

Uni-President Enterprises Corp.
Handbook for the 2021 General Shareholders' Meeting
Table of Contents

Meeting Agenda

| | | |
|-----|--------------------------------|---|
| I | Call the meeting to order----- | 1 |
| II | Chairperson remarks----- | 1 |
| III | Company Reports----- | 1 |
| IV | Proposals----- | 4 |
| V | Discussion ----- | 5 |
| VI | Questions and Motions ----- | 6 |
| VII | Adjournment ----- | 6 |

Attachments :

| | | |
|----------------|--|----|
| Attachment 1 : | 2020 Business Report----- | 7 |
| Attachment 2 : | Audit Committee's Review Report----- | 9 |
| Attachment 3 : | Auditor's Report and Financial Statements (alone)----- | 10 |
| Attachment 4 : | Auditor's Report and Financial Statements----- | 21 |
| Attachment 5 : | Distribution of 2020 Profits----- | 34 |
| Attachment 6 : | Contrast Table for Amendments to the Rules of Procedure for Shareholders' Meeting----- | 35 |
| Attachment 7 : | Contrast Table for Amendments to the Procedures for Election of Directors ----- | 37 |
| Attachment 8 : | Details of the duties subject to releasing the Directors and Independent Directors from non-competition----- | 40 |

Appendices :

| | | |
|--------------|--|----|
| Appendix 1 : | The Operational Procedures for Endorsements and Guarantees ---- | 43 |
| Appendix 2 : | The Rules of Procedure for Shareholders' Meeting. ----- | 47 |
| Appendix 3 : | The Procedures for Election of Directors. ----- | 50 |
| Appendix 4 : | The Articles of Incorporation ----- | 53 |
| Appendix 5 : | The Minimum Number of Shares All Directors Are Required to Hold and the Number of Shares Actually Held by Individual and All Directors ----- | 59 |

Uni-President Enterprises Corp.
Handbook for the 2021 General Shareholders' Meeting

Time: Wednesday, June 23, 2021 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 Chairman remarks
- III Company Reports:
 - Motion 1 : 2020 Business report.
 - Motion 2 : Audit Committee's review report on the 2020 financial statements.
 - Motion 3 : Report on the payment of employee compensation and director remuneration of 2020.
 - Motion 4 : Total endorsements/guarantees provided by the Company to investees.
 - Motion 5 : Report on the Company's issuance status of corporate bonds for 2020.
- IV Proposals:
 - Motion 1 : 2020 Company's business reports and financial statements.
 - Motion 2 : Adoption of the proposal for distribution of 2020 profits.
- V Discussion :
 - Motion 1 : Amendment to the Company's Rules of Procedure for Shareholders' Meeting.
 - Motion 2 : Amendment to the Company's Procedures for Election of Directors.
 - Motion 3 : Deletion of the non-competition promise ban imposed upon the Company's Directors and Independent 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 Chairman remarks

III Company Reports

Motion 1: 2020 Business Report.

Explanation : Please refer to pages 7~8 (Attachment 1) of the Meeting Handbook for the Company's 2020 business report.

Motion 2: Audit Committee's Review Report on the 2020 Financial Statements.

Explanation : The Company's 2020 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 2020 profits (Attachment 5), and abovementioned are attached on page 7~34 of the Meeting Handbook.

Motion 3 : Report on the payment of employee compensation and director remuneration of 2020.

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 2020 in the following manner, based on the Articles of Incorporation and by taking the operating performance into account:
 - (1) 7.34% as the remuneration to employees, namely NT\$1,783,681,359.
 - (2) 1.51% as the remuneration to directors, namely NT\$366,179,161.
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.

2. The Company renders endorsements/guarantees exactly in accordance with the provisions set forth under Paragraph I of Descriptions. As of December 31, 2020, the balance of endorsements/guarantees at the end of the term amounted to NT\$27.06 billion. The aggregate total actually disbursed amounted to NT\$0.423 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% | 21,000,000 | the 8 th meeting of the 18 th term of board Mar. 27, 2020 | 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 | 76,000 |
| Tone Sang Construction Corp. | 100.0% | 1,800,000 | the 10 th meeting of the 13 th term of board Dec. 16, 2005 | 347,000 |
| President Baseball Team Corp. | 100.0% | 60,000 | the 7 th meeting of the 11 th term of board Aug. 20, 1999 | 0 |
| Total | - | 27,060,000 | | 423,000 |

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

3. Please refer to Appendix 1 on page 43~46 of the Meeting Handbook for the Current Provision.

Motion 5 : Report on the Company's issuance status of corporate bonds for 2020.

Explanation:

1. The issuances were completed in accordance with Article 246 of Company Act.
2. The company completed three offerings of corporate bonds in 2020. A summary of the major terms of these offerings are as follows :

| | | | |
|--|--|---|---|
| Issuance | 2020's first domestic unsecured straight corporate bond | 2020's second domestic unsecured straight corporate bond | 2020's third domestic unsecured straight corporate bond |
| Amount | NTD 8.55 billion | NTD 3.0 billion | NTD 3.0 billion |
| Maturity | 5 years and 7 years | 5 years and 7 years | 7 years |
| Coupon Rate | 5 years : 0.56% 7 years : 0.59% | 5 years : 0.50% 7 years : 0.58% | 0.43% |
| 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. | In the case of a 5-year term, repaying principal in full at maturity from the issuance date; in the case of a 7-year term, repaying 1/2 principle by the ends of 6 th and 7 th year from the issuance date. simple interest rate is used to pay out yearly. | Principle repayment: repaying 1/2 principle by the ends of 6 th and 7 th year from the issuance date. simple interest rate is used to pay out yearly. |
| Approval Document Number | Announcement of effectivity per the Letter Zheng-Gui-Zhai-Zi No. 10900034551 of the Taipei Exchange on Apr. 13, 2020. | Announcement of effectivity per the Letter Zheng-Gui-Zhai-Zi No. 10900115801 of the Taipei Exchange on Oct. 5, 2020. | Announcement of effectivity per the Letter Zheng-Gui-Zhai-Zi No. 10900144451 of the Taipei Exchange on Dec. 18, 2020. |
| The Purpose of Issuance | Raising long-term capital and reinforcing the financial structure. | Raising long-term capital and reinforcing the financial structure. | Raising long-term capital and reinforcing the financial structure. |
| Note | The offering was completed on Apr. 22, 2020. | The offering was completed on Oct. 14, 2020. | The offering was completed on Dec. 29, 2020. |

IV Proposals

Motion 1: 2020 Company's business reports and financial statements. (Proposed by the Board)

Explanation:

1. Adoption of the 2020 Company's business report and financial statements, which have been approved by resolution of the 15th meeting of the 18th term of board of directors on March 24, 2021 and examined by Audit Committee.
2. Please refer to pages 7~33 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 2020 profits. (Proposed by the Board)

Explanation:

1. The Company's net profit after tax was NT\$21,542,407,407 in 2020. Plus an effort to ascertain the amount of remeasuring of the fringe benefit programs, NT\$27,916,456.10% legal reserve, NT\$ 2,157,032,386 was set aside pursuant to laws, and set aside of special reserve, NT\$1,104,333,413 and unappropriated retained earnings of previous years, NT\$9,169,698,399 the accumulated allocable earnings from profits was NT\$ 27,478,656,463.
2. Please refer to Attachment 5 on page 34 of the Meeting Handbook for the distribution of 2020 profits.
3. The Company's 2020 is proposed to distribute Cash dividends of NT\$ 2.7 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. 11000014461 on January 28, 2021.
2. In order to improve the corporate governance and maintain shareholders' interest and rights, amending Article 9 and Article 16 of the Company's "Rules of Procedure for Shareholders Meetings" in response to the official "Sample Template. Meanwhile, with reference to Article 3 of the Sample Template, which provides that the causes stated in the notice of the reasons for convening the shareholders' meeting may not be altered by any extemporaneous in the same meeting, the Company waives to set forth such requirement separately, as the same has been expressly defined in Article 172 of the parent law, namely Company Act.
3. Please refer to Attachment 6 on page 35~36 of the Meeting Handbook of Contrast Table of the article of " Rules of Procedure for Shareholders' Meeting", Appendix 2 on page 47~49 of the Meeting Handbook for the original clauses.

Resolution:

Motion 2: Amendment to the Company's Procedures for Election of Directors. (Proposed by the Board)

Explanation:

1. According to revised by Taiwan Stock Exchange, Tai-Zheng-Zhi-Li-Zi No. 10900094681 on June 3, 2020, it's planned to revise the Company's "Procedures for Election of Directors": Article 2, 10~14.
2. Focus of the amendments:
 - (1) Amend Article 2
Considering that the "Rules for Director Elections" enacted by the Company earlier are similar to the "Procedures for Election of Directors" enacted by the Company in response to the competent authority's regulations in the contents, and according to Article 21 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies," a TWSE/TPEX listed company shall establish a fair, just, and open procedure for the election of directors, we suggest

that the “Procedures for Election of Directors” should replace the “Rules for Director Elections” and the “Rules for Director Elections” should be abolished upon approval of a general shareholders’ meeting.

- (2) In response to the existing practices, delete Article 10 and amend Articles 11~14 thereof.
3. Please refer to Attachment 7 on page 37~39 of the Meeting Handbook of Contrast Table of the article of " Rules of Procedure for Shareholders’ Meeting", Appendix 3 on page 50~52 of the Meeting Handbook for the original clauses.

Resolution:

Motion 3: Deletion of the non-competition promise ban imposed upon the Company’s Directors and Independent Directors according to the Article 209 of Company Act. (Proposed by the Board)

Explanation:

1. According to the Article 209 of Company Act, a director who does anything for himself/herself or on behalf of another person that is within the scope of the company's business, shall explain to the Shareholders’ Meeting the essential contents of such an act and secure its approval.
2. Increase/decrease in the positions concurrently held in other companies by the current corporate representative director of Kao Chuan Inv. Co., Ltd., Mr. Chih-Hsien Lo, Ms. Shioh-Ling Kao, the Independent Directors Mr. Chao-Tang Yue and Ms. Yun Lin, 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 8 on page 40~42 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.
2020 Business Report

Attachment 1

Profitability remains stable and is growing over the last year after everyone's effort and the consumers' support in 2020. In 2020, the Company's revenue reached TWD41.9 billion, a 2.7% YoY increase, with a net income of TWD21.5 billion, a 13.3% YoY increase, and consolidated revenue of TWD447.3 billion. In 2021, Uni-President will carry through the business mindset of "Honesty, Diligence, Innovation, and Progression", and hold onto the business guidance to catch trends, find ways, and refine skills, continuously strengthening the market status and competitiveness to create a promising future.

Protecting food safety without compromise.

"Food Safety" is the most concerned topic for the public and a critical rule that cannot be compromised. We have put up a "Food Safety Center Building" at the national level, strengthened risk control of the value chain and ecology chain, ensuring stricter door keeping 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 Logistic Life Platform" to lay the foundation for the Group's sustainability.

Population structure and technological evolution are changing rapidly. Technology development drives types of life and consumption to transform. To look out to the future, other than following society trends, consumer expectations, food safety laws and 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 altogether. 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 and production efficiency through the use of management policies 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 Logistic Life Platform to work on the long-term business goals, i.e. better services for life, improvement of life quality, and creation of desired economic value.

Following through the business principle of “catching trends, finding ways, and refining skills” to achieve consistent improvement.

Upholding the corporate policy for “adjustment on structure, stable growth and value marketing,” enhancing internal management and optimizing the 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, solidify the bonds with consumers through branding, pursue more excellent product strength by R&D of technology, provide consumers with a happy and relaxing shopping experience, and expand the market share and build the Company’s position in the industry.
- (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) Construction of the platform economics: Sprout the tangible channels, construct e-commerce platforms, and make good use of the Group’s logistic resources to provide excellent shopping experience and complete shopping channels; integrate online and offline information, introduce members to engage in the business; shorten the gap with consumers and exercise the value of life industry by the development of platform economics through digital innovation.
- (5) Participation in social responsibility: Value corporate governance, food safety, employees’ benefit, labor safety and environmental protection, and social participation.

Business Outlook for 2021

In 2020, the market value of Uni-President was more than NT\$350 billion, staying in the Top 20 among the enterprises in Taiwan. Uni-President exists for the society. In the future, we will keep internalizing our past expertise in manufacturing and dedicated services until they attain a more in-depth style of 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 lifestyle, 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 using the best efforts to achieve the domestic market sales target in 2021 to continue creating better investment income for all shareholders. Please continue to guide and support us.

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 2020 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:

2021 General Shareholders' Meeting of Uni-President Enterprises Corporation.

Uni-President Enterprises Corporation

Chairman of the Audit Committee Chao-Tang Yue

May 10, 2021

INDEPENDENT AUDITORS' REPORT 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, 2020 and 2019, 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, 2020 and 2019, 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 2020. 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

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 the related ending balance of investments accounted for under the equity method of \$65,483,890 thousand and \$14,953,721 thousand, both constituting 43% 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 2020.

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 2020.

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 2020.

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. The balance of these investments accounted for under equity method amounted to \$8,032,737 thousand and \$7,944,076 thousand, representing 4.27% and 4.39% of the related totals as of

December 31, 2020 and 2019, respectively, and share of profit or loss amounted to \$1,326,585 thousand and \$1,169,916 thousand, constituting 6.48% and 7.19% 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.

Auditors' 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 auditors' 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 the generally accepted auditing standards in the Republic of China 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 the generally accepted auditing standards in the Republic of China, 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 auditors'

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 auditors' 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 auditors' 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 24, 2021

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 independent auditors' report 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, 2020 | | December 31, 2019 | | |
|---------------------------|---|-------------------|-----------------------|-------------------|-----------------------|------------|
| | | AMOUNT | % | AMOUNT | % | |
| Current assets | | | | | | |
| 1100 | Cash and cash equivalents | 6(1) | \$ 70,923 | - | \$ 67,714 | - |
| 1150 | Notes receivable, net | 6(2) and 12 | 236,773 | - | 249,482 | - |
| 1170 | Accounts receivable, net | 6(2) and 12 | 785,547 | 1 | 790,840 | 1 |
| 1180 | Accounts receivable - related parties | 7 | 3,567,957 | 2 | 3,561,904 | 2 |
| 1200 | Other receivables | | 184,067 | - | 195,195 | - |
| 1210 | Other receivables - related parties | 7 | 342,471 | - | 332,760 | - |
| 1220 | Current income tax assets | 6(29) | 18,611 | - | - | - |
| 130X | Inventory | 6(3) | 2,192,119 | 1 | 2,152,230 | 1 |
| 1410 | Prepayments | | 72,621 | - | 69,803 | - |
| 1479 | Other current assets | | 2,230 | - | 1,000 | - |
| 11XX | Total current assets | | <u>7,473,319</u> | <u>4</u> | <u>7,420,928</u> | <u>4</u> |
| Non-current assets | | | | | | |
| 1510 | Financial assets at fair value through profit or loss - non-current | 6(4) | 78,873 | - | 79,246 | - |
| 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) | 157,109,790 | 84 | 149,953,550 | 83 |
| 1600 | Property, plant and equipment | 6(7)(11) and 7 | 16,353,974 | 9 | 16,222,471 | 9 |
| 1755 | Right-of-use assets | 6(8) | 163,564 | - | 202,757 | - |
| 1760 | Investment property, net | 6(10)(11) | 4,891,868 | 3 | 4,770,432 | 3 |
| 1780 | Intangible assets | 7 | 124,141 | - | 138,195 | - |
| 1840 | Deferred income tax assets | 6(29) | 609,333 | - | 674,626 | 1 |
| 1915 | Prepayments for equipment | 6(7)(10) | 257,812 | - | 285,677 | - |
| 1920 | Guarantee deposits paid | | 117,627 | - | 173,018 | - |
| 1930 | Long-term notes and accounts receivable | | 26,650 | - | 40,831 | - |
| 1990 | Other non-current assets | | 574,015 | - | 547,939 | - |
| 15XX | Total non-current assets | | <u>180,557,647</u> | <u>96</u> | <u>173,338,742</u> | <u>96</u> |
| 1XXX | Total assets | | <u>\$ 188,030,966</u> | <u>100</u> | <u>\$ 180,759,670</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, 2020 | | December 31, 2019 | | |
|--|--|-------------------|-----------------------|-------------------|-----------------------|------------|
| | | AMOUNT | % | AMOUNT | % | |
| Current liabilities | | | | | | |
| 2100 | Short-term borrowings | 6(12) | \$ 757,591 | - | \$ 2,264,007 | 1 |
| 2110 | Short-term notes and bills payable | 6(13) | 8,368,859 | 5 | 1,098,981 | 1 |
| 2120 | Financial liabilities at fair value through profit or loss - current | 6(4) | 10,375 | - | 3,444 | - |
| 2150 | Notes payable | | 10,742 | - | 10,589 | - |
| 2170 | Accounts payable | | 1,288,639 | 1 | 1,367,649 | 1 |
| 2180 | Accounts payable - related parties | 7 | 145,513 | - | 148,209 | - |
| 2200 | Other payables | 6(14) | 7,170,324 | 4 | 6,680,032 | 4 |
| 2220 | Other payables - related parties | 7 | 841,685 | - | 797,888 | - |
| 2230 | Current income tax liabilities | 6(29) | 279,633 | - | 404,219 | - |
| 2280 | Lease liabilities - current | | 74,912 | - | 68,855 | - |
| 2310 | Advance receipts | | 131,974 | - | 131,705 | - |
| 2320 | Long-term liabilities, current portion | 6(15)(16) | 1,400,000 | 1 | 3,400,000 | 2 |
| 2399 | Other current liabilities | | 10,495 | - | 15,600 | - |
| 21XX | Total current liabilities | | <u>20,490,742</u> | <u>11</u> | <u>16,391,178</u> | <u>9</u> |
| Non-current liabilities | | | | | | |
| 2530 | Corporate bonds payable | 6(15) | 42,100,000 | 22 | 28,950,000 | 16 |
| 2540 | Long-term borrowings | 6(16) | 6,300,000 | 3 | 21,879,211 | 12 |
| 2570 | Deferred income tax liabilities | 6(29) | 1,906,023 | 1 | 1,961,706 | 1 |
| 2580 | Lease liabilities - non-current | | 85,970 | - | 131,486 | - |
| 2640 | Net defined benefit liabilities- non-current | 6(17) | 2,629,008 | 2 | 2,961,624 | 2 |
| 2645 | Guarantee deposits received | | 70,834 | - | 63,481 | - |
| 2670 | Other non-current liabilities | | 4,370 | - | 4,640 | - |
| 25XX | Total non-current liabilities | | <u>53,096,205</u> | <u>28</u> | <u>55,952,148</u> | <u>31</u> |
| 2XXX | Total liabilities | | <u>73,586,947</u> | <u>39</u> | <u>72,343,326</u> | <u>40</u> |
| Equity | | | | | | |
| Share capital | | | | | | |
| 3110 | Common stock | 6(18) | 56,820,154 | 30 | 56,820,154 | 32 |
| Capital surplus | | | | | | |
| 3200 | Capital surplus | 6(19) | 3,664,464 | 2 | 3,897,742 | 2 |
| Retained earnings | | | | | | |
| 3310 | Legal reserve | 6(20) | 24,218,283 | 13 | 22,317,557 | 12 |
| 3320 | Special reserve | | 7,099,301 | 4 | 4,005,821 | 2 |
| 3350 | Unappropriated retained earnings | | 30,740,022 | 16 | 28,369,562 | 16 |
| Other equity interest | | | | | | |
| 3400 | Other equity interest | 6(21) | (8,098,205) | (4) | (6,994,492) | (4) |
| 3XXX | Total equity | | <u>114,444,019</u> | <u>61</u> | <u>108,416,344</u> | <u>60</u> |
| Contingent Liabilities and Commitments | | | | | | |
| Significant event after balance sheet date | | | | | | |
| 3X2X | Total liabilities and equity | | <u>\$ 188,030,966</u> | <u>100</u> | <u>\$ 180,759,670</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.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

| | | Year ended December 31 | | | | |
|-------|---|------------------------------|-----------------|--------|-----------------|-------|
| | | 2020 | | 2019 | | |
| Items | Notes | AMOUNT | % | AMOUNT | % | |
| 4000 | Operating revenue | 6(22) and 7 | \$ 41,870,944 | 100 | \$ 40,771,379 | 100 |
| 5000 | Operating costs | 6(3)(27)(28) and 7 | (28,676,111) | (69) | (28,041,020) | (69) |
| 5900 | Net operating margin | | 13,194,833 | 31 | 12,730,359 | 31 |
| | Operating expenses | 6(10)(27)(28), 7 and 12 | | | | |
| 6100 | Selling expenses | | (5,732,574) | (14) | (5,910,590) | (14) |
| 6200 | General and administrative expenses | | (4,332,129) | (10) | (3,888,210) | (10) |
| 6300 | Research and development expenses | | (437,486) | (1) | (448,216) | (1) |
| 6450 | Expected credit losses | | (26) | - | (700) | - |
| 6000 | Total operating expenses | | (10,502,215) | (25) | (10,247,716) | (25) |
| 6900 | Operating profit | | 2,692,618 | 6 | 2,482,643 | 6 |
| | Non-operating income and expenses | | | | | |
| 7100 | Interest income | 6(23) | 86 | - | 105 | - |
| 7010 | Other income | 6(9)(10)(24) and 7 | 1,866,391 | 4 | 1,869,774 | 5 |
| 7020 | Other gains and losses | 6(4)(6)(8)(11)(25) and 12(2) | (1,050,623) | (2) | (970,150) | (2) |
| 7050 | Finance costs | 6(7)(8)(26) | (456,062) | (1) | (501,643) | (1) |
| 7070 | Share of profit of subsidiaries, associates and joint ventures accounted for under equity method | 6(6) | 19,113,378 | 46 | 16,836,392 | 41 |
| 7000 | Total non-operating income and expenses | | 19,473,170 | 47 | 17,234,478 | 43 |
| 7900 | Profit before income tax | | 22,165,788 | 53 | 19,717,121 | 49 |
| 7950 | Income tax expense | 6(29) | (623,381) | (1) | (709,866) | (2) |
| 8200 | Profit for the year | | \$ 21,542,407 | 52 | \$ 19,007,255 | 47 |
| | 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) | (\$ 6,530) | - | \$ 182,600 | - |
| 8330 | Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for under equity method | | 224,857 | - | 510,303 | 1 |
| 8349 | Income tax related to components of other comprehensive income that will not be reclassified to profit or loss | 6(29) | 7,007 | - | (41,122) | - |
| | Components of other comprehensive income (loss) that will be reclassified to profit or loss | | | | | |
| 8361 | Financial statements translation differences of foreign operations | 6(21) | (452,878) | (1) | (2,066,421) | (5) |
| 8380 | Share of other comprehensive (loss) income of subsidiaries, associates and joint ventures accounted for under equity method | | (848,871) | (2) | (1,330,336) | (3) |
| 8300 | Total other comprehensive loss for the year | | (\$ 1,076,415) | (3) | (\$ 2,744,976) | (7) |
| 8500 | Total comprehensive income for the year | | \$ 20,465,992 | 49 | \$ 16,262,279 | 40 |
| | Earnings per share (in dollars) | 6(30) | | | | |
| 9750 | Basic | | \$ 3.79 | | \$ 3.35 | |
| 9850 | Diluted | | \$ 3.77 | | \$ 3.33 | |

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.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of New Taiwan dollars)

| Notes | Share capital - common stock | Additional paid-in capital | Retained Earnings | | | Other Equity Interest | | | Total | |
|-------------------------------------|------------------------------|----------------------------|-------------------|-----------------|----------------------------------|--|---|--------------|------------|----------------|
| | | | Legal reserve | Special reserve | Unappropriated retained earnings | Financial statements translation differences of foreign operations | Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income | Others | | |
| Year ended December 31, 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 |
| | | - | - | - | - | 19,007,255 | - | - | - | 19,007,255 |
| | 6(21) | - | - | - | - | 171,294 | (3,454,537) | 538,267 | - | (2,744,976) |
| | | - | - | - | - | 19,178,549 | (3,454,537) | 538,267 | - | 16,262,279 |
| Distribution of 2018 net income : | | | | | | | | | | |
| | | - | - | 1,744,202 | - | (1,744,202) | - | - | - | - |
| | 6(20) | - | - | - | - | (14,205,039) | - | - | - | (14,205,039) |
| | 6(19) | - | 2,029 | - | - | - | - | - | - | 2,029 |
| | 6(19) | - | (65,069) | - | - | - | - | - | - | (65,069) |
| | 6(19) | - | 53,786 | - | - | - | - | - | - | 53,786 |
| | 6(19) | - | 10,492 | - | - | - | - | - | - | 10,492 |
| | 6(20) | - | - | - | (4,874) | 4,874 | - | - | - | - |
| | 6(21) | - | - | - | - | 247,205 | - | (247,205) | - | - |
| | 6(21) | - | - | - | - | - | - | - | 3,353 | 3,353 |
| | | \$ 56,820,154 | \$ 3,897,742 | \$ 22,317,557 | \$ 4,005,821 | \$ 28,369,562 | (\$ 7,726,653) | \$ 732,161 | \$ - | \$ 108,416,344 |
| Year ended December 31, 2020 | | | | | | | | | | |
| | | \$ 56,820,154 | \$ 3,897,742 | \$ 22,317,557 | \$ 4,005,821 | \$ 28,369,562 | (\$ 7,726,653) | \$ 732,161 | \$ - | \$ 108,416,344 |
| | | - | - | - | - | 21,542,407 | - | - | - | 21,542,407 |
| | 6(21) | - | - | - | - | (126,452) | (1,384,577) | 434,614 | - | (1,076,415) |
| | | - | - | - | - | 21,415,955 | (1,384,577) | 434,614 | - | 20,465,992 |
| Distribution of 2019 net income : | | | | | | | | | | |
| | | - | - | 1,900,726 | - | (1,900,726) | - | - | - | - |
| | 6(20) | - | - | - | 3,094,100 | (3,094,100) | - | - | - | - |
| | 6(20) | - | - | - | - | (14,205,039) | - | - | - | (14,205,039) |
| | 6(19) | - | 13,852 | - | - | - | - | - | - | 13,852 |
| | 6(19) | - | (252,699) | - | - | - | - | - | - | (252,699) |
| | 6(19) | - | (555) | - | - | - | - | - | - | (555) |
| | 6(19) | - | 6,124 | - | - | - | - | - | - | 6,124 |
| | 6(20) | - | - | - | (620) | 620 | - | - | - | - |
| | 6(21) | - | - | - | - | 153,750 | - | (153,750) | - | - |
| | | \$ 56,820,154 | \$ 3,664,464 | \$ 24,218,283 | \$ 7,099,301 | \$ 30,740,022 | (\$ 9,111,230) | \$ 1,013,025 | \$ - | \$ 114,444,019 |

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.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

| | Notes | For the years ended December 31, | |
|--|--------------|----------------------------------|-------------------|
| | | 2020 | 2019 |
| <u>CASH FLOWS FROM OPERATING ACTIVITIES</u> | | | |
| Profit before tax | | \$ 22,165,788 | \$ 19,717,121 |
| Adjustments | | | |
| Adjustments to reconcile profit (loss) | | | |
| Loss on financial assets and liabilities at fair value through profit or loss | 6(4)(25) | 13,112 | 1,529 |
| Expected credit loss | 12 | 26 | 700 |
| Reversal of allowance for inventory market price decline | 6(3) | - | (861) |
| Share of profit of subsidiaries, associates and joint ventures accounted for under equity method | 6(6) | (19,113,378) | (16,836,392) |
| Depreciation on property, plant and equipment | 6(7) | 1,365,546 | 1,354,975 |
| Loss on disposal of property, plant and equipment | 6(25) | 7,559 | 11,697 |
| Depreciation on right-of-use assets | 6(8) | 76,577 | 75,290 |
| Loss (gain) from lease modification | 6(8) | 638 | (173) |
| Depreciation on investment property | 6(10) | 53,292 | 54,039 |
| Loss on disposal of investment property | 6(25) | - | 9 |
| Impairments loss (gain on reversal of impairment loss) on non-financial assets | 6(6)(11)(25) | 132,497 | (254) |
| Amortization | | 17,564 | 5,244 |
| Amortization of rent receivable | | 15,503 | 12,072 |
| Interest income | 6(23) | (86) | (105) |
| Dividend income | 6(24) | (14,617) | (15,585) |
| Finance costs | 6(26) | 456,062 | 501,643 |
| Changes in operating assets and liabilities | | | |
| Changes in operating assets | | | |
| Notes receivable | | 16,009 | (6,213) |
| Accounts receivable | | 1,967 | (64,518) |
| Accounts receivable - related parties | | (6,053) | (86,492) |
| Other receivables | | 9,806 | (5,925) |
| Other receivables - related parties | | (9,711) | 62,802 |
| Inventories | | (39,889) | (233,140) |
| Prepayments | | (4,690) | 5,793 |
| Changes in operating liabilities | | | |
| Financial liabilities at fair value through profit or loss | | (5,808) | 3,207 |
| Notes payable | | 153 | 796 |
| Accounts payable | | (79,010) | 76,597 |
| Accounts payable - related parties | | (2,696) | (16,274) |
| Other payables | | 535,683 | 553,335 |
| Other payables - related parties | | 43,797 | 191,921 |
| Advance receipts | | 269 | 5,023 |
| Net defined benefit liabilities - non-current | | (339,146) | (316,697) |
| Cash inflow generated from operations | | 5,296,764 | 5,051,164 |
| Interest received | | 86 | 105 |
| Dividends received | | 10,200,154 | 8,864,349 |
| Interest paid | | (455,488) | (502,572) |
| Income tax paid | | (749,961) | (830,834) |
| Net cash flows from operating activities | | <u>14,291,555</u> | <u>12,582,212</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, | |
|---|----------|----------------------------------|-----------------|
| | | 2020 | 2019 |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES</u> | | | |
| Return of capital from investments accounted for under the equity method | 6(6) | \$ 323,692 | \$ - |
| Cash paid for acquisition of property, plant and equipment | 6(31) | (973,129) | (56,192) |
| Interest paid for acquisition of property, plant and equipment | 6(7)(31) | (4,618) | (723) |
| Proceeds from disposal of property, plant and equipment | | 1,754 | 891 |
| Acquisition of right-of-use assets | | - | (400) |
| Increase in intangible assets | | - | (140,537) |
| Decrease in guarantee deposits paid | | 54,161 | 8,306 |
| Increase in prepayments for equipment | | (713,385) | (912,846) |
| Interest paid for prepayments for equipment | 6(7) | - | (4,947) |
| Increase in other non-current assets | | (29,586) | (67,684) |
| Net cash flows used in investing activities | | (1,341,111) | (1,174,132) |
| <u>CASH FLOWS FROM FINANCING ACTIVITIES</u> | | | |
| (Decrease) increase in short-term borrowings | 6(32) | (1,506,416) | 2,212,417 |
| Increase (decrease) in short-term notes and bills payable | 6(32) | 7,269,878 | (950,160) |
| Increase in corporate bonds payable | 6(32) | 14,550,000 | 11,000,000 |
| Decrease in corporate bonds payable | 6(32) | (1,400,000) | (5,100,000) |
| Increase in long-term borrowings | 6(32) | 56,600,000 | 177,820,000 |
| Decrease in long-term borrowings | 6(32) | (74,179,211) | (182,140,685) |
| Payment of lease liabilities | 6(32) | (77,870) | (68,841) |
| Decrease in guarantee deposits received | 6(32) | 2,248 | 509 |
| Decrease in other non-current liabilities | | (270) | - |
| Payment of cash dividends | 6(20) | (14,205,039) | (14,205,039) |
| Payments of unpaid cash dividends from previous year transferred to capital reserve | 6(19) | (555) | - |
| Net cash flows used in financing activities | | (12,947,235) | (11,431,799) |
| Net increase (decrease) in cash and cash equivalents | | 3,209 | (23,719) |
| Cash and cash equivalents at beginning of year | 6(1) | 67,714 | 91,433 |
| Cash and cash equivalents at end of year | 6(1) | \$ 70,923 | \$ 67,714 |

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.

INDEPENDENT AUDITORS' REPORT 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, 2020 and 2019, 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, 2020 and 2019, 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. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 2020 consolidated financial statements. 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 2020 consolidated financial statements are stated as follows:

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

Please refer to Notes 4(34) 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 delivery and customer acceptance, which involves complicated judgements in determining the timing of the transfer of the rights and obligations and risks and rewards of ownership of goods to customers. As a result, we considered the sales of goods in Mainland China as one of the key audit matters of our annual audit of 2020.

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 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(34) 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 therefore been identified as one of the key audit matters of our annual audit of 2020.

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 therefore been identified as one of the key audit matters of our annual audit of 2020.

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 – Reference to the audits of other auditors

We did not audit the financial statements of certain subsidiaries and investments accounted for under the

equity method which were audited by other auditors. Therefore, 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 subsidiaries and associates, is based solely on the reports of the other auditors. Total assets of these subsidiaries and investments amounted to \$33,845,765 thousand and \$34,362,362 thousand, representing 6.83% and 7.20% of the related consolidated totals as of December 31, 2020 and 2019, respectively, and total operating revenues amounted to \$29,362,473 thousand and \$36,371,314 thousand, constituting 6.56% and 8.12% 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 \$1,427,675 thousand and \$1,250,381 thousand, constituting 4.70% and 5.00% of the consolidated total comprehensive income for the years then ended, respectively.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of Uni-President Enterprises Corp. as at and for the years ended December 31, 2020 and 2019.

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.

Auditors' 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 auditors' 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 the generally accepted auditing standards in the Republic of China 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 the generally accepted auditing standards in the Republic of China,

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 auditors' 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 auditors' 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 auditors' 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 24, 2021

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 independent auditors' report 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, 2020 | | December 31, 2019 | | |
|---------------------------|---|---------------------|-----------------------|-------------------|-----------------------|------------|
| | | AMOUNT | % | AMOUNT | % | |
| Current assets | | | | | | |
| 1100 | Cash and cash equivalents | 6(1) | \$ 81,978,785 | 17 | \$ 74,706,801 | 16 |
| 1110 | Financial assets at fair value through profit or loss - current | 6(2) | 11,221,762 | 2 | 6,937,801 | 1 |
| 1136 | Financial assets at amortized cost - current | 6(3) | 6,734,335 | 1 | 14,168,672 | 3 |
| 1150 | Notes receivable, net | 6(4), 8 and 12 | 1,177,925 | - | 1,279,854 | - |
| 1160 | Notes receivable - related parties | 7 | 286 | - | 270 | - |
| 1170 | Accounts receivable, net | 6(4) and 12 | 15,409,833 | 3 | 15,661,933 | 3 |
| 1180 | Accounts receivable - related parties | 7 | 951,544 | - | 1,103,415 | - |
| 1200 | Other receivables | 6(5) and 12 | 3,732,005 | 1 | 3,164,296 | 1 |
| 1220 | Current income tax assets | 6(33) | 251,138 | - | 250,549 | - |
| 130X | Inventories | 6(6)(10) | 38,940,444 | 8 | 37,625,767 | 8 |
| 1410 | Prepayments | | 3,983,881 | 1 | 3,971,230 | 1 |
| 1460 | Non-current assets held for sale, net | 6(7)(10) | 19,982 | - | 757,211 | - |
| 1470 | Other current assets | 6(1) and 8 | 3,651,880 | 1 | 3,199,798 | 1 |
| 11XX | Total current assets | | <u>168,053,800</u> | <u>34</u> | <u>162,827,597</u> | <u>34</u> |
| Non-current assets | | | | | | |
| 1510 | Financial assets at fair value through profit or loss - non-current | 6(2) | 4,611,260 | 1 | 4,494,469 | 1 |
| 1517 | Financial assets at fair value through other comprehensive income - non-current | 6(8) and 8 | 4,374,550 | 1 | 4,377,537 | 1 |
| 1535 | Financial assets at amortized cost - non-current | 6(3) | 20,878,506 | 4 | 11,191,665 | 2 |
| 1550 | Investments accounted for under equity method | 6(9) and 8 | 33,012,916 | 7 | 31,624,772 | 7 |
| 1600 | Property, plant and equipment | 6(10)(15) and 8 | 126,977,238 | 26 | 130,387,562 | 27 |
| 1755 | Right-of-use assets | 6(10)(11) | 84,830,617 | 17 | 79,275,049 | 17 |
| 1760 | Investment property, net | 6(10)(13)(15) and 8 | 17,765,449 | 3 | 17,108,968 | 4 |
| 1780 | Intangible assets | 6(14) | 18,667,500 | 4 | 19,241,450 | 4 |
| 1840 | Deferred income tax assets | 6(33) | 6,380,787 | 1 | 6,261,844 | 1 |
| 1915 | Prepayments for equipment | 6(10) | 821,596 | - | 699,185 | - |
| 1920 | Guarantee deposits paid | 8 | 3,453,217 | 1 | 3,829,032 | 1 |
| 1990 | Other non-current assets | 6(1)(21), 7 and 8 | 5,511,056 | 1 | 6,136,143 | 1 |
| 15XX | Total non-current assets | | <u>327,284,692</u> | <u>66</u> | <u>314,627,676</u> | <u>66</u> |
| 1XXX | Total assets | | <u>\$ 495,338,492</u> | <u>100</u> | <u>\$ 477,455,273</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, 2020 | | December 31, 2019 | | |
|--|--|-------------------|-----------------------|-------------------|-----------------------|------------|
| | | AMOUNT | % | AMOUNT | % | |
| Current liabilities | | | | | | |
| 2100 | Short-term borrowings | 6(16) and 8 | \$ 22,364,771 | 5 | \$ 29,114,702 | 6 |
| 2110 | Short-term notes and bills payable | 6(17) and 8 | 14,872,897 | 3 | 3,324,869 | 1 |
| 2120 | Financial liabilities at fair value through profit or loss - current | 6(2) | 12,823 | - | 551,073 | - |
| 2130 | Contract liabilities - current | 6(26) | 16,269,358 | 3 | 13,170,263 | 3 |
| 2150 | Notes payable | | 1,103,290 | - | 1,221,090 | - |
| 2160 | Notes payable - related parties | 7 | 22,585 | - | 24,762 | - |
| 2170 | Accounts payable | | 35,935,381 | 7 | 33,608,953 | 7 |
| 2180 | Accounts payable - related parties | 7 | 538,224 | - | 527,481 | - |
| 2200 | Other payables | 6(18) | 48,844,173 | 10 | 48,359,265 | 10 |
| 2230 | Current income tax liabilities | 6(33) | 2,908,510 | 1 | 2,684,256 | 1 |
| 2280 | Lease liabilities - current | | 12,900,085 | 3 | 11,939,747 | 2 |
| 2310 | Advance receipts | | 487,962 | - | 237,773 | - |
| 2320 | Long-term liabilities, current portion | 6(19)(20) and 8 | 1,701,575 | - | 4,045,785 | 1 |
| 2399 | Other current liabilities | | 4,377,905 | 1 | 3,557,786 | 1 |
| 21XX | Total current liabilities | | <u>162,339,539</u> | <u>33</u> | <u>152,367,805</u> | <u>32</u> |
| Non-current liabilities | | | | | | |
| 2527 | Contract liabilities - non-current | 6(26) | 578,339 | - | 462,836 | - |
| 2530 | Corporate bonds payable | 6(19) | 42,100,000 | 9 | 28,950,000 | 6 |
| 2540 | Long-term borrowings | 6(20) and 8 | 15,197,395 | 3 | 31,449,823 | 7 |
| 2570 | Deferred income tax liabilities | 6(33) | 14,416,577 | 3 | 14,302,824 | 3 |
| 2580 | Lease liabilities - non-current | | 63,658,510 | 13 | 58,218,352 | 12 |
| 2640 | Net defined benefit liabilities - non-current | 6(21) | 8,541,885 | 2 | 8,689,682 | 2 |
| 2645 | Guarantee deposits received | | 6,109,838 | 1 | 6,790,153 | 1 |
| 2670 | Other non-current liabilities | | 1,797,816 | - | 2,218,493 | 1 |
| 25XX | Total non-current liabilities | | <u>152,400,360</u> | <u>31</u> | <u>151,082,163</u> | <u>32</u> |
| 2XXX | Total liabilities | | <u>314,739,899</u> | <u>64</u> | <u>303,449,968</u> | <u>64</u> |
| Equity attributable to owners of parent | | | | | | |
| Share capital | | | | | | |
| 3110 | Common stock | 6(22) | 56,820,154 | 12 | 56,820,154 | 12 |
| Capital reserves | | | | | | |
| 3200 | Capital surplus | 6(23)(35) | 3,664,464 | 1 | 3,897,742 | 1 |
| Retained earnings | | | | | | |
| 3310 | Legal reserve | 6(24) | 24,218,283 | 5 | 22,317,557 | 4 |
| 3320 | Special reserve | | 7,099,301 | 1 | 4,005,821 | 1 |
| 3350 | Unappropriated retained earnings | | 30,740,022 | 6 | 28,369,562 | 6 |
| Other equity interest | | | | | | |
| 3400 | Other equity interest | 6(25) | (8,098,205) | (2) | (6,994,492) | (2) |
| 31XX | Equity attributable to owners of the parent | | <u>114,444,019</u> | <u>23</u> | <u>108,416,344</u> | <u>22</u> |
| 36XX | Non-controlling interest | 4(3) | 66,154,574 | 13 | 65,588,961 | 14 |
| 3XXX | Total equity | | <u>180,598,593</u> | <u>36</u> | <u>174,005,305</u> | <u>36</u> |
| Contingent Liabilities and Commitments | | | | | | |
| | Significant event after balance sheet date | 11 | | | | |
| 3X2X | Total liabilities and equity | | <u>\$ 495,338,492</u> | <u>100</u> | <u>\$ 477,455,273</u> | <u>100</u> |

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

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 | | | | |
|-------|--|-------------------------------|----------------|--------|----------------|-------|
| | | 2020 | | 2019 | | |
| | | AMOUNT | % | AMOUNT | % | |
| 4000 | Operating revenue | 6(12)(13)(26) and 7 | \$ 447,319,979 | 100 | \$ 447,977,703 | 100 |
| 5000 | Operating costs | 6(6)(14)(31)(32) | | | | |
| | | and 7 | (293,289,723) | (65) | (294,014,598) | (65) |
| 5900 | Net operating margin | | 154,030,256 | 35 | 153,963,105 | 35 |
| | Operating expenses | 6(14)(31)(32), 7 and 12 | | | | |
| 6100 | Selling expenses | | (101,585,271) | (23) | (102,140,099) | (23) |
| 6200 | General and administrative expenses | | (21,659,318) | (5) | (21,276,507) | (5) |
| 6300 | Research and development expenses | | (902,880) | - | (913,226) | - |
| 6450 | Expected credit losses | | (98,896) | - | (5,633) | - |
| 6000 | Total operating expenses | | (124,246,365) | (28) | (124,335,465) | (28) |
| 6900 | Operating profit | | 29,783,891 | 7 | 29,627,640 | 7 |
| | Non-operating income and expenses | | | | | |
| 7100 | Interest income | 6(3)(8)(27) and 7 | 2,434,117 | 1 | 2,483,305 | - |
| 7010 | Other income | 6(8)(11)(12)(13)(28) | 4,467,081 | 1 | 4,689,878 | 1 |
| 7020 | Other gains and losses | 6(2)(7)(8)(14)(15)(29) and 12 | 331,617 | - | (936,633) | - |
| 7050 | Finance costs | 6(10)(11)(30) | (2,440,662) | (1) | (2,570,419) | (1) |
| 7060 | Share of profit of associates and joint ventures accounted for under equity method | 6(9) | 3,861,977 | 1 | 3,103,499 | 1 |
| 7000 | Total non-operating income and expenses | | 8,654,130 | 2 | 6,769,630 | 1 |
| 7900 | Profit before income tax | | 38,438,021 | 9 | 36,397,270 | 8 |
| 7950 | Income tax expense | 6(33) | (7,637,356) | (2) | (7,913,716) | (1) |
| 8200 | Profit for the year | | \$ 30,800,665 | 7 | \$ 28,483,554 | 7 |

(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 | | | | |
|--|---|------------------------|----------------------|----------|-----------------------|-------------|
| | | 2020 | | 2019 | | |
| | | AMOUNT | % | AMOUNT | % | |
| Other comprehensive income (loss) | | | | | | |
| Components of other comprehensive income (loss) that will not be reclassified to profit or loss | | | | | | |
| 8311 | Actuarial (loss) gain on defined benefit plans | 6(21) | (\$ 294,594) | - | \$ 231,742 | - |
| 8316 | Unrealized gain on valuation of investments in equity instruments measured at fair value through other comprehensive income | 6(8) | 55,194 | - | 490,021 | - |
| 8320 | Share of other comprehensive income of associates and joint ventures accounted for under equity method | | 330,282 | - | 22,126 | - |
| 8349 | Income tax relating to components of other comprehensive income that will not be reclassified to profit or loss | 6(33) | 79,723 | - | (51,681) | - |
| Components of other comprehensive income (loss) that will be reclassified to profit or loss | | | | | | |
| 8361 | Financial statements translation differences of foreign operations | | (708,718) | - | (4,236,633) | (1) |
| 8367 | Unrealized (loss) gain on valuation of investments in debt instruments measured at fair value through other comprehensive income, net | 6(8) | (31,878) | - | 47,285 | - |
| 8370 | Share of other comprehensive income (loss) of associates and joint ventures accounted for under equity method | | 120,006 | - | (3,036) | - |
| 8399 | Income tax relating to components of other comprehensive income that will be reclassified to profit or loss | 6(33) | 659 | - | 349 | - |
| 8300 | Total other comprehensive loss for the year | | <u>(\$ 449,326)</u> | <u>-</u> | <u>(\$ 3,499,827)</u> | <u>(1)</u> |
| 8500 | Total comprehensive income for the year | | <u>\$ 30,351,339</u> | <u>7</u> | <u>\$ 24,983,727</u> | <u>6</u> |
| Profit attributable to: | | | | | | |
| 8610 | Owners of the parent | | \$ 21,542,407 | 5 | \$ 19,007,255 | 5 |
| 8620 | Non-controlling interest | | 9,258,258 | 2 | 9,476,299 | 2 |
| | Net income | | <u>\$ 30,800,665</u> | <u>7</u> | <u>\$ 28,483,554</u> | <u>7</u> |
| Comprehensive income attributable to: | | | | | | |
| 8710 | Owners of the parent | | \$ 20,465,992 | 5 | \$ 16,262,279 | 4 |
| 8720 | Non-controlling interest | | 9,885,347 | 2 | 8,721,448 | 2 |
| | Net comprehensive income | | <u>\$ 30,351,339</u> | <u>7</u> | <u>\$ 24,983,727</u> | <u>6</u> |
| Earnings per share (in dollars) | | | | | | |
| 9750 | Basic | 6(34) | \$ 3.79 | | \$ 3.35 | |
| 9850 | Diluted | | <u>\$ 3.77</u> | | <u>\$ 3.33</u> | |

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

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 | | | | | | | | | | |
|--|-----------|---|----------------------------|---------------|-----------------|----------------------------------|--|---|------------|----------------|--------------------------|----------------|
| | | 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 | Others | Total | Non-controlling interest | Total equity |
| 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 subsidiaries | 6(23)(35) | - | (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(36) | - | - | - | - | - | - | - | - | - | 1,751,093 | 1,751,093 |
| Non-controlling interest | | - | - | - | - | - | - | - | - | - | (8,770,774) | (8,770,774) |
| Balance at December 31, 2019 | | \$ 56,820,154 | \$ 3,897,742 | \$ 22,317,557 | \$ 4,005,821 | \$ 28,369,562 | (\$ 7,726,653) | \$ 732,161 | \$ - | \$ 108,416,344 | \$ 65,588,961 | \$ 174,005,305 |
| For the year ended December 31, 2020 | | | | | | | | | | | | |
| Balance at January 1, 2020 | | \$ 56,820,154 | \$ 3,897,742 | \$ 22,317,557 | \$ 4,005,821 | \$ 28,369,562 | (\$ 7,726,653) | \$ 732,161 | \$ - | \$ 108,416,344 | \$ 65,588,961 | \$ 174,005,305 |
| Consolidated net income for the year ended December 31, 2020 | | - | - | - | - | 21,542,407 | - | - | - | 21,542,407 | 9,258,258 | 30,800,665 |
| Other comprehensive income (loss) for the year ended December 31, 2020 | 6(25) | - | - | - | - | (126,452) | (1,384,577) | 434,614 | - | (1,076,415) | 627,089 | (449,326) |
| Total comprehensive income (loss) for the year ended December 31, 2020 | | - | - | - | - | 21,415,955 | (1,384,577) | 434,614 | - | 20,465,992 | 9,885,347 | 30,351,339 |
| Distribution of 2019 consolidated net income: | | | | | | | | | | | | |
| Legal reserve | | - | - | 1,900,726 | - | (1,900,726) | - | - | - | - | - | - |
| Special reserve | | - | - | - | 3,094,100 | (3,094,100) | - | - | - | - | - | - |
| Cash dividends | 6(24) | - | - | - | - | (14,205,039) | - | - | - | (14,205,039) | - | (14,205,039) |
| Adjustment for change in capital reserve of investee companies | 6(23) | - | 13,852 | - | - | - | - | - | - | 13,852 | - | 13,852 |
| Difference between the acquisition or disposal price and carrying amounts of subsidiaries | 6(23)(35) | - | (252,699) | - | - | - | - | - | - | (252,699) | (420,993) | (673,692) |
| Payments of unpaid cash dividends from previous year transferred to capital reserve | 6(23) | - | (555) | - | - | - | - | - | - | (555) | - | (555) |
| Non-payment of expired cash dividends from previous year transferred to capital reserve | 6(23) | - | 6,124 | - | - | - | - | - | - | 6,124 | - | 6,124 |
| Reversal of special reserve | 6(24) | - | - | - | (620) | 620 | - | - | - | - | - | - |
| Disposal of financial assets measured at fair value through other comprehensive income - equity instrument | 6(8) | - | - | - | - | 153,750 | (153,750) | - | - | - | - | - |
| Non-controlling interest | | - | - | - | - | - | - | - | - | - | (8,898,741) | (8,898,741) |
| Balance at December 31, 2020 | | \$ 56,820,154 | \$ 3,664,464 | \$ 24,218,283 | \$ 7,099,301 | \$ 30,740,022 | (\$ 9,111,230) | \$ 1,013,025 | \$ - | \$ 114,444,019 | \$ 66,154,574 | \$ 180,598,593 |

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, | |
|---|-----------|----------------------------------|-------------------|
| | | 2020 | 2019 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit before tax | | \$ 38,438,021 | \$ 36,397,270 |
| Adjustments | | | |
| Adjustments to reconcile profit (loss) | | | |
| Gain on financial assets and liabilities at fair value through profit or loss | 6(2)(29) | (1,632,044) | (539,119) |
| Expected credit loss | 12 | 98,896 | 5,633 |
| Gain on disposal of non-current assets held for sale | 6(7)(29) | (264,321) | - |
| (Reversal of allowance) provision for inventory market price decline | 6(6) | (120,710) | 17,439 |
| Loss on disposal of financial assets at fair value through other comprehensive income - debt instrument | 6(8)(29) | 14,183 | 7,512 |
| Share of profit of associates and joint ventures accounted for under equity method | 6(9) | (3,861,977) | (3,103,499) |
| Loss on disposal of investments accounted for under equity method | 6(29) | - | 91,912 |
| Depreciation on property, plant and equipment | 6(10) | 18,132,192 | 18,509,125 |
| (Gain) loss on disposal of property, plant and equipment | 6(29) | (11,397) | 88,439 |
| Property, plant and equipment transferred to loss | 6(10) | 11,900 | 22,726 |
| Depreciation on right-of-use assets | 6(11) | 13,328,127 | 12,345,387 |
| Loss (gain) on disposal of right-of-use assets | 6(29) | 1,858 | (24,637) |
| Rent concessions income | 6(11)(28) | (149,057) | - |
| Gain from lease modification | 6(11)(29) | (75,686) | (68,020) |
| Depreciation on investment property | 6(13) | 333,586 | 266,237 |
| Gain on disposal of investment property | 6(29) | (2,682) | (3,092) |
| Loss on disposal of intangible assets | 6(29) | 1,158 | 216 |
| Amortization | 6(14) | 906,535 | 891,113 |
| Gain on reversal of impairment loss on non-financial assets | 6(15)(29) | (6,572) | (8,904) |
| Interest income | 6(27) | (2,434,117) | (2,483,305) |
| Dividend income | 6(28) | (143,659) | (120,407) |
| Finance costs | 6(30) | 2,440,662 | 2,570,419 |
| Changes in operating assets and liabilities | | | |
| Changes in operating assets | | | |
| Financial assets at fair value through profit or loss | | (3,683,699) | 138,105 |
| Notes receivable | | 104,491 | 391,255 |
| Notes receivable - related parties | | (16) | 776 |
| Accounts receivable | | 177,122 | 130,986 |
| Accounts receivable - related parties | | 151,871 | 2,856 |
| Other receivables | | (337,031) | (96,035) |
| Inventories | | (950,627) | (891,312) |
| Prepayments | | (12,651) | (14,165) |
| Other current assets | | (590,005) | 7,833 |
| Changes in operating liabilities | | | |
| Contract liabilities - current | | 3,099,095 | 2,295,830 |
| Notes payable | | (117,800) | (714,280) |
| Notes payable - related parties | | (2,177) | 5,355 |
| Accounts payable | | 2,326,428 | 148,969 |
| Accounts payable - related parties | | 10,743 | (20,278) |
| Other payables | | 528,144 | (408,338) |
| Advance receipts | | 250,189 | 19,629 |
| Other current liabilities | | 567,019 | 109,064 |
| Contract liabilities - non-current | | 115,503 | 228,415 |
| Net defined benefit liabilities - non-current | | (445,298) | (413,532) |
| Cash inflow generated from operations | | 66,196,197 | 65,783,578 |
| Interest received | | 2,056,586 | 2,400,764 |
| Dividends received | | 3,251,471 | 1,994,500 |
| Interest paid | | (2,445,269) | (2,648,462) |
| Income tax paid | | (7,338,499) | (8,659,089) |
| Net cash flows from operating activities | | <u>61,720,486</u> | <u>58,871,291</u> |

(Continued)

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, | |
|--|-----------|----------------------------------|-------------------|
| | | 2020 | 2019 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Cash paid for acquisition of financial assets at amortized cost - current | | (\$ 12,727,215) | (\$ 15,670,521) |
| Repayment of principal at maturity from financial assets at amortized cost - current | | 23,024,459 | 20,470,015 |
| Increase in other receivables - related parties | | (36,277) | (266,525) |
| Proceeds from disposal of non-current assets held for sale | 6(7) | 1,012,167 | - |
| Decrease in other current assets - other financial assets | | 137,923 | 596,151 |
| Cash paid for acquisition of financial assets at fair value through other comprehensive income - non-current | | (1,214,825) | (650,752) |
| Proceeds from financial assets at fair value through other comprehensive income - non-current | 6(8) | 1,114,854 | 1,988,223 |
| Cash paid for acquisition of financial assets at amortized cost - non-current | | (12,653,507) | (8,524,866) |
| Repayment of principal at maturity from financial assets at amortized cost - non-current | | 349,062 | - |
| Cash paid for acquisition of investments accounted for under equity method | | (192,385) | (187,926) |
| Proceeds from disposal of investments accounted for under equity method | 6(37) | 243,770 | 126,649 |
| Return of capital from investments accounted for under equity method | | 31,317 | - |
| Cash paid for acquisition of property, plant and equipment | 6(37) | (14,581,962) | (13,244,174) |
| Interest paid for acquisition of property, plant and equipment | 6(10)(37) | (5,255) | (40,488) |
| Proceeds from disposal of property, plant and equipment | 6(37) | 758,403 | 1,563,330 |
| Proceeds from disposal of right-of-use assets | | 20,387 | 209,498 |
| Cash paid for acquisition of investment property | 6(13) | (16,450) | (17,224) |
| Proceeds from disposal of investment property | | 15,424 | 21,221 |
| Increase in intangible assets | 6(14) | (284,256) | (450,873) |
| Proceeds from disposal of intangible assets | | - | 894 |
| Increase in prepayment for equipment | | (1,726,081) | (1,473,774) |
| Interest paid for prepayment for equipment | 6(10) | - | (5,170) |
| Decrease (increase) in guarantee deposits paid | | 375,815 | (491,967) |
| Decrease (increase) in other non-current assets | | 599,324 | (645,666) |
| Cash paid for business combination | 6(37) | - | (6,383,440) |
| Net cash flows used in investing activities | | (15,755,308) | (23,077,385) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| (Decrease) increase in short-term borrowings | 6(38) | (6,749,931) | 1,421,808 |
| Increase (decrease) in short-term notes and bills payable | 6(38) | 11,548,028 | (2,525,292) |
| Increase in corporate bonds payable | 6(38) | 14,550,000 | 11,000,000 |
| Decrease in corporate bonds payable | 6(38) | (1,400,000) | (7,252,744) |
| Increase in long-term borrowings | 6(38) | 69,007,551 | 190,019,264 |
| Decrease in long-term borrowings | 6(38) | (87,608,807) | (198,715,671) |
| Payments of lease liabilities | 6(38) | (13,101,166) | (11,217,175) |
| Decrease in guarantee deposit received | 6(38) | (680,315) | (236,560) |
| Decrease in other non-current liabilities | | (167,577) | (165,120) |
| Payments of unpaid cash dividends from previous year transferred to capital reserve | 6(23) | (555) | - |
| Cash paid for transaction with non-controlling interests | 6(35) | (673,692) | (124,196) |
| Payment of cash dividends | 6(24) | (14,205,039) | (14,205,039) |
| Change in non-controlling interests | | (8,898,741) | (8,770,774) |
| Net cash flows used in financing activities | | (38,380,244) | (40,771,499) |
| Effect of foreign exchange rate changes on cash and cash equivalents | | (312,950) | (376,556) |
| Net increase (decrease) in cash and cash equivalents | | 7,271,984 | (5,354,149) |
| Cash and cash equivalents at beginning of year | 6(1) | 74,706,801 | 80,060,950 |
| Cash and cash equivalents at end of year | 6(1) | \$ 81,978,785 | \$ 74,706,801 |

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, 2020

Unit : NT\$

| | |
|---|-------------------|
| Net Income for 2020 | \$ 21,542,407,407 |
| Less : 10% Legal Reserve | (2,157,032,386) |
| Less : An effort to ascertain the amount of remeasuring of the fringe benefit programs. | (126,452,688) |
| Plus : Resersal of Special Reserve | 619,403 |
| Plus : Disposal of equity instruments at fair value through other comprehensive income | 153,749, 741 |
| Less : Special Reserve-Other Equity Interest | (1,104,333,413) |
| 2020 Earnings Available for Distribution | 18,308,958,064 |
| Plus : Unappropriated Retained Earnings of Previous years | 9,169,698,399 |
| Distribution Items: | 27,478,656,463 |
| Cash Dividends to Common Share Holders (NT\$ 2.7 per share) | 15,341,441,637 |
| Unappropriated Distribution | \$ 12,137,214,826 |

Note :

1. Net income for 2020 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”.
3. According to the ruling issued by MOE on January 9, 2020 (Ref. 10802432410), the appropriation for legal reserve should be based on the unappropriated earnings amount for the current fiscal year which includes earnings after tax for the period plus items other than earnings after tax for the period. .

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>IX. The chairman shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting. 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.</p> | <p>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.</p> | <p>Article 9 The first item(omitted) The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. The following contents... (omitted)</p> | <p>In order to improve corporate governance and maintain shareholders' interest and rights, amend Paragraph 1 of this Article.</p> |
| <p>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</p> | <p>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</p> | <p>Article 14 The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, and the voting results shall be announced on-site immediately, including the names of those</p> | <p>In order to improve corporate governance and maintain shareholders' interest and rights, amend Paragraph 2 of this Article.</p> |

| Provision After Proposed Amendments | Current Provision | Amendments to the official version | Explanation |
|--|--|---|-------------|
| votes, the list of elected candidates and the number of votes upon which each candidate was elected, and the names of directors not elected and number of votes they received. | votes, the list of elected candidates and the number of votes upon which each candidate was elected. | elected as directors and supervisors and the numbers of votes with which they were elected, and the names of directors and supervisors not elected and number of votes they received. The following contents... (omitted) | |

Uni-President Enterprises Corporation
Contrast Table for Amendments to the Procedures for Election of Directors

| Provision After Proposed Amendments | Current Provision | Amendments to the official version | Explanation |
|---|--|--|--|
| <p>Article 2 Except as otherwise provided by law and regulation or by this Corporation's articles of incorporation, elections of directors shall be conducted in accordance with the Company's Procedures for Election of Directors, and the Company's Rules for Director Elections should be abolished.</p> | <p>Article 2 Except as otherwise provided by law and regulation or by this Corporation's articles of incorporation, elections of directors shall be conducted in accordance with the company rules for Director Elections and these Procedures.</p> | | <p>Considering that the Company's "Rules for Director Elections" are similar to the "Procedure for Election of Directors" in the contents, the Company plans to have the "Procedures for Election of Directors" replace the "Rules for Director Elections," and the "Rules for Director Elections" should be abolished upon approval of a general shareholders' meeting.</p> |
| <p>Delete the provision in its entirety.</p> | <p>Article 10 If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and ID card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the</p> | <p>Article 11 If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and ID card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's</p> | <p>The Company adopts the candidate nomination system. Shareholders shall elect directors from the roster of director candidates, and the information about name, academic degree and work experience of each candidate may be accessed by them from the roster prior to a shareholders' meeting. Under such</p> |

| Provision After Proposed Amendments | Current Provision | Amendments to the official version | Explanation |
|---|---|--|---|
| | names of each respective representative shall be entered. | account name in the ballot paper, or both the name of the governmental organization or juristic person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered. | circumstance, there is no need to use the shareholders' account No. or ID No. to identify the candidates. This provision is deleted accordingly. |
| <p>Article 10 A ballot is invalid under any of the following circumstances:</p> <ol style="list-style-type: none"> 1.The ballot was not prepared by the Company or a person with the right to convene. 2.The candidate whose name is entered in the ballot does not conform to the director candidate list. 3.Other words or marks are entered in addition to the number of voting rights allotted. 4.The writing is unclear and indecipherable or has been altered. (the existing subparagraphs 5 and 6 deleted) 5.The total number of votes casted exceeds the total number of votes held by the shareholder. 6.A blank ballot is placed in the ballot box. | <p>Article 11 A ballot is invalid under any of the following circumstances:</p> <ol style="list-style-type: none"> 1.The ballot was not prepared by the company. 2.The number of persons elected exceeds the limitation. 3.Other than the name and the shareholder account number or uniform ID number of the candidate, other contexts are included. 4.The handwriting is unclear and illegible. 5.If the candidate elected is a shareholder, the identify and shareholder account number thereof are not in conformity with those specified in the shareholders' roster; or if the candidate elected is not a shareholder, the name and uniform ID number are proven non-conformity. 6.The name of candidate elected is same with the name of other shareholders, and the shareholder account number or the uniform ID number is not provided for verification. 7.The total number of votes casted exceeds the total number of votes held by the shareholder. 8.A blank ballot is casted into the ballot box. | <p>Article 10 A ballot is invalid under any of the following circumstances:</p> <ol style="list-style-type: none"> 1.The ballot was not prepared by a person with the right to convene. 2.A blank ballot is placed in the ballot box. 3.The writing is unclear and indecipherable or has been altered. 4.The candidate whose name is entered in the ballot does not conform to the director candidate list. 5.Other words or marks are entered in addition to the number of voting rights allotted. | <ol style="list-style-type: none"> 1.Adjust the Article No., in response to deletion of Article 10. 2.According to Article 173 of the Company Act, shareholders may convene a meeting upon the competent authority's permission under specific circumstances (e.g. the Board of Directors' failure to send the notice for convening the meeting). Therefore, subparagraph 1 of this provision is added. 3.The Company adopts the candidate nomination system. Shareholders shall elect directors from the roster of director candidates. Given this, subparagraphs 2 and 3 of this provision are re-arranged, the existing |

| Provision After Proposed Amendments | Current Provision | Amendments to the official version | Explanation |
|--|---|---|---|
| | | | subparagraphs 5 and 6 deleted, and subparagraphs 7 and 8 are re-arranged. |
| <p>Article 11 The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced on the site.</p> | <p>Article 12 The voting rights shall be calculated on site immediately after the end of the poll, and the chair shall announce on the site the list of persons elected as directors.</p> | <p>Article 11 The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site. The following contents... (omitted)</p> | <p>1. Adjust the Article No., in response to deletion of Article 10. 2. Amend the provision in response to the practices.</p> |
| <p>Article 12 The board of directors of the Company shall issue certificate to the persons elected as directors.</p> | <p>Article 13 The board of directors of the Company shall issue certificate to the persons elected as directors.</p> | <p>Article 12 The board of directors of this Corporation shall issue notifications to the persons elected as directors.</p> | <p>Adjust the Article No., in response to deletion of Article 10.</p> |
| <p>Article 13 These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting. These Procedures were made on 26 June 2015 and have been amended on : (01) 18 June 2019 (02) 23 June 2021</p> | <p>Article 14 These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.</p> | | <p>1. Adjust the Article No., in response to deletion of Article 10. 2. Specify the dates of enactment and amendments.</p> |

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

As of 03/24/2021

| Name | Current Position with Other Companies |
|--|---|
| <p>Kao Chuan Inv. Co., Ltd. Representative: Chih-Hsien Lo</p> | <p>Chairman of : President Chain Store Corp., President Natural Industrial Corp., Ton Yi Industrial Corp., TTET Union Corp., Prince Housing & Development Corp., President Packaging Industrial Corp., President International Development Corp., Nanlien International Corp., Uni-President China Holdings Ltd. (Cayman), Changjiagang President Nisshin Food Co., Ltd., ScinoPharm Taiwan, Ltd., President Enterprises (China) Investment Co., Ltd., Uni-President Cold-Chain Corp., Presco Netmarketing Inc., Uni-President Dream Parks Corp., President Century Co., Ltd., President Property Corporation, Cheng-Shi Investment Holding Co., Prince Real Estate Co., Ltd., Times Square International Holding Co., Time Square International Co., Ltd., Times Square International Stays Corporation, Uni-President (Philippines) Corp., Uni-President (Thailand) Ltd., Uni-President (Vietnam) Co., Ltd., Woongjin Foods Co., Ltd., Daeyoung Foods Co., Ltd., Uni-President Express Corp.</p> <p>Vice Chairman of : President Nisshin Corp.</p> <p>Director of : Presicarre Corp., Uni-President Glass Industrial Co., Ltd., President Packaging Holdings Ltd., Kuang Chuan Dairy Co., Ltd., Kuang Chuan Foods Co., Ltd., President Energy Development (Cayman Islands) Ltd., Uni-President Development Corp., Uni-Wonder Corporation, President Professional Baseball Team Corp., Tait Marketing & Distribution Co., Ltd., Weilih Food Corp., Keng Ting Enterprises Co., Ltd., PCS (BVI) Holdings Ltd., PCS (Labuan) Holdings Ltd., RSI, Retail Support International Corp., Uni-President Assets Holdings Ltd., Prince Property Management Consulting Co., Kao Chuan Inv. Co., Ltd., Cayman President Holdings Ltd., Kai Yu (BVI) Investment Co., Ltd., President Fair Development Corp., Uni-President Southeast Asia Holdings Ltd., Uni-President Asia Holdings Ltd., Uni-President International (HK) Co., Ltd., Champ Green Capital Limited, Champ Green (Shanghai) Consulting Co. Ltd., Guangzhou President Enterprises Co., Ltd., Fuzhou President Enterprises Co., Ltd., Xinjiang President Enterprises Food Co., Ltd., Wuhan President Enterprises Food Co., Ltd., Uni-President Enterprises (Kunshan) Food Technology Co., Ltd., Chengdu President Enterprises Food Co., Ltd., Shenyang</p> |

| Name | Current Position with Other Companies |
|--|--|
| | <p>President Enterprises Co., Ltd., Harbin President Enterprises Co., Ltd., Hefei President Enterprises Co., Ltd., Zhenzhou President Enterprises Co., Ltd., Beijing President Enterprises Drinks Co., Ltd., Kunshan President Enterprises Food Co., Ltd., Nanchang President Enterprises Co., Ltd., Uni-President Organics Corp., Uni-President Trading (Hubei) Co., Ltd., President (Shanghai) Trading Co., Ltd., Kunming President Enterprises Food Co., Ltd., Yantai Tongli Beverage Industries Co., Ltd., Changsha President Enterprises Co., Ltd., Bama President Mineral Water Co., Ltd., Nanning President Enterprises Co., Ltd., Zhanjiang President Enterprises Co., Ltd., Chongqing President Enterprises Co., Ltd., Taizhou President Enterprises Co., Ltd., Akesu President Enterprises Co., Ltd., Changchun President Enterprises Co., Ltd., Uni-President (Shanghai) Pearly Century Co., Ltd., Baiyin President Enterprises Co., Ltd., Hainan President Enterprises Co., Ltd., Guiyang President Enterprises Co., Ltd., Jinan President Enterprises Co., Ltd., Hangzhou President Enterprises Co., Ltd., Wuxue Uni Mineral Water Co., Ltd., Shijiazhuang President Enterprises Co., Ltd., Xuzhou President Enterprises Co., Ltd., Henan President Enterprises Co., Ltd., President (Kunshan) Trading Co., Ltd., Shanxi President Enterprises Co., Ltd., Jiangsu President Enterprises Co., Ltd., Changbaishan Mountain President Enterprises, Ningxia President Enterprises Co., Ltd., President Enterprises (Shanghai) Co., Ltd., President Enterprises (Inner Mongolia) Co., Ltd., Shaanxi President Enterprises Co., Ltd., Uni-President Enterprise (Hutubi) Tomato Products Technology Co., Ltd., Uni-President Enterprises (Shanghai) Drink & Food Co., Ltd. Uni-President Enterprises (Tianjin) Co., Ltd., Hunan President Enterprises Co., Ltd., Uni-OAO Travel Service Corp.</p> <p>Supervisor of : Infinity Holdings Ltd., Eternity Holdings Ltd. President of : Presco Netmarketing Inc., Uni-President Express Corp.</p> |
| <p>Kao Chuan Inv. Co., Ltd. Representative: Shiow-Ling Kao</p> | <p>Chairman of : Kao Chuan Inv. Co., Ltd., President Being Corp., President Fair Development Corp., Uni-President Department Store Corp. · President Pharmaceutical Corp., President Drugstore Business Corp., Infinity Holdings Ltd., Eternity Holdings Ltd.</p> <p>Director of : President Chain Store Corp., Ton Yi Industrial Corp., ScinoPharm Taiwan, Ltd., President International Development Corp., Uni-President Development Corp., Prince Housing & Development Corp., Time Square International Co., Ltd., Times Square International Holding Co., President (Sanghai) Health Product Trading Company Ltd., Uni-Wonder Corporation., President Century Corp., Ltd., Beauty Wonder (Zhejiang) Trading Co., Ltd.</p> |

| Name | Current Position with Other Companies |
|---------------|---|
| | President of : Kao Chuan Inv. Co., Ltd., President Fair Development Corp. |
| Chao-Tang Yue | Director of : An-Shin Food Services Co., Ltd., Depo Auto Parts Ind. Co., Ltd., Yong Chang International Co., Ltd. Independent Director & Remuneration Committee Member, Johnson Health Tech. Co., Ltd.; Independent Director, Remuneration Committee Chairman & the Audit Committee Chairman, Feng Hsin Steel Co., Ltd; Remuneration Committee Member of Globe Union Industrial Corp. |
| Yun Lin | Director of : Hua Nan Commercial Bank, Ltd., The Eslite Spectrum Corp. Independent Director & Remuneration Committee Member, Microelectronics Technology 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 24 June 2020

- 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. Where the shareholders' meeting is assembled by the Board, the Board shall stipulate the meeting agenda. The related motions (including extemporaneous 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 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, also arrange sufficient time for voting.

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. 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.

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 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. 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..

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.

Uni-President Enterprises Corporation
Procedures for Election of Directors

Appendix 3

Amended on June 18, 2019

- Article 1 To ensure a just, fair, and open election of directors, these Procedures are adopted pursuant to Articles 21 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.
- Article 2 Except as otherwise provided by law and regulation or by this Corporation's articles of incorporation, elections of directors shall be conducted in accordance with the company rules for Director Elections and these Procedures.
- Article 3 The overall composition of the board of directors shall be taken into consideration in the selection of this Corporation's directors. The composition of the board of directors shall be determined by taking diversity into consideration. It is advisable that directors concurrently serving as company officers not exceed one-third of the total number of the board members, and that an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy should be included, not being limited to, the following two general standards:
1. Basic requirements and values: Gender, age, nationality, and culture.
 2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.
- Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:
1. The ability to make judgments about operations.
 2. Accounting and financial analysis ability.
 3. Business management ability.
 4. Crisis management ability.
 5. Knowledge of the industry.
 6. An international market perspective.
 7. Leadership ability.
 8. Decision-making ability.
- More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.
- Article 4 The qualifications for the independent directors of this Corporation shall comply with Articles 2, 3, and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.
- The election of independent directors of this Corporation shall comply with Articles 5 and 6 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and shall be conducted in accordance with Article 24 of the Corporate Governance Principles for the company.
- Article 5 Elections of directors at this Corporation shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. When the number of directors falls below five due to the dismissal of a director for any reason, this Corporation shall hold a by-election to fill the vacancy at its next 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 6 The cumulative ballot system is adopted for the election of directors of the company. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.
- Article 7 The company shall prepare separate ballots for directors in numbers corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.
- Article 8 The number of directors will be as specified in this Corporation's articles of incorporation, with voting rights separately calculated for common and independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.
- Article 9 Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes for the election of directors shall be set up by the company and publicly checked by the vote monitoring personnel before voting commences.
- Article 10 If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and ID card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.
- Article 11 A ballot is invalid under any of the following circumstances:
- 1.The ballot was not prepared by the company.
 - 2.The number of persons elected exceeds the limitation.
 - 3.Other than the name and the shareholder account number or uniform ID number of the candidate, other contexts are included.
 - 4.The handwriting is unclear and illegible.
 - 5.If the candidate elected is a shareholder, the identify and shareholder account number thereof are not in conformity with those specified in the shareholders' roster; or if the candidate elected is not a shareholder, the name and uniform ID number are proven non-conformity.
 - 6.The name of candidate elected is same with the name of other shareholders, and the shareholder account number or the uniform ID number is not provided for verification.

7.The total number of votes casted exceeds the total number of votes held by the shareholder.

8.A blank ballot is casted into the ballot box.

Article 12 The voting rights shall be calculated on site immediately after the end of the poll, and the chair shall announce on the site the list of persons elected as directors.

Article 13 The board of directors of this Corporation shall issue certificate to the persons elected as directors.

Article 14 These Procedures, and any amendments hereto, shall be implemented after approval by a 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

1. 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, but less than the maximum shareholding under the subparagraph immediately preceding the given subparagraph, the maximum shareholding under that preceding subparagraph shall be applicable. 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 (120,000,000 shares).

Note : The total issued shares of Uni-President Enterprises Corporation : 5,682,015,421 shares.

2. 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 Chuan Inv. Co., Ltd. Representative: Chih-Hsien Lo | 284,330,536 |
| Director | Kao Chuan Inv. Co., Ltd. Representative: Shioh-Ling Kao | 284,330,536 |
| Director | Kao Chuan Inv. Co., Ltd. Representative: Jui-Tang Chen | 284,330,536 |
| 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 | 8,842,628 |
| 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 | | 570,799,979 |