

Gourmet Master Co. Ltd. and Subsidiaries

**Consolidated Financial Statements for the
Nine Months Ended September 30, 2014 and 2013 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

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

We have reviewed the accompanying consolidated balance sheets of Gourmet Master Co. Ltd. (the "Company") and its subsidiaries as of September 30, 2014 and 2013 and the related consolidated statements of comprehensive income for the three months ended September 30, 2014 and 2013, nine months ended September 30, 2014 and 2013, and changes in equity and cash flows for the nine months ended September 30, 2014 and 2013. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these consolidated financial statements based on our reviews.

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

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

November 5, 2014

Notice to Readers

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

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

GOURMET MASTER CO. LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

	September 30, 2014 (Reviewed)		December 31, 2013 (Audited)		September 30, 2013 (Reviewed)	
	Amount	%	Amount	%	Amount	%
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 2,364,502	26	\$ 2,503,716	28	\$ 2,550,379	29
Financial assets at fair value through profit or loss - current	-	-	-	-	8,393	-
Debt investments with no active market - current (Notes 7 and 27)	224,598	2	285,695	3	214,105	3
Notes receivable	67	-	1,041	-	1,524	-
Trade receivables (Note 8)	196,333	2	236,397	3	289,113	3
Other receivables	60,865	1	60,453	1	100,205	1
Current tax assets	6,242	-	43,139	-	21,469	-
Inventories (Note 9)	526,112	6	455,331	5	466,083	5
Prepayments (Note 12)	359,756	4	396,800	5	294,911	4
Other current assets (Note 12)	12,593	-	12,607	-	12,071	-
Total current assets	<u>3,751,068</u>	<u>41</u>	<u>3,995,179</u>	<u>45</u>	<u>3,958,253</u>	<u>45</u>
NONCURRENT ASSETS						
Debt investments with no active market - noncurrent (Note 7)	-	-	-	-	200	-
Investments accounted for using equity method (Note 10)	117,835	1	188,759	2	186,765	2
Property, plant and equipment (Notes 11 and 27)	4,443,452	48	3,899,390	44	3,888,737	44
Intangible assets	76,684	1	74,355	1	71,525	1
Deferred tax assets	68,321	1	63,346	1	51,977	1
Prepaid equipment (Note 12)	229,873	2	175,661	2	153,647	2
Refundable deposits (Note 12)	488,468	5	418,421	5	414,161	5
Other noncurrent assets (Note 12)	71,607	1	13,328	-	15,929	-
Total noncurrent assets	<u>5,496,240</u>	<u>59</u>	<u>4,833,260</u>	<u>55</u>	<u>4,782,941</u>	<u>55</u>
TOTAL	<u>\$ 9,247,308</u>	<u>100</u>	<u>\$ 8,828,439</u>	<u>100</u>	<u>\$ 8,741,194</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Notes payable	\$ 2	-	\$ 296	-	\$ 221	-
Trade payables (Note 13)	855,626	9	812,497	9	769,424	9
Other payables (Note 14)	1,151,342	12	934,551	11	1,055,829	12
Current tax liabilities	71,519	1	98,554	1	103,012	1
Receipts in advance (Note 14)	612,407	7	568,626	7	638,609	7
Current portion of long-term borrowings	-	-	-	-	367	-
Other current liabilities (Note 14)	17,893	-	23,280	-	12,278	-
Total current liabilities	<u>2,708,789</u>	<u>29</u>	<u>2,437,804</u>	<u>28</u>	<u>2,579,740</u>	<u>29</u>
NONCURRENT LIABILITIES						
Decommission, restoration and rehabilitation provisions (Note 14)	42,893	1	29,233	-	22,295	-
Deferred tax liabilities	1,189	-	-	-	-	-
Guarantee deposits received (Note 14)	91,006	1	87,248	1	45,966	1
Total noncurrent liabilities	<u>135,088</u>	<u>2</u>	<u>116,481</u>	<u>1</u>	<u>68,261</u>	<u>1</u>
Total liabilities	<u>2,843,877</u>	<u>31</u>	<u>2,554,285</u>	<u>29</u>	<u>2,648,001</u>	<u>30</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 15)						
Share capital	1,411,200	15	1,411,200	16	1,411,200	16
Capital surplus						
Additional paid-in capital	2,681,126	29	2,681,126	30	2,681,126	31
Retained earnings						
Reserve	424,109	5	366,706	4	366,706	4
Special reserve	38,098	-	38,098	-	38,098	-
Unappropriated earnings	1,561,153	17	1,487,603	17	1,395,981	16
Total retained earnings	2,023,360	22	1,892,407	21	1,800,785	20
Other equity	237,552	3	218,237	3	141,198	2
Total equity attributable to owners of the Company	6,353,238	69	6,202,970	70	6,034,309	69
NON-CONTROLLING INTERESTS	50,193	-	71,184	1	58,884	1
Total equity	<u>6,403,431</u>	<u>69</u>	<u>6,274,154</u>	<u>71</u>	<u>6,093,193</u>	<u>70</u>
TOTAL	<u>\$ 9,247,308</u>	<u>100</u>	<u>\$ 8,828,439</u>	<u>100</u>	<u>\$ 8,741,194</u>	<u>100</u>

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

GOURMET MASTER CO. LTD. AND SUBSIDIARIES

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2014		2013		2014		2013	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 16 and 31)	\$ 4,736,857	100	\$ 4,004,767	100	\$ 13,079,073	100	\$ 11,182,073	100
OPERATING COSTS	<u>(2,158,222)</u>	<u>(45)</u>	<u>(1,798,446)</u>	<u>(45)</u>	<u>(5,756,042)</u>	<u>(44)</u>	<u>(4,937,902)</u>	<u>(44)</u>
GROSS PROFIT	<u>2,578,635</u>	<u>55</u>	<u>2,206,321</u>	<u>55</u>	<u>7,323,031</u>	<u>56</u>	<u>6,244,171</u>	<u>56</u>
OPERATING EXPENSES								
Selling and marketing expenses	(2,173,747)	(46)	(1,755,241)	(44)	(6,069,181)	(47)	(4,901,939)	(44)
General and administrative expenses	(241,935)	(5)	(218,160)	(5)	(700,791)	(5)	(578,568)	(5)
Research and development expenses	<u>(4,819)</u>	<u>-</u>	<u>(4,159)</u>	<u>-</u>	<u>(23,975)</u>	<u>-</u>	<u>(12,672)</u>	<u>-</u>
Total operating expenses	<u>(2,420,501)</u>	<u>(51)</u>	<u>(1,977,560)</u>	<u>(49)</u>	<u>(6,793,947)</u>	<u>(52)</u>	<u>(5,493,179)</u>	<u>(49)</u>
OPERATING INCOME	<u>158,134</u>	<u>4</u>	<u>228,761</u>	<u>6</u>	<u>529,084</u>	<u>4</u>	<u>750,992</u>	<u>7</u>
NONOPERATING INCOME AND EXPENSES (Note 17)								
Other income	71,714	1	89,029	2	140,398	1	138,631	1
Share of the profit or loss of associates and joint ventures	(10,432)	-	(6,918)	-	(18,646)	-	(17,956)	-
Other gains and losses	<u>(8,804)</u>	<u>-</u>	<u>(64,847)</u>	<u>(2)</u>	<u>(64,218)</u>	<u>-</u>	<u>(104,713)</u>	<u>(1)</u>
Total nonoperating income and expenses	<u>52,478</u>	<u>1</u>	<u>17,264</u>	<u>-</u>	<u>57,534</u>	<u>1</u>	<u>15,962</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	210,612	5	246,025	6	586,618	5	766,954	7
INCOME TAX EXPENSE (Notes 4 and 19)	<u>(78,868)</u>	<u>(2)</u>	<u>(81,988)</u>	<u>(2)</u>	<u>(256,122)</u>	<u>(2)</u>	<u>(267,320)</u>	<u>(2)</u>
NET PROFIT FOR THE PERIOD	<u>131,744</u>	<u>3</u>	<u>164,037</u>	<u>4</u>	<u>330,496</u>	<u>3</u>	<u>499,634</u>	<u>5</u>
OTHER COMPREHENSIVE INCOME								
Exchange differences on translating foreign operations	<u>117,886</u>	<u>2</u>	<u>(57,539)</u>	<u>(1)</u>	<u>19,626</u>	<u>-</u>	<u>144,899</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 249,630</u>	<u>5</u>	<u>\$ 106,498</u>	<u>3</u>	<u>\$ 350,122</u>	<u>3</u>	<u>\$ 644,533</u>	<u>6</u>
NET PROFIT ATTRIBUTABLE TO:								
Owner of the Company	\$ 124,363	3	\$ 157,618	4	\$ 315,786	3	\$ 482,410	4
Non-controlling interests	<u>7,381</u>	<u>-</u>	<u>6,419</u>	<u>-</u>	<u>14,710</u>	<u>-</u>	<u>17,224</u>	<u>-</u>
	<u>\$ 131,744</u>	<u>3</u>	<u>\$ 164,037</u>	<u>4</u>	<u>\$ 330,496</u>	<u>3</u>	<u>\$ 499,634</u>	<u>4</u>

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GOURMET MASTER CO. LTD. AND SUBSIDIARIES

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2014		2013		2014		2013	
	Amount	%	Amount	%	Amount	%	Amount	%
TOTAL COMPREHENSIVE INCOME								
ATTRIBUTABLE TO:								
Owner of the Company	\$ 244,049	5	\$ 101,554	3	\$ 335,101	3	\$ 630,977	6
Non-controlling interests	<u>5,581</u>	-	<u>4,944</u>	-	<u>15,021</u>	-	<u>13,556</u>	-
	<u>\$ 249,630</u>	<u>5</u>	<u>\$ 106,498</u>	<u>3</u>	<u>\$ 350,122</u>	<u>3</u>	<u>\$ 644,533</u>	<u>6</u>
EARNINGS PER SHARE (Note 20)								
Basic	<u>\$0.88</u>		<u>\$1.12</u>		<u>\$2.24</u>		<u>\$3.42</u>	

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

(Concluded)

GOURMET MASTER CO. LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	Equity Attributable to the Owners of the Company					Other Equity Exchange Differences on Translating Foreign Operations	Total	Non-controlling Interests	Total Equity
	Share Capital	Capital Surplus	Retained Earnings		Unappropriated Earnings				
			Reserve	Special Reserve					
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	<u>\$ 1,411,200</u>	<u>\$ 2,681,126</u>	<u>\$ 366,706</u>	<u>\$ 38,098</u>	<u>\$ 1,395,981</u>	<u>\$ 141,198</u>	<u>\$ 6,034,309</u>	<u>\$ 58,884</u>	<u>\$ 6,093,193</u>
BALANCE AT JANUARY 1, 2014	\$ 1,411,200	\$ 2,681,126	\$ 366,706	\$ 38,098	\$ 1,487,603	\$ 218,237	\$ 6,202,970	\$ 71,184	\$ 6,274,154
Appropriation of 2013 earning									
Reserve	-	-	57,403	-	(57,403)	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(183,456)	-	(183,456)	-	(183,456)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	(36,012)	(36,012)
Change in capital surplus from investments in associates accounted for by using equity method	-	-	-	-	(1,377)	-	(1,377)	-	(1,377)
Net profit for the nine months ended September 30, 2014	-	-	-	-	315,786	-	315,786	14,710	330,496
Other comprehensive income (loss) for the nine months ended September 30, 2014, net of income tax	-	-	-	-	-	19,315	19,315	311	19,626
Total comprehensive income for the nine months ended September 30, 2014	-	-	-	-	315,786	19,315	335,101	15,021	350,122
BALANCE AT SEPTEMBER 30, 2014	<u>\$ 1,411,200</u>	<u>\$ 2,681,126</u>	<u>\$ 424,109</u>	<u>\$ 38,098</u>	<u>\$ 1,561,153</u>	<u>\$ 237,552</u>	<u>\$ 6,353,238</u>	<u>\$ 50,193</u>	<u>\$ 6,403,431</u>

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	
	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 586,618	\$ 766,954
Adjustments for:		
Depreciation expenses	651,698	546,018
Amortization expenses	16,065	11,873
Interest expense	-	48
Interest income	(25,948)	(17,555)
Share of loss of associates and joint ventures	18,646	17,956
Loss on disposal of property, plant and equipment	41,376	57,567
Loss on disposal of intangible assets	97	278
Impairment loss of non-financial assets	1,487	-
Gain on deconsolidation of subsidiary	-	(5,874)
Changes in operating assets and liabilities		
Decrease in notes receivable	974	877
Decrease (increase) in trade receivables	40,064	(61,160)
Decrease (increase) in other receivables	537	(48,307)
Increase in inventories	(70,393)	(87,001)
Decrease in prepayments	37,044	26,248
Decrease in other current assets	14	633
Increase in other operating assets	(58,279)	(9,560)
Decrease in notes payable	(294)	(983)
Increase in trade payables	43,129	25,430
Increase in other payables	184,703	170,327
Increase in provisions	13,660	3,048
Increase in receipts in advance	43,781	123,396
Decrease in other current liabilities	(5,387)	(4,000)
Decrease in other operating liabilities	-	(426)
Cash generated from operations	<u>1,519,592</u>	<u>1,515,787</u>
Interest paid	-	(48)
Income taxes paid	<u>(249,748)</u>	<u>(297,517)</u>
Net cash generated from operating activities	<u>1,269,844</u>	<u>1,218,222</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from debt investments with no active market	61,097	525,359
Net cash outflow from deconsolidation of subsidiary	-	(47,726)
Proceeds from capital reduction of investment accounted for by equity method	53,239	-
Payment for property, plant and equipment	(1,195,200)	(1,019,422)
Proceeds from property, plant and equipment	3,417	2,068
Increase in refundable deposits	(112,575)	(89,589)
Decrease in refundable deposits	44,205	60,071

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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	
	2014	2013
Acquisition of intangible assets	\$ (18,457)	\$ (57,929)
Proceeds from intangible assets	81	63
(Increase) decrease in prepayments for equipment	(54,212)	150,760
Interest received	<u>24,999</u>	<u>14,522</u>
Net cash used in investing activities	<u>(1,193,406)</u>	<u>(461,823)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of long-term borrowings	-	(301)
Increase in guarantee deposits received	45,684	3,182
Decrease in guarantee deposits received	(42,150)	(9,470)
Dividends paid to owners to the Company	(183,456)	(705,600)
Dividends paid to non-controlling interest	<u>(36,012)</u>	<u>(47,084)</u>
Net cash used in financing activities	<u>(215,934)</u>	<u>(759,273)</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>282</u>	<u>11,710</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(139,214)	8,836
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	<u>2,503,716</u>	<u>2,541,543</u>
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	<u>\$ 2,364,502</u>	<u>\$ 2,550,379</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, 2014 AND 2013 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

1. GENERAL INFORMATION

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

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

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Board of Directors and authorized for issue on November 5, 2014.

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

- a. The Regulations Governing the Preparation of Financial Reports by Securities Issuers and the 2013 version of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) in issue but not yet effective

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

New, Amended and Revised Standards and Interpretations (the “New IFRSs”)	Effective Date Announced by IASB (Note)
Improvements to IFRSs (2009) - amendment to IAS 39	January 1, 2009 and January 1, 2010, as appropriate
Amendment to IAS 39 “Embedded Derivatives”	Effective for annual periods ended on or after June 30, 2009
Improvements to IFRSs (2010)	July 1, 2010 and January 1, 2011, as appropriate
Annual Improvements to IFRSs 2009-2011 Cycle	January 1, 2013
Amendment to IFRS 1 “Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters”	July 1, 2010

(Continued)

New, Amended and Revised Standards and Interpretations (the “New IFRSs”)	Effective Date Announced by IASB (Note)
Amendment to IFRS 1 “Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters”	July 1, 2011
Amendment to IFRS 1 “Government Loans”	January 1, 2013
Amendment to IFRS 7 “Disclosure - Offsetting Financial Assets and Financial Liabilities”	January 1, 2013
Amendment to IFRS 7 “Disclosure - Transfer of Financial Assets”	July 1, 2011
IFRS 10 “Consolidated Financial Statements”	January 1, 2013
IFRS 11 “Joint Arrangements”	January 1, 2013
IFRS 12 “Disclosure of Interests in Other Entities”	January 1, 2013
Amendments to IFRS 10, IFRS 11 and IFRS 12 “Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance”	January 1, 2013
Amendments to IFRS 10 and IFRS 12 and IAS 27 “Investment Entities”	January 1, 2014
IFRS 13 “Fair Value Measurement”	January 1, 2013
Amendment to IAS 1 “Presentation of Other Comprehensive Income”	July 1, 2012
Amendment to IAS 12 “Deferred Tax: Recovery of Underlying Assets”	January 1, 2012
IAS 19 (Revised 2011) “Employee Benefits”	January 1, 2013
IAS 27 (Revised 2011) “Separate Financial Statements”	January 1, 2013
IAS 28 (Revised 2011) “Investments in Associates and Joint Ventures”	January 1, 2013
Amendment to IAS 32 “Offsetting Financial Assets and Financial Liabilities”	January 1, 2014
IFRIC 20 “Stripping Costs in Production Phase of a Surface Mine”	January 1, 2013

(Concluded)

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

Except for the following, the initial application of the above 2013 IFRSs version and the related amendments to the Guidelines Governing the Preparation of Financial Reports by Securities Issuers has not had any material impact on the Group’s accounting policies:

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

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

2) IFRS 13 “Fair Value Measurement”

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

The fair value measurements under IFRS 13 will be applied prospectively from January 1, 2015.

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

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

The Group will apply the above amendments in presenting the consolidated statement of comprehensive income, starting from the year 2015. Items expected to be reclassified to profit or loss are the exchange differences on translating foreign operations, unrealized gains (loss) on available-for-sale financial assets, cash flow hedges, and share of the other comprehensive income (except the share of the actuarial gains (loss) arising from defined benefit plans) of associates and joint ventures accounted for using the equity method.

Except for the above impacts, as of the date the consolidated financial statements were authorized for issue, the Group was continuingly to assess other possible impacts that the application of the 2013 IFRSs version will have on the Group’s financial position and operating result, and will disclose these other impacts when the assessment is completed.

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

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

New IFRSs	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRSs 2010-2012 Cycle	July 1, 2014 (Note 2)
Annual Improvements to IFRSs 2011-2013 Cycle	July 1, 2014
Annual Improvements to IFRSs 2012-2014 Cycle	January 1, 2016 (Note 4)
IFRS 9 “Financial Instruments”	January 1, 2018
Amendments to IFRS 9 and IFRS 7 “Mandatory Effective Date of IFRS 9 and Transition Disclosures”	January 1, 2018
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	January 1, 2016 (Note 3)
Amendment to IFRS 11 “Accounting for Acquisitions of Interests in Joint Operations”	January 1, 2016
IFRS 14 “Regulatory Deferral Accounts”	January 1, 2016
IFRS 15 “Revenue from Contracts with Customers”	January 1, 2017
Amendments to IAS 16 and IAS 38 “Clarification of Acceptable Methods of Depreciation and Amortization”	January 1, 2016
Amendments to IAS 16 and IAS 41 “Agriculture: Bearer Plants”	January 1, 2016
Amendment to IAS 19 “Defined Benefit Plans: Employee Contributions”	July 1, 2014
Amendment to IAS 27 “Equity Method in Separate Financial Statements”	January 1, 2016
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 1: Unless stated otherwise, the above New IFRSs are effective for annual periods beginning on or after their respective effective dates.

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

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

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

The initial application of the above New IFRSs has not had any material impact on the Group's accounting policies, except for the following:

1) IFRS 9 "Financial Instruments"

Recognition and measurement of financial assets

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

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

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

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

The impairment of financial assets

IFRS 9 requires that impairment loss on financial assets is recognized by using the "Expected Credit Losses Model". The credit loss allowance is required for financial assets measured at amortized cost, financial assets mandatorily measured at FVTOCI, lease receivables, contract assets arising from IFRS 15 "Revenue from Contracts with Customers", certain written loan commitments and financial guarantee contracts. A loss allowance for the 12-month expected credit losses is required

for a financial asset if its credit risk has not increased significantly since initial recognition. A loss allowance for full lifetime expected credit losses is required for a financial asset if its credit risk has increased significantly since initial recognition and is not low. However, a loss allowance for full lifetime expected credit losses is required for trade receivables that do not constitute a financing transaction.

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

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

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

3) Annual Improvements to IFRSs: 2010-2012 Cycle

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

The amended IFRS 8 requires an entity to disclose the judgments made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have “similar economic characteristics”. The amendment also clarifies that a reconciliation of the total of the reportable segments’ assets to the entity’s assets should only be provided if the segments’ assets are regularly provided to the chief operating decision-maker.

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

4) Annual Improvements to IFRSs: 2011-2013 Cycle

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

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

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

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

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

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

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

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

6) Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”

The amendments stipulated that, when an entity sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when an entity loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

Conversely, when an entity sells or contributes assets that do not constitute a business to an associate or joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the unrelated investors’ interest in the associate or joint venture, i.e. the entity’s share of the gain or loss is eliminated. Also, when an entity loses control of a subsidiary that does not contain a business but retains significant influence or joint control in an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the unrelated investors’ interest in the associate or joint venture, i.e. the entity’s share of the gain or loss is eliminated.

7) Annual Improvements to IFRSs: 2012-2014 Cycle

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of consolidation

Subsidiary included in consolidated financial statements:

Investor	Investee	Main Business	% of Ownership			Note	
			September 30, 2014	December 31, 2013	September 30, 2013		
Gourmet Master Co. Ltd.	85 Degree Co., Ltd.	Investment	100	100	100	-	
	Prime Scope Trading Limited	Investment	100	100	100	-	
	Perfect 85 Degrees C, Inc.	Investment	100	100	100	-	
	85 Degrees Café International Pty. Ltd.	Grocery and drink retailing	51	51	51	-	
	Lucky Bakery Limited	Investment	100	100	100	-	
Perfect 85 Degrees C, Inc.	WinPin 85 Investments, Inc.	Grocery and drink retailing	100	100	100	-	
	Golden 85 Investments, LLC	Grocery and drink retailing	65	65	65	-	
85 Degree Co., Ltd.	Comestibles Master Co., Ltd.	Grocery and drink retailing	100	100	100	-	
Comestibles Master Co., Ltd.	Mei Wei Master Co., Ltd.	Grocery and drink retailing	100	100	100	1)	
Mei Wei Master Co., Ltd.	Mei Wei Fu Xing Ltd.	Grocery and drink retailing	60	60	60	-	
Prime Scope Trading Limited	Shanghai Gourmet Master Food & Beverage Ltd.	Grocery and drink retailing	100	100	100	-	
	He-Shia Food & Beverage Ltd.	Grocery and drink retailing	100	100	100	-	
	Sheng-Pin (Hangzhou) Food Ltd.	Manufacturing of baking food and sale	100	100	100	-	
	He-Shia (Nanjing) Food & Beverage Ltd.	Grocery and drink retailing	100	100	100	-	
	Beijing 85 Food & Beverage Ltd.	Grocery and drink retailing	100	100	100	-	
	Zhejiang 85 Food & Beverage Ltd.	Grocery and drink retailing	100	100	100	-	
	Sheng-Pin (Beijing) Food Ltd.	Manufacturing of baking food and sale	100	100	100	-	
	Fuzhou 85 Food & Beverage Ltd.	Grocery and drink retailing	100	100	100	-	
	Sheng-Pin (Jiangsu) Food Ltd.	Manufacturing of baking food and sale	100	100	100	-	
	Sheng-Pin (Xiamen) Food Ltd.	Manufacturing of baking food and sale	100	100	100	-	
	Sheng-Pin (Qingdao) Food Ltd.	Manufacturing of baking food and sale	100	100	100	-	
	Xiamen 85 Food & Beverage Ltd.	Grocery and drink retailing	100	100	100	-	
	Shenyang 85 Food & Beverage Ltd.	Grocery and drink retailing	100	100	100	-	
	Sheng-Pin (Shenyang) Food Ltd.	Manufacturing of baking food and sale	100	100	100	-	
	85 Degree (Qingdao) Food & Beverage Management Ltd.	Grocery and drink retailing	100	100	100	-	
	85 Degree (Jiangsu) Food Ltd.	Manufacturing of baking food and sale	25	68	68	-	
	Shanghai Gourmet Master Food & Beverage Ltd.	Sheng-Pin (Shanghai) Food Ltd.	Manufacturing of baking food and sale	100	100	100	-
		Mai-Jai (Shanghai) Food Ltd.	Manufacturing of baking food and sale	100	100	100	-
		Shanghai Howco Jing Way Food & Beverage Ltd.	Grocery and drink retailing	100	100	100	-
		Shenzheng 85 Food & Beverage Ltd.	Grocery and drink retailing	85	85	85	-
Chengdu 85 Food & Beverage Ltd.		Grocery and drink retailing	100	100	100	-	
Sheng-Pin (Wuhan) Food Ltd.		Manufacturing of baking food and sale	100	100	100	-	
Wuhan Jing Way Food & Beverage Ltd.		Grocery and drink retailing	57	100	100	-	
Jianxi Jing Way Food & Beverage Ltd.		Grocery and drink retailing	100	100	100	-	

(Continued)

Investor	Investee	Main Business	% of Ownership			Note
			September 30, 2014	December 31, 2013	September 30, 2013	
	Jin Wei Industrial (Shanghai) Ltd.	Grocery sale	100	100	100	-
	Guangzhou 85 Degree Food & Beverage Management Ltd.	Grocery and drink retailing	100	100	100	-
	85 Degree (Jiangsu) Food Ltd.	Manufacturing of baking food and sale	75	32	32	-
	Mai-Jai (Chengdu) Food Ltd.	Manufacturing of baking food and sale	100	100	100	-
	Jia Ding Jing Way Food & Beverage Ltd.	Grocery and drink retailing	100	-	-	-
He-Shia Food & Beverage Ltd.	Wuhan Jing Way Food & Beverage Ltd.	Grocery and drink retailing	43	-	-	-
Shenzhen 85 Food & Beverage Ltd.	Sheng-Pin (Shenzhen) Food Ltd.	Manufacturing of baking food and sale	100	100	100	-
85 Degree (Qingdao) Food & Beverage Management Ltd.	Qingdao Jie Wei Food & Beverage Management Ltd.	Grocery and drink retailing	100	100	100	-

(Concluded)

Note 1: In order to improve the efficiency of factory's management and store's operations, since May of 2014, Comestibles Master Co., Ltd. divided most store's operational departments among Mei Wei Master Co., Ltd.

c. Others

The same accounting policies of these consolidated financial statements have been followed as were applied in the preparation of the Group's consolidated financial statements for the year ended December 31, 2013, except for those described below.

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The same critical accounting judgments and key sources of estimation uncertainty of consolidated financial statements have been followed in these consolidated financial statements as were applied in the preparation of the consolidated financial statements for the year ended December 31, 2013.

6. CASH AND CASH EQUIVALENTS

	September 30, 2014	December 31, 2013	September 30, 2013
Cash on hand	\$ 103,564	\$ 135,854	\$ 372,947
Checking accounts and demand deposits	1,210,511	2,322,438	2,040,388
Cash equivalent			
Time deposits with original maturities less than three months	<u>1,050,427</u>	<u>45,424</u>	<u>137,044</u>
	<u>\$ 2,364,502</u>	<u>\$ 2,503,716</u>	<u>\$ 2,550,379</u>

7. DEBT INVESTMENTS WITH NO ACTIVE MARKET

	September 30, 2014	December 31, 2013	September 30, 2013
<u>Current</u>			
Time deposits with original maturity more than 3 months	\$ 15,150	\$ 98,773	\$ 214,105
Restricted bank deposits	<u>209,448</u>	<u>186,922</u>	<u>-</u>
	<u>\$ 224,598</u>	<u>\$ 285,695</u>	<u>\$ 214,105</u>
<u>Non-current</u>			
Time deposits with original maturity more than 3 months	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 200</u>

Refer to Note 27 for information relating to bond investments with no active market pledged as security.

8. TRADE RECEIVABLES

	September 30, 2014	December 31, 2013	September 30, 2013
Trade receivables	\$ 196,333	\$ 236,397	\$ 289,113
Less: Allowance for doubtful accounts	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 196,333</u>	<u>\$ 236,397</u>	<u>\$ 289,113</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 were past due but not impaired was as follow:

	September 30, 2014	December 31, 2013	September 30, 2013
Less than 90 days	\$ 2,052	\$ 7,020	\$ 8,020
90 days to 180 days	16,453	17,650	20,264
181 days to 361 days	30,911	32,548	29,952
Over 361 days	<u>27,847</u>	<u>10,771</u>	<u>1,411</u>
	<u>\$ 77,263</u>	<u>\$ 67,989</u>	<u>\$ 59,647</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.

9. INVENTORIES

	September 30, 2014	December 31, 2013	September 30, 2013
Finished goods	\$ 36,976	\$ 35,695	\$ 28,879
Work in process	4,459	2,778	3,776
Raw materials and supplies	392,005	323,832	359,901
Merchandise	<u>92,672</u>	<u>93,026</u>	<u>73,527</u>
	<u>\$ 526,112</u>	<u>\$ 455,331</u>	<u>\$ 466,083</u>

The cost of inventories recognized as cost of goods sold during the three months and the nine months ended September 30, 2014 and 2013 included inventory write-downs of \$1,487 thousand, \$0 thousand, \$1,487 thousand and \$0 thousand, respectively.

The deterioration of inventories recognized as cost of goods sold during the three months and the nine months ended September 30, 2014 and 2013 was \$96,415 thousand, \$43,400 thousand, \$239,604 thousand and \$148,863 thousand, respectively.

10. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	September 30, 2014	December 31, 2013	September 30, 2013
Investment in associates	\$ 57,076	\$ 110,233	\$ 104,476
Investment in jointly controlled entities	<u>60,759</u>	<u>78,526</u>	<u>82,289</u>
	<u>\$ 117,835</u>	<u>\$ 188,759</u>	<u>\$ 186,765</u>

a. Investment in associates

	September 30, 2014	December 31, 2013	September 30, 2013
<u>Unlisted company</u>			
The Hot Pot Food and Beverage Management Co., Ltd.	<u>\$ 57,076</u>	<u>\$ 110,233</u>	<u>\$ 104,476</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, 2014	December 31, 2013	September 30, 2013
The Hot Pot Food and Beverage Management Co., Ltd.	23%	42%	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 lost 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 but accounted for using the equity method. Please refer to Note 18.

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

b. Investment in jointly controlled entities:

	September 30, 2014	December 31, 2013	September 30, 2013
<u>Unlisted company</u>			
Profit Sky International Limited	<u>\$ 60,759</u>	<u>\$ 78,526</u>	<u>\$ 82,289</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, 2014	December 31, 2013	September 30, 2013
Profit Sky International Limited	50%	50%	50%

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

11. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery and Equipment	Leasehold Improvements	Transportation Equipment	Office Equipment	Other Equipment	Construction In Progress	Total
Cost									
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
Disposal	-	-	(12,047)	(97,734)	(3,805)	(9,349)	(9,588)	-	(132,523)
Reclassified	-	89,446	13,649	(32,812)	655	2,826	(15,856)	(57,908)	-
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>
Accumulated depreciation and impairment									
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
Disposal	-	-	(21,556)	(35,969)	(1,238)	(5,278)	(8,847)	-	(72,888)
Reclassified	-	-	(1,494)	2,026	(740)	1,427	(1,219)	-	-
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>
Carrying amounts at January 1, 2013	<u>\$ 417,259</u>	<u>\$ 381,229</u>	<u>\$ 1,234,863</u>	<u>\$ 894,493</u>	<u>\$ 27,124</u>	<u>\$ 206,524</u>	<u>\$ 71,474</u>	<u>\$ 164,296</u>	<u>\$ 3,397,262</u>
Carrying amounts at September 30, 2013	<u>\$ 419,043</u>	<u>\$ 609,240</u>	<u>\$ 1,298,525</u>	<u>\$ 940,391</u>	<u>\$ 26,246</u>	<u>\$ 206,436</u>	<u>\$ 43,901</u>	<u>\$ 344,955</u>	<u>\$ 3,888,737</u>

(Continued)

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

(Concluded)

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

Building	
Main buildings	20 to 39 years
Power system engineering	10 years
Others	3 to 11 years
Machinery and equipment	1 to 20 years
Leasehold improvements	1 to 40 years
Transportation equipment	1 to 15 years
Office equipment	1 to 6 years
Other equipment	1 to 11 years

Refer to Note 27 for the carrying amount of property, plant and equipment pledged by the Group to secure borrowings granted to the Group.

12. OTHER ASSETS

	September 30, 2014	December 31, 2013	September 30, 2013
<u>Current</u>			
Prepaid rent	\$ 229,079	\$ 226,480	\$ 170,411
Prepayments	54,984	76,304	74,853
Offset against business tax payable	41,378	55,162	13,897
Other prepayments	34,315	38,854	35,750
Others	<u>12,593</u>	<u>12,607</u>	<u>12,071</u>
	<u>\$ 372,349</u>	<u>\$ 409,407</u>	<u>\$ 306,982</u>

(Continued)

	September 30, 2014	December 31, 2013	September 30, 2013
<u>Noncurrent</u>			
Prepaid equipment	\$ 229,873	\$ 175,661	\$ 153,647
Refundable deposits	488,468	418,421	414,161
Long-term prepayment for lease	61,968	9,497	9,380
Others	<u>9,639</u>	<u>3,831</u>	<u>6,549</u>
	<u>\$ 789,948</u>	<u>\$ 607,410</u>	<u>\$ 583,737</u> (Concluded)

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

13. TRADE PAYABLES

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

14. OTHER LIABILITIES

	September 30, 2014	December 31, 2013	September 30, 2013
<u>Current</u>			
Other payables			
Payables for purchase of equipment	\$ 154,175	\$ 122,087	\$ 197,317
Accrued payroll and bonus	444,955	352,924	355,269
Utilities	108,089	86,421	102,526
Insurance	56,095	43,406	39,571
Rent	31,136	22,529	32,039
Others (compensation payable to directors and supervisors, and commission, etc.)	<u>356,892</u>	<u>307,184</u>	<u>329,107</u>
	<u>\$ 1,151,342</u>	<u>\$ 934,551</u>	<u>\$ 1,055,829</u>
Other liabilities			
Receipts in advance	\$ 612,407	\$ 568,626	\$ 638,609
Others	<u>17,893</u>	<u>23,280</u>	<u>12,278</u>
	<u>\$ 630,300</u>	<u>\$ 591,906</u>	<u>\$ 650,887</u> (Continued)

	September 30, 2014	December 31, 2013	September 30, 2013
<u>Noncurrent</u>			
Decommission, restoration and rehabilitation provisions	\$ 42,893	\$ 29,233	\$ 22,295
Guarantee deposits received	<u>91,006</u>	<u>87,248</u>	<u>45,966</u>
	<u>\$ 133,899</u>	<u>\$ 116,481</u>	<u>\$ 68,261</u> (Concluded)

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

15. EQUITY

Share Capital

Ordinary shares

	September 30, 2014	December 31, 2013	September 30, 2013
Number of shares authorized (in thousands)	<u>850,000</u>	<u>850,000</u>	<u>850,000</u>
Shares authorized	<u>\$ 8,500,000</u>	<u>\$ 8,500,000</u>	<u>\$ 8,500,000</u>
Number of shares issued and fully paid (in thousands)	<u>141,120</u>	<u>141,120</u>	<u>141,120</u>
Shares issued	<u>\$ 1,411,200</u>	<u>\$ 1,411,200</u>	<u>\$ 1,411,200</u>

Fully paid ordinary shares, which have a par value of \$10, carry one vote per share and carry a right to dividends.

Capital Surplus

The capital surplus arising from shares issued in excess of par (including 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, 2014 and 2013, there were no accrual for bonus to employees and the remuneration to directors and supervisors. Any 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 closing price (after considering the effect of cash and stock dividends) of the shares of the day immediately preceding the shareholders' meeting.

The Company appropriates or reverses a special reserve in accordance with Rule No. 1010012865 and Rule No. 1010047490 issued by the FSC on April 6, 2012 and the directive entitled "Questions and Answers on Special Reserves Appropriated Following the Adoption of IFRSs". Distributions can be made out of any subsequent reversal of the debit to other equity items.

The appropriations of earnings, including bonus to employees, and the remuneration to directors and supervisors for 2013 and 2012, have been approved in the shareholders' meeting on June 6, 2014 and June 11, 2013, respectively. The appropriations and dividends per share were as follows:

	Appropriation of Earnings		Dividends	
	2013	2012	Per Share (Dollars)	2012
Surplus reserve	\$ 57,403	\$ 97,734	\$ -	\$ -
Special reserve	-	38,098	-	-
Cash dividends	183,456	705,600	1.3	5

There was no bonus to employees and the remuneration to directors and supervisors for 2013 and 2012 was approved in the shareholders' meeting on June 6, 2014 and June 11, 2013, respectively.

There was no difference between the amounts of bonuses to employees and the remuneration to directors and approved in shareholders' meetings in 2014 and 2013 and the amounts recognized in the financial statements for the years ended December 31, 2013 and 2012.

Information on the bonus to employees, directors and supervisors approved in shareholders' meeting 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.

16. REVENUE

	For the Three Months Ended		For the Nine Months Ended	
	September 30	September 30	September 30	September 30
	2014	2013	2014	2013
Revenue from sales of goods	\$ <u>4,736,857</u>	\$ <u>4,004,767</u>	\$ <u>13,079,073</u>	\$ <u>11,182,073</u>

17. NET PROFIT

a. Other income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2014	2013	2014	2013
Interest income	\$ 11,200	\$ 4,373	\$ 25,948	\$ 17,555
Income from government grants	50,788	77,426	74,101	86,907
Others	<u>9,726</u>	<u>7,230</u>	<u>40,349</u>	<u>34,169</u>
	<u>\$ 71,714</u>	<u>\$ 89,029</u>	<u>\$ 140,398</u>	<u>\$ 138,631</u>

b. Other gains and losses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2014	2013	2014	2013
Net foreign exchange losses	\$ 5,176	\$ (4,935)	\$ 4,875	\$ (5,521)
Loss on disposal of property, plant and equipment	(6,185)	(37,518)	(41,376)	(57,567)
Gain on deconsolidation of subsidiary	-	5,874	-	5,874
Others	<u>(7,795)</u>	<u>(28,268)</u>	<u>(27,717)</u>	<u>(47,499)</u>
	<u>\$ (8,804)</u>	<u>\$ (64,847)</u>	<u>\$ (64,218)</u>	<u>\$ (104,713)</u>

c. Depreciation and amortization

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2014	2013	2014	2013
An analysis of depreciation by function				
Operating costs	\$ 38,418	\$ 36,097	\$ 117,207	\$ 96,856
Operating expenses	<u>186,775</u>	<u>155,535</u>	<u>534,491</u>	<u>449,162</u>
	<u>\$ 225,193</u>	<u>\$ 191,632</u>	<u>\$ 651,698</u>	<u>\$ 546,018</u>
An analysis of amortization by function				
Selling and marketing expenses	\$ 499	\$ 863	\$ 1,874	\$ 2,569
General and administrative expenses	<u>5,087</u>	<u>4,451</u>	<u>14,191</u>	<u>9,304</u>
	<u>\$ 5,586</u>	<u>\$ 5,314</u>	<u>\$ 16,065</u>	<u>\$ 11,873</u>

d. Employee benefits expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2014	2013	2014	2013
Post-employment benefits				
Defined contribution plans	\$ 10,161	\$ 9,528	\$ 29,187	\$ 28,605
Other employee benefits	<u>1,296,653</u>	<u>1,001,166</u>	<u>3,493,554</u>	<u>2,787,886</u>
	<u>\$ 1,306,814</u>	<u>\$ 1,010,694</u>	<u>\$ 3,522,741</u>	<u>\$ 2,816,491</u>
An analysis of employee benefits expense by function				
Operating costs	\$ 218,230	\$ 136,351	\$ 463,364	\$ 390,994
Operating expenses	<u>1,088,584</u>	<u>874,343</u>	<u>3,059,377</u>	<u>2,425,497</u>
	<u>\$ 1,306,814</u>	<u>\$ 1,010,694</u>	<u>\$ 3,522,741</u>	<u>\$ 2,816,491</u>

18. 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

	For the Nine Months Ended September 30, 2013
Fair value of interest retained	<u>\$ 106,775</u>
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

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

19. INCOME TAX

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2014	2013	2014	2013
Current tax				
In respect of the current period	\$ 80,984	\$ 76,982	\$ 257,077	\$ 269,156
In respect of prior period	<u>4,066</u>	<u>(235)</u>	<u>2,611</u>	<u>3,506</u>
	<u>85,050</u>	<u>76,747</u>	<u>259,688</u>	<u>272,662</u>
Deferred tax				
In respect of the current period	<u>(6,182)</u>	<u>5,241</u>	<u>(3,566)</u>	<u>(5,342)</u>
Income tax expense recognized in profit or loss	<u>\$ 78,868</u>	<u>\$ 81,988</u>	<u>\$ 256,122</u>	<u>\$ 267,320</u>

b. Income tax assessments

Except for the Company is tax-free, the income tax returns through 2011, 2012 and 2012 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, respectively. All other companies prepare their tax returns according to local law.

20. EARNINGS PER SHARE

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2014	2013	2014	2013
Basic earnings per share				
From continuing operations	<u>\$ 0.88</u>	<u>\$ 1.12</u>	<u>\$ 2.24</u>	<u>\$ 3.42</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	
	2014	2013	2014	2013
Earnings used in computation of basic earnings per share	<u>\$ 124,363</u>	<u>\$ 157,618</u>	<u>\$ 315,786</u>	<u>\$ 482,410</u>

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2014	2013	2014	2013
Weighted average number of ordinary shares used in the computation of basic and diluted earnings per share	<u>141,120</u>	<u>141,120</u>	<u>141,120</u>	<u>141,120</u>

21. GOVERNMENT GRANTS

The amounts of project subsidies and incentives received for the three months and the nine months ended September 30, 2014 and 2013 were \$50,788 thousand, \$77,426 thousand, \$74,101 thousand and \$86,907 thousand, respectively. The government grants were recognized in non-operating income and expenses - other income in the consolidated statements of comprehensive income.

22. NON-CASH TRANSACTIONS

For the nine months ended September 30, 2014 and 2013, the Group entered into the following non-cash investing activities which were not reflected in the consolidated statement of cash flows:

- The Group acquired property, plant and equipment with an aggregate fair value of \$1,227,288 thousand, of which amount \$32,088 thousand was recognized as other payables. Net cash used in acquiring property, plant and equipment was \$1,195,200 thousand for the nine months ended September 30, 2014. (Please refer to Note 11).
- The Group acquired property, plant and equipment with an aggregate fair value of \$1,084,347 thousand, of which amount \$64,925 thousand was recognized as other payables. Net cash used in acquiring property, plant and equipment was \$1,019,422 thousand for the nine months ended September 30, 2013. (Please refer to Note 11).

23. OPERATING LEASE ARRANGEMENTS

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

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

	September 30, 2014	December 31, 2013	September 30, 2013
Not later than 1 year	\$ 1,563,855	\$ 1,528,167	\$ 1,576,269
Later than 1 year and not later than 5 years	3,702,101	3,274,402	3,361,115
Later than 5 years	<u>667,610</u>	<u>458,097</u>	<u>343,704</u>
	<u>\$ 5,933,566</u>	<u>\$ 5,260,666</u>	<u>\$ 5,281,088</u>

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 year ended December 31, 2013. Refer to Note 24 to the consolidated financial statements as of December 31, 2013 for details.

25. FINANCIAL INSTRUMENTS

Management used the same financial instruments of consolidated financial statements in these consolidated financial statements as were applied in the preparation of the consolidated financial statements for the year ended December 31, 2013. Refer to Note 25 to the consolidated financial statements as of December 31, 2013 for details.

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. Operating revenue

Account Items	Related Parties Types	For the Three Months Ended		For the Nine Months Ended	
		September 30	September 30	September 30	September 30
		2014	2013	2014	2013
Sales of goods	Joint ventures	\$ 9,249	\$ 2,532	\$ 16,117	\$ 8,454
	Associates	<u>-</u>	<u>-</u>	<u>44</u>	<u>-</u>
		<u>\$ 9,249</u>	<u>\$ 2,532</u>	<u>\$ 16,161</u>	<u>\$ 8,454</u>

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

b. Purchases of goods

Related Parties Types	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2014	2013	2014	2013
Related party	\$ <u>21,832</u>	\$ <u>27,591</u>	\$ <u>75,499</u>	\$ <u>87,142</u>

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

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

Account Items	Related Parties Types	September 30, 2014	December 31, 2013	September 30, 2013
Receivables	Joint ventures	\$ 2,678	\$ 1,039	\$ 942
	Associates	<u>46</u>	<u>-</u>	<u>-</u>
		<u>\$ 2,724</u>	<u>\$ 1,039</u>	<u>\$ 942</u>
Other receivables	Joint ventures	\$ 782	\$ 559	\$ 279
	Associates	<u>459</u>	<u>-</u>	<u>-</u>
		<u>\$ 1,241</u>	<u>\$ 559</u>	<u>\$ 279</u>

The outstanding trade receivables from related parties are unsecured. No expense was recognized for the nine months ended September 30, 2014 and 2013 for allowance for impaired trade receivables with respect to the amounts owed by related parties.

d. Other transactions with related parties

The Group performed technical services for joint ventures. For the three months ended and nine months ended September 30, 2014 and 2013, other income amounted to \$1,603 thousand, \$1,038 thousand, \$5,470 thousand and \$2,955 thousand, respectively.

e. Compensation of key management personnel

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2014	2013	2014	2013
Short-term benefits	\$ <u>6,338</u>	\$ <u>8,324</u>	\$ <u>17,897</u>	\$ <u>24,651</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 and other contracts were as follows:

	September 30, 2014	December 31, 2013	September 30, 2013
Property, plant and equipment			
Land	\$ 202,305	\$ 202,305	\$ 202,305
Buildings	12,971	13,760	14,024
Transportation equipment	-	-	1,190
Bond investments with no active market - current			
Restricted bank deposits	<u>209,448</u>	<u>186,922</u>	<u>-</u>
	<u>\$ 424,724</u>	<u>\$ 402,987</u>	<u>\$ 217,519</u>

28. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group were as follows:

Significant Commitments

- a. As of September 30, 2014, December 31, 2013 and September 30, 2013, unused letters of credit for purchases of raw materials and machinery and equipment all amounted to approximately JPY15,000 thousand, US\$2,000 thousand, US\$2,000 thousand and US\$2,000 thousand.
- b. Unrecognized commitments are as follows:

	September 30, 2014	December 31, 2013	September 30, 2013
Acquisition of property, plant and equipment	<u>\$ 452,667</u>	<u>\$ 101,963</u>	<u>\$ 89,828</u>

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, 2014		
<u>Financial assets</u>	Foreign Currencies	Exchange Rate	Carrying Amount
Monetary items			
USD	\$ 11,336	6.1525 (USD:RMB)	\$ 344,126
	December 31, 2013		
<u>Financial assets</u>	Foreign Currencies	Exchange Rate	Carrying Amount
Monetary items			
USD	\$ 15,442	6.0969 (USD:RMB)	\$ 463,126

	September 30, 2013		
	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 20,256	6.148 (USD:RMB)	\$ 601,881

30. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

- 1) Loans provided to other parties: Table 1
- 2) Endorsements/guarantees provided to other parties: Table 2
- 3) Marketable securities held (excluding investment in subsidiaries, associates and joint controlled entities): None
- 4) Purchases or sales of the same marketable securities amounting to at least NT\$300 million or 20% of the paid-in capital: None
- 5) Acquisition of real estate at costs of at least NT\$300 million or 20% of the paid-in capital: None
- 6) Disposal of real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None
- 7) Purchases or sales with related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 3
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 4
- 9) Derivative transactions: None
- 10) Intercompany relationships and significant intercompany transactions: Table 5
- 11) Information for investees: Table 6

b. Information on investments in Mainland China

- 1) Information for any investee company in Mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the Mainland China area: Table 7
- 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/guarantees or pledges of collateral at the end of the period and the purposes.
- e) The highest balance, the ending balance, the interest rate range, and the total of current interest with respect to loans provided.
- 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, Taiwan and the United States (USA).

a. Revenue from major products and services

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2014	2013	2014	2013
Beverages	\$ 1,378,518	\$ 1,089,380	\$ 3,601,437	\$ 3,144,890
Cake	1,710,411	1,577,418	4,625,785	3,964,199
Bread	1,640,138	1,311,767	4,824,506	3,990,197
Other	<u>7,790</u>	<u>26,202</u>	<u>27,345</u>	<u>82,787</u>
	<u>\$ 4,736,857</u>	<u>\$ 4,004,767</u>	<u>\$ 13,079,073</u>	<u>\$ 11,182,073</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	
	2014	2013
China	\$ 9,407,157	\$ 8,102,362
Taiwan	2,256,320	2,413,930
USA	1,290,746	510,433
Others	<u>124,850</u>	<u>155,348</u>
	<u>\$ 13,079,073</u>	<u>\$ 11,182,073</u>

c. Significant customer information

The consolidated company has no client that its revenue is over 10% of the income statement for the nine months ended September 30, 2014 and 2013.

GOURMET MASTER CO. LTD. AND SUBSIDIARIES

LOANS PROVIDED TO OTHER PARTIES
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2014
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
1	Shanghai Gourmet Master Food & Beverage Ltd.	Sheng-Pin (Shanghai) Food Ltd.	Other receivable - related parties	Yes	\$ 98,680 (RMB 20,000)	\$ 74,010 (RMB 15,000)	\$ 74,010 (RMB 15,000)	3.75	For short-term financing	\$ -	Working capital loan	\$ -	-	-	\$ 635,324	\$ 1,270,648	Note
		Sheng-Pin (Shenzhen) Food Ltd.	Other receivable - related parties	Yes	49,340 (RMB 10,000)	-	-	3.75	For short-term financing	-	Working capital loan	-	-	-	635,324	1,270,648	Note
		Sheng-Pin (Wuhan) Food Ltd.	Other receivable - related parties	Yes	59,208 (RMB 12,000)	49,340 (RMB 10,000)	49,340 (RMB 10,000)	3.75	For short-term financing	-	Working capital loan	-	-	-	635,324	1,270,648	Note
		Wuhan Jing Way Food & Beverage Ltd.	Other receivable - related parties	Yes	24,670 (RMB 5,000)	-	-	3.75	For short-term financing	-	Working capital loan	-	-	-	635,324	1,270,648	Note
2	He-Shia Food & Beverage Ltd.	Sheng-Pin (Beijing) Food Ltd.	Other receivable - related parties	Yes	74,010 (RMB 15,000)	74,010 (RMB 15,000)	74,010 (RMB 15,000)	3.75	For short-term financing	-	Working capital loan	-	-	-	635,324	1,270,648	Note
		Beijing 85 Food & Beverage Ltd.	Other receivable - related parties	Yes	197,360 (RMB 40,000)	123,350 (RMB 25,000)	123,350 (RMB 25,000)	3.75	For short-term financing	-	Working capital loan	-	-	-	635,324	1,270,648	Note
		Zhejiang 85 Food & Beverage Ltd.	Other receivable - related parties	Yes	98,680 (RMB 20,000)	98,680 (RMB 20,000)	-	3.75	For short-term financing	-	Working capital loan	-	-	-	635,324	1,270,648	Note
		Shenyang 85 Food & Beverage Ltd.	Other receivable - related parties	Yes	74,010 (RMB 15,000)	74,010 (RMB 15,000)	74,010 (RMB 15,000)	3.75	For short-term financing	-	Working capital loan	-	-	-	635,324	1,270,648	Note
3	He-Shia (Nanjing) Food & Beverage Ltd.	Sheng-Pin (Xiamen) Food Ltd.	Other receivable - related parties	Yes	98,680 (RMB 20,000)	98,680 (RMB 20,000)	49,340 (RMB 10,000)	3.75	For short-term financing	-	Working capital loan	-	-	-	635,324	1,270,648	Note
		Shenzhen 85 Food & Beverage Ltd.	Other receivable - related parties	Yes	98,680 (RMB 20,000)	98,680 (RMB 20,000)	49,340 (RMB 10,000)	3.75	For short-term financing	-	Working capital loan	-	-	-	635,324	1,270,648	Note
4	Comestibles Master Co., Ltd.	Perfect 85 Degrees C, Inc.	Other receivable - related parties	Yes	54,642 (US\$ 1,800)	54,642 (US\$ 1,800)	54,642 (US\$ 1,800)	3.75	For short-term financing	-	Working capital loan	-	-	-	635,324	1,270,648	Note
		WinPin 85 Investments Inc.	Other receivable - related parties	Yes	54,642 (US\$ 1,800)	54,642 (US\$ 1,800)	54,642 (US\$ 1,800)	3.75	For short-term financing	-	Working capital loan	-	-	-	635,324	1,270,648	Note
		Perfect 85 Degrees C, Inc.	Other receivable - related parties	Yes	166,960 (US\$ 5,500)	166,960 (US\$ 5,500)	166,960 (US\$ 5,500)	3.75	For short-term financing	-	Working capital loan	-	-	-	635,324	1,270,648	Note
		Perfect 85 Degrees C, Inc.	Other receivable - related parties	Yes	53,124 (US\$ 1,750)	-	-	3.75	For short-term financing	-	Working capital loan	-	-	-	635,324	1,270,648	Note
		WinPin 85 Investment Inc.	Other receivable - related parties	Yes	60,713 (US\$ 2,000)	-	-	3.75	For short-term financing	-	Working capital loan	-	-	-	635,324	1,270,648	Note
5	WinPin 85 Investments, Inc.	Perfect 85 Degrees C, Inc.	Other receivable - related parties	Yes	66,784 (US\$ 2,200)	66,784 (US\$ 2,200)	30,356 (US\$ 1,000)	3.75	For short-term financing	-	Working capital loan	-	-	-	635,324	1,270,648	Note

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.
\$6,353,238 × 40% = \$2,541,295 (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.
\$6,353,238 × 20% = \$1,270,648 (in thousands).
- The total amount for lending to a company for funding for a short-term period shall not exceed \$6,353,238 (in thousands) × 20% = \$1,270,648 (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 \$6,353,238 (in thousands) × 10% = \$635,324 (in thousands) of the net worth of Gourmet Master Co. Ltd.
- Transaction above is already written off in consolidated financial statements.

GOURMET MASTER CO. LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES GIVEN TO OTHER PARTIES
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2014

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

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 3)	Maximum Amount Endorsed/Guar anteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity In Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 3)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given On behalf of Companies in Mainland China	Note
		Name	Relationship (Note 2)											
1	He Shia Food & Beverage Ltd.	Shanghai Gourmet Master Food & Beverage Ltd.	3	\$ 1,270,648	\$ 246,700 (RMB 50,000)	\$ 246,700 (RMB 50,000)	\$ 160,108 (RMB 32,450)	\$ -	-	\$ 3,176,619	No	No	Yes	

Note 1: Number should be noted in number column.

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

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

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

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

1. The total amount of guarantee shall not exceed fifty percent (50%) of net worth Gourmet Master Co. Ltd. $\$6,353,238 \times 50\% = \$3,176,619$ (in thousands).
2. The total amount of the guarantee provided by Gourmet Master Co. Ltd to any individual entity shall not exceed twenty percent (20%) of net worth of Gourmet Master Co. Ltd. $\$6,353,238 \times 20\% = \$1,270,648$ (in thousands).

GOURMET MASTER CO. LTD. AND SUBSIDIARIES

PURCHASES OR SALES WITH RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2014
(In Thousands of New Taiwan Dollars)

Buyer	Related Party	Relationship	Transaction Detail				Abnormal Transaction		Notes/Accounts Payable or Receivable			Note
			Purchases/ Sales	Amount	% to Total	Payment Term	Unit Price	Payment Term	Account	Ending Balance	% to Total	
Comestibles Master Co., Ltd.	Mei Wei Master Co., Ltd.	Affiliated company	Sales	\$ 183,578	9	60 days	Based on the Group's transfer pricing policy	-	Trade receivables	\$ 62,158	42	Note
Sheng-Pin (Shanghai) Food Ltd.	Shanghai Gourmet Master Food & Beverage Ltd.	Parent company	Sales	536,368	61	60 days	Based on the Group's transfer pricing policy	-	Trade receivables	56,169	43	Note
	He-Shia Food & Beverage Ltd.	Affiliated company	Sales	153,162	17	60 days	Based on the Group's transfer pricing policy	-	Trade receivables	14,590	11	Note
Sheng-Pin (Jiangsu) Food Ltd.	He-Shia Food & Beverage Ltd.	Affiliated company	Sales	104,166	14	60 days	Based on the Group's transfer pricing policy	-	Trade receivables	14,190	12	Note
	He-Shia (Nanjing) Food & Beverage Ltd.	Affiliated company	Sales	541,707	74	60 days	Based on the Group's transfer pricing policy	-	Trade receivables	71,597	61	Note
Sheng-Pin (Hangzhou) Food Ltd.	Shanghai Gourmet Master Food & Beverage Ltd.	Affiliated company	Sales	221,405	32	60 days	Based on the Group's transfer pricing policy	-	Trade receivables	25,849	27	Note
	He-Shia Food & Beverage Ltd.	Affiliated company	Sales	209,980	30	60 days	Based on the Group's transfer pricing policy	-	Trade receivables	19,218	20	Note
	Zhejiang 85 Food & Beverage Ltd.	Affiliated company	Sales	106,117	15	60 days	Based on the Group's transfer pricing policy	-	Trade receivables	15,024	16	Note
Sheng-Pin (Beijing) Food Ltd.	Beijing 85 Food & Beverage Ltd.	Affiliated company	Sales	247,961	90	60 days	Based on the Group's transfer pricing policy	-	Trade receivables	35,451	79	Note
Sheng-Pin (Xiamen) Food Ltd.	Fuzhou 85 Food & Beverage Ltd.	Affiliated company	Sales	206,211	56	60 days	Based on the Group's transfer pricing policy	-	Trade receivables	28,972	48	Note
Sheng-Pin (Shenzhen) Food Ltd.	Shenzhen 85 Food & Beverage Ltd.	Parent company	Sales	160,613	79	60 days	Based on the Group's transfer pricing policy	-	Trade receivables	31,252	80	Note
Mai-Jai (Chengdu) Food Ltd.	Chengdu 85 Food & Beverage Ltd.	Affiliated company	Sales	103,545	70	60 days	Based on the Group's transfer pricing policy	-	Trade receivables	14,703	79	Note
Perfect 85 Degrees C, Inc.	WinPin 85 Investments, Inc.	Affiliated company	Sales	397,622	75	30 days	Based on the Group's transfer pricing policy	-	Trade receivables	19,871	75	Note
	Golden 85 Investments, LLC.	Parent company	Sales	133,263	25	30 days	Based on the Group's transfer pricing policy	-	Trade receivables	6,436	24	Note

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

GOURMET MASTER CO. LTD. AND SUBSIDIARIES

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

SEPTEMBER 30, 2014

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance (Note 1)	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Comestibles Master Co., Ltd.	Perfect 85 Degrees C, Inc.	Affiliated company	\$ 221,602	(Note)	\$ -	-	\$ -	\$ -
He-Shia Food & Beverage Ltd.	Shanghai Gourmet Master Food & Beverage Ltd.	Affiliated company	351,794	(Note)	-	-	-	-
	Beijing 85 Food & Beverage Ltd.	Affiliated company	282,225	(Note)	-	-	-	-
	Zhejiang 85 Food & Beverage Ltd.	Affiliated company	123,686	(Note)	-	-	-	-
Jin Wei Industrial (Shanghai) Ltd.	Shanghai Gourmet Master Food & Beverage Ltd.	Parent company	125,274	(Note)	-	-	-	-
Shanghai Gourmet Master Food & Beverage Ltd.	Sheng-Pin (Shenzheng) Food Ltd.	Parent company	101,976	(Note)	-	-	-	-

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

GOURMET MASTER CO. LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2014

(In Thousands of New Taiwan Dollars)

No.	Investee Company	Counterparty	Relationship	Intercompany Transactions			
				Financial Statement Account	Amount	Payment Terms	% to Total Sales or Assets
1	Comestibles Master Co., Ltd.	Perfect 85 Degrees C, Inc.	3	Other receivables	\$ 221,602	Financings provided, annual interest rate 3.75%	2
		WinPin 85 Investments Inc.	3	Other receivables	54,642	Financings provided, annual interest rate 3.75%	1
		Mei Wei Master Co., Ltd	3	Sales	183,578	25 days	1
		Mei Wei Master Co., Ltd	3	Trade receivables	62,158	25 days	1
2	Shanghai Gourmet Master Food & Beverage Ltd.	Sheng-Pin (Shanghai) Food Ltd.	3	Other receivables	74,010	Financings provided, annual interest rate 3.75%	1
		Sheng-Pin (Shanghai) Food Ltd.	3	Purchase	536,368	60 days	4
		Sheng-Pin (Shanghai) Food Ltd.	3	Trade payables	56,169	60 days	1
		Sheng-Pin (Shenzhen) Food Ltd.	3	Other receivables	101,976	-	1
		Sheng-Pin (Wuhan) Food Ltd.	3	Other receivables	49,340	Financings provided, annual interest rate 3.75%	1
		Sheng-Pin (Hangzhou) Food Ltd.	3	Purchase	221,405	60 days	2
		Mai-Jai (Chengdu) Food Ltd.	3	Other receivables	63,802	-	1
		Sheng-Pin (Shenyang) Food Ltd.	3	Other receivables	61,660	-	1
3	He-Shia Food & Beverage Ltd.	Shanghai Gourmet Master Food & Beverage Ltd.	3	Other receivables	351,794	-	4
		Sheng-Pin (Beijing) Food Ltd.	3	Other receivables	74,010	Financings provided, annual interest rate 3.75%	1
		Sheng-Pin (Hangzhou) Food Ltd.	3	Purchase	209,980	60 days	2
		Sheng-Pin (Xiamen) Food Ltd.	3	Other receivables	39,911	-	-
		Sheng-Pin (Xiamen) Food Ltd.	3	Other receivables	49,340	Financings provided, annual interest rate 3.75%	1
		Sheng-Pin (Shanghai) Food Ltd.	3	Purchase	153,162	60 days	1
		Beijing 85 Food & Beverage Ltd.	3	Other receivables	123,350	Financings provided, annual interest rate 3.75%	1
		Beijing 85 Food & Beverage Ltd.	3	Other receivables	158,875	-	2
		Sheng-Pin (Jiangsu) Food Ltd.	3	Purchase	104,166	60 days	1
		Shenyang 85 Food & Beverage Ltd.	3	Other receivables	68,050	-	1
		Shenyang 85 Food & Beverage Ltd.	3	Other receivables	74,010	Financings provided, annual interest rate 3.75%	1
		Shenzhen 85 Food & Beverage Ltd.	3	Other receivables	57,072	-	1
		Shenzhen 85 Food & Beverage Ltd.	3	Other receivables	49,340	Financings provided, annual interest rate 3.75%	1
		Chengdu 85 Food & Beverage Ltd.	3	Other receivables	81,455	-	1
Zhejiang 85 Food & Beverage Ltd.	3	Other receivables	123,686	-	1		
4	Beijing 85 Food & Beverage Ltd.	Sheng-Pin (Beijing) Food Ltd.	3	Purchase	247,961	60 days	2
		Sheng-Pin (Beijing) Food Ltd.	3	Trade payables	35,451	60 days	-
5	He-Shia (Nanjing) Food & Beverage Ltd.	Sheng-Pin (Jiangsu) Food Ltd.	3	Purchase	541,707	60 days	4
		Sheng-Pin (Jiangsu) Food Ltd.	3	Trade payables	71,597	60 days	1
		Shanghai Gourmet Master Food & Beverage Ltd.	3	Other receivables	73,003	-	1
		Shenzhen 85 Food & Beverage Ltd.	3	Other receivables	49,340	Financings provided, annual interest rate 3.75%	1
		Sheng-Pin (Xiamen) Food Ltd.	3	Other receivables	49,340	Financings provided, annual interest rate 3.75%	1

(Continued)

No.	Investee Company	Counterparty	Relationship	Intercompany Transactions			
				Financial Statement Account	Amount	Payment Terms	% to Total Sales or Assets
6	Wuhan Jing Way Food & Beverage Ltd.	Sheng-Pin (Wuhan) Food Ltd. Sheng-Pin (Wuhan) Food Ltd.	3 3	Purchase	\$ 62,157	60 days	-
				Prepayment	39,136	60 days	-
7	Zhejiang 85 Food & Beverage Ltd.	Sheng-Pin (Hangzhou) Food Ltd.	3	Purchase	106,117	60 days	1
8	Fuzhou 85 Food & Beverage Ltd.	Sheng-Pin (Xiamen) Food Ltd.	3	Purchase	206,211	60 days	2
9	Shenzheng 85 Food & Beverage Ltd.	Sheng-Pin (Shenzheng) Food Ltd. Sheng-Pin (Shenzheng) Food Ltd.	3 3	Purchase	160,613	60 days	1
				Trade payables	31,252	60 days	-
10	Chengdu 85 Food & Beverage Ltd.	Mai-Jai (Chengdu) Food Ltd.	3	Purchase	103,545	60 days	1
11	Jin Wei Industrial (Shanghai) Ltd.	Shanghai Gourmet Master Food & Beverage Ltd. Sheng-Pin (Shanghai) Food Ltd. Sheng-Pin (Shanghai) Food Ltd.	3 3 3	Other receivables	125,274	-	1
				Purchase	78,427	60 days	1
				Trade payables	40,138	60 days	-
12	85 Degree (Jiangsu) Food Ltd.	Jin Wei Industrial (Shanghai) Ltd.	3	Other receivables	33,280	-	-
13	WinPin 85 Investments Inc.	Perfect 85 Degrees C, Inc. Perfect 85 Degrees C, Inc. Perfect 85 Degrees C, Inc.	3 3 3	Purchase	397,622	30 days	3
				Trade payables	19,871	30 days	-
				Other receivables	30,356	Financings provided, annual interest rate 3.75%	-
14	Golden 85 Investments, LLC	Perfect 85 Degrees C, Inc.	3	Purchase	133,263	30 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 14 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)

GOURMET MASTER CO. LTD. AND SUBSIDIARIES

INFORMATION OF INVESTEEES
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2014
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2014			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				September 30, 2014	December 31, 2013	Shares	%	Carrying Amount			
Gourmet Master Co. Ltd.	85 Degree Co., Ltd.	Malaysia	Investment	\$ 553,447	\$ 553,447	12,899,078	100	\$ 1,344,714	\$ 112,544	\$ 112,544	Note 1
	Prime Scope Trading Limited	Hong Kong	Investment	1,418,950 (US\$ 46,743)	1,418,950 (US\$ 46,743)	46,742,963	100	4,292,326	217,012	217,012	
	Perfect 85 Degrees C, Inc.	USA	Investment	198,913 (US\$ 6,553)	198,913 (US\$ 6,553)	4,301,000	100	216,916	(30,781)	(30,781)	Note 1
	85 Degrees Café International Pty. Ltd.	Australia	Grocery and drink retailing	47,490 (AUD 1,785)	47,490 (AUD 1,785)	1,785,000	51	37,952	(1,344)	(685)	Notes 1 and 2
	Lucky Bakery Limited	Samoa	Investment	166,960 (US\$ 5,500)	166,960 (US\$ 5,500)	5,500,000	100	111,285	(18,917)	(18,917)	Note 1
	WinPin 85 Investments, Inc.	USA	Grocery and drink retailing	267,137 (US\$ 8,800)	267,137 (US\$ 8,800)	8,800,000	100	322,538	61,639	61,639	Note 1
Perfect 85 Degrees C, Inc.	Golden 85 Investments, LLC	USA	Grocery and drink retailing	59,845 (US\$ 1,971)	59,845 (US\$ 1,971)	-	65	29,817	36,747	23,885	Notes 1 and 2
Lucky Bakery Limited	Profit Sky International Limited	Hong Kong	Grocery and drink retailing	117,532 (HK\$ 30,000)	117,532 (HK\$ 30,000)	-	50	60,759	(19,245)	(9,622)	Notes 1 and 2
Profit Sky International Limited	Wincase Limited	Hong Kong	Grocery and drink retailing	109,697 (HK\$ 28,000)	109,697 (HK\$ 28,000)	-	100	61,080	(18,519)	(18,519)	Notes 1 and 2
	Worldinn Limited	Hong Kong	Manufacturing of baking food and sale	117,532 (HK\$ 30,000)	117,532 (HK\$ 30,000)	-	100	56,858	(19,891)	(19,891)	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	1,341,426	115,266	115,266	
Comestibles Master Co., Ltd.	Mei Wei Master Co., Ltd.	Taichung City, Taiwan (R.O.C.)	Grocery and drink retailing	220,606	20,606	22,060,600	100	153,747	(53,509)	(53,509)	Note 2
	The Hot Pot Food and Beverage Management Co., Ltd.	Taichung City, Taiwan (R.O.C.)	Food and beverage; Grocery and drink retailing	57,841	114,000	5,784,050	23	57,076	(3,340)	618	
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	2,076	(223)	(134)	Note 2

Note 1: The exchange rate was US\$1=NT\$30.356; RMB1=NT\$4.934; AUD1=NT\$26.605; HK\$1=NT\$3.918 as of September 30, 2014.

Note 2: The carrying amount was based on the net assets of investee, which was not reviewed as of September 30, 2014.

Note 3: Please refer to Table 7 for information of investment in Mainland China.

GOURMET MASTER CO. LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2014
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital (Note)	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2014	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2014	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of September 30, 2014	Accumulated Repatriation of Investment Income as of September 30, 2014	Note
					Outward	Inward							
Prime Scope Trading Limited													
Shanghai Gourmet Master Food & Beverage Ltd.	Grocery and drink retailing	\$ 302,380 (US\$ 9,961)	Direct investment	\$ -	\$ -	\$ -	\$ -	\$ (54,759)	100	\$ (54,759)	\$ 1,310,361	\$ -	Note 1
He-Shia Food & Beverage Ltd.	Grocery and drink retailing	74,506 (US\$ 2,454)	Direct investment	-	-	-	-	131,978	100	131,978	1,659,033	-	Note 1
Sheng-Pin (Hangzhou) Food Ltd.	Manufacturing of baking food and sale	60,713 (US\$ 2,000)	Direct investment	-	-	-	-	17,378	100	16,577	145,233	-	Note 1
He-Shia (Nanjing) Food & Beverage Ltd.	Grocery and drink retailing	60,713 (US\$ 2,000)	Direct investment	-	-	-	-	113,043	100	113,043	552,819	-	Note 1
Beijing 85 Food & Beverage Ltd.	Grocery and drink retailing	60,713 (US\$ 2,000)	Direct investment	-	-	-	-	(36,444)	100	(36,444)	(82,172)	-	Note 1
Zhejiang 85 Food & Beverage Ltd.	Grocery and drink retailing	60,713 (US\$ 2,000)	Direct investment	-	-	-	-	(9,417)	100	(9,417)	(17,364)	-	Notes 1 and 2
Sheng-Pin (Beijing) Food Ltd.	Manufacturing of baking food and sale	121,426 (US\$ 4,000)	Direct investment	-	-	-	-	(23,669)	100	(24,139)	37,602	-	Notes 1 and 2
Fuzhou 85 Food & Beverage Ltd.	Grocery and drink retailing	15,178 (US\$ 500)	Direct investment	-	-	-	-	72,152	100	72,152	148,056	-	Note 1
Sheng-Pin (Jiangsu) Food Ltd.	Manufacturing of baking food and sale	136,604 (US\$ 4,500)	Direct investment	-	-	-	-	12,472	100	11,562	127,968	-	Note 1
Sheng-Pin (Xiamen) Food Ltd.	Manufacturing of baking food and sale	60,713 (US\$ 2,000)	Direct investment	-	-	-	-	4,127	100	3,988	10,516	-	Notes 1 and 2
Sheng-Pin (Qingdao) Food Ltd.	Manufacturing of baking food and sale	75,891 (US\$ 2,500)	Direct investment	-	-	-	-	(14,388)	100	(14,388)	30,103	-	Notes 1 and 2
Xiamen 85 Food & Beverage Ltd.	Grocery and drink retailing	30,356 (US\$ 1,000)	Direct investment	-	-	-	-	33,172	100	33,172	66,695	-	Notes 1 and 2
Shenyang 85 Food & Beverage Ltd.	Grocery and drink retailing	30,356 (US\$ 1,000)	Direct investment	-	-	-	-	(20,075)	100	(20,075)	(25,568)	-	Notes 1 and 2
Sheng-Pin (Shenyang) Food Ltd.	Manufacturing of baking food and sale	121,426 (US\$ 4,000)	Direct investment	-	-	-	-	(13,790)	100	(13,790)	79,100	-	Notes 1 and 2
85 Degree (Qingdao) Food & Beverage Management Ltd.	Grocery and drink retailing	60,713 (US\$ 2,000)	Direct investment	-	-	-	-	8,827	100	8,827	86,801	-	Notes 1 and 2
85 Degree (Jiangsu) Food Ltd.	Manufacturing of baking food and sale	151,782 (US\$ 5,000)	Direct investment	-	-	-	-	14,302	25	4,171	158,354	-	Note 1
Shanghai Gourmet Master Food & Beverage Ltd.													
Sheng-Pin (Shanghai) Food Ltd.	Manufacturing of baking food and sale	88,812 (RMB 18,000)	Direct investment	-	-	-	-	868	100	57	95,351	-	Note 1
Mai-Jai (Shanghai) Food Ltd.	Manufacturing of baking food and sale	35,031 (RMB 7,100)	Direct investment	-	-	-	-	11,253	100	11,655	58,686	-	Notes 1 and 2
Shanghai Howco Jing Way Food & Beverage Ltd.	Grocery and drink retailing	74,010 (RMB 15,000)	Direct investment	-	-	-	-	811	100	811	95,772	-	Notes 1 and 2
Shenzhen 85 Food & Beverage Ltd.	Grocery and drink retailing	56,044 (RMB 11,359)	Direct investment	-	-	-	-	17,575	85	14,939	(21,016)	-	Notes 1 and 2
Chengdu 85 Food & Beverage Ltd.	Grocery and drink retailing	32,515 (RMB 6,590)	Direct investment	-	-	-	-	(29,333)	100	(29,333)	(5,197)	-	Notes 1 and 2
Sheng-Pin (Wuhan) Food Ltd.	Manufacturing of baking food and sale	29,604 (RMB 6,000)	Direct investment	-	-	-	-	(21,429)	100	(21,429)	(38,884)	-	Notes 1 and 2

(Continued)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital (RMB in Thousands) (Note)	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2014	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2014	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of September 30, 2014	Accumulated Repatriation of Investment Income as of September 30, 2014	Note
					Outward	Inward							
Wuhan Jing Way Food & Beverage Ltd.	Grocery and drink retailing	\$ 128,284 (RMB 26,000)	Direct investment	\$ -	\$ -	\$ -	\$ -	\$ (26,607)	57	\$ (15,039)	\$ 72,097	\$ -	Notes 1 and 2
Jianxi Jing Way Food & Beverage Ltd.	Grocery and drink retailing	29,604 (RMB 6,000)	Direct investment	-	-	-	-	(4,925)	100	(4,925)	16,276	-	Notes 1 and 2
Jin Wei Industrial (Shanghai) Ltd.	Grocery sale	9,868 (RMB 2,000)	Direct investment	-	-	-	-	13,029	100	13,029	43,783	-	Notes 1 and 2
Guangzhou 85 Degree Food & Beverage Management Ltd.	Grocery and drink retailing	29,604 (RMB 6,000)	Direct investment	-	-	-	-	(15,165)	100	(15,165)	8,621	-	Notes 1 and 2
Mai-Jai (Chengdu) Food Ltd.	Manufacturing of baking food and sale	122,117 (RMB 24,750)	Direct investment	-	-	-	-	(16,818)	100	(16,818)	90,150	-	Notes 1 and 2
85 Degree (Jiangsu) Food Ltd.	Manufacturing of baking food and sale	457,431 (RMB 92,710)	Direct investment	-	-	-	-	14,302	75	10,131	470,227	-	Note 1
Jia Ding Jing Way Food & Beverage Ltd.	Grocery and drink retailing	4,934 (RMB 1,000)	Direct investment	-	-	-	-	1,951	100	1,951	6,583	-	Notes 1 and 2
Shenzheng 85 Food & Beverage Ltd.													
Sheng-Pin (Shenzheng) Food Ltd.	Manufacturing of baking food and sale	32,071 (RMB 6,500)	Direct investment	-	-	-	-	(7,800)	100	(8,387)	(31,504)	-	Notes 1 and 2
85 Degree (Qingdao) Food & Beverage Management Ltd.													
Qingdao Jie Wei Food & Beverage Management Ltd.	Grocery and drink retailing	7,401 (RMB 1,500)	Direct investment	-	-	-	-	1,274	100	1,274	8,708	-	Notes 1 and 2
He-Shia Food & Beverage Ltd.													
Wuhan Jing Way Food & Beverage Ltd.	Grocery and drink retailing	98,680 (RMB 20,000)	Direct investment	-	-	-	-	(26,607)	43	(11,568)	55,459	-	Notes 1 and 2

Accumulated Outward Remittance for Investment in Mainland China as of September 30, 2014	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
NA	NA	NA

Note 1: The exchange rate was US\$ =NT\$30.356, RMB1=NT\$4.934 as of September 30, 2014.

Note 2: The carrying amount was based on the net assets of investee, which was not reviewed as of September 30, 2014.

(Concluded)