

Uni-President Enterprises Corp.
Handbook for the 2020 General Shareholders' Meeting
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Uni-President Enterprises Corp.
Handbook for the 2020 General Shareholders' Meeting

Time: Wednesday, June 24, 2020 at 10:00 am.

Place: 1F of Training Center of Uni-President Enterprises Corp. head office. No.301,
Zhongzheng Rd., Yongkang District., Tainan City 71001, Taiwan (R.O.C.)

Meeting Agenda

- I Call the meeting to order (report shareholdings of the attendances)
- II Chairperson remarks
- III Company Reports:
 - Motion 1 : 2019 Business report.
 - Motion 2 : Audit Committee's review report on the 2019 financial statements.
 - Motion 3 : Report on the payment of employee compensation and director remuneration of 2019.
 - Motion 4 : Total endorsements/guarantees provided by the Company to investees.
 - Motion 5 : Report the company's issuance status of corporate bonds for 2019.
- IV Proposals:
 - Motion 1 : 2019 Company's business reports and financial statements.
 - Motion 2 : Adoption of the proposal for distribution of 2019 profits.
- V Discussion :
 - Motion 1 : Amendment to the Company's Rules of Procedure for Shareholders' Meeting.
 - Motion 2 : Deletion of the non-competition promise ban imposed upon the Company's directors according to the Article 209 of Company Act.
- VI Questions and Motions
- VII Adjournment

I Call the meeting to order (report shareholdings of the attendances)

II Chairperson remarks

III Company Reports

Motion 1: 2019 Business Report.

Explanation : Please refer to pages 6~7 (Attachment 1) of the Meeting Handbook for the Company's 2019 business report.

Motion 2: Audit Committee's Review Report on the 2019 Financial Statements.

Explanation : The Company's 2019 financial statements and the business report (Attachment 1) have been duly audited and certified by the CPA and further audited by Audit Committee. The CPA and Audit Committee also presented their auditor report respectively, financial statements (Attachment 2, Attachment 3, Attachment 4) and the distribution of 2019 profits (Attachment 5), and abovementioned are attached on page 6~33 of the Meeting Handbook.

Motion 3 : Report on the payment of employee compensation and director remuneration of 2019.

Explanation:

1. It is compliant with the Orders of Ministry of Economics Jingshang zhi No. 10402413890 issued on June 11, 2015 and Jingshang zhi No. 10402427800 issued on October 15, 2015.
2. According to Paragraph 1 of Article 30 of the Company's Articles of Incorporation, where the Company has profit at the end of any fiscal year, it shall contribute no less than 2% of the profit as the remuneration to employees and no more than 2% of the profit as the remuneration to directors. Therefore, the Company hereby allocates its profit for 2019 in the following manner, based on the Articles of Incorporation and by taking the operating performance into account:
 - (1) 7.54% as the remuneration to employees, namely NT\$1,631,862,667.
 - (2) 1.33% as the remuneration to directors, namely NT\$288,716,047.
3. The remuneration to employees and directors is allocated in cash uniformly.

Motion 4 : Total endorsements/guarantees provided by the Company to investees.

Explanation:

1. On the grounds of the Company's "Operational Procedures for Endorsements and Guarantees".
Article 5: <Limit in endorsements/guarantees >

The aggregate total of endorsements/guarantees conducted by the Company shall be 100% of the Company's net worth. The maximum limit of endorsement conducted by the Company toward a single enterprise shall be 50% of the Company's net worth. Reported the progress to the shareholders meeting for reference and recording.

- The Company renders endorsements/guarantees exactly in accordance with the provisions set forth under Paragraph I of Descriptions. As of December 31, 2019, the balance of endorsements/guarantees at the end of the term amounted to NT\$48.06 billion. The aggregate total actually disbursed amounted to NT\$1.007 billion.

Unit: Thousand NT\$

Name of endorsees/guarantees	Consolidated Shareholding ratio	Remaining Balance		Actual Amount Used (Note)
		Amount	Date when duly resolved by the Board	
Kai Yu (BVI) Investment Co., Ltd.	100.0%	42,000,000	the 8 th meeting of the 17 th term of board Jul. 27, 2017	0
Kai Nan Investment Co., Ltd.	100.0%	400,000	the 3 th meeting of the 17 th term of board Nov. 9, 2016 the 2 th meeting of the 18 th term of board June 26, 2019	0
President Entertainment Corp.	100.0%	1,500,000	the 3 th meeting of the 16 th term of board Nov. 12, 2013	0
Kai Yu Investment Co., Ltd.	100.0%	2,300,000	the 2 th meeting of the 16 th term of board Aug. 12, 2013 the 2 th meeting of the 18 th term of board June 26, 2019	128,000
Tone Sang Construction Corp.	100.0%	1,800,000	the 10 th meeting of the 13 th term of board Dec. 16, 2005	879,000
President Baseball Team Corp.	100.0%	60,000	the 7 th meeting of the 11 th term of board Aug. 20, 1999	0
Total	-	48,060,000		1,007,000

Note : Actually used amounts under the approved endorsement / guarantee line.

- Please refer to Appendix 1 on page 38~41 of the Meeting Handbook for the Current Provision.

Motion 5 : Report the company's issuance status of corporate bonds for 2019.

Explanation:

1. The issuances were completed in accordance with Article 246 of Company Act.
2. The company completed two offerings of corporate bonds in 2019. A summary of the major terms of these offerings are as follows :

Issuance	2019's first domestic unsecured straight corporate bond	2019's second domestic unsecured straight corporate bond
Amount	NTD 7.0 billion	NTD 4.0 billion
Maturity	5 years and 7 years	5 years and 7 years
Coupon Rate	5 years : 0.75% 7 years : 0.83%	5 years : 0.69% 7 years : 0.73%
Principal Repayment and Coupon Frequency	Principle repayment: One-time repayment since issuance date for both 5-year and 7-year terms. Interest payout: simple interest rate is used to pay out yearly.	Principle repayment: One-time repayment since issuance date for both 5-year and 7-year terms. Interest payout: simple interest rate is used to pay out yearly.
Approval Document Number	Announcement of effectivity per the Letter Zheng-Gui-Zhai-Zi No. 10800039041 of the Taipei Exchange on May 7, 2019.	Announcement of effectivity per the Letter Zheng-Gui-Zhai-Zi No. 10800106151 of the Taipei Exchange on September 16, 2019.
The Purpose of Issuance	Raising long-term capital and reinforcing the financial structure.	Raising long-term capital and reinforcing the financial structure.
Note	The offering was completed on May 15, 2019.	The offering was completed on September 25, 2019.

IV Proposals

Motion 1: 2019 Company's business reports and financial statements. (Proposed by the Board)

Explanation:

1. Adoption of the 2019 Company's business report and financial statements, which have been approved by resolution of the 8th meeting of the 18th term of board of directors on March 27, 2020 and examined by Audit Committee.
2. Please refer to pages 6~32 of the Meeting Handbook for the business report (Attachment 1), audit committee's review report (Attachment 2), auditor's report and financial statements (Attachment 3, Attachment 4).

Resolution:

Motion 2: Adoption of the proposal for distribution of 2019 profits. (Proposed by the Board)

Explanation:

1. The Company's net profit after tax was NT\$19,007,255,323 in 2019. 10% legal reserve, NT\$ 1,900,725,532 was set aside pursuant to laws. Plus an effort to ascertain the amount of remeasuring of the fringe benefit programs, NT\$423,372,335 and set aside of special reserve, NT\$ 3,094,099,786 and unappropriated retained earnings of previous years, NT\$8,938,934,612 the accumulated allocable earnings from profits was NT\$ 23,374,736,952.
2. Please refer to Attachment 5 on page 33 of the Meeting Handbook for the distribution of 2019 profits.
3. The Company's 2019 is proposed to distribute Cash dividends of NT\$ 2.5 per share. Upon the approval of the General Shareholders Meeting, it is proposed that the Board of Directors be authorized to resolve the ex-dividend dates and adjust the dividends to be distributed to each share based on the number of actual shares outstanding on the record date for distribution.
4. Cash dividends paid to each individual shareholder will be rounded down to the nearest dollar. Fractional shares with a value less than one dollar are accumulated and reported as the Company's other income.

Resolution:

V Discussion

Motion 1: Amendment to the Company's Rules of Procedure for Shareholders' Meeting. (Proposed by the Board)

Explanation:

1. According to "Sample Template for The Rules of Procedure for Shareholders Meetings." revised by Taiwan Stock Exchange, Tai-Zheng-Zhi-Li-Zi No. 10800242211 on January 2, 2020
2. In response to the shareholders' meeting practices, plan to amend a total of 5 provisions in the Company's Rules of Procedure for Shareholders' Meeting." including Article 10, Article 15, Article 17, Article 19, and Article 20. Please refer to Attachment 6 on page 34~35 of the Meeting Handbook of Contrast Table of the article of " Rules of Procedure for Shareholders' Meeting", Appendix 2 on page 42~44 of the Meeting Handbook for the original clauses.

Resolution:

Motion 2: Deletion of the non-competition promise ban imposed upon the Company's directors according to the Article 209 of Company Act. (Proposed by the Board)

Explanation:

1. According to the Article 209 of Company Act, any director acting for himself/herself, or for any other person within the scope of the Company business, should provide the shareholders' meeting with explanations about any important matters of such acts and should acquire the approval of the shareholders' meeting.
2. Increase/decrease in the positions concurrently held in other companies by the current corporate representative director of Kao Chyuan Inv. Co., Ltd., Mr. Jui-Tang Chen, the current corporate representative director of PING ZECH Corp., Mr. Chung-Shen Lin, the corporate representative director of YuPeng Inv. Co., Ltd., Mr. Po-Ming Hou, and Director Joyful Inv. Co., Ltd., it is proposed that in the very premise of no damage to the Company's interests, and prohibition of business strife upon them should be lifted.
3. Please refer to Attachment 7 on page 36~37 of Meeting Handbook for details of positions and duties concurrently served in other companies.

Resolution:

VI Questions and Motions

VII Adjournment

Uni-President Enterprises Corp.
2019 Business Report

Attachment 1

Profitability remains stable and is growing over the last year after everyone's effort and the consumers' support in 2019. In 2019, the Company's revenue reached TWD40.8 billion, a 4.7% YoY increase, with a net income of TWD 19 billion, a 9% YoY increase, and a consolidated revenue of TWD 448 billion. In 2020, Uni-President will carry through the business mindset of honesty, diligence, innovation, and progression, and hold on the business guidance to catch trends, find ways, and refine skills, continuously strengthening market status and competitiveness to create a promising future.

Protecting food safety without compromise.

"Food safety" is the most concerned about topic for the public and a critical rule that cannot be broken. We have put up a food safety center building at national level, strengthened risk control of value chain and ecology chain, ensuring stricter regulations for vendors, raw materials, production, and products. On the topic of food safety, we have been overcoming fears. Protecting food safety has become a part of the daily job and attitude. In the future, we will keep investing resources, improving our expertise, protecting, and upgrading food safety at a national level.

Construct the "Asian Life Brand Service Corridor" to lay the foundation for the Group's sustainability.

Population structure is changing rapidly. Technology development drives types of life and consumption to transform. To look out to the future, other than following society trends, consumption expectations, food safety regulations to make self-revolution on the basis of finding ways, Uni-President will more actively link up the group's platforms and resources to actively discover and satisfy more consumer needs in order to bring out a group synergy and maximize the value all together. For every dollar in revenue that is invested into the production, marketing, human resources, R&D, finance, and operational activities, we assess if these actions bring forth the corresponding cash flow as well as production efficiency through the use of management policies as well as management tools.

Apply the "One Core + Four Focuses" business strategy: Based on the "Life Brand" as the strategic core, with the four focuses, namely "Manufacturing + R&D," "Trade + Circulation," "Experience + Retail," and "Alliance + M&A," we construct the Asian Life Brand Service Corridor to continue creating the maximum business value for the organization as the long-term business goal.

Following through the business principle of “catching trends, finding ways, and refining skills” to pursue an everlasting improvement.

Upholding the corporate policy for “adjustment on structure, stable growth and value marketing,” enhancing the internal management and optimizing constitution internally, developing markets externally, making good use of economic scale, regional expansion, managerial skills and marketing strength, and maintaining competitiveness. The key points for management include:

(1) Enhancement of brand value:

Focus on sprouting leading brands and major SKU, and create value with brand management to found the position in the industry and expand market share.

(2) Upgrading of profitability:

Refine basic skills, and adjust the optimal production effect and highest added-value product portfolio structure and marketing resources allocation.

(3) Control over market mechanism:

Strictly execute the actual sales policy and freshness management, keep controlling the market pricing ability, maintain the nominal price stability, and strengthen the control and sensitivity toward stakeholders.

(4) Discipline and execution performance

Fulfill the ethical management concept, and practice the global operational management discipline and strategies.

(5) Participation in social responsibility:

Value corporate governance, food safety, employees’ benefit, labor safety and environmental protection, and social participation

Business Outlook for 2020

In 2019, the market value of Uni-President still stays in the TWD400 billion club, making Uni-President ranked the 13th largest enterprise in terms of market value in Taiwan. Uni-President exists for the society. In the future, we will keep thinking on each day how to internalize our past expertise in manufacturing and dedicated services until they attain a more in-depth style literacy and life experience. Upholding “I am Uni-President and also a life” as the core philosophy and “Contribution to Social Convenience” as the code of conduct, we aim to reach the goal for life industry step by step, and communicate to the society an ethical philosophy, a life style, a sense of happiness, and a set of historical culture transfers.

Extraordinariness is not from our behaviors or abilities but decided by good habits. The Company will adhere to the policy for “Practical and Diligent, Focus on Management” and an attitude “avoiding being impetuous,” and use the best efforts to achieve the domestic market sales target in 2020, in order to continue creating better investment income for all shareholders. Please continue to guide and support us. Thank you!

Chairman: Chih-Hsien Lo President: Jau-Kai Hwang · Ching-Tien Lee Chief Accountant: Tsung-Ping Wu

Audit Committee's Review Report

I hereby state as following:

This proposal is the presentation by the Board of Directors of the Company's 2019 Business Report, Financial Statements, and the Profit Allocation Proposal. Of these items, the Financial Statements have been audited by external auditors Lin, Tzu-Shu and Lin, Yung-Chih of PricewaterhouseCoopers Taiwan, and an opinion and report have been issued on the Financial Statements. The aforementioned proposal regarding Business Report, Financial Statements, and the Profit Allocation Proposal have been reviewed and determined to be correct and accurate by the Audit Committee. Per the regulations in Article 14-4 of Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

To:

2020 General Shareholders' Meeting of Uni-President Enterprises Corporation.

Uni-President Enterprises Corporation

Chairman of the Audit Committee Chao-Tang Yue

May 11, 2020

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Uni-President Enterprises Corp.

Opinion

We have audited the accompanying parent company only balance sheets of Uni-President Enterprises Corp. (the “Company”) as of December 31, 2019 and 2018, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of the other auditors, as described in the other matter section of our report, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”.

Basis for opinion

We conducted our audits in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants” and generally accepted auditing standards in the Republic of China (“ROC GAAS”). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Parent Company Only Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Professional Ethics for Certified Public Accountants in the Republic of China (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. Based on our audits and the reports of the other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company’s parent company only financial statements of the year 2019. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the parent company only financial statements of the current period are stated as follows:

Evaluation of the ending balance of investments accounted for under the equity method

Please refer to Notes 4(13) and 6(6) for the accounting policy and the details of investments accounted for using the equity method relating to this key audit matter.

Cayman President Holdings Ltd. and President Chain Store Corp., the Company’s subsidiaries with related ending balance of investment accounted for under the equity method of \$57,905,657 thousand and \$15,111,942 thousand, both constituting 40% of the Company’s total assets, respectively, were considered significant to the parent company only financial statements. Accordingly, evaluation of the ending balances of these investments accounted for under the equity method has been identified as one

of the most significant matters in our audit, hence, the key audit matters reported in the financial statements of these subsidiaries are also included as key audit matters in our audit of the Company's parent company only financial statements as follows:

1. Cayman President Holdings Ltd. and its subsidiaries — Operating revenue — Sales of goods in Mainland China

Description

Cayman President Holdings Ltd. and its subsidiaries are engaged in a large volume of revenue transactions generated from sales to a large number of customers, including direct customers and distributors in many different areas in Mainland China. As such, it needs more time for good transportation and customer reception, which involves complicated judgement in determining the timing of transferring the rights and obligations and risks and awards of goods to customers. As a result, it has been identified as one of the key audit matters of our annual audit of 2019.

How our audit addressed the matter

Our key audit procedures performed in respect of the above key audit matter included the following:

- (1) We understood, evaluated and validated management's controls in respect of the Group's sales transactions. In addition, we understood and tested the general control environment of the Group's information technology systems and the automatic controls that were related to sales of goods and revenue recognition.
- (2) We conducted testing of revenue records using sampling techniques, by examining the relevant supporting documents including customer orders, goods delivery notes and customer's receipt notes. In addition, we confirmed customers' balances of accounts receivable and amounts of transactions on a sampling basis, by considering the nature of transactions and characteristics of those customers.
- (3) We tested sales transactions that took place shortly before and after the balance sheet date, by reconciling recognized revenue with the goods delivery notes and customers' receipt notes, to assess whether revenue was recognized in the appropriate reporting period.

2. President Chain Store Corp. and its subsidiaries — Completeness and accuracy of retail sales revenue

Description

Retail sales revenue of President Chain Store Corp. and its subsidiaries is recorded by point-of-sale (POS) terminals, which collect the information of item names of merchandise, quantity, sales price and total sales amount of each transaction using pre-established merchandise master file data (which contains information such as item names of merchandise, cost of purchase, retail price, combination sales promotions, etc.). After the daily closing process, each store manager uploads their sales information to the Enterprise Resource Planning ("ERP") system, which summarizes all sales and automatically generates sales revenue journal entries. Each store manager also prepares a daily cash report, which summarizes amounts of sales and methods of collections (including cash, gift certificates, credit cards and electronic payment devices, etc.) and cash from daily sales is deposited to the bank.

As retail sales revenue comprises numerous small amount transactions and highly relies on the POS and ERP systems, the process of summarizing and recording sales revenue through these systems is important with regard to the completeness and accuracy of the retail sales revenue figures, and thus has been identified as one of the key audit matters of our annual audit of 2019.

How our audit addressed the matter

Our key audit procedures performed in respect of the above key audit matter included the following:

- (1) We inspected and checked whether additions and changes to the merchandise master file data had been properly approved and supported by related documents;
- (2) We inspected and checked whether approved additions and changes to the merchandise master file data had been correctly entered in the merchandise master file;
- (3) We inspected and checked whether merchandise master file data had been periodically transferred to POS terminals in stores;
- (4) We inspected and checked whether sales information in POS terminals had been periodically and completely transferred to the ERP system and sales revenue journal entries were automatically generated;
- (5) We inspected manual sales revenue journal entries and relevant documents;
- (6) We inspected daily cash reports and related documents;
- (7) We inspected cash deposit amounts recorded in daily cash reports and agreed them to bank remittance amounts.

3. President Chain Store Corp. and its subsidiaries – Cost-to-retail ratio of retail inventory method

Description

As the retailing business of President Chain Store Corp. and its subsidiaries involves various kinds of merchandise, the retail inventory method is used to estimate the ending balance of inventory and the cost of goods sold. The retail inventory method applies a ratio of costs over retail prices of goods purchased (known as cost-to-retail ratio) to come out with an estimate of the ending balance of inventory and the cost of goods sold. The determination of the cost-to-retail ratio relies highly on cost and retail price information recorded in the accounting system, and has thus been identified as one of the key audit matters of our annual audit of 2019.

How our audit addressed the matter

Our key audit procedures performed in respect of the above key audit matter included the following:

- (1) We interviewed the management to understand the calculation process of the cost-to-retail ratio under the retail inventory method, and inspected whether it had been consistently applied in the comparative periods of the financial statements;
- (2) We inspected and checked whether additions and changes to the merchandise master file data (including item names of merchandise, cost of inventory, retail price, combination sales promotions, etc.) had been properly approved and the data had been correctly entered in the merchandise master file;
- (3) We inspected and checked whether costs and retail prices of inventory purchased as per delivery receipts were in agreement with POS purchase records after acceptance of the inventory;
- (4) We inspected and checked whether the POS records for costs and retail prices of inventory purchased were periodically and completely transferred to the ERP system and that the records could not be changed manually.
- (5) We recalculated the cost-to-retail ratio to verify its accuracy.

Other matter –Report of other auditors

We did not audit the financial statements of certain investments accounted for under the equity method that are included in the parent company only financial statements. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included in the parent company only financial statements and the information disclosed in Note 13 relative to these investments, is based solely on the audit reports of other auditors. Total assets of these subsidiaries and investments amounted to \$7,944,076 thousand and \$4,703,090 thousand, representing 4.39% and 2.68% of the related totals as of December 31, 2019 and

2018, respectively, and total operating revenues amounted to \$1,169,916 thousand and \$791,575 thousand, constituting 7.19% and 4.59% of the related totals for the years then ended, respectively.

Responsibilities of management and those charged with governance for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee, are responsible for overseeing the Company’s financial reporting process.

Auditor’s responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ROC GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with ROC GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the parent company only financial statements or, if such disclosures

are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Lin, Tzu-Shu

Independent Accountants

Lin, Yung-Chih

PricewaterhouseCoopers, Taiwan

Republic of China

March 27, 2020

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

UNI-PRESIDENT ENTERPRISES CORP.
PARENT COMPANY ONLY BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2019		December 31, 2018		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 67,714	-	\$ 91,433	-
1150	Notes receivable, net	6(2) and 12(2)	249,482	-	243,969	-
1170	Accounts receivable, net	6(2) and 12(2)	790,840	1	726,322	1
1180	Accounts receivable - related parties	7	3,561,904	2	3,475,412	2
1200	Other receivables		195,195	-	188,412	-
1210	Other receivables - related parties	7	332,760	-	395,562	-
1220	Current income tax assets	6(28)	-	-	65,659	-
130X	Inventories	6(3)	2,152,230	1	1,918,229	1
1410	Prepayments	3(1)	69,803	-	85,065	-
1479	Other current assets		1,000	-	8,100	-
11XX	Total current assets		<u>7,420,928</u>	<u>4</u>	<u>7,198,163</u>	<u>4</u>
Non-current assets						
1510	Financial assets at fair value through profit or loss - non-current	6(4)	79,246	-	80,623	-
1517	Financial assets at fair value through other comprehensive income - non-current	6(5)	250,000	-	250,000	-
1550	Investments accounted for under equity method	6(6) and 7	149,953,550	83	144,857,283	83
1600	Property, plant and equipment	6(7)(11) and 7	16,222,471	9	16,512,223	9
1755	Right-of-use assets	3(1) and 6(8)	202,757	-	-	-
1760	Investment property, net	6(10)(11)	4,770,432	3	4,786,702	3
1780	Intangible assets	7	138,195	-	-	-
1840	Deferred income tax assets	6(28)	674,626	1	778,124	1
1915	Prepayments for equipment	6(7)(10)	285,677	-	421,353	-
1920	Guarantee deposits paid		173,018	-	174,224	-
1930	Long-term notes and accounts receivable		40,831	-	53,761	-
1990	Other non-current assets		547,939	-	483,157	-
15XX	Total non-current assets		<u>173,338,742</u>	<u>96</u>	<u>168,397,450</u>	<u>96</u>
1XXX	Total assets		<u>\$ 180,759,670</u>	<u>100</u>	<u>\$ 175,595,613</u>	<u>100</u>

(Continued)

UNI-PRESIDENT ENTERPRISES CORP.
PARENT COMPANY ONLY BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2019		December 31, 2018		
		AMOUNT	%	AMOUNT	%	
Current liabilities						
2100	Short-term borrowings	6(12)	\$ 2,264,007	1	\$ 51,590	-
2110	Short-term notes and bills payable	6(13)	1,098,981	1	2,049,141	1
2120	Financial liabilities at fair value through profit or loss - current	6(4)	3,444	-	85	-
2150	Notes payable		10,589	-	9,793	-
2170	Accounts payable		1,367,649	1	1,291,052	1
2180	Accounts payable - related parties	7	148,209	-	164,483	-
2200	Other payables	3(1) and 6(14)	6,680,032	4	6,137,990	4
2220	Other payables - related parties	7	797,888	-	605,967	-
2230	Current income tax liabilities	6(28)	404,219	-	679,852	-
2280	Lease liabilities - current	3(1)	68,855	-	-	-
2310	Advance receipts		131,705	-	126,682	-
2320	Long-term liabilities, current portion	6(15)(16)	3,400,000	2	5,100,000	3
2399	Other current liabilities		15,600	-	19,323	-
21XX	Total current liabilities		<u>16,391,178</u>	<u>9</u>	<u>16,235,958</u>	<u>9</u>
Non-current liabilities						
2530	Corporate bonds payable	6(15)	28,950,000	16	19,350,000	11
2540	Long-term borrowings	6(16)	21,879,211	12	28,199,896	16
2570	Deferred income tax liabilities	6(28)	1,961,706	1	1,935,076	1
2580	Lease liabilities - non-current	3(1)	131,486	-	-	-
2640	Net defined benefit liabilities - non-current	6(17)	2,961,624	2	3,460,921	2
2645	Guarantee deposits received		63,481	-	59,249	-
2670	Other non-current liabilities		4,640	-	-	-
25XX	Total non-current liabilities		<u>55,952,148</u>	<u>31</u>	<u>53,005,142</u>	<u>30</u>
2XXX	Total liabilities		<u>72,343,326</u>	<u>40</u>	<u>69,241,100</u>	<u>39</u>
Equity						
Share capital						
3110	Share capital - common stock	6(18)	56,820,154	32	56,820,154	33
Capital reserve						
3200	Capital surplus	6(19)	3,897,742	2	3,896,504	2
Retained earnings						
		6(20)				
3310	Legal reserve		22,317,557	12	20,573,355	12
3320	Special reserve		4,005,821	2	4,010,695	2
3350	Unappropriated retained earnings		28,369,562	16	24,888,175	14
Other equity interest						
3400	Other equity interest	6(21)	(6,994,492)	(4)	(3,834,370)	(2)
3XXX	Total equity		<u>108,416,344</u>	<u>60</u>	<u>106,354,513</u>	<u>61</u>
Contingent liabilities and commitments						
3X2X	Total liabilities and equity		<u>\$ 180,759,670</u>	<u>100</u>	<u>\$ 175,595,613</u>	<u>100</u>

Chairman: Chih-Hsien Lo President: Jau-Kai Hwang、Ching-Tien Lee Chief Accountant: Tsung-Ping Wu

The accompanying notes are an integral part of these parent company only financial statements.

UNI-PRESIDENT ENTERPRISES CORP.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

Items	Notes	Year ended December 31			
		2019		2018	
		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(22) and 7	\$ 40,771,379	100	\$ 38,940,338	100
5000 Operating costs	6(3)(26)(27)(30) and 7	(28,041,020)	(69)	(27,049,292)	(69)
5900 Net operating margin		<u>12,730,359</u>	<u>31</u>	<u>11,891,046</u>	<u>31</u>
Operating expenses	6(10)(26)(27)(30), 7 and 12(2)				
6100 Selling expenses		(5,910,590)	(14)	(5,534,682)	(14)
6200 General and administrative expenses		(3,888,210)	(10)	(3,609,094)	(10)
6300 Research and development expenses		(448,216)	(1)	(457,344)	(1)
6450 Expected credit (losses) gains		(700)	-	400	-
6000 Total operating expenses		(10,247,716)	(25)	(9,600,720)	(25)
6900 Operating profit		<u>2,482,643</u>	<u>6</u>	<u>2,290,326</u>	<u>6</u>
Non-operating income and expenses					
7010 Other income	6(9)(10)(23) and 7	1,869,879	5	2,359,337	6
7020 Other gains and losses	6(4)(11)(24) and 12(2)	(970,150)	(2)	(1,023,037)	(3)
7050 Finance costs	6(7)(8)(25)	(501,643)	(1)	(461,089)	(1)
7070 Share of profit of subsidiaries, associates and joint ventures accounted for under equity method	6(6)	<u>16,836,392</u>	<u>41</u>	<u>15,132,807</u>	<u>39</u>
7000 Total non-operating income and expenses		<u>17,234,478</u>	<u>43</u>	<u>16,008,018</u>	<u>41</u>
7900 Profit before income tax		<u>19,717,121</u>	<u>49</u>	<u>18,298,344</u>	<u>47</u>
7950 Income tax expense	6(28)	(709,866)	(2)	(856,322)	(2)
8200 Profit for the year		<u>\$ 19,007,255</u>	<u>47</u>	<u>\$ 17,442,022</u>	<u>45</u>
Other comprehensive income (loss)					
Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311 Actuarial gains (losses) on defined benefit plan	6(17)	\$ 182,600	-	(\$ 90,971)	-
8330 Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for under equity method		510,303	1	(72,346)	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(28)	(41,122)	-	54,458	-
Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8361 Financial statements translation differences of foreign operations	6(21)	(2,066,421)	(5)	(656,659)	(2)
8380 Share of other comprehensive (loss) income of subsidiaries, associates and joint ventures accounted for using equity method		(1,330,336)	(3)	570,450	1
8300 Total other comprehensive loss for the year		<u>(\$ 2,744,976)</u>	<u>(7)</u>	<u>(\$ 195,068)</u>	<u>(1)</u>
8500 Total comprehensive income for the year		<u>\$ 16,262,279</u>	<u>40</u>	<u>\$ 17,246,954</u>	<u>44</u>
Basic earnings per share (in dollars)	6(29)				
9750 Basic		\$	3.35	\$	3.07
9850 Diluted		\$	3.33	\$	3.05

Chairman: Chih-Hsien Lo President: Jau-Kai Hwang, Ching-Tien Lee Chief Accountant: Tsung-Ping Wu

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UNI-PRESIDENT ENTERPRISES CORP.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of New Taiwan dollars)

Notes	Retained Earnings					Other Equity Interest				
	Share capital - common stock	Additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Unrealized gain or loss on available-for- sale financial assets	Others	Total
For the year ended December 31, 2018										
	\$ 56,820,154	\$ 3,916,160	\$ 16,588,870	\$ 4,011,314	\$ 42,446,053	(\$ 4,240,729)	\$ -	\$ 533,455	\$ -	\$ 120,075,277
Effects of retrospective application 6(21)	-	-	-	-	366,999	-	472,832	(533,455)	-	306,376
Balance at January 1, 2018 (Adjusted)	<u>56,820,154</u>	<u>3,916,160</u>	<u>16,588,870</u>	<u>4,011,314</u>	<u>42,813,052</u>	<u>(4,240,729)</u>	<u>472,832</u>	<u>-</u>	<u>-</u>	<u>120,381,653</u>
Net income for the year ended December 31, 2018	-	-	-	-	17,442,022	-	-	-	-	17,442,022
Other comprehensive loss for the year ended December 31, 2018 6(21)	-	-	-	-	(145,980)	(31,387)	(17,701)	-	-	(195,068)
Total comprehensive income (loss) for the year ended December 31, 2018	-	-	-	-	<u>17,296,042</u>	<u>(31,387)</u>	<u>(17,701)</u>	<u>-</u>	<u>-</u>	<u>17,246,954</u>
Distribution of 2017 net income :										
Legal reserve	-	-	3,984,485	-	(3,984,485)	-	-	-	-	-
Cash dividends 6(20)	-	-	-	-	(31,251,085)	-	-	-	-	(31,251,085)
Adjustment for change in capital reserve of investee companies 6(19)	-	10,770	-	-	-	-	-	-	-	10,770
Difference between the acquisition or disposal price and carrying amounts of subsidiaries 6(19)	-	(49,970)	-	-	-	-	-	-	-	(49,970)
Adjustment of capital reserve due to change in interests in associates 6(19)	-	19,486	-	-	-	-	-	-	-	19,486
Non-payment of expired cash dividends from previous years transferred to capital reserve 6(19)	-	58	-	-	-	-	-	-	-	58
Reversal of special reserve 6(20)	-	-	-	(619)	619	-	-	-	-	-
Disposal of financial assets measured at fair value through other comprehensive income - equity instrument 6(21)	-	-	-	-	14,032	-	(14,032)	-	-	-
Adjustment for change in other equity interest of investee companies 6(21)	-	-	-	-	-	-	-	(3,353)	(3,353)	(3,353)
Balance at December 31, 2018	<u>\$ 56,820,154</u>	<u>\$ 3,896,504</u>	<u>\$ 20,573,355</u>	<u>\$ 4,010,695</u>	<u>\$ 24,888,175</u>	<u>(\$ 4,272,116)</u>	<u>\$ 441,099</u>	<u>\$ -</u>	<u>(\$ 3,353)</u>	<u>\$ 106,354,513</u>
For the year ended December 31, 2019										
Balance at January 1, 2019	\$ 56,820,154	\$ 3,896,504	\$ 20,573,355	\$ 4,010,695	\$ 24,888,175	(\$ 4,272,116)	\$ 441,099	\$ -	(\$ 3,353)	\$ 106,354,513
Net income for the year ended December 31, 2019	-	-	-	-	19,007,255	-	-	-	-	19,007,255
Other comprehensive income (loss) for the year ended December 31, 2019 6(21)	-	-	-	-	171,294	(3,454,537)	538,267	-	-	(2,744,976)
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	<u>19,178,549</u>	<u>(3,454,537)</u>	<u>538,267</u>	<u>-</u>	<u>-</u>	<u>16,262,279</u>
Distribution of 2018 net income :										
Legal reserve	-	-	1,744,202	-	(1,744,202)	-	-	-	-	-
Cash dividends 6(20)	-	-	-	-	(14,205,039)	-	-	-	-	(14,205,039)
Adjustment for change in capital reserve of investee companies 6(19)	-	2,029	-	-	-	-	-	-	-	2,029
Difference between the acquisition or disposal price and carrying amounts of subsidiaries 6(19)	-	(65,069)	-	-	-	-	-	-	-	(65,069)
Adjustment of capital reserve due to change in interests in associates 6(19)	-	53,786	-	-	-	-	-	-	-	53,786
Non-payment of expired cash dividends from previous years transferred to capital reserve 6(19)	-	10,492	-	-	-	-	-	-	-	10,492
Reversal of special reserve 6(20)	-	-	-	(4,874)	4,874	-	-	-	-	-
Disposal of financial assets measured at fair value through other comprehensive income - equity instrument 6(21)	-	-	-	-	247,205	-	(247,205)	-	-	-
Adjustment for change in other equity interest of investee companies 6(21)	-	-	-	-	-	-	-	-	3,353	3,353
Balance at December 31, 2019	<u>\$ 56,820,154</u>	<u>\$ 3,897,742</u>	<u>\$ 22,317,557</u>	<u>\$ 4,005,821</u>	<u>\$ 28,369,562</u>	<u>(\$ 7,726,653)</u>	<u>\$ 732,161</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 108,416,344</u>

Chairman: Chih-Hsien Lo President: Jau-Kai Hwang, Ching-Tien Lee Chief Accountant: Tsung-Ping Wu

The accompanying notes are an integral part of these parent company only financial statements.

UNI-PRESIDENT ENTERPRISES CORP.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

	Notes	For the years ended December 31,	
		2019	2018
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 19,717,121	\$ 18,298,344
Adjustments			
Adjustments to reconcile profit (loss)			
Loss (gain) on financial assets and liabilities at fair value through profit or loss	6(4)(24)	1,529	(37,975)
Expected credit loss (gain)	12(2)	700	(400)
(Reversal of allowance) provision for inventory market price decline	6(3)	(861)	400
Share of profit of subsidiaries, associates and joint ventures accounted for under equity method	6(6)	(16,836,392)	(15,132,807)
Depreciation on property, plant and equipment	6(7)	1,354,975	1,320,627
Loss on disposal of property, plant and equipment	6(24)	11,697	11,612
Depreciation on right-of-use assets	6(8)	75,290	-
Gain from lease modification	6(24)	(173)	-
Depreciation on investment property	6(10)	54,039	51,151
Loss on disposal of investment property	6(24)	9	55
Gain on reversal of impairment loss on non-financial assets	6(11)(24)	(254)	(200)
Amortization		5,244	2,859
Amortization of rent receivable		12,072	13,055
Interest income	6(23)	(105)	(173)
Dividend income	6(23)	(15,585)	(14,150)
Finance costs	6(25)	501,643	461,089
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		(6,213)	(811)
Accounts receivable		(64,518)	(32,083)
Accounts receivable - related parties		(86,492)	(215,714)
Other receivables		(5,925)	(11,500)
Other receivables - related parties		62,802	28,580
Inventories		(233,140)	(42,916)
Prepayments		5,793	(3,456)
Changes in operating liabilities			
Financial liabilities at fair value through profit or loss		3,207	35,186
Notes payable		796	425
Accounts payable		76,597	135,776
Accounts payable - related parties		(16,274)	44,979
Other payables		553,335	(370,520)
Other payables - related parties		191,921	54,797
Advance receipts		5,023	(2,395)
Net defined benefit liabilities - non-current		(316,697)	(357,448)
Cash inflow generated from operations		5,051,164	4,236,387
Interest received		105	173
Dividends received		8,864,349	18,562,526
Interest paid		(502,572)	(435,879)
Income tax paid		(830,834)	(62,312)
Net cash flows from operating activities		<u>12,582,212</u>	<u>22,300,895</u>

(Continued)

UNI-PRESIDENT ENTERPRISES CORP.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

	Notes	For the years ended December 31,	
		2019	2018
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Cash paid for acquisition of investments accounted for under the equity method - subsidiaries	6(31)	\$ -	(\$ 3,139,434)
Cash paid for acquisition of property, plant and equipment	6(31)	(56,192)	(288,731)
Interest paid for acquisition of property, plant and equipment	6(7)(31)	(723)	(4,083)
Proceeds from disposal of property, plant and equipment		891	2,164
Acquisition of right-of-use assets		(400)	-
Increase in intangible assets		(140,537)	-
Decrease (increase) in guarantee deposits paid		8,306	(3,835)
Increase in prepayments for equipment		(912,846)	(1,146,264)
Interest paid for prepayments for equipment	6(7)	(4,947)	(5,359)
Increase in other non-current assets		(67,684)	(15,719)
Net cash flows used in investing activities		(1,174,132)	(4,601,261)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase (decrease) in short-term borrowings	6(32)	2,212,417	(153,343)
(Decrease) increase in short-term notes and bills payable	6(32)	(950,160)	2,049,141
Increase in corporate bonds payable	6(32)	11,000,000	9,750,000
Decrease in corporate bonds payable	6(32)	(5,100,000)	(3,500,000)
Increase in long-term borrowings	6(32)	177,820,000	155,580,579
Decrease in long-term borrowings	6(32)	(182,140,685)	(150,280,000)
Payment of lease liabilities	6(32)	(68,841)	-
Increase (decrease) in guarantee deposits received	6(32)	509	(1,330)
Payment of cash dividends	6(20)	(14,205,039)	(31,251,085)
Net cash flows used in financing activities		(11,431,799)	(17,806,038)
Net decrease in cash and cash equivalents		(23,719)	(106,404)
Cash and cash equivalents at beginning of year	6(1)	91,433	197,837
Cash and cash equivalents at end of year	6(1)	\$ 67,714	\$ 91,433

Chairman: Chih-Hsien Lo President: Jau-Kai Hwang · Ching-Tien Lee Chief Accountant: Tsung-Ping Wu

The accompanying notes are an integral part of these parent company only financial statements.

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Uni-President Enterprises Corp.

Opinion

We have audited the accompanying consolidated balance sheets of Uni-President Enterprises Corp. and its subsidiaries (the “Group”) as of December 31, 2019 and 2018, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and reports of other auditors (please refer to *Other Matter* section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants” and generally accepted auditing standards in the Republic of China (“ROC GAAS”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Professional Ethics for Certified Public Accountants in the Republic of China (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. Based on our audits and reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group’s consolidated financial statements for the year 2019. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group’s consolidated financial statements of the current period are stated as follows:

Operating revenue – Sales of goods in Mainland China**Description**

Please refer to Notes 4(35) and 6(26) to the consolidated financial statements for the accounting policy on operating revenue and the details of revenue items relating to this key audit matter.

The Group is engaged in large volume of revenue transactions generated from sales to a large number of customers, including direct customers and distributors in many different areas in Mainland China. As such, it needs more time for good transportation and customer reception, which involves

complicated judgements in determining the timing of transferring the rights and obligations and risks and awards of goods to customers. As a result, it has been identified as one of the key audit matters of our annual audit of 2019.

How our audit addressed the matter

Our key audit procedures performed in respect of the above key audit matter included the following:

1. We understood, evaluated and validated management's controls in respect of the Group's sales transactions. In addition, we understood and tested the general control environment of the Group's information technology systems and the automatic controls that were related to sales of goods and revenue recognition.
2. We conducted testing of revenue records using sampling techniques, by examining the relevant supporting documents including customer orders, goods delivery notes and customer's receipt notes. In addition, we confirmed customers' balances of accounts receivable and amounts of transactions on a sampling basis, by considering the nature of transactions and characteristics of those customers.
3. We tested sales transactions that took place shortly before and after the balance sheet date, by reconciling recognized revenue with the goods delivery notes and customers' receipt notes, to assess whether revenue was recognized in the appropriate reporting periods.

Completeness and accuracy of retail sales revenue

Description

Please refer to Notes 4(35) and 6(26) to the consolidated financial statements for the accounting policy

on operating revenue and the details of revenue items relating to this key audit matter.

Retail sales revenue is recorded by point-of-sale (POS) terminals, which collect the information of item

names of merchandise, quantity, sales price and total sales amount of each transaction using pre-established merchandise master file data (which contains information such as item names of merchandise, cost of purchase, retail price, combination sales promotions, etc.). After the daily closing process, each store manager uploads their sales information to the Enterprise Resource Planning ("ERP") system, which summarizes all sales and automatically generates sales revenue journal entries. Each store manager also prepares a daily cash report, which summarizes amounts of sales and methods of collections (including cash, gift certificates, credit cards and electronic payment devices, etc.) and cash from daily sales is deposited to the bank.

As retail sales revenue comprises numerous small amount transactions and highly relies on the POS and ERP systems, the process of summarizing and recording sales revenue through these systems is important with regard to the completeness and accuracy of the retail sales revenue figures, and has thus been identified as one of the key audit matters of our annual audit of 2019.

How our audit addressed the matter

Our key audit procedures performed in respect of the above key audit matter included the following:

1. We inspected and checked whether additions and changes to the merchandise master file data had been properly approved and supported by relevant documents;
2. We inspected and checked whether approved additions and changes to the merchandise master file data had been correctly entered in the merchandise master file;

3. We inspected and checked whether merchandise master file data had been periodically transferred to POS terminals in stores;
4. We inspected and checked whether sales information in POS terminals had been completely transferred to the ERP system periodically and sales revenue journal entries were automatically generated;
5. We inspected manual sales revenue journal entries and relevant documents;
6. We inspected daily cash reports and relevant documents;
7. We inspected cash deposit amounts recorded in daily cash reports and agreed them to bank remittance amounts.

Cost-to-retail ratio of retail inventory method

Description

Please refer to Notes 4(14) and 6(6) to the consolidated financial statements for the accounting policy on inventories and cost of goods sold and the details of inventory items relating to this key audit matter.

As retailing business involves various kinds of merchandise, the retail inventory method is used to estimate the ending balance of inventory and the cost of goods sold. The retail inventory method applies a ratio of costs over retail prices of goods purchased (known as cost-to-retail ratio) to come out with an estimate of the ending balance of inventory and the cost of goods sold. The determination of the cost-to-retail ratio relies highly on costs and retail prices information recorded in the accounting system, and has thus been identified as one of the key audit matters of our annual audit of 2019.

How our audit addressed the matter

Our key audit procedures performed in respect of the above key audit matter included the following:

1. We interviewed the management to understand the calculation process of the cost-to-retail ratio under the retail inventory method, and inspected whether it had been consistently applied in the comparative periods of the financial statements;
2. We inspected and checked whether additions and changes to the merchandise master file data (including item names of merchandise, cost of inventory, retail price, combination sales promotions, etc.) had been properly approved and the data had been correctly entered in the merchandise master file;
3. We inspected and checked whether costs and retail prices of inventory purchased as per delivery receipts were in agreement with POS purchase records after acceptance of the inventory;
4. We inspected and checked whether the POS records for costs and retail prices of inventory purchased were periodically and completely transferred to the ERP system and that the records could not be changed manually.
5. We recalculated the cost-to-retail ratio to verify its accuracy.

Complicated transaction – business combination

Description

Please refer to Notes 4(38) and 6(35) to the financial statements for accounting policy on business combinations and details of accounting relating to this key audit matter.

In March 2019, the Group acquired 74.74% equity interests in Woongjin Foods Co., Ltd. (“Woongjin”) in Korea with a cash consideration and obtained control over Woongjin.

The accounting treatment for the aforementioned acquisition of Woongjin was in accordance with

International Financial Reporting Standards (“IFRS”) 3, “Business Combinations”. The recognition and measurement of identifiable intangible assets resulting from the acquisition was based on management’s expectations for future operations and prospects of Woongjin which involved management’s judgements and estimates. As transactions involving acquisition and business combination are by nature more complicated and unique, factors involved in such transactions may impact on measurement of financial reporting. It has thus been identified as one of the key audit matters of our annual audit of 2019.

How our audit addressed the matter

Our key audit procedures performed in respect of the above key audit matter included the following:

1. We interviewed the Group’s management to understand the purpose of the acquisition, evaluation process, determination of the consideration, and we also reviewed the Board of Directors’ meeting minutes and the acquisition agreements to verify whether the related meeting resolutions were consistent with the acquisition agreement;
2. We assessed the competence and objectivity of the independent appraisers engaged by the management, and reviewed the reasonableness of major assumptions and original data used in recognizing and measuring the identifiable intangible assets in the Purchase Price Allocation Report. Procedures performed by our internal specialists were as follows:
 - (1) We reviewed the valuation methods and the calculations formula used in the valuation by the independent appraisers.
 - (2) We reviewed and compared the expected growth rate as well as gross margin used in the valuation with historical data.
 - (3) We reviewed the discount rate used in the valuation and compared with the rate of return from similar assets in the trade markets.
 - (4) We evaluated the basis used in assessing the useful lives of identifiable intangible assets.
3. We reviewed the accounting treatments and disclosures in the financial statements relating to this acquisition.

Other matter – Report of other auditors

We did not audit the financial statements of certain consolidated subsidiaries and investments accounted for under the equity method that are included in the consolidated financial statements. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included in the financial statements and the information disclosed in Note 13 relative to these investments, is based solely on the audit reports of other auditors. Total assets of these subsidiaries and investments amounted to \$34,362,362 thousand and \$16,769,876 thousand, representing 7.20% and 4.12% of the related consolidated totals as of December 31, 2019 and 2018, respectively, and total operating revenues amounted to \$36,371,314 thousand and \$28,146,518 thousand, constituting 8.12% and 6.52% of the related consolidated totals for the years then ended, respectively. Related share of profit of associates and joint ventures accounted for under the equity method in the aforementioned companies amounted to \$1,250,381 thousand and \$438,928 thousand, constituting 5.00% and 1.72% of the consolidated total comprehensive income for the years then ended, respectively.

Other matter – Parent company only financial reports

We have audited the parent company only financial statements of Uni-President Enterprises Corp. as at and for the years ended December 31, 2019 and 2018 and expressed an unmodified opinion with other matter section.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee, are responsible for overseeing the Group’s financial reporting process.

Auditor’s responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ROC GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ROC GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to

cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements.

We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Lin, Tzu-Shu

Independent Accountants

Lin, Yung-Chih

PricewaterhouseCoopers, Taiwan

Republic of China

March 27, 2020

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

UNI-PRESIDENT ENTERPRISES CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2019		December 31, 2018		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 74,706,801	16	\$ 80,060,950	20
1110	Financial assets at fair value through profit or loss - current	6(2)	6,937,801	1	6,558,587	1
1136	Financial assets at amortized cost - current	6(3)	14,168,672	3	19,592,791	5
1150	Notes receivable, net	6(4), 8 and 12(2)	1,279,854	-	1,671,353	-
1160	Notes receivable - related parties	7	270	-	1,046	-
1170	Accounts receivable, net	6(4) and 12(2)	15,661,933	3	15,007,091	4
1180	Accounts receivable - related parties	7	1,103,415	-	1,106,271	-
1200	Other receivables	6(5) and 12(2)	3,164,296	1	3,953,445	1
1220	Current income tax assets	6(32)	250,549	-	264,912	-
130X	Inventories	6(6)(10)	37,625,767	8	35,411,950	9
1410	Prepayments	3(1)	3,971,230	1	4,134,689	1
1460	Non-current assets held for sale, net	6(7)(10)(11)	757,211	-	-	-
1470	Other current assets	8	3,199,798	1	3,803,782	1
11XX	Total current assets		<u>162,827,597</u>	<u>34</u>	<u>171,566,867</u>	<u>42</u>
Non-current assets						
1510	Financial assets at fair value through profit or loss - non-current	6(2)	4,494,469	1	3,709,188	1
1517	Financial assets at fair value through other comprehensive income - non-current	6(8)	4,377,537	1	5,288,454	1
1535	Financial assets at amortized cost - non-current	6(3)	11,191,665	2	2,762,063	1
1550	Investments accounted for under equity method	6(9) and 8	31,624,772	7	30,753,742	8
1600	Property, plant and equipment	3(1), 6(10)(15) and 8	130,387,562	27	136,968,484	34
1755	Right-of-use assets	3(1) and 6(11)	79,275,049	17	-	-
1760	Investment property, net	3(1), 6(10)(13)(15) and 8	17,108,968	4	17,418,972	4
1780	Intangible assets	6(14)(15)	19,241,450	4	11,708,388	3
1840	Deferred income tax assets	6(32)	6,261,844	1	6,130,106	1
1915	Prepayments for equipment	6(10)	699,185	-	989,153	-
1920	Guarantee deposits paid	6(2) and 8	3,829,032	1	3,337,065	1
1985	Long-term prepaid rents	3(1)	-	-	11,461,236	3
1990	Other non-current assets	6(21), 7 and 8	6,136,143	1	5,056,368	1
15XX	Total non-current assets		<u>314,627,676</u>	<u>66</u>	<u>235,583,219</u>	<u>58</u>
1XXX	Total assets		<u>\$ 477,455,273</u>	<u>100</u>	<u>\$ 407,150,086</u>	<u>100</u>

(Continued)

UNI-PRESIDENT ENTERPRISES CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2019		December 31, 2018	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(16) and 8	\$ 29,114,702	6	\$ 27,692,894	7
2110	Short-term notes and bills payable	6(17) and 8	3,324,869	1	5,850,161	1
2120	Financial liabilities at fair value through profit or loss - current	6(2)	551,073	-	6,035	-
2130	Contract liabilities - current	6(26)	13,170,263	3	10,874,433	3
2150	Notes payable		1,221,090	-	1,935,370	1
2160	Notes payable - related parties	7	24,762	-	19,407	-
2170	Accounts payable		33,608,953	7	32,782,061	8
2180	Accounts payable - related parties	7	527,481	-	547,759	-
2200	Other payables	3(1) and 6(18)	48,359,265	10	49,694,528	12
2230	Current income tax liabilities	6(32)	2,684,256	1	3,506,413	1
2280	Lease liabilities - current	3(1) and 6(11)	11,939,747	2	-	-
2310	Advance receipts		237,773	-	218,144	-
2320	Long-term liabilities, current portion	6(19)(20) and 8	4,045,785	1	9,991,782	2
2399	Other current liabilities		3,557,786	1	3,448,722	1
21XX	Total current liabilities		<u>152,367,805</u>	<u>32</u>	<u>146,567,709</u>	<u>36</u>
Non-current liabilities						
2527	Contract liabilities - non-current	6(26)	462,836	-	234,421	-
2530	Corporate bonds payable	6(19)	28,950,000	6	19,350,000	5
2540	Long-term borrowings	6(20) and 8	31,449,823	7	39,370,176	10
2570	Deferred income tax liabilities	6(32)	14,302,824	3	12,588,037	3
2580	Lease liabilities - non-current	3(1) and 6(11)	58,218,352	12	-	-
2640	Net defined benefit liabilities - non-current	6(21)	8,689,682	2	9,328,583	2
2645	Guarantee deposits received		6,790,153	1	7,026,713	2
2670	Other non-current liabilities		2,218,493	1	2,383,613	-
25XX	Total non-current liabilities		<u>151,082,163</u>	<u>32</u>	<u>90,281,543</u>	<u>22</u>
2XXX	Total liabilities		<u>303,449,968</u>	<u>64</u>	<u>236,849,252</u>	<u>58</u>
Equity attributable to owners of parent						
Share capital						
3110	Share capital - common stock	6(22)	56,820,154	12	56,820,154	14
Capital reserves						
3200	Capital surplus	6(23)(34)	3,897,742	1	3,896,504	1
Retained earnings						
3310	Legal reserve	6(24)	22,317,557	4	20,573,355	5
3320	Special reserve		4,005,821	1	4,010,695	1
3350	Unappropriated retained earnings		28,369,562	6	24,888,175	6
Other equity interest						
3400	Other equity interest	6(25)	(6,994,492)	(2)	(3,834,370)	(1)
31XX	Equity attributable to owners of the parent		<u>108,416,344</u>	<u>22</u>	<u>106,354,513</u>	<u>26</u>
36XX	Non-controlling interest	4(3)	<u>65,588,961</u>	<u>14</u>	<u>63,946,321</u>	<u>16</u>
3XXX	Total equity		<u>174,005,305</u>	<u>36</u>	<u>170,300,834</u>	<u>42</u>
Contingent Liabilities and Commitments						
3X2X	Total liabilities and equity	6(36) and 9	<u>\$ 477,455,273</u>	<u>100</u>	<u>\$ 407,150,086</u>	<u>100</u>

Chairman: Chih-Hsien Lo President: Jau-Kai Hwang, Ching-Tien Lee Chief Accountant: Tsung-Ping Wu

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

UNI-PRESIDENT ENTERPRISES CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

Items	Notes	Year ended December 31			
		2019		2018	
		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(12)(13)(26) and 7	\$ 447,977,703	100	\$ 431,445,520	100
5000 Operating costs	6(6)(14)(30)(31) and 7	(294,014,598)	(65)	(286,160,653)	(66)
5900 Net operating margin		<u>153,963,105</u>	<u>35</u>	<u>145,284,867</u>	<u>34</u>
Operating expenses	6(14)(30)(31), 7 and 12(2)				
6100 Selling expenses		(102,140,099)	(23)	(96,837,790)	(23)
6200 General and administrative expenses		(21,276,507)	(5)	(20,342,908)	(5)
6300 Research and development expenses		(913,226)	-	(947,902)	-
6450 Expected credit losses		(5,633)	-	(169,858)	-
6000 Total operating expenses		<u>(124,335,465)</u>	<u>(28)</u>	<u>(118,298,458)</u>	<u>(28)</u>
6900 Operating profit		<u>29,627,640</u>	<u>7</u>	<u>26,986,409</u>	<u>6</u>
Non-operating income and expenses					
7010 Other income	6(3)(8)(12)(13)(27) and 7	7,173,183	1	7,911,146	2
7020 Other gains and losses	6(2)(8)(14)(15)(28) and 12	(936,633)	-	(968,445)	-
7050 Finance costs	6(10)(11)(29)	(2,570,419)	(1)	(1,479,949)	(1)
7060 Share of profit of associates and joint ventures accounted for under equity method	6(9)	<u>3,103,499</u>	<u>1</u>	<u>2,858,989</u>	<u>1</u>
7000 Total non-operating income and expenses		<u>6,769,630</u>	<u>1</u>	<u>8,321,741</u>	<u>2</u>
7900 Profit before income tax		36,397,270	8	35,308,150	8
7950 Income tax expense	6(32)	(7,913,716)	(1)	(8,362,977)	(2)
8200 Profit for the year		<u>\$ 28,483,554</u>	<u>7</u>	<u>\$ 26,945,173</u>	<u>6</u>

(Continued)

UNI-PRESIDENT ENTERPRISES CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

Items	Notes	Year ended December 31				
		2019		2018		
		AMOUNT	%	AMOUNT	%	
Other comprehensive income (loss)						
Components of other comprehensive income (loss) that will not be reclassified to profit or loss						
8311	Actuarial gain (loss) on defined benefit plans	6(21)	\$ 231,742	- (\$	371,283)	-
8316	Unrealized gain (loss) on valuation of investments in equity instruments measured at fair value through other comprehensive income	6(8)	490,021	- (	171,120)	-
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method		22,126	-	80,041	-
8349	Income tax relating to components of other comprehensive income that will not be reclassified to profit or loss	6(32)	(51,681)	-	177,022	-
Components of other comprehensive income (loss) that will be reclassified to profit or loss						
8361	Financial statements translation differences of foreign operations		(4,236,633)	(1)	(1,156,193)	-
8367	Unrealized gain (loss) on valuation of investments in debt instruments measured at fair value through other comprehensive income, net	6(8)	47,285	- (	93,643)	-
8370	Share of other comprehensive (loss) income of associates and joint ventures accounted for under equity method		(3,036)	-	165,245	-
8399	Income tax relating to components of other comprehensive income that will be reclassified to profit or loss	6(32)	349	-	19	-
8300	Total other comprehensive loss for the year		<u>(\$ 3,499,827)</u>	<u>(1)</u>	<u>(\$ 1,369,912)</u>	<u>-</u>
8500	Total comprehensive income for the year		<u>\$ 24,983,727</u>	<u>6</u>	<u>\$ 25,575,261</u>	<u>6</u>
Profit attributable to:						
8610	Owners of the parent		\$ 19,007,255	5	\$ 17,442,022	4
8620	Non-controlling interest		9,476,299	2	9,503,151	2
	Net income		<u>\$ 28,483,554</u>	<u>7</u>	<u>\$ 26,945,173</u>	<u>6</u>
Comprehensive income attributable to:						
8710	Owners of the parent		\$ 16,262,279	4	\$ 17,246,954	4
8720	Non-controlling interest		8,721,448	2	8,328,307	2
	Net comprehensive income		<u>\$ 24,983,727</u>	<u>6</u>	<u>\$ 25,575,261</u>	<u>6</u>
Earnings per share (in dollars)						
9750	Basic	6(33)	<u>\$ 3.35</u>		<u>\$ 3.07</u>	
9850	Diluted		<u>\$ 3.33</u>		<u>\$ 3.05</u>	

Chairman: Chih-Hsien Lo President: Jau-Kai Hwang, Ching-Tien Lee Chief Accountant: Tsung-Ping Wu

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

UNI-PRESIDENT ENTERPRISES CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of New Taiwan dollars)

Notes	Equity attributable to owners of the parent											Non-controlling interest	Total equity
	Retained Earnings					Other Equity Interest							
	Share capital - common stock	Additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Unrealized gain or loss on available-for-sale financial assets	Others	Total			
For the year ended December 31, 2018													
Balance at January 1, 2018	\$ 56,820,154	\$ 3,916,160	\$ 16,588,870	\$ 4,011,314	\$ 42,446,053	(\$ 4,240,729)	\$ -	\$ 533,455	\$ -	\$ 120,075,277	\$ 71,224,917	\$ 191,300,194	
Effects of retrospective application	-	-	-	-	366,999	-	472,832	(533,455)	-	306,376	113,020	419,396	
Balance at January 1, 2018 (Adjusted)	<u>56,820,154</u>	<u>3,916,160</u>	<u>16,588,870</u>	<u>4,011,314</u>	<u>42,813,052</u>	<u>(4,240,729)</u>	<u>472,832</u>	<u>-</u>	<u>-</u>	<u>120,381,653</u>	<u>71,337,937</u>	<u>191,719,590</u>	
Consolidated net income for the year ended December 31, 2018	-	-	-	-	17,442,022	-	-	-	-	17,442,022	9,503,151	26,945,173	
Other comprehensive loss for the year ended December 31, 2018 6(25)	-	-	-	-	(145,980)	(31,387)	(17,701)	-	-	(195,068)	(1,174,844)	(1,369,912)	
Total comprehensive income (loss) for the year ended December 31, 2018	-	-	-	-	17,296,042	(31,387)	(17,701)	-	-	17,246,954	8,328,307	25,575,261	
Distribution of 2017 consolidated net income:													
Legal reserve	-	-	3,984,485	-	(3,984,485)	-	-	-	-	-	-	-	
Cash dividends 6(24)	-	-	-	-	(31,251,085)	-	-	-	-	(31,251,085)	-	(31,251,085)	
Adjustment for change in capital reserve of investee companies 6(23)	-	10,770	-	-	-	-	-	-	-	10,770	-	10,770	
Difference between the acquisition or disposal price and carrying amounts of subsidiaries 6(23)(34)	-	(49,970)	-	-	-	-	-	-	-	(49,970)	(53,830)	(103,800)	
Adjustment of capital reserve due to change in interests in associates 6(23)	-	19,486	-	-	-	-	-	-	-	19,486	-	19,486	
Non-payment of expired cash dividends from previous year transferred to capital reserve 6(23)	-	58	-	-	-	-	-	-	-	58	-	58	
Reversal of special reserve 6(24)	-	-	-	(619)	619	-	-	-	-	-	-	-	
Disposal of financial assets measured at fair value through other comprehensive income - equity instrument 6(8)	-	-	-	-	14,032	-	(14,032)	-	-	-	-	-	
Adjustment for change in other equity of investee companies 6(25)	-	-	-	-	-	-	-	(3,353)	(3,353)	-	-	(3,353)	
Non-controlling interest	-	-	-	-	-	-	-	-	-	-	(15,666,093)	(15,666,093)	
Balance at December 31, 2018	<u>\$ 56,820,154</u>	<u>\$ 3,896,504</u>	<u>\$ 20,573,355</u>	<u>\$ 4,010,695</u>	<u>\$ 24,888,175</u>	<u>(\$ 4,272,116)</u>	<u>\$ 441,099</u>	<u>\$ -</u>	<u>(\$ 3,353)</u>	<u>\$ 106,354,513</u>	<u>\$ 63,946,321</u>	<u>\$ 170,300,834</u>	
For the year ended December 31, 2019													
Balance at January 1, 2019	\$ 56,820,154	\$ 3,896,504	\$ 20,573,355	\$ 4,010,695	\$ 24,888,175	(\$ 4,272,116)	\$ 441,099	\$ -	(\$ 3,353)	\$ 106,354,513	\$ 63,946,321	\$ 170,300,834	
Consolidated net income for the year ended December 31, 2019	-	-	-	-	19,007,255	-	-	-	-	19,007,255	9,476,299	28,483,554	
Other comprehensive income (loss) for the year ended December 31, 2019 6(25)	-	-	-	-	171,294	(3,454,537)	538,267	-	-	(2,744,976)	(754,851)	(3,499,827)	
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	19,178,549	(3,454,537)	538,267	-	-	16,262,279	8,721,448	24,983,727	
Distribution of 2018 consolidated net income:													
Legal reserve	-	-	1,744,202	-	(1,744,202)	-	-	-	-	-	-	-	
Cash dividends 6(24)	-	-	-	-	(14,205,039)	-	-	-	-	(14,205,039)	-	(14,205,039)	
Adjustment for change in capital reserve of investee companies 6(23)	-	2,029	-	-	-	-	-	-	-	2,029	-	2,029	
Difference between the acquisition or disposal price and carrying amounts of subsidiary 6(23)(34)	-	(65,069)	-	-	-	-	-	-	-	(65,069)	(59,127)	(124,196)	
Adjustment of capital reserve due to change in interests in associates 6(23)	-	53,786	-	-	-	-	-	-	-	53,786	-	53,786	
Non-payment of expired cash dividends from previous year transferred to capital reserve 6(23)	-	10,492	-	-	-	-	-	-	-	10,492	-	10,492	
Reversal of special reserve 6(24)	-	-	-	(4,874)	4,874	-	-	-	-	-	-	-	
Disposal of financial assets measured at fair value through other comprehensive income - equity instrument 6(8)	-	-	-	-	247,205	-	(247,205)	-	-	-	-	-	
Adjustment for change in other equity of investee companies 6(25)	-	-	-	-	-	-	-	3,353	3,353	-	-	3,353	
Effect of business combination 6(35)	-	-	-	-	-	-	-	-	-	-	1,751,093	1,751,093	
Non-controlling interest	-	-	-	-	-	-	-	-	-	-	(8,770,774)	(8,770,774)	
Balance at December 31, 2019	<u>\$ 56,820,154</u>	<u>\$ 3,897,742</u>	<u>\$ 22,317,557</u>	<u>\$ 4,005,821</u>	<u>\$ 28,369,562</u>	<u>(\$ 7,726,653)</u>	<u>\$ 732,161</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 108,416,344</u>	<u>\$ 65,588,961</u>	<u>\$ 174,005,305</u>	

Chairman: Chih-Hsien Lo President: Jau-Kai Hwang, Ching-Tien Lee Chief Accountant: Tsung-Ping Wu

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

UNI-PRESIDENT ENTERPRISES CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

	Notes	For the years ended December 31,	
		2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 36,397,270	\$ 35,308,150
Adjustments			
Adjustments to reconcile profit (loss)			
Gain on financial assets and liabilities at fair value through profit or loss	6(2)(28)	(539,119)	(151,373)
Expected credit loss	12(2)	5,633	169,858
Provision (reversal of allowance) for inventory market price decline	6(6)	17,439	(3,674)
Loss on disposal of financial assets at fair value through other comprehensive income - debt instrument	6(8)(28)	7,512	9,695
Share of profit of associates and joint ventures accounted for under equity method	6(9)		
Loss on disposal of investments accounted for under equity method	6(28)	(3,103,499)	(2,858,989)
Depreciation on property, plant and equipment	6(10)(30)	91,912	43,546
Loss (gain) on disposal of property, plant and equipment	6(10)	18,509,125	18,324,890
Property, plant and equipment transferred to loss	6(28)	88,439	(435,688)
Depreciation on right-of-use assets	6(10)	22,726	-
Gain on disposal of right-of-use assets	6(11)(30)	12,345,387	-
Gain from lease modification	6(28)	(24,637)	-
Depreciation on investment property	6(28)	(68,020)	-
Gain on disposal of investment property	6(13)(30)	266,237	291,945
Loss on disposal of intangible assets	6(28)	(3,092)	(3,167)
Amortization	6(28)	216	-
Amortization of long-term prepaid rents	6(14)(30)	891,113	570,315
Gain on disposal of long-term prepaid rents		-	330,827
(Gain on reversal of) impairment loss on non-financial assets	6(15)(28)	(8,904)	(522,214)
Interest income	6(27)	89,426	89,426
Dividend income	6(27)	(2,483,305)	(2,135,410)
Finance costs	6(29)	(120,407)	(141,292)
		2,570,419	1,479,949
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets and liabilities at fair value through profit or loss		138,105	851,399
Notes receivable		391,255	47,394
Notes receivable - related parties		776	(545)
Accounts receivable		130,986	(1,076,045)
Accounts receivable - related parties		2,856	(129,534)
Other receivables		(96,035)	310,182
Inventories		(891,312)	(2,816,035)
Prepayments		(14,165)	(428,034)
Other current assets		7,833	(1,130)
Changes in operating liabilities			
Contract liabilities - current		2,295,830	206,561
Notes payable		(714,280)	(203,400)
Notes payable - related parties		5,355	7,475
Accounts payable		148,969	2,223,070
Accounts payable - related parties		(20,278)	69,552
Other payables		(408,338)	4,092
Advance receipts		19,629	1,769,660
Other current liabilities		109,064	392,526
Contract liabilities - non-current		228,415	(111,590)
Net defined benefit liabilities - non-current		(413,532)	(506,646)
Cash inflow generated from operations		65,783,578	50,975,746
Interest received		2,400,764	1,719,217
Dividends received	6(37)	1,994,500	3,916,138
Interest paid		(2,648,462)	(1,481,099)
Income tax paid		(8,659,089)	(12,033,123)
Net cash flows from operating activities		58,871,291	43,096,879

(Continued)

CASH FLOWS FROM INVESTING ACTIVITIES

Increase in financial assets at amortized cost - current		(\$	15,670,521)	(\$	17,718,816)
Repayment of principal at maturity from financial assets at amortized cost - current			20,470,015		8,426,644
(Increase) decrease in other receivables - related parties		(	266,525)		536
Decrease (increase) in other current assets - other financial assets			596,151	(	757,674)
Cash paid for acquisition of financial assets at fair value through other comprehensive income		(	650,752 )	(	723,972)
Proceeds from financial assets at fair value through other comprehensive income	6(8)		1,988,223		244,495
Cash paid for acquisition of financial assets at amortized cost - non-current		(	8,524,866 )	(	2,455,957)
Cash paid for acquisition of investments accounted for under the equity method		(	187,926)		-
Proceeds from disposal of investments accounted for under the equity method	6(37)		126,649		43,081,053
Cash paid for acquisition of property, plant and equipment	6(37)	(	13,244,174 )	(	12,661,305)
Interest paid for acquisition of property, plant and equipment	6(10)(37)	(	40,488 )	(	58,452)
Proceeds from disposal of property, plant and equipment	6(37)		1,563,330		967,969
Proceeds from disposal of right-of-use assets			209,498		-
Cash paid for acquisition of investment property	6(13)	(	17,224 )	(	15,630)
Proceeds from disposal of investment property			21,221		25,628
Increase in intangible assets	6(14)	(	450,873 )	(	234,588)
Proceeds from disposal of intangible assets			894		16
Increase in prepayments for equipment		(	1,473,774 )	(	2,445,372)
Interest paid for prepayments for equipment	6(10)	(	5,170 )	(	5,521)
Increase in guarantee deposits paid		(	491,967 )	(	88,663)
Increase in long-term prepaid rents			-	(	79,064)
Proceeds from disposal of long-term prepaid rents			-		925,558
(Increase) decrease in other non-current assets		(	645,666)		227,854
Cash paid for business combination	6(37)	(	6,383,440 )	(	5,378,010)
Net cash flows (used in) from investing activities		(	23,077,385)		11,276,729

CASH FLOWS FROM FINANCING ACTIVITIES

Increase in short-term borrowings	6(38)		1,421,808		10,303,941
Decrease in short-term notes and bills payable	6(38)	(	2,525,292 )	(	1,455,219)
Increase in corporate bonds payable	6(38)		11,000,000		9,750,000
Decrease in corporate bonds payable	6(38)	(	7,252,744 )	(	4,171,567)
Increase in long-term borrowings	6(38)		190,019,264		162,366,344
Decrease in long-term borrowings	6(38)	(	198,715,671 )	(	159,487,164)
Payments of lease liabilities	6(38)	(	11,217,175)		-
(Decrease) increase in guarantee deposit received	6(38)	(	236,560)		235,636
(Decrease) increase in other non-current liabilities		(	165,120)		110,303
Cash paid for transaction with non-controlling interests	6(34)	(	124,196 )	(	103,800)
Payment of cash dividends	6(24)	(	14,205,039 )	(	31,251,085)
Change in non-controlling interests		(	8,770,774 )	(	15,666,093)
Net cash flows used in financing activities		(	40,771,499 )	(	29,368,704)
Effect of foreign exchange rate changes on cash and cash equivalents		(	376,556)		354,142
Net (decrease) increase in cash and cash equivalents		(	5,354,149)		25,359,046
Cash and cash equivalents at beginning of year	6(1)		80,060,950		54,701,904
Cash and cash equivalents at end of year	6(1)	\$	74,706,801	\$	80,060,950

Chairman: Chih-Hsien Lo President: Jau-Kai Hwang, Ching-Tien Lee Chief Accountant: Tsung-Ping Wu

Uni-President Enterprises Corp.
PROFIT ALLOCATION PROPOSAL

For the years ended December 31, 2019

Unit : NT\$

Net Income for 2019	\$ 19,007,255,323
Less : 10% Legal Reserve	(1,900,725,532)
Plus : An effort to ascertain the amount of remeasuring of the fringe benefit programs.	171,293,411
Plus : Resersal of Special Reserve	4,874,223
Plus : Disposal of equity instruments at fair value through other comprehensive income	247,204, 701
Less : Special Reserve-Other Equity Interest	(3,094,099,786)
2019 Earnings Available for Distribution	14,435,802,340
Plus : Unappropriated Retained Earnings of Previous years	8,938,934,612
Distribution Items:	23,374,736,952
Cash Dividends to Common Share Holders (NT\$ 2.5 per share)	14,205,038,553
Unappropriated Distribution	\$ 9,169,698,399

Note :

1. Net income for 2019 shall be preferred in the profit distribution. The shortfall shall be made up with the unappropriated retained earnings of the preceding term.
2. Each common shareholder will be entitled to receive the cash dividends in dollar amount. The fractional parts would be classified as "other non-operating income".

Chairman: Chih-Hsien Lo President: Jau-Kai Hwang 、 Ching-Tien Lee Chief Accountant: Tsung-Ping Wu

Uni-President Enterprises Corporation

Contrast Table for Amendments to the Rules of Procedure for Shareholders' Meeting

Provision After Proposed Amendments	Current Provision	Amendments to the official version	Explanation
<p>X. Where the shareholders' meeting is assembled by the Board, the Board shall stipulate the meeting agenda. The related motions (including extemporary motions and amendments to the original motions) shall be subject to a vote. The shareholders' meeting shall progress in accordance with an arranged agenda, which can only be changed by the resolution of the shareholders' meeting.</p> <p>The following contents ... (omitted)</p>	<p>X. Where the shareholders' meeting is assembled by the Board, the Board shall stipulate the meeting agenda, the shareholders' meeting shall progress in accordance with an arranged agenda, which can only be changed by the resolution of the shareholders' meeting.</p> <p>The following contents ... (omitted)</p>	<p>Article 10 Where the shareholders' meeting is assembled by the Board, the Board shall stipulate the meeting agenda. The related motions (including extemporary motions and amendments to the original motions) shall be subject to a vote. The shareholders' meeting shall progress in accordance with an arranged agenda, which can only be changed by the resolution of the shareholders' meeting. The following contents ... (omitted) The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote, also arrange sufficient time for voting.</p>	<p>Cooperating with e-voting adopted by TWSE/TPEX listed companies since 2018 and also using an agenda by agenda basis to pass resolutions. The provision referred to in Paragraph 1 is added accordingly.</p>
<p>XV. The chairman may announce discontinuation of the discussion process and proceed with the voting process when the discussion is considered up to the extent for resolution, also arrange sufficient time for voting.</p>	<p>XV. The chairman may announce discontinuation of the discussion process and proceed with the voting process when the discussion is considered up to the extent for resolution.</p>	<p>XV. The chairman may announce discontinuation of the discussion process and proceed with the voting process when the discussion is considered up to the extent for resolution.</p>	<p>In response to the shareholders' meeting practices, the partial provisions are added accordingly.</p>
<p>XVII. When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed. If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue. A resolution may be adopted at a shareholders meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.</p>	<p>XVII. The chairman may announce a break as appropriate during the proceedings of a shareholders' meeting.</p>	<p>Article 18 When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed. If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue. A resolution may be adopted at a shareholders meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.</p>	<p>In order to prevent the meeting from being suspended due to force majeure during a meeting, the provision is added based on the official version.</p>

Provision After Proposed Amendments	Current Provision	Amendments to the official version	Explanation
<p>XIX. The voting process shall be conducted on a case-by-case basis and the outcome of pros, cons and abstentions should be input into the Market Observation Post System (MOPS). In case any amendment or substitute is posed for the same issue, the chairman shall fix the process of resolution along with the original issues. If any issue among them is resolved, other issues are deemed vetoed and no further voting process is required.</p>	<p>XIX. The voting process shall be conducted on a case-by-case basis (or by separation of cases) and the outcome of pros, cons and abstentions should be input into the Market Observation Post System (MOPS). In case any amendment or substitute is posed for the same issue, the chairman shall fix the process of resolution along with the original issues. If any issue among them is resolved, other issues are deemed vetoed and no further voting process is required.</p>	<p>Article 13 ....(the preceding paragraph omitted) Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS. The following contents... (omitted)</p>	<p>Expressly define that the various motions are subject to voting, and delete "or by separation of cases".</p>
<p>XX. Staff handling administrative affairs of a shareholders meeting shall wear identification cards. The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor" or identification cards. At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by this Corporation, the chair may prevent the shareholder from so doing. When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.</p>	<p>XX. The chair may direct the proctors (or security personnel) to help maintain order at the meeting place. When proctors (or security personnel) help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor".</p>	<p>Article 17 Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands. The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor." At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by this Corporation, the chair may prevent the shareholder from so doing. When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.</p>	<p>To help the shareholders' meeting proceed successfully, refer to the official version to view the newly added provisions in detail.</p>

Uni-President Enterprises Corporation
Details of the duties subject to releasing the Directors from non-competition

As of 03/27/2020

Name	Current Position with Other Companies
<p>Kao Chyuan Inv. Co., Ltd. Representative: Jui-Tang Chen</p>	<p>Chairman of : President Lanyang Art Corporation, President Transnet Corp., President Collect Services Corp., Uni-Wonder Corporation, RSI. Retail Support International Corp., Uni-President Superior Commissary Corp., Ren-Hui Investment Corp., President Chain Store (Shanghai) Ltd., , President (Shanghai) Health Product Trading Company Ltd., President Chain Store (Zhejiang) Ltd., Beauty Wonder (Zhejiang) Trading Co., Ltd., Kai Ya Food Co., Ltd. Vice Chairman of : Philippine Seven Corp. Director of : President Chain Store Corp., President Drugstore Business Corp., President Being Corp., Uni-President Department Store Corp., 21 Century Co., Ltd., Uni-President Cold-Chain Corp., President Development Corp., President International Development Corp., President Chain Store (BVI) Holdings Ltd., PCSC (China) Drugstore Limited, President Chain Store (Labuan) Holdings Ltd., President Chain Store (Hong Kong) Holdings Limited, Uni-President Logistics (BVI) Holdings Limited., Nanlien International Corp., President Fair Development Corp. President of : Ren-Hui Investment Corp.</p>
<p>PING ZECH Corp. Representative: Chung-Shen Lin</p>	<p>Chairman of : Gan En Sheng Ren Social Welfare Charity Foundation Honorary chairman of : Freemann Management Advisers Limited Honorary chairman of : Chinese Association for Corporate Transformation Innovation and Advancement Honorary director of : Transnational Vision, Attorneys at Law Honorary consultant of : Foundation for Yunus Social Business, Union Rice Co., LTD</p>
<p>YuPeng Inv. Co.,Ltd. Representative: Po-Ming Hou</p>	<p>Chairman of : Tainan Spinning Co., Ltd., Nan Fan Housing Development Co., Ltd., Tainan Spinning Retail & Distribution Co., Ltd., Hsin Yu Peng Investment Co., Ltd. Managing Director of : Nantex Industry Co., Ltd. Director of : Prince Housing Development Corp., Times Square International Holding Co., Times Square International Stays Co., ScinoPharm Taiwan, Ltd., President International Development Corp., President Entertainment Corp.</p>

Name	Current Position with Other Companies
Joyful Inv. Co., Ltd.	Director of : Tainan Spinning Co., Ltd., Nantex Industry Co., Ltd. , Grand Bills Finance Corp., Jun Dow Co., Ltd., Eten Technologies Inc.,,

Uni-President Enterprises Corp.
Operational Procedures for Endorsements and Guarantees

Appendix 1

Article 1: All matters related to endorsements and guarantees by the Company for another entity shall be in accordance with these Rules.

Article 2: The scope of endorsements and guarantees by the Company includes financing, customs and other endorsements and guarantee. Other endorsements and guarantees refer to those that cannot be categorized as endorsements and guarantees for financing or customs.

Article 3: The Company may provide endorsements and guarantees for the following entities:

1. A company with which the Company does business.
2. A company in which the Company directly or indirectly holds more than 50 percent of the voting shares.
3. A company that directly or indirectly holds more than 50 percent of the voting shares in the Company.
4. Endorsements and guarantees provided to an invested company as a joint investing shareholder under joint investment relationship in accordance with shareholding ratio.

Any subsidiary of which ninety percent or more voting shares are held directly or indirectly by the Company may provide endorsement or guarantee for any other subsidiary meeting the same requirement. Such endorsement or guarantee shall be subject to prior approval by the board of directors through resolution and the amount of endorsement or guarantee shall not exceed ten percent of the net value of the Company.

However, the above restriction shall not apply for any endorsement or guarantee provided by any subsidiary of which the Company holds directly or indirectly 100% of voting shares for any other subsidiary meeting the same requirement.

Article 4: Determination criteria for endorsements and guarantees provided due to business dealings:

For any endorsement or guarantee provided by the Company due to business dealings, the amount of endorsement or guarantees shall be equivalent to product purchase or sale amount of the enterprise receiving the endorsement or guarantee during the previous year or during the current year up to the time of endorsement or guarantee, whichever is higher.

Article 5: Amount Limit of Endorsements and Guarantees:

The Company's total amount of liabilities under endorsements and guarantees shall be limited to 100% of the net value of the Company. The amount of an endorsement and guarantee provided to any single enterprise shall be limited to 50% of the net value of the Company and the relevant situations shall be reported to the shareholders

meeting for reference.

The total amount of endorsements and guarantees provided by the Company and its subsidiaries shall not exceed 100% of the net value of the Company. The amount of endorsements provided to any single enterprise shall not exceed 50% of the net value of the Company.

Article 6: Procedure for Endorsements and Guarantees by the Company:

1. Based on the business requirements of the enterprise receiving the endorsement or guarantee, risk shall be assessed and amount limit shall be fixed. An endorsement and guarantee may only be provided after resolution by the board of directors. However, if any endorsement or guarantee is required on urgent basis, the board may authorize the chairman to proceed within a certain amount limit and report may be submitted to the board of directors subsequently for ratification. Provisions of endorsements and guarantees and relevant matters shall be reported to the shareholders meeting for reference.

Material endorsements or guarantees shall be consented by at least half of all members of the audit committee and be approved by the Board of Directors.

2. If the Company has independent directors, opinions of each independent director shall be taken into consideration during discussions at the board. If an independent director expresses any objection or reservation about a matter, it shall be recorded in the board meeting minutes.
3. For any amount of endorsement and guarantee within the amount limit for any recipient enterprise, the loan amount, duration and nature of endorsement or guarantee shall be accounted for by the Company and submitted to the supervisors of the accounting division for implementation after approval by the financial department of the Company.
4. When the recipient enterprise repays the loan, information of the repayment shall be copied to the Company so that the Company may be released of its guarantee liability.
5. Regarding the above-mentioned matters of endorsements and guarantees, books of records shall be established in which the names of recipient enterprises, matters of guarantees, results of risk assessments, amounts of endorsements and guarantees, collaterals received and conditions and dates for release of endorsement and guarantee liabilities shall be specified in detail for future reference.
6. If the recipient of an endorsement or guarantee previously meets the qualifications under Article 3, but subsequently loses such qualification, or if the amount of endorsement or guarantee exceeds the amount limit due to change to the basis of calculation, the amount or exceeding portion of the amount for such recipient shall be eliminated upon expiry of the contract or the fixed deadline under the previous plan and report shall be made to the board of directors.
7. The internal auditing staff of the Company shall perform audits on the procedures and performance of endorsements and guarantees on a quarterly basis and written records shall be prepared. If any significant breach of this rule is discovered, the audit committee shall be notified in writing.

8. If the Company or its subsidiaries provides any endorsement or guarantee for any subsidiary whose net value is lower than one-half of its paid-in capital, the Company or subsidiary shall review the recipient's statements on quarterly basis and shall procure that the recipient submits financial improvement plans.

Article 7: Detailed Review Procedure:

The Company shall review and assess the following matters in providing endorsements and guarantees:

1. Understand the purpose and use of the loan by the recipient of endorsement or guarantee and the Company's amount limit and balance for endorsements and guarantees and assess the necessity and reasonableness.
2. Analyze the operational, financial and credit conditions of the recipient and the source of loan repayment, evaluate possible risks and determine whether the appropriate collateral should be required.
3. Consider the impact of the Company's total amount of endorsements and guarantees on the Company's operational risk, financial condition and shareholders' interest.
4. If collateral needs to be provided, assess the value of the collateral.

Article 8: Use of Seal and Safekeeping Procedure:

1. The seal for checks and the Company's official seal shall be kept by separate and dedicated persons. The seal keepers may only affix the seals or issue any note following report to and consent by the board of directors (including any change) and in accordance with the operating procedures of the Company. The seal used for any endorsement or guarantee shall be the company seal registered with the Ministry of Economic Affairs.
2. For any guarantee provided to any overseas company, the guarantee letter issued by the Company shall be signed by the chairman or vice chairman with authorization by the board of directors.

Article 9: Control Procedure for Endorsements and Guarantees by Subsidiaries:

1. The "Operational Procedures for Endorsements and Guarantees" established by the subsidiary shall be approved by the board of directors and submitted to the shareholders meeting for approval. The same shall be applicable in the event of any amendment.
The subsidiary company that has an established audit committee, The "Operational Procedures for Endorsements and Guarantees" may be adopted or amended only upon approval of a majority of the whole Audit Committee members of the company and be submitted for a resolution by the Board of Directors for adoption in a shareholders' meeting.
Where the subsidiary referred to in the preceding paragraph is a public company which has established the Audit Committee, if approval of a majority of all audit committee members is not obtained, the procedures may be adopted if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the Board of Directors' meeting.
2. When any subsidiary of the Company makes endorsement/guarantee for another person, it shall do so in accordance with its own "Operational Procedures for

Endorsements and Guarantees,” and provide the details about the endorsement/guarantee back to the Company in writing to help the Company complete the public announcement and regulatory filing procedures within the prescribed time limit.

3. Where it is necessary for any of non TWSE/TPEX listed companies in which the Company invests more than 50% of the company’s capital and subsidiaries thereof, to make endorsement/guarantee to satisfy business needs, such company may do so only upon the Company’s review and approval.

Article 10: Decision Making and Authorization:

1. Any endorsement or guarantee by the Company shall be provided following signing and approval procedures in accordance with Section 1, Article 6 of these Rules and after consent is obtained from the board of directors through resolution.
2. In case of urgent requirement, the board may authorize the chairman to proceed within a certain amount limit and a report may be submitted to the board of directors subsequently for ratification.
3. The finance department is authorized to carry out guarantee related matters within the amount limit approved by the board of directors.

Article 11: Public Announcement Procedure:

The Company shall make relevant public announcements with regard to matters related to endorsements and guarantees in accordance with the criteria for public announcements under the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” promulgated by the Financial Supervisory Commission.

Article 12: Penalty:

Any first violation of the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” promulgated by the Financial Supervisory Commission or the “Operational Procedures for Endorsements and Guarantees” of the Company by any manager or responsible person shall be subject to verbal warning. Any second violation shall be subject to written warning. Repeated or significant violations shall lead to dismissal.

Article 13: Any matter not included in these Rules shall be handled in accordance with the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” by the Financial Supervisory Commission.

Article 14: This Procedure is implemented after consent by the shareholders meeting. The amendments to be implemented upon approval of a majority of the whole audit committee members and submitted to a shareholders’ meeting for approval upon approval by the Board of Directors.

If approval of a majority of all audit committee members is not obtained, the amendments may be adopted if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the Board of Directors’ meeting and submitted to a shareholders’ meeting for approval.

These Rules were made on 28 November 1987 and have been amended on:

(01) 1 June 1990 (02) 21 June 1991 (03) 25 May 1994 (04) 1 June 1995 (05) 30 May 1996
(06) 20 June 1997 (07) 1 June 1998 (08) 1 June 2001 (09) 28 June 2002 (10) 27 June 2003
(11) 23 June 2010 (12) 25 June 2013 (13) 18 June 2019

Rules of Procedure for Shareholders' Meeting

Amended 21 June 2017

- I. These rules of procedure govern the Company's shareholders' meeting.
- II. The term "shareholders" as set forth herein denotes the shareholders themselves and the proxies authorized by shareholders.
- III. A shareholder shall attend a shareholders' meeting on the basis of the attendance card, sign-in card, or other supporting document; Solicitors soliciting proxy forms shall also bring identification documents for verification.

The total number of shares present at the meeting will be calculated based on the attendance cards submitted as a substitute for sign-in, plus the number of shares exercising the voting power in writing or through means of electronic transmission.

- IV. In a shareholders' meeting, the participation and vote shall be counted on the grounds of the number of shares.
- V. A shareholders' meeting shall be held at the place where the Company is headquartered or a place convenient to shareholders for participation. A shareholders' meeting shall start not earlier than 9:00 a.m. or later than 3:00 p.m.

The Company shall set out the time for accepting the meeting registration, the location where the registration will take place and other special notes in the meeting notice.

Registration by shareholders shall start at least 30 minutes prior to the commencement of the meeting; the registration area shall be clearly marked with clear signs and be attended by sufficient and qualified staff.

- VI. Unless otherwise provided in laws, the shareholders' meeting shall be called by the Board of Directors and chaired by the Chairman of the Board. Where the Chairman of the Board fails to exercise his authority with justified reasons, the Vice Chairman of the Board may be his proxy. Where no Vice Chairman has been appointed or the Vice Chairman fails to exercise his authority with justified reasons too, the Chairman shall designate one director to be his proxy. Where no such designee is designated, the chairperson shall be elected out of the directors. Where the shareholders' meeting is called by any person entitled to hold the meeting other than the Board of Directors, the chairperson of the meeting shall be assumed by the person.

If there are more than two conveners, the chairperson shall be elected from the conveners.

If one of the directors is appointed to act as the meeting chair in accordance with the preceding paragraph, he or she shall have served as a director for more than 6 months and has a sound knowledge of the company's financial and business status. The same applies to the situation where the representative of an institutional director is elected to act as the meeting chair.

- VII. The Company may designate lawyers, CPAs or relevant personnel appointed by the Company to attend the shareholders' meeting.
- VIII. The company shall, from the time of registration, record the registration process, proceedings of the meeting and the voting and vote counting process in their entirety in audio or video. The aforesaid recording shall be retained for at least 1 year, if, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

- IX. The chairman shall call to order the meeting when the specified time is up. The chairman may, nevertheless, announce a deferment of the meeting if the shareholders present in person and through a proxy do not make the quorum up to a half of the total issued shares. The total of the deferments shall exceed the maximum of twice. The total time in the deferments shall not exceed one hour. In the event that the shareholders present in person and through a proxy do not make the specified quorum but represent more than one-third of the total issued shares, quasi-decisions may be resolved in accordance with Article 175, Paragraph 1 of the Company Law.

In the event that the shareholders present in person and through a proxy represent more than a half of the total issued shares before the shareholders' meeting adjourns, the chairman may bring the quasi-decisions so resolved to the meeting for resolution afresh in accordance with Article 174 of the Company Law.

- X. The agenda of a shareholders' meeting shall be established by the board of directors if the meeting is convened by the board of directors. The entire process of the meeting shall go on exactly in accordance with the agenda which shall not be changed unless resolved in the shareholders' meeting.

The provision set forth in the preceding paragraph shall apply in the event that a shareholders' meeting is convened by a person beyond the board of directors.

The chairman shall not announce adjournment of the meeting unless duly resolved in the meeting until the agenda (including occasional (extemporaneous) motions) set forth in the two preceding paragraphs is concluded.

In the event that the chairman breaches these Rules of the Shareholders' Meeting by announcing adjournment of the meeting contrary to what specified above, the present shareholders may elect a new chairman through a majority vote. The chairman so elected shall continually preside over the meeting.

- XI. A shareholder shall, before obtaining the floor in the meeting, fill out the floor note and remark thereon the key subjects to be spoken, the account number of shareholder (or code of the participation certificate) and name of shareholder. The chairman shall determine the order of the floor.

A shareholder who submits the floor note but does not actually speak up in the meeting is deemed having not spoken up in the meeting. In case of a discrepancy between what was remarked on the floor note and what was actually said, the contents actually said shall prevail.

Where a present shareholder exercises the floor and speaks up in the meeting, other shareholders shall not speak to interfere unless agreed upon by the chairman and the speaking shareholder. The chairman shall ban such interference, if any.

- XII. For a same issue, each shareholder shall not speak more than twice and shall not speak more than five minutes in each floor unless approved by the chairman.

The chairman may ban such shareholder from speaking if he/she breaches the provision set forth in the preceding paragraph or speaks beyond the specified range.

- XIII. Where a judicial (corporate) person is consigned to participate in a shareholders' meeting, such judicial (corporate) person may appoint only one representative to participate in the meeting.

Where a judicial (corporate) person shareholder appoints two or more representatives to participate in a shareholders' meeting, only one representative may speak up for the same issue.

- XIV. After a present shareholder completes the floor, the chairman may reply in person or through an appointee.

- XV. The chairman may announce discontinuation of the discussion process and proceed with the voting process when the discussion is considered up to the extent for resolution.

- XVI. Upon voting for an issue, the chairman shall appoint the monitor(s) and calculator(s). The monitors shall only be appointed from the shareholders.
- Voting for a resolution or vote counting shall be conducted in public at the place of the shareholders meeting, and voting results shall be reported on-site immediately and recorded in writing including the number of votes, the list of elected candidates and the number of votes upon which each candidate was elected.
- XVII. The chairman may announce a break as appropriate during the proceedings of a shareholders' meeting.
- XVIII. Unless otherwise prescribed in the Company Law and Articles of Incorporation, decisions in the shareholders' meeting shall be resolved by a majority vote of the attending shareholders.
- XIX. The voting process shall be conducted on a case-by-case basis (or by separation of cases) and the outcome of pros, cons and abstentions should be input into the Market Observation Post System (MOPS). In case any amendment or substitute is posed for the same issue, the chairman shall fix the process of resolution along with the original issues. If any issue among them is resolved, other issues are deemed vetoed and no further voting process is required.
- XX. The chairman may command the disciplinary personnel (or security guards) to help safeguard the order of the meeting site. The disciplinary personnel (or security guards) shall, while helping safeguard the order at site, wear the arm-bands bearing the wording "Disciplinary Personnel".
- XXI. Any matters insufficiently provided for herein shall be subject to the Company Law, Articles of Incorporation and other laws and regulations concerned.
- XXII. These rules of procedure and amendments hereof come into enforcement after being resolved in the shareholders' meeting.

Articles of Incorporation of Uni-President Enterprises Corp.

Amended on June 18 2019

Chapter One General Provisions

Article 1 : The Company is duly incorporated under the provisions governing company limited by shares as set forth in the Company Act, and its name shall be 統一企業股份有限公司 in the Chinese language, and Uni-President Enterprises Corporation. in the English language.(hereinafter referred to as the Company).

Article 2 : The businesses operated by the Company are as follows:

- 1.C106010 powder manufacturing industry.
- 2.C201010 animal feed manufacturing industry.
- 3.C199010 noodle and rice noodle type food manufacturing industry.
- 4.C105010 edible oil manufacturing industry.
- 5.C110010 beverage manufacturing industry.
- 6.C102010 milk product manufacturing industry.
- 7.C199040 bean type processed food manufacturing industry.
- 8.C601030 paper container manufacturing industry.
- 9.C805990 other plastic item manufacturing industry.
- 10.C103050 canned, frozen, dehydrated and marinated food manufacturing industry.
- 11.C109010 condiment manufacturing industry.
- 12.C199020 edible ice manufacturing industry.
- 13.C104020 baked and steamed food manufacturing industry.
- 14.C199990 other uncategorized food manufacturing industry.
- 15.CB01010 machinery and equipment manufacturing industry.
- 16.F113010 machinery wholesale industry.
- 17.F213080 machinery and instrument retail industry.
- 18.A401010 milk farm operation industry.
- 19.A102060 food commercialization industry.
- 20.A102020 agricultural product processing industry.
- 21.G801010 warehousing industry.
- 22.F401010 international trade industry.
- 23.F106060 pet product wholesale industry.
- 24.F206050 pet product retail industry.
- 25.F101050 aquatic product wholesale industry.
- 26.F201030 aquatic product retail industry.
- 27.F107050 fertilizer wholesale industry.
- 28.F207050 fertilizer retail industry.
- 29.F102030 tobacco and alcohol wholesale industry.
- 30.F102040 beverage wholesale industry.
- 31.F102170 miscellaneous food wholesale industry.
- 32.F203010 miscellaneous food and beverage retail industry.
- 33.F501030 beverage shop industry.
- 34.IZ99990 other industrial and commercial service industry
- 35.I101070 Agriculture, Forestry, Fishing and Animal Husbandry Consultancy
- 36.I101090 Food Consultancy
- 37.IC01010 Pharmaceuticals Examining Services
- 38.J101050 Sanitary and Pollution Controlling Services
- 39.ZZ99999 other businesses not prohibited or restricted by law except any business requiring special approval

Article 3 : The Company is headquartered in Tainan City, and may establish branches or factories at other locations, if necessary, subject to resolution of the Board of Directors. The same shall apply where the branches or factories are removed or relocated.

Chapter Two Shares

Article 4 : 1.The total capital stock of the Company shall be in the amount of NT\$70,000,000,000 divided into 7,000,000,000 shares, at a par value of NT\$10. The Board of Directors is authorized to issue the shares that have not yet been issued in lots.

2.The Company may investing outwardly into other firms and is free of the restriction set forth in Article 13 of the Company Law which reads: "The Company's total investment shall not exceed 40% of the Company's paid-in capital. "

Article 5 : The Company's stocks are changed to be registered with names and numbers. Issuance has to be signed or sealed by company representatives and underwritten by legitimate underwriter. Stocks issued by the company don't have to be printed.

Article 6 : Other than otherwise regulated, "Regulations Governing the Administration of Shareholder Services of Public Companies" is followed for the company shareholders to apply for stock transferring, collateralizing, lost reporting, inheriting, changing of seals or address.

Article 7 : No transfer of shares shall be handled within sixty days prior to a shareholders' regular meeting, or within thirty days prior to a shareholders' extraordinary meeting, or within five days prior to allocation of dividend bonus or any other benefits.

Article 8 : Procedures to apply for reissuance of lost share certificates:

- (1)A shareholder who has lost his/her share certificates shall report to the security authority and apply to the Company with an application form for registration of the lost share certificates.
- (2)Such shareholder shall apply to the court for public summons in accordance with the Code of Civil Procedure and shall submit to the Company the application form, duplicate copy, and the receipt issued by the court verifying the receipt of the application within five days, otherwise the application shall be annulled.
- (3)Upon expiry of the public summons, the shareholder may court verdict of ex-right is used to apply for registration with the company.

Chapter Three Shareholders' Meeting

Article 9 : The shareholders' meeting hereof is in two categories, i.e., the shareholders' regular meeting and shareholders' extraordinary meeting. The shareholders' regular meeting shall be convened by the board of directors once per annum within six months from the closing of each fiscal year, with notices for the shareholders' meeting to be served to all shareholders in writing thirty days in advance. The shareholders' extraordinary meeting may be called whenever it is deemed necessary with notices for the shareholders' meeting to be served to all shareholders in writing fifteen days in advance. An issuer to shareholders who own less than 1,000 shares of nominal stocks may be given in the form of a public announcement; for a regular shareholders meeting.

Article 10 : In the event where a shareholder is unable to attend a shareholders' meeting for any cause, the shareholder may appoint a proxy to attend the meeting on behalf of the shareholder by executing a power of attorney printed by the Company, or participate by ways of electronic transmission. Other than measures specified in Article 177 of the Company Act, a shareholder may also appoint a proxy in accordance with the provisions set forth in the "Rules Governing Appointment of Proxy by the Power of Attorney to Attend a Shareholders Meeting of Public Companies" published by the competent authority.

Article 11 : The shareholders' meetings shall be chaired by the Chairman of Board. If the Chairman is absent, the chairperson may be assumed by Vice Chairman of Board. If no Vice Chairman of Board is appointed or if the Vice Chairman is absent or fails to perform the duty with justified reasons, the chairperson shall be assumed by a director designated by the Chairman. If no such designee is appointed, the chairperson shall be elected out of the directors. If the shareholders' meeting is called by any convener other than the board of directors, the chairperson shall be assumed by the convener. If there are more than two

conveners, the chairperson shall be elected out of the conveners.

Article 12 : Unless otherwise provided for in the Company Act, resolutions in the shareholders' meeting shall be resolved by a majority vote in the meeting attended by shareholders representing a majority of the total issued shares.

Article 13 : A shareholder of the Company shall have one voting power for each share in his possession and he may exercise the voting power in writing or by ways of electronic transmission. However, shares of the Company held by the Company pursuant to relevant laws and regulations enjoy no voting power.

Article 14 : Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, specifying the date, month, year and location of the meeting, the name of the chairman, a summary of the essential points of the proceedings and the results of the meeting and the method of adopting resolutions, the number of shareholders present at the meeting and the number of shares represented by shareholders attending the meeting, bearing the signature or seal of the chairman of the meeting. The distribution of the minutes may be effected by means of a public notice in accordance with the Company Act. The aforesaid minutes shall be kept persistently throughout the life of the Company.

The powers of attorney of the proxies shall be kept for the minimum period of at least one year.

Article 15 : The directors' meeting is authorized to agree on the remuneration to directors according to the standard generally prevailing in the same trade.

Chapter Four Board of Directors

Article 16 : The Company shall establish the Board of Directors constituted by 13 directors (The directors are 10 and the independent directors are 3.), for whom the election thereof adopts the candidates nomination system and on the shareholders' meeting votes shall be casted among candidates on the candidates list through cumulative ballot system specified in Article 198 of the Company Act; provided that the total number of registered shares held by all of the directors shall not be less than a certain percentage of the total number of the Company's outstanding shares. The rules governing the aforesaid shareholding percentage and the verification and execution thereof shall be established in compliance with orders of the competent authority.

Said directors shall include no less than two independent directors and the independent directors shall be no less than one-fifths of director seats. The independent directors shall be elected from the list of candidates for independent directors in the shareholders' meeting.

The election of independent directors and non-independent directors shall be held at the same time, while quota of the elected shall be calculated separately.

The qualification, shareholding, restrictions on part-time jobs, identification of independence, nomination and election of independent directors and other matters to be complied with shall be handled in accordance with the Company law and the relevant requirements of the competent security authority.

Article 17 : The Company establishes an audit committee in accordance with Articles 14-4 and 181-2 of the Securities and Exchange Act. The exercise of powers of supervisors under the Company Act and Securities and Exchange Act shall now be carried out by members of the audit committee.

The audit committee shall be composed of the entire number of independent directors. It shall not be fewer than three persons in number, one of whom shall be committee convenor, and at least one of whom shall have accounting or financial expertise.

The Company's Board of Directors according to the commercial laws to set up Audit Committee, Remuneration Committee, and may establish the kinds of other functional committees of which the committee charter may be passed by the Board of Directors resolution.

Article 18 : In case a company has no managing directors, the board of directors shall elect a chairman of the board directors from among the directors by a majority vote at a meeting attended

by over two-thirds of the directors, and one vice chairman shall be elected from among themselves to assist the chairman. The chairman shall represent the Company externally and shall chair the shareholders' meeting and board of directors meeting, and shall take charge of the Company's business operation internally.

Article 19 : Where the Chairman fails to perform his functions, the Vice Chairman may act on his behalf. Where the Chairman and Vice Chairman both fail to perform their functions, a director shall be appointed by the Chairman to act on their behalf. If no such designee is appointed, the chairperson shall be elected among the directors.

Article 20 : The directors have a three-year tenure of office and are eligible for reelection. If the tenure of office of directors expires before the time of final account closing of the year, the tenure of office may be extended until the newly elected directors take office while the directors of the current term shall be discharged. If the reelection is not held during the extended period, the competent authority may, ex officio, order that the Company complete the reelection within the specified time limit. If reelection is not held within the specified time limit, the directors shall be discharged automatically ex officio upon expiry of the specified time limit.

When the number of directors falls below five due to the dismissal of a director for any reason, the company shall hold a by-election for director at the next following shareholders meeting. When the number of directors falls short by one-third of the total number prescribed by the articles of incorporation, the company shall convene a special shareholders meeting within 60 days of the occurrence of that fact to hold a by-election for directors. The reelection may be dispensed with, nevertheless, if the directors still adequately make the legally required ratio.

Number of independent directors not enough to meet article 16 of the Company's Articles of Incorporation, a by-election for independent director shall be held at the next following shareholders meeting. When all independent directors have been dismissed, the company shall convene a special shareholders meeting to hold a by-election within 60 days from the date on which the situation arose.

The directors and independent directors elected supplementarily shall only serve the tenure remaining by the predecessors.

Article 21 : Board of directors meeting is organized by directors with authorities below:

- (1) Considering business plans of the company.
- (2) Employing and dismissing managers of the company.
- (3) Review budgets and final account closing.
- (4) Proposing bills of profit allocation or loss allowance.
- (5) Proposing bills of capital increase and decrease.
- (6) Setting up or dissolving subsidiaries.
- (7) Enforce the decisions resolved in the shareholders' meeting.
- (8) Other authorities granted by Company Act or shareholders' meeting.

Article 22 : The Company may obtain liability insurance for directors and key staff members to insure their business performance during the tenure of office. The board of directors is authorized with full power to implement the matters concerned.

Article 23 : Board of Directors Meeting shall be convened at least once per quarter. The temporary meeting may be called in the case of any emergency or upon request of a majority of the directors. The board of directors is convened by the chairman of the board of directors, except as otherwise provided in the Company Act.

The convening notice of the Company's board of directors of the company may be effected by means of electronic transmission.

Article 24 : All business of the Company will be carried out by the President after it is resolved by the Board of Directors. Except otherwise specified in the Company Act, the resolutions of the Board of Directors shall be passed by the majority of directors present at the board meeting. In the event where a director is unable to attend a meeting, he may appoint another director on his behalf by issuing a written proxy, stating therein the scope of

authorization with reference to the subjects to be discussed at the meeting. However, each director may accept the appointment to act as the proxy of only one other director. The resolutions of a board meeting shall be recorded in the minutes. The meeting minutes shall be signed or sealed by the chairperson or record taker and submitted to each director within 20 days upon the meeting, which shall also be included in the Company's important files and maintained permanently in the duration of the Company's existence.

Article 25 : Where the Company is required to render guarantee (including endorsement) to a third party, the Company shall duly follow the Company's Regulations Governing Making of Endorsements/Guarantees.

Chapter Five Managerial Officers and Consultants

Article 26 : The Company may appoint one or more managerial personnel who shall manage all affairs of the Company in accordance with the Board resolutions.

The managerial personnel and the employment, discharge and remuneration thereof shall be decided by a resolution to be adopted by a majority vote of the directors at a meeting of the board of directors attended by at least a majority of the entire directors of the company.

Article 27 : The Company may retain a certain number of consultants as resolved in the board of directors.

Chapter Six Accounting

Article 28 : The Company's fiscal year is starting from January 1 until December 31 of every calendar year. The final account closing shall be conducted at end of every fiscal year.

Article 29 : The Company takes the calendar year as its fiscal year. Upon closing of each fiscal year, the board of directors shall work out the following documents and proposed to the shareholders' meeting in accordance with the legal procedures for adoption:

(1) Business report; (2) Financial statements and (3) Proposals of profit allocation or loss offsetting proposal.

Article 30 : The Company shall allocate no less than 2% of the profits earned during the current year for the purpose of employees' compensation and no more than 2% of the same for directors' remuneration; provided, however, that the Company shall first reserve a sufficient amount to compensate its accumulated deficits.

The term "profits earned during the current year" as described in the first paragraph shall mean the total of the taxable revenue earned during the current year before deducting the amount of employees' compensation and the directors' remuneration.

An employee of the Company's affiliate who meets certain criteria shall be entitled to the employees' compensation.

Article 31 : The Company is operating amidst capricious environments and amidst the business cycle of steady growth. When proposing the ratio of distribution of earnings, the board of directors shall take into account the capital expenditure anticipated by the Company and the Company's capital needs with consideration of the indispensability of taking the earnings to back up the capital needs to resolve the amount of earnings to be reserved or to be allocated and the amounts of bonus to be allocated to shareholders in cash.

From the profit earned by the Company as shown in the financial statements, the sum to pay all income tax and make up previous loss, if any, shall be first withheld, then 10% shall be reserved as legal reserve, then the special reserve to be duly allocated or restored. The balance shall be the sum allocable in the present term and after being added with the undistributed retained earnings accumulated in the preceding year. The bonus to shareholders shall be 50%~100% of the accumulated allocable earnings. The cash dividend shall not be less than the minimum of 30% of the total amount of dividend allocable in the year.

Chapter Seven Bylaws

Article 32 : The organizational rules and operational rules shall be separately worked out by the board of directors.

Article 33 : Any matters inadequately provided for herein shall be subject to Company Law and other laws and regulations concerned.

Article 34 : These Articles were duly enacted on June 27, 1967 and duly amended on:

- | | | |
|-------------------------|-------------------------|-------------------------|
| (01) October 19, 1967; | (02) February 27, 1970; | (03) May 28, 1970; |
| (04) August 28, 1970; | (05) October 10 1970; | (06) April 1, 1971; |
| (07) May 23, 1971; | (08) April 30, 1972; | (09) May 22, 1972; |
| (10) June 16, 1972; | (11) July 25, 1972; | (12) March 25, 1973; |
| (13) June 14, 1973; | (14) August 25, 1973; | (15) November 25, 1973; |
| (16) December 26, 1973; | (17) February 8, 1974; | (18) March 11, 1974; |
| (19) April 4, 1974; | (20) June 10, 1974; | (21) October 20, 1974; |
| (22) October 8, 1975; | (23) December 28, 1975; | (24) May 16, 1976; |
| (25) January 10, 1977; | (26) April 28, 1977; | (27) May 15, 1978; |
| (28) November 1, 1978; | (29) April 21, 1979; | (30) December 20, 1979; |
| (31) January 29, 1980; | (32) February 25, 1980; | (33) March 25, 1980; |
| (34) May 17, 1980; | (35) May 7, 1981; | (36) August 21, 1982; |
| (37) December 13, 1982; | (38) March 8, 1983; | (39) October 1, 1983; |
| (40) January 25, 1984; | (41) June 9, 1984; | (42) July 8, 1984; |
| (43) October 5, 1984; | (44) May 30, 1985; | (45) May 23, 1986; |
| (46) August 15, 1986; | (47) April 25, 1987; | (48) May 20, 1987; |
| (49) November 3, 1987; | (50) November 28, 1987; | (51) April 29, 1988; |
| (52) March 30, 1989; | (53) May 31, 1989; | (54) June 1, 1990; |
| (55) August 2, 1990; | (56) June 21, 1991; | (57) November 19, 1991; |
| (58) April 10, 1992; | (59) May 27, 1993; | (60) May 25, 1994; |
| (61) June 1, 1995; | (62) May 30, 1996; | (63) June 20, 1997; |
| (64) June 1, 1998; | (65) June 1, 1999; | (66) June 23, 2000; |
| (67) June 1, 2001; | (68) June 28, 2002; | (69) June 27, 2003; |
| (70) June 25, 2004; | (71) June 30, 2005; | (72) June 28, 2007; |
| (73) June 27, 2008; | (74) June 23, 2010; | (75) June 23, 2011; |
| (76) June 22, 2012; | (77) June 25, 2013; | (78) June 26, 2015; |
| (79) June 22, 2016; | (80) June 18, 2019; | |

Uni-President Enterprises Corp.
The Minimum Number of Shares All Directors
Are Required to Hold and the Number of Shares Actually
Held by Individual and All Directors

- I. As required under article 26 of the Securities and Exchange Law and article 2, paragraph 1, item 7 and article 2, paragraph 2 of Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, the total number of shares held by all directors of Uni-President Enterprises Corporation shall not be less than the minimum of 2% of the total issued shares. Uni-President Enterprises Corporation has elected 2 independent directors, the share ownership figures calculated at the rates set forth in the preceding paragraph for all directors other than the independent directors and shall be decreased by 80 percent (90,912,246shares).
- II. As of the date on which the transfer of shareholdings is suspended for the present shareholders' meeting the numbers of shares actually held by individual and all directors are enumerated below:

Title	Name	Shares Held
Chairman of the Board	Kao Chyuan Inv. Co., Ltd. Representative: Chih-Hsien Lo	280,130,536
Director	Kao Chyuan Inv. Co., Ltd. Representative: Shioh-Ling Kao	280,130,536
Director	Kao Chyuan Inv. Co., Ltd. Representative: Jui-Tang Chen	280,130,536
Director	PING ZECH Corp. Representative: Chung-Shen Lin	43,881,920
Director	Taipo Investment Corp. Representative: Ping-Chih Wu	30,582,348
Director	Joyful Inv. Co., Ltd. Representative: Pi-Ying Cheng	24,305,030
Director	Young Yun Inv. Co., Ltd. Representative: Chung-Ho Wu	7,372,628
Director	YuPeng Inv. Co.,Ltd.	24,188
Director	Po-Yu Hou	128,917,063
Director	Chang-Sheng Lin	49,916,266
Independent Director	Yun Lin	0
Independent Director	Chao-Tang Yue	0
Independent Director	Hong-Te Lu	0
Total		565,129,979