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 MARCH 31, 2016 AND 2015
# AND FOR THE THREE-MONTH PERIODS THEN ENDED

(REVIEWED BUT UNAUDITED)

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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.

EY 安永
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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 March 31, 2016 and 2015, the related consolidated statements of comprehensive incomes, changes in equity, and cash flows for the three-month periods then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these consolidated financial statements based on our reviews. We did not review the financial statements of Pro-partner Inc., a 60%-owned subsidiary of the Company, as of March 31, 2016 and 2015 and for the three-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 March 31, 2016 and 2015, total assets of Pro-partner Inc. were NT$4,814,199 thousand and NT$4,988,036 thousand, representing 53.53% and 64.93% of the consolidated total assets of the Company, respectively while the operating revenues for the three-month periods then ended were NT$1,853,603 thousand and NT$1,536,909 thousand, representing 92.27% and 93.10% of the consolidated operating revenues, respectively.

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.

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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
Taipei, Taiwan,
Republic of China
May 12, 2016

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 of March 31, 2016, December 31, 2015 and March 31, 2015 (March 31, 2016 and 2015 are Reviewed but Unaudited)

(Amounts Expressed in Thousands of New Taiwan Dollars)

| | | As of | | |
|---|---|---|---|---|
| Assets | Notes | March 31, 2016 | December 31, 2015 | March 31, 2015 |
| **Current assets** | | | | |
| Cash and cash equivalents | 4,6(1) | $1,462,042 | $1,432,560 | $1,550,427 |
| Financial assets at fair value through profit or loss, current | 4,6(2) | 822,251 | 721,594 | 246,254 |
| Debt investments without active market | 4,6(4) | 25,272 | 4,995 | - |
| Notes receivable, net | 4,6(5) | 8,451 | 8,312 | 3,017 |
| Accounts receivable, net | 4,6(6) | 99,973 | 75,553 | 88,090 |
| Accounts receivable-related parties, net | 4,6(6),7 | 14,365 | 12,720 | 10,139 |
| Other receivables | 4 | 4,187 | 1,688 | 1,668 |
| Inventories, net | 4,6(7) | 389,383 | 359,474 | 285,388 |
| Prepayments | 4,6(8) | 25,784 | 23,253 | 17,277 |
| Other current assets | 4,6(8) | 9,923 | 10,419 | 1,171 |
| **Total current assets** | | 2,861,631 | 2,650,568 | 2,203,431 |
| **Non-current assets** | | | | |
| Financial assets at fair value through profit or loss, non current | 4,6(2)(15) | 1,868 | 2,373 | - |
| Financial assets measured at cost | 4,6(3) | 28,028 | 28,028 | 18,502 |
| Property, plant and equipment | 4,6(9),8 | 5,710,225 | 5,596,702 | 5,027,581 |
| Investment properties | 4,6(10) | 185,985 | 185,985 | 185,985 |
| Intangible assets | 4,6(11) | 12,748 | 13,195 | 12,339 |
| Deferred tax assets | 4,6(25) | 5,676 | 5,973 | 8,365 |
| Other assets-others | 4,6(8),8 | 187,308 | 129,541 | 226,006 |
| **Total non-current assets** | | 6,131,838 | 5,961,797 | 5,478,778 |
| **Total assets** | | $8,993,469 | $8,612,365 | $7,682,209 |

| | | As of | | |
|---|---|---|---|---|
| Liabilities and Stockholders' Equity | Notes | March 31, 2016 | December 31, 2015 | March 31, 2015 |
| **Current liabilities** | | | | |
| Short-term debt | 4,6(12),8 | $35,000 | $- | $- |
| Notes payable | | 1,273 | 774 | 7,286 |
| Accounts payable | | 163,915 | 152,077 | 136,940 |
| Other payables | 4,6(13) | 1,240,638 | 1,317,835 | 2,988,442 |
| Other payables-related parties | 7 | 34,478 | 27,347 | 1,361 |
| Current tax liabilities | 4,6(25) | 274,808 | 192,612 | 255,978 |
| Other current liabilities | 6(9)(14) | 189,239 | 71,205 | 47,209 |
| Current portion of long-term loans payable | 4,6(16),8 | 32,261 | 26,467 | - |
| **Total current liabilities** | | 1,971,612 | 1,788,317 | 3,437,216 |
| **Non-current liabilities** | | | | |
| Bonds payable | 4,6(15) | 945,478 | 946,164 | - |
| Long-term debt | 4,6(16),8 | 1,257,740 | 1,466,867 | - |
| Deferred tax liabilities | 4,6(25) | 69,155 | 69,155 | 70,054 |
| Other liabilities | 4,6(17) | 113,641 | 122,306 | 113,893 |
| **Total non-current liabilities** | | 2,386,014 | 2,604,492 | 183,947 |
| **Total liabilities** | | 4,357,626 | 4,392,809 | 3,621,163 |
| **Equity attributable to the parent company** | 6(20) | | | |
| **Capital** | | | | |
| Common stock | | 1,303,324 | 1,303,001 | 1,302,350 |
| **Additional paid-in capital** | 6(15)(20) | 64,518 | 59,567 | 4,363 |
| **Retained earnings** | 6(20) | | | |
| Legal reserve | | 440,371 | 440,371 | 346,123 |
| Special reserve | | 74,671 | 74,671 | 74,671 |
| Unappropriated earnings | | 1,883,373 | 1,600,204 | 1,575,312 |
| **Other components of equity** | | (978) | 395 | 3,227 |
| **Non-controlling interests** | 6(20)(27) | 870,564 | 741,347 | 755,000 |
| **Total equity** | | 4,635,843 | 4,219,556 | 4,061,046 |
| **Total liabilities and equity** | | $8,993,469 | $8,612,365 | $7,682,209 |

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 periods ended March 31, 2016 and 2015 (Reviewed but Unaudited)

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

| | | For the three-month period ended March 31, | |
|---|---|---|---|
| | Notes | 2016 | 2015 |
| **Operating revenues** | 4,6(21),7 | $2,008,974 | $1,650,752 |
| **Operating costs** | 7 | (235,384) | (192,393) |
| **Gross profit** | | 1,773,590 | 1,458,359 |
| **Operating expenses** | 7 | | |
| Sales and marketing | | (1,143,607) | (943,232) |
| General and administrative | | (119,976) | (84,401) |
| Research and development | | (29,938) | (32,031) |
| Operating expenses total | | (1,293,521) | (1,059,664) |
| **Operating income** | | 480,069 | 398,695 |
| | | | |
| **Non-operating income and expenses** | | | |
| Other incomes | 6(23),7 | 27,471 | 20,633 |
| Other gains and losses | 6(23) | (15) | (39) |
| Finance costs | 6(23) | (10,579) | (20) |
| Non-operating income and expenses total | | 16,877 | 20,574 |
| **Income from continuing operations before income tax** | | 496,946 | 419,269 |
| **Income tax expense** | 4,6(25) | (84,560) | (72,235) |
| **Net income** | | 412,386 | 347,034 |
| **Other comprehensive income (loss)** | 6(24) | | |
| **Items that may be reclassified subsequently to profit or loss** | | | |
| Exchange differences on translation of foreign operations | | (1,373) | (2,696) |
| Income tax related to components of other comprehensive income | | - | - |
| **Total other comprehensive income (loss), net of tax** | | (1,373) | (2,696) |
| **Total comprehensive income** | | $411,013 | $344,338 |
| | | | |
| **Net income (loss) attributable to:** | | | |
| **Stockholders of the parent** | 6(27) | $283,169 | $237,790 |
| **Non-controlling interests** | | 129,217 | 109,244 |
| | | $412,386 | $347,034 |
| **Total comprehensive income (loss) attributable to:** | | | |
| **Stockholders of the parent** | 6(27) | $281,796 | $235,094 |
| **Non-controlling interests** | | 129,217 | 109,244 |
| | | $411,013 | $344,338 |
| | | | |
| **Earnings per share-basic(NTD)** | 6(26) | $2.17 | $1.83 |
| **Earnings per share-diluted(NTD)** | 6(26) | $2.11 | $1.81 |

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 three-month periods ended March 31, 2016 and 2015 (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, 2015 | $1,302,350 | $4,363 | $346,123 | $74,671 | $1,337,522 | $5,923 | $3,070,952 | $645,756 | $3,716,708 |
| Net income for the first quarter of 2015 | | | | | 237,790 | | 237,790 | 109,244 | 347,034 |
| Other comprehensive income, net of tax for the first quarter of 2015 | | | | | | (2,696) | (2,696) | - | (2,696) |
| Total comprehensive income | - | - | - | - | 237,790 | (2,696) | 235,094 | 109,244 | 344,338 |
| Balance as of March 31, 2015 | $1,302,350 | $4,363 | $346,123 | $74,671 | $1,575,312 | $3,227 | $3,306,046 | $755,000 | $4,061,046 |
| | | | | | | | | | |
| Balance as of January 1, 2016 | $1,303,001 | $59,567 | $440,371 | $74,671 | $1,600,204 | $395 | $3,478,209 | $741,347 | $4,219,556 |
| Changes in capital surplus | | | | | | | | | |
| Shares from bonds converted | 323 | 4,951 | | | | | 5,274 | - | 5,274 |
| Net income for the first quarter of 2016 | | | | | 283,169 | | 283,169 | 129,217 | 412,386 |
| Other comprehensive income, net of tax for the first quarter of 2016 | | | | | | (1,373) | (1,373) | - | (1,373) |
| Total comprehensive income | - | - | - | - | 283,169 | (1,373) | 281,796 | 129,217 | 411,013 |
| Balance as of March 31, 2016 | $1,303,324 | $64,518 | $440,371 | $74,671 | $1,883,373 | $(978) | $3,765,279 | $870,564 | $4,635,843 |

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 three-month periods ended March 31, 2016 and 2015 (Reviewed but Unaudited)

(Amounts Expressed in Thousands of New Taiwan Dollars)

| | For the three-month period ended March 31, 2016 | 2015 |
|---|---|---|
| Cash flows from operating activities: | | |
| Net income (loss) before tax | $496,946 | $419,269 |
| Adjustments to reconcile net income (loss) before tax to net cash provided by (used in) operating activities: | | |
| Depreciation | 50,335 | 34,514 |
| Amortization | 447 | 75 |
| Bad debt expenses (reversal) | 116 | 87 |
| Net loss (gain) of financial assets at fair value through profit or loss | (164) | (283) |
| Interest expense | 10,579 | 20 |
| Interest revenue | (593) | (390) |
| Loss (gain) from disposal of property, plant and equipment | 156 | - |
| Changes in operating assets and liabilities: | | |
| Financial asset held for trading | (100,000) | (40,000) |
| Notes receivable | (139) | 3,863 |
| Accounts receivable | (24,708) | (9,965) |
| Accounts receivable-related parties | (1,645) | 3,197 |
| Other receivables | (2,558) | 46 |
| Inventories | (29,909) | (17,120) |
| Prepayments | (1,806) | 43 |
| Other current assets | 496 | 25 |
| Notes payable | 499 | 895 |
| Accounts payable | 11,838 | 16,111 |
| Accounts payable-related parties | - | (987) |
| Other payables | (52,242) | (115,265) |
| Other payables-related parties | 7,131 | (284) |
| Other current liabilities | 120,250 | (4,755) |
| Accrued pension liabilities | (13,540) | (4,087) |
| Cash generated from operations | 471,489 | 285,009 |
| Interest received | 652 | 390 |
| Interest paid | (6,009) | (20) |
| Income tax paid | (2,067) | (15) |
| Net cash provided by (used in) operating activities | 464,065 | 285,364 |

| | For the three-month periods ended March 31, 2016 | 2015 |
|---|---|---|
| Cash flows from investing activities: | | |
| Acquisition of debt investments without active market | (20,277) | - |
| Acquisition of property, plant and equipment | (247,249) | (108,751) |
| Decrease in refundable deposits | (2,010) | 809 |
| Acquisition of intangible assets | - | (1,203) |
| Other non-financial assets | (125) | 131 |
| Net cash provided by (used in) investing activities | (269,661) | (109,014) |
| Cash flows from financing activities: | | |
| Increase in long-term loans | 35,000 | - |
| Repayment of long-term loans | (203,333) | - |
| Increase in deposits received | 2,820 | - |
| Net cash provided by (used in) financing activities | (165,513) | - |
| Effect of exchange rate changes on cash and cash equivalents | 591 | 242 |
| Net increase (decrease) in cash and cash equivalents | 29,482 | 176,592 |
| Cash and cash equivalents at beginning of period | 1,432,560 | 1,373,835 |
| Cash and cash equivalents at end of period | $1,462,042 | $1,550,427 |

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 three-month periods ended March 31, 2016 and 2015 were authorized for issuance at May 12, 2016 by the Board of Directors.

3. Newly issued or revised standards and interpretations

The Group 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 January 1, 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 January 1, 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 January 1, 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 July 1, 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 July 1, 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 July 1, 2014.

IFRS 8 "Operating Segments"

The amendments require an entity to disclose the judgements 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 July 1, 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 July 1, 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 July 1, 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 July 1, 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 July 1, 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 July 1, 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 July 1, 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 January 1, 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 January 1, 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 January 1, 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 January 1, 2018.

(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 January 1, 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 January 1, 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 January 1, 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 effective date of this amendment has been postponed indefinitely, but early adoption is allowed.

(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 January 1, 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 January 1, 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 January 1, 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 January 1, 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 January 1, 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 January 1, 2016.

(r) IFRS 16"Leases"

The new standard requires lessees to account for all leases under a single on-balance sheet model (subject to certain exemptions). Lessor accounting still uses the dual classification approach: operating lease and finance lease. The Standard is effective for annual periods beginning on or after January 1, 2019.

(s) IAS 12"Income Taxes" — Recognition of Deferred Tax Assets for Unrealized Losses

The amendment clarifies how to account for deferred tax assets for unrealized losses. The amendment is effective for annual periods beginning on or after January 1, 2017.

(t) Disclosure Initiative — Amendment to IAS 7 "Statement of Cash Flows":

The amendment relates to changes in liabilities arising from financing activities and to require a reconciliation of the carrying amount of liabilities at the beginning and end of the period. The amendment is effective for annual periods beginning on or after January 1, 2017.

(u) IFRS 15 "Revenue from Contracts with Customers" (Amendment)

The amendment clarifies how to identify a performance obligation in a contract, determine whether an entity is a principal or an agent, and determine whether the revenue from granting a license should be recognized at a point in time or over time. The amendment is effective for annual periods beginning on or after January 1, 2018.

The abovementioned standards and interpretations issued by IASB have not yet endorsed 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)、(12), (18)~(20) and (21), 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 three-month ended March 31, 2016 and 2015 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.

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(3) Basis of consolidation

The same principles of consolidation have been applied in the Company's consolidated financial statements as those applied in the Company's consolidated financial statements for the year ended December 31, 2015. For the principles of consolidation, please refer to Note 4(3) of the Company's consolidated financial statements for the year ended December 31, 2015.

The consolidated entities are listed as follows:

| | | | Percentage of ownership (%) | | |
|---|---|---|---|---|---|
| Investor | Subsidiary | Main businesses | Mar. 31, 2016 | Dec. 31, 2015 | Mar. 31, 2015 |
| 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) | 100% (NOTE 1) | -% |
| GKBVI | Shanghai Grape King Enterprise Co., Ltd. (Shanghai Grape King) | Manufacturing and Sales | 100% | 100% | 100% |

NOTE 1：Rivershine Ltd. was established as a wholly-owned subsidiary in June 2015 by the Company.

NOTE 2： The financial statements of Pro-partner Inc. are based solely on the reports of the other auditors. As of March 31, 2016 and 2015, total assets of Pro-partner Inc. were NT$4,814,199 thousand and NT$4,988,036 thousand, and the operating revenues for the three-month then ended were NT$1,853,603 thousand and NT$1,536,909 thousand.

(4) Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

(5) Post-employment benefits

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.

(6) Income taxes

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.

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.

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

6. Contents of significant accounts

(1) Cash and cash equivalents

| | As of | | |
|---|---|---|---|
| | Mar. 31, 2016 | Dec. 31, 2015 | Mar. 31, 2015 |
| Cash on hand | $4,637 | $3,805 | $4,380 |
| Checking and savings | 713,109 | 778,767 | 1,336,203 |
| Time deposits | 50,000 | 50,000 | 50,000 |
| Repurchase agreements collateralized by corporate bonds | 594,258 | 394,771 | 159,844 |
| Repurchase agreements collateralized by bonds | 100,038 | 205,217 | - |
| Total | $1,462,042 | $1,432,560 | $1,550,427 |

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

| | As of | | |
|---|---|---|---|
| | Mar. 31, 2016 | Dec. 31, 2015 | Mar. 31, 2015 |
| Financial assets held for trading: | | | |
| Monetary fund | $820,000 | $720,000 | $242,926 |
| Valuation adjustments | 2,251 | 1,594 | 3,328 |
| Subtotal | 822,251 | 721,594 | 246,254 |
| Embedded Derivatives: | | | |
| Right of redemption | 1,868 | 2,373 | - |
| Total | $824,119 | $723,967 | $246,254 |

| | As of | | |
|---|---|---|---|
| | Mar. 31, 2016 | Dec. 31, 2015 | Mar. 31, 2015 |
| Current | $822,251 | $721,594 | $246,254 |
| Non-current | 1,868 | 2,373 | - |
| Total | $824,119 | $723,967 | $246,254 |

Financial assets held for trading were not pledged.

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(3) Financial assets measured at cost

| | As of | | |
|---|---|---|---|
| | Mar. 31, 2016 | Dec. 31, 2015 | Mar. 31, 2015 |
| Unlisted companies | $28,028 | $28,028 | $18,502 |

| | As of | | |
|---|---|---|---|
| | Mar. 31, 2016 | Dec. 31, 2015 | Mar. 31, 2015 |
| Current | $- | $- | $- |
| Non-current | 28,028 | 28,028 | 18,502 |
| Total | $28,028 | $28,028 | $18,502 |

a. In 2014, the Company invested US$207 thousand (equivalent to NT$6,228 thousand) in Fu-sheng International Inc. (Samoa), for acquiring 207,100 shares. In August 2015, the Company invested US$296 thousand (equivalent to NT$9,526 thousand) in Fu-sheng International Inc. (Samoa), for acquiring 296,400 shares. As of March 31, 2016, the Company's ownership interest in Fu-sheng International Inc. (Samoa) remained at 19%.

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) Bond investments with no active market

| | As of | | |
|---|---|---|---|
| | Mar. 31, 2016 | Dec. 31, 2015 | Mar. 31, 2015 |
| Time deposits | $25,272 | $4,995 | $- |
| Current | $25,272 | $4,995 | $- |
| Non-current | - | - | - |
| Total | $25,272 | $4,995 | $- |

There was no bond investments with no active market pledged as collateral.

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(5) Notes receivables

| | As of | | |
|---|---|---|---|
| | Mar. 31, 2016 | Dec. 31, 2015 | Mar. 31, 2015 |
| Notes receivables arising from operating activities | $8,451 | $8,312 | $3,017 |
| Less: allowance for doubtful debts | - | - | - |
| Total | $8,451 | $8,312 | $3,017 |

Notes receivables were not pledged.

(6) Trade receivables and trade receivables from related parties

| | As of | | |
|---|---|---|---|
| | Mar. 31, 2016 | Dec. 31, 2015 | Mar. 31, 2015 |
| Trade receivables | $103,462 | $78,926 | $91,500 |
| Less: allowance for doubtful debts | (3,489) | (3,373) | (3,410) |
| Subtotal | 99,973 | 75,553 | 88,090 |
| Trade receivables from related parties | 14,365 | 12,720 | 10,139 |
| Less: allowance for doubtful debts | - | - | - |
| Subtotal | 14,365 | 12,720 | 10,139 |
| Total | $114,338 | $88,273 | $98,229 |

| | As of | | |
|---|---|---|---|
| | Mar. 31, 2016 | Dec. 31, 2015 | Mar. 31, 2015 |
| Overdue Receivable | $37,316 | $37,488 | $37,881 |
| Less: allowance for doubtful debts | (37,316) | (37,488) | (37,881) |
| Net | $- | $- | $- |

Trade receivables were not pledged.

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

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 of Jan. 1, 2016 | $37,488 | $3,373 | $40,861 |
| Charge/(reversal) for the current period | - | 116 | 116 |
| Exchange differences | (172) | - | (172) |
| As of Mar. 31, 2016 | $37,316 | $3,489 | $40,805 |
| | | | |
| As of Jan. 1, 2015 | $38,242 | $3,323 | $41,565 |
| Charge/(reversal) for the current period | - | 87 | 87 |
| Exchange differences | (361) | - | (361) |
| As of Mar. 31, 2015 | $37,881 | $3,410 | $41,291 |

Impairment loss that was individually determined for the three-month periods ended March 31, 2016 and 2015 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 of the end of the reporting period but not impaired is as follows:

| As at | Neither past due nor impaired | Past due but not impaired: <=90 days | 90~180days | >180 days | Total |
|---|---|---|---|---|---|
| Mar. 31, 2016 | $114,163 | $145 | $- | $30 | $114,338 |
| Dec. 31, 2015 | 88,243 | - | - | 30 | 88,273 |
| Mar. 31, 2015 | 97,907 | 322 | - | - | 98,229 |

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(7) Inventories

| | As of | | |
|---|---|---|---|
| | Mar. 31, 2016 | Dec. 31, 2015 | Mar. 31, 2015 |
| Raw materials | $56,500 | $106,490 | $95,711 |
| Supplies | 26,936 | 17,650 | 20,139 |
| Semi-finished goods and Work in process | 146,244 | 94,430 | 84,106 |
| Finished goods | 159,652 | 140,811 | 77,703 |
| Merchandise | 51 | 93 | 7,729 |
| Total | $389,383 | $359,474 | $285,388 |

a. The cost of inventories recognized in expenses in amount of $235,384 thousand and $192,393 thousand for the three-month periods ended March 31, 2016 and 2015, respectively, including the write-down of inventories, were detailed as following:

| | Three-month period ended March 31, | |
|---|---|---|
| | 2016 | 2015 |
| Inventory loss on retirement | $234 | $2,203 |
| Gains or loss from physical taking | 29 | 121 |
| Total | $263 | $2,324 |

b. No inventories were pledged.

(8) Prepayments and Other Assets

| | As of | | |
|---|---|---|---|
| | Mar. 31, 2016 | Dec. 31, 2015 | Mar. 31, 2015 |
| Prepayment for purchase | $8,894 | $5,646 | $4,138 |
| Prepaid rental on land | 53,458 | 54,183 | 56,163 |
| Prepayment for equipment | 88,674 | 36,337 | 42,543 |
| Prepayment for land and building | 4,020 | - | 84,129 |
| Office Supplies | 8,443 | 10,541 | 7,899 |
| Other prepaid expenses | 8,447 | 5,293 | 5,241 |
| Other current assets | 9,923 | 12,192 | 1,171 |
| Refundable deposits | 19,387 | 17,377 | 22,040 |
| Overdue receivable | 37,316 | 37,488 | 37,881 |
| Less: allowance for doubtful debts | (37,316) | (37,488) | (37,881) |

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

| | | | |
|---|---|---|---|
| Other financial assets | 1,860 | 1,860 | 1,860 |
| Other noncurrent assets-other | 19,909 | 19,784 | 19,270 |
| Total | $223,015 | $163,213 | $ 244,454 |
| | | | |
| Current portion | $35,707 | $33,672 | $18,448 |
| Noncurrent portion | 187,308 | 129,541 | 226,006 |
| Total | $223,015 | $163,213 | $ 244,454 |

a. 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.

b. 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 (6) to the consolidated financial statements for more details.

c. Please refer to Note 8 for details on other financial assets under pledge.

(9) Property, plant and equipment

| | Land | Land Improvement | Building | Machinery | Vihicle | Leasehold improvement | Other facilities | Construction in progress | Total |
|---|---|---|---|---|---|---|---|---|---|
| Cost: | | | | | | | | | |
| As of Jan. 1, 2016 | $3,060,144 | $1,926 | $2,115,913 | $1,096,275 | $10,349 | $7,300 | $275,085 | $478,646 | $7,045,638 |
| Additions | - | - | 7,019 | 2,345 | 278 | - | 1,913 | - | 11,555 |
| Disposals | - | - | - | (355) | - | - | - | - | (355) |
| Transfers | - | - | 4,905 | - | - | - | - | 149,346 | 154,251 |
| Ex. Diff. | - | - | (1,779) | (1,083) | (17) | (12) | (482) | - | (3,373) |
| As of Mar. 31, 2016 | $3,060,144 | $1,926 | $2,126,058 | $1,097,182 | $10,610 | $7,288 | $276,516 | $627,992 | $7,207,716 |
| | | | | | | | | | |
| Asof Jan. 1, 2015 | $926,167 | $1,926 | $1,046,891 | $1,054,296 | $7,718 | $7,374 | $261,451 | $111,687 | $3,417,510 |
| Additions | 1,947,304 | - | 972,617 | 43 | 990 | 150 | 5,292 | 43,899 | 2,970,295 |
| Disposals | - | - | - | - | - | - | (196) | - | (196) |

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Transfers | - | - | 9,750 | 25,508 | - | - | 1,350 | (9,750) | 26,858 |
| Ex. Diff. | - | - | (3,533) | (2,258) | (35) | (27) | (173) | - | (6,026) |
| As of Mar. 31, 2015 | $2,873,471 | $1,926 | $2,025,725 | $1,077,589 | $8,673 | $7,497 | $267,724 | $145,836 | $6,408,441 |
| | | | | | | | | | |
| Accumulated Depreciation: | | | | | | | | | |
| As of Jan. 1, 2016 | $- | $1,270 | $438,810 | $813,202 | $7,236 | $3,761 | $184,657 | $- | $1,448,936 |
| Depreciation | - | 36 | 15,597 | 24,245 | 203 | 452 | 9,802 | - | 50,335 |
| Disposals | - | - | - | (199) | - | - | - | - | (199) |
| Ex. Diff. | - | - | (485) | (993) | (17) | (4) | (82) | - | (1,581) |
| As of Mar. 31, 2016 | $- | $1,306 | $453,922 | $836,255 | $7,422 | $4,209 | $194,377 | $- | $1,497,491 |
| | | | | | | | | | |
| As of Jan. 1, 2015 | $- | $1,152 | $408,274 | $762,640 | $7,061 | $2,807 | $167,696 | $- | $1,349,630 |
| Depreciation | - | 29 | 9,665 | 16,256 | 136 | 264 | 8,164 | - | 34,514 |
| Disposals | - | - | - | - | - | - | (196) | - | (196) |
| Transfers | - | - | (6) | - | - | - | 6 | - | - |
| Ex. Diff. | - | - | (877) | (2,003) | (34) | (10) | (164) | - | (3,088) |
| As of Mar. 31, 2015 | - | $1,181 | $417,056 | $776,893 | $7,163 | $3,061 | $175,506 | $- | $1,380,860 |
| | | | | | | | | | |
| Net carrying amount as of: | | | | | | | | | |
| Mar. 31, 2016 | $3,060,144 | $620 | $1,672,136 | $260,927 | $3,188 | $3,079 | $82,139 | $627,992 | $5,710,225 |
| Dec. 31, 2015 | $3,060,144 | $656 | $1,677,103 | $283,073 | $3,113 | $3,539 | $90,428 | $478,646 | $5,596,702 |
| Mar. 31, 2015 | $2,873,471 | $745 | $1,608,669 | $300,696 | $1,510 | $4,436 | $92,218 | $145,836 | $5,027,581 |

a. The significant part of the Company's building includes main plant, air conditioning, electrical and wastewater treatment equipment and decoration, and the related depreviation is calculated as below:

| Significant part | Estimated economic lives |
|---|---|
| Main plant | 30~60 years |
| Air conditioning, electrical and wastewater treatment equipment | 8~25 years |
| Decoration | 5~30 years |

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

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

c. For the urban planning, Taoyuan City government have been expropriated the Company's partial land and land improvement base on the Land Expropriation Act. The Company had been received NT$101,617 thousand for the compensation, recognized as other current liabilities.

(10)Investment property, net

| | Land | Building | Investment Properties under construction | Total | Accumulated depreciation | Net |
|---|---|---|---|---|---|---|
| As of Jan. 1, and Mar. 31, 2016 | $185,985 | $- | $- | $185,985 | $- | $185,985 |
| As of Jan. 1, and Mar. 31, 2015 | $185,985 | $- | $- | $185,985 | $- | $185,985 |

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 as at March 31, 2016, December 31, 2015, and March 31, 2015, respectively. The fair value has been determined based on the puclic 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.

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(11) Intangible assets

| | Computer software |
|---|---|
| Cost: | |
| As of Jan. 1, 2016 | $13,955 |
| Addition-acquired separately | - |
| As of Mar. 31, 2016 | $13,955 |
| | |
| As of Jan. 1, 2015 | $11,361 |
| Addition-acquired separately | 1,203 |
| As of Mar. 31, 2015 | $12,564 |
| | |
| Accumulated Amortization: | |
| As of Jan. 1, 2016 | $760 |
| Amortization | 447 |
| As of Mar. 31, 2016 | $1,207 |
| | |
| As of Jan. 1, 2016 | $150 |
| Amortization | 75 |
| As of Mar. 31, 2016 | $225 |
| | |
| Net carrying amount as of: | |
| Mar. 31, 2016 | $12,748 |
| Dec. 31, 2015 | $13,195 |
| Mar. 31, 2015 | $12,339 |

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

| | Three-month period ended | |
|---|---|---|
| | Mar. 31, 2016 | Mar. 31, 2015 |
| General administrative expenses | $447 | $75 |

(12) Short-term borrowings

| | | As of | | |
|---|---|---|---|---|
| | Interest Rates (%) | Mar. 31, 2016 | Dec. 31, 2015 | Mar. 31, 2015 |
| Secured bank loans | 1.23% | $35,000 | $- | $- |

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The Group's unused short-term lines of credits amount to NT$1,436,899 thousand, NT$1,268,566 thousand, and NT$330,000 thousand, as of March 31, 2016, December 31, 2015, and March 31, 2015, respectively.

Please refer to Note 8 for more details on available-for-sale and held-to-maturity financial assets pledged as security for short-term borrowings.

(13)Other Payables

| | As of | | |
|---|---|---|---|
| | Mar. 31, 2016 | Dec. 31, 2015 | Mar. 31, 2015 |
| Bonus to direct sellers | $630,485 | $729,877 | $503,004 |
| Salaries and incentive bonus | 122,073 | 104,559 | 110,772 |
| Bonus to employees | 211,424 | 177,919 | 182,298 |
| Bonus to directors and suppvisors | 32,188 | 25,186 | 41,952 |
| Other accrued expenses | 106,081 | 102,306 | 80,203 |
| Payables on equipment | 103,870 | 128,956 | 2,044,110 |
| Accrued VAT payable | 31,803 | 45,521 | 24,544 |
| Others | 2,714 | 3,511 | 1,559 |
| Total | $1,240,638 | $1,317,835 | $2,988,442 |

(14)Other current liabilities

| | As of | | |
|---|---|---|---|
| | Mar. 31, 2016 | Dec. 31, 2015 | Mar. 31, 2015 |
| Sales revenue received in advance | $56,569 | $48,263 | $25,497 |
| Other current liabilities-other | 132,670 | 22,942 | 21,712 |
| Total | $189,239 | $71,205 | $47,209 |

(15)Bonds payable

| | As of | | |
|---|---|---|---|
| | Mar. 31, 2016 | Dec. 31, 2015 | Mar. 31, 2015 |
| Domestic convertible bonds | $945,478 | $946,164 | $- |
| Less: current portion | - | - | - |
| Net | $945,478 | $946,164 | $- |

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(a) Domestic convertible bonds payable

| | As of | | |
|---|---|---|---|
| | Mar. 31, 2016 | Dec. 31, 2015 | Mar. 31, 2015 |
| Liability component: | | | |
| Principal amount | $983,400 | $988,900 | $- |
| Interest Payable Refund from Bond Conversion | 7,394 | 7,435 | - |
| Premiums (discounts) on bonds payable | (45,316) | (50,171) | - |
| Subtotal | $945,478 | 946,164 | - |
| Less: current portion | - | - | - |
| Net | $945,478 | $946,164 | $- |
| Embedded derivative－Redemption | $1,868 | $2,373 | $- |
| Equity component－Convertible | 44,521 | $44,770 | $- |

For the details of the gain or loss from valuation through P/L on embedded derivative－redemption right and the interest expense on the domestic convertible bonds payable, please refer to Note 6(23) to the consolidated financial statements.

(b) On August 26, 2015, the Company issued zero coupon unsecured convertible bonds. The terms of the convertible bonds were evaluated to include a liability component, embedded derivatives (a call option and a put option) and an equity component (an option for conversion into issuer's ordinary shares). The terms of the bonds are as follows:

Issue amount: NT$1,000,000 thousand.

Period: From August 26, 2015 to August 26, 2018

Secured or unsecured: Unsecured bonds

Terms of Exchange:

a. Underlying Securities: Common shares of the Company

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

b. Exchange Period: The bonds are exchangeable at any time on or after September 27, 2015 and prior to August 26, 2018 into common shares of the Company except closed period.

c. Exchange Price and Adjustment: The exchange price was originally NT$170.5 per share. The exchange price will be subject to adjustments upon the occurrence of certain events set out in the indenture.

d. Redemption on the Maturity Date: The Company will redeem the bonds with interest refund (0.7519% of the principal amount) in cash if the convertible bonds will not have settled by the maturity date.

Redemption clauses:

a. The Company may redeem the bonds, in whole, but not in part, after a month of the issuance (September 27, 2015) and prior to the maturity date (July 17, 2018), at the principal amount of the bonds if the closing price of the Company's ordinary shares on the Taiwan Stock Exchange (TWSE) for a period of 30 consecutive trading days, is at least 30% of the conversion price.

b. The Company may redeem the bonds, in whole, but not in part, at the Early Redemption Price if at least 90% in principal amount of the bonds has already been exchanged, redeemed or purchased and cancelled.

c. There were $16,600 thousand and $11,100 thousand bonds payable converted into shares as of March 31, 2016 and December 31, 2015, respectively.

(16) Long-term loan

Details of long-term loan as of March 31, 2016 and December 31, 2015 are as follows:

| Lenders | As of Mar. 31, 2016 | Interest Rate (%) | Maturity date and terms of repayment |
|---|---|---|---|
| Secured Long-Term Loan from ChangHwa Commercial Bank | $600,000 | 1.51% | Effective May 27, 2015 to May 27, 2030. Principal is repaid with interest payments due monthly. |

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

| | | | |
|---|---|---|---|
| Secured Long-Term Loan from Taiwan Cooperative Bank | 500,000 | 1.58% | 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 | 190,001 | 1.63% | Effective May 27, 2015 to May 27, 2030. Principal is repaid in 3 months payments with interest payments due monthly. |
| Subtotal | 1,290,001 | | |
| Less: current portion | (32,261) | | |
| Total | $1,257,740 | | |

| Lenders | As of Dec. 31, 2015 | Interest Rate (%) | Maturity date and terms of repayment |
|---|---|---|---|
| Secured Long-Term Loan from ChangHwa Commercial Bank | $800,000 | 1.58% | Effective May 27, 2015 to May 27, 2030. Principal is repaid with interest payments due monthly. |
| Secured Long-Term Loan from Taiwan Cooperative Bank | 500,000 | 1.65% | 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 | 193,334 | 1.688% | Effective May 27, 2015 to May 27, 2030. Principal is repaid in 3 months payments with interest payments due monthly. |
| Subtotal | 1,493,334 | | |
| Less: current portion | (26,467) | | |
| Total | $1,466,867 | | |

Certain land and buildings are pledged as first priority security for secured bank loans.

Please refer to Note 8 for more details.

(17)Other noncurrent liabilities

| | As of | | |
|---|---|---|---|
| | Mar. 31, 2016 | Dec. 31, 2015 | Mar. 31, 2015 |
| Other long-term payables | $17,440 | $17,601 | $18,202 |
| Accured pension liabilities | 21,941 | 35,481 | 36,319 |
| Guarantee deposit received | 7,317 | 4,497 | 4,297 |
| Other noncurrent liabilities-other | 66,943 | 64,727 | 55,075 |
| Total | $113,641 | $122,306 | $113,893 |

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(18)Operating leases

Operating lease commitments – Group as lessor

Shanghai Grape King has entered into an operating lease agreement in a term from June 2015 to March 2034 with a non-related party. As of March 31, 2016, Shanghai Grape King has received prepaid rents, recorded under the caption of advances received, for the period of eleven years. The movement schedule of prepaid rents is listed as follows:

| | As of | | |
|---|---|---|---|
| | Mar. 31, 2016 | Dec. 31, 2015 | Mar. 31, 2015 |
| Beginning balance | $72,052 | $64,933 | $64,933 |
| Prepaid rent added in current period | 7,081 | 25,990 | 2,603 |
| Rent income recognized in current period | (4,636) | (17,768) | (4,473) |
| Exchange difference | (264) | (1,103) | (591) |
| Ending balance of prepaid rent | $74,233 | $72,052 | $62,472 |

Advances received for operating leases are as follows:

| | As of | | |
|---|---|---|---|
| | Mar. 31, 2016 | Dec. 31, 2015 | Mar. 31, 2015 |
| Other current liabilities | $7,290 | $7,325 | $7,397 |
| Other non-current liabilities-other | 66,943 | 64,727 | 55,075 |
| Total | $74,233 | $72,052 | $62,472 |

Operating lease commitments – Group as lessee

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

| | As of | | |
|---|---|---|---|
| | Mar. 31, 2016 | Dec. 31, 2015 | Mar. 31, 2015 |
| Within one year | $31,407 | $31,968 | $38,249 |
| From one year to five years | 97,837 | 61,078 | 81,164 |
| Total | $129,244 | $93,046 | $119,413 |

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

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

Operating lease expenses recognized are as follows:

| | Three-month period ended March 31, | |
|---|---|---|
| | 2016 | 2015 |
| Minimum lease payments | $12,260 | $10,442 |

(19)Post-employment benefits

Defined benefit plan

Expenses under the defined benefit plan for the three-month periods ended March 31, 2016 and 2015 were $3,752 thousand and $3,290 thousand, respectively.

Defined contribution plan

Expenses under the defined benefit plan for the three-month periods ended March 31, 2016 and 2015 were $215 thousand and $1,206 thousand, respectively.

(20)Equity

(a)Common stock

The Company has 150,000 thousand authorized shares of which 130,332 thousand shares, 130,300 thousand shares and 130,235 thousand shares were issued, as of March 31, 2016, December 31, 2015 and March 31, 2015, respectively, each share at par value of $10. Each share possesses one voting right and a right to receive dividends.

Among the domestic unsecured convertible bonds issued by the Company, 65,101 shares were converted during the year ended December 31, 2015.

Among the domestic unsecured convertible bonds issued by the Company, 32,258 shares were converted during three-month period ended March 31, 2016. The Board of Director meeting approved the measurement date for capital increase to be on May 13, 2016.

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(b)Capital reserve

| | As of | | |
|---|---|---|---|
| Source of capital reserve | Mar. 31, 2016 | Dec. 31, 2015 | Mar. 31, 2015 |
| Treasury share transactions | $4,363 | $4,363 | $4,363 |
| Convertible bonds－share option | 44,521 | 10,434 | - |
| Additional paid-in capital | 15,634 | 44,770 | - |
| Total | $64,518 | $59,567 | $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, incurred from previous years. After that, 10% of the remaining balance should be set aside for legal reserve. Afterwards, 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 previous 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 amended on May 20, 2015, the Company shall incur a portion of current year's profit as employees' compensation after offsetting the cumulative losses, if any. The aforementioned employees' compensation distributed, either in the form of shares or in cash, shall be approved by a majority vote at a meeting of board of directors attended by two-thirds of the total number of directors and reported at annual stockholders' meeting. Qualification requirements of employees, including the employees of the Company's subsidiaries, entitled to receive the employees' compensation may be specified in the Articles of Incorporation.

The Company has proposed to amend the Company's Article in responding to the Company Act's amendment as mentioned above at 2016 annual shareholders' meeting.

B. Dividend policy

The Company's earnings distribution 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 can be distributed by cash, stock or both. However, The Company's dividend policy stipulates that at least10% of total dividends shall be distributed in cash.

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 amount to reach 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, Taiwan FSC 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.

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

E. Details of the Company's 2015 and 2014 earnings distribution and dividends per share as approved in the Board of Director meeting held on 24 March 2016 and annual shareholders' meeting on 24 June 2015 are listed as follows:

| | Appropriation of earnings | | Dividend per share (in NT$) | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| Legal reserve | $105,165 | $94,248 | | |
| Common stock－cash dividend | 729,681 | 690,246 | 5.6 | 5.3 |

As to the details of estimation regarding employee's and directors' compensation, please refer to Note 6(22) to the financial statements.

F. Information regarding Pro-Partner's 2015 and 2014 earnings distribution and dividends per share as proposed/approved in the annual shareholders' meeting on 26 April 2015 and 16 April 2015 are listed as follows:

| | Appropriation of earnings | | Dividend per share (in NT$) | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| Legal reserve | $123,808 | $110,996 | | |
| Common stock－cash dividend | 891,316 | 998,961 | 50.64 | 56.76 |

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

G. Non-controlling interests

| | Three-month period ended March 31, | |
|---|---|---|
| | 2016 | 2015 |
| Beginning balance | $741,347 | $645,756 |
| Profit (loss) attributable to non-controlling interests | 129,217 | 109,244 |
| Ending balance | $870,564 | $755,000 |

(20) Operating revenue

| | Three-month period ended March 31, | |
|---|---|---|
| | 2016 | 2015 |
| Sale of goods | $1,949,063 | $1,624,104 |
| Revenue arising from rendering of services | 59,911 | 26,648 |
| Total | $2,008,974 | $1,650,752 |

(21) Schedule of employee benefits, depreciation and amortization by function during the three-month periods ended March 31, 2016 and 2015:

| | Three-month period ended March 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2016 | | | 2015 | | |
| | Operating costs | Operating expenses | Total | Operating costs | Operating expenses | Total |
| Employee benefits expense | | | | | | |
| Salaries & wages | $45,391 | $178,114 | $223,505 | $38,291 | $140,815 | $179,106 |
| Labor and health insurance | 2,577 | 5,808 | 8,385 | 3,128 | 3,393 | 6,521 |
| Pension | 1,920 | 2,047 | 3,967 | 2,216 | 2,280 | 4,496 |
| Other employee benefits | 1,534 | 5,064 | 6,598 | 806 | 1,746 | 2,552 |
| Depreciation | 32,450 | 17,885 | 50,335 | 22,316 | 12,198 | 34,514 |
| Amortization | - | 447 | 447 | - | 75 | 75 |

A resolution was agreed at the Company's Board of Directors meeting held on March 14, 2016 to amend the Company's Articles of Incorporation. According to the resolution, 6%~8% of profit for the current year is distributable as employees' compensation and no higher than 2% of profit for the current year is distributable as remuneration to directors and supervisors. However, the Company's accumulated losses, if any, shall have been compensated first. The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition thereto a report of such distribution is submitted to the shareholders' meeting. The Articles of Incorporation are to be amended in the shareholders' meeting in 2016. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

Based on profit of the three-month period ended March 31, 2016 , the Company estimated the amounts of the employees' compensation and remuneration to directors to be NT$28,006 thousand and $7,002, respectively, recognized as employee benefits expenses. If the estimated amounts differ from the actual distribution resolved by the Board of Directors, the Company will recognize the change as an adjustment to current income.

The Company's employee bonuses and remuneration to directors for the three-month period ended March 31, 2015 were $20,271 and $3,685, respectively. For the three-month period ended March 31, 2015, the employee bonus and remuneration to directors were incurred based on net income and the Company's Articles of Incorporation, after considering factors such as appropriation to legal reserve etc. The employee bonuses and remuneration to directors were recognized as current employee benefits expense. If the resolved amounts by Board in the subsequent period significantly differ from the estimated, the Company will recognize the change as an adjustment to current income. The difference, if any, between the estimation and the resolution of shareholders' meeting shall be recorded in profit or loss of the subsequent year. The number of shares distributed as employee bonus was calculated based on the closing price at one day earlier than the date of shareholders' meeting and the impacts of ex-right/ex-dividend shall be taken into consideration.

The Company's Board has approved the 2015 employees' compensation and directors' renumeration, all in cash, to be $100,745 thousand and $25,186 thousand, respectively, in a meeting held on March 14, 2016.

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

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(22)Non-operating incomes and expenses

(a) Other incomes

| | Three-month period ended March 31, | |
|---|---|---|
| | 2016 | 2015 |
| Interest income from bank deposits | $593 | $390 |
| Rental revenue | 6,003 | 5,556 |
| Other Income | 20,875 | 14,687 |
| Total | $27,471 | $20,633 |

(b) Other gains and losses

| | Three-month period ended March 31, | |
|---|---|---|
| | 2016 | 2015 |
| Foreign exchange loss, net | $(179) | $(322) |
| Gain from financial assets at fair value through P/L | 164 | 283 |
| Total | $(15) | $(39) |

(c) Finance costs

| | Three-month period ended March 31, | |
|---|---|---|
| | 2016 | 2015 |
| Imputed interest on deposit | $37 | $20 |
| Interest on borrowings from bank | 5,942 | - |
| Interest on bonds payable | 4,600 | - |
| Total | $10,579 | $20 |

(24) Components of other comprehensive income

For the three-month period ended March 31, 2016

| | 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 | $(1,373) | $- | $(1,373) |

For the three-month period ended March 31, 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 | $(2,696) | $- | $(2,696) |

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(25) Income tax

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

Income tax expense (income) recognized in profit or loss

| | Three-month period ended March 31, | |
|---|---|---|
| | 2016 | 2015 |
| Current income tax expense (benefit): | | |
| Current income tax charge | $84,263 | $72,258 |
| Deferred income tax expense (benefit): | | |
| Deferred income tax expense (benefit) related to origination and reversal of temporary difference | 297 | (23) |
| Total income tax expense | $84,560 | $72,235 |

Income tax relating to components of other comprehensive income

| | Three-month period ended March 31, | |
|---|---|---|
| | 2016 | 2015 |
| Deferred tax expense (benefit): | | |
| Exchange differences on translation of foreign operations | $- | $- |
| Income tax relating to components of other comprehensive income | $- | $- |

Imputation tax credit information

| | As of | | |
|---|---|---|---|
| | Mar. 31, 2016 | Dec. 31, 2015 | Mar. 31, 2015 |
| Balance of imputation tax credit | | | |
| The Company | $148,251 | $146,231 | $114,181 |

The 2015 expected creditable ratio and the 2014 actual are 12.28% and 20.74%, respectively.

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

As of December 31, 2015, the Company's earnings generated in the year ended December 31, 1997 and before have been fully appropriated.

Tax assessment

As of March 31, 2016, the status of assessment from tax authority for the Company and Pro-partner Inc. are listed as follows:

| | Status |
|---|---|
| The Company | Assessed and approved up to 2013 |
| Pro-partner Inc. | Assessed and approved up to 2014 |

(26) 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 period ended March 31, | |
|---|---|---|
| | 2016 | 2015 |
| (a) Basic earnings per share | | |
| Profit attributable to ordinary equity holders of the Company (in thousand NT$ ) | $283,169 | $237,790 |
| Weighted average number of ordinary shares outstanding for basic earnings per share (in thousand shares) | 130,305 | 130,235 |
| Basic earnings per share (in NT$) | $2.17 | $1.83 |

| | Three-month period ended March 31, | |
|---|---|---|
| | 2016 | 2015 |
| (2) Diluted earnings per share | | |
| Profit attributable to ordinary equity holders of the Company (in thousand NT$) | $283,169 | $237,790 |
| Interest expense from convertible bonds(in thousand NT$) | 4,526 | - |
| Gain or loss on valuation of redemption(in thousand NT$) | 493 | - |
| Profit attributable to ordinary equity holders of the Company after dilution (in thousand NT$) | $288,188 | $237,790 |
| Weighted average number of ordinary shares outstanding for basic earnings per share (in thousand shares) | 130,305 | 130,235 |
| Effect of dilution: | | |
| Employee bonus—stock (in thousand shares) | 564 | 794 |
| Convertible bonds (in thousands shares) | 5,795 | - |
| Weighted average number of ordinary shares outstanding after dilution (in thousand shares) | 136,664 | 131,029 |
| Diluted earnings per share (in NT$) | $2.11 | $1.81 |

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

(27)Subsidiary that has material non-controlling interests

Financial information of subsidiary that has material non-controlling interests is as 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.

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

| Name | Country of incorporation and operation | As of Mar. 31, 2016 | As of Dec. 31, 2015 | As of Mar. 31, 2015 |
|---|---|---|---|---|
| Pro-partner | Taiwan, Republic of China | 40% | 40% | 40% |

| | As of Mar. 31, 2016 | As of Dec. 31, 2015 | As of Mar. 31, 2015 |
|---|---|---|---|
| Accumulated balances of material non-controlling interest: | | | |
| Pro-partner | $870,564 | $741,347 | $755,000 |

| Profit/(loss) allocated to material non-controlling interest: | Three-month period ended March 31, 2016 | Three-month period ended March 31, 2015 |
|---|---|---|
| Pro-partner | $129,217 | $109,244 |

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 ended March 31, 2016 and 2015 is as follows:

| | Three-month period ended March 31, 2016 | Three-month period ended March 31, 2015 |
|---|---|---|
| Operating revenue | $1,853,603 | $1,536,909 |
| Profit/loss from continuing operation | $323,053 | $273,110 |
| Total comprehensive income for the period | $323,053 | $273,110 |

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Summarized information of financial position as of March 31, 2016, December 31, 2015 and March 31, 2015 is as follows:

| | As of | | |
|---|---|---|---|
| | Mar. 31, 2016 | Dec. 31, 2015 | Mar. 31, 2015 |
| Current assets | $1,283,439 | $1,171,640 | $1,477,017 |
| Non-current assets | 3,545,243 | 3,498,453 | 3,535,747 |
| Current liabilities | (1,391,137) | (1,346,440) | (3,122,109) |
| Non-current liabilities | (1,261,124) | (1,470,286) | (3,154) |

Summarized cash flow information for the three-month periods ended March 31, 2016 and 2015 is as follows:

| | Three-month period ended March 31, | |
|---|---|---|
| | 2016 | 2015 |
| Operating activities | $389,069 | $189,042 |
| Investing activities | (88,085) | (29,254) |
| Financing activities | (196,860) | (2,372) |
| Net increase/(decrease) in cash and cash equivalents | 104,123 | 157,416 |

7. Related party transactions

(1) Significant transactions with related parties

(a) Sales

| | Three-month period ended March 31, | |
|---|---|---|
| | 2016 | 2015 |
| Other related parties | $14,010 | $19,275 |

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.

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(b) Amounts owed by related parties

| | As of | | |
|---|---|---|---|
| | Mar. 31, 2016 | Dec. 31, 2015 | Mar. 31, 2015 |
| Other related parties | $14,365 | $12,720 | $10,139 |
| Less: allowance for doubtful debts | - | - | - |
| Net | $14,365 | $12,720 | $10,139 |

(c) Other payables to related parties

| | As of | | |
|---|---|---|---|
| | Mar. 31, 2016 | Dec. 31, 2015 | Mar. 31, 2015 |
| Other related parties | $34,478 | $27,347 | $1,361 |

(d) Guarantee deposits

| | As of | | |
|---|---|---|---|
| | Mar. 31, 2016 | Dec. 31, 2015 | Mar. 31, 2015 |
| Other related parties | $- | $- | $463 |

(e) Sales and marketing expenses - commission

| | Three-month period ended March 31, | |
|---|---|---|
| | 2016 | 2015 |
| Other related parties | $96 | $2,136 |

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.

(f) General and administrative expenses - rental

| | Three-month period ended March 31, | |
|---|---|---|
| | 2016 | 2015 |
| Other related parties | $660 | $544 |

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

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.

(g) General and administrative expenses - incentive

| | Three-month period ended March 31, | |
|---|---|---|
| | 2016 | 2015 |
| Other related parties | $- | $68 |

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.

(h) Revenue from rental assets

| | Three-month period ended March 31, | |
|---|---|---|
| | 2016 | 2015 |
| Other related parties | $906 | $909 |

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.

(i) Key management personnel compensation

| | Three-month period ended March 31, | |
|---|---|---|
| | 2016 | 2015 |
| Short-term employee benefits | $24,443 | $19,940 |
| Post-employment benefits | 62 | 88 |
| Total | $24,505 | $20,028 |

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

8. Assets pledged as collaterals

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

| | As of | | |
|---|---|---|---|
| Assets pledged | Mar. 31, 2016 | Dec. 31, 2015 | Mar. 31, 2015 |
| Property, plant and equipment-land | $2,314,312 | $2,314,312 | $2,127,640 |
| Property, plant and equipment-building | 1,263,433 | 1,268,046 | 1,200,336 |
| Other financial assets- pledged time deposits | 1,860 | 1,860 | 1,860 |
| Total | $3,579,605 | $3,584,218 | $3,329,836 |

9. Commitments and contingencies

(1) The Company's guarantee notes issued to banks for credit lines amounted to $301,900 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 lease 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, 2015 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 March 31, 2016 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 |
| Hsinchy City | Tsai,Fu-Ching | 2015.10.1~2017.9.30 | 110 |
| Fengyuan Dist. | Lin,Fen-Ling | 2014.6.1~2017.5.31 | 70 |

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

| | | | |
|---|---|---|---|
| Taichung City | Pu-Lin Ltd. | 2007.11.1~2027.11.1 | 220 |
| Taichung City | Pu-Lin Ltd. | 2010.4.1~2030.3.31 | 129 |
| Kaohsiung City | The Company | 2013.8.1~2016.7.31 | 236 |
| HuaLian City | Liou, Chuen-Hou、Liou, Chuen-Lung | 2014.3.1~2017.2.28 | 130 |
| Tainan City | Cathay Life Insurance Company, Ltd. (NOTE) | 2016.3.21~2021.7.31 | 799 |

NOTE: It is free from March 21, 2016 to August 31, 2016.

(5) The Company entered into a contract for plant and machinery. Total contract amount is $886,012 thousand while $394,871 thousand remained unpaid as of December 31, 2015.

10. Losses due to major disasters

None.

11. Significant subsequent events

None.

12. Financial instruments

(1) Categories of financial instruments

| Financial assets | As of | | |
|---|---|---|---|
| | Mar. 31, 2016 | Dec. 31, 2015 | Mar. 31, 2015 |
| Financial asset at fair value through P/L: | | | |
| Held for trading | $824,119 | $723,967 | $246,254 |
| Available-for-sale financial assets (including financial asset measured at cost) | 28,028 | 28,028 | 18,502 |
| Loans and receivables | | | |
| Cash and cash equivalents (excluding cash on hand) | 1,457,405 | 1,428,755 | 1,546,047 |
| Debt investments without activemarket | 25,272 | 4,995 | 3,017 |
| Notes receivable | 8,451 | 8,312 | 88,090 |
| Accounts receivable | 99,973 | 75,553 | 10,139 |

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

| | | | |
|---|---|---|---|
| Accounts receivable from related parties | 14,365 | 12,720 | 1,668 |
| Other receivables | 4,187 | 1,688 | 22,040 |
| Other financial assets | 1,860 | 1,860 | 1,860 |
| Subtotal | 1,611,513 | 1,533,883 | 1,672,861 |
| Total | $2,463,660 | $2,285,878 | $1,937,617 |

| Financial liabilities | As of | | |
|---|---|---|---|
| | Mar. 31, 2016 | Dec. 31, 2015 | Mar. 31, 2015 |
| Financial liabilities at amortized cost: | | | |
| Short-term loans | $35,000 | $- | $- |
| Notes payable | 1,273 | 774 | 7,286 |
| Accounts payable | 163,915 | 152,077 | 136,940 |
| Other payables | 1,240,638 | 1,317,835 | 2,988,442 |
| Other payables – related parties | 34,478 | 27,347 | 1,361 |
| Bonds payable | 945,478 | 946,164 | - |
| Long-term loans (current portion included) | 1,290,001 | 1,493,334 | - |
| Other long-term payables | 17,440 | 17,601 | 18,202 |
| Total | $3,728,223 | $3,955,132 | $3,156,528 |

(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 three-month periods ended March 31, 2016 and 2015 decreased/increased by $938thousand and $970thousand, 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.

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 three-month periods ended March 31, 2016 and 2015 to decrease/increase by $153 thousand and increase/ decrease $334 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 three-month periods ended March 31, 2016 and 2015 by $41,113 thousand and $12,313 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.

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

There is no concentration of credit risk of a single customer for the three-month periods ended March 31, 2016 and 2015. 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 5 years | Total |
|---|---|---|---|---|---|---|
| As at March 31, 2016 | | | | | | |
| Carried at amortized cost | | | | | | |
| Shrot-term loans | $35,020 | $- | $- | $- | $- | $35,020 |
| Notes payable | 1,273 | - | - | - | - | 1,273 |
| Accounts payable | 163,915 | - | - | - | - | 163,915 |
| Bonds payable | - | - | - | 990,794 | - | 990,794 |
| Other payables | 1,114,177 | 160,939 | - | - | - | 1,275,116 |
| Long-term payables | - | - | - | - | 17,440 | 17,440 |
| Long-term loans (current portion included) | 24,199 | 27,908 | 91,103 | 293,276 | 1,041,235 | 1,477,721 |

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

| | | | | | | |
|---|---|---|---|---|---|---|
| As of December 31, 2015 | | | | | | |
| Carried at amortized cost | | | | | | |
| Notes payable | $774 | $- | $- | $- | $- | $774 |
| Accounts payable | 152,077 | - | - | - | - | 152,077 |
| Bonds payable | - | - | - | 996,335 | - | 996,335 |
| Other payables | 1,207,634 | 137,548 | - | - | - | 1,345,182 |
| Long-term payables | - | - | - | - | 17,601 | 17,601 |
| Long-term loans (current portion included) | 23,832 | 29,875 | 92,954 | 349,027 | 1,240,617 | 1,736,305 |
| As of March 31, 2015 | | | | | | |
| Carried at amortized cost | | | | | | |
| Notes payable | $7,286 | $- | $- | $- | $- | $7,286 |
| Accounts payable | 136,940 | - | - | - | - | 136,940 |
| Other payables | 2,829,396 | 111,095 | 49,312 | - | - | 2,989,803 |
| Long-term payables | - | - | 18,202 | - | - | 18,202 |

(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.

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

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).

d. Fair value of debt instruments without market quotations, bank loans, bonds payable and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the GreTai Securities Market, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)

e. The fair value of derivatives which are not options and without market quotations, is determined based on the counterparty prices or discounted cash flow analysis using interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using on the counterparty prices or appropriate option pricing model (for example, Black-Scholes model) or other valuation method (for example, Monte Carlo Simulation).

(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.

| | Carrying value | | | Fair value | | |
|---|---|---|---|---|---|---|
| | 2016.3.31 | 2015.12.31 | 2015.3.31 | 2016.3.31 | 2015.12.31 | 2015.3.31 |
| Financial liabilities： | | | | | | |
| Bonds payable | $945,478 | $946,164 | $- | $953,406 | $953,695 | $- |

(c) Fair value measurement hierarchy for financial instruments

Please refer to Note 12.8 for fair value measurement hierarchy for financial instruments of the Group.

(7) Derivative financial instruments

The Group's derivative financial instruments include embedded derivatives. The related information for derivative financial instruments not qualified for hedge accounting and not yet settled as of March 31, 2016, December 31, 2015 and March 31, 2015 is as follows:

Embedded derivatives

The embedded derivatives arising from issuing convertible bonds have been separated from the host contract and carried at fair value through profit or loss. Please refer to Note 6(15) for further information on this transaction.

(8) 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.

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(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 of March 31, 2016

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Financial assets: | | | | |
| Financial assets at fair value through profit or loss | | | | |
| Monetary fund | $822,251 | $- | $- | $822,251 |
| Embedded Derivatives | - | - | 1,868 | 1,868 |
| Total | $822,251 | $- | $1,868 | $824,119 |

As of December 31, 2015

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Financial assets: | | | | |
| Financial assets at fair value through profit or loss | | | | |
| Monetary fund | $721,594 | $- | $- | $721,594 |
| Embedded derivative－Redemption | - | - | 2,373 | 2,373 |
| Total | $721,594 | $- | $2,373 | $723,967 |

Transfers between Level 1 and Level 2 during the period

During the three-month periods ended March 31, 2016 and 2015, there were no transfer between Level 1 and Level 2 fair value measurements.

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy for movements during the period is as follows:

| | Assets |
|---|---|
| | At fair value through profit or loss |
| Beginning balances as of January 1, 2016 | $2,373 |
| Convertible for the three-month period ended | (12) |

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

| | |
|---|---|
| March 31, 2016 | |
| Total gains and losses recognized for three-month period ended March 31, 2016: | |
| Amount recognized in profit or loss (presented in "other profit or loss") | (493) |
| Ending balances as of March 31, 2016 | $1,868 |

Total gains and losses recognized in profit or loss for the three-month period ended March 31, 2016 in the table above contain gains and losses related to assets on hand as of March 31, 2016 in the amount of $493 thousand.

Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

As of March 31, 2016

| | Valuation techniques | Significant unobservable inputs | Quantitative information | Relationship between inputs and fair value | Sensitivity of the input to fair value |
|---|---|---|---|---|---|
| Financial assets: | | | | | |
| At fair value through profit or loss | | | | | |
| Embedded derivatives | Option pricing model | Volatility | 44.47% | The higher the volatility, the higher the fair value of the embedded derivatives. | 1% increase (decrease) in the volatility would result in decrease in the Group's profit or loss by NT$98/197 thousand |

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

As of December 31, 2015

| | Valuation techniques | Significant unobservable inputs | Quantitative information | Relationship between inputs and fair value | Sensitivity of the input to fair value |
|---|---|---|---|---|---|
| Financial assets: | | | | | |
| At fair value through profit or loss | | | | | |
| Embedded derivatives | Option pricing model | Volatility | 43.08% | The higher the volatility, the higher the fair value of the embedded derivatives. | 1% increase (decrease) in the volatility would result in decrease in the Group's profit or loss by NT$593/890 thousand |

As of March 31, 2015：None

(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 of March 31, 2016

| | 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 |
| Financial liabilities not measured at fair value but for which the fair value is disclosed: | | | | |
| Bonds payable (please refer to Note 6.14) | $- | $- | $953,406 | $953,406 |

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

As of December 31, 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 6.10) | $- | $- | $233,575 | $233,575 |
| Financial liabilities not measured at fair value but for which the fair value is disclosed: | | | | |
| Bonds payable (please refer to Note 6.14) | $- | $- | $953,695 | $953,695 |

As of March 31, 2015

Not applicable

(9) Significant assets and liabilities denominated in foreign currencies

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

| | As of March 31, 2016 | | | As of December 31, 2015 | | |
|---|---|---|---|---|---|---|
| | Foreign currencies | Foreign exchange rate | NTD | Foreign currencies | Foreign exchange rate | NTD |
| Financial assets | | | | | | |
| Monetary items: | | | | | | |
| USD | $787 | 32.25 | $25,376 | $848 | 32.72 | $27,737 |
| Financial liabilities | | | | | | |
| Monetary items: | | | | | | |
| USD | $498 | 32.13 | $15,994 | $608 | 32.44 | $19,708 |

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

| | As of March 31, 2015 | | |
|---|---|---|---|
| | Foreign currencies | Foreign exchange rate | NTD |
| Financial assets | | | |
| Monetary items: | | | |
| USD | $804 | 31.30 | $25,181 |
| Financial liabilities | | | |
| Monetary items: | | | |
| USD | 494 | 31.30 | 15,462 |

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

The Company's functional currency is variety. It can not be disclosured the foreign exchange gains or losses on monetary financial assets and financial liabilities with each significant influence. The Foreign exchange gains or losses of the Company amounted to $179 thousand and $322 thousand respectively on March 31, 2016 and 2015.

(10) Capital management

The same objective of Company's capital management have been applied in the Company's consolidated financial statements for the three-month period ended March 31, 2016 as those applied in the Company's consolidated financial statements for the year ended December 31, 2015.

The same summarized quantitative information of capital management have been applied in the Company's consolidated financial statements for the three-month period ended March 31, 2016 as those applied in the Company's consolidated financial statements for the year ended December 31, 2015. For the related information please refer to Note 12(10) of the Company's consolidated financial statements for year ended December 31, 2015.

13. Other disclosure

(1) Information at significant transactions

a. Financing provided to others for the three-month period ended March 31, 2016: None

b. Endorsement/Guarantee provided to others for the three-month period ended March 31, 2016: None

c. Securities held as of March 31, 2016(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 three-month period ended March 31, 2016: 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 three-month period ended March 31, 2016: 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 three-month period ended March 31, 2016: 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 three-month period ended March 31, 2016: 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 March 31, 2016: Please refer to attachment 5

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 March 31, 2016 (excludingthe investment in Mainland China): Please refer to attachment 3.

2. Information at significant transactions

a. Financing provided to others for the three-month period ended March 31, 2016: Please refer to attachment 4.

b. Endorsement/Guarantee provided to others for the three-month period ended March 31, 2016: None

c. Securities held as of March 31, 2016 (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 three-month period ended March 31, 2016: 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 three-month period ended March 31, 2016: 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 three-month period ended March 31, 2016: 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 three-month period ended March 31, 2016: 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 March 31, 2016: 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, 2016 | Investment Flows | | Accumulated Investment Outflows from Taiwan as at March 31, 2016 | Net Income (Loss) of Investee Company | Percentage of Direct or Indirect Ownership | Investment Profit(Loss) Recognized (Note 2) | Carrying Amount as at March 31, 2016 | Accumulated Inward Remittance of Earnings as of March 31, 2016 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | 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) | $3,036 (Note 2 (2)B) | 100% | $ 3,036 (Note 2(2)B) | $(135,857) | $- |
| Shanghai Yusong Co., Ltd. | Stock management and related services of the thermostatic fresh freezing freezing warehouse. | US$4,620 | (Note 1(2)) (Note 4) | $26,794 (USD878) | $- | $- | $26,794 (USD878) | $- (Note 2(3)) | 19.00% | $- (Note 2(3)) | $28,008 | $- |

| Accumulated investment in Mainland China as at March 31, 2016 | Investment amounts authorized by Investment Commission, MOEA | Upper limit on investment |
|---|---|---|
| $522,466 | $522,466 | $2,781,506 |

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)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

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 March 31, 2016 and 2015, 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.

(1) Income (loss), assets and liabilities for reportable segments

Three-month period ended March 31, 2016

| | MLM | Distribution | OEM | Subtotal | Others | Adjustment/ elimination | Consolidated |
|---|---|---|---|---|---|---|---|
| Revenue | | | | | | | |
| External customer | $1,853,603 | $78,293 | $77,078 | $2,008,974 | $- | $- | $2,008,974 |
| Inter-segment | 318,918 | 25,802 | 118 | 344,838 | - | (344,838) | - |
| Total revenue | $2,172,521 | $104,095 | $77,196 | $2,353,812 | $- | $(344,838) | $2,008,974 |
| Segment profit | $481,918 | $(2,653) | $(11,893) | $467,372 | $- | $29,574 | $496,946 |

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Three-month period ended March 31, 2015

| | MLM | Distribution | OEM | Subtotal | Others | Adjustment/ elimination | Consolidated |
|---|---|---|---|---|---|---|---|
| Revenue | | | | | | | |
| External customer | $1,536,909 | $59,454 | $53,524 | $1,649,887 | $865 | $- | $1,650,752 |
| Inter-segment | 276,181 | - | 178 | 276,359 | - | (276,359) | - |
| Total revenue | 1,813,090 | 59,454 | 53,702 | 1,926,246 | 865 | (276,359) | 1,650,752 |
| Segment profit | $440,349 | $(8,253) | $(9,263) | $422,833 | $1,888 | $(5,452) | $419,269 |

[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.

(2) Reconcilition of revenue, income, assets, liabilities and other significant items for reportable segments.

(1) Revenue

| | Three-month period ended March 31, | |
|---|---|---|
| | 2016 | 2015 |
| Total revenue | $2,353,812 | $1,926,246 |
| Other revenue | - | 865 |
| Reconclies inter-segment | (344,838) | (276,359) |
| Group revenue | $2,008,974 | $1,650,752 |

(2) Income (Loss)

| | Three-month period ended March 31, | |
|---|---|---|
| | 2016 | 2015 |
| Total income (Loss) | $467,372 | $422,833 |
| Other income (Loss) | - | 1,888 |
| Reconclies gain on inter-segment | 29,574 | (5,452) |
| Pre-tax income | $496,946 | $419,269 |

Grape King Bio Ltd. and Subsidiaries
ATTACHMENT 1 (Securities held as of March 31, 2016 (excluding subsidiaries, associates and joint venture))
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

| Company Held Name | Marketable Securities Type | Marketable Securities Name | Relationship with the Company | Financial Statement Account | As of March 31, 2016 | | | | 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 | 9,093,527.14 | $150,256 | | 150,256 | |
| | | Fuh Hwa Money Market | - | Financial assets at fair value through profit or loss, current | 7,011,491.80 | 100,226 | | 100,226 | |
| | | Paradigm Pion Money Market | - | Financial assets at fair value through profit or loss, current | 13,146,722.74 | 150,263 | | 150,263 | |
| | | Fuh Hwa You Li Money Market | - | Financial assets at fair value through profit or loss, current | 7,515,124.20 | 100,231 | | 100,231 | |
| | | Hua Nan Phoenix Money Market | - | Financial assets at fair value through profit or loss, current | 6,228,511.70 | 100,194 | | 100,194 | |
| | | ING Taiwan Hong-Yang Money Market | - | Financial assets at fair value through profit or loss, current | 6,215,426.69 | 100,246 | | 100,246 | |
| | | Taishin Lucky Money Market | - | Financial assets at fair value through profit or loss, current | 7,288,032.10 | 80,201 | | 80,201 | |
| | | Total | | | | 781,617 | | 781,617 | |
| Grape King Bio Ltd. | Stock | Fu-Sheng International Inc.(BVI) | - | Financial assets carried at cost, noncurrent | 917,700.00 | $28,008 | 19% | 28,008 | Note 4 |
| | | Hsin Tung Yang Co., Ltd. | - | Financial assets carried at cost, noncurrent | 2,000.00 | 20 | - | 20 | |
| | | Total | | | | $28,028 | | $28,028 | |
| Pro-partner Inc. | Fund | UPAMC James Bond Money Market | - | Financial assets at fair value through profit or loss, current | 1,242,579.52 | $20,532 | | 20,532 | |
| | | ING Taiwan Hong-Yang Money Market | - | Financial assets at fair value through profit or loss, current | 1,246,377.71 | 20,102 | | 20,102 | |
| | | Total | | | | $40,634 | | $40,634 | |

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 three-month period ended March 31, 2016)

(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 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 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 | $318,918 | 76.73% | Net 30 days after monthly closing | By contract | - | $146,284 | 59.49% | 2 |
| Pro-partner Inc. | Grape King Bio Ltd. | Parent Company | Purchases | $318,918 | 100.00% | Net 30 days after monthly closing | By contract | - | $(146,284) | 100.00% | 2 |

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 : 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 March 31, 2016 (excludingthe investment in Mainland China))
(Amounts in Thousands of New Taiwan Dollars)

| Investor | Investee | Location | Main Business | Original Investment Amount | | Balance as of March 31,2016 | | | Net Income (Losses) of the Investee | Share of Profits/Losses of Investee | Note |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | March 31, 2016 | December 31, 2015 | 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% | $313,568 | $2,578 | $2,578 | 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 | 10,056,000 | 60.00% | 1,293,835 | 323,053 | 193,464 (Note1) | Subsidiary |
| | Rivershine Ltd. | Taoyuan County, Taiwan | Import and selling of health food, drink, daily commodies, appliances. etc. | 30,000 | 30,000 | 3,000,000 | 100.00% | 29,572 | (265) | (265) | Subsidiary |
| | | | Total | | | | | $1,636,975 | | $195,777 | |

Note1 : The effect from the unrealized profit of the downstream transactions on income tax, which is NT$(371) 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 three-month period ended March 31, 2016)

(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 | $442,833 (US$13,239) | $426,087 (US$13,239) | $426,087 (US$13,239) | - | b | - | the need for short-term financing | - | - | - | $1,739,105 (Note2) | $1,739,105 (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 March 31, 2016.

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 March 31, 2016)

(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 | $426,087 (US$13,239) | - | $- | $- | $- | $- |
| Grape King Bio Ltd. | Pro-partner Inc. | Subsidiary | Accounts Receivable -Related Parties | $146,284 | 9.51 | $- | $- | $146,284 | $- |

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 expressed 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 | $318,918 | The price by contract | 15.87% |
| 0 | Grape King Bio Ltd. | Pro-partner Inc. | 1 | Accounts Receivable | $146,284 | The price by contract | 1.63% |

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.