

Thai Town Cuisine Business Group

P1	<p>Thai Town Cuisine Co., Ltd.</p> <p>Corporate Profile</p> <p>Xu Cheng-yi, Chairman of the Board</p>
P2	<p><u>Agenda</u></p> <p>Company Profile</p> <p>Operating results</p> <p>Core competencies</p> <p>Future development</p>
P3	<p><u>Company Profile</u></p> <p>Business history</p> <p>Corporate mission</p>
P4	<p><u>Business history</u></p> <p>The first Thai Town Cuisine was founded in 1990, giving Thai dishes a boost and turning them into a real fashion trend in Taiwan.</p>
P5	<p><u>Business history</u></p> <p>Challenges to turn Thai dishes into chain restaurants</p> <p>Raw materials, chefs, quality, efficiency....</p>
P6	<p><u>Business history</u></p> <p>*A series of breakthroughs</p> <p>The Research and Development Center was established in 1996</p> <ul style="list-style-type: none"> • Quality standards and control • Product research and development • Technological innovation • Improvement of production processes
P7	<p><u>Business history</u></p> <p>*A series of breakthroughs</p> <p>Our culinary school was founded in 1997. A trainee must pass through all 11 levels of tests to become a chef.</p> <ul style="list-style-type: none"> • Systematic training • Stringent assessment • Clear career development • Quality and quantity of talents required for our Group's business expansion
P8	<p><u>Business history</u></p> <p>*A series of breakthroughs</p> <p>The Resource Operations Center was established in 2000</p> <ul style="list-style-type: none"> • To steadily supply quality ingredients to branch restaurants across the country • To gain bargaining power over price and quality by volume of purchase • To ensure control over quality of food ingredients by professional procurement

	and quality assurance systems
P9	<p><u>Business history</u></p> <p>After 22 years of hard work, we invented the “Oven stir-fry kitchen chains” system, the only one in the world.</p>
P10	<p><u>Business history</u></p> <p>Three own brands</p> <p>Thai Town Cuisine was established in 1990</p> <p>Very Thai was established in 1995</p> <p>1010 Restaurant (Hunan Cuisine) was established in 2006</p>
P11	<p><u>Business history</u></p> <p>With 40 branches, we are the largest Oriental cuisine chain of restaurants in Taiwan.</p>
P12	<p><u>Business history</u></p> <p>The best team of 1660 members</p> <p>450 chefs, 1050 service staff, and 160 members in logistics</p>
P13	<p><u>Corporate Mission</u></p> <p>All our colleagues identify themselves with our corporate mission and vision. Thus, we share the same values and strive to achieve the same goals.</p> <p>A. Mission: “To serve you with all our heart,” we shall create the best restaurants which are recognized by our customers.</p> <p>B. Future goal: The largest Oriental cuisine chain of restaurants in the world.</p> <p>C. Spirit: Firmness, Endurance, Modesty, Reverence.</p> <p>D. Policy: The highest customer satisfaction, the best profitability, the best team, fast response, and continuous innovation.</p> <p>E. Consensus:</p> <ol style="list-style-type: none"> 1. Everyone can make a decision to sincerely pursue customer satisfaction! 2. The key to success is to work harder than others every day. 3. Face everything with a positive attitude every hour every day! 4. If you keep your body and mind healthy, every day will be a happy one! 5. Everything I do is 100% assured best quality. 6. I can always perform well in any task because I keep on learning, never yield to challenges, and never fear change. 7. I always cherish integrity and virtue. I will do anything to protect the reputation and honor of myself and my team. 8. Teamwork in 【respect, trust, communication, and care】 is the common responsibility I share with each and every partner!
P14	<p><u>Corporate Mission</u></p> <p>“To serve you with all our heart,” we shall be able to create the best restaurants which are recognized by our customers.</p>
P15	<p><u>Corporate Mission</u></p> <p>Recognition by honor badges shall be carried through to the first-line colleagues.</p>

P16	<p><u>Corporate Mission</u></p> <p>More than 1000 colleagues wear the honor badge now. Each badge tells a true story of how we have served our customers!</p>
P17	<p><u>Operating results</u></p> <ul style="list-style-type: none"> • Steady expansion • Revenue / profit growth • Customer support • Industrial cooperation • Honor affirmation
P18	<p><u>Steady expansion</u></p> <p>The number of stores in operation grew by 210% between 2007 and 2011. 2007, 2008, 2009, 2010, 2011</p>
P19	<p><u>Revenue / profit growth</u></p> <p>Operating revenues grew by 250% between 2007 and 2011. Unit: NT\$'000 2007, 2008, 2009, 2010, 2011</p>
P20	<p><u>Revenue / profit growth</u></p> <p>Net profit after tax grew by 460% between 2007 and 2011. Unit: NT\$'000 2007, 2008, 2009, 2010, 2011</p>
P21	<p><u>Revenue / profit growth</u></p> <p>Net profit margin grew by 180% between 2007 and 2011. 2007, 2008, 2009, 2010, 2011</p>
P22	<p><u>Customer support</u></p> <p>The number of patrons grew by 124% between 2007 and 2011. 2007, 2008, 2009, 2010, 2011</p>
P23	<p><u>Industrial cooperation</u></p> <p>We have successfully entered the major department stores. Our operating strength is deeply affirmed.</p> <p>【右邊 LOGO 也要翻譯】</p> <div data-bbox="756 1402 1366 1671" data-label="Image"> </div> <p style="text-align: right;">Shin Kong Mitsukoshi Pacific Sogo Far Eastern Department Stores Miramar Entertainment Park Hankyu Department Store Chungyo Department Store MODEmail Eslite MetroWalk</p>
P24	<p><u>Industrial cooperation</u></p> <div data-bbox="288 1877 504 1957" data-label="Image"> </div> <p>1st place winner in overall performance in the food and beverage industry in the years 2010 and 2011</p>

P25	<p><u>Industrial cooperation</u></p> <p>We are No.1 in the number of restaurants and operating results.</p> <p>We have set up 28 restaurants inside department stores across the country (up to 2012.7.31). Of our 28 restaurants, 16 ranked among the top three and the rest of the 12 ranked 1st in terms of operating performance.</p>
P26	<p><u>Industrial cooperation</u></p> <p>Among all the restaurants in department stores in the six major cities in Taiwan, we have remained No. 1 in both operating revenue and market share in the competitive catering market!</p> <p>Branch restaurants, the number of restaurants in department stores, our revenue/ total revenue of restaurants in department stores (June 2012)</p> <ul style="list-style-type: none"> • Taipei Tianmu Mitsukoshi Department Store • Taipei Hankyu Department Store • Taipei Tianmu SOGO Department Store • Zhonghe Global Mall • Zhongli SOGO Department Store • Xinzhu SOGO Department Store • Taichung Chungyo Department Store • Taichung Mitsukoshi Department Store • Kaohsiung Zuoying Mitsukoshi Department Store • Kaohsiung FE21' Mega Department Store • Tainan Ximen Mitsukoshi Department Store • Tainan Zhongshan Mitsukoshi Department Store
P27	<p><u>Industrial cooperation</u></p> <p>Among all the restaurants in department stores in the six major cities in Taiwan, we have remained No. 1 in both operating revenue and market share in the competitive catering market!</p> <p>Branch restaurants, the number of restaurants in department stores, our revenue / total revenue of restaurants in department stores (June 2012).</p> <p>Northern Taiwan: Taipei Tianmu Mitsukoshi Department Store, Taipei Hankyu Department Store, Taipei Tianmu SOGO Department Store, Zhonghe Global Mall, Zhongli SOGO Department Store, Xinzhu SOGO Department Store</p> <p>Central Taiwan: Taichung Chungyo Department Store, Taichung Mitsukoshi Department Store</p> <p>Southern Taiwan: Kaohsiung Zuoying Mitsukoshi Department Store, Kaohsiung FE21' Mega Department Store, Tainan Ximen Mitsukoshi Department Store, Tainan Zhongshan Mitsukoshi Department Store</p>

P28	<p><u>Industrial cooperation</u></p> <p>Among all the restaurants in department stores in the six major cities in Taiwan, we have remained No. 1 in both operating revenue and market share in the competitive catering market!</p> <p>Branch restaurants, the number of restaurants in department stores, our revenue / total revenue of restaurants in department stores (June 2012).</p> <ul style="list-style-type: none"> • Taipei Hankyu Department Store • Taichung Chungyo Department Store • Kaohsiung Zuoying Mitsukoshi Department Store
P29	<p><u>Honor affirmation</u></p> <p>Thai Town Cuisine was honored by Global Views Monthly as the 1st place winner of the Distinguished Service Award among all the chain restaurants in Taiwan in the years 2009 and 2010.</p>
P30	Core competencies
P31	After 22 years of hard work, Thai Town Cuisine has successfully developed a research and development chain system that can be used to duplicate any type of Oriental cuisine.
P32	Hamburgers (fast food): 16 ingredients in 10 cooking steps
to	Steak (Western): 8 ingredients in 20 cooking steps
P35	Spicy stir-fried beef (Stir-fry the Chinese way) : 17 ingredients in 65 cooking steps...difficult
P36	Number of branch restaurants (many) (few)
to	Cooking skills (difficult) (easy)
P38	<p>Tokiya28, Saboten16, Watami15, Din Tai Fung 7, KIKI 8, Peng Yuan 8, NewPalace7, Shin Yeh5, Crystal Spoon 5</p> <p>Thai Town Cuisine has 28 branch restaurants and sophisticated (difficult) cooking skills! We are considered to own many branch restaurants in the trade!</p> <p>Data source for number of branch restaurants: 2012 Taiwan Chain Store Almanac</p>
P39	How we arrived at today's achievement?
to	"Oven stir-fry kitchen chains" system
P40	
P41	<p>"Oven stir-fry kitchen chains" system</p> <ul style="list-style-type: none"> • Standardization of ingredients • Scientific management for kitchens • Systematic training for chefs

P42	<p><u>“Oven stir-fry kitchen chains”</u></p> <p>A. Standardization of ingredients 700 raw materials for ingredients It is even more difficult to standardize fresh ingredients than the product standardization in the high-tech industry.</p>
P43	<p><u>“Oven stir-fry kitchen chains” system ~ Standardization of ingredients</u></p> <p>1. Standardization of raw materials Water spinach</p> <ul style="list-style-type: none"> • Total length: 20cm • Length of stalk: 13~17cm • Diameter of stalk: 0.4~0.6cm
P44	<p><u>“Oven stir-fry kitchen chains” system ~ Standardization of ingredients</u></p> <p>1. Raw-material specifications Green Papaya</p> <ul style="list-style-type: none"> • Appearance and shape • Flesh color (Pantone color cards: 500C~614C) • Moisture content: 92%~94%
P45	<p><u>“Oven stir-fry kitchen chains” system ~ Standardization of ingredients</u></p> <p>1. Raw-material specifications Japanese Sea bass Weight: 415~570g Length: 38~44 cm</p>
P46	<p><u>“Oven stir-fry kitchen chains” system ~ Standardization of ingredients</u></p> <p>2. Standardization of cutting methods There are more than 500 specifications of how to cut the ingredients. The smallest specification requires to cut an ingredient as thin as 0.05cm.</p>
P47	<p><u>“Oven stir-fry kitchen chains” system ~ Standardization of ingredients</u></p> <p>2. Standardization of cutting methods</p> <ul style="list-style-type: none"> • Sizzling spicy seafood • Sliced squid: Length 5cm, width 5cm, carved designs • Shrimp meat: Back cut open to remove the intestines • Lemon leaf: Width 0.05cm • Chilli slice: Length 4cm, width 0.2cm • String beans: Length 5cm
P48	<p><u>“Oven stir-fry kitchen chains” system ~ Standardization of ingredients</u></p> <p>2 standardizations of cutting methods Vinegar potato filaments</p> <ul style="list-style-type: none"> • Potato filaments: Cut into filaments, length 5cm, width 5cm, and thickness 0.2cm • Red bell pepper filaments: Cut into filaments, length 5cm, width 0.15cm, and thickness 0.15cm • Scallion: 3cm segments

P49	<u>“Oven stir-fry kitchen chains” system</u> A. Scientific management for kitchens <ul style="list-style-type: none"> • The best operating procedures and moving lines • Accurate control 											
P50	<u>“Oven stir-fry kitchen chains” system ~ Scientific management for kitchens</u> 1. The best operating procedures and moving lines <ul style="list-style-type: none"> • High space-utilization efficiency • High production efficiency • High delivery efficiency • Best environmental sanitation 											
P51 to p53	<u>“Oven stir-fry kitchen chains” system ~ Scientific management for kitchens</u> 2. Accurate control <table border="1" data-bbox="295 689 1417 1220"> <tr> <td>Production and delivery system</td> <td>Daily inventory management</td> <td>Automatic ordering system</td> </tr> <tr> <td>Delivery efficiency errors <2% 8 minutes ~ 25 minutes</td> <td>Ingredient amounts Difference between standards and actual amounts: $\pm 0.6\%$</td> <td>The system places orders automatically according to sales turnover to keep stocking accurate</td> </tr> <tr> <td> <ul style="list-style-type: none"> • Highest customer satisfaction • Highest table turnover rate </td> <td> <ul style="list-style-type: none"> • Fresh ingredients • Consistent amounts in each serving • Minimum wear and tear </td> <td> <ul style="list-style-type: none"> • Continuous supply • Fresh ingredients • Low scraping of ingredients </td> </tr> </table>			Production and delivery system	Daily inventory management	Automatic ordering system	Delivery efficiency errors <2% 8 minutes ~ 25 minutes	Ingredient amounts Difference between standards and actual amounts: $\pm 0.6\%$	The system places orders automatically according to sales turnover to keep stocking accurate	<ul style="list-style-type: none"> • Highest customer satisfaction • Highest table turnover rate 	<ul style="list-style-type: none"> • Fresh ingredients • Consistent amounts in each serving • Minimum wear and tear 	<ul style="list-style-type: none"> • Continuous supply • Fresh ingredients • Low scraping of ingredients
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P54	<u>“Oven stir-fry kitchen chains” system</u> B. Systematic training for chefs Traditional training system cannot keep up with our pace of expansion!											
P55	<u>“Oven stir-fry kitchen chains” system ~ Systematic training for chefs</u> Oriental cuisine cooking skills and processes include a variety of techniques Such as salad-making, deep frying, steaming, grilling, and stir frying ... etc.											
P56	<u>“Oven stir-fry kitchen chains” system ~ Systematic training for chefs</u> It takes at least five years of a traditional training system to turn a trainee into a chef with good cooking techniques.											
P57	<u>“Oven stir-fry kitchen chains” system ~ Systematic training for chefs</u> Cooking skills vs. martial arts											
P58	<u>“Oven stir-fry kitchen chains” system ~ Systematic training for chefs</u> The 11 levels of armband training system at Thai Town Cuisine can turn an assistant into a line cook in 13 months. <ul style="list-style-type: none"> • Assistant to chef: 3 months • Assistant to chef: 3 months • Assistant to chef: 3 months 											

	<ul style="list-style-type: none"> • Line cook: 4 months • Trainer • Foreman • Assistant Manager • Manager • Store Manager in training • Regional Manager • Department manager <p>It takes only 13 months of training to turn an assistant into a line cook who is good at stir-fry techniques.</p>
P59	<p><u>“Oven stir-fry kitchen chains” system ~ Systematic training for chefs</u></p> <p>Chefs are trained for both cooking and management skills.</p>
P60	<p>Successful examples of copying Oriental cuisines.</p>
P61	<p>In September 2005, our R & D team went to China to study Hunan cuisine, one of the eight major cuisines in China, which features exquisite cutting methods, heating control, and cooking skills. The level of difficulty is considered to be very high!</p>
P62	<p>It took our R & D team three months to replicate Hunan cuisine.</p>
P63	<p>In January 2006, we created the brand of 1010 Hunan Cuisine and opened six branch to restaurants in northern, central and southern Taiwan to verify our strength in copying Oriental cuisine!</p>
64	
P65	<p>After 22 years of hard work, Thai Town Cuisine has successfully developed a research and development chain system that can be used to duplicate any type of Oriental cuisine.</p>
P66	<p><u>Future development</u></p> <p>Innovative multi-brand expansion</p> <p>Move towards the international market</p>
P67	<p><u>Innovative multi-brand expansion</u></p> <p>Owning the ability to copy any type of Oriental cuisine, Thai Town Cuisine continues to delve into hundreds of Oriental cuisines.</p> <ul style="list-style-type: none"> • Japan • Korea • Taiwan • Hong Kong • Malaysia • Singapore • Vietnam • Thailand • India • Shandong

	<ul style="list-style-type: none"> • Jiangsu • Zhejiang • Fukien • Guangdong • Anhui • Hunan • Sichuan
P68	<p><u>Innovative multi-brand expansion</u></p> <p>“Oven stir-fry kitchen chains” system</p> <p>Chinese Cuisine: Sichuan, Guangdong, Jiangsu, Hunan, Zhejiang, Fujian, Anhui, Shandon; 1010Restaurant(Hunan Cuisine)</p> <p>Nanyang Cuisine: Thailand, Vietnam, Malaysia, Singapore Thai Town Cuisine, Very Thai</p>
P69	<p>Thai Town Cuisine, Very Thai, and 1010 Restaurant (Hunan Cuisine) → New brands</p> <p>We have been creating a new brand every year since 2013, aiming to create 20 brands in 10 years.</p>
P70	<p><u>Move towards the international market</u></p> <p>Based in Taiwan, we intend to promote our brands globally.</p>
P71	<p>The Thai Town Cuisine Business Group vows to become the largest Oriental cuisine chain of restaurants in the world.</p>