,798)	(9,607)	(622)	(1,480)	(2,241)	-	(19,748)
Reclassified	-	-	(2,559)	2,426	(727)	2,526	(1,666)	-	-
Effect of foreign currency exchange difference	-	545	19,331	20,935	507	6,377	320	-	48,015
June 30, 2013	<u>\$ -</u>	<u>\$ 46,634</u>	<u>\$ 648,124</u>	<u>\$ 651,251</u>	<u>\$ 24,349</u>	<u>\$ 193,458</u>	<u>\$ 111,874</u>	<u>\$ -</u>	<u>\$ 1,675,690</u>

(Concluded)

The above items of property, plant and equipment were depreciated on a straight-line basis at the following rates per annum:

Building	
Main buildings	20 years
Power system engineering	10 years
Furnishing	6 years
Others	3 years
Machinery and equipment	1 to 10 years
Leasehold improvement	3 to 40 years
Transportation equipment	4 to 6 years
Office equipment	1 to 6 years
Other equipment	1 to 10 years

Refer to Note 25 for the carrying amount of property, plant and equipment that had been pledged by the Group to secure borrowings/general banking facilities granted to the Group.

12. OTHER INTANGIBLE ASSETS

	June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
Carrying amounts of each class				
Trademarks	\$ 2,357	\$ 2,032	\$ 1,476	\$ 1,439
Software	54,254	18,191	19,918	17,820
Others	<u>3,943</u>	<u>3,887</u>	<u>4,051</u>	<u>4,274</u>
	<u>\$ 60,554</u>	<u>\$ 24,110</u>	<u>\$ 25,445</u>	<u>\$ 23,533</u>

	Trademarks	Software	Others	Total
<u>Cost</u>				
January 1, 2012	\$ 1,439	\$ 27,896	\$ 5,288	\$ 34,623
Additions	38	5,421	-	5,459
Disposal	-	(454)	-	(454)
Effect of foreign currency exchange differences	<u>(1)</u>	<u>(597)</u>	<u>(117)</u>	<u>(715)</u>
June 30, 2012	<u>\$ 1,476</u>	<u>\$ 32,266</u>	<u>\$ 5,171</u>	<u>\$ 38,913</u>
January 1, 2013	\$ 2,032	\$ 33,311	\$ 5,126	\$ 40,469
Additions	342	40,888	-	41,230
Disposals	-	(350)	-	(350)
Effect of foreign currency exchange differences	<u>2</u>	<u>2,504</u>	<u>251</u>	<u>2,757</u>
June 30, 2013	<u>\$ 2,376</u>	<u>\$ 76,353</u>	<u>\$ 5,377</u>	<u>\$ 84,106</u>
<u>Amortization</u>				
January 1, 2012	\$ -	\$ 10,076	\$ 1,014	\$ 11,090
Amortization charge for the year	-	2,806	128	2,934
Disposals	-	(322)	-	(322)
Effect of foreign currency exchange differences	<u>-</u>	<u>(212)</u>	<u>(22)</u>	<u>(234)</u>
June 30, 2012	<u>\$ -</u>	<u>\$ 12,348</u>	<u>\$ 1,120</u>	<u>\$ 13,468</u>
January 1, 2013	\$ -	\$ 15,120	\$ 1,239	\$ 16,359
Amortization charge for the year	19	6,408	132	6,559
Disposal	-	(293)	-	(293)
Effect of foreign currency exchange difference	<u>-</u>	<u>864</u>	<u>63</u>	<u>927</u>
June 30, 2013	<u>\$ 19</u>	<u>\$ 22,099</u>	<u>\$ 1,434</u>	<u>\$ 23,552</u>

The above items of other intangible assets were amortized on a straight-line basis at the following rates per annum:

Software	5 to 10 years
Others	1 to 5 years

13. OTHER ASSETS

	June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
<u>Current</u>				
Prepaid equipment	\$ 215,702	\$ 304,407	\$ 850,414	\$ 500,484
Prepaid rent	187,474	198,090	177,508	106,544
Prepayment	78,506	37,603	66,055	8,593
Offset against business tax payable	48,471	56,488	26,953	33,982
Other prepayments	35,921	35,262	26,677	26,178
Others	<u>12,068</u>	<u>12,721</u>	<u>11,628</u>	<u>11,374</u>
	<u>\$ 578,142</u>	<u>\$ 644,571</u>	<u>\$ 1,159,235</u>	<u>\$ 687,155</u>
<u>Noncurrent</u>				
Refundable deposits	\$ 435,091	\$ 377,695	\$ 338,350	\$ 273,728
Others	<u>15,389</u>	<u>6,369</u>	<u>7,440</u>	<u>8,467</u>
	<u>\$ 450,480</u>	<u>\$ 384,064</u>	<u>\$ 345,790</u>	<u>\$ 282,195</u>

- a. Prepaid equipment is due to purchasing new equipment for factory.
- b. Prepaid rent is due to store lease arrangement.
- c. Refundable deposits are for rental of store and factories.

14. ACCOUNTS PAYABLE

Accounts and other payable are non-interest-bearing, have an average term of 45 days, and have carrying amounts that approximate their fair values. The Group has implemented a financial risk management policy to ensure all payables are paid within the required period.

15. OTHER LIABILITIES

	June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
<u>Current</u>				
Other payables				
Payables on equipment	\$ 181,411	\$ 141,752	\$ 49,851	\$ 99,320
Accrued payroll and bonus	309,946	294,166	232,759	231,529
Utilities	89,360	70,479	66,743	44,756
Insurance	37,702	35,900	30,913	34,747
Rent	26,878	34,036	43,394	35,998
Payable for dividends	705,600	-	189,090	-
Others (compensation payable to directors and supervisors, and commission, etc.)	<u>279,413</u>	<u>264,112</u>	<u>202,800</u>	<u>185,054</u>
	<u>\$ 1,630,310</u>	<u>\$ 840,445</u>	<u>\$ 815,550</u>	<u>\$ 631,404</u>

(Continued)

	June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
Other liabilities				
Receipts in advance	\$ 526,547	\$ 516,498	\$ 380,482	\$ 450,085
Others	<u>14,036</u>	<u>16,303</u>	<u>11,670</u>	<u>14,416</u>
	<u>\$ 540,583</u>	<u>\$ 532,801</u>	<u>\$ 392,152</u>	<u>\$ 464,501</u>
<u>Noncurrent</u>				
Guarantee deposits received	\$ 51,159	\$ 51,552	\$ 54,327	\$ 53,568
Other liabilities	<u>-</u>	<u>426</u>	<u>36</u>	<u>56</u>
	<u>\$ 51,159</u>	<u>\$ 51,978</u>	<u>\$ 54,363</u>	<u>\$ 53,624</u>
				(Concluded)

Receipts in advance are mainly issued cash coupons not yet redeemed.

16. SHAREHOLDERS' EQUITY

Share Capital

Ordinary shares

	June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
Authorized shares (thousand)	<u>850,000</u>	<u>850,000</u>	<u>850,000</u>	<u>850,000</u>
Authorized capital	<u>\$ 8,500,000</u>	<u>\$ 8,500,000</u>	<u>\$ 8,500,000</u>	<u>\$ 8,500,000</u>
Outstanding shares (thousand)	<u>141,120</u>	<u>141,120</u>	<u>141,120</u>	<u>134,400</u>
Outstanding common stock	<u>\$ 1,411,200</u>	<u>\$ 1,411,200</u>	<u>\$ 1,411,200</u>	<u>\$ 1,344,000</u>

Capital Surplus

The premium from shares issued in excess of par (share premium from issuance of common shares and treasury share transactions) 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 share options and share warrants may not be used for any purpose.

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 remainder of 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.

For the six months ended June 30, 2013 and 2012, there were no accrual for bonus to employees and the remuneration to directors and supervisors. Material differences between such estimated amounts and the amounts proposed by the Board of Directors in the following year are adjusted for in the current year. If the actual amounts subsequently resolved by the shareholders differ from the proposed amounts, the differences are recorded in the year of shareholders' resolution as a change in accounting estimate. If a share bonus is resolved to be distributed to employees, the number of shares is determined by dividing the amount of the share bonus by the fair value of the shares. The fair value of the shares refer to the closing price (after considering the effect of cash and stock dividends) of the shares on the day immediately preceding the shareholders' meeting.

Based on a Rule No. 100116 issued by the Securities and Futures Bureau and Rule No. 0950000507 issued by the FSC, certain amounts shall be transferred from unappropriated earnings to a special reserve before any appropriation of earnings generated before January 1, 2012 shall be made. Any special reserve appropriated may be reversed to the extent of the decrease in the net debit balance.

Under Rule No. 1010012865 issued by the FSC on April 6, 2012 and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs", on the first-time adoption of IFRSs, a company should appropriate and reverse a special reserve.

The appropriations of earnings for 2012 and 2011 were approved in the shareholders' meeting held on June 11, 2013 and June 5, 2012, respectively. The appropriations and dividends per share were as follows:

	Appropriation of Earnings		Dividends Per Share	
	2012	2011	(Dollars)	
			2012	2011
Surplus reserve	\$ 97,734	\$ 112,108	\$ -	\$ -
Cash dividends	705,600	537,600	5	4
Special reserve	38,098	-	-	-

The appropriations of earnings for 2012 were proposed according to the Company's financial statements for the years ended December 31, 2012, which were prepared in accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, and by reference to the balance sheet for the year ended December 31, 2012, which was prepared in accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers (revised) and International Financial Reporting Standards.

There was no difference between the accrued bonuses to employees and the remuneration to directors and supervisors and the amounts approved in shareholders' meetings.

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.

Provision of Special Reserve for First-time Adoption of IFRSs

There was no provision of special reserve because the first-time adoption of IFRSs decreases the retained earnings.

17. REVENUE

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2013	2012	2013	2012
Revenue from sales of goods	\$ 3,575,690	\$ 3,182,705	\$ 7,141,012	\$ 6,474,444
Royalty income	<u>16,884</u>	<u>-</u>	<u>36,294</u>	<u>-</u>
	<u>\$ 3,592,574</u>	<u>\$ 3,182,705</u>	<u>\$ 7,177,306</u>	<u>\$ 6,474,444</u>

18. NET PROFIT

Net profit from continuing operations had been arrived of after charging:

a. Other income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2013	2012	2013	2012
Interest income	\$ 6,595	\$ 12,707	\$ 13,182	\$ 20,666
Others	<u>17,711</u>	<u>45,309</u>	<u>36,420</u>	<u>56,758</u>
	<u>\$ 24,306</u>	<u>\$ 58,016</u>	<u>\$ 49,602</u>	<u>\$ 77,424</u>

b. Other gains and losses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2013	2012	2013	2012
Net foreign exchange (losses)/gains	\$ (1,087)	\$ 1,429	\$ (586)	\$ (2,173)
Gain/(loss) on disposal of property, plant and equipment	(13,921)	2,524	(20,049)	629
Others	<u>(13,368)</u>	<u>(5,779)</u>	<u>(19,231)</u>	<u>(14,162)</u>
	<u>\$ (28,376)</u>	<u>\$ (1,826)</u>	<u>\$ (39,866)</u>	<u>\$ (15,706)</u>

c. Depreciation and amortization

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2013	2012	2013	2012
An analysis of depreciation by function				
Operating costs	\$ 31,308	\$ 33,985	\$ 60,759	\$ 54,147
Operating expenses	<u>150,989</u>	<u>86,198</u>	<u>293,627</u>	<u>191,703</u>
	<u>\$ 182,297</u>	<u>\$ 120,183</u>	<u>\$ 354,386</u>	<u>\$ 245,850</u>

(Continued)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2013	2012	2013	2012
An analysis of amortization by function				
Selling and marketing expenses	\$ 931	\$ 374	\$ 1,706	\$ 763
General and administrative expenses	<u>2,792</u>	<u>1,129</u>	<u>4,853</u>	<u>2,171</u>
	<u>\$ 3,723</u>	<u>\$ 1,503</u>	<u>\$ 6,559</u>	<u>\$ 2,934</u>
				(Concluded)

d. Employee benefits expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2013	2012	2013	2012
Post-employment benefits				
Defined contribution plans	\$ 10,442	\$ 10,057	\$ 19,077	\$ 17,999
Other employee benefits	<u>905,391</u>	<u>717,110</u>	<u>1,786,720</u>	<u>1,362,441</u>
	<u>\$ 915,833</u>	<u>\$ 727,167</u>	<u>\$ 1,805,797</u>	<u>\$ 1,380,440</u>
An analysis of employee benefits expense by function				
Operating costs	\$ 123,834	\$ 102,587	\$ 254,643	\$ 201,744
Operating expenses	<u>791,999</u>	<u>624,580</u>	<u>1,551,154</u>	<u>1,178,696</u>
	<u>\$ 915,833</u>	<u>\$ 727,167</u>	<u>\$ 1,805,797</u>	<u>\$ 1,380,440</u>

19. INCOME TAX

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2013	2012	2013	2012
Current tax				
In respect of the current period	\$ 81,485	\$ 96,741	\$ 192,174	\$ 244,846
In respect of prior periods	<u>3,741</u>	<u>1,442</u>	<u>3,741</u>	<u>1,480</u>
	<u>85,226</u>	<u>98,183</u>	<u>195,915</u>	<u>246,326</u>
Deferred tax				
In respect of the current period	<u>(10,992)</u>	<u>(18,291)</u>	<u>(10,583)</u>	<u>(28,040)</u>
Income tax expense recognized in profit or loss	<u>\$ 74,234</u>	<u>\$ 79,892</u>	<u>\$ 185,332</u>	<u>\$ 218,286</u>

A reconciliation of accounting income and income tax expense used were as followed:

	For the Six Months Ended June 30	
	2013	2012
Profit before income tax	<u>\$ 520,929</u>	<u>\$ 793,369</u>
Income tax expense at the 25% statutory rate	130,232	198,342
Tax effect of adjusting items:		
Permanent differences	(7,262)	(11,192)
Temporary differences	41,618	35,556
Tax-exempt income	(9,038)	-
Additional income tax on unappropriated earnings	32,326	33,570
Loss carryforwards used	(2,291)	(1,972)
Oversea earnings repatriate tax withholdings	<u>7,926</u>	<u>-</u>
Current income tax expense	<u>193,511</u>	<u>254,304</u>
Deferred income tax expense		
Temporary differences	(8,638)	(3,518)
Loss carryforwards	<u>(1,945)</u>	<u>(24,522)</u>
	<u>(10,583)</u>	<u>(28,040)</u>
Effect of tax rate in foreign countries	(1,337)	(9,458)
Adjustment for prior year's tax	<u>3,741</u>	<u>1,480</u>
Income tax expense recognized in profit or loss	<u>\$ 185,332</u>	<u>\$ 218,286</u>

- b. Except for the Company is tax-free, income tax returns through 2010 of Comestibles Master Co., Ltd., Mei Wei Master Co., Ltd. and Mei Wei Fu Xing had been examined and cleared by the Republic of China (Taiwan)'s tax authorities. All other companies prepare their tax returns according to local law.
- c. Comestibles Master Co., Ltd.'s profits on expansion projects had been approved by the Industrial Development Bureau of the Ministry of Economic Affairs, ROC for exemption from income tax for five years from December 31, 2011.

20. EARNINGS PER SHARE

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2013	2012	2013	2012
Basic earnings per share				
From continuing operations	<u>\$ 0.99</u>	<u>\$ 1.67</u>	<u>\$ 2.30</u>	<u>\$ 3.96</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 June 30		For the Six Months Ended June 30	
	2013	2012	2013	2012
Earnings used in computation of basic earnings per share	<u>\$ 139,935</u>	<u>\$ 235,196</u>	<u>\$ 324,792</u>	<u>\$ 558,949</u>

Share (thousand)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2013	2012	2013	2012
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>141,120</u>	<u>141,120</u>	<u>141,120</u>	<u>141,120</u>

21. OPERATING LEASE ARRANGEMENTS

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

	June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
Not later than 1 year	\$ 1,684,893	\$ 1,691,242	\$ 1,453,712	\$ 1,280,746
Later than 1 year and not later than 5 years	3,359,533	4,110,622	3,278,511	3,619,803
Later than 5 years	<u>884,352</u>	<u>589,571</u>	<u>1,151,773</u>	<u>53,343</u>
	<u>\$ 5,928,778</u>	<u>\$ 6,391,435</u>	<u>\$ 5,883,996</u>	<u>\$ 4,953,892</u>

Refer to Note 21 to the consolidated financial statements as of March 31, 2013 for information on other operating lease arrangements.

22. CAPITAL MANAGEMENT

Management followed the same objectives, policies and process for managing capital, and capital structures of consolidated financial statements in these consolidated financial statements as were applied in the preparation of the consolidated financial statements for the three months ended March 31, 2013. Refer to Note 22 to the consolidated financial statements as of March 31, 2013 for details.

23. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments

1) Fair value of financial instruments not carried at fair value

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

2) Fair value measurements recognized in the consolidated balance sheets

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities are as follows:

	June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
Financial assets at fair value through profit or loss	\$ 8,473	\$ 9,202	\$ 9,266	\$ 9,376

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

There were no transfers between Level 1 and 2 in the current and prior periods.

3) Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair values of financial assets and financial liabilities were determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices (includes listed redeemable bonds, bills of exchange, corporate bonds and perpetual notes). Where such prices were not available, valuation techniques were applied. The estimates and assumptions used by the Group are consistent with those that market participants would use in setting a price for the financial instrument.
- The fair values of other financial assets and financial liabilities (excluding those described above) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

b. Categories of financial instruments

	June 30, 2013		December 31, 2012		June 30, 2012		January 1, 2012	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<u>Financial assets</u>								
Loans and receivables	\$3,681,151	\$3,681,151	\$3,564,860	\$3,564,860	\$3,534,105	\$3,534,105	\$4,377,942	\$4,377,942
Fair value through profit or loss (FVTPL)								
Designated as at FVTPL	8,473	13,544	9,202	14,346	9,266	13,688	9,376	12,571
<u>Financial liabilities</u>								
Amortised cost	2,392,457	2,392,457	1,587,291	1,587,291	1,505,442	1,505,442	1,387,611	1,387,611

- 1) The balances included loans and receivables measured at amortized cost, which comprise cash and cash equivalents, debt investments with no active market, and trade and other receivables.
- 2) The balances included financial liabilities measured at amortized cost, which notes payable, trade and other payables, and long-term borrowings.

c. Financial risk management objectives and policies

The Group's major financial instruments included equity and borrowings, trade receivables and trade payables. 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, credit risk and liquidity risk.

The Corporation treasury function reported quarterly to the Group's risk management committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.

1) Market risk

Foreign currency risk

The Company's primary financial risk is foreign exchange risk. There is no change of financial instrument market risk and exposure of management and measurement since prior period.

The Company's monetary assets and liabilities on balance sheet date are detailed in Note 27.

Exchange rate risk

Several subsidiaries of the Company had foreign currency deposits, 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 were as follows:

(In Thousands of U.S. Dollars)

	June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
<u>Assets</u>				
USD	\$ 32,543	\$ 10,703	\$ 11,958	\$ 14,810

Interest rate risk

The Group was exposed to interest rate risk because entities in the Group had time deposits and borrowed fund at both fixed and floating interest rates.

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

	June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
Cash flow interest rate risk				
Financial assets	\$ 319,830	\$ 738,959	\$ 688,782	\$ 666,907
Financial liabilities	452	668	850	1,041

The sensitivity analysis about interest rate is on the basis of fix rate of fair value financial asset and liability on financial report date. As the rate raise for one percentage, the cash inflow on six months ended June 30, 2013 is \$3,194 thousand.

2) Credit risk

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 to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognized financial assets as stated in the condensed balance sheet.

Most of the Group's counterparties are franchisees traded for a long-term, and the Group monitors 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 areas. Therefore the Group assessed that the concentration of credit risk was limited.

The concentration of credit risk with counterparties was never more than 10 percent of non-monetary assets.

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. Because most counterparties of excess liquidity are banks monitored by regulators in the People's Republic of China and Republic of China, the credit risk is limited.

3) Liquidity risk

The working capital of the Group is enough to afford the contract so there is no risk of liquidity.

24. TRANSACTIONS WITH RELATED PARTY

Balances and transactions between the Company and its subsidiaries, which were related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

a. Trading transactions

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2013	2012	2013	2012
<u>Sale of goods</u>				
Joint ventures	\$ 3,913	\$ -	\$ 5,922	\$ -
<u>Purchase of goods</u>				
Related party	\$ 29,152	\$ 34,918	\$ 59,851	\$ 72,075
<u>Other income</u>				
Joint ventures	\$ 826	\$ -	\$ 1,917	\$ -

There is no significant difference of sales between the relationship and customers. The purchase price is 65% of the sale price, 30 days after monthly payment.

The following balances of trade receivables from related parties were outstanding at the end of the reporting period:

	June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
<u>Trade receivables</u>				
Joint ventures	\$ <u>1,351</u>	\$ <u>610</u>	\$ <u>-</u>	\$ <u>-</u>
<u>Others receivables</u>				
Joint ventures	\$ <u>552</u>	\$ <u>2,319</u>	\$ <u>-</u>	\$ <u>-</u>

b. Compensation of key management personnel

The remuneration of directors and other members of key management personnel for the six months ended June 30, 2013 and 2012 were as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2013	2012	2013	2012
Short-term benefits	\$ <u>12,264</u>	\$ <u>4,597</u>	\$ <u>21,327</u>	\$ <u>43,766</u>

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

25. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The assets pledged or mortgaged as collaterals for bank borrowings were as follows:

	June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
Property, plant and equipment				
Land	\$ 202,305	\$ 202,305	\$ 202,305	\$ 202,305
Buildings	14,289	14,818	15,347	15,876
Transporation equipment	1,231	1,401	1,475	1,557
Bond investments with no active market - current				
Trust fund account	4,340	5,002	-	772
Bond investments with no active market - noncurrent				
Restricted bank deposits	<u>1,700</u>	<u>1,700</u>	<u>1,700</u>	<u>1,700</u>
	<u>\$ 223,865</u>	<u>\$ 225,226</u>	<u>\$ 220,827</u>	<u>\$ 222,210</u>

26. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group as of June 30, 2013, December 31, 2012, June 30, 2012 and January 1, 2012 were as follows:

Significant Commitments

- a. As of June 30, 2013, December 31, 2012, June 30, 2012 and January 1, 2012, unused letters of credit for purchases of raw materials and machinery and equipment amounted to approximately US\$2,000 thousand, US\$2,000 thousand, US\$1,894 thousand, US\$1,894 thousand and €28 thousand, respectively.
- b. Unrecognized commitments are as follows:

	June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
Acquisition of property, plant and equipment	<u>\$ 103,818</u>	<u>\$ 154,284</u>	<u>\$ 158,042</u>	<u>\$ 38,348</u>

27. EXCHANGE RATE OF FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The significant financial assets and liabilities denominated in foreign currencies were as follows:

June 30, 2013			
	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 32,543	6.1787 (USD:RMB)	\$ 982,845
December 31, 2012			
	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 10,703	6.2855 (USD:RMB)	\$ 315,594
June 30, 2012			
	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 11,958	6.3249 (USD:RMB)	\$ 355,560

	January 1, 2012		
	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 14,810	6.3009 (USD:RMB)	\$ 448,560

28. SEPARATELY DISCLOSED ITEMS

Information on significant transactions and information on investees:

- a. Lending funds to others: Table 5 (attached)
- b. Providing endorsements or guarantees for others: None
- c. Holding of securities at the end of the period: Table 1 and Table 6 (attached)
- d. Aggregate purchases or sales of the same securities reaching NT\$100 million or 20 percent of paid-in capital or more: Table 2 (attached)
- e. Acquisition of real estate reaching NT\$100 million or 20 percent of paid-in capital or more: Table 3 (attached)
- f. Disposal of real estate reaching NT\$100 million or 20 percent of paid-in capital or more: None
- g. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20 percent of paid-in capital or more: Table 7
- h. Trade receivables from related parties reaching NT\$100 million or 20 percent of paid-in capital or more: None
- i. Trading in derivative instruments: None
- j. Names, locations, and related information of investees: Table 4 (attached)
- k. Others: The business relationship between the parent and the subsidiaries and between each subsidiary, and the circumstances and amounts of any significant transactions between them: Table 9 (attached)

Information on investments in mainland China

- 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, shareholding ratio, investment gain or loss, carrying amount of the investment at the end of the period, repatriated investment gains, and limit on the amount of investment in the mainland China area: Table 8 (attached)

29. 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 and Taiwan.

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 June 30		For the Six Months Ended June 30	
	2013	2012	2013	2012
Beverages	\$ 1,021,676	\$ 911,734	\$ 2,055,510	\$ 1,870,430
Cake	1,193,267	922,018	2,386,781	1,948,105
Bread	1,355,366	1,287,286	2,678,430	2,561,216
Others	<u>22,265</u>	<u>61,667</u>	<u>56,585</u>	<u>94,693</u>
	<u>\$ 3,592,574</u>	<u>\$ 3,182,705</u>	<u>\$ 7,177,306</u>	<u>\$ 6,474,444</u>

b. Geographical information

The Group's revenue from continuing operations from external customers and information about noncurrent assets by geographical location are detailed below:

	Revenue from External Customers		Noncurrent Assets	
	For the Six Months Ended June 30		June 30	
	2013	2012	2013	2012
China	\$ 5,137,004	\$ 4,381,110	\$ 3,117,014	\$ 2,000,280
Taiwan	1,633,444	1,747,044	802,298	619,672
Others	<u>406,858</u>	<u>346,290</u>	<u>430,491</u>	<u>100,918</u>
	<u>\$ 7,177,306</u>	<u>\$ 6,474,444</u>	<u>\$ 4,349,803</u>	<u>\$ 2,720,870</u>

Noncurrent assets excluded those classified as non-operating assets, financial instruments, and deferred tax assets.

c. Significant customer information

The consolidated company has no client that its revenue is over 10% of the income statement at six months ended June 30, 2013 and 2012.

30. FIRST-TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

a. Basis of the preparation for financial information under IFRSs

The Group's consolidated financial statements for the six months ended June 30, 2013 not only follows the significant accounting policies stated in Note 4 but also applies the requirements under IFRS 1 "First-time Adoption of IFRS" as the basis for the preparation.

b. Impact on the transition to IFRSs

Except for the following additional information on the impact on the transition to IFRSs, refer to Note 30 to the consolidated financial statements as of March 31, 2013 for the impact on the Group's consolidated balance sheets and consolidated statements of comprehensive income after transition to IFRSs.

1) Reconciliation of consolidated balance sheet as of June 30, 2012

	ROC GAAP	Effect of Transition to IFRSs	IFRSs	Note
<u>Assets</u>				
Cash	\$ 3,351,596	\$ (687,082)	\$ 2,664,514	5) b)
Debt investments with no active market	-	688,782	688,782	5) b)
Restricted assets	1,700	(1,700)	-	5) b)
Deferred income tax - current	34,957	(34,957)	-	5) a)
Deferred income tax - noncurrent	37,211	34,957	72,168	5) a)
Net property, plant and equipment	1,712,881	634,309	2,347,190	4) and 5) d)
Prepayments	292,437	855,170	1,147,607	5) c) and 5) d)
Prepayments for equipment	850,414	(850,414)	-	5) d)
Deferred charges	637,463	(637,463)	-	5) c)
Noncurrent assets	-	7,440	7,440	5) c)
<u>Liabilities</u>				
Decommission provisions	-	15,595	15,595	4) and 5) f)
<u>Equity</u>				
Capital surplus	2,720,175	(39,049)	2,681,126	5) e)
Reserve	268,923	49	268,972	5) e)
Unappropriated earnings	1,372,427	(38,617)	1,333,810	4) and 5) e)
Exchange differences on translating foreign operations	(36,175)	71,065	34,890	5) e)

2) Reconciliation of consolidated statement of comprehensive income for the six months ended June 30, 2012

	ROC GAAP	Effect of Transition to IFRSs	IFRSs	Note
Operating revenue	\$ 6,493,246	\$ (18,802)	\$ 6,474,444	5) e)
Operating cost	(2,877,332)	8,367	(2,868,965)	5) e)
Operating expenses	(2,878,496)	8,129	(2,870,367)	5) e) and 5) f)
Other income and expenses	59,024	(767)	58,257	5) e)
Income tax expense	(218,811)	525	(218,286)	5) e)
Income for non-controlling interest, net of tax	(16,184)	50	(16,134)	5) e)
Net income	561,447	(2,498)	558,949	
Other comprehensive income				
Exchange differences on translating foreign operations	3,683	(96,686)	(93,003)	5) e)
Net comprehensive income	<u>\$ 565,130</u>	<u>\$ (99,184)</u>	<u>\$ 465,946</u>	

3) Reconciliation of consolidated statement of comprehensive income for the three months ended June 30, 2012

	ROC GAAP	Effect of Transition to IFRSs	IFRSs	Note
Operating revenue	\$ 3,209,918	\$ (27,213)	\$ 3,182,705	5) e)
Operating cost	(1,431,350)	12,055	(1,419,295)	5) e)
Operating expenses	(1,503,637)	11,255	(1,492,382)	5) e) and 5) f)
Other income and expenses	52,739	(10)	52,729	5) e)
Income tax expense	(80,770)	878	(79,892)	5) e)
Income for non-controlling interest, net of tax	<u>(8,737)</u>	<u>69</u>	<u>(8,669)</u>	5) e)
Net income	238,163	(2,966)	235,196	
Other comprehensive income				
Exchange differences on translating foreign operations	1,347	18,896	20,244	5) e)
Net comprehensive income	<u>\$ 239,510</u>	<u>\$ 15,930</u>	<u>\$ 255,440</u>	

4) Exemptions from IFRS 1

The exemptions adopted by the Group on January 1, 2012 were the same as those indicated in the consolidated financial statements as of March 31, 2013. Refer to the Note 30 to the consolidated financial statements as of March 31, 2013 for detail information.

5) Explanations of significant reconciling items in the transition to IFRSs

The significant differences between ROC GAAP and under IFRSs were as follows:

a) Deferred tax assets/liabilities

Under ROC GAAP, valuation allowances is provided to the extent, if any, that it is more likely than not that deferred income tax assets will not be realized. In accordance with IAS No 12, "Income Taxes," deferred tax assets are only recognized to the extent that it is probable that there will be sufficient taxable profits, and valuation allowance account is not used.

In addition, under ROC GAAP, a deferred tax asset and deferred tax liability are classified as current or noncurrent in accordance with the classification of the related asset or liability. However, if a deferred income tax asset does not relate to an asset in the financial statements, it is classified as either current or noncurrent based on the expected length of time before it is realized or settled. Under IFRSs, deferred tax asset are classified as noncurrent asset.

b) Classification of time deposit

Under ROC GAAP, the time deposit that can be terminated at any time without prejudice to the principal is classified under cash. After transferring to IFRSs, the time deposit for short-term cash commitments is classified under cash, and the rest of time deposit is transferred to bond investments with not active market.

c) Classification of deferred charges

Under ROC GAAP, deferred charges are reclassified under assets. Under IFRSs, deferred charges are reclassified as property, plant and equipment, and prepaid expenses according to their nature.

d) Classification of prepayments for equipment

Under ROC GAAP, prepayments for equipment are classified under property, plant and equipment. Under IFRSs, prepayments for equipment are classified as other prepayments, and according to the expected realization of the assets, the prepayments are classified as current assets or noncurrent assets.

e) Presentation currency

When the consolidated financial statements are translated from functional currency - RMB dollar to presentation currency - N.T. dollar, except for the share capital that is translated to NT\$10 per share at the historical exchange rate, the other items of financial statements are translated at the exchange rates on the balance sheet date. Exchange differences resulting from translation to presentation currency are recognized in the cumulative translation adjustments.

Under IFRSs, exchange rates used for the translation to presentation currency are the same as those used in the translation of different foreign functional currency. Assets and liabilities are translated at the exchange rate on the balance sheet date. Equity items are translated at historical exchange rates, and income and expense items are translated at the average exchange rate for the period. The exchange differences resulting from translation of financial statements are recognized in the cumulative translation adjustments.

f) Decommissioning liabilities of property, plant and equipment cost

Under IFRSs, decommissioning, restoration and similar liabilities should be recognized as addition to the cost of related assets, and depreciated over the estimated useful life.

TABLE 1

GOURMET MASTER CO. LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
JUNE 30, 2013
(In Thousands of New Taiwan Dollars)

Holding Company	Marketable Securities Type and Issuer/Name	Security Issuer’s Relationship with the Holding Company	Financial Statement Account	June 30, 2013				Note
				Shares/Units	Carrying Amount	Percentage of Ownership	Market Value or Net Asset Value	
Gourmet Master Co. Ltd.	<u>Unlisted stock</u> 85 Degree Co., Ltd.	Subsidiary	Investments accounted for by the equity method	12,899,078	\$ 1,233,128	100	\$ 1,233,128	
	Prime Scope Trading Limited	Subsidiary	Investments accounted for by the equity method	46,742,963	3,958,150	100	3,958,150	
	Prefect 85 Degree C, Inc.	Subsidiary	Investments accounted for by the equity method	4,301,000	262,395	100	262,395	
	85 Degrees Café International Pty Ltd.	Subsidiary	Investments accounted for by the equity method	1,785,000	36,561	51	36,561	
	Lucky Bakery Limited	Subsidiary	Investments accounted for by the equity method	5,500,000	137,951	100	137,951	
	WinPin 85 Investments, Inc.	Subsidiary	Investments accounted for by the equity method	5,300,000	153,218	100	153,218	

TABLE 2

GOURMET MASTER CO. LTD. AND SUBSIDIARIES

AGGREGATE PURCHASES OR SALES OF THE SAME SECURITIES REACHING NT\$100 MILLION OR 20 PERCENT OF PAID-IN CAPITAL OR MORE
JUNE 30, 2013
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counter-party	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares/Units	Amount	Shares/Units	Amount	Shares/Units	Amount	Carrying Value	Gain (Loss) on Disposal	Shares/Units	Amount
Gourmet Master Co. Ltd.	Prime Scope Trading Limited	Investments accounted for using equity method	-	Affiliated companies	41,742,963	\$ 1,260,699 (US\$ 41,743)	-	\$ 151,008 (US\$ 5,000)	-	\$ -	\$ -	\$ -	46,742,963	\$ 1,411,707 (US\$ 46,743)
Prime Scope Trading Limited	85 Degree (Jiangsu) Food Ltd.	Investments accounted for using equity method	-	Affiliated companies	-	-	-	151,008 (US\$ 5,000)	-	-	-	-	-	151,008 (US\$ 5,000)
Gourmet Master Co. Ltd.	WinPin 85 Investments, Inc.	Investments accounted for using equity method	-	Affiliated companies	1,600,000	48,322 (US\$ 1,600)	3,700,000	111,746 (US\$ 3,700)	-	-	-	-	5,300,000	160,068 (US\$ 5,300)

TABLE 3

GOURMET MASTER CO. LTD. AND SUBSIDIARIES

ACQUISITION OF REAL ESTATE REACHING NT\$100 MILLION OR 20 PERCENT OF PAID-IN CAPITAL OR MORE
JUNE 30, 2013
(In Thousands of New Taiwan Dollars)

Company Name	Property Name	Transaction Date	Transaction Amount	Payment Term	Counter Party	Nature of Relationship	Prior Transaction of Related Counter Party				Price Reference	Price of Acquisition	Other Terms
							Owner	Relationship	Transfer Date	Amount			
Chengdu Maijia Food Co., Ltd.	Buildings	May 31, 2013	\$ 133,762	Totally paid	ChengduYabo Paper Product Co., Ltd. etc.	-	-	-	-	\$ -	Price comparison and authorized by the Board of Directors	Operating purpose	None

TABLE 4

GOURMET MASTER CO. LTD. AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
JUNE 30, 2013
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		June 30, 2013			Net Income (Loss) of the Investee	Investment Income (Loss) Recognized	Note
				June 30, 2013	December 31, 2011	Shares	Percentage of Ownership	Carrying Amount			
Gourmet Master Co. Ltd.	85 Degree Co., Ltd.	Malaysia	Investment	\$ 553,447	\$ 553,447	12,899,078	100	\$ 1,233,128	\$ 148,868	\$ 148,868	(Note 1)
	Prime Scope Trading Limited	Hong Kong	Investment	1,411,707 (US\$ 46,743)	1,260,699 (US\$ 41,743)	46,742,963	100	3,958,150	183,788	183,788	
	Perfect 85 Degrees C, Inc.	USA	Investment	197,897 (US\$ 6,553)	197,897 (US\$ 6,553)	4,301,000	100	262,395	14,917	14,917	(Notes 1 and 2)
	85 Degrees Café International Pty Ltd.	Australia	Grocery and drink retailing	49,578 (AUD 1,785)	49,578 (AUD 1,785)	1,785,000	51	36,561	(6,531)	(3,331)	(Notes 1 and 2)
	Lucky Bakery Limited	Samoa	Investment	166,108 (US\$ 5,500)	166,108 (US\$ 5,500)	5,500,000	100	137,951	(10,906)	(10,906)	(Note 1)
	WinPin 85 Investments, Inc.	USA	Grocery and drink retailing	160,068 (US\$ 5,300)	48,322 (US\$ 1,600)	5,300,000	100	153,218	430	430	(Notes 1 and 2)
Perfect 85 Degrees C, Inc.	Golden 85 Investments, LLC	USA	Grocery and drink retailing	59,540 (US\$ 1,971)	59,540 (US\$ 1,971)	-	65	90,459	52,028	33,818	(Notes 1 and 2)
Lucky Bakery Limited	Profit Sky International Limited	Hong Kong	Grocery and drink retailing	116,272 (HK\$ 30,000)	116,272 (HK\$ 30,000)	-	50	88,307	(22,076)	(11,038)	(Notes 1 and 2)
Profit Sky International Limited	Wincase Limited	Hong Kong	Grocery and drink retailing	108,520 (HK\$ 28,000)	108,520 (HK\$ 28,000)	-	100	85,366	(6,843)	(6,843)	(Notes 1 and 2)
	Worldinn Limited	Hong Kong	Manufacturing of baking food and sale	116,272 (HK\$ 30,000)	116,272 (HK\$ 30,000)	-	100	87,614	(15,179)	(15,179)	(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	17,054,268	100	1,216,522	152,581	152,581	
Comestibles Master Co., Ltd.	Mei Wei Master Co., Ltd.	Taichung City, Taiwan (R.O.C.)	Grocery and drink retailing	43,000	43,000	2,060,600	100	7,388	(158)	(158)	(Note 2)
	The Hot Pot Food and Beverage Management Co., Ltd.	Taichung City, Taiwan (R.O.C.)	Grocery and drink retailing	114,000	114,000	11,400,000	76	103,035	(5,145)	(3,910)	(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	2,376	315	189	(Note 2)
The Hot Pot Food and Beverage Management Co., Ltd.	The Hot Pot Food and Beverage Management Limited	Hong Kong	Investment	3,464 (US\$ 116)	3,464 (US\$ 116)	115,893	90	3,394	(188)	(169)	(Notes 1 and 2)
Prime Scope Trading Limited	Shanghai Gourmet Master Food & Beverage Ltd.	Shanghai City	Grocery and drink retailing	300,837 (US\$ 9,961)	300,837 (US\$ 9,961)	-	100	1,294,078	(33,354)	(33,354)	(Note 1)
	He-Shia Food & Beverage Ltd.	Shanghai City	Grocery and drink retailing	74,126 (US\$ 2,454)	74,126 (US\$ 2,454)	-	100	1,468,668	143,445	143,445	(Note 1)
	Sheng-Pin (Hangzhou) Food Ltd.	Hangzhou City	Manufacturing of baking food and sale	60,403 (US\$ 2,000)	60,403 (US\$ 2,000)	-	100	109,440	23,514	23,514	(Note 1)
	He-Shia (Nanjing) Food & Beverage Ltd.	Nanjing City	Grocery and drink retailing	60,403 (US\$ 2,000)	60,403 (US\$ 2,000)	-	100	395,595	84,402	84,402	(Note 1)
	Beijing 85 Food & Beverage Ltd.	Beijing City	Grocery and drink retailing	60,403 (US\$ 2,000)	60,403 (US\$ 2,000)	-	100	(2,288)	(21,359)	(21,359)	(Note 1)
	Zhejiang 85 Food & Beverage Ltd.	Hangzhou City	Grocery and drink retailing	60,403 (US\$ 2,000)	60,403 (US\$ 2,000)	-	100	17,494	(2,492)	(2,492)	(Notes 1 and 2)

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		June 30, 2013			Net Income (Loss) of the Investee	Investment Income (Loss) Recognized	Note
				June 30, 2013	December 31, 2011	Shares	Percentage of Ownership	Carrying Amount			
Shanghai Gourmet Master Food & Beverage Ltd.	Sheng-Pin (Beijing) Food Ltd.	Beijing City	Manufacturing of baking food and sale	\$ 120,806 (US\$ 4,000)	\$ 120,806 (US\$ 4,000)	-	100	\$ 69,515	\$ (13,551)	\$ (13,551)	(Note 1)
	Fuzhou 85 Food & Beverage Ltd.	Fuzhou City	Grocery and drink retailing	15,101 (US\$ 500)	15,101 (US\$ 500)	-	100	49,731	29,679	29,679	(Notes 1 and 2)
	Sheng-Pin (Jiangsu) Food Ltd.	Nanjing City	Manufacturing of baking food and sale	135,907 (US\$ 4,500)	135,907 (US\$ 4,500)	-	100	104,402	9,353	9,353	(Note 1)
	Sheng-Pin (Xiamen) Food Ltd.	Xiamen City	Manufacturing of baking food and sale	60,403 (US\$ 2,000)	60,403 (US\$ 2,000)	-	100	11,686	(8,831)	(8,831)	(Note 1)
	Sheng-Pin (Qingdao) Food Ltd.	Qingdao City	Manufacturing of baking food and sale	75,504 (US\$ 2,500)	75,504 (US\$ 2,500)	-	100	53,768	(11,738)	(11,738)	(Notes 1 and 2)
	Xiamen 85 Food & Beverage Ltd.	Xiamen City	Grocery and drink retailing	30,201 (US\$ 1,000)	30,201 (US\$ 1,000)	-	100	30,538	(313)	(313)	(Notes 1 and 2)
	Shenyang 85 Food & Beverage Ltd.	Shenyang City	Grocery and drink retailing	30,201 (US\$ 1,000)	30,201 (US\$ 1,000)	-	100	19,764	(6,411)	(6,411)	(Notes 1 and 2)
	Sheng-Pin (Shenyang) Food Ltd.	Shenyang City	Manufacturing of baking food and sale	120,806 (US\$ 4,000)	120,806 (US\$ 4,000)	-	100	104,978	(11,588)	(11,588)	(Note 1)
	85 Degree (Qingdao) Food & Beverage Management Ltd.	Qingdao City	Grocery and drink retailing	60,403 (US\$ 2,000)	60,403 (US\$ 2,000)	-	100	72,054	3,411	3,411	(Notes 1 and 2)
	85 Degree (Jiangsu) Food Ltd.	Kunshan City	Manufacturing of baking food and sale	151,008 (US\$ 5,000)	-	-	68	224,458	(1,439)	(972)	(Note 1)
	Sheng-Pin (Shanghai) Food Ltd.	Shanghai City	Manufacturing of baking food and sale	87,984 (RMB 18,000)	87,984 (RMB 18,000)	-	100	51,110	(4,106)	(4,106)	(Note 1)
	Mai-Jai (Shanghai) Food Ltd.	Shanghai City	Manufacturing of baking food and sale	34,705 (RMB 7,100)	34,705 (RMB 7,100)	-	100	38,685	(2,572)	(2,704)	(Notes 1 and 2)
	Shanghai Howco Jing Way Food & Beverage Ltd.	Shanghai City	Grocery and drink retailing	73,320 (RMB 15,000)	73,320 (RMB 15,000)	-	100	97,601	1,966	1,966	(Notes 1 and 2)
	Shenzheng 85 Food & Beverage Ltd.	Shenzheng City	Grocery and drink retailing	55,522 (RMB 11,359)	55,522 (RMB 11,359)	-	85	(33,314)	(20,544)	(17,463)	(Notes 1 and 2)
	Chengdu 85 Food & Beverage Ltd.	Chengdu City	Grocery and drink retailing	32,212 (RMB 6,590)	32,212 (RMB 6,590)	-	100	26,304	(7,235)	(7,235)	(Notes 1 and 2)
	Sheng-Pin (Wuhan) Food Ltd.	Wuhan City	Manufacturing of baking food and sale	29,328 (RMB 6,000)	29,328 (RMB 6,000)	-	100	(3,198)	(14,293)	(14,293)	(Note 1)
	Wuhan Jing Way Food & Beverage Ltd.	Wuhan City	Grocery and drink retailing	29,328 (RMB 6,000)	29,328 (RMB 6,000)	-	100	(22,889)	(24,872)	(24,872)	(Notes 1 and 2)
	Jianxi Jing Way Food & Beverage Ltd.	Nanchang City	Grocery and drink retailing	29,328 (RMB 6,000)	29,328 (RMB 6,000)	-	100	24,974	(4,847)	(4,847)	(Notes 1 and 2)
	Jin Wei Industrial (Shanghai) Ltd.	Shanghai City	Grocery and drink retailing	9,776 (RMB 2,000)	9,776 (RMB 2,000)	-	100	33,763	344	344	(Notes 1 and 2)
	Guangzhou 85 Degree Food & Beverage Management Ltd.	Guangzhou City	Grocery and drink retailing	29,328 (RMB 6,000)	29,328 (RMB 6,000)	-	100	28,035	(1,298)	(1,298)	(Notes 1 and 2)
Shenzheng 85 Food & Beverage Ltd.	Chengdu Maijia Food Co., Ltd.	Chengdu City	Manufacturing of baking food and sale	9,776 (RMB 2,000)	-	-	100	4,952	(4,721)	(4,721)	(Note 1)
	85 Degree (Jiangsu) Food Ltd.	Kunshan City	Manufacturing of baking food and sale	73,320 (RMB 15,000)	-	-	32	72,843	(1,439)	(467)	(Note 1)
Shenzheng 85 Food & Beverage Ltd.	Sheng-Pin (Shenzheng) Food & Beverage Ltd.	Shenzheng City	Manufacturing of baking food and sale	31,772 (RMB 6,500)	31,772 (RMB 6,500)	-	100	(17,050)	(9,781)	(9,781)	(Notes 1 and 2)
85 Degree (Qingdao) Food & Beverage Management Ltd.	Qingdao Jie Wei Food & Beverage Management Ltd.	Qingdao City	Manufacturing of baking food and sale	7,332 (RMB 1,500)	7,332 (RMB 1,500)	-	100	7,085	454	454	(Notes 1 and 2)

Note 1: The exchange rate was US\$1=NT\$30.20; RMB1=NT\$4.888; AUD1=NT\$27.77; HK\$1=NT\$3.88 as of June 30, 2013.

Note 2: The carrying amount was based on the net assets of investee, which was not audited as of June 30, 2013.

(Concluded)

TABLE 5

GOURMET MASTER CO. LTD. AND SUBSIDIARIES

FINANCING PROVIDED BY THE INVESTEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE

JUNE 30, 2013

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

No.	Financing Company Name	Counter-party	Financial Statement Account	Maximum Balance for the Period	Ending Balance	Balance Used	Interest Rate %	Financing Provided (Note 3)	Transaction Amounts	Reasons for Short-term Financing	Allowance for Bad Debt	Collateral		Financing Limit for Each Borrowing Company	Financing Company's Financing Amount Limits
												Item	Value		
1	Shanghai Gourmet Master Food & Beverage Ltd.	Zhejiang 85 Food & Beverage Ltd.	Other receivable - related parties	\$ 48,880 (RMB 10,000)	\$ 48,880 (RMB 10,000)	\$ -	3.75	For short-term financing	\$ -	Working capital loan	\$ -	-	\$ -	\$ 593,276	\$ 1,186,551
		Shenzheng 85 Food & Beverage Ltd.	Other receivable - related parties	48,880 (RMB 10,000)	48,880 (RMB 10,000)	-	3.75	For short-term financing	-	Working capital loan	-	-	-	593,276	1,186,551
		Wuhan Jing Way Food & Beverage Ltd.	Other receivable - related parties	97,760 (RMB 20,000)	97,760 (RMB 20,000)	-	3.75	For short-term financing	-	Working capital loan	-	-	-	593,276	1,186,551
		Sheng-Pin (Shenzheng) Food Ltd.	Other receivable - related parties	73,320 (RMB 15,000)	73,320 (RMB 15,000)	48,880 (RMB 10,000)	3.75	For short-term financing	-	Working capital loan	-	-	-	593,276	1,186,551
		Sheng-Pin (Wuhan) Food Ltd.	Other receivable - related parties	58,656 (RMB 12,000)	58,656 (RMB 12,000)	58,656 (RMB 12,000)	3.75	For short-term financing	-	Working capital loan	-	-	-	593,276	1,186,551
		Sheng-Pin (Shanghai) Food Ltd.	Other receivable - related parties	97,760 (RMB 20,000)	97,760 (RMB 20,000)	97,760 (RMB 20,000)	3.75	For short-term financing	-	Working capital loan	-	-	-	593,276	1,186,551
2	He-Shia Food & Beverage Ltd.	Sheng-Pin (Xiamen) Food Ltd.	Other receivable - related parties	73,320 (RMB 15,000)	73,320 (RMB 15,000)	-	3.75	For short-term financing	-	Working capital loan	-	-	-	593,276	1,186,551
		Fuzhou 85 Food & Beverage Ltd.	Other receivable - related parties	97,760 (RMB 20,000)	97,760 (RMB 20,000)	-	3.75	For short-term financing	-	Working capital loan	-	-	-	593,276	1,186,551
		Beijing 85 Food & Beverage Ltd.	Other receivable - related parties	195,520 (RMB 40,000)	195,520 (RMB 40,000)	195,520 (RMB 40,000)	3.75	For short-term financing	-	Working capital loan	-	-	-	593,276	1,186,551
		Sheng-Pin (Beijing) Food Ltd.	Other receivable - related parties	73,320 (RMB 15,000)	73,320 (RMB 15,000)	73,320 (RMB 15,000)	3.75	For short-term financing	-	Working capital loan	-	-	-	593,276	1,186,551
		Sheng-Pin (Shanghai) Food Ltd.	Other receivable - related parties	97,760 (RMB 20,000)	97,760 (RMB 20,000)	-	3.75	For short-term financing	-	Working capital loan	-	-	-	593,276	1,186,551
3	Comestibles Master Co., Ltd.	Perfect 85 Degrees C, Inc.	Other receivable - related parties	166,108 (US\$ 5,500)	166,108 (US\$ 5,500)	166,108 (US\$ 5,500)	3.75	For short-term financing	-	Working capital loan	-	-	-	593,276	1,186,551
		WinPin 85 Investments Inc.	Other receivable - related parties	54,363 (US\$ 1,800)	54,363 (US\$ 1,800)	54,363 (US\$ 1,800)	3.75	For short-term financing	-	Working capital loan	-	-	-	593,276	1,186,551
		Perfect 85 Degrees C, Inc.	Other receivable - related parties	54,363 (US\$ 1,800)	54,363 (US\$ 1,800)	54,363 (US\$ 1,800)	3.75	For short-term financing	-	Working capital loan	-	-	-	593,276	1,186,551

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

- 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.

$$\$5,932,755 \times 40\% = \$2,373,102 \text{ (in thousands).}$$

- 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.

$$\$5,932,755 \times 20\% = \$1,186,551 \text{ (in thousands).}$$

- The total amount for lending to a company for funding for a short-term period shall not exceed \$5,932,755 (in thousands) x 20% = \$1,186,551 (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 \$5,932,755 (in thousands) x 10% = \$593,276 (in thousands) of the net worth of Gourmet Master Co. Ltd.

- Transaction above is already written off in consolidated financial statements.

TABLE 6**GOURMET MASTER CO. LTD. AND SUBSIDIARIES****MARKETABLE SECURITIES HELD OF INVESTEES****JUNE 30, 2013****(In Thousands of New Taiwan Dollars)**

Holding Company	Marketable Securities Type and Issuer/Name	Security Issuer's Relationship with the Holding Company	Financial Statement Account	June 30, 2013				Note
				Shares/Units	Carrying Amount	Percentage of Ownership	Market Value or Net Asset Value	
85 Degrees Café International Pty Ltd.	<u>Mutual funds</u> Merrill Lynch 6-Year AUD Australian Companies Dual High Yield Accrual	NA	Financial assets at FVTPL - current	5,000	\$ 8,473	-	\$ 13,544	
Perfect 85 Degrees C, Inc.	<u>Unlisted company</u> Golden 85 Investments, LLC	Affiliated companies	Investments accounted for by the equity method	-	90,459	65	90,459	
Lucky Bakery Limited	Profit Sky International Limited	Affiliated companies	Investments accounted for by the equity method	-	88,307	50	88,307	Note
Profit Sky International Limited	Wincase Limited	Affiliated companies	Investments accounted for by the equity method	-	85,366	100	85,366	Note
	Worldinn Limited	Affiliated companies	Investments accounted for by the equity method	-	87,614	100	87,614	Note
85 Degree Co., Ltd.	Comestibles Master Co., Ltd.	Affiliated companies	Investments accounted for by the equity method	17,054,268	1,216,522	100	1,216,522	
Comestibles Master Co., Ltd.	Mei Wei Master Co., Ltd.	Affiliated companies	Investments accounted for by the equity method	2,060,600	7,388	100	7,388	
	The Hot Pot Food and Beverage Management Co., Ltd.	Affiliated companies	Investments accounted for by the equity method	11,400,000	103,035	76	103,035	Note
The Hot Pot Food and Beverage Management Co., Ltd.	The Hot Pot Food and Management Beverage Limited	Affiliated companies	Investments accounted for by the equity method	115,893	3,394	90	3,394	Note
Mei Wei Master Co., Ltd.	Mei Wei Fu Xing Ltd.	Affiliated companies	Investments accounted for by the equity method	-	2,376	60	2,376	Note
Prime Scope Trading Limited	Shanghai Gourmet Master Food & Beverage Ltd.	Affiliated companies	Investments accounted for by the equity method	-	1,294,078	100	1,294,078	
	He-Shia Food & Beverage Ltd.	Affiliated companies	Investments accounted for by the equity method	-	1,468,668	100	1,468,668	
	Sheng-Pin (Hangzhou) Food Ltd.	Affiliated companies	Investments accounted for by the equity method	-	109,440	100	109,440	

(Continued)

Holding Company	Marketable Securities Type and Issuer/Name	Security Issuer's Relationship with the Holding Company	Financial Statement Account	June 30, 2013				Note
				Shares/Units	Carrying Amount	Percentage of Ownership	Market Value or Net Asset Value	
Shanghai Gourmet Master Food & Beverage Ltd.	He-Shia (Nanjing) Food & Beverage Ltd.	Affiliated companies	Investments accounted for by the equity method	-	\$ 395,595	100	\$ 395,595	Note
	Beijing 85 Food & Beverage Ltd.	Affiliated companies	Other liability	-	(2,288)	100	(2,288)	
	Zhejiang 85 Food & Beverage Ltd.	Affiliated companies	Investments accounted for by the equity method	-	17,494	100	17,494	
	Sheng-Pin (Beijing) Food Ltd.	Affiliated companies	Investments accounted for by the equity method	-	69,515	100	69,515	Note
	Fuzhou 85 Food & Beverage Ltd.	Affiliated companies	Investments accounted for by the equity method	-	49,731	100	49,731	
	Sheng-Pin (Jiangsu) Food Ltd.	Affiliated companies	Investments accounted for by the equity method	-	104,402	100	104,402	
	Sheng-Pin (Xiamen) Food Ltd.	Affiliated companies	Investments accounted for by the equity method	-	11,686	100	11,686	Note
	Sheng-Pin (Qingdao) Food Ltd.	Affiliated companies	Investments accounted for by the equity method	-	53,768	100	53,768	
	Xiamen 85 Food & Beverage Ltd.	Affiliated companies	Investments accounted for by the equity method	-	30,538	100	30,538	
	Shenyang 85 Food & Beverage Ltd.	Affiliated companies	Investments accounted for by the equity method	-	19,764	100	19,764	Note
	Sheng-Pin (Shenyang) Food Ltd.	Affiliated companies	Investments accounted for by the equity method	-	104,978	100	104,978	
	85 Degree (Qingdao) Food & Beverage Management Ltd.	Affiliated companies	Investments accounted for by the equity method	-	72,054	100	72,054	
	85 Degree (Jiangsu) Food Ltd.	Affiliated companies	Investments accounted for by the equity method	-	224,458	68	224,458	Note
	Sheng-Pin (Shanghai) Food Ltd.	Affiliated companies	Investments accounted for by the equity method	-	51,110	100	51,110	
	Mai-Jai (Shanghai) Food Ltd.	Affiliated companies	Investments accounted for by the equity method	-	38,685	100	34,248	
	Shanghai Howco Jing Way Food & Beverage Ltd.	Affiliated companies	Investments accounted for by the equity method	-	97,601	100	97,601	Note
	Shenzheng 85 Food & Beverage Ltd.	Affiliated companies	Other liability	-	(33,314)	85	(33,314)	
	Chengdu 85 Food & Beverage Ltd.	Affiliated companies	Investments accounted for by the equity method	-	26,304	100	26,304	
	Sheng-Pin (Wuhan) Food Ltd.	Affiliated companies	Other liability	-	(3,198)	100	(3,198)	Note
	Wuhan Jing Way Food & Beverage Ltd.	Affiliated companies	Other liability	-	(22,889)	100	(22,889)	
	Jianxi Jing Way Food & Beverage Ltd.	Affiliated companies	Investments accounted for by the equity method	-	24,974	100	24,974	
	Jin Wei Industrial (Shanghai) Ltd.	Affiliated companies	Investments accounted for by the equity method	-	33,763	100	33,763	Note
	Guangzhou 85 Degree Food & Beverage Management Ltd.	Affiliated companies	Investments accounted for by the equity method	-	28,035	100	28,035	

(Continued)

Holding Company	Marketable Securities Type and Issuer/Name	Security Issuer's Relationship with the Holding Company	Financial Statement Account	June 30, 2013				Note
				Shares/Units	Carrying Amount	Percentage of Ownership	Market Value or Net Asset Value	
Shenzheng 85 Food & Beverage Ltd.	Chengdu Maijia Food Co., Ltd.	Affiliated companies	Investments accounted for by the equity method	-	\$ 4,952	100	\$ 4,952	Note
	85 Degree (Jiangsu) Food Ltd.	Affiliated companies	Investments accounted for by the equity method	-	72,843	32	72,843	
	Sheng Pin (Shenzheng) Food & Beverage Ltd.	Affiliated companies	Other liability	-	(17,050)	100	(17,050)	
	85 Degree (Qingdao) Food & Beverage Management Ltd.	Affiliated companies	Investments accounted for by the equity method	-	7,085	100	7,085	

Note: Market value was based on the net assets of investee, which was not audited, as of June 30, 2013.

(Concluded)

TABLE 7

GOURMET MASTER CO. LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
JUNE 30, 2013
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Detail				Non-arm’s Length Transaction		Notes/Accounts Payable or Receivable			Note
			Purchases/ Sales	Amount	% to Total	Payment Term	Unit Price	Payment Term	Account	Ending Balance	% to Total	
Sheng-Pin (Shanghai) Food Ltd.	Shanghai Gourmet Master Food & Beverage Ltd.	Parent company	Sales	\$ 267,372	4%	60 days	Based on the Group’s transfer pricing policy	-	-	\$ -	-	Note
Sheng-Pin (Jiangsu) Food Ltd.	He-Shia (Nanjing) Food & Beverage Ltd.	Affiliated company	Sales	265,740	4%	60 days	Based on the Group’s transfer pricing policy	-	Accounts receivable	70,099	40%	Note
Sheng-Pin (Hangzhou) Food Ltd.	Shanghai Gourmet Master Food & Beverage Ltd.	Affiliated company	Sales	164,467	2%	60 days	Based on the Group’s transfer pricing policy	-	Accounts receivable	51,260	30%	Note
	He-Shia Food & Beverage Ltd.	Affiliated company	Sales	167,495	2%	60 days	Based on the Group’s transfer pricing policy	-	-	-	-	Note
Sheng-Pin (Beijing) Food Ltd.	Beijing 85 Food & Beverage Ltd.	Affiliated company	Sales	134,181	2%	60 days	Based on the Group’s transfer pricing policy	-	Accounts receivable	121,657	70%	Note

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

TABLE 8

GOURMET MASTER CO. LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE SIX MONTHS ENDED JUNE 30, 2013
(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, 2013	Investment Flows		Accumulated Outflow of Investment from Taiwan as of June 30, 2013	Percentage of Ownership	Investment Income (Loss) Recognized	Carrying Amount as of June 30, 2013	Accumulated inward Remittance of Earnings as of June 30, 2013
					Outflow	Inflow					
Prime Scope Trading Limited											
Shanghai Gourmet Master Food & Beverage Ltd.	Grocery and drink retailing	\$ 300,837 (US\$ 9,961)	Direct investment	\$ -	\$ -	\$ -	\$ -	100	\$ (33,354)	\$ 1,294,078	\$ -
He-Shia Food & Beverage Ltd.	Grocery and drink retailing	74,126 (US\$ 2,454)	Direct investment	-	-	-	-	100	143,445	1,468,668	-
Sheng-Pin (Hangzhou) Food Ltd.	Manufacturing of baking food and sale	60,403 (US\$ 2,000)	Direct investment	-	-	-	-	100	23,514	109,440	-
He-Shia (Nanjing) Food & Beverage Ltd.	Grocery and drink retailing	60,403 (US\$ 2,000)	Direct investment	-	-	-	-	100	84,402	395,595	-
Beijing 85 Food & Beverage Ltd.	Grocery and drink retailing	60,403 (US\$ 2,000)	Direct investment	-	-	-	-	100	(21,359)	(2,288)	-
Zhejiang 85 Food & Beverage Ltd.	Grocery and drink retailing	60,403 (US\$ 2,000)	Direct investment	-	-	-	-	100	(2,492)	17,494	-
Sheng-Pin (Beijing) Food Ltd.	Manufacturing of baking food and sale	120,806 (US\$ 4,000)	Direct investment	-	-	-	-	100	(13,551)	69,515	-
Fuzhou 85 Food & Beverage Ltd.	Grocery and drink retailing	15,101 (US\$ 500)	Direct investment	-	-	-	-	100	29,679	49,731	-
Sheng-Pin (Jiangsu) Food Ltd.	Manufacturing of baking food and sale	135,907 (US\$ 4,500)	Direct investment	-	-	-	-	100	9,353	104,402	-
Sheng-Pin (Xiamen) Food Ltd.	Manufacturing of baking food and sale	60,403 (US\$ 2,000)	Direct investment	-	-	-	-	100	(8,831)	11,686	-
Sheng-Pin (Qingdao) Food Ltd.	Manufacturing of baking food and sale	75,504 (US\$ 2,500)	Direct investment	-	-	-	-	100	(11,738)	53,768	-
Xiamen 85 Food & Beverage Ltd.	Grocery and drink retailing	30,201 (US\$ 1,000)	Direct investment	-	-	-	-	100	(313)	30,538	-
Shenyang 85 Food & Beverage Ltd.	Grocery and drink retailing	30,201 (US\$ 1,000)	Direct investment	-	-	-	-	100	(6,411)	19,764	-
Sheng-Pin (Shenyang) Food Ltd.	Manufacturing of baking food and sale	120,806 (US\$ 4,000)	Direct investment	-	-	-	-	100	(11,588)	104,978	-
85 Degree (Qingdao) Food & Beverage Management Ltd.	Grocery and drink retailing	60,403 (US\$ 2,000)	Direct investment	-	-	-	-	100	3,411	72,054	-
85 Degree (Jiangsu) Food Ltd.	Manufacturing of baking food and sale	151,008 (US\$ 5,000)	Direct investment	-	-	-	-	68	(972)	224,458	-
Shanghai Gourmet Master Food & Beverage Ltd.											
Sheng-Pin (Shanghai) Food Ltd.	Manufacturing of baking food and sale	87,984 (RMB 18,000)	Direct investment	-	-	-	-	100	(4,106)	51,110	-
Mai-Jai (Shanghai) Food Ltd.	Manufacturing of baking food and sale	34,705 (RMB 7,100)	Direct investment	-	-	-	-	100	(2,704)	38,685	-
Shanghai Howco Jing Way Food & Beverage Ltd.	Grocery and drink retailing	73,320 (RMB 15,000)	Direct investment	-	-	-	-	100	1,966	97,601	-
Shenzhen 85 Food & Beverage Ltd.	Grocery and drink retailing	55,522 (RMB 11,359)	Direct investment	-	-	-	-	85	(17,463)	(33,314)	-
Chengdu 85 Food & Beverage Ltd.	Grocery and drink retailing	32,212 (RMB 6,590)	Direct investment	-	-	-	-	100	(7,235)	26,304	-
Sheng-Pin (Wuhan) Food Ltd.	Manufacturing of baking food and sale	29,328 (RMB 6,000)	Direct investment	-	-	-	-	100	(14,293)	(3,198)	-

(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, 2013	Investment Flows		Accumulated Outflow of Investment from Taiwan as of June 30, 2013	Percentage of Ownership	Investment Income (Loss) Recognized	Carrying Amount as of June 30, 2013	Accumulated inward Remittance of Earnings as of June 30, 2013
					Outflow	Inflow					
Wuhan Jing Way Food & Beverage Ltd.	Grocery and drink retailing	\$ 29,328 (RMB 6,000)	Direct investment	\$ -	\$ -	\$ -	\$ -	100	\$ (24,872)	\$ (22,889)	\$ -
Jianxi Jing Way Food & Beverage Ltd.	Grocery and drink retailing	29,328 (RMB 6,000)	Direct investment	-	-	-	-	100	(4,847)	24,974	-
Jin Wei Industrial (Shanghai) Ltd.	Grocery and drink retailing	9,776 (RMB 2,000)	Direct investment	-	-	-	-	100	344	33,763	-
Guangzhou 85 Degree Food & Beverage Management Ltd.	Grocery and drink retailing	29,328 (RMB 6,000)	Direct investment	-	-	-	-	100	(1,298)	28,035	-
Chengdu Maijia Food Co., Ltd.	Manufacturing of baking food and sale	9,776 (RMB 2,000)	Direct investment	-	-	-	-	100	(4,721)	4,952	-
85 Degree (Jiangsu) Food Ltd.		73,320 (RMB 15,000)	Direct investment	-	-	-	-	32	(467)	72,843	-
Shenzheng 85 Food & Beverage Ltd.											
Sheng-Pin (Shenzheng) Food & Beverage Ltd.	Manufacturing of baking food and sale	31,772 (RMB 6,500)	Direct investment	-	-	-	-	100	(9,781)	(17,050)	-
85 Degree (Qingdao) Food & Beverage Management Ltd.	Grocery and drink retailing										
Qingdao Jie Wei Food & Beverage Management Ltd.		7,332 (RMB 1,500)	Direct investment	-	-	-	-	100	454	7,085	-

Accumulated Investment in Mainland China as of June 30, 2013	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on Investment
NA	NA	NA

Note: The exchange rate was US\$1=NT\$30.20, RMB1= NT\$4.888 as of June 30, 2013.

(Concluded)

TABLE 9

GOURMET MASTER CO. LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2013

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

Six months ended June 30, 2013

No.	Company Name	Counterparty	Natural of Relationship (Note 1)	Intercompany Transactions			
				Accounts	Amount	Terms	Percentage of Consolidated Total Gross Sales or Total Assets (%)
1	Comestibles Master Co., Ltd.	Perfect 85 Degrees C, Inc.	3	Other receivables/payables	\$ 220,471	Financings provided, annual interest rate 3.75%	1
		WinPin 85 Investments Inc.	3	Other receivables/payables	54,363	Financings provided, annual interest rate 3.75%	1
2	Shanghai Gourmet Master Food & Beverage Ltd.	Sheng-Pin (Shanghai) Food Ltd.	3	Other receivables/payables	97,760	Financings provided, annual interest rate 3.75%	1
		Sheng-Pin (Shanghai) Food Ltd.	3	Purchases/sales	267,372	60 days	4
		He-Shia Food & Beverage Ltd.	3	Other receivables/payables	198,350	-	3
		Sheng-Pin (Shenzhen) Food Ltd.	3	Other receivables/payables	48,880	Financings provided, annual interest rate 3.75%	1
		Wuhan Jing Way Food & Beverage Ltd.	3	Other receivables/payables	68,574	-	1
		Sheng-Pin (Shenyang) Food Ltd.	3	Other receivables/payables	51,280	-	1
		Sheng-Pin (Wuhan) Food Ltd.	3	Other receivables/payables	58,656	Financings provided, annual interest rate 3.75%	1
		Sheng-Pin (Hangzhou) Food Ltd.	3	Purchases/sales	164,467	60 days	2
		Sheng-Pin (Hangzhou) Food Ltd.	3	Accounts receivable/payable	51,260	60 days	1
		Chengdu Maijia Food Co., Ltd.	3	Other receivables/payables	127,714	-	2
3	He-Shia Food & Beverage Ltd.	Beijing 85 Food & Beverage Ltd.	3	Other receivables/payables	195,520	Financings provided, annual interest rate 3.75%	2
		Sheng-Pin (Hangzhou) Food Ltd.	3	Purchases/sales	167,495	60 days	2
		Sheng-Pin (Xiamen) Food Ltd.	3	Other receivables/payables	119,375	-	2
		Sheng-Pin (Shanghai) Food Ltd.	3	Prepayments/receipts in advance	64,399	-	1
		Sheng-Pin (Shanghai) Food Ltd.	3	Purchases/sales	95,714	60 days	1
		Sheng-Pin (Shenyang) Food Ltd.	3	Other receivables/payables	68,916	-	1
		Sheng-Pin (Beijing) Food Ltd.	3	Other receivables/payables	73,320	Financings provided, annual interest rate 3.75%	1
		Sheng-Pin (Jiangsu) Food Ltd.	3	Purchases/sales	68,518	60 days	1
4	He-Shia (Nanjing) Food & Beverage Ltd.	Sheng-Pin (Jiangsu) Food Ltd.	3	Purchases/sales	265,740	60 days	1
		Sheng-Pin (Jiangsu) Food Ltd.	3	Accounts receivable/payable	70,099	60 days	1
5	Beijing 85 Food & Beverage Ltd.	Sheng-Pin (Beijing) Food Ltd.	3	Purchases/sales	134,181	60 days	2
		Sheng-Pin (Beijing) Food Ltd.	3	Accounts receivable/payable	121,657	60 days	2

(Continued)

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

- 1 Number 0 represents parent company.
- 2 Number 1 to 6 represents subsidiaries.

Note 2: 1 Represents the transactions from parent company to subsidiary.
2 Represents the transactions from subsidiary to parent company.
3 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)