

Uni-President Enterprises Corp.
Minutes for the 2024 Annual General Shareholders' Meeting

Meeting convening method: A physical shareholders' meeting.

Time: Thursday, June 27, 2024 at 10:00 am.

Place: 1F of Educational Training Center of Uni-President Enterprises Corp. head office. No.301, Zhongzheng Rd., Yongkang District., Tainan City.

Chairperson: Chih - Hsien Lo

Recorder: Yu-Han Chen

Attendants: Total Shares Represented by Shareholders and Proxies Present: 4,821,037,285 shares, (3,405,707,296 shares exercised via electronic transmission) accounted for 84.84% of the total shares issued. (5,682,015,421 shares)

At this regular shareholder meeting, 9 directors attended in person, which was more than half of the entire 14 directors. The list of directors attending the meeting is as follows:

Representative of juristic person directors :

Kao Chuan Inv. Co., Ltd. Representative: Chih-Hsien Lo,

Kao Chuan Inv. Co., Ltd. Representative: Shiow-Ling Kao,

Young Yun Inv. Co., Ltd. Representative: Chung-Ho Wu,

Yu Peng Inv. Co., Ltd. Representative: Po-Ming Hou,

Joyful Inv. Co., Ltd. Representative: Pi-Ying Cheng

Director : Po-Yu Hou

Independent Directors : Ming-Hui Chang (Chairman of the Audit Committee),

Chun-Jen Chen(Chairman of the Remuneration Committee),

Wei-Yung Tsung

Sit-in Members : Jau-Kai Hwang (President), Ching-Tien Lee (President),

Tzu-Shu Lin (CPA), Chung-Yu Tien (CPA), Hsu-Hwa Yu (Attorney)

Meeting Agenda :

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

II Chairman remarks (omitted)

III Company Reports

Motion 1: 2023 Business Report.

Explanation :

Please refer to Attachment 1 for the Company's 2023 business report.

Motion 2: Audit Committee's Review Report on the 2023 Financial Statements.

Explanation :

This proposal is the presentation by the Board of Directors of the Company's 2023 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).

Motion 3 : Report on the payment of employee compensation and director remuneration of 2023.

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 2023 in the following manner, based on the Articles of Incorporation and by taking the operating performance into account:
 - (1) 5.15% as the remuneration to employees, namely NT\$1,612,641,576.
 - (2) 0.94% as the remuneration to directors, namely NT\$293,383,651.
3. The remuneration to employees and directors is allocated in cash uniformly.

Motion 4 : Report of the Company's total endorsement and guarantee provided to the reinvestments at the end of 2023.

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, 2023, the balance of endorsements/guarantees at the end of the term amounted to NT\$39.816325 billion. The aggregate total actually disbursed amounted to NT\$0.5826 billion.

Unit: Thousand NT\$

Name of endorsees/guarantees	Consolidated Shareholding ratio	Remaining Balance (Note 1)	Actual Amount Used (Note 2)
Kai Yu Investment Co., Ltd.	100.0%	7,424,025	132,600
Kai Nan Investment Co., Ltd.	100.0%	4,188,775	0
Tone Sang Construction Corp.	100.0%	3,843,525	450,000
Uni-President Express Corp.	100.0%	1,800,000	0
Kai Yu (BVI) Investment Co., Ltd.	100.0%	21,000,000	0
President Entertainment Corp.	100.0%	1,500,000	0
President Baseball Team Corp.	100.0%	60,000	0
Total	-	39,816,325	582,600

Note 1 : Amount approved by the board of directors.

Note 2 : Actually used amounts under the approved endorsement / guarantee line.

Motion 5 : Report on the Company's issuance status of corporate bonds for 2023.

Explanation:

1. The issuances were completed in accordance with Article 246 of Company Act.
2. The company completed three offerings of corporate bonds in 2023. A summary of the major terms of these offerings as follows :

Issuance	2023's first domestic unsecured straight corporate bond	2023's second domestic unsecured straight corporate bond	2023's third domestic unsecured straight corporate bond
Amount	NTD 7.3 billion	NTD 6.0 billion	NTD 5.7 billion
Maturity	5 years and 7 years	5 years	5 years and 10 years
Coupon Rate	5 years : 1.53% 7 years : 1.62%	1.55%	5 years : 1.55% 10 years : 1.75%
Principal Repayment and Coupon Frequency	Principle repayment: One-time repayment since issuance date for both 5-year and 7-year terms. Interest payout: simple interest rate is used to pay out yearly.	Principle repayment: Repaying 1/2 principle by the ends of 4 th and 5 th year from the issuance date. Interest payout: simple interest rate is used to pay out yearly.	Principle repayment: One-time repayment since issuance date for both 5-year and 10-year terms. Interest payout: simple interest rate is used to pay out yearly.
Approval Document Number	Announcement of effectivity per the Letter Zheng-Gui-Zhai-Zi No. 11200022321 of the Taipei Exchange on Apr. 7, 2023.	Announcement of effectivity per the Letter Zheng-Gui-Zhai-Zi No. 11200070831 of the Taipei Exchange on Jul. 11, 2023.	Announcement of effectivity per the Letter Zheng-Gui-Zhai-Zi No. 11200102531 of the Taipei Exchange on Oct. 5, 2023.
The Purpose of Issuance	Raising long-term capital and reinforcing the financial structure.	Raising long-term capital and reinforcing the financial structure.	Raising long-term capital and reinforcing the financial structure.
Note	The offering was completed on Apr. 18, 2023.	The offering was completed on Jul. 20, 2023.	The offering was completed on Oct. 18, 2023.

IV Proposals

Motion 1: 2023 Company's business reports and financial statements.

Explanation:

1. Adoption of the 2023 Company's business report and financial statements, which have been approved by resolution of the 14th meeting of the 19th term of board of directors on March 7, 2024 and examined by Audit Committee.
2. Please refer to Attachment 1 for the business report, auditor's report and financial statements (Attachment 2, Attachment 3) , audit committee's review report (Attachment 5).

Resolution:

Voting Result-

Shares represented at the time of voting : 4,821,007,502

Voting Results*		% of the total represented share present
Votes in favor	4,349,554,374 votes (2,934,304,931 votes)	90.22%
Votes against	106,938,981 votes (106,938,981 votes)	2.22%
Votes abstained/ No votes	364,514,147 votes (364,463,384 votes)	7.56%
Votes invalid	0 votes	0%
The proposal was approved after voting.		

*including votes casted electronically (numbers in brackets)

Motion 2: Adoption of the proposal for distribution of 2023 profits.

Explanation:

1. The Company's net profit after tax was NT\$18,336,478,165 in 2023, plus the remeasurement of the fringe benefit programs, NT\$ 287,562,568, and set aside of special surplus, NT\$1,591,240,746. Then, 10% , NT\$1,862,404,073, was set aside as a legal reserve. Therefore, including the unappropriated retained earnings of previous years, NT\$17,875,415,195, the accumulated allocable earnings from profits were NT\$33,045,811,109.
2. Please refer to Attachment 4 for the distribution of 2023 profits.

3. The Company's 2023 is proposed to distribute Cash dividends of NT\$ 3.0 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:

Voting Result-

Shares represented at the time of voting : 4,821,019,285

Voting Results*		% of the total represented share present
Votes in favor	4,466,835,894 votes (3,051,586,451 votes)	92.653%
Votes against	171,403 votes (171,403 votes)	0.004%
Votes abstained/ No votes	354,011,988 votes (353,949,442 votes)	7.343%
Votes invalid	0 votes	0%
The proposal was approved after voting.		

*including votes casted electronically (numbers in brackets)

V Discussions :

Motion 1: Amendment to the Company's Articles of Incorporation.

Explanation:

1. In consideration of the Company's future investment needs, stable long-term development, and the interests of shareholders, it is proposed to amend the calculation of the earnings distribution in Article 31 of the Company's "Articles of Incorporation," and specify the amendment date in Article 34. For the current full Articles of Incorporation, please refer to Appendix I on page 41 of the Meeting Handbook.
2. The Comparison Table of the Amended Article 31 of the Company's "Articles of Incorporation" is as follows:

Provision After Proposed Amendments	Current Provision	Explanation
<p>Article 31 (omitted) 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 comprise the distributable earnings for the period, including the appropriated or reversed special reserve, as well as the accumulated unappropriated earnings of previous years. The shareholder dividend shall be for an amount equivalent to at least 50% (inclusive) of the distributable earnings for the period. 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. (omitted)</p>	<p>Article 31 (omitted) 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. (omitted)</p>	<ol style="list-style-type: none"> 1. Considering the Company's future investment needs, long-term stable development, and the interests of shareholders, it is proposed to amend the earnings distribution calculation. 2. Text revision and deletion.
<p>Article 34 These Articles were duly enacted on June 27, 1967 and duly amended on: (80) June 18, 2019; (81) May 31, 2022; (82) June 27, 2024</p>	<p>Article 34 These Articles were duly enacted on June 27, 1967 and duly amended on: (80) June 18, 2019; (81) May 31, 2022</p>	<p>Recording of the date of amendment.</p>

Resolution:

Voting Result-

Shares represented at the time of voting : 4,821,037,285

Voting Results*		% of the total represented share present
Votes in favor	4,409,770,958 votes (2,994,521,515 votes)	91.47%
Votes against	7,830,462 votes (7,830,462 votes)	0.16%
Votes abstained/ No votes	403,435,865 votes (403,355,319 votes)	8.37%
Votes invalid	0 votes	0%
The proposal was approved after voting.		

*including votes casted electronically (numbers in brackets)

Motion 2: The lifting of the non-competition clause imposed upon the Company's directors and independent directors in accordance with Article 209 of the Company Act.

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. There were changes in the positions concurrently held in other companies by the current representatives of juridical person directors, Mr. Jui-Tien Huang, the Independent Directors Mr. Ming-Hui Chang, Mr. Wei-Yung Tsung, Mr. Chun-Jen Chen and Mr. Lee-Feng Chien. It is proposed to lift their non-compete clauses on the premise that there is no damage to the Company's interests.
3. For the details of the duties in other companies concurrently served by the above-mentioned representatives of juristic person directors and independent directors, Please refer to Attachment 6.

Resolution :

Voting Result-

Shares represented at the time of voting : 4,821,037,285

Voting Results*		% of the total represented share present
Votes in favor	4,159,638,215 votes (2,744,393,212 votes)	86.28%
Votes against	3,742,488 votes (3,742,488 votes)	0.08%
Votes abstained/ No votes	657,656,582 votes (657,571,596 votes)	13.64%
Votes invalid	0 votes	0%
The proposal was approved after voting.		

*including votes casted electronically (numbers in brackets)

VI Questions and Motions :

Summary of the comment made by Shareholder Account No. #83110495 :

According to the data, the business target set by Uni-President China Holdings Ltd. (Cayman) reached RMB 50 billion in 2023. Given the current situation in Mainland China, the GDP growth is limited and the consumption is also restricted by the WTO. Is the business target still RMB 50 billion?

#Response of The meeting chair:

Basically, our operations in China have been based on two principles: stability and health. Under these two principles, organizational discipline has become more important. Fortunately, our company has been operating in accordance with these two principles in the past few years. Based on this principle, although the external environment is very tense and the competition is very fierce, our company's performance is relatively stable and healthy. I still want to emphasize again and again that we are very small in the Chinese market, so as long as we can maintain this stable operating status, I think many of our goals can be implemented as planned, thank you!

Summary of the comment made by Shareholder Account No. #83110495 :

How was the target of RMB 50 billion set?

#Response of The meeting chair:

China is a mainland-based economic market. Therefore, we estimate that it will need a turnover of RMB 50 billion to support the effective operation of this huge system in order to become a national operator in China. So, this RMB 50 billion is not a slogan for us, it is something that must be achieved in the shortest time, otherwise our operations will suffer a great negative impact. This is the same for other companies, thank you!

Remarks: The AGM minutes only outline the proposals discussed. The proceedings, procedures, and shareholder comments are based on the audio-visual recording of the meeting.

VII Adjournment : Ends at 10:37 am that day

Uni-President Enterprises Corp.
2023 Business Report

Attachment 1

The Company's operating income amounted to NT\$48.6 billion in 2023, representing an increase of 4.1% from the year before, a net income amounted to NT\$18.3 billion, representing an increase of 6.8% from the year before, and a consolidated operating income of NT\$581.1 billion through the efforts of all our staff and the support of consumers. In 2024, Uni-President will carry through the business mindset of "honesty, diligence, innovation, and progression", and hold onto the business guidance to catch trends, find ways, and refine skills, continuously strengthening the market status and competitiveness to create a promising future.

Protecting food safety without compromise

"Food safety" is the most concerned topic for the public and a critical rule that cannot be compromised. We have established a food safety center with the highest standards in the industry, paid 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. Facing food safety issues, we will continue investing resources, strengthening profession, and eliminating risks cautiously.

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, combine the business wisdom of food manufacturing and distribution, and satisfy more consumer needs in order to fully realize group synergy and maximize the value.

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 of our customers, improvement of life quality, and achievement of vendors' smooth and widespread delivery on this platform.

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 2024

In 2023, the market value of Uni-President remained above NT\$420 billion, staying in the Top 20 among the listed 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. Based on the core concept of "I love Uni-President, and so does life" 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 2024 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

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, 2023 and 2022, 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 material accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to *Other Matter* section), the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, 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 Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' 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 Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained and the reports of other auditors 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 2023 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 2023 parent company only financial statements are stated as follows:

Key audit matter 1: Evaluation of the ending balance of investments accounted for under equity method

Please refer to Notes 4(14) and 6(7) to the parent company only financial statements for the accounting policy and the details of investments accounted for under equity method relating to this key audit matter, respectively.

Cayman President Holdings Ltd., President Chain Store Corp., and Presicarre Corp., the Company's subsidiaries with the related ending balance of investments accounted for under equity method of \$73,074,297 thousand, \$18,318,158 thousand and \$33,159,755 thousand, respectively, all constituting 49% of the Company's total assets, were considered significant to the parent company only financial statements. Accordingly, evaluation of the ending balances of these investments accounted for under 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 – The appropriateness of cut-off on sales revenue recognition 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 delivery and customer acceptance, which involves complicated judgement 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 appropriateness of cut-off on sales revenue recognition in Mainland China as one of the key audit matters of our 2023 annual audit.

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 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 in a specific period 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 and Presicarre Corp. – Completeness and accuracy of retail sales revenue

Description

Retail sales revenue of President Chain Store Corp. and its subsidiaries and Presicarre Corp. are 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 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 2023 annual audit.

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 completely transferred to the ERP system periodically and 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.

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 therefore been identified as one of the key audit matters of our 2023 annual audit.

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.

Key audit matter 2: Significant acquisition of equity interest

Description

Please refer to Notes 4(33) and 6(7) to the parent company only financial statements for the accounting policy on business combinations and the details of accounting relating to this key audit matter.

The Company originally held 20.5% shares of Presicarre Corp., and recognized as investment accounted for under equity method. In June 2023, the Company acquired additional 49.5% shares of Presicarre Corp. with total cash consideration amounted to \$25,659,463 thousand and obtained control over Presicarre Corp. from that date.

The recognition and measurement of fair value from the acquisition was based on management's expectations for future operations and prospects of Presicarre Corp., which involved management's subjective judgement and critical estimates, and has therefore been identified as one of the key audit matters of our 2023 annual audit.

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 with the Company's management to understand the purpose of the acquisition, evaluation process and determination of the consideration, and we also reviewed the Board of Directors' meeting minutes and the acquisition agreements to verify the related meeting resolutions were consistent with the acquisition agreement.

2. We assessed the competence and objectivity of the independent appraisers engaged by the management and reviewed the reasonableness of major assumptions and original data used in recognizing and measuring the identifiable intangible assets and property, plant and equipment in the Purchase Price Allocation report. Procedures performed were as follows:
 - (1) We reviewed the valuation methods and the calculations formulas used in the valuation by the independent appraisers.
 - (2) We reviewed and compared the expected growth rate as well as gross margin used in the valuation with historical data.
 - (3) We reviewed the discount rates used in the valuation and compared with the rate of return from similar assets in the trade markets.
 - (4) We evaluated the basis used in assessing the useful lives of identifiable intangible assets.
3. We reviewed the accounting treatments and disclosures in the financial statements relating to this acquisition.

Other matter –Reference to the audits of other auditors

We did not audit the financial statements of certain investments accounted for under 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 investments, is based solely on the reports of other auditors. The balance of these investments accounted for under equity method amounted to \$5,370,025 thousand and \$4,016,520 thousand, constituting 2.12% and 1.85% of the related totals as of December 31, 2023 and 2022, respectively, and share of profit or loss amounted to \$664,073 thousand and (\$20,295) thousand, constituting 3.90% and (0.08%) 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 Standards on Auditing of 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 Standards on Auditing of the Republic of China, we exercise professional judgment and 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 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.

Tien, Chung-Yu

Independent Accountants

Wu, Chien-Chih

PricewaterhouseCoopers, Taiwan

Republic of China

March 7, 2024

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
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2023		December 31, 2022		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 55,269	-	\$ 32,482	-
1110	Financial assets at fair value through profit or loss - current	6(5)	-	-	1,911	-
1150	Notes receivable, net	6(2) and 12	214,180	-	472,830	-
1170	Accounts receivable, net	6(2) and 12	964,047	1	1,132,204	1
1180	Accounts receivable - related parties	7	4,466,254	2	4,240,891	2
1200	Other receivables		186,460	-	181,867	-
1210	Other receivables - related parties	7	487,403	-	401,085	-
1220	Current income tax assets	6(30)	-	-	14,881	-
130X	Inventories	6(3)	3,089,639	1	3,279,698	2
1410	Prepayments	6(8)	73,940	-	66,016	-
1479	Other current assets		1,457	-	2,967	-
11XX	Total current assets		<u>9,538,649</u>	<u>4</u>	<u>9,826,832</u>	<u>5</u>
Non-current assets						
1510	Financial assets at fair value through profit or loss - non-current	6(5)	99,664	-	92,236	-
1517	Financial assets at fair value through other comprehensive income - non-current	6(6)	2,098,756	1	2,240,968	1
1550	Investments accounted for under equity method	6(7) and 7	209,610,031	83	177,791,767	82
1600	Property, plant and equipment	6(8)(11)(12) and 7	14,362,465	6	14,697,271	7
1755	Right-of-use assets	6(8)(9)	312,654	-	35,334	-
1760	Investment property, net	6(8)(11)(12) and 7	15,490,694	6	10,542,852	5
1780	Intangible assets		164,421	-	185,167	-
1840	Deferred income tax assets	6(30)	136,624	-	213,029	-
1915	Prepayments for equipment	6(8)(11)	338,843	-	384,051	-
1920	Guarantee deposits paid	6(8) and 8	90,856	-	99,761	-
1930	Long-term notes and accounts receivable		31	-	12	-
1940	Long-term notes and accounts receivable - related parties	7	125,963	-	61,445	-
1990	Other non-current assets		536,561	-	524,905	-
15XX	Total non-current assets		<u>243,367,563</u>	<u>96</u>	<u>206,868,798</u>	<u>95</u>
1XXX	Total assets		<u>\$ 252,906,212</u>	<u>100</u>	<u>\$ 216,695,630</u>	<u>100</u>

(Continued)

UNI-PRESIDENT ENTERPRISES CORP.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(13)	\$ 2,629,769	1	\$ 1,758,460	1
2110	Short-term notes and bills payable	6(14)	6,195,259	3	5,697,496	3
2120	Financial liabilities at fair value through profit or loss - current	6(5)	943	-	-	-
2130	Contract liabilities - current	6(23)	-	-	1,355	-
2150	Notes payable		11,265	-	285	-
2170	Accounts payable		1,674,223	1	1,842,553	1
2180	Accounts payable - related parties	7	211,201	-	223,394	-
2200	Other payables	6(15)	7,027,093	3	7,451,260	3
2220	Other payables - related parties	7	1,143,356	-	1,030,814	-
2230	Current income tax liabilities	6(30)	701,548	-	191,142	-
2280	Lease liabilities - current		56,451	-	8,970	-
2310	Advance receipts		6,122	-	247,145	-
2320	Long-term liabilities, current portion	6(16)(17)	8,825,000	4	5,900,000	3
2399	Other current liabilities		112,871	-	18,012	-
21XX	Total current liabilities		<u>28,595,101</u>	<u>12</u>	<u>24,370,886</u>	<u>11</u>
Non-current liabilities						
2530	Corporate bonds payable	6(16)	56,125,000	22	45,150,000	21
2540	Long-term borrowings	6(17)	29,599,577	12	17,800,000	8
2570	Deferred income tax liabilities	6(30)	13,002,433	5	2,902,042	2
2580	Lease liabilities - non-current		245,231	-	13,770	-
2640	Net defined benefit liabilities - non-current	6(18)	380,541	-	670,177	-
2645	Guarantee deposits received	7	67,041	-	82,276	-
2670	Other non-current liabilities		3,556	-	3,400	-
25XX	Total non-current liabilities		<u>99,423,379</u>	<u>39</u>	<u>66,621,665</u>	<u>31</u>
2XXX	Total liabilities		<u>128,018,480</u>	<u>51</u>	<u>90,992,551</u>	<u>42</u>
Equity						
Share capital						
3110	Common stock	6(19)	56,820,154	23	56,820,154	26
Capital surplus		6(20)				
3200	Capital surplus		2,780,734	1	2,730,532	1
Retained earnings		6(6)(7)(21)				
3310	Legal reserve		30,273,199	12	28,406,550	13
3320	Special reserve		4,303,775	2	10,199,821	5
3350	Unappropriated retained earnings		36,499,456	14	31,744,946	15
Other equity interest		6(22)				
3400	Other equity interest		(5,789,586)	(3)	(4,198,924)	(2)
3XXX	Total equity		<u>124,887,732</u>	<u>49</u>	<u>125,703,079</u>	<u>58</u>
Contingent Liabilities and Commitments		7 and 9				
3X2X	Total liabilities and equity		<u>\$ 252,906,212</u>	<u>100</u>	<u>\$ 216,695,630</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
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

Items	Notes	Year ended December 31			
		2023		2022	
		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(23) and 7	\$ 48,591,864	100	\$ 46,680,800	100
5000 Operating costs	6(3)(9)(18)(28)(29) and 7	(36,454,401)	(75)	(34,822,379)	(75)
5900 Net operating margin		<u>12,137,463</u>	<u>25</u>	<u>11,858,421</u>	<u>25</u>
Operating expenses	6(9)(11)(18)(28)(29), 7 and 12				
6100 Selling expenses		(5,847,805)	(12)	(5,350,842)	(11)
6200 General and administrative expenses		(4,162,330)	(8)	(4,072,203)	(9)
6300 Research and development expenses		(435,567)	(1)	(436,288)	(1)
6450 Expected credit gains		1,999	-	602	-
6000 Total operating expenses		<u>(10,443,703)</u>	<u>(21)</u>	<u>(9,858,731)</u>	<u>(21)</u>
6900 Operating profit		<u>1,693,760</u>	<u>4</u>	<u>1,999,690</u>	<u>4</u>
Non-operating income and expenses					
7100 Interest income	6(24)	13,340	-	150	-
7010 Other income	6(6)(10)(11)(25) and 7	2,602,693	5	2,484,718	5
7020 Other gains and losses	6(4)(5)(7)(8)(9)(11)(12)(26) and 12	5,407,602	11	(866,599)	(2)
7050 Finance costs	6(8)(9)(11)(27)	(1,008,382)	(2)	(568,242)	(1)
7070 Share of profit of subsidiaries, associates and joint ventures accounted for under equity method	6(7)	<u>20,685,771</u>	<u>43</u>	<u>15,648,835</u>	<u>34</u>
7000 Total non-operating income and expenses		<u>27,701,024</u>	<u>57</u>	<u>16,698,862</u>	<u>36</u>
7900 Profit before income tax		<u>29,394,784</u>	<u>61</u>	<u>18,698,552</u>	<u>40</u>
7950 Income tax expense	6(30)	(11,058,306)	(23)	(1,530,072)	(3)
8200 Profit for the year		<u>\$ 18,336,478</u>	<u>38</u>	<u>\$ 17,168,480</u>	<u>37</u>
Other comprehensive income (loss)					
Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311 Actuarial gains on defined benefit plans	6(18)	\$ 280,398	-	\$ 936,058	2
8316 Unrealized (loss) gain on valuation of investments in equity instruments measured at fair value through other comprehensive income	6(6)	(142,212)	-	92,864	-
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		283,149	1	387,440	1
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(30)	(59,961)	-	(185,049)	-
Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8361 Financial statements translation differences of foreign operations	6(22)	(1,336,211)	(3)	3,832,479	8
8380 Share of other comprehensive (loss) income of subsidiaries, associates and joint ventures accounted for under equity method - will be reclassified to profit or loss		<u>(328,841)</u>	<u>(1)</u>	<u>2,329,686</u>	<u>5</u>
8300 Total other comprehensive (loss) income for the year		<u>(\$ 1,303,678)</u>	<u>(3)</u>	<u>\$ 7,393,478</u>	<u>16</u>
8500 Total comprehensive income for the year		<u>\$ 17,032,800</u>	<u>35</u>	<u>\$ 24,561,958</u>	<u>53</u>
Earnings per share (in dollars)	6(31)				
9750 Basic		\$	3.23	\$	3.02
9850 Diluted		\$	3.21	\$	3.01

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 CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(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	
For the year ended December 31, 2022									
Balance at January 1, 2022		\$ 56,820,154	\$ 2,834,168	\$ 26,375,315	\$ 8,201,965	\$ 32,449,568	(\$ 11,347,334)	\$ 1,252,363	\$ 116,586,199
Net income		-	-	-	-	17,168,480	-	-	17,168,480
Other comprehensive income (loss)	6(22)	-	-	-	-	1,427,194	6,655,575	(689,291)	7,393,478
Total comprehensive income (loss)		-	-	-	-	18,595,674	6,655,575	(689,291)	24,561,958
Distribution of 2021 net income :									
Legal reserve		-	-	2,031,235	-	(2,031,235)	-	-	-
Special reserve	6(21)	-	-	-	1,998,436	(1,998,436)	-	-	-
Cash dividends	6(21)	-	-	-	-	(15,341,442)	-	-	(15,341,442)
Adjustment for change in capital reserve of investee companies	6(20)	-	18,575	-	-	-	-	-	18,575
Difference between the acquisition or disposal price and carrying amounts of subsidiaries	6(20)	-	(130,920)	-	-	-	-	-	(130,920)
Adjustment of capital reserve due to change in interests in associates	6(20)	-	313	-	-	-	-	-	313
Payments of unpaid cash dividends from previous years transferred to capital reserve	6(20)	-	(579)	-	-	-	-	-	(579)
Non-payment of expired cash dividends from previous years transferred to capital reserve	6(20)	-	8,975	-	-	-	-	-	8,975
Reversal of special reserve	6(21)	-	-	-	(580)	580	-	-	-
Disposal of financial assets at fair value through other comprehensive income - equity instrument of investee companies	6(7)	-	-	-	-	72,424	-	(72,424)	-
Disposal of financial assets at fair value through other comprehensive income - equity instrument	6(6)	-	-	-	-	(2,187)	-	2,187	-
Balance at December 31, 2022		\$ 56,820,154	\$ 2,730,532	\$ 28,406,550	\$ 10,199,821	\$ 31,744,946	(\$ 4,691,759)	\$ 492,835	\$ 125,703,079
For the year ended December 31, 2023									
Balance at January 1, 2023		\$ 56,820,154	\$ 2,730,532	\$ 28,406,550	\$ 10,199,821	\$ 31,744,946	(\$ 4,691,759)	\$ 492,835	\$ 125,703,079
Net income		-	-	-	-	18,336,478	-	-	18,336,478
Other comprehensive income (loss)	6(22)	-	-	-	-	196,997	(1,847,024)	346,349	(1,303,678)
Total comprehensive income (loss)		-	-	-	-	18,533,475	(1,847,024)	346,349	17,032,800
Distribution of 2022 net income :									
Legal reserve		-	-	1,866,649	-	(1,866,649)	-	-	-
Reversal of special reserve	6(21)	-	-	-	(5,895,466)	5,895,466	-	-	-
Cash dividends	6(21)	-	-	-	-	(17,898,349)	-	-	(17,898,349)
Adjustment for change in capital reserve of investee companies	6(20)	-	16,410	-	-	-	-	-	16,410
Difference between the acquisition or disposal price and carrying amounts of subsidiaries	6(20)	-	19,228	-	-	-	-	-	19,228
Payments of unpaid cash dividends from previous years transferred to capital reserve	6(20)	-	(5,552)	-	-	-	-	-	(5,552)
Non-payment of expired cash dividends from previous years transferred to capital reserve	6(20)	-	20,116	-	-	-	-	-	20,116
Reversal of special reserve	6(21)	-	-	-	(580)	580	-	-	-
Disposal of financial assets at fair value through other comprehensive income - equity instrument of investee companies	6(7)	-	-	-	-	89,987	-	(89,987)	-
Balance at December 31, 2023		\$ 56,820,154	\$ 2,780,734	\$ 30,273,199	\$ 4,303,775	\$ 36,499,456	(\$ 6,538,783)	\$ 749,197	\$ 124,887,732

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

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UNI-PRESIDENT ENTERPRISES CORP.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	For the years ended December 31,	
		2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 29,394,784	\$ 18,698,552
Adjustments			
Adjustments to reconcile profit (loss)			
Gain on financial assets and liabilities at fair value through profit or loss	6(5)(26)	(27,775)	(144,962)
Expected credit gain	12	(1,999)	(602)
Gain on disposal of non-current assets held for sale	6(4)(26)	-	(234,030)
Share of profit of subsidiaries, associates and joint ventures accounted for under equity method	6(7)	(20,685,771)	(15,648,835)
Gain on disposal of investments in subsidiaries	6(7)(26)	(6,521,781)	-
Depreciation on property, plant and equipment	6(8)	1,130,690	1,232,846
Loss on disposal of property, plant and equipment	6(26)	11,191	6,490
Depreciation on right-of-use assets	6(9)	58,926	57,411
Gain from lease modification	6(9)(26)	-	(119)
Depreciation on investment property	6(11)	75,401	61,655
Loss on disposal of investment property	6(26)	8	-
Gain on reversal of impairment loss on non-financial assets	6(12)(26)	(399)	(396)
Amortization		22,000	22,000
Amortization of rent receivable		12,698	13,049
Interest income	6(24)	(13,340)	(150)
Dividend income	6(25)	(89,093)	(94,516)
Finance costs	6(27)	1,008,382	568,242
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		23,201	139,804
Notes receivable		258,650	(193,870)
Accounts receivable		170,156	(178,472)
Accounts receivable - related parties		(225,363)	(485,139)
Other receivables		(17,310)	(551)
Other receivables - related parties		(86,318)	(64,485)
Inventories		190,059	(782,195)
Prepayments		(8,854)	6,019
Changes in operating liabilities			
Financial liabilities at fair value through profit or loss		-	(408)
Contract liabilities - current		(1,355)	1,355
Notes payable		10,980	(10,608)
Accounts payable		(168,330)	336,865
Accounts payable - related parties		(12,193)	47,965
Other payables		237,242	(193,606)
Other payables - related parties		112,542	15,053
Advance receipts		(241,023)	113,708
Other current liabilities		-	(270)
Net defined benefit liabilities - non-current		(9,238)	(327,698)
Cash inflow generated from operations		4,606,768	2,960,102
Interest received		13,340	150
Dividends received		12,041,579	10,534,877
Interest paid		(884,545)	(548,894)
Income tax paid		(416,184)	(645,533)
Net cash flows from operating activities		<u>15,360,958</u>	<u>12,300,702</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,	
		2022	2021
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Proceeds from disposal of non-current assets held for sale	6(4)	\$ -	\$ 558,483
Proceeds from disposal of financial assets at fair value through other comprehensive income - non-current		-	4,072
Acquisition of investments accounted for under equity method - subsidiaries	6(7)	(28,759,463)	(3,744,311)
Capital reduction and return of shares by investments accounted for under equity method - subsidiaries	6(7)	10,850,000	-
Cash paid for acquisition of property, plant and equipment	6(32)	(44,449)	(44,813)
Interest paid for acquisition of property, plant and equipment	6(8)(27)(32)	(4,196)	(2,794)
Proceeds from disposal of property, plant and equipment		157	231
Cash paid for acquisition of investment property	6(32)	(5,706,493)	(4,020,410)
Interest paid for acquisition of investment property	6(11)(27)(32)	-	(1)
Acquisition of right-of-use assets		(12,000)	-
Increase in intangible assets		(1,254)	-
Decrease (increase) in guarantee deposits paid		10,415	(24,909)
Increase in prepayments for equipment		(794,011)	(789,456)
Increase in long-term notes and accounts receivable - related parties		(64,518)	(36,813)
Increase in other non-current assets		(11,656)	(160,435)
Net cash flows used in investing activities		(24,537,468)	(8,261,156)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(33)	871,309	184,556
Increase (decrease) in short-term notes and bills payable	6(33)	497,763	(1,999,242)
Increase in corporate bonds payable	6(16)(33)	19,000,000	4,000,000
Decrease in corporate bonds payable	6(33)	(5,900,000)	(5,000,000)
Increase in long-term borrowings	6(33)	78,400,000	68,145,000
Decrease in long-term borrowings	6(33)	(65,800,000)	(54,040,000)
Payments of lease liabilities	6(33)	(45,498)	(66,307)
Increase in guarantee deposits received	6(33)	79,624	18,481
Decrease in other non-current liabilities		-	(799)
Payments of unpaid cash dividends from previous years transferred to capital reserve	6(20)	(5,552)	(579)
Payment of cash dividends	6(21)	(17,898,349)	(15,341,442)
Net cash flows from (used in) financing activities		9,199,297	(4,100,332)
Net increase (decrease) in cash and cash equivalents		22,787	(60,786)
Cash and cash equivalents at beginning of year	6(1)	32,482	93,268
Cash and cash equivalents at end of year	6(1)	<u>\$ 55,269</u>	<u>\$ 32,482</u>

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, 2023 and 2022, 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 the reports of other auditors (please refer to the *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, 2023 and 2022, 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 that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of 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 and the reports of other auditors 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 2023 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 2023 consolidated financial statements are stated as follows:

Appropriateness of cut-off on sales revenue recognition 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 appropriateness of cut-off on sales revenue recognition in Mainland China as one of the key audit matters of our 2023 annual audit.

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 in a specific period 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 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 2023 annual audit.

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 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 2023 annual audit.

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.

Significant acquisition of equity interest

Description

Please refer to Notes 4(38) and 6(37) to the consolidated financial statements for the accounting policy on business combinations and details of accounting relating to this key audit matter.

The Group originally owned 40% shares of Presicarre Corp. and recognized as investment accounted for under equity method. In June 2023, the Group acquired additional 60% shares of Presicarre Corp. with total cash consideration amounted to \$31,102,426 thousand and obtained control over Presicarre Corp from that date.

The recognition and measurement of fair value resulting from the acquisition was based on management's expectations for future operations and prospects of Presicarre Corp., which involved management's subjective judgement and critical estimates, and has therefore been identified as one of the key audit matters of our 2023 annual audit.

How our audit addressed the matter

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

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

Other matter – Reference to the audits of other auditors

We did not audit the financial statements of certain subsidiaries and investments accounted for under 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 \$35,535,897 thousand and \$27,979,226 thousand, constituting 5.34% and 5.07% of the related consolidated totals as of December 31, 2023, and 2022, respectively, and total operating revenues amounted to \$54,414,075 thousand and \$42,960,235 thousand, constituting 9.36% and 8.19% of the related consolidated totals for the years then ended, respectively. Related share of profit of associates and joint ventures accounted for under equity method in the aforementioned companies amounted to \$498,558 thousand and \$540,598 thousand, constituting 1.77% and 1.57% 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 with other matter paragraph on the parent company only financial statements of Uni-President Enterprises Corp. as of and for the years ended December 31, 2023 and 2022.

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 that came into effect 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 Standards on Auditing of 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 Standards on Auditing of the Republic of China, we exercise professional judgment and 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.

Tien, Chung-Yu

Independent Accountants

Wu, Chien-Chih

PricewaterhouseCoopers, Taiwan

Republic of China

March 7, 2024

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, 2023		December 31, 2022		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 100,855,846	15	\$ 96,986,253	18
1110	Financial assets at fair value through profit or loss - current	6(2)	10,324,562	2	7,149,196	1
1136	Financial assets at amortized cost - current	6(3)	16,924,454	2	16,814,909	3
1150	Notes receivable, net	6(4), 8 and 12	1,400,366	-	1,885,249	-
1160	Notes receivable - related parties	7	395	-	247	-
1170	Accounts receivable, net	6(4)(8) and 12	18,384,888	3	18,659,495	3
1180	Accounts receivable - related parties	7	827,735	-	1,370,800	-
1200	Other receivables	6(5) and 12	6,812,594	1	5,711,991	1
1220	Current income tax assets	6(33)	265,230	-	177,976	-
130X	Inventories	6(6)(10)	57,749,488	9	52,932,399	10
1410	Prepayments		6,265,912	1	5,155,852	1
1470	Other current assets	6(1) and 8	3,042,165	-	3,238,750	1
11XX	Total current assets		<u>222,853,635</u>	<u>33</u>	<u>210,083,117</u>	<u>38</u>
Non-current assets						
1510	Financial assets at fair value through profit or loss - non-current	6(2)	6,710,965	1	6,458,689	1
1517	Financial assets at fair value through other comprehensive income - non-current	6(8)	5,234,693	1	4,853,589	1
1535	Financial assets at amortized cost - non-current	6(3)	24,483,110	4	17,842,162	3
1550	Investments accounted for under equity method	6(9) and 8	28,027,609	4	32,655,836	6
1600	Property, plant and equipment	6(10)(15), 7 and 8	154,714,003	23	125,862,298	23
1755	Right-of-use assets	6(11) and 7	123,641,321	19	96,959,612	18
1760	Investment property, net	6(13)(15) and 8	31,827,363	5	22,918,094	4
1780	Intangible assets	6(14)(15) and 7	47,354,037	7	16,680,832	3
1840	Deferred income tax assets	6(33)	7,785,624	1	5,997,994	1
1915	Prepayments for equipment	7	1,185,027	-	1,188,792	-
1920	Guarantee deposits paid	8	5,396,669	1	3,795,154	1
1990	Other non-current assets	6(1)(21), 7 and 8	6,665,262	1	6,103,745	1
15XX	Total non-current assets		<u>443,025,683</u>	<u>67</u>	<u>341,316,797</u>	<u>62</u>
1XXX	Total assets		<u>\$ 665,879,318</u>	<u>100</u>	<u>\$ 551,399,914</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, 2023		December 31, 2022		
		AMOUNT	%	AMOUNT	%	
Current liabilities						
2100	Short-term borrowings	6(16) and 8	\$ 34,431,773	5	\$ 33,263,107	6
2110	Short-term notes and bills payable	6(17) and 8	11,293,184	2	7,371,738	1
2120	Financial liabilities at fair value through profit or loss - current	6(2)	3,250	-	592	-
2130	Contract liabilities - current	6(26)	22,061,872	3	15,039,314	3
2150	Notes payable		2,081,735	-	2,129,827	-
2160	Notes payable - related parties	7	60,879	-	61,015	-
2170	Accounts payable		59,606,624	9	44,262,498	8
2180	Accounts payable - related parties	7	992,316	-	755,573	-
2200	Other payables	6(18)	62,729,962	10	55,678,951	10
2230	Current income tax liabilities	6(33)	4,053,834	1	3,607,566	1
2280	Lease liabilities - current	7	17,781,617	3	13,947,787	3
2310	Advance receipts		470,889	-	711,376	-
2320	Long-term liabilities, current portion	6(19)(20) and 8	9,486,467	1	7,030,050	1
2399	Other current liabilities		4,484,562	1	4,270,188	1
21XX	Total current liabilities		<u>229,538,964</u>	<u>35</u>	<u>188,129,582</u>	<u>34</u>
Non-current liabilities						
2527	Contract liabilities - non-current	6(26)	679,176	-	594,175	-
2530	Corporate bonds payable	6(19)	56,125,000	8	45,150,000	8
2540	Long-term borrowings	6(20) and 8	40,986,967	6	23,006,540	4
2570	Deferred income tax liabilities	6(33)	30,609,068	5	15,336,960	3
2580	Lease liabilities - non-current	7	99,297,341	15	74,554,152	14
2640	Net defined benefit liabilities - non-current	6(21)	4,580,171	1	4,521,352	1
2645	Guarantee deposits received		7,402,235	1	6,741,365	1
2670	Other non-current liabilities		1,446,068	-	1,170,834	-
25XX	Total non-current liabilities		<u>241,126,026</u>	<u>36</u>	<u>171,075,378</u>	<u>31</u>
2XXX	Total liabilities		<u>470,664,990</u>	<u>71</u>	<u>359,204,960</u>	<u>65</u>
Equity attributable to owners of parent						
Share capital						
3110	Common stock	6(22)	56,820,154	9	56,820,154	10
Capital reserves						
3200	Capital surplus	6(23)(35)	2,780,734	-	2,730,532	1
Retained earnings						
3310	Legal reserve	6(8)(24)	30,273,199	5	28,406,550	5
3320	Special reserve		4,303,775	1	10,199,821	2
3350	Unappropriated retained earnings		36,499,456	5	31,744,946	6
Other equity interest						
3400	Other equity interest	6(25)	(5,789,586)	(1)	(4,198,924)	(1)
31XX	Equity attributable to owners of the parent		<u>124,887,732</u>	<u>19</u>	<u>125,703,079</u>	<u>23</u>
36XX	Non-controlling interest	4(3) and 6(35)	70,326,596	10	66,491,875	12
3XXX	Total equity		<u>195,214,328</u>	<u>29</u>	<u>192,194,954</u>	<u>35</u>
Contingent Liabilities and Commitments						
3X2X	Total liabilities and equity		<u>\$ 665,879,318</u>	<u>100</u>	<u>\$ 551,399,914</u>	<u>100</u>

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

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

Items	Notes	Year ended December 31				
		2023		2022		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(12)(13)(26) and 7	\$ 581,102,935	100	\$ 524,831,664	100
5000	Operating costs	6(6)(11)(14)(21)(3) 1)(32) and 7	(393,289,237)	(68)	(357,181,700)	(68)
5900	Net operating margin		187,813,698	32	167,649,964	32
	Operating expenses	6(11)(13)(14)(21)(31)(32), 7 and 12				
6100	Selling expenses		(132,254,342)	(23)	(114,890,621)	(22)
6200	General and administrative expenses		(25,823,949)	(4)	(22,803,255)	(4)
6300	Research and development expenses		(1,021,795)	-	(918,838)	-
6450	Expected credit losses		(72,778)	-	(20,647)	-
6000	Total operating expenses		(159,172,864)	(27)	(138,633,361)	(26)
6900	Operating profit		28,640,834	5	29,016,603	6
	Non-operating income and expenses					
7100	Interest income	6(3)(8)(27) and 7	4,744,321	1	2,684,555	-
7010	Other income	6(8)(11)(12)(13)(2) 8)	5,112,234	1	5,148,385	1
7020	Other gains and losses	6(2)(7)(8)(11)(15)(29)(37) and 12	11,116,235	2	(1,077,098)	-
7050	Finance costs	6(10)(11)(30)	(3,490,792)	(1)	(2,494,921)	-
7060	Share of profit of associates and joint ventures accounted for under equity method	6(9)	2,568,114	-	2,064,294	-
7000	Total non-operating income and expenses		20,050,112	3	6,325,215	1
7900	Profit before income tax		48,690,946	8	35,341,818	7
7950	Income tax expense	6(33)	(18,404,797)	(3)	(8,815,901)	(2)
8200	Net income		\$ 30,286,149	5	\$ 26,525,917	5

(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				
		2023		2022		
		AMOUNT	%	AMOUNT	%	
Other comprehensive income (loss)						
Components of other comprehensive income (loss) that will not be reclassified to profit or loss						
8311	Actuarial gains on defined benefit plans	6(21)	\$ 305,672	-	\$ 2,280,236	1
8316	Unrealized gain on valuation of investments in equity instruments measured at fair value through other comprehensive income	6(8)	273,100	-	12,539	-
8320	Share of other comprehensive loss of associates and joint ventures accounted for under equity method - will not be reclassified to profit or loss		(61,100)	-	(113,375)	-
8349	Income tax related to components of other comprehensive loss that will not be reclassified to profit or loss	6(33)	(68,280)	-	(455,016)	-
Components of other comprehensive income (loss) that will be reclassified to profit or loss						
8361	Financial statements translation differences of foreign operations		(2,694,437)	-	6,649,453	1
8367	Unrealized gain (loss) on valuation of investments in debt instruments measured at fair value through other comprehensive income, net	6(8)	21,025	-	(116,379)	-
8370	Share of other comprehensive income (loss) of associates and joint ventures accounted for under equity method - will be reclassified to profit or loss		145,506	-	(347,789)	-
8399	Income tax relating to components of other comprehensive income that will be reclassified to profit or loss	6(33)	326	-	(867)	-
8300	Total other comprehensive (loss) income for the year		<u>(\$ 2,078,188)</u>	<u>-</u>	<u>\$ 7,908,802</u>	<u>2</u>
8500	Total comprehensive income for the year		<u>\$ 28,207,961</u>	<u>5</u>	<u>\$ 34,434,719</u>	<u>7</u>
Profit attributable to:						
8610	Owners of the parent		\$ 18,336,478	3	\$ 17,168,480	3
8620	Non-controlling interest		11,949,671	2	9,357,437	2
	Net income		<u>\$ 30,286,149</u>	<u>5</u>	<u>\$ 26,525,917</u>	<u>5</u>
Comprehensive income attributable to:						
8710	Owners of the parent		\$ 17,032,800	3	\$ 24,561,958	5
8720	Non-controlling interest		11,175,161	2	9,872,761	2
	Total comprehensive income		<u>\$ 28,207,961</u>	<u>5</u>	<u>\$ 34,434,719</u>	<u>7</u>
Earnings per share (in dollars)						
9750	Basic	6(34)	<u>\$ 3.23</u>		<u>\$ 3.02</u>	
9850	Diluted		<u>\$ 3.21</u>		<u>\$ 3.01</u>	

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 (losses) gains from financial assets measured at fair value through other comprehensive income	Total	Non-controlling interest	Total equity
For the year ended December 31, 2022											
Balance at January 1, 2022		\$ 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
Consolidated net income		-	-	-	-	17,168,480	-	-	17,168,480	9,357,437	26,525,917
Other comprehensive income (loss)	6(25)	-	-	-	-	1,427,194	6,655,575	(689,291)	7,393,478	515,324	7,908,802
Total comprehensive income (loss)		-	-	-	-	18,595,674	6,655,575	(689,291)	24,561,958	9,872,761	34,434,719
Distribution of 2021 net income											
Legal reserve		-	-	2,031,235	-	(2,031,235)	-	-	-	-	-
Special reserve	6(24)	-	-	-	1,998,436	(1,998,436)	-	-	-	-	-
Cash dividends	6(24)	-	-	-	-	(15,341,442)	-	-	(15,341,442)	-	(15,341,442)
Adjustment for change in capital reserve of investee companies	6(23)	-	18,575	-	-	-	-	-	18,575	-	18,575
Difference between the acquisition or disposal price and carrying amounts of subsidiaries	6(23)(35)	-	(130,920)	-	-	-	-	-	(130,920)	(219,436)	(350,356)
Adjustment of capital reserve due to change in interests in associates	6(23)	-	313	-	-	-	-	-	313	-	313
Payments of unpaid cash dividends from previous year transferred to capital reserve	6(23)	-	(579)	-	-	-	-	-	(579)	-	(579)
Non-payment of expired cash dividends from previous year transferred to capital reserve	6(23)	-	8,975	-	-	-	-	-	8,975	-	8,975
Reversal of special reserve	6(24)	-	-	-	(580)	580	-	-	-	-	-
Disposal of financial assets at fair value through other comprehensive income - equity instrument of investee companies	6(8)	-	-	-	-	72,424	-	(72,424)	-	-	-
Disposal of financial assets at fair value through other comprehensive income - equity instrument	6(8)	-	-	-	-	(2,187)	-	2,187	-	-	-
Change in non-controlling interest		-	-	-	-	-	-	-	-	(7,568,996)	(7,568,996)
Balance at December 31, 2022		\$ 56,820,154	\$ 2,730,532	\$ 28,406,550	\$ 10,199,821	\$ 31,744,946	(\$ 4,691,759)	\$ 492,835	\$ 125,703,079	\$ 66,491,875	\$ 192,194,954
For the year ended December 31, 2023											
Balance at January 1, 2023		\$ 56,820,154	\$ 2,730,532	\$ 28,406,550	\$ 10,199,821	\$ 31,744,946	(\$ 4,691,759)	\$ 492,835	\$ 125,703,079	\$ 66,491,875	\$ 192,194,954
Consolidated net income		-	-	-	-	18,336,478	-	-	18,336,478	11,949,671	30,286,149
Other comprehensive income (loss)	6(25)	-	-	-	-	196,997	(1,847,024)	346,349	(1,303,678)	(774,510)	(2,078,188)
Total comprehensive income (loss)		-	-	-	-	18,533,475	(1,847,024)	346,349	17,032,800	11,175,161	28,207,961
Distribution of 2022 net income											
Legal reserve		-	-	1,866,649	-	(1,866,649)	-	-	-	-	-
Reversal of special reserve	6(24)	-	-	-	(5,895,466)	5,895,466	-	-	-	-	-
Cash dividends	6(24)	-	-	-	-	(17,898,349)	-	-	(17,898,349)	-	(17,898,349)
Adjustment for change in capital reserve of investee companies	6(23)	-	16,410	-	-	-	-	-	16,410	-	16,410
Difference between the acquisition or disposal price and carrying amounts of subsidiaries	6(23)(35)	-	19,228	-	-	-	-	-	19,228	(613,436)	(594,208)
Payments of unpaid cash dividends from previous year transferred to capital reserve	6(23)	-	(5,552)	-	-	-	-	-	(5,552)	-	(5,552)
Non-payment of expired cash dividends from previous year transferred to capital reserve	6(23)	-	20,116	-	-	-	-	-	20,116	-	20,116
Reversal of special reserve	6(24)	-	-	-	(580)	580	-	-	-	-	-
Disposal of financial assets at fair value through other comprehensive income - equity instrument of investee companies	6(8)	-	-	-	-	89,987	-	(89,987)	-	-	-
Effect of business combination	6(37)	-	-	-	-	-	-	-	-	2,631,507	2,631,507
Change in non-controlling interest		-	-	-	-	-	-	-	-	(9,358,511)	(9,358,511)
Balance at December 31, 2023		\$ 56,820,154	\$ 2,780,734	\$ 30,273,199	\$ 4,303,775	\$ 36,499,456	(\$ 6,538,783)	\$ 749,197	\$ 124,887,732	\$ 70,326,596	\$ 195,214,328

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

UNI-PRESIDENT ENTERPRISES CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in thousands of New Taiwan dollars)

	Notes	For the years ended December 31,	
		2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 48,690,946	\$ 35,341,818
Adjustments			
Adjustments to reconcile profit (loss)			
Gain on financial assets and liabilities at fair value through profit and loss	6(2)(29)	(443,356)	(324,942)
Expected credit loss	12	72,778	20,647
(Reversal of allowance) provision for inventory market price decline	6(6)	(1,677)	108,454
Gain on disposal of non-current assets held for sale	6(7)(29)	-	(238,750)
Gain on disposal of financial assets at fair value through other comprehensive income - debt instrument	6(8)	-	(3,980)
Share of profit of associates and joint ventures accounted for under equity method	6(9)	(2,568,114)	(2,064,294)
Gain on disposal of investments in subsidiaries	6(29)(37)	(10,914,814)	-
Depreciation on property, plant and equipment	6(10)	19,867,432	18,247,648
Loss on disposal of property, plant and equipment	6(29)	68,383	94,319
Property, plant and equipment transferred to expenses	6(36)	-	12
Depreciation on right-of-use assets	6(11)	17,338,537	14,924,613
Rent concessions income	6(11)(28)	-	(86,708)
Gain from lease modification	6(11)(29)	(1,706,835)	(167,736)
Depreciation on investment property	6(13)	380,180	285,321
Loss (gain) on disposal of investment property	6(29)	365	(30,305)
Loss on disposal of intangible assets	6(29)	277	-
Amortization	6(14)(31)	1,204,794	945,888
(Gain on reversal of) impairment loss on non-financial assets	6(15)(29)	(311)	274,904
Interest income	6(27)	(4,744,321)	(2,684,555)
Dividend income	6(28)	(225,770)	(240,829)
Finance costs	6(30)	3,490,792	2,494,921
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		(3,121,351)	4,668,823
Notes receivable		486,887	(334,982)
Notes receivable - related parties		(148)	15
Accounts receivable		381,993	(758,212)
Accounts receivable - related parties		543,065	(196,184)
Other receivables		(12,433)	125,932
Inventories		3,080,781	(5,880,453)
Prepayments		(927,860)	(349,367)
Other current assets		333,965	492,973
Changes in operating liabilities			
Contract liabilities - current		2,867,107	(4,181,961)
Notes payable		(48,092)	164,716
Notes payable - related parties		(136)	1,991
Accounts payable		1,799,854	5,496,975
Accounts payable - related parties		236,743	143,842
Other payables		2,190,995	1,699,392
Advance receipts		(324,616)	89,676
Other current liabilities		213,843	(82,896)
Contract liabilities - non-current		85,001	45,156
Net defined benefit liabilities - non-current		(249,891)	(646,326)
Cash inflow generated from operations		78,044,993	67,395,556
Interest received		4,928,749	1,927,974
Dividends received		1,734,650	3,241,761
Interest paid		(3,371,293)	(2,455,975)
Income tax paid		(8,204,879)	(7,336,948)
Net cash flows from operating activities		<u>73,132,220</u>	<u>62,772,368</u>

(Continued)

UNI-PRESIDENT ENTERPRISES CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at amortized cost - current		(\$ 12,150,223)	(\$ 4,196,072)
Repayment of principal at maturity from financial assets at amortized cost - current		16,263,144	16,917,760
Proceeds from financial assets at amortized cost - current		478,434	-
Increase in other receivables - related parties		(1,841)	(4,573)
Proceeds from disposal of non-current assets held for sale	6(7)	-	567,842
(Increase) decrease in other current assets		(99,880)	8,887
Acquisition of financial assets at fair value through other comprehensive income - non-current		(516,467)	(467,753)
Proceeds from financial assets at fair value through other comprehensive income - non-current	6(8)	428,699	705,997
Acquisition of financial assets at amortized cost - non-current		(12,191,881)	(13,307,058)
Acquisition of investments accounted for under equity method		(1,939)	(59,835)
Return of capital from investments accounted for under equity method		13,493	79
Cash paid for acquisition of property, plant and equipment	6(36)	(22,615,409)	(17,934,469)
Interest paid for acquisition of property, plant and equipment	6(10)(30)(36)	(17,755)	(12,794)
Proceeds from disposal of property, plant and equipment		1,209,017	362,111
Cash paid for acquisition of right-of-use assets	6(36)	(750,372)	-
Proceeds from disposal of right-of-use assets		1,884,902	118,702
Acquisition of investment property	6(13)	(5,792,062)	(4,096,798)
Proceeds from disposal of investment property		-	39,625
Increase in intangible assets	6(14)	(635,946)	(446,945)
Proceeds from disposal of intangible assets		33	-
Increase in prepayment for equipment		(2,807,877)	(2,635,646)
Increase in guarantee deposits paid		(150,055)	(190,913)
Increase in other non-current assets		(467,386)	(530,401)
Cash paid for business combination	6(37)	(23,696,478)	-
Net cash flows used in investing activities		(61,617,849)	(25,162,254)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings	6(38)	1,107,423	8,733,045
Increase (decrease) in short-term notes and bills payable	6(38)	3,921,446	(3,807,025)
Increase in corporate bonds payable	6(19)(38)	19,000,000	4,000,000
Decrease in corporate bonds payable	6(38)	(5,900,000)	(5,000,000)
Increase in long-term borrowings	6(38)	88,708,246	75,604,974
Decrease in long-term borrowings	6(38)	(70,418,211)	(65,588,233)
Payments of lease liabilities	6(38)	(15,991,442)	(14,369,076)
Increase in guarantee deposit received	6(38)	298,361	186,096
Decrease in other non-current liabilities		(335,818)	(348,316)
Payments of unpaid cash dividends from previous year transferred to capital reserve	6(23)	(5,552)	(579)
Payment of cash dividends	6(24)	(17,898,349)	(15,341,442)
Cash paid for transaction with non-controlling interests	6(35)	(594,208)	(350,356)
Change in non-controlling interests		(9,358,511)	(7,568,996)
Net cash flows used in financing activities		(7,466,615)	(23,849,908)
Effect of foreign exchange rate changes on cash and cash equivalents		(178,163)	(2,388,167)
Net increase in cash and cash equivalents		3,869,593	16,148,373
Cash and cash equivalents at beginning of year	6(1)	96,986,253	80,837,880
Cash and cash equivalents at end of year	6(1)	\$ 100,855,846	\$ 96,986,253

[Click here to enter text.](#)

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, 2023

Unit : NT\$

Net Income for 2023	\$	18,336,478,165
Less : Legal Reserve		(1,862,404,073)
Add : Actuarial gains on defined benefit plans		196,996,673
Add : Reversal of Special Reserve		579,877
Add : Disposal of financial assets at fair value through other comprehensive income – equity instrument		89,986,018
Less : Special Reserve from Other Equity Interest		(1,591,240,746)
2023 Earnings Available for Distribution		15,170,395,914
Add : Unappropriated Retained Earnings at beginning of year		17,875,415,195
Total Available for Distribution:		33,045,811,109
Cash Dividends (NT\$ 3.00 per share)		17,046,046,263
Unappropriated Retained Earnings at end of year	\$	15,999,764,846

Note :

1. Net income for 2023 shall be first in the priority distribution. The shortfall shall be made up with the unappropriated retained earnings at beginning of year.
2. Each common shareholder will be entitled to receive the cash dividends in dollar amount. The fractional parts would be classified as “other non-operating income”.

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

Uni-President Enterprises Corp.
Audit Committee's Review Report

Attachment 5

I hereby state as following:

This proposal is the presentation by the Board of Directors of the Company's 2023 Business Report, Financial Statements, and the Profit Allocation Proposal. Of these items, the Financial Statements have been audited by external auditors Tien, Chung-Yu and Wu, Chien-Chih of PricewaterhouseCoopers Taiwan, and an opinion and report have been issued on the Financial Statements. The aforementioned proposal regarding Business Report, Financial Statements, and the Profit Allocation Proposal have been reviewed and determined to be correct and accurate by the Audit Committee. Per the regulations in Article 14-4 of Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

To:

2024 Annual General Shareholders' Meeting of Uni-President Enterprises Corporation.

Uni-President Enterprises Corporation

Chairman of the Audit Committee Ming-Hui Chang

Date : May 7, 2024

Uni-President Enterprises Corp.
Details of the duties subject to releasing the Company's current directors and independent directors from non-competition

As of 03/07/2024

Name	Current Position with Other Companies
<p>Kao Chuan Inv. Co., Ltd. Representative: Jui-Tien Huang</p>	<p>Chairman of : Tait Marketing & Distribution Co., Ltd., Wisdom Distribution Service Corp., RSI, Retail Support International Corp., President Information Corp., President Chain Store Tokyo Marketing Corp., Beauty Wonder (Zhejiang) Trading Co., Ltd., President (Shanghai) Health Product Trading Company Ltd., Ren-Hui Investment Corp., Uni-Capital Marketing Consultant Corp., Uni-Sogood Marketing Consultant Philippines, Uni-President Superior Commissary Corp.</p> <p>Vice Chairman of : Philippine Seven Corp.</p> <p>Director of : Uni-President Enterprises Corp., President Chain Store Corp., Uni-President Department Store Corp., Uni-President Express Corp., President Drugstore Business Corp., President Being Corp., President Transnet Corp., President Fair Development Corp., Books. com Co., Ltd., Uni-President Development Corp., President Pharmaceutical Corp., President Collect Service Corp., Uni-President Cold-Chain Corp., President Chain Store (Shanghai) Ltd., Shan Dong President Yinzuo Commercial Ltd., President Chain Store (Zhejiang) Ltd., Uni-Wonder Corp., President International Development Corp., President Chain Store (Labuan) Holdings Ltd., President Chain Store (Hong Kong) Holdings Ltd., President Pharmaceutical (Hong Kong) Holdings Ltd., Uni-President Logistics (BVI) Holdings Ltd., Ren Hui Holding Co., Ltd., President Chain Store (BVI) Holdings Ltd., PCSC (China) Drugstore Ltd., Uni-Capital Marketing Consultant Holding Co., Ltd., President Nisshin Corp., President Nisshin Food Co., Ltd., Shanghai Songjiang President Enterprises Co., Uni-President Foodstuff (BVI) Holdings Ltd., Capital Marketing Consultant Corp., Nanlien International Corp.</p> <p>President of : President Chain Store Corp., President Pharmaceutical (Hong Kong) Holdings Ltd., President Being Corp., Ren-Hui Investment Corp., Books.com. Co., Ltd.</p>
<p>Independent Director Ming-Hui Chang</p>	<p>Independent Director & Chairman of the Remuneration Committee, Advantech Co., Ltd.</p>
<p>Independent Director Wei-Yung Tsung</p>	<p>Remuneration Committee Member, Tokio Marine Newa Insurance Co., Ltd.</p>

Name	Current Position with Other Companies
Independent Director Chun-Jen Chen	Independent Director , CVC Technologies Inc.
Independent Director Lee-Feng Chien	<p>Managing Director of : Institute For Information Industry</p> <p>Director of : iKala Interactive Media Inc., Junyi Academy., Asia America Multi-Technology Association.</p> <p>Independent Director of : Airoha Technology Corp., Appier Group Inc., Japan., KKDay Holdings Co., Ltd., Japan.</p>