

**Stock Code : 1215**



**CHAROEN POKPHAND ENTERPRISE (TAIWAN)  
CO., LTD.**

**2022 Annual General Shareholders' Meeting**

**Meeting Handbook**

**June 23, 2022**

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# **CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD.**

## **2022 Annual General Shareholders' Meeting**

### **Agenda**

- I. Means of Meeting Convention : Physical shareholders meeting.
- II. Time : 10:00 a.m., Thursday, June 23, 2022
- III. Location : Conference Room at Nantou plant of the Company  
No. 17, Gongye E. Rd., Nangang Industrial Park, Nantou City, Nantou County,  
Taiwan
- IV. Meeting Procedures
  1. Call the Meeting to Order
  2. Chairman Takes Chair
  3. Chairman Remarks
  4. Management Reports
    - (1) 2021 Business Report.
    - (2) Audit Committee's Review Report on the 2021 Financial Statements and Records.
    - (3) Report of Distribution of 2021 Employees' Compensation.
    - (4) Report of Distribution of 2021 Cash Dividends.
  5. Proposals
    - (1) Adoption of the 2021 Business Report and Financial Statements.
    - (2) Adoption of the Proposal for 2021 Distribution of Surplus Earnings.
  6. Discussion
    - (1) 2021 new common share issuance through the increase of capital by capitalization of retained earnings.
    - (2) Amendment to the "Articles of Incorporation".
    - (3) Amendment to the "Procedures for the Acquisition and Disposal of Assets".
  7. Election  
By-election for one independent director.
  8. Questions and Motions
  9. Meeting Adjournment

## Management Reports

1. 2021 Business Report (Please refer to page 8, Attachment 1)
2. Audit Committee's Review Report on the 2021 Financial Statements and Records (Please refer to page 9, Attachment 2)
3. Report of Distribution of 2021 Employees' Compensation
  - (1) In accordance with Article 29-1 of the Company's Articles of Incorporation, employees' compensation shall be distributed at least 1% of profits of the current year.
  - (2) The 2021 employees' compensation is NT\$17,157,760 which was approved by the meeting of the Board of Directors on Mar. 28, 2022, and totally distributed in cash.
4. Report of Distribution of 2021 Cash Dividends
  - (1) In accordance with Article 29 of the Company's Articles of Incorporation, when the distributable dividends is paid in cash, the proposal shall be resolved by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors of the Company, and reported to the Annual General Shareholders' Meeting.
  - (2) The 2021 Cash Dividends is at NT\$ 3 per share, amounting to NT\$ 803,972,994 in total which was resolved by the meeting of the Board of Directors on May 9, 2022. The cash dividend distribution will be rounded down to the nearest NT dollar and the sum of the cash dividend with a value less than NT\$1 will be recognized as the Company's other income.
  - (3) The Proposal has been resolved by the Board of Directors and authorized the Chairman to set up the ex-dividend record date and payment date for the shareholders' cash dividend. If the proposed dividend distribution rate is affected by the number of outstanding shares due to the buyback of shares or other reasons, the Chairman is authorized to adjust the changes.

## Proposals

### Item 1

Proposed by the Board

**Proposal:** Adoption of the 2021 Business Report and Financial Statements.

#### **Explanation :**

1. CPE's 2021 Financial Statements, including the Balance Sheets, Statements of Comprehensive Income, Statements of Changes in Equity, and Statements of Cash Flows, were audited by independent auditors. Such Financial Statements together with Business Report had been resolved by the Board of Directors and reviewed by the Audit Committee.
2. The aforementioned report and statements are attached hereto as page 8~28, Attachments 1, 3 and 4. Please ratify.

#### **Resolution :**

### Item 2

Proposed by the Board

**Proposal:** Adoption of the Proposal for 2021 Distribution of Surplus Earnings.

#### **Explanation :**

Table of 2021 Distribution of Surplus Earnings was prepared in accordance with Article 29 of the Company's Articles of Incorporation, and had been resolved by the Board of Directors and reviewed by the Audit Committee. The aforementioned Table is attached hereto as page 29, Attachments 5. Please ratify.

#### **Resolution :**

## Discussion

### Item 1

Proposed by the Board

**Proposal:** 2021 new common share issuance through the increase of capital by capitalization of retained earnings. Please proceed to resolve.

### Explanation :

1. For considering the needs of future business development, the Company proposed to allocate NT\$267,991,000 from distributable surplus earnings to issue stock dividends of 26,799,100 shares through capitalization. The shares are based on the shareholding ratio of shareholders in the register of shareholders on the record date of stock distribution, 100 shares gratuitously allotted for every thousand shares.
2. If the new shares distributed to shareholders from this capital increase are less than one full share, shareholders may consolidate them by handling respective procedures at the Company's stock transfer agent, CTBC Bank-Transfer Agency, within 5 days after the record date of stock distribution. For those shares which cannot be consolidated within the specified period or still remain insufficient to one share, cash will be distributed instead (rounded to the dollar), and the Chairman shall be authorized to designate specific persons for purchase of these shares by cash at par value.
3. The shareholder rights and obligations of the newly issued shares are the same as those of original shares. After the resolution of the Annual General Shareholders' Meeting and the approval of the competent authority, the Board of Directors is authorized to set up the record date of stock distribution and conduct the distribution matters, and will make an announcement.
4. If the number of outstanding shares are affected by the buyback of shares or other reasons, and shareholders' distribution ratio is thus affected, the Board of Directors is fully authorized for handling such matter by approval of the Company's Shareholders' Meeting.
5. If the plan of this new common share issuance through the increase of capital by capitalization of retained earnings needs to be revised due to the law and regulations or requirements of the competent authorities, the Board of Directors is fully authorized for conducting such matter by approval of the Company's Annual General Shareholders' Meeting.

### Resolution :

**Item 2**

Proposed by the Board

**Proposal:** Amendment to the “Articles of Incorporation”. Please proceed to resolve.**Explanation :**

In order to conform to the amendments of Article 172-2 of the “Company Act” promulgated per Presidential Order No. Hua-Zong-I-Jing-11000115851 on December 29, 2021, and the demand of the Company’s operational practice, the Company hereby proposes to amend the Articles of Incorporation. Please refer to page 30~31, Attachment 6, the Comparison Table for the Articles of Incorporation.

**Resolution :****Item 3**

Proposed by the Board

**Proposal:** Amendment to the “Procedures for the Acquisition and Disposal of Assets”. Please proceed to resolve.**Explanation :**

In order to conform to the amendments to the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” promulgated per Order No. Financial-Supervisory-Securities-Corporate-1110380465 of the Financial Supervisory Commission on January 28, 2022, and the demand of the Company’s operational practice, the Company hereby proposes to amend the Procedures for the Acquisition and Disposal of Assets. Please refer to page 32~41, Attachment 7, the Comparison Table for the Procedures for the Acquisition and Disposal of Assets.

**Resolution :**

## Election

### Item 1

Proposed by the Board

**Proposal:** By-election for one independent director.

#### **Explanation :**

1. The independent director of the Company, Mr. Shui-Yung Lin, resigned the position of independent director due to his personal reason, effective from March 29, 2022. In accordance with the Article 18 of the Company's Articles of Incorporation, the independent directors shall not be less than three in number. A by-election for one independent director shall be held at the Annual General Shareholders' Meeting of this year.
2. The term of the new-elected independent director shall commence from the date of by-election at the 2022 Annual General Shareholders' Meeting and expire on the same date as the term of the current directors (from June 23, 2022 to July 21, 2024).
3. The directors of the Company shall be elected by adopting candidate nomination system; and the shareholders shall elect the directors from among the nominees listed in the roster of director candidates. The education, experience and relevant information of the by-election for one independent director are listed below:

Independent Director Candidate				
Name	Education	Experience	Present Position	Shareholding
Jin-Shong Yang	Master, East Texas State University, USA	1. Chief Compliance Officer of the Export-Import Bank of the Republic of China. 2. Vice President of the Export-Import Bank of the Republic of China.	None	0 share

#### **Voting Results :**



## **Questions and Motions**

## **Meeting Adjournment**

## Attachment 1

# CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD.

## 2021 Business Report

### 1. Operating Principles

For a long time, we have been dedicated to the agriculture, livestock, and food core business. We aggressively established a business model to integrate upper, middle, and lower stream of the industry, including feed manufacturing, livestock breeding, electric slaughtering, fresh frozen meat, meat processing food, egg products, etc. In addition, implementing our marketing strategies of brands enhancement, intensive physical e-commerce channels, procurement and R&D strategies, and also the most rigorous quality control operation, we insist on a fully control of quality and completed traceability from raw material supply chain management, processing, warehousing to products delivering in order to ensure the food safety. Our consistent business philosophy is to provide consumers with high-quality meat which is safe, hygienic, convenient, healthy, and highly qualified with reasonable price.

### 2. Implementation Overview

In 2021, the Company has shown progress on various business indicators compared to the previous years, including production and marketing cost control, breeding management, livestock breeding rates, breeder egg production rates, brand management, physical marketing channels, e-commerce channel development, etc. Under the impact of the Covid-19 epidemic, thanks to the efforts of the all colleagues, the Company still had an operating performance of EPS NT\$ 5.06.

### 3. Operating Performance

According to the Company's 2021 Parent Company Only Financial Statements, the operating revenue was NT\$23,272,864 thousands, the operating profit was NT\$1,676,468 thousands, the profit before income tax was NT\$1,698,363 thousands, and the earnings per share before income tax was NT\$6.34.

### 4. Budget Implementation

In accordance with the "Regulations Governing the Publication of Financial Forecast of Public Companies", the Company does not have to prepare financial forecasts to the public in 2021. However, the overall business performance is generally in line with the company's internal operating plan.

### 5. Profitability Analysis (Based on the Company's 2021 Parent Company Only Financial Statements)

Return on total assets	7.32%
Return on owners' Equity	16.50%
Ratio of profit before income tax to paid-in capital	63.37%
Profit margin	5.83%
Earnings Per Share	NT\$ 5.06

### 6. Research and Development

- (1) Develop a variety of Chinese-style, exotic, and egg cuisines, such as Chicken soup with garlic, Braised pork shank, Thai basil chili pork, Soft boiled egg with yellow wine, Japanese-style omelette, etc., for consumers to enjoy delicious meal anytime anywhere in a more convenient and simple way.
- (2) Targeting the needs and trends for high-protein diets, further develop more flavored chicken breast salad products, such as French herb and original flavor, and expand the sales market shares of each channel.

Chairman: Wu Yeh, Cheng

CEO: Thong Chotirat

Chief Accountant: Su Hua Lee

## **Attachment 2**

### **CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD.**

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

The Board of Directors has submitted the Company's Business Report, Financial Statements and Proposal for Distribution of Surplus Earnings for the year 2021 to Audit Committee. The CPA firm of PricewaterhouseCoopers, Taiwan had audited the Financial Statements and issued the Audit Report. The aforementioned Business Report, Financial Statements and Proposal for Distribution of Surplus Earnings had been reviewed by the Audit Committee and deemed that it is complied with the Company Act, related laws and regulations. In accordance with the Article 14-4 of the Securities and Exchange Act and the Article 219 of the Company Act, we hereby submit the report.

To:

The 2022 Annual General Shareholders' Meeting of the Company

CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD.

Convener of Audit Committee: Li, Yen Sung

Date: May 9, 2022

## Attachment 3

### INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of Charoen Pokphand Enterprise (Taiwan) Co., Ltd.

#### *Opinion*

We have audited the accompanying parent company only balance sheets of Charoen Pokphand Enterprise (Taiwan) Co., Ltd. (the "Company") as at December 31, 2021 and 2020, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021 and 2020, 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. Our responsibilities under those standards are further described in the Auditors' 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 Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 judgement, were of most significance in our audit of the Company's 2021 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2021 parent company only financial statements are stated as follows:

#### **Evaluation of net realisable value of inventories**

##### Description

Refer to Note 4(12) for accounting policies adopted for the valuation of inventories, Note 5(2) for uncertainty of accounting estimates and assumptions of valuation of inventories, and Note 6(4) for details of inventories. As at December 31, 2021, the carrying amount of inventories and allowance for inventory valuation losses amounted to NT\$1,728,997 thousand and NT\$6,120 thousand, respectively.

The main activities of the Company are the manufacturing and sales of animal feeds, fresh and processed meat products. As the market prices are affected by changes in macro-economic environment, there is a higher risk of inventory valuation losses. In addition, the evaluation of net realisable value of inventories is subject to management's judgement, and considering that feeds, fresh and processed meat products comprise most of the Company's inventories which is significant to the financial statements, the evaluation of net realisable value of inventories was identified as a key audit matter.

##### How our audit addressed the matter

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

1. Based on our understanding of the Company's operations and related industry, assessed the reasonableness of related policies and procedures applied to the net realisable value of inventories and ascertained the consistent application.
2. Obtained statements of net realisable value of inventories as at balance sheet date, validated source data of merchandise prices and recalculated the provision for inventory valuation losses in order to confirm consistent application of respective procedures and policies.

## Measurement of biological assets

### Description

Refer to Note 4(14) for accounting policies adopted for biological assets, Note 5(2) for uncertainty of accounting estimates and assumptions in measuring fair value of biological assets, and Note 6(6) for details of biological assets. As at December 31, 2021, the carrying amount of biological assets amounted to NT\$1,919,539 thousand.

The Company's biological assets is mainly comprised of broiler chicken, breeder chicken, fattening swine and breeder swine, etc. Except when the fair value cannot be reliably measured, biological assets should be measured at fair value less costs to sell on initial recognition and at the end of each reporting period. As the market prices of fresh, processed meat, livestock and poultry are affected by animal epidemic and market demand in Taiwan, biological assets with active market prices have a higher risk of fluctuations in fair value. Since the amount of biological assets is significant to the financial statements and the methods adopted in measuring each category of biological assets, market prices applied and items accounted for as costs to sell are all subject to management's judgement and with high uncertainty, the measurement of biological assets was identified as a key audit matter.

### How our audit addressed the matter

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

1. Based on our understanding of the Company's operations and related industry, assessed the reasonableness of related policies and procedures applied in measuring biological assets, and ascertained the consistent application.
2. As at the balance sheet date, ascertained that all the active market prices information are available and reliable for biological assets measured at fair value less costs to sell. Also, validated source data of active market prices and the reasonableness of the major components of costs to sell.

### ***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 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 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 Audit Committee, are responsible for overseeing the Company's financial reporting process.

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

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

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

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

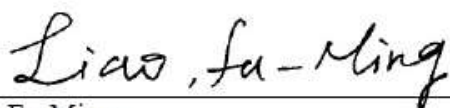
appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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

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

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

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



Liao, Fu-Ming



Lin, Yi-Fan

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 28, 2022

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

CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2021 AND 2020  
(Expressed in thousands of New Taiwan dollars)

Assets	December 31, 2021		December 31, 2020	
	AMOUNT	%	AMOUNT	%
<b>Current assets</b>				
Cash and cash equivalents	\$ 126,478	1	\$ 61,011	-
Notes receivable, net	394,952	2	264,934	2
Notes receivable - related parties	3,951	-	-	-
Accounts receivable, net	2,104,778	10	1,700,313	10
Accounts receivable - related parties	112,548	1	29,548	-
Other receivables	17,775	-	12,081	-
Other receivables - related parties	64	-	-	-
Current income tax assets	6,284	-	-	-
Inventories, net	1,722,877	8	1,185,187	7
Biological assets - current	1,474,698	7	1,285,888	7
Prepayments	392,699	2	415,452	2
Other current assets	9,650	-	47,934	-
<b>Total Current Assets</b>	<b>6,366,754</b>	<b>31</b>	<b>5,002,348</b>	<b>28</b>
<b>Non-current assets</b>				
Non-current financial assets at fair value through other comprehensive income	941,589	4	-	-
Investments accounted for using equity method	2,307,812	11	2,662,155	15
Property, plant and equipment, net	10,267,826	49	9,237,343	52
Right-of-use assets	339,095	2	316,989	2
Intangible assets	3,476	-	171	-
Biological assets - non-current	444,841	2	399,113	2
Deferred income tax assets	58,711	-	52,208	-
Other non-current assets	107,799	1	99,431	1
<b>Total non-current assets</b>	<b>14,471,149</b>	<b>69</b>	<b>12,767,410</b>	<b>72</b>
<b>Total assets</b>	<b>\$ 20,837,903</b>	<b>100</b>	<b>\$ 17,769,758</b>	<b>100</b>

(Continued)

**CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD.**  
**PARENT COMPANY ONLY BALANCE SHEETS**  
**DECEMBER 31, 2021 AND 2020**  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	December 31, 2021		December 31, 2020	
	AMOUNT	%	AMOUNT	%
<b>Current liabilities</b>				
Short-term borrowings	\$ 2,771,030	13	\$ 2,092,716	12
Short-term notes and bills payable	989,319	5	599,426	3
Notes payable	431,664	2	541,034	3
Notes payable - related parties	4,255	-	470	-
Accounts payable	775,496	4	692,047	4
Accounts payable - related parties	26,249	-	9,884	-
Other payables	734,295	3	669,376	4
Other payables - related parties	23,615	-	7,348	-
Current income tax liabilities	164,002	1	239,195	1
Current lease liabilities	24,751	-	19,730	-
Long-term liabilities, current portion	200,000	1	180,000	1
<b>Total Current Liabilities</b>	<b>6,144,676</b>	<b>29</b>	<b>5,051,226</b>	<b>28</b>
<b>Non-current liabilities</b>				
Long-term borrowings	6,130,000	29	3,970,000	22
Deferred income tax liabilities	29,036	-	18,822	-
Non-current lease liabilities	301,884	2	284,587	2
Other non-current liabilities	103,215	1	140,137	1
<b>Total non-current liabilities</b>	<b>6,564,135</b>	<b>32</b>	<b>4,413,546</b>	<b>25</b>
<b>Total Liabilities</b>	<b>12,708,811</b>	<b>61</b>	<b>9,464,772</b>	<b>53</b>
<b>Equity attributable to owners of parent</b>				
Share capital				
Common stock	2,679,910	13	2,679,910	15
Capital surplus				
Capital surplus	4,666	-	3,957	-
Retained earnings				
Legal reserve	1,044,641	5	880,252	5
Unappropriated retained earnings	3,332,757	16	3,332,669	19
Other equity interest				
Other equity interest	1,067,118	5	1,408,198	8
<b>Total equity</b>	<b>8,129,092</b>	<b>39</b>	<b>8,304,986</b>	<b>47</b>
Significant contingent liabilities and unrecognised contract commitments				
Significant events after the balance sheet date				
<b>Total liabilities and equity</b>	<b>\$ 20,837,903</b>	<b>100</b>	<b>\$ 17,769,758</b>	<b>100</b>

The accompanying notes are an integral part of these parent company only financial statements.  
Chairman: Wu Yeh, Cheng      CEO: Thong Chotirat      Chief Accountant: Su Hua Lee



CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

Items	Year ended December 31			
	2021		2020	
	AMOUNT	%	AMOUNT	%
Operating revenue	\$ 23,272,864	100	\$ 21,160,706	100
Operating costs	( 20,036,192)	( 86)	( 17,766,264)	( 84)
Net operating margin	<u>3,236,672</u>	<u>14</u>	<u>3,394,442</u>	<u>16</u>
Operating expenses				
Selling and marketing expenses	( 893,721)	( 4)	( 883,541)	( 4)
General and administrative expenses	( 652,493)	( 3)	( 584,406)	( 3)
Expected credit impairment loss	( 1,252)	-	( 4,670)	-
Total operating expenses	<u>( 1,547,466)</u>	<u>( 7)</u>	<u>( 1,472,617)</u>	<u>( 7)</u>
Other income and expense, net	( 12,738)	-	26,843	-
Operating profit	<u>1,676,468</u>	<u>7</u>	<u>1,948,668</u>	<u>9</u>
Non-operating income and expenses				
Interest income	265	-	287	-
Other income	24,036	-	8,378	-
Other gains and losses	49,590	-	78,872	-
Finance costs	( 72,523)	-	( 68,827)	-
Share of profit of associates and joint ventures accounted for using equity method	20,527	-	99,153	1
Total non-operating income and expenses	<u>21,895</u>	<u>-</u>	<u>117,863</u>	<u>1</u>
<b>Profit before income tax</b>	<u>1,698,363</u>	<u>7</u>	<u>2,066,531</u>	<u>10</u>
Income tax expense	( 342,711)	( 1)	( 409,449)	( 2)
<b>Profit for the year</b>	<u>\$ 1,355,652</u>	<u>6</u>	<u>\$ 1,657,082</u>	<u>8</u>
<b>Other comprehensive income</b>				
<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>				
Other comprehensive income, before tax, actuarial gain (loss) on defined benefit plan	\$ 18,346	-	( \$ 16,540)	-
Unrealised loss on financial assets at fair value through other comprehensive income	( 57,955)	( 1)	-	-
Share of other comprehensive loss of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	( 257,735)	( 1)	( 75,563)	-
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	7,922	-	3,308	-
Other comprehensive loss that will not be reclassified to profit or loss	<u>( 289,422)</u>	<u>( 2)</u>	<u>( 88,795)</u>	<u>-</u>
<b>Components of other comprehensive income that will be reclassified to profit or loss</b>				
Currency translation differences of foreign operations	( 36,291)	-	( 115,489)	( 1)
Other comprehensive loss that will be reclassified to profit or loss	<u>( 36,291)</u>	<u>-</u>	<u>( 115,489)</u>	<u>( 1)</u>
<b>Total other comprehensive loss for the year</b>	<u>( \$ 325,713)</u>	<u>( 2)</u>	<u>( \$ 204,284)</u>	<u>( 1)</u>
<b>Total comprehensive income for the year</b>	<u>\$ 1,029,939</u>	<u>4</u>	<u>\$ 1,452,798</u>	<u>7</u>
Earnings per share(in dollars)				
Basic earnings per share	<u>\$ 5.06</u>		<u>\$ 6.18</u>	
Diluted earnings per share	<u>\$ 5.05</u>		<u>\$ 6.17</u>	

The accompanying notes are an integral part of these parent company only financial statements.  
Chairman: Wu Yeh, Cheng      CEO: Thong Chotirat      Chief Accountant: Su Hua Lee

**CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD.**  
**PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
(Expressed in thousands of New Taiwan dollars)

	Retained Earnings				Other equity interest		Total Equity
	Share capital - common stock	Capital surplus	Legal reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	
<u>2020</u>							
Balance at January 1, 2020	\$ 2,679,910	\$ 2,137	\$ 733,781	\$ 2,907,219	( \$ 17,432 )	\$ 1,616,717	\$ 7,922,332
Profit for the year	-	-	-	1,657,082	-	-	1,657,082
Other comprehensive loss	-	-	-	( 13,197 )	( 115,489 )	( 75,598 )	( 204,284 )
Total comprehensive income (loss)	-	-	-	1,643,885	( 115,489 )	( 75,598 )	1,452,798
Appropriations of 2019 earnings							
Legal reserve	-	-	146,471	( 146,471 )	-	-	-
Cash dividends to shareholders	-	-	-	( 1,071,964 )	-	-	( 1,071,964 )
Capital surplus - dividends not received by shareholders	-	591	-	-	-	-	591
Change in ownership interests in subsidiaries	-	1,229	-	-	-	-	1,229
Balance at December 31, 2020	<u>\$ 2,679,910</u>	<u>\$ 3,957</u>	<u>\$ 880,252</u>	<u>\$ 3,332,669</u>	<u>( \$ 132,921 )</u>	<u>\$ 1,541,119</u>	<u>\$ 8,304,986</u>
<u>2021</u>							
Balance at January 1, 2021	\$ 2,679,910	\$ 3,957	\$ 880,252	\$ 3,332,669	( \$ 132,921 )	\$ 1,541,119	\$ 8,304,986
Profit for the year	-	-	-	1,355,652	-	-	1,355,652
Other comprehensive income (loss)	-	-	-	15,367	( 36,291 )	( 304,789 )	( 325,713 )
Total comprehensive income (loss)	-	-	-	1,371,019	( 36,291 )	( 304,789 )	1,029,939
Appropriations of 2020 earnings							
Legal reserve	-	-	164,389	( 164,389 )	-	-	-
Cash dividends to shareholders	-	-	-	( 1,205,959 )	-	-	( 1,205,959 )
Capital surplus - dividends not received by shareholders	-	1,161	-	-	-	-	1,161
Change in ownership interests in subsidiaries	-	( 452 )	-	( 583 )	-	-	( 1,035 )
Balance at December 31, 2021	<u>\$ 2,679,910</u>	<u>\$ 4,666</u>	<u>\$ 1,044,641</u>	<u>\$ 3,332,757</u>	<u>( \$ 169,212 )</u>	<u>\$ 1,236,330</u>	<u>\$ 8,129,092</u>

The accompanying notes are an integral part of these parent company only financial statements.  
Chairman: Wu Yeh, Cheng      CEO: Thong Chotirat      Chief Accountant: Su Hua Lee

CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(Expressed in thousands of New Taiwan dollars)

	Year ended December 31	
	2021	2020
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Profit before tax	\$ 1,698,363	\$ 2,066,531
Adjustments		
Adjustments to reconcile profit (loss)		
Expected credit impairment loss	1,252	4,670
Depreciation	692,831	638,240
Depreciation of right-of-use assets	42,259	39,481
Amortization	4,531	4,085
Interest income	( 265 )	( 287 )
Dividend income	( 14,712 )	-
Interest expense	72,523	68,827
Gain on reversal of loss on inventory market price decline	( 880 )	( 53,000 )
Change in fair value less cost to sell of biological assets	12,738	( 26,843 )
Share of profit or loss of associates and joint ventures accounted for using equity method	( 20,527 )	( 99,153 )
Loss (gain) on disposal of property, plant and equipment	3,346	( 12,535 )
Gain arising from lease modifications	-	( 2 )
Gain on financial assets at fair value through other comprehensive income	( 888 )	-
Changes in operating assets and liabilities		
Changes in operating assets		
Notes receivable	( 130,018 )	36,187
Notes receivable - related parties	( 3,951 )	-
Accounts receivable	( 405,717 )	7,488
Accounts receivable - related parties	( 83,000 )	( 3,053 )
Other receivables	( 5,694 )	( 4,945 )
Other receivables - related parties	( 64 )	-
Inventories	( 536,810 )	306,626
Biological assets	( 247,276 )	( 85,150 )
Prepayments	22,606	( 152,237 )
Changes in operating liabilities		
Notes payable	( 109,370 )	85,093
Notes payable - related parties	3,785	( 350 )
Accounts payable	83,449	50,651
Accounts payable - related parties	16,365	( 5,494 )
Other payables	43,907	( 3,303 )
Other payables - related parties	16,267	( 15,402 )
Net defined benefit liability	( 18,576 )	( 18,806 )
Cash inflow generated from operations	1,136,474	2,827,319
Cash paid for income tax	( 418,869 )	( 315,389 )
Cash received for income tax refund	6,314	-
Net cash flows from operating activities	<u>723,919</u>	<u>2,511,930</u>

(Continued)

CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(Expressed in thousands of New Taiwan dollars)

	Year ended December 31	
	2021	2020
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Acquisition of financial assets at fair value through profit or loss	( \$ 138,653 )	\$ -
Proceeds from disposal of financial assets at fair value through profit or loss	139,541	-
Acquisition of investment accounted for using the equity method	( 102,000 )	( 302,000 )
Return of capital from investments accounted for using the equity method	150,012	99,978
Decrease (increase) in other current assets	38,284	( 40,234 )
Acquisition of financial assets at fair value through other comprehensive income	( 999,544 )	-
Acquisition of property, plant and equipment	( 1,713,296 )	( 2,110,402 )
Proceeds from disposal of property, plant and equipment	6,368	15,615
Acquisition of intangible assets	( 4,017 )	( 83 )
Increase in other non-current assets	( 12,186 )	( 13,708 )
Cash receipt for interest	265	287
Cash receipt of dividends	46,509	508,353
Net cash flows used in investing activities	( 2,588,717 )	( 1,842,194 )
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
Increase in short-term borrowings	678,314	22,716
Increase (decrease) in short-term notes and bills payable	389,893	( 379,233 )
Proceeds from long-term borrowings	7,030,000	6,050,000
Payment of long-term borrowings	( 4,850,000 )	( 5,210,000 )
Cash payment for interest	( 71,096 )	( 68,390 )
Cash dividends paid to owners of parent	( 1,205,959 )	( 1,071,964 )
Payment of lease liabilities	( 42,048 )	( 38,822 )
Capital surplus - dividends not received by shareholders	1,161	591
Net cash flows from (used in) financing activities	1,930,265	( 695,102 )
Net increase (decrease) in cash and cash equivalents	65,467	( 25,366 )
Cash and cash equivalents at beginning of year	61,011	86,377
Cash and cash equivalents at end of year	\$ 126,478	\$ 61,011

The accompanying notes are an integral part of these parent company only financial statements.  
Chairman: Wu Yeh, Cheng      CEO: Thong Chotirat      Chief Accountant: Su Hua Lee

## Attachment 4

### INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of Charoen Pokphand Enterprise (Taiwan) Co., Ltd.

#### **Opinion**

We have audited the accompanying consolidated balance sheets of Charoen Pokphand Enterprise (Taiwan) Co., Ltd. and its subsidiaries (the "Group") as at December 31, 2021 and 2020, 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, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

#### **Basis for opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 judgement, were of most significance in our audit of the Group's 2021 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2021 consolidated financial statements are stated as follows:

#### **Evaluation of net realisable value of inventories**

##### Description

Refer to Note 4(13) for accounting policies adopted for the valuation of inventories, Note 5(2) for uncertainty of accounting estimates and assumptions of valuation of inventories, and Note 6(4) for details of inventories. As at December 31, 2021, the carrying amount of inventories and allowance for inventory valuation losses amounted to NT\$1,888,860 thousand and NT\$11,634 thousand, respectively.

The main activities of the Group are the manufacturing and sales of animal feeds, fresh and processed meat products. As the market prices are affected by changes in macro-economic environment, there is a higher risk of inventory valuation losses. In addition, the evaluation of net realisable value of inventories is subject to management's judgement, and considering that feeds, fresh and processed meat products comprise most of the Group's inventories which is significant to the financial statements, the evaluation of net realisable value of inventories was identified as a key audit matter.

##### How our audit addressed the matter

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

1. Based on our understanding of the Group's operations and related industry, assessed the reasonableness of related policies and procedures applied to the net realisable value of inventories, and ascertained the consistent application.
2. Obtained statements of net realisable value of inventories as at balance sheet date, validated source data of merchandise prices and recalculated the provision for inventory valuation losses in order to confirm consistent application of respective procedures and policies.

## **Measurement of biological assets**

### Description

Refer to Note 4(15) for accounting policies adopted for biological assets, Note 5(2) for uncertainty of accounting estimates and assumptions in measuring fair value of biological assets, and Note 6(5) for details of biological assets. As at December 31, 2021, the carrying amount of biological assets amounted to NT\$2,059,679 thousand.

The Group's biological assets is mainly comprised of broiler chicken, breeder chicken, fattening swine and breeder swine, etc. Except when the fair value cannot be reliably measured, biological assets should be measured at fair value less costs to sell on initial recognition and at the end of each reporting period. As the market prices of fresh, processed meat, livestock and poultry are affected by animal epidemic and market demand in Taiwan, biological assets with active market prices have a higher risk of fluctuations in fair value. Since the amount of biological assets is significant to the financial statements and the methods adopted in measuring each category of biological assets, market prices applied and items accounted for as costs to sell are all subject to management's judgement and with high uncertainty, the measurement of biological assets was identified as a key audit matter.

### How our audit addressed the matter

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

1. Based on our understanding of the Group's operations and related industry, assessed the reasonableness of related policies and procedures applied in measuring biological assets, and ascertained the consistent application.
2. As at the balance sheet date, ascertained that all the active market prices information are available and reliable for biological assets measured at fair value less costs to sell. Also, validated source data of active market prices and the reasonableness of the major components of costs to sell.

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

We have audited and expressed an unqualified opinion on the parent company only financial statements of Charoen Pokphand Enterprise (Taiwan) Co., Ltd. as at and for the years ended December 31, 2021 and 2020.

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

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

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

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

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

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

As part of an audit in accordance with the generally accepted auditing standards in the Republic of China, we exercise professional judgement 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

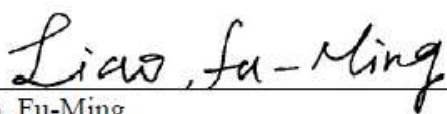
fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

2. Obtain an understanding of internal controls 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 controls.
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 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 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 controls 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 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.



Liao, Fu-Ming

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 28, 2022



Lin, Yi-Fan

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

**CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2021 AND 2020**  
(Expressed in thousands of New Taiwan dollars)

ASSETS	December 31, 2021		December 31, 2020	
	AMOUNT	%	AMOUNT	%
<b>Current assets</b>				
Cash and cash equivalents	\$ 187,008	1	\$ 247,679	1
Notes receivable, net	416,032	2	280,767	2
Notes receivable - related parties	3,951	-	-	-
Accounts receivable, net	2,370,841	10	1,903,391	10
Accounts receivable - related parties	55,707	-	-	-
Other receivables	18,665	-	13,495	-
Current income tax assets	6,284	-	-	-
Inventories, net	1,877,226	8	1,316,392	7
Biological assets - current	1,614,838	7	1,434,043	7
Prepayments	407,566	2	444,931	2
Other current assets	9,650	-	47,934	-
<b>Total current assets</b>	<b>6,967,768</b>	<b>30</b>	<b>5,688,632</b>	<b>29</b>
<b>Non-current assets</b>				
Non-current financial assets at fair value through other comprehensive income	2,575,015	11	1,925,872	10
Investments accounted for using equity method	100,160	-	99,880	-
Property, plant and equipment, net	12,471,603	54	10,896,118	56
Right-of-use assets	371,480	2	345,915	2
Intangible assets	3,530	-	174	-
Biological assets - non-current	444,841	2	399,112	2
Deferred income tax assets	121,044	-	82,496	-
Other non-current assets	122,031	1	108,150	1
<b>Total non-current assets</b>	<b>16,209,704</b>	<b>70</b>	<b>13,857,717</b>	<b>71</b>
<b>Total assets</b>	<b>\$ 23,177,472</b>	<b>100</b>	<b>\$ 19,546,349</b>	<b>100</b>

(Continued)



**CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2021 AND 2020**  
(Expressed in thousands of New Taiwan dollars)

LIABILITIES AND EQUITY	December 31, 2021		December 31, 2020	
	AMOUNT	%	AMOUNT	%
<b>Current liabilities</b>				
Short-term borrowings	\$ 3,301,031	14	\$ 2,659,715	14
Short-term notes and bills payable	1,039,203	4	599,426	3
Notes payable	504,775	2	600,078	3
Notes payable - related parties	10,673	-	-	-
Accounts payable	850,500	4	746,284	4
Accounts payable - related parties	21,893	-	1,273	-
Other payables	810,907	4	738,247	4
Other payables - related parties	26,771	-	7,348	-
Current income tax liabilities	170,971	1	249,670	1
Current lease liabilities	31,158	-	24,816	-
Long-term liabilities, current portion	239,750	1	213,250	1
<b>Total current liabilities</b>	<b>7,007,632</b>	<b>30</b>	<b>5,840,107</b>	<b>30</b>
<b>Non-current liabilities</b>				
Long-term borrowings	7,129,750	31	4,515,250	23
Deferred income tax liabilities	29,802	-	19,351	-
Non-current lease liabilities	314,024	1	296,281	1
Other non-current liabilities	103,257	1	141,874	1
<b>Total non-current liabilities</b>	<b>7,576,833</b>	<b>33</b>	<b>4,972,756</b>	<b>25</b>
<b>Total liabilities</b>	<b>14,584,465</b>	<b>63</b>	<b>10,812,863</b>	<b>55</b>
<b>Equity attributable to owners of parent</b>				
Share capital				
Common stock	2,679,910	12	2,679,910	14
Capital surplus				
Capital surplus	4,666	-	3,957	-
Retained earnings				
Legal reserve	1,044,641	5	880,252	5
Unappropriated retained earnings	3,332,757	14	3,332,669	17
Other equity interest				
Other equity interest	1,067,118	4	1,408,198	7
<b>Equity attributable to owners of the parent</b>	<b>8,129,092</b>	<b>35</b>	<b>8,304,986</b>	<b>43</b>
Non-controlling interest	463,915	2	428,500	2
<b>Total equity</b>	<b>8,593,007</b>	<b>37</b>	<b>8,733,486</b>	<b>45</b>
Significant contingent liabilities and unrecognised contract commitments				
Significant events after the balance sheet date				
<b>Total liabilities and equity</b>	<b>\$ 23,177,472</b>	<b>100</b>	<b>\$ 19,546,349</b>	<b>100</b>

The accompanying notes are an integral part of these consolidated financial statements.  
Chairman: Wu Yeh, Cheng      CEO: Thong Chotirat      Chief Accountant: Su Hua Lee

**CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**

(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

Items	Year ended December 31			
	2021		2020	
	AMOUNT	%	AMOUNT	%
Operating revenue	\$ 24,841,345	100	\$ 22,189,635	100
Operating costs	( 21,441,119)	( 87)	( 18,664,912)	( 84)
Net operating margin	<u>3,400,226</u>	<u>13</u>	<u>3,524,723</u>	<u>16</u>
Operating expenses				
Selling and marketing expenses	( 1,067,159)	( 4)	( 998,409)	( 5)
General and administrative expenses	( 719,783)	( 3)	( 649,031)	( 3)
Expected credit impairment loss	( 9,006)	-	( 5,528)	-
Total operating expenses	<u>( 1,795,948)</u>	<u>( 7)</u>	<u>( 1,652,968)</u>	<u>( 8)</u>
Other income and expenses, net	( 12,738)	-	26,843	-
Operating profit	<u>1,591,540</u>	<u>6</u>	<u>1,898,598</u>	<u>8</u>
Non-operating income and expenses				
Interest income	359	-	902	-
Other income	88,904	-	65,806	-
Other gains and losses	45,705	-	160,802	1
Finance costs	( 82,038)	-	( 76,789)	-
Share of profit (loss) of associates and joint ventures accounted for using equity method	<u>280</u>	<u>-</u>	<u>( 120)</u>	<u>-</u>
Total non-operating income and expenses	<u>53,210</u>	<u>-</u>	<u>150,601</u>	<u>1</u>
<b>Profit before income tax</b>	<b>1,644,750</b>	<b>6</b>	<b>2,049,199</b>	<b>9</b>
Income tax expense	( 331,093)	( 1)	( 407,073)	( 2)
<b>Profit for the year from continuing operations</b>	<b>1,313,657</b>	<b>5</b>	<b>1,642,126</b>	<b>7</b>
Loss from discontinued operations	<u>-</u>	<u>-</u>	<u>( 2,250)</u>	<u>-</u>
<b>Profit for the year</b>	<b>\$ 1,313,657</b>	<b>5</b>	<b>\$ 1,639,876</b>	<b>7</b>

(Continued)

**CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**

(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

Items	Year ended December 31			
	2021		2020	
	AMOUNT	%	AMOUNT	%
<b>Other comprehensive income</b>				
<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>				
Other comprehensive income, before tax, actuarial gains (losses) on defined benefit plans	\$ 19,705	-	(\$ 16,311)	-
Unrealised gain or loss on financial assets at fair value through other comprehensive income	( 316,380)	( 1)	( 75,598)	-
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>7,650</u>	<u>-</u>	<u>3,262</u>	<u>-</u>
Other comprehensive loss that will not be reclassified to profit or loss	<u>( 289,025)</u>	<u>( 1)</u>	<u>( 88,647)</u>	<u>-</u>
<b>Components of other comprehensive income that will be reclassified to profit or loss</b>				
Currency translation differences of foreign operations	<u>( 36,291)</u>	<u>-</u>	<u>( 115,784)</u>	<u>( 1)</u>
Other comprehensive loss that will be reclassified to profit or loss	<u>( 36,291)</u>	<u>-</u>	<u>( 115,784)</u>	<u>( 1)</u>
<b>Total other comprehensive loss for the year</b>	<u>(\$ 325,316)</u>	<u>( 1)</u>	<u>(\$ 204,431)</u>	<u>( 1)</u>
<b>Total comprehensive income for the year</b>	<u>\$ 988,341</u>	<u>4</u>	<u>\$ 1,435,445</u>	<u>6</u>
Profit (loss) attributable to:				
Owners of the parent	\$ 1,355,652	5	\$ 1,657,082	7
Non-controlling interest	<u>( 41,995)</u>	<u>-</u>	<u>( 17,206)</u>	<u>-</u>
	<u>\$ 1,313,657</u>	<u>5</u>	<u>\$ 1,639,876</u>	<u>7</u>
Comprehensive income (loss) attributable to:				
Owners of the parent	\$ 1,029,939	4	\$ 1,452,798	6
Non-controlling interest	<u>( 41,598)</u>	<u>-</u>	<u>( 17,353)</u>	<u>-</u>
	<u>\$ 988,341</u>	<u>4</u>	<u>\$ 1,435,445</u>	<u>6</u>
Earnings per share (in dollars)				
Basic earnings per share from continuing operations	\$	5.06	\$	6.19
Basic loss per share from discontinued operations	<u>-</u>	<u>-</u>	<u>( 0.01)</u>	<u>( 0.01)</u>
Total basic earnings per share	<u>\$</u>	<u>5.06</u>	<u>\$</u>	<u>6.18</u>
Diluted earnings per share from continuing operations	\$	5.05	\$	6.18
Diluted loss per share from discontinued operations	<u>-</u>	<u>-</u>	<u>( 0.01)</u>	<u>( 0.01)</u>
Total diluted earnings per share	<u>\$</u>	<u>5.05</u>	<u>\$</u>	<u>6.17</u>

The accompanying notes are an integral part of these consolidated financial statements.  
Chairman: Wu Yeh, Cheng      CEO: Thong Chotirat      Chief Accountant: Su Hua Lee

**CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
(Expressed in thousands of New Taiwan dollars)

	Equity attributable to owners of the parent								Non-controlling interest	Total equity
	Retained Earnings				Other Equity Interest			Total		
	Share capital - common stock	Capital surplus	Legal reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income				
<u>2020</u>										
Balance at January 1, 2020	\$ 2,679,910	\$ 2,137	\$ 733,781	\$ 2,907,219	(\$ 17,432)	\$ 1,616,717	\$ 7,922,332	\$ 704,662	\$ 8,626,994	
Profit for the year	-	-	-	1,657,082	-	-	1,657,082	( 17,206 )	1,639,876	
Other comprehensive loss	-	-	-	( 13,197 )	( 115,489 )	( 75,598 )	( 204,284 )	( 147 )	( 204,431 )	
Total comprehensive income (loss)	-	-	-	1,643,885	( 115,489 )	( 75,598 )	1,452,798	( 17,353 )	1,435,445	
Appropriations of 2019 earnings										
Legal reserve	-	-	146,471	( 146,471 )	-	-	-	-	-	
Cash dividends to shareholders	-	-	-	( 1,071,964 )	-	-	( 1,071,964 )	-	( 1,071,964 )	
Capital surplus - dividends not received by shareholders	-	591	-	-	-	-	591	-	591	
Cash dividends to non-controlling interest	-	-	-	-	-	-	-	( 332,670 )	( 332,670 )	
Change in ownership interests in subsidiaries	-	1,229	-	-	-	-	1,229	( 1,229 )	-	
Cash receipt from non-controlling interest of a subsidiary through capital increase in cash	-	-	-	-	-	-	-	138,000	138,000	
Change in non-controlling interests	-	-	-	-	-	-	-	( 62,910 )	( 62,910 )	
Balance at December 31, 2020	\$ 2,679,910	\$ 3,957	\$ 880,252	\$ 3,332,669	(\$ 132,921)	\$ 1,541,119	\$ 8,304,986	\$ 428,500	\$ 8,733,486	
<u>2021</u>										
Balance at January 1, 2021	\$ 2,679,910	\$ 3,957	\$ 880,252	\$ 3,332,669	(\$ 132,921)	\$ 1,541,119	\$ 8,304,986	\$ 428,500	\$ 8,733,486	
Profit for the year	-	-	-	1,355,652	-	-	1,355,652	( 41,995 )	1,313,657	
Other comprehensive income (loss)	-	-	-	15,367	( 36,291 )	( 304,789 )	( 325,713 )	397	( 325,316 )	
Total comprehensive income (loss)	-	-	-	1,371,019	( 36,291 )	( 304,789 )	1,029,939	( 41,598 )	988,341	
Appropriations of 2020 earnings										
Legal reserve	-	-	164,389	( 164,389 )	-	-	-	-	-	
Cash dividends to shareholders	-	-	-	( 1,205,959 )	-	-	( 1,205,959 )	-	( 1,205,959 )	
Capital surplus - dividends not received by shareholders	-	1,161	-	-	-	-	1,161	-	1,161	
Change in ownership interests in subsidiaries	-	( 452 )	-	( 583 )	-	-	( 1,035 )	1,035	-	
Cash receipt from non-controlling interest of a subsidiary through capital increase in cash	-	-	-	-	-	-	-	98,000	98,000	
Change in non-controlling interests	-	-	-	-	-	-	-	( 22,022 )	( 22,022 )	
Balance at December 31, 2021	\$ 2,679,910	\$ 4,666	\$ 1,044,641	\$ 3,332,757	(\$ 169,212)	\$ 1,236,330	\$ 8,129,092	\$ 463,915	\$ 8,593,007	

The accompanying notes are an integral part of these consolidated financial statements.  
Chairman: Wu Yeh, Cheng      CEO: Thong Chotirat      Chief Accountant: Su Hua Lee

CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(Expressed in thousands of New Taiwan dollars)

	Year ended December 31	
	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit from continuing operations before tax	\$ 1,644,750	\$ 2,049,199
Loss from discontinued operations before tax	-	( 3,000 )
Profit before tax	1,644,750	2,046,199
Adjustments		
Adjustments to reconcile profit (loss)		
Expected credit impairment loss	9,006	5,528
Depreciation	752,396	686,549
Depreciation of right-of-use assets	50,473	43,566
Amortization	4,551	4,137
Interest income	( 359 )	( 1,159 )
Interest expense	82,038	76,789
Dividend income	( 82,101 )	( 57,589 )
Gain on reversal of loss on inventory market price decline	( 127 )	( 49,248 )
Change in fair value less cost to sell of biological assets	12,738	( 26,843 )
Investment (income) loss recognised using equity method	( 280 )	120
Loss (gain) on disposal of property, plant and equipment	3,088	( 13,846 )
Gain arising from lease modifications	-	( 2 )
Impairment loss of non-financial assets	-	13,331
Gain on disposal of investment	-	( 84,145 )
Gain on financial assets at fair value through other comprehensive income	( 888 )	-
Changes in operating assets and liabilities		
Changes in operating assets		
Notes receivable	( 135,265 )	35,433
Notes receivable - related parties	( 3,951 )	-
Accounts receivable	( 476,456 )	( 86,300 )
Accounts receivable - related parties	( 55,707 )	( 11,913 )
Other receivables	( 5,170 )	( 10,658 )
Other receivables - related parties	-	( 2,813 )
Inventories	( 560,707 )	242,543
Biological assets	( 239,262 )	( 123,225 )
Prepayments	37,160	( 125,208 )
Changes in operating liabilities		
Notes payable	( 95,303 )	126,165
Notes payable - related parties	10,673	-
Accounts payable	104,216	94,812
Accounts payable - related parties	20,620	( 58,908 )
Other payables	59,156	37,295
Other payables - related parties	19,423	( 15,402 )
Net defined benefit liability	( 18,912 )	( 19,154 )
Cash inflow generated from operations	1,135,800	2,726,054
Cash paid for income tax	( 442,837 )	( 334,408 )
Refund of income tax	6,314	-
Net cash flows from operating activities	699,277	2,391,646

(Continued)

**CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
(Expressed in thousands of New Taiwan dollars)

	Year ended December 31	
	2021	2020
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Acquisition of financial assets at fair value through profit or loss	( \$ 138,653 )	\$ -
Proceeds from disposal of financial assets at fair value through profit or loss	139,541	-
Acquisition of investments accounted for using equity method	-	( 100,000 )
Decrease (increase) in other current assets	38,284	( 40,234 )
Acquisition of financial assets at fair value through other comprehensive income	( 999,544 )	-
Acquisition of property, plant and equipment	( 2,326,005 )	( 2,816,141 )
Proceeds from disposal of property, plant and equipment	6,960	40,007
Acquisition of intangible assets	( 4,089 )	( 83 )
Increase in other non-current assets	( 17,699 )	( 15,108 )
Cash receipt of interest	359	1,295
Cash receipt of dividends	82,101	57,589
Loss of control in subsidiaries	-	( 257,374 )
Proceeds from disposal of subsidiaries	-	246,654
Net cash flows used in investing activities	( 3,218,745 )	( 2,883,395 )
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
Increase in short-term borrowings	641,316	316,227
Increase (decrease) in short-term notes and bills payable	439,777	( 379,233 )
Proceeds from long-term borrowings	7,684,250	6,364,000
Payment of long-term borrowings	( 5,043,250 )	( 5,325,250 )
Payment of lease liabilities	( 51,953 )	( 53,615 )
Cash payment for interest	( 80,255 )	( 76,182 )
Cash dividends paid	( 1,205,959 )	( 1,071,964 )
Cash receipt from non-controlling interest of a subsidiary through capital increase establishment	98,000	138,000
Cash dividends paid to non-controlling interest	( 22,022 )	( 332,670 )
Capital surplus - dividends not received by shareholders	1,161	591
Net cash flows from financing activities	2,461,065	( 420,096 )
Effects of changes in foreign exchange rate	( 2,268 )	( 13,225 )
Net decrease in cash and cash equivalents	( 60,671 )	( 925,070 )
Cash and cash equivalents at beginning of year	247,679	1,172,749
Cash and cash equivalents at end of year	\$ 187,008	\$ 247,679

The accompanying notes are an integral part of these consolidated financial statements.  
Chairman: Wu Yeh, Cheng      CEO: Thong Chotirat      Chief Accountant: Su Hua Lee

**Attachment 5****CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD.****Table of Distribution of Surplus Earnings  
Year 2021**

Unit: NTD		
Items	Amount	Note
Beginning retained earnings	1,962,322,098	
Add: Adjustment to 2021 retained earnings	14,784,007	
Adjusted un-appropriated retained earnings	1,977,106,105	
Add: 2021 net profit after tax	1,355,651,850	
Less: 10% legal reserve	(137,043,586)	
Distributable surplus earnings	3,195,714,369	
Distributable items:		
Cash dividend to shareholders	803,972,994	NT\$ 3 per share
Stock dividend to shareholders	267,991,000	NT\$ 1 per share
Sub-total of Distributable items	1,071,963,994	
Un-appropriated retained earnings after distribution	2,123,750,375	

Chairman: Wu Yeh, Cheng

CEO: Thong Chotirat

Chief Accountant: Su Hua Lee

**Attachment 6**

**CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD.**

**Comparison Table for the Articles of Incorporation**

Amended Article	Current Article	Note
<p>Article 2 The scope of business of the Company is as follows:</p> <ol style="list-style-type: none"> <li>1. A401010 Operation of Livestock Farm</li> <li>2. A401020 Animal Husbandry</li> <li>3. A401040 Livestock Farming</li> <li>4. C101010 Slaughter</li> <li>5. C103050 Canned, Frozen, Dehydrated Food Manufacturing</li> <li>6. C199030 Instant Food Manufacturing</li> <li>7. C199990 Other Food Manufacturing Not Elsewhere Classified</li> <li>8. C201010 Prepared Animal Feeds Manufacturing</li> <li>9. F101040 Wholesale of Animal Husbandry</li> <li>10. F101050 Wholesale of Aquatic Products</li> <li>11. F102170 Wholesale of Food and Grocery</li> <li>12. F103010 Wholesale of Animal Feeds</li> <li>13. F201020 Retail sale of Husbandry Products</li> <li>14. F201030 Retail Sale of Aquatic Products</li> <li>15. F202010 Retail Sale of Animal Feeds</li> <li>16. F203010 Retail Sale of Food and Grocery</li> <li>17. F401010 International Trade</li> <li>18. I101070 Agriculture, Forestry, Fishing and Animal Husbandry Consultancy</li> <li>19. I101090 Food Consultancy</li> <li>20. I103060 Management Consulting Services</li> <li>21. IG01010 Biotechnology Services</li> <li>22. F501060 Restaurants</li> <li>23. F501990 Other Eating and Drinking Places Not Elsewhere Classified</li> <li>24. C105010 Edible Oil and Fat Manufacturing</li> <li>25. F102020 Wholesale of Edible Fat and Oil</li> <li>26. F101130 Wholesale of Vegetables and Fruits</li> <li>27. F101990 Wholesale of Other Agricultural, Livestock and Aquatic Products</li> <li>28. F121010 Wholesale of Food Additives</li> <li>29. F201010 Retail Sale of Agricultural Products</li> </ol>	<p>Article 2 The scope of business of the Company is as follows:</p> <ol style="list-style-type: none"> <li>1. A401010 Operation of Livestock Farm</li> <li>2. A401020 Animal Husbandry</li> <li>3. A401040 Livestock Farming</li> <li>4. C101010 Slaughter</li> <li>5. C103050 Canned, Frozen, Dehydrated Food Manufacturing</li> <li>6. C199030 Instant Food Manufacturing</li> <li>7. C199990 Other Food Manufacturing Not Elsewhere Classified</li> <li>8. C201010 Prepared Animal Feeds Manufacturing</li> <li>9. F101040 Wholesale of Animal Husbandry</li> <li>10. F101050 Wholesale of Aquatic Products</li> <li>11. F102170 Wholesale of Food and Grocery</li> <li>12. F103010 Wholesale of Animal Feeds</li> <li>13. F201020 Retail sale of Husbandry Products</li> <li>14. F201030 Retail Sale of Aquatic Products</li> <li>15. F202010 Retail Sale of Animal Feeds</li> <li>16. F203010 Retail Sale of Food and Grocery</li> <li>17. F401010 International Trade</li> <li>18. I101070 Agriculture, Forestry, Fishing and Animal Husbandry Consultancy</li> <li>19. I101090 Food Consultancy</li> <li>20. I103060 Management Consulting Services</li> <li>21. IG01010 Biotechnology Services</li> <li>22. F501060 Restaurants</li> <li>23. F501990 Other Eating and Drinking Places Not Elsewhere Classified</li> <li>24. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.</li> </ol>	<p>Amend the category of business.</p>



Amended Article	Current Article	Note
30. F201990 Retail Sale of Other Agricultural, Livestock and Aquaculture Products 31. F221010 Retail of Food Additives 32. F301020 Supermarkets 33. F399010 Convenience Stores 34. F399040 Retail Sale No Storefront 35. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval		
Article 11 There are two kinds of shareholders' meetings, the general meetings and the special meetings. 1. General meetings shall be convened by the Board of Directors within six (6) months after the close of each fiscal year. 2. Special meetings shall be convened when necessary in accordance with the laws and regulations. When the Company holds a shareholders' meeting, the meeting can be held by means of visual communication network, or other methods promulgated by the central competent authority.	Article 11 There are two kinds of shareholders' meetings, the general meetings and the special meetings. 1. General meetings shall be convened by the Board of Directors within six (6) months after the close of each fiscal year. 2. Special meetings shall be convened when necessary in accordance with the laws and regulations.	The amendment is in accordance with Article 172-2 of the Company Act
Article 35 Add "the fortieth Amendment on June 23, 2022" in addition to the current provisions.	Article 35 (omit)	Add the date of amendment

**Attachment 7**

**CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD.**

**Comparison Table for the Procedures for the Acquisition and Disposal of Assets**

Amended Article	Current Article	Note
<p>Article 3 Appraisal Procedures</p> <p>The appraisal, the means of price determination and supporting reference materials for the acquisition or disposal of assets of the Company are as follows :</p> <ol style="list-style-type: none"> <li>In acquiring or disposing of securities shall establish an investment assessment team by the responsible unit and it shall be implemented after the feasibility assessment is completed. The appraisal shall be executed in compliance with Article 3-1 of this Procedures.</li> <li>In acquiring of real property, equipment, or right-of-use assets thereof shall prepare a capital expenditure plan and feasibility assessment by the responsible unit in advance, then send it to finance department to make a capital expenditure budget, execute and control based on the content of the plan. In disposing of real property, equipment, or right-of-use assets thereof shall make an application form or a project, stating the reasons and the manner for the disposition by the responsible unit. The disposal shall be implemented after the approval. In acquiring or disposing of real property, equipment, or right-of-use assets thereof shall be executed in compliance with Article 3-2 of this Procedures.</li> <li>In acquiring or disposing of memberships shall take the possible benefit into consideration, and deliberates the latest actual deal price. In acquiring or disposing of patents, copyrights, trademarks, franchise rights, and other intangible assets, or right-of-use assets thereof shall refer to the international convention or market practice, useful life, and the impact to the technology and business of the Company. Where the Company acquires or disposes intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent of paid-in capital or NT\$300 million or more, unless transacting with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.</li> <li>In acquiring or disposing of assets with a related party, the relevant necessary procedures and the appraisal for the reasonableness of the transaction terms shall be executed in compliance with Chapter II of this Procedures.</li> <li>In engaging in derivatives trading shall establish an investment assessment team by the</li> </ol>	<p>Article 3 Appraisal Procedures</p> <p>The appraisal, the means of price determination and supporting reference materials for the acquisition or disposal of assets of the Company are as follows :</p> <ol style="list-style-type: none"> <li>In acquiring or disposing of securities shall establish an investment assessment team by the responsible unit and it shall be implemented after the feasibility assessment is completed. The appraisal shall be executed in compliance with Article 3-1 of this Procedures.</li> <li>In acquiring of real property, equipment, or right-of-use assets thereof shall prepare a capital expenditure plan and feasibility assessment by the responsible unit in advance, then send it to finance department to make a capital expenditure budget, execute and control based on the content of the plan. In disposing of real property, equipment, or right-of-use assets thereof shall make an application form or a project, stating the reasons and the manner for the disposition by the responsible unit. The disposal shall be implemented after the approval. In acquiring or disposing of real property, equipment, or right-of-use assets thereof shall be executed in compliance with Article 3-2 of this Procedures.</li> <li>In acquiring or disposing of memberships shall take the possible benefit into consideration, and deliberates the latest actual deal price. In acquiring or disposing of patents, copyrights, trademarks, franchise rights, and other intangible assets, or right-of-use assets thereof shall refer to the international convention or market practice, useful life, and the impact to the technology and business of the Company. Where the Company acquires or disposes intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent of paid-in capital or NT\$300 million or more, unless transacting with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</li> <li>In acquiring or disposing of assets with a related party, the relevant necessary procedures and the appraisal for the reasonableness of the transaction terms shall be executed in compliance with Chapter II of this Procedures.</li> </ol>	<p>The amendment is in accordance with Article 11 of “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”.</p>

Amended Article	Current Article	Note
<p>responsible unit. It shall be implemented after the feasibility assessment of the trading status of futures market, exchange rate and the interest rate trend is deliberated. It shall be executed in compliance with Chapter III of this Procedures.</p> <p>6. In conducting a merger, demerger, acquisition, or transfer of shares shall take business nature, EPS, net asset, technology, profitability, productivity and future growth potential power into consideration. It shall be executed in compliance with Chapter IV of this Procedures.</p>	<p>5. In engaging in derivatives trading shall establish an investment assessment team by the responsible unit. It shall be implemented after the feasibility assessment of the trading status of futures market, exchange rate and the interest rate trend is deliberated. It shall be executed in compliance with Chapter III of this Procedures.</p> <p>6. In conducting a merger, demerger, acquisition, or transfer of shares shall take business nature, EPS, net asset, technology, profitability, productivity and future growth potential power into consideration. It shall be executed in compliance with Chapter IV of this Procedures.</p>	
<p>Article 3-1 Appraisal for securities</p> <p>The Company acquires or disposes securities shall comply with the following provisions:</p> <ol style="list-style-type: none"> <li>1. shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant for reference in appraising the transaction price.</li> <li>2. For the transaction of securities on the centralized trading market or OTC trading market, the price shall be determined based on the trading price of the stock or bond at that time.</li> <li>3. For the transaction of securities not on the centralized trading market or OTC trading market, the price shall be determined in consideration of the net worth per share, technical and profitable capabilities, future development potential, market interest rate, face value interest rate of the bonds, and the debtors' creditability, etc., and with reference to the most recent trading prices at that time.</li> <li>4. If the dollar amount of the transaction reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).</li> </ol>	<p>Article 3-1 Appraisal for securities</p> <p>The Company acquires or disposes securities shall comply with the following provisions:</p> <ol style="list-style-type: none"> <li>1. shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant for reference in appraising the transaction price.</li> <li>2. For the transaction of securities on the centralized trading market or OTC trading market, the price shall be determined based on the trading price of the stock or bond at that time.</li> <li>3. For the transaction of securities not on the centralized trading market or OTC trading market, the price shall be determined in consideration of the net worth per share, technical and profitable capabilities, future development potential, market interest rate, face value interest rate of the bonds, and the debtors' creditability, etc., and with reference to the most recent trading prices at that time.</li> <li>4. If the dollar amount of the transaction reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).</li> </ol>	<p>The amendment is in accordance with Article 10 of "Regulations Governing the Acquisition and Disposal of Assets by Public Companies".</p>
<p>Article 3-2 Appraisal for Real Property, Equipment, or Right-of-Use Assets</p> <p>In acquiring or disposing of real property, equipment, or right-of-use assets thereof, the Company shall refer publicly announced present value, assessed present value, actual deal price for the real estate in the neighborhood or book value</p>	<p>Article 3-2 Appraisal for Real Property or Equipment</p> <p>In acquiring or disposing of real property, equipment, or right-of-use assets thereof, the Company shall refer publicly announced present value, assessed present value, actual deal price for the real estate in the neighborhood or book value</p>	<p>The amendment is in accordance with Article 9 of "Regulations Governing the Acquisition and Disposal of</p>

Amended Article	Current Article	Note
<p>and suppliers' quotation. Where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <ol style="list-style-type: none"> <li>1. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</li> <li>2. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price: <ol style="list-style-type: none"> <li>(1) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</li> <li>(2) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</li> </ol> </li> <li>3. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</li> </ol>	<p>and suppliers' quotation. Where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <ol style="list-style-type: none"> <li>1. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</li> <li>2. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price: <ol style="list-style-type: none"> <li>(1) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</li> <li>(2) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</li> </ol> </li> <li>3. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</li> </ol>	<p>Assets by Public Companies”.</p>
<p>Article 5 Operating Procedures</p> <ol style="list-style-type: none"> <li>1. The degree of authority delegated and the levels to which authority is delegated <ol style="list-style-type: none"> <li>(1) In acquiring or disposing of real property, equipment or right-of-use assets thereof where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval by the board of directors in advance, and the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</li> </ol> </li> </ol>	<p>Article 5 Operating Procedures</p> <ol style="list-style-type: none"> <li>1. The degree of authority delegated and the levels to which authority is delegated <ol style="list-style-type: none"> <li>(1) In acquiring or disposing of real property, equipment or right-of-use assets thereof where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval by the board of directors in advance, and the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</li> </ol> </li> </ol>	<p>The amendment is in accordance with the demand of operational practice.</p>

Amended Article	Current Article	Note
<p>(2) In acquiring or disposing of assets with a related party shall be executed in compliance with Chapter II, Article 11 of this Procedures.</p> <p>(3) In engaging in derivatives trading, based on the growth of the Company's revenue and changes in risk exposure, the authorized degree and levels is set according to the deal amount of single transaction as follows: The transaction amount within NT\$300 million (including equivalent currency) shall be approved by the CEO. The transaction amount reaching NT\$300 million or more (including the equivalent currency) shall be approved by the board of directors. The transaction shall be reported to the soonest meeting of the board of directors after it authorizes the relevant personnel to handle derivatives trading in accordance with this Procedures for engaging in derivatives trading.</p> <p>(4) An investment in the mainland China area shall be approved by a shareholders' meeting or implemented by the board of directors meeting which authorized by a shareholders' meeting. The investment shall be executed after the approval by the Ministry of Economic Affairs Investment Commission.</p> <p>(5) In conducting a merger, demerger, acquisition, or transfer of shares shall be executed in compliance with Article 18 through Article 20 of Chapter IV of this Procedures.</p> <p>(6) Other than the above-mentioned circumstances, the transaction amount of the acquisition or disposal of assets reaches the public announcement standard of Article 6, shall be approved or afterward ratified by the board of directors. As to the matters provided in Article 185 of the Company Law, it shall be approved by the shareholders' meeting in advance. If the transaction amount does not meet the requirements of the public announcement standard of Article 6, it is implemented by the responsible unit which is authorized by the board chairman.</p> <p>(7) With respect to the types of transactions listed below, when to be conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's board of directors may delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the soonest board of directors meeting: (I) Acquisition or disposal of equipment or right-of-use assets thereof held for</p>	<p>(2) In acquiring or disposing of assets with a related party shall be executed in compliance with Chapter II, Article 11 of this Procedures.</p> <p>(3) In engaging in derivatives trading, based on the growth of the Company's revenue and changes in risk exposure, the authorized degree and levels is set according to the deal amount of single transaction as follows: The transaction amount within US\$1 million (including equivalent currency) shall be approved by the financial manager. The transaction amount more than US\$1 million and less than US\$5 million (including equivalent currency) shall be approved by CEO or CFO. The transaction amount reaching US\$5 million or more (including the equivalent currency) shall be approved by the chairman of the board. The transaction shall be reported to the soonest meeting of the board of directors after it authorizes the relevant personnel to handle derivatives trading in accordance with this Procedures for engaging in derivatives trading.</p> <p>(4) An investment in the mainland China area shall be approved by a shareholders' meeting or implemented by the board of directors meeting which authorized by a shareholders' meeting. The investment shall be executed after the approval by the Ministry of Economic Affairs Investment Commission.</p> <p>(5) In conducting a merger, demerger, acquisition, or transfer of shares shall be executed in compliance with Article 18 through Article 20 of Chapter IV of this Procedures.</p> <p>(6) Other than the above-mentioned circumstances, the transaction amount of the acquisition or disposal of assets reaches the public announcement standard of Article 6, shall be approved or afterward ratified by the board of directors. As to the matters provided in Article 185 of the Company Law, it shall be approved by the shareholders' meeting in advance. If the transaction amount does not meet the requirements of the public announcement standard of Article 6, it is implemented by the responsible unit which is authorized by the board chairman.</p> <p>(7) With respect to the types of transactions listed below, when to be conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's board of directors may delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently</p>	

Amended Article	Current Article	Note
<p>business use.</p> <p>(II) Acquisition or disposal of real property right-of-use assets held for business use.</p> <p>(8) Any transaction involving major assets or derivatives shall be approved by the audit committee and submitted to the board of directors for a resolution.</p> <p>( the rest of this article is unchanged )</p>	<p>submitted to and ratified by the soonest board of directors meeting:</p> <p>(I) Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p>(II) Acquisition or disposal of real property right-of-use assets held for business use.</p> <p>(8) Any transaction involving major assets or derivatives shall be approved by the audit committee and submitted to the board of directors for a resolution.</p> <p>( the rest of this article is unchanged )</p>	
<p>Article 6 Public Announcement and Regulatory Filing Procedures</p> <p>1. The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by itself and any subsidiaries and according to the timeline and format prescribed by the competent authority, enter the information into the information reporting website designated by the competent authority.</p> <p>2. Under any of the following circumstances, the Company and its subsidiaries acquiring or disposing of assets shall publicly announce and report the relevant information on the website designated by the competent authority in the appropriate format and the content prescribed by the competent authority within 2 days counting inclusively from the date of occurrence of the event:</p> <p>(1) Acquisition or disposal of real property or right-of-use assets thereof with a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof with a related party where the transaction amount reaches 20 percent of paid-in capital, 10 percent of the Company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>(2) Merger, demerger, acquisition, or transfer of shares.</p> <p>(3) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the provisions of Chapter III, Article 14, paragraph 4.</p> <p>(4) Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the trading counterparty is not a related party, and the transaction amount reaches NT\$500 million</p>	<p>Article 6 Public Announcement and Regulatory Filing Procedures</p> <p>1. The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by itself and any subsidiaries and according to the timeline and format prescribed by the competent authority, enter the information into the information reporting website designated by the competent authority.</p> <p>2. Under any of the following circumstances, the Company and its subsidiaries acquiring or disposing of assets shall publicly announce and report the relevant information on the website designated by the competent authority in the appropriate format and the content prescribed by the competent authority within 2 days counting inclusively from the date of occurrence of the event:</p> <p>(1) Acquisition or disposal of real property or right-of-use assets thereof with a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof with a related party where the transaction amount reaches 20 percent of paid-in capital, 10 percent of the Company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>(2) Merger, demerger, acquisition, or transfer of shares.</p> <p>(3) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the provisions of Chapter III, Article 14, paragraph 4.</p> <p>(4) Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the trading counterparty is not a related party, and the transaction amount reaches NT\$500 million</p>	<p>The amendment is in accordance with Article 31 of “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”</p>

Amended Article	Current Article	Note
<p>or more.</p> <p>(5) Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount that the Company expects to invest in the transaction reaches NT\$500 million or more.</p> <p>(6) Where an asset transaction other than any of those referred to in the preceding five subparagraphs or an investment in the mainland China area reaches 20 percent of paid-in capital or NT\$300 million or more; provided, this shall not apply to the following circumstances:</p> <p>(I) Trading of domestic government bonds or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan.</p> <p>(II) Trading of bonds under repurchase/resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>The amount of transactions above shall be calculated as follows:</p> <p>(I) The amount of any individual transaction.</p> <p>(II) The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within the preceding year.</p> <p>(III) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, separately) of real property or right-of-use assets thereof within the same development project within the preceding year.</p> <p>(IV) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, separately) of the same security within the preceding year.</p> <p>"Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.</p> <p>( the rest of this article is unchanged )</p>	<p>or more.</p> <p>(5) Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount that the Company expects to invest in the transaction reaches NT\$500 million or more.</p> <p>(6) Where an asset transaction other than any of those referred to in the preceding five subparagraphs or an investment in the mainland China area reaches 20 percent of paid-in capital or NT\$300 million or more; provided, this shall not apply to the following circumstances:</p> <p>(I) Trading of domestic government bonds.</p> <p>(II) Trading of bonds under repurchase/resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>The amount of transactions above shall be calculated as follows:</p> <p>(I) The amount of any individual transaction.</p> <p>(II) The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within the preceding year.</p> <p>(III) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, separately) of real property or right-of-use assets thereof within the same development project within the preceding year.</p> <p>(IV) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, separately) of the same security within the preceding year.</p> <p>"Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.</p> <p>( the rest of this article is unchanged )</p>	
<p>Article 8 Control procedures for the acquisition and disposal of assets by subsidiaries.</p> <p>1. The Company's subsidiaries shall also establish and conduct their "Procedures for the</p>	<p>Article 8 Control procedures for the acquisition and disposal of assets by subsidiaries.</p> <p>1. The Company's subsidiaries shall also establish and conduct their "Procedures for the</p>	<p>The amendment is in accordance with the demand of operational practice.</p>

Amended Article	Current Article	Note
<p>Acquisition and Disposal of Assets” in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies", promulgated by the Competent Authority. After the procedures have been approved by the board of directors, they shall be submitted to the Company for its recordation. The same applies when the procedures are amended.</p> <p>2. The Company’s subsidiaries shall handle the acquisition or disposal of assets in compliance with the “Procedures for the Acquisition and Disposal of Assets” established by itself.</p> <p>3. If the Company’s subsidiary that is not itself a public company in Taiwan, when such subsidiary has information required to be publicly announced and reported in accordance with the Article 6 of this Procedure, it shall be conducted by the Company.</p> <p>4. The Company’s internal audit unit shall review the self-inspection reports of the subsidiaries and the related matters.</p>	<p>Acquisition and Disposal of Assets” in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies", promulgated by the Competent Authority. After the procedures have been approved by the board of directors, they shall be submitted to the Company for its recordation. The same applies when the procedures are amended.</p> <p>2. The Company’s subsidiaries shall handle the acquisition or disposal of assets in compliance with the “Procedures for the Acquisition and Disposal of Assets” established by itself.</p> <p>3. If the Company’s subsidiary that is not itself a public company in Taiwan, when such subsidiary has information required to be publicly announced and reported in accordance with the Article 6 of this Procedure, it shall be conducted by the Company.</p> <p>4. The Company’s internal audit unit shall include the acquisition or disposal of assets by the subsidiaries as quarterly audit item.</p>	
<p>Article 11 Resolution Procedures</p> <p>When the Company intends to acquire or dispose of real property or right-of-use assets thereof with a related party, or when the Company intends to acquire or dispose of assets other than real property or right-of-use assets thereof with a related party and the transaction amount reaches 20 percent of paid-in capital, 10 percent of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the responsible unit may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by audit committee and then approved by the board of directors. If the transaction amount will reach 10 percent or more of the Company’s total assets, it shall conduct in compliance with the paragraph 2:</p> <p>1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</p> <p>2. The reason for choosing the related party as a trading counterparty.</p> <p>3. With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 12 and Article 13.</p> <p>4. The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the Company and the related party.</p> <p>5. Monthly cash flow forecasts for the year</p>	<p>Article 11 Resolution Procedures</p> <p>When the Company intends to acquire or dispose of real property or right-of-use assets thereof with a related party, or when the Company intends to acquire or dispose of assets other than real property or right-of-use assets thereof with a related party and the transaction amount reaches 20 percent of paid-in capital, 10 percent of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the responsible unit may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by audit committee and then approved by the board of directors:</p> <p>1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</p> <p>2. The reason for choosing the related party as a trading counterparty.</p> <p>3. With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 12 and Article 13.</p> <p>4. The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the Company and the related party.</p> <p>5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness</p>	<p>The amendment is in accordance with Article 15 of “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”</p>



Amended Article	Current Article	Note
<p>commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>7. Restrictive covenants and other important stipulations associated with the transaction.</p> <p>If the Company or its subsidiary thereof that is not a domestic public company will have a transaction set out in paragraph 1 and the transaction amount will reach 10 percent or more of the Company's total assets, the Company shall submit the materials in all he subparagraphs of paragraph 1 to the shareholders meeting for approval before the transaction contract may be entered into and any payment made. However, this restriction does not apply to transactions between the Company and its parent company or subsidiaries or between its subsidiaries.</p> <p>The calculation of the transaction amount referred to in the preceding two paragraphs shall be made in accordance with Article 6, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the shareholders meeting or the board of directors need not be counted toward the transaction amount.</p> <p>When a matter is submitted for discussion by the board of directors pursuant to paragraph 1, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p>	<p>of the funds utilization.</p> <p>6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>7. Restrictive covenants and other important stipulations associated with the transaction.</p> <p>The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Article 6, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors need not be counted toward the transaction amount.</p> <p>When a matter is submitted for discussion by the board of directors pursuant to paragraph 1, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p>	
<p>Article 14 Principles and Guidelines of Transactions</p> <p>(Paragraph 1~ Paragraph 3 is unchanged)</p> <p>4. Transaction Limit:</p> <p>(1) Total amount of derivatives contracts that may be traded: shall not exceed the Company's total net risk exposure amount of import and export of foreign currency for the import and export for the next six months. If requiring exceeding the aforesaid total amount due to the change in foreign exchange market, the amount exceeding the aforesaid transaction limit shall pass the resolution by the board of directors.</p> <p>(2) The maximum loss limit on total trading and for individual contracts: The Company engaging in the transactions of derivatives shall take hedging as principle and shall not engage in any speculative transactions. Regarding the trading contracts shall be</p>	<p>Article 14 Principles and Guidelines of Transactions</p> <p>(Paragraph 1~ Paragraph 3 is unchanged)</p> <p>4. Transaction Limit:</p> <p>(1) Total amount of derivatives contracts that may be traded: shall not exceed the Company's total net risk exposure amount of import and export of foreign currency for the import and export for the next six months. If requiring exceeding the aforesaid total amount due to the change in foreign exchange market, the amount exceeding the aforesaid transaction limit shall pass the resolution by the board of directors.</p> <p>(2) The maximum loss limit on total trading and for individual contracts: The Company engaging in the transactions of derivatives shall take hedging as principle and shall not engage in any speculative transactions. Regarding the trading contracts shall be</p>	<p>The amendment is in accordance with the demand of operational practice.</p>

Amended Article	Current Article	Note
<p>implemented, authorize the specific personnel to deal with the trading and require the approval of the CPF before the transactions. The maximum loss limit for each transaction is 15% of its contract amount and the maximum loss limit for all contracts is 5% of the Company's net worth as stated in its latest financial statements.</p> <p>5. Essentials of performance evaluation</p> <p>(1) In accordance with the size of the position held, determine the profit and loss target and review such objectives on a regular basis.</p> <p>(2) Evaluate the net profit or loss of the month on a monthly regular basis, work together with the concerned departments to review the positions, and discuss occurrence and hedging of the future positions to determine the future operation guidelines.</p>	<p>implemented, authorize the specific personnel to deal with the trading and require the approval of the CPF before the transactions. The transaction limit and risk of this Procedures at any time shall take the profit or loss evaluation that not exceeding US\$1 million as principle and take it as the maximum loss limit.</p> <p>5. Essentials of performance evaluation</p> <p>(1) In accordance with the size of the position held, determine the profit and loss target and review such objectives on a regular basis.</p> <p>(2) Evaluate the net profit or loss of the month on a monthly regular basis, work together with the concerned departments to review the positions, and discuss occurrence and hedging of the future positions to determine the future operation guidelines.</p>	
<p>Article 25</p> <p>Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <ol style="list-style-type: none"> <li>1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</li> <li>2. May not be a related party or de facto related party of any party to the transaction.</li> <li>3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</li> </ol> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the self-regulatory rules of the industry associations to which they belong and with the following provisions:</p> <ol style="list-style-type: none"> <li>1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</li> <li>2. When conducting a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and</li> </ol>	<p>Article 25</p> <p>Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <ol style="list-style-type: none"> <li>1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</li> <li>2. May not be a related party or de facto related party of any party to the transaction.</li> <li>3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</li> </ol> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</p> <ol style="list-style-type: none"> <li>1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</li> <li>2. When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</li> </ol>	<p>The amendment is in accordance with Article 5 of "Regulations Governing the Acquisition and Disposal of Assets by Public Companies"</p>

Amended Article	Current Article	Note
<p>conclusion shall be fully and accurately specified in the case working papers.</p> <p>3. They shall undertake an item-by-item evaluation of the appropriateness and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is appropriate and reasonable, and that they have complied with applicable laws and regulations.</p>	<p>3. They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.</p>	

## Appendix

### CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD.

#### Rules of Procedure for Shareholders Meetings

Approved by the General Shareholders' Meeting on June 18, 2002

1. Shareholders' Meeting of the Company (the "Meeting") shall be conducted in accordance with the Rules of Procedure, except as otherwise provided by the relevant laws and regulations.
2. The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.  
The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in.
3. Attendance and voting at the Meeting shall be calculated based on the number of shares.
4. The venue for a shareholders meeting shall be the premises of the Company, 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.
5. If a shareholders meeting is convened by the Board of Directors, the meeting shall be chaired by the chairman of the Board. When the chairman of the Board is on leave or for any reason unable to exercise the powers of the chairman, the chairman shall appoint one of the directors to act as chair. Where the chairman 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.
6. The Company may appoint its attorneys, certified public accountants, or related persons to attend a shareholders meeting. Persons handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.
7. The Company shall make an uninterrupted audio and video recording for the whole process of the Meeting. The recorded materials shall be retained for at least one year.
8. The chairman 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 chairman may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. 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 adopted pursuant to Article 175, paragraph 1 of the Company Act.  
When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chairman may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.
9. 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 a party with the power to convene that is not the Board of Directors.  
The chairman may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting.  
The shareholders cannot designate any other person as chairman and continue the Meeting in the same or other place after the Meeting is adjourned. In the event that the chairman declares the meeting adjourned in violation of the Rules of Procedure, the attending

shareholders may elect a new chairman by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

10. 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 chairman.  
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 chairman and the shareholder that has the floor; the chairman shall stop any violation.
11. Except with the consent of the chairman, 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 chairman may terminate the speech.
12. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the Meeting.  
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.
13. After an attending shareholder has spoken, the chairman may respond in person or direct relevant personnel to respond.
14. When the chairman is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chairman may announce the discussion closed and call for a vote.
15. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chairman, provided that all monitoring personnel shall be shareholders of the Company. The results of the voting shall be announced on-site at the meeting, and a record made of the vote.
16. When a meeting is in progress, the chairman may announce a break based on time considerations.
17. Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders.  
The resolution shall be deemed adopted and shall have the same effect as if it was voted by casting ballots if no objection is voiced after solicitation by the chairman.
18. When there is an amendment or an alternative to a proposal, the chairman shall present the amended or alternative proposal together with the original proposal and 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 rejection, and no further voting shall be required.
19. The chairman may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."
20. The Rules of Procedure and any amendments shall be implemented after adoption by shareholders meetings.

# CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD.

## Articles of Incorporation

Approved by the General Shareholders' Meeting on June 26, 2019

### Chapter I- General Provisions

#### Article 1

The Company is incorporated, as a company limited by shares, under the Company Act of the Republic of China. The Company's Chinese name is 台灣卜蜂企業股份有限公司 and its English name is CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD.

#### Article 2

The scope of business of the Company is as follows:

- |    |         |   |
|----|---------|---|
| 1  | A401010 | Operation of Livestock Farm   |
| 2  | A401020 | Animal Husbandry  |
| 3  | A401040 | Livestock Farming   |
| 4  | C101010 | Slaughter   |
| 5  | C103050 | Canned, Frozen, Dehydrated Food Manufacturing   |
| 6  | C199030 | Instant Food Manufacturing  |
| 7  | C199990 | Other Food Manufacturing Not Elsewhere Classified   |
| 8  | C201010 | Prepared Animal Feeds Manufacturing   |
| 9  | F101040 | Wholesale of Animal Husbandry   |
| 10 | F101050 | Wholesale of Aquatic Products   |
| 11 | F102170 | Wholesale of Food and Grocery   |
| 12 | F103010 | Wholesale of Animal Feeds   |
| 13 | F201020 | Retail sale of Husbandry Products   |
| 14 | F201030 | Retail Sale of Aquatic Products   |
| 15 | F202010 | Retail Sale of Animal Feeds   |
| 16 | F203010 | Retail Sale of Food and Grocery   |
| 17 | F401010 | International Trade   |
| 18 | I101070 | Agriculture, Forestry, Fishing and Animal Husbandry Consultancy   |
| 19 | I101090 | Food Consultancy  |
| 20 | I103060 | Management Consulting Services  |
| 21 | IG01010 | Biotechnology Services  |
| 22 | F501060 | Restaurants   |
| 23 | F501990 | Other Eating and Drinking Places Not Elsewhere Classified   |
| 24 | ZZ99999 | All business items that are not prohibited or restricted by law, except those that are subject to special approval. |

#### Article 2-1

The total amount of the Company's investment in other business shall be without the restriction of forty percent (40%) of the Company's paid-in capital.

#### Article 3

The Company has its head office in Taipei City. When it is necessary and with a resolution by the Board of Directors, the Company may set up branch offices and plants domestically and abroad.

#### Article 4

The Company may provide endorsements and guarantees to its subsidiaries or a company related to its business.

## **Chapter II - Shares**

### Article 5

The authorized capital of the Company is 3,579,000,000 New Taiwan Dollars, divided into 357,900,000 shares with a par value of ten New Taiwan Dollars (NT\$10) per share. All the shares may be issued in installments with a resolution by the Board of Directors.

### Article 6

The share certificates of the Company shall be affixed with the signatures or personal seals of the director representing the company, serially numbered, indicated the particulars in accordance with Article 162 of the Company Act and shall be duly certified or authenticated by the bank which is competent to certify shares under the laws before issuance.

### Article 6-1

When issuing new shares, the Company may print a share certificate in respect of the full number of shares to be issued at that time, and arrange for the share certificate to be kept by a centralized securities depository enterprise.

The Company may be exempted from printing any share certificates for the shares issued, and the company shall register the issued shares with a centralized securities depository enterprise.

### Article 7

The transfer of shares, pledge of rights, loss, succession, gift, loss of seal, amendment of seal, change of address or similar stock affairs conducted by shareholders of the Company, shall follow the Regulations Governing the Administration of Shareholder Services of Public Companies promulgated by the competent authority, unless otherwise provided in laws and securities regulations.

### Article 8

(Deleted)

### Article 9

The alteration in the shareholders' roster shall be suspended within sixty (60) days prior to the date of a general shareholder's meeting, thirty (30) days prior to the date of a special shareholders' meeting, or five (5) days prior to the target date fixed by the Company for distribution of dividends, bonuses, or other benefits.

### Article 10

Shareholders shall submit the seal specimen to the Company. The Company shall verify the seal used by a shareholder for claiming dividends or written exercising rights in compliance with seal specimen kept in the Company.

## **Chapter III– Shareholders' Meetings**

### Article 11

There are two kinds of shareholders' meetings, the general meetings and the special meetings.

1. General meetings shall be convened by the Board of Directors within six (6) months after the close of each fiscal year.
2. Special meetings shall be convened when necessary in accordance with the laws and regulations.

### Article 12

Unless otherwise provided in the Company Act, the Chairman of Board of Directors shall preside at each meeting of shareholders. In case that the Chairman is on leave or absence or cannot exercise his power and authority for any cause, the Chairman of Board of Directors shall designate either the Vice Chairman or one of the directors to act on his behalf in accordance with the Company Act. The shareholders' meeting shall be conducted in accordance with the Rules and Procedures of Shareholders' Meeting of the Company.

### Article 13

A notice to convene a general meeting of shareholders shall be given to each shareholder no later than thirty (30) days prior to the scheduled meeting date. A notice to convene a special meeting of shareholders shall be given to each shareholder no later than fifteen (15) days prior to the scheduled meeting date. The date, place of the meeting and the causes or subjects of a shareholders' meeting to be convened shall be indicated in the individual notice to be given to shareholders.

#### Article 14

Unless otherwise provided in the Company Act, resolutions at a shareholders' meeting shall be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.

#### Article 15

Except in the circumstances otherwise provided in laws and regulations, a shareholder shall have one voting power in respect of each share in his/her/its possession.

#### Article 16

If a shareholder is unable to attend a shareholders' meeting, he/she/it may appoint a proxy to attend a shareholders' meeting in his/her/its behalf by executing a power of attorney form printed by the Company and stating the scope of power authorized to the proxy.

The proxies to be used for attendance at a shareholders' meeting, unless otherwise provided in the Company Act, shall be in accordance with the Regulations Governing the Use of Proxies for Attendance at Shareholders' Meetings of Public Companies promulgated by the competent authority.

#### Article 17

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 twenty (20) days after the close of the shareholders' meeting in accordance with the Company Act.

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. The attendance list bearing the signatures of shareholders present at the meeting and the powers of attorney of the proxies shall be kept by the Company for a minimum period of at least one year.

However, if a lawsuit has been instituted by any shareholder in accordance with the provisions of Article 189 of the Company Act, the minutes of the shareholders' meeting involved shall be kept by the Company until the legal proceedings of the foregoing lawsuit have been concluded.

### **Chapter IV – Directors and Managerial Personnel**

#### Article 18

There are eight directors of the Company, who shall be elected by the shareholders' meeting from among the persons with disposing capacity. The term of office of a director shall be three years, and a director may be eligible for re-election. The independent directors shall not be less than three in number and not less than one-fifth of the total number of directors. The election of directors is adopted by candidate nomination system. The election of independent directors and non-independent directors shall be held together, and the elected members of independent directors and non-independent directors shall be calculated separately.

The percentage of shareholdings of all directors shall be in accordance with the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies promulgated by the competent authority.

#### Article 19

The Board of Directors is composed of the entirety of directors, in conducting business, shall act in accordance with laws and ordinances, the Articles of Incorporation, and the resolutions adopted at the meetings of shareholders.

#### Article 20

The Company has a Chairman and may have a Vice Chairman; the Board of Directors shall elect a Chairman and/or a Vice Chairman from among the directors in accordance with the Company Act. The Chairman shall externally represent the Company.

#### Article 21

Meetings of the Board of Directors, unless otherwise provided for in the Company Act, shall be convened by the Chairman of the Board of Directors.

Unless otherwise provided for in the Company Act, or other laws and ordinances, resolutions of the Board of Directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors.



#### Article 22

The Chairman of Board Directors shall preside at the meetings of Board of Directors. In case that the Chairman is on leave or absence or cannot exercise his power and authority for any cause, the Chairman of Board of Directors shall designate either the Vice Chairman or one of the directors to act on his behalf in accordance with the Company Act. In case that a director cannot attend the meeting for any cause whatsoever, he/she may appoint another director to attend a meeting of the Board of Directors in his/her behalf.

In case a meeting of the Board of Directors is proceeded via visual communication network, then the directors taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

In the case of emergency, the meeting of the Board of Directors may be convened at any time. A notice for calling a meeting of the Board of Directors may be effected by means of written, electronic transmission or facsimile.

#### Article 23

The Company establishes an Audit Committee in compliance with Articles 14-4 of the Securities and Exchange Act. The Audit Committee and its independent director members shall exercise the power and authority in accordance with the provisions regarding supervisors in the Company Act, the Securities and Exchange Act, other laws and regulations.

#### Article 24

(Deleted)

#### Article 25

The Company has one Chief Executive Officer (CEO). The CEO is empowered by the Board of Directors, responsible for the business and employee recruit.

#### Article 26

Appointment and discharge of the CEO shall be nominated by the Chairman and be decided in accordance with the resolution of the Board of Directors.

### **Chapter V – Accounting**

#### Article 27

The Company's fiscal year is starting from January 1 until December 31 of every calendar year. The final account closing shall be conducted at end of every fiscal year.

#### Article 28

After the final account closing of every fiscal year, the Board of Directors, in accordance with the Company Act, shall submit the following reports and statements to a general meeting of shareholders for ratification:

1. Business report;
2. Financial statements;
3. Surplus earning distribution or loss off-setting proposals.

#### Article 29

The Company is in the stage of stable growth, considering the capital demand of the Company and the cash inflow that the shareholders desire, while the Company has profit as a result of the annual final accounting, shall pay all taxes and dues pursuant to laws, offset its accumulated losses, and then set aside 10% of such profits as legal reserve. Where such legal reserve amount has reached the Company's paid-in capital, this provision shall not apply. The Company then set aside or reverse special reserve in accordance with the laws and regulations requested by the competent authority. The remaining surplus profits together with the un-appropriated retained earnings of the previous years shall be distributed as shareholders' dividends proposed by the Board of Directors. Cash dividends shall not be less than 10% of the total distributed dividends. While the cash dividends per share is less than NT\$0.1, the cash dividends shall be distributed in the form of stock dividends.

The distributable dividends and bonuses, or the legal reserve and capital reserve provided in the Paragraph 1 of Article 241 of the Company Act, in whole or in part, may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors of the Company; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. In the case of distribution in the form of new issued shares, shall be conducted by a

resolution adopted at a shareholders' meeting.

#### Article 29-1

When the Company has profit of the current year, at least 1% or more shall be distributed as employees' bonuses. In case that the Company has accumulative losses, a sufficient amount shall be reserved to offset its accumulative losses in advance.

#### Article 30

(Deleted)

#### Article 31

The remuneration for the chairman and directors is according to the individual merit for the degree of participation and contribution in the operation of the Company, in view of the standards of international and local industry, the Board of Directors is authorized to determine the aforesaid remuneration. In case that a shareholder or a director acts as a managerial officer or staff/employee of the Company, he/she shall be deemed as a general staff/employee and be paid for the salary.

### **Chapter VI – Supplementation**

#### Article 32

The organizational rules and the detailed procedures of business operation of the Company shall be separately determined by the Board of Directors.

#### Article 33

Any matters not provided for in these Articles of Incorporation shall be governed by the Company Act.

#### Article 34

(Deleted)

#### Article 35

These Articles of Incorporation were stipulated on July 30, 1977. The first Amendment was made on August 20, 1978, the second Amendment on June 10, 1979, the third Amendment on September 30, 1980, the fourth Amendment on December 31, 1980, the fifth Amendment on March 6, 1981, the sixth Amendment on June 10, 1981, the seventh Amendment on June 30, 1981, the eighth Amendment on May 29, 1982, the ninth Amendment on March 15, 1983, the tenth Amendment on May 2, 1984, the eleventh Amendment on September 30, 1984, the twelfth Amendment on May 28, 1985, the thirteenth Amendment on November 17, 1986, the fourteenth Amendment on July 29, 1987, the fifteenth Amendment on December 8, 1987, the sixteenth Amendment on April 1, 1988, the seventeenth Amendment on September 24, 1988, the eighteenth Amendment on April 17, 1989, the nineteenth Amendment on June 11, 1990, the twentieth Amendment on May 17, 1991, the twenty-first Amendment on June 4, 1992, the twenty-second Amendment on June 8, 1993, the twenty-third Amendment on May 23, 1994, the twenty-fourth Amendment on June 13, 1995, the twenty-fifth Amendment on June 5, 1996, the twenty-sixth Amendment on May 28, 1997, the twenty-seventh Amendment on June 5, 1998, the twenty-eighth Amendment on May 26, 2000, the twenty-ninth Amendment on June 18, 2002, the thirtieth Amendment on June 14, 2005, the thirty-first Amendment on June 20, 2006, the thirty-second Amendment on June 28, 2007, the thirty-third Amendment on June 18, 2010, the thirty-fourth Amendment on June 21, 2012, the thirty-fifth Amendment on June 19, 2014, the thirty-sixth Amendment on June 17, 2015, the thirty-seventh Amendment on June 17, 2016, the thirty-eighth Amendment on June 15, 2017, the thirty-ninth Amendment on June 26, 2019. Any amendment to the Articles of Incorporation of the Company shall be in accordance with the resolution adopted at a shareholders' meeting, and be submitted to the competent authority.

## **CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD.**

### **Rules for Election of Directors**

Approved by the General Shareholders' Meeting on July 22, 2021

1. Except as otherwise provided by law and regulation or by the Company's articles of incorporation, the election of directors shall be conducted in accordance with these Rules.
2. In the election of directors of the Company, each share shall have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates. The election of independent directors and non-independent directors shall be held together, however, the number of independent directors and non-independent directors elected shall be calculated separately.
3. The Company shall prepare separate ballots for directors in numbers corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting.
4. Before the election begins, the Chairman shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel.
5. The Company shall prepare the ballot boxes for the election of directors and publicly checked by the vote monitoring personnel before voting commences.
6. A ballot is invalid under any of the following circumstances:
  - (1) The ballot was not prepared by a person with the right to convene the meeting.
  - (2) A blank ballot is placed in the ballot box.
  - (3) The writing is unclear and indecipherable or has been altered.
  - (4) The candidate whose name is entered in the ballot does not conform to the director candidate list.
  - (5) Other words or marks are entered in addition to the number of voting rights allotted.
7. In the election of independent directors and non-independent directors of the Company, the number of directors will be as specified in this Corporation's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those 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 Chairman drawing lots on behalf of any person not in attendance.
8. The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation shall be announced by the Chairman on the site of meeting.
9. The Company shall issue notifications to the persons elected as directors.
10. These Rules and any amendments hereto shall be implemented after approval by a shareholders meeting.

## The Impact of the Stock Dividend Issuance on Business Performance, EPS and Shareholders Return Rate

Items		Year	2022 ( Projected )
Paid-in Capital at beginning of year			NT\$ 2,679,909,980
Stock and cash dividends for the current year	Cash dividends per share		NT\$ 3.0
	Stock dividends per share from capitalization of earnings		0.1 shares
	Stock dividends per share from capitalization of reserves		0 shares
Change in business performance	Operating Revenue		Not Applicable (Note 2)
	Increase (decrease) percentage of operating revenue compared to the previous year		
	Profit after income tax		
	Increase (decrease) percentage of Profit after income tax compared to the previous year		
	Earnings per share		
	Increase (decrease) percentage of Earnings per share compared to the previous year		
	Yearly average return on investment (a reciprocal of yearly average P/E ratio)		
Pro-forma EPS and P/E Ratio	If capitalized earnings were entirely distributed as cash dividends instead	Pro-forma EPS	Not Applicable (Note 2)
		Pro forma yearly average return on investment	
	Without capitalization of reserves	Pro forma EPS	
		Pro forma yearly average return on investment	
	Without capitalization of reserves and if capitalized earnings were entirely distributed as cash dividends instead	Pro-forma EPS	
		Pro forma yearly average return on investment	

- Note : 1. The status of 2021 stock and cash dividends distribution in is based on the resolution of the Company's board of directors on May 9, 2022. The 2021 new common share issuance through the increase of capital by capitalization of retained earnings will be conducted in accordance with the related regulations after approved by the Annual General Shareholders' Meeting.
2. In accordance with the "Regulations Governing the Publication of Financial Forecasts of Public Companies," the Company does not have to disclose financial forecasts to the public in 2022.

**CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD.**  
**Shareholding of All Directors**

List of Directors

Record Date : April 25, 2022

Position	Name	Date Elected	Shareholding While Elected			Current Shareholding			Remarks
			Type	Shares	Shareholding Ratio%	Type	Shares	Shareholding Ratio%	
Chairman	Wu Yeh, Cheng	July 22, 2021	Common Shares	26,802,733	10.00%	Common Shares	26,802,733	10.00%	
Director	Prasert Poongkumarn								
Director	Chu Hsiung, Lin								
Director	Thong Chotirat								
Director	Monchai Leelaharat								
Independent Director	Yen Sung, Li	July 22, 2021	Common Shares	0	0.00%	Common Shares	0	0.00%	
Independent Director	Tsu M. Ongg	July 22, 2021	Common Shares	0	0.00%	Common Shares	0	0.00%	
Total				26,802,733			26,802,733		

Total issued shares on July 22, 2021: 267,990,998 Shares

Total issued shares on April 25, 2022: 267,990,998 Shares

Note : The minimum required combined shareholding of all directors by law: 12,000,000 shares

The combined shareholding of all directors on April 25, 2022: 26,802,733 shares

CPE has established Audit Committee that minimum required combined shareholding of all supervisors by law is not applicable.