

Stock No.: 1232

**TTET UNION  
CORPORATION**

2020 Annual General Shareholders' Meeting

**Agenda Handbook**

June 9, 2020

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# 2020 Annual General Shareholders' Meeting of TTET UNION CORPORATION

Time: June 9 (Tuesday), 2020 at 10:00am

Place: The office building of the Company located at No. 32, Gongye W. Road, Erzhen Village, Guantian District, Tainan City

Meeting procedures:

I. Meeting in session

II. Speech given by the chairperson

III. Reported matters

1. 2019 Business report of the Company
2. 2019 Annual final accounting books and statements reviewed by the Company's supervisors
3. 2019 Allocation of remuneration to employees, directors/supervisors of the Company
4. Other reported matters

IV. Ratifications

1. Ratify 2019 annual final accounting books and statements including the business report and financial statements.
2. Ratify 2019 distribution of earnings.

V. Discussions

1. Proposal to amending the "Operational Procedures for Loaning Funds to Others."
2. Proposal to amending the "Regulations of Endorsements or Guarantees for Others."
3. Proposal to amending the "Rules and Procedures for Shareholders' Meetings."
4. Proposal to amending the "Rules Governing Election of Directors and Supervisors."
5. Proposal of Relief from the Non-Competition Restriction for the Directors during Their Terms.

VI. Extemporaneous motions

VII. Meeting adjournment

## Reported matters

- I. 2019 Business report of the Company (Presented by the Board of Directors)  
Description: Please refer to pages 7-10 of the Agenda Handbooks for the 2019 business report of the Company.
- II. 2019 Annual final accounting books and statements reviewed by the Company's supervisors (Presented by the Board of Directors)  
Description: The supervisors have reviewed the Company's 2019 annual final accounts and statements of the Company and issued the Supervisor's Report accordingly. (Please refer to pages 11-13 of the Agenda Handbooks for details.)
- III. 2019 Allocation of remuneration to employees, directors/supervisors of the Company (Presented by the Board of Directors)  
Description: I. Handled in accordance with Article 28 of the Company's "Articles of Incorporation."  
II. The Company's net income before tax in 2019 before deducting the remuneration to employees, directors and supervisors is amounted to NT\$1,237,683,244; 2% of it is contributed as the compensation to employees for an amount of NT\$24,753,665 and the remuneration to directors and supervisors for an amount equivalent to 1.5% of said amount, that was NT\$18,565,249, all paid in cash.
- IV. Other reported matters: None.

## Ratifications

Motion 1 (Presented by the Board of Directors)

Subject: The Company's 2019 annual final accounts and statements including business report and financial statements are presented for ratification.

Description:

- (I) Lin, Tzu-Yu, CPA and Lin, Yung-Chih, CPA of PwC Taiwan have audited the 2019 parent company only financial statements and consolidated financial statements of the Company. The annual business report, parent company only financial statements and consolidated financial statements have been reviewed by the Supervisors (Please refer to pages 7-10 and pages 14-35 of the Agenda Handbooks for details.)
- (II) Please ratify the motion accordingly.

Resolution:

Motion 2 (Presented by the Board of Directors)

Subject: The Company's 2019 Statement of Earnings Distribution is presented for ratification.

Description:

- (I) The Company drafted up the 2019 allocation of earnings in accordance with the Company Act and the Company's Articles of Incorporation. The following table is proposed.
- (II) Upon resolution of the cash dividends by a shareholders' meeting, the Board of Directors may be authorized by the shareholders' meeting to schedule the ex-dividend date.
- (III) The cash dividend is calculated and rounded up to the dollar according to the distribution ratio. The cash dividend less than NT\$1 for the odd shares will be adjusted according to the decimal point top down and the order of the account number until it is in line with the total cash dividend distributed.
- (IV) Please acknowledge the motion accordingly.

Resolution:

**TTET UNION CORPORATION**  
**2019 Statement of Earnings Distribution**

Unit: NT\$

Title	Amount
Net income after tax	\$ 974,571,182
Plus: Re-measurement of the defined benefit plan (net)	4,763,062
The amount of undistributed earnings of the year	979,334,244
Less: Provision of legal reserve	( 97,933,424)
Current distributable amount	881,400,820
Plus: Undistributed cumulative earnings of the previous year	228,043,854
Total distributable amount	\$ 1,109,444,674
2019 intended earnings distribution	
Less: shareholders' bonus (cash dividend NT\$5 per share)	( 799,874,575)
Undistributed cumulative earnings at the end of the year	\$ 309,570,099

Note: The distribution order of earnings is based on the earnings generated in 2019 as the first priority and the deficit, if any, shall be covered by the undistributed earnings of previous year.

Chairman: Lo, Chih-Hsien

Manager: Chen, Chao-Liang

Chief Accountant: Hu, Yu-Chih

## Discussions

Motion 1 (Presented by the Board of Directors)

Subject: Amendment to the “Operational Procedures for Loaning Funds to Others” is proposed for discussion.

Description: pursuant to the Financial Supervisory Commission’s Letter of Jin-Guan-Zheng-Shen-Zi No.1080304826 on March 7, 2019, it is intended to amend some clauses in the “Operating Procedures for Loaning Funds to Others” of the Company. Please refer to page 36-39 of the Agenda Handbook for the comparative list.

Resolution:

Motion 2 (Presented by the Board of Directors)

Subject: Amendment to the “Regulations of Endorsements or Guarantees for Others” is proposed for discussion.

Description: pursuant to the Financial Supervisory Commission’s Letter of Jin-Guan-Zheng-Shen-Zi No.1080304826 on March 7, 2019, it is intended to amend some clauses in the “Regulations of Endorsements or Guarantees for Others” of the Company. Please refer to page 40-47 of the Agenda Handbook for the comparative list.

Resolution:

Motion 3 (Presented by the Board of Directors)

Subject: Amendment to the “Rules and Procedures for Shareholders’ Meetings” is proposed for discussion.

Description: to accommodate the needs of practices, it is intended to amend some clauses in the “Rules and Procedures for Shareholders’ Meetings” of the Company Please refer to page 48-50 of the Agenda Handbook for the comparative list.

Resolution:

Motion 4 (Presented by the Board of Directors)

Subject: Amendment to the “Rules Governing Election of Directors and Supervisors” is proposed for discussion.

Description: As the Audit Committee will be established with the re-election of directors of the Company in 2021, it is intended to rename the

“Rules Governing Election of Directors and Supervisors” to the “Rules Governing Election of Directors” and amend some clauses. Please refer to page 51-52 of the Agenda Handbook for the comparative list.

Resolution:

Motion 5 (Presented by the Board of Directors)

Subject: The relief from the non-competition restriction for the directors during their terms is submitted for discussion.

Description:

- I. According to Article 209 of the Company Act, a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to a shareholders' meeting the essential contents of such an act and secure its approval.
- II. Where the directors of the Company concur the directors (independent directors included) of other companies with similar business scope to the Company, the Company's business shall not be impeded. To comply with the regulatory requirement, it is intended to relieve the non-competition restrictions for the related positions.
- III. For the descriptions of these positions intended for relief from the non-competition restriction, please refer to page 53 and 54 of the Agenda Handbook

Resolution:

Extemporaneous motions:

Meeting adjourned

# 2019 Business Report of TTET Union Corporation

## I. Operating principles and implementation

The Company's operating revenue amounted to NT\$13.78 billion in 2019, representing a decrease of approximately 1.06% over 2018, and the consolidated operating revenue amounted to NT\$17.15 billion. The Company's net income before tax amounted to NT\$1.19 billion in 2019, representing an increase of approximately 7.4% over 2018.

The decrease of operating revenue in 2019 was mainly due to the price of soybean futures, and the changes in demand and supply in the market that affected the selling price of the products. However, with the issues of Sino-US trading, the Company was able to react to the market changes in terms of procurement and sales strategies in timely manner, so the net income before tax grew from the previous year and recorded the highest annual income (net income before tax) in history.

The Company has been focusing on the domestic market and the production and sale of soybeans related products (such as, soybean oil, soybean powder, soybean flakes, whole fat soybean powder, and genetically and non-genetically modified edible soybeans) and a number of vegetable oil products (such as palm oil, canola oil or sunflower oil). Currently, most of the products of the Company are with the highest market share nationwide. However, we do not feel self-satisfied with the result; we even feel there is neglect. We will continue to start from our core business, concentrate on the development of our industry, constantly improve quality, endeavor to reduce costs, and enhance service standards. We hope to meet customer needs through listening to the voice of the customer, and to build the foundation for the Company's long-term development under the guidance of corporate culture of "*bona fides*."

The Company is in the industry of bulk materials with all raw materials used imported from abroad. Therefore, there are a few important tasks to be completed by the Company in order to ensure the stable supply of raw materials, the accurate control of the procurement position of raw materials and the costs of procurement (especially when facing severe market volatility), and the proper management of the position of the US dollar.

Recently, several issues have been international concerns: 1. Sino-U.S. trade war: the Company will continue closely monitoring its impact on the soybean cost and conduct the necessary analyses, to judge and act on the required corresponding measures. 2. African Swine Fever: The Company will closely monitor the development of the outbreak, as well as assess and prepare for the potential impact on animal husbandry. 3. For the COVID-19 outbreak, the Company will continue closely monitoring the impacts to the supply.

## II. Operating plan implementation results

Unit: NT\$1,000

(except for the after-tax earnings per share)

Title	Actual amount in 2019	Actual amount in 2018	Percentage of Increase (Decrease) %
Operating revenue	17,150,108	16,948,746	1.19%
Operating income	1,230,776	1,111,880	10.69%
Pre-tax profit or loss	1,250,743	1,155,913	8.20%
Post-tax earnings per share	6.09	5.67	7.41%

## III. The implementation of operating revenue and expense budget

### 1. Operating revenue and expenses:

(1) Revenue: The consolidated net operating revenue amounted to NT\$17,150,108,000 in 2019.

(2) Expense: The consolidated operating cost amounted to NT\$15,131,192 in 2019.

The consolidated operating expenses amounted to NT\$ 788,140,000 in 2019.

The consolidated net non-operating expenses amounted to NT\$19,967,000 in 2019.

(3) Earnings: The consolidated net income before tax amounted to NT\$1,250,743,000, income tax expense amounted to NT\$251,639,000, and net income after tax amounted to NT\$999,104,000 in 2019.

2. The Company did not disclose the consolidated financial forecast for the year of 2019; therefore, the information regarding budget implementation is not available.

## IV. Analysis of financial revenue & expense and profitability

Title		2019	2018
Financial structure (%)	Debt-Asset Ratio (%)	28.86	27.94
	Long-term fund to fixed assets (%)	651.57	637.96
Solvency (%)	Current Ratio (%)	337.41	327.27
	Quick Ratio (%)	204.07	193.77
Profitability (%)	Return on Assets (%)	17.87	17.05
	Return on Shareholders' Equity (%)	24.75	23.85
	Net Profit Ratio (%)	5.83	5.47
	Basic Earnings Per Share (%)	6.09	5.67

## V. Research and Development:

The Company commits to the R&D for the soybean powder products and the edible oil products. The whole-fat soybean powder was developed and launched. In 2019, the sunflower oil product was launched and became popular among consumers. In the future, various products will be launched to satisfy customers' need for one-stop

shopping.

## VI. Business Prospect

**Oil products:** The Company is the largest domestic supplier for 18-liter bottled edible oil under the brand names, “Gourmet” and “Vitality.” The oil products include soybean vegetable oil, canola oil, palm oil and deep-fried oil. The restaurant channel is the targeted market for the 18-liter bottled edible oil; therefore, demand is directly linked to the demand, increase and decrease of eating-out population, and economic changes. The sale of bottled oil of the Company is expected to grow stably upon increase in the eating-out population and growth of the number of foreign tourists, and with the Company’s efforts to upgrade the food safety and brand value. In addition, the Company’s small packaging products (2.0/2.6/3.0 liters) have been distributed via the hypermarket channels. The sale volume thereof is expected to keep growing.

The Company is also the largest domestic supplier of bulk packed soybean oil and canola oil, and also launches the bulk packed sunflower oil and palm oil to satisfy our customers, who are primarily food processing plants, chemical plants, and small packaging oil packaging plants.

Taking into account of the importance of edible oils to the general life, the Company will continuously provide the quality oil products to the clients without food safety concern, but supplied stably and priced reasonably.

**Soybean powder:** The Company is the largest domestic supplier of soybean powder. Its soybean powder products cover high/low protein soybean powder, soybean flakes, whole-fat soybean powder, and peeled whole-fat soybean powder, etc. primarily supplied to the feeds-related industry. Soybean powder contains plenty of soy protein, which is deemed as the most affordable protein source to the feed industry in the world; therefore, it is an alternative to other vegetable protein sources (*e.g.*, canola meal) and even animal protein (such as fish powder). Domestic livestock/aquaculture economy had faced severe competition from the imported meat in the last few years; however, the demand of soybean powder was still generally stable. In addition to the advantage of differentiation and quality, the Company’s soybean powder products have the strength in low-cost resulting from a large-scale production. Therefore, we are confident of facing challenges in the future although competition is fierce in the industry.

**Other aspects:** The Company’s 18-liter bottled soybean oil that was first exported to Japan is well accepted by local customers due to its good quality and the delivery remains stable currently. Additionally, the Company has taken advantage of the 18-liter bottled oil channel (restaurant channel) with new products

actively introduced in order to create added-value of the new products. Currently, the license as the general agency in Taiwan has been successfully obtained from Sevita, one of the top three brands of NGMO soybeans for food in Canada. The Company will continue to seek license from other world-renowned brands in order to exercise the effect of the distribution network.

Chairman: Lo, Chih-Hsien

Manager: Chen, Chao-Liang

Chief Accountant: Hu, Yu-Chih

# Supervisor's Report of TTET Union Corporation

Approved:

I have reviewed the 2019 business report, financial statement, and statement of earnings distribution that were prepared by the Board of Directors and found no nonconformity therein. Therefore, I hereby issue this supervisor's report in conformity with Article 219 of the Company Act for approval.

Sincerely yours,

2020 General Shareholders' Meeting of the Company

TTET Union Corporation

Supervisor: Lee, Ching-Tyan

March 20, 2020

# Supervisor's Report of TTET Union Corporation

Approved:

I have reviewed the 2019 business report, financial statement, and statement of earnings distribution that were prepared by the Board of Directors and found no nonconformity therein. Therefore, I hereby issue this supervisor's report in conformity with Article 219 of the Company Act for approval.

Sincerely yours,

2020 General Shareholders' Meeting of the Company

TTET Union Corporation

Supervisor: Chang, Li-Hsun

March 20, 2020

# Supervisor's Report of TTET Union Corporation

Approved:

I have reviewed the 2019 business report, financial statement, and statement of earnings distribution that were prepared by the Board of Directors and found no nonconformity therein. Therefore, I hereby issue this supervisor's report in conformity with Article 219 of the Company Act for approval.

Sincerely yours,

2020 General Shareholders' Meeting of the Company

TTET Union Corporation

Supervisor: Chen, I-Tsunz

March 20, 2020

## REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of TTET Union Corporation

### ***Opinion***

We have audited the accompanying parent company only balance sheets of TTET Union Corporation (the “Company”) as at 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, financial position of the Company as at 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 (R.O.C. 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 parent company only financial statements of the current period. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

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

## **Cut-off of inventory in transit**

### Description

The Company imports soybean from foreign suppliers as raw material. The terms of trade is C&F which means the seller delivers the goods at the port of loading. The Company will confirm the information about loading date, quantity, pricing and other details with suppliers. After receiving bill of lading, invoice, bank debit and other related source documents, the Company can recognize those materials as inventory. However, due to the complexity of the import process and paper work, the source documents may not be received on time and will result in inappropriate inventory recognition. In addition, the goods in transit have significant value. Thus, we consider the cut-off of inventory in transit a key audit matter.

### How our audit addressed the matter

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

1. Understood the process of importing raw material and checking the source documents as basis for inventory recognition.
2. Tested the purchase transactions that took place after the balance sheet date, by inspecting bill of lading or bank debit, to ensure the purchase was recognized in the correct reporting period.
3. Confirmed the borrowing amount of loan and the letter of credit with bank.

## **Inventory valuation**

### Description

Refer to Notes 4(8) and 6(4) to the parent company only financial statements for the accounting policy and the details of accounts relating to inventory valuation. For the year ended December 31, 2019, inventory and allowance for market price decline amounted to \$1,411,515 thousand and \$1,656 thousand, respectively, with the net amount constituting 28% of total assets.

The Company is engaged in the manufacture, sales and processing of a variety of vegetable oil and fat. The main raw material is soybean and it is usually affected by price changes in international trade. This results in higher risk of loss on market price decline. The inventories are estimated at the lower of cost and net realizable value. As the raw material is usually affected by price changes in international trade and the value of inventories is significant, we consider inventory valuation a key audit matter.

#### How our audit addressed the matter

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

1. Evaluated the reasonableness of accounting policy on provision for inventory, and the consistency of process application during the financial reporting period.
2. Tested the details of loss on market price decline, recalculated the net realizable value of the selected inventories, inspected related documents and discussed with management to confirm the adequacy of the provision on inventory market 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 the board of directors and supervisors, 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 R.O.C. 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 R.O.C. GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

Lin, Tzu-Shu

Independent Accountants

Lin, Yung-Chih

PricewaterhouseCoopers, Taiwan

Republic of China

March 20, 2020

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

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

TTET UNION CORPORATION  
PARENT COMPANY ONLY BALANCE SHEETS  
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2019		December 31, 2018		
		AMOUNT	%	AMOUNT	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 1,811,133	37	\$ 1,669,685	35
1110	Financial assets at fair value through profit or loss - current	6(2)	-	-	223	-
1150	Notes receivable, net	6(3)	106,758	2	149,145	3
1170	Accounts receivable, net	6(3)	297,838	6	340,656	7
1180	Accounts receivable - related parties	6(3) and 7	118,260	2	109,401	2
1200	Other receivables		7,114	-	12,694	-
130X	Inventories	5(2) and 6(4)	1,409,859	28	1,448,511	30
1410	Prepayments		287,559	6	290,231	6
11XX	<b>Total current assets</b>		<u>4,038,521</u>	<u>81</u>	<u>4,020,546</u>	<u>83</u>
<b>Non-current assets</b>						
1517	Financial assets at fair value through other comprehensive income - non- current	6(5)	1,275	-	1,275	-
1550	Investments accounted for under equity method	6(6)	289,291	6	249,649	5
1600	Property, plant and equipment	6(7) and 8	575,020	12	563,390	12
1755	Right-of-use assets	3(1) and 6(8)	34,385	1	-	-
1780	Intangible assets	6(9)	1,772	-	2,042	-
1840	Deferred income tax assets	6(21)	23,479	-	23,561	-
1920	Guarantee deposits paid		9,024	-	6,322	-
15XX	<b>Total non-current assets</b>		<u>934,246</u>	<u>19</u>	<u>846,239</u>	<u>17</u>
1XXX	<b>Total assets</b>		<u>\$ 4,972,767</u>	<u>100</u>	<u>\$ 4,866,785</u>	<u>100</u>

(Continued)

**TTET UNION CORPORATION**  
**PARENT COMPANY ONLY BALANCE SHEETS**  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2019		December 31, 2018		
		AMOUNT	%	AMOUNT	%	
<b>Current liabilities</b>						
2100	Short-term borrowings	6(10)	\$ 123,837	3	\$ 70,949	1
2120	Financial liabilities at fair value through profit or loss - current	6(2) and 12	6,791	-	-	-
2130	Current contract liabilities	6(15)	16,057	-	58,965	1
2150	Notes payable		4,389	-	-	-
2170	Accounts payable		250,292	5	392,596	8
2180	Accounts payable - related parties	7	45,266	1	39,837	1
2200	Other payables		269,689	6	247,153	5
2230	Current income tax liabilities	6(21)	117,051	2	126,071	3
2280	Lease liabilities - current	3(1) and 6(8)	676	-	-	-
21XX	<b>Total current Liabilities</b>		<u>834,048</u>	<u>17</u>	<u>935,571</u>	<u>19</u>
<b>Non-current liabilities</b>						
2570	Deferred income tax liabilities	6(21)	11,868	-	11,733	-
2580	Lease liabilities - non-current	3(1) and 6(8)	33,851	1	-	-
2640	Net defined benefit liabilities - non-current	6(11)	30,256	-	36,847	1
2645	Guarantee deposits received		2,380	-	1,730	-
25XX	<b>Total non-current liabilities</b>		<u>78,355</u>	<u>1</u>	<u>50,310</u>	<u>1</u>
2XXX	<b>Total Liabilities</b>		<u>912,403</u>	<u>18</u>	<u>985,881</u>	<u>20</u>
<b>Equity</b>						
<b>Share capital</b>						
3110	Share capital - common stock	6(12)	1,599,749	32	1,599,749	33
3200	Capital surplus	6(13)	23,784	1	23,784	1
<b>Retained earnings</b>						
3310	Legal reserve		1,229,453	25	1,138,765	23
3320	Special reserve		7,000	-	-	-
3350	Unappropriated retained earnings		1,207,378	24	1,125,606	23
3400	Other equity interest		(7,000)	-	(7,000)	-
3XXX	<b>Total equity</b>		<u>4,060,364</u>	<u>82</u>	<u>3,880,904</u>	<u>80</u>
<b>Significant contingent liabilities and unrecognized contract commitments</b>						
3X2X	<b>Total liabilities and equity</b>		<u>\$ 4,972,767</u>	<u>100</u>	<u>\$ 4,866,785</u>	<u>100</u>

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

TTET UNION CORPORATION  
**PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME**  
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

Items	Notes	For the year ended December 31,			
		2019		2018	
		AMOUNT	%	AMOUNT	%
4000 <b>Operating revenue</b>	6(15) and 7	\$ 13,781,934	100	\$ 13,930,285	100
5000 <b>Operating costs</b>	6(4)(9)(11)(19)(20) and 7	( 12,318,913)	( 89)	( 12,558,077)	( 90)
5900 <b>Net operating margin</b>		<u>1,463,021</u>	<u>11</u>	<u>1,372,208</u>	<u>10</u>
<b>Operating expenses</b>	6(9)(11)(19)(20)(23) and 7				
6100 Selling expenses		( 227,343)	( 2)	( 223,540)	( 2)
6200 General and administrative expenses		( 155,055)	( 1)	( 149,458)	( 1)
6300 Research and development expenses		( 7,297)	-	( 7,965)	-
6450 Expected credit gain (loss)	12	34	-	( 1,703)	-
6000 <b>Total operating expenses</b>		<u>( 389,661)</u>	<u>( 3)</u>	<u>( 382,666)</u>	<u>( 3)</u>
6900 <b>Operating profit</b>		<u>1,073,360</u>	<u>8</u>	<u>989,542</u>	<u>7</u>
<b>Non-operating income and expenses</b>					
7010 Other income	6(16)	18,426	-	19,990	-
7020 Other gains and losses	6(2)(17) and 12	10,407	-	29,128	-
7050 Finance costs	6(8)(18)	( 7,617)	-	( 6,075)	-
7070 Share of profit of subsidiaries, associates and joint ventures accounted for under equity method, net	6(6)	99,786	1	79,033	1
7000 <b>Total non-operating income and expenses</b>		<u>121,002</u>	<u>1</u>	<u>122,076</u>	<u>1</u>
7900 <b>Profit before income tax</b>		<u>1,194,362</u>	<u>9</u>	<u>1,111,618</u>	<u>8</u>
7950 Income tax expense	6(21)	( 219,790)	( 2)	( 204,738)	( 1)
8200 <b>Profit for the year</b>		<u>\$ 974,572</u>	<u>7</u>	<u>\$ 906,880</u>	<u>7</u>
<b>Other comprehensive income Components of other comprehensive income that will not be reclassified to profit or loss</b>					
8311 Remeasurements of defined benefit obligations	6(11)	\$ 5,884	-	\$ 3,443	-
8330 Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for using equity method	6(6)	56	-	( 408)	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(21)	( 1,177)	-	( 477)	-
8300 <b>Other comprehensive income for the year</b>		<u>\$ 4,763</u>	<u>-</u>	<u>\$ 2,558</u>	<u>-</u>
8500 <b>Total comprehensive income for the year</b>		<u>\$ 979,335</u>	<u>7</u>	<u>\$ 909,438</u>	<u>7</u>
<b>Earnings per share (in dollars)</b>	6(22)				
9750 <b>Basic</b>		\$ 6.09		\$ 5.67	
9850 <b>Diluted</b>		\$ 6.08		\$ 5.66	

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

**TTET UNION CORPORATION**  
**PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY**  
**YEARS ENDED DECEMBER 31, 2019 AND 2018**  
(Expressed in thousands of New Taiwan dollars)

	Notes	Share capital - common stock	Retained Earnings				Unappropriated retained earnings	Other Equity Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Total equity
			Capital surplus	Legal reserve	Special reserve				
<u>For the year ended December 31, 2018</u>									
Balance at January 1, 2018		\$ 1,599,749	\$ 23,784	\$ 1,057,040	\$ -	\$ 1,090,768	\$ -	\$ 3,771,341	
Effects of retrospective application		-	-	-	-	7,000	( 7,000)	-	
Balance at January 1, 2018 after adjustments		<u>1,599,749</u>	<u>23,784</u>	<u>1,057,040</u>	-	<u>1,097,768</u>	( 7,000)	<u>3,771,341</u>	
Net income for 2018		-	-	-	-	906,880	-	906,880	
Other comprehensive income for 2018		-	-	-	-	2,558	-	2,558	
Total comprehensive income for 2018		-	-	-	-	909,438	-	909,438	
Distribution of 2017 net income:		-	-	-	-	-	-	-	
Legal reserve		-	-	81,725	-	( 81,725)	-	-	
Cash dividends	6(14)	-	-	-	-	( 799,875)	-	( 799,875)	
Balance at December 31, 2018		<u>\$ 1,599,749</u>	<u>\$ 23,784</u>	<u>\$ 1,138,765</u>	-	<u>\$ 1,125,606</u>	( \$ 7,000)	<u>\$ 3,880,904</u>	
<u>For the year ended December 31, 2019</u>									
Balance at January 1, 2019		\$ 1,599,749	\$ 23,784	\$ 1,138,765	\$ -	\$ 1,125,606	(\$ 7,000)	\$ 3,880,904	
Net income for 2019		-	-	-	-	974,572	-	974,572	
Other comprehensive income for 2019		-	-	-	-	4,763	-	4,763	
Total comprehensive income for 2019		-	-	-	-	979,335	-	979,335	
Distribution of 2018 net income:		-	-	-	-	-	-	-	
Legal reserve		-	-	90,688	-	( 90,688)	-	-	
Special reserve		-	-	-	7,000	( 7,000)	-	-	
Cash dividends	6(14)	-	-	-	-	( 799,875)	-	( 799,875)	
Balance at December 31, 2019		<u>\$ 1,599,749</u>	<u>\$ 23,784</u>	<u>\$ 1,229,453</u>	<u>\$ 7,000</u>	<u>\$ 1,207,378</u>	( \$ 7,000)	<u>\$ 4,060,364</u>	

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

**TTET UNION CORPORATION**  
**PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS**  
(Expressed in thousands of New Taiwan dollars)

	Notes	For the years ended December 31,	
		2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		\$ 1,194,362	\$ 1,111,618
Adjustments			
Adjustments to reconcile profit (loss)			
Loss (gain) on financial assets at fair value through profit or loss		7,014 (	4,679 )
Expected credit (gain) loss	12	( 34 )	1,703
(Reversal of allowance) provision for inventory market price decline	6(4)	( 882 )	685
Share of profit of subsidiaries, associates and joint ventures accounted for under equity method	6(6)	( 99,786 )	( 79,033 )
Property, plant and equipment recognized as expense	6(7)	8,021	1,523
Depreciation	6(7)(8)(19)	103,153	83,467
Losses on disposal of property, plant and equipment	6(17)	558	1,682
Amortization	6(9)(19)	1,406	1,380
Dividend income	6(16)	-	( 412 )
Interest income	6(16)	( 8,195 )	( 7,503 )
Finance costs	6(18)	7,617	6,075
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		42,395	2,564
Accounts receivable		42,844 (	32,473 )
Accounts receivable - related parties		( 8,859 )	( 4,547 )
Other receivables		5,580 (	6,659 )
Inventories		39,534	511,002
Prepayments		2,672 (	49,162 )
Changes in operating liabilities			
Current contract liabilities		( 42,908 )	47,395
Notes payable		4,389	-
Accounts payable		( 142,304 )	( 223,963 )
Accounts payable - related parties		5,429 (	11,592 )
Other payables		22,522	33,608
Net defined benefit liabilities - non-current		( 707 )	( 246 )
Cash inflow generated from operations		1,183,821	1,382,433
Dividend received from investment accounted for under equity method	6(6)	60,200	48,160
Dividends received		-	412
Interest received		8,195	5,078
Interest paid		( 7,603 )	( 6,067 )
Income tax paid		( 229,770 )	( 151,323 )
Net cash flows from operating activities		1,014,843	1,278,693

(Continued)

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

	Notes	For the years ended December 31,	
		2019	2018
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of property, plant and equipment	6(7)	(\$ 112,802 )	(\$ 125,999 )
Increase in intangible assets	6(9)	( 1,136 )	( 1,732 )
Increase in guarantee deposits paid		( 2,702 )	( 3,564 )
Net cash flows used in investing activities		( 116,640 )	( 131,295 )
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase (decrease) in short-term borrowings	6(24)	52,888	( 26,923 )
Repayment of principal portion of lease liabilities	6(24)	( 10,418 )	-
Increase in guarantee deposit received	6(24)	650	200
Payment of cash dividends	6(14)	( 799,875 )	( 799,875 )
Net cash flows used in financing activities		( 756,755 )	( 826,598 )
Net increase in cash and cash equivalents		141,448	320,800
Cash and cash equivalents at beginning of year	6(1)	1,669,685	1,348,885
Cash and cash equivalents at end of year	6(1)	\$ 1,811,133	\$ 1,669,685

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

## REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of TTET Union Corporation

### ***Opinion***

We have audited the accompanying consolidated balance sheets of TTET Union Corporation and its subsidiary (the “Group”) as at 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 at 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 (R.O.C. GAAS). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Professional Ethics for Certified Public Accountants in the Republic of China (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Key audit matters***

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

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

### **Cut-off of inventory in transit**

#### Description

The Group imports soybean from foreign suppliers as raw material. The terms of trade is C&F which means the seller delivers the goods at the port of loading. The Group will confirm the information about loading date, quantity, pricing and other details with suppliers. After receiving bill of lading, invoice, bank debit and other related source documents, the Group can recognize those materials as inventory. However, due to the complexity of the import process and paper work, the source documents may not be received on time and will result in inappropriate inventory recognition. In addition, the goods in transit have significant value. Thus, we consider the cut-off of inventory in transit a key audit matter.

#### How our audit addressed the matter

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

1. Understood the process of importing raw material and checking the source documents as basis of inventory recognition.
2. Tested the purchase transactions that took place after the balance sheet date, by inspecting bill of lading or bank debit, to ensure the purchase was recognized in the correct reporting period.
3. Confirmed the borrowing amount of loan and the letter of credit with bank.

### **Inventory valuation**

#### Description

Refer to Notes 4(9) and 6(4) to the consolidated financial statements for the accounting policy and the details of accounting relating to inventory valuation. For the year ended December 31, 2019, inventory and allowance for market price decline amounted to \$1,629,563 thousand and \$4,886 thousand, respectively, with the net amount constituting 28% of consolidated total assets.

The Group is engaged in the manufacture, sales and processing of a variety of vegetable oil and fat. The main raw material is soybean and it is usually affected by price changes of international trade. This results in higher risk of loss on market price decline. The inventories are estimated at the lower of cost and net realizable value. As the raw material is usually affected by price changes in international trade and the value of inventories is significant, we consider inventory valuation a key audit matter.

### How our audit addressed the matter

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

1. Evaluated the reasonableness of accounting policy on provision for inventory, and the consistency of process application during the financial reporting period.
2. Tested the details of loss on market price decline, recalculated the net realizable value of the selected inventories, inspected related documents and discussed with management to confirm the adequacy of the provision on inventory market 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 TTET Union Corporation as at 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 the board of directors and supervisors, 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 R.O.C 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 R.O.C. GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

Liu, Tzu-Shu

Independent Accountants

Lin, Yung-Chih

PricewaterhouseCoopers, Taiwan

Republic of China

March 20, 2020

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

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

**TTET UNION CORPORATION AND SUBSIDIARY**  
**CONSOLIDATED BALANCE SHEETS**  
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2019		December 31, 2018		
		AMOUNT	%	AMOUNT	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 1,952,494	34	\$ 1,791,441	33
1110	Financial assets at fair value through profit or loss - current	6(2)	-	-	223	-
1150	Notes receivable, net	6(3)	129,226	2	174,027	3
1170	Accounts receivable, net	6(3)	744,485	13	744,650	14
1180	Accounts receivable - related parties	6(3) and 7	102,774	2	92,962	2
1200	Other receivables		23,008	-	27,469	-
130X	Inventories	5(2) and 6(4)	1,624,677	28	1,650,269	30
1410	Prepayments		304,163	5	300,111	5
11XX	<b>Total current assets</b>		<u>4,880,827</u>	<u>84</u>	<u>4,781,152</u>	<u>87</u>
<b>Non-current assets</b>						
1517	Financial assets at fair value through other comprehensive income - non-current	6(5)	1,275	-	1,275	-
1600	Property, plant and equipment	6(6) and 8	669,296	12	628,565	11
1755	Right-of-use assets	3(1), 6(7) and 7	194,077	3	-	-
1780	Intangible assets	6(8)	2,108	-	2,969	-
1840	Deferred income tax assets	6(21)	28,136	-	27,930	1
1920	Guarantee deposits paid		31,725	1	28,918	1
1990	Other non-current assets		41	-	93	-
15XX	<b>Total non-current assets</b>		<u>926,658</u>	<u>16</u>	<u>689,750</u>	<u>13</u>
1XXX	<b>Total assets</b>		<u>\$ 5,807,485</u>	<u>100</u>	<u>\$ 5,470,902</u>	<u>100</u>

(Continued)

**TTET UNION CORPORATION AND SUBSIDIARY**  
**CONSOLIDATED BALANCE SHEETS**  
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2019		December 31, 2018	
			AMOUNT	%	AMOUNT	%
<b>Current liabilities</b>						
2100	Short-term borrowings	6(9)	\$ 123,837	2	\$ 70,949	1
2110	Short-term notes and bills payable	6(10)	11,000	-	-	-
2120	Financial liabilities at fair value through profit or loss - current	6(2) and 12	6,791	-	-	-
2130	Current contract liabilities	6(15)	16,647	-	58,965	1
2150	Notes payable		4,389	-	-	-
2170	Accounts payable	7	729,040	13	843,265	16
2200	Other payables	3(1)	387,345	7	343,998	6
2230	Current income tax liabilities	6(21)	136,947	2	143,729	3
2280	Lease liabilities - current	3(1), 6(7) and 7	30,580	1	-	-
21XX	<b>Total current liabilities</b>		<u>1,446,576</u>	<u>25</u>	<u>1,460,906</u>	<u>27</u>
<b>Non-current liabilities</b>						
2570	Deferred income tax liabilities	6(21)	11,868	-	11,733	-
2580	Lease liabilities - non-current	3(1), 6(7) and 7	168,596	3	-	-
2640	Net defined benefit liabilities - non-current	6(11)	45,200	1	52,873	1
2645	Guarantee deposits received		3,760	-	3,110	-
25XX	<b>Total non-current liabilities</b>		<u>229,424</u>	<u>4</u>	<u>67,716</u>	<u>1</u>
2XXX	<b>Total liabilities</b>		<u>1,676,000</u>	<u>29</u>	<u>1,528,622</u>	<u>28</u>
<b>Equity attributable to owners of parent</b>						
<b>Share capital</b>						
3110	Share capital - common stock	6(12)	1,599,749	28	1,599,749	29
3200	Capital surplus	6(13)	23,784	-	23,784	-
<b>Retained earnings</b>						
3310	Legal reserve	6(14)	1,229,453	21	1,138,765	21
3320	Special reserve		7,000	-	-	-
3350	Unappropriated retained earnings		1,207,378	21	1,125,606	21
<b>Other equity interest</b>						
3400	Other equity interest		( 7,000)	-	( 7,000)	-
31XX	<b>Equity attributable to owners of the parent</b>		<u>4,060,364</u>	<u>70</u>	<u>3,880,904</u>	<u>71</u>
36XX	Non-controlling interest		71,121	1	61,376	1
3XXX	<b>Total equity</b>		<u>4,131,485</u>	<u>71</u>	<u>3,942,280</u>	<u>72</u>
<b>Significant contingent liabilities and unrecognized contract commitments</b>						
3X2X	<b>Total liabilities and equity</b>		<u>\$ 5,807,485</u>	<u>100</u>	<u>\$ 5,470,902</u>	<u>100</u>

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

**TTET UNION CORPORATION AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

				For the years ended December 31,			
				2019		2018	
Items	Notes	AMOUNT	%	AMOUNT	%		
4000	Operating revenue	6(15) and 7	\$ 17,150,108	100	\$ 16,948,746	100	
5000	Operating costs	6(4)(8)(11)(19)(20) and 7	( 15,131,192)	( 88)	( 15,091,718)	( 89)	
5900	Net operating margin		2,018,916	12	1,857,028	11	
	Operating expenses	6(8)(11)(19)(20)(23) and 7					
6100	Selling expenses		( 558,860)	( 3)	( 524,567)	( 3)	
6200	General and administrative expenses		( 220,087)	( 2)	( 208,313)	( 1)	
6300	Research and development expenses		( 7,297)	-	( 7,965)	-	
6450	Expected credit losses	12	( 1,896)	-	( 4,303)	-	
6000	Total operating expenses		( 788,140)	( 5)	( 745,148)	( 4)	
6900	Operating profit		1,230,776	7	1,111,880	7	
	Non-operating income and expenses						
7010	Other income	6(16)	19,959	-	21,199	-	
7020	Other gains and losses	6(2)(17) and 12	10,458	-	29,128	-	
7050	Finance costs	6(7)(18) and 7	( 10,450)	-	( 6,294)	-	
7000	Total non-operating income and expenses		19,967	-	44,033	-	
7900	Profit before income tax		1,250,743	7	1,155,913	7	
7950	Income tax expense	6(21)	( 251,639)	( 1)	( 229,603)	( 2)	
8200	Profit for the year		\$ 999,104	6	\$ 926,310	5	
	Other comprehensive income (loss)						
	Components of other comprehensive income that will not be reclassified to profit or loss						
8311	Remeasurements of defined benefit obligations	6(11)	\$ 5,970	-	\$ 2,788	-	
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(21)	( 1,194)	-	( 330)	-	
8300	Other comprehensive income for the year		\$ 4,776	-	\$ 2,458	-	
8500	Total comprehensive income for the year		\$ 1,003,880	6	\$ 928,768	5	
	Profit attributable to:						
8610	Owners of the parent		\$ 974,572	6	\$ 906,880	5	
8620	Non-controlling interest		24,532	-	19,430	-	
	Comprehensive income attributable to:		\$ 999,104	6	\$ 926,310	5	
8710	Owners of the parent		\$ 979,335	6	\$ 909,438	5	
8720	Non-controlling interest		24,545	-	19,330	-	
			\$ 1,003,880	6	\$ 928,768	5	
	Earnings per share (in dollars)	6(22)					
9750	Basic		\$ 6.09		\$ 5.67		
9850	Diluted		\$ 6.08		\$ 5.66		

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

**TJET UNION CORPORATION AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
(Expressed in thousands of New Taiwan dollars)

	Notes	Equity attributable to owners of the parent							Non-controlling interest	Total equity
		Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Other Equity	Total		
							Retained Earnings			
							Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income			
<b>For the year ended December 31, 2018</b>										
Balance at January 1, 2018		\$ 1,599,749	\$ 23,784	\$ 1,057,040	\$ -	\$ 1,090,768	\$ -	\$ 3,771,341	\$ 53,886	\$ 3,825,227
Effects of retrospective application		-	-	-	-	7,000	(7,000)	-	-	-
Balance at January 1, 2018 after adjustments		1,599,749	23,784	1,057,040	-	1,097,768	(7,000)	3,771,341	53,886	3,825,227
Net income for 2018		-	-	-	-	906,880	-	906,880	19,430	926,310
Other comprehensive income (loss) for 2018		-	-	-	-	2,558	-	2,558	(100)	2,458
Total comprehensive income for 2018		-	-	-	-	909,438	-	909,438	19,330	928,768
Distribution of 2017 net income:		-	-	-	-	-	-	-	-	-
Legal reserve		-	-	81,725	-	(81,725)	-	-	-	-
Cash dividends	6(14)	-	-	-	-	(799,875)	-	(799,875)	-	(799,875)
Decrease in non-controlling interest		-	-	-	-	-	-	-	(11,840)	(11,840)
Balance at December 31, 2018		1,599,749	23,784	1,138,765	\$ -	1,125,606	(\$ 7,000)	3,880,904	61,376	3,942,280
<b>For the year ended December 31, 2019</b>										
Balance at January 1, 2019		1,599,749	23,784	1,138,765	\$ -	1,125,606	(\$ 7,000)	3,880,904	61,376	3,942,280
Net income for 2019		-	-	-	-	974,572	-	974,572	24,532	999,104
Other comprehensive income (loss) for 2019		-	-	-	-	4,763	-	4,763	13	4,776
Total comprehensive income for 2019		-	-	-	-	979,335	-	979,335	24,545	1,003,880
Distribution of 2018 net income:		-	-	-	-	-	-	-	-	-
Legal reserve		-	-	90,688	-	(90,688)	-	-	-	-
Special reserve		-	-	-	7,000	(7,000)	-	-	-	-
Cash dividends	6(14)	-	-	-	-	(799,875)	-	(799,875)	-	(799,875)
Decrease in non-controlling interest		-	-	-	-	-	-	-	(14,800)	(14,800)
Balance at December 31, 2019		1,599,749	23,784	1,229,453	\$ 7,000	1,207,378	(\$ 7,000)	4,060,364	71,121	4,131,485

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

TTET UNION CORPORATION AND SUBSIDIARY  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(Expressed in thousands of New Taiwan dollars)

	Notes	For the years ended December 31,	
		2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		\$ 1,250,743	\$ 1,155,913
Adjustments			
Adjustments to reconcile profit (loss)			
Loss (gain) on financial assets at fair value through profit or loss		7,014 (	4,679 )
Expected credit losses	12	1,896	4,303
Provision for inventory market price decline	6(4)	961	685
Property, plant and equipment recognized as expense	6(6)	8,020	1,734
Depreciation	6(6)(7)(19)	161,381	96,210
Loss on disposal of property, plant and equipment	6(17)	507	1,682
Amortization	6(8)(19)	1,997	2,114
Dividend income	6(16)	- (	412 )
Interest income	6(16)	( 8,723 ) (	7,847 )
Finance costs	6(18)	10,450	6,294
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		43,988	2,643
Accounts receivable		( 918 ) (	66,059 )
Accounts receivable - related parties		( 9,812 ) (	3,867 )
Other receivables		4,461 (	8,035 )
Inventories		24,631	496,447
Prepayments		( 4,052 ) (	51,407 )
Changes in operating liabilities			
Current contract liabilities		( 42,318 )	47,395
Notes payable		4,389	-
Accounts payable		( 114,225 ) (	166,084 )
Other payables		45,312	52,066
Net defined benefit liabilities - non-current		( 1,703 ) (	1,112 )
Cash inflow generated from operations		1,383,999	1,557,984
Dividends received		-	412
Interest received		8,723	7,847
Interest paid		( 10,436 ) (	6,285 )
Income tax paid		( 259,686 ) (	169,559 )
Net cash flows from operating activities		1,122,600	1,390,399

(Continued)

TTET UNION CORPORATION AND SUBSIDIARY  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(Expressed in thousands of New Taiwan dollars)

	Notes	For the years ended December 31,	
		2019	2018
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of property, plant and equipment	6(6)	(\$ 158,225 )	(\$ 144,691 )
Proceeds from disposal of property, plant and equipment		171	-
Increase in intangible assets	6(8)	( 1,136 )	( 2,361 )
Increase in guarantee deposits paid		( 2,807 )	( 10,139 )
Decrease in other non-current assets		52	52
Net cash flows used in investing activities		( 161,945 )	( 157,139 )
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase (decrease) in short-term borrowings	6(25)	52,888	( 46,923 )
Increase (decrease) in short-term notes and bills payable	6(25)	11,000	( 39,997 )
Increase (decrease) in guarantee deposit received	6(25)	650	( 422 )
Repayment of lease principal	6(25)	( 49,465 )	-
Payment of cash dividends	6(14)	( 799,875 )	( 799,875 )
Decrease in non-controlling interest		( 14,800 )	( 11,840 )
Net cash flows used in financing activities		( 799,602 )	( 899,057 )
Net increase in cash and cash equivalents		161,053	334,203
Cash and cash equivalents at beginning of year	6(1)	1,791,441	1,457,238
Cash and cash equivalents at end of year	6(1)	\$ 1,952,494	\$ 1,791,441

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

**TTET Union Corporation**  
**The Comparison Table of the Amended Operational Procedures for**  
**Loaning Funds to Others**

Provisions after being amended	Provisions before being amended	Description:
<p>Article 5: Operations of Loaning Funds</p> <p>(I) Operating Procedure</p> <p>1-2. Omitted</p> <p>3. The internal auditors shall audit the Operational Procedures for Loaning Funds to Others and the implementation, and prepare written records accordingly. They shall promptly notify all the supervisors and <b><u>independent directors</u></b> in writing of any material violations found.</p> <p>4. Omitted.</p> <p>5. If, as a result of a change in circumstances, an entity for which loaned fund is made does not meet the requirements of these Regulations or the loan balance exceeds the limit, the financial department shall adopt rectification plans and submit the rectification plans to all the supervisors and <b><u>independent directors</u></b>.</p>	<p>Article 5: Operations of Loaning Funds</p> <p>(I) Operating Procedure</p> <p>1-2. Omitted</p> <p>3. The internal auditors shall audit the Operational Procedures for Loaning Funds to Others and the implementation, and prepare written records accordingly. They shall promptly notify all the supervisors and in writing of any material violations found.</p> <p>4. Omitted.</p> <p>5. If, as a result of a change in circumstances, an entity for which loaned fund is made does not meet the requirements of these Regulations or the loan balance exceeds the limit, the financial department shall adopt rectification plans and submit the rectification plans to all the supervisors.</p>	<p>Amended based on the Financial Supervisory Commission's Letter of Jin-Guan-Zheng-Shen-Zi No.1080304826 on March 7, 2019.</p>

Provisions after being amended	Provisions before being amended	Description:
<p>Article 8: Procedures of Announcement and Reports</p> <p>(I)-(II) Omitted.</p> <p>(III) “Date of occurrence” in the preceding paragraph means the date of transaction contract signing, date of payment, dates of boards of directors’ resolutions, or other date that can confirm the counterparty and monetary amount of the <b><u>loan of funds</u></b>, whichever date is earlier</p>	<p>Article 8: Procedures of Announcement and Reports</p> <p>(I)-(II) Omitted.</p> <p>(III) “Date of occurrence” in the preceding paragraph means the date of transaction contract signing, date of payment, dates of boards of directors’ resolutions or other date that can confirm the counterparty and monetary amount of the <b><u>transactions</u></b>, whichever date is earlier</p>	<p>Amended based on the Financial Supervisory Commission’s Letter of Jin-Guan-Zheng-Shen-Zi No.1080304826 on March 7, 2019</p>
<p>Article 9: Procedures for controlling and managing loans of funds to others by subsidiaries</p> <p>(I)-(II) Omitted.</p> <p>(III) “Date of occurrence” in the preceding paragraph means the date of contract signing, date of payment, dates of boards of directors’ resolutions, or other date that can confirm the counterparty and monetary amount of the <b><u>loan of funds</u></b>, whichever date is earlier</p>	<p>Article 9: Procedures for controlling and managing loans of funds to others by subsidiaries</p> <p>(I)-(II) Omitted.</p> <p>(III) “Date of occurrence” in the preceding paragraph means the date of <b><u>transaction</u></b> contract signing, date of payment, dates of boards of directors’ resolutions or other date that can confirm the counterparty and monetary amount of the <b><u>transactions</u></b>, whichever date is earlier.</p>	

Provisions after being amended	Provisions before being amended	Description:
<p>Article 10: Penalties</p> <p>Shall any person in charge of loaning funds violate the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” promulgated by SFI or the Procedure, the following will be applied depending on the severity. The records of violations will be referred to for the annual personal appraisal.</p> <p>(I)-(V) Omitted.</p> <p><b><u>(VI) When a responsible person of a company violates Article 2 or the proviso of Article 4, the responsible person shall bear joint and several liability with the borrower for repayment; if the company suffers damage, the responsible person also shall be liable for damages.</u></b></p>	<p>Article 10: Penalties</p> <p>Shall any person in charge of loaning funds violate the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” promulgated by SFI or the Procedure, the following will be applied depending on the severity. The records of violations will be referred to for the annual personal appraisal.</p> <p>(I)-(V) Omitted.</p>	<p>Amended based on the Financial Supervisory Commission’s Letter of Jin-Guan-Zheng-Shen-Zi No.1080304826 on March 7, 2019</p>

Provisions after being amended	Provisions before being amended	Description:
<p><b>Article 11:</b></p> <p>After the Operational Procedures' establishment and passage by the board of directors, the Procedures are submitted to each supervisor and submit them for approval by the shareholders' meeting; where any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the dissenting opinion to each supervisor and for discussion by the shareholders' meeting. The same shall apply to any amendments to the Procedures.</p> <p>Where the Company has appointed independent directors, the board of directors shall take into full consideration each independent director's opinion. <b><u>If an independent director expresses any dissent or reservations, it shall be noted in the minutes of the board of directors' meeting.</u></b></p>	<p><b>Article 11:</b></p> <p>After the Operating Procedures' establishment and passage by the board of directors, the Procedures are submitted to each supervisor and who will submit them for approval by the shareholders' meeting <b><u>before implementation;</u></b> where any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the dissenting opinion to each supervisor and for discussion by the shareholders' meeting. The same shall apply to any amendments to the Procedures.</p> <p>Where the Company has appointed independent directors, the board of directors shall take into full consideration each independent director's opinion. <b><u>Their specified consent or dissent, and reasons for dissenting shall be noted in the minutes of the board of directors' meeting</u></b></p>	<p>Amended based on the Financial Supervisory Commission's Letter of Jin-Guan-Zheng-Shen-Zi No.1080304826 on March 7, 2019</p>

**TTET Union Corporation**  
**Comparative List for the Amended “Regulations of Endorsements or Guarantees for Others”**

Provisions after being amended	Provisions before being amended	Description:
<p>Article 1. Purpose</p> <p>To enhance the financial management of endorsement/guarantee, and reduce the operational risks, the Operation Procedures are established pursuant to the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” “Regulations Governing the Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” issued by MOF. <b><u>The related procedure of endorsements/guarantees shall follow the Operating Procedures.</u></b></p>	<p>Article 1. Purpose</p> <p>To enhance the financial management of endorsement/guarantee, and reduce the operational risks, the Operation Procedures are established pursuant to the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” “Regulations Governing the Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” issued by MOF.</p>	<p>Amended based on the Financial Supervisory Commission’s Letter of Jin-Guan-Zheng-Shen-Zi No. 1080304826 on March 7, 2019.</p>

Provisions after being amended	Provisions before being amended	Description:
<p>Article 6. The procedures for making endorsements/guarantees and the procedures of due diligence</p> <p>I. Procedures for making</p> <p>(I)-(III) Omitted.</p> <p>(IV) The audit office shall audit the Operational Procedures for Endorsements/Guarantees and the implementation, and prepare written records accordingly. They shall promptly notify all the supervisors and <b><u>independent directors</u></b> in writing of any material violations found.</p> <p>(V) Omitted.</p> <p>(VI) If any qualified counterparty of endorsement/guarantee becomes disqualified afterwards, or the amount of endorsement/guarantee exceeds the limit due to the changes of the calculations, the financial department shall adopt rectification plans for the amount endorsement/guarantee to the concerned counterparty, or the excessive part, submit</p>	<p>Article 6. The procedures for making endorsements/guarantees and the procedures of due diligence</p> <p>I. Procedures for making</p> <p>(I)-(III) Omitted.</p> <p>(IV) The audit office shall audit the Operational Procedures for Endorsements/Guarantees and the implementation, and prepare written records accordingly. They shall promptly notify all the supervisors and in writing of any material violations found.</p> <p>(V) Omitted.</p> <p>(VI) If any qualified counterparty of endorsement/guarantee becomes disqualified afterwards, or the amount endorsement/guarantee exceeds the limit due to the changes of the calculations, the financial department shall adopt rectification plans for the amount endorsement/guarantee to the concerned counterparty, or the excessive part,</p>	<p>Amended based on the Financial Supervisory Commission's Letter of Jin-Guan-Zheng-Shen-Zi No. 1080304826 on March 7, 2019.</p>

Provisions after being amended	Provisions before being amended	Description:
<p>the rectification plans to the General Manager and the Chairman for approval, and fully eliminate the parts in a certain period; the plans shall be submitted to all the supervisors and <b><u>independent directors</u></b>.</p> <p>Omitted hereafter</p>	<p>submit the rectification plans to the General Manager and the Chairman for approval and fully eliminate the parts in a certain period; the plans shall be submitted to all the supervisors.</p> <p>Omitted hereafter</p>	

Provisions after being amended	Provisions before being amended	Description:
<p>Article 8. Procedures of Announcement and Reports</p> <p>I. Omitted.</p> <p>II. Other than reporting the monthly balance of endorsements/guarantees, the Company and the subsidiaries whose balance of endorsements/guarantees reaches one of the following levels shall announce and report such event within two days commencing immediately from the date of occurrence by the finance department:</p> <p>(I) The aggregate balance of endorsements/guarantees by the Company reaches 50% or more of the Company's net worth as stated in its latest financial statement.</p> <p>(II) The balance of endorsements/guarantees by the Company for a single enterprise reaches 20% or more of the Company's net worth as stated in its latest financial statement.</p>	<p>Article 8. Procedures of Announcement and Reports</p> <p>I. Omitted.</p> <p>II. Other than reporting the monthly balance of endorsements/guarantees, the Company and the subsidiaries whose balance of endorsements/guarantees reaches one of the following levels shall announce and report such event within two days commencing immediately from the date of occurrence by the finance department:</p> <p>(I) The aggregate balance of endorsements/guarantees by the Company reaches 50% or more of the Company's net worth as stated in its latest financial statement.</p> <p>(II) The balance of endorsements/guarantees by the Company for a single enterprise reaches 20% or more of the Company's net worth as</p>	<p>Amended based on the Financial Supervisory Commission's Letter of Jin-Guan-Zheng-Shen-Zi No.1080304826 on March 7, 2019</p>

Provisions after being amended	Provisions before being amended	Description:
<p>(III) The balance of endorsements/guarantees by the Company for a single enterprise reaches NT\$10 million or more and the aggregate amount of all endorsements/guarantees for, <b><u>carrying value of equity method</u></b> investment in and balance of loans to, such enterprise reaches 30% or more of <b><u>the</u></b> Company's net worth as stated in its latest financial statement.</p> <p>(IV) The amount of new endorsements/guarantees made by the Company reaches NT\$30 million or more and reaches 5% or more of the Company's net worth as stated in its latest financial statement.</p> <p>III. "Date of occurrence" in the preceding paragraph means the date of contract signing, date of payment, dates of boards of directors' resolutions,</p>	<p>stated in its latest financial statement.</p> <p>(III) The balance of endorsements/guarantees by the Company and the subsidiaries for a single enterprise reaches NT\$10 million or more and the aggregate amount of all endorsements/guarantees for, <b><u>long-term investment</u></b> and balance of loans to such enterprise reach 30% or more of the Company's net worth as stated in its latest financial statement.</p> <p>(IV) The amount of new endorsements/guarantees made by the Company reaches NT\$30 million or more and reaches 5% or more of the Company's net worth as stated in its latest financial statement.</p> <p>III. "Date of occurrence" in the preceding paragraph means the date of <b><u>transaction</u></b> contract</p>	

Provisions after being amended	Provisions before being amended	Description:
<p>or other date that can confirm the counterparty and monetary amount of the <b><u>endorsements/guarantees</u></b>, whichever date is earlier</p>	<p>signing, date of payment, dates of boards of directors' resolutions, or other date that can confirm the counterparty and monetary amount of the <b><u>transactions</u></b>, whichever date is earlier.</p>	

Provisions after being amended	Provisions before being amended	Description:
<p>Article 9. Procedures for controlling and managing endorsements/guarantees to others by subsidiaries</p> <p>I-II. Omitted.</p> <p>III. “Date of occurrence” in the preceding paragraph means the date of contract signing, date of payment, dates of boards of directors’ resolutions, or other date that can confirm the counterparty and monetary amount of the <b><u>endorsements/guarantees</u></b>, whichever date is earlier</p>	<p>Article 9. Procedures for controlling and managing endorsements/guarantees to others by subsidiaries</p> <p>I-II. Omitted.</p> <p>III. “Date of occurrence” in the preceding paragraph means the date of <b><u>transaction</u></b> contract signing, date of payment, dates of boards of directors’ resolutions, or other date that can confirm the counterparty and monetary amount of the <b><u>transactions</u></b>, whichever date is earlier.</p>	<p>Amended based on the Financial Supervisory Commission’s Letter of Jin-Guan-Zheng-Shen-Zi No.1080304826 on March 7, 2019</p>
<p>Article 11. Miscellaneous</p> <p>I-III Omitted.</p> <p>IV. After the Operating Procedures’ establishment and passage by the board of directors, the Procedures are submitted to each supervisor and submit them for approval by the shareholders’ meeting; where any director expresses dissent and it is contained in</p>	<p>Article 11. Miscellaneous</p> <p>I-III Omitted.</p> <p>IV. After the Operational Procedures’ establishment and passage by the board of directors, the Procedures are submitted to each supervisor and submit them for approval by the shareholders’ meeting <b><u>before implementation</u></b>; where</p>	

Provisions after being amended	Provisions before being amended	Description:
<p>the minutes or a written statement, the company shall submit the dissenting opinion to each supervisor and for discussion by the shareholders' meeting. The same shall apply to any amendments to the Procedures.</p> <p>Where the Company has appointed independent directors, the board of directors shall take into full consideration each independent director's opinion. <b><u>If an independent director expresses any dissent or reservations, it shall be noted in the minutes of the board of directors' meeting.</u></b></p>	<p>any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the dissenting opinion to each supervisor for discussion by the shareholders' meeting. The same shall apply to any amendments to the Procedures.</p> <p>Where the Company has appointed independent directors, the board of directors shall take into full consideration each independent director's opinion. <b><u>Their specified consent or dissent, and reasons for dissenting shall be noted in the minutes of the board of directors' meeting.</u></b></p>	

**TTET Union Corporation**  
**Comparative List for Amendments to Parliamentary Rules for**  
**Shareholders' Meetings**

Provisions after being amended	Provisions before being amended	Description
<p>Article 9</p> <p><b><u>The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made.</u></b> If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to <b><u>Article 175 of the Company Act.</u></b></p> <p><b><u>When, prior to conclusion of the meeting,</u></b> the attending shareholders represent <b><u>a majority of the total number of issued shares,</u></b> the chair may re-submit the tentative resolution for a <b><u>vote</u></b> by the shareholders meeting <b><u>pursuant to Article 174 of the Company Act.</u></b></p>	<p>Article 9</p> <p>The chair shall call the meeting to order <b><u>when the attending shareholders represent a majority of the total number of issued shares. If the meeting time is overdue without meeting quorum, the chair may announce a postponement.</u></b> However, if the quorum is not met after two <b><u>postponements,</u></b> but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution <b><u>may be passed by a majority of those present.</u></b> <b><u>After the tentative resolution referred in the preceding paragraph,</u></b> if the shares represented by the attending shareholders <b><u>meet the quorum,</u></b> the chair may propose to the shareholders' meeting to <b><u>ratify</u></b> such tentative resolution.</p>	<p>Wording revised</p>
<p>Article 10</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 <b><u>shareholders' meeting.</u></b></p> <p>The provisions of the preceding paragraph apply <i>mutatis mutandis</i> to a shareholders meeting <b><u>convened</u></b> by a party <b><u>with the power</u></b> to convene that is not the board of directors. The chair may not declare the meeting adjourned prior to completion of</p>	<p>Article 10</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>The provisions of the preceding paragraph apply <i>mutatis mutandis</i> to a shareholders meeting convened by other party to convene that is not the board of directors. The chair</p>	

Provisions after being amended	Provisions before being amended	Description
<p>deliberation on the meeting agenda of the preceding two paragraphs (including extempore motions), except by a resolution of the shareholders' meeting. If the meeting is adjourned through a resolution, the shareholders may not select another chair or hold the meeting in other place. <b><u>If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders and then continue the meeting.</u></b></p>	<p>may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extempore motions), except by a resolution of the shareholders' meeting. If the meeting is adjourned through a resolution, the shareholders may not select another chair or hold the meeting in other place.</p>	
<p>Article 16 Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. Vote counting for shareholders' meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote. If any director shall be elected in a shareholders' meeting, the Rules Governing Election of Directors established by the Company shall be followed.</p>	<p>Article 16 Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. Vote counting for shareholders' meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote. The election of directors <b><u>and supervisors</u></b> at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules for election of directors <b><u>and supervisors</u></b> adopted by the Company and <b><u>the voting results shall be announced on-site immediately, including the names</u></b></p>	<p>Wording revised.</p>

Provisions after being amended	Provisions before being amended	Description
	<u>of those elected as directors and supervisors and the numbers of votes with which they were elected.</u>	
<p>Article 18  For the votes to <u>proposals, unless specified in the Company Act and the Articles of Incorporation otherwise, the passage is determined by the favorable votes from the majority of the attending shareholders' voting rights.</u></p>	<p>Article 18  When voting, <u>if there is no dissent after the chair inquires, it is deemed a passage, with the same effects as casting ballots.</u></p>	

**TTET Union Corporation**  
**Comparative List for Amendments to Rules Governing Election of**  
**Directors and Supervisors**

Provisions after being amended	Provisions before being amended	Description:
Rules Governing Election of Directors	Rules Governing Election of Directors and Supervisors	To
<p>Article 1:  The election of the Company’s directors shall follow the rules.  Unless specified in the Company Act and the Articles of Incorporation otherwise, the rules shall be observed.</p>	<p>Article 1:  The election of the Company’s directors <b><u>and supervisors</u></b> shall follow the rules.  Unless specified in the Company Act and the Articles of Incorporation otherwise, the rules shall be observed.</p>	accommodate the establishment of the Audit Committee
<p>Article 2:  Elections of the Company’s directors shall be conducted in accordance with the disclosed and cumulative voting method. The name of the voter may be substituted for the number of attendance card printed on the ballot. Each share will have voting rights in a number equal to the directors to be elected and may be cast for a single candidate or split among multiple candidates.</p>	<p>Article 2:  Elections of the Company’s directors <b><u>and supervisors</u></b> shall be conducted in accordance with the disclosed and cumulative voting method. The name of the voter may be substituted for the number of attendance card printed on the ballot. Each share will have voting rights in a number equal to the directors <b><u>and supervisors</u></b> to be elected and may be cast for a single candidate or split among multiple candidates.</p>	
<p>Article 3:  The election of the Company’s directors adopts the candidate nomination system. Shareholders shall elect from the candidate list. The number of directors will be as specified in the Company’s Charter, the the general directors and the independent directors receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.</p>	<p>Article 3:  The election of the Company’s directors <b><u>and supervisors</u></b> adopts the candidate nomination system. Shareholders shall elect from the candidate list. The number of directors <b><u>and supervisors</u></b> will be as specified in the Company’s Charter, the general directors, the independent directors <b><u>or supervisors</u></b> receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.</p>	

Provisions after being amended	Provisions before being amended	Description:
<p>Article 9: The Company shall issue notifications to the persons elected as directors.</p>	<p>Article 9: The Company shall issue notifications to the persons elected as directors <b><u>and supervisors.</u></b></p>	
<p>Article 11: <b><u>Except the amended clauses on June 9, 2020 will be implemented on the day of the election of the Company's directors in 2021,</u></b> the Rules, and any <b><u>amendments</u></b> hereto, shall be implemented after approval by a shareholders' meeting.</p>	<p>Article 11: The Rules, and any <b><u>revision</u></b> hereto, shall be implemented after approval by a shareholders' meeting.</p>	

TTET Union Corporation

Details of Position Relieved from the Non-Competition Restrictions for Current Directors

Deadline: February 28, 2020

Name	Positions Held Concurrently in Other Company
<p>Uni-President Enterprises Corporation Representative: Lo, Chih-Hsien</p>	<p>Chairman of Board: Uni-President Enterprises Corp., President Chain Store Corporation, President Natural Industrial Corporation, Ton Yi Industrial Corp., Prince Housing &amp; Development Corp., Cheng Shi Holdings Co., Ltd., Times Square International holding Company, Times Square International Stays Corp., Times Square International hotel Corporation,, Prince Industrial Co., Ltd., Prince Real Estate Co., Ltd., President Packaging Industrial Corp., President International Development Corporation, Ltd., President Property Corporation, Scinopharm Taiwan, Ltd., Uni-President Cold-Chain Corp., Presco Netmarketing, Inc., Uni-President Dream Parks Co., Uni-President OAO Travel Service Corp., President Century Corp., ZhongjiaGang President Nisshin Food Co., Ltd., Uni-President (Vietnam) Co., Ltd., Uni-President (Thailand) Ltd., Uni-President (Philippines) Corp., Uni-President China Holdings Ltd., Uni-President Enterprises (China) Investment Ltd., Woongjin Foods Co.Ltd., and Daeyoung Foods Co.Ltd.</p> <p>Vice Chairman of Board: President Nisshin Corp.</p> <p>Director: President Professional Baseball Team Corp., Nanlien International Corporation, Tong Shang Development and Construction Co., Ltd., Retail Support International Corporation, Presicarre Corporation, President Fair Development Corp., Uni-Wonder Corporation, Uni-President Organics Corp., Uni-President Glass Industrial Co., Ltd., Kuang Chuan Dairy Co., Ltd., Kuang Chuan Foods Ltd., Uni-President Development Corporation, Tait MARKETING &amp; Distribution Co., Ltd., Wei Lih Food Industrial Co., Ltd., Howard Beach Resort Kenting Co., Ltd., Prince Apartment Management Maintain Corp, Ltd., Top Power Investment Limites, President Chain Store (BVI) Holdings Ltd., President Chain Store (Labuan Island) Holdings Ltd., Cayman President Holdings Ltd., Kai Yu(BVI) Investment Co., Ltd, President Packaging Holdings Ltd., Uni-President Southeast Asia Holdings Ltd., President Energy Development(Cayman Islands) Ltd., Uni-President Asia Holdings Ltd., Uni-President Assets Holdings Ltd., Uni-President Hong Kong Holdings Ltd., Huang Ming Capital Ltd., Huang Ming Management Consulting (Shanghai) Co., Ltd., Guiyang President Enterprises Co., Ltd., Shanghai President Enterprises Co., Ltd., Taizhou President Enterprises Co., Ltd., Fuzhou President Enterprises Co., Ltd., Hefei President Enterprises Co., Ltd., Ningxia President Enterprises Co., Ltd., Xuzhou President Enterprises Co., Ltd., Hangzhou President Enterprises Co., Ltd., Jinan President Enterprises Co., Ltd., Guangzhou President Enterprises Co., Ltd., Hainan President Enterprises Co., Ltd., Nanchang President Enterprises Co., Ltd., Nanning President Enterprises Co., Ltd., Zanjiaing President Enterprises Co., Ltd., Changsha President Enterprises Co., Ltd., Zhenzhou President Enterprises Co., Ltd., Chongqing President Enterprises Co., Ltd., Jiangsu President Enterprises Co., Ltd., Hunan President Enterprises Co., Ltd., Tianjiang President Enterprises Food Co., Ltd., Shanxi President Enterprises Co., Ltd., Shenyang President Enterprises Co., Ltd., Changchun President Enterprises Co., Ltd., Shaanxi President Enterprises Co., Ltd., Henan President Enterprises Co., Ltd., Baiyin President Enterprises Co., Ltd., Akesu President Enterprises</p>

	<p>Co., Ltd., Shijiazhuang President Enterprises Co., Ltd., Harbin President Enterprises Co., Ltd., Inner Mongolia President Enterprises Co., Ltd., Xinjiang President Enterprises Food Co., Ltd., Wuhan President Enterprises Food Co., Ltd., Chengdu President Enterprises Food Co., Ltd., Kunming President Enterprises Food Co., Ltd., Kunshan President Enterprises Food Co., Ltd., Bama President Mineral Water Co., Ltd., Wuyuan President Mineral Water Co., Ltd., Wuxue President Mineral Water Co., Ltd., Changbaishan Mountain President Enterprises (Jilin) Mineral Water Co., Ltd., President (Kunshan) Trading Co., Ltd., President (Hubei) Trading Co., Ltd., President (Shanghai) Trading Co., Ltd., Uni-President (Kunshan) Food Technology Limited, Beijing Uni-President Beverage Limited., Shanghai Uni-President Beverage Limited, Hutubi Uni-President Tomato Product Technology Limited, Yan-Tai Tong Li Beverage Industrial Limited, Uni-President Shanghai Pearly Century Co.</p> <p>General Manager: Presco Netmarketing, Inc.</p>
<p>Uni-President Enterprises Corporation Representative: Wu, Liang-Feng</p>	<p>Chairman of Board: Tung Lo Development Co., Ltd., Master Channels Corporation, Tianjiang President Enterprises Food Co., Ltd., Qingdao President Feed and Livestock Co., Ltd., Zhongshan President Enterprises Co., Ltd.</p> <p>Director: ZhongjiaGang President Nisshin Food Co., Ltd., President Chain Store Corporation, and President Nisshin Corp.</p> <p>President: Tung Lo Development Co., Ltd., ZhongjiaGang President Nisshin Food Co., Ltd.</p>
<p>Tai Hwa Oil Industrial Co., Ltd. Representative: Chen, Yi-Tu</p>	<p>Chairman of Board: Tai Hwa Oil Industrial Co., Ltd., President International Trade &amp; Investment Corp.</p>
<p>Great Wall Co., Ltd.; Representative: Han, Chia-Yu</p>	<p>Chairman of Board: Great Wall Enterprise Co., Ltd., Chu Fu Investment Co., Ltd., Yellow River Investment Limited, Saboten Co., Ltd., Gino Pasco, Great Wall Feedtech Co., Ltd., Total Nutrition Technologies Co., Ltd., Kouchan Mill Co., Ltd., City Chain Food Ltd., Honolulu Chain Food &amp; Beverage Co., Ltd., Oriental Best Foods Co., Ltd., Wonder Vax Company Limited., San Ming Investment Co., Ltd.</p> <p>Director: An-Hsin-Chao-Chu Corporation, Wi Harper Global Venture Capital Corporate, De-Jia Investment Co., Ltd.</p>
<p>Independent Director: Yu, Chung-Ying</p>	<p>Director: Hwa-Shong Construction Group, Hwa-Zong Construction Co., Ltd.</p>

# **TTET Union Corporation**

## **Articles of Incorporation**

### **Chapter One: General Principles**

Article 1: The Company has been incorporated pursuant to the Company Act. The Chinese name is 大統益股份有限公司, and the English name is TTET Union Corporation.

Article 2: The business operated by the Company are the followings:

- (I) Manufacturing, processing, sales and import and export business for various animal/vegetable oils.
- (II) Manufacturing/processing and sales business for bean flour (soybean slice), featured soybean, beverage (including packaged drinking water and mineral water), flour, noodles, wheaten food product, formula feed, complementary feed, corn flour, and their by-products.
- (III) Import, processing, sales business for amylum, avena sativa, oatmeal, fructose, red bean, mung bean, rice, corn, soya, barley and wheat.
- (IV) Distribution, quotation and bid business for agency of products mentioned above of domestic and foreign vendors.
- (V) Warehousing business for grains and businesses related to the items mentioned above.
- (VI) Business of operating co-generation plant.
- (VII) C102010 Dairy Products Manufacturing
- (VIII) C109010 Seasoning Manufacturing
- (IX) C201010 Prepared Animal Feeds Manufacturing
- (X) C108010 Sugar Manufacturing
- (XI) F101020 Wholesale of Vegetables
- (XII) F101030 Wholesale of Fruits.
- (XIII) F101040 Wholesale of Animal Husbandry
- (XIV) F101050 Wholesale of Aquatic Products
- (XV) F102010 Wholesale of Frozen Prepared Foods
- (XVI) F102020 Wholesale of Edible Oil
- (XVII) F102030 Wholesale of Tobacco Products and Alcoholic Beverages
- (XVIII) F102050 Wholesale of Tea
- (XIX) F102060 Wholesale of Dairy Products
- (XX) F102070 Wholesale of Canned Food
- (XXI) F102080 Wholesale of Dehydrated Food
- (XXII) F102090 Wholesale of Preserved Food
- (XXIII) F102100 Wholesale of Sugar Confectionery
- (XXIV) F102110 Wholesale of Bakery Product
- (XXV) F102120 Wholesale of Granulated Sugar
- (XXVI) F102130 Wholesale of Seasoning
- (XXVII) F102140 Wholesale of Noodle
- (XXVIII) F103010 Wholesale of Animal Feeds

(XXIX) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: The headquarters of the Company is set in Tainan City; branches may be established on- and offshore via the resolutions of the Board of Directors.

Article 4: The announcements of the Company conform to the Company Act and related laws and regulations.

### Chapter Two Shares

Article 5: The capital of the Company is amounted as One Billion Seven Hundred Seventy-Eight Million New Taiwan Dollars, and divided as One Hundred Seventy-Eight Thousand shares, with face value Ten New Taiwan Dollars per share. The Board is authorized to issue the share in different batches.

Article 6: The shares of the company are registered shares; the shares are to be issued after signed or stamped by one or more directors representing the Company and certified pursuant to laws. The issued registered shares may be exempted from printing.

Article 7: All shareholders shall prepare the seal card to be deposited with the Company. When claiming dividends, bonus, or any written correspondence with the Company, the seal card shall be referred to.

Article 8: When transferring shares, the transferor and the transferee shall fill in the share transfer form, and seal/sign at the back of the shares. The transferee shall bring the shares to the Company for verification and registration to the shareholder register, before the transfer becomes valid. The transfer resulted from heritage; the supporting evidence shall be provided.

Article 9: Should there be any losses of or damage to the shares, it shall be handled pursuant to the "Regulations Governing the Administration of Shareholder Services of Public Companies" issued by the competent authorities.

Article 10: Deleted.

Article 11: The rename and transfer of shares are suspended within 60 days prior to the convening date of a regular shareholders' meeting, within 30 days prior to the convening date of a special shareholders' meeting or within 5 days prior to the target date fixed by the issuing company for distribution of dividends, bonus or other benefits.

### Chapter Three Shareholders Meeting

Article 12: There are two types of shareholders meeting: regular meeting of shareholders, which are convened once every year by the board of directors, within six months after close of each fiscal year. Special meeting of shareholders: to be held when necessary pursuant to laws.

Article 13: Shareholders who cannot attend the shareholders' meeting in person for certain reasons may have a representative attending the meeting instead with the scope of authorization stated in the signed or sealed proxy that is prepared by the Company, or may attend the meeting in an electronic form. The delegation of attendance by the Company's shareholder, shall be handled pursuant to the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies."

Article 14: Each stock share held by the Company's shareholders is entitled to one voting right,

except for in any of the circumstances stated in Article 179 of the Company Act. The votes can be cast in writing or electronically.

Article 15: For resolutions of the shareholders' meetings, unless specified in the Company Act and the Articles of Incorporation otherwise, the passage is determined by the favorable votes from the majority of the attending shareholders' voting rights.

Article 16: Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all shareholders of the company within 20 days after the close of the meeting. The distribution of the minutes of shareholders' meeting may be effected by means of a public notice. The minutes of shareholders' meeting shall record the date and place of the meeting, the name of the chairman, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. The minutes shall be kept persistently throughout the life of the company.

#### Chapter Four Directors and Supervisors

Article 17: The Company shall designate a set of five to eleven directors (three independent directors included); the number of the directors are authorized to the board of directors to decide. The supervisors are three, and the term is three years for each of them. They may be re-elected.

The candidate nomination system is applied to the directors and supervisors. The shareholders meeting shall elect them from the candidate list with the cumulative voting system specified in Article 198 of the Company Act. However, the total registered shares held by the directors and supervisors shall not be less than a certain percentage of the total issued shares of the Company; such requirement shall follow the orders of the competent authorities.

For the professional qualifications, shareholdings, restriction of concurrence, recognition of independence, means of nomination and election, authority execution, and other matters to be complied with related to the independent directors, the related laws and regulations shall be followed.

The independent directors and general directors shall be elected at the same time but counted separately for their seats.

When the number of vacancies in the board of directors of a company equals to one third of the total number of directors, the board of directors shall call, within 60 days, a special meeting of shareholders to elect succeeding directors to fill the vacancies. The terms are to fulfill the terms of the replaced directors. In case any director is unable to attend the board's meeting, he/she may appoint another director to attend a meeting of the board of directors in his/her behalf with a proxy. A director may accept the appointment to act as the proxy referred to in the preceding Paragraph of one other director only.

Article 17-1: The Company may establish the Audit Committee pursuant to Article 14-4 and Article 181-2. On the day of the Audit Committee's establishment, the supervisors will be abolished. All the supervisor's authorities set out in the Company Act and Securities and Exchange Act, will be carried out by the Audit Committee.

The Audit Committee shall consist of all independent directors, with minimum three members. One of them is the convener, and at least of them must have the expertise in accounting or finance.

The charters of the Audit Committee will be established by the board of directors separately.

Article 18: The board of directors is organized by the directors. The chairperson shall be elected among the directors with two third of directors' attendance and consents from the majority of the attending directors.

Article 19: When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the chairperson shall appoint a delegation to act as chair, or, where the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair.

Article 20: For the operating guidelines and other material matters, the board of directors is entitled to resolve the executions other than the matters required to be resolved by the shareholders' meetings pursuant to laws and regulations.

Article 21: The authorities of the board of directors are as the follows:

1. Review and discussion of the decisions made in the business plans.
2. Review and discussion of the key articles and agreements.
3. Establishment and dissolution of branches.
4. Review and discussion of budgets and settlements.
5. Assignment and Discharge of Managers.
6. Other authorities set out by laws and regulations, or conferred by shareholders' meetings.

Article 22: Unless the Company Act specifies otherwise, the resolution of the boards shall be deemed passed with majority of directors' attendance and the consents from the majority of the attending directors.

Article 23: The authorities of the supervisors are as the follows:

1. Investigate the Company's financial positions.
2. Audit the Company's documents and books.
3. Inquire about the Company's business status.
4. Attend the meeting of the board of directors to express their opinions without voting rights.
5. Execute other authorities conferred by the Company Act.

Article 24: The remunerations of the directors and supervisors are authorized to the board of director to decide by referring to the peers' standards.

Article 24-1: The Company may obtain the liability insurance for the directors, supervisors, and officials during their terms.

#### Chapter Five Managerial Personnel

Article 25: The Company may have managerial personnel, whose appointment and discharge and the remuneration shall follow Article 29 of the Company Act.

#### Chapter Six Accounting

Article 26: The fiscal year of the Company is from January 1 to December 31 of a year.

Article 27: Before the end of each financial year, the Board shall prepare the following documents, to be submitted for the review of the Supervisors 30 days before the General Shareholders' Meeting; pursuant to mandatory procedures, such documents shall be submitted to the General Shareholders' Meeting for acknowledgment.

1. Business reports
2. Financial statements
3. Proposals of profit allocation or deficit-offsetting provision.

Article 28: In cases of profits for the year, the Company shall set aside no less than 2% to be the remunerations for employees and no more than 2% to be those for board directors and supervisors. If there are accumulated losses, however, the value to make up for the losses should be set aside first.

Profits for the year indicated in the preceding paragraph refer to the interest before employee remunerations and remunerations for directors and supervisors are subtracted from the before-tax interest of the year.

Employee remunerations may be distributed to also employees of subordinate companies meeting certain criteria.

Article 29: In the event that the annual audit renders earnings, the Company shall pay the business income tax according to law and offset losses from previous years and set aside 10% to be the legal reserve in case of surplus, unless the legal reserve reaches the total capital amount. In addition, after the special reserve is set aside or reversed as required by law, it becomes the disposable value for the current term, which, plus the undistributed earnings from the previous year, becomes the total distributable earnings. The Board of Directors is to stipulate the earnings distribution proposal reflective of future operating or re-investment needs and bring it forth in the shareholders' meeting for acknowledgment prior to distribution. Shareholders' bonus, however, shall account for 50% to 100% of the total earnings available for distribution. The industry the Company is in is changing; it is at the steady growth phase of its life cycle. The dividends policy takes into account budget expenditure from the Company's capital in the future and the demand for capital in the future and weighs the necessity of supporting the capital demand with earnings. Cash dividends are prioritized. For the others, stock dividends are assigned. The ratio of stock dividends is limited at 50% of all dividends assigned for the year.

Article 30: The Company may provide external guarantee to meet the business needs. The Company may reinvest in other business to meet the business needs, and may not be restricted for not exceeding 40% of the amount of its own paid-up capital, specified in Article 13 of the Company Act.

#### Chapter Seven By-laws

Article 31: For any matter is not set out in the Article of Incorporation, the Company Act and other related laws and regulations shall apply.

Article 32: The Articles of Incorporation were enacted on April 23, 1982.

The 1st amendment was made on June 30, 1983.

The 2nd amendment was made on April 6, 1984.

The 3rd amendment was made on June 20, 1984.

The 4th amendment was made on February 15, 1985.

The 5th amendment was made on June 29, 1985.

The 6th amendment was made on June 28, 1986.

The 7th amendment was made on November 9, 1987.

The 8th amendment was made on June 29, 1989.

The 9th amendment was made on April 27, 1990.

The 10th amendment was made on June 15, 1990.

The 11th amendment was made on June 22, 1991.

The 12th amendment was made on April 15, 1992.

The 13th amendment was made on May 8, 1993.

The 14th amendment was made on June 29, 1994.

The 15th amendment was made on May 26, 1995.

The 16th amendment was made on June 10, 1996.

The 17th amendment was made on June 21, 1997.

The 18th amendment was made on June 27, 1998.

The 19th amendment was made on June 25, 1999.

The 20th amendment was made on June 22, 2000.

The 21st amendment was made on June 14, 2002.

The 22nd amendment was made on June 20, 2003.

The 23rd amendment was made on June 9, 2006.

The 24th amendment was made on June 21, 2007.

The 25th amendment was made on June 17, 2008.

The 26th amendment was made on June 11, 2010.

The 27th amendment was made on June 10, 2011.

The 28th amendment was made on June 6, 2012.

The 29th amendment was made on June 11, 2014. The requirements with regards to independent directors in Paragraph 1, Article 17 started to be applied since the election of the directors of the 13rd round.

The 30th amendment was made on June 14, 2016.

The 31st amendment was made on June 14, 2017.

The 32nd amendment was made in June 11, 2019.

TTET Union Corporation

Representative: Lo, Chih-Hsien

## Rules of Procedure for Shareholders' Meetings, TTET Union Corporation

- I. The Company's shareholders' meetings shall follow the rules.
- II. The shareholder referred in the rules means the shareholders and their proxies.
- III. The Company shall identify the time and venue for acceptance of shareholders' check-in and other requirements to be noted in the shareholders' meeting notice. The time for acceptance of shareholders' check-in referred to in the preceding paragraph shall be 30 minutes prior to when the meeting started. There shall be clear signs at the venue with adequate staff assigned to handle the process. Shareholders shall attend the meeting with the attendance certificate, attendance registry card or other documents presented. The proxy solicitors shall have their identity documents ready for verification. The shareholdings of the attending shareholders include the shares represented by the attendance cards collected and the voting rights in writing or by electronic system.
- IV. Attendance at shareholders' meetings shall be calculated based on numbers of shares.
- V. The venue for a shareholders' meeting shall be the premises of this Corporation or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.
- VI. Unless laws and regulations require otherwise, a shareholders' meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the chairperson shall appoint a delegation to act as chair or where the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair. If a shareholders' meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves. If the chair declares the shareholders' meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

- VII. The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting. Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.
- VIII. The Company shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting and the voting and vote counting procedures.
- The recorded materials of the preceding paragraph shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.
- IX. The chair shall call the meeting to order when the attending shareholders represent a majority of the total number of issued shares. If the meeting time is overdue without meeting quorum, the chair may announce a postponement. However, if the quorum is not met after two postponements, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be passed by a majority of those present.
- After the tentative resolution referred in the preceding paragraph, if the shares represented by the attending shareholders meet the quorum, the chair may propose the shareholders' meeting ratify such tentative resolution.
- X. 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.
- The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders meeting convened by other party to convene that is not the board of directors. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extempore motions), except by a resolution of the shareholders' meeting.
- If the meeting is adjourned through a resolution, the shareholders may not select another chair or hold the meeting in other place.
- XI. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.
- A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken

content shall prevail.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

- XII. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.
- XIII. If a juristic person is trusted to attend a shareholders' meeting, the juristic person shall only appoint one representative to attend. When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.
- XIV. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.
- XV. Regarding the discussion of proposals, when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote. For these proposals called for a vote by the chair, several proposals may be cast at the same time but voted separately.
- XVI. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. Vote counting for shareholders' meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.
- The election of directors or supervisors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors and the numbers of votes with which they were elected.
- XVII. When a meeting is in progress, the chair may announce a break based on time considerations.
- For the votes to proposals, unless specified in the Company Act and the Articles of Incorporation otherwise, the passage is determined by the favorable votes from the majority of the attending shareholders' voting rights. In case any shareholder is unable to attend the shareholders' meeting for a reason, such shareholders may appoint a proxy to attend the meeting by providing the proxy

form issued by the Company, pursuant to the Company Act and the “Regulations Governing the Use of Proxies for Attendance at the Shareholders’ Meetings of Public Companies” issued by the competent authorities. With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3% of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation. The proxy form referred in the preceding paragraph shall be delivered to the Company before five days prior to the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

- XVIII. When voting, if there is no dissent after the chair inquires, it is deemed a passage, with the same effective as casting ballots.
- XIX. When there is an amendment or an alternative to a proposal, the chair shall decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
- XX. The chairperson may instruct the monitors (or security guards) to assist in maintaining the order at the meeting venue.
- XXI. For any matter is not specified in the Rules, the Company Act, the Articles of Incorporation, and other related laws and regulations shall apply.
- XXII. These Rules, and any amendments hereto, shall be implemented after adoption by shareholders’ meetings.

Shareholdings of Directors and Supervisors Statement:

- I. Pursuant to Paragraph 2, Article 26 of the Securities and Exchange Act, and Paragraph 3, Article 2 of the “ Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies,” the minimum mandatory shareholdings of all directors of the Company shall be 9,598,494 shares, and 959,849 shares for the supervisors.
- II. As of the date of suspending transferring, the detailed shareholdings of the directors and supervisors recorded in the shareholders’ register are as the following:

April 11, 2020

Title	Name	Date of Elected	Term of Office	Shareholdings on election		Current shareholdings		Remarks
				Number of shares	Percentage of shares held (%)	Number of shares	Percentage of shares held (%)	
Chairman	Lo, Chih-Hsien	2018.6.13	3 years	61,594,201	38.50	61,594,201	38.50	Representative of Uni-President Enterprises Corporation.
Director	Wu, Liang-Feng	2018.6.13	3 years					
Director	Chen, Yi-Tu	2018.6.13	3 years	31,186,706	19.49	31,186,706	19.49	Representative of Tai Hwa Oil Industrial Co., Ltd.
Director	Han, Chia-Yu	2018.6.13	3 years	15,416,960	9.64	15,416,960	9.64	Representative of Great Wall Enterprise Co., Ltd.;
Director	Huang, Yi-Shen	2018.6.13	3 years	410,054	0.26	410,054	0.26	
Independent Director	Huang, Pei-Wen	2018.6.13	3 years	-	-	-	-	
Independent Director	Yu, Chung-Ying	2018.6.13	3 years	-	-	-	-	
Independent Director	Hsia, Liang-Chou	2018.6.13	3 years	-	-	-	-	
Subtotal				108,607,921		108,607,921		
Supervisor	Lee, Ching-Tyan	2018.6.13	3 years	-	-	-	-	
Supervisor	Chang, Li-Hsun	2018.6.13	3 years	4,000	-	4,000	-	
Supervisor	Chen, Yi-Tsunz	2018.6.13	3 years	55,131	0.03	55,131	0.03	
Subtotal				59,131		59,131		