

Gourmet Master Co. Ltd. and Subsidiaries

**Consolidated Financial Statements for the
Nine Months Ended September 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 September 30, 2013, December 31, 2012, September 30, 2012 and January 1, 2012 and the related consolidated statements of comprehensive income for the three months ended September 30, 2013 and 2012, nine months ended September 30, 2013 and 2012, and changes in equity and cash flows for the nine months ended September 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.

November 6, 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	September 30, 2013		December 31, 2012		September 30, 2012		January 1, 2012		LIABILITIES AND EQUITY	September 30, 2013		December 31, 2012		September 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)	\$ 2,550,379	29	\$ 2,541,543	30	\$ 3,120,999	37	\$ 3,477,523	44	Notes payable	\$ 221	-	\$ 1,204	-	\$ -	-	\$ 19	-
Financial assets at fair value through profit or loss - current (Note 4)	8,393	-	9,202	-	9,339	-	9,376	-	Trade payables (Note 14)	769,424	9	744,974	9	824,245	10	755,147	9
Debt investments with no active market - current (Notes 4, 7 and 27)	214,105	3	742,261	9	344,257	4	665,979	8	Other payables (Note 15)	1,055,829	12	840,445	10	780,979	9	631,404	8
Notes receivable	1,524	-	2,401	-	2,755	-	6,382	-	Current tax liabilities	103,012	1	138,071	1	123,747	2	164,227	2
Trade receivables (Notes 4, 5 and 8)	289,113	3	228,083	3	278,128	3	186,853	2	Receipts in advance (Note 15)	638,609	7	516,498	6	608,806	7	450,085	6
Other receivables	100,205	1	48,872	1	38,255	1	39,505	1	Current portion of long-term borrowings	367	-	668	-	359	-	360	-
Current tax assets	21,469	-	6,400	-	1,675	-	133	-	Other current liabilities (Note 15)	12,278	-	16,303	-	15,202	-	14,416	-
Inventories (Notes 4 and 9)	466,083	5	389,083	4	425,898	5	371,233	5	Total current liabilities	2,579,740	29	2,258,163	26	2,353,338	28	2,015,658	25
Prepayments (Note 13)	294,911	4	631,850	7	631,106	8	675,781	8	NONCURRENT LIABILITIES								
Other current assets (Note 13)	12,071	-	12,721	-	15,098	-	11,374	-	Long-term borrowings	-	-	-	-	408	-	681	-
Total current assets	3,958,253	45	4,612,416	54	4,867,510	58	5,444,139	68	Decommission, restoration and rehabilitation provisions (Note 4)	22,295	-	19,247	-	18,659	-	14,705	-
NONCURRENT ASSETS									Guarantee deposits received (Note 15)	45,966	1	51,552	1	51,929	1	53,568	1
Debt investment with no active market - noncurrent (Notes 4, 7 and 27)	200	-	1,700	-	1,700	-	1,700	-	Other noncurrent liabilities (Note 15)	-	-	426	-	456	-	56	-
Investments accounted for using equity method (Notes 4 and 10)	186,765	2	96,198	1	100,970	1	-	-	Total noncurrent liabilities	68,261	1	71,225	1	71,452	1	69,010	1
Property, plant and equipment (Notes 4, 11 and 27)	3,888,737	44	3,397,262	40	3,052,381	36	2,198,689	28	Total liabilities	2,648,001	30	2,329,388	27	2,424,790	29	2,084,668	26
Trademarks (Notes 4 and 12)	2,205	-	2,032	-	1,476	-	1,439	-	EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 16)								
Computer software (Notes 4 and 12)	64,743	1	18,191	-	19,257	-	17,820	-	Share capital	1,411,200	16	1,411,200	16	1,411,200	16	1,344,000	17
Goodwill	745	-	745	-	745	-	745	-	Capital surplus	-	-	-	-	-	-	-	-
Other intangible assets (Notes 4 and 12)	3,832	-	3,887	-	3,951	-	4,274	-	Additional paid-in capital	2,681,126	31	2,681,126	31	2,681,126	32	2,748,326	34
Deferred tax assets (Notes 4 and 5)	51,977	1	46,511	1	62,513	1	45,029	1	Retained earnings	-	-	-	-	-	-	-	-
Prepaid equipment (Note 13)	153,647	2	-	-	-	-	-	-	Reserve	366,706	4	268,972	3	268,972	3	156,864	2
Refundable deposits (Note 13)	414,161	5	377,695	4	342,668	4	273,728	3	Special reserve	38,098	-	-	-	-	-	-	-
Other noncurrent assets (Note 13)	15,929	-	6,369	-	6,704	-	8,467	-	Unappropriated earnings	1,395,981	16	1,755,003	21	1,588,865	19	1,424,569	18
Total noncurrent assets	4,782,941	55	3,950,590	46	3,592,365	42	2,551,891	32	Total retained earnings	1,800,785	20	2,023,975	24	1,857,837	22	1,581,433	20
									Other equity	141,198	2	(7,369)	-	(3,197)	-	127,893	2
									Total equity attributable to owners of the Company	6,034,309	69	6,108,932	71	5,946,966	70	5,801,652	73
									NON-CONTROLLING INTERESTS								
										58,884	1	124,686	2	88,119	1	109,710	1
									Total equity	6,093,193	70	6,233,618	73	6,035,085	71	5,911,362	74
TOTAL	\$ 8,741,194	100	\$ 8,563,006	100	\$ 8,459,875	100	\$ 7,996,030	100	TOTAL	\$ 8,741,194	100	\$ 8,563,006	100	\$ 8,459,875	100	\$ 7,996,030	100

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

GOURMET MASTER CO. LTD. AND SUBSIDIARIES

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2013		2012		2013		2012	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 17 and 31)	\$ 4,004,767	100	\$ 3,535,709	100	\$ 11,182,073	100	\$ 10,010,153	100
OPERATING COSTS	<u>1,798,446</u>	<u>45</u>	<u>1,598,101</u>	<u>46</u>	<u>4,937,902</u>	<u>44</u>	<u>4,467,066</u>	<u>44</u>
GROSS PROFIT	<u>2,206,321</u>	<u>55</u>	<u>1,937,608</u>	<u>54</u>	<u>6,244,171</u>	<u>56</u>	<u>5,543,087</u>	<u>56</u>
OPERATING EXPENSES								
Selling and marketing expenses	1,755,241	44	1,463,815	41	4,901,939	44	4,026,033	40
General and administrative expenses	218,160	5	162,361	5	578,568	5	465,052	5
Research and development expenses	<u>4,159</u>	<u>-</u>	<u>3,146</u>	<u>-</u>	<u>12,672</u>	<u>-</u>	<u>8,604</u>	<u>-</u>
Total operating expenses	<u>1,977,560</u>	<u>49</u>	<u>1,629,322</u>	<u>46</u>	<u>5,493,179</u>	<u>49</u>	<u>4,499,689</u>	<u>45</u>
OPERATING INCOME	<u>228,761</u>	<u>6</u>	<u>308,286</u>	<u>8</u>	<u>750,992</u>	<u>7</u>	<u>1,043,398</u>	<u>11</u>
NONOPERATING INCOME AND EXPENSES (Note 18)								
Other income	89,029	2	82,061	2	138,631	1	159,485	1
Share of the profit or loss of associates and joint ventures	(6,918)	-	(9,084)	-	(17,956)	-	(12,545)	-
Other gains and losses	<u>(64,847)</u>	<u>(2)</u>	<u>(9,785)</u>	<u>-</u>	<u>(104,713)</u>	<u>(1)</u>	<u>(25,491)</u>	<u>-</u>
Total nonoperating income and expenses	<u>17,264</u>	<u>-</u>	<u>63,192</u>	<u>2</u>	<u>15,962</u>	<u>-</u>	<u>121,449</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	246,025	6	371,478	10	766,954	7	1,164,847	12
INCOME TAX EXPENSE (Notes 4 and 20)	<u>81,988</u>	<u>2</u>	<u>105,333</u>	<u>3</u>	<u>267,320</u>	<u>2</u>	<u>323,619</u>	<u>3</u>
NET PROFIT FOR THE PERIOD	<u>164,037</u>	<u>4</u>	<u>266,145</u>	<u>7</u>	<u>499,634</u>	<u>5</u>	<u>841,228</u>	<u>9</u>
OTHER COMPREHENSIVE INCOME								
Exchange differences on translating foreign operations	<u>(57,539)</u>	<u>(1)</u>	<u>(38,200)</u>	<u>(1)</u>	<u>144,899</u>	<u>1</u>	<u>(161,160)</u>	<u>(2)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 106,498</u>	<u>3</u>	<u>\$ 227,945</u>	<u>6</u>	<u>\$ 644,533</u>	<u>6</u>	<u>\$ 680,068</u>	<u>7</u>
NET PROFIT ATTRIBUTABLE TO:								
Owner of the Company	\$ 157,618	4	\$ 255,055	7	\$ 482,410	4	\$ 814,004	8
Non-controlling interests	<u>6,419</u>	<u>-</u>	<u>11,090</u>	<u>1</u>	<u>17,224</u>	<u>-</u>	<u>27,224</u>	<u>-</u>
	<u>\$ 164,037</u>	<u>4</u>	<u>\$ 266,145</u>	<u>8</u>	<u>\$ 499,634</u>	<u>4</u>	<u>\$ 841,228</u>	<u>8</u>

(Continued)

GOURMET MASTER CO. LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

(Reviewed, Not Audited)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2013		2012		2013		2012	
	Amount	%	Amount	%	Amount	%	Amount	%
TOTAL COMPREHENSIVE INCOME								
ATTRIBUTABLE TO:								
Owner of the Company	\$ 101,554	3	\$ 216,968	6	\$ 630,977	6	\$ 682,914	7
Non-controlling interests	<u>4,944</u>	<u>-</u>	<u>10,977</u>	<u>-</u>	<u>13,556</u>	<u>-</u>	<u>(2,846)</u>	<u>-</u>
	<u>\$ 106,498</u>	<u>3</u>	<u>\$ 227,945</u>	<u>6</u>	<u>\$ 644,533</u>	<u>6</u>	<u>\$ 680,068</u>	<u>7</u>
EARNINGS PER SHARE								
(Note 21)								
Basic	<u>\$1.12</u>		<u>\$1.81</u>		<u>\$3.42</u>		<u>\$5.77</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								
			Retained Earnings			Exchange Differences on Translating Foreign Operations		Non-controlling Interests	Total Equity
	Share Capital	Capital Surplus	Reserve	Special Reserve	Unappropriated Earnings		Total		
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	-	-	-	-	-	-	-	(18,745)	(18,745)
Issue of share dividends from capital surplus	67,200	(67,200)	-	-	-	-	-	-	-
Net profit for the nine months ended September 30, 2012	-	-	-	-	814,004	-	814,004	27,224	841,228
Other comprehensive income (loss) for the nine months ended September 30, 2012, net of income tax	-	-	-	-	-	(131,090)	(131,090)	(30,070)	(161,160)
Total comprehensive income for the nine months ended September 30, 2012	-	-	-	-	814,004	(131,090)	682,914	(2,846)	680,068
BALANCE AT SEPTEMBER 30, 2012	\$ 1,411,200	\$ 2,681,126	\$ 268,972	\$ -	\$ 1,588,865	\$ (3,197)	\$ 5,946,966	\$ 88,119	\$ 6,035,085
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	-	-	-	-	-	-	-	(47,084)	(47,084)
Net profit for the nine months ended September 30, 2013	-	-	-	-	482,410	-	482,410	17,224	499,634
Other comprehensive income (loss) for the nine months ended September 30, 2013, net of income tax	-	-	-	-	-	148,567	148,567	(3,668)	144,899
Total comprehensive income for the nine months ended September 30, 2013	-	-	-	-	482,410	148,567	630,977	13,556	644,533
Effect of deconsolidation of subsidiary	-	-	-	-	-	-	-	(32,274)	(32,274)
BALANCE AT SEPTEMBER 30, 2013	\$ 1,411,200	\$ 2,681,126	\$ 366,706	\$ 38,098	\$ 1,395,981	\$ 141,198	\$ 6,034,309	\$ 58,884	\$ 6,093,193

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

GOURMET MASTER CO. LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 766,954	\$ 1,164,847
Adjustments for:		
Depreciation expenses	546,018	380,358
Amortization expenses	11,873	4,495
Interest expense	48	61
Interest income	(17,555)	(28,059)
Share of loss of associates and joint ventures	17,956	12,545
Loss on disposal of property, plant and equipment	57,567	1,526
Loss on disposal of intangible assets	278	179
Impairment loss recognized on non-financial assets	-	7,817
Gain on deconsolidation of subsidiary	(5,874)	-
Changes in operating assets and liabilities		
Decrease in notes receivable	877	3,627
Increase in trade receivables	(61,160)	(91,275)
(Increase) decrease in other receivables	(48,307)	1,249
Increase in inventories	(87,001)	(62,442)
Decrease (increase) in prepayments	26,248	(52,857)
Decrease (increase) in other current assets	633	(3,724)
(Increase) decrease in other operating assets	(9,560)	1,763
Decrease in notes payable	(983)	(19)
Increase in trade payables	25,430	69,098
Increase in other payables	170,327	122,361
Increase in provisions	3,048	3,954
Increase in receipts in advance	123,396	158,721
(Decrease) increase in other current liabilities	(4,000)	787
(Decrease) increase in other operating liabilities	(426)	400
Cash generated from operations	1,515,787	1,695,412
Interest paid	(48)	(61)
Income taxes paid	(297,517)	(388,943)
Net cash generated from operating activities	1,218,222	1,306,408
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from debt investments with no active market	525,359	321,722
Acquisition of investment accounted for by equity method	-	(113,370)
Net cash outflow from deconsolidation of subsidiary	(47,726)	-
Payment for property, plant and equipment	(1,019,422)	(836,151)
Proceeds from property, plant and equipment	2,068	11,127
Increase in refundable deposits	(89,589)	(91,474)
Decrease in refundable deposits	60,071	14,774
Acquisition of intangible assets	(57,929)	(6,513)

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GOURMET MASTER CO. LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2013	2012
Proceeds from intangible assets	\$ 63	\$ -
Increase in prepaid equipment	-	(320,813)
Decrease in prepaid equipment	150,760	-
Interest received	<u>14,522</u>	<u>28,059</u>
Net cash used in investing activities	<u>(461,823)</u>	<u>(992,639)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of long-term borrowings	(301)	(274)
Increase in guarantee deposits received	3,182	2,130
Decrease in guarantee deposits received	(9,470)	(3,127)
Dividends paid to owners of the Company	(705,600)	(537,600)
Dividends paid to non-controlling interests	<u>(47,084)</u>	<u>(18,745)</u>
Net cash used in financing activities	<u>(759,273)</u>	<u>(557,616)</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>11,710</u>	<u>(112,677)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	8,836	(356,524)
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>\$ 2,550,379</u>	<u>\$ 3,120,999</u>

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

(Concluded)

GOURMET MASTER CO. LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 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 November 6, 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 Disclosures for Non-financial Assets	January 1, 2014
Amendment to IAS 39	Novation of Derivatives and Continuation of Hedge Accounting	January 1, 2014
IFRIC 21	Levies	January 1, 2014

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 expect for the following descriptions.

Change in the Group's ownership interests in existing subsidiaries

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and any investment retained in the former subsidiary at its fair value at the date when control is lost and (ii) the assets (including any goodwill) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. If the Group loses control of a subsidiary, the Group accounts for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Group had directly disposed of the related assets or liabilities (i.e. reclassifies to profit or loss, or transfers directly to retained earnings if required in accordance with other IFRSs).

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the cost on initial recognition of an investment in an associate or a jointly controlled entity.

Subsidiary included in consolidated financial statements

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

Investor	Investee	Main Businesses	% of Ownership				Note
			September 30, 2013	December 31, 2012	September 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%	-
	WinPin 85 Investments, Inc.	Grocery and drink retailing	100%	100%	100%	-	-
Perfect 85 Degrees C, Inc.	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%	-
Comestibles Master Co., Ltd.	Mei Wei Master Co., Ltd.	Grocery and drink retailing	100%	100%	100%	100%	-
	The Hot Pot Food and Beverage Management Co., Ltd.	Food and beverage sale; grocery and drink retailing	-	76%	-	-	a
Mei Wei Master Co., Ltd.	Mei Wei Fu Xing Ltd.	Grocery and drink retailing	60%	60%	60%	60%	-
	Mei Wei San Min Ltd.	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%	-	-	a
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%	-	-	-	-

(Continued)

Investor	Investee	Main Businesses	% of Ownership				Note
			September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012	
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 sale	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.	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)

Starting August 2013, The Hot Pot Food and Beverage Management Co., Ltd. increased its share capital and the Group did not participate in share issuance. Thus, the Group loss power to govern the financial and operating policies of The Hot Pot Food and Beverage Management Co., Ltd. and its subsidiary The Hot Pot Food and Beverage Management Limited for the loss of power to cast the majority of votes at meetings of the Board of Directors; accordingly, The Hot Pot Food and Beverage Management Co., Ltd. is no longer consolidated and is accounted for using the equity method. Please refer to Note 19.

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 September 30, 2013, December 31, 2012, September 30, 2012, and January 1, 2012, the carrying amount of the deferred tax assets in relation to unused tax losses was \$7,503 thousand, \$12,523 thousand, \$22,725 thousand and \$12,911 thousand, respectively. As of September 30, 2013, December 31, 2012, September 30, 2012, and January 1, 2012, no deferred tax asset has been recognized on the tax loss of \$167,625 thousand, \$87,092 thousand, \$56,708 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

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Cash on hand	\$ 372,947	\$ 159,075	\$ 180,462	\$ 74,281
Checking accounts and demand deposits	2,040,388	1,973,184	2,103,176	2,109,000
Cash equivalent				
Time deposits with original maturities less than three months	<u>137,044</u>	<u>409,284</u>	<u>837,361</u>	<u>1,294,242</u>
	<u>\$ 2,550,379</u>	<u>\$ 2,541,543</u>	<u>\$ 3,120,999</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

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Time deposits with original maturity more than three months	\$ 214,305	\$ 738,959	\$ 345,957	\$ 666,907
Trust fund account	<u>-</u>	<u>5,002</u>	<u>-</u>	<u>772</u>
	<u>\$ 214,305</u>	<u>\$ 743,961</u>	<u>\$ 345,957</u>	<u>\$ 667,679</u>
Current	\$ 214,105	\$ 742,261	\$ 344,257	\$ 665,979
Noncurrent	<u>200</u>	<u>1,700</u>	<u>1,700</u>	<u>1,700</u>
	<u>\$ 214,305</u>	<u>\$ 743,961</u>	<u>\$ 345,957</u>	<u>\$ 667,679</u>

Refer to Note 27 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

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Trade receivables	\$ 289,113	\$ 228,083	\$ 278,128	\$ 186,853
Less: Allowance for doubtful accounts	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 289,113</u>	<u>\$ 228,083</u>	<u>\$ 278,128</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:

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
In 90 days	\$ 8,020	\$ 79	\$ 1,557	\$ 5,233
90 days to 180 days	20,264	8,287	11,408	13,425
181 days to 361 days	29,952	1,482	10,498	10,083
Over 361 days	<u>1,411</u>	<u>4,845</u>	<u>5,711</u>	<u>5,814</u>
	<u>\$ 59,647</u>	<u>\$ 14,693</u>	<u>\$ 29,174</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

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Finished goods	\$ 28,879	\$ 34,125	\$ 65,734	\$ 40,846
Work in process	3,776	4,046	10,336	21,648
Raw materials and supplies	359,901	315,182	304,305	201,841
Inventory in transit	<u>73,527</u>	<u>35,730</u>	<u>45,523</u>	<u>106,898</u>
	<u>\$ 466,083</u>	<u>\$ 389,083</u>	<u>\$ 425,898</u>	<u>\$ 371,233</u>

The cost of inventories recognized as cost of goods sold in the three months and the nine months ended September 30, 2013 included write-downs of \$0 thousand and \$0 thousand, respectively. The cost of inventories recognized as cost of goods sold in the three months and nine months ended September 30, 2012 included write-downs of \$8,537 thousand and \$7,817 thousand, respectively.

10. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

Investment accounted for using the equity method consisted of the following:

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Investment in associates	\$ 104,476	\$ -	\$ -	\$ -
Investment in jointly controlled entities	<u>82,289</u>	<u>96,198</u>	<u>100,970</u>	<u>-</u>
	<u>\$ 186,765</u>	<u>\$ 96,198</u>	<u>\$ 100,970</u>	<u>\$ -</u>

a. Investment in associates

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
<u>Unlisted company</u>				
The Hot Pot Food and Beverage Management Co., Ltd.	<u>\$ 104,476</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Name of Associate	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
The Hot Pot Food and Beverage Management Co., Ltd.	42%	-	-	-

The Group has no power to govern the financial and operating policies of The Hot Pot Food and Beverage Management Co., Ltd. starting August 2013. This is because the Group loss power to cast the majority of votes at meetings of the Board of Directors. As a result, The Hot Pot Food and Beverage Management Co., Ltd. is no longer consolidated while accounted for using the equity method. Please refer to Note 19.

Financial information of the Group's associates was summarized as follows:

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Total asset	\$ 269,888	\$ -	\$ -	\$ -
Total liabilities	<u>(22,433)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net asset	<u>\$ 247,455</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
The Group's share of net assets of associates	<u>\$ 104,476</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	Three Months Ended September 30		Nine Months Ended September 30	
	2013	2012	2013	2012
Net revenue	\$ 22,090	\$ -	\$ 55,775	\$ -
Net loss	<u>\$ (8,079)</u>	<u>\$ -</u>	<u>\$ (13,224)</u>	<u>\$ -</u>
The Group's share of profits of associates	<u>\$ (2,284)</u>	<u>\$ -</u>	<u>\$ (2,284)</u>	<u>\$ -</u>
The Group's share of other comprehensive loss of associates	<u>\$ (16)</u>	<u>\$ -</u>	<u>\$ (16)</u>	<u>\$ -</u>

b. Investment in jointly controlled entities:

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
<u>Unlisted company</u>				
Profit Sky International Limited	<u>\$ 82,289</u>	<u>\$ 96,198</u>	<u>\$ 100,970</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:

Name of Jointly Controlled Entities	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Profit Sky International Limited	50%	50%	50%	-

For the nine months ended September 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

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
<u>Carrying amounts of each class</u>				
Land	\$ 419,043	\$ 417,259	\$ 418,350	\$ 293,761
Buildings	609,240	381,229	386,493	52,404
Machinery and equipment	1,298,525	1,234,863	1,161,513	936,366
Leasehold improvements	940,391	894,493	799,002	673,772
Transportation equipment	26,246	27,124	28,574	29,027
Office equipment	206,436	206,524	206,355	51,629
Other equipment	43,901	71,474	49,754	161,730
Construction in process	<u>344,955</u>	<u>164,296</u>	<u>2,340</u>	<u>-</u>
	<u>\$ 3,888,737</u>	<u>\$ 3,397,262</u>	<u>\$ 3,052,381</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	124,950	54,705	337,458	265,550	5,205	67,537	5,620	2,340	863,365
Reclassified	-	289,086	52,870	3,079	1,817	194,111	(122,618)	-	418,345
Disposal	-	-	(28,076)	(3,664)	(2,321)	(9,966)	(1,389)	-	(45,416)
Effect of foreign currency exchange difference	(361)	(2,166)	(32,645)	(3,106)	(814)	(3,258)	(3,916)	-	(46,266)
September 30, 2012	<u>\$ 418,350</u>	<u>\$ 412,325</u>	<u>\$ 1,614,037</u>	<u>\$ 1,227,984</u>	<u>\$ 47,447</u>	<u>\$ 338,329</u>	<u>\$ 145,492</u>	<u>\$ 2,340</u>	<u>\$ 4,206,304</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	-	147,943	223,548	354,462	6,371	56,160	15,856	280,007	1,084,347
Reclassified	-	89,446	13,649	(32,812)	655	2,826	(15,856)	(57,908)	-
Disposal	-	-	(12,047)	(97,734)	(3,805)	(9,349)	(9,588)	-	(132,523)
Effect of deconsolidation of subsidiary	-	-	(3,256)	(21,584)	-	(979)	(11,436)	(44,420)	(81,675)
Effect of foreign currency exchange difference	1,784	12,855	50,421	41,962	883	11,408	825	2,980	123,118
September 30, 2013	<u>\$ 419,043</u>	<u>\$ 664,338</u>	<u>\$ 2,001,635</u>	<u>\$ 1,635,536</u>	<u>\$ 52,057</u>	<u>\$ 414,134</u>	<u>\$ 151,868</u>	<u>\$ 344,955</u>	<u>\$ 5,683,566</u>
<u>Accumulated depreciation and impairment</u>									
January 1, 2012	\$ -	\$ 18,296	\$ 348,064	\$ 292,353	\$ 14,533	\$ 38,276	\$ 106,065	\$ -	\$ 817,587
Depreciation charge for the period	-	7,558	168,796	142,858	5,890	36,096	19,160	-	380,358
Reclassified	-	-	(32,673)	(3,481)	103	63,721	(27,670)	-	-
Disposal	-	-	(23,565)	(1,659)	(1,415)	(5,017)	(1,107)	-	(32,763)
Effect of foreign currency exchange difference	-	(22)	(8,098)	(1,089)	(238)	(1,102)	(710)	-	(11,259)
September 30, 2012	<u>\$ -</u>	<u>\$ 25,832</u>	<u>\$ 452,524</u>	<u>\$ 428,982</u>	<u>\$ 18,873</u>	<u>\$ 131,974</u>	<u>\$ 95,738</u>	<u>\$ -</u>	<u>\$ 1,153,923</u>
January 1, 2013	\$ -	\$ 32,865	\$ 494,457	\$ 496,749	\$ 20,829	\$ 147,544	\$ 100,593	\$ -	\$ 1,293,037
Depreciation charge for the period	-	21,904	219,130	219,874	6,627	59,605	18,878	-	546,018
Reclassified	-	-	(1,494)	2,026	(740)	1,427	(1,219)	-	-
Disposal	-	-	(21,556)	(35,969)	(1,238)	(5,278)	(8,847)	-	(72,888)
Effect of deconsolidation of subsidiary	-	-	(379)	(1,277)	-	(111)	(1,651)	-	(3,418)
Effect of foreign currency exchange difference	-	329	12,952	13,742	333	4,511	213	-	32,080
September 30, 2013	<u>\$ -</u>	<u>\$ 55,098</u>	<u>\$ 703,110</u>	<u>\$ 695,145</u>	<u>\$ 25,811</u>	<u>\$ 207,698</u>	<u>\$ 107,967</u>	<u>\$ -</u>	<u>\$ 1,794,829</u>

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 27 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

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
<u>Carrying amounts of each class</u>				
Trademarks	\$ 2,205	\$ 2,032	\$ 1,476	\$ 1,439
Software	64,743	18,191	19,257	17,820
Others	<u>3,832</u>	<u>3,887</u>	<u>3,951</u>	<u>4,274</u>
	<u>\$ 70,780</u>	<u>\$ 24,110</u>	<u>\$ 24,684</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	6,475	-	6,513
Disposal	-	(530)	-	(530)
Effect of foreign currency exchange differences	<u>(1)</u>	<u>(886)</u>	<u>(162)</u>	<u>(1,049)</u>
September 30, 2012	<u>\$ 1,476</u>	<u>\$ 32,955</u>	<u>\$ 5,126</u>	<u>\$ 39,557</u>
January 1, 2013	\$ 2,032	\$ 33,311	\$ 5,126	\$ 40,469
Additions	346	57,583	-	57,929
Disposal	-	(1,158)	-	(1,158)
Effect of deconsolidation of subsidiary	(98)	-	-	(98)
Effect of foreign currency exchange differences	<u>1</u>	<u>1,519</u>	<u>190</u>	<u>1,710</u>
September 30, 2013	<u>\$ 2,281</u>	<u>\$ 91,255</u>	<u>\$ 5,316</u>	<u>\$ 98,852</u>

(Continued)

	Trademarks	Software	Others	Total
<u>Amortization</u>				
January 1, 2012	\$ -	\$ 10,076	\$ 1,014	\$ 11,090
Amortization charge for the period	-	4,302	193	4,495
Disposal	-	(351)	-	(351)
Effect of foreign currency exchange differences	<u>-</u>	<u>(329)</u>	<u>(32)</u>	<u>(361)</u>
September 30, 2012	<u>\$ -</u>	<u>\$ 13,698</u>	<u>\$ 1,175</u>	<u>\$ 14,873</u>
January 1, 2013	\$ -	\$ 15,120	\$ 1,239	\$ 16,359
Amortization charge for the period	76	11,599	198	11,873
Disposal	-	(817)	-	(817)
Effect of foreign currency exchange difference	<u>-</u>	<u>610</u>	<u>47</u>	<u>657</u>
September 30, 2013	<u>\$ 76</u>	<u>\$ 26,512</u>	<u>\$ 1,484</u>	<u>\$ 28,072</u> (Concluded)

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

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
<u>Current</u>				
Prepaid equipment	\$ -	\$ 304,407	\$ 402,952	\$ 500,484
Prepaid rent	170,411	198,090	158,701	106,544
Prepayment	74,853	37,603	14,286	8,593
Offset against business tax payable	13,897	56,488	22,629	33,982
Other prepayments	35,750	35,262	32,538	26,178
Others	<u>12,071</u>	<u>12,721</u>	<u>15,098</u>	<u>11,374</u>
	<u>\$ 306,982</u>	<u>\$ 644,571</u>	<u>\$ 646,204</u>	<u>\$ 687,155</u>
<u>Noncurrent</u>				
Prepaid equipment	\$ 153,647	\$ -	\$ -	\$ -
Refundable deposits	414,161	377,695	342,668	273,728
Others	<u>15,929</u>	<u>6,369</u>	<u>6,704</u>	<u>8,467</u>
	<u>\$ 583,737</u>	<u>\$ 384,064</u>	<u>\$ 349,372</u>	<u>\$ 282,195</u>

- Prepaid equipment is due to purchasing new equipment for factory.
- Prepaid rent is due to store lease arrangement.
- 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

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
<u>Current</u>				
Other payables				
Payables on equipment	\$ 197,317	\$ 141,752	\$ 126,534	\$ 99,320
Accrued payroll and bonus	355,269	294,166	275,840	231,529
Utilities	102,526	70,479	71,117	44,756
Insurance	39,571	35,900	15,626	34,747
Rent	32,039	34,036	36,559	35,998
Others (compensation payable to directors and supervisors, and commission, etc.)	<u>329,107</u>	<u>264,112</u>	<u>255,303</u>	<u>185,054</u>
	<u>\$ 1,055,829</u>	<u>\$ 840,445</u>	<u>\$ 780,979</u>	<u>\$ 631,404</u>
Other liabilities				
Receipts in advance	\$ 638,609	\$ 516,498	\$ 608,806	\$ 450,085
Others	<u>12,278</u>	<u>16,303</u>	<u>15,202</u>	<u>14,416</u>
	<u>\$ 650,887</u>	<u>\$ 532,801</u>	<u>\$ 624,008</u>	<u>\$ 464,501</u>
<u>Noncurrent</u>				
Guarantee deposits received	\$ 45,966	\$ 51,552	\$ 51,929	\$ 53,568
Other liabilities	<u>-</u>	<u>426</u>	<u>456</u>	<u>56</u>
	<u>\$ 45,966</u>	<u>\$ 51,978</u>	<u>\$ 52,385</u>	<u>\$ 53,624</u>

Receipts in advance are mainly issued gift vouchers not yet redeemed.

16. SHAREHOLDERS' EQUITY

Share Capital

Ordinary shares

	September 30, 2013	December 31, 2012	September 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 nine months ended September 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 (Dollars)	
	2012	2011	2012	2011
Reserve	\$ 97,734	\$ 112,108	\$ -	\$ -
Special reserve	38,098	-	-	-
Cash dividends	705,600	537,600	5	4

The appropriations of earnings for 2012 were proposed according to the Company's financial statements for the year 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.

Other Equity Items

Exchange differences on translating foreign operations

	For the Nine Months Ended September 30	
	2013	2012
Balance, beginning of period	\$ (7,369)	\$ 127,893
The translation of foreign operation's net assets	164,613	(131,090)
Gain reclassified to profit or loss upon disposal of foreign operation	(105)	-
Share of associates	<u>(15,941)</u>	<u>-</u>
Balance, end of period	<u>\$ 141,198</u>	<u>\$ (3,197)</u>

The exchange differences arising from the translation of foreign operation's net assets from its functional currency to presentation currency (i.e. New Taiwan Dollars) were recognized directly in other comprehensive income and also accumulated in the foreign currency translation reserve.

The cumulative from the foreign currency translation reserve were reclassified to profit or loss when disposing the foreign operation.

17. REVENUE

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2013	2012	2013	2012
Revenue from sales of goods	\$ 3,982,394	\$ 3,533,564	\$ 11,123,406	\$ 10,008,008
Royalty income	<u>22,373</u>	<u>2,145</u>	<u>58,667</u>	<u>2,145</u>
	<u>\$ 4,004,767</u>	<u>\$ 3,535,709</u>	<u>\$ 11,182,073</u>	<u>\$ 10,010,153</u>

18. NET PROFIT

Net profit had been arrived of after charging:

a. Other income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2013	2012	2013	2012
Interest income	\$ 4,373	\$ 7,393	\$ 17,555	\$ 28,059
Income from government grants	77,426	55,408	86,907	90,529
Others	<u>7,230</u>	<u>19,260</u>	<u>34,169</u>	<u>40,897</u>
	<u>\$ 89,029</u>	<u>\$ 82,061</u>	<u>\$ 138,631</u>	<u>\$ 159,485</u>

b. Other gains and losses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2013	2012	2013	2012
Net foreign exchange losses	\$ (4,935)	\$ (1,381)	\$ (5,521)	\$ (3,554)
Loss on disposal of property, plant and equipment	(37,518)	(2,155)	(57,567)	(1,526)
Gain on deconsolidation of subsidiary	5,874	-	5,874	-
Others	<u>(28,268)</u>	<u>(6,249)</u>	<u>(47,499)</u>	<u>(20,411)</u>
	<u>\$ (64,847)</u>	<u>\$ (9,785)</u>	<u>\$ (104,713)</u>	<u>\$ (25,491)</u>

c. Depreciation and amortization

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2013	2012	2013	2012
An analysis of depreciation by function				
Operating costs	\$ 36,097	\$ 15,250	\$ 96,856	\$ 69,397
Operating expenses	<u>155,535</u>	<u>119,258</u>	<u>449,162</u>	<u>310,961</u>
	<u>\$ 191,632</u>	<u>\$ 134,508</u>	<u>\$ 546,018</u>	<u>\$ 380,358</u>
An analysis of amortization by function				
Selling and marketing expenses	\$ 863	\$ 406	\$ 2,569	\$ 1,169
General and administrative expenses	<u>4,451</u>	<u>1,155</u>	<u>9,304</u>	<u>3,326</u>
	<u>\$ 5,314</u>	<u>\$ 1,561</u>	<u>\$ 11,873</u>	<u>\$ 4,495</u>

d. Employee benefits expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2013	2012	2013	2012
Post-employment benefits				
Defined contribution plans	\$ 9,528	\$ 9,241	\$ 28,605	\$ 27,240
Other employee benefits	<u>1,001,166</u>	<u>765,699</u>	<u>2,787,886</u>	<u>2,128,140</u>
	<u>\$ 1,010,694</u>	<u>\$ 774,940</u>	<u>\$ 2,816,491</u>	<u>\$ 2,155,380</u>
An analysis of employee benefits expense by function				
Operating costs	\$ 136,351	\$ 121,683	\$ 390,994	\$ 323,427
Operating expenses	<u>874,343</u>	<u>653,257</u>	<u>2,425,497</u>	<u>1,831,953</u>
	<u>\$ 1,010,694</u>	<u>\$ 774,940</u>	<u>\$ 2,816,491</u>	<u>\$ 2,155,380</u>

19. DECONSOLIDATION OF SUBSIDIARY

Starting August 2013, The Hot Pot Food and Beverage Management Co., Ltd. increased its share capital and the Group did not participate in share issuance. Thus, the Group lost power to govern the financial and operating policies of The Hot Pot Food and Beverage Management Co., Ltd. and its subsidiary The Hot Pot Food and Beverage Management Limited for the loss of power to cast the majority of votes at meetings of the Board of Directors; accordingly, the Company derecognized related assets, liabilities and noncontrolling interests of The Hot Pot Food and Beverage Management Co., Ltd.

a. Consideration received

The Company did not receive any consideration in the deconsolidation of The Hot Pot Food and Beverage Management Co., Ltd.

b. Analysis of assets and liabilities over which the Company lost control

	September 30, 2013
Current assets	
Cash and cash equivalents	\$ 47,726
Inventories	10,109
Others	10,748
Noncurrent assets	
Property, plant and equipment	78,257
Others	8,598
Current liabilities	
Other payables	(19,868)
Others	<u>(2,290)</u>
Net assets deconsolidated	<u>\$ 133,280</u>

c. Gain on deconsolidation of subsidiary

	Nine Months Ended September 30, 2013
Fair value of interest retained	\$ 106,775
Less: Carrying amount of interest retained	
Net assets deconsolidated	133,280
Noncontrolling interests	<u>(32,274)</u>
	<u>101,006</u>
Add: Reclassified other equity to profit or loss	<u>105</u>
Gain on deconsolidation of subsidiary	<u>\$ 5,874</u>

Gain on deconsolidation of subsidiary was included in other gains and losses for the nine months ended September 30, 2013.

d. Net cash outflow arising from deconsolidation of the subsidiary

	Nine Months Ended September 30, 2013
The balance of cash and cash equivalents deconsolidated	<u>\$ 47,726</u>

20. INCOME TAX

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2013	2012	2013	2012
Current tax				
In respect of the current period	\$ 76,982	\$ 93,719	\$ 269,156	\$ 338,565
In respect of prior periods	<u>(235)</u>	<u>2,241</u>	<u>3,506</u>	<u>3,721</u>
	<u>76,747</u>	<u>95,960</u>	<u>272,662</u>	<u>342,286</u>
Deferred tax				
In respect of the current period	<u>5,241</u>	<u>9,373</u>	<u>(5,342)</u>	<u>(18,667)</u>
Income tax expense recognized in profit or loss	<u>\$ 81,988</u>	<u>\$ 105,333</u>	<u>\$ 267,320</u>	<u>\$ 323,619</u>

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

	For the Nine Months Ended September 30	
	2013	2012
Profit before income tax	\$ 766,954	\$ 1,164,847
Income tax expense at the 25% statutory rate	191,739	291,212
Nondeductible expense in determining taxable income	(7,555)	(5,300)
Tax exempt income	(12,304)	-
Additional income tax on unappropriated earnings	32,379	33,574
Oversea earnings repatriate tax withholdings	8,373	-
Unrecognized temporary difference	(3,156)	5,232
Unrecognized loss carryforward	56,356	19,414
Effect of tax rate in foreign countries	(2,018)	(24,234)
Adjustment for prior year's tax	<u>3,506</u>	<u>3,721</u>
Income tax expense recognized in profit or loss	<u>\$ 267,320</u>	<u>\$ 323,619</u>

The applicable tax rate used by the subsidiaries in ROC is 17%, while the applicable tax rate used by subsidiaries in China is 25%. Tax rates used by other group entities operating in other jurisdictions are based on the tax laws in those jurisdictions.

- b. Except for the Company is tax-free, income tax returns through 2011 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.

21. EARNINGS PER SHARE

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2013	2012	2013	2012
Basic earnings per share				
From continuing operations	<u>\$ 1.12</u>	<u>\$ 1.81</u>	<u>\$ 3.42</u>	<u>\$ 5.77</u>

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

Net profit for the period

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2013	2012	2013	2012
Earnings used in computation of basic earnings per share	<u>\$ 157,618</u>	<u>\$ 255,055</u>	<u>\$ 482,410</u>	<u>\$ 814,004</u>

Share (thousand)

	For the Three Months Ended September 30		For the Nine Months Ended September 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>

22. NON-CASH TRANSACTIONS

For the nine months ended September 30, 2013 and 2012, the Group entered into the following non-cash investing which were not reflected in the consolidated statement of cash flows:

- a. The Group acquired \$1,084,347 thousand of property, plant and equipment with an aggregate fair value, other payables total decrease \$64,925 thousand. Net cash used in acquiring property, plant and equipment was \$1,019,422 thousand in the nine months ended September 30, 2013. (Please refer to Note 11)
- b. The Group acquired \$863,365 thousand of property, plant and equipment with an aggregate fair value, other payables total decrease \$27,214 thousand. Net cash used in acquiring property, plant and equipment was \$836,151 thousand in the nine months ended September 30, 2012. (Please refer to Note 11)

23. OPERATING LEASE ARRANGEMENTS

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

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Not later than 1 year	\$ 1,576,269	\$ 1,691,242	\$ 1,504,590	\$ 1,280,746
Later than 1 year and not later than 5 years	3,361,115	4,110,622	3,782,800	3,619,803
Later than 5 years	<u>343,704</u>	<u>589,571</u>	<u>581,183</u>	<u>53,343</u>
	<u>\$ 5,281,088</u>	<u>\$ 6,391,435</u>	<u>\$ 5,868,573</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.

24. 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.

25. 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:

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Financial assets at fair value through profit or loss	<u>\$ 8,393</u>	<u>\$ 9,202</u>	<u>\$ 9,339</u>	<u>\$ 9,376</u>

- 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

	September 30, 2013		December 31, 2012		September 30, 2012		January 1, 2012	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets								
Loans and receivables (Note 1)	\$ 3,155,526	\$ 3,155,526	\$ 3,564,860	\$ 3,564,860	\$ 3,786,094	\$ 3,786,094	\$ 4,377,942	\$ 4,377,942
Fair value through profit or loss (FVTPL)								
Designated as at FVTPL	8,393	13,605	9,202	14,346	9,339	14,136	9,376	12,571
Financial liabilities								
Amortized cost (Note 2)	1,825,841	1,825,841	1,587,291	1,587,291	1,605,991	1,605,991	1,387,611	1,387,611

Note 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.

Note 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 29.

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)

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
<u>Assets</u>				
USD	\$ 20,256	\$ 10,703	\$ 10,926	\$ 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:

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Cash flow interest rate risk				
Financial assets	\$ 214,305	\$ 738,959	\$ 345,957	\$ 666,907
Financial liabilities	367	668	767	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 nine months ended September 30, 2013 is \$2,139 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.

26. 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 September 30		For the Nine Months Ended September 30	
	2013	2012	2013	2012
<u>Sale of goods</u>				
Joint ventures	\$ 2,532	\$ 6,123	\$ 8,454	\$ 6,123
<u>Purchase of goods</u>				
Related party	\$ 27,291	\$ 32,301	\$ 87,412	\$ 104,376
<u>Other income</u>				
Joint ventures	\$ 1,038	\$ 2,152	\$ 2,955	\$ 2,168

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:

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
<u>Trade receivables</u>				
Joint ventures	\$ <u>942</u>	\$ <u>610</u>	\$ <u>1,375</u>	\$ <u>-</u>
<u>Others receivables</u>				
Joint ventures	\$ <u>279</u>	\$ <u>2,319</u>	\$ <u>2,301</u>	\$ <u>-</u>

b. Compensation of key management personnel

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2013	2012	2013	2012
Short-term benefits	\$ <u>2,463</u>	\$ <u>8,642</u>	\$ <u>23,790</u>	\$ <u>24,096</u>

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

27. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Property, plant and equipment				
Land	\$ 202,305	\$ 202,305	\$ 202,305	\$ 202,305
Buildings	14,024	14,818	15,083	15,876
Transportation equipment	1,190	1,401	1,454	1,557
Bond investments with no active market - current				
Trust fund account	-	5,002	-	772
Bond investments with no active market - noncurrent				
Restricted bank deposits	<u>-</u>	<u>1,700</u>	<u>1,700</u>	<u>1,700</u>
	<u>\$ 217,519</u>	<u>\$ 225,226</u>	<u>\$ 220,542</u>	<u>\$ 222,210</u>

28. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

Significant Commitments

- a. As of September 30, 2013, December 31, 2012, September 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\$2,000 thousand, US\$1,894 thousand and €928 thousand, respectively.
- b. Unrecognized commitments are as follows:

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Acquisition of property, plant and equipment	\$ 89,828	\$ 154,284	\$ 152,645	\$ 38,348

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

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

September 30, 2013			
	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items USD	\$ 20,256	6.148 (USD:RMB)	\$ 601,881
December 31, 2012			
	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items USD	\$ 10,703	6.2855 (USD:RMB)	\$ 315,594
September 30, 2012			
	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items USD	\$ 10,926	6.341 (USD:RMB)	\$ 322,853

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

30. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions and information on investees:

- 1) Lending funds to others: Table 1 (attached)
- 2) Providing endorsements or guarantees for others: None
- 3) Holding of securities at the end of the period: Table 2 (attached)
- 4) Aggregate purchases or sales of the same securities reaching NT\$100 million or 20 percent of paid-in capital or more: Table 3 (attached)
- 5) Acquisition of real estate reaching NT\$100 million or 20 percent of paid-in capital or more: Table 4 (attached)
- 6) Disposal of real estate reaching NT\$100 million or 20 percent of paid-in capital or more: None
- 7) Purchases or sales of goods from or to related parties reaching NT\$100 million or 20 percent of paid-in capital or more: Table 5 (attached)
- 8) Trade receivables from related parties reaching NT\$100 million or 20 percent of paid-in capital or more: Table 6 (attached)
- 9) Trading in derivative instruments: None
- 10) Names, locations, and related information of investees: Table 7 (attached)
- 11) 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 8 (attached)

b. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, 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 9 (attached)
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: None
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.

- b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
- c) The amount of property transactions and the amount of the resultant gains or losses.
- d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
- e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
- f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services.

31. 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 September 30		For the Nine Months Ended September 30	
	2013	2012	2013	2012
Beverages	\$ 1,089,380	\$ 952,328	\$ 3,144,890	\$ 2,822,758
Cake	1,577,418	1,344,844	3,964,199	3,314,752
Bread	1,311,767	1,226,591	3,990,197	3,787,807
Others	<u>26,202</u>	<u>11,946</u>	<u>82,787</u>	<u>84,836</u>
	<u>\$ 4,004,767</u>	<u>\$ 3,535,709</u>	<u>\$ 11,182,073</u>	<u>\$ 10,010,153</u>

b. Geographical information

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

	Revenue from External Customers	
	For the Nine Months Ended September 30	
	2013	2012
China	\$ 8,102,362	\$ 6,922,229
Taiwan	2,413,930	2,556,193
USA	510,433	378,644
Others	<u>155,348</u>	<u>153,087</u>
	<u>\$ 11,182,073</u>	<u>\$ 10,010,153</u>

c. Significant customer information

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

32. 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 nine months ended September 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 September 30, 2012

	ROC GAAP	Effect of Transition to IFRSs	IFRSs	Note
<u>Assets</u>				
Cash	\$ 3,465,256	\$ (344,257)	\$ 3,120,999	5) b)
Debt investments with no active market	-	345,957	345,957	5) b)
Restricted assets	1,700	(1,700)	-	5) b)
Deferred income tax - current	39,788	(39,788)	-	5) a)
Deferred income tax - noncurrent	22,725	39,788	62,513	5) a)
Net property, plant and equipment	2,758,419	293,962	3,052,381	4) and 5) d)
Prepayments	226,098	405,008	631,106	5) c) and 5) d)
Deferred charges	694,839	(694,839)	-	5) c)
Noncurrent assets	-	6,704	6,704	5) c)
<u>Liabilities</u>				
Decommission provisions	-	18,659	18,659	4) and 5) f)
<u>Equity</u>				
Capital surplus	2,696,451	(15,325)	2,681,126	5) e)
Reserve	266,578	2,394	268,972	5) e)
Unappropriated earnings	1,614,810	(25,945)	1,588,865	4) and 5) e)
Exchange differences on translating foreign operations	(34,249)	31,052	(3,197)	5) e)

2) Reconciliation of consolidated statement of comprehensive income for the nine months ended September 30, 2012

	ROC GAAP	Effect of Transition to IFRSs	IFRSs	Note
Operating revenue	\$ 9,945,093	\$ 65,060	\$ 10,010,153	5) e)
Operating cost	(4,438,030)	(29,036)	(4,467,066)	5) e)
Operating expenses	(4,468,400)	(31,289)	(4,499,689)	5) e) and 5) f)
Other income and expenses	120,713	736	121,449	5) e)
Income tax expense	(321,425)	(2,194)	(323,619)	5) e)
Income for non-controlling interest, net of tax	<u>(27,047)</u>	<u>(177)</u>	<u>(27,224)</u>	5) e)
Net income	810,904	3,100	814,004	
Other comprehensive income				
Exchange differences on translating foreign operations	5,609	(136,699)	(131,090)	5) e)
Net comprehensive income	<u>\$ 816,513</u>	<u>\$ (133,599)</u>	<u>\$ 682,914</u>	

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

	ROC GAAP	Effect of Transition to IFRSs	IFRSs	Note
Operating revenue	\$ 3,451,847	\$ 83,862	\$ 3,535,709	5) e)
Operating cost	(1,560,698)	(37,403)	(1,598,101)	5) e)
Operating expenses	(1,589,904)	(39,418)	(1,629,322)	5) e) and 5) f)
Other income and expenses	61,689	1,503	63,192	5) e)
Income tax expense	(102,614)	(2,719)	(105,333)	5) e)
Income for non-controlling interest, net of tax	<u>(10,863)</u>	<u>(227)</u>	<u>(11,090)</u>	5) e)
Net income	249,457	5,598	255,055	
Other comprehensive income				
Exchange differences on translating foreign operations	1,926	(40,013)	(38,087)	5) e)
Net comprehensive income	<u>\$ 251,383</u>	<u>\$ (34,415)</u>	<u>\$ 216,968</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.

GOURMET MASTER CO. LTD. AND SUBSIDIARIES

LENDING FUNDS TO OTHERS
 SEPTEMBER 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	\$ 48,330 (RMB 10,000)	\$ -	\$ -	3.75	For short-term financing	\$ -	Working capital loan	\$ -	-	\$ -	\$ 603,431	\$ 1,206,862
		Shenzheng 85 Food & Beverage Ltd.	Other receivable - related parties	48,330 (RMB 10,000)	-	-	3.75	For short-term financing	-	Working capital loan	-	-	-	603,431	1,206,862
		Wuhan Jing Way Food & Beverage Ltd.	Other receivable - related parties	96,660 (RMB 20,000)	96,660 (RMB 20,000)	96,660 (RMB 20,000)	3.75	For short-term financing	-	Working capital loan	-	-	-	603,431	1,206,862
		Sheng-Pin (Shenzheng) Food Ltd.	Other receivable - related parties	72,495 (RMB 15,000)	72,495 (RMB 15,000)	48,330 (RMB 10,000)	3.75	For short-term financing	-	Working capital loan	-	-	-	603,431	1,206,862
		Sheng-Pin (Wuhan) Food Ltd.	Other receivable - related parties	57,996 (RMB 12,000)	57,996 (RMB 12,000)	57,996 (RMB 12,000)	3.75	For short-term financing	-	Working capital loan	-	-	-	603,431	1,206,862
		Sheng-Pin (Shanghai) Food Ltd.	Other receivable - related parties	96,660 (RMB 20,000)	96,660 (RMB 20,000)	96,660 (RMB 20,000)	3.75	For short-term financing	-	Working capital loan	-	-	-	603,431	1,206,862
2	He-Shia Food & Beverage Ltd.	Sheng-Pin (Xiamen) Food Ltd.	Other receivable - related parties	72,495 (RMB 15,000)	48,330 (RMB 10,000)	-	3.75	For short-term financing	-	Working capital loan	-	-	-	603,431	1,206,862
		Fuzhou 85 Food & Beverage Ltd.	Other receivable - related parties	96,660 (RMB 20,000)	24,165 (RMB 5,000)	-	3.75	For short-term financing	-	Working capital loan	-	-	-	603,431	1,206,862
		Beijing 85 Food & Beverage Ltd.	Other receivable - related parties	193,320 (RMB 40,000)	193,320 (RMB 40,000)	193,320 (RMB 40,000)	3.75	For short-term financing	-	Working capital loan	-	-	-	603,431	1,206,862
		Sheng-Pin (Beijing) Food Ltd.	Other receivable - related parties	72,495 (RMB 15,000)	72,495 (RMB 15,000)	72,495 (RMB 15,000)	3.75	For short-term financing	-	Working capital loan	-	-	-	603,431	1,206,862
		Sheng-Pin (Shanghai) Food Ltd.	Other receivable - related parties	96,660 (RMB 20,000)	96,660 (RMB 20,000)	-	3.75	For short-term financing	-	Working capital loan	-	-	-	603,431	1,206,862
		Zhejiang 85 Food & Beverage Ltd.	Other receivable - related parties	24,165 (RMB 5,000)	24,165 (RMB 5,000)	-	3.75	For short-term financing	-	Working capital loan	-	-	-	603,431	1,206,862
		Shenzheng 85 Food & Beverage Ltd.	Other receivable - related parties	48,330 (RMB 10,000)	48,330 (RMB 10,000)	-	3.75	For short-term financing	-	Working capital loan	-	-	-	603,431	1,206,862
3	Comestibles Master Co., Ltd.	Perfect 85 Degrees C, Inc.	Other receivable - related parties	163,423 (US\$ 5,500)	163,423 (US\$ 5,500)	163,423 (US\$ 5,500)	3.75	For short-term financing	-	Working capital loan	-	-	-	603,431	1,206,862
		WinPin 85 Investments Inc.	Other receivable - related parties	53,484 (US\$ 1,800)	53,484 (US\$ 1,800)	53,484 (US\$ 1,800)	3.75	For short-term financing	-	Working capital loan	-	-	-	603,431	1,206,862
		Perfect 85 Degrees C, Inc.	Other receivable - related parties	53,484 (US\$ 1,800)	53,484 (US\$ 1,800)	53,484 (US\$ 1,800)	3.75	For short-term financing	-	Working capital loan	-	-	-	603,431	1,206,862

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.
 $\$6,034,309 \times 40\% = \$2,413,724$ (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.
 $\$6,034,309 \times 20\% = \$1,206,862$ (in thousands).
- The total amount for lending to a company for funding for a short-term period shall not exceed $\$6,034,309$ (in thousands) $\times 20\% = \$1,206,862$ (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 $\$6,034,309$ (in thousands) $\times 10\% = \$603,431$ (in thousands) of the net worth of Gourmet Master Co. Ltd.
- Transaction above is already written off in consolidated financial statements.

TABLE 2**GOURMET MASTER CO. LTD. AND SUBSIDIARIES****HOLDING OF SECURITIES AT THE END OF THE PERIOD****SEPTEMBER 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	September 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	\$ 1,297,795	100	\$ 1,297,795	
	Prime Scope Trading Limited	Subsidiary	Investments accounted for by the equity method	46,742,963	4,018,360	100	4,018,360	
	Prefect 85 Degree C, Inc.	Subsidiary	Investments accounted for by the equity method	4,301,000	256,937	100	256,937	Note
	85 Degrees Café International Pty. Ltd.	Subsidiary	Investments accounted for by the equity method	1,785,000	37,769	51	37,769	Note
	Lucky Bakery Limited	Subsidiary	Investments accounted for by the equity method	5,500,000	131,110	100	131,110	
	WinPin 85 Investments, Inc.	Subsidiary	Investments accounted for by the equity method	5,300,000	147,993	100	147,993	Note
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	8,393	-	13,605	
Perfect 85 Degrees C, Inc.	<u>Unlisted company</u> Golden 85 Investments, LLC	Subsidiary	Investments accounted for by the equity method	-	51,217	65	51,217	Note
Lucky Bakery Limited	Profit Sky International Limited	Investee accounted for using equity method	Investments accounted for by the equity method	-	82,289	50	82,289	Note
Profit Sky International Limited	Wincase Limited	Investee accounted for using equity method	Investments accounted for by the equity method	-	80,551	100	80,551	Note
	Worldinn Limited	Investee accounted for using equity method	Investments accounted for by the equity method	-	80,469	100	80,469	Note
85 Degree Co., Ltd.	Comestibles Master Co., Ltd.	Subsidiary	Investments accounted for by the equity method	17,054,268	1,281,245	100	1,281,245	
Comestibles Master Co., Ltd.	Mei Wei Master Co., Ltd.	Subsidiary	Investments accounted for by the equity method	2,060,600	7,183	100	7,183	Note
	The Hot Pot Food and Beverage Management Co., Ltd.	Investee accounted for using equity method	Investments accounted for by the equity method	11,400,000	104,476	42	104,476	Note

(Continued)

Holding Company	Marketable Securities Type and Issuer/Name	Security Issuer's Relationship with the Holding Company	Financial Statement Account	September 30, 2013				Note
				Shares/Units	Carrying Amount	Percentage of Ownership	Market Value or Net Asset Value	
Mei Wei Master Co., Ltd.	Mei Wei Fu Xing Ltd.	Subsidiary	Investments accounted for by the equity method	-	\$ 2,330	60	\$ 2,330	Note
Prime Scope Trading Limited	Shanghai Gourmet Master Food & Beverage Ltd.	Subsidiary	Investments accounted for by the equity method	-	1,328,412	100	1,328,412	Note
	He-Shia Food & Beverage Ltd.	Subsidiary	Investments accounted for by the equity method	-	1,527,564	100	1,527,564	
	Sheng-Pin (Hangzhou) Food Ltd.	Subsidiary	Investments accounted for by the equity method	-	117,234	100	117,234	
	He-Shia (Nanjing) Food & Beverage Ltd.	Subsidiary	Investments accounted for by the equity method	-	416,289	100	416,289	
	Beijing 85 Food & Beverage Ltd.	Subsidiary	Other liability	-	(33,311)	100	(33,311)	
	Zhejiang 85 Food & Beverage Ltd.	Subsidiary	Investments accounted for by the equity method	-	3,232	100	3,232	
	Sheng-Pin (Beijing) Food Ltd.	Subsidiary	Investments accounted for by the equity method	-	64,053	100	64,053	
	Fuzhou 85 Food & Beverage Ltd.	Subsidiary	Investments accounted for by the equity method	-	63,775	100	63,775	
	Sheng-Pin (Jiangsu) Food Ltd.	Subsidiary	Investments accounted for by the equity method	-	114,356	100	114,356	
	Sheng-Pin (Xiamen) Food Ltd.	Subsidiary	Investments accounted for by the equity method	-	5,305	100	5,305	
	Sheng-Pin (Qingdao) Food Ltd.	Subsidiary	Investments accounted for by the equity method	-	48,298	100	48,298	
	Xiamen 85 Food & Beverage Ltd.	Subsidiary	Investments accounted for by the equity method	-	31,951	100	31,951	
	Shenyang 85 Food & Beverage Ltd.	Subsidiary	Other liability	-	(2,474)	100	(2,474)	
	Sheng-Pin (Shenyang) Food Ltd.	Subsidiary	Investments accounted for by the equity method	-	97,557	100	97,557	
	85 Degree (Qingdao) Food & Beverage Management Ltd.	Subsidiary	Investments accounted for by the equity method	-	76,218	100	76,218	
	85 Degree (Jiangsu) Food Ltd.	Subsidiary	Investments accounted for by the equity method	-	227,503	68	227,503	
Shanghai Gourmet Master Food & Beverage Ltd.	Sheng-Pin (Shanghai) Food Ltd.	Subsidiary	Investments accounted for by the equity method	-	85,202	100	85,202	Note
	Mai-Jai (Shanghai) Food Ltd.	Subsidiary	Investments accounted for by the equity method	-	44,442	100	44,442	
	Shanghai Howco Jing Way Food & Beverage Ltd.	Subsidiary	Investments accounted for by the equity method	-	93,600	100	93,600	
	Shenzheng 85 Food & Beverage Ltd.	Subsidiary	Other liability	-	(37,039)	85	(37,039)	
	Chengdu 85 Food & Beverage Ltd.	Subsidiary	Investments accounted for by the equity method	-	25,565	100	25,565	
	Sheng-Pin (Wuhan) Food Ltd.	Subsidiary	Other liability	-	(10,351)	100	(10,351)	
	Wuhan Jing Way Food & Beverage Ltd.	Subsidiary	Other liability	-	(31,835)	100	(31,835)	Note

(Continued)

Holding Company	Marketable Securities Type and Issuer/Name	Security Issuer's Relationship with the Holding Company	Financial Statement Account	September 30, 2013				Note
				Shares/Units	Carrying Amount	Percentage of Ownership	Market Value or Net Asset Value	
	Jianxi Jing Way Food & Beverage Ltd.	Subsidiary	Investments accounted for by the equity method	-	\$ 23,676	100	\$ 23,676	Note
	Jin Wei Industrial (Shanghai) Ltd.	Subsidiary	Investments accounted for by the equity method	-	38,096	100	38,096	Note
	Guangzhou 85 Degree Food & Beverage Management Ltd.	Subsidiary	Investments accounted for by the equity method	-	26,162	100	26,162	Note
	Chengdu Maijia Food Co., Ltd.	Subsidiary	Other liability	-	(795)	100	(795)	
	85 Degree (Jiangsu) Food Ltd.	Subsidiary	Investments accounted for by the equity method	-	73,831	32	73,831	
Shenzheng 85 Food & Beverage Ltd.	Sheng Pin (Shenzheng) Food & Beverage Ltd.	Subsidiary	Other liability		(19,088)	100	(19,088)	Note
85 Degree (Qingdao) Food & Beverage Management Ltd.	Qingdao Jie Wei Food & Beverage Management Ltd.	Subsidiary	Investments accounted for by the equity method	-	7,160	100	7,160	Note

Note: Carrying amount and market value was based on the net assets of investee, which was not audited, as of September 30, 2013.

(Concluded)

TABLE 3

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
SEPTEMBER 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	-	Subsidiary	41,742,963	\$ 1,240,321 (US\$ 41,743)	5,000,000	\$ 148,566 (US\$ 5,000)	-	\$ -	\$ -	\$ -	46,742,963	\$ 1,388,887 (US\$ 46,743)
Prime Scope Trading Limited	85 Degree (Jiangsu) Food Ltd.	Investments accounted for using equity method	-	Subsidiary	-	-	-	148,566 (US\$ 5,000)	-	-	-	-	-	148,566 (US\$ 5,000)
Gourmet Master Co. Ltd.	WinPin 85 Investments, Inc.	Investments accounted for using equity method	-	Subsidiary	1,600,000	47,541 (US\$ 1,600)	3,700,000	109,939 (US\$ 3,700)	-	-	-	-	5,300,000	157,480 (US\$ 5,300)

TABLE 4

GOURMET MASTER CO. LTD. AND SUBSIDIARIES

**ACQUISITION OF REAL ESTATE REACHING NT\$100 MILLION OR 20 PERCENT OF PAID-IN CAPITAL OR MORE
SEPTEMBER 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.	Building	May 31, 2013	\$ 136,070	Totally paid	ChengduYabo Paper Product Co., Ltd. etc.	-	-	-	-	\$ -	Price comparison and authorized by the Board of Directors	Operating purpose	None
Comestibles Master Co., Ltd.	Building	August 14, 2013	181,260	\$106,633 has been paid (classified under Construction in process)	Highwealth Construction Corp.	-	-	-	-	-	Price comparison and negotiated by the contracts	Operating purpose	None

TABLE 5

GOURMET MASTER CO. LTD. AND SUBSIDIARIES

**PURCHASES OR SALE OF GOODS FROM OR TO RELATED PARTIES REACHING NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL OR MORE
SEPTEMBER 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	\$ 404,603	4	60 days	Based on the Group's transfer pricing policy	-	-	\$ -	-	Note
	He-Shia (Shanghai) Food & Beverage Ltd.	Affiliated company	Sales	140,808	1	In advance	Based on the Group's transfer pricing policy	-	Receipts in advance	(61,935)	(10)	Note
	Jin Wei Industrial (Shanghai) Food Ltd.	Affiliated company	Sales	158,460	1	60 days	Based on the Group's transfer pricing policy	-	Accounts receivable	142,027	49	Note
Sheng-Pin (Jiangsu) Food Ltd.	He-Shia (Nanjing) Food & Beverage Ltd.	Affiliated company	Sales	401,521	4	60 days	Based on the Group's transfer pricing policy	-	-	-	-	Note
	He-Shia (Shanghai) Food & Beverage Ltd.	Affiliated company	Sales	102,869	1	60 days	Based on the Group's transfer pricing policy	-	-	-	-	Note
Sheng-Pin (Hangzhou) Food Ltd.	Shanghai Gourmet Master Food & Beverage Ltd.	Affiliated company	Sales	231,116	2	60 days	Based on the Group's transfer pricing policy	-	Accounts receivable	128,132	44	Note
	He-Shia Food & Beverage Ltd.	Affiliated company	Sales	242,932	2	In advance	Based on the Group's transfer pricing policy	-	Receipts in advance	(130,984)	(21)	Note
Sheng-Pin (Beijing) Food Ltd.	Beijing 85 Food & Beverage Ltd.	Affiliated company	Sales	206,787	2	60 days	Based on the Group's transfer pricing policy	-	Accounts receivable	115,514	40	Note
Sheng-Pin (Xiamen) Food Ltd.	Fuzhou 85 Food & Beverage Ltd.	Affiliated company	Sales	133,323	1	60 days	Based on the Group's transfer pricing policy	-	-	-	-	Note

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

TABLE 6

GOURMET MASTER CO. LTD. AND SUBSIDIARIES

**TRADE RECEIVABLES FROM RELATED PARTIES REACHING NT\$100 MILLION OR 20 PERCENT OF PAID-IN-CAPITAL OR MORE
SEPTEMBER 30, 2013**

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

Company Name	Related Party	Nature of Relationships	Ending Balance (Foreign Currencies in Thousands)	Turnover Ratio	Overdue		Amounts Received in Subsequent Period	Allowance for Amount Action Taken Bad Debts
					Amount	Action Taken		
Comestibles Master Co., Ltd.	Perfect 85 Degrees C, Inc.	Affiliated company	\$ 216,907	(Note)	\$ -	-	\$ -	\$ -
Shanghai Gourmet Master Food & Beverage Ltd.	Sheng-Pin (Hangzhou) Food Ltd. Chengdu Maijia Food Co., Ltd.	Affiliated company	128,132	3.28	-	-	-	-
		Subsidiary	126,252	(Note)	-	-	-	-
He-Shia Food & Beverage Ltd.	Shanghai Gourmet Master Food & Beverage Ltd. Sheng-Pin (Xiamen) Food Ltd. Beijing 85 Food & Beverage Ltd.	Affiliated company	230,853	(Note)	-	-	-	-
		Affiliated company	115,683	(Note)	-	-	-	-
		Affiliated company	193,320	(Note)	-	-	-	-
Beijing 85 Food & Beverage Ltd.	Sheng-Pin (Beijing) Food Ltd.	Affiliated company	115,514	2.51	-	-	-	-
Jin Wei Industrial (Shanghai) Ltd.	Sheng-Pin (Shanghai) Food Ltd.	Affiliated company	142,027	1.42	-	-	-	-

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

TABLE 7

GOURMET MASTER CO. LTD. AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEEES
SEPTEMBER 30, 2013
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		September 30, 2013			Net Income (Loss) of the Investee	Investment Income (Loss) Recognized	Note
				September 30, 2013	December 31, 2012	Shares	Percentage of Ownership	Carrying Amount			
Gourmet Master Co. Ltd.	85 Degree Co., Ltd.	Malaysia	Investment	\$ 553,447	\$ 553,447	12,899,078	100	\$ 1,297,795	\$ 213,732	\$ 213,732	(Note 1)
	Prime Scope Trading Limited	Hong Kong	Investment	1,388,887 (US\$ 46,743)	1,240,321 (US\$ 41,743)	46,742,963	100	4,018,360	288,875	288,875	
	Perfect 85 Degrees C, Inc.	USA	Investment	194,698 (US\$ 6,553)	194,698 (US\$ 6,553)	4,301,000	100	256,937	13,776	13,776	(Notes 1 and 2)
	85 Degrees Café International Pty. Ltd.	Australia	Grocery and drink retailing	49,114 (AUD 1,785)	49,114 (AUD 1,785)	1,785,000	51	37,769	(3,539)	(1,805)	(Notes 1 and 2)
	Lucky Bakery Limited	Samoa	Investment	163,423 (US\$ 5,500)	163,423 (US\$ 5,500)	5,500,000	100	131,110	(15,565)	(15,565)	(Note 1)
	WinPin 85 Investments, Inc.	USA	Grocery and drink retailing	157,480 (US\$ 5,300)	47,541 (US\$ 1,600)	5,300,000	100	147,993	(2,310)	(2,310)	(Notes 1 and 2)
Perfect 85 Degrees C, Inc.	Golden 85 Investments, LLC	USA	Grocery and drink retailing	58,577 (US\$ 1,971)	58,577 (US\$ 1,971)	-	65	51,217	70,196	(Note 3)	(Notes 1 and 2)
Lucky Bakery Limited	Profit Sky International Limited	Hong Kong	Grocery and drink retailing	114,390 (HK\$ 30,000)	114,390 (HK\$ 30,000)	-	50	82,289	(31,357)	(Note 3)	(Notes 1 and 2)
Profit Sky International Limited	Wincase Limited	Hong Kong	Grocery and drink retailing	106,764 (HK\$ 28,000)	106,764 (HK\$ 28,000)	-	100	80,551	(10,311)	(Note 3)	(Notes 1 and 2)
	Worldinn Limited	Hong Kong	Manufacturing of baking food and sale	114,390 (HK\$ 30,000)	114,390 (HK\$ 30,000)	-	100	80,469	(20,973)	(Note 3)	(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	1,281,245	217,424	(Note 3)	
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	7,183	(363)	(Note 3)	(Note 2)
	The Hot Pot Food and Beverage Management Co., Ltd.	Taichung City, Taiwan (R.O.C.)	Food and beverage; Grocery and drink retailing	114,000	114,000	11,400,000	42	104,476	(13,224)	(Note 3)	(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	2,330	240	(Note 3)	(Note 2)
Prime Scope Trading Limited	Shanghai Gourmet Master Food & Beverage Ltd.	Shanghai City	Grocery and drink retailing	295,974 (US\$ 9,961)	295,974 (US\$ 9,961)	-	100	1,328,412	15,117	(Note 3)	(Note 1)
	He-Shia Food & Beverage Ltd.	Shanghai City	Grocery and drink retailing	72,928 (US\$ 2,454)	72,928 (US\$ 2,454)	-	100	1,527,564	219,165	(Note 3)	(Note 1)
	Sheng-Pin (Hangzhou) Food Ltd.	Hangzhou City	Manufacturing of baking food and sale	59,427 (US\$ 2,000)	59,427 (US\$ 2,000)	-	100	117,234	32,607	(Note 3)	(Note 1)
	He-Shia (Nanjing) Food & Beverage Ltd.	Nanjing City	Grocery and drink retailing	59,427 (US\$ 2,000)	59,427 (US\$ 2,000)	-	100	416,289	109,825	(Note 3)	(Note 1)
	Beijing 85 Food & Beverage Ltd.	Beijing City	Grocery and drink retailing	59,427 (US\$ 2,000)	59,427 (US\$ 2,000)	-	100	(33,311)	(52,346)	(Note 3)	(Note 1)
	Zhejiang 85 Food & Beverage Ltd.	Hangzhou City	Grocery and drink retailing	59,427 (US\$ 2,000)	59,427 (US\$ 2,000)	-	100	3,232	(16,494)	(Note 3)	(Notes 1 and 2)
	Sheng-Pin (Beijing) Food Ltd.	Beijing City	Manufacturing of baking food and sale	118,853 (US\$ 4,000)	118,853 (US\$ 4,000)	-	100	64,053	(18,272)	(Note 3)	(Note 1)
	Fuzhou 85 Food & Beverage Ltd.	Fuzhou City	Grocery and drink retailing	14,857 (US\$ 500)	14,857 (US\$ 500)	-	100	63,775	44,350	(Note 3)	(Notes 1 and 2)

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		September 30, 2013			Net Income (Loss) of the Investee	Investment Income (Loss) Recognized	Note
				September 30, 2013	December 31, 2012	Shares	Percentage of Ownership	Carrying Amount			
Shanghai Gourmet Master Food & Beverage Ltd.	Sheng-Pin (Jiangsu) Food Ltd.	Nanjing City	Manufacturing of baking food and sale	\$ 133,710 (US\$ 4,500)	\$ 133,710 (US\$ 4,500)	-	100	\$ 114,356	\$ 20,468	(Note 3)	(Note 1)
	Sheng-Pin (Xiamen) Food Ltd.	Xiamen City	Manufacturing of baking food and sale	59,427 (US\$ 2,000)	59,427 (US\$ 2,000)	-	100	5,305	(15,089)	(Note 3)	(Note 1)
	Sheng-Pin (Qingdao) Food Ltd.	Qingdao City	Manufacturing of baking food and sale	74,283 (US\$ 2,500)	74,283 (US\$ 2,500)	-	100	48,298	(16,633)	(Note 3)	(Notes 1 and 2)
	Xiamen 85 Food & Beverage Ltd.	Xiamen City	Grocery and drink retailing	29,713 (US\$ 1,000)	29,713 (US\$ 1,000)	-	100	31,951	1,433	(Note 3)	(Notes 1 and 2)
	Shenyang 85 Food & Beverage Ltd.	Shenyang City	Grocery and drink retailing	29,713 (US\$ 1,000)	29,713 (US\$ 1,000)	-	100	(2,474)	(28,341)	(Note 3)	(Notes 1 and 2)
	Sheng-Pin (Shenyang) Food Ltd.	Shenyang City	Manufacturing of baking food and sale	118,853 (US\$ 4,000)	118,853 (US\$ 4,000)	-	100	97,557	(17,851)	(Note 3)	(Note 1)
	85 Degree (Qingdao) Food & Beverage Management Ltd.	Qingdao City	Grocery and drink retailing	59,427 (US\$ 2,000)	59,427 (US\$ 2,000)	-	100	76,218	8,375	(Note 3)	(Notes 1 and 2)
	85 Degree (Jiangsu) Food Ltd.	Kunshan City	Manufacturing of baking food and sale	148,566 (US\$ 5,000)	-	-	68	227,503	4,095	(Note 3)	(Note 1)
	Sheng-Pin (Shanghai) Food Ltd.	Shanghai City	Manufacturing of baking food and sale	86,994 (RMB 18,000)	86,994 (RMB 18,000)	-	100	85,202	30,356	(Note 3)	(Note 1)
	Mai-Jai (Shanghai) Food Ltd.	Shanghai City	Manufacturing of baking food and sale	34,314 (RMB 7,100)	34,314 (RMB 7,100)	-	100	44,442	3,640	(Note 3)	(Notes 1 and 2)
	Shanghai Howco Jing Way Food & Beverage Ltd.	Shanghai City	Grocery and drink retailing	72,495 (RMB 15,000)	72,495 (RMB 15,000)	-	100	93,600	(912)	(Note 3)	(Notes 1 and 2)
	Shenzheng 85 Food & Beverage Ltd.	Shenzheng City	Grocery and drink retailing	54,897 (RMB 11,359)	54,897 (RMB 11,359)	-	85	(37,039)	(25,442)	(Note 3)	(Notes 1 and 2)
	Chengdu 85 Food & Beverage Ltd.	Chengdu City	Grocery and drink retailing	31,849 (RMB 6,590)	31,849 (RMB 6,590)	-	100	25,565	(7,711)	(Note 3)	(Notes 1 and 2)
	Sheng-Pin (Wuhan) Food Ltd.	Wuhan City	Manufacturing of baking food and sale	28,998 (RMB 6,000)	28,998 (RMB 6,000)	-	100	(10,351)	(21,514)	(Note 3)	(Note 1)
	Wuhan Jing Way Food & Beverage Ltd.	Wuhan City	Grocery and drink retailing	28,998 (RMB 6,000)	28,998 (RMB 6,000)	-	100	(31,835)	(34,148)	(Note 3)	(Notes 1 and 2)
	Jianxi Jing Way Food & Beverage Ltd.	Nanchang City	Grocery and drink retailing	28,998 (RMB 6,000)	28,998 (RMB 6,000)	-	100	23,676	(5,882)	(Note 3)	(Notes 1 and 2)
	Jin Wei Industrial (Shanghai) Ltd.	Shanghai City	Grocery sale	9,666 (RMB 2,000)	9,666 (RMB 2,000)	-	100	38,096	5,034	(Note 3)	(Notes 1 and 2)
	Guangzhou 85 Degree Food & Beverage Management Ltd.	Guangzhou City	Grocery and drink retailing	28,998 (RMB 6,000)	28,998 (RMB 6,000)	-	100	26,162	(2,854)	(Note 3)	(Notes 1 and 2)
	Chengdu Maijia Food Co., Ltd.	Chengdu City	Manufacturing of baking food and sale	9,666 (RMB 2,000)	-	-	100	(795)	(10,405)	(Note 3)	(Note 1)
	85 Degree (Jiangsu) Food Ltd.	Kunshan City	Manufacturing of baking food and sale	72,495 (RMB 15,000)	-	-	32	73,831	4,095	(Note 3)	(Note 1)
Shenzheng 85 Food & Beverage Ltd.	Sheng-Pin (Shenzheng) Food & Beverage Ltd.	Shenzheng City	Manufacturing of baking food and sale	31,415 (RMB 6,500)	31,415 (RMB 6,500)	-	100	(19,088)	(12,047)	(Note 3)	(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	7,250 (RMB 1,500)	7,250 (RMB 1,500)	-	100	7,160	609	(Note 3)	(Notes 1 and 2)

Note 1: The exchange rate was US\$1=NT\$29.71; RMB1=NT\$4.833; AUD1=NT\$27.51; HK\$1=NT\$3.813 as of September 30, 2013.

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

Note 3: The share of profits/losses of the investee company is not reflected herein as such amount is already included in the share of profits/losses of the investor company.

(Concluded)

TABLE 8

GOURMET MASTER CO. LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2013

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

Nine months ended September 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	\$ 216,907	Financings provided, annual interest rate 3.75%	2
		WinPin 85 Investments Inc.	3	Other receivables/payables	53,484	Financings provided, annual interest rate 3.75%	1
2	Shanghai Gourmet Master Food & Beverage Ltd.	Sheng-Pin (Shanghai) Food Ltd.	3	Other receivables/payables	96,660	Financings provided, annual interest rate 3.75%	1
		Sheng-Pin (Shanghai) Food Ltd.	3	Purchases/sales	404,603	60 days	4
		He-Shia (Nanjing) Food & Beverage Ltd.	3	Other receivables/payables	48,891	-	1
		Sheng-Pin (Shenzhen) Food Ltd.	3	Other receivables/payables	51,742	-	1
		Sheng-Pin (Shenzhen) Food Ltd.	3	Other receivables/payables	48,330	Financings provided, annual interest rate 3.75%	1
		Wuhan Jing Way Food & Beverage Ltd.	3	Other receivables/payables	96,660	Financings provided, annual interest rate 3.75%	1
		Sheng-Pin (Shenyang) Food Ltd.	3	Other receivables/payables	60,393	-	1
		Sheng-Pin (Wuhan) Food Ltd.	3	Other receivables/payables	57,996	Financings provided, annual interest rate 3.75%	1
		Sheng-Pin (Hangzhou) Food Ltd.	3	Purchases/sales	231,116	60 days	2
		Sheng-Pin (Hangzhou) Food Ltd.	3	Accounts receivable/payable	128,132	60 days	1
		Chengdu Maijia Food Co., Ltd.	3	Other receivables/payables	126,252	-	1
		Shanghai Maijia Food Co., Ltd.	3	Other receivables/payables	57,145	-	1
3	He-Shia Food & Beverage Ltd.	Shanghai Gourmet Master Food & Beverage Ltd.	3	Other receivables/payables	230,853	-	3
		Sheng-Pin (Beijing) Food Ltd.	3	Other receivables/payables	63,109	-	1
		Sheng-Pin (Beijing) Food Ltd.	3	Other receivables/payables	72,495	Financings provided, annual interest rate 3.75%	1
		Sheng-Pin (Hangzhou) Food Ltd.	3	Purchases/sales	242,932	In advance	2
		Sheng-Pin (Hangzhou) Food Ltd.	3	Prepayments/receipts in advance	130,984	-	1
		Sheng-Pin (Xiamen) Food Ltd.	3	Other receivables/payables	115,683	-	2
		Sheng-Pin (Shanghai) Food Ltd.	3	Prepayments/receipts in advance	61,935	-	1
		Sheng-Pin (Shanghai) Food Ltd.	3	Purchases/sales	140,808	In advance	1
		Sheng-Pin (Shenyang) Food Ltd.	3	Other receivables/payables	72,737	-	1
		Sheng-Pin (Jiangsu) Food Ltd.	3	Purchases/sales	102,869	60 days	1
		Sheng-Pin (Shenzhen) Food Ltd.	3	Purchases/sales	58,445	60 days	1

(Continued)

No.	Company Name	Counterparty	Natural of Relationship (Note 1)	Intercompany Transactions			
				Accounts	Amount	Terms	Percentage of Consolidated Total Gross Sales or Total Assets (%)
		Beijing 85 Food & Beverage Ltd.	3	Other receivables/payables	\$ 193,320	Financings provided, annual interest rate 3.75%	2
		Shenyang 85 Food & Beverage Ltd.	3	Other receivables/payables	54,328	-	1
4	Beijing 85 Food & Beverage Ltd.	Sheng-Pin (Beijing) Food Ltd.	3	Purchases/sales	206,787	60 days	2
		Sheng-Pin (Beijing) Food Ltd.	3	Accounts payable/receivable	115,514	60 days	1
5	He-Shia (Nanjing) Food & Beverage Ltd.	Sheng-Pin (Jiangsu) Food Ltd.	3	Purchases/sales	401,521	60 days	4
		Sheng-Pin (Hangzhou) Food Ltd.	3	Purchases/sales	53,999	60 days	-
6	Jin Wei Industrial (Shanghai) Ltd.	Sheng-Pin (Shanghai) Food Ltd.	3	Accounts payable/receivable	142,027	60 days	2
		Sheng-Pin (Shanghai) Food Ltd.	3	Purchases/sales	158,460	60 days	1
7	85 Degree (Jiangsu) Food Ltd.	Sheng-Pin (Jiangsu) Food Ltd.	3	Accounts payable/receivable	51,670	60 days	1
		Sheng-Pin (Jiangsu) Food Ltd.	3	Purchases/sales	52,153	60 days	-
8	Sheng-Pin (Wuhan) Food Ltd.	Wuhan Jing Way Food & Beverage Ltd.	3	Purchases/sales	58,818	60 days	1
9	Zhejiang 85 Food & Beverage Ltd.	Sheng-Pin (Hangzhou) Food Ltd.	3	Accounts payable/receivable	73,660	60 days	1
		Sheng-Pin (Hangzhou) Food Ltd.	3	Purchases/sales	65,651	60 days	1
10	Fuzhou 85 Food & Beverage Ltd.	Sheng-Pin (Xiamen) Food Ltd.	3	Purchases/sales	133,323	60 days	1
11	Sheng-Pin (Jiangsu) Food Ltd.	Sheng-Pin (Shanghai) Food Ltd.	3	Purchases/sales	53,912	60 days	-
12	Mai-Jai (Shanghai) Food Ltd.	Sheng-Pin (Shanghai) Food Ltd.	3	Accounts receivable/payable	77,265	60 days	1
		Sheng-Pin (Hangzhou) Food Ltd.	3	Accounts receivable/payable	58,170	60 days	1

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 12 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)

TABLE 9

GOURMET MASTER CO. LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE NINE MONTHS ENDED SEPTEMBER 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 September 30, 2013	Percentage of Ownership	Investment Income (Loss) Recognized	Carrying Amount as of September 30, 2013	Accumulated inward Remittance of Earnings as of September 30, 2013
					Outflow	Inflow					
Prime Scope Trading Limited											
Shanghai Gourmet Master Food & Beverage Ltd.	Grocery and drink retailing	\$ 295,974 (US\$ 9,961)	Direct investment	\$ -	\$ -	\$ -	\$ -	100	\$ 15,117	\$ 1,328,412	\$ -
He-Shia Food & Beverage Ltd.	Grocery and drink retailing	72,928 (US\$ 2,454)	Direct investment	-	-	-	-	100	291,165	1,527,564	-
Sheng-Pin (Hangzhou) Food Ltd.	Manufacturing of baking food and sale	59,427 (US\$ 2,000)	Direct investment	-	-	-	-	100	32,607	117,234	-
He-Shia (Nanjing) Food & Beverage Ltd.	Grocery and drink retailing	59,427 (US\$ 2,000)	Direct investment	-	-	-	-	100	109,825	416,289	-
Beijing 85 Food & Beverage Ltd.	Grocery and drink retailing	59,427 (US\$ 2,000)	Direct investment	-	-	-	-	100	(52,346)	(33,311)	-
Zhejiang 85 Food & Beverage Ltd.	Grocery and drink retailing	59,427 (US\$ 2,000)	Direct investment	-	-	-	-	100	(16,494)	3,232	-
Sheng-Pin (Beijing) Food Ltd.	Manufacturing of baking food and sale	118,853 (US\$ 4,000)	Direct investment	-	-	-	-	100	(18,272)	64,053	-
Fuzhou 85 Food & Beverage Ltd.	Grocery and drink retailing	14,857 (US\$ 500)	Direct investment	-	-	-	-	100	44,350	63,775	-
Sheng-Pin (Jiangsu) Food Ltd.	Manufacturing of baking food and sale	133,710 (US\$ 4,500)	Direct investment	-	-	-	-	100	20,468	114,356	-
Sheng-Pin (Xiamen) Food Ltd.	Manufacturing of baking food and sale	59,427 (US\$ 2,000)	Direct investment	-	-	-	-	100	(15,089)	5,305	-
Sheng-Pin (Qingdao) Food Ltd.	Manufacturing of baking food and sale	74,283 (US\$ 2,500)	Direct investment	-	-	-	-	100	(16,633)	48,298	-
Xiamen 85 Food & Beverage Ltd.	Grocery and drink retailing	29,713 (US\$ 1,000)	Direct investment	-	-	-	-	100	1,433	31,951	-
Shenyang 85 Food & Beverage Ltd.	Grocery and drink retailing	29,713 (US\$ 1,000)	Direct investment	-	-	-	-	100	(28,341)	(2,474)	-
Sheng-Pin (Shenyang) Food Ltd.	Manufacturing of baking food and sale	118,853 (US\$ 4,000)	Direct investment	-	-	-	-	100	(17,851)	97,557	-
85 Degree (Qingdao) Food & Beverage Management Ltd.	Grocery and drink retailing	59,427 (US\$ 2,000)	Direct investment	-	-	-	-	100	8,375	76,218	-
85 Degree (Jiangsu) Food Ltd.	Manufacturing of baking food and sale	148,566 (US\$ 5,000)	Direct investment	-	-	-	-	68	2,766	227,503	-
Shanghai Gourmet Master Food & Beverage Ltd.											
Sheng-Pin (Shanghai) Food Ltd.	Manufacturing of baking food and sale	86,994 (RMB 18,000)	Direct investment	-	-	-	-	100	30,356	85,202	-
Mai-Jai (Shanghai) Food Ltd.	Manufacturing of baking food and sale	34,314 (RMB 7,100)	Direct investment	-	-	-	-	100	3,442	44,442	-
Shanghai Howco Jing Way Food & Beverage Ltd.	Grocery and drink retailing	72,495 (RMB 15,000)	Direct investment	-	-	-	-	100	(912)	93,600	-
Shenzhen 85 Food & Beverage Ltd.	Grocery and drink retailing	54,897 (RMB 11,359)	Direct investment	-	-	-	-	85	(21,626)	(37,039)	-
Chengdu 85 Food & Beverage Ltd.	Grocery and drink retailing	31,849 (RMB 6,590)	Direct investment	-	-	-	-	100	(7,711)	25,565	-
Sheng-Pin (Wuhan) Food Ltd.	Manufacturing of baking food and sale	28,998 (RMB 6,000)	Direct investment	-	-	-	-	100	(21,514)	(10,351)	-

(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 September 30, 2013	Percentage of Ownership	Investment Income (Loss) Recognized	Carrying Amount as of September 30, 2013	Accumulated inward Remittance of Earnings as of September 30, 2013
					Outflow	Inflow					
Wuhan Jing Way Food & Beverage Ltd.	Grocery and drink retailing	\$ 28,998 (RMB 6,000)	Direct investment	\$ -	\$ -	\$ -	\$ -	100	\$ (34,148)	\$ (31,835)	\$ -
Jianxi Jing Way Food & Beverage Ltd.	Grocery and drink retailing	28,998 (RMB 6,000)	Direct investment	-	-	-	-	100	(5,882)	23,676	-
Jin Wei Industrial (Shanghai) Ltd.	Grocery sale	9,666 (RMB 2,000)	Direct investment	-	-	-	-	100	5,034	38,096	-
Guangzhou 85 Degree Food & Beverage Management Ltd.	Grocery and drink retailing	28,998 (RMB 6,000)	Direct investment	-	-	-	-	100	(2,854)	26,162	-
Chengdu Maijia Food Co., Ltd.	Manufacturing of baking food and sale	9,666 (RMB 2,000)	Direct investment	-	-	-	-	100	(10,405)	(795)	-
85 Degree (Jiangsu) Food Ltd.	Manufacturing of baking food and sale	72,495 (RMB 15,000)	Direct investment	-	-	-	-	32	1,329	73,831	-
Shenzheng 85 Food & Beverage Ltd. Sheng-Pin (Shenzheng) Food & Beverage Ltd.	Manufacturing of baking food and sale	31,415 (RMB 6,500)	Direct investment	-	-	-	-	100	(12,047)	(19,088)	-
85 Degree (Qingdao) Food & Beverage Management Ltd. Qingdao Jie Wei Food & Beverage Management Ltd.	Grocery and drink retailing	7,250 (RMB 1,500)	Direct investment	-	-	-	-	100	609	7,160	-

Accumulated Investment in Mainland China as of September 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\$29.71, RMB1= NT\$4.833 as of September 30, 2013.

(Concluded)