

Uni-President Enterprises Corp.
Minutes for the 2020 General Shareholders Meeting

Time: Wednesday, June 24, 2020 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:
4,862,747,825 shares, (3,370,421,943 shares exercised via electronic transmission) accounted for 85.58% 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,
YuPeng Inv. Co.,Ltd. Representative: Po-Ming Hou,
Young Yun Inv. Co., Ltd. Representative: Chung-Ho Wu,
PING ZECH Corp. Representative: Chung-Shen Lin,
Joyful Inv. Co., Ltd. Representative: Pi-Ying Cheng,
Po-Yu Hou,
Chao-Tang Yue (Chairman of the Audit Committee)

Sit-in Members: Jau-Kai Hwang (President) , Ching-Tien Lee (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: 2019 Business Report.

Explanation : Please refer to Attachment 1 for the Company's 2019 business report.

Motion 2: Audit Committee's Review Report on the 2019 Financial Statements.

Explanation : The Company's 2019 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 2019 profits (Attachment 5).

Motion 3 : Report on the payment of employee compensation and director remuneration of 2019.

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 2019 in the following manner, based on the Articles of Incorporation and by taking the operating performance into account:
 - (1) 7.54% as the remuneration to employees, namely NT\$1,631,862,667.
 - (2) 1.33% as the remuneration to directors, namely NT\$288,716,047.
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, 2019, the balance of endorsements/guarantees at the end of the term amounted to NT\$48.06 billion. The aggregate total actually disbursed amounted to NT\$1.007 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 th meeting of the 17 th term of board Jul. 27, 2017	0

Kai Nan Investment Co., Ltd.	100.0%	400,000	the 3 th meeting of the 17 th term of board Nov. 9, 2016 the 2 th meeting of the 18 th term of board June 26, 2019	0
President Entertainment Corp.	100.0%	1,500,000	the 3 th meeting of the 16 th term of board Nov. 12, 2013	0
Kai Yu Investment Co., Ltd.	100.0%	2,300,000	the 2 th meeting of the 16 th term of board Aug. 12, 2013 the 2 th meeting of the 18 th term of board June 26, 2019	128,000
Tone Sang Construction Corp.	100.0%	1,800,000	the 10 th meeting of the 13 th term of board Dec. 16, 2005	879,000
President Baseball Team Corp.	100.0%	60,000	the 7 th meeting of the 11 th term of board Aug. 20, 1999	0
Total	-	48,060,000		1,007,000
Note : Actually used amounts under the approved endorsement / guarantee line.				

3. Please refer to Appendix 1 on page 38~41 of the Meeting Handbook for the Current Provision.

Motion 5 : Report the company's issuance status of corporate bonds for 2019.

Explanation:

1. The issuances were completed in accordance with Article 246 of Company Act.
2. The company completed two offerings of corporate bonds in 2019. A summary of the major terms of these offerings are as follows :

Issuance	2019's first domestic unsecured straight corporate bond	2019's second domestic unsecured straight corporate bond
Amount	NTD 7.0 billion	NTD 4.0 billion
Maturity	5 years and 7 years	5 years and 7 years
Coupon Rate	5 years : 0.75% 7 years : 0.83%	5 years : 0.69% 7 years : 0.73%
Principal Repayment and Coupon Frequency	Principle repayment: One-time repayment since issuance date for both 5-year and 7-year terms. Interest payout:	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.	simple interest rate is used to pay out yearly.
Approval Document Number	Announcement of effectivity per the Letter Zheng-Gui-Zhai-Zi No. 10800039041 of the Taipei Exchange on May 7, 2019.	Announcement of effectivity per the Letter Zheng-Gui-Zhai-Zi No. 10800106151 of the Taipei Exchange on September 16, 2019.
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 15, 2019.	The offering was completed on September 25, 2019.

IV Proposals

Motion 1: 2019 Company's business reports and financial statements. (Proposed by the Board)

Explanation:

1. Adoption of the 2019 Company's business report and financial statements, which have been approved by resolution of the 8th meeting of the 18th term of board of directors on March 27, 2020 and examined by Audit Committee.
2. Please refer to Attachment 1 for the 2019 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 : 4,862,727,825

Voting Results*		% of the total represented share present
Votes in favor	4,297,191,554 votes (2,804,943,623 votes)	88.36%
Votes against	105,278 votes (105,278 votes)	0.00%
Votes abstained/ No votes	565,430,993 votes (565,373,042 votes)	11.64%
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 2019 profits. (Proposed by the Board)

Explanation:

1. The Company's net profit after tax was NT\$19,007,255,323 in 2019. 10% legal reserve, NT\$ 1,900,725,532 was set aside pursuant to laws. Plus an effort to ascertain the amount of remeasuring of the fringe benefit programs, NT\$423,372,335 and set aside of special reserve, NT\$ 3,094,099,786 and unappropriated retained earnings of previous years, NT\$8,938,934,612 the accumulated allocable earnings from profits was NT\$ 23,374,736,952.
2. Please refer to Attachment 5 for the distribution of 2019 profits.
3. The Company's 2019 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 : 4,862,727,825

Voting Results*		% of the total represented share present
Votes in favor	4,305,985,579 votes (2,813,694,707 votes)	88.55%
Votes against	133,341 votes (133,331 votes)	0.00%
Votes abstained/ No votes	556,608,905 votes (556,593,905 votes)	11.45%
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 Rules of Procedure for Shareholders' Meeting. (Proposed by the Board)

Explanation:

1. According to "Sample Template for The Rules of Procedure for Shareholders Meetings." revised by Taiwan Stock Exchange, Tai-Zheng-Zhi-Li-Zi No. 10800242211 on January 2, 2020
2. In response to the shareholders' meeting practices, plan to amend a total of 5 provisions in the Company's Rules of Procedure for Shareholders' Meeting." including Article 10, Article 15, Article 17, Article 19, and Article 20. Please refer to Attachment 6 of Contrast Table of the article of " Rules of Procedure for Shareholders' Meeting", Appendix 2 on page 42~44 of the Meeting Handbook for the original clauses.

Resolution:

Voting Result-

Shares represented at the time of voting : 4,862,727,825

Voting Results*		% of the total represented share present
Votes in favor	4,271,437,431 votes (2,779,146,559 votes)	87.84%
Votes against	116,457 votes (116,457 votes)	0.00%
Votes abstained/ No votes	591,173,927 votes (591,158,927 votes)	12.16%
Votes invalid	10 votes	0%
The proposal was approved after voting.		

*including votes casted electronically (numbers in brackets)

Motion 2: Deletion of the non-competition promise ban imposed upon the Company's directors according to the Article 209 of Company Act. (Proposed by the Board)

Explanation:

1. According to the Article 209 of Company 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. Increase/decrease in the positions concurrently held in other companies by the current corporate representative director of Kao Chyuan Inv. Co., Ltd.,

Mr. Jui-Tang Chen, the current corporate representative director of PING ZECH Corp., Mr. Chung-Shen Lin, the corporate representative director of YuPeng Inv. Co., Ltd., Mr. Po-Ming Hou, and Director Joyful Inv. Co., Ltd., it is proposed that in the very premise of no damage to the Company's interests, and prohibition of business strife upon them should be lifted.

3. Please refer to Attachment 7 for details of positions and duties concurrently served in other companies.

Resolution:

Voting Result-

Shares represented at the time of voting : 4,862,727,825

Voting Results*		% of the total represented share present
Votes in favor	4,095,757,483 votes (2,603,466,611 votes)	84.22%
Votes against	3,551,467 votes (3,551,467 votes)	0.07%
Votes abstained/ No votes	763,418,865 votes (763,403,865 votes)	15.71%
Votes invalid	10 votes	0%
The proposal was approved after voting.		

*including votes casted electronically (numbers in brackets)

VI Questions and Motions: None.

VII Adjournment: June 24, 2020 at 10:39 am.

Uni-President Enterprises Corp.
2019 Business Report

Attachment 1

Profitability remains stable and is growing over the last year after everyone's effort and the consumers' support in 2019. In 2019, the Company's revenue reached TWD40.8 billion, a 4.7% YoY increase, with a net income of TWD 19 billion, a 9% YoY increase, and a consolidated revenue of TWD 448 billion. In 2020, 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 a promising future.

Protecting food safety without compromise.

"Food safety" is the most concerned about topic for the public and a critical rule that cannot be broken. We have put up a food safety center building at national level, strengthened risk control of value chain and ecology chain, ensuring stricter regulations for vendors, raw materials, production, and products. On the topic of food safety, we have been overcoming fears. Protecting food safety has become a part of the daily job and attitude. In the future, we will keep investing resources, improving our expertise, protecting, and upgrading food safety at a national level.

Construct the "Asian Life Brand Service Corridor" to lay the foundation for the Group's sustainability.

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 in revenue that is invested into the production, marketing, human resources, R&D, finance, and operational activities, we assess if these actions bring forth the corresponding cash flow as well as production efficiency through the use of management policies as well as management tools.

Apply the "One Core + Four Focuses" business strategy: Based on the "Life Brand" as the strategic core, with the four focuses, namely "Manufacturing + R&D," "Trade + Circulation," "Experience + Retail," and "Alliance + M&A," we construct the Asian Life Brand Service Corridor to continue creating the maximum business value for the organization as the long-term business goal.

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

Upholding the corporate policy for “adjustment on structure, stable growth and value marketing,” enhancing the internal management and optimizing constitution internally, developing markets externally, making good use of economic scale, regional expansion, managerial skills and marketing strength, and maintaining competitiveness. The key points for management include:

(1) Enhancement of brand value:

Focus on sprouting leading brands and major SKU, and create value with brand management to found the position in the industry and expand market share.

(2) Upgrading of profitability:

Refine basic skills, and adjust the optimal production effect and highest added-value product portfolio structure and marketing resources allocation.

(3) Control over market mechanism:

Strictly execute the actual sales policy and freshness management, keep controlling the market pricing ability, maintain the nominal price stability, and strengthen the control and sensitivity toward stakeholders.

(4) Discipline and execution performance

Fulfill the ethical management concept, and practice the global operational management discipline and strategies.

(5) Participation in social responsibility:

Value corporate governance, food safety, employees’ benefit, labor safety and environmental protection, and social participation

Business Outlook for 2020

In 2019, the market value of Uni-President still stays in the TWD400 billion club, making Uni-President ranked the 13th largest enterprise in terms of market value in Taiwan. Uni-President exists for the society. In the future, we will keep thinking on each day how to internalize our past expertise in manufacturing and dedicated services until they attain a more in-depth style literacy and life experience. Upholding “I am Uni-President and also a life” as the core philosophy and “Contribution to Social Convenience” as the code of conduct, we aim to reach the goal for life industry step by step, and communicate to the society an ethical philosophy, a life style, a sense of happiness, and a set of historical culture transfers.

Extraordinariness is not from our behaviors or abilities but decided by good habits. The Company will adhere to the policy for “Practical and Diligent, Focus on Management” and an attitude “avoiding being impetuous,” and use the best efforts to achieve the domestic market sales target in 2020, in order to continue creating better investment income for all shareholders. Please continue to guide and support us. Thank you!

Audit Committee's Review Report

I hereby state as following:

This proposal is the presentation by the Board of Directors of the Company's 2019 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:

2020 General Shareholders' Meeting of Uni-President Enterprises Corporation.

Uni-President Enterprises Corporation

Chairman of the Audit Committee Chao-Tang Yue

May 11, 2020

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 of December 31, 2019 and 2018, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of the other auditors, as described in the other matter section of our report, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company’s parent company only financial statements of the year 2019. 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

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

Cayman President Holdings Ltd. and President Chain Store Corp., the Company’s subsidiaries with related ending balance of investment accounted for under the equity method of \$57,905,657 thousand and \$15,111,942 thousand, both constituting 40% of the Company’s total assets, respectively, were considered significant to the parent company only financial statements. Accordingly, evaluation of the ending balances of these investments accounted for under the equity method has been identified as one

of the most significant matters in our audit, hence, the key audit matters reported in the financial statements of these subsidiaries are also included as key audit matters in our audit of the Company's parent company only financial statements as follows:

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

Description

Cayman President Holdings Ltd. and its subsidiaries are engaged in a large volume of revenue transactions generated from sales to a large number of customers, including direct customers and distributors in many different areas in Mainland China. As such, it needs more time for good transportation and customer reception, which involves complicated judgement in determining the timing of transferring the rights and obligations and risks and awards of goods to customers. As a result, it has been identified as one of the key audit matters of our annual audit of 2019.

How our audit addressed the matter

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

- (1) We understood, evaluated and validated management's controls in respect of the Group's sales transactions. In addition, we understood and tested the general control environment of the Group's information technology systems and the automatic controls that were related to sales of goods and revenue recognition.
 - (2) We conducted testing of revenue records using sampling techniques, by examining the relevant supporting documents including customer orders, goods delivery notes and customer's receipt notes. In addition, we confirmed customers' balances of accounts receivable and amounts of transactions on a sampling basis, by considering the nature of transactions and characteristics of those customers.
 - (3) We tested sales transactions that took place shortly before and after the balance sheet date, by reconciling recognized revenue with the goods delivery notes and customers' receipt notes, to assess whether revenue was recognized in the appropriate reporting period.
2. President Chain Store Corp. and its subsidiaries — Completeness and accuracy of retail sales revenue

Description

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

As retail sales revenue comprises numerous small amount transactions and highly relies on the POS and ERP systems, the process of summarizing and recording sales revenue through these systems is important with regard to the completeness and accuracy of the retail sales revenue figures, and thus has been identified as one of the key audit matters of our annual audit of 2019.

How our audit addressed the matter

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

- (1) We inspected and checked whether additions and changes to the merchandise master file data had been properly approved and supported by related documents;
- (2) We inspected and checked whether approved additions and changes to the merchandise master file data had been correctly entered in the merchandise master file;
- (3) We inspected and checked whether merchandise master file data had been periodically transferred to POS terminals in stores;
- (4) We inspected and checked whether sales information in POS terminals had been periodically and completely transferred to the ERP system and sales revenue journal entries were automatically generated;
- (5) We inspected manual sales revenue journal entries and relevant documents;
- (6) We inspected daily cash reports and related documents;
- (7) We inspected cash deposit amounts recorded in daily cash reports and agreed them to bank remittance amounts.

3. President Chain Store Corp. and its subsidiaries – Cost-to-retail ratio of retail inventory method

Description

As the retailing business of President Chain Store Corp. and its subsidiaries involves various kinds of merchandise, the retail inventory method is used to estimate the ending balance of inventory and the cost of goods sold. The retail inventory method applies a ratio of costs over retail prices of goods purchased (known as cost-to-retail ratio) to come out with an estimate of the ending balance of inventory and the cost of goods sold. The determination of the cost-to-retail ratio relies highly on cost and retail price information recorded in the accounting system, and has thus been identified as one of the key audit matters of our annual audit of 2019.

How our audit addressed the matter

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

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

Other matter –Report of other auditors

We did not audit the financial statements of certain investments accounted for under the equity method that are included in the parent company only financial statements. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included in the parent company only financial statements and the information disclosed in Note 13 relative to these investments, is based solely on the audit reports of other auditors. Total assets of these subsidiaries and investments amounted to \$7,944,076 thousand and \$4,703,090 thousand, representing 4.39% and 2.68% of the related totals as of December 31, 2019 and

2018, respectively, and total operating revenues amounted to \$1,169,916 thousand and \$791,575 thousand, constituting 7.19% and 4.59% 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, 2020

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, 2019		December 31, 2018		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 67,714	-	\$ 91,433	-
1150	Notes receivable, net	6(2) and 12(2)	249,482	-	243,969	-
1170	Accounts receivable, net	6(2) and 12(2)	790,840	1	726,322	1
1180	Accounts receivable - related parties	7	3,561,904	2	3,475,412	2
1200	Other receivables		195,195	-	188,412	-
1210	Other receivables - related parties	7	332,760	-	395,562	-
1220	Current income tax assets	6(28)	-	-	65,659	-
130X	Inventories	6(3)	2,152,230	1	1,918,229	1
1410	Prepayments	3(1)	69,803	-	85,065	-
1479	Other current assets		1,000	-	8,100	-
11XX	Total current assets		<u>7,420,928</u>	<u>4</u>	<u>7,198,163</u>	<u>4</u>
Non-current assets						
1510	Financial assets at fair value through profit or loss - non-current	6(4)	79,246	-	80,623	-
1517	Financial assets at fair value through other comprehensive income - non-current	6(5)	250,000	-	250,000	-
1550	Investments accounted for under equity method	6(6) and 7	149,953,550	83	144,857,283	83
1600	Property, plant and equipment	6(7)(11) and 7	16,222,471	9	16,512,223	9
1755	Right-of-use assets	3(1) and 6(8)	202,757	-	-	-
1760	Investment property, net	6(10)(11)	4,770,432	3	4,786,702	3
1780	Intangible assets	7	138,195	-	-	-
1840	Deferred income tax assets	6(28)	674,626	1	778,124	1
1915	Prepayments for equipment	6(7)(10)	285,677	-	421,353	-
1920	Guarantee deposits paid		173,018	-	174,224	-
1930	Long-term notes and accounts receivable		40,831	-	53,761	-
1990	Other non-current assets		547,939	-	483,157	-
15XX	Total non-current assets		<u>173,338,742</u>	<u>96</u>	<u>168,397,450</u>	<u>96</u>
1XXX	Total assets		<u>\$ 180,759,670</u>	<u>100</u>	<u>\$ 175,595,613</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, 2019		December 31, 2018		
		AMOUNT	%	AMOUNT	%	
Current liabilities						
2100	Short-term borrowings	6(12)	\$ 2,264,007	1	\$ 51,590	-
2110	Short-term notes and bills payable	6(13)	1,098,981	1	2,049,141	1
2120	Financial liabilities at fair value through profit or loss - current	6(4)	3,444	-	85	-
2150	Notes payable		10,589	-	9,793	-
2170	Accounts payable		1,367,649	1	1,291,052	1
2180	Accounts payable - related parties	7	148,209	-	164,483	-
2200	Other payables	3(1) and 6(14)	6,680,032	4	6,137,990	4
2220	Other payables - related parties	7	797,888	-	605,967	-
2230	Current income tax liabilities	6(28)	404,219	-	679,852	-
2280	Lease liabilities - current	3(1)	68,855	-	-	-
2310	Advance receipts		131,705	-	126,682	-
2320	Long-term liabilities, current portion	6(15)(16)	3,400,000	2	5,100,000	3
2399	Other current liabilities		15,600	-	19,323	-
21XX	Total current liabilities		<u>16,391,178</u>	<u>9</u>	<u>16,235,958</u>	<u>9</u>
Non-current liabilities						
2530	Corporate bonds payable	6(15)	28,950,000	16	19,350,000	11
2540	Long-term borrowings	6(16)	21,879,211	12	28,199,896	16
2570	Deferred income tax liabilities	6(28)	1,961,706	1	1,935,076	1
2580	Lease liabilities - non-current	3(1)	131,486	-	-	-
2640	Net defined benefit liabilities - non-current	6(17)	2,961,624	2	3,460,921	2
2645	Guarantee deposits received		63,481	-	59,249	-
2670	Other non-current liabilities		4,640	-	-	-
25XX	Total non-current liabilities		<u>55,952,148</u>	<u>31</u>	<u>53,005,142</u>	<u>30</u>
2XXX	Total liabilities		<u>72,343,326</u>	<u>40</u>	<u>69,241,100</u>	<u>39</u>
Equity						
Share capital						
3110	Share capital - common stock	6(18)	56,820,154	32	56,820,154	33
Capital reserve						
3200	Capital surplus	6(19)	3,897,742	2	3,896,504	2
Retained earnings						
		6(20)				
3310	Legal reserve		22,317,557	12	20,573,355	12
3320	Special reserve		4,005,821	2	4,010,695	2
3350	Unappropriated retained earnings		28,369,562	16	24,888,175	14
Other equity interest						
3400	Other equity interest	6(21)	(6,994,492)	(4)	(3,834,370)	(2)
3XXX	Total equity		<u>108,416,344</u>	<u>60</u>	<u>106,354,513</u>	<u>61</u>
Contingent liabilities and commitments						
3X2X	Total liabilities and equity		<u>\$ 180,759,670</u>	<u>100</u>	<u>\$ 175,595,613</u>	<u>100</u>

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

The accompanying notes are an integral part of these 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 amounts)

Items	Notes	Year ended December 31			
		2019		2018	
		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(22) and 7	\$ 40,771,379	100	\$ 38,940,338	100
5000 Operating costs	6(3)(26)(27)(30) and 7	(28,041,020)	(69)	(27,049,292)	(69)
5900 Net operating margin		<u>12,730,359</u>	<u>31</u>	<u>11,891,046</u>	<u>31</u>
Operating expenses	6(10)(26)(27)(30), 7 and 12(2)				
6100 Selling expenses		(5,910,590)	(14)	(5,534,682)	(14)
6200 General and administrative expenses		(3,888,210)	(10)	(3,609,094)	(10)
6300 Research and development expenses		(448,216)	(1)	(457,344)	(1)
6450 Expected credit (losses) gains		(700)	-	400	-
6000 Total operating expenses		(10,247,716)	(25)	(9,600,720)	(25)
6900 Operating profit		<u>2,482,643</u>	<u>6</u>	<u>2,290,326</u>	<u>6</u>
Non-operating income and expenses					
7010 Other income	6(9)(10)(23) and 7	1,869,879	5	2,359,337	6
7020 Other gains and losses	6(4)(11)(24) and 12(2)	(970,150)	(2)	(1,023,037)	(3)
7050 Finance costs	6(7)(8)(25)	(501,643)	(1)	(461,089)	(1)
7070 Share of profit of subsidiaries, associates and joint ventures accounted for under equity method	6(6)	<u>16,836,392</u>	<u>41</u>	<u>15,132,807</u>	<u>39</u>
7000 Total non-operating income and expenses		<u>17,234,478</u>	<u>43</u>	<u>16,008,018</u>	<u>41</u>
7900 Profit before income tax		<u>19,717,121</u>	<u>49</u>	<u>18,298,344</u>	<u>47</u>
7950 Income tax expense	6(28)	(709,866)	(2)	(856,322)	(2)
8200 Profit for the year		<u>\$ 19,007,255</u>	<u>47</u>	<u>\$ 17,442,022</u>	<u>45</u>
Other comprehensive income (loss)					
Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311 Actuarial gains (losses) on defined benefit plan	6(17)	\$ 182,600	-	(\$ 90,971)	-
8330 Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for under equity method		510,303	1	(72,346)	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(28)	(41,122)	-	54,458	-
Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8361 Financial statements translation differences of foreign operations	6(21)	(2,066,421)	(5)	(656,659)	(2)
8380 Share of other comprehensive (loss) income of subsidiaries, associates and joint ventures accounted for using equity method		(1,330,336)	(3)	570,450	1
8300 Total other comprehensive loss for the year		<u>(\$ 2,744,976)</u>	<u>(7)</u>	<u>(\$ 195,068)</u>	<u>(1)</u>
8500 Total comprehensive income for the year		<u>\$ 16,262,279</u>	<u>40</u>	<u>\$ 17,246,954</u>	<u>44</u>
Basic earnings per share (in dollars)	6(29)				
9750 Basic		\$	3.35	\$	3.07
9850 Diluted		\$	3.33	\$	3.05

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

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

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

Notes	Retained Earnings					Other Equity Interest				
	Share capital - common stock	Additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Unrealized gain or loss on available-for- sale financial assets	Others	Total
For the year ended December 31, 2018										
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(21)	-	-	-	-	366,999	-	472,832	(533,455)	-	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>
Net income for the year ended December 31, 2018	-	-	-	-	17,442,022	-	-	-	-	17,442,022
Other comprehensive loss for the year ended December 31, 2018 6(21)	-	-	-	-	(145,980)	(31,387)	(17,701)	-	-	(195,068)
Total comprehensive income (loss) for the year ended December 31, 2018	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,296,042</u>	<u>(31,387)</u>	<u>(17,701)</u>	<u>-</u>	<u>-</u>	<u>17,246,954</u>
Distribution of 2017 net income :										
Legal reserve	-	-	3,984,485	-	(3,984,485)	-	-	-	-	-
Cash dividends 6(20)	-	-	-	-	(31,251,085)	-	-	-	-	(31,251,085)
Adjustment for change in capital reserve of investee companies 6(19)	-	10,770	-	-	-	-	-	-	-	10,770
Difference between the acquisition or disposal price and carrying amounts of subsidiaries 6(19)	-	(49,970)	-	-	-	-	-	-	-	(49,970)
Adjustment of capital reserve due to change in interests in associates 6(19)	-	19,486	-	-	-	-	-	-	-	19,486
Non-payment of expired cash dividends from previous years transferred to capital reserve 6(19)	-	58	-	-	-	-	-	-	-	58
Reversal of special reserve 6(20)	-	-	-	(619)	619	-	-	-	-	-
Disposal of financial assets measured at fair value through other comprehensive income - equity instrument 6(21)	-	-	-	-	14,032	-	(14,032)	-	-	-
Adjustment for change in other equity interest of investee companies 6(21)	-	-	-	-	-	-	-	(3,353)	(3,353)	(3,353)
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>
For the year ended December 31, 2019										
Balance at January 1, 2019	\$ 56,820,154	\$ 3,896,504	\$ 20,573,355	\$ 4,010,695	\$ 24,888,175	(\$ 4,272,116)	\$ 441,099	\$ -	(\$ 3,353)	\$ 106,354,513
Net income for the year ended December 31, 2019	-	-	-	-	19,007,255	-	-	-	-	19,007,255
Other comprehensive income (loss) for the year ended December 31, 2019 6(21)	-	-	-	-	171,294	(3,454,537)	538,267	-	-	(2,744,976)
Total comprehensive income (loss) for the year ended December 31, 2019	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,178,549</u>	<u>(3,454,537)</u>	<u>538,267</u>	<u>-</u>	<u>-</u>	<u>16,262,279</u>
Distribution of 2018 net income :										
Legal reserve	-	-	1,744,202	-	(1,744,202)	-	-	-	-	-
Cash dividends 6(20)	-	-	-	-	(14,205,039)	-	-	-	-	(14,205,039)
Adjustment for change in capital reserve of investee companies 6(19)	-	2,029	-	-	-	-	-	-	-	2,029
Difference between the acquisition or disposal price and carrying amounts of subsidiaries 6(19)	-	(65,069)	-	-	-	-	-	-	-	(65,069)
Adjustment of capital reserve due to change in interests in associates 6(19)	-	53,786	-	-	-	-	-	-	-	53,786
Non-payment of expired cash dividends from previous years transferred to capital reserve 6(19)	-	10,492	-	-	-	-	-	-	-	10,492
Reversal of special reserve 6(20)	-	-	-	(4,874)	4,874	-	-	-	-	-
Disposal of financial assets measured at fair value through other comprehensive income - equity instrument 6(21)	-	-	-	-	247,205	-	(247,205)	-	-	-
Adjustment for change in other equity interest of investee companies 6(21)	-	-	-	-	-	-	-	3,353	3,353	3,353
Balance at December 31, 2019	<u>\$ 56,820,154</u>	<u>\$ 3,897,742</u>	<u>\$ 22,317,557</u>	<u>\$ 4,005,821</u>	<u>\$ 28,369,562</u>	<u>(\$ 7,726,653)</u>	<u>\$ 732,161</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 108,416,344</u>

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

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

	Notes	For the years ended December 31,	
		2019	2018
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 19,717,121	\$ 18,298,344
Adjustments			
Adjustments to reconcile profit (loss)			
Loss (gain) on financial assets and liabilities at fair value through profit or loss	6(4)(24)	1,529	(37,975)
Expected credit loss (gain)	12(2)	700	(400)
(Reversal of allowance) provision for inventory market price decline	6(3)	(861)	400
Share of profit of subsidiaries, associates and joint ventures accounted for under equity method	6(6)	(16,836,392)	(15,132,807)
Depreciation on property, plant and equipment	6(7)	1,354,975	1,320,627
Loss on disposal of property, plant and equipment	6(24)	11,697	11,612
Depreciation on right-of-use assets	6(8)	75,290	-
Gain from lease modification	6(24)	(173)	-
Depreciation on investment property	6(10)	54,039	51,151
Loss on disposal of investment property	6(24)	9	55
Gain on reversal of impairment loss on non-financial assets	6(11)(24)	(254)	(200)
Amortization		5,244	2,859
Amortization of rent receivable		12,072	13,055
Interest income	6(23)	(105)	(173)
Dividend income	6(23)	(15,585)	(14,150)
Finance costs	6(25)	501,643	461,089
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		(6,213)	(811)
Accounts receivable		(64,518)	(32,083)
Accounts receivable - related parties		(86,492)	(215,714)
Other receivables		(5,925)	(11,500)
Other receivables - related parties		62,802	28,580
Inventories		(233,140)	(42,916)
Prepayments		5,793	(3,456)
Changes in operating liabilities			
Financial liabilities at fair value through profit or loss		3,207	35,186
Notes payable		796	425
Accounts payable		76,597	135,776
Accounts payable - related parties		(16,274)	44,979
Other payables		553,335	(370,520)
Other payables - related parties		191,921	54,797
Advance receipts		5,023	(2,395)
Net defined benefit liabilities - non-current		(316,697)	(357,448)
Cash inflow generated from operations		5,051,164	4,236,387
Interest received		105	173
Dividends received		8,864,349	18,562,526
Interest paid		(502,572)	(435,879)
Income tax paid		(830,834)	(62,312)
Net cash flows from operating activities		<u>12,582,212</u>	<u>22,300,895</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,	
		2019	2018
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Cash paid for acquisition of investments accounted for under the equity method - subsidiaries	6(31)	\$ -	(\$ 3,139,434)
Cash paid for acquisition of property, plant and equipment	6(31)	(56,192)	(288,731)
Interest paid for acquisition of property, plant and equipment	6(7)(31)	(723)	(4,083)
Proceeds from disposal of property, plant and equipment		891	2,164
Acquisition of right-of-use assets		(400)	-
Increase in intangible assets		(140,537)	-
Decrease (increase) in guarantee deposits paid		8,306	(3,835)
Increase in prepayments for equipment		(912,846)	(1,146,264)
Interest paid for prepayments for equipment	6(7)	(4,947)	(5,359)
Increase in other non-current assets		(67,684)	(15,719)
Net cash flows used in investing activities		(1,174,132)	(4,601,261)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase (decrease) in short-term borrowings	6(32)	2,212,417	(153,343)
(Decrease) increase in short-term notes and bills payable	6(32)	(950,160)	2,049,141
Increase in corporate bonds payable	6(32)	11,000,000	9,750,000
Decrease in corporate bonds payable	6(32)	(5,100,000)	(3,500,000)
Increase in long-term borrowings	6(32)	177,820,000	155,580,579
Decrease in long-term borrowings	6(32)	(182,140,685)	(150,280,000)
Payment of lease liabilities	6(32)	(68,841)	-
Increase (decrease) in guarantee deposits received	6(32)	509	(1,330)
Payment of cash dividends	6(20)	(14,205,039)	(31,251,085)
Net cash flows used in financing activities		(11,431,799)	(17,806,038)
Net decrease in cash and cash equivalents		(23,719)	(106,404)
Cash and cash equivalents at beginning of year	6(1)	91,433	197,837
Cash and cash equivalents at end of year	6(1)	\$ 67,714	\$ 91,433

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

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

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

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

Opinion

We have audited the accompanying consolidated balance sheets of Uni-President Enterprises Corp. and its subsidiaries (the “Group”) as of December 31, 2019 and 2018, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and reports of other auditors (please refer to *Other Matter* section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group’s consolidated financial statements for the year 2019. 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(35) and 6(26) to the consolidated financial statements for the accounting policy on operating revenue and the details of revenue items relating to this key audit matter.

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

complicated judgements in determining the timing of transferring the rights and obligations and risks and awards of goods to customers. As a result, it has been identified as one of the key audit matters of our annual audit of 2019.

How our audit addressed the matter

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

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

Completeness and accuracy of retail sales revenue

Description

Please refer to Notes 4(35) and 6(26) to the consolidated financial statements for the accounting policy

on operating revenue and the details of revenue items relating to this key audit matter.

Retail sales revenue is recorded by point-of-sale (POS) terminals, which collect the information of item

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

As retail sales revenue comprises numerous small amount transactions and highly relies on the POS and ERP systems, the process of summarizing and recording sales revenue through these systems is important with regard to the completeness and accuracy of the retail sales revenue figures, and has thus been identified as one of the key audit matters of our annual audit of 2019.

How our audit addressed the matter

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

1. We inspected and checked whether additions and changes to the merchandise master file data had been properly approved and supported by relevant documents;
2. We inspected and checked whether approved additions and changes to the merchandise master file data had been correctly entered in the merchandise master file;

3. We inspected and checked whether merchandise master file data had been periodically transferred to POS terminals in stores;
4. We inspected and checked whether sales information in POS terminals had been completely transferred to the ERP system periodically and sales revenue journal entries were automatically generated;
5. We inspected manual sales revenue journal entries and relevant documents;
6. We inspected daily cash reports and relevant documents;
7. We inspected cash deposit amounts recorded in daily cash reports and agreed them to bank remittance amounts.

Cost-to-retail ratio of retail inventory method

Description

Please refer to Notes 4(14) and 6(6) to the consolidated financial statements for the accounting policy on inventories and cost of goods sold and the details of inventory items relating to this key audit matter.

As retailing business involves various kinds of merchandise, the retail inventory method is used to estimate the ending balance of inventory and the cost of goods sold. The retail inventory method applies a ratio of costs over retail prices of goods purchased (known as cost-to-retail ratio) to come out with an estimate of the ending balance of inventory and the cost of goods sold. The determination of the cost-to-retail ratio relies highly on costs and retail prices information recorded in the accounting system, and has thus been identified as one of the key audit matters of our annual audit of 2019.

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.

Complicated transaction – business combination

Description

Please refer to Notes 4(38) and 6(35) to the financial statements for accounting policy on business combinations and details of accounting relating to this key audit matter.

In March 2019, the Group acquired 74.74% equity interests in Woongjin Foods Co., Ltd. (“Woongjin”) in Korea with a cash consideration and obtained control over Woongjin.

The accounting treatment for the aforementioned acquisition of Woongjin was in accordance with

International Financial Reporting Standards (“IFRS”) 3, “Business Combinations”. The recognition and measurement of identifiable intangible assets resulting from the acquisition was based on management’s expectations for future operations and prospects of Woongjin which involved management’s judgements and estimates. As transactions involving acquisition and business combination are by nature more complicated and unique, factors involved in such transactions may impact on measurement of financial reporting. It has thus been identified as one of the key audit matters of our annual audit of 2019.

How our audit addressed the matter

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

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

Other matter – Report of other auditors

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 auditors 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 auditors. Total assets of these subsidiaries and investments amounted to \$34,362,362 thousand and \$16,769,876 thousand, representing 7.20% and 4.12% of the related consolidated totals as of December 31, 2019 and 2018, respectively, and total operating revenues amounted to \$36,371,314 thousand and \$28,146,518 thousand, constituting 8.12% and 6.52% of the related consolidated totals for the years then ended, respectively. Related share of profit of associates and joint ventures accounted for under the equity method in the aforementioned companies amounted to \$1,250,381 thousand and \$438,928 thousand, constituting 5.00% and 1.72% of the consolidated total comprehensive income for the years then ended, respectively.

Other matter – Parent company only financial reports

We have audited the parent company only financial statements of Uni-President Enterprises Corp. as at and for the years ended December 31, 2019 and 2018 and expressed an unmodified opinion with other matter section.

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

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

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

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

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

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

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

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

cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements.

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

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

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

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

Lin, Tzu-Shu

Independent Accountants

Lin, Yung-Chih

PricewaterhouseCoopers, Taiwan

Republic of China

March 27, 2020

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

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

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

Assets	Notes	December 31, 2019		December 31, 2018		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 74,706,801	16	\$ 80,060,950	20
1110	Financial assets at fair value through profit or loss - current	6(2)	6,937,801	1	6,558,587	1
1136	Financial assets at amortized cost - current	6(3)	14,168,672	3	19,592,791	5
1150	Notes receivable, net	6(4), 8 and 12(2)	1,279,854	-	1,671,353	-
1160	Notes receivable - related parties	7	270	-	1,046	-
1170	Accounts receivable, net	6(4) and 12(2)	15,661,933	3	15,007,091	4
1180	Accounts receivable - related parties	7	1,103,415	-	1,106,271	-
1200	Other receivables	6(5) and 12(2)	3,164,296	1	3,953,445	1
1220	Current income tax assets	6(32)	250,549	-	264,912	-
130X	Inventories	6(6)(10)	37,625,767	8	35,411,950	9
1410	Prepayments	3(1)	3,971,230	1	4,134,689	1
1460	Non-current assets held for sale, net	6(7)(10)(11)	757,211	-	-	-
1470	Other current assets	8	3,199,798	1	3,803,782	1
11XX	Total current assets		<u>162,827,597</u>	<u>34</u>	<u>171,566,867</u>	<u>42</u>
Non-current assets						
1510	Financial assets at fair value through profit or loss - non-current	6(2)	4,494,469	1	3,709,188	1
1517	Financial assets at fair value through other comprehensive income - non-current	6(8)	4,377,537	1	5,288,454	1
1535	Financial assets at amortized cost - non-current	6(3)	11,191,665	2	2,762,063	1
1550	Investments accounted for under equity method	6(9) and 8	31,624,772	7	30,753,742	8
1600	Property, plant and equipment	3(1), 6(10)(15) and 8	130,387,562	27	136,968,484	34
1755	Right-of-use assets	3(1) and 6(11)	79,275,049	17	-	-
1760	Investment property, net	3(1), 6(10)(13)(15) and 8	17,108,968	4	17,418,972	4
1780	Intangible assets	6(14)(15)	19,241,450	4	11,708,388	3
1840	Deferred income tax assets	6(32)	6,261,844	1	6,130,106	1
1915	Prepayments for equipment	6(10)	699,185	-	989,153	-
1920	Guarantee deposits paid	6(2) and 8	3,829,032	1	3,337,065	1
1985	Long-term prepaid rents	3(1)	-	-	11,461,236	3
1990	Other non-current assets	6(21), 7 and 8	6,136,143	1	5,056,368	1
15XX	Total non-current assets		<u>314,627,676</u>	<u>66</u>	<u>235,583,219</u>	<u>58</u>
1XXX	Total assets		<u>\$ 477,455,273</u>	<u>100</u>	<u>\$ 407,150,086</u>	<u>100</u>

(Continued)

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

Liabilities and Equity	Notes	December 31, 2019		December 31, 2018		
		AMOUNT	%	AMOUNT	%	
Current liabilities						
2100	Short-term borrowings	6(16) and 8	\$ 29,114,702	6	\$ 27,692,894	7
2110	Short-term notes and bills payable	6(17) and 8	3,324,869	1	5,850,161	1
2120	Financial liabilities at fair value through profit or loss - current	6(2)	551,073	-	6,035	-
2130	Contract liabilities - current	6(26)	13,170,263	3	10,874,433	3
2150	Notes payable		1,221,090	-	1,935,370	1
2160	Notes payable - related parties	7	24,762	-	19,407	-
2170	Accounts payable		33,608,953	7	32,782,061	8
2180	Accounts payable - related parties	7	527,481	-	547,759	-
2200	Other payables	3(1) and 6(18)	48,359,265	10	49,694,528	12
2230	Current income tax liabilities	6(32)	2,684,256	1	3,506,413	1
2280	Lease liabilities - current	3(1) and 6(11)	11,939,747	2	-	-
2310	Advance receipts		237,773	-	218,144	-
2320	Long-term liabilities, current portion	6(19)(20) and 8	4,045,785	1	9,991,782	2
2399	Other current liabilities		3,557,786	1	3,448,722	1
21XX	Total current liabilities		<u>152,367,805</u>	<u>32</u>	<u>146,567,709</u>	<u>36</u>
Non-current liabilities						
2527	Contract liabilities - non-current	6(26)	462,836	-	234,421	-
2530	Corporate bonds payable	6(19)	28,950,000	6	19,350,000	5
2540	Long-term borrowings	6(20) and 8	31,449,823	7	39,370,176	10
2570	Deferred income tax liabilities	6(32)	14,302,824	3	12,588,037	3
2580	Lease liabilities - non-current	3(1) and 6(11)	58,218,352	12	-	-
2640	Net defined benefit liabilities - non-current	6(21)	8,689,682	2	9,328,583	2
2645	Guarantee deposits received		6,790,153	1	7,026,713	2
2670	Other non-current liabilities		2,218,493	1	2,383,613	-
25XX	Total non-current liabilities		<u>151,082,163</u>	<u>32</u>	<u>90,281,543</u>	<u>22</u>
2XXX	Total liabilities		<u>303,449,968</u>	<u>64</u>	<u>236,849,252</u>	<u>58</u>
Equity attributable to owners of parent						
Share capital						
3110	Share capital - common stock	6(22)	56,820,154	12	56,820,154	14
Capital reserves						
3200	Capital surplus	6(23)(34)	3,897,742	1	3,896,504	1
Retained earnings						
3310	Legal reserve	6(24)	22,317,557	4	20,573,355	5
3320	Special reserve		4,005,821	1	4,010,695	1
3350	Unappropriated retained earnings		28,369,562	6	24,888,175	6
Other equity interest						
3400	Other equity interest	6(25)	(6,994,492)	(2)	(3,834,370)	(1)
31XX	Equity attributable to owners of the parent		<u>108,416,344</u>	<u>22</u>	<u>106,354,513</u>	<u>26</u>
36XX	Non-controlling interest	4(3)	<u>65,588,961</u>	<u>14</u>	<u>63,946,321</u>	<u>16</u>
3XXX	Total equity		<u>174,005,305</u>	<u>36</u>	<u>170,300,834</u>	<u>42</u>
Contingent Liabilities and Commitments						
3X2X	Total liabilities and equity		<u>\$ 477,455,273</u>	<u>100</u>	<u>\$ 407,150,086</u>	<u>100</u>

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

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

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

Items	Notes	Year ended December 31			
		2019		2018	
		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(12)(13)(26) and 7	\$ 447,977,703	100	\$ 431,445,520	100
5000 Operating costs	6(6)(14)(30)(31) and 7	(294,014,598)	(65)	(286,160,653)	(66)
5900 Net operating margin		<u>153,963,105</u>	<u>35</u>	<u>145,284,867</u>	<u>34</u>
Operating expenses	6(14)(30)(31), 7 and 12(2)				
6100 Selling expenses		(102,140,099)	(23)	(96,837,790)	(23)
6200 General and administrative expenses		(21,276,507)	(5)	(20,342,908)	(5)
6300 Research and development expenses		(913,226)	-	(947,902)	-
6450 Expected credit losses		(5,633)	-	(169,858)	-
6000 Total operating expenses		<u>(124,335,465)</u>	<u>(28)</u>	<u>(118,298,458)</u>	<u>(28)</u>
6900 Operating profit		<u>29,627,640</u>	<u>7</u>	<u>26,986,409</u>	<u>6</u>
Non-operating income and expenses					
7010 Other income	6(3)(8)(12)(13)(27) and 7	7,173,183	1	7,911,146	2
7020 Other gains and losses	6(2)(8)(14)(15)(28) and 12	(936,633)	-	(968,445)	-
7050 Finance costs	6(10)(11)(29)	(2,570,419)	(1)	(1,479,949)	(1)
7060 Share of profit of associates and joint ventures accounted for under equity method	6(9)	<u>3,103,499</u>	<u>1</u>	<u>2,858,989</u>	<u>1</u>
7000 Total non-operating income and expenses		<u>6,769,630</u>	<u>1</u>	<u>8,321,741</u>	<u>2</u>
7900 Profit before income tax		36,397,270	8	35,308,150	8
7950 Income tax expense	6(32)	(7,913,716)	(1)	(8,362,977)	(2)
8200 Profit for the year		<u>\$ 28,483,554</u>	<u>7</u>	<u>\$ 26,945,173</u>	<u>6</u>

(Continued)

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

Items	Notes	Year ended December 31				
		2019		2018		
		AMOUNT	%	AMOUNT	%	
Other comprehensive income (loss)						
Components of other comprehensive income (loss) that will not be reclassified to profit or loss						
8311	Actuarial gain (loss) on defined benefit plans	6(21)	\$ 231,742	- (\$	371,283)	-
8316	Unrealized gain (loss) on valuation of investments in equity instruments measured at fair value through other comprehensive income	6(8)	490,021	- (	171,120)	-
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method		22,126	-	80,041	-
8349	Income tax relating to components of other comprehensive income that will not be reclassified to profit or loss	6(32)	(51,681)	-	177,022	-
Components of other comprehensive income (loss) that will be reclassified to profit or loss						
8361	Financial statements translation differences of foreign operations		(4,236,633)	(1)	(1,156,193)	-
8367	Unrealized gain (loss) on valuation of investments in debt instruments measured at fair value through other comprehensive income, net	6(8)	47,285	- (	93,643)	-
8370	Share of other comprehensive (loss) income of associates and joint ventures accounted for under equity method		(3,036)	-	165,245	-
8399	Income tax relating to components of other comprehensive income that will be reclassified to profit or loss	6(32)	349	-	19	-
8300	Total other comprehensive loss for the year		<u>(\$ 3,499,827)</u>	<u>(1)</u>	<u>(\$ 1,369,912)</u>	<u>-</u>
8500	Total comprehensive income for the year		<u>\$ 24,983,727</u>	<u>6</u>	<u>\$ 25,575,261</u>	<u>6</u>
Profit attributable to:						
8610	Owners of the parent		\$ 19,007,255	5	\$ 17,442,022	4
8620	Non-controlling interest		9,476,299	2	9,503,151	2
	Net income		<u>\$ 28,483,554</u>	<u>7</u>	<u>\$ 26,945,173</u>	<u>6</u>
Comprehensive income attributable to:						
8710	Owners of the parent		\$ 16,262,279	4	\$ 17,246,954	4
8720	Non-controlling interest		8,721,448	2	8,328,307	2
	Net comprehensive income		<u>\$ 24,983,727</u>	<u>6</u>	<u>\$ 25,575,261</u>	<u>6</u>
Earnings per share (in dollars)						
9750	Basic	6(33)	<u>\$ 3.35</u>		<u>\$ 3.07</u>	
9850	Diluted		<u>\$ 3.33</u>		<u>\$ 3.05</u>	

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

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

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

Notes	Equity attributable to owners of the parent											Non-controlling interest	Total equity
	Retained Earnings					Other Equity Interest							
	Share capital - common stock	Additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Unrealized gain or loss on available-for-sale financial assets	Others	Total			
For the year ended December 31, 2018													
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	\$ 71,224,917	\$ 191,300,194	
Effects of retrospective application	-	-	-	-	366,999	-	472,832	(533,455)	-	306,376	113,020	419,396	
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(25)	-	-	-	-	(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	-	-	-	-	17,296,042	(31,387)	(17,701)	-	-	17,246,954	8,328,307	25,575,261	
Distribution of 2017 consolidated net income:													
Legal reserve	-	-	3,984,485	-	(3,984,485)	-	-	-	-	-	-	-	
Cash dividends 6(24)	-	-	-	-	(31,251,085)	-	-	-	-	(31,251,085)	-	(31,251,085)	
Adjustment for change in capital reserve of investee companies 6(23)	-	10,770	-	-	-	-	-	-	-	10,770	-	10,770	
Difference between the acquisition or disposal price and carrying amounts of subsidiaries 6(23)(34)	-	(49,970)	-	-	-	-	-	-	-	(49,970)	(53,830)	(103,800)	
Adjustment of capital reserve due to change in interests in associates 6(23)	-	19,486	-	-	-	-	-	-	-	19,486	-	19,486	
Non-payment of expired cash dividends from previous year transferred to capital reserve 6(23)	-	58	-	-	-	-	-	-	-	58	-	58	
Reversal of special reserve 6(24)	-	-	-	(619)	619	-	-	-	-	-	-	-	
Disposal of financial assets measured at fair value through other comprehensive income - equity instrument 6(8)	-	-	-	-	14,032	-	(14,032)	-	-	-	-	-	
Adjustment for change in other equity of investee companies 6(25)	-	-	-	-	-	-	-	(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>	
For the year ended December 31, 2019													
Balance at January 1, 2019	\$ 56,820,154	\$ 3,896,504	\$ 20,573,355	\$ 4,010,695	\$ 24,888,175	(\$ 4,272,116)	\$ 441,099	\$ -	(\$ 3,353)	\$ 106,354,513	\$ 63,946,321	\$ 170,300,834	
Consolidated net income for the year ended December 31, 2019	-	-	-	-	19,007,255	-	-	-	-	19,007,255	9,476,299	28,483,554	
Other comprehensive income (loss) for the year ended December 31, 2019 6(25)	-	-	-	-	171,294	(3,454,537)	538,267	-	-	(2,744,976)	(754,851)	(3,499,827)	
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	19,178,549	(3,454,537)	538,267	-	-	16,262,279	8,721,448	24,983,727	
Distribution of 2018 consolidated net income:													
Legal reserve	-	-	1,744,202	-	(1,744,202)	-	-	-	-	-	-	-	
Cash dividends 6(24)	-	-	-	-	(14,205,039)	-	-	-	-	(14,205,039)	-	(14,205,039)	
Adjustment for change in capital reserve of investee companies 6(23)	-	2,029	-	-	-	-	-	-	-	2,029	-	2,029	
Difference between the acquisition or disposal price and carrying amounts of subsidiary 6(23)(34)	-	(65,069)	-	-	-	-	-	-	-	(65,069)	(59,127)	(124,196)	
Adjustment of capital reserve due to change in interests in associates 6(23)	-	53,786	-	-	-	-	-	-	-	53,786	-	53,786	
Non-payment of expired cash dividends from previous year transferred to capital reserve 6(23)	-	10,492	-	-	-	-	-	-	-	10,492	-	10,492	
Reversal of special reserve 6(24)	-	-	-	(4,874)	4,874	-	-	-	-	-	-	-	
Disposal of financial assets measured at fair value through other comprehensive income - equity instrument 6(8)	-	-	-	-	247,205	-	(247,205)	-	-	-	-	-	
Adjustment for change in other equity of investee companies 6(25)	-	-	-	-	-	-	-	-	3,353	3,353	-	3,353	
Effect of business combination 6(35)	-	-	-	-	-	-	-	-	-	-	1,751,093	1,751,093	
Non-controlling interest	-	-	-	-	-	-	-	-	-	-	(8,770,774)	(8,770,774)	
Balance at December 31, 2019	<u>\$ 56,820,154</u>	<u>\$ 3,897,742</u>	<u>\$ 22,317,557</u>	<u>\$ 4,005,821</u>	<u>\$ 28,369,562</u>	<u>(\$ 7,726,653)</u>	<u>\$ 732,161</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 108,416,344</u>	<u>\$ 65,588,961</u>	<u>\$ 174,005,305</u>	

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

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

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

	Notes	For the years ended December 31,	
		2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 36,397,270	\$ 35,308,150
Adjustments			
Adjustments to reconcile profit (loss)			
Gain on financial assets and liabilities at fair value through profit or loss	6(2)(28)	(539,119)	(151,373)
Expected credit loss	12(2)	5,633	169,858
Provision (reversal of allowance) for inventory market price decline	6(6)	17,439	(3,674)
Loss on disposal of financial assets at fair value through other comprehensive income - debt instrument	6(8)(28)	7,512	9,695
Share of profit of associates and joint ventures accounted for under equity method	6(9)		
Loss on disposal of investments accounted for under equity method	6(28)	(3,103,499)	(2,858,989)
Depreciation on property, plant and equipment	6(10)(30)	91,912	43,546
Loss (gain) on disposal of property, plant and equipment	6(10)	18,509,125	18,324,890
Property, plant and equipment transferred to loss	6(28)	88,439	(435,688)
Depreciation on right-of-use assets	6(10)	22,726	-
Gain on disposal of right-of-use assets	6(11)(30)	12,345,387	-
Gain from lease modification	6(28)	(24,637)	-
Depreciation on investment property	6(28)	(68,020)	-
Gain on disposal of investment property	6(13)(30)	266,237	291,945
Loss on disposal of intangible assets	6(28)	(3,092)	(3,167)
Amortization	6(28)	216	-
Amortization of long-term prepaid rents	6(14)(30)	891,113	570,315
Gain on disposal of long-term prepaid rents		-	330,827
(Gain on reversal of) impairment loss on non-financial assets	6(15)(28)	-	(522,214)
Interest income	6(27)	(8,904)	89,426
Dividend income	6(27)	(2,483,305)	(2,135,410)
Finance costs	6(29)	(120,407)	(141,292)
		2,570,419	1,479,949
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets and liabilities at fair value through profit or loss		138,105	851,399
Notes receivable		391,255	47,394
Notes receivable - related parties		776	(545)
Accounts receivable		130,986	(1,076,045)
Accounts receivable - related parties		2,856	(129,534)
Other receivables		(96,035)	310,182
Inventories		(891,312)	(2,816,035)
Prepayments		(14,165)	(428,034)
Other current assets		7,833	(1,130)
Changes in operating liabilities			
Contract liabilities - current		2,295,830	206,561
Notes payable		(714,280)	(203,400)
Notes payable - related parties		5,355	7,475
Accounts payable		148,969	2,223,070
Accounts payable - related parties		(20,278)	69,552
Other payables		(408,338)	4,092
Advance receipts		19,629	1,769,660
Other current liabilities		109,064	392,526
Contract liabilities - non-current		228,415	(111,590)
Net defined benefit liabilities - non-current		(413,532)	(506,646)
Cash inflow generated from operations		65,783,578	50,975,746
Interest received		2,400,764	1,719,217
Dividends received	6(37)	1,994,500	3,916,138
Interest paid		(2,648,462)	(1,481,099)
Income tax paid		(8,659,089)	(12,033,123)
Net cash flows from operating activities		58,871,291	43,096,879

(Continued)

CASH FLOWS FROM INVESTING ACTIVITIES

Increase in financial assets at amortized cost - current		(\$	15,670,521)	(\$	17,718,816)
Repayment of principal at maturity from financial assets at amortized cost - current			20,470,015		8,426,644
(Increase) decrease in other receivables - related parties		(	266,525)		536
Decrease (increase) in other current assets - other financial assets			596,151	(	757,674)
Cash paid for acquisition of financial assets at fair value through other comprehensive income		(	650,752 )	(	723,972)
Proceeds from financial assets at fair value through other comprehensive income	6(8)		1,988,223		244,495
Cash paid for acquisition of financial assets at amortized cost - non-current		(	8,524,866 )	(	2,455,957)
Cash paid for acquisition of investments accounted for under the equity method		(	187,926)		-
Proceeds from disposal of investments accounted for under the equity method	6(37)		126,649		43,081,053
Cash paid for acquisition of property, plant and equipment	6(37)	(	13,244,174 )	(	12,661,305)
Interest paid for acquisition of property, plant and equipment	6(10)(37)	(	40,488 )	(	58,452)
Proceeds from disposal of property, plant and equipment	6(37)		1,563,330		967,969
Proceeds from disposal of right-of-use assets			209,498		-
Cash paid for acquisition of investment property	6(13)	(	17,224 )	(	15,630)
Proceeds from disposal of investment property			21,221		25,628
Increase in intangible assets	6(14)	(	450,873 )	(	234,588)
Proceeds from disposal of intangible assets			894		16
Increase in prepayments for equipment		(	1,473,774 )	(	2,445,372)
Interest paid for prepayments for equipment	6(10)	(	5,170 )	(	5,521)
Increase in guarantee deposits paid		(	491,967 )	(	88,663)
Increase in long-term prepaid rents			-	(	79,064)
Proceeds from disposal of long-term prepaid rents			-		925,558
(Increase) decrease in other non-current assets		(	645,666)		227,854
Cash paid for business combination	6(37)	(	6,383,440 )	(	5,378,010)
Net cash flows (used in) from investing activities		(	23,077,385)		11,276,729

CASH FLOWS FROM FINANCING ACTIVITIES

Increase in short-term borrowings	6(38)		1,421,808		10,303,941
Decrease in short-term notes and bills payable	6(38)	(	2,525,292 )	(	1,455,219)
Increase in corporate bonds payable	6(38)		11,000,000		9,750,000
Decrease in corporate bonds payable	6(38)	(	7,252,744 )	(	4,171,567)
Increase in long-term borrowings	6(38)		190,019,264		162,366,344
Decrease in long-term borrowings	6(38)	(	198,715,671 )	(	159,487,164)
Payments of lease liabilities	6(38)	(	11,217,175)		-
(Decrease) increase in guarantee deposit received	6(38)	(	236,560)		235,636
(Decrease) increase in other non-current liabilities		(	165,120)		110,303
Cash paid for transaction with non-controlling interests	6(34)	(	124,196 )	(	103,800)
Payment of cash dividends	6(24)	(	14,205,039 )	(	31,251,085)
Change in non-controlling interests		(	8,770,774 )	(	15,666,093)
Net cash flows used in financing activities		(	40,771,499 )	(	29,368,704)
Effect of foreign exchange rate changes on cash and cash equivalents		(	376,556)		354,142
Net (decrease) increase in cash and cash equivalents		(	5,354,149)		25,359,046
Cash and cash equivalents at beginning of year	6(1)		80,060,950		54,701,904
Cash and cash equivalents at end of year	6(1)	\$	74,706,801	\$	80,060,950

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

Uni-President Enterprises Corp.
PROFIT ALLOCATION PROPOSAL

For the years ended December 31, 2019

Unit : NT\$

Net Income for 2019	\$ 19,007,255,323
Less : 10% Legal Reserve	(1,900,725,532)
Plus : An effort to ascertain the amount of remeasuring of the fringe benefit programs.	171,293,411
Plus : Resersal of Special Reserve	4,874,223
Plus : Disposal of equity instruments at fair value through other comprehensive income	247,204, 701
Less : Special Reserve-Other Equity Interest	(3,094,099,786)
2019 Earnings Available for Distribution	14,435,802,340
Plus : Unappropriated Retained Earnings of Previous years	8,938,934,612
Distribution Items:	23,374,736,952
Cash Dividends to Common Share Holders (NT\$ 2.5 per share)	14,205,038,553
Unappropriated Distribution	\$ 9,169,698,399

Note :

1. Net income for 2019 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”.

Uni-President Enterprises Corporation

Contrast Table for Amendments to the Rules of Procedure for Shareholders' Meeting

Provision After Proposed Amendments	Current Provision	Amendments to the official version	Explanation
<p>X. Where the shareholders' meeting is assembled by the Board, the Board shall stipulate the meeting agenda. The related motions (including extemporary motions and amendments to the original motions) shall be subject to a vote. The shareholders' meeting shall progress in accordance with an arranged agenda, which can only be changed by the resolution of the shareholders' meeting.</p> <p>The following contents ... (omitted)</p>	<p>X. Where the shareholders' meeting is assembled by the Board, the Board shall stipulate the meeting agenda, the shareholders' meeting shall progress in accordance with an arranged agenda, which can only be changed by the resolution of the shareholders' meeting.</p> <p>The following contents ... (omitted)</p>	<p>Article 10 Where the shareholders' meeting is assembled by the Board, the Board shall stipulate the meeting agenda. The related motions (including extemporary motions and amendments to the original motions) shall be subject to a vote. The shareholders' meeting shall progress in accordance with an arranged agenda, which can only be changed by the resolution of the shareholders' meeting. The following contents ... (omitted) The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote, also arrange sufficient time for voting.</p>	<p>Cooperating with e-voting adopted by TWSE/TPEX listed companies since 2018 and also using an agenda by agenda basis to pass resolutions. The provision referred to in Paragraph 1 is added accordingly.</p>
<p>XV. The chairman may announce discontinuation of the discussion process and proceed with the voting process when the discussion is considered up to the extent for resolution, also arrange sufficient time for voting.</p>	<p>XV. The chairman may announce discontinuation of the discussion process and proceed with the voting process when the discussion is considered up to the extent for resolution.</p>	<p>XV. The chairman may announce discontinuation of the discussion process and proceed with the voting process when the discussion is considered up to the extent for resolution.</p>	<p>In response to the shareholders' meeting practices, the partial provisions are added accordingly.</p>
<p>XVII. When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed. If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue. A resolution may be adopted at a shareholders meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.</p>	<p>XVII. The chairman may announce a break as appropriate during the proceedings of a shareholders' meeting.</p>	<p>Article 18 When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed. If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue. A resolution may be adopted at a shareholders meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.</p>	<p>In order to prevent the meeting from being suspended due to force majeure during a meeting, the provision is added based on the official version.</p>

Provision After Proposed Amendments	Current Provision	Amendments to the official version	Explanation
<p>XIX. The voting process shall be conducted on a case-by-case basis and the outcome of pros, cons and abstentions should be input into the Market Observation Post System (MOPS). In case any amendment or substitute is posed for the same issue, the chairman shall fix the process of resolution along with the original issues. If any issue among them is resolved, other issues are deemed vetoed and no further voting process is required.</p>	<p>XIX. The voting process shall be conducted on a case-by-case basis (or by separation of cases) and the outcome of pros, cons and abstentions should be input into the Market Observation Post System (MOPS). In case any amendment or substitute is posed for the same issue, the chairman shall fix the process of resolution along with the original issues. If any issue among them is resolved, other issues are deemed vetoed and no further voting process is required.</p>	<p>Article 13 ....(the preceding paragraph omitted) Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS. The following contents... (omitted)</p>	<p>Expressly define that the various motions are subject to voting, and delete "or by separation of cases".</p>
<p>XX. Staff handling administrative affairs of a shareholders meeting shall wear identification cards. The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor" or identification cards. At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by this Corporation, the chair may prevent the shareholder from so doing. When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.</p>	<p>XX. The chair may direct the proctors (or security personnel) to help maintain order at the meeting place. When proctors (or security personnel) help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor".</p>	<p>Article 17 Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands. The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor." At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by this Corporation, the chair may prevent the shareholder from so doing. When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.</p>	<p>To help the shareholders' meeting proceed successfully, refer to the official version to view the newly added provisions in detail.</p>

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

As of 03/27/2020

Name	Current Position with Other Companies
Kao Chyuan Inv. Co., Ltd. Representative: Jui-Tang Chen	Chairman of : President Lanyang Art Corporation, 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., Kai Ya Food Co., Ltd. Vice Chairman of : Philippine Seven Corp. Director of : President Chain Store Corp., President Drugstore Business Corp., President Being Corp., Uni-President Department Store Corp., 21 Century Co., Ltd., Uni-President Cold-Chain Corp., President Development Corp., President International Development Corp., 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. President of : Ren-Hui Investment Corp.
PING ZECH Corp. Representative: Chung-Shen Lin	Chairman of : Gan En Sheng Ren Social Welfare Charity Foundation Honorary chairman of : Freemann Management Advisers Limited Honorary chairman of : Chinese Association for Corporate Transformation Innovation and Advancement Honorary director of : Transnational Vision, Attorneys at Law Honorary consultant of : Foundation for Yunus Social Business, Union Rice Co., LTD
YuPeng Inv. Co.,Ltd. Representative: Po-Ming Hou	Chairman of : Tainan Spinning Co., Ltd., Nan Fan Housing Development Co., Ltd., Tainan Spinning Retail & Distribution Co., Ltd., Hsin Yu Peng Investment Co., Ltd. Managing Director of : Nantex Industry Co., Ltd. Director of : Prince Housing Development Corp., Times Square International Holding Co., Times Square International Stays Co., ScinoPharm Taiwan, Ltd., President International Development Corp., President Entertainment Corp.
Joyful Inv. Co., Ltd.	Director of : Tainan Spinning Co., Ltd., Nantex Industry Co., Ltd. , Grand Bills Finance Corp., Jun Dow Co., Ltd., Eten Technologies Inc.,