

**Uni-President Enterprises Corp.**  
**Minutes for the 2019 General Shareholders Meeting**

Time: Tuesday, June 18, 2019 at 10:00 am.

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

Chairperson: Chih - Hsien Lo

Recorder: Yu-Han Chen

Attendants: Total Shares Represented by Shareholders and Proxies Present:  
4,882,819,748 shares, (3,362,326,277 shares exercised via electronic transmission) accounted for 85.93% 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,  
Joyful Inv. Co., Ltd. Representative: Li-Ling Cheng,  
Po-Ming Hou, Po-Yu Hou, Chang-Sheng Lin  
Chao-Tang Yue (Chairman of the Audit Committee)  
Yun Lin (Chairman of the Remuneration Committee)  
Hong-Te Lu (Independent Director)

Sit-in Members: Jung-Lung Hou (President) , Hsu-Hwa Yu (Attorney) , Tze-Meng Liu (CPA) , Tzu-Shu Lin (CPA)

### **Meeting Agenda**

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

**II Chairperson remarks**

**III Company Reports**

Motion 1: 2018 Business Report.

Explanation : Please refer to Attachment 1 for the Company's 2018 business report.

Motion 2: Audit Committee's Review Report on the 2018 Financial Statements.

Explanation : The Company's 2018 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 2018 profits (Attachment 5).

Motion 3 : Report on the payment of employee compensation and director remuneration of 2018.

Explanation:

1. It is compliant with the Orders of Ministry of Economics Jingshang zhi No. 10402413890 issued on June 11, 2015 and Jingshang zhi No. 10402427800 issued on October 15, 2015.
2. According to Paragraph 1 of Article 30 of the Company's Articles of Incorporation, where the Company has profit at the end of any fiscal year, it shall contribute no less than 2% of the profit as the remuneration to employees and no more than 2% of the profit as the remuneration to directors. Therefore, the Company hereby allocates its profit for 2018 in the following manner, based on the Articles of Incorporation and by taking the operating performance into account:
  - (1) 7.53% as the remuneration to employees, namely NT\$1,515,938,718.
  - (2) 1.55% as the remuneration to directors, namely NT\$311,329,822.
3. The remuneration to employees and directors is allocated in cash uniformly.

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

Explanation:

1. On the grounds of the Company's "Operational Procedures for Endorsements and Guarantees".  
Article 5: <Limit in endorsements/guarantees >  
The aggregate total of endorsements/guarantees conducted by the Company shall be 100% of the Company's net worth. The maximum limit of endorsement conducted by the Company toward a single enterprise shall be 50% of the Company's net worth. Reported the progress to the shareholders meeting for reference and recording.
2. The Company renders endorsements/guarantees exactly in accordance with the provisions set forth under Paragraph I of Descriptions. As of December 31, 2018, the balance of endorsements/guarantees at the end of the term amounted to NT\$47.26 billion. The aggregate total actually disbursed amounted to NT\$0.93 billion.

Unit: Thousand NT\$

Name of endorsees/guarantees	Consolidated Shareholding ratio	Remaining Balance		Actual Amount Used (Note )
		Amount	Date when duly resolved by the Board	
Kai Yu (BVI) Investment Co., Ltd.	100.0%	42,000,000	the 8 <sup>th</sup> meeting of the 17 <sup>th</sup> term of board Jul. 27, 2017	0
Kai Nan Investment Co., Ltd.	100.0%	200,000	the 3 <sup>th</sup> meeting of the 17 <sup>th</sup> term of board Nov. 9, 2016	0
President Entertainment Corp.	100.0%	1,500,000	the 3 <sup>th</sup> meeting of the 16 <sup>th</sup> term of board Nov. 12, 2013	17,000
Kai Yu Investment Co., Ltd.	100.0%	1,700,000	the 2 <sup>th</sup> meeting of the 16 <sup>th</sup> term of board Aug. 12, 2013	0
Tone Sang Construction Corp.	100.0%	1,800,000	the 10 <sup>th</sup> meeting of the 13 <sup>th</sup> term of board Dec. 16, 2005	913,000
President Baseball Team Corp.	100.0%	60,000	the 7 <sup>th</sup> meeting of the 11 <sup>th</sup> term of board Aug. 20, 1999	0
Total	-	47,260,000		930,000

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

3. Please refer to Appendix 1 for the Current Provision.

Motion 5 : Report the company's issuance status of corporate bonds for 2018.

Explanation:

1. The issuances were completed in accordance with Article 246 of Company Act.
2. The company completed two offerings of corporate bonds in 2018. A summary of the major terms of these offerings are as follows :

Issuance	2018's first domestic unsecured straight corporate bond	2018's second domestic unsecured straight corporate bond
Amount	NTD 7.5 billion	NTD 2.25 billion
Maturity	5 years and 7 years	7 years
Coupon Rate	5 years : 0.85% 7 years : 0.98%	0.90%

Principal Repayment and Coupon Frequency	Principle repayment: One-time repayment since issuance date for both 5-year and 7-year terms. Interest payout: simple interest rate is used to pay out yearly.	Principle repayment: repaying 1/2 principle by the ends of 6th and 7th year since the issuance date. Interest payout: simple interest rate is used to pay out yearly.
Approval Document Number	Announcement of effectivity per the Letter Zheng-Gui-Zhai-Zi No. 10700111111 of the Taipei Exchange on May 8, 2018.	Announcement of effectivity per the Letter Zheng-Gui-Zhai-Zi No. 10700309251 of the Taipei Exchange on November 1, 2018.
The Purpose of Issuance	Raising long-term capital and reinforcing the financial structure.	Raising long-term capital and reinforcing the financial structure.
Note	The offering was completed on May 16, 2018.	The offering was completed on November 12, 2018.

#### IV Proposals

Motion 1: Adoption of the 2018 Company's business report and financial statements, which have been approved by resolution of the 20<sup>th</sup> meeting of the 17<sup>th</sup> term of board of directors on March 27, 2019 and examined by Audit Committee. (Proposed by the Board)

Explanation: Please refer to Attachment 1 for the 2018 business report, audit committee's review report (Attachment 2), auditor's report and financial statements (Attachment 3, Attachment 4).

Resolution:

Voting Result-

Shares represented at the time of voting : 4,882,819,748

Voting Results*		% of the total represented share present
Votes in favor	4,099,698,950 votes (2,642,733,146 votes)	83.96%
Votes against	4,291,053 votes (4,291,053 votes)	0.08%
Votes abstained/ No votes	778,829,745 votes (715,302,078 votes)	15.96%
Votes invalid	0 votes	0%
The proposal was approved after voting.		

\*including votes casted electronically (numbers in brackets)

Motion 2: Adoption of the proposal for distribution of 2018 profits. (Proposed by the Board)

Explanation:

1. The Company's net profit after tax was NT\$17,442,022,268 in 2018. 10% legal reserve, NT\$ 1,744,202,227 was set aside pursuant to laws. Less an effort to ascertain the amount of remeasuring of the fringe benefit programs, NT\$145,979,584 and plus resersal of special reserve, NT\$ 14,650,632 and unappropriated retained earnings of previous years, NT\$7,577,482,076 the accumulated allocable earnings from profits was NT\$ 23,143,973,165.
2. Please refer to Attachment 5 for the distribution of 2018 profits.
3. The Company's 2018 is proposed to distribute Cash dividends of NT\$ 2.5 per share. Upon the approval of the General Shareholders Meeting, it is proposed that the Board of Directors be authorized to resolve the ex-dividend dates and adjust the dividends to be distributed to each share based on the number of actual shares outstanding on the record date for distribution.
4. Cash dividends paid to each individual shareholder will be rounded down to the nearest dollar. Fractional shares with a value less than one dollar are accumulated and reported as the Company's other income.

Resolution:

Voting Result-

Shares represented at the time of voting : 4,882,819,748

Voting Results*		% of the total represented share present
Votes in favor	4,118,282,388 votes (2,661,313,084 votes)	84.34%
Votes against	56,671 votes (56,671 votes)	0.00%
Votes abstained/ No votes	764,480,689 votes (700,956,522 votes)	15.66%
Votes invalid	0 votes	0%
The proposal was approved after voting.		

\*including votes casted electronically (numbers in brackets)

## V Discussion

Motion 1: Amendment to the Company's Articles of Incorporation. (Proposed by the Board)

Explanation:

1. In 2018, regulatory authority revised rules as below:
  - (1) Taiwan Stock Exchange Corp., with Tai-Zheng-Zhi-Li-Zi No. 10700253951 on December 27, 2018, ruled "Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers".
  - (2) Executive Yuan, with Tai-Jing-Zi No. 1070037184 on October 26, 2018, ordered to announce implementation of " Company Act" on November 1, 2018.
  - (3) Taiwan Stock Exchange Corp., Tai-Zheng-Zhi-Li-Zi No. 10700240891 on December 12, 2018, revised "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies".
2. In consideration of said new laws, the Company plans to amend a total of 34 articles of the Company's "Articles of Incorporation" and also adjust the wording therein to better well found the Company's "Articles of Incorporation". Please refer to Attachment 6 of Contrast Table of the article of " Articles of Incorporation ".
3. Please refer to Appendix 2 on page 85~90 of the Meeting Handbook for the original clauses.

Resolution:

Voting Result-

Shares represented at the time of voting : 4,882,819,748

Voting Results*		% of the total represented share present
Votes in favor	4,079,442,576 votes (2,622,476,772 votes)	83.54%
Votes against	9,100,213 votes (9,100,213 votes)	0.18%
Votes abstained / No votes	794,276,959 votes (730,749,292 votes)	16.28%
Votes invalid	0 votes	0%
The proposal was approved after voting.		

\*including votes casted electronically (numbers in brackets)

Motion2: Amendment to the Company's "Rules for Director Elections".(Proposed by the Board)

Explanation:

1. The Company's "Rules for Director Elections" wording adjustment for article 6, 7, and 9., Please refer to Attachment 7 of Contrast Table of the article of " Rules for Director Elections".
2. Please refer to Appendix 3 on page 91~92 of the Meeting Handbook for the original clauses.

Resolution :

Voting Result-

Shares represented at the time of voting : 4,882,819,748

Voting Results*		% of the total represented share present
Votes in favor	4,088,467,309 votes (2,631,501,505 votes)	83.73%
Votes against	75,803 votes (75,803 votes)	0.00%
Votes abstained /No votes	794,276,636 votes (730,748,969 votes)	16.27%
Votes invalid	0 votes	0%
The proposal was approved after voting.		

\*including votes casted electronically (numbers in brackets)

Motion3: Amendment to the Company's " Procedures for Election of Directors".(Proposed by the Board)

Explanation:

1. According to "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" revised by Taiwan Stock Exchange, Tai-Zheng-Zhi-Li-Zi No. 10700240891 on December 12, 2018, and referring to Securities and Exchange Act, Official Procedures for Election of Directors and Supervisors, and the company's "Corporate Governance Best Practice Principles", it's planned to revise the company's "Procedures for Election of Directors": Article 3, 5, 13.
2. Please refer to Attachment 8 of Contrast Table of the article of "Procedures for Election of Directors".
3. Please refer to Appendix 4 on page 93~94 of the Meeting Handbook for the original clauses.

Resolution :

Voting Result-

Shares represented at the time of voting : 4,882,819,748

Voting Results*		% of the total represented share present
Votes in favor	4,088,463,297 votes (2,631,497,493 votes)	83.73%
Votes against	79,669 votes (79,669 votes)	0.00%
Votes abstained /No votes	794,276,782 votes (730,749,115 votes)	16.27%
Votes invalid	0 votes	0%
The proposal was approved after voting.		

\*including votes casted electronically (numbers in brackets)

Motion4: Amendment to the Company's "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 Financial Supervisory Commission, it is proposed that the relevant contents of the Company's "Operational Procedures for Acquisition and Disposal of Assets" be duly amended.
2. Please refer to Attachment 9 of Contrast Table of the article of "Operational Procedures for Acquisition and Disposal of Assets."
3. Please refer to Appendix 5 on page 95~110 of the Meeting Handbook for the original clauses.

Resolution :

Voting Result-

Shares represented at the time of voting : 4,882,819,748

Voting Results*		% of the total represented share present
Votes in favor	4,088,461,850 votes (2,631,496,046 votes)	83.73%
Votes against	75,508 votes (75,508 votes)	0.00%
Votes abstained /No votes	794,282,390 votes (730,754,723 votes)	16.27%
Votes invalid	0 votes	0%
The proposal was approved after voting.		

\*including votes casted electronically (numbers in brackets)



**Motion5: Amendment to the Company's " Operational Procedures for Loaning of Company Funds ". (Proposed by the Board)**

**Explanation:**

1. In response to the "Regulations Governing the Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" amended by FSC's order under Jin-Guan-Zhen-Shen-Zi No. 1080304826 dated March 7, 2019, the Company amends its "Operating Procedures for Loaning of Company Funds" in part to satisfy the powers granted by law to the Audit Committee and independent directors.
2. The current amendments are focused on the following:
  - Article 5: Amend the requirement that independent directors' opinions should be recorded in the minutes of Board of Directors' meeting.
  - Article 10: Amend the approving process and conditions under the subsidiary's "Operating Procedures for Loaning of Company Funds."
  - Article 12: Amend the approving process and conditions under the Company's "Operational Procedures for Loaning of Company Funds."
3. Please refer to Attachment 10 of Contrast Table of the article of " Operational Procedures for Loaning of Company Funds".  
Please refer to Appendix 6 on page 111~113 of the Meeting Handbook for the original clauses.

**Resolution :**

**Voting Result-**

Shares represented at the time of voting : 4,882,819,748

Voting Results*		% of the total represented share present
Votes in favor	4,088,445,018 votes (2,631,479,214 votes)	83.73%
Votes against	89,145 votes (89,145 votes)	0.00%
Votes abstained /No votes	794,285,585 votes (730,757,918 votes)	16.27%
Votes invalid	0 votes	0%
The proposal was approved after voting.		

\*including votes casted electronically (numbers in brackets)

**Motion6: Amendment to the Company's " Operational Procedures for Endorsements and Guarantees ". (Proposed by the Board)**

**Explanation:**

1. According to the "Regulations Governing the Preparation of Financial Reports by Securities Issuers and Schedules and Remarks Thereto" amended by FSC's order under Jin-Guan-Zhen-Zhen-Zi No. 1070324155 dated July 13, 2018 and the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" amended by FSC's order under Jin-Guan-Zhen-Shen-Zi No. 1080304826 dated March 7, 2019, the Company amends its "Operating Procedures for Endorsements and Guarantees" in part to satisfy the disclosure standards and powers of the Audit Committee and independent directors as defined by law.
2. The current amendments are focused on the following:
  - Article 3: Amend the relationship between the Company and the endorsed/guaranteed party.
  - Article 6: Amend the requirement that independent directors' opinions should be recorded in the minutes of Board of Directors' meeting.
  - Article 9: Amend the approving process and conditions under the subsidiary's "Operating Procedures for Endorsements and Guarantees."
  - Article 14: Amend the approving process and conditions under the Company's "Operational Procedures for Endorsements and Guarantees."
3. Please refer to Attachment 11 of Contrast Table of the article of " Operational Procedures for Endorsements and Guarantees ".  
Please refer to Appendix 1 on page 82~84 of the Meeting Handbook for the original clauses.

**Resolution :**

**Voting Result-**

Shares represented at the time of voting : 4,882,819,748

Voting Results*		% of the total represented share present
Votes in favor	4,088,450,072 votes (2,631,484,268 votes)	83.73%
Votes against	84,217 votes (84,217 votes)	0.00%
Votes abstained /No votes	794,285,459 votes (730,757,792 votes)	16.27%
Votes invalid	0 votes	0%
The proposal was approved after voting.		

\*including votes casted electronically (numbers in brackets)

## **VI Election Matters**

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

Explanation :

1. The term of the company's 17<sup>th</sup> Boards of Directors and Independent Directors will be expired on June 21, 2019. The election of the company's 18<sup>th</sup> Board of Directors and Independent Directors will be held on June 18, 2019, Shareholders' Meeting.
2. According to the revised article 16 of the Company's Articles of Incorporation (The original article 18), the company should be election 13 directors. (The directors are 10 and the independent directors are 3.) The election shall be carried out by candidates nomination approach with an accumulative poll basis in accordance with Article 198 of the Company Act. After the new directors have been elected at this year's Shareholders' Meeting, the original directors (independent directors) shall simultaneously resign from the office. The new term of offices will be 3 years, starting from June 18, 2019 to June 17, 2022.
3. According to the revised article 17 of the Company's Articles of Incorporation (The original article 18-1),, all independent directors shall form the body of the Audit Committee. Therefore, the 3<sup>nd</sup> Audit Committee shall be set up and take effective when the new independent directors are elected.
4. The list of candidates for the term of the company's 18<sup>th</sup> Boards of Directors and Independent Directors, which have been reviewed and approved by resolution of the 21<sup>th</sup> meeting of the 17<sup>th</sup> term of Board of Directors on May 8, 2019, shall be presented to the general shareholders' meeting of 2019 for election. The candidates list including the name, Education, and experience are attached as below:

**Uni-President Enterprises Corp.**  
**The 2019 General Shareholders Meeting (June 18, 2019)**  
**List of Candidates for Directors and Independent Directors**

Candidates Title	Name	Education	Experience	Institutional Shareholder
Representative	Chih-Hsien Lo	MBA, UCLA, USA	Executive Vice President and President of Uni-President Enterprises Corp.	Kao Chyuan Inv. Co., Ltd.
Representative	Shiow-Ling Kao	Marymount College	Chairman of Kao Chyuan Inv. Co., Ltd.	Kao Chyuan Inv. Co., Ltd.
Representative	Jui-Tang Chen	BA, Dept. of Economics, National Taiwan University	Chairman of President Drugstore Business Corp. Senior Vice President and President of President Chain Store Corp.	Kao Chyuan Inv. Co., Ltd.
Representative	Chung-Ho Wu	Chemistry, Fu Jen Catholic University	Supervisor of Grand Bills Finance Corp.	Young Yun Inv. Co., Ltd.
Representative	Ping-Chih Wu	MS of Chemical Engineering and MS of Industrial Management, U.S.C., USA	Director of General Bank and President Baking Company INC.	Taiipo Inv. Co., Ltd.
representative	Chung-Shen Lin	Dept. of Business Administration, FuJen Catholic University	Chairman of President Securities Corp. ; Director and President of President Tokyo Corp. and President Tokyo Auto Leasing Corp. ; Vice President of Nanlien International Corp. ; Managing supervisor of Grand Bills Finance Corp. ; Director of Tong-Sheng Finance Leasing Co., Ltd. and Tong-Sheng (Suzhou) Car Rental Co., Ltd. and Uni-President Tc-Lease(Cayman) Corp.	PING ZECH Corp.
representative	Pi-Ying Cheng	Dept. of History, National Taiwan University	Director of Joyful Inv. Co., Ltd.	Joyful Inv. Co., Ltd.
Director	YuPeng Inv. Co.,Ltd.		Director of Tainan Spinning Co., Ltd. and Prince Housing Development Corp.	
Director	Po-Yu Hou	Department of Radio, Television and Film, Shih Hsin Univ.	Managing Director of Tainan Spinning Co., Ltd.	
Director	Chang-Sheng Lin	Electrical Engineering, Nat'l Cheng Kung Univ.	C.E.O and President of Uni-President Enterprises Corp.	

Candidates Title	Name	Education	Current Position & Experience & Specialty
Independent Director	Yun Lin	Ph.D., University of Illinois, Urbana-Champaign, USA	<p>[Current Position] :  Independent Director (the remuneration committee chairman), Uni-President Enterprises Corp.; Director, Hua Nan Commercial Bank, Ltd.; Independent Director &amp; the remuneration committee member, Microelectronics Technology Inc.; Supervisor, The Eslite Spectrum Corporation; Supervisor, Chinese television System; Adjunct Professor, Dept. of Finance, National Taiwan University.; Professor, Dept. of Business Administration, Shih- Hsin University</p> <p>[Experience] :  Managing Director, Hua Nan Commercial Bank, Ltd.; Director, Hua Nan Financial Holdings Co., Ltd; Director, Taiwan Power Company; Director, Securities and Futures Investors Protection Center; Managing Supervisor, Public Television Service Foundation; Commissioner, the Security Listing Review Committee of Taiwan Stock Exchange Corporation; Chairman of Finance Dept., National Taiwan University.</p> <p>[Specialty] :  Financial Management, Derivative financial products, Financial institutions management, Treasury Risk Management</p>
Independent Director	Chao-Tang Yue	EMBA, China Europe International Business School; Master, Dept. of Accounting, National Cheng-Chi University	<p>[Current Position] :  Independent Director &amp; the audit committee chairman, Uni-President Enterprises Corp.; President, Tien-Yeh Accounting Firm; Independent Director &amp; the audit committee chairman &amp; the remuneration committee member, O-Bank; Independent Director &amp; the remuneration committee member, Johnson Health Tech. Co., Ltd.; Independent Director &amp; the remuneration committee member, Feng Hsin Steel Co., Ltd; Supervisor, An-Shin Food Services Co., Ltd.; Supervisor, Depo Auto Parts Ind. Co., Ltd.; Supervisor, Great Eastern Resins Industrial Co., Ltd.; Supervisor, Century Development Corporation, Inc.; the remuneration committee member, Globe UNION Industrial; Visiting Professor, National Chung Hsing Univ.; Visiting Professor, Asia University</p> <p>[Experience] :  President, Ernst &amp; Young Accounting Firm ; Director, Tien-Yeh Consulting Limited ; Director, Taiwan Corporate Governance Association ; Adjunct Professor, National Chung Cheng Univ.</p> <p>[Specialty] :  Accounting and auditing Practice (including Case Analysis), Corporate Governance, Business Operations Consulting, Taxation Management (including taxation solution, laws and regulations)</p>

Independent Director	Hong-Te Lu	Ph.D.,National Taiwan University College of Management	<p>[Current Position] : Independent Director, Uni-President Enterprises Corp. ; Professor, Dept. of Business Administration, Chung Yuan Christian University ; Independent Director &amp; the remuneration committee member, Lanner Electronics Inc.; Independent Director &amp; the remuneration committee member, Firich Enterprises Co., Ltd.; Consultant, Mainland Affairs Council, Taiwan Electrical and Electronic Manufacturers' Association; Consultant, Committee on Mainland China Affairs, Chinese National Association of Industry and Commerce Taiwan.</p> <p>[Experience] : Director of Center for Global Taiwanese Business Studies, chief secretary of secretariat, Instructor, Associate Professor, Professor, Dept. of Business Administration, Chung Yuan Christian University; Teacher Chang for Taiwanese Businessmen , Mainland Affairs Council; Consultant, Straits Exchange Foundation; the remuneration committee member, Alpha Networks Inc.</p> <p>[Specialty] : marketing management, policy management, Competitive Strategy, Business Growth Strategy</p>
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Results of Election :

**List of Directors Elected :**

Act. No.	Name	Numbers of Votes Received*
69100090	Chih-Hsien Lo (Representative of Kao Chyuan Inv. Co., Ltd.)	6,667,986,383 votes (5,478,619,750 votes)
69100090	Shiow-Ling Kao (Representative of Kao Chyuan Inv. Co., Ltd.)	4,164,012,277 votes (1,253,354,896 votes)
69100090	Jui-Tang Chen (Representative of Kao Chyuan Inv. Co., Ltd.)	3,487,029,859 votes (1,363,011,063 votes)
69102650	Chung-Ho Wu (Representative of Young Yun Inv. Co., Ltd.)	3,073,805,929 votes (1,305,271,827 votes)
69100060	Ping-Chih Wu (Representative of Taipo Inv. Co., Ltd.)	3,066,382,815 votes (1,369,650,971 votes)
83023195	Chung-Shen Lin (Representative of PING ZECH Corp.)	3,017,926,222 votes (1,315,604,110 votes)
69100010	Pi-Ying Cheng (Representative of Joyful Inv. Co., Ltd.)	2,889,290,264 votes (1,317,566,602 votes)
82993970	YuPeng Inv. Co.,Ltd.	3,105,981,847 votes (626,588,931 votes)
23100013	Po-Yu Hou	3,144,439,160 votes (1,332,197,780 votes)
15900071	Chang-Sheng Lin	3,018,226,251 votes (1,332,412,625 votes)

\*including votes casted electronically (numbers in brackets)

## List of Independent Directors Elected :

Name	Numbers of Votes Received*
Yun Lin	6,402,212,455 votes (6,402,212,455 votes)
Chao-Tang Yue	6,002,065,924 votes (6,002,065,924 votes)
Hong-Te Lu	2,164,094,688 votes (2,164,094,688 votes)

\*including votes casted electronically (numbers in brackets)

## VII Other Matters

Motion 1: Deletion of the non-competition promise ban imposed upon the Company's directors and independent directors according to the Article 209 of Company Act. (Proposed by the Board)

Explanation:

1. According to the Article 209 of Company Act, any director acting for himself/herself, or for any other person within the scope of the Company business, should provide the shareholders' meeting with explanations about any important matters of such acts and should acquire the approval of the shareholders' meeting.
2. It is proposed to seek approval in the general shareholders' meeting allowing directors and independent directors elected in the general shareholders' meeting to engage in acts of competition under Article 209 of Company Act from the date of the term of the directors and independent directors, thus be released from the competition restriction (provided that there is no damage to the interests of the Company).
3. Details of the duties subject to releasing the Candidate of Directors and Independent Directors from non-competition, please refer to Attachment 12 on Pages 77~81 of the Meeting Handbook.

Resolution :

Voting Result-

Shares represented at the time of voting : 4,882,819,748

Voting Results*		% of the total represented share present
Votes in favor	3,912,665,134 votes (2,455,699,330 votes)	80.13%
Votes against	3,570,908 votes (3,570,908 votes)	0.07%
Votes abstained /No votes	966,583,706 votes (903,056,039 votes)	19.80%
Votes invalid	0 votes	0%
The proposal was approved after voting.		

\*including votes casted electronically (numbers in brackets)

**VIII Questions and Motions: None.**

**IX Adjournment: June 18, 2019 at 11:05 am.**



## **2018 Business Report**

Profitability remains stable and growing over last year after everyone's effort and consumers' support in 2018. In 2018, the company revenue reached TWD 38.9 billion, -0.9% YoY, with net income of TWD 17.4 billion and consolidated revenue of TWD 431.4 billion. In 2019, Uni-President will carry through the business mindset of honesty, diligence, innovation, and progression, and hold on the business guidance to catch trends, find ways, and refine skills, continuously strengthening market status and competitiveness to create an uprising future.

### **Protecting food safety without compromise.**

"Food safety" is the most concerning topic for the public and a too critical rule to break. We have put up food safety center building at national level, strengthened risk control of value chain and ecology chain, ensuring stricter door keeping for vendors, raw materials, production, and products. On the topic of food safety, we have been overcoming fears. Protecting food safety has become daily work practice and manner. In the future, we will keep investing resources, improving profession, protecting and upgrading food safety at national level.

### **Ensuring the 3 characters of corporate policy "morality, brand, and taste. "**

"Morality" is the basic principle to be human and to do things; "brand" is to build a distinct dream loved by consumers; "taste" is the ease and elegance to convey unusual morality and extraordinary brand. Taking Reisui Milk for example, it won awards of "Monde Selection-world quality appreciation" in 2017 and 2018 in a row and two international great awards of "iTQi international medal of fantastic flavor" called as Michelin guidance in food industry, making Taiwanese brand shine on the international stage to practically express our belief on the 3 characters.

Without the support and trust of the society, all of our efforts would be meaningless. Uni-President Enterprises Corporation exists for the society. For every day in the future, we will keep thinking about how to upgrade to foster the 3 character in high quality. From the hearted service in the past to the deeper character cultivation and life experience, we hope to convey an idea of integrity, a type of life manner, a piece of harmonious tolerance, and a set of historical inheritance.

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

By the end of 2018, Uni-President Enterprises Corporation kept staying in the club of TWD 400 billion and listed No.11 in terms of market value. As an international group based in Taiwan to embrace Asia, our network penetrates and flow in every corner of the market. Every product and service links to consumers daily life while being supported by the most advanced system.

Our company not only keeps verifying products and services but will also expand more actively in overseas market with main focus on Asia, triggering the 2<sup>nd</sup> 50-year growing power for Uni-President. In December of 2018, our company acquired 74.8% stocks of Woongjin Foods from South Korea with USD 229 million. With the established brand and advantageous distribution channels of Woongjin following with rising population of [K Pop], our company is bringing rich consuming experience with better quality. And the concept of great distribution platform in Asia will also be further strengthened and practiced.

Population structure is changing rapidly. Technology development drives types of life and consumption to transform. To look out to the future, other than following society trends, consumption expectations, food safety regulations to make self-revolution on the basis of finding ways, Uni-President will more actively link up the group's platforms and resources to actively discover and satisfy more consumer needs in order to bring out a group synergy and maximize the value all together. For every dollar of profit created by putting in expenses and business activities on production, marketing, human resource, R&D, and finance, we assess to see if all could bring in relative gold content, net cash in-flow, and profits to create shareholders' value.

In 2019, our company will keep company policies of [structure adjustment, stable growth, and valuable marketing], practicing disciplines of "calmness and solidity", and make "improvement" the most important management guidance, making "value" the only way of business management to pursue continuous success and everlasting improvement.

### **2019 Business Outlook**

Extraordinariness is not from our behaviors or abilities but decided by good habits. "Structure adjustment" is still the most important direction of strategy. We keep holding the basic principle of focused business management and simple business operation and keeping the mindset to watching out for the dangerous at elevation.

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 2018 Business Report, Financial Statements, and the Profit Allocation Proposal. Of these items, the Financial Statements have been audited by external auditors Lin, Tzu-Shu and Lin, Yung-Chih of PricewaterhouseCoopers Taiwan, and an opinion and report have been issued on the Financial Statements. The aforementioned proposal regarding Business Report, Financial Statements, and the Profit Allocation Proposal have been reviewed and determined to be correct and accurate by the Audit Committee. Per the regulations in Article 14-4 of Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

To:

2019 General Shareholders' Meeting of Uni-President Enterprises Corporation.

Uni-President Enterprises Corporation

Chairman of the Audit Committee   Chao-Tang Yue

May 6, 2019

## REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

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

***Opinion***

We have audited the accompanying parent company only balance sheets of Uni-President Enterprises Corp. (the “Company”) as at December 31, 2018 and 2017, 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 financial position of the Company as at December 31, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”.

***Basis for opinion***

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

***Key audit matters***

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company’s parent company only financial statements of the year 2018. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

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

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

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

Cayman President Holdings Ltd. and President Chain Store Corp., the Company’s subsidiaries with related ending balance of investment accounted for under the equity method of \$53,565,141 thousand and \$14,722,873 thousand, both constituting 39% of the Company’s total assets, respectively were considered significant to the parent company only financial statements. Accordingly, evaluation of the ending balances of these investments accounted for under the equity method has been identified

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 in our audit of the Company's parent company only financial statements as follows:

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

Description

Cayman President Holdings Ltd. and its subsidiaries are engaged in a large volume of revenue transactions generated from sales to a large number of customers, including direct customers and distributors in many different areas in Mainland China. For customers and distributors with farther distance or located in remote areas, it needs more time for transportation and customer acceptance, which involves complicated judgement in determining the timing of the transfer of 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 2018.

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 thus has been identified as one of the key audit matters of our annual audit of 2018.

### 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 the retailing business of President Chain Store Corp. and its subsidiaries involves various kinds of merchandise, the retail inventory method is used to estimate the ending balance of inventory and the cost of goods sold. The retail inventory method applies 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 relies on cost and retail price information recorded in the accounting system, and thus has been identified as one of the key audit matters of our annual audit of 2018.

### How our audit addressed the matter

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

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

#### ***Other matter – Report of other independent accountants***

We did not audit the financial statements of certain investments accounted for using 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 \$4,703,090 thousand and \$2,708,795 thousand, representing 2.68% and 1.52% of the related totals, as of December 31, 2018 and 2017, respectively, and total operating revenues amounted to \$791,575 thousand and \$289,553 thousand, constituting 4.59% and 0.77% of the related totals for the years then ended, respectively.

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

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

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

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

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

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Lin, Tzu-Shu

Independent Accountants

Lin, Yung-Chih

PricewaterhouseCoopers, Taiwan

Republic of China

March 27, 2019

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The accompanying parent company only financial statements are not intended to present the financial position and results of



operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and 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, 2018		December 31, 2017		
		AMOUNT	%	AMOUNT	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 91,433	-	\$ 197,837	-
1150	Notes receivable, net	6(2), 12(2)(4)	243,969	-	242,758	-
1170	Accounts receivable, net	6(2), 12(2)(4)	726,322	1	694,239	1
1180	Accounts receivable - related parties	7	3,475,412	2	3,259,698	2
1200	Other receivables		188,412	-	176,937	-
1210	Other receivables - related parties	7	395,562	-	424,142	-
1220	Current income tax assets	6(26)	65,659	-	64,774	-
130X	Inventory	6(3)	1,918,229	1	1,875,713	1
1410	Prepayments		85,065	-	85,523	-
1479	Other current assets		8,100	-	-	-
11XX	<b>Total current assets</b>		<u>7,198,163</u>	<u>4</u>	<u>7,021,621</u>	<u>4</u>
<b>Non-current assets</b>						
1510	Financial assets at fair value through profit or loss-non-current	6(4)	80,623	-	-	-
1517	Financial assets at fair value through other comprehensive income-non-current	6(5)	250,000	-	-	-
1523	Available-for-sale financial assets - non-current	12(4)	-	-	6,150	-
1543	Financial assets carried at cost - non-current	12(4)	-	-	322,814	-
1550	Investments accounted for under equity method	6(6)	144,857,283	83	147,433,606	83
1600	Property, plant and equipment	6(7)(9) and 7	16,512,223	9	16,489,996	9
1760	Investment property - net	6(8)(9)	4,786,702	3	4,613,302	3
1840	Deferred income tax assets	6(26)	778,124	1	716,724	1
1915	Prepayments for equipment		421,353	-	439,835	-
1920	Guarantee deposits paid		174,224	-	178,489	-
1930	Long-term notes and accounts receivable, net		53,761	-	66,791	-
1990	Other non-current assets		483,157	-	655,736	-
15XX	<b>Total non-current assets</b>		<u>168,397,450</u>	<u>96</u>	<u>170,923,443</u>	<u>96</u>
1XXX	<b>Total assets</b>		<u>\$ 175,595,613</u>	<u>100</u>	<u>\$ 177,945,064</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, 2018		December 31, 2017		
		AMOUNT	%	AMOUNT	%	
<b>Current liabilities</b>						
2100	Short-term borrowings	6(10)(30)	\$ 51,590	-	\$ 204,933	-
2110	Short-term notes and bills payable	6(11)(30)	2,049,141	1	-	-
2120	Financial liabilities at fair value through profit or loss - current	6(4) and 12(4)	85	-	1,215	-
2150	Notes payable		9,793	-	9,368	-
2170	Accounts payable		1,291,052	1	1,155,276	1
2180	Accounts payable - related parties	7	164,483	-	119,504	-
2200	Other payables	6(12)	6,137,990	4	8,705,452	5
2220	Other payables - related parties	7	605,967	-	551,170	-
2230	Current income tax liabilities	6(26)	679,852	-	-	-
2310	Advance receipts		126,682	-	129,077	-
2320	Long-term liabilities, current portion	6(13)(14)(30)	5,100,000	3	4,500,000	3
2399	Other current liabilities		19,323	-	-	-
21XX	<b>Total current liabilities</b>		<u>16,235,958</u>	<u>9</u>	<u>15,375,995</u>	<u>9</u>
<b>Non-current liabilities</b>						
2530	Corporate bonds payable	6(13)(30)	19,350,000	11	14,700,000	8
2540	Long-term borrowings	6(14)(30)	28,199,896	16	21,899,317	13
2570	Deferred income tax liabilities	6(26)	1,935,076	1	1,813,092	1
2640	Net defined benefit liabilities - non-current	6(15)	3,460,921	2	3,727,398	2
2645	Guarantee deposits received	6(30)	59,249	-	79,902	-
2670	Other non-current liabilities	6(6)	-	-	274,083	-
25XX	<b>Total non-current liabilities</b>		<u>53,005,142</u>	<u>30</u>	<u>42,493,792</u>	<u>24</u>
2XXX	<b>Total liabilities</b>		<u>69,241,100</u>	<u>39</u>	<u>57,869,787</u>	<u>33</u>
<b>Equity</b>						
<b>Share capital</b>						
3110	Share capital - common stock	6(16)	56,820,154	33	56,820,154	32
<b>Capital reserve</b>						
3200	Capital surplus	6(17)	3,896,504	2	3,916,160	2
<b>Retained earnings</b>						
		6(18)				
3310	Legal reserve		20,573,355	12	16,588,870	9
3320	Special reserve		4,010,695	2	4,011,314	2
3350	Unappropriated retained earnings		24,888,175	14	42,446,053	24
<b>Other equity interest</b>						
3400	Other equity interest	6(19)	( 3,834,370)	( 2)	( 3,707,274)	( 2)
3XXX	<b>Total equity</b>		<u>106,354,513</u>	<u>61</u>	<u>120,075,277</u>	<u>67</u>
<b>Contingent liabilities and commitments</b>						
		6(28), 7 and 9				
3X2X	<b>Total liabilities and equity</b>		<u>\$ 175,595,613</u>	<u>100</u>	<u>\$ 177,945,064</u>	<u>100</u>

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

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

		Year ended December 31			
Items		2018		2017	
		AMOUNT	%	AMOUNT	%
4000	<b>Sales revenue</b>	\$ 38,940,338	100	\$ 39,283,077	100
5000	<b>Operating costs</b>				
		( 27,049,292)	( 69)	( 27,717,412)	( 70)
5900	<b>Net operating margin</b>	<u>11,891,046</u>	<u>31</u>	<u>11,565,665</u>	<u>30</u>
	<b>Operating expenses</b>				
6100	Selling expenses	( 5,534,682)	( 14)	( 5,432,321)	( 14)
6200	General and administrative expenses	( 3,609,094)	( 10)	( 4,582,875)	( 12)
6300	Research and development expenses	( 457,344)	( 1)	( 493,423)	( 1)
6450	Expected credit gains	400	-	-	-
6000	<b>Total operating expenses</b>	<u>( 9,600,720)</u>	<u>( 25)</u>	<u>( 10,508,619)</u>	<u>( 27)</u>
6900	<b>Operating profit</b>	<u>2,290,326</u>	<u>6</u>	<u>1,057,046</u>	<u>3</u>
	<b>Non-operating income and expenses</b>				
7010	Other income	2,359,337	6	2,059,241	5
7020	Other gains and losses				
		( 1,023,037)	( 3)	232,498	-
7050	Finance costs	( 461,089)	( 1)	( 471,678)	( 1)
7070	Share of profit of subsidiaries, associates and joint ventures accounted for under equity method				
		<u>15,132,807</u>	<u>39</u>	<u>37,244,571</u>	<u>95</u>
7000	<b>Total non-operating income and expenses</b>	<u>16,008,018</u>	<u>41</u>	<u>39,064,632</u>	<u>99</u>
7900	<b>Profit before income tax</b>	<u>18,298,344</u>	<u>47</u>	<u>40,121,678</u>	<u>102</u>
7950	Income tax expense	( 856,322)	( 2)	( 276,825)	-
8200	<b>Profit for the year</b>	<u>\$ 17,442,022</u>	<u>45</u>	<u>\$ 39,844,853</u>	<u>102</u>
	<b>Other comprehensive income (loss)</b>				
	<b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>				
8311	Actuarial gains (losses) on defined benefit plan	( \$ 90,971)	-	( \$ 297,079)	( 1)
8330	Share of other comprehensive loss of associates and joint ventures accounted for under equity method	( 72,346)	-	( 128,562)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	54,458	-	50,503	-
	<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>				
8361	Exchange differences on translation	( 656,659)	( 2)	( 817,129)	( 2)
8380	Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for using equity method	570,450	1	( 1,063,626)	( 3)
8399	Income tax related to the components of other comprehensive income that will be reclassified to profit or loss	-	-	( 3,320)	-
8300	<b>Other comprehensive loss for the year</b>	<u>( \$ 195,068)</u>	<u>( 1)</u>	<u>( \$ 2,259,213)</u>	<u>( 6)</u>
8500	<b>Total comprehensive income for the year</b>	<u>\$ 17,246,954</u>	<u>44</u>	<u>\$ 37,585,640</u>	<u>96</u>
	<b>Earnings per share</b>				
9750	<b>Basic</b>	<u>\$ 3.07</u>		<u>\$ 7.01</u>	
9850	<b>Diluted</b>	<u>\$ 3.05</u>		<u>\$ 6.98</u>	

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

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

	Notes	Retained Earnings					Other Equity Interest				Total
		Share capital - common stock	Capital reserve	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gain or (loss) on valuation of financial assets measured at fair value through other comprehensive income	Unrealized gain or loss on available-for-sale financial assets	Other equity	
<b>For the year ended December 31, 2017</b>											
Balance at January 1, 2017		\$ 56,820,154	\$ 3,900,138	\$ 15,136,198	\$ 4,042,765	\$ 16,329,791	(\$ 2,257,350)	\$ -	\$ 434,151	\$ -	\$ 94,405,847
Net income for the year ended December 31, 2017		-	-	-	-	39,844,853	-	-	-	-	39,844,853
Other comprehensive income (loss) for the year ended December 31, 2017	6(19)	-	-	-	-	(375,138)	(1,983,379)	-	99,304	-	(2,259,213)
Total comprehensive income (loss) for the year ended December 31, 2017		-	-	-	-	39,469,715	(1,983,379)	-	99,304	-	37,585,640
Distribution of 2016 net income:											
Legal reserve		-	-	1,452,672	-	(1,452,672)	-	-	-	-	-
Cash dividends	6(18)	-	-	-	-	(11,932,232)	-	-	-	-	(11,932,232)
Adjustment for change in capital reserve of investee companies	6(17)	-	15,273	-	-	-	-	-	-	-	15,273
Difference between the acquisition or disposal price and carrying amounts of subsidiaries	6(17)	-	24,608	-	-	-	-	-	-	-	24,608
Adjustment of capital reserve due to change in interests in subsidiaries	6(17)	-	(24,823)	-	-	-	-	-	-	-	(24,823)
Adjustment of capital reserve due to change in interests in associate	6(17)	-	(1,927)	-	-	-	-	-	-	-	(1,927)
Non-payment of fractional cash dividends from previous years transferred to capital reserve	6(17)	-	2,891	-	-	-	-	-	-	-	2,891
Reversal of special reserve	6(18)	-	-	-	(31,451)	31,451	-	-	-	-	-
Balance at December 31, 2017		\$ 56,820,154	\$ 3,916,160	\$ 16,588,870	\$ 4,011,314	\$ 42,446,053	(\$ 4,240,729)	\$ -	\$ 533,455	\$ -	\$ 120,075,277
<b>For the year ended December 31, 2018</b>											
Balance at January 1, 2018		\$ 56,820,154	\$ 3,916,160	\$ 16,588,870	\$ 4,011,314	\$ 42,446,053	(\$ 4,240,729)	\$ -	\$ 533,455	\$ -	\$ 120,075,277
Effects of retrospective application	6(19) and 12(4)	-	-	-	-	366,999	-	472,832	(533,455)	-	306,376
Balance at January 1, 2018 (Adjusted)		56,820,154	3,916,160	16,588,870	4,011,314	42,813,052	(4,240,729)	472,832	-	-	120,381,653
Net income for the year ended December 31, 2018		-	-	-	-	17,442,022	-	-	-	-	17,442,022
Other comprehensive income (loss) for the year ended December 31, 2018	6(19)	-	-	-	-	(145,980)	(31,387)	(17,701)	-	-	(195,068)
Total comprehensive income (loss) for the year ended December 31, 2018		-	-	-	-	17,296,042	(31,387)	(17,701)	-	-	17,246,954
Distribution of 2017 net income:											
Legal reserve		-	-	3,984,485	-	(3,984,485)	-	-	-	-	-
Cash dividends	6(18)	-	-	-	-	(31,251,085)	-	-	-	-	(31,251,085)
Adjustment for change in capital reserve of investee companies	6(17)	-	10,770	-	-	-	-	-	-	-	10,770
Difference between the acquisition or disposal price and carrying amounts of subsidiaries	6(17)	-	(49,970)	-	-	-	-	-	-	-	(49,970)
Adjustment of capital reserve due to change in interests in associate	6(17)	-	19,486	-	-	-	-	-	-	-	19,486
Non-payment of fractional cash dividends from previous years transferred to capital reserve	6(17)	-	58	-	-	-	-	-	-	-	58
Reversal of special reserve	6(18)	-	-	-	(619)	619	-	-	-	-	-
Disposal of financial assets measured at fair value through other comprehensive income from equity instrument of subsidiaries	6(19)	-	-	-	-	14,032	-	(14,032)	-	-	-
Adjustment for change in other equity interest of investee companies	6(19)	-	-	-	-	-	-	-	(3,353)	(3,353)	-
Balance at December 31, 2018		\$ 56,820,154	\$ 3,896,504	\$ 20,573,355	\$ 4,010,695	\$ 24,888,175	(\$ 4,272,116)	\$ 441,099	\$ -	(\$ 3,353)	\$ 106,354,513

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

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

	Notes	For the years ended December 31,	
		2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		\$ 18,298,344	\$ 40,121,678
Adjustments			
Adjustments to reconcile profit (loss)			
(Gain) loss on financial assets and liabilities at fair value	6(4)(22)		
through profit or loss		( 37,975 )	8,172
Expected credit gain	12(2)	( 400 )	-
Provision for doubtful accounts	12(4)	-	660
Provision for inventory market price decline	6(3)	400	461
Share of profit of subsidiaries, associates and joint ventures	6(6)		
accounted for under equity method		( 15,132,807 )	( 37,244,571 )
Gain on disposal of investments accounted for under the	6(6)(22)		
equity method		-	( 1,400,998 )
Depreciation on property, plant and equipment	6(7)	1,320,627	1,283,518
Loss on disposal of property, plant and equipment	6(22)	11,612	13,966
Depreciation on investment property	6(8)	51,151	50,921
Loss on disposal of investment property	6(22)	55	-
Impairment loss on financial assets	6(22) and 12(4)	-	6,801
(Gain on reversal of) impairment loss on non-financial assets	6(9)(22)	( 200 )	11,591
Amortization		2,859	4,211
Amortization of rent receivable		13,055	9,194
Interest income	6(21)	( 173 )	( 8,132 )
Dividend income	6(21)	( 14,150 )	( 9,940 )
Finance costs	6(23)	461,089	471,678
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		( 811 )	18,936
Accounts receivable		( 32,083 )	( 130,863 )
Accounts receivable - related parties		( 215,714 )	618,348
Other receivables		( 11,500 )	6,548
Other receivables - related parties		28,580	( 41,282 )
Inventories		( 42,916 )	346,461
Prepayments		( 3,456 )	22,940
Changes in operating liabilities			
Financial liabilities at fair value through profit or loss		35,186	( 6,957 )
Notes payable		425	9,368
Accounts payable		135,776	( 73,322 )
Accounts payable - related parties		44,979	( 41,420 )
Other payables		( 370,520 )	1,297,309
Other payables - related parties		54,797	23,083
Advance receipts		( 2,395 )	( 975 )
Net defined benefit liabilities - non-current		( 357,448 )	( 585,719 )
Cash inflow generated from operations		4,236,387	4,781,665
Interest received		173	8,132
Dividends received		18,562,526	7,784,075
Interest paid		( 435,879 )	( 460,841 )
Income tax paid		( 62,312 )	( 314,578 )
Net cash flows from operating activities		<u>22,300,895</u>	<u>11,798,453</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,	
		2018	2017
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Cash paid for acquisition of investments accounted for under the equity method - subsidiaries	6(29)	( \$ 3,139,434 )	( \$ 574,677 )
Cash paid for acquisition of investments accounted for under the equity method - non-subidiaries		-	( 40,633 )
Return of capital from investments accounted for under the equity method	6(6)	-	2,410,000
Cash paid for acquisition of property, plant and equipment	6(29)	( 288,731 )	( 580,455 )
Interest paid for acquisition of property, plant and equipment	6(7)(29)	( 4,083 )	( 2,651 )
Proceeds from disposal of property, plant and equipment		2,164	5,884
Increase in guarantee deposits paid		( 3,835 )	( 27,847 )
Increase in prepayments for equipment		( 1,146,264 )	( 1,020,715 )
Interest paid for prepayments for equipment	6(7)	( 5,359 )	( 4,947 )
Increase in other non-current assets		( 15,719 )	( 199,332 )
Net cash flows used in investing activities		( 4,601,261 )	( 35,373 )
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
(Decrease) increase in short-term borrowings	6(30)	( 153,343 )	194,253
Increase in short-term notes and bills payable	6(30)	2,049,141	-
Increase in corporate bonds payable	6(30)	9,750,000	5,000,000
Decrease in corporate bonds payable	6(30)	( 3,500,000 )	( 4,300,000 )
Increase in long-term borrowings	6(30)	155,580,579	179,900,000
Decrease in long-term borrowings	6(30)	( 150,280,000 )	( 185,399,345 )
Decrease in guarantee deposits received	6(30)	( 1,330 )	( 4,189 )
Cash dividends paid	6(18)	( 31,251,085 )	( 11,932,232 )
Net cash flows used in financing activities		( 17,806,038 )	( 16,541,513 )
Net decrease in cash and cash equivalents		( 106,404 )	( 4,778,433 )
Cash and cash equivalents at beginning of year	6(1)	197,837	4,976,270
Cash and cash equivalents at end of year	6(1)	\$ 91,433	\$ 197,837

## 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 subsidiaries (the “Group”) as at December 31, 2018 and 2017, 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, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2018 and 2017, 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. 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

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

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

Please refer to Notes 4(34) and 6(23) to the consolidated financial statements for the accounting policy on operating revenue and the details of revenue items relating to this key audit matter.

The Group is engaged in a large volume of revenue transactions generated from sales to a large number of customers, including direct customers and distributors in many different areas in Mainland China. For customers and distributors with farther distance or located in remote areas, it needs more time for transportation and customer reception, which involves complicated judgement in determining the timing of the transfer of 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 2018.



### 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(34) and 6(23) to the consolidated financial statements for the accounting policy on operating revenue and the details of revenue items relating to this key audit matter.

Retail sales revenue is recorded by point-of-sale (POS) terminals, which collect the information of item names of merchandise, quantity, sales price and total sales amount of each transaction using preestablished 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 2018.

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

As retailing business involves various kinds of merchandise, the retail inventory method is used to estimate the ending balance of inventory and the cost of goods sold. The retail inventory method applies a ratio of costs over retail prices of goods purchased (known as cost-to-retail ratio) to come out with an estimate of the ending balance of inventory and the cost of goods sold. The determination of the cost- to-retail ratio relies highly on costs and retail prices information recorded in the accounting system, and has thus been identified as one of the key audit matters of our annual audit of 2018.

### How our audit addressed the matter

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

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

### ***Other matter—Report of other 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 \$16,769,876 thousand and \$13,649,876 thousand, representing 4.12% and 3.29% of the related consolidated totals, as of December 31, 2018 and 2017, respectively, and total operating revenues amounted to \$28,146,518 thousand and \$26,200,625 thousand, constituting 6.52% and 6.55% of the related consolidated totals for the years then ended, respectively. Related share of profit of associates and joint ventures accounted for under the equity method in the aforementioned companies amounted to \$438,928 thousand and \$103,142 thousand, constituting 1.72% and 0.18% of the consolidated total comprehensive income for the years ended December 31, 2018 and 2017, respectively.

### ***Other matter – Parent company only financial reports***

We have audited and expressed an unqualified opinion on the parent company only financial statements of Uni-President Enterprises Corp. as at and for the years ended December 31, 2018 and 2017.

## ***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 the 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 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 consolidated financial statements.

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

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

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Lin, Tzu-Shu

Independent Accountants

Lin, Yung-Chih

PricewaterhouseCoopers, Taiwan

Republic of China

March 27, 2019

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The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and 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, except as otherwise indicated)

	Assets	Notes	December 31, 2018		December 31, 2017	
			AMOUNT	%	AMOUNT	%
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 80,060,950	20	\$ 54,701,904	13
1110	Financial assets at fair value through profit or loss - current	6(2) and 12(4)	6,558,587	1	6,700,828	2
1136	Financial assets at amortised cost - current	6(3) and 12(4)	19,592,791	5	-	-
1150	Notes receivable, net	6(4) and 12(4)	1,671,353	-	1,717,205	1
1160	Notes receivable - related parties	7	1,046	-	501	-
1170	Accounts receivable, net	6(4) and 12(4)	15,007,091	4	14,101,281	3
1180	Accounts receivable - related parties	7	1,106,271	-	976,737	-
1200	Other receivables	6(5)(8) and 12(4)	3,953,445	1	50,892,490	12
1220	Current income tax assets	6(29)	264,912	-	264,493	-
130X	Inventory	6(6)(9)	35,411,950	9	32,046,777	8
1410	Prepayments		4,134,689	1	3,706,655	1
1470	Other current assets	8, 9 and 12(4)	3,803,782	1	9,801,007	2
11XX	<b>Total current assets</b>		<u>171,566,867</u>	<u>42</u>	<u>174,909,878</u>	<u>42</u>
<b>Non-current assets</b>						
1510	Financial assets at fair value through profit or loss - non-current	6(2) and 12(4)	3,709,188	1	616,568	-
1517	Financial assets at fair value through other comprehensive income - non-current	6(7) and 12(4)	5,288,454	1	-	-
1523	Available-for-sale financial assets - non-current	6(25), 8 and 12(4)	-	-	4,929,254	1
1535	Financial assets at amortised cost - non-current	6(3) and 12(4)	2,762,063	1	-	-
1543	Financial assets carried at cost - non-current	6(25) and 12(4)	-	-	3,363,171	1
1546	Bond investments without active markets - non-current	12(4)	-	-	296,588	-
1550	Investments accounted for under equity method	6(8), 8 and 12(4)	30,753,742	8	29,813,034	7
1600	Property, plant and equipment	6(9)(12) and 8	136,968,484	34	144,095,873	35
1760	Investment property, net	6(10)(12) and 8	17,418,972	4	17,555,107	4
1780	Intangible assets	6(11)(12)	11,708,388	3	12,026,147	3
1840	Deferred income tax assets	6(29)	6,130,106	1	5,203,786	1
1915	Prepayments for equipment	6(9)	989,153	-	765,805	-
1920	Guarantee deposits paid	6(2), 8 and 12(4)	3,337,065	1	3,248,402	1
1985	Long-term prepaid rents		11,461,236	3	12,366,470	3
1990	Other non-current assets	6(18), 7 and 8	5,056,368	1	5,465,371	2
15XX	<b>Total non-current assets</b>		<u>235,583,219</u>	<u>58</u>	<u>239,745,576</u>	<u>58</u>
1XXX	<b>Total assets</b>		<u>\$ 407,150,086</u>	<u>100</u>	<u>\$ 414,655,454</u>	<u>100</u>

(Continued)

**UNI-PRESIDENT ENTERPRISES CORP. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Liabilities and Equity	Notes	December 31, 2018		December 31, 2017		
		AMOUNT	%	AMOUNT	%	
<b>Current liabilities</b>						
2100	Short-term borrowings	6(13) and 8	\$ 27,692,894	7	\$ 17,388,953	4
2110	Short-term notes and bills payable	6(14) and 8	5,850,161	1	7,305,380	2
2120	Financial liabilities at fair value through profit or loss - current	6(2) and 12(4)	6,035	-	994	-
2130	Contract liabilities - current	6(23) and 12(5)	10,874,433	3	-	-
2150	Notes payable		1,935,370	1	2,138,770	1
2160	Notes payable - related parties	7	19,407	-	11,932	-
2170	Accounts payable		32,782,061	8	30,558,991	7
2180	Accounts payable - related parties	7	547,759	-	478,207	-
2200	Other payables	6(8)(15)	49,694,528	12	55,101,600	13
2230	Current income tax liabilities	6(29)	3,506,413	1	7,633,319	2
2310	Advance receipts	12(5)	218,144	-	11,938,487	3
2320	Long-term liabilities, current portion	6(16)(17) and 8	9,991,782	2	7,417,467	2
2399	Other current liabilities	9	3,448,722	1	234,064	-
21XX	<b>Total current liabilities</b>		<u>146,567,709</u>	<u>36</u>	<u>140,208,164</u>	<u>34</u>
<b>Non-current liabilities</b>						
2527	Contract liabilities - non-current	6(23) and 12(5)	234,421	-	-	-
2530	Corporate bonds payable	6(16)	19,350,000	5	16,986,833	4
2540	Long-term borrowings	6(17) and 8	39,370,176	10	35,909,167	9
2570	Deferred income tax liabilities	6(29)	12,588,037	3	11,381,579	3
2640	Net defined benefit liabilities - non-current	6(18)	9,328,583	2	9,459,119	2
2645	Guarantee deposits received		7,026,713	2	6,791,077	2
2670	Other non-current liabilities		2,383,613	-	2,619,321	-
25XX	<b>Total non-current liabilities</b>		<u>90,281,543</u>	<u>22</u>	<u>83,147,096</u>	<u>20</u>
2XXX	<b>Total liabilities</b>		<u>236,849,252</u>	<u>58</u>	<u>223,355,260</u>	<u>54</u>
<b>Equity attributable to owners of parent</b>						
<b>Share capital</b>						
3110	Share capital - common stock	6(19)	56,820,154	14	56,820,154	14
<b>Capital reserves</b>						
3200	Capital surplus	6(20)(31)	3,896,504	1	3,916,160	1
<b>Retained earnings</b>						
3310	Legal reserve	6(21) and 12(4)	20,573,355	5	16,588,870	4
3320	Special reserve		4,010,695	1	4,011,314	1
3350	Unappropriated retained earnings		24,888,175	6	42,446,053	10
<b>Other equity interest</b>						
3400	Other equity interest	6(22) and 12(4)	( 3,834,370)	( 1)	( 3,707,274)	( 1)
31XX	<b>Equity attributable to owners of the parent</b>		<u>106,354,513</u>	<u>26</u>	<u>120,075,277</u>	<u>29</u>
36XX	<b>Non-controlling interest</b>	4(3), 6(31) and 12(4)	<u>63,946,321</u>	<u>16</u>	<u>71,224,917</u>	<u>17</u>
3XXX	<b>Total equity</b>		<u>170,300,834</u>	<u>42</u>	<u>191,300,194</u>	<u>46</u>
<b>Contingent Liabilities and Commitments</b>						
<b>Significant event after balance sheet date</b>						
3X2X	<b>Total liabilities and equity</b>		<u>\$ 407,150,086</u>	<u>100</u>	<u>\$ 414,655,454</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 as otherwise indicated)

Items	Notes	Year ended December 31				
		2018		2017		
		AMOUNT	%	AMOUNT	%	
4000	<b>Operating revenue</b>	6(23), 7 and 12(5)	\$ 431,445,520	100	\$ 399,860,953	100
5000	<b>Operating costs</b>	6(6)(11)(27)(28) and 7	( 286,160,653)	( 66)	( 267,120,282)	( 67)
5900	<b>Net operating margin</b>		145,284,867	34	132,740,671	33
	<b>Operating expenses</b>	6(11)(27)(28), 7 and 12(2)				
6100	Selling expenses		( 96,837,790)	( 23)	( 88,011,936)	( 22)
6200	General and administrative expenses		( 20,342,908)	( 5)	( 21,398,149)	( 5)
6300	Research and development expenses		( 947,902)	-	( 973,511)	-
6450	Expected credit losses		( 169,858)	-	-	-
6000	<b>Total operating expenses</b>		( 118,298,458)	( 28)	( 110,383,596)	( 27)
6900	<b>Operating profit</b>		26,986,409	6	22,357,075	6
	<b>Non-operating income and expenses</b>					
7010	Other income	6(3)(7)(24) and 7	7,911,146	2	7,055,426	2
7020	Other gains and losses	4(3), 6(2)(8)(12)(25)(32) and 12(4)	( 968,445)	-	43,462,005	11
7050	Finance costs	6(9)(26)	( 1,479,949)	( 1)	( 1,641,872)	( 1)
7060	Share of profit of associates and joint ventures accounted for under equity method	6(8)	2,858,989	1	5,254,991	1
7000	<b>Total non-operating income and expenses</b>		8,321,741	2	54,130,550	13
7900	<b>Profit before income tax</b>		35,308,150	8	76,487,625	19
7950	Income tax expense	6(29)	( 8,362,977)	( 2)	( 16,522,538)	( 4)
8200	<b>Profit for the year</b>		\$ 26,945,173	6	\$ 59,965,087	15

(Continued)

UNI-PRESIDENT ENTERPRISES CORP. AND SUBSIDIARIES  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Items	Notes	Year ended December 31				
		2018		2017		
		AMOUNT	%	AMOUNT	%	
<b>Other comprehensive income (loss)</b>						
<b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>						
8311	Actuarial losses on defined benefit plans	6(18)	(\$ 371,283)	-	(\$ 422,674)	-
8316	Unrealized loss on valuation of investments in equity instruments measured at fair value through other comprehensive income	6(7)	( 171,120)	-	-	-
8320	Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method		80,041	-	( 98,459)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(29)	177,022	-	71,800	-
<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>						
8361	Financial statements translation differences of foreign operations		( 1,156,193)	-	( 1,734,664)	-
8362	Unrealized gain on valuation of available-for-sale financial assets	12(4)	-	-	287,838	-
8367	Unrealized loss on valuation of investments in debt instruments measured at fair value through other comprehensive income	6(7)	( 93,643)	-	-	-
8370	Share of other comprehensive income (loss) of associates and joint ventures accounted for under equity method		165,245	-	( 43,023)	-
8399	Income tax relating to components of other comprehensive income that will be reclassified to profit or loss	6(29) and 12(4)	19	-	( 8,533)	-
8300	<b>Total other comprehensive loss for the year</b>		<u>(\$ 1,369,912)</u>	<u>-</u>	<u>(\$ 1,947,715)</u>	<u>-</u>
8500	<b>Total comprehensive income for the year</b>		<u>\$ 25,575,261</u>	<u>6</u>	<u>\$ 58,017,372</u>	<u>15</u>
<b>Profit attributable to:</b>						
8610	Owners of the parent		\$ 17,442,022	4	\$ 39,844,853	10
8620	Non-controlling interest		9,503,151	2	20,120,234	5
	<b>Net income</b>		<u>\$ 26,945,173</u>	<u>6</u>	<u>\$ 59,965,087</u>	<u>15</u>
<b>Comprehensive income attributable to:</b>						
8710	Owners of the parent		\$ 17,246,954	4	\$ 37,585,640	10
8720	Non-controlling interest		8,328,307	2	20,431,732	5
	<b>Net comprehensive income</b>		<u>\$ 25,575,261</u>	<u>6</u>	<u>\$ 58,017,372</u>	<u>15</u>
<b>Earnings per share (in dollars)</b>						
9750	<b>Basic</b>	6(30)	<u>\$ 3.07</u>		<u>\$ 7.01</u>	
9850	<b>Diluted</b>		<u>\$ 3.05</u>		<u>\$ 6.98</u>	

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



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

	Notes	Equity attributable to owners of the parent											
		Retained Earnings					Other Equity Interest						
		Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Unrealized gain or loss on available-for-sale financial assets	Other equity	Total	Non-controlling interest	Total equity
<b>For the year ended December 31, 2017</b>													
		\$ 56,820,154	\$ 3,900,138	\$ 15,136,198	\$ 4,042,765	\$ 16,329,791	(\$ 2,257,350)	\$ -	\$ 434,151	\$ -	\$ 94,405,847	\$ 58,294,419	\$ 152,700,266
		-	-	-	-	39,844,853	-	-	-	-	39,844,853	20,120,234	59,965,087
	6(22)	-	-	-	-	( 375,138 )	( 1,983,379 )	-	99,304	-	( 2,259,213 )	311,498	( 1,947,715 )
		-	-	-	-	39,469,715	( 1,983,379 )	-	99,304	-	37,585,640	20,431,732	58,017,372
Distribution of 2016 net income:													
		-	-	1,452,672	-	( 1,452,672 )	-	-	-	-	-	-	-
	6(21)	-	-	-	-	( 11,932,232 )	-	-	-	-	( 11,932,232 )	-	( 11,932,232 )
	6(20)	-	15,273	-	-	-	-	-	-	-	15,273	-	15,273
	6(20)(31)	-	24,608	-	-	-	-	-	-	-	24,608	19,518	44,126
	6(20)	-	( 24,823 )	-	-	-	-	-	-	-	( 24,823 )	-	( 24,823 )
	6(20)	-	( 1,927 )	-	-	-	-	-	-	-	( 1,927 )	-	( 1,927 )
	6(20)	-	2,891	-	-	-	-	-	-	-	2,891	-	2,891
	6(21)	-	-	-	( 31,451 )	31,451	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	( 7,520,752 )	( 7,520,752 )
		\$ 56,820,154	\$ 3,916,160	\$ 16,588,870	\$ 4,011,314	\$ 42,446,053	(\$ 4,240,729)	\$ -	\$ 533,455	\$ -	\$ 120,075,277	\$ 71,224,917	\$ 191,300,194

(Continued)

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

	Notes	Equity attributable to owners of the parent											
		Retained Earnings					Other Equity Interest						
		Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Unrealized gain or loss on available-for-sale financial assets	Other equity	Total	Non-controlling interest	Total equity
<b>For the year ended December 31, 2018</b>													
Balance at January 1, 2018		\$ 56,820,154	\$ 3,916,160	\$ 16,588,870	\$ 4,011,314	\$ 42,446,053	(\$ 4,240,729)	\$ -	\$ 533,455	\$ -	\$ 120,075,277	\$ 71,337,937	\$ 191,413,214
Effects of retrospective application	12(4)	-	-	-	-	366,999	-	472,832	( 533,455)	-	306,376	-	306,376
Balance at January 1, 2018 (Adjusted)		<u>56,820,154</u>	<u>3,916,160</u>	<u>16,588,870</u>	<u>4,011,314</u>	<u>42,813,052</u>	<u>( 4,240,729)</u>	<u>472,832</u>	<u>-</u>	<u>-</u>	<u>120,381,653</u>	<u>71,337,937</u>	<u>191,719,590</u>
Consolidated net income for the year ended December 31, 2018		-	-	-	-	17,442,022	-	-	-	-	17,442,022	9,503,151	26,945,173
Other comprehensive loss for the year ended December 31, 2018	6(22)	-	-	-	-	( 145,980)	( 31,387)	( 17,701)	-	-	( 195,068)	( 1,174,844)	( 1,369,912)
Total comprehensive income (loss) for the year ended December 31, 2018		-	-	-	-	<u>17,296,042</u>	<u>( 31,387)</u>	<u>( 17,701)</u>	<u>-</u>	<u>-</u>	<u>17,246,954</u>	<u>8,328,307</u>	<u>25,575,261</u>
Distribution of 2017 net income:													
Legal reserve		-	-	3,984,485	-	( 3,984,485)	-	-	-	-	-	-	-
Cash dividends	6(21)	-	-	-	-	( 31,251,085)	-	-	-	-	( 31,251,085)	-	( 31,251,085)
Adjustment for change in capital reserve of investee companies	6(20)	-	10,770	-	-	-	-	-	-	-	10,770	-	10,770
Difference between the acquisition or disposal price and carrying amounts of subsidiaries	6(20)(31)	-	( 49,970)	-	-	-	-	-	-	-	( 49,970)	( 53,830)	( 103,800)
Adjustment of capital reserve due to change in interests in associates	6(20)	-	19,486	-	-	-	-	-	-	-	19,486	-	19,486
Non-payment of expired cash dividends from previous year transferred to capital reserve	6(20)	-	58	-	-	-	-	-	-	-	58	-	58
Reversal of special reserve	6(21)	-	-	-	( 619)	619	-	-	-	-	-	-	-
Disposal of financial assets at fair value through other comprehensive income - equity instrument	6(7)	-	-	-	-	14,032	( 14,032)	-	-	-	-	-	-
Adjustment for change in other equity of investee companies		-	-	-	-	-	-	-	-	( 3,353)	( 3,353)	-	( 3,353)
Non-controlling interest		-	-	-	-	-	-	-	-	-	-	( 15,666,093)	( 15,666,093)
Balance at December 31, 2018		<u>\$ 56,820,154</u>	<u>\$ 3,896,504</u>	<u>\$ 20,573,355</u>	<u>\$ 4,010,695</u>	<u>\$ 24,888,175</u>	<u>(\$ 4,272,116)</u>	<u>\$ 441,099</u>	<u>\$ -</u>	<u>(\$ 3,353)</u>	<u>\$ 106,354,513</u>	<u>\$ 63,946,321</u>	<u>\$ 170,300,834</u>

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, except as otherwise indicated)

	Notes	For the years ended December 31,	
		2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		\$ 35,308,150	\$ 76,487,625
Adjustments			
Adjustments to reconcile profit (loss)			
Gain on financial assets and liabilities at fair value through profit or loss	6(2)(25) and 12(4)	( 151,373 )	( 76,327 )
Expected credit loss	12(2)	169,858	-
Provision for doubtful accounts	12(4)	-	51,995
Reversal of allowance for inventory market price decline	6(6)	( 3,674 )	( 55,628 )
Loss on disposal of financial assets at fair value through other comprehensive income - debt instrument	6(7)(25)	9,695	-
Gain on disposal of available-for-sale financial assets	6(25)	-	( 146,666 )
Gain on disposal of financial assets measured at cost	6(25)	-	( 84,232 )
Impairment loss on financial assets	6(25) and 12(4)	-	124,501
Gain on disposal of investments in subsidiaries	4(3) and 6(25)	-	( 740,492 )
Share of profit of associates and joint ventures accounted for under the equity method	6(8)	( 2,858,989 )	( 5,254,991 )
Loss (gain) on disposal of investments accounted for under the equity method	6(25)	43,546	( 44,404,509 )
Depreciation on property, plant and equipment	6(9)(27)	18,324,890	17,962,596
(Gain) loss on disposal of property, plant and equipment	6(25)	( 435,688 )	128,268
Depreciation on investment properties	6(10)(27)	291,945	286,594
Gain on disposal of investment properties	6(25)	( 3,167 )	( 1,331 )
Amortization	6(11)(27)	570,315	356,458
Amortization of long-term prepaid rents		330,827	349,908
(Gain) loss on disposal of long-term prepaid rents	9	( 522,214 )	72,812
Impairment loss on non-financial assets	6(9)(10)(11)(12)(25)	89,426	23,722
Interest income	6(24)	( 2,135,410 )	( 963,720 )
Dividend income	6(24)	( 141,292 )	( 2,249,577 )
Finance costs	6(26)	1,479,949	1,641,872
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		851,399	( 457,016 )
Notes receivable		47,394	( 182,314 )
Notes receivable - related parties		( 545 )	1,122
Accounts receivable		( 1,076,045 )	( 402,446 )
Accounts receivable - related parties		( 129,534 )	946,716
Other receivables		310,182	( 474,355 )
Inventories		( 2,816,035 )	( 432,543 )
Prepayments		( 428,034 )	564,964
Other current assets		( 1,130 )	( 340,148 )
Changes in operating liabilities			
Contract liabilities - current		206,561	-
Notes payable		( 203,400 )	( 116,036 )
Notes payable - related parties		7,475	( 9,841 )
Accounts payable		2,223,070	2,082,293
Accounts payable - related parties		69,552	( 86,749 )
Other payables		4,092	5,878,698
Advance receipts		1,769,660	( 1,148,266 )
Other current liabilities		392,526	( 17,365 )
Contract liabilities - non-current		( 111,590 )	-
Net defined benefit liabilities - non-current		( 506,646 )	( 745,888 )
Cash inflow generated from operations		50,975,746	48,569,704
Interest received		1,719,217	1,165,520
Dividend received	6(34)	3,916,138	5,100,586
Interest paid		( 1,481,099 )	( 1,803,498 )
Income tax paid		( 12,033,123 )	( 6,569,861 )
Net cash flows from operating activities		<u>43,096,879</u>	<u>46,462,451</u>

(Continued)

UNI-PRESIDENT ENTERPRISES CORP. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	For the years ended December 31,	
		2018	2017
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Increase in financial assets at amortized cost - current		(\$ 17,718,816)	\$ -
Repayment of principal at maturity from amortized cost financial assets - current		8,426,644	-
Decrease in other receivables - bond reverse-repurchase		-	1,099,022
Decrease in other receivables - related parties		536	2,464
(Increase) decrease in other current assets - other financial assets		( 757,674 )	1,030,582
Cash paid for acquisition of financial assets at fair value through other comprehensive income		( 723,972 )	-
Proceeds from financial assets at fair value through other comprehensive income		244,495	-
Increase in financial assets at amortized cost - non-current		( 2,455,957 )	-
Increase in available-for-sale financial assets - non-current		-	( 679,899 )
Proceeds from disposal of available-for-sale financial assets		-	1,800,184
Return of capital from available-for-sale financial assets		-	4,710
Increase in financial assets measured at cost - non-current		-	( 1,019,833 )
Proceeds from disposal of financial assets measured at cost		-	380,944
Return of capital from financial assets measured at cost		-	1,773
Cash paid for acquisition of investments accounted for under the equity method	6(34)	-	( 40,633 )
Proceeds from disposal of investments accounted for under the equity method		43,081,053	213,970
Return of capital from investments accounted for under the equity method		-	168,106
Proceeds from disposal of subsidiaries	6(34)	-	3,380,567
Cash and cash equivalents (outflows) inflows from business combination	6(34)	( 5,378,010 )	700,961
Cash paid for acquisition of property, plant and equipment	6(34)	( 12,661,305 )	( 14,539,349 )
Interest paid for acquisition of property, plant and equipment	6(9)(34)	( 58,452 )	( 83,880 )
Proceeds from disposal of property, plant and equipment	6(34)	967,969	441,458
Cash paid for acquisition of investment property	6(10)	( 15,630 )	( 90,447 )
Proceeds from disposal of investment properties		25,628	1,969
Increase in intangible assets	6(11)	( 234,588 )	( 491,698 )
Proceeds from disposal of intangible assets		16	-
Increase in prepayment for equipment		( 2,445,372 )	( 1,392,347 )
Interest paid for prepayment for equipment	6(9)	( 5,521 )	( 6,400 )
Increase in guarantee deposits paid		( 88,663 )	( 82,127 )
Increase in long-term prepaid rents		( 79,064 )	( 62,320 )
Proceeds from disposal of long-term prepaid rents		925,558	203,278
Decrease (increase) in other non-current assets		227,854	( 70,883 )
Net cash flows from (used in) investing activities		<u>11,276,729</u>	<u>( 9,129,828 )</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase (decrease) in short-term borrowings	6(35)	10,303,941	( 8,119,307 )
Decrease in notes and bills payable	6(35)	( 1,455,219 )	( 734,424 )
Increase in corporate bonds payable	6(35)	9,750,000	5,000,000
Decrease in corporate bonds payable	6(35)	( 4,171,567 )	( 11,160,498 )
Increase in long-term borrowings	6(35)	162,366,344	187,659,276
Decrease in long-term borrowings	6(35)	( 159,487,164 )	( 194,417,362 )
Increase in guarantee deposit received	6(35)	235,636	340,122
Increase (decrease) in other non-current liabilities		110,303	( 3,377 )
(Cash paid for) proceeds from transaction with non-controlling interests	6(31)	( 103,800 )	44,126
Payment of cash dividends		( 31,251,085 )	( 11,932,232 )
Change in non-controlling interests		( 15,666,093 )	( 7,520,752 )
Net cash flows used in financing activities		<u>( 29,368,704 )</u>	<u>( 40,844,428 )</u>
Effect of foreign exchange rate changes on cash and cash equivalents		354,142	1,102,148
Non-current assets held for sale - cash and cash equivalents	6(34)	-	776,931
Net increase (decrease) in cash and cash equivalents		25,359,046	( 1,632,726 )
Cash and cash equivalents at beginning of year	6(1)	54,701,904	56,334,630
Cash and cash equivalents at end of year	6(1)	<u>\$ 80,060,950</u>	<u>\$ 54,701,904</u>

**Uni-President Enterprises Corp.**  
**PROFIT ALLOCATION PROPOSAL**

For the years ended December 31, 2018

Unit : NT\$

Net Income for 2018	\$ 17,442,022,268
Less : 10% Legal Reserve	(1,744,202,227)
An effort to ascertain the amount of remeasuring of the fringe benefit programs.	(145,979,584)
Plus : Resersal of special reserve	619,403
Plus : Adjustment of other comprehensive income (loss)	14,031,229
2018 Earnings Available for Distribution	15,566,491,089
Plus : Unappropriated Retained Earnings of Previous years	7,210,483,042
Plus : Effects of retrospective application	366,999,034
Distribution Items:	23,143,973,165
Cash Dividends to Common Share Holders (NT\$ 2.5 per share)	14,205,038,553
Unappropriated Distribution	\$ 8,938,934,612

Note :

1. Net income for 2018 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 Articles of Incorporation**

Provision After Proposed Amendments	Current Provision	Explanation
<p>Article 1  The Company is duly incorporated under the provisions governing company limited by shares as set forth in the Company Act, and its name shall be 統一企業股份有限公司 in the Chinese language, and Uni-President Enterprises Corporation. in the English language.(hereinafter referred to as the Company).</p>	<p>Article 1  The Company is duly incorporated under the provisions governing company limited by shares as set forth in the Company Act in the full name of Uni-President Enterprises Corporation (hereinafter referred to as the Company).</p>	<p>According to article 392-1 of Company Act, adding company's foreign registration names, thus revising to include</p>
<p>Article 4  1.The total capital stock of the Company shall be in the amount of NT\$70,000,000,000__divided into 7,000,000,000 shares, at a par value of NT\$10. The Board of Directors is authorized to issue the shares that have not yet been issued in lots.  2.The Company may investing outwardly into other firms and is free of the restriction set forth in Article 13 of the Company Law which reads: "The Company's total investment shall not exceed 40% of the Company's paid-in capital. "</p>	<p>Article 4  1.The total capital stock of the Company shall be in the amount of NT\$70,000,000,000__divided into 7,000,000,000 shares, at a par value of NT\$10. The Board of Directors is authorized to issue the shares that have not yet been issued in lots.  2.The Company may investing outwardly into other firms and is free of the restriction set forth in Article 13 of the Company Law which reads: "The Company's total investment shall not exceed 40% of the Company's paid-in capital."</p>	<p>Wording of the article is revised.</p>
<p>Article 5  The Company's stocks are changed to be registered with names and numbers. Issuance has to be signed or sealed by company representatives and underwritten by legitimate underwriter. Stocks issued by the company don't have to be printed.</p>	<p>Article 5  The share certificates hereof, the registered ones, shall be duly signed by or affixed with seals of the chairman and managing directors, duly authenticated by the competent authorities of the government or the certification organization authorized thereby before issuance. The Company is exempted from printing the registered share certificates for the shares issued.</p>	<p>According to article 162 of Company Act, revision of company printing stocks have to be signed or sealed by company representatives and agreed clearly to be underwritten by banks, thus revised</p>
<p>Article 6  Other than otherwise regulated, "Regulations Governing the Administration of Shareholder Services of Public Companies" is followed for the company shareholders to apply for stock transferring, collateralizing, lost reporting, inheriting, changing of seals or address.</p>	<p>Article 6  For transfer of shares, both the transferor and transferee shall fill out the application form, sign or affix seal thereon and apply to the Company for share transfer. Until the transfer procedures are completed in full and until the shares under transfer are entered into Register (Roster) of Shareholders, the transferred shares shall not act against the Company. The matters regarding the Company's equity affairs shall be duly handled in accordance with the "Regulations Governing Equity Affairs of Public Companies" promulgated by the Stock Securities &amp; Exchange Commission, Ministry of Finance.</p>	<p>Considering stocks service operations all follow "Regulations Governing the Administration of Shareholder Services of Public Companies", the above articles often have to follow regulatory authorities for revisions, thus this article is revised.</p>
<p>(Delete)</p>	<p>Article 7  The shareholders hereof shall have their seal specimen cards, ID Cards or profit-seeking enterprise certificates submitted to and archived in the Company upon</p>	<p>1. Stock service all follow "Regulations Governing the Administration of Shareholder Services</p>

Provision After Proposed Amendments	Current Provision	Explanation
	<p>opening the accounts. The specimen seals shall be taken as the grounds for the shareholders to receive dividend, bonus and exercise shareholders' interests. A shareholder who has lost or changed his registered specimen seal shall fill out the application form and submit it along with the supporting documents verifying his/her capacity along with the Xerox copy (photocopy) thereof, the new registered seal impression card and share certificates to the Company in person for registration. The new registered seal impression card comes into effect on the day ensuing the date on which the application is approved. In case of application for change in the shareholder name because of succession, the inheritor shall submit supporting documents verifying the lawful succession.</p>	<p>of Public Companies", the above articles often have to follow regulatory authorities for revision. Following the revision of article 6, this article is thus deleted.</p> <p>2. Following articles are reviewed to make up in order.</p>
<p>Article 7 No transfer of shares shall be handled within sixty days prior to a shareholders' regular meeting, or within thirty days prior to a shareholders' extraordinary meeting, or within five days prior to allocation of dividend bonus or any other benefits.</p>	<p>Article 8 No transfer of shares shall be handled within sixty days prior to a shareholders' regular meeting, or within thirty days prior to a shareholders' extraordinary meeting, or within five days prior to allocation of dividend bonus or any other benefits.</p>	<p>Article revision.</p>
<p>Article 8 Procedures to apply for reissuance of lost share certificates: (1) A shareholder who has lost his/her share certificates shall report to the security authority and apply to the Company with an application form for registration of the lost share certificates. (2) Such shareholder shall apply to the court for public summons in accordance with the Code of Civil Procedure and shall submit to the Company the application form, duplicate copy, and the receipt issued by the court verifying the receipt of the application within five days, otherwise the application shall be annulled. (3) Upon expiry of the public summons, the shareholder may court verdict of ex-right is used to apply for registration with the company.</p>	<p>Article 9 Procedures to apply for reissuance of lost share certificates: (1) A shareholder who has lost his/her share certificates shall report to the security authority and apply to the Company with an application form for registration of the lost share certificates. (2) Such shareholder shall apply to the court for public summons in accordance with the Code of Civil Procedure and shall submit to the Company the application form, duplicate copy, and the receipt issued by the court verifying the receipt of the application within five days, otherwise the application shall be annulled. (3) Upon expiry of the public summons, the shareholder may apply to the Company with the court judgment of ex-right for reissuance of share certificates.</p>	<p>1. Article revision. 2. Registered stocks issued by the company are not issued physically. Contents of articles are revised with current operation.</p>
<p>(Delete)</p>	<p>Article 10 The Company may collect adequate handling charge cover printing cost and revenue stamp tax for transfer of the share certificates.</p>	<p>1. The Company's bearer stock is issued in an intangible form. In practice, there is no replacement or re-issuance of new stock available. Therefore, this provision is deleted. 2. Following articles are reviewed to make up in order.</p>

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<p>Article 9 The shareholders' meeting hereof is in two categories, i.e., the shareholders' regular meeting and shareholders' extraordinary meeting. The shareholders' regular meeting shall be convened by the board of directors once per annum within six months from the closing of each fiscal year, with notices for the shareholders' meeting to be served to all shareholders in writing thirty days in advance. The shareholders' extraordinary meeting may be called whenever it is deemed necessary with notices for the shareholders' meeting to be served to all shareholders in writing fifteen days in advance. An issuer to shareholders who own less than 1,000 shares of nominal stocks may be given in the form of a public announcement; for a regular shareholders meeting.</p>	<p>Article 11 The shareholders' meeting hereof is in two categories, i.e., the shareholders' regular meeting and shareholders' extraordinary meeting. The shareholders' regular meeting shall be convened by the board of directors once per annum within six months from the closing of each fiscal year, with notices for the shareholders' meeting to be served to all shareholders in writing thirty days in advance. The shareholders' extraordinary meeting may be called whenever it is deemed necessary with notices for the shareholders' meeting to be served to all shareholders in writing fifteen days in advance. An issuer to shareholders who own less than 1,000 shares of nominal stocks may be given in the form of a public announcement; for a regular shareholders meeting.</p>	<p>Article revision.</p>
<p>Article 10 In the event where a shareholder is unable to attend a shareholders' meeting for any cause, the shareholder may appoint a proxy to attend the meeting on behalf of the shareholder by executing a power of attorney printed by the Company, or participate by ways of electronic transmission. Other than measures specified in Article 177 of the Company Act, a shareholder may also appoint a proxy in accordance with the provisions set forth in the "Rules Governing Appointment of Proxy by the Power of Attorney to Attend a Shareholders Meeting of Public Companies" published by the competent authority.</p>	<p>Article 12 In the event where a shareholder is unable to attend a shareholders' meeting for any cause, the shareholder may appoint a proxy to attend the meeting on behalf of the shareholder by executing a power of attorney printed by the Company, or participate by ways of electronic transmission. Other than measures specified in Article 177 of the Company Act, a shareholder may also appoint a proxy in accordance with the provisions set forth in the "Rules Governing Appointment of Proxy by the Power of Attorney to Attend a Shareholders Meeting of Public Companies" published by the competent authority.</p>	<p>1. Article revision. 2. Wording of the article is revised.</p>
<p>Article 11 The shareholders' meetings shall be chaired by the Chairman of Board. If the Chairman is absent, the chairperson may be assumed by Vice Chairman of Board. If no Vice Chairman of Board is appointed or if the Vice Chairman is absent or fails to perform the duty with justified reasons, the chairperson shall be assumed by a director designated by the Chairman. If no such designee is appointed, the chairperson shall be elected out of the directors. If the shareholders' meeting is called by any convener other than the board of directors, the chairperson shall be assumed by the convener. If there are more than two conveners, the chairperson shall be elected out of the conveners.</p>	<p>Article 13 The shareholders' meetings shall be chaired by the Chairman of Board. If the Chairman is absent, the chairperson may be assumed by Vice Chairman of Board. If no Vice Chairman of Board is appointed or if the Vice Chairman is absent or fails to perform the duty with justified reasons, the chairperson shall be assumed by a director designated by the Chairman. If no such designee is appointed, the chairperson shall be elected out of the directors. If the shareholders' meeting is called by any convener other than the board of directors, the chairperson shall be assumed by the convener. If there are more than two conveners, the chairperson shall be elected out of the conveners.</p>	<p>Article revision.</p>
<p>Article 12 Unless otherwise provided for in the Company Act, resolutions in the shareholders' meeting shall be resolved</p>	<p>Article 14 Unless otherwise provided for in the Company Act, decisions in the shareholders' meeting shall be resolved</p>	<p>1. Article revision. 2. Wording of the article is revised according to article 174 of</p>



Provision After Proposed Amendments	Current Provision	Explanation
by a majority vote in the meeting attended by shareholders representing a majority of the total issued shares.	by a majority vote in the meeting attended by shareholders representing a majority of the total issued shares.	Company Act.
<p>Article 13 A shareholder of the Company shall have one voting power for each share in his possession and he may exercise the voting power in writing or by ways of electronic transmission. However, shares of the Company held by the Company pursuant to relevant laws and regulations enjoy no voting power.</p>	<p>Article 15 A shareholder of the Company shall have one voting power for each share in his possession and he may exercise the voting power in writing or by ways of electronic transmission. However, shares of the Company held by the Company pursuant to relevant laws and regulations enjoy no voting power.</p>	<p>1. Article revision. 2. Wording of the article is revised according to article 179 of Company Act.</p>
<p>Article 14 Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, specifying the date, month, year and location of the meeting, the name of the chairman, a summary of the essential points of the proceedings and the results of the meeting and the method of adopting resolutions, the number of shareholders present at the meeting and the number of shares represented by shareholders attending the meeting, bearing the signature or seal of the chairman of the meeting. The distribution of the minutes may be effected by means of a public notice in accordance with the Company Act. The aforesaid minutes shall be kept persistently throughout the life of the Company. The powers of attorney of the proxies shall be kept for the minimum period of at least one year.</p>	<p>Article 16 Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, specifying the date, month, year and location of the meeting, the name of the chairman, a summary of the essential points of the proceedings and the results of the meeting and the method of adopting resolutions, the number of shareholders present at the meeting and the number of shares represented by shareholders attending the meeting, bearing the signature or seal of the chairman of the meeting. The distribution of the minutes may be effected by means of a public notice in accordance with the Company Act. The aforesaid minutes shall be kept persistently throughout the life of the Company. The powers of attorney of the proxies shall be kept for the minimum period of at least one year.</p>	<p>1. Article revision. 2. Wording of the article is revised according to article 183 of Company Act.</p>
<p>Article 15 The directors' meeting is authorized to agree on the remuneration to directors according to the standard generally prevailing in the same trade.</p>	<p>Article 17 The directors' meeting is authorized to agree on the remuneration to directors according to the standard generally prevailing in the same trade.</p>	Article revision.
<p>Article 16 The Company shall establish the Board of Directors constituted by 13 directors (The directors are 10 and the independent directors are 3.), for whom the election thereof adopts the candidates nomination system and on the shareholders' meeting votes shall be casted among candidates on the candidates list through cumulative ballot system specified in Article 198 of the Company Act; provided that the total number of registered shares held by all of the directors shall not be less than a certain percentage of the total number of the Company's outstanding shares. The rules governing the aforesaid shareholding percentage and the verification and execution thereof shall be established in compliance with orders of the competent authority. Said directors shall include no less than two independent directors and the independent directors shall be no less</p>	<p>Article 18 The Company shall establish the Board of Directors constituted by 13 directors (The directors are 10 and the independent directors are 3.), for whom the election thereof adopts the candidates nomination system and on the shareholders' meeting votes shall be casted among candidates on the candidates list through cumulative ballot system specified in Article 198 of the Company Act; provided that the total number of registered shares held by all of the directors shall not be less than a certain percentage of the total number of the Company's outstanding shares. The rules governing the aforesaid shareholding percentage and the verification and execution thereof shall be established in compliance with orders of the competent authority. Said directors shall include no less than two independent directors and the independent directors shall be no less</p>	<p>1. Article revision. 2. Wording of the article is revised.</p>

Provision After Proposed Amendments	Current Provision	Explanation
<p>than one-fifths of director seats. The independent directors shall be elected from the list of candidates for independent directors in the shareholders' meeting.</p> <p>The election of independent directors and non-independent directors shall be held at the same time, while quota of the elected shall be calculated separately.</p> <p>The qualification, shareholding, restrictions on part-time jobs, identification of independence, nomination and election of independent directors and other matters to be complied with shall be handled in accordance with the Company law and the relevant requirements of the competent security authority.</p>	<p>than one-fifths of director seats. The independent directors shall be elected from the list of candidates for independent directors in the shareholders' meeting.</p> <p>The election of independent directors and non-independent directors shall be held at the same time, while quota of the elected shall be calculated separately.</p> <p>The qualification, shareholding, restrictions on part-time jobs, identification of independence, nomination and election of independent directors and other matters to be complied with shall be handled in accordance with the Company law and the relevant requirements of the competent security authority.</p>	
<p>Article 17</p> <p>The Company establishes an audit committee in accordance with Articles 14-4 and 181-2 of the Securities and Exchange Act. The exercise of powers of supervisors under the Company Act and Securities and Exchange Act shall now be carried out by members of the audit committee.</p> <p>The audit committee shall be composed of the entire number of independent directors. It shall not be fewer than three persons in number, one of whom shall be committee convenor, and at least one of whom shall have accounting or financial expertise.</p> <p>The Company's Board of Directors according to the commercial laws to set up Audit Committee, Remuneration Committee, and may establish the kinds of other functional committees of which the committee charter may be passed by the Board of Directors resolution.</p>	<p>Article 18-1</p> <p>The Company establishes an audit committee in accordance with Articles 14-4 and 181-2 of the Securities and Exchange Act. The exercise of powers of supervisors under the Company Act and Securities and Exchange Act shall now be carried out by members of the audit committee.</p> <p>The audit committee shall be composed of the entire number of independent directors. It shall not be fewer than three persons in number, one of whom shall be committee convenor, and at least one of whom shall have accounting or financial expertise.</p> <p>The Company's Board of Directors according to the commercial laws to set up Audit Committee, Remuneration Committee, and may establish the kinds of other functional committees of which the committee charter may be stipulated by the Board of Directors.</p>	<p>1. Article revision.</p> <p>2. Revising by referring to article 27 of Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.</p>
<p>Article 18</p> <p>In case a company has no managing directors, the board of directors shall elect a chairman of the board directors from among the directors by a majority vote at a meeting attended by over two-thirds of the directors, and one vice chairman shall be elected from among themselves to assist the chairman. The chairman shall represent the Company externally and shall chair the shareholders' meeting and board of directors meeting, and shall take charge of the Company's business operation internally.</p>	<p>Article 19</p> <p>By attendance of two-thirds majority of directors and from among the directors, one chairman shall be elected from among themselves and one vice chairman shall be elected from among themselves to assist the chairman. The chairman shall represent the Company externally and shall chair the shareholders' meeting and board of directors meeting, and shall take charge of the Company's business operation internally.</p>	<p>1. Article revision.</p> <p>2. Wording of the article is revised according to article 208 of Company Act.</p>
<p>Article 19</p> <p>Where the Chairman fails to perform his functions, the Vice Chairman may act on his behalf. Where the Chairman and Vice Chairman both fail to perform their functions, a director shall be</p>	<p>Article 20</p> <p>Where the Chairman fails to perform his functions, the Vice Chairman may act on his behalf. Where the Chairman and Vice Chairman both fail to perform their functions, a director shall be</p>	<p>Article revision.</p>

Provision After Proposed Amendments	Current Provision	Explanation
appointed by the Chairman to act on their behalf. If no such designee is appointed, the chairperson shall be elected among the directors.	appointed by the Chairman to act on their behalf. If no such designee is appointed, the chairperson shall be elected among the directors.	
<p>Article 20 The directors have a three-year tenure of office and are eligible for reelection. If the tenure of office of directors expires before the time of final account closing of the year, the tenure of office may be extended until the newly elected directors take office while the directors of the current term shall be discharged. If the reelection is not held during the extended period, the competent authority may, ex officio, order that the Company complete the reelection within the specified time limit. If reelection is not held within the specified time limit, the directors shall be discharged automatically ex officio upon expiry of the specified time limit. When the number of directors falls below five due to the dismissal of a director for any reason, the company shall hold a by-election for director at the next following shareholders meeting. When the number of directors falls short by one-third of the total number prescribed by the articles of incorporation, the company shall convene a special shareholders meeting within 60 days of the occurrence of that fact to hold a by-election for directors. The reelection may be dispensed with, nevertheless, if the directors still adequately make the legally required ratio. Number of independent directors not enough to meet article 16 of the Company's Articles of Incorporation, a by-election for independent director shall be held at the next following shareholders meeting. When all independent directors have been dismissed, the company shall convene a special shareholders meeting to hold a by-election within 60 days from the date on which the situation arose. The directors and independent directors elected supplementarily shall only serve the tenure remaining by the predecessors.</p>	<p>Article 21 The directors have a three-year tenure of office and are eligible for reelection. If the tenure of office of directors expires before the time of final account closing of the year, the tenure of office may be extended until the newly elected directors take office while the directors of the current term shall be discharged. If the reelection is not held during the extended period, the competent authority may, ex officio, order that the Company complete the reelection within the specified time limit. If reelection is not held within the specified time limit, the directors shall be discharged automatically ex officio upon expiry of the specified time limit. Where the seats of directors are vacated by one-third, a special (extraordinary) meeting of shareholders shall be duly held by the board of directors within sixty days to elect ones supplementarily. The reelection may be dispensed with, nevertheless, if the directors still adequately make the legally required ratio. The directors elected supplementarily shall only serve the tenure remaining by the predecessors.</p>	<p>1. For easy reading, "廿" is revised to be "二十" in the original article. 2. Article revision. 3. Legal resource is on basis of article 26-3, paragraph 7 and article 14-2, paragraph 6 of Securities and Exchange Act. 4. Number of independent directors was originally ruled in article 18 of the Company's Articles of Incorporation. It's revised to be article 16 of the Company's Articles of Incorporation in the 19<sup>th</sup> meeting of the 17<sup>th</sup> term of board December 19, 2018.</p>
<p>Article 21 Board of directors meeting is organized by directors with authorities below: (1) Considering business plans of the company. (2) Employing and dismissing managers of the company. (3) Review budgets and final account closing. (4) Proposing bills of profit allocation or loss allowance.</p>	<p>Article 22 Directors hold the following responsibilities and powers: (1) Review and accredit a variety of operating rules. (2) Resolve business policies. (3) Review budgets and final account closing. (4) Propose the ratio for profit allocation or loss coverage. (5) Propose for increase/decrease of</p>	<p>1. For easy reading, "廿" is revised to be "二十" in the original article. 2. Article revision. 3. Wording of this article was revised according to Regulations Governing Procedure for Board of Directors</p>

Provision After Proposed Amendments	Current Provision	Explanation
<p>(5) Proposing bills of capital increase and decrease.</p> <p>(6) Setting up or dissolving subsidiaries.</p> <p>(7) Enforce the decisions resolved in the shareholders' meeting.</p> <p>(8) Other authorities granted by Company Act or shareholders' meeting.</p>	<p>capital.</p> <p>(6) Determination of major personnel lineups.</p> <p>(7) Enforce the decisions resolved in the shareholders' meeting.</p> <p>(8) Exercise other responsibilities and powers as bestowed by law and the shareholders' meeting.</p>	<p>Meetings of Public Companies, Securities and Exchange Act, Company Act, and related rules regulating board meeting authorities.</p>
<p>Article 22</p> <p>The Company may obtain liability insurance for directors and key staff members to insure their business performance during the tenure of office. The board of directors is authorized with full power to implement the matters concerned.</p>	<p>Article 22-1</p> <p>The Company may purchase liability insurance for directors and key staff members to insure their business performance during the tenure of office. The board of directors is authorized with full power to implement the matters concerned.</p>	<ol style="list-style-type: none"> <li>1. Article revision, and for easy reading, "廿" is revised to be "二十" in the original article.</li> <li>2. Thus revising this article to follow article 193-1 of Company Act.</li> <li>3. Wording of the article is revised.</li> </ol>
<p>Article 23</p> <p>Board of Directors Meeting shall be convened at least once per quarter. The temporary meeting may be called in the case of any emergency or upon request of a majority of the directors. The board of directors is convened by the chairman of the board of directors, except as otherwise provided in the Company Act.</p> <p>The convening notice of the Company's board of directors of the company may be effected by means of electronic transmission.</p>	<p>Article 23</p> <p>Board of Directors Meeting shall be convened at least once per quarter. The temporary meeting may be called in the case of any emergency or upon request of a majority of the directors. The directors' meeting and temporary meeting, if any, shall be called by the Chairman of the Board pursuant to laws, provided that the 1<sup>st</sup> directors meeting at each term shall be called by the director winning the most votes pursuant to laws.</p>	<ol style="list-style-type: none"> <li>1. For easy reading, "廿" is revised to be "二十" in the original article.</li> <li>2. According to article 203, 203-1, and 204 of Company Act about ways of board meeting convention, adjusting description content and adding additional convention notice method because of the added article that over half of directors can plead for board meeting convention and the other rules.</li> </ol>
<p>Article 24</p> <p>All business of the Company will be carried out by the President after it is resolved by the Board of Directors. Except otherwise specified in the Company Act, the resolutions of the Board of Directors shall be passed by the majority of directors present at the board meeting. In the event where a director is unable to attend a meeting, he may appoint another director on his behalf by issuing a written proxy, stating therein the scope of authorization with reference to the subjects to be discussed at the meeting. However, each director may accept the appointment to act as the proxy of only one other director. The resolutions of a board meeting shall be recorded in the minutes. The meeting minutes shall be signed or sealed by the chairperson or record taker and submitted to each director within 20 days upon the meeting, which shall also be included in the Company's important files and maintained permanently in the duration of the Company's existence</p>	<p>Article 24</p> <p>All business of the Company will be carried out by the President after it is resolved by the Board of Directors. Except otherwise specified in the Company Act, the resolutions of the Board of Directors shall be passed by the majority of directors present at the board meeting. In the event where a director is unable to attend a meeting, he may appoint another director on his behalf by issuing a written proxy, stating therein the scope of authorization with reference to the subjects to be discussed at the meeting. However, each director may accept the appointment to act as the proxy of only one other director. The resolutions of a board meeting shall be recorded in the minutes with the signature or seal of the chairman of the meeting and kept in the Company.</p>	<ol style="list-style-type: none"> <li>1. For easy reading, "廿" is revised to be "二十" in the original article.</li> <li>2. Wording of the article is revised according to article 206 of Company Act.</li> <li>3. According to Article 17, item 4 of Rules of Procedure for Board of Directors' Meeting, to revise preservation period of board meeting memo.</li> </ol>

Provision After Proposed Amendments	Current Provision	Explanation
<p>Article 25 Where the Company is required to render guarantee (including endorsement) to a third party, the Company shall duly follow the Company's Regulations Governing Making of Endorsements/Guarantees.</p>	<p>Article 25 Where the Company is required to render guarantee (including endorsement) to a third party, the Company shall duly follow the Company's Regulations Governing Making of Endorsements/Guarantees.</p>	<p>For easy reading, "廿" is revised to be "二十" in the original article.</p>
<p>Article 26 The Company may appoint one or more managerial personnel who shall manage all affairs of the Company in accordance with the Board resolutions. The managerial personnel and the employment, discharge and remuneration thereof shall be decided by a resolution to be adopted by a majority vote of the directors at a meeting of the board of directors attended by at least a majority of the entire directors of the company.</p>	<p>Article 26 The Company may appoint one or more managerial personnel who shall manage all affairs of the Company in accordance with the Board resolutions. The managerial personnel and the employment, discharge and remuneration thereof shall be decided by a resolution to be adopted by a majority vote of the directors at a meeting of the board of directors attended by at least a majority of the entire directors of the company.</p>	<p>For easy reading, "廿" is revised to be "二十" in the original article.</p>
<p>Article 27 The Company may retain a certain number of consultants as resolved in the board of directors.</p>	<p>Article 27 The Company may retain a certain number of consultants as resolved in the board of directors.</p>	<p>For easy reading, "廿" is revised to be "二十" in the original article.</p>
<p>Article 28 The Company's fiscal year is starting from January 1 until December 31 of every calendar year. The final account closing shall be conducted at end of every fiscal year.</p>	<p>Article 28 The Company's fiscal year is starting from January 1 until December 31 of every calendar year. The final account closing shall be conducted at end of every fiscal year.</p>	<p>For easy reading, "廿" is revised to be "二十" in the original article, "卅" is revised to be "三十" in the original article.</p>
<p>Article 29 The Company takes the calendar year as its fiscal year. Upon closing of each fiscal year, the board of directors shall work out the following documents and proposed to the shareholders' meeting in accordance with the legal procedures for adoption: (1) Business report; (2) Financial statements and (3) Proposals of profit allocation or loss offsetting proposal.</p>	<p>Article 29 The Company takes the calendar year as its fiscal year. Upon closing of each fiscal year, the board of directors shall work out the following documents and proposed to the shareholders' meeting in accordance with the legal procedures for adoption: (1) Business report; (2) Financial statements and (3) Proposals of profit allocation or loss coverage.</p>	<p>1. For easy reading, "廿" is revised to be "二十" in the original article, "卅" is revised to be "三十" in the original article. 2. According to Company Act "loss offsetting", to revise wording of this article.</p>
<p>Article 30 The Company shall allocate no less than 2% of the profits earned during the current year for the purpose of employees' compensation and no more than 2% of the same for directors' remuneration; provided, however, that the Company shall first reserve a sufficient amount to compensate its accumulated deficits. The term "profits earned during the current year" as described in the first paragraph shall mean the total of the taxable revenue earned during the current year before deducting the amount of employees' compensation and the directors' remuneration. An employee of the Company's affiliate who meets certain criteria shall be entitled to the employees' compensation.</p>	<p>Article 30 The Company shall allocate no less than 2% of the profits earned during the current year for the purpose of employees' compensation and no more than 2% of the same for directors' remuneration; provided, however, that the Company shall first reserve a sufficient amount to compensate its accumulated deficits. The term "profits earned during the current year" as described in the first paragraph shall mean the total of the taxable revenue earned during the current year before deducting the amount of employees' compensation and the directors' remuneration. An employee of the Company's affiliate who meets certain criteria shall be entitled to the employees' compensation.</p>	<p>For easy reading, "卅" is revised to be "三十" in the original article.</p>

Provision After Proposed Amendments	Current Provision	Explanation
<p>Article 31 The Company is operating amidst capricious environments and amidst the business cycle of steady growth. When proposing the ratio of distribution of earnings, the board of directors shall take into account the capital expenditure anticipated by the Company and the Company's capital needs with consideration of the indispensability of taking the earnings to back up the capital needs to resolve the amount of earnings to be reserved or to be allocated and the amounts of bonus to be allocated to shareholders in cash.</p> <p>From the profit earned by the Company as shown in the financial statements, the sum to pay all income tax and make up previous loss, if any, shall be first withheld, then 10% shall be reserved as legal reserve, then the special reserve to be duly allocated or restored. The balance shall be the sum allocable in the present term and after being added with the undistributed retained earnings accumulated in the preceding year. The bonus to shareholders shall be 50%~100% of the accumulated allocable earnings. The cash dividend shall not be less than the minimum of 30% of the total amount of dividend allocable in the year.</p>	<p>Article 31 The Company is operating amidst capricious environments and amidst the business cycle of steady growth. When proposing the ratio of distribution of earnings, the board of directors shall take into account the capital expenditure anticipated by the Company and the Company's capital needs with consideration of the indispensability of taking the earnings to back up the capital needs to resolve the amount of earnings to be reserved or to be allocated and the amounts of bonus to be allocated to shareholders in cash.</p> <p>From the profit earned by the Company as shown in the financial statements, the sum to pay all income tax and make up previous loss, if any, shall be first withheld, then 10% shall be reserved as legal reserve, then the special reserve to be duly allocated or restored. The balance shall be the sum allocable in the present term and after being added with the undistributed retained earnings accumulated in the preceding year. The bonus to shareholders shall be 50%~100% of the accumulated allocable earnings. The cash dividend shall not be less than the minimum of 30% of the total amount of dividend allocable in the year.</p>	<p>For easy reading, "卅" is revised to be "三十" in the original article.</p>
<p>Article 32 The organizational rules and operational rules shall be separately worked out by the board of directors.</p>	<p>Article 32 The organizational rules and operational rules shall be separately worked out by the board of directors.</p>	<p>For easy reading, "卅" is revised to be "三十" in the original article.</p>
<p>Article 33 Any matters inadequately provided for herein shall be subject to Company Law and other laws and regulations concerned.</p>	<p>Article 33 Any matters inadequately provided for herein shall be subject to Company Law and other laws and regulations concerned.</p>	<p>For easy reading, "卅" is revised to be "三十" in the original article.</p>
<p>Article 34 These Articles were duly enacted on June 27, 1967 and duly amended on: .....(79) June 22, 2016; (80) June 18, 2019;</p>	<p>Article 34 These Articles were duly enacted on June 27, 1967 and duly amended on: .....(79) June 22, 2016;</p>	<p>1.For easy reading, "卅" is revised to be "二十" in the original article, "卅" is revised to be "三十" in the original article. 2.Recording of the date of amendment.</p>

**Uni-President Enterprises Corporation**  
**Contrast Table for Amendments to the Rules for Director Elections**

Provision After Proposed Amendments	Current Provision	Explanation
<p>Article 6 Where a candidate is in the capacity of a shareholder, the voters shall remark in the box of the candidate the account name and shareholder code of the candidate. Where a candidate is not a shareholder, the voters shall remark the candidate's name and ID card number. In the event that a candidate is a government or corporate shareholder, nevertheless, the box of the candidate may be entered either in the name of such government or corporate shareholder, or the name of the representative of the government or corporate shareholder. In case of several representatives, the names of the representatives shall be additionally remarked.</p>	<p>Article 6 Where a candidate is in the capacity of a shareholder, the voters shall remark in the box of the candidate the account name and shareholder code of the candidate. Where a candidate is not a shareholder, the voters shall remark the candidate's name and ID card number. In the event that a candidate is a government or corporate shareholder, nevertheless, the box of the candidate may be entered either in the name of such government or corporate shareholder, or the name of the representative of the government or corporate shareholder. In case of several representatives, the names of the representatives shall be additionally remarked.</p>	<p>Wording of the article is revised.</p>
<p>Article 7 If any of the follows occurs, the ballot is deemed void: (1)A ballot not prepared by the Company is used. (2)The number of persons elected exceeds the limitation. (3)Other than the name and the shareholder account number or uniform ID number of the candidate, other contexts are included. (4)The handwriting is unclear and illegible. (5)If the candidate elected is a shareholder, the identify and shareholder account number thereof are not in conformity with those specified in the shareholders' roster; or if the candidate elected is not a shareholder, the name and uniform ID number are proven non-conformity. (6)The name of candidate elected is same with the name of other shareholders, and the shareholder account number or the uniform ID number is not provided for verification. (7)The total number of votes casted exceeds the total number of votes held by the shareholder. (8)A blank ballot is casted into the ballot box.</p>	<p>Article 7 If any of the follows occurs, the ballot is deemed void: (1)A ballot not prepared by the Company is used. (2)The number of persons elected exceeds the limitation. (3)Other than the name and the shareholder account number or uniform ID number of the candidate, other contexts are included. (4)The handwriting is unclear and illegible. (5)If the candidate elected is a shareholder, the identify and shareholder account number thereof are not in conformity with those specified in the shareholders' roster; or if the candidate elected is not a shareholder, the name and uniform ID number are proven non-conformity. (6)The name of candidate elected is same with the name of other shareholders, and the shareholder account number or the uniform ID number is not provided for verification. (7)The total number of votes casted exceeds the total number of votes held by the shareholder. (8)A blank ballot is casted into the ballot box.</p>	<p>Wording of the article is revised.</p>
<p>Article 9 The Company will issue the Notices of Elected Directors to the candidates who are successfully elected the directors.</p>	<p>Article 9 The Company will issue the Notices of Elected Directors to the candidates who are successfully elected the directors.</p>	<p>Wording of the article is revised.</p>

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

Provision After Proposed Amendments	Current Provision	Explanation
<p>Article 3  The overall composition of the board of directors shall be taken into consideration in the selection of this Corporation's directors. The composition of the board of directors shall be determined by taking diversity into consideration. It is advisable that directors concurrently serving as company officers not exceed one-third of the total number of the board members, and that an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy should be included, not being limited to, the following two general standards:</p> <ol style="list-style-type: none"> <li>1. Basic requirements and values:  Gender, age, nationality, and culture.</li> <li>2. Professional knowledge and skills:  A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.</li> </ol> <p>Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:</p> <ol style="list-style-type: none"> <li>1. The ability to make judgments about operations.</li> <li>2. Accounting and financial analysis ability.</li> <li>3. Business management ability.</li> <li>4. Crisis management ability.</li> <li>5. Knowledge of the industry.</li> <li>6. An international market perspective.</li> <li>7. Leadership ability.</li> <li>8. Decision-making ability.</li> </ol> <p>More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.</p>	<p>Article 3  The overall composition of the board of directors shall be taken into consideration in the selection of this Corporation's directors.  Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:</p> <ol style="list-style-type: none"> <li>1. The ability to make judgments about operations.</li> <li>2. Accounting and financial analysis ability.</li> <li>3. Business management ability.</li> <li>4. Crisis management ability.</li> <li>5. Knowledge of the industry.</li> <li>6. An international market perspective.</li> <li>7. Leadership ability.</li> <li>8. Decision-making ability.</li> </ol> <p>More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.</p>	<p>Revising by referring to article 20 of the Company's Corporate Governance Principles.</p>



Provision After Proposed Amendments	Current Provision	Explanation
<p>Article 5 Elections of directors at this Corporation shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.</p> <p>When the number of directors falls below five due to the dismissal of a director for any reason, this Corporation shall hold a by-election to fill the vacancy at its next shareholders meeting.</p> <p>When the number of directors falls short by one-third of the total number prescribed by the articles of incorporation, the company shall convene a special shareholders meeting within 60 days of the occurrence of that fact to hold a by-election for directors. The reelection may be dispensed with, nevertheless, if the directors still adequately make the legally required ratio.</p> <p>Number of independent directors not enough to meet article 16 of the Company's Articles of Incorporation, a by-election for independent director shall be held at the next following shareholders meeting.</p> <p>When all independent directors have been dismissed, the company shall convene a special shareholders meeting to hold a by-election within 60 days from the date on which the situation arose.</p> <p>The directors and independent directors elected supplementarily shall only serve the tenure remaining by the predecessors.</p>	<p>Article 5 Elections of directors at this Corporation shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.</p> <p>When the number of directors falls below five due to the dismissal of a director for any reason, this Corporation shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one third of the total number prescribed in this Corporation's articles of incorporation, this Corporation shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.</p> <p>When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.</p>	<p>1. Legal resource is on basis of article 14-2, paragraph 6 and article 26-3, paragraph 7 of Securities and Exchange Act.</p> <p>2. Number of independent directors was originally ruled in article 18 of the Company's Articles of Incorporation. It's revised to be article 16 of the Company's Articles of Incorporation in the 19<sup>th</sup> meeting of the 17<sup>th</sup> term of board December 19, 2018.</p>
<p>Article 13 The board of directors of this Corporation shall issue certificate to the persons elected as directors.</p>	<p>Article 13 The board of directors of this Corporation shall issue certificate to the persons elected as directors.</p>	<p>Wording of the article is revised.</p>

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

Provision After Proposed Amendments	Current Provision	Explanation
<p>Article 2  The term “assets” as used in this Procedure include the following:</p> <ol style="list-style-type: none"> <li>1. Investment including stocks, government bonds, corporate bonds, financial bonds, fund securities, deposit certificates, warrants for purchase (sale) of shares, beneficiary securities and asset based securities.</li> <li>2. Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment.</li> <li>3. Membership.</li> <li>4. Intangible assets such as patent right, copyright, trademark right, license.</li> <li>5. Right-of-use assets.</li> <li>6. Creditor right of financial institution (including accounts receivable, foreign exchange discounting and debt release and collection).</li> <li>7. Derivative products.</li> <li>8. Assets acquired or disposed of pursuant to legal merger, split, acquisition or transfer of shares.</li> <li>9. Other important assets.</li> </ol>	<p>Article 2  The term “assets” as used in this Procedure include the following:</p> <ol style="list-style-type: none"> <li>1. Investment including stocks, government bonds, corporate bonds, financial bonds, fund securities, deposit certificates, warrants for purchase (sale) of shares, beneficiary securities and asset based securities.</li> <li>2. Real property (including land, houses and buildings, investment property, rights to use land, and construction enterprise inventory) and equipment.</li> <li>3. Membership.</li> <li>4. Intangible assets such as patent right, copyright, trademark right, license.</li> <li>5. Creditor right of financial institution (including accounts receivable, foreign exchange discounting and debt release and collection).</li> <li>6. Derivative products.</li> <li>7. Assets acquired or disposed of pursuant to legal merger, split, acquisition or transfer of shares.</li> <li>8. Other important assets.</li> </ol>	<ol style="list-style-type: none"> <li>1. As announced by Financial Supervisory Commission (FSC), according to article 3 of "Regulations Governing the Acquisition and Disposal of Assets by Public Companies", adding "right-of-use asset", cancelling "right-of-use on land" (categorized as right-of-use asset), and adding construction inventory in the part of real property.</li> <li>2. 6~9 are items of adjustment.</li> </ol>
<p>Article 3  Terms under this Procedure are defined as follows:</p> <ol style="list-style-type: none"> <li>1. Derivative products: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.</li> <li>2. Asset acquired or disposed through merger, split, acquisition or transfer of shares in accordance with law means asset acquired or disposed in accordance with the Enterprise Merger and Acquisition Act, Financial Holding Company Law, Financial Institutions Merger Law and other laws, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter “transfer of shares”) under Article 156-3 of the Company Act.</li> <li>3. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports.</li> <li>4. Professional appraiser: means a real property appraiser or other person authorized to perform appraisal activities for real property and equipment in accordance with law.</li> </ol>	<p>Article 3  Terms under this Procedure are defined as follows:</p> <ol style="list-style-type: none"> <li>1. Derivative products: means a forward contract, option contract, futures contract, leverage deposit contract, swap contract the value of which derives from products such as asset, interest rate, foreign exchange rate, index or other interest and any contract combining several of the above products. Forward contract does not include insurance contract, contract performance agreement, after-sale service contract, long-term leasing contract and long-term product purchase (sale) contract.</li> <li>2. Asset acquired or disposed through merger, split, acquisition or transfer of shares in accordance with law means asset acquired or disposed in accordance with the Enterprise Merger and Acquisition Act, Financial Holding Company Law, Financial Institutions Merger Law and other laws, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter “transfer of shares”) under Article 156, section 6 of the Company Act.</li> <li>3. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports.</li> <li>4. Professional appraiser: means a real property appraiser or other person authorized to perform appraisal activities for real property and equipment in accordance with law.</li> <li>5. Date of occurrence: means the</li> </ol>	<ol style="list-style-type: none"> <li>1. As announced by Financial Supervisory Commission (FSC), according to article 4 of "Regulations Governing the Acquisition and Disposal of Assets by Public Companies", revising range of derivative products.</li> <li>2. Revise to follow items of Company Act.</li> <li>3. As announced by Financial Supervisory Commission (FSC), according to article 4 of "Regulations Governing the Acquisition and Disposal of Assets by Public Companies", clearly defining range of professional investment and premiers of foreign and domestic stock exchanges and securities firms. ( adding items 7~9)</li> </ol>

Provision After Proposed Amendments	Current Provision	Explanation
<p>5.Date of occurrence: means the transaction contract signature date, payment date, entrusted closing date, transfer registration date, date of board resolution or other date on which the transaction counterparty or the transaction amount is determined, whichever is earlier. However, for any investment that requires approval by the government authority, such date shall be the above-mentioned date or the date on which the approval from the governing authority is received, whichever is earlier.</p> <p>6.Investment in the Mainland Area: means any investment in Mainland China in accordance with the Rules Governing the Approval for Investment or Technical Cooperation in Mainland Area by the Investment Commission of the Ministry of Economic Affairs.</p> <p>7.Investment professional: Refers to financial holding companies, banks, insurance companies, bill finance companies, trust enterprises, securities firms operating proprietary trading or underwriting business, futures commission merchants operating proprietary trading business, securities investment trust enterprises, securities investment consulting enterprises, and fund management companies, that are lawfully incorporated and are regulated by the competent financial authorities of the jurisdiction where they are located.</p> <p>8.Securities exchange: "Domestic securities exchange" refers to the Taiwan Stock Exchange Corporation; "foreign securities exchange" refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.</p> <p>9.Over-the-counter venue ("OTC venue", "OTC"): "Domestic OTC venue" refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; "foreign OTC venue" refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.</p>	<p>transaction contract signature date, payment date, entrusted closing date, transfer registration date, date of board resolution or other date on which the transaction counterparty or the transaction amount is determined, whichever is earlier. However, for any investment that requires approval by the government authority, such date shall be the above-mentioned date or the date on which the approval from the governing authority is received, whichever is earlier.</p> <p>6.Investment in the Mainland Area: means any investment in Mainland China in accordance with the Rules Governing the Approval for Investment or Technical Cooperation in Mainland Area by the Investment Commission of the Ministry of Economic Affairs.</p>	
<p>Article 4 Assessment Procedure: 1.When the Company acquires or disposes of any securities or engages in any transaction of derivative products, the finance department shall perform an analysis of relevant return and evaluate possible risks. For any acquisition or disposal of real property, equipment, or right-of-use assets thereof, each division shall draft prior capital expenditure plan and perform feasibility evaluation about the purpose and expected return of the acquisition or disposal. If real property or right-of-use assets thereof is to be acquired from a related party, evaluation of the reasonableness of transactional conditions shall be performed in</p>	<p>Article 4 Assessment Procedure: 1.When the Company acquires or disposes of any securities or engages in any transaction of derivative products, the finance department shall perform an analysis of relevant return and evaluate possible risks. For any acquisition or disposal of real property or equipment, each division shall draft prior capital expenditure plan and perform feasibility evaluation about the purpose and expected return of the acquisition or disposal. If real property is to be acquired from a related party, evaluation of the reasonableness of transactional conditions shall be performed in accordance with Chapter II of this</p>	<p>1.As announced by Financial Supervisory Commission (FSC), according to article 3 of "Regulations Governing the Acquisition and Disposal of Assets by Public Companies", Adding "right-of-use asset". 2."臺" follows the font of guidance. 3.As announced by Financial</p>

Provision After Proposed Amendments	Current Provision	Explanation
<p>accordance with Chapter II of this Procedure.</p> <p>2.To acquire or dispose securities, the Company shall, prior to the commencement of such acquisition or disposal, obtain the financial statements of the issuing company for the most recent period audited and certified or reviewed by a certified public accountant (“CPA”) or other relevant information, for reference in appraising the transaction price. If the transaction amount reaches 20% of the Company’s paid-in capital or three hundred million NT dollars (NT\$300,000,000) or more, the Company shall, prior to the commencement of such acquisition or disposal, consult with a CPA for his opinion regarding the reasonability of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with provisions specified in the Statement of Auditing Standards NO. 20 published by the Accounting Research and Development Foundation (hereinafter the “Accounting Foundation”). However, the requirement does not apply to securities publicly offered in an active market or where otherwise provided by regulations of the Financial Supervisory Commission (“FSC”).</p> <p>3.In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company’s paid-in capital or three hundred million NT dollars (NT\$300,000,000) or more, the Company, unless transacting with a domestic government organization, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>(1)Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors, and the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>(2)Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>(3)Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the</p>	<p>Procedure.</p> <p>2.To acquire or dispose securities, the Company shall, prior to the commencement of such acquisition or disposal, obtain the financial statements of the issuing company for the most recent period audited and certified or reviewed by a certified public accountant (“CPA”) or other relevant information, for reference in appraising the transaction price. If the transaction amount reaches 20% of the Company’s paid-in capital or three hundred million NT dollars (NT\$300,000,000) or more, the Company shall, prior to the commencement of such acquisition or disposal, consult with a CPA for his opinion regarding the reasonability of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with provisions specified in the Statement of Auditing Standards NO. 20 published by the Accounting Research and Development Foundation (hereinafter the “Accounting Foundation”). However, the requirement does not apply to securities publicly offered in an active market or where otherwise provided by regulations of the Financial Supervisory Commission (“FSC”).</p> <p>3.In acquiring or disposing of real property or equipment 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 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)Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors, and the same procedure shall be followed for any future changes to the terms and conditions of the transaction.</p> <p>(2)Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>(3)Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a CPA shall be engaged to perform the appraisal in</p>	<p>Supervisory Commission (FSC), according to article 9 of "Regulations Governing the Acquisition and Disposal of Assets by Public Companies", adding "right-of-use asset" and limiting exemption of valuation report to trade with domestic government organizations, excluding foreign government organizations.</p> <p>4.As announced by Financial Supervisory Commission (FSC), according to article 9 of "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" with discrete revision on wording..</p> <p>5.As announced by Financial Supervisory Commission (FSC), according to article 11 of "Regulations Governing the Acquisition and Disposal of Assets by Public Companies", adding "right-of-use asset" on intangible asset and limiting exemption of accountant trade price comments to domestic government trades, excluding foreign governments trades.</p> <p>6.As announced by Financial Supervisory Commission (FSC), according to article 11 of "Regulations Governing the Acquisition and Disposal of</p>

Provision After Proposed Amendments	Current Provision	Explanation
<p>appraisal results for the assets to be disposed of are lower than the transaction amount, a CPA shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>i. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>ii. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>(4) No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p> <p>4. Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, unless transacting with a domestic government organization, the Company shall engage a CPA prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</p> <p>5. The calculation of the transaction amounts referred to in the preceding three Articles shall be done in accordance with Article 6, Section 1, subsection 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. The procedures for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.</p> <p>6. For assets acquired or disposed by the Company through court auction procedures, the Company may provide evidencing documents as the substitute for the appraisal report or the CPA's opinion.</p> <p>7. The price determination manner and basis of reference for the Company's acquisition or disposal of assets shall, in addition to the professional price appraisal and opinions of relevant experts such as the accountant pursuant to the above provisions, be in compliance with the following:</p> <p>(1) For the acquisition or disposal of securities that are already traded on</p>	<p>accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>i. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>ii. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>(4) No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p> <p>4. Where the Company acquires or disposes of 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 organization, the Company shall engage a CPA prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</p> <p>5. The calculation of the transaction amounts referred to in the preceding three Articles shall be done in accordance with Article 6, Section 1, subsection 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. The procedures for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.</p> <p>6. For assets acquired or disposed by the Company through court auction procedures, the Company may provide evidencing documents as the substitute for the appraisal report or the CPA's opinion.</p> <p>7. The price determination manner and basis of reference for the Company's acquisition or disposal of assets shall, in addition to the professional price appraisal and opinions of relevant experts such as the accountant pursuant to the above provisions, be in compliance with the following:</p> <p>(1) For the acquisition or disposal of securities that are already traded on any centralized trading market or over-the-counter trading center, the price shall be determined based on the price of the stock or bond at the time of trading.</p>	<p>Assets by Public Companies", Adding "right-of-use asset".</p> <p>7. As announced by Financial Supervisory Commission (FSC), according to article 9 of "Regulations Governing the Acquisition and Disposal of Assets by Public Companies", Adding "right-of-use asset".</p> <p>8. "臺" follows the font of guidance.</p>

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

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<p>capacity and future growth potential shall be taken into consideration.</p> <p>8. When the Company performs a merger, split, acquisition or transfer of shares, prior to convening a board meeting to pass a resolution, accountant, attorney or securities underwriter shall be engaged to provide opinions about the reasonableness of the share swap proportion, acquisition price or cash or other property distributed to the shareholders and such opinions shall be submitted to the board of directors for discussion and approval. The requirement of obtaining an aforementioned opinion on rationality issued by an expert may be exempted in the case of a merger by the Company of a subsidiary in which it holds 100 percent of the issued shares or authorized capital either directly or indirectly.</p>	<p>reasonableness of the share swap proportion, acquisition price or cash or other property distributed to the shareholders and such opinions shall be submitted to the board of directors for discussion and approval. The requirement of obtaining an aforementioned opinion on rationality issued by an expert may be exempted in the case of a merger by the Company of a subsidiary in which it holds 100 percent of the issued shares or authorized capital either directly or indirectly.</p>	
<p>Article 5 Processing Procedure: 1. The Company shall proceed with the acquisition or disposal of assets specified in Article 2 of these Handling Procedures in accordance with the following rules: (1) Securities: i. For any purchase and sale of securities that are not traded on the centralized trading market or over-the-counter trading center with the sale and purchase amount of 10 million NT Dollars or lower, the president shall be authorized to make decisions. For any amount exceeding 10 million NT Dollars (inclusive), the president shall submit the proposal to the board of directors for discussion or ratification. The relevant procedure shall be carried out by the finance department. ii. The President is authorized to make decisions on the acquisition or disposal of securities traded through a stock exchange or over-the-counter market with the Finance Department delegated to carry out the relevant procedures through a stock exchange or over-the-counter market based on the market value of the securities at that time and have the decisions submitted to and ratified at the next board of directors' meeting. (2) Real property, equipment, or right-of-use assets thereof : Acquisition or disposal of real property, equipment, or right-of-use assets thereof for which the transaction amount reaches three hundred million NT dollars (NT\$300,000,000) or above shall be submitted to the Board of Directors for discussion and recognition. Except parcels of land which shall be investigated in detail and assessed by the Administrative Service Department and submitted to the General Manager for approval, a capital expense plan shall be drafted by relevant department for the acquisition of all other real properties</p>	<p>Article 5 Processing Procedure: 1. The Company shall proceed with the acquisition or disposal of assets specified in Article 2 of these Handling Procedures in accordance with the following rules: (1) Securities: i. For any purchase and sale of securities that are not traded on the centralized trading market or over-the-counter trading center with the sale and purchase amount of 10 million NT Dollars or lower, the president shall be authorized to make decisions. For any amount exceeding 10 million NT Dollars (inclusive), the president shall submit the proposal to the board of directors for discussion or ratification. The relevant procedure shall be carried out by the finance department. ii. The President is authorized to make decisions on the acquisition or disposal of securities traded through a stock exchange or over-the-counter market with the Finance Department delegated to carry out the relevant procedures through a stock exchange or over-the-counter market based on the market value of the securities at that time and have the decisions submitted to and ratified at the next board of directors' meeting. (2) Real property or equipment: Acquisition or disposal of real property or equipment for which the transaction amount reaches three hundred million NT dollars (NT\$300,000,000) or above shall be submitted to the Board of Directors for discussion and recognition. Except parcels of land which shall be investigated in detail and assessed by the Administrative Service Department and submitted to the General Manager for approval, a capital expense plan shall be drafted by relevant department for the acquisition of all other real properties</p>	<p>1. "臺" follows the font of guidance. 2. As announced by Financial Supervisory Commission (FSC), according to article 9 of "Regulations Governing the Acquisition and Disposal of Assets by Public Companies", Adding "right-of-use asset". Adding procedure after right-of-use asset covered base on approval authority. 3. As announced by Financial Supervisory Commission (FSC), according to article 9 of "Regulations Governing the Acquisition and Disposal of Assets by Public Companies", Adding "right-of-use asset".</p>

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<p>or fixed assets. For transactions worth more than two hundred thousand NT dollars (NT\$200,000), a benefit assessment report shall be provided. When a fund is to be used, the request for approval of fund usage shall also be submitted for the approval of all levels of supervisors according to the approval authorization. For the disposal of the same, the utilizing department shall fill in the asset variation notice or submit as a project for approval, and the disposal thereof will be proceeded with upon approval of parties with approval authorization.</p> <p>(3) Derivative products: Transactions of derivative products shall be done in accordance with relevant provisions under Chapter III hereof.</p> <p>(4) Acquisition or disposal of assets from or to a related party: Such shall be proceeded with pursuant to Chapter 2 of these Handling Procedures.</p> <p>(5) Merger, split, acquisition or transfer of shares: Relevant procedures shall be carried out and relevant information shall be prepared in accordance with Chapter IV hereof. Any merger, split or acquisition shall be subject to prior approval by resolution of shareholders meeting. However, if other laws provide that no shareholder resolution is necessary, it may be waived. Any transfer of shares shall be subject to prior approval by the board of directors.</p> <p>(6) Others: To be carried out in accordance with internal control system and decision making authorization. In case of any event under Article 185 of the Company Law, prior approval by resolution of shareholders meeting shall be obtained.</p> <p>2. The execution department of the Company for acquisition and disposal of securities and transactions regarding derivative products is the Department of Finance and Accounting and staffs approved by the General Manager. The execution department for real property and other assets (including right-of-use assets) is the departments using such real property or assets and other relevant departments with authorization. The execution department for merger, demerger, acquisition, or transfer of shares shall be the departments approved by the General Manager. After the acquisition or disposal of an asset is evaluated and approved in accordance with relevant rules, the execution department shall proceed with the transaction procedures, including making contracts, collecting and paying, deliver and inspection and acceptance, and handle the same based on the nature of the asset in accordance with procedures regarding internal control related matters. Furthermore, transactions involving a related party, engaging in transactions of</p>	<p>or fixed assets. For transactions worth more than two hundred thousand NT dollars (NT\$200,000), a benefit assessment report shall be provided for the Technical Team's review and approval. When a fund is to be used, the request for approval of fund usage shall also be submitted for the approval of all levels of supervisors according to the approval authorization and the request will be proceeded with in accordance with the purchase procedures. For the disposal of the same, the utilizing department shall fill in the asset variation notice or submit as a project for approval, and the disposal thereof will be proceeded with upon approval of parties with approval authorization.</p> <p>(3) Derivative products: Transactions of derivative products shall be done in accordance with relevant provisions under Chapter III hereof.</p> <p>(4) Acquisition or disposal of assets from or to a related party: Such shall be proceeded with pursuant to Chapter 2 of these Handling Procedures.</p> <p>(5) Merger, split, acquisition or transfer of shares: Relevant procedures shall be carried out and relevant information shall be prepared in accordance with Chapter IV hereof. Any merger, split or acquisition shall be subject to prior approval by resolution of shareholders meeting. However, if other laws provide that no shareholder resolution is necessary, it may be waived. Any transfer of shares shall be subject to prior approval by the board of directors.</p> <p>(6) Others: To be carried out in accordance with internal control system and decision making authorization. In case of any event under Article 185 of the Company Law, prior approval by resolution of shareholders meeting shall be obtained.</p> <p>2. The execution department of the Company for acquisition and disposal of securities and transactions regarding derivative products is the Department of Finance and Accounting and staffs approved by the General Manager. The execution department for real property and other assets is the departments using such real property or assets and other relevant departments with authorization. The execution department for merger, demerger, acquisition, or transfer of shares shall be the departments approved by the General Manager. After the acquisition or disposal of an asset is evaluated and approved in accordance with relevant rules, the execution department shall proceed with the transaction procedures, including making contracts, collecting and paying, deliver and inspection and acceptance, and handle the same based on the nature of the asset in accordance with procedures</p>	



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<p>derivative products and merger, demerger, acquisition or transfer of shares shall also be proceeded in accordance with Chapter 2 ~ Chapter 4 of these Handling Procedures.</p>	<p>regarding internal control related matters. Furthermore, transactions involving a related party, engaging in transactions of derivative products and merger, demerger, acquisition or transfer of shares shall also be proceeded in accordance with Chapter 2 ~ Chapter 4 of these Handling Procedures.</p>	
<p>Article 6 Procedures of Public Announcement and Report: 1. For the Company to acquire or dispose assets, if any of the following occurs, the Company shall proceed with the public announcement and report on the website designated by the FSC within two (2) days starting immediately from the day such even occurs according to the nature of the event, in the format and with contents prescribed. (1) Acquire or dispose of real property or right-of-use assets thereof from or to a related party, or acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, excluding trading of domestic government bonds or bonds under repurchase or resale agreements, or subscription or repurchase money market funds issued by domestic securities investment trust enterprises. (2) Engage in merger, demerger, acquisition or transfer of shares (3) Engage in transactions of derivative products where the loss thereof reaches the ceiling amount for loss of all or individual contract as specified in these Handling Procedures. (4) Where the type of asset acquired or disposed is equipment or right-of-use assets thereof for business use, the trading counterparty is not a related party, and the transaction amount reaches NT\$1 billion or more. (5) Where land is acquired under an arrangement on engaging others to build on the company's own land, build on the rented land joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction reaches NT\$500 million. (6) Where an asset transaction other than any of those referred to in the preceding five subsections, or an investment in Mainland China area reaches 20 percent or more of paid-in capital or three hundred million NT dollars (NT\$300,000,000); provided, this shall not apply to the following circumstances:</p>	<p>Article 6 Procedures of Public Announcement and Report: 1. For the Company to acquire or dispose assets, if any of the following occurs, the Company shall proceed with the public announcement and report on the website designated by the FSC within two (2) days starting immediately from the day such even occurs according to the nature of the event, in the format and with contents prescribed. (1) Acquire or dispose of real property 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, excluding trading of government bonds or bonds under repurchase or resale agreements, or subscription or repurchase money market funds issued by domestic securities investment trust enterprises. (2) Engage in merger, demerger, acquisition or transfer of shares (3) Engage in transactions of derivative products where the loss thereof reaches the ceiling amount for loss of all or individual contract as specified in these Handling Procedures. (4) Where the type of asset acquired or disposed is equipment/machinery for business use, the trading counterparty is not a related party, and the transaction amount reaches NT\$1 billion or more. (5) Where land is acquired under an arrangement on engaging others to build on the company's own land, build on the rented land joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the amount the Company expects to invest in the transaction reaches NT\$500 million. (6) Where an asset transaction other than any of those referred to in the preceding five subsections, or an investment in Mainland China area reaches 20 percent or more of paid-in capital or three hundred million NT dollars (NT\$300,000,000); provided, this shall not apply to the following circumstances: i. Trading of government bonds. ii. These, nevertheless, do not apply to the cases of transactions in government bonds, "repo and reverse</p>	<p>1. As announced by Financial Supervisory Commission (FSC), according to article 31 of "Regulations Governing the Acquisition and Disposal of Assets by Public Companies", Adding "right-of-use asset", and limiting exemption of public announcement to trading domestic bonds, excluding foreign bonds. 2. As announced by Financial Supervisory Commission (FSC), according to article 31 of "Regulations Governing the Acquisition and Disposal of Assets by Public Companies": (4) Adding "right-of-use asset". (5) Adding wording of [and the trading counterparty is not related party] and so on. 3. As announced by Financial Supervisory Commission (FSC), according to article 31 of "Regulations Governing the Acquisition and Disposal of Assets by Public Companies", limiting exemption of public announcement to trading domestic bonds, excluding foreign bonds. 4. As announced by Financial Supervisory Commission</p>

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<p>i.Trading of domestic government bonds.</p> <p>ii.These, nevertheless, do not apply to the cases of transactions in government bonds, "repo and reverse repo" bonds, subscription to or repurchase money market funds issued by domestic securities investment trust enterprises.</p> <p>2.The amount of transactions specified in the preceding section shall be calculated as follows:</p> <p>(1)The amount of an individual transaction.</p> <p>(2)The accumulative transaction amount of acquisition or disposal of the same type of underlying asset with the same counterparty within the preceding year.</p> <p>(3)The accumulative transaction amount of real property or right-of-use assets thereof acquired or disposed under the same development project within the preceding year (with acquisition and disposal calculating separately).</p> <p>(4)The accumulative transaction amount of the same security acquired or disposed within the preceding year (with acquisition and disposal calculating separately)</p> <p>The aforesaid "the preceding" year period shall mean the one (1) year period immediately preceding the date of occurrence of the current transaction, and items duly announced in accordance with the Handling Procedures need not be counted toward the transaction amount.</p> <p>3.With regard to transactions of derivative products carried out by the Company and its subsidiaries which are not publicly listed companies in the R.O.C., the Company shall file information designated by the FSC as of the end of the previous month on the website under the format shown in the attachment (Attachment 7-1) on a monthly basis by the tenth day of each month.</p> <p>4.Where the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall again be publicly announced and reported in their entirety within two (2) days counting inclusively from the date of knowing of such error or omission.</p> <p>5.After a transaction is filed for public announcement in accordance with the rules, in case of any of the following, relevant information shall be filed for public announcement on the website designated by the FSC within two days from the occurrence of the fact:</p> <p>(1)Change, termination, or rescission of a contract signed in regard to the original transaction.</p> <p>(2)The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.</p> <p>(3)Any change to the original publicly announced and reported information.</p>	<p>repo" bonds, subscription to or repurchase money market funds issued by domestic securities investment trust enterprises.</p> <p>2.The amount of transactions specified in the preceding section shall be calculated as follows:</p> <p>(1)The amount of an individual transaction.</p> <p>(2)The accumulative transaction amount of acquisition or disposal of the same type of underlying asset with the same counterparty within the preceding year.</p> <p>(3)The accumulative transaction amount of real property acquired or disposed under the same development project within the preceding year (with acquisition and disposal calculating separately).</p> <p>(4)The accumulative transaction amount of the same security acquired or disposed within the preceding year (with acquisition and disposal calculating separately)</p> <p>The aforesaid "the preceding" year period shall mean the one (1) year period immediately preceding the date of occurrence of the current transaction, and items duly announced in accordance with the Handling Procedures need not be counted toward the transaction amount.</p> <p>3.With regard to transactions of derivative products carried out by the Company and its subsidiaries which are not publicly listed companies in the R.O.C., the Company shall file information designated by the FSC as of the end of the previous month on the website under the format shown in the attachment (Attachment 7-1) on a monthly basis by the tenth day of each month.</p> <p>4.Where the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall again be publicly announced and reported in their entirety within two (2) days counting inclusively from the date of knowing of such error or omission.</p> <p>5.After a transaction is filed for public announcement in accordance with the rules, in case of any of the following, relevant information shall be filed for public announcement on the website designated by the FSC within two days from the occurrence of the fact:</p> <p>(1)Change, termination, or rescission of a contract signed in regard to the original transaction.</p> <p>(2)The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.</p> <p>(3)Any change to the original publicly announced and reported information.</p>	<p>(FSC), according to article 31 of "Regulations Governing the Acquisition and Disposal of Assets by Public Companies", Adding "right-of-use asset".</p>

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<p>Article 7 Scope and Amount of Investment:</p> <p>1.The total amount of real property or right-of-use assets thereof acquired by the Company for non-operational use shall not exceed fifty percent of the shareholder's equity. The total amount of securities acquired shall not exceed one hundred and fifty percent of shareholder's equity. Acquisition of any individual security shall not exceed thirty percent of shareholder's equity. This provision shall not be applicable if there is approval by resolution of the shareholders meeting.</p> <p>2.Amount limit for investments made by each subsidiary shall be subject to the following:</p> <p>(1)The total amount of real property or right-of-use assets thereof purchased for non-operational use by any subsidiary that is not a professional investor shall not exceed fifty percent of its capital amount or shareholder's equity (whichever is higher), the total amount of securities purchased not to exceed one hundred and fifty percent of its capital amount or shareholder's equity (whichever is higher) and the amount of investment in any individual security not to exceed fifty percent of its capital amount or shareholder's equity (whichever is higher).</p> <p>(2)The total of real property or right-of-use assets thereof purchased for non-operational use by any subsidiary that is a professional investor shall not exceed fifty percent of its total asset, the total amount of securities not to exceed one hundred percent of its total asset and investment in any individual security not to exceed one hundred percent of its total asset.</p> <p>(3)If the investment made by any subsidiary exceeds the limit, the provision shall not be applicable if there is approval by the board of directors of such company and ratification by the board of directors of the Company.</p>	<p>Article 7 Scope and Amount of Investment:</p> <p>1.The total amount of real property acquired by the Company for non-operational use shall not exceed fifty percent of the shareholder's equity. The total amount of securities acquired shall not exceed one hundred and fifty percent of shareholder's equity. Acquisition of any individual security shall not exceed thirty percent of shareholder's equity. This provision shall not be applicable if there is approval by resolution of the shareholders meeting.</p> <p>2.Amount limit for investments made by each subsidiary shall be subject to the following:</p> <p>(1)The total amount of real property purchased for non-operational use by any subsidiary that is not a professional investor shall not exceed fifty percent of its capital amount or shareholder's equity (whichever is higher), the total amount of securities purchased not to exceed one hundred and fifty percent of its capital amount or shareholder's equity (whichever is higher) and the amount of investment in any individual security not to exceed fifty percent of its capital amount or shareholder's equity (whichever is higher).</p> <p>(2)The total of real property purchased for non-operational use by any subsidiary that is a professional investor shall not exceed fifty percent of its total asset, the total amount of securities not to exceed one hundred percent of its total asset and investment in any individual security not to exceed one hundred percent of its total asset.</p> <p>(3)If the investment made by any subsidiary exceeds the limit, the provision shall not be applicable if there is approval by the board of directors of such company and ratification by the board of directors of the Company.</p>	<p>As announced by Financial Supervisory Commission (FSC), according to article 3 of " Regulations Governing the Acquisition and Disposal of Assets by Public Companies" , Adding "right-of-use asset".</p>
<p>Article 8 Control procedures for the acquisition and disposal of assets by subsidiaries: Subsidiaries of the Company shall establish the "Processing Procedure for Acquisition or Disposal of Asset" in accordance with the "Rules Governing the Acquisition or Disposal of Asset by Public Companies" promulgated by the FSC and this Procedure. Following approval by the board of directors, such procedures shall be submitted to each supervisor and submitted to the shareholders meeting for approval. The same shall be applicable to any amendment thereof. Handle if in accordance with Article 27 if the Company has instituted an Audit Committee. Subsidiaries of the Company shall submit monthly report to the Company, prior to the 8<sup>th</sup> date of each month, on the status of</p>	<p>Article 8 Control procedures for the acquisition and disposal of assets by subsidiaries: Subsidiaries of the Company shall establish the "Processing Procedure for Acquisition or Disposal of Asset" in accordance with the "Rules Governing the Acquisition or Disposal of Asset by Public Companies" promulgated by the FSC and this Procedure. Following approval by the board of directors, such procedures shall be submitted to each supervisor and submitted to the shareholders meeting for approval. The same shall be applicable to any amendment thereof. Handle if in accordance with Article 27 if the Company has instituted an Audit Committee. Subsidiaries of the Company shall submit monthly report to the Company, prior to the 8<sup>th</sup> date of each month, on the status of</p>	<p>"8" follows the font of guidance.</p>

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<p>all transactions involving derivative products up to the end of the previous month.</p> <p>If any subsidiary of the Company is not a publicly listed company and if the asset acquired or disposed of reaches the threshold for public announcement filing, the Company shall be notified on the date of occurrence of the fact and the Company shall make filing for public announcement on the designated website in accordance with the rules. The paid-in capital or total assets of the public company shall be the standard for determining whether or not a subsidiary referred to in the preceding paragraph is subject to Article 6 requiring a public announcement and regulatory filing in the event the type of transaction specified therein reaches 20 percent of paid-in capital or 10 percent of the total assets.</p>	<p>all transactions involving derivative products up to the end of the previous month.</p> <p>If any subsidiary of the Company is not a publicly listed company and if the asset acquired or disposed of reaches the threshold for public announcement filing, the Company shall be notified on the date of occurrence of the fact and the Company shall make filing for public announcement on the designated website in accordance with the rules. The paid-in capital or total assets of the public company shall be the standard for determining whether or not a subsidiary referred to in the preceding paragraph is subject to Article 6 requiring a public announcement and regulatory filing in the event the type of transaction specified therein reaches 20 percent of paid-in capital or 10 percent of the total assets.</p>	
<p>Article 11 Resolution Procedure: When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or three hundred million NT dollars (NT\$300,000,000) or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements or subscription or repurchase money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the board of directors:</p> <ol style="list-style-type: none"> <li>1.The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</li> <li>2.The reason for choosing the related party as a trading counterparty.</li> <li>3.With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 12 and Article 13 herein.</li> <li>4.The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the company and the related party.</li> <li>5.Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</li> <li>6.An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with Article 10 herein.</li> <li>7.Restrictive covenants and other important stipulations associated with the transaction.</li> </ol>	<p>Article 11 Resolution Procedure: 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 repurchase money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the board of directors:</p> <ol style="list-style-type: none"> <li>1.The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</li> <li>2.The reason for choosing the related party as a trading counterparty.</li> <li>3.With respect to the acquisition of real property from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 12 and Article 13 herein.</li> <li>4.The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the company and the related party.</li> <li>5.Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</li> <li>6.An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with Article 10 herein.</li> <li>7.Restrictive covenants and other important stipulations associated with the transaction.</li> </ol>	<ol style="list-style-type: none"> <li>1.As announced by Financial Supervisory Commission (FSC), according to article 3 of "Regulations Governing the Acquisition and Disposal of Assets by Public Companies", adding "right-of-use asset", and limiting pre-resolution exemption of audit committee and board meeting to trade domestic bonds, excluding foreign bonds.</li> <li>2.As announced by Financial Supervisory Commission (FSC), according to article 15 of "Regulations Governing the Acquisition and Disposal of Assets by Public Companies", conditionally opening for authorized president to pre-decide and request for board meeting approval afterward.</li> <li>3.As ruled by article 31 of "Regulations</li> </ol>

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<p>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 6, Section 1, Subsection 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors and recognized by the audit committee in accordance with the Handling Procedures need not be counted toward the transaction amount.</p> <p>With respect to the types of transactions listed below, when to be conducted between a the Company and its subsidiaries, the Company's board of directors may delegate the board chairman to decide such matters when the transaction is within NT\$ 1 billion and have the decisions subsequently submitted to and ratified by the next board of directors meeting:</p> <ol style="list-style-type: none"> <li>1.Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</li> <li>2.Acquisition or disposal of real property right-of-use assets held for business use.</li> </ol>	<p>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 6, Section 1, Subsection 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors and recognized by the audit committee in accordance with the Handling Procedures need not be counted toward the transaction amount.</p>	<p>Governing the Acquisition and Disposal of Assets by Public Companies", non-related party is required for public announcement only when acquiring or disposing device for business use or its right of use asset with trading over TWD 1 billion, thus making trade with subsidiary the same with announcement quota of non-related party trading with authorized quota of TWD 1 billion.</p>
<p>Article 12 Assessment on Reasonableness of Transaction Conditions: When the Company acquires real property or right-of-use assets thereof from a related party, the reasonableness of the transaction cost shall be evaluated in the following manners and an accountant shall be engaged to verify the result and provide substantial opinion, unless the related party acquired the real property or right-of-use assets thereof pursuant to succession or gift, or five years have lapsed since the time when the related party signed a contract for the acquisition of such real property or right-of-use assets thereof and the date of signature for this transaction, or through engaging a related party to build real property, either on the company's own land or on rented land, or the related party acquired the real property pursuant to signature of a contract for joint construction with others. The real property right-of-use assets for business use are acquired by the Company with its subsidiaries.</p> <ol style="list-style-type: none"> <li>1.Transaction price of the related party plus necessary capital interest and cost to be borne by the buyer in accordance with law. Necessary capital interest cost shall be calculated based on the weighted average interest rate for the funds borrowed by the Company during the year when the asset is purchased, provided it shall not be higher than the highest lending rate for non financial industries published by the Ministry of Finance.</li> <li>2.If the related party created a mortgage on the asset for the purpose of borrowing funds from a financial institution, the total value of the lending based on such</li> </ol>	<p>Article 12 Assessment on Reasonableness of Transaction Conditions: When the Company acquires real property from a related party, the reasonableness of the transaction cost shall be evaluated in the following manners and an accountant shall be engaged to verify the result and provide substantial opinion, unless the related party acquired the real property pursuant to succession or gift, or five years have lapsed since the time when the related party signed a contract for the acquisition of such real property and the date of signature for this transaction, or through engaging a related party to build real property, either on the company's own land or on rented land, or the related party acquired the real property pursuant to signature of a contract for joint construction with others.</p> <ol style="list-style-type: none"> <li>1.Transaction price of the related party plus necessary capital interest and cost to be borne by the buyer in accordance with law. Necessary capital interest cost shall be calculated based on the weighted average interest rate for the funds borrowed by the Company during the year when the asset is purchased, provided it shall not be higher than the highest lending rate for non financial industries published by the Ministry of Finance.</li> <li>2.If the related party created a mortgage on the asset for the purpose of borrowing funds from a financial institution, the total value of the lending based on such asset evaluated by the financial institution, provided that the accumulated value of actual lending by the financial institution based on such asset shall be at</li> </ol>	<ol style="list-style-type: none"> <li>1.As announced by Financial Supervisory Commission (FSC), according to article 3 of " Regulations Governing the Acquisition and Disposal of Assets by Public Companies", adding "right-of-use asset", and adding reasonableness needed to assess trading cost of real property for business use and the right of use asset acquired by exempted companies and their subsidiaries.</li> <li>2.As announced by Financial Supervisory Commission (FSC), according</li> </ol>

Provision After Proposed Amendments	Current Provision	Explanation
<p>asset evaluated by the financial institution, provided that the accumulated value of actual lending by the financial institution based on such asset shall be at least seventy percent of the total lending evaluation and the lending shall have been one year or longer. However, this provision shall not be applicable if the financial institution is a related party to either party to the transaction.</p> <p>3.If several persons jointly purchase or leased the same piece of land or housing, the transaction cost for such land and housing may be evaluated in any of the manners provided under subsections 1 or 2 above respectively.</p>	<p>least seventy percent of the total lending evaluation and the lending shall have been one year or longer. However, this provision shall not be applicable if the financial institution is a related party to either party to the transaction.</p> <p>3.If several persons jointly purchase the same piece of land or housing, the transaction cost for such land and housing may be evaluated in any of the manners provided under subsections 1 or 2 above respectively.</p>	<p>to article 16 of " Regulations Governing the Acquisition and Disposal of Assets by Public Companies" with discrete revision on wording.</p>
<p>Article 13 Matters to be Carried Out if the Calculated Transaction Cost is Lower than Transaction Price: If the transaction cost calculated from the results of evaluation in accordance with the previous article is lower than the transaction price, unless any of the following circumstances and objective evidence may be provided and opinions about substantial reasonableness may be obtained from real property professional appraiser and accountant, the third section shall be applicable.</p> <p>1.The related party acquired raw land or leased land for re-construction and evidence may be provided that one of the following conditions is satisfied: (1)Pursuant to evaluation of the raw land in accordance with the previous article and based on the related party's construction cost for the housing plus reasonable operational profit, the combined amount exceeds the actual transaction price. "Reasonable operational profit" shall be based on the average operational gross interest rate of the related party's construction department for the past three years or the latest gross interest rate for the construction industry published by the Ministry of Finance, whichever is lower. (2)Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.</p> <p>2.The Company provides evidence that the transaction conditions for the purchase of real property or obtaining real property right-of-use assets through leasing, from a related party are commensurate to a closed case with similar surface in the vicinity during the past year by any person other than a related party. The closed case in the vicinity referred to in the previous paragraph shall be one within the same or neighboring block,</p>	<p>Article 13 Matters to be Carried Out if the Calculated Transaction Cost is Lower than Transaction Price: If the transaction cost calculated from the results of evaluation in accordance with the previous article is lower than the transaction price, unless any of the following circumstances and objective evidence may be provided and opinions about substantial reasonableness may be obtained from real property professional appraiser and accountant, the third section shall be applicable.</p> <p>1.The related party acquired raw land or leased land for re-construction and evidence may be provided that one of the following conditions is satisfied: (1)Pursuant to evaluation of the raw land in accordance with the previous article and based on the related party's construction cost for the housing plus reasonable operational profit, the combined amount exceeds the actual transaction price. "Reasonable operational profit" shall be based on the average operational gross interest rate of the related party's construction department for the past three years or the latest gross interest rate for the construction industry published by the Ministry of Finance, whichever is lower. (2)Any closed case by any person other than the related party in other floors of the same building as the asset or in the vicinity with similar surface during the past year and the transaction conditions are evaluated to be reasonably commensurate with the floor or area under the real property transaction practice. (3)Any leasing case by any person other than the related party in other floors of the same building as the asset during the past year and the leasing conditions are evaluated to be reasonably commensurate with the floor or area under real property transaction practice.</p> <p>2.The Company provides evidence that the transaction conditions for the purchase of real property from a related party are commensurate to a closed case with similar surface in the vicinity during the</p>	<p>1. As announced by Financial Supervisory Commission (FSC), according to article 17 of " Regulations Governing the Acquisition and Disposal of Assets by Public Companies", Consolidating the 3rd item into the 2nd item with discrete revision on wording.</p> <p>2.As announced by Financial Supervisory Commission (FSC), according to article 3 of " Regulations Governing the Acquisition and Disposal of Assets by Public Companies", adding "right-of-use asset" with discrete revision on wording.</p> <p>3.As announced by Financial Supervisory Commission (FSC), according to article 18 of " Regulations</p>

Provision After Proposed Amendments	Current Provision	Explanation
<p>within the diameter of five hundred meters from the transaction target or has similar current value under public announcement in principle. Similar surface means the surface of the closed case by another person that is not a related party is at least fifty percent of the surface of the transaction target in principle. Within one year means the one year preceding the date of occurrence of the fact of real property or right-of-use assets thereof acquisition in this incidence.</p> <p>When the Company acquires real property or right-of-use assets thereof from a related party, if the transaction cost calculated from the evaluation in accordance with the previous article is lower than the transaction price, and if there is no circumstance provided under section 1 of this agreement, the following shall be carried out:</p> <ol style="list-style-type: none"> <li>1.The difference between the real property or right-of-use assets thereof transaction price and the evaluation cost shall be provided as special profit reserve in accordance with Article 41, paragraph 1 of the Securities and Exchange Act and may not be distributed or used for capital increase and share distribution. The special profit reserve so provided may only be used when the decrease in value has been provided for the asset purchased at high price, or when the asset is disposed, or has been duly compensated or reinstated to its original condition, or when there is other evidence confirming that the price is not unreasonable and consent from the FSC has been obtained.</li> <li>2.The independent directors of the audit committee shall proceed in accordance with Article 218 of the Company Law.</li> <li>3.The processing under subsections 1 and 2 shall be reported to the shareholders meeting and the details of the transaction shall be disclosed in the annual report and prospectus.</li> </ol>	<p>past year by any person other than a related party.</p> <p>The closed case in the vicinity referred to in the previous paragraph shall be one within the same or neighboring block, within the diameter of five hundred meters from the transaction target or has similar current value under public announcement in principle. Similar surface means the surface of the closed case by another person that is not a related party is at least fifty percent of the surface of the transaction target in principle. Within one year means the one year preceding the date of occurrence of the fact of real property acquisition in this incidence.</p> <p>When the Company acquires real property from a related party, if the transaction cost calculated from the evaluation in accordance with the previous article is lower than the transaction price, and if there is no circumstance provided under section 1 of this agreement, the following shall be carried out:</p> <ol style="list-style-type: none"> <li>1.The difference between the real property transaction price and the evaluation cost shall be provided as special profit reserve in accordance with Article 41, paragraph 1 of the Securities and Exchange Act and may not be distributed or used for capital increase and share distribution. The special profit reserve so provided may only be used when the decrease in value has been provided for the asset purchased at high price, or when the asset is disposed, or has been duly compensated or reinstated to its original condition, or when there is other evidence confirming that the price is not unreasonable and consent from the FSC has been obtained.</li> <li>2.The independent directors of the audit committee shall proceed in accordance with Article 218 of the Company Law.</li> <li>3.The processing under subsections 1 and 2 shall be reported to the shareholders meeting and the details of the transaction shall be disclosed in the annual report and prospectus.</li> </ol>	<p>Governing the Acquisition and Disposal of Assets by Public Companies" with discrete revision on wording.</p>
<p>Chapter III Monitoring of Transactions of Derivative Products Article 14 Transaction Principles and Guidelines: 1.Types of Transactions: The types of transactions in which the Company may engage include forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, and hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. Any required transaction in any other product may only be carried out following approval by resolution of the board of directors. 2.Operational or Hedging Strategies: Transactions in derivative products carried out by the Company are divided into transactions for hedging purpose and transactions that are not for hedging purpose (i.e., for transaction purpose). The strategy shall be to focus on the</p>	<p>Chapter III Monitoring of Transactions of Derivative Products Article 14 Transaction Principles and Guidelines: 1.Types of Transactions: The types of transactions in which the Company may engage include forward contracts, options, interest rate and foreign exchange rate swaps, futures and compound contracts combining any of the above products. Any required transaction in any other product may only be carried out following approval by resolution of the board of directors. 2.Operational or Hedging Strategies: Transactions in derivative products carried out by the Company are divided into transactions for hedging purpose and transactions that are not for hedging purpose (i.e., for transaction purpose). The strategy shall be to focus on the main purpose of hedging. The main selection of transaction products shall be</p>	<ol style="list-style-type: none"> <li>1.As announced by Financial Supervisory Commission (FSC), according to article 3 of " Regulations Governing the Acquisition and Disposal of Assets by Public Companies" , revising range of derivative products.</li> <li>2."臺" follows the</li> </ol>

Provision After Proposed Amendments	Current Provision	Explanation
<p>main purpose of hedging. The main selection of transaction products shall be for avoiding the risk of foreign exchange income, expense, asset or indebtedness incurred from the operation of the Company's business. In case of any change of objective environment, "non-hedging transactions" in derivative products may be engaged at appropriate timing in the market in order to increase additional non-operational income or reduce non-operational loss. Further, to the extent possible, the selected transaction counterparties shall be financial institutions that have business dealings with the Company in order to avoid credit risk. The type of transaction shall be clearly defined as hedging transaction or financial operation in pursuit of investment return prior to the transaction as the basis for accounting.</p> <p>3.Transaction Amount Limits:  (1)Hedging Transactions: The maximum hedging limit shall be the net positions of foreign exchange or debt (including net positions expected to incur in the future) after consolidation of assets and debt.  (2)Non-Hedging Transactions: To be determined based on the market trend and company business requirement at the time of transaction. The transaction staff shall provide analysis and evaluation report before individual execution, specifying the market trend and risk analysis and providing suggested operational method and conditions. Approval from the president shall be obtained before the transaction.</p> <p>4.Global and Individual Contract Loss Limit Amount  (1)Hedging Transactions: After a position is established, in case of any of the following, recommendations of corresponding measures shall be proposed immediately to president or the supervisor authorized by the president for decision:  i.Evaluated loss amount for any single contract exceeds twenty percent of the transaction contract amount for consecutive two months.  ii.Evaluated loss amount for all contracts exceed ten percent of the total transaction contract amount for consecutive two months.  (2)Non-Hedging Transactions: After a position is established, a loss stop point shall be fixed in order to avoid excessive loss. In fixing the loss stop point, the total loss amount under all contracts shall not exceed the maximum of 40% of the total amount of all contracts. The loss for an individual contract shall not exceed 50% of the amount of the individual contract, nor shall it exceed 50 million NT Dollars. Once the loss exceeds the loss stop point, corresponding suggestions shall be proposed</p>	<p>for avoiding the risk of foreign exchange income, expense, asset or indebtedness incurred from the operation of the Company's business. In case of any change of objective environment, "non-hedging transactions" in derivative products may be engaged at appropriate timing in the market in order to increase additional non-operational income or reduce non-operational loss. Further, to the extent possible, the selected transaction counterparties shall be financial institutions that have business dealings with the Company in order to avoid credit risk. The type of transaction shall be clearly defined as hedging transaction or financial operation in pursuit of investment return prior to the transaction as the basis for accounting.</p> <p>3.Transaction Amount Limits:  (1)Hedging Transactions: The maximum hedging limit shall be the net positions of foreign exchange or debt (including net positions expected to incur in the future) after consolidation of assets and debt.  (2)Non-Hedging Transactions: To be determined based on the market trend and company business requirement at the time of transaction. The transaction staff shall provide analysis and evaluation report before individual execution, specifying the market trend and risk analysis and providing suggested operational method and conditions. Approval from the president shall be obtained before the transaction.</p> <p>4.Global and Individual Contract Loss Limit Amount  (1)Hedging Transactions: After a position is established, in case of any of the following, recommendations of corresponding measures shall be proposed immediately to president or the supervisor authorized by the president for decision:  i.Evaluated loss amount for any single contract exceeds twenty percent of the transaction contract amount for consecutive two months.  ii.Evaluated loss amount for all contracts exceed ten percent of the total transaction contract amount for consecutive two months.  (2)Non-Hedging Transactions: After a position is established, a loss stop point shall be fixed in order to avoid excessive loss. In fixing the loss stop point, the total loss amount under all contracts shall not exceed the maximum of 40% of the total amount of all contracts. The loss for an individual contract shall not exceed 50% of the amount of the individual contract, nor shall it exceed 50 million NT Dollars. Once the loss exceeds the loss stop point, corresponding suggestions shall be proposed immediately to the president or the executive authorized by the president</p>	<p>font of guidance, and adding symbol of thousand unit.</p>



Provision After Proposed Amendments	Current Provision	Explanation
<p>immediately to the president or the executive authorized by the president for decision.</p> <p>5.Authorization Amount</p> <p>(1)Hedging Transactions: In accordance with the change of position in accordance with the company's turnover and risk and after approval by the senior executive authorized by the president, the transaction staff shall perform transactions under the condition that the accumulated closed positions shall not exceed the currently required hedging positions.</p> <p>(2)Non-Hedging Positions: In order to decrease the risk, any accumulated closed positions below 50 million US Dollars (including the equivalent in other currencies) shall subject to approval by the president or the senior executive authorized by the president and positions exceeding 50 million US Dollar shall be subject to approval by the president before the relevant transaction may be performed.</p> <p>(3)Futures of Large Volume Materials: In accordance with the change of company requirement and risk position, the executive of the Taipei Management Division is authorized for such operation within the accumulated operational limit of 40 units of corn, 20 units of soy beans and 10 units of wheat. Any transaction exceeding the above limit shall require prior approval by the president.</p> <p>6.Division of Responsibilities</p> <p>(1)Financial Business Division: Will serve as the execution staff for the Company's transactions of derivative products and be responsible for the drafting of transaction strategies and execution of transaction orders within the scope of authorization, disclosure of future transaction risks and provision of updated in-time information to relevant divisions for reference. Such jobs ins fund procurement, delivery, handling or accounts, production of statements and storage of transaction records shall be conducted by the personnel in that department not in charge of transaction.</p> <p>(2)Taipei Management Division: Responsible for executing transactions in futures of large volume materials and providing regular evaluation reports.</p> <p>(3)Audit Division</p> <p>i.Regular supervision and evaluation as to whether the fixed operational strategy is being followed and whether the risk undertaken is within the limit 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</p>	<p>for decision.</p> <p>5.Authorization Amount</p> <p>(1)Hedging Transactions: In accordance with the change of position in accordance with the company's turnover and risk and after approval by the senior executive authorized by the president, the transaction staff shall perform transactions under the condition that the accumulated closed positions shall not exceed the currently required hedging positions.</p> <p>(2)Non-Hedging Positions: In order to decrease the risk, any accumulated closed positions below 50 million US Dollars (including the equivalent in other currencies) shall subject to approval by the president or the senior executive authorized by the president and positions exceeding 50 million US Dollar shall be subject to approval by the president before the relevant transaction may be performed.</p> <p>(3)Futures of Large Volume Materials: In accordance with the change of company requirement and risk position, the executive of the Taipei Management Division is authorized for such operation within the accumulated operational limit of 40 units of corn, 20 units of soy beans and 10 units of wheat. Any transaction exceeding the above limit shall require prior approval by the president.</p> <p>6.Division of Responsibilities</p> <p>(1)Financial Business Division: Will serve as the execution staff for the Company's transactions of derivative products and be responsible for the drafting of transaction strategies and execution of transaction orders within the scope of authorization, disclosure of future transaction risks and provision of updated in-time information to relevant divisions for reference. Such jobs ins fund procurement, delivery, handling or accounts, production of statements and storage of transaction records shall be conducted by the personnel in that department not in charge of transaction.</p> <p>(2)Taipei Management Division: Responsible for executing transactions in futures of large volume materials and providing regular evaluation reports.</p> <p>(3)Audit Division</p> <p>i.Regular supervision and evaluation as to whether the fixed operational strategy is being followed and whether the risk undertaken is within the limit 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</p>	

Provision After Proposed Amendments	Current Provision	Explanation
<p>Procedure for Transaction in Derivative Products” established by the Company.</p> <p>iii.If any anomaly is discovered during an audit, a report shall be submitted to the president immediately and necessary measures shall be taken.</p> <p>7.Principles for Performance Evaluation</p> <p>(1)Hedging Transactions: Performance evaluation shall be based on the foreign exchange (interest) rate cost on the Company’s books and the profit and loss incurred from derivative financial transactions. There shall be at least two evaluations every month and the performance shall be submitted to management for reference.</p> <p>(2)Non-Hedging Transactions: Performance evaluation shall be based on the profit and loss actually incurred. There shall be at least one evaluation every week and the performance shall be submitted to management for reference.</p>	<p>the Company.</p> <p>iii.If any anomaly is discovered during an audit, a report shall be submitted to the president immediately and necessary measures shall be taken.</p> <p>7.Principles for Performance Evaluation</p> <p>(1)Hedging Transactions: Performance evaluation shall be based on the foreign exchange (interest) rate cost on the Company’s books and the profit and loss incurred from derivative financial transactions. There shall be at least two evaluations every month and the performance shall be submitted to management for reference.</p> <p>(2)Non-Hedging Transactions: Performance evaluation shall be based on the profit and loss actually incurred. There shall be at least one evaluation every week and the performance shall be submitted to management for reference.</p>	
<p>Article 25</p> <p>When the Company obtains a price appraisal report or opinions from accountants, attorneys or securities underwriters, such professional appraiser and the appraisal staff, accountant, attorney or securities underwriter shall meet the following requirements:</p> <p>1.May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</p> <p>2.May not be a related party or de facto related party of any party to the transaction.</p> <p>3.If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</p>	<p>Article 25</p> <p>When the Company obtains a price appraisal report or opinions from accountants, attorneys or securities underwriters, such professional appraiser and the appraisal staff, accountant, attorney or securities underwriter shall not be a related party to any party to the transaction.</p>	<p>As announced by Financial Supervisory Commission (FSC), according to article 5 of " Regulations Governing the Acquisition and Disposal of Assets by Public Companies" , including notes of professional appraiser and the assessors, accountants, lawyers, or investment bankers.</p>
<p>Article 28</p> <p>These Articles were duly enacted on June 27, 2003 and duly amended on:</p> <p>(01) June 28, 2007; (02) June 23, 2010; (03) June 22, 2012; (04) June 25, 2013; (05) June 24, 2014; (06) June 26, 2015; (07) June 21, 2017; (08) June 18, 2019;</p>		<p>Adding articles: Track of revising dates.</p>

**Uni-President Enterprises Corporation**  
**Contrast Table for Amendments to the Operational Procedures for Loaning of Company Funds**

Provision After Proposed Amendments	Current Provision	Explanation
<p>Article 5            Procedure for the Lending of Capital            1. In processing matters for the lending of capital, the Company shall fix the loan amount after review by the responsible department of the Company. Lending may be granted after approval by the president and submission to and approval by the board of directors through resolution.            Material loan to others shall be consented by at least half of all members of the audit committee and be submitted to the Board of Directors for approval. When capital is lent between the Company and its subsidiary or among subsidiaries of the Company, the chairman may be authorized to proceed with several releases of funds or revolving drawdowns with regard to the same borrower within a certain amount authorized by resolution of the board of directors and within the period of one year. For lending of capital among overseas companies other than those of which 100% voting shares are held directly or indirectly by the Company, the authorized amount shall not exceed ten percent of the net value of the Company according to its latest financial statements.            2. If the Company has independent directors, opinions of each independent director shall be taken into consideration during discussions at the board. If an independent director expresses any objection or reservation about a matter, it shall be recorded in the board meeting minutes.            3. The finance department shall prepare a book of records for lending of capital. After the lending of capital is approved by the board of directors through resolution, the recipient of loan, loan amount, date of approval by the board of directors, date of release of funds and</p>	<p>Article 5            Procedure for the Lending of Capital            1. In processing matters for the lending of capital, the Company shall fix the loan amount after review by the responsible department of the Company. Lending may be granted after approval by the president and submission to and approval by the board of directors through resolution.            Material loan to others shall be consented by at least half of all members of the audit committee and be submitted to the Board of Directors for approval. When capital is lent between the Company and its subsidiary or among subsidiaries of the Company, the chairman may be authorized to proceed with several releases of funds or revolving drawdowns with regard to the same borrower within a certain amount authorized by resolution of the board of directors and within the period of one year. For lending of capital among overseas companies other than those of which 100% voting shares are held directly or indirectly by the Company, the authorized amount shall not exceed ten percent of the net value of the Company according to its latest financial statements.            2. If the Company has independent directors, opinions of each independent director shall be taken into consideration during discussions at the board and their consents or clear opinion against the proposal and the reasons for such objection shall be included into the minutes of board meetings.            3. The finance department shall prepare a book of records for lending of capital. After the lending of capital is approved by the board of directors through resolution, the recipient of loan, loan amount, date of approval by the board of directors, date of release of funds and</p>	<p>Amend the requirements that independent directors' opinion should be recorded in the minutes of the Board of Directors' meeting.</p>

Provision After Proposed Amendments	Current Provision	Explanation
<p>matters subject to careful evaluation in accordance with the review procedures shall be recorded for future reference.</p> <p>4.The occurrence or cancellation of any matter under lending of capital shall be recorded in detail on monthly basis in order to facilitate control, follow-up and preparation of public announcements.</p> <p>5.In case of any change of circumstances, leading to exceeding of lending amount limit, correction plan shall be prepared and such plan shall be submitted to the audit committee.</p> <p>6.The internal auditing staff of the Company shall perform an audit on the procedures and performance of lending of capital on quarterly basis and written records shall be prepared. If any significant breach of rule is discovered, the audit committee shall be notified in writing.</p>	<p>matters subject to careful evaluation in accordance with the review procedures shall be recorded for future reference.</p> <p>4.The occurrence or cancellation of any matter under lending of capital shall be recorded in detail on monthly basis in order to facilitate control, follow-up and preparation of public announcements.</p> <p>5.In case of any change of circumstances, leading to exceeding of lending amount limit, correction plan shall be prepared and such plan shall be submitted to the audit committee.</p> <p>6.The internal auditing staff of the Company shall perform an audit on the procedures and performance of lending of capital on quarterly basis and written records shall be prepared. If any significant breach of rule is discovered, the audit committee shall be notified in writing.</p>	
<p>Article 10 Monitoring procedure for lending of capital by subsidiaries:</p> <p>1.Any subsidiary that contemplates to lend its capital to any person due to operational requirements shall establish the “Operating Procedure for Loaning of Company Fund” which shall be approved by the board of directors of the subsidiary and submitted to the shareholders meeting for consent. The same shall be applicable to any amendment.</p> <p>The subsidiary company that has an established audit committee, The “Operating Procedures for Loaning of Company Funds” may be adopted or amended only upon approval of a majority of the whole Audit Committee members of the company and be submitted for a resolution by the Board of Directors for adoption in a shareholders’ meeting.</p> <p>Where the subsidiary referred to in the preceding paragraph is a public company which has established the Audit Committee, if approval of a majority of all audit committee members is not obtained, the procedures may be adopted if approved by more than two-thirds of</p>	<p>Article 10 Monitoring procedure for lending of capital by subsidiaries:</p> <p>1.Any subsidiary that contemplates to lend its capital to any person due to operational requirements shall establish the “Operating Procedure for Loaning of Company Fund” which shall be approved by the board of directors of the subsidiary and submitted to the shareholders meeting for consent. The same shall be applicable to any amendment.</p> <p>The formulation of “Procedures for Loans to Others” of a subsidiary company that “has an established audit committee shall be consented by the members of the audit committee and be submitted for a resolution by the Board of Directors for adoption in a shareholders’ meeting.</p> <p>Inter-company loans between foreign companies in which the company holds, directly or indirectly, 100% of the voting shares, is not subject to the restrictions of Article 3 and Article 4, however, it shall be in compliance with applicable local laws and the operational procedures shall stipulate the limits on the amount and duration.</p>	<p>Amend the approving process and conditions for the subsidiaries’ adoption of and amendments to the "Operating Procedures for Loaning of Company Funds.</p> <p>"</p>

Provision After Proposed Amendments	Current Provision	Explanation
<p>all directors, and the resolution of the audit committee shall be recorded in the minutes of the Board of Directors' meeting.</p> <p>Inter-company loans between foreign companies in which the company holds, directly or indirectly, 100% of the voting shares, is not subject to the restrictions of Article 3 and Article 4, however, it shall be in compliance with applicable local laws and the operational procedures shall stipulate the limits on the amount and duration.</p> <p>2.Any lending of capital by any subsidiary shall be done in accordance with its "Operating Procedure for Loaning of Company Fund". The detail of the lending of capital shall be submitted to the Company in writing in order to make the public announcement within the stipulated time limit.</p> <p>3.If any non-listed company and its subsidiary of which 50% or more shares are held by the Company contemplates to lend its capital to any person due to operational requirements, prior approval by the Company is required.</p>	<p>2.Any lending of capital by any subsidiary shall be done in accordance with its "Operating Procedure for Loaning of Company Fund". The detail of the lending of capital shall be submitted to the Company in writing in order to make the public announcement within the stipulated time limit.</p> <p>3.If any non-listed company and its subsidiary of which 50% or more shares are held by the Company contemplates to lend its capital to any person due to operational requirements, prior approval by the Company is required.</p>	
<p>Article 12 This Procedure is implemented after consent by the shareholders meeting. The amendments to be implemented upon approval of a majority of the whole audit committee members and submitted to a shareholders' meeting for approval upon approval by the Board of Directors. If approval of a majority of all audit committee members is not obtained, the amendments may be adopted if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the Board of Directors' meeting and submitted to a shareholders' meeting for approval. This Procedure was made on 29 April 1988 and was amended on: (01)31 May 1989..... (09)20 June 2018 (10)18 June 2019</p>	<p>Article 12 This Procedure is implemented after consent by the shareholders meeting. The same shall be applicable for any amendment. This Procedure was made on 29 April 1988 and was amended on: (01)31 May 1989..... (09)20 June 2018</p>	<p>1.Amend the approving process and conditions for the Company's amendments to the "Operational Procedures for Loaning of Company Funds. "</p> <p>2.Recording of the date of amendment.</p>

**Uni-President Enterprises Corporation**  
**Contrast Table for Amendments to the Operational Procedures for**  
**Endorsements and Guarantees**

Provision After Proposed Amendments	Current Provision	Explanation
<p>Article 3  The Company may provide endorsements and guarantees for the following entities:  1.A company with which the Company does business.  2.A company in which the Company directly or indirectly holds more than 50 percent of the voting shares.  3.A company that directly or indirectly holds more than 50 percent of the voting shares in the Company.  4.Endorsements and guarantees provided to an invested company as a joint investing shareholder under joint investment relationship in accordance with shareholding ratio.  Any subsidiary of which ninety percent or more voting shares are held directly or indirectly by the Company may provide endorsement or guarantee for any other subsidiary meeting the same requirement. Such endorsement or guarantee shall be subject to prior approval by the board of directors through resolution and the amount of endorsement or guarantee shall not exceed ten percent of the net value of the Company.  However, the above restriction shall not apply for any endorsement or guarantee provided by any subsidiary of which the Company holds directly or indirectly 100% of voting shares for any other subsidiary meeting the same requirement.</p>	<p>Article 3  The Company may provide endorsements and guarantees for the following entities:  1.Any company having direct business dealings with the Company.  2.Any subsidiary of which more than 50% ordinary shares are directly held by the Company.  3.Any subsidiary of which more than 50% of ordinary shares are held by the parent company and subsidiaries on combined basis.  4.Any parent company that owns more than 50% of ordinary shares of the Company directly or indirectly through subsidiaries.  5.Endorsements and guarantees provided to an invested company as a joint investing shareholder under joint investment relationship in accordance with shareholding ratio.  Any subsidiary of which ninety percent or more voting shares are held directly or indirectly by the Company may provide endorsement or guarantee for any other subsidiary meeting the same requirement. Such endorsement or guarantee shall be subject to prior approval by the board of directors through resolution and the amount of endorsement or guarantee shall not exceed ten percent of the net value of the Company.  However, the above restriction shall not apply for any endorsement or guarantee provided by any subsidiary of which the Company holds directly or indirectly 100% of voting shares for any other subsidiary meeting the same requirement.</p>	<p>Adjust the text literally, subject to the relationship between the endorser/guarantor and the endorsed/guaranteed party as amended by FSC.</p>
<p>Article 6  Procedure for Endorsements and Guarantees by the Company:  1.Based on the business requirements of the enterprise receiving the endorsement or guarantee, risk shall be assessed and amount limit shall be fixed. An endorsement and guarantee may only be provided after resolution by the board of directors. However, if any endorsement or guarantee is required on urgent basis, the board may authorize the chairman to proceed within a certain amount limit and report may be submitted to the board of directors subsequently for ratification. Provisions of endorsements and guarantees and relevant matters shall be reported to the shareholders meeting for reference.  Material endorsements or guarantees shall be consented by at least half of all members of the audit committee and be approved by the Board of Directors.</p>	<p>Article 6  Procedure for Endorsements and Guarantees by the Company:  1.Based on the business requirements of the enterprise receiving the endorsement or guarantee, risk shall be assessed and amount limit shall be fixed. An endorsement and guarantee may only be provided after resolution by the board of directors. However, if any endorsement or guarantee is required on urgent basis, the board may authorize the chairman to proceed within a certain amount limit and report may be submitted to the board of directors subsequently for ratification. Provisions of endorsements and guarantees and relevant matters shall be reported to the shareholders meeting for reference.  Material endorsements or guarantees shall be consented by at least half of all members of the audit committee and be approved by the Board of Directors.</p>	<p>Amend the requirements that independent directors' opinion should be recorded in the minutes of the Board of Directors' meeting.</p>

<p>2. If the Company has independent directors, opinions of each independent director shall be taken into consideration during discussions at the board. If an independent director expresses any objection or reservation about a matter, it shall be recorded in the board meeting minutes.</p> <p>3. For any amount of endorsement and guarantee within the amount limit for any recipient enterprise, the loan amount, duration and nature of endorsement or guarantee shall be accounted for by the Company and submitted to the supervisors of the accounting division for implementation after approval by the financial department of the Company.</p> <p>4. When the recipient enterprise repays the loan, information of the repayment shall be copied to the Company so that the Company may be released of its guarantee liability.</p> <p>5. Regarding the above-mentioned matters of endorsements and guarantees, books of records shall be established in which the names of recipient enterprises, matters of guarantees, results of risk assessments, amounts of endorsements and guarantees, collaterals received and conditions and dates for release of endorsement and guarantee liabilities shall be specified in detail for future reference.</p> <p>6. If the recipient of an endorsement or guarantee previously meets the qualifications under Article 3, but subsequently loses such qualification, or if the amount of endorsement or guarantee exceeds the amount limit due to change to the basis of calculation, the amount or exceeding portion of the amount for such recipient shall be eliminated upon expiry of the contract or the fixed deadline under the previous plan and report shall be made to the board of directors.</p> <p>7. The internal auditing staff of the Company shall perform audits on the procedures and performance of endorsements and guarantees on a quarterly basis and written records shall be prepared. If any significant breach of this rule is discovered, the audit committee shall be notified in writing.</p> <p>8. If the Company or its subsidiaries provides any endorsement or guarantee for any subsidiary whose net value is lower than one-half of its paid-in capital, the Company or subsidiary shall review the recipient's statements on quarterly basis and shall procure that the recipient submits financial improvement plans.</p>	<p>2. If the Company has independent directors, opinions of each independent director shall be taken into consideration during discussions at the board and their consents or clear opinion against the proposal and the reasons for such objection shall be included into the minutes of the board meetings.</p> <p>3. For any amount of endorsement and guarantee within the amount limit for any recipient enterprise, the loan amount, duration and nature of endorsement or guarantee shall be accounted for by the Company and submitted to the supervisors of the accounting division for implementation after approval by the financial department of the Company.</p> <p>4. When the recipient enterprise repays the loan, information of the repayment shall be copied to the Company so that the Company may be released of its guarantee liability.</p> <p>5. Regarding the above-mentioned matters of endorsements and guarantees, books of records shall be established in which the names of recipient enterprises, matters of guarantees, results of risk assessments, amounts of endorsements and guarantees, collaterals received and conditions and dates for release of endorsement and guarantee liabilities shall be specified in detail for future reference.</p> <p>6. If the recipient of an endorsement or guarantee previously meets the qualifications under Article 3, but subsequently loses such qualification, or if the amount of endorsement or guarantee exceeds the amount limit due to change to the basis of calculation, the amount or exceeding portion of the amount for such recipient shall be eliminated upon expiry of the contract or the fixed deadline under the previous plan and report shall be made to the board of directors.</p> <p>7. The internal auditing staff of the Company shall perform audits on the procedures and performance of endorsements and guarantees on a quarterly basis and written records shall be prepared. If any significant breach of this rule is discovered, the audit committee shall be notified in writing.</p> <p>8. If the Company or its subsidiaries provides any endorsement or guarantee for any subsidiary whose net value is lower than one-half of its paid-in capital, the Company or subsidiary shall review the recipient's statements on quarterly basis and shall procure that the recipient submits financial improvement plans.</p>	
<p>Article 9 Control Procedure for Endorsements and Guarantees by Subsidiaries</p> <p>1. The "Operating Rules for Endorsements and Guarantees" established by the subsidiary shall be approved by the board of directors and</p>	<p>Article 9 Control Procedure for Endorsements and Guarantees by Subsidiaries</p> <p>1. The "Operating Rules for Endorsements and Guarantees" established by the subsidiary shall be</p>	<p>Amend the approving process and conditions for the subsidiaries' adoption of and</p>

<p>submitted to the shareholders meeting for approval. The same shall be applicable in the event of any amendment.</p> <p>The subsidiary company that has an established audit committee, The "Operating Procedures for Loaning of Company Funds" may be adopted or amended only upon approval of a majority of the whole Audit Committee members of the company and be submitted for a resolution by the Board of Directors for adoption in a shareholders' meeting.</p> <p>Where the subsidiary referred to in the preceding paragraph is a public company which has established the Audit Committee, if approval of a majority of all audit committee members is not obtained, the procedures may be adopted if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the Board of Directors' meeting.</p> <p>2. When any subsidiary of the Company makes endorsement/guarantee for another person, it shall do so in accordance with its own "Operating Procedures for Endorsements and Guarantees," and provide the details about the endorsement/guarantee back to the Company in writing to help the Company complete the public announcement and regulatory filing procedures within the prescribed time limit.</p> <p>3. Where it is necessary for any of non-TWSE/TPEX listed companies in which the Company invests more than 50% of the company's capital and subsidiaries thereof, to make endorsement/guarantee to satisfy business needs, such company may do so only upon the Company's review and approval.</p>	<p>approved by the board of directors and submitted to the shareholders meeting for approval. The same shall be applicable in the event of any amendment.</p> <p>The formulation of the "Regulations Governing Endorsements and Guarantees" of a subsidiary company that has an established audit committee shall be consented by the members of the audit committee and be submitted for a resolution by the Board of Directors for adoption in a shareholders' meeting.</p> <p>2. Any endorsement or guarantee provided by any subsidiary of the Company to any other entity shall be done in accordance with the applicable "Operating Rules for Endorsements and Guarantees" established by such subsidiary. The balance amount and recipients of endorsements and guarantees for the previous month shall be submitted to the Company in writing by the 5<sup>th</sup> day of each month.</p> <p>3. If any subsidiary in which the Company holds more than a 50% stake contemplates to provide any endorsement or guarantee for operational needs in excess of 1 Billion NT Dollars, prior approval by the board of directors of the Company shall be obtained.</p>	<p>amendments to the "Operating Procedures for Endorsements and Guarantees. "</p>
<p>Article 14 This Procedure is implemented after consent by the shareholders meeting. The amendments to be implemented upon approval of a majority of the whole audit committee members and submitted to a shareholders' meeting for approval upon approval by the Board of Directors. If approval of a majority of all audit committee members is not obtained, the amendments may be adopted if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the Board of Directors' meeting and submitted to a shareholders' meeting for approval. These Rules were made on 28 November 1987 and have been amended on: (01) 1 June 1990..... (12) 25 June 2013 (13) 18 June 2019</p>	<p>Article 14 These Rules shall be implemented after recognition by the shareholders meeting. The same shall be applicable for any amendment. These Rules were made on 28 November 1987 and have been amended on: (01) 1 June 1990..... (12) 25 June 2013</p>	<p>1. Amend the approving process and conditions for the Company's amendments to the "Operational Procedures for Endorsements and Guarantees. "</p> <p>2. Recording of the date of amendment.</p>



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

As of 05/08/2019

Name	Current Position with Other Companies
Kao Chyuan Inv. Co., Ltd.	<p><b>Managing Director of :</b> Grand Bills Finance Corp.</p> <p><b>Director of :</b> Ton Yi Industrial Corp., President Chain Store Corp., President International Development Corp., Scino Pharm Taiwan Ltd., Prince Housing Development Corp.,</p>
Kao Chyuan Inv. Co., Ltd. Representative: Chih-Hsien Lo	<p><b>Chairman of :</b> President Chain Store Corp., President Natural Industrial Corp., Ton Yi Industrial Corp., TTET Union Corp., Prince Housing &amp; Development Corp., Cheng-Shi Investment Holding Co., Times Square International Holding Co., Time Square International Co., Ltd., Times Square International Stays Corporation, Prince Property Management Consulting Co., Prince Real Estate Co., Ltd., Kai Yu Investment Co., President Packaging Industrial Corp., President International Development Corp., President Property Corporation, Tong Yu Investment Corp., ScinoPharm Taiwan, Ltd., Uni-President Cold-Chain Corp., Presco Netmarketing Inc., Uni-President Dream Parks Corp., Uni-OAO Travel Service Corp., Kai Nan Investment Co., Ltd., President Century Co., Ltd., Changjiagang President Nisshin Food Co., Ltd., Uni-President (Vietnam) Co., Ltd., Uni-President (Thailand) Ltd., Uni-President (Philippines) Corp., Uni-President China Holdings Ltd. (Cayman), President Enterprises (China) Investment Co., Ltd., Tone Ren Enterprises Co., Ltd.</p> <p><b>Vice Chairman of :</b> President Nisshin Corp.</p> <p><b>Director of :</b> President Professional Baseball Team Corp., Nanlien International Corp., Tone Sang Construction Corp., RSI, Retail Support International Corp., Presicarre Corp., President Fair Development Corp., Uni-Wonder Corporation, 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., Tait Marketing &amp; Distribution Co., Ltd., Weilih Food Corp., Keng Ting Enterprises Co., Ltd., Prince Property Management Consulting Co., Kao Chyuan Inv. Corp., PCS (BVI) Holdings Ltd., PCS (Labuan) Holdings Ltd., Cayman President Holdings Ltd., Kai Yu (BVI) Investment Co.,</p>

Name	Current Position with Other Companies
	<p>Ltd., President Packing Holdings Ltd., Uni-President Southeast Asia Holdings Ltd., President Energy Development (Cayman Islands) Ltd. , Uni-President Asia Holdings Ltd., Uni-President International (HK) Co., Ltd., Champ Green Capital Limited, Champ Green (Shanghai) Consulting Co. Ltd., Guiyang President Enterprises Co., Ltd. , President Enterprises (Shanghai) Co., Ltd., Taizhou President Enterprises Co., Ltd., Fuzhou President Enterprises Co., Ltd., Hefei President Enterprises Co., Ltd., Ningxia President Enterprises Co., Ltd., Xuzhou President Enterprises Co., Ltd., Hangzhou President Enterprises Co., Ltd., Jinan President Enterprises Co., Ltd., Guangzhou President Enterprises Co., Ltd., Hainan President Enterprises Co., Ltd., Nanchang President Enterprises Co., Ltd., Nanning President Enterprises Co., Ltd., Zhanjiang President Enterprises Co., Ltd., Changsha President Enterprises Co., Ltd., Zhenzhou President Enterprises Co., Ltd., Chongqing President Enterprises Co., Ltd., Jiangsu President Enterprises Co., Ltd., Hunan President Enterprises Co., Ltd., Uni-President Enterprises (Tianjin) Co., Ltd., Shanxi President Enterprises Co., Ltd., Shenyang President Enterprises Co., Ltd., Changchun President Enterprises Co., Ltd., Shaanxi President Enterprises Co., Ltd., Henan President Enterprises Co., Ltd., Baiyin President Enterprises Co., Ltd., Akesu President Enterprises Co., Ltd., Shijiazhuang President Enterprises Co., Ltd., Harbin President Enterprises Co., Ltd., President Enterprises (Inner Mongolia) Co., Ltd., Xinjiang President Enterprises Food Co., Ltd., Wuhan President Enterprises Food Co., Ltd., Chengdu President Enterprises Food Co., Ltd., Kunming President Enterprises Food Co., Ltd., Kunshan President Enterprises Food Co., Ltd., Bama President Mineral Water Co., Ltd., Wuyuan President Enterprises Mineral Water Co., Ltd., Wuxue Uni Mineral Water Co., Ltd., Changbaishan Mountain President Enterprises (Jilin) Mineral Water Co., Ltd., President (Kunshan) Trading Co.,Ltd., Uni-President Trading (Hubei) Co., Ltd., President (Shanghai) Trading Co., Ltd.,Uni-President Enterprises (Kunshan) Food Technology Co., Ltd., Beijing President Enterprises Drinks Co., Ltd.,Uni-President Enterprises (Shanghai) Drink &amp; Food Co., Ltd., Uni-President Enterprise (Hutubi) Tomato Products Technology Co., Ltd., Yantai Tongli Beverage Industries Co., Ltd., Uni-President (Shanghai) Pearly Century Co., Ltd.</p> <p><b>President of :</b> Presco Netmarketing Inc.</p>

Name	Current Position with Other Companies
<p>Kao Chyuan Inv. Co., Ltd. Representative: Shiow-Ling Kao</p>	<p><b>Chairman of :</b> Kao Chyuan Inv. Corp., President Being Corp., President Fair Development Corp., Uni-President Department Store Corp. , President Pharmaceutical Corp., President Drugstore Business Corp.</p> <p><b>Director of :</b> President Chain Store Corp., Ton Yi Industrial Corp., ScinoPharm Taiwan, Ltd., President International Development Corp., Uni-President Development Corp., Prince Housing &amp;Development Corp., Time Square International Co., Ltd., Times Square International Holding Co., President (Sanghai) Health Product Trading Company Ltd., Uni-Wonder Corporation., President Century Corp., Ltd., Beauty Wonder (Zhejiang) Trading Co., Ltd.</p> <p><b>President of :</b> Kao Chyuan Inv. Corp.</p>
<p>Kao Chyuan Inv. Co., Ltd. Representative: Jui-Tang Chen</p>	<p><b>Chairman of :</b> President Yilan Art and Culture Corp., President Transnet Corp., President Collect Services Corp., Uni-Wonder Corporation, RSI. Retail Support International Corp., Uni-President Superior Commissary Corp., Ren-Hui Investment Corp., President Chain Store (Shanghai) Ltd., , President (Shanghai) Health Product Trading Company Ltd., President Chain Store (Zhejiang) Ltd., Beauty Wonder (Zhejiang) Trading Co., Ltd.</p> <p><b>Vice Chairman of :</b> Philippine Seven Corp.</p> <p><b>Director of :</b> President Chain Store Corp., President Drugstore Business Corp., President Being Corp., President Pharmaceutical Corp., Uni-President Department Store Corp., 21 Century Co., Ltd., Uni-President Cold-Chain Corp., President Development Corp., President International Development Corp., Shan Dong President Yinzuo Commercial Limited, President Chain Store (BVI) Holdings Ltd., PCSC (China) Drugstore Limited, President Chain Store (Labuan) Holdings Ltd., President Chain Store (Hong Kong) Holdings Limited, Uni-President Logistics (BVI) Holdings Limited., Nanlien International Corp., President Fair Development Corp.</p> <p><b>President of :</b> Ren-Hui Investment Corp.</p>
<p>Young Yun Inv. Co., Ltd.</p>	<p><b>Director of :</b> Tainan Spinning Co., Ltd., Prince Housing Development Corp., Nantex Industry Co., Ltd., Grand Bills Finance Corp.</p>

Name	Current Position with Other Companies
<p>Young Yun Inv. Co., Ltd. Representative: Chung-Ho Wu</p>	<p><b>Chairman of :</b> San Shing Spinning Co., Ltd. <b>Director of :</b> Tainan Spinning Co., Ltd., Prince Housing Development Corp., Times Square International Holding Co., Nantex Industry Co., Ltd., Grand Bills Finance Corp., President Pharmaceutical Corp., , Kung Ching International Development Co. Ltd., Southern Taiwan University of Tech. <b>Supervisor of :</b> Nanmat Technology Co., Ltd. <b>President of :</b> San Shing Spinning Co., Ltd.</p>
<p>Taipo Investment Corp.</p>	<p><b>Director of :</b> Tainan Spinning Co., Ltd., Prince Housing Development Corp., President Pharmaceutical Corp., Tung-Ren Pharmaceutical Corp.</p>
<p>Taipo Investment Corp. Representative: Ping-Chih Wu</p>	<p><b>Director of :</b> Kung Ching International Development Co. Ltd., Prince Housing Development Corp., Times Square International Holding Co., President Pharmaceutical Corp., Tung-Ren Pharmaceutical Corp., President Global Corp., Ameripec Inc. <b>President of :</b> President Global Corp., Ameripec Inc.</p>
<p>PING ZECH Corp. Representative: Chung-Shen Lin</p>	<p><b>Director of :</b> President Securities Corp. <b>Honorary chairman of :</b> Freemann Management Advisers Limited <b>Honorary director of :</b> Transnational Vision, Attorneys at Law <b>Honorary chairman of :</b> Chinese Association for Corporate Transformation Innovation and Advancement <b>Honorary consultant of :</b> Foundation for Yunus Social Business, Union Rice Co., LTD</p>
<p>Joyful Inv. Co., Ltd.</p>	<p><b>Director of :</b> Tainan Spinning Co., Ltd., Nantex Industry Co., Ltd. , Prince Housing Development Corp., Grand Bills Finance Corp., Konten Networks Inc.</p>
<p>Joyful Inv. Co., Ltd. Representative: Pi-Ying Cheng</p>	<p><b>Director of :</b> Nantex Industry Co., Ltd.</p>
<p>YuPeng Inv. Co.,Ltd.</p>	<p><b>Director of :</b> Tainan Spinning Co., Ltd., Prince Housing &amp;Development Corp.</p>

Name	Current Position with Other Companies
Po-Yu Hou	<p><b>Chairman of :</b> Hsin Yung Hsing Investment Co., Ltd., Mau Chiang Investment Ltd.</p> <p><b>Director of :</b> Tainan Spinning Co., Ltd., Nantex Industry Co., Ltd.</p>
Yun Lin	<p><b>Director of :</b> Hua Nan Commercial Bank, Ltd.</p> <p><b>Independent director &amp; Remuneration committee member of :</b> Microelectronics Technology Inc.</p> <p><b>Supervisor of :</b> The Eslite Spectrum Corporation</p>
Chao-Tang Yue	<p><b>Director of :</b> Tien-Yeh Consulting Ltd.</p> <p><b>Independent director &amp; Remuneration committee member of :</b> O-Bank (the audit committee chairman), Johnson Health Tech. Co., Feng Hsin Steel Co., Ltd.</p> <p><b>Supervisor of :</b> An-Shin Food Services Co., Ltd., Depo Auto Parts Ind. Co., Ltd., Great Eastern Resins Industrial Co., Ltd., Century Development Corporation, Inc.</p> <p><b>Remuneration committee member of :</b> Globe UNION Industrial</p>
Hong-Te Lu	<p><b>Independent director &amp; Remuneration committee member of :</b> Lanner Electronics Inc., Firich Enterprises Co., Ltd.</p>

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