

Gourmet Master Co. Ltd. and Subsidiaries

**Consolidated Financial Statements for the
Three Months Ended March 31, 2015 and 2014 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

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

We have reviewed the accompanying consolidated balance sheets of Gourmet Master Co. Ltd. (the "Company") and its subsidiaries as of March 31, 2015 and 2014 and the related consolidated statements of comprehensive income for the three months ended March 31, 2015 and 2014, and changes in equity and cash flows for the three months ended March 31, 2015 and 2014. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these consolidated financial statements based on our reviews.

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

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

Deloitte & Touche

May 6, 2015

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)

	March 31, 2015 (Reviewed)		December 31, 2014 (Audited)		March 31, 2014 (Reviewed)	
ASSETS	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 2,905,734	28	\$ 2,480,103	25	\$ 2,559,074	29
Debt investments with no active market - current (Notes 7 and 27)	153,948	1	56,070	1	204,820	3
Notes receivable	143	-	218	-	102	-
Trade receivables (Note 8)	214,907	2	238,551	2	210,169	3
Other receivables	47,908	-	76,950	1	110,208	1
Current tax assets	9,923	-	7,291	-	23,950	-
Inventories (Note 9)	485,996	5	533,994	5	470,571	5
Prepayments (Note 13)	286,597	3	361,089	4	362,103	4
Other current assets (Note 13)	11,652	-	12,616	-	13,046	-
Total current assets	4,116,808	39	3,766,882	38	3,954,043	45
NONCURRENT ASSETS						
Debt investments with no active market - noncurrent (Notes 7 and 27)	93,749	1	-	-	-	-
Investments accounted for using equity method (Note 11)	62,381	1	58,710	1	137,634	1
Property, plant and equipment (Notes 12 and 27)	5,049,770	48	4,922,226	50	4,049,762	46
Intangible assets	80,037	1	75,936	1	78,898	1
Deferred tax assets	102,928	1	81,596	1	57,856	1
Prepaid equipment (Note 13)	347,931	3	297,939	3	140,669	1
Refundable deposits (Note 13)	537,498	5	545,718	5	429,076	5
Other noncurrent assets (Note 13)	70,126	1	73,748	1	12,639	-
Total noncurrent assets	6,344,420	61	6,055,873	62	4,906,534	55
TOTAL	\$ 10,461,228	100	\$ 9,822,755	100	\$ 8,860,577	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowing (Notes 14 and 27)	\$ 3,005	-	\$ -	-	\$ -	-
Notes payable	24	-	-	-	3,656	-
Trade payables (Note 15)	1,059,813	10	994,015	10	718,326	8
Other payables (Note 16)	1,003,400	10	1,171,192	12	912,167	11
Current tax liabilities	116,796	1	83,823	1	168,627	2
Receipts in advance (Note 16)	563,568	6	641,974	7	544,996	6
Current portion of long-term borrowings (Notes 14 and 27)	26,778	-	934	-	-	-
Other current liabilities (Note 16)	15,727	-	15,594	-	14,207	-
Total current liabilities	2,789,111	27	2,907,532	30	2,361,979	27
NONCURRENT LIABILITIES						
Long-term borrowings (Notes 14 and 27)	629,572	6	14,846	-	-	-
Decommission, restoration and rehabilitation provisions (Note 16)	55,999	-	56,726	-	30,527	-
Deferred tax liabilities	6,402	-	653	-	-	-
Guarantee deposits received (Note 16)	66,043	1	67,923	1	53,298	1
Total noncurrent liabilities	758,016	7	140,148	1	83,825	1
Total liabilities	3,547,127	34	3,047,680	31	2,445,804	28
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 17)						
Share capital	1,411,200	14	1,411,200	14	1,411,200	16
Capital surplus						
Additional paid-in capital	2,681,126	26	2,681,126	27	2,681,126	30
Retained earnings						
Reserve	424,109	4	424,109	4	366,706	4
Special reserve	38,098	-	38,098	1	38,098	1
Unappropriated earnings	1,962,167	19	1,772,876	18	1,669,412	19
Total retained earnings	2,424,374	23	2,235,083	23	2,074,216	24
Other equity	345,901	3	396,484	4	207,660	2
Total equity attributable to owners of the Company	6,862,601	66	6,723,893	68	6,374,202	72
NON-CONTROLLING INTERESTS	51,500	-	51,182	1	40,571	-
Total equity	6,914,101	66	6,775,075	69	6,414,773	72
TOTAL	\$ 10,461,228	100	\$ 9,822,755	100	\$ 8,860,577	100

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

GOURMET MASTER CO. LTD. AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2015		2014	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 18 and 31)	\$ 4,775,696	100	\$ 4,218,788	100
OPERATING COSTS (Note 19)	<u>(2,045,118)</u>	<u>(43)</u>	<u>(1,807,100)</u>	<u>(43)</u>
GROSS PROFIT	<u>2,730,578</u>	<u>57</u>	<u>2,411,688</u>	<u>57</u>
OPERATING EXPENSES				
Selling and marketing expenses	(2,162,080)	(45)	(1,893,323)	(45)
General and administrative expenses	(244,180)	(5)	(227,796)	(5)
Research and development expenses	<u>(10,321)</u>	<u>-</u>	<u>(7,141)</u>	<u>-</u>
Total operating expenses	<u>(2,416,581)</u>	<u>(50)</u>	<u>(2,128,260)</u>	<u>(50)</u>
OPERATING INCOME	<u>313,997</u>	<u>7</u>	<u>283,428</u>	<u>7</u>
NONOPERATING INCOME AND EXPENSES				
Other income (Note 19)	17,776	-	37,231	1
Other gains and losses (Note 19)	(69,430)	(1)	(23,520)	(1)
Finance costs	(1,811)	-	-	-
Share of profit of associates and joint ventures	<u>3,670</u>	<u>-</u>	<u>1,400</u>	<u>-</u>
Total nonoperating income and expenses	<u>(49,795)</u>	<u>(1)</u>	<u>15,111</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	264,202	6	298,539	7
INCOME TAX EXPENSE (Note 20)	<u>(72,067)</u>	<u>(2)</u>	<u>(112,778)</u>	<u>(3)</u>
NET PROFIT FOR THE YEAR	<u>192,135</u>	<u>4</u>	<u>185,761</u>	<u>4</u>
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Exchange differences arising on translation to the presentation currency	(63,724)	(1)	(27,193)	(1)
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	<u>10,615</u>	<u>-</u>	<u>19,112</u>	<u>1</u>
Total other comprehensive income	<u>(53,109)</u>	<u>(1)</u>	<u>(8,081)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 139,026</u>	<u>3</u>	<u>\$ 177,680</u>	<u>4</u>

(Continued)

GOURMET MASTER CO. LTD. AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2015		2014	
	Amount	%	Amount	%
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 189,291	4	\$ 182,826	4
Non-controlling interests	<u>2,844</u>	<u>-</u>	<u>2,935</u>	<u>-</u>
	<u>\$ 192,135</u>	<u>4</u>	<u>\$ 185,761</u>	<u>4</u>
TOTAL COMPREHENSIVE INCOME				
ATTRIBUTABLE TO:				
Owners of the Company	\$ 138,708	3	\$ 172,249	4
Non-controlling interests	<u>318</u>	<u>-</u>	<u>5,431</u>	<u>-</u>
	<u>\$ 139,026</u>	<u>3</u>	<u>\$ 177,680</u>	<u>4</u>
EARNINGS PER SHARE (Note 21)				
Basic	<u>\$ 1.34</u>		<u>\$ 1.30</u>	

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

(Concluded)

GOURMET MASTER CO. LTD. AND SUBSIDIARIES

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

	Equity Attributable to the Owners of the Company						Other Equity Exchange Differences on Translating Foreign Operations	Total	Non-controlling Interests	Total Equity
	Shares (Thousand)	Share Capital	Capital Surplus	Retained Earnings		Unappropriated Earnings				
				Reserve	Special Reserve					
BALANCE, JANUARY 1, 2014	141,120	\$ 1,411,200	\$ 2,681,126	\$ 366,706	\$ 38,098	\$ 1,487,603	\$ 218,237	\$ 6,202,970	\$ 71,184	\$ 6,274,154
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	(36,044)	(36,044)
Change in capital surplus from investments in associates accounted for by using equity method	-	-	-	-	-	(1,017)	-	(1,017)	-	(1,017)
Net profit for the three months ended March 31, 2014	-	-	-	-	-	182,826	-	182,826	2,935	185,761
Other comprehensive income (loss) for the three months ended March 31, 2014, net of income tax	-	-	-	-	-	-	(10,577)	(10,577)	2,496	(8,081)
Total comprehensive income for the three months ended March 31, 2014	-	-	-	-	-	182,826	(10,577)	172,249	5,431	177,680
BALANCE, MARCH 31, 2014	<u>141,120</u>	<u>\$ 1,411,200</u>	<u>\$ 2,681,126</u>	<u>\$ 366,706</u>	<u>\$ 38,098</u>	<u>\$ 1,669,412</u>	<u>\$ 207,660</u>	<u>\$ 6,374,202</u>	<u>\$ 40,571</u>	<u>\$ 6,414,773</u>
BALANCE, JANUARY 1, 2015	141,120	\$ 1,411,200	\$ 2,681,126	\$ 424,109	\$ 38,098	\$ 1,772,876	\$ 396,484	\$ 6,723,893	\$ 51,182	\$ 6,775,075
Net profit for the three months ended March 31, 2015	-	-	-	-	-	189,291	-	189,291	2,844	192,135
Other comprehensive income (loss) for the three months ended March 31, 2015, net of income tax	-	-	-	-	-	-	(50,583)	(50,583)	(2,526)	(53,109)
Total comprehensive income for the three months ended March 31, 2015	-	-	-	-	-	189,291	(50,583)	138,708	318	139,026
BALANCE, MARCH 31, 2015	<u>141,120</u>	<u>\$ 1,411,200</u>	<u>\$ 2,681,126</u>	<u>\$ 424,109</u>	<u>\$ 38,098</u>	<u>\$ 1,962,167</u>	<u>\$ 345,901</u>	<u>\$ 6,862,601</u>	<u>\$ 51,500</u>	<u>\$ 6,914,101</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 Three Months Ended March 31	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 264,202	\$ 298,539
Adjustments for:		
Depreciation expenses	267,983	212,004
Amortization expenses	6,096	5,065
Interest expense	1,811	-
Interest income	(5,547)	(4,550)
Share of loss of associates and joint ventures	(3,670)	(1,400)
Loss on disposal of property, plant and equipment	42,120	18,028
Loss on disposal of intangible assets	57	55
Impairment loss of non-financial assets	638	1,072
Changes in operating assets and liabilities		
Decrease in notes receivable	75	939
Decrease in trade receivables	23,744	26,228
Decrease in other receivables	26,753	6,910
Decrease (increase) in inventories	47,447	(16,373)
Decrease in prepayments	74,492	34,697
Decrease (increase) in other current assets	964	(439)
Decrease in other operating assets	3,622	689
Increase in notes payable	24	3,360
Increase (decrease) in trade payables	65,798	(94,171)
Decrease in other payables	(185,938)	(35,473)
(Decrease) increase in provisions	(727)	1,294
Decrease in receipts in advance	(78,406)	(23,630)
Increase (decrease) in other current liabilities	133	(9,073)
Cash generated from operations	551,671	423,771
Interest paid	(209)	-
Income taxes paid	(36,919)	(17,231)
Net cash generated from operating activities	514,543	406,540
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of debt investments with no active market	(191,627)	-
Proceeds from sale of debt investments with no active market	-	80,875
Payments for property, plant and equipment	(339,333)	(385,264)
Proceeds from disposal of property, plant and equipment	3,972	11,814
Increase in refundable deposits	(11,530)	(16,259)
Decrease in refundable deposits	15,326	4,189
Payments for intangible assets	(10,836)	(9,895)
Increase in prepaid equipment	(132,759)	-

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GOURMET MASTER CO. LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2015	2014
Decrease in prepaid equipment	\$ -	\$ 34,992
Interest received	<u>7,836</u>	<u>1,124</u>
Net cash used in investing activities	<u>(658,951)</u>	<u>(278,424)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	3,005	-
Proceeds from long-term borrowings	640,757	-
Proceeds from guarantee deposits received	8,321	621
Refund of guarantee deposits received	(9,784)	(34,853)
Dividends paid to non-controlling interests	<u>-</u>	<u>(36,044)</u>
Net cash generated from (used in) financing activities	<u>642,299</u>	<u>(70,276)</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(72,260)</u>	<u>(2,482)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	425,631	55,358
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>2,480,103</u>	<u>2,503,716</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 2,905,734</u>	<u>\$ 2,559,074</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 THREE MONTHS ENDED MARCH 31, 2015 AND 2014 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

1. GENERAL INFORMATION

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

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

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on May 6, 2015.

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

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

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

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

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

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

2) IFRS 13 “Fair Value Measurement”

IFRS 13 establishes a single source of guidance for fair value measurements. It defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The disclosure requirements in IFRS 13 are more extensive than those required by

the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only will be extended by IFRS 13 to cover all assets and liabilities within its scope.

The fair value measurements under IFRS 13 will be applied prospectively from January 1, 2015. Refer to Note 25 for related disclosures.

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

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

New IFRSs	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRSs 2010-2012 Cycle	July 1, 2014 (Note 2)
Annual Improvements to IFRSs 2011-2013 Cycle	July 1, 2014
Annual Improvements to IFRSs 2012-2014 Cycle	January 1, 2016 (Note 4)
IFRS 9 “Financial Instruments”	January 1, 2018
Amendments to IFRS 9 and IFRS 7 “Mandatory Effective Date of IFRS 9 and Transition Disclosures”	January 1, 2018
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	January 1, 2016 (Note 3)
Amendments to IFRS 10, IFRS 12 and IAS 28 “Investment Entities: Applying the Consolidation Exception”	January 1, 2016
Amendment to IFRS 11 “Accounting for Acquisitions of Interests in Joint Operations”	January 1, 2016
IFRS 14 “Regulatory Deferral Accounts”	January 1, 2016
IFRS 15 “Revenue from Contracts with Customers”	January 1, 2017
Amendment to IAS 1 “Disclosure Initiative”	January 1, 2016
Amendments to IAS 16 and IAS 38 “Clarification of Acceptable Methods of Depreciation and Amortization”	January 1, 2016
Amendments to IAS 16 and IAS 41 “Agriculture: Bearer Plants”	January 1, 2016
Amendment to IAS 19 “Defined Benefit Plans: Employee Contributions”	July 1, 2014
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, whenever applied, would not have any material impact on the Group's accounting policies, except for the following:

1) IFRS 9 "Financial Instruments"

Recognition and measurement of financial assets

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

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

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

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

The impairment of financial assets

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

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

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

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

3) Annual Improvements to IFRSs: 2010-2012 Cycle

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

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

4) Annual Improvements to IFRSs: 2011-2013 Cycle

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

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

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

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

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

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

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

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

6) 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.

7) Amendment to IAS 1 “Disclosure Initiative”

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICY

a. Statement of compliance

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

b. Basis of consolidation

See Note 10 and Table 6 for the detailed information of subsidiaries (including the percentage of ownership and main business).

c. Others

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

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

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

6. CASH AND CASH EQUIVALENTS

	March 31, 2015	December 31, 2014	March 31, 2014
Cash on hand	\$ 96,262	\$ 115,765	\$ 80,216
Checking accounts and demand deposits	1,817,429	1,116,362	1,981,103
Cash equivalent			
Time deposits with original maturities less than three months	<u>992,043</u>	<u>1,247,976</u>	<u>497,755</u>
	<u>\$ 2,905,734</u>	<u>\$ 2,480,103</u>	<u>\$ 2,559,074</u>

7. DEBT INVESTMENTS WITH NO ACTIVE MARKET

	March 31, 2015	December 31, 2014	March 31, 2014
<u>Current</u>			
Time deposits with original maturity more than 3 months	\$ 111,074	\$ 5,150	\$ -
Restricted bank deposit	<u>42,874</u>	<u>50,920</u>	<u>204,820</u>
	<u>\$ 153,948</u>	<u>\$ 56,070</u>	<u>\$ 204,820</u>
<u>Non-current</u>			
Restricted bank deposit	<u>\$ 93,749</u>	<u>\$ -</u>	<u>\$ -</u>

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

8. TRADE RECEIVABLES

	March 31, 2015	December 31, 2014	March 31, 2014
Trade receivables	\$ 225,505	\$ 249,249	\$ 210,169
Less: Allowance for doubtful accounts	<u>(10,598)</u>	<u>(10,698)</u>	<u>-</u>
	<u>\$ 214,907</u>	<u>\$ 238,551</u>	<u>\$ 210,169</u>

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

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

The aging of receivables was as follows:

	March 31, 2015	December 31, 2014	March 31, 2014
Less than 60 days	\$ 168,589	\$ 176,641	\$ 141,227
61-90 days	1,774	8,378	1,816
91-180 days	5,199	3,936	26,172
181-360 days	20,311	31,351	19,272
Over 361 days	<u>29,632</u>	<u>28,943</u>	<u>21,682</u>
	<u>\$ 225,505</u>	<u>\$ 249,249</u>	<u>\$ 210,169</u>

The above aging schedule was based on the invoice date.

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

	March 31, 2015	December 31, 2014	March 31, 2014
Less than 90 days	\$ 1,774	\$ 8,378	\$ 1,816
91 days to 180 days	5,199	3,936	26,172
181 days to 361 days	20,311	31,351	19,272
Over 361 days	<u>19,034</u>	<u>18,245</u>	<u>21,682</u>
	<u>\$ 46,318</u>	<u>\$ 61,910</u>	<u>\$ 68,942</u>

The above aging schedule was based on the invoice date.

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

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

	Individually Assessed for Impairment	Collectively Assessed for Impairment	Total
Balance at January 1, 2014	\$ -	\$ -	\$ -
Add: Impairment losses recognized on receivables	-	-	-
Foreign exchange translation gains and losses	<u>-</u>	<u>-</u>	<u>-</u>
Balance at March 31, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

	Individually Assessed for Impairment	Collectively Assessed for Impairment	Total
Balance at January 1, 2015	\$ 10,698	\$ -	\$ 10,698
Add: Impairment losses recognized on receivables	-	-	-
Foreign exchange translation gains and losses	<u>(100)</u>	<u>-</u>	<u>(100)</u>
Balance at March 31, 2015	<u>\$ 10,598</u>	<u>\$ -</u>	<u>\$ 10,598</u> (Concluded)

9. INVENTORIES

	March 31, 2015	December 31, 2014	March 31, 2014
Finished goods	\$ 31,715	\$ 29,500	\$ 37,275
Work in process	3,318	2,999	3,436
Raw materials and supplies	358,542	409,322	341,708
Merchandise	<u>92,421</u>	<u>92,173</u>	<u>88,152</u>
	<u>\$ 485,996</u>	<u>\$ 533,994</u>	<u>\$ 470,571</u>

As of March 31, 2015 and 2014, the allowance for inventory devaluation was \$4,922 thousand and \$3,834 thousand, respectively.

The cost of inventories recognized as cost of goods sold for the three months ended March 31, 2015 and 2014 included inventory write-down of \$638 thousand and \$1,072, respectively.

The obsolescence of inventories recognized as cost of goods sold for the three months ended March 31, 2015 and 2014 was \$79,936 thousand and \$68,922 thousand, respectively.

10. SUBSIDIARIES

Subsidiary Included in Consolidated Financial Statements

Investor	Investee	Main Businesses	% of Ownership			Note
			March 31, 2015	December 31, 2014	March 31, 2014	
Gourmet Master Co. Ltd.	85 Degree Co., Ltd.	Investment	100	100	100	
	Prime Scope Trading Limited	Investment	100	100	100	
	Perfect 85 Degrees C, Inc.	Manufacturing of baking fund and sale	100	100	100	
	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 Investment, Inc.	Grocery and drink retailing	-	100	100	c.
	WinPin 85 Investments, LLC	Grocery and drink retailing	100	-	-	c.
	Golden 85 Investments, LLC	Grocery and drink retailing	65	65	65	
85 Degree Co., Ltd.	Comestibles Master Co., Ltd.	Grocery and drink retailing	100	100	100	
Comestibles Master Co., Ltd.	Mei Wei Master Co., Ltd.	Grocery and drink retailing	100	100	100	a.
Mei Wei Master Co., Ltd.	Mei Wei Fu Xing Ltd.	Grocery and drink retailing	60	60	60	
Lucky Bakery Limited	Profit Sky International Limited	Investment	100	100	-	b.

(Continued)

Investor	Investee	Main Businesses	% of Ownership			Note
			March 31, 2015	December 31, 2014	March 31, 2014	
Profit Sky International Limited	WinCase Limited	Grocery and drink retailing	100	100	-	b.
	Worldinn Limited	Manufacturing of baking fund and sale	100	100	-	b.
Prime Scope Trading Limited	Shanghai Gourmet Master Food & Beverage Ltd.	Grocery and drink retailing	100	100	100	
	He-Shia Food & Beverage Ltd.	Grocery and drink retailing	100	100	100	
	Sheng-Pin (Hangzhou) Food Ltd.	Manufacturing of baking food and sale	100	100	100	
	He-Shia (Nanjing) Food & Beverage Ltd.	Grocery and drink retailing	100	100	100	
	Beijing 85 Food & Beverage Ltd.	Grocery and drink retailing	27	100	100	
	Zhejiang 85 Food & Beverage Ltd.	Grocery and drink retailing	100	100	100	
	Sheng-Pin (Beijing) Food Ltd.	Manufacturing of baking food and sale	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	25	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	
	Shenzhen 85 Food & Beverage Ltd.	Grocery and drink retailing	85	85	85	
	Chengdu 85 Food & Beverage Ltd.	Grocery and drink retailing	100	100	100	
	Sheng-Pin (Wuhan) Food Ltd.	Manufacturing of baking food and sale	100	100	100	
	Wuhan Jing Way Food & Beverage Ltd.	Grocery and drink retailing	57	57	100	
	Jianxi Jing Way Food & Beverage Ltd.	Grocery and drink retailing	100	100	100	
	Jin Wei Industrial (Shanghai) Ltd.	Grocery sale	100	100	100	
	Guangzhou 85 Degree Food & Beverage Management Ltd.	Grocery and drink retailing	100	100	100	
	85 Degree (Jiangsu) Food Ltd.	Manufacturing of baking food and sale	75	75	32	
	Mai-Jai (Chengdu) Food Ltd.	Manufacturing of baking food and sale	100	100	100	
	Jai Ding Jing Way Food & Beverage Ltd.	Grocery and drink retailing	100	100	-	
He-Shia Food Beverage Ltd.	Wuhan Jing Way Food & Beverage Ltd.	Grocery and drink retailing	43	43	-	
	Beijing 85 Food & Beverage Ltd.	Grocery and drink retailing	73	-	-	
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)

- In order to improve the efficiency of the management and operation of the factories and stores since, May 2014, Comestibles Master Co., Ltd. transferred the management and operation of most stores to Mei Wei Master Co., Ltd.
- In November 2014, the Group acquired 50% interest in Profit Sky International Limited. As a result, the Group can control Profit Sky International Limited and its subsidiaries. Hence, Profit Sky International Limited and its subsidiaries were included in the consolidated financial statements from the date of acquisition.
- In order to simplify the investment structure of the Group, at the beginning of 2015, WinPin 85 Investment, Inc. is held by Perfect 85 Degree C, Inc. of the Group. At the same time, the Company type of WinPin 85 Investment is changed to LLC.

11. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	March 31, 2015	December 31, 2014	March 31, 2014
Investment in associate	\$ 62,381	\$ 58,710	\$ 59,774
Investment in joint venture	<u>-</u>	<u>-</u>	<u>77,860</u>
	<u>\$ 62,381</u>	<u>\$ 58,710</u>	<u>\$ 137,634</u>

a. Investment in associate

	March 31, 2015	December 31, 2014	March 31, 2014
<u>Material associate</u>			
The Hot Pot Food and Beverage Management Co., Ltd.	<u>\$ 62,381</u>	<u>\$ 58,710</u>	<u>\$ 59,774</u>
<u>Proportion of Ownership and Voting Rights</u>			
Name of Associate	March 31, 2015	December 31, 2014	March 31, 2014
The Hot Pot Food and Beverage Management Co., Ltd.	23%	23%	31%

Refer to Table 6 “Information on Investees” for the nature of activities, principal place of business and country of incorporation of the associate.

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

b. Investment in joint venture

	March 31, 2015	December 31, 2014	March 31, 2014
<u>Material joint venture</u>			
Profit Sky International Limited	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 77,860</u>
<u>Proportion of Ownership and Voting Rights</u>			
Name of Associate	March 31, 2015	December 31, 2014	March 31, 2014
Profit Sky International Limited	-	-	50%

Refer to Table 6 “Information on Investees” for the nature of activities, principal place of business and country of incorporation of the joint venture.

In November 2014, the Group acquired 50% interest in Profit Sky International Limited. As a result, the Group can control Profit Sky International Limited and its subsidiaries. Hence, Profit Sky International Limited and its subsidiaries were included in the consolidated financial statements from the date of acquisition.

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.

12. PROPERTY, PLANT AND EQUIPMENT

	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	-	895	96,690	121,443	1,184	26,043	6,412	145,686	398,353
Disposal	-	-	(20,717)	(22,890)	(2,311)	(3,167)	(7,797)	-	(56,882)
Reclassified	-	-	(8,386)	4,413	-	8,386	95	(4,508)	-
Effect of foreign currency exchange differences	653	(1,851)	(5,356)	(2,923)	50	(1,801)	6	(1,646)	(12,868)
Balance at March 31, 2014	<u>\$ 420,864</u>	<u>\$ 659,090</u>	<u>\$ 2,100,297</u>	<u>\$ 2,021,816</u>	<u>\$ 52,334</u>	<u>\$ 481,887</u>	<u>\$ 152,031</u>	<u>\$ 287,627</u>	<u>\$ 6,175,946</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	-	9,040	85,768	85,238	2,440	23,768	5,750	-	212,004
Disposal	-	-	(7,787)	(9,180)	(1,958)	(1,664)	(6,451)	-	(27,040)
Reclassified	-	-	228	-	-	(228)	-	-	-
Effect of foreign currency exchange differences	-	(209)	(2,576)	(2,834)	(16)	(1,066)	(32)	-	(6,733)
Balance at March 31, 2014	<u>\$ -</u>	<u>\$ 71,917</u>	<u>\$ 840,200</u>	<u>\$ 828,060</u>	<u>\$ 27,487</u>	<u>\$ 255,106</u>	<u>\$ 103,414</u>	<u>\$ -</u>	<u>\$ 2,126,184</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 March 31, 2014	<u>\$ 420,864</u>	<u>\$ 587,173</u>	<u>\$ 1,260,097</u>	<u>\$ 1,193,756</u>	<u>\$ 24,847</u>	<u>\$ 226,781</u>	<u>\$ 48,617</u>	<u>\$ 287,627</u>	<u>\$ 4,049,762</u>
Cost									
Balance at January 1, 2015	\$ 526,638	\$ 766,870	\$ 2,453,486	\$ 2,511,621	\$ 52,158	\$ 533,539	\$ 226,092	\$ 442,698	\$ 7,513,102
Additions	-	406	86,477	184,015	1,527	47,618	15,032	144,855	479,930
Disposal	-	(1,595)	(41,610)	(88,453)	(440)	(7,612)	(7,033)	-	(146,743)
Reclassified	-	-	16	25,781	-	-	564	(26,361)	-
Effect of foreign currency exchange differences	(745)	(5,510)	(20,244)	(24,092)	(535)	(4,918)	(937)	(4,173)	(61,154)
Balance at March 31, 2015	<u>\$ 525,893</u>	<u>\$ 760,171</u>	<u>\$ 2,478,125</u>	<u>\$ 2,608,872</u>	<u>\$ 52,710</u>	<u>\$ 568,627</u>	<u>\$ 233,718</u>	<u>\$ 557,019</u>	<u>\$ 7,785,135</u>
Accumulated depreciation and impairment									
Balance at January 1, 2015	\$ -	\$ 100,892	\$ 1,040,730	\$ 1,031,079	\$ 29,075	\$ 293,231	\$ 95,869	\$ -	\$ 2,590,876
Depreciation charge for the period	-	9,708	100,468	111,364	2,437	33,133	10,873	-	267,983
Disposal	-	(1,595)	(34,653)	(51,154)	(417)	(6,213)	(6,619)	-	(100,651)
Effect of deconsolidation of subsidiary	-	(572)	(8,942)	(10,017)	(268)	(2,701)	(343)	-	(22,843)
Balance at March 31, 2015	<u>\$ -</u>	<u>\$ 108,433</u>	<u>\$ 1,097,603</u>	<u>\$ 1,081,272</u>	<u>\$ 30,827</u>	<u>\$ 317,450</u>	<u>\$ 99,780</u>	<u>\$ -</u>	<u>\$ 2,735,365</u>
Carrying amounts at January 1, 2015	<u>\$ 526,638</u>	<u>\$ 665,978</u>	<u>\$ 1,412,756</u>	<u>\$ 1,480,542</u>	<u>\$ 23,083</u>	<u>\$ 240,308</u>	<u>\$ 130,223</u>	<u>\$ 442,698</u>	<u>\$ 4,922,226</u>
Carrying amounts at March 31, 2015	<u>\$ 525,893</u>	<u>\$ 651,738</u>	<u>\$ 1,380,522</u>	<u>\$ 1,527,600</u>	<u>\$ 21,883</u>	<u>\$ 251,177</u>	<u>\$ 133,938</u>	<u>\$ 557,019</u>	<u>\$ 5,049,770</u>

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	20-49 years
Power system engineering	11 years
Furnishing	3-20 years
Machinery and equipment	1-20 years
Leasehold improvements	1-41 years
Transportation equipment	1-15 years
Office equipment	1-11 years
Other equipment	1-11 years

Property, plant and equipment pledged as collateral for bank borrowings were set out in Note 27.

13. OTHER ASSETS

	March 31, 2015	December 31, 2014	March 31, 2014
<u>Current</u>			
Prepaid rent	\$ 176,633	\$ 205,603	\$ 215,725
Prepayments	36,443	69,333	63,840
Offset against business tax payable	25,724	47,329	48,309
Other prepayments	47,797	38,824	34,229
Others	<u>11,652</u>	<u>12,616</u>	<u>13,046</u>
	<u>\$ 298,249</u>	<u>\$ 373,705</u>	<u>\$ 375,149</u>
<u>Noncurrent</u>			
Prepaid equipment	\$ 347,931	\$ 297,939	\$ 140,669
Refundable deposits	537,498	545,718	429,076
Long-term prepayments for lease	62,683	63,616	-
Others	<u>7,443</u>	<u>10,132</u>	<u>12,639</u>
	<u>\$ 955,555</u>	<u>\$ 917,405</u>	<u>\$ 582,384</u>

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

14. BORROWINGS

a. Short-term borrowings

	March 31, 2015	December 31, 2014	March 31, 2014
<u>Secured borrowings (Note 27)</u>			
Bank loans	\$ 3,005	\$ -	\$ -

The range of effective interest rate on bank loans was 1.25%-1.28% as of March 31, 2015.

b. Long-term borrowings

	March 31, 2015	December 31, 2014	March 31, 2014
<u>Secured borrowings (Note 27)</u>			
Bank loans	\$ 656,350	\$ 15,780	\$ -
Less: Current portion	<u>(26,778)</u>	<u>(934)</u>	<u>-</u>
Long-term borrowings	<u>\$ 629,572</u>	<u>\$ 14,846</u>	<u>\$ -</u>

Long-term borrowings were as follows:

	Borrowing Content	March 31, 2015	December 31, 2014	March 31, 2014
Borrowings at floating rate:				
NT secured bank loan	Maturity date: January 28, 2020 Repayment program: Repayable in quarterly installments from January 2015	\$ 88,000	\$ -	\$ -
	Maturity date: January 28, 2018 Repayment program: Due for repayment	88,000	-	-
US secured bank loan	Maturity date: December 16, 2019 Repayment program: Repayable in quarterly installments from December 2015	15,631	15,780	-
	Maturity date: January 14, 2018 Repayment program: Due for repayment	464,719	-	-
Less: Current portion		<u>(26,778)</u>	<u>(934)</u>	<u>-</u>
		<u>\$ 629,572</u>	<u>\$ 14,846</u>	<u>\$ -</u>

The range of effective interest rate on bank loans was 1.75%-1.35% and 1.70% as of March 31, 2015 and December 31, 2014, respectively.

15. 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.

16. OTHER LIABILITIES

	March 31, 2015	December 31, 2014	March 31, 2014
<u>Current</u>			
Other payables			
Payable for purchase of equipment	\$ 167,686	\$ 151,142	\$ 135,176
Accrued payroll and bonus	332,630	460,869	295,905
Utilities	97,347	91,127	88,792
Insurance	55,028	58,194	46,791
Rent	51,414	38,308	42,146
Others (shipping expense and repairing expense, etc.)	<u>299,295</u>	<u>371,552</u>	<u>303,357</u>
	<u>\$ 1,003,400</u>	<u>\$ 1,171,192</u>	<u>\$ 912,167</u>
Other liabilities			
Receipts in advance	\$ 563,568	\$ 641,974	\$ 544,996
Others	<u>15,727</u>	<u>15,594</u>	<u>14,207</u>
	<u>\$ 579,295</u>	<u>\$ 657,568</u>	<u>\$ 559,203</u>
<u>Noncurrent</u>			
Decommission restoration and rehabilitation provision	\$ 55,999	\$ 56,726	\$ 30,527
Guarantee deposits received	<u>66,043</u>	<u>67,923</u>	<u>53,298</u>
	<u>\$ 122,042</u>	<u>\$ 124,649</u>	<u>\$ 83,825</u>

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

17. SHAREHOLDERS' EQUITY

Share Capital

Ordinary shares

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

Capital Surplus

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

The capital surplus from long-term investments, employee 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 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 three months ended March 31, 2015 and 2014, there were no accrual for bonus to employees and the remuneration to directors and supervisors. Material differences between such estimated amounts and the amounts proposed by the board of directors on or before the consolidated financial statements are authorized for issue are adjusted in the year the bonus and remuneration were recognized. If there is a change in the proposed amounts after the consolidated financial statements are authorized for issue, the differences are recorded as a change in accounting estimate. If a share bonus is resolved to be distributed to employees, the number of shares is determined by dividing the amount of the share bonus by the fair value of the shares. The fair value of the shares refer to the closing price (after considering the effect of cash and stock dividends) of the shares on the day immediately preceding the shareholders' meeting.

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

The appropriations of earnings for 2014 and 2013 have been proposed by the board of directors on March 11, 2015 and approved in the shareholders' meeting on June 6, 2014, respectively, were as follows:

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

There was no bonus to employees and the remuneration to directors and supervisors for 2014 and 2013 was proposed by the board of directors on March 11, 2015 and approved in the shareholders' meeting on June 6, 2013, respectively.

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

18. REVENUE

	For the Three Months Ended March 31	
	2015	2014
Revenue from sales of goods	<u>\$ 4,775,696</u>	<u>\$ 4,218,788</u>

19. NET PROFIT

a. Other income

	For the Three Months Ended March 31	
	2015	2014
Interest income	\$ 5,547	\$ 4,550
Income from government grants	-	20,786
Others	<u>12,229</u>	<u>11,895</u>
	<u>\$ 17,776</u>	<u>\$ 37,231</u>

b. Other gains and losses

	For the Three Months Ended March 31	
	2015	2014
Net foreign exchange gains	\$ 1,120	\$ 3,713
Loss on disposal of property, plant and equipment	(42,120)	(18,028)
Others	<u>(28,430)</u>	<u>(9,205)</u>
	<u>\$ (69,430)</u>	<u>\$ (23,520)</u>

c. Depreciation and amortization

	For the Three Months Ended March 31	
	2015	2014
Property, plant and equipment	\$ 267,983	\$ 212,004
Intangible assets	<u>6,096</u>	<u>5,065</u>
	<u>\$ 274,079</u>	<u>\$ 217,069</u>
An analysis of depreciation by function		
Operating costs	\$ 42,416	\$ 40,498
Operating expenses	<u>225,567</u>	<u>171,506</u>
	<u>\$ 267,983</u>	<u>\$ 212,004</u>

(Continued)

	For the Three Months Ended March 31	
	2015	2014
An analysis of amortization by function		
Selling and marketing expenses	\$ 321	\$ 759
General and administrative expenses	<u>5,775</u>	<u>4,306</u>
	<u>\$ 6,096</u>	<u>\$ 5,065</u>
		(Concluded)

d. Employee benefits expense

	For the Three Months Ended March 31	
	2015	2014
Post-employment benefits		
Defined contribution plans	\$ 11,433	\$ 9,563
Other employee benefits	<u>1,242,416</u>	<u>1,088,519</u>
	<u>\$ 1,253,849</u>	<u>\$ 1,098,082</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 167,399	\$ 117,817
Operating expenses	<u>1,086,450</u>	<u>980,265</u>
	<u>\$ 1,253,849</u>	<u>\$ 1,098,082</u>

20. INCOME TAX

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	For the Three Months Ended March 31	
	2015	2014
Current tax		
In respect of the current year	\$ 68,545	\$ 107,288
Deferred tax		
In respect of the current year	<u>3,522</u>	<u>5,490</u>
Income tax expense recognized in profit or loss	<u>\$ 72,067</u>	<u>\$ 112,778</u>

b. Income tax assessment

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

21. EARNINGS PER SHARE

	For the Three Months Ended March 31	
	2015	2014
Basic earnings per share		
From continuing operations	<u>\$ 1.34</u>	<u>\$ 1.30</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 March 31	
	2015	2014
Earnings used in computation of basic earnings per share	<u>\$ 189,291</u>	<u>\$ 182,826</u>

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

	For the Three Months Ended March 31	
	2015	2014
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>

22. GOVERNMENT GRANTS

The amounts of project subsidies and incentives received for the three months ended March 31, 2015 and 2014 were \$0 thousand and \$20,786 thousand, respectively. The government grants were recognized in non-operating income and expenses - other income in the consolidated statements of comprehensive income.

23. NON-CASH TRANSACTIONS

For the three months ended March 31, 2015 and 2014, the Group entered into the following non-cash investing activities which were not reflected in the consolidated statement of cash flows:

- The Group acquired property, plant and equipment with an aggregate fair value of \$479,930 thousand, of which amount \$124,053 thousand was reclassified from prepaid equipment and \$16,544 thousand was recognized as other payables. Net cash used in acquiring property, plant and equipment was \$339,333 thousand in the three months ended March 31, 2015. (Please refer to Note 12)
- The Group acquired property, plant and equipment with an aggregate fair value of \$398,353 thousand, and paid related other payables in the amount of \$13,089 thousand. Net cash used in acquiring property, plant and equipment was \$385,264 thousand in the three months ended March 31, 2014. (Please refer to Note 12)

24. OPERATING LEASE ARRANGEMENTS

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

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

	March 31, 2015	December 31, 2014	March 31, 2014
Not later than 1 year	\$ 1,950,312	\$ 1,845,335	\$ 1,470,510
Later than 1 year and not later than 5 years	4,690,773	4,463,857	3,155,070
Later than 5 years	<u>1,190,427</u>	<u>998,484</u>	<u>975,903</u>
	<u>\$ 7,831,512</u>	<u>\$ 7,307,676</u>	<u>\$ 5,601,483</u>

25. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments

Fair value of financial instruments not carried at fair value

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

b. Categories of financial instruments

	March 31, 2015	December 31, 2014	March 31, 2014
<u>Financial assets</u>			
Loans and receivables (Note 1)	\$ 3,416,389	\$ 2,851,892	\$ 3,084,373
<u>Financial liabilities</u>			
Amortized cost (Note 2)	2,389,962	1,720,118	1,338,244

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

Note 2: The balances included financial liabilities measured at amortized cost, which short-term borrowing, notes payable, trade and other payables, and long-term borrowings.

c. Financial risk management objectives and policies

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

1) Market risk

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

a) Foreign currency risk

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

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the reporting period are set out in Note 29.

Sensitivity analysis

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

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

	U.S. Dollars Impact	
	For the Three Months Ended	
	March 31	
	2015	2014
Profit or loss	\$ 2,165	\$3,978 (i)

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

b) Interest rate risk

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

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

	March 31, 2015	December 31, 2014	March 31, 2014
Cash flow interest rate risk			
Financial liabilities	\$ 659,355	\$ 15,780	\$ -

Sensitivity analysis

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

If interest rates had been 1% basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the three months ended March 31, 2015 and 2014 would decrease/increase by \$1,648 thousand and \$0 thousand, respectively, which was mainly attributable to the Group's variable-rate bank borrowings.

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

2) Credit risk

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

Most of the Group's counterparties are franchisees traded for a long-term, and the Group monitors trade receivables from franchisees continuously. So impairment loss recognized on trade receivables was not significant. Trade receivables consisted of a large number of customers and spread across diverse industries between geographical areas. Therefore the Group assessed that the concentration of credit risk was limited.

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

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

3) Liquidity risk

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

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

	March 31, 2015	December 31, 2014	March 31, 2014
Unsecured bank loan facility:			
Amount used	\$ -	\$ -	\$ -
Amount unused	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Secured bank loan facility:			
Amount used	\$ 659,355	\$ 15,780	\$ -
Amount unused	<u>1,229,895</u>	<u>634,220</u>	<u>-</u>
	<u>\$ 1,889,250</u>	<u>\$ 650,000</u>	<u>\$ -</u>

26. TRANSACTIONS WITH RELATED PARTIES

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

a. Sales of goods

Line Items	Related Party Categories	For the Three Months Ended March 31	
		2015	2014
Sales	Joint ventures	\$ -	\$ 5,672
	Associates	<u>-</u>	<u>35</u>
		<u>\$ -</u>	<u>\$ 5,707</u>

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

b. Purchases of goods

Related Party Categories	For the Three Months Ended March 31	
	2015	2014
Related party	<u>\$ 23,401</u>	<u>\$ 29,198</u>

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

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

Line Items	Related Party Categories	March 31, 2015	December 31, 2014	March 31, 2014
Trade receivables	Joint ventures	\$ -	\$ -	\$ 3,287
	Associates	<u>-</u>	<u>37</u>	<u>25</u>
		<u>\$ -</u>	<u>\$ 37</u>	<u>\$ 3,312</u>
Other receivables	Joint ventures	\$ -	\$ -	\$ 561
	Associates	<u>912</u>	<u>745</u>	<u>53,709</u>
		<u>\$ 912</u>	<u>\$ 745</u>	<u>\$ 54,270</u>

The outstanding trade receivables from related parties are unsecured. For the three months ended March 31, 2015 and 2014, no impairment loss was recognized for trade receivables from related parties.

d. Other transactions with related parties

The Group performed technical services for joint ventures and associates. For the three months ended March 31, 2015 and 2014, other income amounted to \$1,084 thousand and \$1,946 thousand, respectively.

e. Compensation of key management personnel

	For the Three Months Ended March 31	
	2015	2014
Short-term benefits	<u>\$ 5,519</u>	<u>\$ 5,909</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:

	March 31, 2015	December 31, 2014	March 31, 2014
Property, plant and equipment			
Land	\$ 330,189	\$ 293,761	\$ 202,305
Buildings	48,908	69,835	13,495
Bond investments with no active market			
Restiricted bank deposits	<u>136,623</u>	<u>50,920</u>	<u>204,820</u>
	<u>\$ 515,720</u>	<u>\$ 414,516</u>	<u>\$ 420,620</u>

28. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

Significant Commitments

- a. As of March 31, 2015, December 31, 2014 and March 31, 2014, unused letters of credit for purchases of raw materials and machinery and equipment amounted to approximately US\$6,000 thousand, US\$4,000 thousand and US\$2,000 thousand, respectively.
- b. Unrecognized commitments are as follows:

	March 31, 2015	December 31, 2014	March 31, 2014
Acquisition of property, plant and equipment	<u>\$ 794,551</u>	<u>\$ 671,290</u>	<u>\$ 393,610</u>

29. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

March 31, 2015

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 25,087	6.1442 (USD:RMB)	\$ 777,229
HKD	3,886	0.8002 (HKD:RMB)	15,684

Financial liabilities

Monetary items			
USD	18,099	6.1442 (USD:RMB)	560,731

December 31, 2014

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 10,645	6.1190 (USD:RMB)	\$ 331,671

March 31, 2014

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 13,196	6.1521 (USD:RMB)	\$ 397,811

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

Foreign Currencies	For the Three Months Ended March 31, 2015		For the Three Months Ended March 31, 2014	
	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Gain (Loss)
USD	30.984 (USD:NTD)	\$ (170)	30.433 (USD:NTD)	\$ 286
NTD	1 (NTD:NTD)	(1,163)	1 (NTD:NTD)	3,040
RMB	5.048 (RMB:NTD)	2,562	4.975 (RMB:NTD)	244
HKD	4.064 (HKD:NTD)	78	3.950 (HKD:NTD)	14
AUD	24.794 (AUD:NTD)	<u>(187)</u>	27.934 (AUD:NTD)	<u>129</u>
		<u>\$ 1,120</u>		<u>\$ 3,713</u>

30. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

- 1) Financings provided to others. (Table 1)
- 2) Endorsements/guarantees provided. (Table 2)
- 3) Marketable securities held (excluding investment in subsidiaries, associates and joint controlled entities). (None)
- 4) Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital. (None)
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital. (None)
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital. (None)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 3)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 4)

- 9) Trading in derivative instruments. (None)
 - 10) Intercompany relationships and significant intercompany transactions. (Table 5)
 - 11) Information on investees. (Table 6)
- b. Information on investments in Mainland China
- 1) Information on any investee company in Mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the Mainland China area. (Table 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 or guarantees or pledges of collateral at the end of the period and the purposes.
 - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
 - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services.

31. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Group's principal geographical areas are China, 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 March 31	
	2015	2014
Beverages	\$ 1,434,307	\$ 1,094,163
Cake	1,673,829	1,528,525
		(Continued)

	For the Three Months Ended March 31	
	2015	2014
Bread	\$ 1,660,681	\$ 1,587,651
Others	<u>6,879</u>	<u>8,449</u>
	<u>\$ 4,775,696</u>	<u>\$ 4,218,788</u> (Concluded)

b. Geographical information

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

	Revenue from External Customers	
	For the Three Months Ended March 31	
	2015	2014
China	\$ 3,385,583	\$ 3,025,674
Taiwan	784,853	771,158
USA	510,307	385,280
Others	<u>94,953</u>	<u>36,676</u>
	<u>\$ 4,775,696</u>	<u>\$ 4,218,788</u>

c. Significant customer information

The consolidated company has no client that its revenue is over 10% of the income statement for the three months ended March 31, 2015 and 2014.

TABLE 1

GOURMET MASTER CO. LTD. AND SUBSIDIARIES

**FINANCING PROVIDED TO OTHERS
FOR THE THREE MONTHS ENDED MARCH 31, 2015
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
1	Shanghai Gourmet Master Food & Beverage Ltd.	Sheng-Pin (Shanghai) Food Ltd.	Other receivable - related parties	Yes	\$ 75,660 (RMB 15,000)	\$ 75,660 (RMB 15,000)	\$ 75,660 (RMB 15,000)	3.75	For short-term financing	\$ -	Working capital loan	\$ -	-	\$ -	\$ 686,260	\$ 1,372,520	Note
		Sheng-Pin (Wuhan) Food Ltd.	Other receivable - related parties	Yes	50,440 (RMB 10,000)	50,440 (RMB 10,000)	-	3.75	For short-term financing	-	Working capital loan	-	-	-	686,260	1,372,520	Note
2	He-Shia Food & Beverage Ltd.	Beijing 85 Food & Beverage Ltd.	Other receivable - related parties	Yes	126,100 (RMB 25,000)	-	-	3.75	For short-term financing	-	Working capital loan	-	-	-	686,260	1,372,520	Note
		Zhejiang 85 Food & Beverage Ltd.	Other receivable - related parties	Yes	100,880 (RMB 20,000)	-	-	3.75	For short-term financing	-	Working capital loan	-	-	-	686,260	1,372,520	Note
		Sheng-Pin (Beijing) Food Ltd.	Other receivable - related parties	Yes	75,660 (RMB 15,000)	75,660 (RMB 15,000)	-	3.75	For short-term financing	-	Working capital loan	-	-	-	686,260	1,372,520	Note
		Shenyang 85 Food & Beverage Ltd.	Other receivable - related parties	Yes	75,660 (RMB 15,000)	75,660 (RMB 15,000)	75,660 (RMB 15,000)	3.75	For short-term financing	-	Working capital loan	-	-	-	686,260	1,372,520	Note
3	He-Shia (Nanjing) Food & Beverage Ltd.	Sheng-Pin (Xiamen) Food Ltd.	Other receivable - related parties	Yes	100,880 (RMB 20,000)	50,440 (RMB 10,000)	50,440 (RMB 10,000)	3.75	For short-term financing	-	Working capital loan	-	-	-	686,260	1,372,520	Note
		Shenzhen 85 Food & Beverage Ltd.	Other receivable - related parties	Yes	100,880 (RMB 20,000)	100,880 (RMB 20,000)	-	3.75	For short-term financing	-	Working capital loan	-	-	-	686,260	1,372,520	Note
4	Comestibles Master Co., Ltd.	WinPin 85 Investments, LLC	Other receivable - related parties	Yes	55,766 (US\$ 1,800)	-	-	3.75	For short-term financing	-	Working capital loan	-	-	-	686,260	1,372,520	Note
		Perfect 85 Degrees C, Inc.	Other receivable - related parties	Yes	55,766 (US\$ 1,800)	55,766 (US\$ 1,800)	55,766 (US\$ 1,800)	3.75	For short-term financing	-	Working capital loan	-	-	-	686,260	1,372,520	Note
		Perfect 85 Degrees C, Inc.	Other receivable - related parties	Yes	170,396 (US\$ 5,500)	170,396 (US\$ 5,500)	170,396 (US\$ 5,500)	3.75	For short-term financing	-	Working capital loan	-	-	-	686,260	1,372,520	Note
		85 Degree Co., Ltd.	Other receivable - related parties	Yes	50,000	50,000	50,000	3.75	For short-term financing	-	Working capital loan	-	-	-	686,260	1,372,520	Note
		Mei Wei Master Co., Ltd.	Other receivable - related parties	Yes	50,000	50,000	50,000	3.75	For short-term financing	-	Working capital loan	-	-	-	686,260	1,372,520	Note
		Wincase Limited	Other receivable - related parties	Yes	12,108 (HK\$ 3,000)	12,108 (HK\$ 3,000)	12,108 (HK\$ 3,000)	5.25	For short-term financing	-	Working capital loan	-	-	-	686,260	1,372,520	Note
5	Profit Sky International Limited	Wincase Limited	Other receivable - related parties	Yes	7,265 (HK\$ 1,800)	7,265 (HK\$ 1,800)	7,265 (HK\$ 1,800)	5.25	For short-term financing	-	Working capital loan	-	-	-	686,260	1,372,520	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.

\$6,862,601 × 40% = \$2,745,040 (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.

\$6,862,601 × 20% = \$1,372,520 (in thousands).
- The total amount for lending to a company for funding for a short-term period shall not exceed \$6,862,601 (in thousands) x 20% = \$1,372,520 (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 \$6,862,601 (in thousands) x 10% = \$686,260 (in thousands) of the net worth of Gourmet Master Co. Ltd.
- Transaction above is already written off in consolidated financial statements.

TABLE 2

GOURMET MASTER CO. LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2015
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 3)	Maximum Amount Endorsed/Guar anteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity In Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 3)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship (Note 2)											
0	Gourmet Master Co. Ltd.	85 Degree (Jiangsu) Food Ltd.	c	\$ 1,372,520	\$ 1,177,288 (US\$ 38,000)	\$ 1,177,288 (US\$ 38,000)	\$ 464,719 (US\$ 15,000)	\$ -	17.16	\$ 3,431,301	Yes	No	Yes	
1	He-Shia Food & Beverage Ltd.	Shanghai Gourmet Master Food & Beverage Ltd.	c	1,372,520	252,200 (RMB 50,000)	252,200 (RMB 50,000)	201,760 (RMB 40,000)	-	3.68	3,431,301	No	No	Yes	
2	Comestibles Master Co., Ltd.	Gourmet Master Co. Ltd.	d	1,372,520	123,925 (US\$ 4,000)	123,925 (US\$ 4,000)	15,491 (US\$ 500)	164,347	1.81	3,431,301	No	Yes	No	

Note 1: Number should be noted in number column.

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

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

- a. Trading partner.
- b. Majority owned subsidiary.
- c. The Company and subsidiary owns over fifty percent (50%) ownership of the investee company.
- d. A subsidiary jointly owned over fifty percent (50%) by the Company and the Company's directly-owned subsidiary.
- e. Guaranteed by the Company according to the construction contract.
- f. 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:

- a. The total amount of guarantee shall not exceed fifty percent (50%) of net worth Gourmet Master Co. Ltd. $\$6,862,601 \times 50\% = \$3,431,301$ (in thousands).
- b. 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. $\$6,862,601 \times 20\% = \$1,372,520$ (in thousands).

TABLE 3

GOURMET MASTER CO. LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2015
(In Thousands of New Taiwan Dollars)

Buyer	Related Party	Relationship	Transaction Detail				Abnormal Transaction		Notes/Accounts Payable or Receivable			Note
			Purchases/ Sales	Amount	% to Total	Payment Term	Unit Price	Payment Term	Account	Ending Balance	% to Total	
Comestibles Master Co., Ltd.	Mei Wei Master Co., Ltd.	Affiliated company	Sales	\$ 120,206	18	25 days	Based on the Group’s transfer pricing policy	-	Trade receivables	\$ 80,789	36	Note
Sheng-Pin (Shanghai) Food Ltd.	Jin Wei Industrial (Shanghai) Ltd.	Affiliated company	Sales	134,264	98	60 days	Based on the Group’s transfer pricing policy	-	Trade receivables	56,563	92	Note
Sheng-Pin (Jiangsu) Food Ltd.	Jin Wei Industrial (Shanghai) Ltd.	Affiliated company	Sales	118,897	100	60 days	Based on the Group’s transfer pricing policy	-	Trade receivables	49,971	100	Note
Sheng-Pin (Hangzhou) Food Ltd.	Jin Wei Industrial (Shanghai) Ltd.	Affiliated company	Sales	113,444	100	60 days	Based on the Group’s transfer pricing policy	-	Trade receivables	48,241	99	Note
Jin Wei Industrial (Shanghai) Ltd.	He-Shia (Nanjing) Food & Beverage Ltd.	Affiliated company	Sales	268,180	21	60 days	Based on the Group’s transfer pricing policy	-	Trade receivables	248,644	38	Note
	Shanghai Gourmet Master Food & Beverage Ltd.	Parent company	Sales	286,860	23	60 days	Based on the Group’s transfer pricing policy	-	Trade receivables	-	-	Note
	He-Shia Food & Beverage Ltd.	Affiliated company	Sales	127,222	10	60 days	Based on the Group’s transfer pricing policy	-	Trade receivables	127,053	19	Note
	Beijing 85 Food & Beverage Ltd.	Affiliated company	Sales	102,509	8	60 days	Based on the Group’s transfer pricing policy	-	Trade receivables	69,032	11	Note
Perfect 85 Degrees C, Inc.	WinPin 85 Investments, LLC	Parent company	Sales	175,616	81	30 days	Based on the Group’s transfer pricing policy	-	Trade receivables	62,675	66	Note

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

TABLE 4

GOURMET MASTER CO. LTD. AND SUBSIDIARIES

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
MARCH 31, 2015
(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	\$ 226,162	(Note)	\$ -	-	\$ -	\$ -
Jin Wei Industrial (Shanghai) Ltd.	He-Shia Food & Beverage Ltd.	Affiliated company	127,053	8.01	-	-	-	-
	He-Shia (Nanjing) Food & Beverage Ltd.	Affiliated company	248,644	8.63	-	-	-	-
Shanghai Gourmet Master Food & Beverage Ltd.	Sheng-Pin (Shenzheng) Food Ltd.	Affiliated company	100,880	(Note)	-	-	-	-
He-Shia Food & Beverage Ltd.	Shanghai Gourmet Master Food & Beverage Ltd.	Affiliated company	307,033	(Note)	-	-	-	-
	Beijing 85 Food & Beverage Ltd.	Affiliated company	162,417	(Note)	-	-	-	-
	Chengdu 85 Food & Beverage Ltd.	Affiliated company	103,034	(Note)	-	-	-	-
	Zhejiang 85 Food & Beverage Ltd.	Affiliated company	115,160	(Note)	-	-	-	-
He-Shia (Nanjing) Food & Beverage Ltd.	Shanghai Gourmet Master Food & Beverage Ltd.	Affiliated company	155,053	(Note)	-	-	-	-

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

TABLE 5**GOURMET MASTER CO. LTD. AND SUBSIDIARIES****INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2015****(In Thousands of New Taiwan Dollars)**

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Intercompany Transactions			
				Financial Statement Account	Amount	Payment Terms	% to Total Sales or Assets (Note 3)
1	Comestibles Master Co., Ltd.	Perfect 85 Degrees C, Inc.	c	Other receivables	\$ 226,162	Financings provided, annual interest rate 3.75%	2
		Mei Wei Master Co., Ltd.	c	Other receivables	50,000	Financings provided, annual interest rate 3.75%	-
		85 Degrees Co., Ltd.	c	Other receivables	50,000	Financings provided, annual interest rate 3.75%	-
2	Mei Wei Master Co., Ltd.	Comestibles Master Co., Ltd.	c	Purchases	120,206	25 days	3
		Comestibles Master Co., Ltd.	c	Trade payables	80,789	25 days	1
3	Shanghai Gourmet Master Food & Beverage Ltd.	Sheng-Pin (Shanghai) Food Ltd.	c	Other receivables	75,660	Financings provided, annual interest rate 3.75%	1
		Jin Wei Industrial (Shanghai) Ltd.	c	Purchases	286,860	60 days	6
		Sheng-Pin (Shenzhen) Food Ltd.	c	Other receivables	100,880	-	1
		Mai-Jia (Chengdu) Food Ltd.	c	Other receivables	50,440	-	-
		Sheng-Pin (Shenyang) Food Ltd.	c	Other receivables	50,440	-	-
4	He-Shia Food & Beverage Ltd.	Shanghai Gourmet Master Food & Beverage Ltd.	c	Other receivables	307,033	-	3
		Beijing 85 Food & Beverage Ltd.	c	Other receivables	162,417	-	2
		Shenyang 85 Food & Beverage Ltd.	c	Other receivables	75,660	Financings provided, annual interest rate 3.75%	1
		Shenyang 85 Food & Beverage Ltd.	c	Other receivables	69,567	-	1
		Jin Wei Industrial (Shanghai) Ltd.	c	Purchases	127,222	60 days	3
		Jin Wei Industrial (Shanghai) Ltd.	c	Trade payables	127,053	60 days	1
		Guangzhou 85 Degree Food & Beverage Management Ltd.	c	Other receivables	57,002	-	1
		Shenzhen 85 Food & Beverage Ltd.	c	Other receivables	78,369	-	1
		Chengdu 85 Food & Beverage Ltd.	c	Other receivables	103,034	-	1
		Zhejiang 85 Food & Beverage Ltd.	c	Other receivables	115,160	-	1
5	Beijing 85 Food & Beverage Ltd.	Jin Wei Industrial (Shanghai) Ltd.	c	Purchases	102,509	60 days	2
		Jin Wei Industrial (Shanghai) Ltd.	c	Trade payables	69,032	60 days	1
		Sheng-Pin (Beijing) Food Ltd.	c	Other receivables	75,645	-	1

(Continued)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Intercompany Transactions			
				Financial Statement Account	Amount	Payment Terms	% to Total Sales or Assets (Note 3)
6	He-Shia (Nanjing) Food & Beverage Ltd.	Jin Wei Industrial (Shanghai) Ltd.	c	Purchases	\$ 268,180	60 days	6
		Jin Wei Industrial (Shanghai) Ltd.	c	Trade payables	248,644	60 days	2
		Shanghai Gourmet Master Food & Beverage Ltd.	c	Other receivables	155,053	-	1
		Sheng-Pin (Xiamen) Food Ltd.	c	Other receivables	50,440	Financings provided, annual interest rate 3.75%	-
		Sheng-Pin (Xiamen) Food Ltd.	c	Other receivables	35,308	-	-
		Sheng-Pin (Wuhan) Food Ltd.	c	Other receivables	50,541	-	-
7	Wuhan Jing Way Food & Beverage Ltd.	Sheng-Pin (Wuhan) Food Ltd.	c	Other receivables	49,527	-	-
8	Zhejiang 85 Food & Beverage Ltd.	Jin Wei Industrial (Shanghai) Ltd.	c	Purchases	66,453	60 days	1
9	Fuzhou 85 Food & Beverage Ltd.	Jin Wei Industrial (Shanghai) Ltd.	c	Purchases	89,737	60 days	2
		Jin Wei Industrial (Shanghai) Ltd.	c	Trade payables	37,240	60 days	-
		Shenzheng 85 Food & Beverage Ltd.	c	Other receivables	50,763	-	-
10	Xiamen 85 Food & Beverage Ltd.	Jin Wei Industrial (Shanghai) Ltd.	c	Purchases	56,659	60 days	1
		Fuzhou 85 Food & Beverage Ltd.	c	Other receivables	40,231	-	-
11	Shenzheng 85 Food & Beverage Ltd.	Jin Wei Industrial (Shanghai) Ltd.	c	Purchases	74,798	60 days	2
		Jin Wei Industrial (Shanghai) Ltd.	c	Trade payables	33,785	60 days	-
12	Chengdu 85 Food & Beverage Ltd.	Jin Wei Industrial (Shanghai) Ltd.	c	Purchases	50,248	60 days	1
13	Jin Wei Industrial (Shanghai) Ltd.	Sheng-Pin (Shanghai) Food Ltd.	c	Purchases	134,264	60 days	3
		Sheng-Pin (Shanghai) Food Ltd.	c	Trade payables	56,563	60 days	1
		Sheng-Pin (Hangzhou) Food Ltd.	c	Purchases	113,444	60 days	2
		Sheng-Pin (Hangzhou) Food Ltd.	c	Trade payables	48,241	60 days	-
		Sheng-Pin (Jiansu) Food Ltd.	c	Purchases	118,897	60 days	2
		Sheng-Pin (Jiansu) Food Ltd.	c	Trade payables	49,971	60 days	-
		Sheng-Pin (Xiamen) Food Ltd.	c	Purchases	83,875	60 days	2
		Sheng-Pin (Xiamen) Food Ltd.	c	Trade payables	32,826	60 days	-
		Sheng-Pin (Beijing) Food Ltd.	c	Purchases	55,836	60 days	1
14	Sheng-Pin (Hangzhou) Food Ltd.	Zhejiang 85 Food & Beverage Ltd.	c	Other receivables	39,848	-	-
15	WinPin 85 Investments, LLC	Perfect 85 Degrees C, Inc.	c	Purchases	175,616	30 days	4
		Perfect 85 Degrees C, Inc.	c	Trade payables	62,675	30 days	1
16	Golden 85 Investments, LLC	Perfect 85 Degrees C, Inc.	c	Purchases	40,341	30 days	1
		Perfect 85 Degrees C, Inc.	c	Trade payables	32,530	30 days	-
17	Perfect 85 Degrees C, Inc.	Comestibles Master Co., Ltd.	c	Trade payables	30,764	30 days	-

(Continued)

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

- a. Number 0 represents parent company.
- b. Number 1 to 17 represents subsidiaries.

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

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

(Concluded)

TABLE 6

GOURMET MASTER CO. LTD. AND SUBSIDIARIES

INFORMATION OF INVESTEEES
FOR THE THREE MONTHS ENDED MARCH 31, 2015
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2015			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				March 31, 2015	March 31, 2014	Shares	%	Carrying Amount			
Gourmet Master Co. Ltd.	85 Degree Co., Ltd.	Malaysia	Investment	\$ 553,447	\$ 553,447	12,899,078	100	\$ 1,408,375	\$ 44,201	\$ 44,201	Note 1
	Prime Scope Trading Limited	Hong Kong	Investment	1,448,156 (US\$ 46,743)	1,448,156 (US\$ 46,743)	46,742,963	100	4,692,722	139,277	139,277	
	Perfect 85 Degrees C, Inc.	USA	Manufacturing of baking food and sale	233,988 (US\$ 7,553)	233,988 (US\$ 7,553)	5,301,000	100	653,602	30,931	30,931	Note 1
	85 Degrees Café International Pty. Ltd.	Australia	Grocery and drink retailing	42,510 (AUD 1,785)	42,510 (AUD 1,785)	1,785,000	51	27,197	(5,994)	(3,057)	Notes 1 and 2
	Lucky Bakery Limited	Samoa	Investment	170,397 (US\$ 5,500)	170,397 (US\$ 5,500)	5,500,000	100	103,160	(10,566)	(10,566)	Notes 1 and 2
Perfect 85 Degrees C, Inc.	Golden 85 Investments, LLC	USA	Grocery and drink retailing	61,077 (US\$ 1,971)	61,077 (US\$ 1,971)	-	65	43,439	10,740	6,981	Notes 1 and 2
	Winpin 85 Investment, LLC	USA	Grocery and drink retailing	272,635 (US\$ 8,800)	-	-	100	337,543	19,034	19,034	Note 1
Lucky Bakery Limited	Profit Sky International Limited	Hong Kong	Investment	167,898 (HK\$ 41,600)	167,898 (HK\$ 41,600)	-	100	98,511	(10,555)	(10,555)	Notes 1 and 2
Profit Sky International Limited	Wincase Limited	Hong Kong	Grocery and drink retailing	113,008 (HK\$ 28,000)	113,008 (HK\$ 28,000)	-	100	46,583	(6,194)	(6,194)	Notes 1 and 2
	Worldinn Limited	Hong Kong	Manufacturing of baking food and sale	121,080 (HK\$ 30,000)	121,080 (HK\$ 30,000)	-	100	48,172	(4,440)	(4,440)	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	1,458,367	51,215	51,215	
Comestibles Master Co., Ltd.	Mei Wei Master Co., Ltd.	Taichung City, Taiwan (R.O.C.)	Grocery and drink retailing	220,606	220,606	22,060,600	100	109,659	(16,403)	(16,403)	
	The Hot Pot Food and Beverage Management Co., Ltd.	Taichung City, Taiwan (R.O.C.)	Food and beverage; Grocery and drink retailing	57,841	57,841	5,784,050	23	62,381	16,184	3,670	Note 2
Mei Wei Master Co., Ltd.	Mei Wei Fu Xing Ltd.	Taichung City, Taiwan (R.O.C.)	Grocery and drink retailing	1,800	1,800	-	60	1,678	(763)	(458)	Note 2

Note 1: The exchange rate was US\$1=NT\$30,981; RMB1=NT\$5.044; AUD1=NT\$23.815; HK\$1=NT\$4.036 as of March 31, 2015.

Note 2: The carrying amount was based on the net assets of investee, which was not reviewed as of March 31, 2015.

Note 3: For information of investment in Mainland China, please refer to Table 7.

TABLE 7

GOURMET MASTER CO. LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2015
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital (RMB in Thousands) (Note)	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2015	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2015	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of March 31, 2015	Accumulated Repatriation of Investment Income as of March 31, 2015	Note
					Outward	Inward							
Prime Scope Trading Limited													
Shanghai Gourmet Master Food & Beverage Ltd.	Grocery and drink retailing	\$ 308,604 (US\$ 9,961)	Direct investment	\$ -	\$ -	\$ -	\$ -	\$ 2,848	100	\$ 2,848	\$ 1,380,957	\$ -	Note 1
He-Shia Food & Beverage Ltd.	Grocery and drink retailing	76,040 (US\$ 2,454)	Direct investment	-	-	-	-	13,370	100	13,370	1,618,081	-	Note 1
Sheng-Pin (Hangzhou) Food Ltd.	Manufacturing of baking food and sale	61,963 (US\$ 2,000)	Direct investment	-	-	-	-	11,161	100	11,425	181,425	-	Note 1
He-Shia (Nanjing) Food & Beverage Ltd.	Grocery and drink retailing	61,963 (US\$ 2,000)	Direct investment	-	-	-	-	27,807	100	27,807	619,471	-	Note 1
Beijing 85 Food & Beverage Ltd.	Grocery and drink retailing	61,963 (US\$ 2,000)	Direct investment	-	-	-	-	(5,909)	27	(1,567)	21,080	-	Notes 1 and 2
Zhejiang 85 Food & Beverage Ltd.	Grocery and drink retailing	61,963 (US\$ 2,000)	Direct investment	-	-	-	-	13,950	100	13,950	(5,349)	-	Notes 1 and 2
Sheng-Pin (Beijing) Food Ltd.	Manufacturing of baking food and sale	123,925 (US\$ 4,000)	Direct investment	-	-	-	-	3,069	100	2,744	41,782	-	Notes 1 and 2
Fuzhou 85 Food & Beverage Ltd.	Grocery and drink retailing	15,491 (US\$ 500)	Direct investment	-	-	-	-	32,522	100	32,522	205,680	-	Note 1
Sheng-Pin (Jiangsu) Food Ltd.	Manufacturing of baking food and sale	139,416 (US\$ 4,500)	Direct investment	-	-	-	-	9,855	100	7,565	161,989	-	Note 1
Sheng-Pin (Xiamen) Food Ltd.	Manufacturing of baking food and sale	61,963 (US\$ 2,000)	Direct investment	-	-	-	-	14,262	100	11,505	38,274	-	Notes 1 and 2
Sheng-Pin (Qingdao) Food Ltd.	Manufacturing of baking food and sale	77,453 (US\$ 2,500)	Direct investment	-	-	-	-	(1,553)	100	(2,723)	25,104	-	Notes 1 and 2
Xiamen 85 Food & Beverage Ltd.	Grocery and drink retailing	30,981 (US\$ 1,000)	Direct investment	-	-	-	-	39,610	100	39,610	135,386	-	Notes 1 and 2
Shenyang 85 Food & Beverage Ltd.	Grocery and drink retailing	30,981 (US\$ 1,000)	Direct investment	-	-	-	-	(18,208)	100	(18,208)	(64,442)	-	Notes 1 and 2
Sheng-Pin (Shenyang) Food Ltd.	Manufacturing of baking food and sale	123,925 (US\$ 4,000)	Direct investment	-	-	-	-	(3,415)	100	(3,415)	74,589	-	Notes 1 and 2
85 Degree (Qingdao) Food & Beverage Management Ltd.	Grocery and drink retailing	61,963 (US\$ 2,000)	Direct investment	-	-	-	-	1,768	100	1,768	90,959	-	Notes 1 and 2
85 Degree (Jiangsu) Food Ltd.	Manufacturing of baking food and sale	154,906 (US\$ 5,000)	Direct investment	-	-	-	-	(508)	25	(128)	162,062	-	Note 1
Shanghai Gourmet Master Food & Beverage Ltd.													
Sheng-Pin (Shanghai) Food Ltd.	Manufacturing of baking food and sale	90,792 (RMB 18,000)	Direct investment	-	-	-	-	6,448	100	1,099	123,324	-	Note 1
Mai-Jai (Shanghai) Food Ltd.	Manufacturing of baking food and sale	35,812 (RMB 7,100)	Direct investment	-	-	-	-	6,378	100	11,424	74,741	-	Notes 1 and 2
Shanghai Howco Jing Way Food & Beverage Ltd.	Grocery and drink retailing	75,660 (RMB 15,000)	Direct investment	-	-	-	-	967	100	967	98,492	-	Notes 1 and 2
Shenzheng 85 Food & Beverage Ltd.	Grocery and drink retailing	57,294 (RMB 11,359)	Direct investment	-	-	-	-	15,509	85	13,183	4,875	-	Notes 1 and 2
Chengdu 85 Food & Beverage Ltd.	Grocery and drink retailing	33,240 (RMB 6,590)	Direct investment	-	-	-	-	(5,752)	100	(5,752)	(20,592)	-	Notes 1 and 2

(Continued)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital (RMB in Thousands) (Note)	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2015	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2015	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of March 31, 2015	Accumulated Repatriation of Investment Income as of March 31, 2015	Note
					Outward	Inward							
Sheng-Pin (Wuhan) Food Ltd.	Manufacturing of baking food and sale	\$ 30,264 (RMB 6,000)	Direct investment	\$ -	\$ -	\$ -	\$ -	\$ (1,756)	100	\$ (3,617)	\$ (47,283)	\$ -	Notes 1 and 2
Wuhan Jing Way Food & Beverage Ltd.	Grocery and drink retailing	131,144 (RMB 26,000)	Direct investment	-	-	-	-	(5,061)	57	(2,861)	69,004	-	Notes 1 and 2
Jianxi Jing Way Food & Beverage Ltd.	Grocery and drink retailing	30,264 (RMB 6,000)	Direct investment	-	-	-	-	61	100	61	14,585	-	Notes 1 and 2
Jin Wei Industrial (Shanghai) Ltd.	Grocery sale	10,088 (RMB 2,000)	Direct investment	-	-	-	-	28,881	100	21,281	64,993	-	Note 1
Guangzhou 85 Degree Food & Beverage Management Ltd.	Grocery and drink retailing	30,264 (RMB 6,000)	Direct investment	-	-	-	-	(12,672)	100	(12,672)	(11,089)	-	Notes 1 and 2
Mai-Jia (Chengdu) Food Ltd.	Manufacturing of baking food and sale	124,839 (RMB 24,750)	Direct investment	-	-	-	-	1,950	100	213	92,815	-	Notes 1 and 2
85 Degree (Jiangsu) Food Ltd.	Manufacturing of baking food and sale	467,629 (RMB 92,710)	Direct investment	-	-	-	-	(508)	75	(380)	481,239	-	Note 1
Jia Ding Jing Way Food & Beverage Ltd.	Grocery and drink retailing	5,044 (RMB 1,000)	Direct investment	-	-	-	-	1,045	100	1,045	8,870	-	Notes 1 and 2
Shenzheng 85 Food & Beverage Ltd.	Manufacturing of baking food and sale	32,786 (RMB 6,500)	Direct investment	-	-	-	-	2,523	100	1,258	(24,088)	-	Notes 1 and 2
Sheng-Pin (Shenzheng) Food Ltd.													
85 Degree (Qingdao) Food & Beverage Management Ltd.	Grocery and drink retailing	7,566 (RMB 1,500)	Direct investment	-	-	-	-	213	100	213	8,681	-	Notes 1 and 2
Qingdao Jie Wei Food & Beverage Management Ltd.													
He-Shia Food & Beverage Ltd.	Grocery and drink retailing	100,880 (RMB 20,000)	Direct investment	-	-	-	-	(5,061)	43	(2,200)	53,080	-	Notes 1 and 2
Wuhan Jing Way Food & Beverage Ltd.													
Beijing 85 Food & Beverage Ltd.													
		189,301 (RMB 37,530)	Direct investment	-	-	-	-	(5,909)	73	(4,342)	58,386	-	Notes 1 and 2

Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2015	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
NA	NA	NA

Note 1: The exchange rate was US\$1=NT\$30.981, RMB1=NT\$5.044 as of March 31, 2015.

Note 2: The carrying amount was based on the net assets of investee, which was not reviewed as of March 31, 2015.

(Concluded)