

Stock Code:9907



Ton Yi Industrial Corp.
Handbook for the 2020 Annual Meeting of
Shareholders

MEETING TIME: June 19, 2020

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Ton Yi Industrial Corp.

Procedure for the 2020 Annual Meeting of Shareholders

Call the Meeting to Order

Chairperson Takes Chair

Chairperson Remarks

Management Presentation (Company Reports)

Proposals and Discussion

Questions and Motions

Adjournment

Ton Yi Industrial Corp.

Year 2020

Agenda of Annual Meeting of Shareholders

1. Time : 10:00 am, June 19 (Friday), 2020
2. Place: Conference Hall, No. 837, Zhongzheng N.Rd., Yongkang Dist., Tainan City, Taiwan (R.O.C.)
3. Call the Meeting to order (report shareholdings of the attendances).
4. Chairman remarks
5. Company Reports
 - (1) 2019 Business Report.
 - (2) Audit Committee's review report on the 2019 Financial Statements.
 - (3) Report on the payment of employee compensation and directors remuneration of 2019.
 - (4) Report on the rules of procedure for Board of Directors' Meeting.
6. Proposals
 - (1) Adoption of the 2019 Business Report and Financial Statements
 - (2) Adoption of the Proposal for Distribution of 2019 Profits
7. Discussion
 - (1) Amendment to the Rules of Procedure for Shareholdings' Meeting.
 - (2) Adoption of the Proposal for Releasing Directors from Non-competition.
8. Questions and Motions
9. Adjournment

Reports

Report No. 1

2019 Business Reports

Explanation:

Reporting of the Company's 2019 Business Reports.

(Please refer to P9~P10 of the Conference Manual)

Report No. 2

Reporting of Audit Committee's review over the 2019 year-end closure.

Explanation:

- (1)The Company's 2019 financial statements have been audited by PricewaterhouseCoopers Taiwan and reviewed by the Audit Committee. An independent auditor's report and a review report were issued separately by the above two parties. (Please refer to P11~P34 of the Conference Manual)
- (2)This report was passed during the 6th meeting of the 17th board of directors.
- (3)Read out of the review report. (Please refer to P11 of the Conference Manual)

Report No. 3

Reporting of proposed 2019 employee' and director' remuneration.

Explanation:

- (1)Pursuant to Article 235-1 of the Company Law and Article 30 of the Company's Articles of Incorporation: The Company's net income, if any, should be an amount not less than 2% of the net income as the remuneration to employees and an amount not more than 2% of the net income as the remuneration to directors.
- (2)The Company in accordance with the amend Articles of Incorporation, it is proposed to allocate 4.9173 % or NT\$28,460,333 for employee' compensation. The payment will be made in cash ; and NT\$ 0 for directors' remuneration.

Report No. 4

Report on the rules of procedure for Board of Directors' Meeting.

Explanation:

Amendments to related commercial laws, the company hereby proposes to amend the Rules of Procedure for Board of Directors' Meeting.

Please refer to P36~P38 of the Conference Manual

Proposals

1.

Proposed by the Board

Proposal:

Adoption of the 2019 Business Report and Financial Statements

Explanation:

The Company's 2019 Business Report and Financial Statements have been audited by PricewaterhouseCoopers Taiwan and are available for acknowledgment.(Please refer to P9~P34 of the Conference Manual)

Resolution:

2.

Proposed by the Board

Proposal:

Adoption of the Proposal for Distribution of 2019 Profits

Explanation:

- (1) The earnings distribution stipulated in the Articles of Incorporation:
The shareholder's dividend of the Company shall be 50%~100% of The accumulated distributable earnings; also, the cash dividend ratio shall not be less than 30% of the total dividend distribution for the year.
- (2) The Company's net profit after tax was NT\$536,384,240 in 2019. the unappropriated earnings – beginning and retaining surplus, Add the amount of remeasuring of the fringe benefit liabilities(assets) NT\$35,235,582 and 10% legal reserve NT\$53,368,424 and special reserve NT\$543,506,483 were set aside pursuant to law, there the distributable earnings for the year amounted to NT\$0.
- (3) The Company's 2019 is proposed to distribute Cash dividends of NT\$ 0 per share. Please refer to P35 of the Conference Manual for the distribution of 2019 profits..

Discussion

1.

Proposed by the Board

Proposal:

Amendment to the Rules of Procedure for Shareholder Meetings. Please proceed to discuss.

Explanation:

In order to amendments to related commercial laws and conform to the needs of commercial practice , the company hereby proposes to amend the Rules of Procedure for Shareholder Meetings. Please refer to P39 of the Conference Manual.

Resolution:

2.

Proposed by the Board

Proposal:

Adoption of the Proposal for Releasing Directors from Non-competition. Please proceed to discuss.

Explanation:

- (1) Pursuant to Article 209 of the Company Act, "Directors may obtain permission for engaging in business activities that coincide with those of the company's for directors' own benefits, or for the benefits of others, by disclosing material details during shareholder meeting."
- (2) Where the positions and duties in other companies concurrently served by directors Mr. Chih-Hsien Lo, Ms. Xiu-Ling Kao and Mr. Chao- Kai Huang have been increased or decreased, it is proposed that in the very premise of no damage to the Company's interests, and prohibition of business strife upon them should be lifted.
- (3) Details of the Duties Subject to Releasing the Candidates of Directors from Non-competition.Please refer to P40~P41 of the Conference Manual.

Resolution:

Questions and Motions

Adjournment

2019 Business Report

(Attachment 1)

The global trade war intensified in 2019, with a volatile exchange rate causing the economy to face high uncertainties. All sectors were sidelined and thus the economic growth decelerated. Only by working hard and embracing the challenge, the resilience of businesses may be sustained. Ton Yi Industrial's revenue of 2019 is NT\$16.845 billion, and the profit after tax is NT\$536 million, with the consolidated revenue of NT\$32.528 billion, or 7.34% less from the previous year. In 2020, the Company has begun its steps into the next five decades. We will implement the operation philosophy of "Honesty, diligence, innovation, and progression" thoroughly. With the operating guidelines of fully grasping the clients' demands, performing quality management, and providing reasonable prices, the Company will deepen the foundations of the key business, optimize the product structures, and enhance the competitiveness, to bring new growth momentum to the Company.

Food safety, quality, and customers' satisfaction are the top priorities to build a reliable relationship.

Ton Yi Industrial is a professional company starting from consumer staples, and reaches out to the packing materials and beverage products more relevant to consumers gradually. The strategy is "One Core + Four Advantages," in which the core is "Quality Management," and the four edges include the "Group Advantage," "Competitive Advantage," "Capital Advantage," and "Industry Advantage," to develop aggressively. By obtaining various certifications such as ISO 9001 for quality, ISO 14001 for environmental safety, ISO 22000 & HACCP for food safety, ISO 45001 & TOSHMS for occupational safety, and the certifications of JIS G3303 and CNS for the tin plate products, as well as establishing a TAF laboratory to conduct more stringent inspections to the suppliers, raw materials, production processes, and products, the Company continuously inputs resources, enhances the control mechanism, and establishes the trustworthiness the society has towards Ton Yi Industrial.

ECO - Friendly & green biz, respect life, and emphasis on safety for sustainable development.

Our company culture stays true to good faith, and makes all possible efforts to the environment, society, and economy. To respond to the sustainability development goals, and promote SDGs, we have introduced the occupational health and safety management system, implemented the equality and care; to mitigate and accommodate the climate changes, we

established the systemized environmental protection, and all employees participate the energy-saving and carbon reducing activities. We use cleaner and low-carbon energies to create a friendly and safe working environment. To our suppliers, we require them to provide a working environment that meet ethical and regulatory standards. They have to maintain a good relationships with their employees, with a labor protocol that provides a working space emphasizing human rights, safety, and health. We respect the philosophy of “taking from the society and giving back to the society;” with all the stakeholders including employees, clients, vendors, and society, we proceed on the path of sustainability and sharing.

Under the current economic circumstance, we not only listen and communicate to make our experience as nutrition for us to grow, but also enhance and deepen the organizational disciplines, and improve the internal management systems. With a more rigorous and transparent corporate governance framework, we perfect talent training. Through continuous learning and discussion, we brainstorm the response strategies to the changes in the macro environment. Seeking to be better and continuing to improve is the only way to strengthen our market position and competitiveness.

Business Outlook for 2020

The COVID-19 outbreak started from the beginning of the year. This resulted in an other approach for our operations. We adapted the operating model in time to help the containment as our CSR, as well as take the health of our colleagues into account, so we may create an enterprise making the employees and the society to feel safe and comfortable. We have full-rounded profession and core technologies regarding packing containers and beverage production. With the synergies from the Group, all major strategic partners may be concentrated on the brand operation and marketing, and collaborate with us for a win-win situation to achieve the sales goal for 2020: 760,000 tons of TMBP and steel sheets, 700 million tin cans, 160 million cartons of beverage filling, 3 billion lids, and 70 million of our newly invested empty NBC type cans, to strive for an even better return of investment for our shareholders.

Chairman: Chih-Hsien Lo **Manager:** Chin-Cheng Hsu Yu-Hsin Chang **Chief Accountant:** Yi-Hsin Liu

Ton Yi Industrial Corp. (Attachment 2)
Audit Committeeal Corp.

We have reviewed the Company's 2019 Business Report, Financial Statements, and Earnings Appropriation prepared by the Board of Directors. The standalone and consolidated financial statements were audited by Liu, Tzu-Meng and CPA Ming-Hsien Li of PricewaterhouseCoopers Taiwan, to which they issued an unqualified opinion. Business Report, Financial Statements, and Earnings Appropriation has reviewed the abovementioned reports and found no misstatements. We hereby issue this report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

For

The 2020 Annual General Meeting

Ton Yi Industrial Corp.

C o n v e n e r : Chin-Cheng Chien

Audit Committee

M e m b e r : Ming-Long Wang

M e m b e r : Bing-Eng Wu

March 26, 2020

(Attachment 3)

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Ton Yi Industrial Corp.

Opinion

We have audited the accompanying parent company only balance sheets of Ton Yi Industrial Corp. (the “Company”) as of December 31, 2019 and 2018, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

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

Basis for opinion

We conducted our audits in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants” and generally accepted auditing standards in the Republic of China (ROC GAAS). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with the Code of Professional Ethics for Certified Public Accountants in the Republic of China (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. 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 2019 financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Existence of sales revenues

Description

Refer to Note 4(27) for the accounting policy on revenue recognition. The Company's sales revenues for the year ended December 31, 2019 was NT\$ 16,845,390 thousand.

The primary business of Ton Yi Industrial Corp. is selling Tin Plate products. The Company has a large volume of transactions from sales of numerous kinds of products to a wide range of customers in many different locations such as Taiwan, Asia, Europe, America, etc. For the customers and dealers who are from remote districts, the substantive of sales revenue need more time for verification. This matter also exists in the subsidiaries of Ton Yi Industrial Corp. (investments accounted for using equity method). Thus, the existence of sales revenue has been identified as a key audit matter.

How our audit addressed the matter

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

1. Inspecting whether approved additions to the merchandise master file data had been correctly entered in the merchandise master file which include basic information of customers, such as name of representative, location of company, amount of capital and scope of business for evaluating the creditworthiness of buyers.
2. Understanding, evaluating and validating management's controls in respect of the Company's sales transactions from customer order's approval, goods delivery, sales recording, reconciliation of cash receipts and customer's records to subsequent settlement of trade receivables. In addition, testing the internal control environment of the Company's effectiveness of revenue recognition.
3. Performing substantive test on selected sales transactions including confirming orders, shipping documents, invoices and cash receipts to verify the existence of sales revenues.

Inventory evaluation

Description

Refer to Note 4(7) for accounting policy on inventory valuation, Note 5(2) A for the accounting estimates and assumption uncertainty in relation to inventory valuation and Note 6(3) for details of inventories. For the year ended December 31, 2019, inventory and allowance to reduce inventory to market amounted to NT\$ 2,069,302 thousand and NT\$69 million, respectively.

The Company's raw materials are often subject to fluctuations in the international steel prices. However, as the Tin Plate products are for necessities, such price changes may not be immediately reflected in material costs. In addition, the competition landscape within the steel industry in China will continue to affect the price of raw materials that would impact the estimation of net realizable value of inventory. This matter also applies to the subsidiaries of Ton Yi Industrial Corp. (investments accounted for using equity method). Thus, the inventory evaluation has been identified as a key audit matter.

How our audit addressed the matter

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

1. Evaluating the adequacy of allowance for inventory and the consistency of provision policy.
2. Assessing the reasonableness of the estimation of net realizable value of Tin Plate products and discussing with management and examining related documents to confirm the adequacy of allowance for price decline.

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

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

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

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

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

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

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

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

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

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

Liu, Tzu-Meng

Independent Accountants

Lin, Tzu-Shu

PricewaterhouseCoopers, Taiwan

Republic of China

March 26, 2020

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

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

TON YI INDUSTRIAL CORP.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2019		December 31, 2018		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 50,940	-	\$ 32,961	-
1150	Notes receivable, net	6(2) and 12	116,841	1	147,753	1
1170	Accounts receivable, net	6(2) and 12	699,666	2	784,173	3
1180	Accounts receivable - related parties	7	466,362	2	1,156,882	4
1200	Other receivables		71,785	-	113,563	-
1220	Current income tax assets	6(25)	39,466	-	30,744	-
130X	Inventories	5(2) and 6(3)	2,000,302	7	2,243,825	7
1410	Prepayments	3(1)	59,831	-	95,285	-
1476	Other current financial assets		522	-	-	-
11XX	Total current assets		<u>3,505,715</u>	<u>12</u>	<u>4,605,186</u>	<u>15</u>
Non-current assets						
1517	Non-current financial assets at fair value through other comprehensive income	6(4) and 7	97,359	-	122,199	-
1550	Investments accounted for using equity method	6(5) and 7	16,070,407	55	16,063,238	52
1600	Property, plant and equipment	6(6)	9,118,463	31	10,061,047	33
1755	Right-of-use assets	3(1), 6(7) and 7	485,838	2	-	-
1760	Investment property, net	6(9)	1,066	-	1,066	-
1840	Deferred income tax assets	6(25)	106,714	-	123,604	-
1915	Prepayments for business facilities	6(6)	-	-	6,649	-
1920	Guarantee deposits paid		2,933	-	2,933	-
1985	Long-term lease prepayments	3(1) and 6(10)	-	-	64,985	-
1990	Other non-current assets, others	3(1)	-	-	2,118	-
15XX	Total non-current assets		<u>25,882,780</u>	<u>88</u>	<u>26,447,839</u>	<u>85</u>
1XXX	Total assets		<u>\$ 29,388,495</u>	<u>100</u>	<u>\$ 31,053,025</u>	<u>100</u>

(Continued)

TON YI INDUSTRIAL CORP.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2019		December 31, 2018	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(11)	\$ 2,574,994	9	\$ 2,380,107	8
2110	Short-term notes and bills payable	6(12)	-	-	399,927	1
2130	Current contract liabilities	6(19)	27,661	-	23,911	-
2150	Notes payable		2,095	-	15,245	-
2170	Accounts payable		116,769	-	164,446	1
2200	Other payables		514,348	2	698,713	2
2230	Current income tax liabilities	6(25)	-	-	63,416	-
2280	Lease liabilities, current	3(1) and 7	34,927	-	-	-
2305	Other current financial liabilities		5,320	-	310	-
2365	Current refund liabilities		10,016	-	9,145	-
21XX	Total current liabilities		<u>3,286,130</u>	<u>11</u>	<u>3,755,220</u>	<u>12</u>
Non-current liabilities						
2540	Long-term borrowings	6(13)	7,400,000	25	8,100,000	26
2550	Non-current provisions	6(14)	79,709	-	78,242	-
2570	Deferred income tax liabilities	6(25)	212,005	1	205,358	1
2580	Lease liabilities, non-current	3(1) and 7	385,900	2	-	-
2640	Net defined benefit liabilities, non-current	6(15)	277,900	1	379,753	1
2645	Guarantee deposits received		5,500	-	5,500	-
25XX	Total non-current liabilities		<u>8,361,014</u>	<u>29</u>	<u>8,768,853</u>	<u>28</u>
2XXX	Total liabilities		<u>11,647,144</u>	<u>40</u>	<u>12,524,073</u>	<u>40</u>
Equity						
Share capital						
3110	Share capital - common stock	6(16)	15,791,453	54	15,791,453	51
3200	Capital surplus	6(17)	231,168	-	230,261	1
	Retained earnings	6(18)				
3310	Legal reserve		1,739,515	6	1,596,669	5
3320	Special reserve		1,378,569	5	860,682	3
3350	Unappropriated retained earnings		597,145	2	1,428,456	5
3400	Other equity interest	6(4)	(1,996,499)	(7)	(1,378,569)	(5)
3XXX	Total equity		<u>17,741,351</u>	<u>60</u>	<u>18,528,952</u>	<u>60</u>
Significant contingent liabilities and unrecognized contract commitments						
3X2X	Total liabilities and equity		<u>\$ 29,388,495</u>	<u>100</u>	<u>\$ 31,053,025</u>	<u>100</u>

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

TON YI INDUSTRIAL CORP.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars, except earnings per share)

Items	Notes	Year ended December 31				
		2019		2018		
		AMOUNT	%	AMOUNT	%	
4000	Sales revenue	6(19) and 7	\$ 16,845,390	100	\$ 19,013,654	100
5000	Operating costs	6(3)(10)(15)(23)(24), 7 and 9	(15,724,292)	(93)	(17,313,179)	(91)
5900	Gross profit from operations		1,121,098	7	1,700,475	9
5910	Unrealized profit from sales	6(5) and 7	(5,909)	-	(87,353)	-
5920	Realized profit from sales	6(5) and 7	87,353	-	60,386	-
5950	Gross profit from operations		1,202,542	7	1,673,508	9
	Operating expenses	6(15)(23)(24), 7, 9 and 12				
6100	Selling expenses		(735,156)	(4)	(749,814)	(4)
6200	Administrative expenses		(331,449)	(2)	(439,380)	(3)
6450	Expected credit gains (losses)		1,128	-	(2,833)	-
6000	Total operating expenses		(1,065,477)	(6)	(1,192,027)	(7)
6900	Operating income		137,065	1	481,481	2
	Non-operating income and expenses					
7010	Other income	6(4)(8)(20)	32,055	-	33,464	-
7020	Other gains and losses	6(21) and 12	18,482	-	48,479	-
7050	Finance costs	6(6)(7)(14)(22) and 7	(156,444)	(1)	(127,556)	-
7070	Share of profit of associates and joint ventures accounted for using equity method, net	6(5)	519,164	3	1,135,516	6
7000	Total non-operating revenue and expenses		413,257	2	1,089,903	6
7900	Profit before income tax		550,322	3	1,571,384	8
7950	Income tax expense	6(25)	(13,938)	-	(85,131)	-
8200	Profit for the year		\$ 536,384	3	\$ 1,486,253	8
	Other comprehensive income (loss)					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Gain (loss) on remeasurements of defined benefit plans	6(15)	\$ 44,045	-	(\$ 78,023)	-
8316	Unrealised loss from investments in equity instruments measured at fair value through other comprehensive income	6(4)	(24,840)	-	(56,532)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(25)	(8,809)	-	24,071	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences on translation	6(5)	(593,439)	(3)	(461,374)	(3)
8399	Income tax relating to components of other comprehensive income that will be reclassified to profit or loss	6(25)	349	-	18	-
8300	Other comprehensive loss for the year		(\$ 582,694)	(3)	(\$ 571,840)	(3)
8500	Total comprehensive (loss) income for the year		(\$ 46,310)	-	\$ 914,413	5
	Earnings per share	6(26)				
9750	Basic		\$ 0.34		\$ 0.94	
9850	Diluted		\$ 0.34		\$ 0.94	

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

TON YI INDUSTRIAL CORP. AND SUBSIDIARIES
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Share capital - common stock	Capital surplus	Retained Earnings			Other equity interest			Total equity
				Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gain (loss) on financial assets measured at fair value through other comprehensive income	Unrealized gain (loss) on available-for-sale financial assets	
2018										
Balance at January 1, 2018		\$ 15,791,453	\$ 230,047	\$ 1,536,659	\$ 1,075,145	\$ 659,405	(\$ 660,495)	\$ -	(\$ 200,186)	\$ 18,432,028
Effects of retrospective application		-	-	-	-	(28,130)	-	(200,186)	200,186	(28,130)
Balance at 1 January after adjustments		<u>15,791,453</u>	<u>230,047</u>	<u>1,536,659</u>	<u>1,075,145</u>	<u>631,275</u>	<u>(660,495)</u>	<u>(200,186)</u>	<u>-</u>	<u>18,403,898</u>
Profit for the year		-	-	-	-	1,486,253	-	-	-	1,486,253
Other comprehensive loss for the year	6(4)	-	-	-	-	(53,952)	(461,356)	(56,532)	-	(571,840)
Total comprehensive income (loss)		-	-	-	-	<u>1,432,301</u>	<u>(461,356)</u>	<u>(56,532)</u>	<u>-</u>	<u>914,413</u>
Distribution of 2017 net income										
Legal reserve		-	-	60,010	-	(60,010)	-	-	-	-
Cash dividends	6(18)	-	-	-	-	(789,573)	-	-	-	(789,573)
Reversal of special reserve	6(18)	-	-	-	(214,463)	214,463	-	-	-	-
Non-payment of expired cash dividends from previous year transferred capital reserve	6(17)	-	214	-	-	-	-	-	-	214
Balance at December 31, 2018		<u>\$ 15,791,453</u>	<u>\$ 230,261</u>	<u>\$ 1,596,669</u>	<u>\$ 860,682</u>	<u>\$ 1,428,456</u>	<u>(\$ 1,121,851)</u>	<u>(\$ 256,718)</u>	<u>\$ -</u>	<u>\$ 18,528,952</u>
2019										
Balance at January 1, 2019		\$ 15,791,453	\$ 230,261	\$ 1,596,669	\$ 860,682	\$ 1,428,456	(\$ 1,121,851)	(\$ 256,718)	\$ -	\$ 18,528,952
Profit for the year		-	-	-	-	536,384	-	-	-	536,384
Other comprehensive income (loss) for the year	6(4)	-	-	-	-	35,236	(593,090)	(24,840)	-	(582,694)
Total comprehensive income (loss)		-	-	-	-	<u>571,620</u>	<u>(593,090)</u>	<u>(24,840)</u>	<u>-</u>	<u>(46,310)</u>
Distribution of 2018 net income										
Legal reserve		-	-	142,846	-	(142,846)	-	-	-	-
Special reserve	6(18)	-	-	-	517,887	(517,887)	-	-	-	-
Cash dividends	6(18)	-	-	-	-	(742,198)	-	-	-	(742,198)
Non-payment of expired cash dividends from previous year transferred capital reserve	6(17)	-	907	-	-	-	-	-	-	907
Balance at December 31, 2019		<u>\$ 15,791,453</u>	<u>\$ 231,168</u>	<u>\$ 1,739,515</u>	<u>\$ 1,378,569</u>	<u>\$ 597,145</u>	<u>(\$ 1,714,941)</u>	<u>(\$ 281,558)</u>	<u>\$ -</u>	<u>\$ 17,741,351</u>

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

TON YI INDUSTRIAL CORP.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars)

	Notes	2019	2018
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 550,322	\$ 1,571,384
Adjustments			
Adjustments to reconcile profit (loss)			
Loss on financial assets at fair value through profit or loss		-	1,387
Expected credit (gains) losses	12	(1,128)	2,833
Provision (reversal of allowance) for inventory market value decline	6(3)	37,000	(26,000)
Share of profit of associates and joint ventures accounted using equity method	6(5)	(519,164)	(1,135,516)
Unrealized profit from sales	6(5)	5,909	87,353
Realized profit from sales	6(5)	(87,353)	(60,386)
Depreciation expense	6(6)(7)(23)	1,036,024	998,711
(Gain) losses on disposal of property, plant and equipment	6(21)	(422)	608
Profit from lease modifications	6(21)	(8,064)	-
Gain on disposal of investment property	6(21)	-	(1,150)
Amortization of long-term lease prepayments	6(10)	-	4,250
Dividend income	6(20)	(4,176)	(5,510)
Interest income	6(20)	(755)	(908)
Interest expense	6(22)	156,444	127,556
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		-	471,533
Notes receivable		31,224	(29,242)
Accounts receivable		85,323	(262,259)
Accounts receivable - related parties		690,520	(228,657)
Other receivables		41,778	(12,678)
Inventories		206,523	(210,698)
Prepayments		28,285	53,157
Changes in operating liabilities			
Contract liabilities, current		3,750	(30,565)
Notes payable		(13,150)	(8,414)
Accounts payable		(47,677)	(90,792)
Other payables		(178,098)	161,601
Current refund liabilities		871	1,007
Net defined benefit liabilities, non-current		(57,808)	(58,651)
Cash inflow generated from operations		1,956,178	1,319,954
Dividends received		4,176	5,510
Interest received		755	908
Interest paid		(155,622)	(123,111)
Income tax paid		(70,999)	(21,382)
Net cash flows from operating activities		<u>1,734,488</u>	<u>1,181,879</u>

(Continued)

TON YI INDUSTRIAL CORP.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars)

	Notes	2019	2018
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
(Increase) decrease in other current financial assets		(\$ 522)	\$ 997
Acquisition of investments accounted for using the equity method - subsidiaries	6(5) and 7	-	(3,210,527)
Acquisition of property, plant and equipment	6(27)	(43,131)	(70,569)
Proceeds from disposal of property, plant and equipment		635	120
Proceeds from disposal of investment properties		-	5,998
Increase in prepayments for business facilities		(7,762)	(6,487)
Interest paid for prepayments for business facilities	6(6)(22)	(208)	(162)
Increase in long-term lease prepayments		-	(8,009)
Decrease in other non-current assets, others		-	1,133
Net cash flows used in investing activities		<u>(50,988)</u>	<u>(3,287,506)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(28)	194,887	1,592,942
Decrease in short-term notes and bills payable	6(28)	(400,000)	(300,000)
Increase (decrease) in other current financial liabilities	6(28)	5,010	(1,990)
Payments of lease liabilities	6(28)	(24,127)	-
Increase in long-term borrowings	6(28)	2,100,000	3,050,000
Decrease in long-term borrowings	6(28)	(2,800,000)	(1,450,000)
Decrease in guarantee deposits received	6(28)	-	(1,010)
Cash dividends paid	6(18)	(742,198)	(789,573)
Reversal of unclaimed cash dividends	6(17)	907	214
Net cash flows (used in) from financing activities		<u>(1,665,521)</u>	<u>2,100,583</u>
Net increase (decrease) in cash and cash equivalents		17,979	(5,044)
Cash and cash equivalents at beginning of year	6(1)	<u>32,961</u>	<u>38,005</u>
Cash and cash equivalents at end of year	6(1)	<u>\$ 50,940</u>	<u>\$ 32,961</u>

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

(Attachment 4)

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Shareholders of Ton Yi Industrial Corp.

Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants” and generally accepted auditing standards in the Republic of China (ROC GAAS). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Professional Ethics for Certified Public Accountants in the Republic of China (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. 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 2019 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.

Existence of sales revenues of Tin Plate products

Description

Refer to Note 4(30) for the accounting policy on revenue recognition. The Group's sales revenues for the year ended December 31, 2019 was NT\$ 19,502,689 thousand.

The primary business of Ton Yi Industrial Corp. is selling Tin Plate products. The Group has a large volume of transactions from sales of numerous kinds of products to a wide range of customers in many different locations such as Taiwan, Asia, Europe, America, etc. For the customers and dealers who are from remote districts, the substantive of sales revenue need more time for verification. Thus, the existence of sales revenue of tin plate products has been identified as a key audit matter.

How our audit addressed the matter

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

1. Inspecting whether approved additions to the merchandise master file data had been correctly entered in the merchandise master file which include basic information of customers, such as name of representative, location of Company, amount of capital and scope of business for evaluating the creditworthiness of buyers.
2. Understanding, evaluating and validating management's controls in respect of the Group's sales transactions from customer order's approval, goods delivery, sales recording, reconciliation of cash receipts and customer's records to subsequent settlement of trade receivables. In addition, testing the internal control environment of the Group's effectiveness of revenue recognition.
3. Performing substantive test on selected sales transactions including confirming orders, shipping documents, invoices and cash receipts to verify the existence of sales revenues.

Inventory evaluation of Tin Plate products

Description

Refer to Note 4(9) for accounting policy on inventory valuation, Note 5(2) for the accounting estimates and assumption uncertainty in relation to inventory valuation. For the year ended December 31, 2019, inventory and allowance to reduce inventory to market amounted to NT\$ 3,084,274 thousand and NT\$106,770 thousand, respectively.

The Group's raw materials are often subject to fluctuations in the international steel prices. However, as the Tin Plate products are for necessities, such price changes may not be immediately reflected in material costs. In addition, the competition landscape within the steel industry in China will continue to affect the price of raw materials that would impact the estimation of net realizable value of inventory. Thus, the inventory evaluation has been identified as a key audit matter.

How our audit addressed the matter

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

1. Evaluating the adequacy of allowance for inventory and the consistency of provision policy.
2. Assessing the reasonableness of the estimation of net realizable value of Tin plate products and discussing with management and examining related documents to confirm the adequacy of allowance for price decline.

Other matter – Parent company only financial reports

We have audited and expressed an unmodified opinion on the parent company only financial statements of Ton Yi Industrial Corp. as of and for the years ended December 31, 2019 and 2018.

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ROC GAAS will always detect a material

misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

Liu, Tzu-Meng

Independent Accountants

Lin, Tzu-Shu

PricewaterhouseCoopers, Taiwan

Republic of China

March 26, 2020

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

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

TON YI INDUSTRIAL CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2019		December 31, 2018		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 1,353,470	4	\$ 2,265,386	6
1150	Notes receivable, net	6(2), 8 and 12	598,282	2	928,680	3
1170	Accounts receivable, net	6(2)(3) and 12	1,753,908	5	2,143,012	6
1180	Accounts receivable - related parties	7	1,305,051	4	1,248,553	3
1200	Other receivables		77,200	-	247,046	1
1220	Current income tax assets	6(27)	44,393	-	52,465	-
130X	Inventories	5(2) and 6(4)	3,697,100	10	3,903,529	10
1410	Prepayments	3(1)	483,981	1	376,439	1
1476	Other current financial assets	8	2,309	-	698,578	2
11XX	Total current assets		<u>9,315,694</u>	<u>26</u>	<u>11,863,688</u>	<u>32</u>
Non-current assets						
1517	Non-current financial assets at fair value through other comprehensive income	6(5) and 7	97,359	-	122,199	-
1600	Property, plant and equipment	6(6)(12) and 7	22,096,118	63	23,286,735	63
1755	Right-of-use assets	3(1), 6(7) and 7	2,701,454	8	-	-
1760	Investment property, net	6(9)(12)	104,424	-	114,763	-
1780	Intangible assets	6(10)	344,073	1	362,330	1
1840	Deferred income tax assets	6(27)	558,017	2	590,016	2
1915	Prepayments for business facilities	6(6) and 7	78,452	-	335,343	1
1920	Guarantee deposits paid	7	25,101	-	26,996	-
1985	Long-term lease prepayments	3(1) and 6(11)	-	-	494,267	1
1990	Other non-current assets, others	3(1)	12,624	-	16,496	-
15XX	Total non-current assets		<u>26,017,622</u>	<u>74</u>	<u>25,349,145</u>	<u>68</u>
1XXX	Total assets		<u>\$ 35,333,316</u>	<u>100</u>	<u>\$ 37,212,833</u>	<u>100</u>

(Continued)

TON YI INDUSTRIAL CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2019		December 31, 2018		
		AMOUNT	%	AMOUNT	%	
Current liabilities						
2100	Short-term borrowings	6(13) and 8	\$ 3,123,993	9	\$ 3,712,581	10
2110	Short-term notes and bills payable	6(14)	-	-	399,927	1
2130	Current contract liabilities	6(21) and 7	42,704	-	71,206	-
2150	Notes payable		2,095	-	15,245	-
2170	Accounts payable		1,008,026	3	1,035,480	3
2180	Accounts payable - related parties	7	155,791	-	134,098	-
2200	Other payables		1,284,114	4	1,504,902	4
2220	Other payables - related parties	7	116,772	-	67,824	-
2230	Current income tax liabilities	6(27)	50,182	-	212,191	1
2280	Lease liabilities, current	3(1) and 7	224,988	1	-	-
2305	Other current financial liabilities		24,178	-	20,180	-
2320	Long-term liabilities, current portion	6(15)	-	-	850,829	2
2365	Current refund liabilities		10,016	-	9,145	-
21XX	Total current liabilities		<u>6,042,859</u>	<u>17</u>	<u>8,033,608</u>	<u>21</u>
Non-current liabilities						
2540	Long-term borrowings	6(15)	7,400,000	21	8,100,000	22
2550	Non-current provisions	6(16)	79,709	-	78,242	-
2570	Deferred income tax liabilities	6(27)	507,647	1	664,485	2
2580	Lease liabilities, non-current	3(1) and 7	1,965,577	6	-	-
2630	Long-term deferred revenue		34,444	-	-	-
2640	Net defined benefit liabilities, non-current	6(17)	277,900	1	379,753	1
2645	Guarantee deposits received		22,969	-	26,086	-
25XX	Total non-current liabilities		<u>10,288,246</u>	<u>29</u>	<u>9,248,566</u>	<u>25</u>
2XXX	Total liabilities		<u>16,331,105</u>	<u>46</u>	<u>17,282,174</u>	<u>46</u>
Equity attributable to owners of parent						
Share capital						
3110	Share capital - common stock	6(18)	15,791,453	45	15,791,453	43
3200	Capital surplus	6(19)	231,168	-	230,261	1
Retained earnings						
3310	Legal reserve		1,739,515	5	1,596,669	4
3320	Special reserve		1,378,569	4	860,682	2
3350	Unappropriated retained earnings		597,145	2	1,428,456	4
3400	Other equity interest	6(5)	(1,996,499)	(6)	(1,378,569)	(4)
31XX	Equity attributable to owners of parent		<u>17,741,351</u>	<u>50</u>	<u>18,528,952</u>	<u>50</u>
36XX	Non-controlling interests		<u>1,260,860</u>	<u>4</u>	<u>1,401,707</u>	<u>4</u>
3XXX	Total equity		<u>19,002,211</u>	<u>54</u>	<u>19,930,659</u>	<u>54</u>
Significant contingent liabilities and unrecognized contract commitments						
3X2X	Total liabilities and equity		<u>\$ 35,333,316</u>	<u>100</u>	<u>\$ 37,212,833</u>	<u>100</u>

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

TON YI INDUSTRIAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars, except earnings per share)

Items	Notes	Year ended December 31			
		2019		2018	
		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(21) and 7	\$ 32,527,535	100	\$ 35,103,806	100
5000 Operating costs	6(4)(9)(10)(11)(17)(25)(26), 7 and 9	(29,510,062)	(91)	(31,752,956)	(90)
5900 Gross profit from operations		<u>3,017,473</u>	<u>9</u>	<u>3,350,850</u>	<u>10</u>
Operating expenses	6(10)(11)(17)(25)(26), 7, 9 and 12				
6100 Selling expenses		(1,140,685)	(4)	(1,237,027)	(4)
6200 Administrative expenses		(1,113,009)	(3)	(1,120,198)	(3)
6450 Expected credit gains (losses)		<u>9,037</u>	-	<u>11,781</u>	-
6000 Total operating expenses		<u>(2,244,657)</u>	<u>(7)</u>	<u>(2,369,006)</u>	<u>(7)</u>
6900 Operating income		<u>772,816</u>	<u>2</u>	<u>981,844</u>	<u>3</u>
Non-operating income and expenses					
7010 Other income	6(5)(8)(9)(22)	429,175	1	1,082,609	3
7020 Other gains and losses	6(12)(23) and 12	(208,067)	-	464,156	2
7050 Finance costs	6(3)(6)(7)(16)(24) and 7	(315,644)	(1)	(338,543)	(1)
7000 Total non-operating income and expenses		<u>(94,536)</u>	<u>-</u>	<u>1,208,222</u>	<u>4</u>
7900 Profit before income tax		<u>678,280</u>	<u>2</u>	<u>2,190,066</u>	<u>7</u>
7950 Income tax expense	6(27)	(237,012)	(1)	(650,485)	(2)
8200 Profit for the year		<u>\$ 441,268</u>	<u>1</u>	<u>\$ 1,539,581</u>	<u>5</u>
Other comprehensive income					
Components of other comprehensive income that will not be reclassified to profit or loss					
8311 Gain (loss) on remeasurements of defined benefit plans	6(17)	\$ 44,045	-	(\$ 78,023)	-
8316 Unrealized loss from investments in equity instruments measured at fair value through other comprehensive income	6(5)	(24,840)	-	(56,532)	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(27)	(8,809)	-	24,071	-
Components of other comprehensive income that will be reclassified to profit or loss					
8361 Exchange differences on translation		(639,170)	(2)	(485,359)	(2)
8399 Income tax relating to components of other comprehensive income that will be reclassified to profit or loss	6(27)	<u>349</u>	-	<u>18</u>	-
8300 Other comprehensive loss for the year		<u>(\$ 628,425)</u>	<u>(2)</u>	<u>(\$ 595,825)</u>	<u>(2)</u>
8500 Total comprehensive (loss) income for the year		<u>(\$ 187,157)</u>	<u>(1)</u>	<u>\$ 943,756</u>	<u>3</u>
Profit (loss), attributable to:					
8610 Owners of the parent		\$ 536,384	1	\$ 1,486,253	5
8620 Non-controlling interests		(95,116)	-	53,328	-
		<u>\$ 441,268</u>	<u>1</u>	<u>\$ 1,539,581</u>	<u>5</u>
Comprehensive income (loss) attributable to:					
8710 Owners of the parent		(\$ 46,310)	-	\$ 914,413	3
8720 Non-controlling interests		(140,847)	(1)	29,343	-
		<u>(\$ 187,157)</u>	<u>(1)</u>	<u>\$ 943,756</u>	<u>3</u>
Earnings per share	6(28)				
9750 Basic		\$	0.34	\$	0.94
9850 Diluted		\$	0.34	\$	0.94

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

TON YI INDUSTRIAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars)

Equity attributable to owners of the parent												
Notes	Share capital - common stock	Capital surplus	Retained earnings			Other equity interest			Total	Non-controlling interests	Total equity	
			Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealised gain (loss) on financial assets measured at fair value through other comprehensive income	Unrealized gain (loss) on available-for-sale financial assets				
2018												
	Balance at January 1, 2018	\$ 15,791,453	\$ 230,047	\$ 1,536,659	\$ 1,075,145	\$ 659,405	(\$ 660,495)	\$ -	(\$ 200,186)	\$ 18,432,028	\$ 965,453	\$ 19,397,481
	Effect of retrospective application	-	-	-	-	(28,130)	-	(200,186)	200,186	(28,130)	-	(28,130)
	Balance at 1 January after adjustments	<u>15,791,453</u>	<u>230,047</u>	<u>1,536,659</u>	<u>1,075,145</u>	<u>631,275</u>	<u>(660,495)</u>	<u>(200,186)</u>	-	<u>18,403,898</u>	<u>965,453</u>	<u>19,369,351</u>
	Profit for the year	-	-	-	-	1,486,253	-	-	-	1,486,253	53,328	1,539,581
	Other comprehensive loss for the year	-	-	-	-	(53,952)	(461,356)	(56,532)	-	(571,840)	(23,985)	(595,825)
	Total comprehensive income (loss)	-	-	-	-	1,432,301	(461,356)	(56,532)	-	914,413	29,343	943,756
	Distribution of 2017 net income	-	-	-	-	-	-	-	-	-	-	-
	Legal reserve	-	-	60,010	-	(60,010)	-	-	-	-	-	-
	Cash dividends	-	-	-	-	(789,573)	-	-	-	(789,573)	-	(789,573)
	Reversal of special reserve	-	-	-	(214,463)	214,463	-	-	-	-	-	-
	Non-payment of expired cash dividends from previous year transferred capital reserve	-	214	-	-	-	-	-	-	214	-	214
	Change in non-controlling interest	-	-	-	-	-	-	-	-	-	406,911	406,911
	Balance at December 31, 2018	<u>\$ 15,791,453</u>	<u>\$ 230,261</u>	<u>\$ 1,596,669</u>	<u>\$ 860,682</u>	<u>\$ 1,428,456</u>	<u>(\$ 1,121,851)</u>	<u>(\$ 256,718)</u>	<u>\$ -</u>	<u>\$ 18,528,952</u>	<u>\$ 1,401,707</u>	<u>\$ 19,930,659</u>
2019												
	Balance at January 1, 2019	\$ 15,791,453	\$ 230,261	\$ 1,596,669	\$ 860,682	\$ 1,428,456	(\$ 1,121,851)	(\$ 256,718)	\$ -	\$ 18,528,952	\$ 1,401,707	\$ 19,930,659
	Profit (loss) for the year	-	-	-	-	536,384	-	-	-	536,384	(95,116)	441,268
	Other comprehensive income (loss) for the year	-	-	-	-	35,236	(593,090)	(24,840)	-	(582,694)	(45,731)	(628,425)
	Total comprehensive income (loss)	-	-	-	-	571,620	(593,090)	(24,840)	-	(46,310)	(140,847)	(187,157)
	Distribution of 2018 net income	-	-	-	-	-	-	-	-	-	-	-
	Legal reserve	-	-	142,846	-	(142,846)	-	-	-	-	-	-
	Special reserve	-	-	-	517,887	(517,887)	-	-	-	-	-	-
	Cash dividends	-	-	-	-	(742,198)	-	-	-	(742,198)	-	(742,198)
	Non-payment of expired cash dividends from previous year transferred capital reserve	-	907	-	-	-	-	-	-	907	-	907
	Balance at December 31, 2019	<u>\$ 15,791,453</u>	<u>\$ 231,168</u>	<u>\$ 1,739,515</u>	<u>\$ 1,378,569</u>	<u>\$ 597,145</u>	<u>(\$ 1,714,941)</u>	<u>(\$ 281,558)</u>	<u>\$ -</u>	<u>\$ 17,741,351</u>	<u>\$ 1,260,860</u>	<u>\$ 19,002,211</u>

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

TON YI INDUSTRIAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 and 2018
(Expressed in thousands of New Taiwan dollars)

	Notes	2019	2018
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 678,280	\$ 2,190,066
Adjustments			
Adjustments to reconcile profit (loss)			
Loss on financial assets at fair value through profit or loss		-	1,387
Expected credit (gains) losses	12	(9,037)	11,781
Provision for inventory market price decline	6(4)	13,850	36,214
Depreciation expense	6(6)(7)(9)	2,729,021	2,530,914
Impairment loss on property, plant and equipment	6(6)(12)(23)	-	77,490
Loss (gain) on disposal of property, plant and equipment	6(23)	109,094	(555,300)
Profit from lease modifications	6(23)	(8,645)	-
Gain on disposal of investment property	6(23)	-	(1,150)
Gain on disposal of intangible assets		-	(1)
Amortization expense	6(10)(25)	9,448	9,626
Amortization of long-term lease prepayments	6(11)	-	13,930
Gain on disposal of long-term lease prepayments	6(22)	-	(608,644)
Dividend income	6(22)	(4,176)	(5,510)
Interest income	6(22)	(34,212)	(22,363)
Interest expense	6(24)	315,644	338,543
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		-	471,533
Notes receivable		330,710	13,071
Accounts receivable		399,654	(381,338)
Accounts receivable - related parties	(	56,498)	(372,415)
Other receivables		61,483	(30,070)
Inventories		194,303	(201,722)
Prepayments	(	112,080)	111,160
Changes in operating liabilities			
Contract liabilities, current	(	28,502)	(12,318)
Notes payable	(	13,150)	(8,414)
Accounts payable	(	27,454)	(211,171)
Accounts payable - related parties		21,693	21,928
Other payables	(	401,489)	274,661
Other payables - related parties		48,948	12,891
Current refund liabilities		871	1,007
Long-term deferred revenue		34,444	-
Net defined benefit liabilities, non-current	(	57,808)	(58,651)
Cash inflow generated from operations		4,194,392	3,647,135
Dividends received		4,176	5,510
Interest received		34,212	22,363
Income tax refund		1,810	16,195
Interest paid	(	318,906)	(363,909)
Income tax paid	(	530,652)	(264,750)
Net cash flows from operating activities		<u>3,385,032</u>	<u>3,062,544</u>

(Continued)

TON YI INDUSTRIAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 and 2018
(Expressed in thousands of New Taiwan dollars)

	Notes	2019	2018
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease (increase) in other current financial assets		\$ 696,269	(\$ 695,384)
Acquisition of property, plant and equipment	6(29)	(1,259,581)	(253,283)
Interest paid for acquisition of property, plant and equipment	6(6)(24)(29)	(247)	-
Acquisition of right-of-use assets		(68,257)	-
Proceeds from disposal of property, plant and equipment	6(29)	94,399	745,657
Proceeds from disposal of investment properties		-	5,998
Proceeds from disposal of intangible assets		-	17
Increase in prepayments for business facilities		(125,198)	(341,801)
Interest paid for prepayments for business facilities	6(6)(24)	(208)	(162)
Decrease in refundable deposits		1,895	57,477
Proceeds from disposal of long-term lease prepayments	6(29)	41,819	594,751
Increase in long-term lease prepayments		-	(75,781)
Decrease in other non-current assets, others		1,754	5,725
Net cash flows (used in) from investing activities		(617,355)	43,214
CASH FLOWS FROM FINANCING ACTIVITIES			
(Decrease) increase in short-term borrowings	6(30)	(588,588)	2,095,065
(Decrease) in short-term notes and bills payable	6(30)	(400,000)	(300,000)
Increase in other current financial liabilities	6(30)	3,998	617
Payments of lease liabilities	6(30)	(204,752)	-
Repayments of bonds	6(30)	-	(647,266)
Increase in long-term borrowings	6(30)	2,100,000	3,528,276
Decrease in long-term borrowings	6(30)	(3,652,632)	(5,913,873)
(Decrease) increase in guarantee deposits received	6(30)	(3,117)	16,694
Cash dividends paid	6(20)	(742,198)	(789,573)
Reversal of unclaimed cash dividends	6(19)	907	214
Change in non-controlling interests		-	406,911
Net cash flows used in financing activities		(3,486,382)	(1,602,935)
Effect of exchange rate changes on cash and cash equivalents		(193,211)	(143,769)
Net (decrease) increase in cash and cash equivalents		(911,916)	1,359,054
Cash and cash equivalents at beginning of year	6(1)	2,265,386	906,332
Cash and cash equivalents at end of year	6(1)	\$ 1,353,470	\$ 2,265,386

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

Ton Yi Industrial Corp
2019 Earnings Appropriation

(Attachment 5)

Unit : NT\$

Item	Amount
Retained earnings-unappropriated in previous year	25,524,815
Add : the amount of remeasuring of the fringe benefit liabilities	35,235,852
Adjusted retained earnings-unappropriated	60,760,667
Add : 2019 Earnings Available for Distribution	536,384,240
Less : 10% Legal Reserve	(53,638,424)
Less : special reserve	(543,506,483)
Distribution Items :	0
Distributable earnings in 2019	
Cash Dividends to Common Share Holders (NT\$ 0 per share)	0
Retained earnings-unappropriated, at the end of 2019	0

Chairman: Chih-Hsien Lo **Manager:** Chin-Cheng Hsu Yu-Hsin Chang **Chief Accountant:** Yi-Hsin Liu

Ton Yi Industrial Corp.

(Attachment 6)

The Comparison Table of the Amended Provisions in the Rules of Procedure for Board of Directors Meetings

Articles	Amended articles	Current Provision	Description
<p>Article 7 (Chair and acting chair of a board meeting)</p>	<p>Shall the board meetings be convened by the chairperson of the board, the <u>chairperson</u> shall chair the meeting. However, with respect to the first meeting of each newly elected board of directors, it shall be called and chaired by the director that received votes representing the largest portion of voting rights at the shareholders meeting in which the directors were elected; if two or more directors are so entitled to convene the meeting, they shall select from among themselves one director to serve as chair. <u>For the meetings convened by the majority or more of the directors elect on their own pursuant to Paragraph 4, Article 203, or Paragraph 3, Article 203-1 of the Company Act, the chair shall be selected among these directors.</u> When the chairperson of the board is on leave or for any reason unable to exercise the powers of chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice</p>	<p>Shall the board meetings be convened by the chairperson of the board, the <u>chairperson</u> shall chair the meeting. However, with respect to the first meeting of each newly elected board of directors, it shall be called and chaired by the director that received votes representing the largest portion of voting rights at the shareholders meeting in which the directors were elected; if two or more directors are so entitled to convene the meeting, they shall select from among themselves one director to serve as chair.</p> <p>When the chairperson of the board is on leave or for any reason unable to exercise the powers of chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice</p>	<p>1. Wording revised.</p> <p>2. To adapt the amendment of the Company Act, the description “For the meetings convened by the majority or more of the directors elect on their own (including the first meeting of each newly elected board of directors convened by the majority or more of the directors elect on their own), the chair shall be selected</p>

	<p>chairperson is also on leave or for any reason unable to exercise the powers of vice chairperson, the chairperson shall appoint one of the directors to act, or, if no such designation is made by the chairperson, the directors shall select one person from among themselves to serve as chair.</p>	<p>chairperson is also on leave or for any reason unable to exercise the powers of vice chairperson, the chairperson shall appoint one of the directors to act, or, if no such designation is made by the chairperson, the directors shall select one person from among themselves to serve as chair.</p>	<p>among these directors” is added.</p>
<p>Article 15 (Recusal system for directors)</p>	<p>If a director or a juristic person that the director represents is an interested party in relation to an agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interest of this Corporation, that director may not participate in discussion or voting on that agenda item and shall recuse himself or herself from the discussion or the voting on the item, and may not exercise voting rights as proxy for another director.</p> <p><u>Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the preceding paragraph, such director shall be deemed to have a personal interest in</u></p>	<p>If a director or a juristic person that the director represents is an interested party in relation to an agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interest of this Corporation, that director may not participate in discussion or voting on that agenda item and shall recuse himself or herself from the discussion or the voting on the item, and may not exercise voting rights as proxy for another director.</p>	<p>To adapt the amendment of the Company Act, the description “Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the preceding paragraph, such director shall be deemed to have a personal interest in the matter” is added.</p>

	<p><u>the matter.</u></p> <p>Where a director is prohibited by the <u>two</u> preceding paragraphs from exercising voting rights with respect to a resolution at a board meeting, the provisions of Article 180, paragraph 2 of the Company Act applies mutatis mutandis in accordance with Article 206, paragraph <u>4</u> of the same Act.</p>	<p>Where a director is prohibited by the <u>two</u> preceding paragraphs from exercising voting rights with respect to a resolution at a board meeting, the provisions of Article 180, paragraph 2 of the Company Act applies mutatis mutandis in accordance with Article 206, paragraph <u>4</u> of the same Act.</p>	
<p>Article 18 (Supplementary provisions)</p>	<p>These Rules of Procedure shall be adopted by the approval of meeting of the board of directors and shall be reported at the shareholders meeting. The Rules of Procedure were established on March 24, 2006. 1st amendment: March 19, 2007 5th amendment: November 7, 2017 <u>6th amendment: March 26, 2020</u></p>	<p>These Rules of Procedure shall be adopted by the approval of meeting of the board of directors and shall be reported at the shareholders meeting. The Rules of Procedure were established on March 24, 2006. 1st amendment: March 19, 2007 5th amendment: November 7, 2017</p>	<p>The date of amendment is added.</p>

Ton Yi Industrial Corp. (Attachment 7)

The Comparison Table of the Amended Provisions in the Rules of Procedure for Shareholders Meetings

	Amended articles	Current Provision	Description
Article 10	<p>If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. <u>The proposals (including the extraordinary motions and the amendment to the original proposal) shall be voted one by one.</u> The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.</p> <p>Paragraphs 2 to 3 are omitted</p> <p><u>The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and arrange enough time for voting.</u> (Newly added)</p>	<p>If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.</p> <p>Paragraphs 2 to 3 are omitted</p>	<p>To adopt the e-voting system for all public listed companies from 2018, and practice the spirit of voting one proposal by one proposal, the first paragraph is amended.</p> <p>To avoid the convener of the shareholders meetings delaying the voting time for too long, causing the shareholders to not have sufficient time to vote, and voting rights are impeded.</p>

Details of the Duties Subject to Releasing the Candidates (Attachment 8)
of Directors from Non-competition

Name	Current position with other company
Chih-Hsien Lo (represent: Uni-Presiden Enterprises CORP.)	<p>Chairman : Uni-President Enterprises corp. ∙ President Chain Store Corp. ∙ President Natural Industrial Corp. ∙ Ton Yi Industrial Co., Ltd. ∙ TTET Union Corp. ∙ Prince Housing & Development Corp. ∙ Prince Real Estate Co. ∙ Prince Property Management Consulting Co. ∙ Cheng-Shi Investment Holding Co. ∙ Time Square International Co., Ltd. ∙ Time Square International Co., Ltd. ∙ TIMES SQUARE INTERNATIONAL STAYS CORPORATION. ∙ Kai Yu Investment Co. ∙ President Packaging Corp. ∙ President International Development Corp. ∙ President Property Corporation ∙ Scino Pharm Taiwan Ltd. ∙ Uni-President Cold-Chain Corp. ∙ Presco Netmarketing Inc. ∙ Uni-President Dream Parks Corp. ∙ Uni-OAO Travel Service Corp. ∙ Kai Nan Investment Co. ∙ President Century Corp. ∙ Tong Ren Corp. ∙ Changjiagang President Nisshin Food Co. ∙ Uni-President (Philippines) Corp. ∙ Uni-President (Thailand) Ltd. ∙ Uni-President (Vietnam) Co., Ltd. ∙ Uni-President China Holdings Ltd. (Cayman) ∙ President Enterprises (China) Investment Co., Ltd. ∙ Woongjin Foods Co. Ltd. ∙ Daeyoung Foods Co. Ltd.</p> <p>Vice Chairman : President Nisshin Corp.</p> <p>Director : President Baseball Team Corp. ∙ Nanlien International Corp. ∙ Tone Sang Construction Corp. ∙ Retail Support International Corp. ∙ Presicare Corp. ∙ President Fair Development Corp. ∙ President Starbucks Coffee Corp. ∙ Uni-President Organics Corp. ∙ PK Venture Capital Corp. ∙ Uni-President Glass Industrial Co. ∙ Kuang Chuan Dairy Co. ∙ Kuang Chuan Foods Co. ∙ Uni-President Development Corp. ∙ Tait Marketing & Distribution Co. ∙ Weilih Food Corp. ∙ Keng Ting Enterprises Co. ∙ Prince Property Management Consulting Co. ∙ Kao Chyuan Inv. Corp. ∙ PCS (BVI) Holdings Ltd. ∙ PCS (Labuan) Holdings Ltd. ∙ Cayman President Holdings Ltd. ∙ Kai Yu (BVI) Investment Co., Ltd. ∙ Uni-President Southeast Asia Holdings Ltd. ∙ President Packaging Holdings Ltd. ∙ President Energy Development (Cayman Islands) Ltd. ∙ Uni-President Asia Holdings Ltd. ∙ Uni-President International (HK) Co., Ltd. ∙ Hefei President Enterprises Co., Ltd. ∙ Zhenzhou President Enterprises Co., Ltd. ∙ Nanchang President Enterprises Co., Ltd. ∙ Guangzhou President Enterprises Co., Ltd. ∙ Fuzhou President Enterprises Co., Ltd. ∙ Shenyang President Enterprises Co., Ltd. ∙ Changsha President Enterprises Co., Ltd. ∙ Nanning President Enterprises Co., Ltd. ∙ Zhanjiang President Enterprises Co., Ltd. ∙ Chongqing President Enterprises Co., Ltd. ∙ Taizhou President Enterprises Co., Ltd. ∙ Changchun President Enterprises 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. ∙ Xuzhou President Enterprises Co., Ltd. ∙ Henan President Enterprises Co., Ltd. ∙ Shaanxi President Enterprises Co., Ltd. ∙ Jiangsu President Enterprises Co., Ltd. ∙ Ningxia President Enterprises Co., Ltd. ∙ President Enterprises (Shanghai) Co., Ltd. ∙ Shaanxi President Enterprises Co., Ltd. ∙ Uni-President Enterprises (Tianjin) Co., Ltd. ∙ Hunan President Enterprises Co., Ltd. ∙ Harbin President Enterprises Co., Ltd. ∙ Akesu President Enterprises Co., Ltd. ∙ President</p>

	<p>Enterprises (Inner Mongolia) Co., Ltd. ∙ Shijiazhuang President Enterprises Co., Ltd. ∙ Xinjiang President Enterprises Food Co., Ltd. ∙ Wuhan President Enterprises Food Co., Ltd. ∙ Kunshan President Enterprises Food Co., Ltd. ∙ Chengdu President Enterprises Food Co., Ltd. ∙ Kunming President Enterprises Food Co., Ltd. ∙ Beijing President Enterprises Drinks Co., Ltd. ∙ Uni-President Enterprises (Shanghai) Drink & Food Co., Ltd. ∙ Uni-President Enterprises (Kunshan) Food Technology Co., Ltd. ∙ Uni-President Trading (Hubei) Co., Ltd. ∙ President (Kunshan) Trading Co.,Ltd. ∙ President (Shanghai) Trading Co., Ltd. ∙ Yantai Tongli Beverage Industries Co., Ltd. ∙ Bama President Mineral Water Co. ∙ Wuyuan President Enterprises Mineral Water Co., Ltd. ∙ Changbaishan Mountain President Enterprises (Jilin) Mineral Water Co., Ltd. ∙ Champ Green Capital Limited ∙ Champ Green (Shanghai) Consulting Co. Ltd. ∙ Uni-President (Shanghai) Pearly Century Co., Ltd. ∙ Uni-President Enterprise (Hutubi) Tomato Products Technology Co.</p> <p>President Presco Netmarketing Inc.</p>
<p>Xiu-Ling Kao (represent: Kao Chyuan Inv. Corp.)</p>	<p>Chairman : Kao Chyuan Inv. Corp. ∙ President Being Corp. ∙ President Fair Development Corp. ∙ Uni-President Department Store Corp. ∙ President Pharmaceutical Corp. ∙ President Drugstore Business Corp.</p> <p>Director : Uni-President Enterprises Corp. ∙ President Chain Store Corp. ∙ Scino Pharm Taiwan Ltd. President International Development Corp. ∙ Uni-President Development Corp. ∙ Prince Housing &Development Corp. ∙ Time Square International Co. Ltd. ∙ TIMES SQUARE INTERNATIONAL HOLDING COMPANY. ∙ President (Sanghai) Health Product Trading Company Ltd. ∙ President Starbucks Coffee Corp ∙ President Century Corp. ∙ Beauty Wonder (Zhejiang) Trading Co., Ltd. ∙</p> <p>President : Kao Chyuan Inv. Corp. ∙ President Fair Development Corp.</p>
<p>Chao-Kai Huang (represent: Uni-Presiden Enterprises CORP.)</p>	<p>Chairman : Uni-President Vender corp. ∙ Tung Ang Enterprises Corp</p> <p>Director : President Chain Store Corp. ∙ Mech-President Corp ∙ Uni-President Cold-Chain Corp.. ∙ Uni-president Marketing Co., Ltd. ∙ Uni-President (Vietnam) Co., Ltd. ∙ Woongjin Foods Co. Ltd. ∙ Daeyoung Foods Co. Ltd.</p> <p>Supervisor: Uni-President (Korea) Co., Ltd.</p> <p>President: Uni-President Enterprises corp</p>

Ton Yi Industrial Corp. Appendix (1)

Rules of Procedures for Shareholders' Meeting

Amemd on June 20, 2013

1. Shareholders' meetings of the Company shall proceed according to the Rules of Procedures for Shareholders' Meeting (the "Rules").
2. The term "shareholder" as set forth in the Rules shall mean a shareholder himself and any proxy authorized by a shareholder.
3. The Company shall state the time for accepting registration for the meeting and the location where the registration will take place as well as other special notes in the meeting notice. Registration by shareholders shall start at least 30 minutes prior to the commencement of the meeting. The registration location shall be clearly identified and there shall be an adequate number of qualified staff to assist with the registration procedure. A shareholder wishing to attend a shareholders' meeting shall present an attendance card, sign-in card or other supporting attendance documents. A proxy solicitor shall provide such identification documents for verification as well. A shareholder shall submit the sign-in card as a substitute for sign-in to represent its attendance of the meeting. The total number of shares present at the meeting shall be calculated based on the sign-in cards plus the number of shares exercising their voting power in writing or through electronic transmission.
4. The attendance and vote of a shareholders' meeting shall be computed on the basis of the number of shares.
5. A shareholders' meeting shall be held on the premises of the Company or a place that is convenient for shareholders to attend. A shareholders' meeting shall start no earlier than 9 a.m. or no later than 3 p.m.
6. Unless otherwise stipulated by laws, a shareholders' meeting shall be called by the Board of Directors (the "Board") and be chaired by the Chairman of the

Board. Where the Chairman is on leave or unable to exercise his authority for any reason, the Vice Chairman shall act on his behalf. Where the Vice Chairman is on leave or unable to exercise his authority for any reason, the Chairman shall designate one of the Directors to act on his behalf. Where no such designee is designated, the Chairperson shall be elected from the directors. In the event where the shareholders' meeting is convened by a convener entitled to hold the meeting other than the Board, the convener shall be the Chairperson. In the event where there are more than two conveners, the Chairperson shall be elected from the conveners.

If one of the Directors is appointed to act as the Chairperson of the meeting in accordance with the preceding paragraph, he or she shall have served as a Director for more than 6 months and have a sound knowledge of the Company's financial and business status. The same shall apply to the situation where the Chairperson is the representative of a legal-entity director.

7. The Company may appoint lawyers, accountants or other relevant personnel to attend the shareholders' meeting. All staff members assisting the procedure of the shareholders' meeting shall wear an identification badge.
8. The Company shall record, in audio or video, the meeting in its entirety on a continuous and uninterrupted basis from the time that any shareholders register for attendance, including the registration process, proceedings of the meeting and the voting and vote counting process.

The aforementioned recordings shall be retained for at least one year. However, in the event any shareholder files a lawsuit in accordance with Article 189 of the Company Act, such recordings shall be kept until the conclusion of litigation.

9. The Chairman shall call the meeting to order at the specified time. Where the number of shares represented by the attending shareholders has not reached the required quorum of one-half of total issued shares, the Chairman may announce a postponement of the meeting. The total postponements shall be

limited to two instances and the total time any such delays shall not exceed one hour. If after two postponements, the number of shares represented by the shareholders present does not reach the specified quorum but represents more than one-third of the total issued shares, a tentative-resolution may be adopted according to Section 1 of Article 175 of the Company Act. Should the number of shares represented by shareholders in attendance constitute more than one-half of the total issued shares before the shareholders' meeting adjourns, the Chairman may offer the tentative-resolution to the meeting for resolution again in accordance to Article 174 of the Company Act.

10. Should the shareholders meeting be convened by the Board, the agenda of the meeting shall be set by the Board and the meeting shall proceed according to the agenda, and such agenda shall not be amended without the resolution being passed by the shareholders' meeting. In the event where the shareholders' meeting is convened by a person with convening rights other than the Board, the provision set forth in the preceding paragraph shall apply. Unless duly resolved at the meeting, where the meeting agenda (including extemporaneous motions) set forth in the two preceding paragraphs has not been completed, the Chairman shall not announce to adjourn the meeting. After the adjournment of the meeting, shareholders shall not elect a chairman and resume the meeting at the same or an alternative venue. If the Chairman adjourns the meeting in violation of the Rules, the present shareholders may elect another Chairperson by a majority vote to continue the meeting accordingly.
11. Prior to addressing the meeting, a shareholder shall fill out a speech note, to summarize the key subjects of his speech, the shareholder's account number (or the code of the attendance card) and the name of the shareholder. The sequence of speakers shall be determined by the Chairman.
Should any shareholder in attendance submit a speech but not actually speak at

the meeting, it shall be deemed that the speech has not been made by the shareholder. In case of a discrepancy between what was summarized on the floor note and what was actually spoken, the contents actually spoken shall prevail.

When a shareholder is properly addressing the meeting, no other shareholder shall speak to interrupt unless otherwise permitted by the Chairman and the speaking shareholder. The Chairman shall stop such interruption of any violating shareholder.

12. Each shareholder is entitled to speak no more than twice on the same discussion proposal, unless agreed to otherwise by the Chairman. Each speech is limited to five minutes, and the Chairman may stop any speech of any shareholder that is in violation of the aforementioned time limit or the content of which is beyond the scope of the discussion proposal.
13. Where a legal entity is entrusted to attend a shareholders' meeting on someone else's behalf, such legal entity may appoint only one representative to attend the meeting. Where a legal entity shareholder has appointed two or more representatives to attend the meeting, only one representative can speak for the same discussion proposal.
14. The Chairman may respond in person or through an appropriate appointee after the speech of a shareholder.
15. In the event where the Chairman considers the discussion of a proposal has reach the extent necessary for a resolution to be reached, the Chairman may announce discontinuation of the discussion and proceed to the voting process.
16. Voting counting for a resolution or election shall be conducted in public at the place of the shareholders meeting. The Chairman shall appoint persons responsible for supervising and counting of ballots. However, the persons responsible for supervising the ballots must be appointed from the

shareholders. The voting results, including the numbers of votes, shall be announced on-site immediately at the meeting and recorded in writing.

Where Directors are elected at the meeting, the election shall be conducted in accordance with the applicable election rules of the Company and the election results, including the list of elected Directors and numbers of votes for the election of Directors, shall be announced on-site immediately at the meeting.

17. The Chairman may announce a recess as deemed appropriate during the proceeding of a shareholders' meeting.
18. A proposal shall be deemed duly resolved should there be no objection raised by any shareholder present in response to such an inquiry by the Chairman. Unless otherwise provided for under the Company Act or Articles of Association, a proposal for vote shall be resolved by a majority of the presenting shareholders.

Upon voting process, where there is no objection raised by any shareholders, the proposal shall be deemed resolved and has equal validity as a resolution resolved through voting process.

19. In the event of an amendment proposal or substitute proposal to an original proposal, the Chairman shall decide on the order of the vote of the amendment or substitute proposal together with the original proposal. However, if one of the proposals has been approved, the others shall be deemed overruled and no further voting shall be required.
20. The Chairman may direct disciplinary personnel (or security guards) to assist in safeguarding the order of the meeting venue. The Chairman may direct the disciplinary personnel (or security guards) to remove shareholders from the venue if the shareholders have violated the Rules and refused to obey the instructions of the Chairman, impeded the proceedings of the meeting and furthermore does not comply after having being asked to stop. The disciplinary personnel (or security guards) shall, while helping safeguard the

order of the meeting venue, wear an arm-band with the words “Disciplinary Personnel.”

21. All matters not specified in the Rules shall be subject to the Company Act, Articles of Association and other relevant laws and regulations.
22. The Rules and any amendments hereof, shall be implemented after adoption by shareholders meeting.

Ton Yi Industrial Corp.
Articles of Association

Appendix (2)

Amended on Jun 20, 2019

Chapter 1 General Provisions

Article 1: The Company was named "統一實業股份有限公司" in accordance with the provisions of the Company Act for company limited and the English name was named "TON YI INDUSTRIAL CORP."

Article 2: The businesses operated by the Company are as follows:

1. Domestic and export sales of processed and manufactured various types of metal sheets, printed sheets and other processed materials.
2. Domestic and export sales of processed and manufactured tinted steel plates and raw steel plates.
3. Domestic and export sales of manufactured cans and tinplate machinery.
4. Provide processing and manufacturing technology for tin cans, tinted steel plate and other raw steel plate.
5. F199990 other wholesale business (oxidized metal, aliphatic acid, tin products and oxidized tin).
6. ZZ99999 other businesses not prohibited or restricted by law except any business requiring special approval.

Article 3: When the Company needs to invest in other businesses due to its business needs, it will not be restricted by the over 40% of the paid in capital which is stipulated in Article 13 of the Company Act. Any re-investment matters shall be decided by the resolution of the Board of Directors.

Article 4: The Company may make external endorsement/guarantee due to the business.

Article 5: The Company's head office is based in Tainan, and may establish branches and representative offices domestically or overseas through the decision of the Board of Director if necessary.

Chapter 2 Shares

- Article 6: The total capital stock of the Company shall be in the amount of NTD 17,847,009,180 divided into 1,784,700,918 shares at a par value of NTD 10 each, and may be paid-up in installments. The Company may issue preferred shares within the amount of aforementioned shares, and the unissued shares are authorized to be issued by the Board of Directors when deemed necessary for the business.
- Article 7: The shares shall be registered and shall be numbered and signed or sealed by a director who is a representative of the Company and issued by a stock issuer of a bank in accordance with the law, the registered stocks issued by the Company may not be printed, but the shares issued shall be registered in Governing Centralized Securities Depository Enterprises and processed in accordance with the regulations of the institution.
- Article 8: If the company handles shareholder operation services such as shareholders transfer, mortgage setting, registering loss, inheritance, gift, seal change and address change, except as otherwise provided by the Act and the Securities Exchange Act, it shall be handled in accordance with the “Regulations Governing the Administration of Shareholder Services of Public Companies”.
- Article 9: No transfer of shares shall be handled within sixty days prior to a shareholders' regular meeting, or within thirty days prior to a shareholders' extraordinary meeting, or within five days prior to allocation of dividend' bonus or any other benefits.

Chapter 3 Shareholders' Meeting

- Article 10: The shareholders' meeting hereof consists of two categories—the shareholders' regular meeting and shareholders' extraordinary meeting. The shareholders' regular meeting shall be convened by the Board of Directors once per annum within six months from the closing of each fiscal year, with notices for the shareholders' meeting to be sent to all shareholders at least thirty days in advance. A shareholders' extraordinary meeting may be called whenever it is deemed necessary with notices for the shareholders' meeting to be sent to all shareholders fifteen days in advance. An issuer to shareholders who own less than 1,000 shares of nominal stocks may be given in the form of a public

announcement;for a regular shareholders meeting.

Article 11: In the event where a shareholder is unable to attend a shareholders' meeting for any cause, the shareholder may appoint a proxy to attend the meeting on behalf of the shareholder by executing a power of attorney printed by Company,or participate by ways of electronic transmission. Other than measures specified in Article 177 of the Company Act,a shareholder may also appoint a proxy in accordance with the provisions set forth in the“Rules Governing Appointment of Proxy by the Power of Attorney to Attend a Shareholders Meeting of Public Companies”published by the competent authority.

Article 12: If the shareholders' meeting is convened by the Board of Directors, it shall be chaired by the Chairman of Board. If the Chairman is absent or fails to perform the duty with justified reasons, the chairperson may be assumed by Vice-Chairman of the Board. If the Vice-Chairman is absent or fails to perform the duty with justified reasons, the chairperson shall be assumed by a Director designated by the Chairman. If no such designee is appointed, the chairperson shall be elected out of the Directors. If the shareholders' meeting is called by any convener other than the Board of Directors, the chairperson shall be assumed by the convener. If there are more than two conveners, the chairperson shall be elected out of the conveners. In the event where the chairman adjourns the meeting and is in violation of the rules, another person shall be nominated to be the chairperson and be elected by a majority of shareholder votes to continue with the meeting accordingly.

Article 13: Unless otherwise provided for in the Companies Act, decisions in the shareholders' meeting shall be resolved by a majority vote in the meeting attended by shareholders representing a majority of the total issued shares. When the number of shareholders present does not constitute the quorum prescribed in the preceding article, but those present represent one-third or more of the total number of issued shares, a tentative resolution may be passed by a majority of those present. A notice of such tentative resolution shall be given to each of the shareholders, and reconvene a Shareholders' meeting within one month. In the aforesaid meeting of shareholders, if the tentative resolution is again adopted by a majority of those present who represent one-third or more of the total number of issued shares, such tentative resolution shall be deemed to be a resolution under the preceding article.

Article 14: Unless otherwise provided in laws, a shareholder shall be entitled to one voting right for each share held by him and he may exercise the voting power in writing or by ways of electronic transmission.

Article 15: Meeting minutes shall be kept for meeting, specifying the date, month, year and location of the meeting, the name of the Chairman, the method of adopting resolutions, a summary of the essential points of the proceedings and the results of the meeting, and bearing the signature or seal of the Chairman of the meeting. The minutes shall be distributed to all shareholders of the Company within twenty (20) days after the close of the meeting and the distribution of the minutes may be effected by means of a public notice in accordance with the Company Act. The aforesaid minutes shall be kept persistently throughout the life of the Company and processed in accordance with Article 183 of the Company Act.

Article 16: The Directors' meeting is authorized to agree on the remuneration of Directors according to the contribution of the Director toward business operations and also the standard generally prevailing in the same trade.

Chapter 4 Board of Directors

Article 17: The Company shall establish the Board of Directors constituted by seven (7) to ten (10) Directors, for whom the election thereof adopts the candidates nomination system and on the shareholders' meeting votes shall be cast on the candidates list based on the cumulative ballot system specified in Article 198 of the Company Act; provided that the total number of registered shares held by all of the Directors shall not be less than a certain percentage of the total number of the Company's outstanding shares. The rules governing the aforesaid shareholding percentage and the verification and execution thereof shall be established in compliance with orders of the competent authority. The rules governing the election of the Board of Directors shall be passed by a shareholder's meeting.

In order to abide by Article 14-2 of the Securities and Exchange Act, the number of independent Directors shall not be less than 2 persons, and shall not be lower than one-fifth of the overall directorships on the board. The matters of qualifications, shareholdings, non-compete limitations, impartiality and nomination and selection of independent

Directors shall be in accordance with related law and regulation.

The election of all Directors of the Company shall adopt a nomination approach, and the nomination process shall be in accordance to Article 192-1 of the Companies Act.

Article 18: The Company shall establish an Audit Committee in accordance with Articles 14-4 and 181-2 of the Securities and Exchange Act. The exercise of powers of supervisors under the Company Act and Securities and Exchange Act shall now be carried out by members of the Audit Committee.

The Audit Committee shall include all of the independent Directors of the Company. It shall not be fewer than three persons in number, one of whom shall be committee convenor, and at least one of whom shall have accounting or financial expertise.

The Company's Board of Directors may establish other functional committees of which the committee charter may be stipulated by the Board of Directors.

Article 19: The Directors constitute the Board of Directors and shall elect one Chairman from among the Directors by a majority vote at a meeting attended by over two-thirds of the Directors and one Vice-Chairman may be elected from among the Directors to assist the chairman. The Chairman shall represent the Company externally and shall take charge of the Company's business operation internally pursuant to laws, these Articles and resolutions of shareholders' meetings and Directors' meetings.

Article 20: The Board of Director shall be chaired by the Chairman of the Board. If the Chairman is absent or fails to perform the duty with justified reasons, the chairperson may be assumed by the Vice-Chairman of the Board. If the Vice-Chairman is absent or fails to perform such duty for any reason, the chairperson shall be assumed by a Director designated by the Chairman. If no such designee is appointed, the chairperson shall be elected from remaining Directors.

Article 21: The Directors have a three-year tenure of office and are eligible for reelection. In the event where the period of tenure is reached and the election has not taken place, the duties and tenure of the Directors shall be extended to such time that the election has taken place, however the competent authority may, ex officio, order that the Company complete

the reelection within the specified time limit. If reelection is not held within the specified time limit, the Directors shall be discharged automatically ex officio upon expiry of the specified time limit. Where one third or more of the seats of the Directors are vacant, a special (extraordinary) meeting of shareholders shall be duly held by the Board of Directors within sixty days to elect supplemental Directors.

Article 22: The Board of Directors is organized by directors and hold the following responsibilities and powers: (1) Review the company's operating plan. (2) Appoint and remove the manager of the Company. (3) Review budgets and final account closing. (4) Propose the motion for the ratio of profit allocation or loss offsetting. (5) Propose the motion for the increase/decrease of capital. (6) Branch setting and dissolving. (7) Enforce the decisions resolved in the shareholders' meeting. (8) Exercise other responsibilities and Powers conferred by the resolution in accordance with the provisions of the Company Act and the shareholders' meeting.

Article 23: The Company may purchase liability insurance for Directors and important officers to insure their business performance during the tenure of office. The Board of Directors is authorized with full power to implement this policy.

Article 24: The Board of Directors Meeting shall be convened at least once per quarter, in case of urgent matters or a request for more than half of the directors, a temporary meeting may be held. The Board of Directors shall be convened by the chairman, except as otherwise provided in the Company Act. The notice of the Board of Directors shall be notified in writing, by fax or an electronic way.

Article 25: All business of the Company will be carried out by the Chairman after it is resolved by the Board of Directors. Except otherwise specified in the Company Act, the resolutions of the Board of Directors shall be passed by the majority of Directors present at the board meeting. In the event where a Director is unable to attend a meeting, he/she may appoint another Director on his behalf by issuing a written proxy, stating therein the scope of authorization with reference to the subjects to be discussed at the meeting. However, each Director may accept the appointment to act as the proxy of only one other Director. The resolutions of a Board meeting shall be recorded in the minutes with the signature or seal of the Chairman of the meeting and kept in the

Company.

Chapter 5 Managerial officers and Consultants

- Article 26: The Company may appoint one or more managerial personnel who shall manage all affairs of the Company in accordance with the Board resolutions. The managerial personnel and the employment, discharge and remuneration thereof shall be decided by a resolution to be adopted by a majority vote of the Directors at a meeting of the Board of Directors attended by at least a majority of the entire Directors of the Company.
- Article 27: The Company may retain a certain number of consultants as resolved by the Board of Directors.

Chapter 6 Accounting

- Article 28: The Company's fiscal year starts from January 1 and runs until December 31 of every calendar year. The final account closing shall be conducted at end of every fiscal year.
- Article 29: The Company takes the calendar year as its fiscal year. Upon closing of each fiscal year, the Board of Directors shall produce the following documents and proposals to the shareholders' meeting in accordance with the legal procedures for adoption: (I) Business report; (II) Financial statements and (III) Proposals of profit allocation or loss coverage.
- Article 30: Annual profits concluded by the Company shall be subject to employee remuneration of no lesser than 2% and director remuneration of no higher than 2%. However, profits must first be taken to offset against cumulative losses if any.
- The annual profit mentioned in Paragraph 1 shall refer to pre-tax profit before employees' and directors' remuneration.
 Employees' remuneration can be paid to employees of affiliated companies that satisfy certain criteria.
- Article 31: The Company operates in a rapidly changing environment and is currently in the growing stage of its life cycle. Distribution of earnings should depend on the Company's future budgeted capital spending and capital requirements, and weighed against the source

of capital in order to decide the amount of earnings to be retained or distributed in cash to shareholders.

Annual surpluses concluded by the Company are first subject to taxation and reimbursement of previous losses; any balances remaining will then be subject to a 10% provision for statutory reserves followed by a provision or reversal of special reserves. The residual balance plus undistributed earnings carried from the previous year will be available for distribution. 50% to 100% of distributable earnings shall be distributed as shareholders' dividends, with cash dividends amounting to no lesser than 30% of total dividends proposed for the year. Earnings appropriation plans shall be proposed by the board of directors and are subject to shareholders' consent to no lesser than 30% of to.

Chapter 7 Supplementary Provisions

Article 32: The organizational rules and operational rules shall be separately worked out by the Board of Directors.

Article 33: Any matters inadequately provided for herein shall be subject to Company Act and other laws and regulations concerned.

Article 34: These Articles were duly enacted on Mar 20, 1969 and duly amended on:

(1).Oct 7, 1970 (2). Mar 1, 1974 (3).May 15, 1974 (4).Jun 12, 1974
(5).Mar 1, 1975 (6).Dec 28, 1975 (7).Oct 2, 1976 (8). Jan 11, 1977
(9).May 10, 1977 (10).Mar 1, 1978 (11).May 15, 1981(12).Aug 15, 1981
(13).Mar 5, 1985(14).Sep 18, 1985(15).Apr 20, 1986 (16).Jul 14, 1986
(17).Jun 3, 1987(18).Aug 12, 1988(19).Jun 28, 1989(20).Sep 12, 1990
(21).Jun 20, 1991(22).Jun 8, 1992(23).Jun 30, 1993(24).May 26, 1994
(25).Jun 23, 1995(26).Jun 22, 1996(27).Jun 14, 1997(28).Jun 22, 1998
(29).Jun 14, 1999(30).Jun 16, 2000(31).Jun 22, 2001(32).Jun 24, 2002
(33).Jun 19, 2003(34).Jun 4, 2004(35).Jun 17, 2005(36).Jun 12, 2007
(37).Jun 19, 2008(38).Jun 12, 2009(39).Jun 21, 2011(40).Jun 20, 2012
(41).Jun 20, 2013(42).Jun 23, 2016(43).Jun 23, 2017(44).Jun 20, 2019

This Articles of Association will be implemented after approved by a shareholders meeting. The same shall apply for any amendment.

Rules of procedure for Board of Directors' Meeting

(Amended by the Board on: 26 March 2020)

Article 1 (Basis for these Regulations)

In order to establish a good corporate governance system, and strengthen the supervision capabilities and management mechanism of the Company's Board of Directors, the Company lays down these Regulations in accordance with Article 2 of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.

Article 2 (Scope of these Regulations)

The norms of the proceedings of the Company's Board of Directors Meetings ("Board Meetings"), specifically important agenda items, procedures, matters to be recorded in the Minutes, announcements and other matters to be observed, must be handled in accordance with these Regulations.

Article 3 (Board Meeting Convocations and Notifications)

The Board of Directors must convene at least once every quarter. The Meeting Notice must state the matters at hand and notify the Directors seven (7) days in advance. However, in the event of an emergency, a Board Meeting may be called at any time.

Convocations may be sent by electronic means if the recipients have agreed so.

The matters listed under Article 12, paragraph 1 of these Regulations must be listed under the matters at hand in the Meeting Notice. Matters cannot be added to agenda by way of extraordinary motion, except in the event of unexpected urgent matters or for good reason.

Article 4 (Meeting Notifications and Materials)

The Board of Directors designates the Board Meeting Secretariat ("Secretariat") as the office in charge of handling Board Meeting matters. The Secretariat drafts the agenda for the Board Meeting and prepares sufficient meeting materials to be mailed with the Meeting Notice.

If a Director believes that the meeting materials are insufficient, he/she may request the Secretariat to provide additional materials. If a Director believes that the meeting materials are insufficient, the Board of Directors may resolve to postpone discussion of the agenda item concerned.

Article 5 (Documents such as attendance sheets and powers of attorney)

When a Board Meeting is convened, an attendance sheet must be prepared to record the signatures of the Directors present at the Board Meeting for reference.

Directors must attend the Board Meeting in person. If a Director is unable do so, he/she may entrust another Director to represent him/her at the Board Meeting. If he/she participates via video conferencing, it is deemed being present in person.

Each time when a Director entrusts another Director to attend a Board Meeting, he/she must issue a written proxy specifying the scope of authorization for the matters listed in the Meeting Notice.

The representative mentioned under paragraph 2 can only represent one other Director.

Article 6 (Principles for the Venue and Time of Board Meetings)

The place and time at which a Board Meeting is convened must be the Company's location during office hours or another location and time suitable for a board meeting and convenient to the Directors of the Company.

Article 7 (Meeting Chair and Deputy)

Shall the board meetings be convened by the chairperson of the board, the chairperson shall chair the meeting. However, with respect to the first meeting of each newly elected board of directors, it shall be called and chaired by the director that received votes representing the largest portion of voting rights at the shareholders meeting in which the directors were elected; if two or more directors are so entitled to convene the meeting, they shall select from among themselves one director to serve as chair. For the meetings convened by the majority or more of the directors elect on their own pursuant to Paragraph 4, Article 203, or Paragraph 3, Article 203-1 of the Company Act, the chair shall be selected among these directors.

When the chairperson of the board is on leave or for any reason unable to exercise the powers of chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson is also on leave or for any reason unable to exercise the powers of vice chairperson, the chairperson shall appoint one of the directors to act, or, if no such designation is made by the chairperson, the directors shall select one person from among themselves to serve as chair.

Article 8 (Reference Materials, Guests, and Meeting Notices)

When a Board Meeting is convened, the managerial department (or the unit designated by the Board of Directors) must have the relevant materials ready for review by the attending Directors at any time. Depending on the agenda of the Board Meeting convened, managers of relevant departments that are not Directors may be sent a Meeting Notice and be invited to attend. When necessary, accountants, lawyers, or other specialists may also be invited to attend a Board Meeting to provide clarifications. However, during discussion and voting they must leave the Board Meeting.

When more than half of all Directors are present at the scheduled starting time of the Board Meeting, the Chairman of the Board of Directors must declare the meeting is opened. When half of all Directors are absent at the starting time of the Board Meeting, the Chairman of the Board of Directors may postpone the meeting. The meeting may only be postponed twice. When after the second postponement has expired, the quorum still has not been reached, the Chairperson must convene another Board Meeting in accordance with the procedure set forth under Article 3, paragraph 2.

The term “all Directors” referred to in the previous paragraph and in Article 16, paragraph 2, subparagraph 2, is calculated on the basis of Directors in office at the given time.

Article 9 (Evidence from Audio or Video Recordings of Board Meetings)

Audio or video recordings must be made of Board Meetings in their entirety to serve as evidence, and must be preserved for at least five years, which may be in electronic format. In the event of litigation within the preservation period regarding a matter resolved by a Board Meeting, the relevant audio or video recordings must be preserved until the conclusion of the lawsuit.

For Board Meetings convened through video conferencing, its video and audio data are part of the Minutes and must be properly preserved during the Company's existence.

Article 10 (Agenda)

The agenda of regular Board Meetings must include at least the following items:

I. Matters to be reported:

- (a) Minutes of the previous meeting and status of implementation
- (b) Important financial and business reports
- (c) Internal audit reports
- (d) Other important matters to be reported

II. Matters for discussion:

- (a) Matters discussed at the previous meeting
- (b) Matters on the agenda for discussion at the meeting

III. Extraordinary motions

Article 11 (Discussion of Agenda Items)

The Board Meeting must proceed according to the Agenda set forth in the Meeting Notice.

However, the Agenda may be changed if more than half of the Directors present agree.

Without the consent of more than half of the Directors present, the Chairman cannot adjourn the Board Meeting.

If during the Board Meeting, the number of Directors present is less than the number of Directors in office, the Chairman may, at the propose of a Director present, declare the

meeting suspended and apply the provisions of Article 8, paragraph 3.

Article 12 (Matters Requiring Discussion by the Board of Directors)

The following matters must be discussed by the Board of Directors:

- I. The Company's business plan.
- II. The annual financial report and semi-annual financial report with the exception of semi-annual financial reports which, under relevant laws and regulations, need not be audited and attested by a certified public accountant.
- III. Establishing or amending the internal control system in accordance with the provisions under Article 14-1 of the Taiwan Securities and Exchange Act ("TSEA").
- IV. Establishing or amending any major financial business activities such as acquisition or disposal of assets, engaging in derivative commodity transactions, lending monies to others, endorsing or providing guarantees for others in accordance with the provisions of Article 36 of TSEA.
- V. Offering, issue or private placement of equity securities.
- VI. Appointment and/or dismissal of financial, accounting or internal audit officers.
- VII. Donations to related parties or major donations to non-related parties, with the exception of public welfare donations for relief after large-scale natural disasters, which donations may be raised for discussion at the next Board Meeting for ratification.
- VIII. Matters to be resolved at a Shareholders' Meeting or Board Meeting under Article 14-3 of TSEA, other laws, or the Articles of Association, or other important matters as set forth by the competent authority.

The term "related parties" in the preceding paragraph 7 refers to a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "substantial donation to non-related parties" refers to any donation or series of donations within a one-year period to a single recipient that, on an individual basis or cumulatively, amount to TWD 100 million or more, or reach 1 percent of the net operating revenue or 5 percent of the paid-in capital as stated in the audited financial report of the most recent fiscal year. (In the event that a foreign company has no par shares or shares of less than TWD 10 in nominal value, the 5 percent of the paid-in capital in the previous sentence must be calculated as 2.5 percent of the shareholders' equity.)

The term "within a one-year period" in the previous paragraph refers to the period of one year calculated from the date of the Board Meeting concerned, and resolutions from Board Meetings during that period will not be counted.

Each Board Meeting should have at least one Independent Director in attendance. With regard to the first Matter Requiring Discussion by the Board of Directors, all Independent Directors must be present. If an Independent Director is unable to attend in person, he/she must

authorize another Independent Director by proxy. If an Independent Director has objections or reservations, these must be included in the Minutes of the Board Meeting. If an Independent Director cannot attend a Board Meeting in person for cause to express his/her objections or reservations, he/she must issue a written opinion in advance, which must be included in the Minutes of the Board Meeting.

Article 13 (Voting I)

The Chairperson may declare an end to discussion of a proposal in the agenda if he or she deems the proposal in discussion is ready for a vote and may then have the proposal voted on. When the Board Meeting is ready to vote on a proposal, and none of the Directors present raises an objection in response to the Chairperson's invitation to do so, the proposal is deemed passed.

When a Director present raises an objection in response to the Chairperson's invitation to do so, the proposal must be put to the vote.

The Chairperson selects the voting method from the following. However, if an attendee raises an objection, the decision is made by a opinion of the majority:

- I. Vote by show of hands
- II. Vote by roll call
- III. Vote by ballots
- IV. Voting method determined by the Company

For purpose of the second paragraph, the phrase "all Directors present at the meeting" does not include Directors who may not exercise their voting rights in accordance with the provisions under Article 15, Paragraph 1.

Article 14 (Voting II and the Observation and Counting of Votes)

Unless provided otherwise by TSEA, resolutions of the Board Meeting require that more than half of the Directors in office attend the Meeting and more than half of the Directors in attendance votes in favor of the proposed resolution.

When there are amendments or alternatives to the same proposal, the Chairman determines the voting order. As soon as one of the proposals cases is passed, the other proposals are deemed rejected and no further voting is required.

The Chairperson designates a voting observer and a vote counter if the vote requires such; the observer must be a Director.

The results of votes must be reported on the spot recorded in the Minutes.

Article 15 (Recusal System for the Directors)

If a director or a juristic person that the director represents is an interested party in relation to an agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interest of this Corporation, that director may not participate in

discussion or voting on that agenda item and shall recuse himself or herself from the discussion or the voting on the item, and may not exercise voting rights as proxy for another director.

Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the preceding paragraph, such director shall be deemed to have a personal interest in the matter.

Where a director is prohibited by the two preceding paragraphs from exercising voting rights with respect to a resolution at a board meeting, the provisions of Article 180, paragraph 2 of the Company Act applies mutatis mutandis in accordance with Article 206, paragraph 4 of the same Act.

Article 16 (Meeting Records and Items to be Signed)

The proceedings of the Board Meeting must be recorded in the Minutes, which must contain the following items:

I. Session (or year) and time and place

II. The Chairman's name

III. The attendance of the Directors, including the numbers and names of persons in attendance, absent with notice, and absent without notice

IV. Names and titles of guests

V. Name of the minute keeper

VI. Matters to be reported

VII. Matters discussed: For each: the method and results of the resolution; summaries of opinions of directors, experts, and other personnel; the name of the recusing Director, as well as a description of the interests, the situation that he/she should avoid or not avoid referred to in the first item of the preceding article; objections or reservations; recorded or written statements; and the written opinions of Independent Director according to Article 12, paragraph 2.

VIII. Extraordinary motions: Name of the sponsor of the motion; the method and results of the resolution; summaries of opinions of directors, experts, and other personnel; the name of the recusing Director, as well as a description of the interests, the situation that he/she should avoid or not avoid referred to in the first item of the preceding article; objections or reservations; and recorded or written statements.

IX. Other Matters That Must Be Recorded

Any of the following matters raised for resolution by the Board of Directors must be recorded in the Minutes and must be reported to the Market Observation Post System (MOPS) designated by the Financial Supervisory Commission of the Executive Yuan on the day after the Board Meeting concerned.

I. When the Company has Independent Directors: Independent Directors have objections or

reservations and there are recorded or written statements.

2. When the Company has an Audit Committee: when the Board of Directors has passed a resolution with more than two thirds of all Directors in favor after the Audit Committee has not passed the same.

The Board Meeting attendance sheets form part of the Minutes and must be properly kept during the Company's existence.

The Minutes must be signed or sealed by the Chairman of the Board of Directors and the minute keeper. They must be distributed within 20 days after the meeting. They must be included in the Company's important files, and must be properly kept during the Company's existence.

The production and distribution of the Minutes referred to in the first paragraph may be done electronically.

Article 17 (Principles of Authorization by the Board of Directors)

Except for the Matters Requiring Discussion by the Board of Directors as set forth in Article 12, paragraph 1, when the Board of Directors is in recess, it may in accordance with the law or the Company's Articles of Association authorize persons to exercise the powers of the Board. The level, content, and matters of those authorizations must be specific and must not authorize beyond the permitted scope.

Article 18 (Supplementary provision)

These Rules of Procedure shall be adopted by the approval of meeting of the board of directors and shall be reported at the shareholders meeting.

The Rules of Procedure were established on March 24, 2006.

The establishment and amendment of these Regulations must be approved by the Board of Directors of the Company and must be reported to the Shareholders' Meeting.

These regulations were established on	24 March 2006
First amendment	19 March 2007
Second amendment	17 March 2008
Third amendment	21 March 2012
Fourth amendment	23 April 2013
Fifth amendment	07 November 2017
Six amendment	26 March 2020

Directors' Minimum,**Appendix (4)****Individual and Aggregate Shareholding**

1. According to Article 26 of Securities and Exchange Act and Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, directors must aggregately hold at least 2.4% of the Company's outstanding shares (37,899,488) in their own names.
2. Paid-up capital of the Company: NT\$15,791,453,420 in 1,579,145,342 outstanding shares.
3. Minimum shareholding required from all directors: 37,899,488 shares.
4. Directors' individual and aggregate shareholding as at the book closure date prior to this annual general meeting:

Title	Name		No. of shares held
Chairman	Chih-Hsien Lo	Representative of Uni-President Enterprises Corporation	719,357,425
Director	Chao-Kai Huang		
Director	Jui-Sheng Wang		
Director	Feng-Fu Chen		
Director	Xiu-Ling Kao	Representative of Kao Chyuan Investment Co., Ltd.	25,700,700
Director	Shing-Chi Liang		6,000,028
Director	Kuo-Keng Chen		7,859,222
Independent Director	Ming-Long Wang		0
Independent Director	Chin-Cheng Chien		0
Independent Director	Bing-Eng Wu		0
Shareholding of all directors (including independent directors)			758,917,375