

**Uni-President Enterprises Corp.**  
**Minutes for the 2021 General Shareholders Meeting**

Time: Friday, July 23, 2021 at 10:00 am.

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

Live webcast with Directors in Conference Room 1, 23rd floor, Taipei Branch, Director's home in northern Taiwan and in LA.

Chairperson: Chih - Hsien Lo

Recorder: Yu-Han Chen

Attendants: Total Shares Represented by Shareholders and Proxies Present:  
4,705,996,320 shares, (3,362,957,804 shares exercised via electronic transmission) accounted for 82.82% of the total shares issued  
(5,682,015,421 shares)

List of present directors and places of attendance:

1. Training Center of Uni-President Enterprises Corp. head office, No.301, Zhongzheng Rd., Yongkang District., Tainan City 71001, Taiwan (R.O.C.)  
Kao Chyuan Inv. Co., Ltd. Representative: Chih-Hsien Lo,  
Young Yun Inv. Co., Ltd. Representative: Chung-Ho Wu,  
Joyful Inv. Co., Ltd. Representative: Pi-Ying Cheng,  
Independent Director: Chao-Tang Yue (Chairman of the Audit Committee)

2. Live webcast:

(1) Conference Room 1, 23rd floor, Taipei Branch

Kao Chyuan Inv. Co., Ltd. Representative: Jui-Tang Chen,  
YuPeng Inv. Co., Ltd. Representative: Po-Ming Hou,  
PING ZECH Corp. Representative: Chung-Shen Lin,  
Po-Yu Hou, Chang-Sheng Lin.

(2) Director's home in northern:

Independent Directors :

Yun Lin (Chairman of the Remuneration Committee), Hong-Te Lu.

(3) Director's home in LA:

Taipo Inv. Co., Ltd. Representative: Ping-Chih Wu

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

Tze-Meng Liu (CPA) , Tzu-Shu Lin (CPA) , Hsu-Hwa Yu (Attorney)

## **Meeting Agenda**

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

**II Chairperson remarks**(omitted)

### **III Company Reports**

Motion 1: 2020 Business Report.

Explanation : Please refer to Attachment 1 for the Company's 2020 business report.

Motion 2: Audit Committee's Review Report on the 2020 Financial Statements.

Explanation : The Company's 2020 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 2020 profits (Attachment 5).

Motion 3 : Report on the payment of employee compensation and director remuneration of 2020.

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 2020 in the following manner, based on the Articles of Incorporation and by taking the operating performance into account:
  - (1) 7.34% as the remuneration to employees, namely NT\$1,783,681,359.
  - (2) 1.51% as the remuneration to directors, namely NT\$366,179,161.
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, 2020, the balance of endorsements/guarantees at the end of the term amounted to NT\$27.06 billion. The aggregate total actually disbursed amounted to NT\$0.423 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%	21,000,000	the 8 <sup>th</sup> meeting of the 18 <sup>th</sup> term of board Mar. 27, 2020	0
Kai Nan Investment Co., Ltd.	100.0%	400,000	the 3 <sup>th</sup> meeting of the 17 <sup>th</sup> term of board Nov. 9, 2016 the 2 <sup>th</sup> meeting of the 18 <sup>th</sup> term of board June 26, 2019	0
President Entertainment Corp.	100.0%	1,500,000	the 3 <sup>th</sup> meeting of the 16 <sup>th</sup> term of board Nov. 12, 2013	0
Kai Yu Investment Co., Ltd.	100.0%	2,300,000	the 2 <sup>th</sup> meeting of the 16 <sup>th</sup> term of board Aug. 12, 2013 the 2 <sup>th</sup> meeting of the 18 <sup>th</sup> term of board June 26, 2019	76,000
Tone Sang Construction Corp.	100.0%	1,800,000	the 10 <sup>th</sup> meeting of the 13 <sup>th</sup> term of board Dec. 16, 2005	347,000
President Baseball Team Corp.	100.0%	60,000	the 7 <sup>th</sup> meeting of the 11 <sup>th</sup> term of board Aug. 20, 1999	0
Total	-	27,060,000		423,000

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

3. Please refer to Appendix 1 on page 43~46 of the Meeting Handbook for the Current Provision.

Motion 5 : Report on the Company's issuance status of corporate bonds for 2020.

Explanation:

1. The issuances were completed in accordance with Article 246 of Company Act.
2. The company completed three offerings of corporate bonds in 2020. A summary of the major terms of these offerings are as follows :

Issuance	2020's first domestic unsecured straight corporate bond	2020's second domestic unsecured straight corporate bond	2020's third domestic unsecured straight corporate bond
Amount	NTD 8.55 billion	NTD 3.0 billion	NTD 3.0 billion
Maturity	5 years and 7 years	5 years and 7 years	7 years
Coupon Rate	5 years : 0.56% 7 years : 0.59%	5 years : 0.50% 7 years : 0.58%	0.43%
Principal Repayment and Coupon Frequency	Principle repayment: One-time repayment since issuance date for both 5-year and 7-year terms. Interest payout: simple interest rate is used to pay out yearly.	In the case of a 5-year term, repaying principal in full at maturity from the issuance date; in the case of a 7-year term, repaying 1/2 principle by the ends of 6 <sup>th</sup> and 7 <sup>th</sup> year from the issuance date. simple interest rate is used to pay out yearly.	Principle repayment: repaying 1/2 principle by the ends of 6 <sup>th</sup> and 7 <sup>th</sup> year from the issuance date. simple interest rate is used to pay out yearly.
Approval Document Number	Announcement of effectivity per the Letter Zheng-Gui-Zhai-Zi No. 10900034551 of the Taipei Exchange on Apr. 13, 2020.	Announcement of effectivity per the Letter Zheng-Gui-Zhai-Zi No. 10900115801 of the Taipei Exchange on Oct. 5, 2020.	Announcement of effectivity per the Letter Zheng-Gui-Zhai-Zi No. 10900144451 of the Taipei Exchange on Dec. 18, 2020.
The Purpose of Issuance	Raising long-term capital and reinforcing the financial structure.	Raising long-term capital and reinforcing the financial structure.	Raising long-term capital and reinforcing the financial structure.
Note	The offering was completed on Apr. 22, 2020.	The offering was completed on Oct. 14, 2020.	The offering was completed on Dec. 29, 2020.

**Summary of the comment made by Shareholder Account No. #82800427 :**

1. What is the performance of 2020H1 and 2020H2 as reflected in the business report? What are the ways to benefit shareholders in the future?
2. What are opinions regarding the remuneration for employees and directors/supervisors of the Audit Committee members? How much will be allocated to employees? The amount of the remuneration? Will all employees receive the remuneration?
3. The remuneration for directors/supervisors is over NT\$70 million more than that of 2019. Why?
4. Have Audit Committee members audited the Company's re-investments? Some are ineffective. The amount is too high that no benefit for the Company is seen.
5. Re-investments were made in all Chinese provinces. Have all three Audit Committee members performed onsite inspections of these investments?

**Summary of the comment made by Shareholder Account No. #82800427 :**

1. The Audit Committee is very important. Please tell us the status of the audit and

evaluation?

2. Can you tell us the assessment process of the “Grape King Bio LTD” project valued over NT\$2 billion?  
Has the Audit Committee examine relationships between the investment amount and return on investment?
3. What are the units responsible for reinvestment? As the Company lost money in many reinvestment projects, did the Audit Committee notice this? How did the Audit Committee assess these projects?
4. As disclosed in the PSCNET Annual Report, the total amount of reinvestments was over NT\$150 billion, how did the Audit Committee assess these projects?
5. As shown in p. 339 of the PSCNET Annual Report, the amount of unlisted emerging stocks is over NT\$1 billion, how were they valued?
6. The advertising expenses were NT\$1.8 billion, what were the advertisements about?

#The meeting chair has answered the above questions raised by the shareholder, with supplementation given by Independent Director Chao-Tang Yu, convener of the Audit Committee. The answers are omitted.

#### **Summary of the comment made by Shareholder Account No. #82800427 :**

1. Has the Audit Committee reviewed the “Grape King Bio LTD” project valued over NT\$2 billion?
2. What are the contents of the advertising expenses over NT\$1 billion?
3. A question for the Audit Committee: Will the unlisted emerging stocks valued over NT\$1 billion breed some cash cows? Can shareholders buy some of these emerging stocks?
4. There are gains and losses in the investments, how did the Audit Committee supervise them? Through CPAs? Have you inspected investments overseas and in mainland China? Just taking a look at those projects? How was the audit actually implemented?
5. The business in mainland China is huge. How was the audit carried out? Through accounting reports or another international CPA firm? These amounts are huge, over 30 billion and 40 billion. What was the interval between audits? When should they give you the reports? Did you read the reports?

#The meeting chair has answered the above questions raised by the shareholder, with supplementation given by Independent Director Chao-Tang Yu, convener of the Audit Committee. The answers are omitted.

### **Summary of the comment made by Shareholder Account No. #82800427 :**

1. According to p. 30 of the annual report, the remuneration for directors is over NT\$100 million. There is no increment and it is infinite. Have Audit Committee members checked this out?
2. The financial report of the investment accounted for using equity method in p. 301 of the Annual Report was not audited by this CPA. Is that investment made based on the financial report of other CPAs to result in a total amount of over NT\$30 billion and account for 6.83% of the total assets? Have the three Audit Committee members examined the fund allocation and figures in that financial report? Regarding the report audited by other CPAs, who were the CPAs and what were the names of their firms?
3. What are the contents of the expenses over NT\$1 billion of Uni-President Express Corporation?

#The meeting chair has answered the above questions raised by the shareholder, with supplementation given by Independent Director Chao-Tang Yu, convener of the Audit Committee. The answers are omitted.

#Response of Audit Committee Convener Chao-Tang Yu:

1. Regarding the remuneration for directors in the Annual Report, Uni-President proceeded with the remuneration with respect to the “Remuneration paid during the most recent fiscal year to directors, supervisors, the general manager, and assistant general managers” as stated in Article 10-3, “Regulations Governing Information to be Published in Annual Reports of Public Companies”.
2. The financial statements of all investees of Uni-President are ratified by four CPA firms according to the Statements on Auditing Standards (SAS).

## **IV Proposals**

Motion 1: 2020 Company’s business reports and financial statements. (Proposed by the Board)

Explanation:

1. Adoption of the 2020 Company’s business report and financial statements, which have been approved by resolution of the 15<sup>th</sup> meeting of the 18<sup>th</sup> term of board of directors on March 24, 2021 and examined by Audit Committee.
2. Please refer to Attachment 1 for the business report, audit committee’s review report (Attachment 2), auditor’s report and financial statements (Attachment 3, Attachment 4).

**Summary of the comment made by Shareholder Account No. #82800427 :**

1. Why was there a loss by 1.3% in CNY for the beverage business in p. 103 of the Annual Report?
2. Regarding the details of investments accounted for by the equity method in p. 228 of the Annual Report, the sporadic items are below 2%. In where are they included?

**#Response of The meeting chair:**

1. Uni-President China Holdings Ltd. is a huge business group, please refer to our prospectus for its operations.
2. Regarding the details of investments accounted for by the equity method in p. 228 of the Annual Report, major investment projects are reported according to the accounting principles, please refer to p.272 of the Annual Report for the details of the sporadic items below 2%.

Resolution:

Voting Result-

Shares represented at the time of voting : 4,705,996,320

Voting Results*		% of the total represented share present
Votes in favor	4,218,772,498 votes (2,875,785,207 votes)	89.64%
Votes against	1,526,962 votes (1,526,931 votes)	0.03%
Votes abstained/ No votes	485,696,860 votes (485,645,666 votes)	10.33%
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 2020 profits. (Proposed by the Board)

Explanation:

1. The Company's net profit after tax was NT\$21,542,407,407 in 2020. Plus an effort to ascertain the amount of remeasuring of the fringe benefit programs, NT\$27,916,456.10% legal reserve, NT\$ 2,157,032,386 was set aside pursuant to laws, and set aside of special reserve, NT\$1,104,333,413 and unappropriated retained earnings of previous years, NT\$9,169,698,399 the accumulated allocable earnings from profits was NT\$ 27,478,656,463.
2. Please refer to Attachment 5 for the distribution of 2020 profits.
3. The Company's 2020 is proposed to distribute Cash dividends of NT\$ 2.7 per share. Upon the approval of the General Shareholders Meeting, it is proposed that

the Board of Directors be authorized to resolve the ex-dividend dates and adjust the dividends to be distributed to each share based on the number of actual shares outstanding on the record date for distribution.

- 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.

**Summary of the comment made by Shareholder Account No. #82800427 :**

According to page 34 of the Meeting Handbook, the amount of unappropriated earnings is over NT\$12 billion, and there are over NT\$30 billion listed in the book. Should more be allocated for earnings distribution? What was the general dividend policy for the last three years?

#The meeting chair has answered the above questions raised by the shareholder. The answers are omitted.

Resolution:

Voting Result-

Shares represented at the time of voting : 4,705,996,320

Voting Results*		% of the total represented share present
Votes in favor	4,223,072,990 votes (2,880,109,586 votes)	89.73%
Votes against	7,758,582 votes (7,758,582 votes)	0.16%
Votes abstained/ No votes	475,164,748 votes (475,089,636 votes)	10.11%
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:

- According to "Sample Template for The Rules of Procedure for Shareholders Meetings." revised by Taiwan Stock Exchange, Tai-Zheng-Zhi-Li-Zi No. 11000014461 on January 28, 2021.
- In order to improve the corporate governance and maintain shareholders' interest and rights, amending Article 9 and Article 16 of the Company's "Rules of



Procedure for Shareholders Meetings” in response to the official “Sample Template.

Meanwhile, with reference to Article 3 of the Sample Template, which provides that the causes stated in the notice of the reasons for convening the shareholders’ meeting may not be altered by any extemporaneous in the same meeting, the Company waives to set forth such requirement separately, as the same has been expressly defined in Article 172 of the parent law, namely Company Act.

3. Please refer to Attachment 6 of Contrast Table of the article of " Rules of Procedure for Shareholders’ Meeting", Appendix 2 on page 47~49 of the Meeting Handbook for the original clauses.

Resolution:

Voting Result-

Shares represented at the time of voting : 4,705,996,320

Voting Results*		% of the total represented share present
Votes in favor	4,191,532,974 votes (2,848,569,570 votes)	89.06%
Votes against	159,662 votes (159,662 votes)	0.00%
Votes abstained/ No votes	514,303,684 votes (514,228,572 votes)	10.94%
Votes invalid	0 votes	0%
The proposal was approved after voting.		

\*including votes casted electronically (numbers in brackets)

Motion 2: Amendment to the Company’s Procedures for Election of Directors.  
(Proposed by the Board)

Explanation:

1. According to revised by Taiwan Stock Exchange, Tai-Zheng-Zhi-Li-Zi No. 10900094681 on June 3, 2020, it’s planned to revise the Company’s "Procedures for Election of Directors": Article 2, 10~14.
2. Focus of the amendments:
  - (1) Amend Article 2

Considering that the “Rules for Director Elections” enacted by the Company earlier are similar to the “Procedures for Election of Directors” enacted by the Company in response to the competent authority’s regulations in the contents, and according to Article 21 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies,” a TWSE/TPEX listed company shall establish a fair, just, and open procedure for the election of directors, we suggest that the “Procedures for Election of Directors” should replace the “Rules for Director Elections” and the “Rules

for Director Elections” should be abolished upon approval of a general shareholders’ meeting.

- (2) In response to the existing practices, delete Article 10 and amend Articles 11~14 thereof.
3. Please refer to Attachment 7 of Contrast Table of the article of " Procedures for Election of Directors ", Appendix 3 on page 50~52 of the Meeting Handbook for the original clauses.

**Summary of the comment made by Shareholder Account No. #82800427 :**

Based on the policy announced by the Securities and Futures Bureau or Financial Supervisory Commission? Or, the policy revised by the Company? If it is the Securities and Futures Bureau, we’ll approve it.

#Response of The meeting chair:

With respect to amendment of Articles 2 and 10-14 of the Company’s “Procedures for Directorial Election” by the Taiwan Securities Exchange Corporation by Letter Tai-Zheng-Zhi-Li-Zi No. 10900094681 dated June 3, 2020. We did it by law.

Resolution:

Voting Result-

Shares represented at the time of voting : 4,705,996,320

Voting Results*		% of the total represented share present
Votes in favor	4,189,162,895 votes (2,846,199,491 votes)	89.01%
Votes against	174,280 votes (174,280 votes)	0.00%
Votes abstained/ No votes	516,659,145 votes (516,584,033 votes)	10.99%
Votes invalid	0 votes	0%
The proposal was approved after voting.		

\*including votes casted electronically (numbers in brackets)

Motion 3: Deletion of the non-competition promise ban imposed upon the Company’s Directors and Independent Directors according to the Article 209 of Company Act. (Proposed by the Board)

Explanation:

1. According to the Article 209 of Company Act, a director who does anything for himself/herself or on behalf of another person that is within the scope of the company's business, shall explain to the Shareholders’ Meeting the essential contents of such an act and secure its approval.

2. Increase/decrease in the positions concurrently held in other companies by the current corporate representative director of Kao Chuan Inv. Co., Ltd., Mr. Chih-Hsien Lo, Ms. Shioh-Ling Kao, the Independent Directors Mr. Chao-Tang Yue and Ms. Yun Lin, 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 8 for details of positions and duties concurrently served in other companies.

Resolution:

Voting Result-

Shares represented at the time of voting : 4,421,665,784

Voting Results*		% of the total represented share present
Votes in favor	3,684,261,652 votes (2,625,628,784votes)	83.32%
Votes against	410,441 votes (410,441votes)	0.00%
Votes abstained/ No votes	736,993,691 votes (736,918,579 votes)	16.68%
Votes invalid	0 votes	0%
The proposal was approved after voting.		

\*including votes casted electronically (numbers in brackets)

## VI Questions and Motions:

### **Summary of the comment made by Shareholder Account No. #82800427 :**

1. An Investor Relations unit should be established.
2. NT\$990 million was spent to build a logistics center. Will this be open for small shareholders and shareholders of Uni-President Group?
3. The group is huge and has too many investees. There are many problems in the report that can be discussed, including subsidiaries and their subsidiaries with deficits and Uni-President China Holdings. Suggestions for improvements are all welcome.
4. Audit Committee members should be delegated the required power and given the deserved benefits. It is not easy for those professors to make endorsements for these companies.
5. We hope that the quality of the video conference would be better and noise can be eliminated next year.
6. Uni-President is a huge business. If a PR center is establish in northern, central, and southern Taiwan, investors can keep up with the Company's scale of operations and profit through these windows. In this case, we will not need to answer these questions at the General Shareholders Meeting. Thank you very much.

#Response of The meeting chair:

Thank you for the concern and comment of shareholders. Although we have established the spokesperson system and user service helpline to provide related information, we will make continual improvement in investor services.

Any more comments from shareholders? If no more comment, we announce the “adjournment” of the 2021 General Shareholders Meeting.

## **VII Adjournment: July 23, 2021 at 11:43 am.**

Remarks:

#With respect to Article 183, paragraph 4, “Company Act”:

The minutes of the General Shareholders Meeting shall record the date and place of the meeting, the name of the chairperson, the method of adopting resolutions, and a summary of the essential points of the proceedings, and the results of the meeting. The minutes shall be kept persistently throughout the life time of the company.

# The minutes of the General Shareholders Meeting only outline the proposals discussed and summarize the comments of shareholders with different opinions. The proceedings, procedures, and shareholder comments are subject to the meeting video.

**Uni-President Enterprises Corp.**  
**2020 Business Report**

Attachment 1

Profitability remains stable and is growing over the last year after everyone's effort and the consumers' support in 2020. In 2020, the Company's revenue reached TWD41.9 billion, a 2.7% YoY increase, with a net income of TWD21.5 billion, a 13.3% YoY increase, and consolidated revenue of TWD447.3 billion. In 2021, Uni-President will carry through the business mindset of "Honesty, Diligence, Innovation, and Progression", and hold onto the business guidance to catch trends, find ways, and refine skills, continuously strengthening the market status and competitiveness to create a promising future.

**Protecting food safety without compromise.**

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

**Construct the "Asian Logistic Life Platform" to lay the foundation for the Group's sustainability.**

Population structure and technological evolution are changing rapidly. Technology development drives types of life and consumption to transform. To look out to the future, other than following society trends, consumer expectations, food safety laws and regulations to make self-revolution on the basis of finding ways, Uni-President will more actively link up the group's platforms and resources to actively discover and satisfy more consumer needs in order to bring out a group synergy and maximize the value altogether. 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 and production efficiency through the use of management policies 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 Logistic Life Platform to work on the long-term business goals, i.e. better services for life, improvement of life quality, and creation of desired economic value.

**Following through the business principle of "catching trends, finding ways, and**

## **refining skills” to achieve consistent improvement.**

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

- (1) Enhancement of brand value: Focus on sprouting leading brands and major SKU, solidify the bonds with consumers through branding, pursue more excellent product strength by R&D of technology, provide consumers with a happy and relaxing shopping experience, and expand the market share and build the Company’s position in the industry.
- (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) Construction of the platform economics: Sprout the tangible channels, construct e-commerce platforms, and make good use of the Group’s logistic resources to provide excellent shopping experience and complete shopping channels; integrate online and offline information, introduce members to engage in the business; shorten the gap with consumers and exercise the value of life industry by the development of platform economics through digital innovation.
- (5) Participation in social responsibility: Value corporate governance, food safety, employees’ benefit, labor safety and environmental protection, and social participation.

## **Business Outlook for 2021**

In 2020, the market value of Uni-President was more than NT\$350 billion, staying in the Top 20 among the enterprises in Taiwan. Uni-President exists for the society. In the future, we will keep internalizing our past expertise in manufacturing and dedicated services until they attain a more in-depth style of literacy and life experience. Upholding “I am Uni-President and also a life” as the core philosophy and “Contribution to Social Convenience” as the code of conduct, we aim to reach the goal for life industry step by step, and communicate to the society an ethical philosophy, a lifestyle, a sense of happiness, and a set of historical culture transfers. Extraordinariness is not from our behaviors or abilities but decided by good habits. The Company will adhere to the policy for “Practical and Diligent, Focus on Management” and an attitude “Avoiding being Impetuous” and using the best efforts to achieve the domestic market sales target in 2021 to continue creating better investment income for all shareholders. Please continue to guide and support us.

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

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

I hereby state as following:

This proposal is the presentation by the Board of Directors of the Company's 2020 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:

2021 General Shareholders' Meeting of Uni-President Enterprises Corporation.

Uni-President Enterprises Corporation

Chairman of the Audit Committee   Chao-Tang Yue

May 10, 2021

## INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

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

***Opinion***

We have audited the accompanying parent company only balance sheets of Uni-President Enterprises Corp. (the "Company") as of December 31, 2020 and 2019, 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, 2020 and 2019, 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 2020. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

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

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

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

Cayman President Holdings Ltd. and President Chain Store Corp., the Company's subsidiaries with the related ending balance of investments accounted for under the equity method of \$65,483,890 thousand and \$14,953,721 thousand, both constituting 43% of the Company's total assets, respectively, were considered significant to the parent company only financial statements. Accordingly, evaluation of the ending balances of these investments accounted for under the equity method has been identified as one



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

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

Description

Cayman President Holdings Ltd. and its subsidiaries are engaged in a large volume of revenue transactions generated from sales to a large number of customers, including direct customers and distributors in many different areas in Mainland China. As such, it needs more time for good transportation and customer reception, which involves complicated judgement in determining the timing of transferring the rights and obligations and risks and awards of goods to customers. As a result, it has been identified as one of the key audit matters of our annual audit of 2020.

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 2020.

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 2020.

#### How our audit addressed the matter

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

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

#### ***Other matter –Report of other auditors***

We did not audit the financial statements of certain investments accounted for under the equity method that are included in the parent company only financial statements. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included in the parent company only financial statements and the information disclosed in Note 13 relative to these investments, is based solely on the audit reports of other auditors. The balance of these investments accounted for under equity method amounted to

\$8,032,737 thousand and \$7,944,076 thousand, representing 4.27% and 4.39% of the related totals as of December 31, 2020 and 2019, respectively, and share of profit or loss amounted to \$1,326,585 thousand and \$1,169,916 thousand, constituting 6.48% and 7.19% of the related totals for the years then ended, respectively.

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

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

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

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

### ***Auditors' responsibilities for the audit of the parent company only financial statements***

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

As part of an audit in accordance with the generally accepted auditing standards in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or

conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Lin, Tzu-Shu

Independent Accountants

Lin, Yung-Chih

PricewaterhouseCoopers, Taiwan

Republic of China

March 24, 2021

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

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for

the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

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

Assets	Notes	December 31, 2020		December 31, 2019		
		AMOUNT	%	AMOUNT	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 70,923	-	\$ 67,714	-
1150	Notes receivable, net	6(2) and 12	236,773	-	249,482	-
1170	Accounts receivable, net	6(2) and 12	785,547	1	790,840	1
1180	Accounts receivable - related parties	7	3,567,957	2	3,561,904	2
1200	Other receivables		184,067	-	195,195	-
1210	Other receivables - related parties	7	342,471	-	332,760	-
1220	Current income tax assets	6(29)	18,611	-	-	-
130X	Inventory	6(3)	2,192,119	1	2,152,230	1
1410	Prepayments		72,621	-	69,803	-
1479	Other current assets		2,230	-	1,000	-
11XX	<b>Total current assets</b>		<u>7,473,319</u>	<u>4</u>	<u>7,420,928</u>	<u>4</u>
<b>Non-current assets</b>						
1510	Financial assets at fair value through profit or loss - non-current	6(4)	78,873	-	79,246	-
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)	157,109,790	84	149,953,550	83
1600	Property, plant and equipment	6(7)(11) and 7	16,353,974	9	16,222,471	9
1755	Right-of-use assets	6(8)	163,564	-	202,757	-
1760	Investment property, net	6(10)(11)	4,891,868	3	4,770,432	3
1780	Intangible assets	7	124,141	-	138,195	-
1840	Deferred income tax assets	6(29)	609,333	-	674,626	1
1915	Prepayments for equipment	6(7)(10)	257,812	-	285,677	-
1920	Guarantee deposits paid		117,627	-	173,018	-
1930	Long-term notes and accounts receivable		26,650	-	40,831	-
1990	Other non-current assets		574,015	-	547,939	-
15XX	<b>Total non-current assets</b>		<u>180,557,647</u>	<u>96</u>	<u>173,338,742</u>	<u>96</u>
1XXX	<b>Total assets</b>		<u>\$ 188,030,966</u>	<u>100</u>	<u>\$ 180,759,670</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, 2020		December 31, 2019		
		AMOUNT	%	AMOUNT	%	
<b>Current liabilities</b>						
2100	Short-term borrowings	6(12)	\$ 757,591	-	\$ 2,264,007	1
2110	Short-term notes and bills payable	6(13)	8,368,859	5	1,098,981	1
2120	Financial liabilities at fair value through profit or loss - current	6(4)	10,375	-	3,444	-
2150	Notes payable		10,742	-	10,589	-
2170	Accounts payable		1,288,639	1	1,367,649	1
2180	Accounts payable - related parties	7	145,513	-	148,209	-
2200	Other payables	6(14)	7,170,324	4	6,680,032	4
2220	Other payables - related parties	7	841,685	-	797,888	-
2230	Current income tax liabilities	6(29)	279,633	-	404,219	-
2280	Lease liabilities - current		74,912	-	68,855	-
2310	Advance receipts		131,974	-	131,705	-
2320	Long-term liabilities, current portion	6(15)(16)	1,400,000	1	3,400,000	2
2399	Other current liabilities		10,495	-	15,600	-
21XX	<b>Total current liabilities</b>		<u>20,490,742</u>	<u>11</u>	<u>16,391,178</u>	<u>9</u>
<b>Non-current liabilities</b>						
2530	Corporate bonds payable	6(15)	42,100,000	22	28,950,000	16
2540	Long-term borrowings	6(16)	6,300,000	3	21,879,211	12
2570	Deferred income tax liabilities	6(29)	1,906,023	1	1,961,706	1
2580	Lease liabilities - non-current		85,970	-	131,486	-
2640	Net defined benefit liabilities- non-current	6(17)	2,629,008	2	2,961,624	2
2645	Guarantee deposits received		70,834	-	63,481	-
2670	Other non-current liabilities		4,370	-	4,640	-
25XX	<b>Total non-current liabilities</b>		<u>53,096,205</u>	<u>28</u>	<u>55,952,148</u>	<u>31</u>
2XXX	<b>Total liabilities</b>		<u>73,586,947</u>	<u>39</u>	<u>72,343,326</u>	<u>40</u>
<b>Equity</b>						
Share capital						
3110	Common stock	6(18)	56,820,154	30	56,820,154	32
Capital surplus						
3200	Capital surplus	6(19)	3,664,464	2	3,897,742	2
Retained earnings						
3310	Legal reserve	6(20)	24,218,283	13	22,317,557	12
3320	Special reserve		7,099,301	4	4,005,821	2
3350	Unappropriated retained earnings		30,740,022	16	28,369,562	16
Other equity interest						
3400	Other equity interest	6(21)	( 8,098,205)	( 4)	( 6,994,492)	( 4)
3XXX	<b>Total equity</b>		<u>114,444,019</u>	<u>61</u>	<u>108,416,344</u>	<u>60</u>
Contingent Liabilities and Commitments						
Significant event after balance sheet date						
3X2X	<b>Total liabilities and equity</b>		<u>\$ 188,030,966</u>	<u>100</u>	<u>\$ 180,759,670</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.**  
**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				
		2020		2019		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(22) and 7	\$ 41,870,944	100	\$ 40,771,379	100
5000	Operating costs	6(3)(27)(28) and 7	( 28,676,111)	( 69)	( 28,041,020)	( 69)
5900	Net operating margin		<u>13,194,833</u>	<u>31</u>	<u>12,730,359</u>	<u>31</u>
	Operating expenses	6(10)(27)(28), 7 and 12				
6100	Selling expenses		( 5,732,574)	( 14)	( 5,910,590)	( 14)
6200	General and administrative expenses		( 4,332,129)	( 10)	( 3,888,210)	( 10)
6300	Research and development expenses		( 437,486)	( 1)	( 448,216)	( 1)
6450	Expected credit losses		( 26)	-	( 700)	-
6000	Total operating expenses		( 10,502,215)	( 25)	( 10,247,716)	( 25)
6900	Operating profit		<u>2,692,618</u>	<u>6</u>	<u>2,482,643</u>	<u>6</u>
	Non-operating income and expenses					
7100	Interest income	6(23)	86	-	105	-
7010	Other income	6(9)(10)(24) and 7	1,866,391	4	1,869,774	5
7020	Other gains and losses	6(4)(6)(8)(11)(25) and 12(2)	( 1,050,623)	( 2)	( 970,150)	( 2)
7050	Finance costs	6(7)(8)(26)	( 456,062)	( 1)	( 501,643)	( 1)
7070	Share of profit of subsidiaries, associates and joint ventures accounted for under equity method	6(6)	<u>19,113,378</u>	<u>46</u>	<u>16,836,392</u>	<u>41</u>
7000	Total non-operating income and expenses		<u>19,473,170</u>	<u>47</u>	<u>17,234,478</u>	<u>43</u>
7900	<b>Profit before income tax</b>		<u>22,165,788</u>	<u>53</u>	<u>19,717,121</u>	<u>49</u>
7950	Income tax expense	6(29)	( 623,381)	( 1)	( 709,866)	( 2)
8200	<b>Profit for the year</b>		<u>\$ 21,542,407</u>	<u>52</u>	<u>\$ 19,007,255</u>	<u>47</u>
	<b>Other comprehensive income (loss)</b>					
	<b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>					
8311	Actuarial gains (losses) on defined benefit plan	6(17)	( \$ 6,530)	-	\$ 182,600	-
8330	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for under equity method		224,857	-	510,303	1
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(29)	7,007	-	( 41,122)	-
	<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>					
8361	Financial statements translation differences of foreign operations	6(21)	( 452,878)	( 1)	( 2,066,421)	( 5)
8380	Share of other comprehensive (loss) income of subsidiaries, associates and joint ventures accounted for under equity method		( 848,871)	( 2)	( 1,330,336)	( 3)
8300	<b>Total other comprehensive loss for the year</b>		<u>( \$ 1,076,415)</u>	<u>( 3)</u>	<u>( \$ 2,744,976)</u>	<u>( 7)</u>
8500	<b>Total comprehensive income for the year</b>		<u>\$ 20,465,992</u>	<u>49</u>	<u>\$ 16,262,279</u>	<u>40</u>
	Earnings per share (in dollars)	6(30)				
9750	Basic		\$ 3.79		\$ 3.35	
9850	Diluted		<u>\$ 3.77</u>		<u>\$ 3.33</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.  
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
(Expressed in thousands of New Taiwan dollars)

	Notes	Share capital - common stock	Additional paid-in capital	Retained Earnings			Other Equity Interest			Total
				Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Others	
<b>Year ended December 31, 2019</b>										
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		-	-	-	-	19,178,549	( 3,454,537 )	538,267	-	16,262,279
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
Balance at December 31, 2019		\$ 56,820,154	\$ 3,897,742	\$ 22,317,557	\$ 4,005,821	\$ 28,369,562	(\$ 7,726,653 )	\$ 732,161	\$ -	\$ 108,416,344
<b>Year ended December 31, 2020</b>										
Balance at January 1, 2020		\$ 56,820,154	\$ 3,897,742	\$ 22,317,557	\$ 4,005,821	\$ 28,369,562	(\$ 7,726,653 )	\$ 732,161	\$ -	\$ 108,416,344
Net income for the year ended December 31, 2020		-	-	-	-	21,542,407	-	-	-	21,542,407
Other comprehensive income (loss) for the year ended December 31, 2020	6(21)	-	-	-	-	( 126,452 )	( 1,384,577 )	434,614	-	( 1,076,415 )
Total comprehensive income (loss) for the year ended December 31, 2020		-	-	-	-	21,415,955	( 1,384,577 )	434,614	-	20,465,992
Distribution of 2019 net income :										
Legal reserve		-	-	1,900,726	-	( 1,900,726 )	-	-	-	-
Special reserve	6(20)	-	-	-	3,094,100	( 3,094,100 )	-	-	-	-
Cash dividends	6(20)	-	-	-	-	( 14,205,039 )	-	-	-	( 14,205,039 )
Adjustment for change in capital reserve of investee companies	6(19)	-	13,852	-	-	-	-	-	-	13,852
Difference between the acquisition or disposal price and carrying amounts of subsidiaries	6(19)	-	( 252,699 )	-	-	-	-	-	-	( 252,699 )
Payments of unpaid cash dividends from previous year transferred to capital reserve	6(19)	-	( 555 )	-	-	-	-	-	-	( 555 )
Non-payment of expired cash dividends from previous years transferred to capital reserve	6(19)	-	6,124	-	-	-	-	-	-	6,124
Reversal of special reserve	6(20)	-	-	-	( 620 )	620	-	-	-	-
Disposal of financial assets measured at fair value through other comprehensive income - equity instrument	6(21)	-	-	-	-	153,750	-	( 153,750 )	-	-
Balance at December 31, 2020		\$ 56,820,154	\$ 3,664,464	\$ 24,218,283	\$ 7,099,301	\$ 30,740,022	(\$ 9,111,230 )	\$ 1,013,025	\$ -	\$ 114,444,019

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.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
(Expressed in thousands of New Taiwan dollars)

	Notes	For the years ended December 31,	
		2020	2019
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Profit before tax		\$ 22,165,788	\$ 19,717,121
Adjustments			
Adjustments to reconcile profit (loss)			
Loss on financial assets and liabilities at fair value through profit or loss	6(4)(25)	13,112	1,529
Expected credit loss	12	26	700
Reversal of allowance for inventory market price decline	6(3)	-	( 861 )
Share of profit of subsidiaries, associates and joint ventures accounted for under equity method	6(6)	( 19,113,378 )	( 16,836,392 )
Depreciation on property, plant and equipment	6(7)	1,365,546	1,354,975
Loss on disposal of property, plant and equipment	6(25)	7,559	11,697
Depreciation on right-of-use assets	6(8)	76,577	75,290
Loss (gain) from lease modification	6(8)	638	( 173 )
Depreciation on investment property	6(10)	53,292	54,039
Loss on disposal of investment property	6(25)	-	9
Impairments loss (gain on reversal of impairment loss) on non-financial assets	6(6)(11)(25)	132,497	( 254 )
Amortization		17,564	5,244
Amortization of rent receivable		15,503	12,072
Interest income	6(23)	( 86 )	( 105 )
Dividend income	6(24)	( 14,617 )	( 15,585 )
Finance costs	6(26)	456,062	501,643
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		16,009	( 6,213 )
Accounts receivable		1,967	( 64,518 )
Accounts receivable - related parties		( 6,053 )	( 86,492 )
Other receivables		9,806	( 5,925 )
Other receivables - related parties		( 9,711 )	62,802
Inventories		( 39,889 )	( 233,140 )
Prepayments		( 4,690 )	5,793
Changes in operating liabilities			
Financial liabilities at fair value through profit or loss		( 5,808 )	3,207
Notes payable		153	796
Accounts payable		( 79,010 )	76,597
Accounts payable - related parties		( 2,696 )	( 16,274 )
Other payables		535,683	553,335
Other payables - related parties		43,797	191,921
Advance receipts		269	5,023
Net defined benefit liabilities - non-current		( 339,146 )	( 316,697 )
Cash inflow generated from operations		5,296,764	5,051,164
Interest received		86	105
Dividends received		10,200,154	8,864,349
Interest paid		( 455,488 )	( 502,572 )
Income tax paid		( 749,961 )	( 830,834 )
Net cash flows from operating activities		<u>14,291,555</u>	<u>12,582,212</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,	
		2020	2019
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Return of capital from investments accounted for under the equity method	6(6)	\$ 323,692	\$ -
Cash paid for acquisition of property, plant and equipment	6(31)	( 973,129 )	( 56,192 )
Interest paid for acquisition of property, plant and equipment	6(7)(31)	( 4,618 )	( 723 )
Proceeds from disposal of property, plant and equipment		1,754	891
Acquisition of right-of-use assets		-	( 400 )
Increase in intangible assets		-	( 140,537 )
Decrease in guarantee deposits paid		54,161	8,306
Increase in prepayments for equipment		( 713,385 )	( 912,846 )
Interest paid for prepayments for equipment	6(7)	-	( 4,947 )
Increase in other non-current assets		( 29,586 )	( 67,684 )
Net cash flows used in investing activities		( 1,341,111 )	( 1,174,132 )
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
(Decrease) increase in short-term borrowings	6(32)	( 1,506,416 )	2,212,417
Increase (decrease) in short-term notes and bills payable	6(32)	7,269,878	( 950,160 )
Increase in corporate bonds payable	6(32)	14,550,000	11,000,000
Decrease in corporate bonds payable	6(32)	( 1,400,000 )	( 5,100,000 )
Increase in long-term borrowings	6(32)	56,600,000	177,820,000
Decrease in long-term borrowings	6(32)	( 74,179,211 )	( 182,140,685 )
Payment of lease liabilities	6(32)	( 77,870 )	( 68,841 )
Decrease in guarantee deposits received	6(32)	2,248	509
Decrease in other non-current liabilities		( 270 )	-
Payment of cash dividends	6(20)	( 14,205,039 )	( 14,205,039 )
Payments of unpaid cash dividends from previous year transferred to capital reserve	6(19)	( 555 )	-
Net cash flows used in financing activities		( 12,947,235 )	( 11,431,799 )
Net increase (decrease) in cash and cash equivalents		3,209	( 23,719 )
Cash and cash equivalents at beginning of year	6(1)	67,714	91,433
Cash and cash equivalents at end of year	6(1)	\$ 70,923	\$ 67,714

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.

## INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

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

***Opinion***

We have audited the accompanying consolidated balance sheets of Uni-President Enterprises Corp. and its subsidiaries (the "Group") as of December 31, 2020 and 2019, 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, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

***Basis for opinion***

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

***Key audit matters***

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2020 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2020 consolidated financial statements are stated as follows:

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

Please refer to Notes 4(34) and 6(26) to the consolidated financial statements for the accounting policy on operating revenue and the details of revenue items relating to this key audit matter.

The Group is engaged in large volume of revenue transactions generated from sales to a large number of customers, including direct customers and distributors in many different areas in Mainland China. As such, it needs more time for delivery and customer acceptance, which involves complicated judgements in determining the timing of the transfer of the rights and obligations and risks and rewards of ownership of goods to customers. As a result, we considered the sales of goods in Mainland China as one of the key audit matters of our annual audit of 2020.

#### How our audit addressed the matter

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

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

#### **Completeness and accuracy of retail sales revenue**

##### Description

Please refer to Notes 4(34) 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 therefore been identified as one of the key audit matters of our annual audit of 2020.

#### How our audit addressed the matter

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

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

### **Cost-to-retail ratio of retail inventory method**

#### Description

Please refer to Notes 4(14) and 6(6) to the consolidated financial statements for the accounting policy on inventories and cost of goods sold and the details of inventory items relating to this key audit matter. As retailing business involves various kinds of merchandise, the retail inventory method is used to estimate the ending balance of inventory and the cost of goods sold. The retail inventory method applies a ratio of costs over retail prices of goods purchased (known as cost-to-retail ratio) to come out with an estimate of the ending balance of inventory and the cost of goods sold. The determination of the cost-to-retail ratio relies highly on costs and retail prices information recorded in the accounting system and has therefore been identified as one of the key audit matters of our annual audit of 2020.

#### How our audit addressed the matter

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

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

### ***Other matter – Reference to the audits of other auditors***

We did not audit the financial statements of certain subsidiaries and investments accounted for under the

equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in the financial statements and the information disclosed in Note 13 relative to these subsidiaries and associates, is based solely on the reports of the other auditors. Total assets of these subsidiaries and investments amounted to \$33,845,765 thousand and \$34,362,362 thousand, representing 6.83% and 7.20% of the related consolidated totals as of December 31, 2020 and 2019, respectively, and total operating revenues amounted to \$29,362,473 thousand and \$36,371,314 thousand, constituting 6.56% and 8.12% 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 \$1,427,675 thousand and \$1,250,381 thousand, constituting 4.70% and 5.00% of the consolidated total comprehensive income for the years then ended, respectively.

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

We have audited and expressed an unqualified opinion on the parent company only financial statements of Uni-President Enterprises Corp. as at and for the years ended December 31, 2020 and 2019.

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

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

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

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

### ***Auditors' responsibilities for the audit of the consolidated financial statements***

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

we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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



Lin, Tzu-Shu

Independent Accountants

Lin, Yung-Chih

PricewaterhouseCoopers, Taiwan

Republic of China

March 24, 2021

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

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

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

Assets	Notes	December 31, 2020		December 31, 2019		
		AMOUNT	%	AMOUNT	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 81,978,785	17	\$ 74,706,801	16
1110	Financial assets at fair value through profit or loss - current	6(2)	11,221,762	2	6,937,801	1
1136	Financial assets at amortized cost - current	6(3)	6,734,335	1	14,168,672	3
1150	Notes receivable, net	6(4), 8 and 12	1,177,925	-	1,279,854	-
1160	Notes receivable - related parties	7	286	-	270	-
1170	Accounts receivable, net	6(4) and 12	15,409,833	3	15,661,933	3
1180	Accounts receivable - related parties	7	951,544	-	1,103,415	-
1200	Other receivables	6(5) and 12	3,732,005	1	3,164,296	1
1220	Current income tax assets	6(33)	251,138	-	250,549	-
130X	Inventories	6(6)(10)	38,940,444	8	37,625,767	8
1410	Prepayments		3,983,881	1	3,971,230	1
1460	Non-current assets held for sale, net	6(7)(10)	19,982	-	757,211	-
1470	Other current assets	6(1) and 8	3,651,880	1	3,199,798	1
11XX	<b>Total current assets</b>		<u>168,053,800</u>	<u>34</u>	<u>162,827,597</u>	<u>34</u>
<b>Non-current assets</b>						
1510	Financial assets at fair value through profit or loss - non-current	6(2)	4,611,260	1	4,494,469	1
1517	Financial assets at fair value through other comprehensive income - non-current	6(8) and 8	4,374,550	1	4,377,537	1
1535	Financial assets at amortized cost - non-current	6(3)	20,878,506	4	11,191,665	2
1550	Investments accounted for under equity method	6(9) and 8	33,012,916	7	31,624,772	7
1600	Property, plant and equipment	6(10)(15) and 8	126,977,238	26	130,387,562	27
1755	Right-of-use assets	6(10)(11)	84,830,617	17	79,275,049	17
1760	Investment property, net	6(10)(13)(15) and 8	17,765,449	3	17,108,968	4
1780	Intangible assets	6(14)	18,667,500	4	19,241,450	4
1840	Deferred income tax assets	6(33)	6,380,787	1	6,261,844	1
1915	Prepayments for equipment	6(10)	821,596	-	699,185	-
1920	Guarantee deposits paid	8	3,453,217	1	3,829,032	1
1990	Other non-current assets	6(1)(21), 7 and 8	5,511,056	1	6,136,143	1
15XX	<b>Total non-current assets</b>		<u>327,284,692</u>	<u>66</u>	<u>314,627,676</u>	<u>66</u>
1XXX	<b>Total assets</b>		<u>\$ 495,338,492</u>	<u>100</u>	<u>\$ 477,455,273</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, 2020		December 31, 2019		
		AMOUNT	%	AMOUNT	%	
<b>Current liabilities</b>						
2100	Short-term borrowings	6(16) and 8	\$ 22,364,771	5	\$ 29,114,702	6
2110	Short-term notes and bills payable	6(17) and 8	14,872,897	3	3,324,869	1
2120	Financial liabilities at fair value through profit or loss - current	6(2)	12,823	-	551,073	-
2130	Contract liabilities - current	6(26)	16,269,358	3	13,170,263	3
2150	Notes payable		1,103,290	-	1,221,090	-
2160	Notes payable - related parties	7	22,585	-	24,762	-
2170	Accounts payable		35,935,381	7	33,608,953	7
2180	Accounts payable - related parties	7	538,224	-	527,481	-
2200	Other payables	6(18)	48,844,173	10	48,359,265	10
2230	Current income tax liabilities	6(33)	2,908,510	1	2,684,256	1
2280	Lease liabilities - current		12,900,085	3	11,939,747	2
2310	Advance receipts		487,962	-	237,773	-
2320	Long-term liabilities, current portion	6(19)(20) and 8	1,701,575	-	4,045,785	1
2399	Other current liabilities		4,377,905	1	3,557,786	1
21XX	<b>Total current liabilities</b>		<u>162,339,539</u>	<u>33</u>	<u>152,367,805</u>	<u>32</u>
<b>Non-current liabilities</b>						
2527	Contract liabilities - non-current	6(26)	578,339	-	462,836	-
2530	Corporate bonds payable	6(19)	42,100,000	9	28,950,000	6
2540	Long-term borrowings	6(20) and 8	15,197,395	3	31,449,823	7
2570	Deferred income tax liabilities	6(33)	14,416,577	3	14,302,824	3
2580	Lease liabilities - non-current		63,658,510	13	58,218,352	12
2640	Net defined benefit liabilities - non-current	6(21)	8,541,885	2	8,689,682	2
2645	Guarantee deposits received		6,109,838	1	6,790,153	1
2670	Other non-current liabilities		1,797,816	-	2,218,493	1
25XX	<b>Total non-current liabilities</b>		<u>152,400,360</u>	<u>31</u>	<u>151,082,163</u>	<u>32</u>
2XXX	<b>Total liabilities</b>		<u>314,739,899</u>	<u>64</u>	<u>303,449,968</u>	<u>64</u>
<b>Equity attributable to owners of parent</b>						
Share capital						
3110	Common stock	6(22)	56,820,154	12	56,820,154	12
Capital reserves						
3200	Capital surplus	6(23)(35)	3,664,464	1	3,897,742	1
Retained earnings						
3310	Legal reserve	6(24)	24,218,283	5	22,317,557	4
3320	Special reserve		7,099,301	1	4,005,821	1
3350	Unappropriated retained earnings		30,740,022	6	28,369,562	6
Other equity interest						
3400	Other equity interest	6(25)	( 8,098,205)	( 2)	( 6,994,492)	( 2)
31XX	<b>Equity attributable to owners of the parent</b>		<u>114,444,019</u>	<u>23</u>	<u>108,416,344</u>	<u>22</u>
36XX	Non-controlling interest	4(3)	66,154,574	13	65,588,961	14
3XXX	<b>Total equity</b>		<u>180,598,593</u>	<u>36</u>	<u>174,005,305</u>	<u>36</u>
Contingent Liabilities and Commitments						
	Significant event after balance sheet date	11				
3X2X	<b>Total liabilities and equity</b>		<u>\$ 495,338,492</u>	<u>100</u>	<u>\$ 477,455,273</u>	<u>100</u>

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

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

Items	Notes	Year ended December 31				
		2020		2019		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(12)(13)(26) and 7	\$ 447,319,979	100	\$ 447,977,703	100
5000	Operating costs	6(6)(14)(31)(32)				
		and 7	( 293,289,723)	( 65)	( 294,014,598)	( 65)
5900	Net operating margin		154,030,256	35	153,963,105	35
	Operating expenses	6(14)(31)(32), 7 and 12				
6100	Selling expenses		( 101,585,271)	( 23)	( 102,140,099)	( 23)
6200	General and administrative expenses		( 21,659,318)	( 5)	( 21,276,507)	( 5)
6300	Research and development expenses		( 902,880)	-	( 913,226)	-
6450	Expected credit losses		( 98,896)	-	( 5,633)	-
6000	Total operating expenses		( 124,246,365)	( 28)	( 124,335,465)	( 28)
6900	Operating profit		29,783,891	7	29,627,640	7
	Non-operating income and expenses					
7100	Interest income	6(3)(8)(27) and 7	2,434,117	1	2,483,305	-
7010	Other income	6(8)(11)(12)(13)(28)	4,467,081	1	4,689,878	1
7020	Other gains and losses	6(2)(7)(8)(14)(15)(29) and 12	331,617	-	( 936,633)	-
7050	Finance costs	6(10)(11)(30)	( 2,440,662)	( 1)	( 2,570,419)	( 1)
7060	Share of profit of associates and joint ventures accounted for under equity method	6(9)	3,861,977	1	3,103,499	1
7000	Total non-operating income and expenses		8,654,130	2	6,769,630	1
7900	<b>Profit before income tax</b>		38,438,021	9	36,397,270	8
7950	Income tax expense	6(33)	( 7,637,356)	( 2)	( 7,913,716)	( 1)
8200	<b>Profit for the year</b>		\$ 30,800,665	7	\$ 28,483,554	7

(Continued)

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

Items	Notes	Year ended December 31				
		2020		2019		
		AMOUNT	%	AMOUNT	%	
<b>Other comprehensive income (loss)</b>						
<b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>						
8311	Actuarial (loss) gain on defined benefit plans	6(21)	(\$ 294,594)	-	\$ 231,742	-
8316	Unrealized gain on valuation of investments in equity instruments measured at fair value through other comprehensive income	6(8)	55,194	-	490,021	-
8320	Share of other comprehensive income of associates and joint ventures accounted for under equity method		330,282	-	22,126	-
8349	Income tax relating to components of other comprehensive income that will not be reclassified to profit or loss	6(33)	79,723	-	( 51,681)	-
<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>						
8361	Financial statements translation differences of foreign operations		( 708,718)	-	( 4,236,633)	( 1)
8367	Unrealized (loss) gain on valuation of investments in debt instruments measured at fair value through other comprehensive income, net	6(8)	( 31,878)	-	47,285	-
8370	Share of other comprehensive income (loss) of associates and joint ventures accounted for under equity method		120,006	-	( 3,036)	-
8399	Income tax relating to components of other comprehensive income that will be reclassified to profit or loss	6(33)	659	-	349	-
8300	<b>Total other comprehensive loss for the year</b>		<u>(\$ 449,326)</u>	<u>-</u>	<u>(\$ 3,499,827)</u>	<u>( 1)</u>
8500	<b>Total comprehensive income for the year</b>		<u>\$ 30,351,339</u>	<u>7</u>	<u>\$ 24,983,727</u>	<u>6</u>
Profit attributable to:						
8610	Owners of the parent		\$ 21,542,407	5	\$ 19,007,255	5
8620	Non-controlling interest		9,258,258	2	9,476,299	2
	Net income		<u>\$ 30,800,665</u>	<u>7</u>	<u>\$ 28,483,554</u>	<u>7</u>
Comprehensive income attributable to:						
8710	Owners of the parent		\$ 20,465,992	5	\$ 16,262,279	4
8720	Non-controlling interest		9,885,347	2	8,721,448	2
	Net comprehensive income		<u>\$ 30,351,339</u>	<u>7</u>	<u>\$ 24,983,727</u>	<u>6</u>
Earnings per share (in dollars)						
9750	Basic	6(34)	\$ 3.79		\$ 3.35	
9850	Diluted		<u>\$ 3.77</u>		<u>\$ 3.33</u>	

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

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

	Notes	Equity attributable to owners of the parent										
		Retained Earnings					Other Equity Interest					
		Share capital - common stock	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	Others	Total	Non-controlling interest	Total equity
<b>For the year ended December 31, 2019</b>												
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)	-	-	(3,353)	(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 subsidiaries	6(23)(35)	-	(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(36)	-	-	-	-	-	-	-	-	-	1,751,093	1,751,093
Non-controlling interest		-	-	-	-	-	-	-	-	-	(8,770,774)	(8,770,774)
Balance at December 31, 2019		\$ 56,820,154	\$ 3,897,742	\$ 22,317,557	\$ 4,005,821	\$ 28,369,562	(\$ 7,726,653)	\$ 732,161	\$ -	\$ 108,416,344	\$ 65,588,961	\$ 174,005,305
<b>For the year ended December 31, 2020</b>												
Balance at January 1, 2020		\$ 56,820,154	\$ 3,897,742	\$ 22,317,557	\$ 4,005,821	\$ 28,369,562	(\$ 7,726,653)	\$ 732,161	\$ -	\$ 108,416,344	\$ 65,588,961	\$ 174,005,305
Consolidated net income for the year ended December 31, 2020		-	-	-	-	21,542,407	-	-	-	21,542,407	9,258,258	30,800,665
Other comprehensive income (loss) for the year ended December 31, 2020	6(25)	-	-	-	-	(126,452)	(1,384,577)	434,614	-	(1,076,415)	627,089	(449,326)
Total comprehensive income (loss) for the year ended December 31, 2020		-	-	-	-	21,415,955	(1,384,577)	434,614	-	20,465,992	9,885,347	30,351,339
Distribution of 2019 consolidated net income:												
Legal reserve		-	-	1,900,726	-	(1,900,726)	-	-	-	-	-	-
Special reserve		-	-	-	3,094,100	(3,094,100)	-	-	-	-	-	-
Cash dividends	6(24)	-	-	-	-	(14,205,039)	-	-	-	(14,205,039)	-	(14,205,039)
Adjustment for change in capital reserve of investee companies	6(23)	-	13,852	-	-	-	-	-	-	13,852	-	13,852
Difference between the acquisition or disposal price and carrying amounts of subsidiaries	6(23)(35)	-	(252,699)	-	-	-	-	-	-	(252,699)	(420,993)	(673,692)
Payments of unpaid cash dividends from previous year transferred to capital reserve	6(23)	-	(555)	-	-	-	-	-	-	(555)	-	(555)
Non-payment of expired cash dividends from previous year transferred to capital reserve	6(23)	-	6,124	-	-	-	-	-	-	6,124	-	6,124
Reversal of special reserve	6(24)	-	-	-	(620)	620	-	-	-	-	-	-
Disposal of financial assets measured at fair value through other comprehensive income - equity instrument	6(8)	-	-	-	-	153,750	(153,750)	-	-	-	-	-
Non-controlling interest		-	-	-	-	-	-	-	-	-	(8,898,741)	(8,898,741)
Balance at December 31, 2020		\$ 56,820,154	\$ 3,664,464	\$ 24,218,283	\$ 7,099,301	\$ 30,740,022	(\$ 9,111,230)	\$ 1,013,025	\$ -	\$ 114,444,019	\$ 66,154,574	\$ 180,598,593

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,	
		2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		\$ 38,438,021	\$ 36,397,270
Adjustments			
Adjustments to reconcile profit (loss)			
Gain on financial assets and liabilities at fair value through profit or loss	6(2)(29)	( 1,632,044 )	( 539,119 )
Expected credit loss	12	98,896	5,633
Gain on disposal of non-current assets held for sale	6(7)(29)	( 264,321 )	-
(Reversal of allowance) provision for inventory market price decline	6(6)	( 120,710 )	17,439
Loss on disposal of financial assets at fair value through other comprehensive income - debt instrument	6(8)(29)	14,183	7,512
Share of profit of associates and joint ventures accounted for under equity method	6(9)	( 3,861,977 )	( 3,103,499 )
Loss on disposal of investments accounted for under equity method	6(29)	-	91,912
Depreciation on property, plant and equipment	6(10)	18,132,192	18,509,125
(Gain) loss on disposal of property, plant and equipment	6(29)	( 11,397 )	88,439
Property, plant and equipment transferred to loss	6(10)	11,900	22,726
Depreciation on right-of-use assets	6(11)	13,328,127	12,345,387
Loss (gain) on disposal of right-of-use assets	6(29)	1,858	( 24,637 )
Rent concessions income	6(11)(28)	( 149,057 )	-
Gain from lease modification	6(11)(29)	( 75,686 )	( 68,020 )
Depreciation on investment property	6(13)	333,586	266,237
Gain on disposal of investment property	6(29)	( 2,682 )	( 3,092 )
Loss on disposal of intangible assets	6(29)	1,158	216
Amortization	6(14)	906,535	891,113
Gain on reversal of impairment loss on non-financial assets	6(15)(29)	( 6,572 )	( 8,904 )
Interest income	6(27)	( 2,434,117 )	( 2,483,305 )
Dividend income	6(28)	( 143,659 )	( 120,407 )
Finance costs	6(30)	2,440,662	2,570,419
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		( 3,683,699 )	138,105
Notes receivable		104,491	391,255
Notes receivable - related parties		( 16 )	776
Accounts receivable		177,122	130,986
Accounts receivable - related parties		151,871	2,856
Other receivables		( 337,031 )	( 96,035 )
Inventories		( 950,627 )	( 891,312 )
Prepayments		( 12,651 )	( 14,165 )
Other current assets		( 590,005 )	7,833
Changes in operating liabilities			
Contract liabilities - current		3,099,095	2,295,830
Notes payable		( 117,800 )	( 714,280 )
Notes payable - related parties		( 2,177 )	5,355
Accounts payable		2,326,428	148,969
Accounts payable - related parties		10,743	( 20,278 )
Other payables		528,144	( 408,338 )
Advance receipts		250,189	19,629
Other current liabilities		567,019	109,064
Contract liabilities - non-current		115,503	228,415
Net defined benefit liabilities - non-current		( 445,298 )	( 413,532 )
Cash inflow generated from operations		66,196,197	65,783,578
Interest received		2,056,586	2,400,764
Dividends received		3,251,471	1,994,500
Interest paid		( 2,445,269 )	( 2,648,462 )
Income tax paid		( 7,338,499 )	( 8,659,089 )
Net cash flows from operating activities		<u>61,720,486</u>	<u>58,871,291</u>

(Continued)

UNI-PRESIDENT ENTERPRISES CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in thousands of New Taiwan dollars)

	Notes	For the years ended December 31,	
		2020	2019
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Cash paid for acquisition of financial assets at amortized cost - current		( \$ 12,727,215 )	( \$ 15,670,521 )
Repayment of principal at maturity from financial assets at amortized cost - current		23,024,459	20,470,015
Increase in other receivables - related parties		( 36,277 )	( 266,525 )
Proceeds from disposal of non-current assets held for sale	6(7)	1,012,167	-
Decrease in other current assets - other financial assets		137,923	596,151
Cash paid for acquisition of financial assets at fair value through other comprehensive income - non-current		( 1,214,825 )	( 650,752 )
Proceeds from financial assets at fair value through other comprehensive income - non-current	6(8)	1,114,854	1,988,223
Cash paid for acquisition of financial assets at amortized cost - non-current		( 12,653,507 )	( 8,524,866 )
Repayment of principal at maturity from financial assets at amortized cost - non-current		349,062	-
Cash paid for acquisition of investments accounted for under equity method		( 192,385 )	( 187,926 )
Proceeds from disposal of investments accounted for under equity method	6(37)	243,770	126,649
Return of capital from investments accounted for under equity method		31,317	-
Cash paid for acquisition of property, plant and equipment	6(37)	( 14,581,962 )	( 13,244,174 )
Interest paid for acquisition of property, plant and equipment	6(10)(37)	( 5,255 )	( 40,488 )
Proceeds from disposal of property, plant and equipment	6(37)	758,403	1,563,330
Proceeds from disposal of right-of-use assets		20,387	209,498
Cash paid for acquisition of investment property	6(13)	( 16,450 )	( 17,224 )
Proceeds from disposal of investment property		15,424	21,221
Increase in intangible assets	6(14)	( 284,256 )	( 450,873 )
Proceeds from disposal of intangible assets		-	894
Increase in prepayment for equipment		( 1,726,081 )	( 1,473,774 )
Interest paid for prepayment for equipment	6(10)	-	( 5,170 )
Decrease (increase) in guarantee deposits paid		375,815	( 491,967 )
Decrease (increase) in other non-current assets		599,324	( 645,666 )
Cash paid for business combination	6(37)	-	( 6,383,440 )
Net cash flows used in investing activities		( 15,755,308 )	( 23,077,385 )
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
(Decrease) increase in short-term borrowings	6(38)	( 6,749,931 )	1,421,808
Increase (decrease) in short-term notes and bills payable	6(38)	11,548,028	( 2,525,292 )
Increase in corporate bonds payable	6(38)	14,550,000	11,000,000
Decrease in corporate bonds payable	6(38)	( 1,400,000 )	( 7,252,744 )
Increase in long-term borrowings	6(38)	69,007,551	190,019,264
Decrease in long-term borrowings	6(38)	( 87,608,807 )	( 198,715,671 )
Payments of lease liabilities	6(38)	( 13,101,166 )	( 11,217,175 )
Decrease in guarantee deposit received	6(38)	( 680,315 )	( 236,560 )
Decrease in other non-current liabilities		( 167,577 )	( 165,120 )
Payments of unpaid cash dividends from previous year transferred to capital reserve	6(23)	( 555 )	-
Cash paid for transaction with non-controlling interests	6(35)	( 673,692 )	( 124,196 )
Payment of cash dividends	6(24)	( 14,205,039 )	( 14,205,039 )
Change in non-controlling interests		( 8,898,741 )	( 8,770,774 )
Net cash flows used in financing activities		( 38,380,244 )	( 40,771,499 )
Effect of foreign exchange rate changes on cash and cash equivalents		( 312,950 )	( 376,556 )
Net increase (decrease) in cash and cash equivalents		7,271,984	( 5,354,149 )
Cash and cash equivalents at beginning of year	6(1)	74,706,801	80,060,950
Cash and cash equivalents at end of year	6(1)	\$ 81,978,785	\$ 74,706,801

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, 2020

Unit : NT\$

Net Income for 2020	\$ 21,542,407,407
Less : 10% Legal Reserve	(2,157,032,386)
Less : An effort to ascertain the amount of remeasuring of the fringe benefit programs.	(126,452,688)
Plus : Resersal of Special Reserve	619,403
Plus : Disposal of equity instruments at fair value through other comprehensive income	153,749, 741
Less : Special Reserve-Other Equity Interest	(1,104,333,413)
2020 Earnings Available for Distribution	18,308,958,064
Plus : Unappropriated Retained Earnings of Previous years	9,169,698,399
Distribution Items:	27,478,656,463
Cash Dividends to Common Share Holders (NT\$ 2.7 per share)	15,341,441,637
Unappropriated Distribution	\$ 12,137,214,826

Note :

1. Net income for 2020 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”.
3. According to the ruling issued by MOE on January 9, 2020 (Ref. 10802432410), the appropriation for legal reserve should be based on the unappropriated earnings amount for the current fiscal year which includes earnings after tax for the period plus items other than earnings after tax for the period. .

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

## 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>IX. The chairman shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting. The chairman may, nevertheless, announce a deferment of the meeting if the shareholders present in person and through a proxy do not make the quorum up to a half of the total issued shares. The total of the deferments shall exceed the maximum of twice. The total time in the deferments shall not exceed one hour. In the event that the shareholders present in person and through a proxy do not make the specified quorum but represent more than one-third of the total issued shares, quasi-decisions may be resolved in accordance with Article 175, Paragraph 1 of the Company Law. In the event that the shareholders present in person and through a proxy represent more than a half of the total issued shares before the shareholders' meeting adjourns, the chairman may bring the quasi-decisions so resolved to the meeting for resolution afresh in accordance with Article 174 of the Company Law.</p>	<p>IX. The chairman shall call to order the meeting when the specified time is up. The chairman may, nevertheless, announce a deferment of the meeting if the shareholders present in person and through a proxy do not make the quorum up to a half of the total issued shares. The total of the deferments shall exceed the maximum of twice. The total time in the deferments shall not exceed one hour. In the event that the shareholders present in person and through a proxy do not make the specified quorum but represent more than one-third of the total issued shares, quasi-decisions may be resolved in accordance with Article 175, Paragraph 1 of the Company Law. In the event that the shareholders present in person and through a proxy represent more than a half of the total issued shares before the shareholders' meeting adjourns, the chairman may bring the quasi-decisions so resolved to the meeting for resolution afresh in accordance with Article 174 of the Company Law.</p>	<p>Article 9 The first item(omitted) The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. The following contents... (omitted)</p>	<p>In order to improve corporate governance and maintain shareholders' interest and rights, amend Paragraph 1 of this Article.</p>
<p>XVI. Upon voting for an issue, the chairman shall appoint the monitor(s) and calculator(s). The monitors shall only be appointed from the shareholders. Voting for a resolution or vote counting shall be conducted in public at the place of the shareholders meeting, and voting results shall be reported on-site immediately and recorded in writing including the number of votes, the list of elected</p>	<p>XVI. Upon voting for an issue, the chairman shall appoint the monitor(s) and calculator(s). The monitors shall only be appointed from the shareholders. Voting for a resolution or vote counting shall be conducted in public at the place of the shareholders meeting, and voting results shall be reported on-site immediately and recorded in writing including the number of votes, the list of elected</p>	<p>Article 14 The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, and the voting results shall be announced on-site immediately, including the names of those elected as directors and</p>	<p>In order to improve corporate governance and maintain shareholders' interest and rights, amend Paragraph 2 of this Article.</p>

Provision After Proposed Amendments	Current Provision	Amendments to the official version	Explanation
<p>candidates and the number of votes upon which each candidate was elected, and the names of directors not elected and number of votes they received.</p>	<p>candidates and the number of votes upon which each candidate was elected.</p>	<p>supervisors and the numbers of votes with which they were elected, and the names of directors and supervisors not elected and number of votes they received. The following contents... (omitted)</p>	

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

Provision After Proposed Amendments	Current Provision	Amendments to the official version	Explanation
<p>Article 2            Except as otherwise provided by law and regulation or by this Corporation's articles of incorporation, elections of directors shall be conducted in accordance with the Company's Procedures for Election of Directors, and the Company's Rules for Director Elections should be abolished.</p>	<p>Article 2            Except as otherwise provided by law and regulation or by this Corporation's articles of incorporation, elections of directors shall be conducted in accordance with the company rules for Director Elections and these Procedures.</p>		<p>Considering that the Company's "Rules for Director Elections" are similar to the "Procedure for Election of Directors" in the contents, the Company plans to have the "Procedures for Election of Directors" replace the "Rules for Director Elections," and the "Rules for Director Elections" should be abolished upon approval of a general shareholders' meeting.</p>
<p>Delete the provision in its entirety.</p>	<p>Article 10            If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and ID card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective</p>	<p>Article 11  <del>If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and ID card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the</del></p>	<p>The Company adopts the candidate nomination system. Shareholders shall elect directors from the roster of director candidates, and the information about name, academic degree and work experience of each candidate may be accessed by them from the roster prior to a shareholders' meeting. Under such circumstance,</p>

Provision After Proposed Amendments	Current Provision	Amendments to the official version	Explanation
	representative shall be entered.	<del>ballot paper, or both the name of the governmental organization or juristic person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.</del>	there is no need to use the shareholders' account No. or ID No. to identify the candidates. This provision is deleted accordingly.
<p>Article 10 A ballot is invalid under any of the following circumstances:</p> <ol style="list-style-type: none"> <li>1.The ballot was not prepared by the Company or a person with the right to convene.</li> <li>2.The candidate whose name is entered in the ballot does not conform to the director candidate list.</li> <li>3.Other words or marks are entered in addition to the number of voting rights allotted.</li> <li>4.The writing is unclear and indecipherable or has been altered. (the existing subparagraphs 5 and 6 deleted)</li> <li>5.The total number of votes casted exceeds the total number of votes held by the shareholder.</li> <li>6.A blank ballot is placed in the ballot box.</li> </ol>	<p>Article 11 A ballot is invalid under any of the following circumstances:</p> <ol style="list-style-type: none"> <li>1.The ballot was not prepared by the company.</li> <li>2.The number of persons elected exceeds the limitation.</li> <li>3.Other than the name and the shareholder account number or uniform ID number of the candidate, other contexts are included.</li> <li>4.The handwriting is unclear and illegible.</li> <li>5.If the candidate elected is a shareholder, the identify and shareholder account number thereof are not in conformity with those specified in the shareholders' roster; or if the candidate elected is not a shareholder, the name and uniform ID number are proven non-conformity.</li> <li>6.The name of candidate elected is same with the name of other shareholders, and the shareholder account number or the uniform ID number is not provided for verification.</li> <li>7.The total number of votes casted exceeds the total number of votes held by the shareholder.</li> <li>8.A blank ballot is casted into the ballot box.</li> </ol>	<p>Article 10 A ballot is invalid under any of the following circumstances:</p> <ol style="list-style-type: none"> <li>1.The ballot was not prepared by a person with the right to convene.</li> <li>2.A blank ballot is placed in the ballot box.</li> <li>3.The writing is unclear and indecipherable or has been altered.</li> <li>4.The candidate whose name is entered in the ballot does not conform to the director candidate list.</li> <li>5.Other words or marks are entered in addition to the number of voting rights allotted.</li> </ol>	<ol style="list-style-type: none"> <li>1.Adjust the Article No., in response to deletion of Article 10.</li> <li>2.According to Article 173 of the Company Act, shareholders may convene a meeting upon the competent authority's permission under specific circumstances (e.g. the Board of Directors' failure to send the notice for convening the meeting). Therefore, subparagraph 1 of this provision is added.</li> <li>3.The Company adopts the candidate nomination system. Shareholders shall elect directors from the roster of director candidates. Given this, subparagraphs 2 and 3 of this provision are re-arranged, the existing subparagraphs 5 and 6</li> </ol>

Provision After Proposed Amendments	Current Provision	Amendments to the official version	Explanation
			deleted, and subparagraphs 7 and 8 are re-arranged.
Article 11 The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced on the site.	Article 12 The voting rights shall be calculated on site immediately after the end of the poll, and the chair shall announce on the site the list of persons elected as directors.	Article 11 The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site. The following contents... (omitted)	1.Adjust the Article No., in response to deletion of Article 10. 2.Amend the provision in response to the practices.
Article 12 The board of directors of the Company shall issue certificate to the persons elected as directors.	Article 13 The board of directors of the Company shall issue certificate to the persons elected as directors.	Article 12 The board of directors of this Corporation shall issue notifications to the persons elected as directors.	Adjust the Article No., in response to deletion of Article 10.
Article 13 These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting. These Procedures were made on 26 June 2015 and have been amended on : (01) 18 June 2019 (02) 23 July 2021	Article 14 These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.		1.Adjust the Article No., in response to deletion of Article 10. 2.Specify the dates of enactment and amendments.

#### Supplementation:

1. The General Shareholders Meeting is canceled with respect to the order “To prevent the transmission of Covid, public companies shall cease holding the annual general meeting (General Shareholders Meeting) of shareholders from May 24-June 30, 2021” promulgated by the Financial Supervisory Commission on May 20, 2021 forwarded by the Taiwan Stock Exchange Corporation with Letter Tai-Zheng-Shang-I-Zi No. 1100009521 of on May 20, 2021.
2. The date of General Shareholders Meeting of public companies shall be postponed to July 1- August 31, 2021. The actual date and place of General Shareholders Meeting shall be determined by the Board resolution.
3. With respect to the resolution made by at the 17th meeting of the 18th Board of Directors, the original General Shareholders Meeting date of June 23, 2021 will be rescheduled to 10:00 on July 23, 2021 (Fri). Therefore, the date of the second amendment of the “Procedures for Directorial Election” is changed to July 23, 2021.

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

As of 03/24/2021

Name	Current Position with Other Companies
Kao Chuan Inv. Co., Ltd. Representative: Chih-Hsien Lo	Chairman of : President Chain Store Corp., President Natural Industrial Corp., Ton Yi Industrial Corp., TTET Union Corp., Prince Housing & Development Corp., President Packaging Industrial Corp., President International Development Corp., Nanlien International Corp., Uni-President China Holdings Ltd. (Cayman), Changjiagang President Nisshin Food Co., Ltd., ScinoPharm Taiwan, Ltd., President Enterprises (China) Investment Co., Ltd., Uni-President Cold-Chain Corp., Presco Netmarketing Inc., Uni-President Dream Parks Corp., President Century Co., Ltd., President Property Corporation, Cheng-Shi Investment Holding Co., Prince Real Estate Co., Ltd., Times Square International Holding Co., Time Square International Co., Ltd., Times Square International Stays Corporation, Uni-President (Philippines) Corp., Uni-President (Thailand) Ltd., Uni-President (Vietnam) Co., Ltd., Woongjin Foods Co., Ltd., Daeyoung Foods Co., Ltd., Uni-President Express Corp. Vice Chairman of : President Nisshin Corp. Director of : Presicarre Corp., Uni-President Glass Industrial Co., Ltd., President Packaging Holdings Ltd., Kuang Chuan Dairy Co., Ltd., Kuang Chuan Foods Co., Ltd., President Energy Development (Cayman Islands) Ltd., Uni-President Development Corp., Uni-Wonder Corporation, President Professional Baseball Team Corp., Tait Marketing & Distribution Co., Ltd., Weilih Food Corp., Keng Ting Enterprises Co., Ltd., PCS (BVI) Holdings Ltd., PCS (Labuan) Holdings Ltd., RSI, Retail Support International Corp., Uni-President Assets Holdings Ltd., Prince Property Management Consulting Co., Kao Chuan Inv. Co., Ltd., Cayman President Holdings Ltd., Kai Yu (BVI) Investment Co., Ltd., President Fair Development Corp., Uni-President Southeast Asia Holdings Ltd., Uni-President Asia Holdings Ltd., Uni-President International (HK) Co., Ltd., Champ Green Capital Limited, Champ Green (Shanghai) Consulting Co. Ltd., Guangzhou President Enterprises Co., Ltd., Fuzhou President Enterprises Co., Ltd., Xinjiang President Enterprises Food Co., Ltd., Wuhan President Enterprises Food Co., Ltd., Uni-President Enterprises (Kunshan) Food Technology Co., Ltd., Chengdu President Enterprises Food Co., Ltd., Shenyang President Enterprises Co., Ltd., Harbin President Enterprises Co., Ltd.,

Name	Current Position with Other Companies
	<p>Hefei President Enterprises Co., Ltd., Zhenzhou President Enterprises Co., Ltd., Beijing President Enterprises Drinks Co., Ltd., Kunshan President Enterprises Food Co., Ltd., Nanchang President Enterprises Co., Ltd., Uni-President Organics Corp., Uni-President Trading (Hubei) Co., Ltd., President (Shanghai) Trading Co., Ltd., Kunming President Enterprises Food Co., Ltd., Yantai Tongli Beverage Industries Co., Ltd., Changsha President Enterprises Co., Ltd., Bama President Mineral Water Co., Ltd., Nanning President Enterprises Co., Ltd., Zhanjiang President Enterprises Co., Ltd., Chongqing President Enterprises Co., Ltd., Taizhou President Enterprises Co., Ltd., Akesu President Enterprises Co., Ltd., Changchun President Enterprises Co., Ltd., Uni-President (Shanghai) Pearly Century Co., Ltd., Baiyin President Enterprises Co., Ltd., Hainan President Enterprises Co., Ltd., Guiyang President Enterprises Co., Ltd., Jinan President Enterprises Co., Ltd., Hangzhou President Enterprises Co., Ltd., Wuxue Uni Mineral Water Co., Ltd., Shijiazhuang President Enterprises Co., Ltd., Xuzhou President Enterprises Co., Ltd., Henan President Enterprises Co., Ltd., President (Kunshan) Trading Co., Ltd., Shanxi President Enterprises Co., Ltd., Jiangsu President Enterprises Co., Ltd., Changbaishan Mountain President Enterprises, Ningxia President Enterprises Co., Ltd., President Enterprises (Shanghai) Co., Ltd., President Enterprises (Inner Mongolia) Co., Ltd., Shaanxi President Enterprises Co., Ltd., Uni-President Enterprise (Hutubi) Tomato Products Technology Co., Ltd., Uni-President Enterprises (Shanghai) Drink &amp; Food Co., Ltd., Uni-President Enterprises (Tianjin) Co., Ltd., Hunan President Enterprises Co., Ltd., Uni-OAO Travel Service Corp.  Supervisor of : Infinity Holdings Ltd., Eternity Holdings Ltd.  President of : Presco Netmarketing Inc., Uni-President Express Corp.</p>
<p>Kao Chuan Inv. Co.,  Ltd.  Representative:  Shiow-Ling Kao</p>	<p>Chairman of :  Kao Chuan Inv. Co., Ltd., President Being Corp., President Fair Development Corp., Uni-President Department Store Corp. , President Pharmaceutical Corp., President Drugstore Business Corp., Infinity Holdings Ltd., Eternity Holdings Ltd.  Director of :  President Chain Store Corp., Ton Yi Industrial Corp., ScinoPharm Taiwan, Ltd., President International Development Corp., Uni-President Development Corp., Prince Housing &amp;Development Corp., Time Square International Co., Ltd., Times Square International Holding Co., President (Sanghai) Health Product Trading Company Ltd., Uni-Wonder Corporation., President Century Corp., Ltd., Beauty Wonder (Zhejiang) Trading Co., Ltd.  President of : Kao Chuan Inv. Co., Ltd., President Fair Development Corp.</p>



Name	Current Position with Other Companies
Chao-Tang Yue	Director of : An-Shin Food Services Co., Ltd., Depo Auto Parts Ind. Co., Ltd., Yong Chang International Co., Ltd. Independent Director & Remuneration Committee Member, Johnson Health Tech. Co., Ltd.; Independent Director, Remuneration Committee Chairman & the Audit Committee Chairman, Feng Hsin Steel Co., Ltd; Remuneration Committee Member of Globe Union Industrial Corp.
Yun Lin	Director of : Hua Nan Commercial Bank, Ltd., The Eslite Spectrum Corp. Independent Director & Remuneration Committee Member, Microelectronics Technology Inc.