

**Uni-President Enterprises Corp.**  
**Handbook for the 2022 General Shareholders' Meeting**  
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# **Uni-President Enterprises Corp.**

## **Handbook for the 2022 General Shareholders' Meeting**

Meeting convening method: A physical shareholders' meeting with adjustments made according to the announcements of the competent authorities in response to the prevalence of the pandemic.

Time: Tuesday, May 31, 2022 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 : 2021 Business report.
  - Motion 2 : Audit Committee's review report on the 2021 financial statements.
  - Motion 3 : Report on the payment of employee compensation and director remuneration of 2021.
  - Motion 4 : Total endorsements/guarantees provided by the Company to investees.
  - Motion 5 : Report on the Company's issuance status of corporate bonds for 2021.
- IV Proposals:
  - Motion 1 : 2021 Company's business reports and financial statements.
  - Motion 2 : Adoption of the proposal for distribution of 2021 profits.
- V Discussion :
  - Motion 1 : Amendment to the Company's Articles of Incorporation.
  - Motion 2 : Amendment to the Company's Operational Procedures for Acquisition and Disposal of Assets.
- VI Election Matters : Reelection of the Company's Directors and Independent Directors.
- VII Other Matters:
  - Deletion of the non-competition promise ban imposed upon the Company's directors and independent directors according to the Article 209 of Company Act.
- VIII Questions and Motions
- IX Adjournment

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

**II Chairman remarks**

**III Company Reports**

Motion 1: 2021 Business Report.

Explanation : Please refer to pages 12~13 (Attachment 1) of the Meeting Handbook for the Company's 2021 business report.

Motion 2: Audit Committee's Review Report on the 2021 Financial Statements.

Explanation : This proposal is the presentation by the Board of Directors of the Company's 2021 Business Report, Financial Statements, and the Profit Allocation Proposal. Of these items, the Financial Statements have been audited by external auditors, and an opinion and report have been issued on the Financial Statements. The aforementioned proposal regarding Business Report(Attachment 1), Financial Statements(Attachment 2, Attachment 3), and the Profit Allocation Proposal(Attachment 4) have been reviewed by the Audit Committee with the Audit Committee's Review Report(Attachment 5) , and abovementioned are attached on page 12~39 of the Meeting Handbook.

Motion 3 : Report on the payment of employee compensation and director remuneration of 2021.

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 2021 in the following manner, based on the Articles of Incorporation and by taking the operating performance into account:
  - (1) 7.43% as the remuneration to employees, namely NT\$1,684,246,579.
  - (2) 1.44% as the remuneration to directors, namely NT\$325,653,639.
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, 2021, the balance of endorsements/guarantees at the end of the term amounted to NT\$31.078 billion. The aggregate total actually disbursed amounted to NT\$1.162 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 Investment Co., Ltd.	100.0%	5,468,000	the 21 <sup>th</sup> meeting of the 18 <sup>th</sup> term of board Dec. 22, 2021 the 2 <sup>th</sup> meeting of the 16 <sup>th</sup> term of board Aug 12, 2013	390,000
Kai Nan Investment Co., Ltd.	100.0%	1,200,000	the 21 <sup>th</sup> meeting of the 18 <sup>th</sup> term of board Dec. 22, 2021 the 3 <sup>th</sup> meeting of the 17 <sup>th</sup> term of board Nov. 9, 2016	0
Kai Ya Food Co., Ltd.	100.0%	50,000	the 16 <sup>th</sup> meeting of the 18 <sup>th</sup> term of board May 12, 2021	0
Kai Yu (BVI) Investment Co., Ltd.	100.0%	21,000,000	the 8 <sup>th</sup> meeting of the 18 <sup>th</sup> term of board Mar. 27, 2020	0
President Entertainment Corp.	100.0%	1,500,000	the 3 <sup>th</sup> meeting of the 16 <sup>th</sup> term of board Nov. 12, 2013	0
Tone Sang Construction Corp.	100.0%	1,800,000	the 10 <sup>th</sup> meeting of the 13 <sup>th</sup> term of board Dec. 16, 2005	772,000

President Baseball Team Corp.	100.0%	60,000	the 7 <sup>th</sup> meeting of the 11 <sup>th</sup> term of board Aug. 20, 1999	0
Total	-	31,078,000		1,162,000
Note : Actually used amounts under the approved endorsement / guarantee line.				

3. Please refer to Appendix 1 on page 66~69 of the Meeting Handbook for the Current Provision.

Motion 5 : Report on the Company's issuance status of corporate bonds for 2021.

Explanation:

1. The issuances were completed in accordance with Article 246 of Company Act.
2. The company completed two offerings of corporate bonds in 2021. A summary of the major terms of these offerings are as follows :

Issuance	2021's first domestic unsecured straight corporate bond	2021's second domestic unsecured straight corporate bond
Amount	NTD 5.95 billion	NTD 4.0 billion
Maturity	5 years and 7 years	7 years and 10 years
Coupon Rate	5 years : 0.45% 7 years : 0.53%	7 years : 0.52% 10 years : 0.56%
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 7-year term, repaying 1/2 principle by the ends of 6 <sup>th</sup> and 7 <sup>th</sup> year from the issuance date; in the case of a 10-year term, repaying 1/2 principle by the ends of 9 <sup>th</sup> and 10 <sup>th</sup> year from the issuance date.  Interest payout: simple interest rate is used to pay out yearly.
Approval Document Number	Announcement of effectivity per the Letter Zheng-Gui-Zhai-Zi No. 11000053681 of the Taipei Exchange on May 24, 2021.	Announcement of effectivity per the Letter Zheng-Gui-Zhai-Zi No. 11000106101 of the Taipei Exchange on Sep. 15, 2021.
The Purpose of Issuance	Raising long-term capital and reinforcing the financial structure.	Raising long-term capital and reinforcing the financial structure.
Note	The offering was completed on June 2, 2021.	The offering was completed on Sep. 28, 2021.

## **IV Proposals**

Motion 1: 2021 Company's business reports and financial statements. (Proposed by the Board)

Explanation:

1. Adoption of the 2021 Company's business report and financial statements, which have been approved by resolution of the 22<sup>th</sup> meeting of the 18<sup>th</sup> term of board of directors on March 9, 2022 and examined by Audit Committee.
2. Please refer to pages 12~37 and page 39 of the Meeting Handbook for the business report (Attachment 1), auditor's report and financial statements (Attachment 2, Attachment 3), audit committee's review report (Attachment 5).

Resolution:

Motion 2: Adoption of the proposal for distribution of 2021 profits. (Proposed by the Board)

Explanation:

1. The Company's net profit after tax was NT\$19,879,061,609 in 2021. Plus an effort to ascertain the amount of remeasuring of the fringe benefit programs, NT\$433,292,440, and set aside of special reserve, NT\$1,998,436,717. 10% legal reserve, NT\$ 2,031,235,405 was set aside pursuant to laws and unappropriated retained earnings of previous years, NT\$12,137,214,826 the accumulated allocable earnings from profits was NT\$ 28,419,896,753.
2. Please refer to Attachment 4 on page 38 of the Meeting Handbook for the distribution of 2021 profits.
3. The Company's 2021 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 Articles of Incorporation. (Proposed by the Board)

Explanation:

1. Amendments are to be made in accordance with the Jin-Guan-Zheng-Fa-Zi No. 1090150022 Letter and No. 10901500221 Letter dated March 31, 2021 by the Financial Supervisory Commission and Article 237 of the Company Act. It is proposed to have Article 31 of the Company's "Articles of Incorporation" amended with the provision of the "legal reserve" for an amount equivalent to the paid-in capital added, the "special reserve" appropriation from the earnings period specified, the wordings in the amended articles, and the amendments date specified in Article 34 so to make the "Articles of Incorporation" more complete.
2. According to the corporate governance 3.0 - sustainable development blueprint plan, starting from the year of 2024, the TWSE/TPEX listed companies with a paid-in capital of NT\$10 billion or more are required to have had at least one-third of the seats of independent directors (which can be postponed till the end of the current term).  
It is stipulated in the Company's Articles of Incorporation to have 13 directors (including 10 directors and 3 independent directors) appointed. A certain number of independent directors is to be appointed additionally in corresponding with the corporate governance 3.0 - sustainable development blueprint plan. The quorum of board directors in the Company's "Articles of Incorporation" is amended to 11~15 directors (including independent directors) for a flexible arrangement in the future in response to the requirements of the competent authorities.
3. Please refer to Attachment 6 on page 40~41 of the Meeting Handbook of Contrast Table of the article of "Articles of Incorporation", Appendix 2 on page 70~75 of the Meeting Handbook for the original clauses.

Resolution:

Motion 2: Amendment to the Company's Operational Procedures for Acquisition and Disposal of Assets. (Proposed by the Board)

Explanation:

1. The Company plans to have the "Operational Procedures for the Acquisition and Disposal of Assets" amended in response to the amendments made to the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" by the Financial Supervisory Commission on January 28, 2022, and in line with the business needs

- of the Company and its subsidiaries in domestic and overseas M&A plan.
2. Please refer to Attachment 7 on page 42~60 of the Meeting Handbook of Contrast Table of the article of " Operational Procedures for the Acquisition and Disposal of Assets ", Appendix 3 on page 76~92 of the Meeting Handbook for the original clauses.

Resolution:

## **VI Election Matters**

Motion 1 : Reelection of the Company's Directors and Independent Directors.  
(Proposed by the Board)

Explanation :

1. The term of the company's 18<sup>th</sup> Boards of Directors and Independent Directors will be expired on June 17, 2022. The election of the company's 19<sup>th</sup> Board of Directors and Independent Directors will be held on May 31, 2022, Shareholders' Meeting.
2. According to Article 16 of the Company's incumbent "Articles of Incorporation", 13 directors (10 common directors and 3 independent directors) are elected to organize the board of directors with the candidate nomination system adopted. Shareholders in the shareholder' meeting are to elect directors from the candidate list in accordance with the cumulative voting system stipulated in Article 198 of the Company Act. The new directors will take the office after being elected at the general shareholder meeting this year. The original directors and independent directors will be dismissed at the same time. The tenure of the 19<sup>th</sup> term of directors and independent directors is for a 3-year term from May 31, 2022 to May 30, 2025.
3. According to Article 17 of the Company's incumbent "Articles of Incorporation", all independent directors shall form the body of the Audit Committee. Therefore, the 4<sup>nd</sup> Audit Committee shall be set up and take effective when the new independent directors are elected.
4. The list of candidates for the term of the company's 19<sup>th</sup> Boards of Directors and Independent Directors, which have been reviewed and approved by resolution of the 23<sup>th</sup> meeting of the 18<sup>th</sup> term of Board of Directors on April 19, 2022, shall be presented to the general shareholders' meeting of 2022 for election. The candidates list including the Name, Education, and Experience are attached as below:



**Uni-President Enterprises Corp.**  
**The 2022 General Shareholders' Meeting (May 31, 2022)**  
**List of Candidates for Directors**

Candidates Title	Name	Education	Experience	Institutional Shareholder
Representative	Chih-Hsien Lo	MBA, UCLA, USA	<b>Executive Vice President, President and Chairman of</b> Uni-President Enterprises Corp. <b>Chairman of :</b> President Chain Store Corp., Ton Yi Industrial Corp., ScinoPharm Taiwan, Ltd., Prince Housing & Development Corp., TTET Union Corp.	Kao Chyuan Inv. Co., Ltd.
Representative	Shiow-Ling Kao	Marymount College USA	<b>Chairman of :</b> Kao Chyuan Inv. Co., Ltd., President Fair Development Corp., Uni-President Department Store Corp., President Pharmaceutical Corp., President Drugstore Business Corp., President Being Corp., Infinity Holdings Ltd., Eternity Holdings Ltd., Celestial Prosperities Holdings Ltd. <b>Director of :</b> Uni-President Enterprises Corp., President Chain Store Corp., Ton Yi Industrial Corp., ScinoPharm Taiwan, Ltd., Prince Housing & Development Corp. <b>President of :</b> Kao Chyuan Inv. Corp. President Fair Development Corp.	Kao Chyuan Inv. Co., Ltd.
Representative	Jui-Tien Huang	Master Degree in Marketing, National Kaohsiung University of Science and Technology, R.O.C.	<b>Chairman of :</b> Tait Marketing & Distribution Co., Ltd., Wisdom Distribution Service Corp., RSI Retail Support International Corp., Capital Marketing Consultant Corp., President Chain Store Tokyo Marketing Corp., ICASH Corp., Beauty Wonder (Zhejiang) Trading Co., Ltd., President (Shanghai) Health Product Trading Co., Ltd. <b>Director of :</b> President Chain Store Corp., <b>President of :</b> President Chain Store Corp., President Pharmaceutical (Hong Kong) Holdings Ltd. <b>Senior Vice President of :</b> Uni-President Enterprises Corp.	Kao Chyuan Inv. Co., Ltd.
Representative	Chung-Ho Wu	Chemistry, Fu Jen Catholic University	<b>Chairman of :</b> San Shing Spinning Co., Ltd. <b>Director of :</b> Uni-President Enterprises Corp., Tainan Spinning Co., Ltd., Nantex Industry Co., Ltd., Prince Housing Development Corp., Grand Bills Finance Corp., President Pharmaceutical Corp., Times Square International Holding Co., Times Square International Hotel Co., Kung	Young Yun Inv. Co., Ltd.

Candidates Title	Name	Education	Experience	Institutional Shareholder
			Ching International Development Co., Ltd., Southern Taiwan University of Tech. <b>Supervisor of:</b> Nanmat Technology Co., Ltd.	
Representative	Ping-Chih Wu	MS of Chemical Engineering and MS of Industrial Management, U.S.C., USA	<b>Director of :</b> Uni-President Enterprises Corp., Prince Housing Development Corp., President Pharmaceutical Corp., Kung Ching International Development Co., Ltd., Times Square International Holding Co., Times Square International Hotel Co., President Global Corp., Ameripec Inc., General Bank, President Baking Company Inc. <b>President of :</b> President Global Corp., Ameripec Inc.	Taipov Inv. Co., Ltd.
representative	Po-Ming Hou	Tourism management, Chinese Culture Univ.	<b>Chairman of :</b> Tainan Spinning Co., Ltd., Nan Fan Housing Development Co., Ltd., Tainan Spinning Retail & Distribution Co., Ltd., Hsin Yu Peng Investment Co., Ltd. <b>Director of :</b> Uni-President Enterprises Corp., Nantex Industry Co., Ltd., Prince Housing Development Corp., ScinoPharm Taiwan, Ltd., President International Development Corp., President Fair Development Corp., President Entertainment Corp., Times Square International Holding Co., Times Square International Stays Co., Times Square International Hotel Co. <b>President, Vice Chairman and Director of :</b> Tainan Spinning Co., Ltd.	Yu Peng Inv. Co., Ltd.
representative	Chung-Shen Lin	Dept. of Business Administration, Fu Jen Catholic University	<b>Chairman of :</b> President Securities Corp. <b>Director of :</b> Uni-President Enterprises Corp. , Gan En Sheng Ren Social Welfare Charity Foundation, Tong-Sheng Finance Leasing Co., Ltd. , Tong-Sheng (Suzhou) Car Rental Co., Ltd., Uni-President Tc-Lease (Cayman) Corp. <b>President and Director of :</b> President Tokyo Corp., President Tokyo Auto Leasing Corp. <b>Senior Vice President of :</b> Nanlien International Corp. <b>Managing Supervisor of :</b> Grand Bills Finance Corp.	Ping Zech Corp.
representative	Pi-Ying Cheng	Dept. of History, National Taiwan University	<b>Director of :</b> Uni-President Enterprises Corp., Nantex Industry Co., Ltd., Joyful Inv. Co., Ltd.	Joyful Inv. Co., Ltd.

Candidates Title	Name	Education	Experience	Institutional Shareholder
Director	Po-Yu Hou	Department of Radio, Television and Film, Shih Hsin Univ.	<b>Chairman of :</b> Hsin Yung Hsing Investment Co., Ltd., Mau Chiang Investment Ltd. <b>Director of :</b> Uni-President Enterprises Corp., Tainan Spinning Co., Ltd., Nantex Industry Co., Ltd. <b>Managing Director of :</b> Tainan Spinning Co., Ltd.	
Director	Chang-Sheng Lin	Electrical Engineering, Nat'l Cheng Kung Univ.	<b>President , C.E.O and Director of</b> Uni-President Enterprises Corp. <b>Chairman of :</b> President Global Corp., President Baseball Team Corp., Kai Yu Investment Co., Ltd., Kai Nan Investment Co., Ltd., Tung-Ren Pharmaceutical Corp., President Coffee Corp., Uni-President Cold Chain Corp., Uni-President Department Store Corp. <b>Vice Chairman of :</b> President Nisshin Corp., President Kikkoman Inc. <b>Director of :</b> President Chain Store Corp., Ton Yi Industrial Corp., ScinoPharm Taiwan, Ltd., TTET Union Corp., Uni- President China Holdings Ltd. (Cayman), Nanlien International Corp., President International Development Corp., Tung Ho Development Co., Ltd., Tone Sang Construction Corp., Mech-President Corp., President Entertainment Corp., RSI, Retail Support International Corp., President Natural Industrial Corp.	

**Uni-President Enterprises Corp.**  
**The 2022 General Shareholders' Meeting (May 31, 2022)**  
**List of Candidates for Independent Directors**

Candidates Title	Name	Education	Current Position & Experience & Specialty
Independent Director	Ming-Hui Chang	Master in Professional Accounting, The Univ. of Texas at Austin Bachelor, Accounting Section of the Department of Commerce, National Taiwan Univ.	<b>[Current Position] :</b> Chairman of : Taiwan Social Innovation and Sustainable Development Association Independent Director of : Bafang Yunji International Co., Ltd. <b>[Experience] :</b> PwC Taiwan : Head of Risk Control, Audit Department, Chief Operating Officer of Audit Department, Chief Operating Officer, management consultant, CEO, Director of Pipe and cypress department Chairman of : Pricewaterhousecoopers Management Consulting Co., Ltd. Jury of Award of Outstanding SMEs Adjunct Professor, National Taiwan Univ., National Chung Cheng Univ., Tung Hai Univ. <b>[Professional license] :</b> Accountant License of R.O.C
Independent Director	Wei-Yung Tsung	Department of Chemical Engineering, National Taiwan Univ.	<b>[Current Position] :</b> Independent Director of : Tokio Marine Newa Insurance Co., Ltd. <b>[Experience] :</b> Chairman of : Mitsubishi Corp. (Taiwan) Ltd. Director of : Mitsubishi Corp. LT Taiwan Co., Ltd. President of : Taiwan Kanken Techno Co., Ltd.
Independent Director	Chun-Jen Chen	J.D., Georgetown Univ.	<b>[Current Position] :</b> Professor, Dept. of Law, National Cheng Kung Univ. <b>[Experience] :</b> Associate Professor, Science & Technology Law Institute, National Cheng Kung Univ. Assistant Professor, Dept. of Law and Science & Technology Law Institute, National Cheng Kung Univ. Assistant Professor, Master's Program, Graduate Institute of Financial and Economic Law, Feng Chia Univ. Executive Secretary, Corporate Governance Research Center, Feng Chia Univ. Editorial board, English translation of the interpretation by the Chief Justice of the Judicial Yuan Lecture : Talent Development Institute for Local Government , DGPA, Executive Yuan Commissioner, the Securities Listing Review Committee of Taipei Exchange

Results of Election :

## **VII Other Matters**

Motion 1: 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, any director acting for himself/herself, or for any other person within the scope of the Company business, should provide the shareholders' meeting with explanations about any important matters of such acts and should acquire the approval of the shareholders' meeting.
2. It is proposed to seek approval in the general shareholders' meeting allowing directors and independent directors elected in the general shareholders' meeting to engage in acts of competition under Article 209 of Company Act from the date of the term of the directors and independent directors, thus be released from the competition restriction (provided that there is no damage to the interests of the Company).
3. Details of the duties subject to releasing the Candidate of Directors and Independent Directors from non-competition, please refer to Attachment 8 on Pages 61~65 of the Meeting Handbook.

Resolution :

## **VIII Questions and Motions**

## **IX Adjournment**

**Uni-President Enterprises Corp.**  
**2021 Business Report**

Attachment 1

The Company's operating income amounted to NT\$42.6 billion in 2021, representing an increase of 1.8% from the year before, a net income amounted to NT\$19.8 billion, representing a decline of 7.7% from the year before, and a consolidated operating income of NT\$473.5 billion through the efforts of all our staff and the support of consumers. In 2022, 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. In addition to establishing a national-level "Food Safety Center Building", we pay close attention to and grasp policies and regulations that may affect our operations, strengthen risk control in the value chain, and closely control our suppliers, raw materials, processes, 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.

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 through R&D of technology, provide consumers with a happy and relaxing shopping experience, expand the market share and build the Company's position in the industry.

**(2)Upgrading of profitability:**

Refine basic skills, improve the utilization of production lines, and optimize production efficiency. Continue to strengthen the added value of products and adjust the product map and marketing configuration. Examine whether the expense input efficiency continues to improve or not through management policies and tools.

**(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 2022**

In 2021, the market value of Uni-President was more than NT\$380 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 2022 to continue creating better investment income for all shareholders. Please continue to guide and support us. Thank you!

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

## 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, 2021 and 2020, 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, 2021 and 2020, 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 Norm 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 these requirements. 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 2021 parent company only financial statements. 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 Company's 2021 parent company only financial statements are stated as follows:

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

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

Cayman President Holdings Ltd. and President Chain Store Corp., the Company's subsidiaries with the related ending balance of investments accounted for under the equity method of \$70,405,876 thousands and \$14,021,049 thousands, 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 for 2021.

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 sales transactions. In addition, we understood and tested the general control environment of the information technology systems and the automatic controls that were related to sales of goods and revenue recognition.
  - (2) We conducted testing of revenue records using sampling techniques, by examining the relevant supporting documents including customer orders, goods delivery notes and customer's receipt notes. In addition, we confirmed customers' balances of accounts receivable and amounts of transactions on a sampling basis, by considering the nature of transactions and characteristics of those customers.
  - (3) We tested sales transactions that took place shortly before and after the balance sheet date, by reconciling recognized revenue with the goods delivery notes and customers' receipt notes, to assess whether revenue was recognized in the appropriate reporting periods.
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 based on the 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 for 2021.

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 for 2021.

#### 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 \$4,054,627 thousands and \$8,032,737 thousands, constituting 2.06% and 4.27% of the related totals as of December 31, 2021 and 2020, respectively, and share of profit or loss amounted to \$634,785 thousands and \$1,326,585 thousands, constituting 3.47% and 6.48% 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

Tien, Chung-Yu

PricewaterhouseCoopers, Taiwan

Republic of China

March 9, 2022

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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, 2021		December 31, 2020		
		AMOUNT	%	AMOUNT	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 93,268	-	\$ 70,923	-
1150	Notes receivable, net	6(2) and 12	278,960	-	236,773	-
1170	Accounts receivable, net	6(2) and 12	953,130	1	785,547	1
1180	Accounts receivable - related parties	7	3,755,752	2	3,567,957	2
1200	Other receivables		181,194	-	184,067	-
1210	Other receivables - related parties	7	336,600	-	342,471	-
1220	Current income tax assets	6(29)	-	-	18,611	-
130X	Inventories	6(3)	2,497,503	1	2,192,119	1
1410	Prepayments		72,548	-	72,621	-
1479	Other current assets		4,158	-	2,230	-
11XX	<b>Total current assets</b>		<u>8,173,113</u>	<u>4</u>	<u>7,473,319</u>	<u>4</u>
<b>Non-current assets</b>						
1510	Financial assets at fair value through profit or loss - non-current	6(4)	92,024	-	78,873	-
1517	Financial assets at fair value through other comprehensive income - non-current	6(5)	2,152,176	1	250,000	-
1550	Investments accounted for under equity method	6(6) and 7	162,521,308	83	157,109,790	84
1600	Property, plant and equipment	6(7)(11) and 7	15,236,591	8	16,353,974	9
1755	Right-of-use assets	6(8)	101,528	-	163,564	-
1760	Investment property, net	6(7)(10)(11) and 7	6,688,844	4	4,891,868	3
1780	Intangible assets		207,167	-	124,141	-
1840	Deferred income tax assets	6(29)	466,947	-	609,333	-
1915	Prepayments for equipment	6(7)(10)	263,398	-	257,812	-
1920	Guarantee deposits paid		78,901	-	117,627	-
1930	Long-term notes and accounts receivable		13,183	-	26,650	-
1940	Long-term notes and accounts receivable - related parties	7	24,632	-	-	-
1990	Other non-current assets		584,089	-	574,015	-
15XX	<b>Total non-current assets</b>		<u>188,430,788</u>	<u>96</u>	<u>180,557,647</u>	<u>96</u>
1XXX	<b>Total assets</b>		<u>\$ 196,603,901</u>	<u>100</u>	<u>\$ 188,030,966</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, 2021		December 31, 2020	
			AMOUNT	%	AMOUNT	%
<b>Current liabilities</b>						
2100	Short-term borrowings	6(12)	\$ 1,573,904	1	\$ 757,591	-
2110	Short-term notes and bills payable	6(13)	7,696,738	4	8,368,859	5
2120	Financial liabilities at fair value through profit or loss - current	6(4)	3,443	-	10,375	-
2150	Notes payable		10,893	-	10,742	-
2170	Accounts payable		1,505,688	1	1,288,639	1
2180	Accounts payable - related parties	7	175,429	-	145,513	-
2200	Other payables	6(14)	6,906,905	3	7,170,324	4
2220	Other payables - related parties	7	1,015,761	1	841,685	-
2230	Current income tax liabilities	6(29)	377,987	-	279,633	-
2280	Lease liabilities - current		72,655	-	74,912	-
2310	Advance receipts		133,437	-	131,974	-
2320	Long-term liabilities, current portion	6(15)	5,000,000	3	1,400,000	1
2399	Other current liabilities		18,402	-	10,495	-
21XX	<b>Total current liabilities</b>		<u>24,491,242</u>	<u>13</u>	<u>20,490,742</u>	<u>11</u>
<b>Non-current liabilities</b>						
2530	Corporate bonds payable	6(15)	47,050,000	24	42,100,000	22
2540	Long-term borrowings	6(16)	3,695,000	2	6,300,000	3
2570	Deferred income tax liabilities	6(29)	1,884,647	1	1,906,023	1
2580	Lease liabilities - non-current		24,736	-	85,970	-
2610	Long-term notes and accounts payable	6(10)	750,372	-	-	-
2640	Net defined benefit liabilities - non-current	6(17)	1,933,933	1	2,629,008	2
2645	Guarantee deposits received		63,675	-	70,834	-
2670	Other non-current liabilities	6(6)	124,097	-	4,370	-
25XX	<b>Total non-current liabilities</b>		<u>55,526,460</u>	<u>28</u>	<u>53,096,205</u>	<u>28</u>
2XXX	<b>Total liabilities</b>		<u>80,017,702</u>	<u>41</u>	<u>73,586,947</u>	<u>39</u>
<b>Equity</b>						
Share capital						
3110	Common stock	6(18)	56,820,154	29	56,820,154	30
Capital surplus						
3200	Capital surplus	6(19)	2,834,168	1	3,664,464	2
Retained earnings						
3310	Legal reserve	6(6)(20)	26,375,315	13	24,218,283	13
3320	Special reserve		8,201,965	4	7,099,301	4
3350	Unappropriated retained earnings		32,449,568	17	30,740,022	16
Other equity interest						
3400	Other equity interest	6(21)	( 10,094,971 )	( 5 )	( 8,098,205 )	( 4 )
3XXX	<b>Total equity</b>		<u>116,586,199</u>	<u>59</u>	<u>114,444,019</u>	<u>61</u>
Contingent Liabilities and Commitments						
3X2X	<b>Total liabilities and equity</b>		<u>\$ 196,603,901</u>	<u>100</u>	<u>\$ 188,030,966</u>	<u>100</u>

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

**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					
Items		Notes	2021		2020		
			AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(22) and 7	\$ 42,627,187	100	\$ 41,870,944	100	
5000	Operating costs	6(3)(8)(17)(27)(28) and 7	( 29,894,545)	( 70)	( 28,676,111)	( 69)	
5900	Net operating margin		<u>12,732,642</u>	<u>30</u>	<u>13,194,833</u>	<u>31</u>	
	Operating expenses	6(8)(10)(17)(27)(28), 7 and 12					
6100	Selling expenses		( 5,241,380)	( 12)	( 5,732,574)	( 14)	
6200	General and administrative expenses		( 4,105,392)	( 10)	( 4,332,129)	( 10)	
6300	Research and development expenses		( 424,860)	( 1)	( 437,486)	( 1)	
6450	Expected credit gains (losses)		634	-	( 26)	-	
6000	Total operating expenses		<u>( 9,770,998)</u>	<u>( 23)</u>	<u>( 10,502,215)</u>	<u>( 25)</u>	
6900	Operating profit		<u>2,961,644</u>	<u>7</u>	<u>2,692,618</u>	<u>6</u>	
	Non-operating income and expenses						
7100	Interest income	6(23)	67	-	86	-	
7010	Other income	6(5)(9)(10)(24) and 7	2,037,954	5	1,866,391	4	
7020	Other gains and losses	6(4)(6)(8)(10)(11)(25) ) and 12(2)	( 933,930)	( 2)	( 1,050,623)	( 2)	
7050	Finance costs	6(7)(8)(26)	( 415,811)	( 1)	( 456,062)	( 1)	
7070	Share of profit of subsidiaries, associates and joint ventures accounted for under equity method	6(6)	<u>17,003,609</u>	<u>40</u>	<u>19,113,378</u>	<u>46</u>	
7000	Total non-operating income and expenses		<u>17,691,889</u>	<u>42</u>	<u>19,473,170</u>	<u>47</u>	
7900	<b>Profit before income tax</b>		<u>20,653,533</u>	<u>49</u>	<u>22,165,788</u>	<u>53</u>	
7950	Income tax expense	6(29)	( 774,471)	( 2)	( 623,381)	( 1)	
8200	<b>Profit for the year</b>		<u>\$ 19,879,062</u>	<u>47</u>	<u>\$ 21,542,407</u>	<u>52</u>	
	<b>Other comprehensive income (loss)</b>						
	<b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>						
8311	Actuarial gains (losses) on defined benefit plans	6(17)	\$ 351,864	1	(\$ 6,530)	-	
8316	Unrealized loss on valuation of investments in equity instruments measured at fair value through other comprehensive income	6(5)	( 118,753)	-	-	-	
8330	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for under equity method - will not be reclassified to profit or loss		550,006	1	224,857	-	
8349	Income tax related to components of other comprehensive (loss) income that will not be reclassified to profit or loss	6(29)	( 80,333)	-	7,007	-	
	<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>						
8361	Financial statements translation differences of foreign operations	6(21)	( 803,585)	( 2)	( 452,878)	( 1)	
8380	Share of other comprehensive loss of subsidiaries, associates and joint ventures accounted for under equity method - will be reclassified to profit or loss		<u>( 1,464,343)</u>	<u>( 4)</u>	<u>( 848,871)</u>	<u>( 2)</u>	
8300	<b>Total other comprehensive loss for the year</b>		<u>(\$ 1,565,144)</u>	<u>( 4)</u>	<u>(\$ 1,076,415)</u>	<u>( 3)</u>	
8500	<b>Total comprehensive income for the year</b>		<u>\$ 18,313,918</u>	<u>43</u>	<u>\$ 20,465,992</u>	<u>49</u>	
	Earnings per share (in dollars)	6(30)					
9750	Basic		<u>\$ 3.50</u>		<u>\$ 3.79</u>		
9850	Diluted		<u>\$ 3.48</u>		<u>\$ 3.77</u>		

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

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

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

	Notes	Retained Earnings				Other equity interest			Total
		Share capital - common stock	Capital surplus	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	
<b>For the year ended December 31, 2020</b>									
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
Net income for the year ended December 31, 2020		-	-	-	-	21,542,407	-	-	21,542,407
Other comprehensive income (loss) for the year ended December 31, 2020	6(21)	-	-	-	-	(126,452)	(1,384,577)	434,614	(1,076,415)
Total comprehensive income (loss) for the year ended December 31, 2020		-	-	-	-	21,415,955	(1,384,577)	434,614	20,465,992
Distribution of 2019 net income :									
Legal reserve		-	-	1,900,726	-	(1,900,726)	-	-	-
Special reserve		-	-	-	3,094,100	(3,094,100)	-	-	-
Cash dividends	6(20)	-	-	-	-	(14,205,039)	-	-	(14,205,039)
Adjustment for change in capital reserve of investee companies	6(19)	-	13,852	-	-	-	-	-	13,852
Difference between the acquisition or disposal price and carrying amounts of subsidiaries	6(19)	-	(252,699)	-	-	-	-	-	(252,699)
Payments of unpaid cash dividends from previous year transferred to capital reserve	6(19)	-	(555)	-	-	-	-	-	(555)
Non-payment of expired cash dividends from previous year transferred to capital reserve	6(19)	-	6,124	-	-	-	-	-	6,124
Reversal of special reserve	6(20)	-	-	-	(620)	620	-	-	-
Disposal of financial assets at fair value through other comprehensive income - equity instrument	6(6)	-	-	-	-	153,750	-	(153,750)	-
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
<b>For the year ended December 31, 2021</b>									
Balance at January 1, 2021		\$ 56,820,154	\$ 3,664,464	\$ 24,218,283	\$ 7,099,301	\$ 30,740,022	(\$ 9,111,230)	\$ 1,013,025	\$ 114,444,019
Net income for the year ended December 31, 2021		-	-	-	-	19,879,062	-	-	19,879,062
Other comprehensive income (loss) for the year ended December 31, 2021	6(21)	-	-	-	-	411,407	(2,236,104)	259,553	(1,565,144)
Total comprehensive income (loss) for the year ended December 31, 2021		-	-	-	-	20,290,469	(2,236,104)	259,553	18,313,918
Distribution of 2020 net income :									
Legal reserve		-	-	2,157,032	-	(2,157,032)	-	-	-
Special reserve		-	-	-	1,104,334	(1,104,334)	-	-	-
Cash dividends	6(20)	-	-	-	-	(15,341,442)	-	-	(15,341,442)
Adjustment for change in capital reserve of investee companies	6(19)	-	16,820	-	-	-	-	-	16,820
Difference between the acquisition or disposal price and carrying amounts of subsidiaries	6(19)	-	(849,986)	-	-	-	-	-	(849,986)
Adjustment of capital reserve due to change in interests in associates	6(19)	-	15,072	-	-	-	-	-	15,072
Adjustment of capital reserve due to change in interests in subsidiaries	6(19)	-	(19,902)	-	-	-	-	-	(19,902)
Payments of unpaid cash dividends from previous year transferred to capital reserve	6(19)	-	(558)	-	-	-	-	-	(558)
Non-payment of expired cash dividends from previous years transferred to capital reserve	6(19)	-	8,258	-	-	-	-	-	8,258
Reversal of special reserve	6(20)	-	-	-	(1,670)	1,670	-	-	-
Disposal of financial assets at fair value through other comprehensive income - equity instrument	6(6)	-	-	-	-	20,215	-	(20,215)	-
Balance at December 31, 2021		\$ 56,820,154	\$ 2,834,168	\$ 26,375,315	\$ 8,201,965	\$ 32,449,568	(\$ 11,347,334)	\$ 1,252,363	\$ 116,586,199

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

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



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

	Notes	Year ended December 31,	
		2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		\$ 20,653,533	\$ 22,165,788
Adjustments			
Adjustments to reconcile profit (loss)			
(Gain) loss on financial assets and liabilities at fair value through profit or loss	6(4)(25)	( 41,175 )	13,112
Expected credit (gain) loss	12	( 634 )	26
Share of profit of subsidiaries, associates and joint ventures accounted for under equity method	6(6)	( 17,003,609 )	( 19,113,378 )
Depreciation on property, plant and equipment	6(7)	1,313,430	1,365,546
Loss on disposal of property, plant and equipment	6(25)	6,039	7,559
Depreciation on right-of-use assets	6(8)	72,196	76,577
Loss from lease modification	6(8)(25)	114	638
Depreciation on investment property	6(10)	52,428	53,292
Gain on disposal of investment property	6(25)	( 64,609 )	-
Gain on disposal of intangible assets	6(25)	( 22,243 )	-
Impairment loss on non-financial assets	6(11)(25)	86,440	132,497
Amortization		31,678	17,564
Amortization of rent receivable		15,797	15,503
Interest income	6(23)	( 67 )	( 86 )
Dividend income	6(24)	( 91,175 )	( 14,617 )
Finance costs	6(26)	415,811	456,062
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		1,570	-
Notes receivable		( 42,187 )	16,009
Accounts receivable		( 166,949 )	1,967
Accounts receivable - related parties		( 187,795 )	( 6,053 )
Other receivables		543	9,806
Other receivables - related parties		5,871	( 9,711 )
Inventories		( 305,384 )	( 39,889 )
Prepayments		( 1,078 )	( 4,690 )
Changes in operating liabilities			
Financial liabilities at fair value through profit or loss		19,522	( 5,808 )
Notes payable		151	153
Accounts payable		217,049	( 79,010 )
Accounts payable - related parties		29,916	( 2,696 )
Other payables		( 230,349 )	535,683
Other payables - related parties		174,076	43,797
Advance receipts		1,463	269
Other current liabilities		270	-
Net defined benefit liabilities - non-current		( 343,211 )	( 339,146 )
Cash inflow generated from operations		4,597,432	5,296,764
Interest received		67	86
Dividends received		10,057,245	10,200,154
Interest paid		( 409,511 )	( 455,488 )
Income tax paid		( 616,829 )	( 749,961 )
Net cash flows from operating activities		<u>13,628,404</u>	<u>14,291,555</u>

(Continued)

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

	Notes	Year ended December 31,	
		2021	2020
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through other comprehensive income - non-current		(\$ 2,020,929 )	\$ -
Acquisition of investments accounted for under equity method - subsidiaries	6(6)	( 810,000 )	-
Return of capital from investments accounted for under equity method	6(6)	-	323,692
Cash paid for acquisition of property, plant and equipment	6(31)	( 73,154 )	( 973,129 )
Interest paid for acquisition of property, plant and equipment	6(7)(26)(31)	( 3,320 )	( 4,618 )
Proceeds from disposal of property, plant and equipment		2,404	1,754
Cash paid for acquisition of investment property	6(31)	( 750,372 )	-
Proceeds from disposal of investment property		70,760	-
Increase in intangible assets		( 220,000 )	-
Proceeds from disposal of intangible assets		133,502	-
Decrease in guarantee deposits paid		36,798	54,161
Increase in prepayments for equipment		( 603,422 )	( 713,385 )
Increase in long-term notes and accounts receivable - related parties		( 24,632 )	-
Increase in other non-current assets		( 16,036 )	( 29,586 )
Net cash flows used in investing activities		( 4,278,401 )	( 1,341,111 )
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase (decrease) in short-term borrowings	6(32)	816,313	( 1,506,416 )
(Decrease) increase in short-term notes and bills payable	6(32)	( 672,121 )	7,269,878
Increase in corporate bonds payable	6(32)	9,950,000	14,550,000
Decrease in corporate bonds payable	6(32)	( 1,400,000 )	( 1,400,000 )
Increase in long-term borrowings	6(32)	13,045,000	56,600,000
Decrease in long-term borrowings	6(32)	( 15,650,000 )	( 74,179,211 )
Payment of lease liabilities	6(32)	( 74,657 )	( 77,870 )
Increase in guarantee deposits received	6(32)	478	2,248
Decrease in other non-current liabilities		( 671 )	( 270 )
Payments of unpaid cash dividends from previous year transferred to capital reserve	6(19)	( 558 )	( 555 )
Payment of cash dividends	6(20)	( 15,341,442 )	( 14,205,039 )
Net cash flows used in financing activities		( 9,327,658 )	( 12,947,235 )
Net increase in cash and cash equivalents		22,345	3,209
Cash and cash equivalents at beginning of year	6(1)	70,923	67,714
Cash and cash equivalents at end of year	6(1)	\$ 93,268	\$ 70,923

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

## 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, 2021 and 2020, 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, 2021 and 2020, 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 2021 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 2021 consolidated financial statements are stated as follows:

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

### Description

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

The Group is engaged in large volume of revenue transactions generated from sales to a large number of customers, including direct customers and distributors in many different areas in Mainland China. As such, it needs more time for 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 for 2021.

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

Retail sales revenue is recorded based on the 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 for 2021.

#### 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 for 2021.

#### 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 \$22,083,486 thousands and \$33,845,765 thousands, representing 4.30% and 6.83% of the related consolidated totals as of December 31, 2021 and 2020, respectively, and total operating revenues amounted to \$29,340,754 thousands and \$29,362,473 thousands, constituting 6.20% and 6.56% 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 \$578,127 thousands and \$1,427,675 thousands, constituting 2.13% and 4.70% 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, 2021 and 2020.

***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 for 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

Tien, Chung-Yu

PricewaterhouseCoopers, Taiwan

Republic of China

March 9, 2022

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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, 2021		December 31, 2020		
		AMOUNT	%	AMOUNT	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 80,837,880	16	\$ 81,978,785	17
1110	Financial assets at fair value through profit or loss - current	6(2)	10,394,193	2	11,221,762	2
1136	Financial assets at amortized cost - current	6(3)	15,300,236	3	6,734,335	1
1150	Notes receivable, net	6(4), 8 and 12	1,551,178	-	1,177,925	-
1160	Notes receivable - related parties	7	262	-	286	-
1170	Accounts receivable, net	6(4) and 12	17,942,536	3	15,409,833	3
1180	Accounts receivable - related parties	7	1,174,616	-	951,544	-
1200	Other receivables	6(5) and 12	5,069,711	1	3,732,005	1
1220	Current income tax assets	6(33)	140,970	-	251,138	-
130X	Inventories	6(6)(10)(13)	46,607,301	9	38,940,444	8
1410	Prepayments		4,806,485	1	3,983,881	1
1460	Non-current assets held for sale, net	6(7)	4,371	-	19,982	-
1470	Other current assets	6(1) and 8	3,740,610	1	3,651,880	1
11XX	<b>Total current assets</b>		<u>187,570,349</u>	<u>36</u>	<u>168,053,800</u>	<u>34</u>
<b>Non-current assets</b>						
1510	Financial assets at fair value through profit or loss - non-current	6(2)	6,687,077	1	4,611,260	1
1517	Financial assets at fair value through other comprehensive income - non-current	6(8) and 8	5,046,544	1	4,374,550	1
1535	Financial assets at amortized cost - non-current	6(3)	17,477,582	4	20,878,506	4
1550	Investments accounted for under equity method	6(9) and 8	33,830,329	7	33,012,916	7
1600	Property, plant and equipment	6(10)(13)(15) and 8	122,583,124	24	126,977,238	26
1755	Right-of-use assets	6(10)(11)	89,056,226	17	84,830,617	17
1760	Investment property, net	6(10)(13)(15) and 8	17,762,512	4	17,765,449	3
1780	Intangible assets	6(14)(15)	17,179,317	3	18,667,500	4
1840	Deferred income tax assets	6(33)	6,373,372	1	6,380,787	1
1915	Prepayments for equipment	6(10)	1,396,313	-	821,596	-
1920	Guarantee deposits paid	8	3,604,241	1	3,453,217	1
1990	Other non-current assets	6(1)(21), 7 and 8	5,472,644	1	5,511,056	1
15XX	<b>Total non-current assets</b>		<u>326,469,281</u>	<u>64</u>	<u>327,284,692</u>	<u>66</u>
1XXX	<b>Total assets</b>		<u>\$ 514,039,630</u>	<u>100</u>	<u>\$ 495,338,492</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, 2021		December 31, 2020	
			AMOUNT	%	AMOUNT	%
<b>Current liabilities</b>						
2100	Short-term borrowings	6(16) and 8	\$ 24,530,062	5	\$ 22,364,771	5
2110	Short-term notes and bills payable	6(17) and 8	11,178,763	2	14,872,897	3
2120	Financial liabilities at fair value through profit or loss - current	6(2)	4,093	-	12,823	-
2130	Contract liabilities - current	6(26)	19,221,275	4	16,269,358	3
2150	Notes payable		1,965,111	-	1,103,290	-
2160	Notes payable - related parties	7	59,024	-	22,585	-
2170	Accounts payable		38,765,523	7	35,935,381	7
2180	Accounts payable - related parties	7	611,731	-	538,224	-
2200	Other payables	6(18)	51,780,717	10	48,844,173	10
2230	Current income tax liabilities	6(33)	3,129,453	1	2,908,510	1
2280	Lease liabilities - current		14,164,656	3	12,900,085	3
2310	Advance receipts		621,700	-	487,962	-
2320	Long-term liabilities, current portion	6(19)(20) and 8	5,777,065	1	1,701,575	-
2399	Other current liabilities		4,353,084	1	4,377,905	1
21XX	<b>Total current liabilities</b>		<u>176,162,257</u>	<u>34</u>	<u>162,339,539</u>	<u>33</u>
<b>Non-current liabilities</b>						
2527	Contract liabilities - non-current	6(26)	549,019	-	578,339	-
2530	Corporate bonds payable	6(19)	47,050,000	9	42,100,000	9
2540	Long-term borrowings	6(20) and 8	13,306,228	3	15,197,395	3
2570	Deferred income tax liabilities	6(33)	14,218,609	3	14,416,577	3
2580	Lease liabilities - non-current		65,583,194	13	63,658,510	13
2640	Net defined benefit liabilities - non-current	6(21)	7,351,787	1	8,541,885	2
2645	Guarantee deposits received		6,555,269	1	6,109,838	1
2670	Other non-current liabilities		2,269,522	1	1,797,816	-
25XX	<b>Total non-current liabilities</b>		<u>156,883,628</u>	<u>31</u>	<u>152,400,360</u>	<u>31</u>
2XXX	<b>Total liabilities</b>		<u>333,045,885</u>	<u>65</u>	<u>314,739,899</u>	<u>64</u>
<b>Equity attributable to owners of parent</b>						
Share capital						
3110	Common stock	6(22)	56,820,154	11	56,820,154	12
	Capital reserves	6(23)(35)				
3200	Capital surplus		2,834,168	1	3,664,464	1
	Retained earnings	6(8)(24)				
3310	Legal reserve		26,375,315	5	24,218,283	5
3320	Special reserve		8,201,965	2	7,099,301	1
3350	Unappropriated retained earnings		32,449,568	6	30,740,022	6
	Other equity interest	6(25)				
3400	Other equity interest		( 10,094,971 )	( 2 )	( 8,098,205 )	( 2 )
31XX	<b>Equity attributable to owners of the parent</b>		<u>116,586,199</u>	<u>23</u>	<u>114,444,019</u>	<u>23</u>
36XX	Non-controlling interest	4(3) and 6(35)	64,407,546	12	66,154,574	13
3XXX	<b>Total equity</b>		<u>180,993,745</u>	<u>35</u>	<u>180,598,593</u>	<u>36</u>
	Contingent Liabilities and Commitments	6(11), 7 and 9				
3X2X	<b>Total liabilities and equity</b>		<u>\$ 514,039,630</u>	<u>100</u>	<u>\$ 495,338,492</u>	<u>100</u>

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

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

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

Items	Notes	Year ended December 31				
		2021		2020		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(12)(13)(26) and 7	\$ 473,501,669	100	\$ 447,319,979	100
5000	Operating costs	6(6)(11)(14)(21)(3) 1)(32) and 7	( 317,395,795)	( 67)	( 293,289,723)	( 65)
5900	Net operating margin		156,105,874	33	154,030,256	35
	Operating expenses	6(11)(13)(14)(21)( 31)(32), 7 and 12				
6100	Selling expenses		( 105,126,568)	( 22)	( 101,585,271)	( 23)
6200	General and administrative expenses		( 21,598,494)	( 5)	( 21,659,318)	( 5)
6300	Research and development expenses		( 932,553)	-	( 902,880)	-
6450	Expected credit losses		( 56,242)	-	( 98,896)	-
6000	Total operating expenses		( 127,713,857)	( 27)	( 124,246,365)	( 28)
6900	Operating profit		28,392,017	6	29,783,891	7
	Non-operating income and expenses					
7100	Interest income	6(3)(8)(27) and 7	1,720,933	-	2,434,117	1
7010	Other income	6(8)(11)(12)(13)(2) 8)	4,374,079	1	4,467,081	1
7020	Other gains and losses	6(2)(7)(8)(11)(14)( 15)(29) and 12	( 91,423)	-	331,617	-
7050	Finance costs	6(10)(11)(30)	( 2,084,331)	-	( 2,440,662)	( 1)
7060	Share of profit of associates and joint ventures accounted for under equity method	6(9)	3,956,453	1	3,861,977	1
7000	Total non-operating income and expenses		7,875,711	2	8,654,130	2
7900	<b>Profit before income tax</b>		36,267,728	8	38,438,021	9
7950	Income tax expense	6(33)	( 7,471,333)	( 2)	( 7,637,356)	( 2)
8200	<b>Profit for the year</b>		\$ 28,796,395	6	\$ 30,800,665	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				
		2021		2020		
		AMOUNT	%	AMOUNT	%	
<b>Other comprehensive income (loss)</b>						
<b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>						
8311	Actuarial gains (losses) on defined benefit plans	6(21)	\$ 680,346	-	(\$ 294,594)	-
8316	Unrealized gain on valuation of investments in equity instruments measured at fair value through other comprehensive income	6(8)	163,221	-	55,194	-
8320	Share of other comprehensive income of associates and joint ventures accounted for under equity method - will not be reclassified to profit or loss		210,704	-	330,282	-
8349	Income tax related to components of other comprehensive (loss) income that will not be reclassified to profit or loss	6(33)	( 50,151)	-	79,723	-
<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>						
8361	Financial statements translation differences of foreign operations		( 2,605,677)	-	( 708,718)	-
8367	Unrealized gain (loss) on valuation of investments in debt instruments measured at fair value through other comprehensive income, net	6(8)	108,791	-	( 31,878)	-
8370	Share of other comprehensive (loss) income of associates and joint ventures accounted for under equity method - will be reclassified to profit or loss		( 121,889)	-	120,006	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(33)	211	-	659	-
8300	<b>Total other comprehensive loss for the year</b>		<u>(\$ 1,614,444)</u>	<u>-</u>	<u>(\$ 449,326)</u>	<u>-</u>
8500	<b>Total comprehensive income for the year</b>		<u>\$ 27,181,951</u>	<u>6</u>	<u>\$ 30,351,339</u>	<u>7</u>
Profit attributable to:						
8610	Owners of the parent		\$ 19,879,062	4	\$ 21,542,407	5
8620	Non-controlling interest		8,917,333	2	9,258,258	2
	Net income		<u>\$ 28,796,395</u>	<u>6</u>	<u>\$ 30,800,665</u>	<u>7</u>
Comprehensive income attributable to:						
8710	Owners of the parent		\$ 18,313,918	4	\$ 20,465,992	5
8720	Non-controlling interest		8,868,033	2	9,885,347	2
	Net comprehensive income		<u>\$ 27,181,951</u>	<u>6</u>	<u>\$ 30,351,339</u>	<u>7</u>
Earnings per share (in dollars)						
9750	Basic	6(34)	\$ 3.50		\$ 3.79	
9850	Diluted		<u>\$ 3.48</u>		<u>\$ 3.77</u>	

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

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

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

Notes	Equity attributable to owners of the parent									
	Retained earnings					Other equity interest				
	Share capital - common stock	Capital surplus	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	Total	Non-controlling interest	Total equity
<b>For the year ended December 31, 2020</b>										
	\$ 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
	-	-	-	-	21,542,407	-	-	21,542,407	9,258,258	30,800,665
6(25)	-	-	-	-	(126,452)	(1,384,577)	434,614	(1,076,415)	627,089	(449,326)
	-	-	-	-	21,415,955	(1,384,577)	434,614	20,465,992	9,885,347	30,351,339
Distribution of 2019 consolidated net income										
	-	-	1,900,726	-	(1,900,726)	-	-	-	-	-
	-	-	-	3,094,100	(3,094,100)	-	-	-	-	-
6(24)	-	-	-	-	(14,205,039)	-	-	(14,205,039)	-	(14,205,039)
6(23)	-	13,852	-	-	-	-	-	13,852	-	13,852
6(23)(35)	-	(252,699)	-	-	-	-	-	(252,699)	(420,993)	(673,692)
6(23)	-	(555)	-	-	-	-	-	(555)	-	(555)
6(23)	-	6,124	-	-	-	-	-	6,124	-	6,124
6(24)	-	-	-	(620)	620	-	-	-	-	-
6(8)	-	-	-	-	153,750	-	(153,750)	-	-	-
	-	-	-	-	-	-	-	-	(8,898,741)	(8,898,741)
	\$ 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
<b>For the year ended December 31, 2021</b>										
	\$ 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
	-	-	-	-	19,879,062	-	-	19,879,062	8,917,333	28,796,395
6(25)	-	-	-	-	411,407	(2,236,104)	259,553	(1,565,144)	(49,300)	(1,614,444)
	-	-	-	-	20,290,469	(2,236,104)	259,553	18,313,918	8,868,033	27,181,951
Distribution of 2020 consolidated net income										
	-	-	2,157,032	-	(2,157,032)	-	-	-	-	-
	-	-	-	1,104,334	(1,104,334)	-	-	-	-	-
6(24)	-	-	-	-	(15,341,442)	-	-	(15,341,442)	-	(15,341,442)
6(23)	-	16,820	-	-	-	-	-	16,820	-	16,820
6(23)(35)	-	(849,986)	-	-	-	-	-	(849,986)	(1,150,340)	(2,000,326)
6(23)	-	15,072	-	-	-	-	-	15,072	-	15,072
6(23)	-	(19,902)	-	-	-	-	-	(19,902)	-	(19,902)
6(23)	-	(558)	-	-	-	-	-	(558)	-	(558)
6(23)	-	8,258	-	-	-	-	-	8,258	-	8,258
6(24)	-	-	-	(1,670)	1,670	-	-	-	-	-
6(8)	-	-	-	-	20,215	-	(20,215)	-	-	-
	-	-	-	-	-	-	-	-	(9,464,721)	(9,464,721)
	\$ 56,820,154	\$ 2,834,168	\$ 26,375,315	\$ 8,201,965	\$ 32,449,568	(\$ 11,347,334)	\$ 1,252,363	\$ 116,586,199	\$ 64,407,546	\$ 180,993,745

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	Year ended December 31	
		2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		\$ 36,267,728	\$ 38,438,021
Adjustments			
Adjustments to reconcile profit (loss)			
Gain on financial assets and liabilities at fair value through profit and loss	6(2)(29)	( 1,189,925 )	( 1,632,044 )
Expected credit loss	12	56,242	98,896
Provision (reversal of allowance) for inventory market price decline	6(6)	86,325	( 120,710 )
Gain on disposal of non-current assets held for sale	6(7)(29)	( 52,825 )	( 264,321 )
Loss on disposal of financial assets at fair value through other comprehensive income - debt instrument	6(8)(29)	153,621	14,183
Share of profit of associates and joint ventures accounted for under equity method	6(9)	( 3,956,453 )	( 3,861,977 )
Loss on liquidation of investments accounted for under the equity method	6(29)	3,516	-
Depreciation on property, plant and equipment	6(10)	18,120,910	18,132,192
Loss (gain) on disposal of property, plant and equipment	6(29)	9,837	( 11,397 )
Property, plant and equipment transferred to loss	6(10)	-	11,900
Depreciation on right-of-use assets	6(11)	13,879,306	13,328,127
Loss on disposal of right-of-use assets	6(29)	-	1,858
Rental concessions income	6(11)(28)	( 249,259 )	( 149,057 )
Gain from lease modification	6(11)(29)	( 158,795 )	( 75,686 )
Depreciation on investment property	6(13)	319,594	333,586
Gain on disposal of investment property	6(29)	( 87,158 )	( 2,682 )
(Gain) loss on disposal of intangible assets	6(29)	( 22,245 )	( 1,158 )
Amortization	6(14)	905,001	906,535
Impairment loss (gain on reversal of impairment loss) on non-financial assets	6(15)(29)	107,312	( 6,572 )
Interest income	6(27)	( 1,720,933 )	( 2,434,117 )
Dividend income	6(28)	( 204,873 )	( 143,659 )
Finance costs	6(30)	2,084,331	2,440,662
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		( 228,568 )	( 3,683,699 )
Notes receivable		( 374,811 )	( 104,491 )
Notes receivable - related parties		24	( 16 )
Accounts receivable		( 2,606,962 )	( 177,122 )
Accounts receivable - related parties		( 223,072 )	( 151,871 )
Other receivables		( 921,899 )	( 337,031 )
Inventories		( 7,214,762 )	( 950,627 )
Prepayments		( 822,216 )	( 12,651 )
Other current assets		( 42,817 )	( 590,005 )
Changes in operating liabilities			
Contract liabilities - current		2,951,917	3,099,095
Notes payable		861,821	( 117,800 )
Notes payable - related parties		36,439	( 2,177 )
Accounts payable		2,829,819	2,326,428
Accounts payable - related parties		73,507	10,743
Other payables		2,912,097	528,144
Advance receipts		126,272	250,189
Other current liabilities		( 276,371 )	( 567,019 )
Contract liabilities - non-current		( 29,320 )	( 115,503 )
Net defined benefit liabilities - non-current		( 520,809 )	( 445,298 )
Cash inflow generated from operations		60,881,546	66,196,197
Interest received		1,317,781	2,056,586
Dividends received		3,605,308	3,251,471
Interest paid		( 2,070,994 )	( 2,445,269 )
Income tax paid		( 7,380,715 )	( 7,338,499 )
Net cash flows from operating activities		56,352,926	61,720,486

(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
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of financial assets at amortized cost - current		( \$ 8,399,248 )	( \$ 12,727,215 )
Repayment of principal at maturity from financial assets at amortized cost - current		7,530,963	23,024,459
Decrease (increase) in other receivables - related parties		27,857	( 36,277 )
Proceeds from disposal of non-current assets held for sale	6(7)	72,124	1,012,167
(Increase) decrease in other current assets - other		( 45,913 )	137,923
Acquisition of financial assets at fair value through other comprehensive income - non-current		( 2,105,854 )	( 1,214,825 )
Proceeds from financial assets at fair value through other comprehensive income - non-current	6(8)	1,437,717	1,114,854
Return of capital from financial assets at fair value through other comprehensive income - non-current		55,355	-
Acquisition of financial assets at amortized cost - non-current		( 4,572,610 )	( 12,653,507 )
Repayment of principal at maturity from financial assets at amortized cost - non-current		161,283	349,062
Acquisition of investments accounted for under equity method		( 170,001 )	( 192,385 )
Cash received from disposal of investments accounted for under equity method	6(36)	-	243,770
Return of capital from investments accounted for under equity method		4,500	31,317
Cash paid for acquisition of property, plant and equipment	6(36)	( 14,285,581 )	( 14,581,962 )
Interest paid for acquisition of property, plant and equipment	6(10)(30)(36)	( 8,572 )	( 5,255 )
Proceeds from disposal of property, plant and equipment		966,721	758,403
Cash paid for acquisition of right-of-use assets	6(36)	( 750,372 )	-
Proceeds from disposal of right-of-use assets		96,017	20,387
Cash paid for acquisition of investment property	6(13)	( 383,844 )	( 16,450 )
Proceeds from disposal of investment property		109,315	15,424
Increase in intangible assets	6(14)	( 368,369 )	( 284,256 )
Proceeds from disposal of intangible assets		133,512	-
Increase in prepayment for equipment		( 2,496,398 )	( 1,726,081 )
(Increase) decrease in guarantee deposits paid		( 150,824 )	( 375,815 )
Decrease in other non-current assets		34,656	599,324
Net cash flows from business combination		4,783	-
Net cash flows used in investing activities		( 23,102,783 )	( 15,755,308 )
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase (decrease) in short-term borrowings	6(37)	2,160,291	( 6,749,931 )
(Decrease) increase in short-term notes and bills payable	6(37)	( 3,694,134 )	( 11,548,028 )
Increase in corporate bonds payable	6(37)	9,950,000	14,550,000
Decrease in corporate bonds payable	6(37)	( 1,400,000 )	( 1,400,000 )
Increase in long-term borrowings	6(37)	24,563,213	69,007,551
Decrease in long-term borrowings	6(37)	( 25,910,125 )	( 87,608,807 )
Payments of lease liabilities	6(37)	( 12,327,032 )	( 13,101,166 )
Increase (decrease) in guarantee deposit received	6(37)	445,380	( 680,315 )
Decrease in other non-current liabilities		( 22,728 )	( 167,577 )
Payments of unpaid cash dividends from previous year transferred to capital reserve	6(23)	( 558 )	( 555 )
Cash paid for transaction with non-controlling interests	6(35)	( 2,000,326 )	( 673,692 )
Payment of cash dividends	6(24)	( 15,341,442 )	( 14,205,039 )
Change in non-controlling interests		( 9,464,721 )	( 8,898,741 )
Net cash flows used in financing activities		( 33,042,182 )	( 38,380,244 )
Effect of foreign exchange rate changes on cash and cash equivalents		( 1,348,866 )	( 312,950 )
Net (decrease) increase in cash and cash equivalents		( 1,140,905 )	( 7,271,984 )
Cash and cash equivalents at beginning of year	6(1)	81,978,785	74,706,801
Cash and cash equivalents at end of year	6(1)	\$ 80,837,880	\$ 81,978,785

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, 2021

Unit : NT\$

Net Income for 2021	\$ 19,879,061,609
Less : 10% Legal Reserve	(2,031,235,405)
Plus : An effort to ascertain the amount of remeasuring of the fringe benefit programs.	411,407,623
Plus : Resersal of Special Reserve	1,670,204
Plus : Disposal of equity instruments at fair value through other comprehensive income	20,214, 613
Less : Special Reserve-Other Equity Interest	(1,998,436,717)
2021 Earnings Available for Distribution	16,282,681,927
Plus : Unappropriated Retained Earnings of Previous years	12,137,214,826
Distribution Items:	28,419,896,753
Cash Dividends to Common Share Holders (NT\$ 2.7 per share)	15,341,441,637
Unappropriated Distribution	\$ 13,078,455,116

Note :

1. Net income for 2021 shall be preferred in the profit distribution. The shortfall shall be made up with the unappropriated retained earnings of the preceding term.
2. Each common shareholder will be entitled to receive the cash dividends in dollar amount. The fractional parts would be classified as “other non-operating income”.

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



## **Audit Committee's Review Report**

I hereby state as following:

This proposal is the presentation by the Board of Directors of the Company's 2021 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 Tien, Chung-Yu 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:

2022 General Shareholders' Meeting of Uni-President Enterprises Corporation.

Uni-President Enterprises Corporation

Chairman of the Audit Committee   Chao-Tang Yue

March 9, 2022

**Uni-President Enterprises Corporation**  
**Contrast Table for Amendments to the Articles of Incorporation**

Provision After Proposed Amendments	Current Provision	Explanation
<p>Article 16  The Company has 11~15 directors (including independent directors) appointed to organize the board of directors, 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.</p>	<p>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.</p>	<p>It is necessary to increase the number of independent directors in the future in response to the regulations of the competent authorities and the corporate governance 3.0-sustainable development blueprint; therefore, the quorum of directors has changed accordingly in response to the actual business operation.</p>
<p>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</p>	<p>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</p>	<p>1. The requirement for the "legal reserve" to equal to the paid-in capital and the appropriation of</p>

Provision After Proposed Amendments	Current Provision	Explanation
<p>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.</p> <p>The Company's earnings, if any, of the year shall be applied to pay the business income tax, make up for the cumulative losses of previous years, and the remaining amount, if any, shall be used for an appropriation of 10% legal reserve, unless the legal reserve is already equal to the paid-in capital. The accumulated distributable earnings include the appropriated or reversed special reserve plus the accumulated unappropriated earnings of previous years. The shareholder dividend shall be for an amount equivalent to 50% to 100% of the accumulated distributable earnings. The cash dividend ratio shall not be less than 30% of the total dividend distribution of the year, which is to be proposed by the board of directors and resolved in the shareholder meeting before implementation.</p> <p>When the Company appropriates special reserve, for the net amount of the previous accumulation debited to other equity and the net increase in the fair value of the investment real property, a special reserve for the same amount should be appropriated from the unappropriated earnings of the previous period. If there is an insufficient amount for appropriation, the net income and items other than net income are added into the current unappropriated earnings for appropriation.</p>	<p>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.</p> <p>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.</p>	<p>"special reserve" earnings periods are added in accordance with the Jin-Guan-Zheng-Fa-Zi No.1090150022 Letter and No. 10901500221 Letter dated March 31, 2021 and Article 237 of the Company Act.</p> <p>2. Text revision and deletion</p>
<p>Article 34</p> <p>These Articles were duly enacted on June 27, 1967 and duly amended on: ..... (80) June 18, 2019; (81) May 31, 2022</p>	<p>Article 34</p> <p>These Articles were duly enacted on June 27, 1967 and duly amended on: ..... (80) June 18, 2019</p>	<p>Recording of the date of amendment.</p>

**Uni-President Enterprises Corporation**  
**Contrast Table for Amendments to the Operational Procedures for Acquisition and Disposal of Assets**

Provision After Proposed Amendments	Current Provision	Explanation
<p>Article 4. Assessment Procedure:</p> <p>1. When the Company acquires or disposes of any securities or engages in any transaction of derivative products, the finance department shall perform an analysis of relevant return and evaluate possible risks. For any acquisition or disposal of real property, equipment, or right-of-use assets thereof, each division shall draft prior capital expenditure plan and perform feasibility evaluation about the purpose and expected return of the acquisition or disposal. If real property or right-of-use assets thereof is to be acquired from a related party, evaluation of the reasonableness of transactional conditions shall be performed in accordance with Chapter II of this Procedure.</p> <p>2. To acquire or dispose securities, the Company shall, prior to the commencement of such acquisition or disposal, obtain the financial statements of the issuing company for the most recent period audited and certified or reviewed by a certified public accountant (“CPA”) or other relevant information, for reference in appraising the transaction price. If the transaction amount reaches 20% of the Company’s paid-in capital or three hundred million NT dollars (NT\$300,000,000) or more, the Company shall, prior to the commencement of such acquisition or disposal, consult with a CPA for his opinion regarding the reasonability of the transaction price. However, the requirement does not apply to securities publicly offered in an active market or where otherwise provided by regulations of the Financial Supervisory Commission (“FSC”).</p>	<p>Article 4. Assessment Procedure:</p> <p>1. When the Company acquires or disposes of any securities or engages in any transaction of derivative products, the finance department shall perform an analysis of relevant return and evaluate possible risks. For any acquisition or disposal of real property, equipment, or right-of-use assets thereof, each division shall draft prior capital expenditure plan and perform feasibility evaluation about the purpose and expected return of the acquisition or disposal. If real property or right-of-use assets thereof is to be acquired from a related party, evaluation of the reasonableness of transactional conditions shall be performed in accordance with Chapter II of this Procedure.</p> <p>2. To acquire or dispose securities, the Company shall, prior to the commencement of such acquisition or disposal, obtain the financial statements of the issuing company for the most recent period audited and certified or reviewed by a certified public accountant (“CPA”) or other relevant information, for reference in appraising the transaction price. If the transaction amount reaches 20% of the Company’s paid-in capital or three hundred million NT dollars (NT\$300,000,000) or more, the Company shall, prior to the commencement of such acquisition or disposal, consult with a CPA for his opinion regarding the reasonability of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with provisions specified in the Statement of Auditing Standards NO. 20 published by the Accounting Research and Development Foundation (hereinafter the “Accounting Foundation”). However, the requirement</p>	<p>Amendments are made to Article 10 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" according to the Letter of the Financial Supervisory Commission on January 28, 2022.</p>

Provision After Proposed Amendments	Current Provision	Explanation
<p>3. In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or three hundred million NT dollars (NT\$300,000,000) or more, the Company, unless transacting with a domestic government organization, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>(1)Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors, and the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>(2)Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>(3)Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to render a specific opinion regarding the reason</p>	<p>does not apply to securities publicly offered in an active market or where otherwise provided by regulations of the Financial Supervisory Commission (“FSC”).</p> <p>3. In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or three hundred million NT dollars (NT\$300,000,000) or more, the Company, unless transacting with a domestic government organization, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>(1)Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors, and the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>(2)Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>(3)Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a CPA shall be engaged to perform the appraisal in accordance with the provisions of</p>	<p>Amendments are made to Article 9 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies"</p>

Provision After Proposed Amendments	Current Provision	Explanation
<p>for the discrepancy and the appropriateness of the transaction price:</p> <p>i.The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>ii.The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>(4)No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p> <p>4.Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.</p> <p>5.The calculation of the transaction amounts referred to in the preceding three Articles shall be done in accordance with Article 6, Section 1, subsection 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. The procedures for which an appraisal report from a professional appraiser or a CPA's opinion</p>	<p>Statement of Auditing Standards No. 20 published by the ARDF and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>i.The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>ii.The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>(4)No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p> <p>4.Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, unless transacting with a domestic government organization, the Company shall engage a CPA prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</p> <p>5.The calculation of the transaction amounts referred to in the preceding three Articles shall be done in accordance with Article 6, Section 1, subsection 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. The procedures for which an appraisal report from a professional appraiser or a CPA's opinion</p>	<p>according to the Letter of the Financial Supervisory Commission on January 28, 2022.</p> <p>Amendments are made to Article 11 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" according to the Letter of the Financial Supervisory Commission on January 28, 2022.</p>

Provision After Proposed Amendments	Current Provision	Explanation
<p>has been obtained need not be counted toward the transaction amount.</p> <p>6.For assets acquired or disposed by the Company through court auction procedures, the Company may provide evidencing documents as the substitute for the appraisal report or the CPA’s opinion.</p> <p>7.The price determination manner and basis of reference for the Company’s acquisition or disposal of assets shall, in addition to the professional price appraisal and opinions of relevant experts such as the accountant pursuant to the above provisions, be in compliance with the following:</p> <p>(1)For the acquisition or disposal of securities that are already traded on any centralized trading market or over-the-counter trading center, the price shall be determined based on the price of the stock or bond at the time of trading.</p> <p>(2)For the acquisition or disposal of securities that are not traded on any centralized trading market or over-the-counter trading center, the price shall be determined in consideration of the net value per share, technical and profit-making capabilities, future development potential, market interest rate, face value interest rate of the bond and debtor’s creditworthiness, etc. and also in reference to the latest closing price at that time.</p> <p>(3)For the acquisition or disposal of membership, the price shall be determined in consideration of the return that may be generated and in reference to the latest closing price at the time. For the acquisition or disposal of intangible assets or right-of-use assets thereof such as patent right, copyright, trademark right and license right, the price shall be determined in reference to international or market practice, remaining life and the impact on the Company’s technology and business.</p>	<p>has been obtained need not be counted toward the transaction amount.</p> <p>6.For assets acquired or disposed by the Company through court auction procedures, the Company may provide evidencing documents as the substitute for the appraisal report or the CPA’s opinion.</p> <p>7.The price determination manner and basis of reference for the Company’s acquisition or disposal of assets shall, in addition to the professional price appraisal and opinions of relevant experts such as the accountant pursuant to the above provisions, be in compliance with the following:</p> <p>(1)For the acquisition or disposal of securities that are already traded on any centralized trading market or over-the-counter trading center, the price shall be determined based on the price of the stock or bond at the time of trading.</p> <p>(2)For the acquisition or disposal of securities that are not traded on any centralized trading market or over-the-counter trading center, the price shall be determined in consideration of the net value per share, technical and profit-making capabilities, future development potential, market interest rate, face value interest rate of the bond and debtor’s creditworthiness, etc. and also in reference to the latest closing price at that time.</p> <p>(3)For the acquisition or disposal of membership, the price shall be determined in consideration of the return that may be generated and in reference to the latest closing price at the time. For the acquisition or disposal of intangible assets or right-of-use assets thereof such as patent right, copyright, trademark right and license right, the price shall be determined in reference to international or market practice, remaining life and the impact on the Company’s technology and business.</p>	

Provision After Proposed Amendments	Current Provision	Explanation
<p>(4)For the acquisition or disposal of real property, equipment, or right-of-use assets thereof, the price shall be determined in reference to the current value under public announcement, appraised current value, actual closing price or book value of real property in the vicinity and suppliers' price proposals. If the real property or right-of-use assets thereof is purchased from a related party, calculation shall first be made in accordance with Chapter II hereof in order to evaluate whether the transaction price is reasonable.</p> <p>(5)Company business requirements shall be taken into consideration for the engagement of transactions of derivative products. Then reference shall be made to the trading situation of the relevant product and the trading situation of Taiwanese stocks and the stock markets in South Eastern Asian countries and European and American markets, as well as evaluation reports by reputable financial institutions that has dealings with the Company about the future trend of the stock market, foreign exchange rate and interest rate. The above-mentioned information shall be consolidated before a decision can be made about the appropriate undertaking timing, undertaken products and undertaken amounts.</p> <p>(6)In performing a merger, split, acquisition or transfer of shares, the nature of business, net value per share, asset value, technical and profit-making capabilities, production capacity and future growth potential shall be taken into consideration.</p> <p>8. When the Company performs a merger, split, acquisition or transfer of shares, prior to convening a board meeting to pass a resolution, accountant, attorney or securities underwriter shall be engaged to provide opinions about the reasonableness</p>	<p>(4)For the acquisition or disposal of real property, equipment, or right-of-use assets thereof, the price shall be determined in reference to the current value under public announcement, appraised current value, actual closing price or book value of real property in the vicinity and suppliers' price proposals. If the real property or right-of-use assets thereof is purchased from a related party, calculation shall first be made in accordance with Chapter II hereof in order to evaluate whether the transaction price is reasonable.</p> <p>(5)Company business requirements shall be taken into consideration for the engagement of transactions of derivative products. Then reference shall be made to the trading situation of the relevant product and the trading situation of Taiwanese stocks and the stock markets in South Eastern Asian countries and European and American markets, as well as evaluation reports by reputable financial institutions that has dealings with the Company about the future trend of the stock market, foreign exchange rate and interest rate. The above-mentioned information shall be consolidated before a decision can be made about the appropriate undertaking timing, undertaken products and undertaken amounts.</p> <p>(6)In performing a merger, split, acquisition or transfer of shares, the nature of business, net value per share, asset value, technical and profit-making capabilities, production capacity and future growth potential shall be taken into consideration.</p> <p>8. When the Company performs a merger, split, acquisition or transfer of shares, prior to convening a board meeting to pass a resolution, accountant, attorney or securities underwriter shall be engaged to provide opinions about the reasonableness</p>	



Provision After Proposed Amendments	Current Provision	Explanation
<p>of the share swap proportion, acquisition price or cash or other property distributed to the shareholders and such opinions shall be submitted to the board of directors for discussion and approval. The requirement of obtaining an aforementioned opinion on rationality issued by an expert may be exempted in the case of a merger by the Company of a subsidiary in which it holds 100 percent of the issued shares or authorized capital either directly or indirectly.</p>	<p>of the share swap proportion, acquisition price or cash or other property distributed to the shareholders and such opinions shall be submitted to the board of directors for discussion and approval. The requirement of obtaining an aforementioned opinion on rationality issued by an expert may be exempted in the case of a merger by the Company of a subsidiary in which it holds 100 percent of the issued shares or authorized capital either directly or indirectly.</p>	
<p>Article 5.Processing Procedure:  1.The Company shall proceed with the acquisition or disposal of assets specified in Article 2 of these Handling Procedures in accordance with the following rules:  (1)Securities:  i.For any purchase and sale of securities that are not traded on the centralized trading market or over-the-counter trading center with the sale and purchase amount of 10 million NT Dollars or lower, the president shall be authorized to make decisions. For any amount exceeding 10 million NT Dollars (inclusive), the president shall submit the proposal to the board of directors for discussion or ratification. The relevant procedure shall be carried out by the finance department.  ii.The President is authorized to make decisions on the acquisition or disposal of securities traded through a stock exchange or over-the-counter market with the Finance Department delegated to carry out the relevant procedures through a stock exchange or over-the-counter market based on the market value of the securities at that time and have the decisions submitted to and ratified at the next board of directors’ meeting.  (2)Real property, equipment, or right-of-use assets thereof : Acquisition or disposal of real property, equipment, or</p>	<p>Article 5.Processing Procedure:  1.The Company shall proceed with the acquisition or disposal of assets specified in Article 2 of these Handling Procedures in accordance with the following rules:  (1)Securities:  i.For any purchase and sale of securities that are not traded on the centralized trading market or over-the-counter trading center with the sale and purchase amount of 10 million NT Dollars or lower, the president shall be authorized to make decisions. For any amount exceeding 10 million NT Dollars (inclusive), the president shall submit the proposal to the board of directors for discussion or ratification. The relevant procedure shall be carried out by the finance department.  ii.The President is authorized to make decisions on the acquisition or disposal of securities traded through a stock exchange or over-the-counter market with the Finance Department delegated to carry out the relevant procedures through a stock exchange or over-the-counter market based on the market value of the securities at that time and have the decisions submitted to and ratified at the next board of directors’ meeting.  (2)Real property, equipment, or right-of-use assets thereof : Acquisition or disposal of real property, equipment, or</p>	<p>Text revision as appropriate.</p>

Provision After Proposed Amendments	Current Provision	Explanation
<p>right-of-use assets thereof for which the transaction amount reaches three hundred million NT dollars (NT\$300,000,000) or above shall be submitted to the Board of Directors for discussion and recognition. Except parcels of land which shall be investigated in detail and assessed by the Administrative Service Department and submitted to the General Manager for approval, a capital expense plan shall be drafted by relevant department for the acquisition of all other real properties or fixed assets. For transactions worth more than two hundred thousand NT dollars (NT\$200,000), a benefit assessment report shall be provided. When a fund is to be used, the request for approval of fund usage shall also be submitted for the approval of all levels of supervisors according to the approval authorization. For the disposal of the same, the utilizing department shall fill in the asset variation notice or submit as a project for approval, and the disposal thereof will be proceeded with upon approval of parties with approval authorization.</p> <p>(3)Derivative products: Transactions of derivative products shall be done in accordance with relevant provisions under Chapter III hereof.</p> <p>(4)Acquisition or disposal of assets from or to a related party: Such shall be proceeded with pursuant to Chapter 2 of these Handling Procedures.</p> <p>(5)Merger, split, acquisition or transfer of shares: Relevant procedures shall be carried out and relevant information shall be prepared in accordance with Chapter IV hereof. Any merger, split or acquisition shall be subject to prior approval by resolution of shareholders meeting. However, if other laws provide that no shareholder resolution is</p>	<p>right-of-use assets thereof for which the transaction amount reaches three hundred million NT dollars (NT\$300,000,000) or above shall be submitted to the Board of Directors for discussion and recognition. Except parcels of land which shall be investigated in detail and assessed by the Administrative Service Department and submitted to the General Manager for approval, a capital expense plan shall be drafted by relevant department for the acquisition of all other real properties or fixed assets. For transactions worth more than two hundred thousand NT dollars (NT\$200,000), a benefit assessment report shall be provided. When a fund is to be used, the request for approval of fund usage shall also be submitted for the approval of all levels of supervisors according to the approval authorization. For the disposal of the same, the utilizing department shall fill in the asset variation notice or submit as a project for approval, and the disposal thereof will be proceeded with upon approval of parties with approval authorization.</p> <p>(3)Derivative products: Transactions of derivative products shall be done in accordance with relevant provisions under Chapter III hereof.</p> <p>(4)Acquisition or disposal of assets from or to a related party: Such shall be proceeded with pursuant to Chapter 2 of these Handling Procedures.</p> <p>(5)Merger, split, acquisition or transfer of shares: Relevant procedures shall be carried out and relevant information shall be prepared in accordance with Chapter IV hereof. Any merger, split or acquisition shall be subject to prior approval by resolution of shareholders meeting. However, if other laws provide that no shareholder resolution is</p>	

Provision After Proposed Amendments	Current Provision	Explanation
<p>necessary, it may be waived. Any transfer of shares shall be subject to prior approval by the board of directors.</p> <p>(6)Others: To be carried out in accordance with internal control system and decision making authorization. In case of any event under Article 185 of the Company Law, prior approval by resolution of shareholders meeting shall be obtained.</p> <p>2.The execution department of the Company for acquisition and disposal of securities and transactions regarding derivative products is the Department of Finance and Accounting and staffs approved by the General Manager. The execution department for real property and other assets(including right-of-use assets) is the departments using such real property or assets and other relevant departments with authorization. The execution department for merger, demerger, acquisition, or transfer of shares shall be the departments approved by the General Manager. After the acquisition or disposal of an asset is evaluated and approved in accordance with relevant rules, the execution department shall proceed with the transaction procedures, including making contracts, collecting and paying, deliver and inspection and acceptance, and handle the same based on the nature of the asset in accordance with procedures regarding internal control related matters. Furthermore, transactions involving a related party, engaging in transactions of derivative products and merger, demerger, acquisition or transfer of shares shall also be proceeded in accordance with Chapter 2 ~ Chapter 4 of these Handling Procedures.</p>	<p>necessary, it may be waived. Any transfer of shares shall be subject to prior approval by the board of directors.</p> <p>(6)Others: To be carried out in accordance with internal control system and decision making authorization. In case of any event under Article 185 of the Company Law, prior approval by resolution of shareholders meeting shall be obtained.</p> <p>2.The execution department of the Company for acquisition and disposal of securities and transactions regarding derivative products is the Department of Finance and Accounting and staffs approved by the General Manager. The execution department for real property and other assets(including right-of-use assets) is the departments using such real property or assets and other relevant departments with authorization. The execution department for merger, demerger, acquisition, or transfer of shares shall be the departments approved by the General Manager. After the acquisition or disposal of an asset is evaluated and approved in accordance with relevant rules, the execution department shall proceed with the transaction procedures, including making contracts, collecting and paying, deliver and inspection and acceptance, and handle the same based on the nature of the asset in accordance with procedures regarding internal control related matters. Furthermore, transactions involving a related party, engaging in transactions of derivative products and merger, demerger, acquisition or transfer of shares shall also be proceeded in accordance with Chapter 2 ~ Chapter 4 of these Handling Procedures.</p>	
<p>Article 6. Procedures of Public Announcement and Report:</p> <p>1.For the Company to acquire or dispose assets, if any of the following occurs, the Company shall proceed with the public announcement and report on the website</p>	<p>Article 6. Procedures of Public Announcement and Report:</p> <p>1.For the Company to acquire or dispose assets, if any of the following occurs, the Company shall proceed with the public announcement and report on the website</p>	

Provision After Proposed Amendments	Current Provision	Explanation
<p>designated by the FSC within two (2) days starting immediately from the day such even occurs according to the nature of the event, in the format and with contents prescribed.</p> <p>(1)Acquire or dispose of real property or right-of-use assets thereof from or to a related party, or acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, excluding trading of domestic government bonds or bonds under repurchase or resale agreements, or subscription or repurchase money market funds issued by domestic securities investment trust enterprises.</p> <p>(2)Engage in merger, demerger, acquisition or transfer of shares</p> <p>(3)Engage in transactions of derivative products where the loss thereof reaches the ceiling amount for loss of all or individual contract as specified in these Handling Procedures.</p> <p>(4)Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$1 billion or more.</p> <p>(5)Where land is acquired under an arrangement on engaging others to build on the company's own land, build on the rented land joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction reaches</p>	<p>designated by the FSC within two (2) days starting immediately from the day such even occurs according to the nature of the event, in the format and with contents prescribed.</p> <p>(1)Acquire or dispose of real property or right-of-use assets thereof from or to a related party, or acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, excluding trading of domestic government bonds or bonds under repurchase or resale agreements, or subscription or repurchase money market funds issued by domestic securities investment trust enterprises.</p> <p>(2)Engage in merger, demerger, acquisition or transfer of shares</p> <p>(3)Engage in transactions of derivative products where the loss thereof reaches the ceiling amount for loss of all or individual contract as specified in these Handling Procedures.</p> <p>(4)Where the type of asset acquired or disposed is equipment or right-of-use assets thereof for business use, the trading counterparty is not a related party, and the transaction amount reaches NT\$1 billion or more.</p> <p>(5)Where land is acquired under an arrangement on engaging others to build on the company's own land, build on the rented land joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction reaches</p>	<p>Text revision as appropriate.</p>

Provision After Proposed Amendments	Current Provision	Explanation
<p>NT\$500 million.</p> <p>(6)Where an asset transaction other than any of those referred to in the preceding five subsections, or an investment in Mainland China area reaches 20 percent or more of paid-in capital or three hundred million NT dollars (NT\$300,000,000); provided, this shall not apply to the following circumstances:</p> <p>i.Trading of domestic government bonds or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan.</p> <p>ii.These, nevertheless, do not apply to the cases of transactions in government bonds, "repo and reverse repo" bonds, subscription to or repurchase money market funds issued by domestic securities investment trust enterprises.</p> <p>2.The amount of transactions specified in the preceding section shall be calculated as follows:</p> <p>(1)The amount of an individual transaction.</p> <p>(2)The accumulative transaction amount of acquisition or disposal of the same type of underlying asset with the same counterparty within the preceding year.</p> <p>(3)The accumulative transaction amount of real property or right-of-use assets thereof acquired or disposed under the same development project within the preceding year (with acquisition and disposal calculating separately).</p> <p>(4)The accumulative transaction amount of the same security acquired or disposed within the preceding year (with acquisition and disposal calculating separately)</p> <p>The aforesaid “the preceding” year period shall mean the one (1) year period immediately preceding the date of occurrence of the current transaction, and items duly announced in</p>	<p>NT\$500 million.</p> <p>(6)Where an asset transaction other than any of those referred to in the preceding five subsections, or an investment in Mainland China area reaches 20 percent or more of paid-in capital or three hundred million NT dollars (NT\$300,000,000); provided, this shall not apply to the following circumstances:</p> <p>i.Trading of domestic government bonds.</p> <p>ii.These, nevertheless, do not apply to the cases of transactions in government bonds, "repo and reverse repo" bonds, subscription to or repurchase money market funds issued by domestic securities investment trust enterprises.</p> <p>2.The amount of transactions specified in the preceding section shall be calculated as follows:</p> <p>(1)The amount of an individual transaction.</p> <p>(2)The accumulative transaction amount of acquisition or disposal of the same type of underlying asset with the same counterparty within the preceding year.</p> <p>(3)The accumulative transaction amount of real property or right-of-use assets thereof acquired or disposed under the same development project within the preceding year (with acquisition and disposal calculating separately).</p> <p>(4)The accumulative transaction amount of the same security acquired or disposed within the preceding year (with acquisition and disposal calculating separately)</p> <p>The aforesaid “the preceding” year period shall mean the one (1) year period immediately preceding the date of occurrence of the current transaction, and items duly announced in</p>	<p>Amendments are made to Article 31 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" according to the Letter of the Financial Supervisory Commission on January 28, 2022.</p>

Provision After Proposed Amendments	Current Provision	Explanation
<p>accordance with the Handling Procedures need not be counted toward the transaction amount.</p> <p>3. With regard to transactions of derivative products carried out by the Company and its subsidiaries which are not publicly listed companies in the R.O.C., the Company shall file information designated by the FSC as of the end of the previous month on the website under the format shown in the attachment (Attachment 7-1) on a monthly basis by the tenth day of each month.</p> <p>4. Where the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall again be publicly announced and reported in their entirety within two (2) days counting inclusively from the date of knowing of such error or omission.</p> <p>5. After a transaction is filed for public announcement in accordance with the rules, in case of any of the following, relevant information shall be filed for public announcement on the website designated by the FSC within two days from the occurrence of the fact:</p> <p>(1) Change, termination, or rescission of a contract signed in regard to the original transaction.</p> <p>(2) The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.</p> <p>(3) Any change to the original publicly announced and reported information.</p>	<p>accordance with the Handling Procedures need not be counted toward the transaction amount.</p> <p>3. With regard to transactions of derivative products carried out by the Company and its subsidiaries which are not publicly listed companies in the R.O.C., the Company shall file information designated by the FSC as of the end of the previous month on the website under the format shown in the attachment (Attachment 7-1) on a monthly basis by the tenth day of each month.</p> <p>4. Where the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall again be publicly announced and reported in their entirety within two (2) days counting inclusively from the date of knowing of such error or omission.</p> <p>5. After a transaction is filed for public announcement in accordance with the rules, in case of any of the following, relevant information shall be filed for public announcement on the website designated by the FSC within two days from the occurrence of the fact:</p> <p>(1) Change, termination, or rescission of a contract signed in regard to the original transaction.</p> <p>(2) The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.</p> <p>(3) Any change to the original publicly announced and reported information.</p>	
<p>Article 7. Scope and Amount of Investment:</p> <p>1. The total amount of real property or right-of-use assets thereof acquired by the Company for non-operational use shall not exceed fifty percent of the shareholder's equity. The total amount of securities acquired shall not exceed two hundred percent of shareholder's equity. Acquisition</p>	<p>Article 7. Scope and Amount of Investment:</p> <p>1. The total amount of real property or right-of-use assets thereof acquired by the Company for non-operational use shall not exceed fifty percent of the shareholder's equity. The total amount of securities acquired shall not exceed one hundred and fifty percent of shareholder's equity.</p>	<p>In line with the business needs of the Company and its subsidiaries in domestic and overseas M&amp;A plan.</p>

Provision After Proposed Amendments	Current Provision	Explanation
<p>of any individual security shall not exceed fifty percent of shareholder's equity. This provision shall not be applicable if there is approval by resolution of the shareholders meeting.</p> <p>2.Amount limit for investments made by each subsidiary shall be subject to the following:</p> <p>(1)The total amount of real property or right-of-use assets thereof purchased for non-operational use by any subsidiary that is not a professional investor shall not exceed fifty percent of its capital amount or shareholder's equity (whichever is higher), the total amount of securities purchased not to exceed two hundred percent of its capital amount or shareholder's equity (whichever is higher) and the amount of investment in any individual security not to exceed one hundred percent of its capital amount or shareholder's equity (whichever is higher).</p> <p>(2)The total of real property or right-of-use assets thereof purchased for non-operational use by any subsidiary that is a professional investor shall not exceed fifty percent of its total asset, the total amount of securities not to exceed one hundred percent of its total asset and investment in any individual security not to exceed one hundred percent of its total asset.</p> <p>(3)If the investment made by any subsidiary exceeds the limit, the provision shall not be applicable if there is approval by the board of directors of such company and ratification by the board of directors of the Company.</p>	<p>Acquisition of any individual security shall not exceed thirty percent of shareholder's equity. This provision shall not be applicable if there is approval by resolution of the shareholders meeting.</p> <p>2.Amount limit for investments made by each subsidiary shall be subject to the following:</p> <p>(1)The total amount of real property or right-of-use assets thereof purchased for non-operational use by any subsidiary that is not a professional investor shall not exceed fifty percent of its capital amount or shareholder's equity (whichever is higher), the total amount of securities purchased not to exceed one hundred and fifty percent of its capital amount or shareholder's equity (whichever is higher) and the amount of investment in any individual security not to exceed fifty percent of its capital amount or shareholder's equity (whichever is higher).</p> <p>(2)The total of real property or right-of-use assets thereof purchased for non-operational use by any subsidiary that is a professional investor shall not exceed fifty percent of its total asset, the total amount of securities not to exceed one hundred percent of its total asset and investment in any individual security not to exceed one hundred percent of its total asset.</p> <p>(3)If the investment made by any subsidiary exceeds the limit, the provision shall not be applicable if there is approval by the board of directors of such company and ratification by the board of directors of the Company.</p>	
<p>Article 11. Resolution Procedure: When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or</p>	<p>Article 11. Resolution Procedure: When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or</p>	

Provision After Proposed Amendments	Current Provision	Explanation
<p>more of paid-in capital, 10 percent or more of the Company's total assets, or three hundred million NT dollars (NT\$300,000,000) or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or repurchase money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the board of directors:</p> <ol style="list-style-type: none"> <li>1.The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</li> <li>2.The reason for choosing the related party as a trading counterparty.</li> <li>3.With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 12 and Article 13 herein.</li> <li>4.The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the company and the related party.</li> <li>5.Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</li> <li>6.An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with Article 10 herein.</li> <li>7.Restrictive covenants and other important stipulations associated with the transaction.</li> </ol> <p>When the Company or the Company's subsidiary that is not a domestic public company will have a transaction set out in the preceding paragraph and the transaction amount will reach 10 percent or more of the Company's total assets, the Company shall</p>	<p>more of paid-in capital, 10 percent or more of the Company's total assets, or three hundred million NT dollars (NT\$300,000,000) or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or repurchase money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the board of directors:</p> <ol style="list-style-type: none"> <li>1.The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</li> <li>2.The reason for choosing the related party as a trading counterparty.</li> <li>3.With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 12 and Article 13 herein.</li> <li>4.The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the company and the related party.</li> <li>5.Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</li> <li>6.An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with Article 10 herein.</li> <li>7.Restrictive covenants and other important stipulations associated with the transaction.</li> </ol>	<p>Amendments are made to Article 15 of the "Regulations Governing the Acquisition and</p>



Provision After Proposed Amendments	Current Provision	Explanation
<p>submit the materials in all the subparagraphs of the preceding paragraph to the shareholders meeting for approval before the transaction contract may be entered into and any payment made. However, the transactions conducted between the Company and the subsidiaries, or between the subsidiaries are not subject to this restriction.</p> <p>The calculation of the transaction amounts referred to in the last two paragraphs shall be made in accordance with Article 6, Section 1, Subsection 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the shareholders' meeting or board of directors and recognized by the audit committee in accordance with the Handling Procedures need not be counted toward the transaction amount.</p> <p>With respect to the types of transactions listed below, when to be conducted between a the Company and its subsidiaries, the Company's board of directors may delegate the board chairman to decide such matters when the transaction is within NT\$ 1 billion and have the decisions subsequently submitted to and ratified by the next board of directors meeting:</p> <ol style="list-style-type: none"> <li>1.Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</li> <li>2.Acquisition or disposal of real property right-of-use assets held for business use.</li> </ol>	<p>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 6, Section 1, Subsection 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors and recognized by the audit committee in accordance with the Handling Procedures need not be counted toward the transaction amount.</p> <p>With respect to the types of transactions listed below, when to be conducted between a the Company and its subsidiaries, the Company's board of directors may delegate the board chairman to decide such matters when the transaction is within NT\$ 1 billion and have the decisions subsequently submitted to and ratified by the next board of directors meeting:</p> <ol style="list-style-type: none"> <li>1.Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</li> <li>2.Acquisition or disposal of real property right-of-use assets held for business use.</li> </ol>	<p>Disposal of Assets by Public Companies" according to the Letter of the Financial Supervisory Commission on January 28, 2022.</p>
<p>Article 14. Transaction Principles and Guidelines:</p> <ol style="list-style-type: none"> <li>1.Types of Transactions: The types of transactions in which the Company my engage include forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts,and hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. Any</li> </ol>	<p>Article 14. Transaction Principles and Guidelines:</p> <ol style="list-style-type: none"> <li>1.Types of Transactions: The types of transactions in which the Company my engage include forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts,and hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. Any</li> </ol>	

Provision After Proposed Amendments	Current Provision	Explanation
<p>required transaction in any other product may only be carried out following approval by resolution of the board of directors.</p> <p>2.Operational or Hedging Strategies: Transactions in derivative products carried out by the Company are divided into transactions for hedging purpose and transactions that are not for hedging purpose (i.e., for transaction purpose). The strategy shall be to focus on the main purpose of hedging. The main selection of transaction products shall be for avoiding the risk of foreign exchange income, expense, asset or indebtedness incurred from the operation of the Company’s business. In case of any change of objective environment, “non-hedging transactions” in derivative products may be engaged at appropriate timing in the market in order to increase additional non-operational income or reduce non-operational loss. Further, to the extent possible, the selected transaction counterparties shall be financial institutions that have business dealings with the Company in order to avoid credit risk. The type of transaction shall be clearly defined as hedging transaction or financial operation in pursuit of investment return prior to the transaction as the basis for accounting.</p> <p>3.Transaction Amount Limits:</p> <p>(1)Hedging Transactions: The maximum hedging limit shall be the net positions of foreign exchange or debt (including net positions expected to incur in the future) after consolidation of assets and debt.</p> <p>(2)Non-Hedging Transactions: To be determined based on the market trend and company business requirement at the time of transaction. The transaction staff shall provide analysis and evaluation report before individual execution, specifying the market trend and risk analysis and providing suggested operational method and</p>	<p>required transaction in any other product may only be carried out following approval by resolution of the board of directors.</p> <p>2.Operational or Hedging Strategies: Transactions in derivative products carried out by the Company are divided into transactions for hedging purpose and transactions that are not for hedging purpose (i.e., for transaction purpose). The strategy shall be to focus on the main purpose of hedging. The main selection of transaction products shall be for avoiding the risk of foreign exchange income, expense, asset or indebtedness incurred from the operation of the Company’s business. In case of any change of objective environment, “non-hedging transactions” in derivative products may be engaged at appropriate timing in the market in order to increase additional non-operational income or reduce non-operational loss. Further, to the extent possible, the selected transaction counterparties shall be financial institutions that have business dealings with the Company in order to avoid credit risk. The type of transaction shall be clearly defined as hedging transaction or financial operation in pursuit of investment return prior to the transaction as the basis for accounting.</p> <p>3.Transaction Amount Limits:</p> <p>(1)Hedging Transactions: The maximum hedging limit shall be the net positions of foreign exchange or debt (including net positions expected to incur in the future) after consolidation of assets and debt.</p> <p>(2)Non-Hedging Transactions: To be determined based on the market trend and company business requirement at the time of transaction. The transaction staff shall provide analysis and evaluation report before individual execution, specifying the market trend and risk analysis and providing suggested operational method and</p>	

Provision After Proposed Amendments	Current Provision	Explanation
<p>conditions. Approval from the president shall be obtained before the transaction.</p> <p>4.Global and Individual Contract Loss Limit Amount</p> <p>(1)Hedging Transactions: After a position is established, in case of any of the following, recommendations of corresponding measures shall be proposed immediately to president or the supervisor authorized by the president for decision:</p> <p>i.Evaluated loss amount for any single contract exceeds twenty percent of the transaction contract amount for consecutive two months.</p> <p>ii.Evaluated loss amount for all contracts exceed ten percent of the total transaction contract amount for consecutive two months.</p> <p>(2)Non-Hedging Transactions: After a position is established, a loss stop point shall be fixed in order to avoid excessive loss. In fixing the loss stop point, the total loss amount under all contracts shall not exceed the maximum of 40% of the total amount of all contracts. The loss for an individual contract shall not exceed 50% of the amount of the individual contract, nor shall it exceed 50 million NT Dollars. Once the loss exceeds the loss stop point, corresponding suggestions shall be proposed immediately to the president or the executive authorized by the president for decision.</p> <p>5. Authorization Amount</p> <p>(1)Hedging Transactions: In accordance with the change of position in accordance with the company’s turnover and risk and after approval by the senior executive authorized by the president, the transaction staff shall perform transactions under the condition that the accumulated closed positions shall not exceed the currently required hedging positions.</p>	<p>conditions. Approval from the president shall be obtained before the transaction.</p> <p>4.Global and Individual Contract Loss Limit Amount</p> <p>(1)Hedging Transactions: After a position is established, in case of any of the following, recommendations of corresponding measures shall be proposed immediately to president or the supervisor authorized by the president for decision:</p> <p>i.Evaluated loss amount for any single contract exceeds twenty percent of the transaction contract amount for consecutive two months.</p> <p>ii.Evaluated loss amount for all contracts exceed ten percent of the total transaction contract amount for consecutive two months.</p> <p>(2)Non-Hedging Transactions: After a position is established, a loss stop point shall be fixed in order to avoid excessive loss. In fixing the loss stop point, the total loss amount under all contracts shall not exceed the maximum of 40% of the total amount of all contracts. The loss for an individual contract shall not exceed 50% of the amount of the individual contract, nor shall it exceed 50 million NT Dollars. Once the loss exceeds the loss stop point, corresponding suggestions shall be proposed immediately to the president or the executive authorized by the president for decision.</p> <p>5. Authorization Amount</p> <p>(1)Hedging Transactions: In accordance with the change of position in accordance with the company’s turnover and risk and after approval by the senior executive authorized by the president, the transaction staff shall perform transactions under the condition that the accumulated closed positions shall not exceed the currently required hedging positions.</p>	

Provision After Proposed Amendments	Current Provision	Explanation
<p>(2)Non-Hedging Positions: In order to decrease the risk, any accumulated closed positions below 50 million US Dollars (including the equivalent in other currencies) shall subject to approval by the president or the senior executive authorized by the president and positions exceeding 50 million US Dollar shall be subject to approval by the president before the relevant transaction may be performed.</p> <p>(3)Futures of Large Volume Materials: In accordance with the change of company requirement and risk position, the executive of the Management Division Taipei Branch is authorized for such operation within the accumulated operational limit of 40 units of corn, 20 units of soy beans and 10 units of wheat. Any transaction exceeding the above limit shall require prior approval by the president.</p> <p>6.Division of Responsibilities</p> <p>(1)Financial Business Division: Will serve as the execution staff for the Company’s transactions of derivative products and be responsible for the drafting of transaction strategies and execution of transaction orders within the scope of authorization, disclosure of future transaction risks and provision of updated in-time information to relevant divisions for reference. Such jobs ins fund procurement, delivery, handling or accounts, production of statements and storage of transaction records shall be conducted by the personnel in that department not in charge of transaction.</p> <p>(2) Management Division Taipei Branch: Responsible for executing transactions in futures of large volume materials and providing regular evaluation reports.</p> <p>(3)Audit Division</p> <p>i.Regular supervision and evaluation as to whether the fixed operational strategy is being followed and whether</p>	<p>(2)Non-Hedging Positions: In order to decrease the risk, any accumulated closed positions below 50 million US Dollars (including the equivalent in other currencies) shall subject to approval by the president or the senior executive authorized by the president and positions exceeding 50 million US Dollar shall be subject to approval by the president before the relevant transaction may be performed.</p> <p>(3)Futures of Large Volume Materials: In accordance with the change of company requirement and risk position, the executive of the Taipei Management Division is authorized for such operation within the accumulated operational limit of 40 units of corn, 20 units of soy beans and 10 units of wheat. Any transaction exceeding the above limit shall require prior approval by the president.</p> <p>6.Division of Responsibilities</p> <p>(1)Financial Business Division: Will serve as the execution staff for the Company’s transactions of derivative products and be responsible for the drafting of transaction strategies and execution of transaction orders within the scope of authorization, disclosure of future transaction risks and provision of updated in-time information to relevant divisions for reference. Such jobs ins fund procurement, delivery, handling or accounts, production of statements and storage of transaction records shall be conducted by the personnel in that department not in charge of transaction.</p> <p>(2)Taipei Management Division: Responsible for executing transactions in futures of large volume materials and providing regular evaluation reports.</p> <p>(3)Audit Division</p> <p>i.Regular supervision and evaluation as to whether the fixed operational strategy is being followed and whether the risk undertaken is within the limit</p>	<p>Match up with the company name.</p> <p>Match up with the company name.</p>

Provision After Proposed Amendments	Current Provision	Explanation
<p>the risk undertaken is within the limit of tolerance by the Company.</p> <p>ii.Regularly evaluate whether the risk management procedure currently used is appropriate and in compliance with the “Operating Procedure for Transaction in Derivative Products” established by the Company.</p> <p>iii.If any anomaly is discovered during an audit, a report shall be submitted to the president immediately and necessary measures shall be taken.</p> <p>7.Principles for Performance Evaluation</p> <p>(1)Hedging Transactions: Performance evaluation shall be based on the foreign exchange (interest) rate cost on the Company’s books and the profit and loss incurred from derivative financial transactions. There shall be at least two evaluations every month and the performance shall be submitted to management for reference.</p> <p>(2)Non-Hedging Transactions</p> <p>Performance evaluation shall be based on the profit and loss actually incurred. There shall be at least one evaluation every week and the performance shall be submitted to management for reference.</p>	<p>of tolerance by the Company.</p> <p>ii.Regularly evaluate whether the risk management procedure currently used is appropriate and in compliance with the “Operating Procedure for Transaction in Derivative Products” established by the Company.</p> <p>iii.If any anomaly is discovered during an audit, a report shall be submitted to the president immediately and necessary measures shall be taken.</p> <p>7.Principles for Performance Evaluation</p> <p>(1)Hedging Transactions: Performance evaluation shall be based on the foreign exchange (interest) rate cost on the Company’s books and the profit and loss incurred from derivative financial transactions. There shall be at least two evaluations every month and the performance shall be submitted to management for reference.</p> <p>(2)Non-Hedging Transactions</p> <p>Performance evaluation shall be based on the profit and loss actually incurred. There shall be at least one evaluation every week and the performance shall be submitted to management for reference.</p>	
<p>Article 25.</p> <p>Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall comply with the self-regulatory rules of the industry associations to which they belong and meet the following requirements:</p> <p>1.May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement,</p>	<p>Article 25.</p> <p>When the Company obtains a price appraisal report or opinions from accountants, attorneys or securities underwriters, such professional appraiser and the appraisal staff, accountant, attorney or securities underwriter shall meet the following requirements:</p> <p>1.May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not</p>	<p>Amendments are made to Article 5 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" according to the Letter of the Financial Supervisory Commission on January 28, 2022.</p>

Provision After Proposed Amendments	Current Provision	Explanation
<p>forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</p> <p>2. May not be a related party or de facto related party of any party to the transaction.</p> <p>3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</p>	<p>apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</p> <p>2. May not be a related party or de facto related party of any party to the transaction.</p> <p>3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</p>	
<p>Article 28. These Articles were duly enacted on June 27, 2003 and duly amended on: (01) June 28, 2007; (02) June 23, 2010; (03) June 22, 2012; (04) June 25, 2013; (05) June 24, 2014; (06) June 26, 2015; (07) June 21, 2017; (08) June 18, 2019; (09) May 31, 2022;</p>	<p>Article 28. These Articles were duly enacted on June 27, 2003 and duly amended on: (01) June 28, 2007; (02) June 23, 2010; (03) June 22, 2012; (04) June 25, 2013; (05) June 24, 2014; (06) June 26, 2015; (07) June 21, 2017; (08) June 18, 2019;</p>	<p>Recording of the date of amendment.</p>

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

As of 04/19/2022

Name	Current Position with Other Companies
Kao Chyuan Inv. Co., Ltd.	<p><b>Managing Director of :</b> Grand Bills Finance Corp.</p> <p><b>Director of :</b>  President Chain Store Corp., Ton Yi Industrial Corp., ScinoPharm Taiwan, Ltd., Prince Housing &amp; Development Corp., President International Development Corp.</p>
Kao Chyuan Inv. Co., Ltd. Representative: Chih-Hsien Lo	<p><b>Chairman of :</b>  President Chain Store Corp., President Natural Industrial Corp., Ton Yi Industrial Corp., TTET Union Corp., Prince Housing &amp; 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., Times Square International Hotel Co., 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><b>Vice Chairman of :</b> President Nisshin Corp.</p> <p><b>Director of :</b>  Presicarre Corp., Uni-President Glass Industrial Co., Ltd., President Packaging Holdings Ltd., Kuang Chuan Dairy Co., Ltd., Kuang Chuan Foods Co., Ltd., Uni-President Development Corp., Uni-Wonder Corporation, President Professional Baseball Team Corp., Tait Marketing &amp; 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</p>

Name	Current Position with Other Companies
	<p>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 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 &amp; Food Co., Ltd. Uni-President Enterprises (Tianjin) Co., Ltd., Hunan President Enterprises Co., Ltd., Uni-OAO Travel Service Corp., Uni-President Shanghai Management Consulting Co., Ltd., President Enterprises (Kunshan) Real Estate Development Co., Ltd.</p> <p><b>Supervisor of :</b> Infinity Holdings Ltd., Eternity Holdings Ltd., Celestial Prosperities Holdings Ltd.</p> <p><b>President of :</b> Presco Netmarketing Inc., Uni-President Express Corp.</p>
<p>Kao Chyuan Inv. Co., Ltd. Representative: Shiow-Ling Kao</p>	<p><b>Chairman of :</b> 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</p>



Name	Current Position with Other Companies
	<p>Holdings Ltd., Eternity Holdings Ltd., Celestial Prosperities Holdings Ltd.</p> <p><b>Director of :</b>  President Chain Store Corp., Ton Yi Industrial Corp., ScinoPharm Taiwan, Ltd., President International Development Corp., Uni-President Development Corp., Prince Housing &amp; Development Corp., Times Square International Hotel Co., President (Sanghai) Health Product Trading Company Ltd., Uni-Wonder Corporation., President Century Corp., Ltd., Beauty Wonder (Zhejiang) Trading Co., Ltd., Times Square International Holding Co., Grape King Bio. Ltd.</p> <p><b>President of :</b> Kao Chuan Inv. Co., Ltd., President Fair Development Corp.</p>
<p>Kao Chyuan Inv. Co., Ltd.  Representative:  Jui-Tien Huang</p>	<p><b>Chairman of :</b>  Wisdom Distribution Service Corp., RSI. Retail Support International Corp., Capital Marketing Consultant Corp., President Chain Store Tokyo Marketing Corp., ICASH Corp., Beauty Wonder (Zhejiang) Trading Co., Ltd., President (Shanghai) Health Product Trading Company Ltd., Tait Marketing &amp; Distribution Co., Ltd., Ren-Hui Investment Corp.</p> <p><b>Director of :</b>  President Chain Store Corp., President Drugstore Business Corp., President Pharmaceutical Corp., President Transnet Corp., President Collect Service Corp., Books. com Co., Ltd., Uni-Wonder Corp., Uni-President Cold-Chain Corp., President Information Corp., President Fair Development Corp., President International Development Corp., Philippine Seven Corp., President Chain Store (Shanghai) Ltd., Shan Dong President Yinzuo Commercial Ltd., President Chain Store (Zhejiang) Ltd., President Chain Store (BVI) Holdings Ltd., PCSC (China) Drugstore Ltd., President Chain Store (Labuan) Holdings Ltd., President Chain Store (Hong Kong) Holdings Ltd., President Pharmaceutical (Hong Kong) Holdings Ltd., Ren Hui Holding Co., Ltd., Uni-President Foodstuff (BVI) Holdings Ltd., President Nisshin Food Co., Ltd., Shanghai Songjiang President Enterprises Co., Taiwan Millennium Health Foundation, Dr. C.Y. Kao's Non-Profit Foundation of Culture &amp; Education (In Memory of His Mother), Uni-President Express Corp., President Nisshin Corp.</p> <p><b>President of :</b> President Chain Store Corp., President Pharmaceutical (Hong Kong) Holdings Ltd., Ren-Hui Investment Corp.</p>
<p>Yu Peng Inv. Co., Ltd.</p>	<p><b>Chairman of :</b> Tainan Spinning Co., Ltd.</p> <p><b>Director of :</b> Prince Housing &amp; Development Corp.</p>

Name	Current Position with Other Companies
Po-Ming Hou	<p><b>Chairman of :</b> Tainan Spinning Co., Ltd., Nan Fan Housing Development Co., Ltd., Tainan Spinning Retail &amp; Distribution Co., Ltd., Hsin Yu Peng Investment Co., Ltd.</p> <p><b>Director of :</b> Nantex Industry Co., Ltd., Prince Housing Development Corp., ScinoPharm Taiwan, Ltd., President International Development Corp., President Entertainment Corp., Times Square International Holding Co., Times Square International Stays Corp., President Fair Development Corp., Times Square International Hotel Co.</p>
Young Yun Inv. Co., Ltd.	<p><b>Director of :</b> Tainan Spinning Co., Ltd., Prince Housing Development Corp., Nantex Industry Co., Ltd., Grand Bills Finance Corp.</p>
Young Yun Inv. Co., Ltd. Representative: Chung-Ho Wu	<p><b>Chairman of :</b> San Shing Spinning Co., Ltd., Young Shing Investment Co., Ltd., Young Ho Investment Co., Ltd.</p> <p><b>Director of :</b> Tainan Spinning Co., Ltd., Nantex Industry Co., Ltd., Prince Housing Development Corp., Grand Bills Finance Corp., President Pharmaceutical Corp., Times Square International Holding Co., Times Square International Hotel Co., Kung Ching International Development Co., Ltd., Southern Taiwan University of Tech., Young Hui Investment Co., Ltd., Young Chien Investment Co., Ltd., Young Luen Investment Co., Ltd.</p> <p><b>Supervisor of :</b> Nanmat Technology Co., Ltd.</p>
Taipo Investment Corp.	<p><b>Director of :</b> Tainan Spinning Co., Ltd., Prince Housing Development Corp., President Pharmaceutical Corp.</p>
Taipo Investment Corp. Representative: Ping-Chih Wu	<p><b>Director of :</b> Kung Ching International Development Co., Ltd., Prince Housing Development Corp., Times Square International Holding Co., Times Square International Hotel Co., President Pharmaceutical Corp., President Global Corp., Ameripecc Inc.</p> <p><b>President of :</b> President Global Corp., Ameripecc Inc.</p>
Ping Zech Corp. Representative: Chung-Shen Lin	<p><b>Director of :</b> Gan En Sheng Ren Social Welfare Charity Foundation</p> <p><b>Honorary chairman of :</b> Freemann Management Advisers Limited</p> <p><b>Honorary director of :</b> Transnational Vision, Attorneys at Law</p> <p><b>Honorary chairman of :</b> Chinese Association for Corporate Transformation Innovation and Advancement</p> <p><b>Honorary consultant of :</b> Foundation for Yunus Social Business, Union Rice Co., Ltd.</p>

Name	Current Position with Other Companies
Joyful Inv. Co., Ltd.	<b>Director of :</b> Tainan Spinning Co., Ltd., Nantex Industry Co., Ltd. , Grand Bills Finance Corp., Jun Dow Co., Ltd., Eten Technologies Inc.
Joyful Inv. Co., Ltd. Representative: Pi-Ying Cheng	<b>Director of :</b> Nantex Industry Co., Ltd.
Po-Yu Hou	<b>Chairman of :</b> Hsin Yung Hsing Investment Co., Ltd., Mau Chiang Investment Ltd. <b>Director of :</b> Tainan Spinning Co., Ltd., Nantex Industry Co., Ltd.
Ming-Hui Chang	<b>Independent Director of :</b> Bafang Yunji International Co., Ltd. <b>Chairman of :</b> Taiwan Social Innovation and Sustainable Development Association
Wei-Yung Tsung	<b>Independent Director of :</b> Tokio Marine Nawa Insurance Co., Ltd.

**\* The termination proposal will be submitted after the election by this Shareholders' Meeting. (Deletion of the non-competition promise ban imposed upon the Company's directors and independent directors according to the Article 209 of Company Act.)**

**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

## 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 convener, 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;     |                         |

**Operational Procedures for Acquisition and Disposal of Assets**

**Chapter 1 General**

- Article 1. The acquisition or disposal of assets by the Company shall be done in accordance with this Procedure in addition to the “Regulations Governing the Acquisition or Disposal of Assets by Public Companies” promulgated by the Financial Supervisory Commission (hereinafter the “FSC”) and any other laws and regulations.
- Article 2. The term “assets” as used in this Procedure include the following:
1. Investment including stocks, government bonds, corporate bonds, financial bonds, fund securities, deposit certificates, warrants for purchase (sale) of shares, beneficiary securities and asset based securities.
  2. Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment.
  3. Membership.
  4. Intangible assets such as patent right, copyright, trademark right, license.
  5. Right-of-use assets.
  6. Creditor right of financial institution (including accounts receivable, foreign exchange discounting and debt release and collection).
  7. Derivative products.
  8. Assets acquired or disposed of pursuant to legal merger, split, acquisition or transfer of shares.
  9. Other important assets.
- Article 3. Terms under this Procedure are defined as follows:
1. Derivative products: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.
  2. Asset acquired or disposed through merger, split, acquisition or transfer of shares in accordance with law means asset acquired or disposed in accordance with the Enterprise Merger and Acquisition Act, Financial Holding Company Law, Financial Institutions Merger Law and other laws, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter “transfer of shares”) under Article 156-3 of the Company Act.
  3. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports.
  4. Professional appraiser: means a real property appraiser or other person authorized to perform appraisal activities for real property and equipment in accordance with law.
  5. Date of occurrence: means the transaction contract signature date, payment date, entrusted closing date, transfer registration date, date of board resolution or other date on which the transaction counterparty or the transaction amount is determined, whichever is earlier. However, for any investment that requires approval by the

government authority, such date shall be the above-mentioned date or the date on which the approval from the governing authority is received, whichever is earlier.

6. Investment in the Mainland Area: means any investment in Mainland China in accordance with the Rules Governing the Approval for Investment or Technical Cooperation in Mainland Area by the Investment Commission of the Ministry of Economic Affairs.
7. Investment professional: Refers to financial holding companies, banks, insurance companies, bill finance companies, trust enterprises, securities firms operating proprietary trading or underwriting business, futures commission merchants operating proprietary trading business, securities investment trust enterprises, securities investment consulting enterprises, and fund management companies, that are lawfully incorporated and are regulated by the competent financial authorities of the jurisdiction where they are located.
8. Securities exchange: "Domestic securities exchange" refers to the Taiwan Stock Exchange Corporation; "foreign securities exchange" refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.
9. Over-the-counter venue ("OTC venue", "OTC"): "Domestic OTC venue" refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; "foreign OTC venue" refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.

#### Article 4. Assessment Procedure:

1. When the Company acquires or disposes of any securities or engages in any transaction of derivative products, the finance department shall perform an analysis of relevant return and evaluate possible risks. For any acquisition or disposal of real property, equipment, or right-of-use assets thereof, each division shall draft prior capital expenditure plan and perform feasibility evaluation about the purpose and expected return of the acquisition or disposal. If real property or right-of-use assets thereof is to be acquired from a related party, evaluation of the reasonableness of transactional conditions shall be performed in accordance with Chapter II of this Procedure.
2. To acquire or dispose securities, the Company shall, prior to the commencement of such acquisition or disposal, obtain the financial statements of the issuing company for the most recent period audited and certified or reviewed by a certified public accountant ("CPA") or other relevant information, for reference in appraising the transaction price. If the transaction amount reaches 20% of the Company's paid-in capital or three hundred million NT dollars (NT\$300,000,000) or more, the Company shall, prior to the commencement of such acquisition or disposal, consult with a CPA for his opinion regarding the reasonability of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with provisions specified in the Statement of Auditing Standards NO. 20 published by the Accounting Research and Development Foundation (hereinafter the "Accounting Foundation"). However, the requirement does not apply to securities publicly offered in an active market or where otherwise provided by regulations of the Financial Supervisory Commission ("FSC").
3. In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or

three hundred million NT dollars (NT\$300,000,000) or more, the Company, unless transacting with a domestic government organization, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:

- (1) Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors, and the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.
  - (2) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
  - (3) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a CPA shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
    - i. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.
    - ii. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.
  - (4) No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.
4. Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, unless transacting with a domestic government organization, the Company shall engage a CPA prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.
  5. The calculation of the transaction amounts referred to in the preceding three Articles shall be done in accordance with Article 6, Section 1, subsection 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. The procedures for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.
  6. For assets acquired or disposed by the Company through court auction procedures, the Company may provide evidencing documents as the substitute for the appraisal report or the CPA's opinion.
  7. The price determination manner and basis of reference for the Company's acquisition or disposal of assets shall, in addition to the professional price appraisal and opinions of relevant experts such as the accountant pursuant to the above provisions, be in compliance with the following:



- (1) For the acquisition or disposal of securities that are already traded on any centralized trading market or over-the-counter trading center, the price shall be determined based on the price of the stock or bond at the time of trading.
  - (2) For the acquisition or disposal of securities that are not traded on any centralized trading market or over-the-counter trading center, the price shall be determined in consideration of the net value per share, technical and profit-making capabilities, future development potential, market interest rate, face value interest rate of the bond and debtor's creditworthiness, etc. and also in reference to the latest closing price at that time.
  - (3) For the acquisition or disposal of membership, the price shall be determined in consideration of the return that may be generated and in reference to the latest closing price at the time. For the acquisition or disposal of intangible assets or right-of-use assets thereof such as patent right, copyright, trademark right and license right, the price shall be determined in reference to international or market practice, remaining life and the impact on the Company's technology and business.
  - (4) For the acquisition or disposal of real property, equipment, or right-of-use assets thereof, the price shall be determined in reference to the current value under public announcement, appraised current value, actual closing price or book value of real property in the vicinity and suppliers' price proposals. If the real property or right-of-use assets thereof is purchased from a related party, calculation shall first be made in accordance with Chapter II hereof in order to evaluate whether the transaction price is reasonable.
  - (5) Company business requirements shall be taken into consideration for the engagement of transactions of derivative products. Then reference shall be made to the trading situation of the relevant product and the trading situation of Taiwanese stocks and the stock markets in South Eastern Asian countries and European and American markets, as well as evaluation reports by reputable financial institutions that has dealings with the Company about the future trend of the stock market, foreign exchange rate and interest rate. The above-mentioned information shall be consolidated before a decision can be made about the appropriate undertaking timing, undertaken products and undertaken amounts.
  - (6) In performing a merger, split, acquisition or transfer of shares, the nature of business, net value per share, asset value, technical and profit-making capabilities, production capacity and future growth potential shall be taken into consideration.
8. When the Company performs a merger, split, acquisition or transfer of shares, prior to convening a board meeting to pass a resolution, accountant, attorney or securities underwriter shall be engaged to provide opinions about the reasonableness of the share swap proportion, acquisition price or cash or other property distributed to the shareholders and such opinions shall be submitted to the board of directors for discussion and approval. The requirement of obtaining an aforementioned opinion on rationality issued by an expert may be exempted in the case of a merger by the Company of a subsidiary in which it holds 100 percent of the issued shares or authorized capital either directly or indirectly.

#### Article 5. Processing Procedure:

1. The Company shall proceed with the acquisition or disposal of assets specified in Article 2 of these Handling Procedures in accordance with the following rules:
  - (1) Securities:
    - i. For any purchase and sale of securities that are not traded on the centralized trading market or over-the-counter trading center with the sale and purchase amount of 10 million NT Dollars or lower, the president shall be authorized to

make decisions. For any amount exceeding 10 million NT Dollars (inclusive), the president shall submit the proposal to the board of directors for discussion or ratification. The relevant procedure shall be carried out by the finance department.

- ii. The President is authorized to make decisions on the acquisition or disposal of securities traded through a stock exchange or over-the-counter market with the Finance Department delegated to carry out the relevant procedures through a stock exchange or over-the-counter market based on the market value of the securities at that time and have the decisions submitted to and ratified at the next board of directors' meeting.
- (2) Real property, equipment, or right-of-use assets thereof : Acquisition or disposal of real property, equipment, or right-of-use assets thereof for which the transaction amount reaches three hundred million NT dollars (NT\$300,000,000) or above shall be submitted to the Board of Directors for discussion and recognition. Except parcels of land which shall be investigated in detail and assessed by the Administrative Service Department and submitted to the General Manager for approval, a capital expense plan shall be drafted by relevant department for the acquisition of all other real properties or fixed assets. For transactions worth more than two hundred thousand NT dollars (NT\$200,000), a benefit assessment report shall be provided. When a fund is to be used, the request for approval of fund usage shall also be submitted for the approval of all levels of supervisors according to the approval authorization. For the disposal of the same, the utilizing department shall fill in the asset variation notice or submit as a project for approval, and the disposal thereof will be proceeded with upon approval of parties with approval authorization.
  - (3) Derivative products: Transactions of derivative products shall be done in accordance with relevant provisions under Chapter III hereof.
  - (4) Acquisition or disposal of assets from or to a related party: Such shall be proceeded with pursuant to Chapter 2 of these Handling Procedures.
  - (5) Merger, split, acquisition or transfer of shares: Relevant procedures shall be carried out and relevant information shall be prepared in accordance with Chapter IV hereof. Any merger, split or acquisition shall be subject to prior approval by resolution of shareholders meeting. However, if other laws provide that no shareholder resolution is necessary, it may be waived. Any transfer of shares shall be subject to prior approval by the board of directors.
  - (6) Others: To be carried out in accordance with internal control system and decision making authorization. In case of any event under Article 185 of the Company Law, prior approval by resolution of shareholders meeting shall be obtained.
2. The execution department of the Company for acquisition and disposal of securities and transactions regarding derivative products is the Department of Finance and Accounting and staffs approved by the General Manager. The execution department for real property and other assets(including right-of-use assets) is the departments using such real property or assets and other relevant departments with authorization. The execution department for merger, demerger, acquisition, or transfer of shares shall be the departments approved by the General Manager. After the acquisition or disposal of an asset is evaluated and approved in accordance with relevant rules, the execution department shall proceed with the transaction procedures, including making contracts, collecting and paying, deliver and inspection and acceptance, and handle the same based on the nature of the asset in accordance with procedures regarding internal control related matters. Furthermore, transactions involving a related party, engaging in transactions of derivative products and merger, demerger, acquisition or transfer of

shares shall also be proceeded in accordance with Chapter 2 ~ Chapter 4 of these Handling Procedures.

Article 6. Procedures of Public Announcement and Report:

1. For the Company to acquire or dispose assets, if any of the following occurs, the Company shall proceed with the public announcement and report on the website designated by the FSC within two (2) days starting immediately from the day such even occurs according to the nature of the event, in the format and with contents prescribed.
  - (1) Acquire or dispose of real property or right-of-use assets thereof from or to a related party, or acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, excluding trading of domestic government bonds or bonds under repurchase or resale agreements, or subscription or repurchase money market funds issued by domestic securities investment trust enterprises.
  - (2) Engage in merger, demerger, acquisition or transfer of shares
  - (3) Engage in transactions of derivative products where the loss thereof reaches the ceiling amount for loss of all or individual contract as specified in these Handling Procedures.
  - (4) Where the type of asset acquired or disposed is equipment or right-of-use assets thereof for business use, the trading counterparty is not a related party, and the transaction amount reaches NT\$1 billion or more.
  - (5) Where land is acquired under an arrangement on engaging others to build on the company's own land, build on the rented land joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction reaches NT\$500 million.
  - (6) Where an asset transaction other than any of those referred to in the preceding five subsections, or an investment in Mainland China area reaches 20 percent or more of paid-in capital or three hundred million NT dollars (NT\$300,000,000); provided, this shall not apply to the following circumstances:
    - i. Trading of domestic government bonds.
    - ii. These, nevertheless, do not apply to the cases of transactions in government bonds, "repo and reverse repo" bonds, subscription to or repurchase money market funds issued by domestic securities investment trust enterprises.
2. The amount of transactions specified in the preceding section shall be calculated as follows:
  - (1) The amount of an individual transaction.
  - (2) The accumulative transaction amount of acquisition or disposal of the same type of underlying asset with the same counterparty within the preceding year.
  - (3) The accumulative transaction amount of real property or right-of-use assets thereof acquired or disposed under the same development project within the preceding year (with acquisition and disposal calculating separately).
  - (4) The accumulative transaction amount of the same security acquired or disposed within the preceding year (with acquisition and disposal calculating separately)The aforesaid "the preceding" year period shall mean the one (1) year period

immediately preceding the date of occurrence of the current transaction, and items duly announced in accordance with the Handling Procedures need not be counted toward the transaction amount.

3. With regard to transactions of derivative products carried out by the Company and its subsidiaries which are not publicly listed companies in the R.O.C., the Company shall file information designated by the FSC as of the end of the previous month on the website under the format shown in the attachment (Attachment 7-1) on a monthly basis by the tenth day of each month.
4. Where the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall again be publicly announced and reported in their entirety within two (2) days counting inclusively from the date of knowing of such error or omission.
5. After a transaction is filed for public announcement in accordance with the rules, in case of any of the following, relevant information shall be filed for public announcement on the website designated by the FSC within two days from the occurrence of the fact:
  - (1) Change, termination, or rescission of a contract signed in regard to the original transaction.
  - (2) The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
  - (3) Any change to the original publicly announced and reported information.

Article 7. Scope and Amount of Investment:

1. The total amount of real property or right-of-use assets thereof acquired by the Company for non-operational use shall not exceed fifty percent of the shareholder's equity. The total amount of securities acquired shall not exceed one hundred and fifty percent of shareholder's equity. Acquisition of any individual security shall not exceed thirty percent of shareholder's equity. This provision shall not be applicable if there is approval by resolution of the shareholders meeting.
2. Amount limit for investments made by each subsidiary shall be subject to the following:
  - (1) The total amount of real property or right-of-use assets thereof purchased for non-operational use by any subsidiary that is not a professional investor shall not exceed fifty percent of its capital amount or shareholder's equity (whichever is higher), the total amount of securities purchased not to exceed one hundred and fifty percent of its capital amount or shareholder's equity (whichever is higher) and the amount of investment in any individual security not to exceed fifty percent of its capital amount or shareholder's equity (whichever is higher).
  - (2) The total of real property or right-of-use assets thereof purchased for non-operational use by any subsidiary that is a professional investor shall not exceed fifty percent of its total asset, the total amount of securities not to exceed one hundred percent of its total asset and investment in any individual security not to exceed one hundred percent of its total asset.
  - (3) If the investment made by any subsidiary exceeds the limit, the provision shall not be applicable if there is approval by the board of directors of such company and ratification by the board of directors of the Company.

Article 8. Control procedures for the acquisition and disposal of assets by subsidiaries:

1. Subsidiaries of the Company shall establish the "Processing Procedure for Acquisition or Disposal of Asset" in accordance with the "Rules Governing the Acquisition or Disposal of Asset by Public Companies" promulgated by the FSC and this Procedure. Following approval by the board of directors, such procedures shall be submitted to each supervisor and submitted to the shareholders meeting for approval. The same

shall be applicable to any amendment thereof. Handle if in accordance with Article 27 if the Company has instituted an Audit Committee.

2. Subsidiaries of the Company shall submit monthly report to the Company, prior to the 8<sup>th</sup> date of each month, on the status of all transactions involving derivative products up to the end of the previous month.
3. If any subsidiary of the Company is not a publicly listed company and if the asset acquired or disposed of reaches the threshold for public announcement filing, the Company shall be notified on the date of occurrence of the fact and the Company shall make filing for public announcement on the designated website in accordance with the rules. The paid-in capital or total assets of the public company shall be the standard for determining whether or not a subsidiary referred to in the preceding paragraph is subject to Article 6 requiring a public announcement and regulatory filing in the event the type of transaction specified therein reaches 20 percent of paid-in capital or 10 percent of the total assets.

Article 9. Penalty:

If the personnel of the Company responsible for the acquisition or disposal of assets violates the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” published by the FSC or the Handling Procedures, an oral warning will be rendered for the first violation, followed by warning in writing for continual violation. Persons who violates the aforesaid repeatedly or materially will be moved from the original position.

## **Chapter II Transactions with Related Parties**

Article 10. Defining Ground:

When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted in accordance with both the previous Chapter and this Chapter and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of the preceding Section. The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Article 4, Section 1, Subsection 5 herein. When judging whether a trading counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.

Article 11. Resolution Procedure:

When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or three hundred million NT dollars (NT\$300,000,000) or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or repurchase money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the board of directors:

1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
2. The reason for choosing the related party as a trading counterparty.
3. With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 12 and Article 13 herein.

4. The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the company and the related party.
5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with Article 10 herein.
7. Restrictive covenants and other important stipulations associated with the transaction.

The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 6, Section 1, Subsection 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors and recognized by the audit committee in accordance with the Handling Procedures need not be counted toward the transaction amount.

With respect to the types of transactions listed below, when to be conducted between a the Company and its subsidiaries, the Company's board of directors may delegate the board chairman to decide such matters when the transaction is within NT\$ 1 billion and have the decisions subsequently submitted to and ratified by the next board of directors meeting:

1. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.
2. Acquisition or disposal of real property right-of-use assets held for business use.

#### Article 12. Assessment on Reasonableness of Transaction Conditions:

When the Company acquires real property or right-of-use assets thereof from a related party, the reasonableness of the transaction cost shall be evaluated in the following manners and an accountant shall be engaged to verify the result and provide substantial opinion, unless the related party acquired the real property or right-of-use assets thereof pursuant to succession or gift, or five years have lapsed since the time when the related party signed a contract for the acquisition of such real property or right-of-use assets thereof and the date of signature for this transaction, or through engaging a related party to build real property, either on the company's own land or on rented land, or the related party acquired the real property pursuant to signature of a contract for joint construction with others. The real property right-of-use assets for business use are acquired by the Company with its subsidiaries.

1. Transaction price of the related party plus necessary capital interest and cost to be borne by the buyer in accordance with law. Necessary capital interest cost shall be calculated based on the weighted average interest rate for the funds borrowed by the Company during the year when the asset is purchased, provided it shall not be higher than the highest lending rate for non financial industries published by the Ministry of Finance.
2. If the related party created a mortgage on the asset for the purpose of borrowing funds from a financial institution, the total value of the lending based on such asset evaluated by the financial institution, provided that the accumulated value of actual lending by the financial institution based on such asset shall be at least seventy percent of the total lending evaluation and the lending shall have been one year or longer. However, this provision shall not be applicable if the financial institution is a related party to either party to the transaction.
3. If several persons jointly purchase or leased the same piece of land or housing, the

transaction cost for such land and housing may be evaluated in any of the manners provided under subsections 1 or 2 above respectively.

**Article 13. Matters to be Carried Out if the Calculated Transaction Cost is Lower than Transaction Price:**

If the transaction cost calculated from the results of evaluation in accordance with the previous article is lower than the transaction price, unless any of the following circumstances and objective evidence may be provided and opinions about substantial reasonableness may be obtained from real property professional appraiser and accountant, the third section shall be applicable.

1. The related party acquired raw land or leased land for re-construction and evidence may be provided that one of the following conditions is satisfied:
  - (1) Pursuant to evaluation of the raw land in accordance with the previous article and based on the related party's construction cost for the housing plus reasonable operational profit, the combined amount exceeds the actual transaction price. "Reasonable operational profit" shall be based on the average operational gross interest rate of the related party's construction department for the past three years or the latest gross interest rate for the construction industry published by the Ministry of Finance, whichever is lower.
  - (2) Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.
2. The Company provides evidence that the transaction conditions for the purchase of real property or obtaining real property right-of-use assets through leasing, from a related party are commensurate to a closed case with similar surface in the vicinity during the past year by any person other than a related party.

The closed case in the vicinity referred to in the previous paragraph shall be one within the same or neighboring block, within the diameter of five hundred meters from the transaction target or has similar current value under public announcement in principle. Similar surface means the surface of the closed case by another person that is not a related party is at least fifty percent of the surface of the transaction target in principle. Within one year means the one year preceding the date of occurrence of the fact of real property or right-of-use assets thereof acquisition in this incidence.

When the Company acquires real property or right-of-use assets thereof from a related party, if the transaction cost calculated from the evaluation in accordance with the previous article is lower than the transaction price, and if there is no circumstance provided under section 1 of this agreement, the following shall be carried out:

1. The difference between the real property or right-of-use assets thereof transaction price and the evaluation cost shall be provided as special profit reserve in accordance with Article 41, paragraph 1 of the Securities and Exchange Act and may not be distributed or used for capital increase and share distribution. The special profit reserve so provided may only be used when the decrease in value has been provided for the asset purchased at high price, or when the asset is disposed, or has been duly compensated or reinstated to its original condition, or when there is other evidence confirming that the price is not unreasonable and consent from the FSC has been obtained.
2. The independent directors of the audit committee shall proceed in accordance with Article 218 of the Company Law.
3. The processing under subsections 1 and 2 shall be reported to the shareholders meeting and the details of the transaction shall be disclosed in the annual report and prospectus.

### **Chapter III Monitoring of Transactions of Derivative Products**

#### **Article 14. Transaction Principles and Guidelines:**

1. **Types of Transactions:** The types of transactions in which the Company may engage include forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, and hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. Any required transaction in any other product may only be carried out following approval by resolution of the board of directors.
2. **Operational or Hedging Strategies:** Transactions in derivative products carried out by the Company are divided into transactions for hedging purpose and transactions that are not for hedging purpose (i.e., for transaction purpose). The strategy shall be to focus on the main purpose of hedging. The main selection of transaction products shall be for avoiding the risk of foreign exchange income, expense, asset or indebtedness incurred from the operation of the Company's business. In case of any change of objective environment, "non-hedging transactions" in derivative products may be engaged at appropriate timing in the market in order to increase additional non-operational income or reduce non-operational loss. Further, to the extent possible, the selected transaction counterparties shall be financial institutions that have business dealings with the Company in order to avoid credit risk. The type of transaction shall be clearly defined as hedging transaction or financial operation in pursuit of investment return prior to the transaction as the basis for accounting.
3. **Transaction Amount Limits:**
  - (1) **Hedging Transactions:** The maximum hedging limit shall be the net positions of foreign exchange or debt (including net positions expected to incur in the future) after consolidation of assets and debt.
  - (2) **Non-Hedging Transactions:** To be determined based on the market trend and company business requirement at the time of transaction. The transaction staff shall provide analysis and evaluation report before individual execution, specifying the market trend and risk analysis and providing suggested operational method and conditions. Approval from the president shall be obtained before the transaction.
4. **Global and Individual Contract Loss Limit Amount**
  - (1) **Hedging Transactions:** After a position is established, in case of any of the following, recommendations of corresponding measures shall be proposed immediately to president or the supervisor authorized by the president for decision:
    - i. Evaluated loss amount for any single contract exceeds twenty percent of the transaction contract amount for consecutive two months.
    - ii. Evaluated loss amount for all contracts exceed ten percent of the total transaction contract amount for consecutive two months.
  - (2) **Non-Hedging Transactions:** After a position is established, a loss stop point shall be fixed in order to avoid excessive loss. In fixing the loss stop point, the total loss amount under all contracts shall not exceed the maximum of 40% of the total amount of all contracts. The loss for an individual contract shall not exceed 50% of the amount of the individual contract, nor shall it exceed 50 million NT Dollars. Once the loss exceeds the loss stop point, corresponding suggestions shall be proposed immediately to the president or the executive authorized by the president for decision.
5. **Authorization Amount**



- (1) Hedging Transactions: In accordance with the change of position in accordance with the company's turnover and risk and after approval by the senior executive authorized by the president, the transaction staff shall perform transactions under the condition that the accumulated closed positions shall not exceed the currently required hedging positions.
- (2) Non-Hedging Positions: In order to decrease the risk, any accumulated closed positions below 50 million US Dollars (including the equivalent in other currencies) shall subject to approval by the president or the senior executive authorized by the president and positions exceeding 50 million US Dollar shall be subject to approval by the president before the relevant transaction may be performed.
- (3) Futures of Large Volume Materials: In accordance with the change of company requirement and risk position, the executive of the Taipei Management Division is authorized for such operation within the accumulated operational limit of 40 units of corn, 20 units of soy beans and 10 units of wheat. Any transaction exceeding the above limit shall require prior approval by the president.

#### 6. Division of Responsibilities

- (1) Financial Business Division: Will serve as the execution staff for the Company's transactions of derivative products and be responsible for the drafting of transaction strategies and execution of transaction orders within the scope of authorization, disclosure of future transaction risks and provision of updated in-time information to relevant divisions for reference. Such jobs in fund procurement, delivery, handling or accounts, production of statements and storage of transaction records shall be conducted by the personnel in that department not in charge of transaction.
- (2) Taipei Management Division: Responsible for executing transactions in futures of large volume materials and providing regular evaluation reports.
- (3) Audit Division
  - i. Regular supervision and evaluation as to whether the fixed operational strategy is being followed and whether the risk undertaken is within the limit of tolerance by the Company.
  - ii. Regularly evaluate whether the risk management procedure currently used is appropriate and in compliance with the "Operating Procedure for Transaction in Derivative Products" established by the Company.
  - iii. If any anomaly is discovered during an audit, a report shall be submitted to the president immediately and necessary measures shall be taken.

#### 7. Principles for Performance Evaluation

- (1) Hedging Transactions: Performance evaluation shall be based on the foreign exchange (interest) rate cost on the Company's books and the profit and loss incurred from derivative financial transactions. There shall be at least two evaluations every month and the performance shall be submitted to management for reference.
- (2) Non-Hedging Transactions

Performance evaluation shall be based on the profit and loss actually incurred. There shall be at least one evaluation every week and the performance shall be submitted to management for reference.

#### Article 15. Risk Management Measures:

In engaging in transactions of derivative products, the Company's risk management scope and the risk management measures to be taken are as follows:

1. Credit Risk Consideration: In principle, the selected transaction counterparties shall be banks and relevant financial institutions that have dealings with the Company, with a good reputation and the ability to provide professional information.
2. Market Price Risk Consideration: The future market price fluctuation of derivative products may incur uncertain losses. Therefore after positions are established, the profit and loss shall continue to be followed. When the loss exceeds the preset loss stop point, report shall be made immediately to the president or the executive authorized by the president for decision.
3. Liquidity Risk Consideration: In order to ensure the liquidity of transaction products, the transaction institution must have sufficient equipment, information and transaction capability to perform transactions in any market.
4. Processing Risk Consideration: The authorization amount and processing flow shall be strictly complied with in order to avoid any processing risk.
5. Legal Risk Consideration: Any contract document to be signed with any financial institution shall be carefully reviewed by the processing division or with the assistance by the legal department or professional legal consultants in order to avoid legal risk.
6. Product Risk Consideration: The internal transaction person shall possess complete and correct professional knowledge about the transacted derivative product in order to avoid loss from misuse of derivative products.
7. Cash Settlement Risk Consideration: The authorized transaction person shall strictly comply with the rules of authorization amount and shall also pay attention to the cash flow of the Company in order to ensure that there is sufficient cash for settlement.
8. Transaction personnel may not also serve as confirmation and settlement personnel.
9. Verification personnel shall regularly verify accounts with banks or through confirmation letters and shall verify whether the total amount of transaction has exceeded the limit provided under this Procedure at all times.
10. Risk monitoring and control personnel shall be affiliated with a different unit from that of the personnel under the previous two subsections and shall report to the board of directors or a senior executive who is not responsible for transaction or position decisions.
11. All positions shall be evaluated at least once every week. In case of hedging transactions pursuant to business requirement, evaluation shall be performed at least twice every month. The evaluation report shall be submitted to the president or the senior executive designated by the president (note: the designated senior executive shall not be affiliated with the execution division).

#### Article 16. Internal Audit System:

The internal audit staff of the Company shall regularly understand the appropriateness of internal control for transactions of derivative products, perform monthly audit on the operating procedure of the transaction department with regard to transactions of derivative products and prepare audit reports. If any significant breach of this rule is discovered, an immediate report shall be submitted to the chairman and the senior executive designated by the board of directors and the audit committee shall be informed in writing.

#### Article 17. Regular Evaluation Method and Handling of Abnormal Situations:

1. Transactions of derivative products shall be regularly evaluated on monthly or weekly basis and profit and loss as well as open positions of non-hedging transactions during the current month or current week shall be listed and submitted to the president or senior executive authorized by the president as reference for management performance evaluation and risk consideration.

2. The president of the Company or the senior executive designated by the board of directors shall pay attention to the monitoring and control of risk for transactions of derivative products at all times. The board of directors shall regularly evaluate whether the performance of transactions of derivative products complies with the fixed operational strategies and whether the risk undertaken is within the Company's scope of tolerance.
3. The president or senior executive authorized by the board of directors shall manage transactions of derivative products based on the following principles:
  - (1) Regularly evaluate whether the risk management measures currently used are appropriate and ensure that the relevant provisions under the "Rules Governing the Acquisition and Disposal of Asset" established by the Financial Supervisory Commission and this Procedure are complied with.
  - (2) Monitor transaction and profit and loss situations. Take necessary corresponding measures if any anomaly is discovered and report immediately to the board of directors.
4. The Company shall establish a record book for transactions of derivative products, detailing the types and amounts of transactions of derivative products, the dates of approval by the board of directors, monthly or weekly regularly evaluation reports and matters subject to regular evaluations by the board of directors and senior executive authorized by the board of directors.

#### **Chapter IX Merger, Split, Acquisition or Transfer of Shares**

Article 18. When the Company engages in a merger, split, acquisition or transfer of shares, accountant, attorney or securities underwriter shall be engaged prior to convening a board meeting for resolution in order for opinions to be provided about the reasonableness of the share exchange ratio, acquisition price or distribution of cash or other asset to the shareholders. The proposal shall then be submitted to the board of directors for discussion and approval. The requirement of obtaining an aforementioned opinion on rationality issued by an expert may be exempted, nevertheless, in the case of a merger by the Company of a subsidiary in which it holds 100 percent of the issued shares or authorized capital either directly or indirectly.

Article 19. When the Company engages in a merger, split, acquisition or transfer of shares, provisions of important agreements and related matters shall be included into public documents to the attention of shareholders prior to the shareholders meeting. Such documents shall be submitted to the shareholders together with the expert opinions referred to in the previous article and the notice for the meeting as reference for whether such proposed merger, split or acquisition should be approved. However, this provision shall not be applicable if other laws allow the merger, split or acquisition without resolution by the shareholders meeting. If the shareholders meeting of any party participating in the merger, split or acquisition cannot be convened, resolution cannot be reached or if the proposal is denied by the shareholders meeting, the Company shall immediately make a public announcement to explain the reasons therefore, subsequent handling process and the expected date for convening the shareholders meeting.

Article 20. Unless otherwise provided by law or if there is any special reason requiring prior approval by the FSC, when the Company participates in any merger, split or acquisition, it shall convene the board meeting and the shareholders meeting on the same day as the other participating companies to resolve on matters of merger, split or acquisition. When the Company participates in any transfer of shares, it shall convene the board meeting on the same day as the other participating companies.

Any company that participates in any merger, split, acquisition or transfer of shares and who is a listed company or whose shares are traded in any securities dealer's business

premises shall complete written records for the following information shall be prepared and maintained for five years for future verification.

1. Basic staff information: including persons who participated in the project of merger, split, acquisition or transfer of shares or who executed the project prior to the announcement of the news, including their titles, names, ID numbers (passport numbers in case of foreign nationals).
2. Dates of important matters: including the dates on which the letter of intent or memorandum of understanding is signed, financial or legal advisors is engaged, contract is signed and the board meetings, etc.
3. When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall, within 2 days ~ commencing immediately from the date of passage of a resolution by the board of directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraphs 1 and 2 of the preceding paragraph to the FSC for recordation.

Any company that participates in any merger, split, acquisition or transfer of shares and who is a listed company or whose shares are traded in any securities dealer's business premises shall file the information referred to under subsections 1 and 2 of the previous section in the specified format on the internet information system within two days from the date on which the board resolution is passed.

For any company that participates in any merger, split, acquisition or transfer of shares and who is not a listed company or whose shares are not traded in any securities dealer's business premises, the company that is a listed company or whose shares are traded in any securities dealer's business premises shall sign an agreement with the former company and proceed in accordance with provisions under the second and third sections.

#### Article 21. Share Exchange Ratio and Acquisition Price:

The share exchange ratio or acquisition price for any merger, split, acquisition or transfer of shares shall not be changed unless there are any of the following events:

1. Capital increase in cash, issuance of convertible corporate bonds, issuance of shares without consideration, issuance of corporate bonds with warrants attached, special shares with warrants attached, warrants for share subscription and other securities with the nature of shareholding entitlement.
2. Disposal of significant assets of the Company that impact the financial business of the Company.
3. Occurrence of any significant disaster or significant change of technology that impacts the shareholders interest or price of the securities.
4. Adjustment made pursuant to repurchase of treasury shares by any company participating in the merger, split, acquisition or transfer of shares in accordance with law.
5. Change of entity, or increase or decrease of the number of entities participating in the merger, split, acquisition or transfer of shares.
6. Change of any other condition that may be changed under the contract and for which public disclosure has been made.

#### Article 22. Matters to be Provided under the Contract:

When the Company participates in any merger, split, acquisition or transfer of shares, the contract shall specify the rights and obligations of the participating companies, the share exchange ratio and acquisition price that may be changed as referred to in the previous article and the following matters:

1. Handling for breach of contract.

2. Principles for handling securities with shareholding entitlement that have been issued previously by the distinguished or split company or treasury stocks that have been repurchased previously.
3. The quantity and principles for handling treasury stocks that may be repurchased in accordance with law by the participating company after the record date for calculation of share exchange ratio.
4. Manner for handling the increase or decrease of the number of participating entities.
5. Expected project execution schedule and expected completion date.
6. Handling procedures in the event that the project is not completed by the deadline, such as the expected date for convening the shareholders meeting.

Article 23. Other matters to attend to when the Company participates in any merger, split, acquisition or transfer of shares:

1. Require persons that participate or know about the merger, split, acquisition or share transfer project to issue a written confidentiality undertaking and shall not disclose the contents of the project, nor sell or purchase any share or other securities with shareholding entitlement of any company that is related to the transaction either in his/her own name or in the name of any other person, prior to public announcement of the news.
2. After the news about the merger, split, acquisition or share transfer is published, if a further merger, split, acquisition or share transfer is contemplated with another company, unless the number of participating entities is decreased and the shareholders meeting has already reached a resolution authorizing the board of directors to make changes, in which circumstance no additional resolution from the shareholders meeting shall be necessary, all procedures or legal acts that have been completed under the original proposal shall be redone.
3. If any company that participates in the merger, split, acquisition or share transfer is not a publicly listed company, the Company shall sign an agreement with such company and proceed in accordance with the provisions under Article 20 and the previous two sections of this article.

## **Chapter V Other Important Matters**

Article 24. When the Company acquires or disposes of assets, relevant contracts, minutes of meetings, record books, price appraisal reports and opinions of accountants, attorneys or securities underwriters shall be maintained at the Company's office for at least five years, unless otherwise provided by law.

Article 25. When the Company obtains a price appraisal report or opinions from accountants, attorneys or securities underwriters, such professional appraiser and the appraisal staff, accountant, attorney or securities underwriter shall meet the following requirements:

1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.
2. May not be a related party or de facto related party of any party to the transaction.
3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

Article 26. If any acquisition or disposal of assets by the Company is subject to approval by the board of directors in accordance with this Procedure or other laws and if any director voices any objection that is recorded or stated in writing, such director objection information shall be submitted to the audit committee. If the Company has independent directors, opinions of each independent director shall be fully taken into consideration. If any independent director has any objection or reservation, it shall be specified in the minutes of board meetings.

A transaction of significant assets or derivative products shall be subject to approval by one-half of all members of the audit committee and the proposal shall be submitted to the approval by resolution of the board of directors. Sections 3 and 4 of Article 27 shall be applicable *mutatis mutandis*.

Article 27. This Procedures and any amendments thereafter shall become effective with the consent of more than half of all members of the audit committee and after being submitted to the Board of Directors for a resolution and approved by shareholders in a shareholders' meeting. If any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to the audit Committee. When the procedures for the acquisition and disposal of assets are submitted for discussion by the board of directors, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

If the above-mentioned matter is not approved by one-half or more of all members of the audit committee, it may be approved instead by two-thirds of all members of board of directors. The resolution by the audit committee shall be specified in the minutes of the board meeting.

All members of the audit committee and board of directors as referred to in the second section hereof shall be calculated based on the number of members who are currently in position.

Article 28. These Articles were duly enacted on June 27, 2003 and duly amended on:

- (01) June 28, 2007; (02) June 23, 2010; (03) June 22, 2012; (04) June 25, 2013;
- (05) June 24, 2014; (06) June 26, 2015; (07) June 21, 2017; (08) June 18, 2019;

**Uni-President Enterprises Corporation**  
**Procedures for Election of Directors**

Appendix 4

Promulgated on July 23, 2021

- 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's Procedures for Election of Directors, and the Company's Rules for Director Elections should be abolished.
- 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 A ballot is invalid under any of the following circumstances:
- 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.
  - 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.
- 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.
- Article 12 The board of directors of the Company shall issue certificate to the persons elected as directors.
- 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 July 2021



**Rules of Procedure for Shareholders' Meeting**

Amended 23 July 2021

- 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 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.

- X. Where the shareholders' meeting is assembled by the Board, the Board shall stipulate the meeting agenda. The related motions (including extemporary motions and amendments to the original motions) shall be subject to a vote. The shareholders' meeting shall progress in accordance with an arranged agenda, which can only be changed by the resolution of the shareholders' meeting.

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, and the names of directors not elected and number of votes they received.

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

Appendix 6

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	9,102,628
Director	Yu Peng 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		571,059,979