

Uni-President Enterprises Corp.
Minutes for the 2017 General Shareholders Meeting

Time: Wednesday, June 21, 2017 at 9:00 am.

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

Chairperson: Chih - Hsien Lo

Recorder: Yu-Han Chen

Attendants: Total Shares Represented by Shareholders and Proxies Present: 4,657,994,052 shares, (3,081,035,103 shares exercised via electronic transmission) accounted for 81.97% of the total shares issued (5,682,015,421 shares)

Directors Attendance: Kao Chyuan Inv. Co., Ltd. Representative: Chih-Hsien Lo,
Kao Chyuan Inv. Co., Ltd. Representative: Shioh-Ling Kao,
Kao Chyuan Inv. Co., Ltd. Representative: Jui-Tang Chen,
Young Yun Inv. Co., Ltd. Representative: Chung-Ho Wu,
Po-Ming Hou, Po-Yu Hou,
Chao-Tang Yue (Chairman of the Audit Committee)
Yun Lin (Independent Director)
Hong-Te Lu (Independent Director)

Sit-in Members: Jung-Lung Hou (President), and Yu Hsu- Hwa (Attorney)

Lewis.Lee (CPA), Liu Tze- Meng (CPA), Lin Tzu- Yu (CPA)

Meeting Agenda

- I Call the meeting to order (report shareholdings of the attendances)
- II Chairperson remarks
- III Company Reports:
 - Motion 1 : 2016 Business report.
 - Motion 2 : Audit Committee's review report on the 2016 financial statements.
 - Motion 3 : Report on the payment of employee compensation and director remuneration of 2016.
 - Motion 4 : Total endorsements/guarantees provided by the Company to investees.
- IV. Proposals:
 - Motion 1 : Adoption of the 2016 business reports and financial statements which have been approved by resolution of the 5th meeting of the 17th term of board of directors on March 29, 2017 and examined by Audit Committee.
 - Motion 2 : Adoption of the proposal for distribution of 2016 profits.
- V. Discussion :
 - Motion 1 : Amendment to the Rules of Procedure for Shareholders' Meeting.
 - Motion 2 : Amendment to the Operational Procedures for Acquisition and Disposal of Assets.
 - Motion 3 : Proposal for release of the non-competition promise ban imposed upon the Company's directors according to the Article 209 of Company Act.
- VI. Questions and Motions
- VII. Adjournment

I Call the meeting to order

II Chairperson remarks

III Company Reports

Motion 1: 2016 Business Report.

Explanation : Please refer to Attachment 1 of the Meeting Minutes for the Company's 2016 business report.

Motion 2: Audit Committee's Review Report on the 2016 Financial Statements.

Explanation : The Company's 2016 financial statements and the business report (Attachment 1) have been duly audited and certified by the CPA and further audited by Audit Committee. The CPA and Audit Committee also presented their auditor report respectively, financial statements (Attachment 2, Attachment 3, Attachment 4) and the distribution of 2016 profits (Attachment 5).

Motion 3 : To report 2016 employee compensation payment and director remuneration.

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.The Company in accordance with the amended Article of Incorporation, it is proposed to allocate 7.63% or NT\$ 1,274,416,730 for employees' compensation and 1.5%, or NT\$ 250,841,413 for directors' remuneration. The payment will be made in cash.

Motion 4 : Total endorsements and guarantees made by the Company to the investees.

Explanation:

1. On the grounds of the Company's "Regulations Governing the Loaning of Funds and Making of Endorsements/Guarantees"

Article V: <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.

- 2.The Company renders endorsements/guarantees exactly in accordance with the provisions set forth under Paragraph I of Descriptions. As of December 31, 2016, the balance of endorsements/guarantees at the end of the term amounted to NT\$5.26 billion. The aggregate total actually disbursed amounted to NT\$2.021 billion.

Unit: Thousand NT\$

Name of endorsees/guarantees	Consolidated Shareholding ratio	Remaining Balance		Actual Amount Used (Note)
		Amount	Date when duly resolved by the Board	
Tone Sang Construction Corp.	100.0%	1,800,000	the 10 th meeting of the 13 th term of board Dec. 16, 2005	721,000
Kai Yu Investment Co., Ltd.	100.0%	1,700,000	the 2 th meeting of the 16 th term of board Aug. 12, 2013	0
President Entertainment Corp.	100.0%	1,500,000	the 3 th meeting of the 16 th term of board Nov. 12, 2013	1,300,000
Kai Nan Investment Co., Ltd.	100.0%	200,000	the 3 th meeting of the 17 th term of board Nov. 9, 2016	0
President Baseball Team Corp.	100.0%	60,000	the 7 th meeting of the 11 th term of board Aug. 20, 1999	0
Total		5,260,000		2,021,000
Note : Actually used amounts under the approved endorsement / guarantee line.				

IV Proposals

Motion 1: Adoption of the 2016 Company's business report and financial statements, which have been approved by resolution of the 5th meeting of the 17th term of board of directors on March 29, 2017 and examined by Audit Committee. (Proposed by the Board)

Explanation: Please refer to the 2016 business report (Attachment 1), audit committee's review report (Attachment 2), auditor's report and financial statements (Attachment 3, Attachment 4) of the Meeting Minutes.

Resolution:

Voting Result-

Shares represented at the time of voting: 4,657,855,193

Voting Results*		% of the total represented share present
Votes in favor:	3,736,351,235 votes (2,200,279,101 votes)	80.22%
Votes against:	280,225 votes (280,225 votes)	0.01%
Abstention votes/ No votes:	921,223,733 votes (880,475,777 votes)	19.78%
Votes invalid:	0 votes	0%
Votes in favor is more than one-half of the shareholders vote, the proposal was approved after voting.		

*including votes casted electronically (numbers in brackets)

Motion 2: Adoption of the proposal for distribution of 2016 profits. (Proposed by the Board)

Explanation:

1. The Company's net profit after tax was NT\$14,526,718,715 in 2016. 10% legal reserve, NT\$ 1,452,671,872 was set aside pursuant to laws. Less an effort to ascertain the amount of remeasuring of the fringe benefit programs, NT\$532,595,598 and plus resersal of special reserve, NT\$ 619,403 and unappropriated retained earnings of previous years, NT\$2,335,048,242 the accumulated allocable earnings from profits was NT\$ 14,877,118,890.
2. Please refer to Attachment 5 of the Meeting Minutes for the distribution of 2016 profits.
3. The Company's 2016 is proposed to distribute Cash dividends of NT\$ 2.1 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: 4,657,855,193

Voting Results*		% of the total represented share present
Votes in favor:	3,748,210,730 votes (2,212,138,596 votes)	80.47%
Votes against:	463,836 votes (463,836 votes)	0.01%
Abstention votes/ No votes:	909,180,627votes (868,432,671 votes)	19.52%
Votes invalid:	0 votes	0%
Votes in favor is more than one-half of the shareholders vote, the proposal was approved after voting.		

*including votes casted electronically (numbers in brackets)

V Discussion

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

Explanation:

1. Since the Company adopted electronic voting (e-voting) in 2012, all issues to be reported in a shareholders' meeting except the issues to be reported shall be resolved through voting on a case-by-case basis (or by separation of cases) and the outcome of voting by shareholders shall be entered into the minutes of the shareholders' meeting and input into the Market Observation Post System (MOPS). In coordination with such practice, pursuant to the contents of the "Procedure Rules for Shareholders' Meetings" in the Taiwan Stock Exchange Corporation (TWSE) version, it is proposed that the contents of the Company's Procedure Rules for Shareholders' Meeting be partially amended for Articles XVIII, XIX to fit the hands-on practice.
2. Comparison Table of the article of "the Rules of Procedure for Shareholders' Meeting" is as follows:
3. Please refer to Appendix 1 on page 45~47 of the Meeting Handbook for the original clauses.

Provision After Proposed Amendments	Current Provision
<p>XVIII</p> <p>Unless otherwise prescribed in the Company Law and Articles of Incorporation, decisions in the shareholders' meeting shall be resolved by a majority vote of the attending shareholders.</p> <p>Upon voting process, an issue shall be deemed having been officially resolved if no objection is heard in response to inquiry by the chairman. The decisions so resolved are equally valid as a decision officially resolved through voting process.</p>	<p>XVIII</p> <p>Unless otherwise prescribed in the Company Law and Articles of Incorporation, decisions in the shareholders' meeting shall be resolved by a majority vote of the attending shareholders.</p> <p><u>Upon voting process, an issue shall be deemed having been officially resolved if no objection is heard in response to inquiry by the chairman. The decisions so resolved are equally valid as a decision officially resolved through voting process.</u></p>
<p>XIX</p> <p><u>The voting process shall be conducted on a case-by-case basis (or by separation of cases) and the outcome of pros, cons and abstentions should be input into the Market Observation Post System (MOPS).</u> In case any amendment or substitute is posed for the same issue, the chairman shall fix the process of resolution along with the original issues. If any issue among them is resolved, other issues are deemed vetoed and no further voting process is required.</p>	<p>XIX</p> <p><u>When an objection is heard during the process of voting, the chairman request that the shareholders in objection or in abstention raise their hands or stand up to calculate the voting powers so represented by such shareholders. If the voting powers so represented by such shareholders are not up to the number required by law or the Articles of Incorporation, the subject issue shall be deemed having been resolved. No further voting process is required.</u> In case any amendment or substitute is posed for the same issue, the chairman shall fix the process of resolution along with the original issues. If any issue among them is resolved, other issues are deemed vetoed and no further voting process is required.</p>

Resolution:

Voting Result-

Shares represented at the time of voting: 4,657,994,047

Voting Results*		% of the total represented share present
Votes in favor:	3,748,131,692 votes (2,212,059,558 votes)	80.47%
Votes against:	526,213 votes (526,213 votes)	0.01%
Abstention votes/ No votes:	909,336,142 votes (868,449,332 votes)	19.52%%
Votes invalid:	0 votes	0%
Votes in favor is more than one-half of the shareholders vote, the proposal was approved after voting.		

*including votes casted electronically (numbers in brackets)

Motion2: Amendment to “the Operational Procedures for Acquisition and Disposal of Assets.”
(Proposed by the Board)

Explanation:

1. Pursuant to the amended contents of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" promulgated by the Taiwan Stock Exchange Corporation (TWSE) and the hands-on practice of derivative financial instruments, it is proposed that the relevant contents of the Company’s "Procedures for the Acquisition or Disposal of Assets" be duly amended.
2. Please refer to Attachment 6 of the Meeting Minutes of Comparison Table of the article of “Operational Procedures for Acquisition and Disposal of Assets.”
3. Please refer to Appendix 2 on page 48~64 of the Meeting Handbook for the original clauses.

Resolution :

Voting Result-

Shares represented at the time of voting: 4,657,994,047

Voting Results*		% of the total represented share present
Votes in favor:	3,748,127,832 votes (2,212,055,698 votes)	80.47%
Votes against:	534,193 votes (534,193 votes)	0.01%
Abstention votes / No votes:	909,332,022 votes (868,445,212 votes)	19.52% %
Votes invalid:	0 votes	0%
Votes in favor is more than one-half of the shareholders vote, the proposal was approved after voting.		

*including votes casted electronically (numbers in brackets)

Motion 3: Proposal for release of the non-competition promise ban imposed upon the Company's directors according to the Article 209 of Company Act. (Proposed by the Board)

Explanation:

1. According to the Article 209 of Company Law, 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. Where the positions and duties in other companies concurrently served by incumbent representatives of the juristic (corporate) person directors Mr. Chih-Hsien Lo, Mr. Jui-Tang Chen, Mr. Kao-Huei Cheng, Mr. Chung-Ho Wu; natural person (individual) director Mr. Po-Ming Hou, independent directors Ms. Yun Lin and Mr. Chao-Tang Yue have been increased or decreased, it is proposed that in the very premise of no damage to the Company's interests, and prohibition of business strife upon them should be lifted.
3. Please refer to Attachment 7 of Meeting Minutes for details of positions and duties concurrently served in other companies,

Resolution :

Voting Result-

Shares represented at the time of voting: 4,657,994,047

Voting Results*		% of the total represented share present
Votes in favor:	3,586,090,233 votes (2,050,018,099 votes)	76.99%
Votes against:	3,160,653 votes (3,160,653 votes)	0.07%
Abstention votes/ No votes:	1,068,743,161 votes (1,027,856,351 votes)	22.94%%
Votes invalid:	0 votes	0%
Votes in favor is more than one-half of the shareholders vote, the proposal was approved after voting.		

*including votes casted electronically (numbers in brackets)

VI Questions and Motions: None.

VII Adjournment: June 21, 2017 at 09:38 am.

2016 Business Report

In 2016, we bore the loss of the company founder Mr. Kao Chin-Yen, appreciated to his contribution to the company, and continued to hold on to his faith of “poverty teaches me to cherish, growth teaches me to be thankful, responsibility inspires me to innovate”, and shaped a better future for the company and the society.

Based on efforts of our employees and supports of consumers, we maintained steady growth in profit, which increased comparing to last year’s profit, and demonstrated how our experienced management team, stabilized profitable model and risk control mechanism, were capable of managing systematic risk due to market fluctuations. In 2016, we have reported net sales of NT\$38.9 billion, 1.7% increase over last year, net profits after taxes of NT\$14.5 billion, 3% increase over last year, and consolidated net sales of NT\$413.4 billion.

Guarding food safety, never compromise

“Food safety” remained the most concerned topic among Taiwanese, as a result, any related issue would put the company at great risk. We needed to be cautious and remained alert all the time. “Food safety issue is no longer operational risk, but are matters to the company’s survival”. Therefore, we did not compromise nor tolerant to any issues relating to food safety, as we deeply believed that “no food safety, no Uni-President”. Building a “Food Safety Building” that cost NT\$1billion and began to operate in 2017 was just one example to demonstrate our determination to guard food safety.

Entrepreneurial spirit as start-up for continuous progression

In 2016, we remained among one of the companies with revenue of NT\$300 billion, and ranked as one of the top 20 market value companies in Taiwan. Also, we were awarded “Silver of Traditional Manufacturer”, and “Supply Chain Management” by Taiwan Institute for Sustainable Energy (TAISE), which represented a new CSR landmark. We will continue to hold the “sophisticated, decent, humble, simplistic, and aggressive” spirit to manage the company like a start-up, work on discipline of “focus management, simple operation”, and list “progression” as the most important key performance index, so that “value” becomes the only way for “continuous success and progression”.

Policy of “Morality, Branding, and Taste”

“Morality” is the basic rule for interaction among individuals, “branding” is about creating a unique and lovable image for customers, and “taste” is the elegant way to deliver unique morality and outstanding branding. In the future, we aim to establish a solid basis and continue to progress as a company combining “morality, branding and taste”.

In 2017, we will continue to adhere the policy of “adjust product structure, stabilize growth, enhance value marketing”, through in-depth branding, investment in product packaging, and adjustments to product portfolio, which link to enhancing pricing ability and increasing added value, so that differences will be created through unique “sales model” and “product portfolio”.

In current economy, besides adapting to the social trend, adhering food safety legislations, customer impressions, we not only have to do the right things in right ways, but also have to better utilize and integrate subsidiary companies, leverage company resource and create synergy, so that one dollar spent on production, sales, human resource, R&D, finance, and operation activities, could bring more added values, cash inflows and profit, so that we can create higher shareholder’s values, based on proper management policies and tools. Only through demanding excellence and continuous progression would allow us to strengthen our market position and competence, and look forward to our next 50-year milestone.

Prospect in 2017

Looking forward to 2017, we will follow the discipline of “Concentrated and Simple Operation”, to achieve our operational goals, and will strive to optimize return on investment for all shareholders, thank you for your supports.

Chairman: Chih-Hsien Lo

President: Jung-Lung Hou

Chief Accountant: Tsung-Ping Wu

Audit Committee's Review Report

I hereby state as following:

This proposal is the presentation by the Board of Directors of the Company's 2016 Business Report, Financial Statements, and the Profit Allocation Proposal. Of these items, the Financial Statements have been audited by external auditors Lin, Tzu-Shu and Chou, Chien-Hung 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:

2017 General Shareholders' Meeting of Uni-President Enterprises Corporation.

Uni-President Enterprises Corporation

Chairman of the Audit Committee Chao-Tang Yue

March 29, 2017

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

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

Opinion

We have audited the accompanying parent company only balance sheets of Uni-President Enterprises Corp. (the “Company”) as at December 31, 2016 and 2015, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2016 and 2015, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company’s parent company only financial statements of 2016. 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.

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

Please refer to Notes 4(13) and 6(8) to the parent company only financial statements for the accounting policy and the details of investments accounted for under the equity method relating to this key audit matter.

Cayman President Holdings Ltd. and President Chain Store Corp., the Company’s subsidiaries with related ending balance of investment accounted for under the equity method of \$45,610,374 thousand and \$11,697,426 thousand, respectively, constituting 37% of the Company’s total assets collectively, and were considered significant to the parent company only financial statements. Accordingly, evaluation of the ending balances of these investments accounted for under the equity method has been identified one of the most significant matters in our audit, and hence the key audit matters reported in the financial statements of these subsidiaries are also included as key audit matters of in

our audit of the Company's parent company only financial statements key audit matters from the abovementioned subsidiaries are summarized as follows:

1. Cayman President Holdings Ltd. and its subsidiaries – operating revenue – sales of goods in Mainland China

Description

The Cayman President Holdings Ltd. and its subsidiaries are 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. For customers and distributors with farther distance or located in remote areas, it needs more time for good transportation and customer reception, which involves complicated judgements in determining the timing of transferring the rights and obligations and risks and awards of goods to customers. As a result, it has been identified as one of the key audit matters of our annual audit of 2016.

How our audit addressed the matter

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

- (1) We understood, evaluated and validated management's controls in respect of the Group's sales transactions. In addition, we understood and tested the general control environment of the Group's information technology systems and the automatic controls that were related to sales of goods and revenue recognition.
- (2) We conducted testing of revenue recorded covering different locations and customers, 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 and transactions on a sampling basis, by considering the amount, nature and characteristics of those customers.
- (3) We tested sales transactions that took place shortly before and after the balance sheet date, by reconciling recognised revenue with the goods delivery notes and customers' receipt notes, to assess whether revenue was recognised in the correct reporting periods.

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

Description

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

As retail sales revenue comprises numerous small amount transactions and highly relies on the POS and ERP systems, the process of summarizing and recording sales revenue by these systems is important with regard to the completeness and accuracy of the retail sales revenue figures, and has thus been identified as one of the key audit matter of our annual audit of 2016.

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 periodically and completely transferred to the ERP system and sales revenue journal entries were automatically generated;
- (5) We inspected manual sales revenue journal entries and relevant documents;
- (6) We inspected daily cash reports and 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 President Chain Store Corp. and its subsidiaries involves various kinds of merchandise, the retail inventory method is used to estimate the ending balance inventory and the cost of goods sold. The retail inventory method applies the 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 highly on cost and retail price information recorded in the accounting system, and has thus been identified as one of the key audit matter of our annual audit of 2016.

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.

Impairment loss on investments accounted for under equity method

Description

Please refer to Notes 4(13), 4(17), and 6(8) to the parent company only financial statements for the accounting policy and the details of investments accounted for under the equity method and impairment of non-financial assets relating to this key audit matter.

President Entertainment Corp., one of the subsidiaries of the Company with related ending balance of investment accounted for under the equity method of \$221,176 thousand as of December 31, 2016, was engaged in an investment and development plan in entertainment and leisurement business. Due

to subsequent changes in environment protection laws and regulations, the investment and development plan was not able to continue as originally intended. Accordingly, President Entertainment Corp. recognized an impairment loss of \$1,661,499 thousand. As the objective evidences used as indications of impairment and the various comprehensive factors applied in determining the recoverable amounts of assets subject to impairment testing involve management's critical accounting judgement and assumption uncertainty, and has thus been identified as one of the key audit matters of our annual audit of 2016.

How our audit addressed the matter

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

1. We discussed with the management about this investment and development plan in entertainment and leisure business, and evaluated their intentions and abilities to carry forward the plan by reviewing the business decisions made and performed by the management in the past.
2. We verified whether the objective evidences, evaluation processes and other factors used as indications of impairment by the management were consistently applied, and we also verified the reliability of the underlying documents.
3. We obtained the real estate appraisal report issued by an independent appraiser engaged by the management as part of our audit evidence and performed the following procedures:
 - (1) Evaluate independent appraiser's professional capacity, competence and objectivity.
 - (2) Examine the geographic areas and timing of the appraisal, verified the relevance with our audit.
 - (3) Evaluate the appropriateness of appraisal methods, relevance and reasonableness of significant assumptions applied in the appraisal report.

Other matter – The report of other independent accountants

We did not audit the financial statements of certain investments accounted for under the equity method that are included in the parent company only financial statements. Those financial statements were audited by other independent accountants whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included in the parent company only financial statements and the information disclosed in Note 13 relative to these investments, is based solely on the audit reports of other independent accountants. Total assets of these subsidiaries and investments amounted to \$6,821,574 thousand and \$7,760,542 thousand, representing 4.43% and 5.08% of the related totals, as of December 31, 2016 and 2015, respectively, and total operating revenues of \$944,108 thousand and \$1,077,213 thousand, constituting 9.95% and 9.08% 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 Preparations of Financial Reports by Securities Issuers", and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to

going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Lin, Tzu-Shu

Independent Accountants

Chou, Chien-Hung

PricewaterhouseCoopers, Taiwan
Republic of China
March 29, 2017

The accompanying 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 financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

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

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

Assets	Notes	December 31, 2016		December 31, 2015		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 4,976,270	3	\$ 2,524,180	2
1110	Financial assets at fair value	6(2)				
	through profit or loss - current		-	-	3,600,000	3
1150	Notes receivable, net	6(3)(4)	257,994	-	277,692	-
1170	Accounts receivable, net	6(4)	567,736	-	546,425	-
1180	Accounts receivable - related	7				
	parties		3,878,046	3	3,488,114	2
1200	Other receivables		183,071	-	231,361	-
1210	Other receivables - related parties	7	382,860	-	355,055	-
130X	Inventory	6(5)	2,222,635	2	2,171,617	2
1410	Prepayments		112,974	-	113,580	-
11XX	Total current assets		<u>12,581,586</u>	<u>8</u>	<u>13,308,024</u>	<u>9</u>
Non-current assets						
1523	Available-for-sale financial assets	6(6)(8)				
	- non-current		6,150	-	32,370	-
1543	Financial assets carried at cost -	6(7)				
	non-current		329,615	-	334,249	-
1550	Investments accounted for under	6(8)(11)				
	equity method		118,148,937	77	116,420,864	76
1600	Property, plant and equipment	6(9)(11) and 7	16,255,665	11	15,601,318	10
1760	Investment property - net	6(10)(11)	4,662,894	3	4,744,677	3
1840	Deferred income tax assets	6(27)	787,387	1	1,104,314	1
1915	Prepayments for equipment		408,050	-	514,945	1
1920	Guarantee deposits paid		150,642	-	156,685	-
1930	Long-term notes and accounts					
	receivable, net		76,399	-	88,232	-
1990	Other non-current assets		460,615	-	377,699	-
15XX	Total non-current assets		<u>141,286,354</u>	<u>92</u>	<u>139,375,353</u>	<u>91</u>
1XXX	Total assets		<u>\$ 153,867,940</u>	<u>100</u>	<u>\$ 152,683,377</u>	<u>100</u>

(Continued)

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

Liabilities and Equity	Notes	December 31, 2016		December 31, 2015		
		AMOUNT	%	AMOUNT	%	
Current liabilities						
2100	Short-term borrowings	6(12)	\$ 10,680	-	\$ 52,575	-
2150	Notes payable		-	-	7,133	-
2170	Accounts payable		1,228,598	1	1,375,521	1
2180	Accounts payable - related parties	7	160,924	-	146,058	-
2200	Other payables	6(13)	5,279,868	4	5,314,530	4
2220	Other payables - related parties	7	528,087	-	513,585	-
2230	Current income tax liabilities	6(27)	151,560	-	173,137	-
2310	Advance receipts		130,052	-	129,010	-
2320	Long-term liabilities, current portion	6(14)(15)	4,300,000	3	5,000,000	3
21XX	Total current liabilities		<u>11,789,769</u>	<u>8</u>	<u>12,711,549</u>	<u>8</u>
Non-current liabilities						
2530	Corporate bonds payable	6(14)	13,200,000	9	17,500,000	12
2540	Long-term borrowings	6(15)	28,398,662	18	19,998,786	13
2570	Deferred income tax liabilities	6(27)	1,752,357	1	1,692,236	1
2640	Net defined benefit liabilities	6(16)	4,016,038	3	4,357,033	3
2645	Guarantee deposits received		84,091	-	87,527	-
2670	Other non-current liabilities	6(8)	221,176	-	-	-
25XX	Total non-current liabilities		<u>47,672,324</u>	<u>31</u>	<u>43,635,582</u>	<u>29</u>
2XXX	Total liabilities		<u>59,462,093</u>	<u>39</u>	<u>56,347,131</u>	<u>37</u>
Equity						
Share capital						
3110	Share capital - common stock	6(17)(19)	56,820,154	37	56,820,154	37
Capital reserve						
3200	Capital surplus	6(18)	3,900,138	2	3,957,172	2
Retained earnings						
		6(17)(19)(27)				
3310	Legal reserve		15,136,198	10	13,725,414	9
3320	Special reserve		4,042,765	3	4,043,384	3
3350	Unappropriated retained earnings		16,329,791	11	15,109,863	10
Other equity interest						
3400	Other equity interest	6(20)	(1,823,199)	(2)	2,680,259	2
3XXX	Total equity		<u>94,405,847</u>	<u>61</u>	<u>96,336,246</u>	<u>63</u>
Contingent liabilities and commitments						
		6(29), 7 and 9				
3X2X	Total liabilities and equity		<u>\$ 153,867,940</u>	<u>100</u>	<u>\$ 152,683,377</u>	<u>100</u>

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

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

				Year ended December 31			
Items		Notes	2016		2015		
			AMOUNT	%	AMOUNT	%	
4000	Sales revenue	6(21) and 7	\$ 38,919,076	100	\$ 38,286,883	100	
5000	Operating costs	6(5)(25)(26) and 7	(27,386,337)	(70)	(27,180,186)	(71)	
5900	Net operating margin		<u>11,532,739</u>	<u>30</u>	<u>11,106,697</u>	<u>29</u>	
	Operating expenses	6(25)(26) and 7					
6100	Selling expenses		(5,607,191)	(15)	(5,405,411)	(14)	
6200	General and administrative expenses		(3,428,370)	(9)	(3,516,277)	(9)	
6300	Research and development expenses		(480,772)	(1)	(435,155)	(1)	
6000	Total operating expenses		<u>(9,516,333)</u>	<u>(25)</u>	<u>(9,356,843)</u>	<u>(24)</u>	
6900	Operating profit		<u>2,016,406</u>	<u>5</u>	<u>1,749,854</u>	<u>5</u>	
	Non-operating income and expenses						
7010	Other income	6(22) and 7	2,001,708	5	1,925,736	5	
7020	Other gains and losses	6(2)(6)(7)(11)(23)	(970,290)	(2)	(1,078,582)	(3)	
7050	Finance costs	6(24)	(469,186)	(1)	(446,920)	(1)	
7070	Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	6(8)	<u>12,594,592</u>	<u>32</u>	<u>12,391,084</u>	<u>32</u>	
7000	Total non-operating income and expenses		<u>13,156,824</u>	<u>34</u>	<u>12,791,318</u>	<u>33</u>	
7900	Profit before income tax		<u>15,173,230</u>	<u>39</u>	<u>14,541,172</u>	<u>38</u>	
7950	Income tax expense	6(27)	(646,511)	(2)	(433,333)	(1)	
8200	Profit for the year		<u>\$ 14,526,719</u>	<u>37</u>	<u>\$ 14,107,839</u>	<u>37</u>	
	Other comprehensive income (loss)						
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss						
8311	Other comprehensive loss, before tax, actuarial gains (losses) on defined benefit plans	6(16)	(\$ 303,633)	(1)	(\$ 139,210)	-	
8330	Share of other comprehensive income of associates and joint ventures accounted for under equity method		(280,580)	-	(229,246)	(1)	
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(27)	51,618	-	23,666	-	
	Components of other comprehensive loss that will be reclassified to profit or loss						
8361	Other comprehensive income, before tax, exchange differences on translation	6(20)	(3,422,689)	(9)	(1,070,337)	(3)	
8380	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for under equity method	6(20)	(1,075,071)	(3)	(821,830)	(2)	
8399	Income tax related to the components of other comprehensive income that will be reclassified to profit or loss	6(6)(27)	(5,698)	-	(4,804)	-	
8300	Other comprehensive income for the year		<u>(\$ 5,036,053)</u>	<u>(13)</u>	<u>(\$ 2,241,761)</u>	<u>(6)</u>	
8500	Total comprehensive income for the year		<u>\$ 9,490,666</u>	<u>24</u>	<u>\$ 11,866,078</u>	<u>31</u>	
	Earnings per share	6(28)					
9750	Basic		<u>\$ 2.56</u>		<u>\$ 2.48</u>		
9850	Diluted		<u>\$ 2.54</u>		<u>\$ 2.47</u>		

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

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

For the year ended December 31, 2015

Balance at January 1, 2015		\$ 54,634,763	\$ 3,848,490	\$ 12,613,131	\$ 4,045,085	\$ 12,291,654	\$ 3,219,932	\$ 1,357,298	\$ 92,010,353
Distribution of 2014 net income (Note):									
Legal reserve		-	-	1,112,283	-	(1,112,283)	-	-	-
Cash dividends	6(19)	-	-	-	-	(7,648,867)	-	-	(7,648,867)
Stock dividends	6(17)(19)	2,185,391	-	-	-	(2,185,391)	-	-	-
Net loss for the year ended December 31, 2015		-	-	-	-	14,107,839	-	-	14,107,839
Other comprehensive loss for the year ended December 31, 2015	6(20)	-	-	-	-	(344,790)	(1,094,533)	(802,438)	(2,241,761)
Adjustment for change in capital reserve of investee companies	6(18)	-	10,272	-	-	-	-	-	10,272
Difference between the acquisition or disposal price and carrying amounts of subsidiaries	6(18)	-	37,104	-	-	-	-	-	37,104
Adjustment of capital reserve due to change in interests in associates	6(18)	-	65,101	-	-	-	-	-	65,101
Disposal of investments accounted for under equity method	6(18)	-	(3,795)	-	-	-	-	-	(3,795)
Reversal of special reserve	6(19)	-	-	-	(1,701)	1,701	-	-	-
Balance at December 31, 2015		<u>\$ 56,820,154</u>	<u>\$ 3,957,172</u>	<u>\$ 13,725,414</u>	<u>\$ 4,043,384</u>	<u>\$ 15,109,863</u>	<u>\$ 2,125,399</u>	<u>\$ 554,860</u>	<u>\$ 96,336,246</u>

For the year ended December 31, 2016

Balance at January 1, 2016		\$ 56,820,154	\$ 3,957,172	\$ 13,725,414	\$ 4,043,384	\$ 15,109,863	\$ 2,125,399	\$ 554,860	\$ 96,336,246
Distribution of 2015 net income (Note):									
Legal reserve	6(19)	-	-	1,410,784	-	(1,410,784)	-	-	-
Cash dividends		-	-	-	-	(11,364,031)	-	-	(11,364,031)
Net income for the year ended December 31, 2016		-	-	-	-	14,526,719	-	-	14,526,719
Other comprehensive loss for the year ended December 31, 2016	6(20)	-	-	-	-	(532,595)	(4,382,749)	(120,709)	(5,036,053)
Adjustment for change in capital reserve of investee companies	6(18)	-	(19,196)	-	-	-	-	-	(19,196)
Difference between the acquisition or disposal price and carrying amounts of subsidiaries	6(18)	-	(92,572)	-	-	-	-	-	(92,572)
Adjustment of capital reserve due to change in interests in associate	6(18)	-	65,025	-	-	-	-	-	65,025
Disposal of subsidiaries	6(18)	-	(10,291)	-	-	-	-	-	(10,291)
Reversal of special reserve	6(19)	-	-	-	(619)	619	-	-	-
Balance at December 31, 2016		<u>\$ 56,820,154</u>	<u>\$ 3,900,138</u>	<u>\$ 15,136,198</u>	<u>\$ 4,042,765</u>	<u>\$ 16,329,791</u>	<u>(\$ 2,257,350)</u>	<u>\$ 434,151</u>	<u>\$ 94,405,847</u>

(Note) The employees' bonuses were \$971,109 and \$1,220,430, and directors' and supervisors' remuneration were \$199,475 and \$247,079 in 2014 and 2015, respectively, which had been deducted from net income for the year.

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

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

	Notes	For the years ended December 31,	
		2016	2015
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 15,173,230	\$ 14,541,172
Adjustments			
Adjustments to reconcile profit (loss)			
Loss (gain) on financial assets and liabilities at fair value through profit and loss	6(2)(23)	1,860	(30,320)
Reversal of allowance for doubtful accounts	6(4)	(6,978)	(8,357)
(Gain) loss on disposal of available-for-sale financial assets		(1,440)	1,772
Loss on disposal of financial assets carried at cost		452	-
Share of profit of subsidiaries, associates and joint ventures accounted for under equity method	6(8)	(12,594,592)	(12,391,084)
Gain on disposal of investments accounted for under the equity method		-	(19,242)
Depreciation on property, plant and equipment	6(9)	1,149,975	923,583
(Gain) loss on disposal of property, plant and equipment	6(23)	(163,698)	20,882
Depreciation on investment property	6(10)	49,653	46,160
Loss on disposal of investment property	6(23)	105	165
Impairment loss on financial assets	6(6)	-	19,280
(Gain on reversal of) impairment loss on non-financial assets	6(11)	(605)	45,560
Amortization		9,896	9,827
Amortization of rent receivable		13,928	13,556
Interest income	6(22)	(8,082)	(2,292)
Dividend income	6(22)	(14,672)	(17,866)
Finance costs	6(24)	469,186	446,920
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		3,598,140	(169,680)
Notes receivable		26,422	86,852
Accounts receivable		(21,057)	89,518
Accounts receivable - related parties		(389,932)	(209,176)
Other receivables		46,195	(10,404)
Other receivables - related parties		(27,805)	4,465
Inventories		(51,018)	115,659
Prepayments		(3,251)	(15,774)
Changes in operating liabilities			
Notes payable		(7,133)	(2,369)
Accounts payable		(146,923)	96,801
Accounts payable - related parties		14,866	16,003
Other payables		19,965	580,451
Other payables - related parties		14,502	(296,252)
Advance receipts		1,042	(28,160)
Net defined benefit liabilities		(644,628)	(263,845)
Cash inflow generated from operations		6,507,603	3,593,805
Interest received		8,082	2,292
Dividends received		6,339,947	6,146,288
Interest paid		(497,910)	(462,018)
Income tax paid		(245,120)	(235,355)
Net cash flows from operating activities		<u>12,112,602</u>	<u>9,045,012</u>

(Continued)

UNI-PRESIDENT ENTERPRISES CORP.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

(Expressed in thousands of New Taiwan dollars)

	Notes	For the years ended December 31,	
		2016	2015
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Proceeds from sale of available-for-sale financial assets		\$ 27,660	\$ 47,617
Return of capital from financial assets carried at cost		4,182	16,800
Cash paid for acquisition of investments accounted for under the equity method - subsidiaries		-	(1,854,900)
Cash paid for acquisition of investments accounted for under the equity method - non-subsidiaries		(72,954)	-
Proceeds from disposal of investments accounted for under the equity method - non-subsidiaries		-	16,952
Return of capital from investments accounted for under the equity method		-	120,500
Cash paid for acquisition of property, plant and equipment	6(30)	(431,723)	(817,257)
Interest paid for acquisition of property, plant and equipment	6(9)(30)	(7,128)	(16,005)
Proceeds from disposal of property, plant and equipment		230,723	17,843
Decrease (increase) in guarantee deposits paid		6,043	(9,816)
Increase in prepayments for equipment		(1,306,975)	(2,125,198)
Interest paid for prepayments for equipment	6(9)	(8,042)	(13,874)
Increase in other non-current assets		(92,812)	(40,279)
Net cash flows used in investing activities		(1,651,026)	(4,657,617)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
(Decrease) increase in short-term borrowings		(41,895)	19,111
Decrease in corporate bonds payable		(4,000,000)	(3,150,000)
Increase in long-term borrowings		214,200,000	147,970,000
Decrease in long-term borrowings		(206,800,124)	(140,220,090)
Decrease in guarantee deposits received		(3,436)	(1,237)
Cash dividends	6(19)	(11,364,031)	(7,648,867)
Net cash flows used in financing activities		(8,009,486)	(3,031,083)
Net increase in cash and cash equivalents		2,452,090	1,356,312
Cash and cash equivalents at beginning of year	6(1)	2,524,180	1,167,868
Cash and cash equivalents at end of year	6(1)	\$ 4,976,270	\$ 2,524,180

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

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

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

Opinion

We have audited the accompanying consolidated balance sheets of Uni-President Enterprises Corp. and its subsidiaries (the “Group”) as at December 31, 2016 and 2015, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and reports of other independent accountants (Please refer to *Other Matter* section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2016 and 2015, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group’s consolidated financial statements of the year 2016. 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.

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

Please refer to Notes 4(33) and 6(26) to the consolidated financial statements for the accounting policy of 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. For customers and distributors with farther distance or located in remote areas, it needs more time for good transportation and customer reception, which involves complicated judgements in determining

the timing of transferring the rights and obligations and risks and awards of goods to customers. As a result, it has been identified as one of the key audit matters of our annual audit of 2016.

How our audit addressed the matter

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

1. We understood, evaluated and validated management's controls in respect of the Group's sales transactions. In addition, we understood and tested the general control environment of the Group's information technology systems and the automatic controls that were related to sales of goods and revenue recognition.
2. We conducted testing of revenue recorded covering different locations and customers, 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 and transactions on a sampling basis, by considering the amount, nature and characteristics of those customers.
3. We tested sales transactions that took place shortly before and after the balance sheet date, by reconciling recognised revenue with the goods delivery notes and customers' receipt notes, to assess whether revenue was recognised in the correct reporting periods.

Completeness and accuracy of retail sales revenue

Description

Please refer to Notes 4(33) and 6(26) to the consolidated financial statements for the accounting policy of operating revenue and the details of revenue items relating to this key audit matter.

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

As retail sales revenue comprises numerous small amount transactions and highly relies on the POS and ERP systems, the process of summarizing and recording sales revenue by these systems is important with regard to the completeness and accuracy of the retail sales revenue figures, and has thus been identified as one of the key audit matters of our annual audit of 2016.

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 periodically

and completely transferred to the ERP system and sales revenue journal entries were automatically generated;

5. We inspected manual sales revenue journal entries and relevant documents;
6. We inspected daily cash reports and 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(13) and 6(6) to the consolidated financial statements for the accounting policy of inventories and cost of goods sold and the details of inventory items relating to this key audit matter.

As retailing business involves various kinds of merchandise, the retail inventory method is used to estimate the ending balance of inventory and the cost of goods sold. The retail inventory method applies a ratio of costs over retail prices of goods purchased (known as cost-to-retail ratio) to come out with an estimate of the ending balance of inventory and the cost of goods sold. The determination of the cost-to-retail ratio relies highly on costs and retail prices information recorded in the accounting system, and has thus been identified as one of the key audit matters of our annual audit of 2016.

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.

Impairment loss on investment properties

Description

Please refer to Notes 4(19), 4(21), 6(13) and 6(15) to the consolidated financial statements for the accounting policy and the details of investment properties and impairment of non-financial assets relating to this key audit matter.

President Entertainment Corp., one of the subsidiaries of the Group, was engaged in an investment and development plan in entertainment and leisure business. Due to subsequent changes in environment protection laws and regulations, the investment and development plan was not able to continue as originally intended. Accordingly, President Entertainment Corp. recognized an

impairment loss of \$1,661,499 thousand. As the objective evidences used as indications of impairment and the various comprehensive factors applied in determining the recoverable amounts of assets subject to impairment testing involve management's critical accounting judgement and assumption uncertainty, and has thus been identified as one of the key audit matters of our annual audit of 2016.

How our audit addressed the matter

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

1. We discussed with the management about this investment and development plan in entertainment and leisure business, and evaluated their intentions and abilities to carry forward the plan by reviewing the business decisions made and performed by the management in the past.
2. We verified whether the objective evidences, evaluation processes and other factors used as indications of impairment by the management were consistently applied, and we also verified the reliability of the underlying documents.
3. We obtained the real estate appraisal report issued by an independent appraiser engaged by the management as part of our audit evidence and performed the following procedures:
 - (1) Evaluate independent appraiser's professional capacity, competence and objectivity.
 - (2) Examine the geographic areas and timing of the appraisal, verified the relevance with our audit.
 - (3) Evaluate the appropriateness of appraisal methods, relevance and reasonableness of significant assumptions applied in the appraisal report.

Other matter – The report of other independent accountants

We did not audit the financial statements of certain consolidated subsidiaries and investments accounted for under the equity method that are included in the consolidated financial statements. Those financial statements were audited by other independent accountants whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included in the financial statements and the information disclosed in Note 13 relative to these investments, is based solely on the audit reports of other independent accountants. Total assets of these subsidiaries and investments amounted to \$21,114,131 thousand and \$21,023,978 thousand, representing 5.58% and 5.27% of the related consolidated totals, as of December 31, 2016 and 2015, respectively, and total operating revenues of \$26,410,816 thousand and \$22,433,140 thousand, constituting 6.39% and 5.39% of the related consolidated totals for the years then ended, respectively. Investments in these companies' related share of profit of associates and joint ventures accounted for under the equity method amounted to \$1,081,320 thousand and \$1,136,234 thousand, constituting 6.68% and 6.52% of the consolidated total other comprehensive income for the years then ended, respectively.

Other matter – Parent company only financial reports

We have audited and expressed an unmodified opinion on the parent company only financial statements of Uni-President Enterprises Corp. as at and for the years ended December 31, 2016 and 2015.

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

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

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

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

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

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

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

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

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

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements.

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

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

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

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

Lin, Tzu-Yu

Independent Accountants

Chou, Chien-Hung

PricewaterhouseCoopers, Taiwan

Republic of China

March 29, 2017

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

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

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

Assets	Notes	December 31, 2016		December 31, 2015		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 56,334,630	15	\$ 45,034,743	11
1110	Financial assets at fair value	6(2)				
	through profit or loss - current		6,033,382	2	15,199,461	4
1150	Notes receivable, net	6(3)(4) and 7	1,530,763	-	1,750,782	-
1170	Accounts receivable, net	6(4), 7 and 8	15,346,112	4	16,041,994	4
1200	Other receivables	6(4)(5)	7,125,917	2	2,829,342	1
1220	Current income tax assets	6(32)	236,496	-	282,252	-
130X	Inventory	6(6)(12) and 8	30,616,333	8	34,344,392	9
1410	Prepayments		4,271,619	1	11,580,174	3
1460	Non-current assets held for sale, net	6(7)(12)	7,854,383	2	-	-
1470	Other current assets	8	10,469,366	3	11,417,198	3
11XX	Total current assets		<u>139,819,001</u>	<u>37</u>	<u>138,480,338</u>	<u>35</u>
Non-current assets						
1523	Available-for-sale financial assets - non-current	6(8)(9)(11) and 8	5,833,607	2	6,518,489	2
1543	Financial assets carried at cost - non-current	6(9)(11) and 8	2,882,485	1	2,769,432	1
1546	Investments in debt instrument without active markets - non-current	6(10)	321,403	-	327,134	-
1550	Investments accounted for under equity method	6(11) and 8	33,455,146	9	37,077,122	9
1600	Property, plant and equipment	6(12)(15) and 8	148,760,628	39	160,483,756	40
1760	Investment property, net	6(12)(13)(15) and 8	17,802,717	5	19,228,673	5
1780	Intangible assets	6(14)(15)	2,569,940	1	2,769,998	1
1840	Deferred income tax assets	6(32)	5,018,733	1	5,244,920	1
1915	Prepayments for equipment	6(12)	684,828	-	1,309,602	-
1920	Guarantee deposits paid	6(2) and 8	2,942,123	1	3,037,427	1
1985	Long-term prepaid rents	6(15) and 8	13,129,124	3	14,232,045	3
1990	Other non-current assets	6(15)(21), 7 and 8	5,365,730	1	7,469,553	2
15XX	Total non-current assets		<u>238,766,464</u>	<u>63</u>	<u>260,468,151</u>	<u>65</u>
1XXX	Total assets		<u>\$ 378,585,465</u>	<u>100</u>	<u>\$ 398,948,489</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, 2016		December 31, 2015		
		AMOUNT	%	AMOUNT	%	
Current liabilities						
2100	Short-term borrowings	6(16) and 8	\$ 25,508,260	7	\$ 35,076,443	9
2110	Short-term notes and bills payable	6(17) and 8	8,039,804	2	7,304,775	2
2120	Financial liabilities at fair value through profit or loss - current	6(2)	323	-	9,706	-
2150	Notes payable	7	2,275,427	1	1,288,778	-
2170	Accounts payable	7	28,608,549	8	30,007,032	8
2200	Other payables	6(18)	43,346,808	11	44,810,717	11
2230	Current income tax liabilities	6(32)	2,931,106	1	1,904,353	1
2260	Liabilities directly associated with non-current assets held for sale	6(7)	4,450,816	1	-	-
2310	Advance receipts		12,397,660	3	13,888,674	3
2320	Long-term liabilities, current portion	6(19)(20) and 8	13,187,752	3	15,907,070	4
2399	Other current liabilities		251,429	-	228,614	-
21XX	Total current liabilities		<u>140,997,934</u>	<u>37</u>	<u>150,426,162</u>	<u>38</u>
Non-current liabilities						
2530	Corporate bonds payable	6(19)	16,179,950	4	28,201,782	7
2540	Long-term borrowings	6(20) and 8	44,485,418	12	41,672,882	10
2570	Deferred income tax liabilities	6(32)	4,695,750	1	4,454,907	1
2640	Net defined benefit liabilities - non-current	6(21)	9,617,638	3	9,750,380	2
2645	Guarantee deposits received		6,446,913	2	6,378,760	2
2670	Other non-current liabilities		3,461,596	1	2,373,879	1
25XX	Total non-current liabilities		<u>84,887,265</u>	<u>23</u>	<u>92,832,590</u>	<u>23</u>
2XXX	Total liabilities		<u>225,885,199</u>	<u>60</u>	<u>243,258,752</u>	<u>61</u>
Equity attributable to owners of parent						
Share capital						
3110	Share capital - common stock	6(22)	56,820,154	15	56,820,154	14
Capital reserves						
3200	Capital surplus	6(23)(34)	3,900,138	1	3,957,172	1
Retained earnings						
3310	Legal reserve	6(22)(24)(32)	15,136,198	4	13,725,414	3
3320	Special reserve		4,042,765	1	4,043,384	1
3350	Unappropriated retained earnings		16,329,791	4	15,109,863	4
Other equity interest						
3400	Other equity interest	6(25)	(1,823,199)	-	2,680,259	1
31XX	Equity attributable to owners of the parent		<u>94,405,847</u>	<u>25</u>	<u>96,336,246</u>	<u>24</u>
36XX	Non-controlling interest	4(3) and 6(34)	<u>58,294,419</u>	<u>15</u>	<u>59,353,491</u>	<u>15</u>
3XXX	Total equity		<u>152,700,266</u>	<u>40</u>	<u>155,689,737</u>	<u>39</u>
Contingent Liabilities and Commitments						
3X2X	Total liabilities and equity		<u>\$ 378,585,465</u>	<u>100</u>	<u>\$ 398,948,489</u>	<u>100</u>

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

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

Items	Notes	Year ended December 31				
		2016		2015		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(26) and 7	\$ 413,364,315	100	\$ 416,151,323	100
5000	Operating costs	6(6)(14)(30)(31)				
		and 7	(275,714,218)	(67)	(278,229,027)	(67)
5900	Net operating margin		137,650,097	33	137,922,296	33
	Operating expenses	6(14)(30)(31)(35)				
		and 7				
6100	Selling expenses		(94,013,752)	(23)	(94,243,220)	(23)
6200	General and administrative expenses		(21,555,416)	(5)	(21,054,486)	(5)
6300	Research and development expenses		(989,863)	-	(986,858)	-
6000	Total operating expenses		(116,559,031)	(28)	(116,284,564)	(28)
6900	Operating profit		21,091,066	5	21,637,732	5
	Non-operating income and expenses					
7010	Other income	6(13)(27) and 7	5,579,489	2	5,725,693	1
7020	Other gains and losses	4(3),				
		6(2)(7)(8)(9)(15)(28)	1,221,784	-	(2,147,021)	-
7050	Finance costs	6(12)(29)	(2,237,211)	-	(2,418,953)	(1)
7060	Share of profit of associates and joint ventures accounted for under equity method	6(11)	4,847,214	1	4,451,909	1
7000	Total non-operating income and expenses		9,411,276	3	5,611,628	1
7900	Profit before income tax		30,502,342	8	27,249,360	6
7950	Income tax expense	6(32)	(6,826,906)	(2)	(5,656,195)	(1)
8200	Profit for the year		\$ 23,675,436	6	\$ 21,593,165	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				
		2016		2015		
		AMOUNT	%	AMOUNT	%	
Other comprehensive income (loss)						
Components of other comprehensive income (loss) that will not be reclassified to profit or loss						
8311	Remeasurement of defined benefit obligations	6(21)	(\$ 795,642)	-	(\$ 559,347)	-
8320	Share of other comprehensive loss of associates and joint ventures accounted for using equity method		(61,769)	-	(62,224)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(32)	135,166	-	90,028	-
Components of other comprehensive income (loss) that will be reclassified to profit or loss						
8361	Financial statements translation differences of foreign operations		(6,237,125)	(2)	(2,331,830)	(1)
8362	Unrealized loss on valuation of available-for-sale financial assets	6(8)	(244,505)	-	(1,284,971)	-
8370	Share of other comprehensive loss of associates and joint ventures accounted for under equity method		(274,781)	-	(35,173)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(8)(32)	(8,947)	-	14,465	-
8300	Total other comprehensive loss for the year		(\$ 7,487,603)	(2)	(\$ 4,169,052)	(1)
8500	Total comprehensive income for the year		\$ 16,187,833	4	\$ 17,424,113	4
Profit attributable to:						
8610	Owners of the parent		\$ 14,526,719	4	\$ 14,107,839	3
8620	Non-controlling interest		9,148,717	2	7,485,326	2
	Net income		\$ 23,675,436	6	\$ 21,593,165	5
Comprehensive income attributable to:						
8710	Owners of the parent		\$ 9,490,666	2	\$ 11,866,078	3
8720	Non-controlling interest		6,697,167	2	5,558,035	1
	Net comprehensive income		\$ 16,187,833	4	\$ 17,424,113	4
Earnings per share (in dollars)						
9750	Basic	6(33)	\$ 2.56		\$ 2.48	
9850	Diluted		\$ 2.54		\$ 2.47	

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

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

For the year ended December 31, 2015

Balance at January 1, 2015		\$ 54,634,763	\$ 3,848,490	\$ 12,613,131	\$ 4,045,085	\$ 12,291,654	\$ 3,219,932	\$ 1,357,298	\$ 92,010,353	\$ 58,628,780	\$ 150,639,133
Distribution of 2014 consolidated net income:											
Legal reserve		-	-	1,112,283	-	(1,112,283)	-	-	-	-	-
Cash dividends	6(24)	-	-	-	-	(7,648,867)	-	-	(7,648,867)	-	(7,648,867)
Stock dividends	6(22)(24)	2,185,391	-	-	-	(2,185,391)	-	-	-	-	-
Consolidated net income for the year ended December 31, 2015		-	-	-	-	14,107,839	-	-	14,107,839	7,485,326	21,593,165
Other comprehensive income for the year ended December 31, 2015	6(25)	-	-	-	-	(344,790)	(1,094,533)	(802,438)	(2,241,761)	(1,927,291)	(4,169,052)
Adjustment for change in capital reserve of investee companies	6(23)	-	10,272	-	-	-	-	-	10,272	-	10,272
Difference between the acquisition or disposal price and carrying amounts of subsidiaries	6(23)(34)	-	37,104	-	-	-	-	-	37,104	213,408	250,512
Adjustment of capital reserve due to change in interests in associates	6(23)	-	65,101	-	-	-	-	-	65,101	-	65,101
Disposal of investments accounted for under the equity method	6(23)	-	(3,795)	-	-	-	-	-	(3,795)	-	(3,795)
Reversal of special reserve	6(24)	-	-	-	(1,701)	1,701	-	-	-	-	-
Non-controlling interest		-	-	-	-	-	-	-	-	(5,046,732)	(5,046,732)
Balance at December 31, 2015		<u>\$ 56,820,154</u>	<u>\$ 3,957,172</u>	<u>\$ 13,725,414</u>	<u>\$ 4,043,384</u>	<u>\$ 15,109,863</u>	<u>\$ 2,125,399</u>	<u>\$ 554,860</u>	<u>\$ 96,336,246</u>	<u>\$ 59,353,491</u>	<u>\$ 155,689,737</u>

For the year ended December 31, 2016

Balance at January 1, 2016		\$ 56,820,154	\$ 3,957,172	\$ 13,725,414	\$ 4,043,384	\$ 15,109,863	\$ 2,125,399	\$ 554,860	\$ 96,336,246	\$ 59,353,491	\$ 155,689,737
Distribution of 2015 consolidated net income:											
Legal reserve		-	-	1,410,784	-	(1,410,784)	-	-	-	-	-
Cash dividends	6(24)	-	-	-	-	(11,364,031)	-	-	(11,364,031)	-	(11,364,031)
Consolidated net income for the year ended December 31, 2016		-	-	-	-	14,526,719	-	-	14,526,719	9,148,717	23,675,436
Other comprehensive income for the year ended December 31, 2016	6(25)	-	-	-	-	(532,595)	(4,382,749)	(120,709)	(5,036,053)	(2,451,550)	(7,487,603)
Adjustment for change in capital reserve of investee companies	6(23)	-	(19,196)	-	-	-	-	-	(19,196)	-	(19,196)
Difference between the acquisition or disposal price and carrying amounts of subsidiaries	6(23)(34)	-	(92,572)	-	-	-	-	-	(92,572)	(248,282)	(340,854)
Adjustment of capital reserve due to change in interests in associates	6(23)	-	65,025	-	-	-	-	-	65,025	-	65,025
Disposal of subsidiaries	6(23)(36)	-	(10,291)	-	-	-	-	-	(10,291)	(505,753)	(516,044)
Reversal of special reserve	6(24)	-	-	-	(619)	619	-	-	-	-	-
Non-controlling interest		-	-	-	-	-	-	-	-	(7,002,204)	(7,002,204)
Balance at December 31, 2016		<u>\$ 56,820,154</u>	<u>\$ 3,900,138</u>	<u>\$ 15,136,198</u>	<u>\$ 4,042,765</u>	<u>\$ 16,329,791</u>	<u>(\$ 2,257,350)</u>	<u>\$ 434,151</u>	<u>\$ 94,405,847</u>	<u>\$ 58,294,419</u>	<u>\$ 152,700,266</u>

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

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

	Notes	For the years ended December 31,	
		2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 30,502,342	\$ 27,249,360
Adjustments			
Adjustments to reconcile profit (loss)			
Loss (gain) on financial assets at fair value through profit and loss	6(2)(28)	12,656	(37,742)
Provision for doubtful accounts	6(4)	134,630	328,615
(Reversal of allowance) provision for inventory market price decline	6(6)	(58,497)	335,354
Gain on disposal of non-current assets held for sale	6(7)(28)	(1,528,552)	(452,780)
Loss (gain) on disposal of available-for-sale financial assets	6(28)	73,459	(450,195)
Gain on disposal of financial assets carried at cost	6(28)	(1,175,952)	(44,040)
Impairment loss on financial assets	6(8)(9)(28)	312,728	185,360
Gain on disposal of subsidiaries	4(3), 6(28)(36)	(2,536,835)	-
Share of profit of associates and joint ventures accounted for under the equity method	6(11)	(4,847,214)	(4,451,909)
Gain on disposal of investments accounted for under the equity method	6(28)	(1,655)	(171,503)
Depreciation on property, plant and equipment	6(12)(30)	18,951,650	18,919,033
Loss on disposal of property, plant and equipment	6(28)	146,122	178,140
Depreciation on investment properties	6(13)(30)	309,183	309,994
Gain on disposal of investment properties	6(28)	(5,888)	(1,903)
Loss on disposal of intangible assets	6(28)	-	9,645
Amortization	6(14)(30)	393,377	362,839
Amortization of long-term prepaid rents		366,196	377,763
Impairment loss on non-financial assets	6(15)(28)	1,956,485	496,305
Interest income	6(27)	(927,112)	(1,165,238)
Dividend income	6(27)	(703,547)	(737,743)
Finance costs	6(29)	2,237,211	2,418,953
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets and liabilities at fair value through profit or loss		9,144,040	475,874
Notes receivable		223,190	472,738
Accounts receivable		(912,557)	282,594
Other receivables		247,179	2,035,980
Inventories		2,655,532	72,433
Prepayments		755,662	1,612,250
Other current assets		(372,349)	(885,199)
Changes in operating liabilities			
Notes payable		986,649	21,931
Accounts payable		644,498	(279,250)
Other payables		1,864,935	3,393,667
Advance receipts		814,914	4,256,986
Other current liabilities		22,815	(7,721)
Net defined benefit liabilities - non-current		(928,384)	(482,614)
Cash inflow generated from operations		58,756,911	54,627,977
Interest received		793,009	1,094,264
Dividend received		3,490,204	3,317,084
Interest paid		(2,352,828)	(2,405,631)
Income tax paid		(5,161,148)	(5,756,679)
Net cash flows from operating activities		<u>55,526,148</u>	<u>50,877,015</u>

(Continued)

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

	Notes	For the years ended December 31,	
		2016	2015
CASH FLOWS FROM INVESTING ACTIVITIES			
Increase in other receivables	6(5)	(\$ 4,643,613)	\$ -
Decrease in other receivables - related parties		3,062	299
Proceeds from disposal of non-current assets held for sale	6(7)(36)	6,256,466	387,937
Decrease (increase) in other current assets - other financial assets		1,320,181	(6,057,611)
Increase in available-for-sale financial assets - non-current		(736,388)	(1,460,699)
Proceeds from disposal of available-for-sale financial assets		1,016,940	2,548,508
Return of capital from available-for-sale financial assets		1,577	-
Increase in financial assets carried at cost - non-current		(806,239)	(325,902)
Proceeds from disposal of financial assets carried at cost		1,465,244	186,746
Return of capital from financial assets measured at cost		4,182	33,600
Acquisition of investments accounted for under the equity method		(73,345)	(134,231)
Proceeds from disposal of investments accounted for under the equity method		52,984	69,543
Return of capital from investments accounted for under the equity method		222,755	3,121
Proceeds from disposal of subsidiaries	6(36)	1,844,539	-
Cash paid for acquisition of property, plant and equipment	6(36)	(13,152,913)	(15,402,338)
Interest paid for acquisition of property, plant and equipment	6(36)	(195,528)	(597,930)
Proceeds from disposal of property, plant and equipment		599,536	537,472
Cash paid for acquisition of investment property	6(36)	(903,516)	(106,029)
Interest paid for acquisition of investment property	6(36)	(14,626)	(20,015)
Proceeds from disposal of investment properties		10,176	6,920
Increase in intangible assets	6(14)	(334,502)	(281,553)
Increase in prepayments for equipment		(2,848,506)	(4,339,189)
Interest paid for prepayments for equipment		(8,987)	(14,436)
Decrease (increase) in guarantee deposits paid		95,304	(178,673)
Increase in long-term prepaid rents		(320,802)	(653,233)
Decrease in other non-current assets - other financial assets		656,924	12,757
(Increase) decrease in other non-current assets		(79,994)	10,805
Net cash flows used in investing activities		(10,569,089)	(25,774,131)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Decrease) increase in short-term borrowings		(4,573,957)	1,879,200
Increase in short-time notes and bills payable		735,029	861,486
Increase in corporate bonds payable		-	717,242
Decrease in corporate bonds payable		(8,643,613)	(3,150,000)
Increase in long-term borrowings		248,364,985	206,952,638
Decrease in long-term borrowings		(249,727,196)	(219,086,254)
Increase in guarantee deposit received		68,153	143,018
Increase in other non-current liabilities		171,471	604
(Cash paid for) proceeds from transaction with non-controlling interests	6(34)	(340,854)	250,512
Cash dividends	6(24)	(11,364,031)	(7,648,867)
Change in non-controlling interests		(7,002,204)	(5,046,732)
Net cash flows used in financing activities		(32,312,217)	(24,127,153)
Effect of foreign exchange rate changes on cash and cash equivalents		(568,024)	200,175
Non-current assets held for sale - cash	6(7)	(776,931)	-
Net increase in cash and cash equivalents		11,299,887	1,175,906
Cash and cash equivalents at beginning of year	6(1)	45,034,743	43,858,837
Cash and cash equivalents at end of year	6(1)	<u>\$ 56,334,630</u>	<u>\$ 45,034,743</u>

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

Uni-President Enterprises Corp.
PROFIT ALLOCATION PROPOSAL

For the years ended December 31, 2016

Unit : NT\$

Net Income for 2016	14,526,718,715
Less : 10% Legal Reserve	(1,452,671,872)
An effort to ascertain the amount of remeasuring of the fringe benefit programs.	(532,595,598)
Plus : Resersal of special reserve	619,403
2016 Earnings Available for Distribution	12,542,070,648
Plus : Unappropriated Retained Earnings of Previous years	2,335,048,242
Distribution Items:	14,877,118,890
Cash Dividends to Common Share Holders (NT\$ 2.1 per share)	11,932,232,384
Unappropriated Distribution	\$2,944,886,506

Note :

1. Net income for 2016 shall be preferred in the profit distribution. The shortfall shall be made up with the unappropriated retained earnings of the preceding term.
2. Each common shareholder will be entitled to receive the cash dividends in dollar amount. The fractional parts would be classified as "other non-operating income".

Chairman: Chih-Hsien Lo

President: Jung-Lung Hou

Chief Accountant: Tsung-Ping Wu

Uni-President Enterprises Corporation

Contrast Table for Amendments to the Operational Procedures for Acquisition and Disposal of Assets

Provision After Proposed Amendments	Current Provision	Explanation
<p>Article 4 Assessment Procedure:</p> <p>1.</p> <p>2.</p> <p>3. In acquiring or disposing of real property or other fixed assets where the transaction amount reaches 20 percent of the Company's paid-in capital or three hundred million NT dollars (NT\$300,000,000) or more, the Company, unless transacting with a government organization, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of machinery and equipment for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>(1)</p> <p>(2)</p> <p>(3)</p> <p>(4)</p> <p>4. Where the Company acquires or disposes of memberships or intangible assets and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, the Company, unless transacting with a government organization, shall engage a CPA prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</p> <p>5.</p> <p>6.</p> <p>7.</p> <p>8. When the Company performs a merger, split, acquisition or transfer of shares, prior to convening a board meeting to pass a resolution, accountant, attorney or securities underwriter shall be engaged to provide opinions about the reasonableness of the share swap proportion, acquisition price or cash or other property distributed to the shareholders and such opinions shall be submitted to the board of directors for discussion and approval. <u>The requirement of obtaining an aforementioned opinion on rationality issued by an expert may be exempted in</u></p>	<p>Article 4 Assessment Procedure:</p> <p>1.</p> <p>2.</p> <p>3. In acquiring or disposing of real property or other fixed assets where the transaction amount reaches 20 percent of the Company's paid-in capital or three hundred million NT dollars (NT\$300,000,000) or more, the Company, unless transacting with a government <u>agency</u>, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of machinery and equipment for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>(1)</p> <p>(2)</p> <p>(3)</p> <p>(4)</p> <p>4. Where the Company acquires or disposes of memberships or intangible assets and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, unless transacting with a government <u>agency</u>, shall engage a CPA prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</p> <p>5.</p> <p>6.</p> <p>7.</p> <p>8. When the Company performs a merger, split, acquisition or transfer of shares, prior to convening a board meeting to pass a resolution, accountant, attorney or securities underwriter shall be engaged to provide opinions about the reasonableness of the share swap proportion, acquisition price or cash or other property distributed to the shareholders and such opinions shall be submitted to the board of directors for discussion and approval.</p>	<p>An amendment in working as appropriate in accordance with Article 9 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" newly promulgated by Financial Supervisory Commission.</p> <p>An amendment in working as appropriate in accordance with Article 11 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" newly promulgated by Financial Supervisory Commission.</p> <p>An amendment in working as appropriate in accordance with Article 22 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" newly promulgated by Financial Supervisory Commission. With</p>

Provision After Proposed Amendments	Current Provision	Explanation
<p><u>the case of a merger by the Company of a subsidiary in which it holds 100 percent of the issued shares or authorized capital either directly or indirectly.</u></p>		<p>the addition of the items exempted from the need to obtain opinions from specialists.</p>
<p>Article 6 Procedures of Public Announcement and Report:</p> <p>1. For the Company to acquire or dispose assets, if any of the following occurs, the Company shall proceed with the public announcement and report on the website designated by the FSC within two (2) days starting immediately from the day such even occurs according to the nature of the event, in the format and with contents prescribed.</p> <p>(1) Acquire or dispose of real property from or to a related party, or acquire or dispose of assets other than real property from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, provided, this shall not apply to trading of government bonds or bonds under repurchase and resale agreements, or subscription or <u>repurchase</u> money market funds issued <u>by domestic securities investment trust enterprises.</u></p> <p>(2)</p> <p>(3)</p> <p>(4) <u>Where the type of asset acquired or disposed is equipment/machinery for business use, the trading counterparty is not a related party, and the transaction amount is less than NT\$1000 million.</u></p> <p>(5) <u>Where land is acquired under an arrangement on engaging others to build on the company's own land, build on the rented land joint</u></p>	<p>Article 6 Procedures of Public Announcement and Report:</p> <p>1. For the Company to acquire or dispose assets, if any of the following occurs, the Company shall proceed with the public announcement and report on the website designated by the FSC within two (2) days starting immediately from the day such even occurs according to the nature of the event, in the format and with contents prescribed.</p> <p>(1) Acquire or dispose of real property from or to a related party, or acquire or dispose of assets other than real property from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, provided, this shall not apply to trading of government bonds or bonds under repurchase and resale agreements, or subscription or <u>redemption of</u> money market funds.</p> <p>(2)</p> <p>(3)</p>	<p>An amendment in working as appropriate in accordance with Article 30 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" newly promulgated by Financial Supervisory Commission.</p> <p>The items are duly rearranged (to be rearranged from Item 3, Subparagraph 4, Paragraph 1 of this Article to this spot) exactly in accordance with Article 30 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" newly promulgated by Financial Supervisory Commission, with the criteria for required public announcement to be eased up.</p> <p>The items are duly rearranged (to be rearranged from Item 4, Subparagraph 4,</p>

Provision After Proposed Amendments	Current Provision	Explanation
<p><u>construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the amount the Company expects to invest in the transaction is less than NT\$500 million.</u></p> <p>(6) Where an asset transaction other than any of those referred to in the preceding five subsections, or an investment in Mainland China area reaches 20 percent or more of paid-in capital or three hundred million NT dollars (NT\$300,000,000); provided, this shall not apply to the following circumstances:</p> <p>i. Trading of government bonds.</p> <p>ii. These, nevertheless, do not apply to the cases of transactions in government bonds, "repo and reverse repo" bonds, subscription to or repurchase money market funds issued <u>by domestic securities investment trust enterprises.</u></p> <p>iii. Where the type of asset acquired or disposed is equipment/machinery for business use, the trading counterparty is not a related party, and the transaction amount is less than NT\$1000 million.</p> <p>iv. Where land is acquired under an arrangement on engaging others to build on the company's own land, build on the rented land joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the amount the Company expects to invest in the transaction is less than NT\$500 million.</p> <p>2.</p>	<p>(4) Where an asset transaction other than any of those referred to in the preceding three subsections, or an investment in Mainland China area reaches 20 percent or more of paid-in capital or three hundred million NT dollars (NT\$300,000,000); provided, this shall not apply to the following circumstances:</p> <p>i. Trading of government bonds.</p> <p>ii. These, nevertheless, do not apply to the cases of transactions in government bonds, "repo and reverse repo" bonds, subscription to or redemption of money market funds.</p> <p>iii. Where the type of asset acquired or disposed is equipment/machinery for business use, the trading counterparty is not a related party, and the transaction amount is less than NT\$1000 million.</p> <p>iv. Where land is acquired under an arrangement on engaging others to build on the company's own land, build on the rented land joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the amount the Company expects to invest in the transaction is less than NT\$500 million.</p> <p>2.</p>	<p>Paragraph 1 of this Article to this spot) exactly in accordance with Article 30 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" newly promulgated by Financial Supervisory Commission, with the criteria for required public announcement to be eased up.</p> <p>An adjustment of Paragraph with amendment in wording as appropriate.</p> <p>An amendment in working as appropriate in accordance with Article 30 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" newly promulgated by Financial Supervisory Commission.</p> <p>As having been moved to Subparagraph IV, Paragraph I of this Article. This part is deleted.</p> <p>As having been moved to Subparagraph V, Paragraph I of this Article. This part is deleted.</p>

Provision After Proposed Amendments	Current Provision	Explanation
<p>3.</p> <p>4. Where the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall again be publicly announced and reported in their entirety <u>within two (2) days counting inclusively from the date of knowing of such error or omission.</u></p> <p>5.</p>	<p>3.</p> <p>4. Where the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall again be publicly announced and reported in their entirety.</p> <p>5.</p>	<p>An amendment in working as appropriate in accordance with Article 30 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" newly promulgated by Financial Supervisory Commission. It expressly provides the timeframe to make up the omission in the public announcement.</p>
<p>Article 11 Resolution Procedure:</p> <p>When the Company intends to acquire or dispose of real property from or to a related party, or when it intends to acquire or dispose of assets other than real property from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or three hundred million NT dollars (NT\$300,000,000) or more, except in trading of government bonds or bonds under repurchase and resale agreements, or subscription or <u>repurchase</u> money market funds <u>issued by domestic securities investment trust enterprises</u>, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the board of directors:</p> <p>1.</p> <p>2.</p> <p>3.</p> <p>4.</p> <p>5.</p> <p>6.</p> <p>7.</p>	<p>Article 11 Resolution Procedure:</p> <p>When the Company intends to acquire or dispose of real property from or to a related party, or when it intends to acquire or dispose of assets other than real property from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or three hundred million NT dollars (NT\$300,000,000) or more, except in trading of government bonds or bonds under repurchase and resale agreements, or subscription or <u>redemption of</u> money market funds , the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the board of directors:</p> <p>1.</p> <p>2.</p> <p>3.</p> <p>4.</p> <p>5.</p> <p>6.</p> <p>7.</p>	<p>An amendment in working as appropriate in accordance with Article 14 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" newly promulgated by Financial Supervisory Commission.</p>
<p>Article 14 Transaction Principles and Guidelines:</p> <p>1.</p> <p>2.</p> <p>3.</p> <p>4.</p> <p>5.</p> <p>6. Division of Responsibilities (1) Financial Business Division: Will serve as the execution staff for the Company's transactions of derivative</p>	<p>Article 14 Transaction Principles and Guidelines:</p> <p>1.</p> <p>2.</p> <p>3.</p> <p>4.</p> <p>5.</p> <p>6. Division of Responsibilities (1) Financial Business Division: Will serve as the execution staff for the Company's transactions of derivative</p>	<p>An adjustment in coordination with the substantial facts in business operation.</p>

Provision After Proposed Amendments	Current Provision	Explanation
<p>products and be responsible for the drafting of transaction strategies and execution of transaction orders within the scope of authorization, disclosure of future transaction risks and provision of updated in-time information to relevant divisions for reference. <u>Such jobs in fund procurement, delivery,</u> handling or accounts, production of statements and storage of transaction records shall be conducted by the personnel in that department not in charge of transaction.</p> <p>(2).....</p> <p>(3) Finance Department: Responsible for capital allocation and settlement related matters for derivative products.</p> <p><u>(3) Audit Division</u></p> <p>(i) Regular supervision and evaluation as to whether the fixed operational strategy is being followed and whether the risk undertaken is within the limit of tolerance by the Company.</p> <p>(ii) Regularly evaluate whether the risk management procedure currently used is appropriate and in compliance with the “Operating Procedure for Transaction in Derivative Products” established by the Company.</p> <p>(iii) If any anomaly is discovered during an audit, a report shall be submitted to the president immediately and necessary measures shall be taken.</p> <p>7.</p>	<p>products and be responsible for the drafting of transaction strategies and execution of transaction orders within the scope of authorization, disclosure of future transaction risks and provision of updated in-time information to relevant divisions for reference. Handling or accounts, production of statements and storage of transaction records shall be conducted by the personnel in that department not in charge of transaction.</p> <p>(2).....</p> <p>(3) <u>Finance Department: Responsible for capital allocation and settlement related matters for derivative products.</u></p> <p><u>(4) Audit Division</u></p> <p>(i) Regular supervision and evaluation as to whether the fixed operational strategy is being followed and whether the risk undertaken is within the limit of tolerance by the Company.</p> <p>(ii) Regularly evaluate whether the risk management procedure currently used is appropriate and in compliance with the “Operating Procedure for Transaction in Derivative Products” established by the Company.</p> <p>(iii) If any anomaly is discovered during an audit, a report shall be submitted to the president immediately and necessary measures shall be taken.</p> <p>7.</p>	<p>Having been expressly enumerated within the mandate and responsibilities of the Financing Business Department. This spot is deleted.</p> <p>An adjustment in Paragraph subsequence.</p>
<p>Article 18</p> <p>When the Company engages in a merger, split, acquisition or transfer of shares, accountant, attorney or securities underwriter shall be engaged prior to convening a board meeting for resolution in order for opinions to be provided about the reasonableness of the share exchange ratio, acquisition price or distribution of cash or other asset to the shareholders. The proposal shall then be submitted to the board of directors for discussion and approval. <u>The requirement of obtaining an aforementioned opinion on rationality issued by an expert may be</u></p>	<p>Article 18</p> <p>When the Company engages in a merger, split, acquisition or transfer of shares, accountant, attorney or securities underwriter shall be engaged prior to convening a board meeting for resolution in order for opinions to be provided about the reasonableness of the share exchange ratio, acquisition price or distribution of cash or other asset to the shareholders. The proposal shall then be submitted to the board of directors for discussion and approval.</p>	<p>An amendment in working as appropriate in accordance with Article 22 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" newly promulgated by Financial Supervisory</p>

Provision After Proposed Amendments	Current Provision	Explanation
<u>exempted, nevertheless, in the case of a merger by the Company of a subsidiary in which it holds 100 percent of the issued shares or authorized capital either directly or indirectly.</u>		Commission. With the addition of the items exempted from the need to obtain opinions from specialists.

Uni-President Enterprises Corporation
The proposed details on release of non-competition restrictions for directors and independent director are listed as follows

As of 03/29/2017

Name	Current Position with Other Companies
Kao Chyuan Inv. Co., Ltd. Representative: Chih-Hsien Lo	<p>Chairman of : President Chain Store Corp., President Natural Industrial Corp., Ton Yi Industrial Corp., TTET Union Corp., Kai Yu Investment Co., Ltd., President Packaging Corp., President International Development Corp., Uni-President Cold Chain Corp., Presco Netmarketing Inc., Uni-President Dream Parks Corp., Uni-OAO Travel Service Corp., Kai Nan Investment Co., President Century Corp., Tong Yu Investment Corp., President Property Corp., Changjiagang President Nisshin Food Co., Ltd., Uni-President China Holdings Ltd. (Cayman), President Enterprises (China) Investment Co., Ltd., Tong Ren Corp., Uni-President (Vietnam) Co., Ltd., Uni-President (Thailand) Ltd., Uni-President (Philippines) Corp.</p> <p>Vice Chairman of : President Nisshin Corp., Prince Housing Development Corp., Time Square International Co., Ltd.</p> <p>Director of : President Baseball Team Corp., Nanlien International Corp., Tone Sang Construction Corp., Retail Support International Corp., Presicarre Corp., President Fair Development Corp., Tainan Spinning Retail & Distribution Co., Ltd., Scino Pharm Taiwan Ltd., President Starbucks Coffee Corp., Uni-President Organics Corp., PK Venture Capital Corp., Uni-President Glass Industrial Co., Ltd., Kuang Chuan Dairy Co., Ltd., Kuang Chuan Foods Co., Ltd., Uni-President Development Corp., Ming Da Enterprises Co., Ltd., Keng Ting Enterprises Co., Ltd., Cheng-Shi Investment Holding Co., Prince Property Management Consulting Co., Prince Corp., Prince Real Estate Co., Ltd., Kao Chyuan Inv. Corp., PCS (BVI) Holdings Ltd., PCS (Labuan) Holdings Ltd., President Coffee (Cayman) Holdings Ltd., Shanghai President Starbucks Coffee Corp., Uni-President International (HK) Co., Ltd., Champ Green Capital Ltd., Champ Green (Shanghai) Consulting Co. Ltd., Yantai North Andre Juice Co., Ltd., Beijing President Enterprises Drinks & Food Co., Ltd., Wuhan President Enterprises Food Co., Ltd., Kunshan President Enterprises Food Co., Ltd., Kunming President Enterprises Corp., Chengdu President</p>

Name	Current Position with Other Companies
	<p>Enterprises Food Co., Ltd., Xinjiang President Enterprises Food Co., Ltd., Uni-President Enterprises (Kunshan) Food Technology Co., Ltd., Beijing Uni-President Enterprise (Beijing) Drink & Food Co., Ltd., Uni-President Enterprises (Shanghai) Drink & Food Co., Ltd., Guangzhou President Enterprises Co., Ltd., Shenyang President Enterprises Co., Ltd., Harbin President Enterprises Co., Ltd., Hefei President Enterprises Co., Fuzhou President Enterprises Co., Ltd., Nanchang President Enterprises Co., Ltd., Zhengzhou President Enterprises Co., Ltd., Changsha President Enterprises Co., Ltd., Zhanjiang President Enterprise Co., Ltd., Nanning President Enterprise Co., Ltd., Taizhou President Enterprises Co., Ltd., Zhanjiang President Enterprise Co., Ltd., Changchun President Enterprises Co., Ltd., Shijiezhuanng President Enterprise Co., Ltd., Hainan President Enterprise Co., Ltd., Jinan President Enterprise Co., Ltd., Baiyin President Enterprise Co., Ltd., Xuzhou President Enterprise Co., Ltd., Guiyang President Enterprises Co., Ltd., Akesu President Enterprise Co., Ltd., Hangzhou President Enterprise Co., Ltd., Henan President Enterprises Co., Ltd., Shanxi President Enterprises Corp., Uni-President Enterprises (Shanghai) Co., Ltd., Uni-President Enterprises (Ningxia) Co., Ltd., Uni-President Enterprises (Inner Mongolia) Co., Ltd., Uni-President Enterprises (Shanxi) Co., Ltd., Uni-President Enterprises (Tianjin) Co., Ltd., Jangsu President Enterprises Co., Ltd., Hunan President Enterprises Co., Ltd., Uni-President Trading (Kunshan) Co., Ltd., Uni-President Trading (Hubei) Co., Ltd., President (Shanghai) Trading Co., Ltd., Uni-President Enterprises (Chang Bai Mountain jilin) Mineral Water Co., Ltd., Wuyuan President Enterprises Mineral Water Co., Ltd., Bama President Mineral Water Co., Ltd., Wuxue Uni Mineral Water Co., Ltd., Uni-President Enterprise (Hutubi) Tomato Products Technology Co., Ltd., Uni-President Shanghai Pearly Century Co., Ltd., Uni-President Enterprises (Shanghai) Management Consulting Co., Ltd., Uni-President Enterprises (China) Research & Development Center Co., Ltd., President Enterprises (Kunshan) Real Estate Development Co., Ltd., Cayman President Holdings Ltd., Kai Yu (BVI) Investment Co., Ltd., President Packaging Holdings Ltd., Uni-President Southeast Asia Holdings Ltd., PT ABC President Indonesia, President Energy Development (Cayman Islands) Ltd., Uni-President Asia Holdings Ltd.</p> <p>President of : Presco Netmarketing Inc.</p>
<p>Kao Chyuan Inv. Co., Ltd. Representative:</p>	<p>Chairman of : President Yilan Art and Culture Corp., President Transnet Corp., President Collect Services Co., Ltd. President Starbucks Coffee Corp.,</p>

Name	Current Position with Other Companies
Jui-Tang Chen	<p>Retail Support International Corp., Uni-President Superior Commissary Corp., Ren-Hui Investment Corp., President Chain Store (Shanghai) Ltd., Shanghai President Starbucks Coffee Corp., President (Shanghai) Health Product Trading Company Ltd.,</p> <p>Director of : President Chain Store Corp., President Drugstore Business Corp., President Being Corp., President Pharmaceutical Corp., Uni-President Department Store Corp., 21 Century Enterprise Co., Ltd., Uni-President Cold-Chain Corp., Wisdom Distribution Service Corp., President Development Corp., President International Development Corp., Shan Dong President Yinzuo Commercial Ltd., President Chain Store (BVI) Holdings Ltd., PCSC (China) Drugstore Ltd., President Chain Store (Labuan) Holdings Ltd., President Chain Store (Hong Kong) Holdings Ltd., President Coffee (Cayman) Holdings Ltd., Uni-President Logistics (BVI) Holdings Ltd., Nanlien International Corp., President Fair Development Corp., Philippine Seven Corp.</p> <p>President of : President Chain Store Corp., Ren-Hui Investment Corp.</p>
Joyful Inv. Co., Ltd. Representative: Kao-Huei Cheng	<p>Chairman of : Scino Pharm Taiwan Ltd., Ming Da Enterprises Co., Ltd., Tainan Spinning Retail & Distribution Co., Ltd., Prince Housing &Development Corp., Don-Fung Corp., Cheng-Shi Investment Holding Co., Time Square International Co., Ltd., Prince Corp., Prince Real Estate Co., Ltd., Southern Taiwan University of Science and Technology.</p> <p>Director of : President International Development Corp., Keng Ting Enterprises Co., Ltd., Joyful Holding Comp Co., Ltd., Uni-President Assets Management Co., Ltd., President Fair Development Corp., President Securities Corp., Uni-President Development Corp., Prince Property Management Consulting Co., Konten Networks Inc.</p>
Young Yun Inv. Co., Ltd. Representative: Chung-Ho Wu	<p>Chairman of : San Shing Spinning Co., Ltd.</p> <p>Director of : Tainan Spinning Co., Ltd., Nantex Industry Co., Ltd., Prince Housing &Development Corp., Grand Bills Finance Corp., President Pharmaceutical Corp., Kung Ching International Development Co. Ltd., outhern Taiwan University of Science and Technology.</p> <p>Supervisor of : Nanmat Technology Co., Ltd.</p> <p>President of : San Shing Spinning Co., Ltd.</p>

Name	Current Position with Other Companies
Po-Ming Hou	<p>Vice Chairman of : Tainan Spinning Co., Ltd., Nan Fan Housing Development Co., Ltd.</p> <p>Vice Chairman of : Tainan Spinning Retail & Distribution Co., Ltd.</p> <p>Managing Director of : Nantex Industry Co., Ltd.,</p> <p>Director of : Prince Housing & Development Corp., President International Development Corp., Scino Pharm Taiwan Ltd., President Entertainment Corp., Qware System & Services Corp.,</p>
Yun Lin	<p>Director of : Hua Nan Bank</p> <p>Independent director of : Microelectronics Technology Inc.</p> <p>Supervisor of : The Eslite Spectrum Corporation, Chinese Television System.</p>
Chao-Tang Yue	<p>Director of : Tien-Yeh Consulting Ltd.</p> <p>Independent director of : O-Bank (the audit committee chairman), Johnson Health Tech., Feng Hsin Steel Co., Ltd.</p> <p>Supervisor of : An-Shin Food Services Co., Ltd., Depo Auto Parts Ind. Co., Ltd., Great Eastern Resins Industrial Co., Ltd., Century Development Corporation.</p>