English Translation of Financial Statements and a Report Originally Issued in Chinese

GRAPE KING BIO LTD.
CONSOLIDATED FINANCIAL STATEMENTS
WITH REPORT OF INDEPENDENT ACCOUNTANTS
AS OF JUNE 30, 2015 AND 2014
AND FOR THE SIX-MONTH PERIODS THEN ENDED

(REVIEWED BUT UNAUDITED)

Address: No.60, Sec. 3, Longgang Rd., Zhongli Dist., Taoyuan City 320, Republic of China (R.O.C.)
Telephone: 886-3-457-2121

The reader is advised that these consolidated financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

English Translation of a Report Originally Issued in Chinese

REVIEW REPORT OF INDEPENDENT ACCOUNTANTS

To: The Board of Directors
of Grape King Bio Ltd.

We have reviewed the accompanying consolidated balance sheets of Grape King Bio Ltd. and its subsidiaries as of June 30, 2015, the related consolidated statements of comprehensive incomes for the three-month and six-month periods then ended and consolidated statements of changes in equity and cash flows for the six-month periods then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to issue a review report based on our reviews. We did not review the financial statements of Pro-partner Inc., a 60%-owned subsidiary of the Company, as of June 30, 2015 and for the six-month periods then ended while they were reviewed by other auditors. Our reviews, insofar as it relates to the financial statements of Pro-partner Inc. are based solely on the reports of the other auditors. As of June 30, 2015, total assets of Pro-partner Inc. were NT$4,090,978 thousand, representing 53.83% of the consolidated total assets of the Company while the operating revenues for the three-month and six-month periods then ended were NT$1,716,336 thousand and NT$3,253,245 thousand, representing 92.37% and 92.71% of the consolidated operating revenues. The consolidated financial statements of Grape King Bio Ltd. and subsidiaries as of June 30, 2014 and for the six-month periods then ended were reviewed by other auditors who have issued a review report dated on August 11, 2014.

We conducted our reviews in accordance with the Taiwan R.O.C.'s Statements of Auditing Standards No. 36, "Review of Financial Statements". A review is limited primarily to applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, 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 and the reports of other auditors, we are not aware of any material modifications or adjustments that should be made to the consolidated financial statements referred to above in order for them to be in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards No. 34, "Interim Financial Reporting" which are recognized by Financial Supervisory Commission of the Republic of China.

Ernst & Young

ERNST & YOUNG
Taiwan,
Republic of China
August 12, 2015

Notices to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, results of operations 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 accepted and applied in the Republic of China.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

GRAPE KING BIO LTD.

CONSOLIDATED BALANCE SHEETS

As at June 30, 2015, December 31, 2014 and June 30, 2014 (June 30, 2015 and 2014 are reviewed but unaudited)

(Amounts Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	As at June 30, 2015	As at December 31, 2014	As at June 30, 2014
Current assets				
Cash and cash equivalents	4,6(1)	$1,270,749	$1,373,835	$660,810
Financial assets at fair value through profit or loss, current	4,6(2)	144,687	205,971	964,907
Notes receivable, net	4,6(4)	2,002	6,880	3,481
Accounts receivable, net	4,6(5)	84,897	78,212	75,833
Accounts receivable-related parties, net	4,6(5),7	10,965	13,336	11,107
Other receivables		1,887	1,714	996
Inventories, net	4,6(6)	325,175	268,268	223,600
Prepayments	4,6(7)	22,979	16,299	23,822
Other current assets	4,6(7)	5,708	1,196	839
Total current assets		1,869,049	1,965,711	1,965,395
Non-current assets				
Financial assets measured at cost	4,6(3)	18,502	18,502	12,274
Property, plant and equipment	4,6(8),8	5,364,079	2,067,880	1,892,806
Investment properties	4,6(9)	185,985	185,985	258,740
Intangible assets	4,6(10)	12,412	11,211	-
Deferred tax assets	4,6(22)	7,701	8,342	15,382
Other assets-others	4,6(7),8	142,582	1,111,188	929,098
Total non-current assets		5,731,261	3,403,108	3,108,300
Total assets		$7,600,310	$5,368,819	$5,073,695

Liabilities and Stockholders' Equity	Notes	As at June 30, 2015	As at December 31, 2014	As at June 30, 2014
Current liabilities				
Notes payable		$7,703	$6,391	$8,755
Accounts payable		177,508	120,829	92,304
Accounts payable-related parties	7	-	987	-
Other payables	6(11)	1,866,859	1,099,882	1,647,698
Other payables-related parties	7	9,897	1,645	1,363
Current tax liabilities	4,6(22)	166,920	183,735	150,324
Other current liabilities	6(12)	61,250	49,573	41,509
Current portion of long-term liabilities	4,6(13)	15,559	-	-
Total current liabilities		2,305,696	1,463,042	1,941,953
Non-current liabilities				
Long-term loans	4,6(13)	1,784,441	-	-
Deferred tax liabilities	4,6(22)	70,054	70,054	70,069
Other liabilities	4,6(14)	116,038	119,015	138,904
Total non-current liabilities		1,970,533	189,069	208,973
Total liabilities		4,276,229	1,652,111	2,150,926
Equity attributable to the parent company				
Capital				
Common stock	6(17)	1,302,350	1,302,350	1,302,350
Additional paid-in capital	6(17)	4,363	4,363	4,363
Retained earnings	6(17)			
Legal reserve		440,371	346,123	346,123
Special reserve		74,671	74,671	74,671
Unappropriated earnings		1,035,145	1,337,522	800,447
Other components of equity		(804)	5,923	147
Non-controlling interests	6(17)	467,985	645,756	394,668
Total equity		3,324,081	3,716,708	2,922,769
Total liabilities and equity		$7,600,310	$5,368,819	$5,073,695

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

GRAPE KING BIO LTD.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the three-month and six-month periods ended June 30, 2015 and 2014 (Reviewed but Unaudited)

(Amounts Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

	Notes	For the three-month periods ended June 30, 2015	For the three-month periods ended June 30, 2014	For the six-month periods ended June 30, 2015	For the six-month periods ended June 30, 2014
Operating revenues	4,6(18),7	$1,858,141	$1,629,151	$3,508,893	$3,014,845
Operating costs	7	(223,837)	(204,647)	(416,230)	(360,323)
Gross profit		1,634,304	1,424,504	3,092,663	2,654,522
Operating expenses					
Sales and marketing expenses	7	(1,075,042)	(931,263)	(2,018,274)	(1,698,101)
General and administrative expenses		(109,498)	(104,039)	(193,899)	(195,177)
Research and development expenses		(21,559)	(11,374)	(53,590)	(45,233)
Operating expenses total		(1,206,099)	(1,046,676)	(2,265,763)	(1,938,511)
Operating income		428,205	377,828	826,900	716,011
Non-operating income and expenses					
Other income	6(20),7	22,430	17,751	43,063	33,524
Other gain and losses	6(20),7	(36)	(8,337)	(75)	(11,343)
Finance costs	6(20)	(2,921)	(20)	(2,941)	(40)
Non-operating income and expenses total		19,473	9,394	40,047	22,141
Income from continuing operations before income tax		447,678	387,222	866,947	738,152
Income tax expense	4,6(22)	(90,782)	(77,771)	(163,017)	(139,997)
Net income		356,896	309,451	703,930	598,155
Other comprehensive income (loss)	6(21)				
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations		(4,031)	2,151	(6,727)	2,554
Income tax related to components of other comprehensive income		-	(366)	-	(434)
Total other comprehensive income (loss), net of tax		(4,031)	1,785	(6,727)	2,120
Total comprehensive income		$352,865	$311,236	$697,203	$600,275
Net income (loss) attributable to:					
Stockholders of the parent		$244,327	$210,649	$482,117	$405,261
Non-controlling interests		112,569	98,802	221,813	192,894
		$356,896	$309,451	$703,930	$598,155
Total comprehensive income (loss) attributable to:					
Stockholders of the parent		$240,296	$212,434	$475,390	$407,381
Non-controlling interests		112,569	98,802	221,813	192,894
		$352,865	$311,236	$697,203	$600,275
Earnings per share-basic (in NTD)	6(23)	$1.87	$1.62	$3.70	$3.11
Earnings per share-diluted (in NTD)	6(23)	$1.87	$1.62	$3.68	$3.11

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

GRAPE KING BIO LTD.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the six-month periods ended June 30, 2015 and 2014 (Reviewed but Unaudited)

(Amounts Expressed in Thousands of New Taiwan Dollar)

			Retained Earnings			Other Components of equity			
	Common Stock	Additional Paid-in Capital	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	Total	Non-Controlling Interests	Total Equity
Balance as of January 1, 2014	$1,302,350	$4,363	$262,546	$74,671	$1,129,937	$(1,973)	$2,771,894	$448,917	$3,220,811
Appropriations of prior year's earnings									
Legal capital reserve			83,577		(83,577)		-		-
Cash dividends to shareholders					(651,174)		(651,174)	(247,143)	(898,317)
Net income in the first half of 2014	-	-	-	-	405,261	-	405,261	192,894	598,155
Other comprehensive income, net of tax in the first half of 2014	-	-	-	-	-	2,120	2,120	-	2,120
Total comprehensive income	-	-	-	-	405,261	2,120	407,381	192,894	600,275
Balance as of June 30, 2014	$1,302,350	$4,363	$346,123	$74,671	$800,447	$147	$2,528,101	$394,668	$2,922,769
Balance as of January 1, 2015	$1,302,350	$4,363	$346,123	$74,671	$1,337,522	$5,923	$3,070,952	$645,756	$3,716,708
Appropriations of prior year's earnings									
Legal capital reserve			94,248		(94,248)		-		-
Cash dividends to shareholders					(690,246)		(690,246)	(399,584)	(1,089,830)
Net income in the first half of 2015	-	-	-	-	482,117	-	482,117	221,813	703,930
Other comprehensive income, net of tax in the first half of 2015	-	-	-	-	-	(6,727)	(6,727)	-	(6,727)
Total comprehensive income	-	-	-	-	482,117	(6,727)	475,390	221,813	697,203
Balance as of June 30, 2015	$1,302,350	$4,363	$440,371	$74,671	$1,035,145	$(804)	$2,856,096	$467,985	$3,324,081

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

GRAPE KING BIO LTD.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the six-month periods ended June 30, 2015 and 2014 (Reviewed but Unaudited)

(Amounts Expressed in Thousands of New Taiwan Dollars)

	For the six-month periods ended June 30,	
	2015	2014
Cash flows from operating activities:		
Net income before tax	$866,947	$738,152
Adjustments to reconcile net income (loss) before tax to net cash provided by (used in) operating activities:		
Depreciation	72,469	66,376
Amortization	150	-
Bad debt expenses (reversal)	38	103
Net loss (gain) of financial assets at fair value through profit or loss	(576)	(1,400)
Interest expense	2,941	40
Interest revenue	(1,659)	(1,187)
Loss (gain) on disposal of property, plant and equipment	13,591	148
Loss (gain) on disposal of Investment property	-	3,740
Changes in operating assets and liabilities:		
Financial asset held for trading	61,860	(539,702)
Notes receivable	4,878	1,236
Accounts receivable	(6,723)	(4,558)
Accounts receivable-related parties	2,371	-
Other receivables	(173)	(479)
Inventories	(56,907)	11,565
Prepayments	(4,392)	(6,955)
Other current assets	(4,512)	(564)
Other current monetary assets	-	450
Notes payable	1,312	(4,642)
Accounts payable	56,679	17,808
Accounts payable-related parties	(987)	-
Other payables	36,027	93,075
Other payables-related parties	8,252	(345)
Advance receipts	5,934	25,242
Other current liabilities	5,958	(2,732)
Accrued pension liabilities	(4,482)	(4,003)
Cash generated from operations	1,058,996	391,368
Interest received	1,659	1,187
Interest paid	(2,601)	(40)
Income tax paid	(179,191)	(158,812)
Net cash provided by (used in) operating activities	878,863	233,703

	For the six-month periods ended June 30,	
	2015	2014
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(2,357,183)	(33,254)
Proceeds from disposal of property, plant and equipment	-	114
Increase in refundable deposits	-	(2,708)
Decrease in refundable deposits	822	1,118
Acquisition of intangible assets	(1,351)	-
Acquisition of investment properties	-	(25,530)
Other non-financial assets	(4)	-
Increase in prepayment equipment	(25,233)	(51,784)
Increase in other prepayment	-	(289,774)
Net cash provided by (used in) investing activities	(2,382,949)	(401,818)
Cash flows from financing activities:		
Long-term loans	1,800,000	-
Cash dividends	(399,584)	(247,143)
Net cash provided by (used in) investing activities	1,400,416	(247,143)
Effect of exchange rate changes on cash and cash equivalents	584	7,373
Net increase (decrease) in cash and cash equivalents	(103,086)	(407,885)
Cash and cash equivalents at beginning of period	1,373,835	1,068,695
Cash and cash equivalents at end of period	$1,270,749	$660,810

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

1. History and organization

Grape King Bio Ltd. (The Company) was incorporated as a listed company limited by shares under the provisions of Company Act, the Securities and Exchange Act and other related regulations of the Republic of China (R.O.C.). In April 1971, the Company was officially registered as "Grape King Food Limited" and started its operation. In 1979, the Company merged with "China Fuso Seiko Pharmaceutical Industries Ltd." and was renamed as "Grape King Inc." In 1981, the Company further merged "Head Fancy Cosmetics Co. Ltd." The Company's stocks were listed and publicly traded on the Taiwan Stock Exchange (TWSE) starting December 1982. In the annual shareholders' meeting held on June 12, 2002, the Company resolved to change its name for "Grape King Bio Ltd". The Company is engaged in the production and sales of pharmaceutical preparation, patent medicine, liquid tonic, drink, healthy food, etc. The Company's registered office and main business location is at No.60, Sec. 3, Longgang Rd., Zhongli Dist., Taoyuan City 320, Taiwan, Republic of China.

2. Date and procedures of authorization of financial statements for issuance

The consolidated financial statements of the Company and its subsidiaries ("the Group") for the six-month periods ended 30 June 2015 and 2014 were authorized for issuance at August 12, 2015 by the Board of Directors.

3. Newly issued or revised standards and interpretations

(1) Changes in accounting policies resulting from applying for the first time certain standards and amendments

The Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission ("FSC") and become effective for annual periods beginning on or after 1 January 2015. The nature and the impact of each new standard and amendment that has a material effect on the Group are described below:

IAS 19 Employee Benefits

The revised IAS 19 brought about the following changes to defined benefit plans which are summarized as below:

(a) The interest cost and expected return on plan assets used in the previous version of IAS 19 are replaced with a net-interest amount under the revised IAS 19, which is calculated by applying the discount rate to the net defined benefit liability or asset at the start of each annual reporting period.

(b) In the previous version of IAS 19, past service cost is recognized as an expense immediately to the extent that the benefits are already vested, or on a straight-line basis over the average period until the benefits become vested. Under the revised IAS 19, all past service costs are recognized at the earlier of when the amendment/curtailment occurs or when the related restructuring or termination costs are recognized. Therefore unvested past service cost is no longer deferred over future vesting periods.

(c) The revised IAS 19 required more disclosure.

IFRS 13 Fair Value Measurements

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS. The Group re-assessed its policies for measuring fair values. Application of IFRS 13 has not materially impacted the fair value measurements of the Group.

Additional disclosures where required under IFRS 13, are provided in the individual notes relating to the assets and liabilities whose fair values were determined. Fair value hierarchy is provided in Note 12. According to the transitional provisions of IFRS 13, IFRS 13 is applied prospectively as of 1 January 2015; the disclosure requirements of IFRS 13 need not be applied in comparative information before 1 January 2015.

IAS 1 Presentation of Financial Statements – Presentation of items of other comprehensive income

Beginning 1 January 2014, the Group presented its items of other comprehensive income that will be reclassified to profit or loss separately from items that will not be reclassified in accordance with the amendments to IAS 1. The amendments affect presentation of statement of comprehensive income only and have no impact on the Group's financial position or performance.

IAS 1 Presentation of Financial Statements – Clarification of the requirement for comparative information

Beginning 1 January 2014, according to the amendments to IAS 1, when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements, the opening statement of financial position does not have to be accompanied by comparative information in the related notes. The amendments affect notes accompanying the financial statements only and have no impact on the Group's financial position or performance.

(2) The Company has not applied the following IFRSs issued by the International Accounting Standards Board ("IASB") but not endorsed by the FSC. As of the date that the consolidated financial statements were authorized for issue, the initial adoption to the following standards and interpretations is still subject to the effective date to be published by the FSC.

(a) IAS 36 "Impairment of Assets" (Amendment)

This amendment relates to the amendment issued in May 2011 and requires entities to disclose the recoverable amount of an asset (including goodwill) or a cash-generating unit when an impairment loss has been recognized or reversed during the period. The amendment also requires detailed disclosure of how the fair value less costs of disposal has been measured when an impairment loss has been recognized or reversed, including valuation techniques used, level of fair value hierarchy of assets and key assumptions used in measurement. The amendment is effective for annual periods beginning on or after 1 January 2014.

(b) IFRIC 21 "Levies"

This interpretation provides guidance on when to recognize a liability for a levy imposed by a government (both for levies that are accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and those where the timing and amount of the levy is certain). The interpretation is effective for annual periods beginning on or after 1 January 2014.

(c) IAS 39 "Financial Instruments: Recognition and Measurement" (Amendment)

Under the amendment, there would be no need to discontinue hedge accounting if a hedging derivative was novated, provided certain criteria are met. The interpretation is effective for annual periods beginning on or after 1 January 2014.

(d) IAS 19 “Employee Benefits” (Defined benefit plans: employee contributions)

The amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to provide a policy choice for a simplified accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. The amendment is effective for annual periods beginning on or after 1 July 2014.

(e) Improvements to International Financial Reporting Standards (2010-2012 cycle):

IFRS 2 “Share-based Payment”

The annual improvements amend the definitions of 'vesting condition' and 'market condition' and add definitions for 'performance condition' and 'service condition' (which were previously part of the definition of 'vesting condition'). The amendment prospectively applies to share-based payment transactions for which the grant date is on or after 1 July 2014.

IFRS 3 “Business Combinations”

The amendments include: (1) deleting the reference to "other applicable IFRSs" in the classification requirements; (2) deleting the reference to "IAS 37 Provisions, Contingent Liabilities and Contingent Assets or other IFRSs as appropriate", other contingent consideration that is not within the scope of IFRS 9 shall be measured at fair value at each reporting date and changes in fair value shall be recognized in profit or loss; (3) amending the classification requirements of IFRS 9 Financial Instruments to clarify that contingent consideration that is a financial asset or financial liability can only be measured at fair value, with changes in fair value being presented in profit or loss depending on the requirements of IFRS 9. The amendments apply prospectively to business combinations for which the acquisition date is on or after 1 July 2014.

IFRS 8 “Operating Segments”

The amendments require an entity to disclose the judgments made by management in applying the aggregation criteria to operating segments. The amendments also clarify that an entity shall only provide reconciliations of the total of the reportable segments' assets to the entity's assets if the segment assets are reported regularly. The amendment is effective for annual periods beginning on or after 1 July 2014.

IFRS 13 “Fair Value Measurement”

The amendment to the Basis for Conclusions of IFRS 13 clarifies that when deleting paragraph B5.4.12 of IFRS 9 Financial Instruments and paragraph AG79 of IAS 39 Financial Instruments: Recognition and Measurement as consequential amendments from IFRS 13 Fair Value Measurement, the IASB did not intend to change the measurement requirements for short-term receivables and payables.

IAS 16 “Property, Plant and Equipment”

The amendment clarifies that when an item of property, plant and equipment is revalued, the accumulated depreciation at the date of revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset. The amendment is effective for annual periods beginning on or after 1 July 2014.

IAS 24 “Related Party Disclosures”

The amendment clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity. The amendment is effective for annual periods beginning on or after 1 July 2014.

IAS 38 “Intangible Assets”

The amendment clarifies that when an intangible asset is revalued, the accumulated amortization at the date of revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset. The amendment is effective for annual periods beginning on or after 1 July 2014.

(f) Improvements to International Financial Reporting Standards (2011-2013 cycle):

IFRS 1 “First-time Adoption of International Financial Reporting Standards”

The amendment clarifies that an entity, in its first IFRS financial statements, has the choice between applying an existing and currently effective IFRS or applying early a new or revised IFRS that is not yet mandatorily effective, provided that the new or revised IFRS permits early application.

IFRS 3 “Business Combinations”

This amendment clarifies that paragraph 2(a) of IFRS 3 Business Combinations excludes the formation of all types of joint arrangements as defined in IFRS 11 Joint

Arrangements from the scope of IFRS 3; and the scope exception only applies to the financial statements of the joint venture or the joint operation itself. The amendment is effective for annual periods beginning on or after 1 July 2014.

IFRS 13 "Fair Value Measurement"

The amendment clarifies that paragraph 52 of IFRS 13 includes a scope exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis. The objective of this amendment is to clarify that this portfolio exception applies to all contracts within the scope of IAS 39 Financial Instruments: Recognition and Measurement or IFRS 9 Financial Instruments, regardless of whether they meet the definitions of financial assets or financial liabilities as defined in IAS 32 Financial Instruments: Presentation. The amendment is effective for annual periods beginning on or after 1 July 2014.

IAS 40 "Investment Property"

The amendment clarifies the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property; in determining whether a specific transaction meets the definition of both a business combination as defined in IFRS 3 Business Combinations and investment property as defined in IAS 40 Investment Property, separate application of both standards independently of each other is required. The amendment is effective for annual periods beginning on or after 1 July 2014.

(g) IFRS 14 "Regulatory Deferral Accounts"

IFRS 14 permits first-time adopters to continue to recognize amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt IFRS. However, to enhance comparability with entities that already apply IFRS and do not recognize such amounts, the Standard requires that the effect of rate regulation must be presented separately from other items. IFRS 14 is effective for annual periods beginning on or after 1 January 2016.

(h) IFRS 11 "Joint Arrangements" (Accounting for Acquisitions of Interests in Joint Operations)

The amendments provide new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments require the entity to apply all of the principles on business combinations accounting in IFRS 3 "Business Combinations", and other IFRS (that do not conflict with the guidance in IFRS 11), to the extent of its share in a joint operation acquired. The amendment also requires certain disclosure. The amendment is effective for annual periods beginning on or after 1 January 2016.

(i) IAS 16"Property, Plant and Equipment and IAS 38 "Intangible Assets" — Clarification of Acceptable Methods of Depreciation and Amortization

The amendment clarified that the use of revenue-based methods to calculate depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset, such as selling activities and change in sales volumes or prices. The amendment also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances. The amendment is effective for annual periods beginning on or after 1 January 2016.

(j) IFRS 15 "Revenue from Contracts with Customers"

The core principle of the new Standard is for companies to recognize revenue to depict the transfer of promised goods or services to customers in amounts that reflect the consideration to which the Company expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

The new Standard includes a cohesive set of disclosure requirements that would result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The Standard is effective for annual periods beginning on or after 1 January 2017.

(k) IAS 16 "Property, Plant and Equipment and IAS 41 "Agriculture" — Agriculture: Bearer Plants

The IASB decided that bearer plants should be accounted for in the same way as property, plant and equipment in IAS 16 Property, Plant and Equipment, because their operation is similar to that of manufacturing. Consequently, the amendments include them within the scope of IAS 16, and the produce growing on bearer plants will remain within the scope of IAS 41. The amendment is effective for annual periods beginning on or after 1 January 2016.

(l) IFRS 9 "Financial Instruments"

The IASB has issued the final version of IFRS 9, which combines classification and measurement, the expected credit loss impairment model and hedge accounting. The standard will replace IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9 Financial Instruments (which include standards issued on classification and measurement of financial assets and liabilities and hedge accounting).

Classification and measurement: Financial assets are measured at amortized cost, fair value through profit or loss, or fair value through other comprehensive income, based on both the entity's business model for managing the financial assets and the financial asset's contractual cash flow characteristics. Financial liabilities are measured at amortized cost or fair value through profit or loss. Furthermore there is requirement that 'own credit risk' adjustments are not recognized in profit or loss.

Impairment: Expected credit loss model is used to evaluate impairment. Entities are required to recognize either 12-month or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition.

Hedge accounting: Hedge accounting is more closely aligned with risk management activities and hedge effectiveness is measured based on the hedge ratio.

The new standard is effective for annual periods beginning on or after 1 January 2018.

(m) IAS 27 "Separate Financial Statements" — Equity Method in Separate Financial Statements

The IASB restored the option to use the equity method under IAS 28 for an entity to account for investments in subsidiaries and associates in the entity's separate financial statements. In 2003, the equity method was removed from the options. This amendment removes the only difference between the separate financial statements prepared in accordance with IFRS and those prepared in accordance with the local regulations in certain jurisdictions.

The amendment is effective for annual periods beginning on or after 1 January 2016.

(n) IFRS 10 “Consolidated Financial Statements” and IAS 28“Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full. IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors’ interests in the associate or joint venture.

The amendment is effective for annual periods beginning on or after 1 January 2016.

(o) Improvements to International Financial Reporting Standards (2012-2014 cycle):

IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”

The amendment clarifies that a change of disposal method of assets (or disposal groups) from disposal through sale or through distribution to owners (or vice versa) should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. The amendment also requires identical accounting treatment for an asset (or disposal group) that ceases to be classified as held for sale or as held for distribution to owners. The amendment is effective for annual periods beginning on or after 1 January 2016.

IFRS 7 “Financial Instruments: Disclosures”

The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset and therefore the disclosures for any continuing involvement in a transferred asset that is derecognized in its entirety under IFRS 7 Financial Instruments: Disclosures is required. The amendment also clarifies that whether the IFRS 7 disclosure related to the offsetting of financial assets and financial liabilities are required to be included in the condensed interim financial report would depend on the requirements under IAS 34 Interim Financial Reporting. The amendment is effective for annual periods beginning on or after 1 January 2016.

IAS 19 "Employee Benefits"

The amendment clarifies the requirement under IAS 19.83, that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. The amendment is effective for annual periods beginning on or after 1 January 2016.

IAS 34 "Interim Financial Reporting"

The amendment clarifies what is meant by "elsewhere in the interim financial report" under IAS 34; the amendment states that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report. The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. The amendment is effective for annual periods beginning on or after 1 January 2016.

(p) IAS 1 "Presentation of Financial Statements" (Amendment):

The amendments contain (1) clarifying that an entity must not reduce the understandability of its financial statements by obscuring material information with immaterial information or by aggregating material items that have different natures or functions. The amendments reemphasize that, when a standard requires a specific disclosure, the information must be assessed to determine whether it is material and, consequently, whether presentation or disclosure of that information is warranted, (2) clarifying that specific line items in the statement(s) of profit or loss and OCI and the statement of financial position may be disaggregated, and how an entity shall present additional subtotals, (3) clarifying that entities have flexibility as to the order in which they present the notes to financial statements, but also emphasize that understandability and comparability should be considered by an entity when deciding on that order, (4) removing the examples of the income taxes accounting policy and the foreign currency accounting policy, as these were considered unhelpful in illustrating what significant accounting policies could be, and (5) clarifying that the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, classified between those items that will or will not be subsequently reclassified to profit or loss. The amendment is effective for annual periods beginning on or after 1 January 2016.

(q) IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosure of Interests in Other Entities", and IAS 28"Investments in Associates and Joint Ventures" — Investment Entities: Applying the Consolidation Exception

The amendments contain (1) clarifying that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity when the investment entity measures all of its subsidiary at fair value, (2) clarifying that only a subsidiary that is not an investment entity itself and provides support services to the investment entity is consolidated when all other subsidiaries of an investment entity are measured at fair value, and (3) allowing the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries. The amendment is effective for annual periods beginning on or after 1 January 2016.

The abovementioned standards and interpretations issued by IASB have not yet recognized by FSC at the date of issuance of the Group's financial statements, the local effective dates are to be determined by FSC. As the Group is still currently determining the potential impact of the standards and interpretations listed under (10) and (12), it is not practicable to estimate their impact on the Group at this point in time. All other standards and interpretations have no material impact on the Group.

4. Summary of significant accounting policies

(1) Statement of compliance

The consolidated financial statements of the Group for the six-month periods ended 30 June 2015 and 2014 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations") and IAS 34 Interim Financial Reporting as recognized by the FSC.

(2) Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are expressed in thousands of New Taiwan Dollars ("NT$") unless otherwise stated.

(3) Basis of consolidation

Preparation principle of consolidated financial statement

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

(a) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
(b) exposure, or rights, to variable returns from its involvement with the investee, and
(c) the ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee
(b) rights arising from other contractual arrangements
(c) the Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the acquisition date, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using uniform accounting policies. All intra-group balances, income and expenses, unrealized gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Total comprehensive income of the subsidiaries is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

If the Group loses control of a subsidiary, it:

(a) derecognizes the assets (including goodwill) and liabilities of the subsidiary;
(b) derecognizes the carrying amount of any non-controlling interest;

(c) recognizes the fair value of the consideration received;
(d) recognizes the fair value of any investment retained;
(e) recognizes any surplus or deficit in profit or loss; and
(f) reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss.

The consolidated entities are listed as follows:

Investor	Subsidiary	Main businesses	Percentage of ownership (%) 30 June 2015	31 December 2014	30 June 2014
The Company	Pro-partner Inc. (Pro-partner)	Sales	60%	60%	60%
The Company	Grape King International Investment Inc.(B.V.I.) (GKBVI)	Investment	100%	100%	100%
The Company	Rivershine Ltd. (Rivershine)	Sales	100% (NOTE 1)	-	-
GKBVI	Shanghai Grape King Enterprise Co., Ltd. (Shanghai Grape King)	Manufacturing and Sales	100%	100%	100%

NOTE 1：Rivershine Ltd. established 100% owned subsidiary of The company in June 2015.
NOTE 2：The financial statements of Pro-partner Inc. are based solely on the reports of the other auditors. As of 30 June 2015, total assets of Pro-partner Inc. were NT$4,090,978 thousand, and the operating revenues for the six-month periods then ended were NT$1,716,336 thousand.

(4) Foreign currency transactions

The Group's consolidated financial statements are presented in NT$, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

(a) Foreign currency items within the scope of IAS 39 Financial Instruments: Recognition and Measurement are accounted for based on the accounting policy for financial instruments.

(b) Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(5) Translation of financial statements in foreign currency

The assets and liabilities of foreign operations are translated into NT$ at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. The following partial disposals are accounted for as disposals:

(a) when the partial disposal involves the loss of control of a subsidiary that includes a foreign operation; and

(b) when the retained interest after the partial disposal of an interest in a joint arrangement or a partial disposal of an interest in an associate that includes a foreign operation is a financial asset that includes a foreign operation.

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or joint arrangement that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

(6) Current and non-current distinction

An asset is classified as current when:

(a) The Group expects to realize the asset, or intends to sell or consume it, in its normal operating cycle
(b) The Group holds the asset primarily for the purpose of trading
(c) The Group expects to realize the asset within twelve months after the reporting period
(d) The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

(a) The Group expects to settle the liability in its normal operating cycle
(b) The Group holds the liability primarily for the purpose of trading
(c) The liability is due to be settled within twelve months after the reporting period
(d) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

(7) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term, highly liquid time deposits (including time deposits and repurchase agreements collateralized by corporate bonds that have maturity within 3 months) or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(8) Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities within the scope of IAS 39 Financial Instruments: Recognition and Measurement are recognized initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

(a) Financial assets

The Group accounts for regular way purchase or sales of financial assets on the trade date.

Financial assets of the Group are classified as financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The Group determines the classification of its financial assets at initial recognition.

<u>Financial assets at fair value through profit or loss</u>

Financial assets at fair value through profit or loss include financial assets held for trading.

A financial asset is classified as held for trading if:

i. it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
ii. on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
iii. it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Financial assets at fair value through profit or loss are measured at fair value with changes in fair value recognized in profit or loss. Dividends or interests on financial assets at fair value through profit or loss are recognized in profit or loss (including those received during the period of initial investment).

<u>Available-for-sale financial assets</u>

Available-for-sale investments are non-derivative financial assets that are designated as available-for-sale or those not classified as financial assets at fair value through profit or loss, held-to-maturity financial assets, or loans and receivables.

Foreign exchange gains and losses and interest calculated using the effective interest method relating to monetary available-for-sale financial assets, or dividends on an available-for-sale equity instrument, are recognized in profit or loss. Subsequent measurement of available-for-sale financial assets at fair value is recognized in equity until the investment is derecognized, at which time the cumulative gain or loss is recognized in profit or loss.

If equity instrument investments do not have quoted prices in an active market and their far value cannot be reliably measured, then they are classified as financial assets measured at cost on balance sheet and carried at cost net of accumulated impairment losses, if any, as at the reporting date.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those that the Group upon initial recognition designates as available for sale, classified as at fair value through profit or loss, or those for which the holder may not recover substantially all of its initial investment.

Loans and receivables are separately presented on the balance sheet as receivables or debt instrument investments for which no active market exists. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or transaction costs. The effective interest method amortization is recognized in profit or loss.

Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset other than the financial assets at fair value through profit or loss is impaired. A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more loss events that has occurred after the initial recognition of the asset and that loss event has an impact on the estimated future cash flows of the financial asset. The carrying amount of the financial asset impaired, other than receivables impaired which are reduced through the use of an allowance account, is reduced directly and the amount of the loss is recognized in profit or loss.

A significant or prolonged decline in the fair value of an available-for-sale equity instrument below its cost is considered a loss event.

Other loss events include:

i significant financial difficulty of the issuer or obligor; or
ii. a breach of contract, such as a default or delinquency in interest or principal payments; or
iii. it becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
iv. the disappearance of an active market for that financial asset because of financial difficulties.

For loans and receivables measured at amortized cost, the Group first assesses individually whether objective evidence of impairment exists individually for financial asset that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exits for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows. The present value of the estimated future cash flows is discounted at the financial assets original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. Interest income is accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Receivables together with the associated allowance are written off when there is no realistic prospect of future recovery. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to profit or loss.

In the case of equity investments classified as available-for-sale, where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognized in profit or loss – is removed from other comprehensive income and recognized in profit or loss. Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value after impairment are recognized directly in other comprehensive income.

Derecognition of financial assets

A financial asset is derecognized when:

i. The rights to receive cash flows from the asset have expired.
ii. The Group has transferred the asset and substantially all the risks and rewards of the asset have been transferred.
iii. The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

(b) Financial liabilities and equity

Classification between liabilities or equity

The Group classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Financial liabilities

Financial liabilities within the scope of IAS 39 Financial Instruments: Recognition and Measurement are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

(c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(9) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(a) In the principal market for the asset or liability, or
(b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(10) Inventories

Inventories are valued at lower of cost and net realizable value item by item.

Costs incurred in bringing each inventory to its present location and condition are accounted for as follows:

Raw materials – Purchase cost on a weighted average mothod

Finished goods, semi-finished goods and work in progress – Cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(11)Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 Property, plant and equipment. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Land improvements	5～8 years
Buildings	5～60 years
Machinery and equipment	5～30 years
Transportation equipment	5～8 years
Leasehold improvements	3～5 years or 46.5 years
Other Facilities	2～30 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

(12)Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are measured using the cost model in accordance with the requirements of IAS 16 for that model, other than those that meet the criteria to be classified as held for sale (or are included in a disposal group that is classified as held for sale) in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	30～38 years

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

Assets are transferred to or from investment properties when there is a change in use.

(13)Leases

<u>Group as a lessee</u>

Operating lease payments are recognized as an expense on a straight-line basis over the lease term.

<u>Group as a lessor</u>

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

(14) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets of the group are assessed as finite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

A summary of the policies applied to the Group's intangible assets is as follows:

	Computer software
Useful lives	5 years
Amortization method used	Amortized on a straight- line basis over the estimated useful life
Internally generated or acquired	Acquired

(15) Impairment of non-financial assets

The Group assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 Impairment of Assets may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

An impairment loss or a reversal of such impairment loss is recognized in profit or loss.

(16)Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. The following specific recognition criteria must also be met before revenue is recognized:

Sale of goods

Revenue from the sale of goods is recognized when all the following conditions have been satisfied:

(a) the significant risks and rewards of ownership of the goods have passed to the buyer;
(b) neither continuing managerial involvement nor effective control over the goods sold have been retained;
(c) the amount of revenue can be measured reliably;
(d) it is probable that the economic benefits associated with the transaction will flow to the entity; and
(e) the costs incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognized by reference to the stage of completion of the contract.

Revenue from technical services is recognized on an accrual basis in accordance with the substance of the relevant agreement provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably.

Interest income

For all financial assets measured at amortized cost (including loans and receivables), interest income is recorded using the effective interest rate method and recognized in profit or loss.

Dividends

Revenue is recognized when the Group's right to receive the payment is established.

(17) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(18) Post-employment benefits

All regular employees of the Company and its domestic subsidiaries are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Company and its domestic subsidiaries. Therefore fund assets are not included in the Group's consolidated financial statements. Pension benefits for employees of the overseas subsidiaries are provided in accordance with the respective local regulations.

For the defined contribution plan, the Company and its domestic subsidiaries will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due. Overseas subsidiaries make contribution to the plan based on the requirements of local regulations.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

(a) the date of the plan amendment or curtailment, and
(b) the date that the Group recognizes restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted and disclosed for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

(19)Income taxes

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The 10% income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

i. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

ii. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

i. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
ii. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities 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.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Interim period income tax expense is accrued using the tax rate that would be applicable to expected total annual earnings, that is, the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

5. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions

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

(a) Pension benefits

The cost of post-employment benefit and the present value of the pension obligation under defined benefit pension plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Please refer to Note 6 for more details.

(b) Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group company's domicile.

Deferred tax assets are recognized for all carryforward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies.

6. Contents of significant accounts

(1) Cash and cash equivalents

	As at		
	30 June 2015	31 December 2014	30 June 2014
Cash on hand	$2,997	$2,669	$3,086
Checking and savings	717,752	1,261,309	547,877
Time deposits	50,000	-	-
Repurchase agreements collateralized by corporate bonds	500,000	109,857	109,847
Total	$1,270,749	$1,373,835	$660,810

(2) Financial assets at fair value through profit or loss

	As at		
	30 June 2015	31 December 2014	30 June 2014
Financial assets held for trading:			
Monetary fund	$142,926	$202,926	$960,043
Valuation adjustments	1,761	3,045	4,864
Total	$144,687	$205,971	$964,907

	As at		
	30 June 2015	31 December 2014	30 June 2014
Current	$144,687	$205,971	$964,907
Non-current	-	-	-
Total	$144,687	$205,971	$964,907

Financial assets held for trading were not pledged.

(3) Financial assets measured at cost

	As at		
	30 June 2015	31 December 2014	30 June 2014
Unlisted companies	$18,502	$18,502	$12,274

	As at		
	30 June 2015	31 December 2014	30 June 2014
Current	$-	$-	$-
Non-current	18,502	18,502	12,274
Total	$18,502	$18,502	$12,274

a. In 2014, the Company invested US$ 207 thousand (equivalent to NT$6,228 thousand) in Fu-sheng International Inc. (Samoa) obtaining 207,100 shares, representing 19% of ownership interest.

b. The above investments in the equity instruments of unlisted entities are measured at cost as the fair value of these investments are not reliably measurable due to the fact that the variability in the range of reasonable fair value measurements is significant for that investment and that the probabilities of the various estimates within the range cannot be reasonably assessed and used when measuring fair value.

c. Financial assets measured at cost were not pledged.

(4) Notes receivables

	As at		
	30 June 2015	31 December 2014	30 June 2014
Notes receivables arising from operating activities	$2,002	$6,880	$3,481
Less: allowance for doubtful debts	-	-	-
Total	$2,002	$6,880	$3,481

Notes receivables were not pledged.

(5) Trade receivables and trade receivables from related parties

	As at		
	30 June 2015	31 December 2014	30 June 2014
Trade receivables	$88,283	$81,535	$78,773
Less: allowance for doubtful debts	(3,386)	(3,323)	(2,940)
Subtotal	84,897	78,212	75,833
Trade receivables from related parties	10,965	13,336	11,107
Less: allowance for doubtful debts	-	-	-

Subtotal	10,965	13,336	11,107
Total	$95,862	$91,548	$86,940

	As at		
	30 June 2015	31 December 2014	30 June 2014
Overdue Receivable	$37,323	$38,242	$36,767
Less: allowance for doubtful debts	(37,323)	(38,242)	(36,767)
Net	$-	$-	$-

Trade receivables were not pledged.

Trade receivables are generally on the term of 30-135 days. The movements in the provision for impairment of trade receivables and trade receivables from related parties are as follows:

	Individually impaired	Collectively impaired	Total
As at 1 January 2015	$38,242	$3,323	$41,565
Charge/(reversal) for the current period	(25)	63	38
Exchange differences	(894)	-	(894)
As at 30 June 2015	$37,323	$3,386	$40,709
As at 1 January 2014	$37,612	$2,843	$40,455
Charge/(reversal) for the current period	-	103	103
Exchange differences	(845)	(6)	(851)
As at 30 June 2014	$36,767	$2,940	$39,707

Impairment loss that was individually determined for the three-month periods ended 30 June 2015 and 2014 due to the fact that the counterparty was in financial difficulties. The amount of impairment loss recognized was the difference between the carrying amount of the trade receivable and the present value of its expected recoverable amount. The Group does not hold any collateral for such trade receivables. Ageing analysis of trade receivables that are past due as at the end of the reporting period but not impaired is as follows:

		Past due but not impaired:			
As at	Neither past due nor impaired	<=90 days	90~180days	>180 days	Total
30 June 2015	$93,879	$1,983	$-	$-	$95,862
31 December 2014	91,548	-	-	-	91,548
30 June 2014	86,940	-	-	-	86,940

(6) Inventories

	As at		
	30 June 2015	31 December 2014	30 June 2014
Raw materials	$106,875	$88,890	$82,647
Supplies	16,860	24,441	28,046
Semi-finished goods and Work in process	95,837	76,868	45,558
Finished goods	105,373	77,229	67,072
Merchandise	230	840	277
Total	$325,175	$268,268	$223,600

a. The cost of inventories recognized in expenses in amount of $223,837 thousand, $204,647 thousand, $416,230 thousand and $360,323 thousand for the three-month periods and six-month periods ended 30 June 2015 and 2014, respectively, including the write-down of inventories, is detailed as following:

	Three-month periods ended 30 June		Six-month periods ended 30 June	
	2015	2014	2015	2014
Inventory loss on retirement	$894	$2,689	$3,097	$6,386
Gains or loss from physical taking	(811)	(650)	(690)	(662)
Total	$83	$2,039	$2,407	$5,724

b. No inventories were pledged.

(7) Prepayments and Other Assets

	As at		
	30 June 2015	31 December 2014	30 June 2014
Prepayment for purchase	$9,472	$2,874	$3,609
Prepaid rental on land	54,897	57,185	54,950
Prepayment for equipment	44,393	47,466	45,959
Prepayment for land and building	-	962,427	787,047
Prepayment for computer software	-	-	8,303
Office Supplies	7,271	7,441	6,777
Other prepaid expenses	6,168	5,984	11,501
Other current assets	5,776	1,196	932
Refundable deposits	22,027	22,849	16,813
Overdue receivable	37,323	38,242	36,767
Less: allowance for doubtful debts	(37,323)	(38,242)	(36,767)

Other financial assets	1,860	1,860	1,860
Other noncurrent assets-other	19,405	19,401	16,008
Total	$171,269	$1,128,683	$953,759
Current portion	$28,687	$17,495	$24,661
Noncurrent portion	142,582	1,111,188	929,098
Total	$171,269	$1,128,683	$953,759

(1) The amount recognized under the caption of “prepaid rental on land” is the land-transferring fees prepaid to the Ministry of Land and Resource of the People's Republic of China for acquiring the right to use the land in Shanghai Songjiang Industrial Zone. Shanghai Grape King rent the land for construction of their manufacturing plant from October 1997 to March 2044. All fees were paid in full when the lease agreement was entered into and have been amortized in the lease term.

(2) Overdue receivables were those expected not to be collected within a year and the Group has provided a full allowance for doubtful debts against them. Please refer to Note 6 (5) to the consolidated financial statements for more details.

(8) Property, plant and equipment

	Land	Land Improvement	Building	Machinery	Transportation equipment	Leasehold improvement	Other facilities	Construction in progress	Total
Cost:									
As at 1 January 2015	$926,167	$1,926	$1,046,891	$1,054,296	$7,718	$7,374	$261,451	$111,687	$3,417,510
Additions	2,133,903	-	1,069,282	243	990	150	11,843	145,091	3,361,502
Disposals	-	-	(25,860)	(13,815)	-	(169)	(10,739)	-	(50,583)
Transfers	-	-	13,123	26,529	-	-	1,540	(13,123)	28,069
Ex. Diff.	-	-	(8,760)	(5,599)	(87)	(67)	(428)	-	(14,941)
As at 30 June 2015	$3,060,070	$1,926	$2,094,676	$1,061,654	$8,621	$7,288	$263,667	$243,655	$6,741,557
As at 1 January 2014	$858,626	$1,926	$910,333	$1,028,830	$9,117	$4,174	$250,702	$-	$3,063,708
Additions	-	-	23,590	24,273	142	3,000	11,024	14,454	76,483
Disposals	-	-	-	(2,615)	(1,138)	-	(10,265)	-	(14,018)
Transfers	67,541	-	(8,038)	-	-	-	-	-	59,503
Ex. Diff.	-	-	(5,881)	(5,031)	(91)	(61)	(434)	-	(11,498)
As at 30 June 2014	$926,167	$1,926	$920,004	$1,045,457	$8,030	$7,113	$251,027	$14,454	$3,174,178

Accumulated Depreciation:									
As at 1 January 2015	$-	$1,152	$408,274	$762,640	$7,061	$2,807	$167,696	$-	$1,349,630
Depreciation	-	59	22,537	32,584	273	534	16,482	-	72,469
Disposals	-	-	(17,264)	(9,882)	-	(78)	(9,768)	-	(36,992)
Transfers	-	-	-	-	-	-	-	-	-
Ex. Diff.	-	-	(2,159)	(4,955)	(83)	(25)	(407)	-	(7,629)
As at 30 June 2015	$-	$1,211	$411,388	$780,387	$7,251	$3,238	$174,003	$-	$1,377,478
As at 1 January 2014	$-	$980	$370,083	$712,874	$7,447	$1,629	$150,232	$-	$1,243,245
Depreciation	-	86	17,050	32,759	244	562	15,156	-	65,857
Disposals	-	-	-	(2,615)	(876)	-	(10,265)	-	(13,756)
Transfers	-	-	(7,232)	-	-	-	-	-	(7,232)
Ex. Diff.	-	-	(1,707)	(4,529)	(75)	(22)	(409)	-	(6,742)
As at 30 June 2014	$-	$1,066	$378,194	$738,489	$6,740	$2,169	$154,714	$-	$1,281,372
Net carrying amount as at:									
30 June 2015	$3,060,070	$715	$1,683,288	$281,267	$1,370	$4,050	$89,664	$243,655	$5,364,079
31 December 2014	$926,167	$774	$638,617	$291,656	$657	$4,567	$93,755	$111,687	$2,067,880
30 June 2014	$926,167	$860	$541,810	$306,968	$1,290	$4,944	$96,313	$14,454	$1,892,806

Please refer to Note 8 for details on property, plant and equipment under pledge.

(9)Investment property, net

	Land	Building	Investment Properties under construction	Total	Accumulated depreciation	Net
As at 1 January 2015 and As at 30 June 2015	$185,985	$-	$-	$185,985	$-	$185,985
As at 1 January 2014	$253,526	$45,624	$23,413	$322,563	$(16,954)	$305,609
Additions	-	16,497	9,033	25,530	-	25,530
Depreciation	-	-	-	-	(519)	(519)
Disposals	-	(22,151)	-	(22,151)	18,411	(3,740)
Transfers	(67,541)	40,082	(32,045)	(59,504)	(7,233)	(66,737)
Ex. Diff.	-	(1,137)	(401)	(1,538)	135	(1,403)
As at 30 June 2014	$185,985	$78,915	$-	$264,900	$(6,160)	$258,740

	Three-month periods ended 30 June		Six-month periods ended 30 June	
	2015	2014	2015	2014
Rental income from investment property	$-	$2,209	$-	$5,839
Less:				
Direct operating expenses from investment property generating rental income	-	(286)	-	(643)
Direct operating expenses from investment property not generating rental income	-	-	-	-
Total	$-	$1,923	$-	$5,196

a. No investment property was pledged.

b. Investment properties held by the Group are not measured at fair value while it is disclosed in accordance with the Group policy. The fair value measurements of the investment properties are categorized within Level 3. The fair value of investment properties held by the Group is $233,575 thousand, $261,566 thousand, and $334,160 thousand, as at 30 June 2015, 31 December 2014, and 30 June 2014, respectively. The fair value has been determined based on the public present value, released governmentally, of land and the appraisal reports issued by an external independent professional appraisal expert.

c. Value of the land listed above includes an agricultural land that is worth $5,600 thousand and was received due to overdue debt settlement. The land trust ownership was originally registered under the name of the ex-Chairman of the Company. The land trust ownership is transferred to Mr.Tseng Sheng-Lin, the current Chairman. The Company will receive a $5,600 thousand guaranteed note from Mr. Tseng for security purpose.

(10) Intangible assets

	Computer software
Cost:	
As at 1 January 2015	$11,361
Addition-acquired separately	1,351
As at 30 June 2015	$12,712
Accumulated Amortization:	
As at 1 January 2015	$150
Amortization	150
As at 30 June 2015	$300

Net carrying amount as at:	
As at 30 June 2015	$12,412
As at 31 December 2014	$11,211

Amortization expense of intangible assets under the statement of comprehensive income:

	Three-month periods ended 30 June		Six-month periods ended 30 June	
	2015	2014	2015	2014
Operating costs	$-	$-	$-	$-
General administrative expenses	$75	$-	$150	$-

(11)Other Payables

	As at		
	30 June 2015	31 December 2014	30 June 2014
Bonus to direct sellers	$599,537	$646,295	$529,513
Salaries and incentive bonus	186,431	100,527	135,830
Bonus to employees	184,897	149,349	162,546
Bonus to directors and suppvisors	23,414	34,041	29,923
Other accrued expenses	97,385	87,274	86,566
Payables on equipment	80,583	38,929	11,748
Accrued VAT payable	2,624	37,373	38,488
Dividend payable	690,246	-	651,174
Others	1,742	6,094	1,910
Total	$1,866,859	$1,099,882	$1,647,698

(12)Other current liabilities

	As at		
	30 June 2015	31 December 2014	30 June 2014
Sales revenue received in advance	$37,780	$24,594	$19,702
Rental received in advance	7,292	7,467	7,055
Other current liabilities—other	16,178	17,512	14,752
Total	$61,250	$49,573	$41,509

(13)Long-term loan

Details of long-term loan as of 30 June 2015 are as follows:

Lenders	As at 30 June 2015	Interest Rate (%)	Maturity date and terms of repayment
Secured Long-Term Loan from ChangHwa Commercial Bank	$1,000,000	1.72%	Effective May 27, 2015 to May 27, 2030. Principal is repaid with interest payments due monthly.
Secured Long-Term Loan from Taiwan Cooperative Bank	600,000	1.72%	Effective May 27, 2015 to May 24, 2035. Principal is repaid with interest payments due monthly.
Secured Long-Term Loan from Mega International Commercial Bank	200,000	1.74%	Effective May 27, 2015 to May 27, 2030. Principal is repaid in 3 months payments with interest payments due monthly.
Subtotal	1,800,000		
Less: current portion	(15,559)		
Total	$1,784,441		

Please refer to Note 8 for property, plant and equipment pledged as collateral for long term loans.

(14)Other noncurrent liabilities

	As at		
	30 June 2015	31 December 2014	30 June 2014
Other long-term payables	$18,136	$16,846	$31,525
Accrued pension liabilities	35,924	40,406	50,411
Guarantee deposit received	4,297	4,297	4,180
Other noncurrent liabilities-other	57,681	57,466	52,788
Total	$116,038	$119,015	$138,904

(15)Operating leases

<u>Operating lease commitments – Group as lessor</u>

Shanghai Grape King has entered into an operating lease in term from June 2014 to March 2034 with a non-related party. As of 30 June 2015, Shanghai Grape King has received prepaid rents, recorded as advances received, for the period of 11 years and 9 months. The movement schedule of prepaid rents is listed as follows:

	As at		
	30 June 2015	31 December 2014	30 June 2014
Beginning balance	$64,933	$31,784	$31,784
Prepaid rent added in current period	10,336	35,199	33,869
Rent income recognized in current period	(8,795)	(4,413)	(5,810)
Exchange difference	(1,501)	2,363	-
Ending balance of prepaid rent	$64,973	$64,933	$59,843

Advances received for operating leases are as follows:

	As at		
	30 June 2015	31 December 2014	30 June 2014
Other current liabilities	$7,292	$7,467	$7,055
Other non-current liabilities-other	57,681	57,466	52,788
Total	$64,973	$64,933	$59,843

Operating lease commitments – Group as lessee

Future minimum lease payments of non-cancellable operating leases are as following:

	As at		
	30 June 2015	31 December 2014	30 June 2014
Within one year	$39,528	$36,423	$37,693
Within one year to five years	74,522	89,892	66,478
Total	$114,050	$126,315	$104,171

Operating lease expenses recognized are as follows:

	Three-month periods ended 30 June		Six-month periods ended 30 June	
	2015	2014	2015	2014
Minimum lease payments	$10,274	$6,990	$20,716	$17,122

The lease contracts listed above are rental expenses for leasing operations centers, automobiles and warehouses.

(16)Post-employment benefits

Defined contribution plan

Expenses under the defined contribution plan for the three-month and six-month periods ended 30 June 2015 and 2014 are $3,512 thousand, $3,056 thousand, $6,802 thousand and $5,935 thousand, respectively.

Defined benefit plan

Expenses under the defined benefit plan for the three-month and six-month periods ended 30 June 2015 and 2014 are $1,142 thousand, $577 thousand, $2,348 thousand and $1,155 thousand, respectively.

(17)Equities

(a)Common stock

As at 30 June 2015, 31 December 2014, and 30 June 2014, the Company's authorized and issued capital was $1,500,000 and $1,302,350, divided into 150,000 thousand and 130,235 thousand shares respectively, each share at par of $10. Each share has one voting right and the right to receive dividend.

(b)Capital reserve

	As at		
	30 June 2015	31 December 2014	30 June 2014
Treasury share transactions	$4,363	$4,363	$4,363

According to Taiwan Company Act, the capital reserve shall not be used except for making good the deficit of the Company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the Company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

(c)Retained earnings and dividend policy

A. Retained earnings

For the Company and Pro-partner Inc., current year's earnings, if any, after payment of all taxes and dues, it should be first used to offset the operating loss, if any, from prior years. After that, 10% of the remaining balance should be set aside for legal reserve. Afterward, according to the related regulations, part of the remaining should be set aside for the special reserve if deemed necessary. Both companies may, based on business needs, resolve to make certain reservation from the combined amount of the remaining current earnings and the accumulated undistributed earnings from prior years and distribute the rest in the ratio listed below respectively.

	The Company	Pro-partner
Dividends and bonus	87%	90%
Employees' bonuses	11%	5%
Directors' and supervisors' remuneration	2%	5%

Based on Article 235-1 of Company Act revised on May 20, 2015, the Company shall distribute a portion of current year's profit as employees' compensation after offsetting the cumulative losses, if any. The aforementioned employees' compensation distributed in the form of shares or in cash shall be resolved by a majority vote at a meeting of board of directors attended by two-thirds of the total number of directors and reported at the stockholders' meeting. The employees' compensation for 2015 will be determined based on the revised Articles of Incorporation and reported at the stockholders' meeting.

B. Dividend policy

The earnings distribution of the Company should be in accordance with the overall business environment and long-term financial planning so that the operation of the Company can be stable and sustainable. The dividend distribution policy is both by cash dividend and stock dividend. However, the Company's dividend policy stipulates that at least10% of total dividends may be distributed as cash dividends.

C. Legal reserve

According to Taiwan's Company Act, the Company needs to set aside an amount as legal reserve unless where such legal reserve amounts to the amount of total authorized capital. The legal reserve can be used to make good the deficit. When the Company incurs no loss, it may distribute the portion of legal serve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

D. Special reserve

Following the adoption of TIFRS, the Taiwan FSC on 6 April 2012 issued Order No. Financial-Supervisory-Securities-Corporate-1010012865, which sets out the following provisions for compliance:

On a public company's first-time adoption of the TIFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders' equity that the Company elects to transfer to retained earnings by application of the exemption under IFRS 1, the Company shall set aside an equal amount of special reserve. Following a company's adoption of the TIFRS for the preparation of its financial reports, when distributing distributable earnings, it shall set aside to special reserve, from the profit/loss of the current period and the undistributed earnings from the previous period, an amount equal to "other net deductions from shareholders' equity for the current fiscal year, provided that if the Company has already set aside special reserve according to the requirements in the preceding point, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders' equity. For any subsequent reversal of other net deductions from shareholders' equity, the amount reversed may be distributed.

E. Details of the Company's 2014 and 2013 earnings distribution and dividends per share as approved by its annual shareholders' meeting held on 24 June 2015 and 23 June 2014 are listed as follows:

	Appropriation of earnings		Dividend per share (in NT$)	
	2014	2013	2014	2013
Legal reserve	$94,248	$83,577		
Common stock－cash dividend	690,246	651,174	5.3	5.0
Directors' remuneration	15,868	14,970		
Employee bonus－cash	87,272	82,332		

The Company incurred the employee bonuses and remuneration to directors and supervisors for the six-month periods ended 30 June 2014 in amount of $39,832 thousand and $7,242 thousand, respectively. The accruals were based on net income of the respective periods, the Company's Articles of Incorporation, and the appropriation to legal reserve and were recorded as operating costs or operating expenses. If any significant change in the estimation in the subsequent periods is made by the Board, the Company shall record the changed amount as an adjustment to current income. While, if there is any difference between the estimation and the amount from resolution of annual shareholders' meeting, it should be recognized in profit or loss of the subsequent year.

The number of shares distributed as share dividends was calculated based on the closing price one day earlier than the date of shareholders' meeting and the impacts of ex-right/ex-dividend.

The Company incurred the employee bonuses and remuneration to directors and supervisors for the six-month periods ended 30 June 2015 in amount of $41,511 thousand and $7,546 thousand, respectively. The accruals were based on net income of the respective periods and recorded as operating costs or operating expenses. If any significant change in the estimation in the subsequent periods is made by the Board, the Company shall record the changed amount as an adjustment to current income.

There was no difference between the actual employee bonuses and remuneration to directors and supervisors and the accruals booked in the financial statements for 2013 and 2014.

Information on the Board of Directors' proposal and the shareholders' approval status regarding employee bonuses and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

F. Information regarding Pro-Partner's 2014 and 2013 earnings distribution and dividends per share as approved by its annual shareholders' meeting held on 16 April 2015 and 25 April 2014, respectively, are as follows:

	Appropriation of earnings		Dividend per share (in NT$)	
	2014	2013	2014	2013
Legal reserve	$110,996	$86,417		
Common stock—cash dividend	998,961	617,857	56.76	386.16
Common stock—stock dividend	-	160,000	-	100.00
Directors' remuneration	54,520	43,119		
Employee bonus—cash	54,520	43,119		

Pro-partner Inc. incurred the employee bonuses and the remuneration to directors and supervisors for the six-month periods ended 30 June 2014 amounting to $23,134 thousand and $23,134 thousand, respectively. The accruals were based on net income of the respective periods, the Company's Articles of Incorporation, and the appropriation to legal reserve and were recognized as operating costs or operating expenses. If any significant change in the estimation in the subsequent periods is made by the Board, the Company will record the change amount as an adjustment to current income. While, if there is any difference between the estimation and the resolution of annual shareholders' meeting, it should be recognized in profit or loss of the subsequent year.

Pro-partner Inc. incurred the employee bonuses and remuneration to directors and supervisors for the six-month periods ended 30 June 2015 in amount of $26,749 thousand and $26,749 thousand, respectively. The accruals were based on net income of the respective periods and recorded as operating costs or operating expenses. If any significant change in the estimation in the subsequent periods is made by the Board, the Company shall record the changed amount as an adjustment to current income.

For Pro-partner Inc., there were no differences between the actual employee bonuses and remuneration to directors and supervisors and the accruals booked in the financial statements for 2013 and 2014.

G. Non-controlling interests

	Six-month periods ended 30 June	
	2015	2014
Beginning balance	$645,756	$448,917
Profit attributable to non-controlling interests	221,813	192,894
Cash dividends to non-controlling interests	(399,584)	(247,143)
Ending balance	$467,985	$394,668

(18)Operating revenue

	Three-month periods ended 30 June		Six-month periods ended 30 June	
	2015	2014	2015	2014
Sale of goods	$1,797,202	$1,597,796	$3,421,306	$2,969,850
Revenue arising from rendering of services	60,939	31,355	87,587	44,995
Total	$1,858,141	$1,629,151	$3,508,893	$3,014,845

(19)Schedule of employee benefits, depreciation and amortization by function during the three-month and six-month periods ended 30 June 2015 and 2014:

	Three-month periods ended 30 June					
	2015			2014		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expense						
Salaries	$43,671	$148,753	$192,424	$25,951	$135,652	$161,603
Labor and health insurance	2,236	7,192	9,428	2,188	5,854	8,042

Pension	2,279	2,375	4,654	1,838	1,795	3,633
Other employee benefits	766	6,638	7,404	1,080	5,617	6,697
Depreciation	22,440	15,515	37,955	20,831	12,163	32,994
Amortization	-	75	75	-	-	-

	Six-month periods ended 30 June					
	2015			2014		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expense						
Salaries	$81,962	$289,568	$371,530	$49,929	$265,928	$315,857
Labor and health insurance	5,364	10,585	15,949	4,848	9,480	14,328
Pension	4,495	4,655	9,150	3,620	3,470	7,090
Other employee benefits	1,572	8,384	9,956	2,124	8,361	10,485
Depreciation	44,756	27,713	72,469	41,987	24,389	66,376
Amortization	-	150	150	-	-	-

(20)Non-operating incomes and expenses

(a)Other incomes

	Three-month periods ended 30 June		Six-month periods ended 30 June	
	2015	2014	2015	2014
Interest income from bank deposits	$1,269	$624	$1,659	$1,187
Rental revenue	5,715	4,233	11,271	8,042
Other Income	15,446	12,894	30,133	24,295
Total	$22,430	$17,751	$43,063	$33,524

(b) Other gains and losses

	Three-month periods ended 30 June		Six-month periods ended 30 June	
	2015	2014	2015	2014
Loss from disposal of PPE	$-	$(3,740)	$-	$(3,740)
Foreign exchange loss, net	(202)	(5,017)	(524)	(8,601)
Gain from financial assets at fair value through P/L	293	796	576	1,400
Others	(127)	(376)	(127)	(402)
Total	$(36)	$(8,337)	$(75)	$(11,343)

(c) Finance costs

	Three-month periods ended 30 June		Six-month periods ended 30 June	
	2015	2014	2015	2014
Imputed interest on deposit	$22	$20	$42	$40
Interest on borrowings from bank	2,899	-	2,899	-
Total	$2,921	$20	$2,941	$40

(21) Components of other comprehensive income

Three-month periods ended 30 June 2015

	Arising during the period	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
To be reclassified to profit or loss in subsequent period:			
Exchange differences			
Resulting from translating financial statements of foreign operations	$(4,031)	$-	$(4,031)

Three-month periods ended 30 June 2014

	Arising during the period	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
To be reclassified to profit or loss in subsequent period:			
Exchange differences			
Resulting from translating financial statements of foreign operations	$2,151	$ (366)	$1,785

Six-month periods ended 30 June 2015

	Arising during the period	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
To be reclassified to profit or loss in subsequent period:			
Exchange differences			
Resulting from translating financial statements of foreign operations	$(6,727)	$-	$(6,727)

Six-month periods ended 30 June 2014

	Arising during the period	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
To be reclassified to profit or loss in subsequent period:			
Exchange differences			
Resulting from translating financial statements of foreign operations	$2,554	$ (434)	$2,120

(22)Income tax

The major components of income tax expense (income) are as follows:

Income tax expense (income) recognized in profit or loss

	Three-month periods ended 30 June		Six-month periods ended 30 June	
	2015	2014	2015	2014
Current income tax expense (benefit):				
Current income tax charge	$90,118	$77,333	$162,376	$140,701
Deferred income tax expense (benefit):				
Deferred income tax expense (benefit) related to origination and reversal of temporary difference	664	438	641	(704)
Total income tax expense	$90,782	$77,771	$163,017	$139,997

Income tax relating to components of other comprehensive income

	Three-month periods ended 30 June		Six-month periods ended 30 June	
	2015	2014	2015	2014
Deferred tax expense (benefit):				
Exchange differences on translation of foreign operations	$-	$366	$-	$434

Imputation tax credit information

	As at		
	30 June 2015	31 December 2014	30 June 2014
Balance of imputation tax credit			
The Company	$277,364	$114,181	$225,893

The expected creditable ratio for 2014 and the actual for 2013 were 20.74% and 19.99%, respectively.

Tax assessment

As of 30 June 2015, the assessment from tax authority for the Company and Pro-partner Inc. are as follows:

	Status
The Company	Assessed and approved up to 2012
Pro-partner Inc.	Assessed and approved up to 2013

(23) Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	Three-month periods ended 30 June		Six-month periods ended 30 June	
	2015	2014	2015	2014
(a) Basic earnings per share				
Profit attributable to ordinary equity holders of the Company (in thousand NT$)	$244,327	$210,649	$482,117	$405,261
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousand shares)	130,235	130,235	130,235	130,235
Basic earnings per share (in NT$)	$1.87	$1.62	$3.70	$3.11

	Three-month periods ended 30 June		Six-month periods ended 30 June	
(2) Diluted earnings per share	2015	2014	2015	2014
Profit attributable to ordinary equity holders of the Company (in thousand NT$)	$244,327	$210,649	$482,117	$405,261
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousand shares)	130,235	130,235	130,235	130,235
Effect of dilution:				
Employee bonus－stock (in thousand shares)	640	174	665	295
Weighted average number of ordinary shares outstanding after dilution (in thousand shares)	130,875	130,409	130,900	130,530
Diluted earnings per share (in NT$)	$1.87	$1.62	$3.68	$3.11

There were no other transactions involving ordinary shares or potential ordinary shares between the balance sheet date and the date of completion of the consolidated financial statements.

(24)Subsidiary that has material non-controlling interests

Financial information of subsidiary that has material non-controlling interests is provided below:

Proportion of equity interest held by non-controlling interests:

The summarized financial information of this subsidiary is provided below. This information is based on amounts before inter-company eliminations.

		As at		
Name	Country of Incorporation and operation	30 June 2015	31 December 2014	30 June 2014
Pro-partner	Republic of China	40%	40%	40%

	As at		
	30 June 2015	31 December 2014	30 June 2014
Accumulated balances of material non-controlling interest:			
Pro-partner	$467,985	$645,756	$394,688

	Three-month periods ended 30 June		Six-month periods ended 30 June	
Profit/(loss) allocated to material non-controlling interest:	2015	2014	2015	2014
Pro-partner	$112,569	$98,802	$221,813	$192,894

The summarized financial information of this subsidiary is provided below. This information is based on amounts before inter-company eliminations.

Summarized information of profit or loss for the three-month periods and six-month periods ended 30 June 2015 and 2014 is as follows:

	Three-month periods ended 30 June		Six-month periods ended 30 June	
	2015	2014	2015	2014
Operating revenue	$1,716,336	$1,506,561	$3,253,245	$2,793,428
Profit/loss from continuing operation	$281,423	$247,006	$554,533	$482,237
Total comprehensive income for the period	$281,423	$247,006	$554,533	$482,237

Summarized information of financial position as at 30 June 2015, 31 December 2014 and 30 June 2014 is as follows:

	As at		
	30 June 2015	31 December 2014	30 June 2014
Current assets	$585,836	$1,262,315	$646,799
Non-current assets	3,526,207	1,503,803	1,351,357
Current liabilities	(1,154,520)	(1,148,602)	(1,008,604)
Non-current liabilities	(1,787,561)	(3,126)	(2,882)

Summarized cash flow information for the six-month periods ended 30 June 2015 and 2014 is as follows:

	Six-month periods ended 30 June	
	2015	2014
Operating activities	$606,469	$531,883
Investing activities	(2,024,775)	(290,699)
Financing activities	796,295	(624,162)
Net decrease in cash and cash equivalents	(622,011)	(382,978)

7. Related party transactions

(1) Significant transactions with related parties

(a) Sales

	Three-month periods ended 30 June		Six-month periods ended 30 June	
	2015	2014	2015	2014
Other related parties	$26,146	$23,837	$45,421	$40,858

The above mentioned parties are the exclusive distributors for beverage products of the Company, and the Multi-level marketing (MLM) members of the subsidiaries. The sales price for the other related parties was determined based on mutual consent and the price for the third-party MLM member customers. There is no significant difference regarding the terms and conditions for the other related parties and for the third-parties.

(b) Purchases

	Three-month periods ended 30 June		Six-month periods ended 30 June	
	2015	2014	2015	2014
Other related parties	$-	$-	$-	$2,820

The purchase price to the above related parties was determined based on mutual agreement. Payment was made in full right after acceptance.

(c) Amounts owed by related parties

	As at		
	30 June 2015	31 December 2014	30 June 2014
Other related parties	$10,965	$13,336	$11,107
Less: allowance for doubtful debts	-	-	-
Net	$10,965	$13,336	$11,107

(d) Amounts owed to related parties

	As at		
	30 June 2015	31 December 2014	30 June 2014
Other related parties	$-	$987	$-

(e) Other payables to related parties

	As at		
	30 June 2015	31 December 2014	30 June 2014
Other related parties	$9,897	$1,645	$1,363

(f) Guarantee deposits

	As at		
	30 June 2015	31 December 2014	30 June 2014
Other related parties	$-	$463	$300

(g) Sales and marketing expenses – commission

	Three-month periods ended 30 June		Six-month periods ended 30 June	
	2015	2014	2015	2014
Other related parties	$3,981	$1,937	$6,117	$3,709

The above related parties are MLM members of subsidiary. The calculation and payment terms are the same as with the general membership in accordance with the regulations of Business Manual.

(h) General and administrative expenses – rental

	Three-month periods ended 30 June		Six-month periods ended 30 June	
	2015	2014	2015	2014
Other related parties	$542	$543	$1,086	$1,086

The rental to the above related parties and normal rental prices were similar and comparable. The rental was paid either monthly or in full at the beginning of each year.

(i) General and administrative expenses – incentive

	Three-month periods ended 30 June		Six-month periods ended 30 June	
	2015	2014	2015	2014
Other related parties	$208	$134	$276	$195

The above related parties are MLM members of subsidiary. The calculation and payment terms are the same as with the general membership in accordance with the regulations of Associate Member contest approaches.

(j) Revenue from rental assets

	Three-month periods ended 30 June		Six-month periods ended 30 June	
	2015	2014	2015	2014
Other related parties	$907	$926	$1,816	$1,863

The rental from the above related parties and normal rental prices were similar and comparable. The term of collection was either in a monthly installment or in full at the beginning of each year.

(k) Key management personnel compensation

	Three-month periods ended 30 June		Six-month periods ended 30 June	
	2015	2014	2015	2014
Short-term employee benefits	$17,989	$22,448	$37,929	$40,238
Post-employment benefits	85	112	173	226
Total	$18,074	$22,560	$38,102	$40,464

8. Assets pledged as collaterals

The following assets are pledged as collaterals for bank loans and contract deposit.

	As at		
Assets pledged	30 June 2015	31 December 2014	30 June 2014
Property, plant and equipment—land	$2,127,640	$180,336	$180,336
Property, plant and equipment—building	1,187,821	224,225	225,250
Other financial assets—pledged time deposits	1,860	1,860	1,860
Total	$3,317,321	$406,421	$407,446

9. Commitments and contingencies

(1) The Company's guarantee notes issued to banks for credit lines amounted to $70,000 thousand.

(2) For the Group's operational needs, Pro-partner Inc. has entered into a vehicle leasing contract with Jih Sun International Leasing & Finance Co., Ltd. The term is from July 18, 2013 to July 17, 2016 with monthly lease payment amounting to $549 thousand.

(3) For operational needs, Pro-partner signed the vehicle leasing contract with Jih Sun International Leasing & Finance Co., Ltd. The term is from May 06, 2014 to May 05, 2017 with the monthly lease payment of $163 thousand.

(4) For operational needs, Pro-partner has to establish operational bases in Taipei, Taoyuan, Zhongli, Hsinchu, Fengyuan, Taichung and Kaohsiung. All offices were leased, except for the operational center in Taipei, which is a business building purchased and owned by Pro-partner. The information concerning the operating leases sustained as of June 30, 2015 is listed below:

Operation Sites	Lessor	The lease term	Monthly rental
Taipei City	Uni-President Enterprises Corporation	2013.5.1~2018.4.30	$554
Taoyuan City	Taoyuan Irrigation Association	2013.11.9~2016.11.8	230
Zhongli City	Tseng, Sheng-Yang	2013.1.1~2015.12.31	1
Hsinchu City	Tsai,Fu-Ching	2013.10.1~2015.9.30	111
Fengyuan Dist.	Lin,Fen-Ling	2014.6.1~2017.5.31	70
Taichung City	Pu-Lin Ltd.	2007.11.1~2027.11.1	220
Taichung City	Pu-Lin Ltd.	2010.4.1~2030.3.31	129
Taichung City	Po, I-Hsuan	2013.3.1~2016.2.29	30
Kaohsiung City	The Company	2013.8.1~2016.7.31	236
Pingzhen Dist.	The Company	2015.4.1~2016.3.31	48
HuaLian City	Liou, Chuen-Hou	2014.3.1~2017.2.28	130

(5) The Company entered into a contract for plant and machinery. Total contract amount is $786,000 thousand while $551,315 thousand remained unpaid as of June 30, 2015.

(6) The Company has successfully obtained a permission to establish its Longtong Branch within Longtan Science Park, which is under the governance of Hsinchu Science Park Bureau, on August 13, 2014. The Branch has been officially registered for establishment on March 6, 2015. The need for operational capital for running the Branch would be around $940,000 thousand.

10. Losses due to major disasters

None.

11. Significant subsequent events

It was approved in the board meeting held on July 9, 2015 and was authorized by Financial Supervisory Commission ("FSC") On July 29, 2015 that the domestic unsecured convertible bonds are to be issued with the maximum face value up to one billion NTD, a three-year term and the coupon rate is 0%. The capital raised from the bonds will be used for expanding the plant, purchasing equipment and expanding the working capital.

12. Financial instruments

(1) Categories of financial instruments

Financial assets	As at		
	30 June 2015	31 December 2014	30 June 2014
Financial asset at fair value through P/L:			
Held for trading	$144,687	$205,971	$964,907
Available-for-sale financial assets (including financial asset measured at cost)	18,502	18,502	12,274
Loans and receivables			
Cash and cash equivalents (excluding cash on hand)	1,267,752	1,371,166	657,724
Notes receivable	2,002	6,880	3,481
Accounts receivable	84,897	78,212	75,833
Accounts receivable from related parties	10,965	13,336	11,107
Other receivables	1,887	1,714	996
Refundable deposits	22,027	22,849	16,813
Other financial assets	1,860	1,860	1,860
Subtotal	1,391,390	1,496,017	767,814
Total	$1,554,579	$1,720,490	$1,744,995

Financial liabilities	As at		
	30 June 2015	31 December 2014	30 June 2014
Financial liabilities at amortized cost:			
Notes payable	$7,703	$6,391	$8,755
Accounts payable	177,508	120,829	92,304
Accounts payable – related parties	-	987	-
Other payables	1,866,859	1,099,882	1,647,698
Other payables – related parties	9,897	1,645	1,363
Long-term loans (current portion included)	1,800,000	-	-
Other long-term payables	18,136	16,846	31,525
Guarantee deposits received	4,297	4,297	4,180
Total	$3,884,400	$1,250,877	$1,785,825

(2) Financial risk management objectives and policies

The Group's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activates. The Group identifies measures and manages the aforementioned risks based on the Group's policy and risk appetite.

The Group has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors must be carried out based on related protocols and internal control procedures. The Group complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk, interest rate risk and other price risk (such as equity risk).

In practice, it is rarely the case that a single risk variable will change independently from other risk variables. There are usually interdependencies between risk variables. However the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense are denominated in a different currency from the Group's functional currency) and the Group's net investments in foreign subsidiaries.

The Group has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Group.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Group's foreign currency risk is mainly related to the volatility in the exchange rates for foreign currency USD. The information of the sensitivity analysis is as follows:

When NTD strengthens/weakens against foreign currency USD by 10%, the profit before tax for the six-month periods ended 30 June 2015 and 2014 is decreased/increased by $958 thousand and $845 thousand, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's loans and receivables at variable interest rates and financial liabilities at amortized cost.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including investments with variable interest rates. At the reporting date, a change of 0.1% of interest rate in a reporting period could cause the profit before tax for the six-month periods ended 30 June 2015 and 2014 to increase /decrease by $(541) thousand and $274 thousand, respectively.

Equity price risk

The fair value of the Group's unlisted equity securities and monetary fund are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group's unlisted equity securities are classified under available-for-sale financial assets.

The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, a change of 5% in the net asset value of the monetary fund held for trading could increase/decrease the Group's profit before tax for the six-month periods ended 30 June 2015 and 2014 by $7,234 thousand and $48,245 thousand, respectively.

(4) Credit risk management

Credit risk is the risk that the counterparty will not meet its obligations under a contract, leading to a financial loss. The Group is exposed to credit risk from operating activities (primarily for accounts receivables and notes receivables) and from its financing activities, including bank deposits and other financial instruments.

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit limits are established for all customers based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Group's internal rating criteria etc. Certain customer's credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment.

There is no concentration of credit risk of a single customer for the six-month periods ended June 30, 2015 and 2014. Therefore, the credit risk is insignificant.

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Group's treasury in accordance with the Group's policy. The Group only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating and with no significant default risk. Consequently, there is no significant credit risk for these counter parties.

(5) Liquidity risk management

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents and highly liquid equity investments. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Non-derivative financial instruments

	Less than 6 months	6 to 12 months	1 to 2 years	2 to 5 years	More than 5years	Total
As at 30 June 2015						
Carried at amortized cost						
Notes payable	$7,703	$-	$-	$-	$-	$7,703
Accounts payable	177,508	-	-	-	-	177,508
Other payables	1,651,235	225,521	-	-	-	1,876,756
Long-term payables	-	-	18,136	-	-	18,136
Long-term loans (current portion included)	22,436	24,315	76,626	423,299	1,575,165	2,121,841
As at 31 December 2014						
Carried at amortized cost						
Notes payable	$6,391	$-	$-	$-	$-	$6,391
Accounts payable	121,816	-	-	-	-	121,816

Other payables	957,550	143,977	-	-	-	1,101,527
Long-term payables	-	-	16,846	-	-	16,846
As at 30 June 2014						
Carried at amortized cost						
Notes payable	$8,281	$474	$-	$-	$-	$8,755
Accounts payable	92,304	-	-	-	-	92,304
Other payables	1,421,984	227,077	-	-	-	1,649,061
Long-term payables	-	-	31,525	-	-	31,525

(6) Fair values of financial instruments

(a) The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Group to measure or disclose the fair values of financial assets and financial liabilities:

a. The carrying amount of cash and cash equivalents, accounts receivables, accounts payable and other current liabilities approximate their fair value due to their short maturities.

b. For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures etc.) at the reporting date.

c. Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).

(b) Fair value of financial instruments measured at amortized cost

The carrying amount of the Group's financial assets and liabilities measured at amortized cost approximate their fair value.

(c) Fair value measurement hierarchy for financial instruments

Please refer to Note 12.7 for fair value measurement hierarchy for financial instruments of the Group.

(7) Fair value measurement hierarchy

(a) Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – Unobservable inputs for the asset or liability

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

(b) Fair value measurement hierarchy of the Group's assets and liabilities

The Group does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Group's assets and liabilities measured at fair value on a recurring basis is as follows:

As at 30 June 2015

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Monetary fund	$144,687	$-	$-	$144,687

As at 31 December 2014

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Monetary fund	$205,971	$-	$-	$205,971

As at 30 June 2014

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Monetary fund	$964,907	$-	$-	$964,907

Transfers between Level 1 and Level 2 during the period

During the six-month periods ended 30 June 2015 and 2014, there were no transfers between Level 1 and Level 2 fair value measurements.

(c) Fair value measurement hierarchy of the Group's assets and liabilities not measured at fair value but for which the fair value is disclosed

As at 30 June 2015

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties (please refer to Note 6)	$-	$-	$233,575	$233,575

As at 31 December 2014

Not applicable

As at 30 June 2014

Not applicable

(8) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

	As at 30 June 2015			As at 31 December 2014		
	Foreign currencies	Foreign exchange rate	NTD	Foreign currencies	Foreign exchange rate	NTD
Financial assets						
Monetary items:						
USD	$804	30.89	$24,836	$796	31.65	$25,193
Financial liabilities						
Monetary items:						
USD	494	30.89	15,260	494	31.65	15,635
Foreign exchange gains or losses on monetary financial assets and financial liabilities						
USD			(524)			2,597

	As at 30 June 2014		
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	$815	29.87	$24,344
Financial liabilities			
Monetary items:			
USD	532	29.87	15,891
Foreign exchange gains or losses on monetary financial assets and financial liabilities			
USD			(8,601)

The above information is disclosed based on the carrying amount of foreign currency (after conversion to functional currency).

(9) Capital management

The objective of Company's capital management is maintaining a good capital structure and to ensure the ability to operate continuously, in order to provide returns to stockholders and the interests of other related parties, while maintaining the primal capital structure to reduce costs of capital.' The Company's capital structure management strategies were based on the industry size of the Company and its subsidiaries, industry's future growth, product roadmaps, and changes in the external environment and other factors. The Company plans the required capacity and the necessary plant and equipment to achieve this capacity and the corresponding capital expenditure according to those strategies. Then the Company calculates the required working capital and cash, based on industry characteristics, and estimate the possible product margins, operating margin and cash flow. In order to determine the most appropriate of the Company's capital structure, taking into consideration cyclical fluctuations in industrial, product life cycle and other risk factors.

It was resolved in the board meeting held on July 9, 2015 that the domestic unsecured convertible bonds are to be issued with the maximum face value up to one billion NTD, a three-year term and the coupon rate is 0%. The capital raised from the bonds will be used for expanding the plant, purchasing equipment and expanding working capital. The aforementioned bonds are still not issued up to the date of June 30, 2015.

As of June 30, 2015, December 31, 2014 and June 30, 2014, the debt ratios of the Group are listed below:

	As at		
	30 June 2015	31 December 2014	30 June 2014
Total liabilities	$4,276,229	$1,652,111	$2,150,926
Total capital	7,600,310	5,368,819	5,073,695
Debt ratio	56.26%	30.77%	42.39%

13. Other disclosure

(1) Information at significant transactions

a. Financing provided to others for the six-month periods ended June 30, 2015: None

b. Endorsement/Guarantee provided to others for the six-month periods ended June 30, 2015: None

c. Securities held as of June 30, 2015(excluding subsidiaries, associates and joint venture): Please refer to attachment 1.

d. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20 percent of the capital stock for the six-month periods ended June 30, 2015: None

e. Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20 percent of the capital stock for the six-month periods ended June 30, 2015: None

f. Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20 percent of the capital stock for the six-month periods ended June 30, 2015: None

g. Related party transactions for purchases and sales amounts exceeding the lower of NT$100 million or 20 percent of the capital stock for the six-month periods ended June 30, 2015: Please refer to attachment 2.

h. Receivables from related parties with amounts exceeding the lower of NT$100 million or 20 percent of capital stock as of June 30, 2015: None

i. Financial instruments and derivative transactions: None

j. Intercompany relationships and significant intercompany transaction: Please refer to attachment 6.

(2) Information on investees

1. Names, locations and related information of investees as of June 30, 2015 (excluding the investment in Mainland China): Please refer to attachment 3.

2. Information at significant transactions

a. Financing provided to others for the six-month periods ended June 30, 2015: Please refer to attachment 4.

b. Endorsement/Guarantee provided to others for the six-month periods ended June 30, 2015: None

c. Securities held as of June 30, 2015 (excluding subsidiaries, associates and joint venture): Please refer to attachment 1.

d. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20 percent of the capital stock for the six-month periods ended June 30, 2015: None

e. Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20 percent of the capital stock for the six-month periods ended June 30, 2015: None

f. Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20 percent of the capital stock for the six-month periods ended June 30, 2015: None

g. Related party transactions for purchases and sales amounts exceeding the lower of NT$100 million or 20 percent of the capital stock for the six-month periods ended June 30, 2015: Please refer to attachment 2.

h. Receivables from related parties with amounts exceeding the lower of NT$100 million or 20 percent of capital stock as of June 30, 2015: Please refer to attachment 5.

i. Financial instruments and derivative transactions: None

(3) Information on investments in mainland China：

Investee company name, main businesses and products, total amount of capital, method of investment, accumulated inflow and outflow of investments from Taiwan, net income (loss) of investee company, percentage of ownership, investment income (loss), book value of investments, cumulated inward remittance of earnings and limits on investment in Mainland China：

Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise

Investee company	Main businesses and products	Total amount of paid-in capital	Method of investment (Note 1)	Accumulated Investment Outflows from Taiwan as at January 1, 2015	Investment Flows		Accumulated Investment Outflows from Taiwan as at June 30, 2015	Net Income (Loss) of Investee Company	Percentage of Direct or Indirect Ownership	Investment Profit(Loss) Recognized (Note 2)	Carrying Amount as at June 30, 2015	Accumulated Inward Remittance of Earnings as of June 30, 2015
					Outflow	Inflow						
Shanghai Grape King Enterprise Co., Ltd.	Manufacturing and selling capsule, tablet, related products and services.	US$16,900	(Note1(2)) (Note 3)	$495,672 (USD16,350)	$-	$-	$495,672 (USD 16,350)	$2,623 (Note 2 (2)B)	100%	$2,623 (Note 2(2)B)	$(125,021)	$-
Shanghai Yusong Co., Ltd.	Stock management and related services of the thermostatic fresh freezing freezing warehouse.	US$ 3,120	(Note 1(2)) (Note 4)	$17,634 (USD593)	$-	$-	$17,634 (USD593)	$- (Note 2(3))	19%	$- (Note 2(3))	$17,634	$-

Accumulated investment in Mainland China as at June 30, 2015	Investment amounts authorized by Investment Commission, MOEA	Upper limit on investment
$513,306	$513,306	$1,994,449

Note 1: The methods for engaging in investment in Mainland China include the following:

(1) Direct investment in Mainland China.

(2) Indirectly investment in Mainland China through companies registered in a third region. (Please specify the name of the company in third region).

(3) Other methods

Note 2: The investment income (loss) recognized in current period:

1. Please specify no investment income (loss) has been recognized due to the investment is still during development stage.

2. The investment income (loss) were determined based on the following basis:

(A) The financial report was audited and certified by an international accounting firm in cooperation with an R.O.C. accounting firm.

(B) The financial statements certificated by the CPA of the parent company in Taiwan.

(C) Others.

3. Recorded as financial assets at cost-noncurrent

Note 3: The Company invested in Shanghai Grape King Enterprise Co., Ltd. through subsidiary Grape King International Investment Inc. (BVI).

Note 4: The Company invested in Shanghai Yusong Co., Ltd. through Fu-Sheng International Inc. (SAMOA)

14. Segment information

The Group determined its operating segments based on business activities with discrete financial information regularly reported through the Company's internal reporting protocols to the Company's chief operating decision maker. The Company is organized into business units based on its marking channels and services. As of June 30, 2015 and 2014, the Company had the following segments: MLM (Multi-level marketing), Distributors, and OEM (Original Equipment Manufacturer).

No operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured based on accounting policies consistent with those in the consolidated financial statements. However income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segment are on an arm's length basis in a manner similar to transactions with third parties.

For three-month periods ended 30 June 2015

	MLM	Distribution	OEM	Subtotal	Others	Adjustment/ elimination	Consolidated
Revenue							
External customer	$1,716,336	$56,722	$80,331	$1,853,389	$4,752	$-	$1,858,141
Inter-segment	292,044	-	1,559	293,603	-	(293,603)	-
Total revenue	$2,008,380	$56,722	$81,890	$2,146,992	$4,752	$(293,603)	$1,858,141
Segment profit	$454,369	$14,771	$(11,654)	$457,486	$(13,753)	$(3,945)	$447,678

For three-month periods ended 30 June 2014

	MLM	Distribution	OEM	Subtotal	Others	Adjustment/ elimination	Consolidated
Revenue							
External customer	$1,505,872	$70,679	$43,939	$1,620,490	$8,661	$-	$1,629,151
Inter-segment	263,218	-	-	263,218	-	(263,218)	-
Total revenue	$1,769,090	$70,679	$43,939	$1,883,708	$8,661	$(263,218)	$1,629,151
Segment profit	$403,734	$2,367	$(11,350)	$394,751	$(8,305)	$776	$387,222

For six-month periods ended 30 June 2015

	MLM	Distribution	OEM	Subtotal	Others	Adjustment/ elimination	Consolidated
Revenue							
External customer	$3,253,245	$116,176	$133,855	$3,503,276	$5,617	$-	$3,508,893
Inter-segment	568,225	-	1,737	569,962	-	(569,962)	-
Total revenue	$3,821,470	$116,176	$135,592	$4,073,238	$5,617	$(569,962)	$3,508,893
Segment profit	$894,718	$6,518	$(20,917)	$880,319	$(11,865)	$(1,507)	$866,947

For six-month periods ended 30 June 2014

	MLM	Distribution	OEM	Subtotal	Others	Adjustment/ elimination	Consolidated
Revenue							
External customer	$2,792,067	$138,587	$68,574	$2,999,228	$15,617	$-	$3,014,845
Inter-segment	498,938	-	-	498,938	-	(498,938)	-
Total revenue	$3,291,005	$138,587	$68,574	$3,498,166	$15,617	$(498,938)	$3,014,845
Segment profit	$771,653	$10,723	$(30,893)	$751,483	$(14,690)	$1,359	$738,152

[1] Revenue from Others that are operating segments that do not meet the quantitative thresholds for reportable segments.

[2] Inter-segment revenue are eliminated on consolidation and recorded under the "adjustment and elimination" column, all other adjustments and eliminations, which has not significant influence, are not disclosed below.

Grape King Bio Ltd and Subsidiaries
ATTACHMENT 1 (Securities held as of June 30, 2015 (excluding subsidiaries, associates and joint venture))
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company Held Name	Marketable Securities Type and Name		Relationship with the Company	Financial Statement Account	30-Jun-15				Note 3
					Shares/Units	Carrying Value (note 2)	Percentage of Ownership	Fair Value	
Grape King Bio Ltd	Fund	UPAMC James Bond Money Market	-	Financial assets at fair value through profit or loss, current	1,859,865.35	$30,629		$30,629	
		ING Taiwan Hong-Yang Money Market	-	Financial assets at fair value through profit or loss, current	1,800,644.63	30,169		30,169	
		Fuh Hwa Money Market	-	Financial assets at fair value through profit or loss, current	1,620,654.50	23,094		23,094	
		Paradigm Pion Money Market	-	Financial assets at fair value through profit or loss, current	1,781,975.32	20,298		20,298	
		Total				$104,190		$104,190	
Grape King Bio Ltd	Stock	Fu-Sheng International Inc.(BVI)	-	Financial assets carried at cost, noncurrent	621,300.00	$18,482	19%	18,482	Note 4
		Hsin Tung Yang Co., Ltd.	-	Financial assets carried at cost, noncurrent	2,000.00	20	-	20	
		Total				$18,502		$18,502	
Pro-partner Inc.	Fund	UPAMC James Bond Money Market	-	Financial assets at fair value through profit or loss, current	1,242,579.52	$20,463		$20,463	
		ING Taiwan Hong-Yang Money Market	-	Financial assets at fair value through profit or loss, current	1,246,377.71	20,034		20,034	
		Total				$40,497		$40,497	

Note1 : The marketable securities mentioned here refer to the stocks, bonds, the beneficiary certificates, and the marketable securities derivative from the aforementioned items regulated in IAS 39"Financial Instruments : Recognition and Measurement"

Note2 : The book value of those measured by the fair value is calculated after adjusting the fair value. The book value of those that are not measured by fair value is calculated from the original cost of acquisition or the cost after amortization.

Note3 : If the marketable securities listed were limited because they were used as collateral for secured or pledge loans, or limited due to other obligations, number of stocks and the amount of money offered as collateral for secured or pledge loans, or the condition of the limitation should be declared in the reference column.

Note4 : The numbers listed represent the book value.

Grape King Bio Ltd and Subsidiaries

ATTACHMENT 2 (Related party transactions for purchases and sales amounts exceeding the lower of NT$100 million or 20 percent of the capital stock for the six-month periods ended June 30, 2015)

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company Name	Related Party	Nature of Relationships	Transaction Details				Abnormal Transaction(note1)		Notes/Accounts Payable or Receivable		Note (note2)
			Purchases/Sales	Amount	Percentage of total Purchases (Sale)	Payment Terms	Unit Price	Payment Terms	Ending Balance	Percentage of total receivables (payable)	
Grape King Bio Ltd	Pro-partner Inc.	Subsidiary	Sales	$565,881	75.84%	Net 30 days after monthly closing	By contract	-	$109,084	57.70%	-
Pro-partner Inc.	Grape King Bio Ltd	Parent Company	Purchases	$565,881	100.00%	Net 30 days after monthly closing	By contract	-	$(109,084)	100.00%	-

Note1 : If the terms of transactions with the related parties are different from normal terms, the difference and the reason for the difference should be declared in the column of unit price or credit period.

Note2 : If there is prepaid receivables(payables), the reason, the terms of the contract, the amount prepaid, and the difference from regular transactions should be declared in the column of note.

Note3 : The transactions have been eliminated in the consolidated financial statements.

Grape King Bio Ltd and Subsidiaries
ATTACHMENT 3 (Names, locations and related information of investees as of June 30, 2015 (excludingthe investment in Mainland China))
(Amounts in Thousands of New Taiwan Dollars)

Investor	Investee	Location	Main Business	Original Investment Amount		Balance as of June 30,2015			Net Income (Losses) of the Investee	Share of Profits/Losses of Investee	Note
				June 30, 2015	December 31, 2014	Shares	Percentage of Ownership	Book Value			
Grape King Bio Ltd	Grape King International Investment Inc.(BVI)	BVI	Investment activities	$1,081,229	$1,081,229	21,200,000	100.00%	$306,083	$554	$554	Subsidiary
	Pro-partner Inc.	Taoyuan County, Taiwan	Import and selling of health food, drink, cosmetics, sports apparatus, cleaning the articles, etc.	15,000	15,000	10,560,000	60.00%	684,494	554,533	332,976 (Note1)	Subsidiary
	Rivershine Ltd.	Taoyuan County, Taiwan	Selling of health food, drink, commodity and electric equipment, etc	30,000	-	3,000,000	100.00%	30,000	-	-	Subsidiary
			Total					$ 1,020,577		$ 333,530	

Note1 : The effect from the unrealized profit of the downstream transactions on income tax, which is NT$256 thousand has been adjusted.
Note2 : The book value at the end of the period and the current investment gain(loss) recognized have been eliminated in the consolidated financial statement.

Grape King Bio Ltd and Subsidiaries

ATTACHMENT 4 (Financing provided to others for the six-month periods ended June 30, 2015)

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

NO.	Capital Provider	Capital Receiver	Financial Statement Account	Related Party	Maximum Balance for the Period (US$ in Thousands)	Ending Balance (US$ in Thousands)	Amount Actually Drawn (US$ in Thousands)	Interest Rate	Nature of capital (Note1)	Transaction Amounts	Reason for short term Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company	Financing Company's Total Financing Amount Limits
													Item	Value		
1	Grape King International Investment Inc. (BVI)	Shanghai Grape Enterprise Co., Ltd.	Long-term Accounts Receivable-Related Parties	YES	$417,018 (US$13,239)	$408,545 (US$13,239)	$408,545 (US$13,239)	-	b	-	the need for short-term financing	-	-	-	$1,653,023 (Note2)	$1,653,023 (Note2)

Note1：Nature for financing

a. business related parties

b.Those with need for short-term financing.

Note2：The Company holds, directly or indirectly, 100% of the voting shares, the limit of total financing amount and limit for each borrowing company shall not exceed 50% of the amount of the net value of the Company of June 30, 2015.

Grape King Bio Ltd and Subsidiaries

ATTACHMENT 5 (Receivables from related parties with amounts exceeding the lower of NT$100 million or 20 percent of capital stock as of June 30, 2015)

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company Name	Related Party	Nature of Relationships	Ending Balance (US$ in Thousands)		Turnover Rate	Overdue		Amounts Received in Subsequent Period	Recognized as Allowance for Bad Debts
						Amount	Action Taken		
Grape King International Investment Inc. (BVI)	Shanghai Grape King Enterprise Co., Ltd	Subsidiary	Long-Term Accounts Receivable-Related Parties	$408,545 (US$13,239)	-	$-	$-	$-	$-

Note：The transactions have been eliminated in the consolidated financial statements.

Grape King Bio Ltd and Subsidiaries

ATTACHMENT 6 (Intercompany relationships and significant intercompany transaction)

(Amounts in Thousands of New Taiwan Dollars)

No. (Note1)	Company Name	Counterparty	Nature of Relations (Note2)	Intercompany Transactions			
				Financial Statements Item	Amount	Terms	Percentage of Consolidated Total Revenue or Total Assets (Note3)
0	Grape King Bio Ltd	Pro-partner Inc.	1	Sales	$565,881	The price by contract	16.13%
0	Grape King Bio Ltd	Pro-partner Inc.	1	Accounts Receivable	$109,084	The price by contract	1.44%

Note1 : No.0 is for the parent company. Subsidiaries are numbered from Arabic numerals 1.

Note2 : There are three types of relations between the parent company and the subsidiaries. Only categories should be identified.(There is no need to declare the same interaction between the parent company and the subsidiary, or the same transaction among subsidiaries repeatedly. For example,if the parent company has declared the transaction from parent company to subsidiary, the subsidiary need not repeatedly declare the same transaction. If the transaction is between subsidiaries, when one subsidiary has declared the transaction, the other subsidiary doesn't need to declare the same transaction.)

(1) represents the transactions from parent company to subsidiary.

(2) represents the transactions from subsidiary company to parent.

(3) represents the transactions between subsidiaries.

Note3 : When calculating the amount of transaction as a proportion of the consolidated revenue or assets, if it is recognized as items of assets or liabilities, the ending balance should be divided by the consolidated assets: if it is recognized as income or loss, the midterm accumulated amount should be divided by the consolidated

Note4 : The so-called significant transaction refers to those amount reaching NT$100 million or over 20% of the paid-in capital of the parent company.