

Stock Code : 1215



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

2019 Annual General Shareholders' Meeting

Meeting Handbook

June 26, 2019

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CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD.

2019 Annual General Shareholders' Meeting

Agenda

- I. Time : 10:00 a.m., Wednesday, June 26, 2019
- II. Place : Conference Room at Nantou plant of the Company
No. 17, Gongye E. Rd., Nangang Industrial Park, Nantou City, Nantou County,
Taiwan
- III. Meeting Procedures
 1. Call the Meeting to Order
 2. Chairman Takes Chair
 3. Chairman Remarks
 4. Management Reports
 - (1) 2018 Business Report
 - (2) Audit Committee's Review Report on the 2018 Financial Statements and Records
 - (3) Report of Distribution of 2018 Employees' Compensation
 5. Proposals
 - (1) Adoption of the 2018 Business Report and Financial Statements
 - (2) Adoption of the Proposal for 2018 Distribution of Surplus Earnings
 6. Discussion
 - (1) Amendment to the Articles of Incorporation
 - (2) Amendment to the Procedures for the Acquisition and Disposal of Assets
 - (3) Amendment to the Operational Procedures for Endorsements/Guarantees
 - (4) Amendment to the Operational Procedures for Loaning Funds to Others
 7. Questions and Motions
 8. Meeting Adjournment

Management Reports

1. 2018 Business Report (Please refer to page 7, Attachment 1)
2. Audit Committee's Review Report on the 2018 Financial Statements and Records (Please refer to page 8, Attachment 2)
3. Report of Distribution of 2018 Employees' Compensation
 - (1) It is in accordance with Article 235-1 of the Company Act and the related rules promulgated by Ministry of Economic Affairs.
 - (2) 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.
 - (3) The 2018 employees' compensation is NT\$12,410,400 which was approved by the Board of Directors on May 6, 2019, and totally distributed in cash.

Proposals

Item 1

Proposed by the Board

Proposal: Adoption of the 2018 Business Report and Financial Statements.

Explanation :

1. CPE's 2018 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 7~27, Attachments 1, 3 and 4. Please ratify.

Resolution :

Item 2

Proposed by the Board

Proposal: Adoption of the Proposal for 2018 Distribution of Surplus Earnings.

Explanation :

1. Table of 2018 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 28, Attachments 5. Please ratify.
2. The cash dividend distribution will be rounded down to the nearest NT dollar and the sum of the fractional shares with a value less than NT\$1 will be recognized as the Company's other income. The record date and payment date of cash dividends will be resolved by the Board of Directors.
3. In the event that, before the distribution record date, the proposed profit distribution is affected by an amendment to relevant laws or regulations, a request by the competent authorities, or a buyback of shares or transferring treasury shares to employees, it is proposed that the Board of Directors be fully authorized to adjust the cash to be distributed to each share based on the number of actual shares outstanding on the record date for distribution.

Resolution :

Discussion

Item 1

Proposed by the Board

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

Explanation :

In order to conform to the amendments to the Company Act promulgated per Presidential Order No. Hua-Zong-I-Jing-10700083291 on August 1, 2018, the Company hereby proposes to amend the Articles of Incorporation. Please refer to page 29~30, Attachment 6, the Comparison Table for the Articles of Incorporation.

Resolution :

Item 2

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-1070341072 of the Financial Supervisory Commission on November 26, 2018, the Company hereby proposes to amend the Procedures for the Acquisition and Disposal of Assets. Please refer to page 31~41, Attachment 7, the Comparison Table for the Procedures for the Acquisition and Disposal of Assets.

Resolution :

Item 3

Proposed by the Board

Proposal : Amendment to the Operational Procedures for Endorsements/Guarantees. Please proceed to resolve.

Explanation :

In order to conform to the amendments to the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies promulgated per Order No. Financial-Supervisory-Securities-Auditing-1080304826 of the Financial Supervisory Commission on March 7, 2019, the Company hereby proposes to amend the Operational Procedures for Endorsements/Guarantees. Please refer to page 42~43, Attachment 8, the Comparison Table for the Operational Procedures for Endorsements/Guarantees.

Resolution :**Item 4**

Proposed by the Board

Proposal : Amendment to the Operational Procedures for Loaning Funds to Others. Please proceed to resolve.

Explanation :

In order to conform to the amendments to the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies promulgated per Order No. Financial-Supervisory-Securities-Auditing-1080304826 of the Financial Supervisory Commission on March 7, 2019, the Company hereby proposes to amend the Operational Procedures for Loaning Funds to Others. Please refer to page 44~46, Attachment 9, the Comparison Table for the Operational Procedures for Loaning Funds to Others.

Resolution :

Questions and Motions

Meeting Adjournment

Attachment 1

CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD.

2018 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

The vertically integrated business model and the resources integration constructed for a long time have demonstrated significant competitive advantages and benefits for quality control and production cost reduction. With the efforts of the management team and all colleagues, the operating revenue of 2018 hit a record high since the Company was founded.

3. Operating Performance

According to the Company's 2018 Parent Company Only Financial Statements, the operating revenue was NT\$18,170,438 thousands, the operating profit was NT\$1,169,368 thousands, the profit before income tax was NT\$1,227,155 thousands, and the earnings per share before income tax was NT\$4.58.

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 this year. However, the overall business performance is generally in line with the company's internal operating plan.

5. Profitability Analysis (Based on the Company's 2018 Parent Company Only Financial Statements)

Return on total assets	7.24%
Return on owners' Equity	13.97%
Ratio of profit before income tax to paid-in capital	45.79%
Profit margin	5.23%
Earnings Per Share	NT\$ 3.55

6. Research and Development

- (1) We improved deep-fry and grill technology and successfully developed a number of reheating fried chicken products suitable for oven and microwave, and provide consumers more choices of fried chicken with hygiene, safety and convenience.
- (2) In response to small families and personalized dietary needs, we not only developed soup series of chicken, pig, duck and a variety of flavors, but also launched several single-person fried rice products and ready-to-eat packets at the same time.
- (3) Targeting at the needs of animal protein for fitness and sports-loving populations, we successfully developed a variety of flavored chicken breast salad products which is sold in all major channels and are the rage in the industry.

Chairman: Wu Yeh, Cheng

CEO: Thong Chotirat

Chief Accountant: Ching Yuan, Yu

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 2018 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 2019 Annual General Shareholders' Meeting of the Company

Convener of Audit Committee: Li, Yen Sung

Date: May 6, 2019

Attachment 3

REPORT OF INDEPENDENT ACCOUNTANTS

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. as at December 31, 2018 and 2017, 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 parent company only financial position of Charoen Pokphand Enterprise (Taiwan) Co., Ltd. as at December 31, 2018 and 2017, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”.

Basis for opinion

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

Key audit matters

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

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

Evaluation of net realizable value of inventories

Description

Refer to Note 4(10) 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(3) for details of inventories. As at December 31, 2018, the carrying amount of inventories and allowance for inventory valuation losses amounted to NT\$1,053,907 thousand and NT\$14,800 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 realizable 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 realizable 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 operation and related industry, assessed the reasonableness of related policies and procedures applied to the net realizable value of inventories, and ascertained the consistent application.
2. Obtained statements of net realizable 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(12) 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, 2018, the carrying amount of biological assets amounted to NT\$1,468,588 thousand.

The Company's biological assets as 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 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 Charoen Pokphand Enterprise (Taiwan) Co., Ltd. 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 Charoen Pokphand Enterprise (Taiwan) Co., Ltd. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including Audit Committee, are responsible for overseeing Charoen Pokphand Enterprise (Taiwan) Co., Ltd. financial reporting process.

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

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

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

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

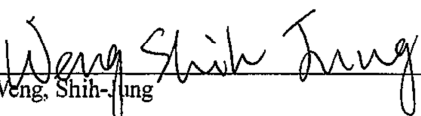
appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Charoen Pokphand Enterprise (Taiwan) Co., Ltd. internal control.

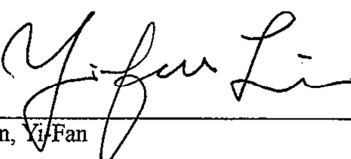
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material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

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

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

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


Wang, Shih-Jung


Lin, Yi-Fan

For and on behalf of PricewaterhouseCoopers, Taiwan

March 25, 2019

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

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

Assets	December 31, 2018		December 31, 2017	
	AMOUNT	%	AMOUNT	%
Current assets				
Cash and cash equivalents	\$ 55,303	1	\$ 77,201	1
Notes receivable, net	331,198	2	340,232	3
Accounts receivable, net	1,616,029	11	1,496,152	11
Accounts receivable - related parties	34,908	-	18,407	-
Other receivables	20,201	-	8,036	-
Inventory, net	1,039,107	7	949,190	7
Biological assets - current	1,121,389	8	975,098	7
Prepayments	539,758	4	350,607	3
Other current assets	7,450	-	2,000	-
Total current Assets	4,765,343	33	4,216,923	32
Non-current assets				
Investments accounted for under equity method	2,296,811	16	2,217,806	17
Property, plant and equipment	6,988,772	48	6,109,595	47
Intangible assets	1,564	-	2,047	-
Biological assets - non-current	347,199	2	327,614	3
Deferred income tax assets	55,861	-	50,920	-
Other non-current assets	103,751	1	83,945	1
Total non-current assets	9,793,958	67	8,791,927	68
Total assets	\$ 14,559,301	100	\$ 13,008,850	100

(Continued)

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

Liabilities and Equity	December 31, 2018		December 31, 2017	
	AMOUNT	%	AMOUNT	%
Current liabilities				
Short-term borrowings	\$ 2,563,784	18	\$ 2,236,383	17
Short-term notes and bills payable	619,270	4	499,489	4
Notes payable	355,439	2	424,095	3
Notes payable - related parties	1,974	-	8,599	-
Accounts payable	660,006	5	506,535	4
Accounts payable - related parties	12,625	-	4,133	-
Other payables	547,619	4	507,209	4
Other payables - related parties	21,430	-	28,210	-
Current income tax liabilities	196,470	1	211,737	2
Other current liabilities	584,013	4	180,701	2
Total current Liabilities	<u>5,562,630</u>	<u>38</u>	<u>4,607,091</u>	<u>36</u>
Non-current liabilities				
Long-term borrowings	1,880,000	13	1,510,000	12
Deferred income tax liabilities	18,314	-	28,616	-
Other non-current liabilities	166,381	1	185,645	1
Total non-current liabilities	<u>2,064,695</u>	<u>14</u>	<u>1,724,261</u>	<u>13</u>
Total Liabilities	<u>7,627,325</u>	<u>52</u>	<u>6,331,352</u>	<u>49</u>
Equity attributable to owners of parent				
Share capital				
Share capital - common stock	2,679,910	19	2,679,910	20
Capital surplus				
Capital surplus	1,652	-	1,145	-
Retained earnings				
Legal reserve	638,708	4	495,401	4
Unappropriated retained earnings	2,341,559	16	2,335,867	18
Other equity interest				
Other equity interest	1,270,147	9	1,165,175	9
Total equity	<u>6,931,976</u>	<u>48</u>	<u>6,677,498</u>	<u>51</u>
Significant contingent liabilities and unrecognized contract commitments				
Significant disaster loss				
Total liabilities and equity	<u>\$ 14,559,301</u>	<u>100</u>	<u>\$ 13,008,850</u>	<u>100</u>

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

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

Items	Year ended December 31			
	2018		2017	
	AMOUNT	%	AMOUNT	%
Operating revenue	\$ 18,170,438	100	\$ 17,379,603	100
Operating costs	(15,711,283)	(86)	(14,437,948)	(83)
Net operating margin	<u>2,459,155</u>	<u>14</u>	<u>2,941,655</u>	<u>17</u>
Operating expenses				
Selling and marketing expenses	(805,048)	(4)	(826,614)	(5)
General and administrative expenses	(491,898)	(3)	(474,865)	(3)
Gain on expected credit loss impairment	(94)	-	-	-
Total operating expenses	<u>(1,297,040)</u>	<u>(7)</u>	<u>(1,301,479)</u>	<u>(8)</u>
Other income and expense, net	<u>7,253</u>	<u>-</u>	<u>718</u>	<u>-</u>
Operating profit	<u>1,169,368</u>	<u>7</u>	<u>1,640,894</u>	<u>9</u>
Non-operating income and expenses				
Other income	4,063	-	2,889	-
Other gains and losses	27,129	-	52,822	-
Finance costs	(59,884)	-	(38,707)	-
Share of profit of associates and joint ventures accounted for using equity method, net	<u>86,479</u>	<u>-</u>	<u>101,042</u>	<u>1</u>
Total non-operating income and expenses	<u>57,787</u>	<u>-</u>	<u>118,046</u>	<u>1</u>
Profit before income tax	<u>1,227,155</u>	<u>7</u>	<u>1,758,940</u>	<u>10</u>
Income tax expense	(276,428)	(2)	(325,870)	(2)
Profit for the year	<u>\$ 950,727</u>	<u>5</u>	<u>\$ 1,433,070</u>	<u>8</u>
Other comprehensive income				
Components of other comprehensive income that will not be reclassified to profit or loss				
Other comprehensive income, before tax, actuarial gain (losses) on defined benefit plans	\$ 7,357	-	(\$ 25,098)	-
Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	55,215	1	(18)	-
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(5,212)	-	4,266	-
Components of other comprehensive income that will not be reclassified to profit or loss	<u>57,360</u>	<u>1</u>	<u>(20,850)</u>	<u>-</u>
Components of other comprehensive income that will be reclassified to profit or loss				
Currency translation differences of foreign operations	49,857	-	(176,705)	(1)
Total Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>(160,292)</u>	<u>(1)</u>
Components of other comprehensive income that will be reclassified to profit or loss	<u>49,857</u>	<u>-</u>	<u>(336,997)</u>	<u>(2)</u>
Other comprehensive income for the year	<u>\$ 107,217</u>	<u>1</u>	<u>(\$ 357,847)</u>	<u>(2)</u>
Total comprehensive income for the year	<u>\$ 1,057,944</u>	<u>6</u>	<u>\$ 1,075,223</u>	<u>6</u>
Earnings per share				
Basic earnings per share	<u>\$ 3.55</u>		<u>\$ 5.35</u>	
Diluted earnings per share	<u>\$ 3.54</u>		<u>\$ 5.34</u>	

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

CHAROEN POKPHAND ENTERPRISE(TAIWAN) CO., LTD
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of New Taiwan dollars)

	Retained Earnings				Other equity interest			Amount
	Share capital - common stock	Capital surplus	Legal reserve	Total unappropriated retained earnings (accumulated deficit)	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Unrealised gain or loss on available-for-sale financial assets	
2017								
Balance at January 1, 2017	\$ 2,679,910	\$ 967	\$ 369,222	\$ 1,853,799	\$ 154,088	\$ -	\$ 1,348,084	\$ 6,406,070
Profit for the year	-	-	-	1,433,070	-	-	-	1,433,070
Other comprehensive loss for the year	-	-	-	(20,850)	(176,705)	-	(160,292)	(357,847)
Total comprehensive income (loss)	-	-	-	1,412,220	(176,705)	-	(160,292)	1,075,223
Appropriations of 2016 earnings								
Legal reserve	-	-	126,179	(126,179)	-	-	-	-
Cash dividends to shareholders	-	-	-	(803,973)	-	-	-	(803,973)
Capital surplus - dividends not received by shareholders	-	178	-	-	-	-	-	178
Balance at December 31, 2017	<u>\$ 2,679,910</u>	<u>\$ 1,145</u>	<u>\$ 495,401</u>	<u>\$ 2,335,867</u>	<u>(\$ 22,617)</u>	<u>\$ -</u>	<u>\$ 1,187,792</u>	<u>\$ 6,677,498</u>
2018								
Balance at January 1, 2018	\$ 2,679,910	\$ 1,145	\$ 495,401	\$ 2,335,867	(\$ 22,617)	\$ -	\$ 1,187,792	\$ 6,677,498
Effect of retrospective application and retrospective restatement	-	-	-	-	-	1,187,792	(1,187,792)	-
Balance after restatement at January 1, 2018	<u>2,679,910</u>	<u>1,145</u>	<u>495,401</u>	<u>2,335,867</u>	<u>(22,617)</u>	<u>1,187,792</u>	<u>-</u>	<u>6,677,498</u>
Profit for the year	-	-	-	950,727	-	-	-	950,727
Other comprehensive income	-	-	-	2,245	49,857	55,115	-	107,217
Total comprehensive income	-	-	-	952,972	49,857	55,115	-	1,057,944
Appropriations of 2017 earnings								
Legal reserve	-	-	143,307	(143,307)	-	-	-	-
Cash dividends to shareholders	-	-	-	(803,973)	-	-	-	(803,973)
Capital surplus - dividends not received by shareholders	-	507	-	-	-	-	-	507
Balance at December 31, 2018	<u>\$ 2,679,910</u>	<u>\$ 1,652</u>	<u>\$ 638,708</u>	<u>\$ 2,341,559</u>	<u>\$ 27,240</u>	<u>\$ 1,242,907</u>	<u>\$ -</u>	<u>\$ 6,931,976</u>

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

CHAROEN POKPHAND ENTERPRISE(TAIWAN) CO., LTD
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

	2018	2017
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit before tax	\$ 1,227,155	\$ 1,758,940
Adjustments		
Adjustments to reconcile profit (loss)		
Gain on expected credit loss impairment	94	-
Reversal of allowance for bad debts	-	(211)
Depreciation	522,508	430,159
Amortization	3,762	2,561
Interest income	(193)	(152)
Interest expense	59,884	38,707
Provision for (reversal of) loss on inventory market price decline	7,200	(1,900)
Change in fair value less cost to sell of biological assets	(7,253)	(718)
Share of profit (loss) of investments accounted for using the equity method	(86,479)	(101,042)
Loss (gain) on disposal of property, plant and equipment	2,054	(1,757)
Changes in operating assets and liabilities		
Changes in operating assets		
Notes receivable	9,034	5,066
Accounts receivable	(119,971)	(15,022)
Accounts receivable - related parties	(16,501)	3,053
Other receivables	(12,165)	2,704
Inventories	(97,117)	4,027
Biological assets	(158,623)	(174,865)
Prepayments	(189,151)	(97,843)
Changes in operating liabilities		
Notes payable	(68,656)	33,494
Notes payable - related parties	(6,625)	6,861
Accounts payable	153,471	(17,213)
Accounts payable - related parties	8,492	(7,834)
Other payables	46,706	84,865
Other payables - related parties	(6,780)	14,768
Accrued pension liabilities	(14,319)	(14,651)
Cash inflow generated from operations	1,256,527	1,951,997
Cash paid for income tax	(312,150)	(235,966)
Net cash flows from operating activities	<u>944,377</u>	<u>1,716,031</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Acquisition of investments accounted for using equity method	(51,000)	(294,850)
Acquisition of property, plant and equipment	(1,429,007)	(2,396,546)
Proceeds from disposal of property, plant and equipment	24,384	5,070
Acquisition of intangible assets	(660)	(1,498)
(Increase) decrease in other current assets	(5,450)	-
(Increase) decrease in other non-current assets	(22,425)	9,363
Cash receipt of interest	193	152
Dividends received	163,546	4,680
Net cash flows used in investing activities	<u>(1,320,419)</u>	<u>(2,673,629)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Increase in short-term borrowings	327,401	242,614
Increase in short-term notes and bills payable	119,781	239,644
Proceeds from long-term borrowings	2,900,000	2,040,000
Payment of long-term borrowings	(2,130,000)	(713,750)
Cash payment for interest	(59,572)	(38,670)
Cash dividends paid	(803,973)	(803,973)
Capital surplus - dividends not received by shareholders	507	178
Net cash flows from financing activities	<u>354,144</u>	<u>966,043</u>
Net (decrease) increase in cash and cash equivalents	(21,898)	8,445
Cash and cash equivalents at beginning of year	77,201	68,756
Cash and cash equivalents at end of year	<u>\$ 55,303</u>	<u>\$ 77,201</u>

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

Attachment 4

REPORT OF INDEPENDENT ACCOUNTANTS

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, 2018 and 2017, 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, 2018 and 2017, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

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

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

Evaluation of net realizable value of inventories

Description

Refer to Note 4(12) for accounting policies adopted for the valuation of inventories, Note5(2) for uncertainty of accounting estimates and assumptions of valuation of inventories, and Note 6(4) for details of inventories. As at December 31, 2018, the carrying amount of inventories and allowance for inventory valuation losses amounted to NT\$1,309,122 thousand and NT\$15,099 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 realizable 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 realizable 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 operation and related industry, assessed the reasonableness of related policies and procedures applied to the net realizable value of inventories, and ascertained the consistent application.

2. Obtained statements of net realizable 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(13) 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, 2018, the carrying amount of biological assets amounted to NT\$1,600,644 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 unmodified opinion on the parent company only financial statements of Charoen Pokphand Enterprise (Taiwan) Co., Ltd. as at and for the years ended December 31, 2018 and 2017.

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.

Independent accountant's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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 ROC GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

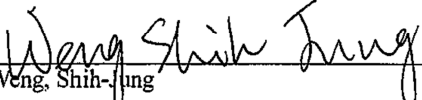
As part of an audit in accordance with ROC GAAS, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

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.


Wang, Shih Jung


Lin, Yi Fan

For and on behalf of PricewaterhouseCoopers, Taiwan

March 25, 2019

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

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

ASSETS	December 31, 2018		December 31, 2017	
	AMOUNT	%	AMOUNT	%
Current assets				
Cash and cash equivalents	\$ 134,880	1	\$ 246,987	2
Notes receivable, net	359,097	2	378,098	3
Accounts receivable, net	1,778,373	11	1,613,144	11
Accounts receivable - related parties	370,720	3	194,595	1
Other receivables	21,072	-	11,533	-
Other receivables - related parties	14,155	-	6,683	-
Inventories, net	1,294,023	8	1,218,657	9
Biological assets - current	1,253,446	8	1,065,420	8
Prepayments	603,932	4	432,424	3
Other current assets	7,450	-	2,000	-
Total current assets	5,837,148	37	5,169,541	37
Non-current assets				
Non-current financial assets at fair value through other comprehensive income	1,782,950	11	-	-
Available-for-sale financial assets - non-current	-	-	1,677,655	12
Property, plant and equipment	7,617,265	48	6,515,162	47
Intangible assets	15,059	-	15,108	-
Biological assets - non-current	347,198	2	327,614	2
Deferred income tax assets	64,611	1	62,893	1
Other non-current assets	125,933	1	118,149	1
Total non-current assets	9,953,016	63	8,716,581	63
Total assets	\$ 15,790,164	100	\$ 13,886,122	100

(Continued)

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

LIABILITIES AND EQUITY	December 31, 2018		December 31, 2017	
	AMOUNT	%	AMOUNT	%
Current liabilities				
Short-term borrowings	\$ 2,768,011	17	\$ 2,261,383	16
Short-term notes and bills payable	619,270	4	499,489	4
Notes payable	394,109	2	469,642	3
Accounts payable	739,122	5	636,079	5
Accounts payable - related parties	270,562	2	98,428	1
Other payables	764,203	5	714,777	5
Other payables - related parties	21,430	-	28,210	-
Current income tax liabilities	207,954	1	223,112	2
Other current liabilities	599,764	4	212,622	1
Total current liabilities	6,384,425	40	5,143,742	37
Non-current liabilities				
Long-term borrowings	1,959,750	13	1,563,000	11
Deferred income tax liabilities	18,314	-	28,616	-
Other non-current liabilities	170,990	1	193,250	2
Total non-current liabilities	2,149,054	14	1,784,866	13
Total liabilities	8,533,479	54	6,928,608	50
Equity attributable to owners of parent				
Share capital				
Share capital - common stock	2,679,910	17	2,679,910	19
Capital surplus				
Capital surplus	1,652	-	1,145	-
Retained earnings				
Legal reserve	638,708	4	495,401	4
Unappropriated retained earnings	2,341,559	15	2,335,867	17
Other equity interest				
Other equity interest	1,270,147	8	1,165,175	8
Equity attributable to owners of the parent	6,931,976	44	6,677,498	48
Non-controlling interest	324,709	2	280,016	2
Total equity	7,256,685	46	6,957,514	50
Significant contingent liabilities and unrecognized contract commitments				
Significant disaster loss				
Significant events after the reporting period				
Total liabilities and equity	\$ 15,790,164	100	\$ 13,886,122	100

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

CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

Year ended December 31

Items	2018		2017	
	AMOUNT	%	AMOUNT	%
Operating revenue	\$ 21,235,086	100	\$ 19,865,000	100
Operating costs	(18,377,736)	(87)	(16,537,014)	(83)
Net operating margin	<u>2,857,350</u>	<u>13</u>	<u>3,327,986</u>	<u>17</u>
Operating expenses				
Selling and marketing expenses	(1,004,691)	(5)	(1,020,279)	(5)
General and administrative expenses	(574,520)	(2)	(561,462)	(3)
Gain on expected credit loss impairment	(94)	-	-	-
Total operating expenses	(1,579,305)	(7)	(1,581,741)	(8)
Other income and expenses, net	<u>7,253</u>	<u>-</u>	<u>718</u>	<u>-</u>
Operating profit	<u>1,285,298</u>	<u>6</u>	<u>1,746,963</u>	<u>9</u>
Non-operating income and expenses				
Other income	60,457	-	69,618	1
Other gains and losses	25,399	-	58,760	-
Finance costs	(63,304)	-	(40,053)	-
Total non-operating income and expenses	<u>22,552</u>	<u>-</u>	<u>88,325</u>	<u>1</u>
Profit before income tax	1,307,850	6	1,835,288	10
Income tax expense	(312,790)	(1)	(357,907)	(2)
Profit for the year	<u>\$ 995,060</u>	<u>5</u>	<u>\$ 1,477,381</u>	<u>8</u>

(Continued)

CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

Year ended December 31

Items	2018		2017	
	AMOUNT	%	AMOUNT	%
Other comprehensive income				
Components of other comprehensive income that will not be reclassified to profit or loss				
Other comprehensive income, before tax, actuarial gains (losses) on defined benefit plans	\$ 8,123	-	(\$ 25,073)	-
Unrealized gain or loss on financial assets at fair value through other comprehensive income	55,115	-	-	-
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(5,801)	-	4,262	-
Components of other comprehensive income that will not be reclassified to profit or loss	<u>57,437</u>	<u>-</u>	<u>(20,811)</u>	<u>-</u>
Components of other comprehensive income that will be reclassified to profit or loss				
Currency translation differences of foreign operations	48,121	-	(178,705)	(1)
Unrealized loss on valuation of available-for-sale financial assets	-	-	(160,292)	(1)
Components of other comprehensive income that will be reclassified to profit or loss	<u>48,121</u>	<u>-</u>	<u>(338,997)</u>	<u>(2)</u>
Total other comprehensive income (loss) for the year	<u>\$ 105,558</u>	<u>-</u>	<u>(\$ 359,808)</u>	<u>(2)</u>
Total comprehensive income for the year	<u>\$ 1,100,618</u>	<u>5</u>	<u>\$ 1,117,573</u>	<u>6</u>
Profit attributable to:				
Owners of the parent	\$ 950,727	5	\$ 1,433,070	8
Non-controlling interest	44,333	-	44,311	-
	<u>\$ 995,060</u>	<u>5</u>	<u>\$ 1,477,381</u>	<u>8</u>
Comprehensive income attributable to:				
Owners of the parent	\$ 1,057,944	5	\$ 1,075,223	6
Non-controlling interest	42,674	-	42,350	-
	<u>\$ 1,100,618</u>	<u>5</u>	<u>\$ 1,117,573</u>	<u>6</u>
Earnings per share				
Basic earnings per share	<u>\$</u>	<u>3.55</u>	<u>\$</u>	<u>5.35</u>
Diluted earnings per share	<u>\$</u>	<u>3.54</u>	<u>\$</u>	<u>5.34</u>

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

Chairman: Wu Yeh, Cheng

CEO: Thong Chotirat

Chief Accountant: Ching Yuan, Yu

CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of New Taiwan dollars)

	Equity attributable to owners of the parent									
	Retained Earnings					Other Equity Interest				
	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	Unrealised gain or loss on available-for-sale financial assets	Total	Non-controlling interest	Total equity
2017										
Balance at January 1, 2017	\$ 2,679,910	\$ 967	\$ 369,222	\$ 1,853,799	\$ 154,088	\$ -	\$ 1,348,084	\$ 6,406,070	\$ 202,667	\$ 6,608,737
Profit for the year	-	-	-	1,433,070	-	-	-	1,433,070	44,311	1,477,381
Other comprehensive loss for the year	-	-	-	(20,850)	(176,705)	-	(160,292)	(357,847)	(1,961)	(359,808)
Total comprehensive income (loss)	-	-	-	1,412,220	(176,705)	-	(160,292)	1,075,223	42,350	1,117,573
Appropriations of 2016 earnings										
Legal reserve	-	-	126,179	(126,179)	-	-	-	-	-	-
Cash dividends to shareholders	-	-	-	(803,973)	-	-	-	(803,973)	-	(803,973)
Capital surplus - dividends not received by shareholders	-	178	-	-	-	-	-	178	-	178
Cash dividends to non-controlling interest	-	-	-	-	-	-	-	-	(13,001)	(13,001)
Cash receipt from non-controlling interest of a subsidiary through capital increase in cash	-	-	-	-	-	-	-	-	48,000	48,000
Balance at December 31, 2017	<u>\$ 2,679,910</u>	<u>\$ 1,145</u>	<u>\$ 495,401</u>	<u>\$ 2,335,867</u>	<u>(\$ 22,617)</u>	<u>\$ -</u>	<u>\$ 1,187,792</u>	<u>\$ 6,677,498</u>	<u>\$ 280,016</u>	<u>\$ 6,957,514</u>
2018										
Balance at January 1, 2018	\$ 2,679,910	\$ 1,145	\$ 495,401	\$ 2,335,867	(\$ 22,617)	\$ -	\$ 1,187,792	\$ 6,677,498	\$ 280,016	\$ 6,957,514
Effect of retrospective application and retrospective restatement	-	-	-	-	-	1,187,792	(1,187,792)	-	-	-
Balance after restatement at January 1, 2018	<u>2,679,910</u>	<u>1,145</u>	<u>495,401</u>	<u>2,335,867</u>	<u>(22,617)</u>	<u>1,187,792</u>	<u>-</u>	<u>6,677,498</u>	<u>280,016</u>	<u>6,957,514</u>
Profit for the year	-	-	-	950,727	-	-	-	950,727	44,333	995,060
Other comprehensive income (loss)	-	-	-	2,245	49,857	55,115	-	107,217	(1,659)	105,558
Total comprehensive income (loss)	-	-	-	952,972	49,857	55,115	-	1,057,944	42,674	1,100,618
Appropriations of 2017 earnings										
Legal reserve	-	-	143,307	(143,307)	-	-	-	-	-	-
Cash dividends to shareholders	-	-	-	(803,973)	-	-	-	(803,973)	-	(803,973)
Capital surplus - dividends not received by shareholders	-	507	-	-	-	-	-	507	-	507
Cash dividends to non-controlling interest	-	-	-	-	-	-	-	-	(46,981)	(46,981)
Cash receipt from non-controlling interest of a subsidiary through capital increase in cash	-	-	-	-	-	-	-	-	49,000	49,000
Balance at December 31, 2018	<u>\$ 2,679,910</u>	<u>\$ 1,652</u>	<u>\$ 638,708</u>	<u>\$ 2,341,559</u>	<u>\$ 27,240</u>	<u>\$ 1,242,907</u>	<u>\$ -</u>	<u>\$ 6,931,976</u>	<u>\$ 324,709</u>	<u>\$ 7,256,685</u>

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

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

	2018	2017
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit before tax	\$ 1,307,850	\$ 1,835,288
Adjustments		
Adjustments to reconcile profit (loss)		
Gain on expected credit loss impairment	94	-
Reversal of allowance for bad debts	-	(211)
Depreciation	553,688	461,353
Amortization	4,063	2,830
Interest income	(15,087)	(7,574)
Interest expense	63,304	40,053
Dividend income	(42,513)	(60,438)
Provision for (reversal of) loss on inventory market price decline	7,438	(2,126)
Change in fair value less cost to sell of biological assets	(7,253)	(718)
Loss (gain) on disposal of property, plant and equipment	2,411	(1,803)
Changes in operating assets and liabilities		
Changes in operating assets		
Notes receivable	19,001	(8,761)
Accounts receivable	(165,323)	(52,743)
Accounts receivable - related parties	(176,125)	(117,696)
Other receivables	(9,539)	(3,540)
Other receivables - related parties	(7,472)	-
Inventories	(82,804)	(66,957)
Biological assets	(200,357)	(190,245)
Prepayments	(171,508)	(153,358)
Changes in operating liabilities		
Notes payable	(75,533)	62,843
Accounts payable	103,043	36,471
Accounts payable - related parties	172,134	58,166
Other payables	84,375	147,341
Other payables - related parties	(6,780)	14,768
Accrued pension liabilities	(15,889)	(16,179)
Cash inflow generated from operations	1,341,218	1,976,764
Cash paid for income tax	(345,836)	(263,425)
Income tax refund received	-	3,876
Net cash flows from operating activities	995,382	1,717,215

(Continued)

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

	2018	2017
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Decrease in other current assets	(\$ 5,450)	\$ -
Acquisition of available-for sale financial assets	-	(287,583)
Acquisition of property, plant and equipment	(1,717,391)	(2,606,852)
Proceeds from disposal of property, plant and equipment	26,079	5,771
Acquisition of intangible assets	(754)	(1,498)
(Increase) decrease in other non-current assets	(10,767)	10,018
Cash receipt of interest	15,087	7,686
Dividends received	42,513	60,438
Net cash flows used in investing activities	(1,650,683)	(2,812,020)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Increase in short-term borrowings	506,628	266,615
Increase in short-term notes and bills payable	119,781	239,644
Proceeds from long-term borrowings	2,940,000	2,093,000
Payment of long-term borrowings	(2,160,000)	(743,750)
Cash payment for interest	(62,754)	(39,933)
Cash dividends paid	(803,973)	(803,973)
Cash receipt from non-controlling interest of a subsidiary through capital increase establishment	49,000	48,000
Cash dividends paid to non-controlling interest	(46,981)	(13,001)
Capital surplus - dividends not received by shareholders	507	178
Net cash flows from financing activities	542,208	1,046,780
Effects of changes in foreign exchange rate	986	(13,949)
Net decrease in cash and cash equivalents	(112,107)	(61,974)
Cash and cash equivalents at beginning of year	246,987	308,961
Cash and cash equivalents at end of year	\$ 134,880	\$ 246,987

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

Attachment 5

CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD.

**Table of Distribution of Surplus Earnings
Year 2018**

Unit: NTD		
Items	Amount	Note
Beginning retained earnings	1,388,586,793	
Add: Adjustment to 2018 retained earnings	2,245,224	
Adjusted un-appropriated retained earnings	1,390,832,017	
Add: 2018 net profit after tax	950,727,053	
Less: 10% legal reserve	(95,072,705)	
Distributable surplus earnings	2,246,486,365	
Distributable items:		
Cash dividend to shareholders	803,972,994	NT\$3 per share
Un-appropriated retained earnings after distribution	1,442,513,371	

Chairman: Wu Yeh, Cheng

CEO: Thong Chotirat

Chief Accountant: Ching Yuan, Yu

Attachment 6**CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD.****Comparison Table for the Articles of Incorporation**

Amended Article	Current Article	Note
<p>Article 1</p> <p>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.</p>	<p>Article 1</p> <p>The Company is incorporated, as a company limited by shares, under the Company Act of the Republic of China, and is named CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD.</p>	<p>The amendment is in accordance with Article 392-1 of the Company Act</p>
<p>Article 3</p> <p>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.</p>	<p>Article 3</p> <p>The Company has its head office in Taipei City, and has its plants in Kaohsiung City, Taichung City and Nantou County, Taiwan, Republic of China. When it is necessary and with a resolution by the Board of Directors, the Company may set up branch offices and plants at other locations.</p>	<p>Modify the wording.</p>
<p>Article 6</p> <p>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.</p>	<p>Article 6</p> <p>The share certificates of the Company shall bear shareholders' name, be affixed with the signatures or personal seals of at least three or more directors, serially numbered, indicated the particulars in accordance with Article 162 of the Company Act and duly authenticated by the competent authority or a certifying institution appointed by the competent authority before issuance.</p>	<p>The amendment is in accordance with Article 162 and Article 164 of the Company Act</p>
<p>Article 21</p> <p>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.</p> <p>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.</p>	<p>Article 21</p> <p>Meetings of the Board of Directors shall be convened by the Chairman of the Board of Directors, except for the first meeting of each term of the Board of Directors, which shall be convened by the director who received a ballot representing the largest number of votes at the election of directors.</p> <p>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.</p>	<p>The amendment is in accordance with Article 203 of the Company Act</p>

Amended Article	Current Article	Note
<p>Article 29</p> <p>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.</p> <p>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.</p>	<p>Article 29</p> <p>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, after the Company paid all taxes, dues and offset its accumulated losses, shall first set aside 10% of such profits as legal reserve, 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 in accordance with the resolution of shareholders' meeting. 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.</p>	<p>The amendment is in accordance with Article 237, Article 240 and Article 241 of the Company Act</p>
<p>Article 30 (Deleted)</p>	<p>Article 30</p> <p>The whole or a part of the surplus profit distributable as dividends and bonuses pursuant to the preceding Article may be distributed in the form of new issued shares by a resolution adopted at the shareholders' meeting in accordance with the Company Act. The distribution of dividends and bonuses shall be based on the shareholders as recorded in the shareholders' roster of the target date fixed by the Company.</p>	<p>The deletion is to conform to the modified Article 29 of the Articles of Incorporation</p>
<p>Article 35</p> <p>Add "the thirty-ninth Amendment on June 26, 2019" in addition to the current provisions.</p>	<p>Article 35 (omit)</p>	<p>Add the date of amendment</p>

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 2 Scope of Assets The term "assets" as used in these Regulations includes the following:</p> <ol style="list-style-type: none"> 1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities. 2. Real property (including land, houses and buildings, and investment property) and equipment. 3. Memberships. 4. Patents, copyrights, trademarks, franchise rights, and other intangible assets. 5. Right-of-use assets. 6. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts. 7. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156-3 of the Company Act. 8. Other major assets. 	<p>Article 2 Scope of Assets The term "assets" as used in these Regulations includes the following:</p> <ol style="list-style-type: none"> 1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities. 2. Real property (including land, houses and buildings, investment property and rights to use land) and equipment. 3. Memberships. 4. Patents, copyrights, trademarks, franchise rights, and other intangible assets. 5. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, and swap contracts, and compound contracts combining the above products, whose value is derived from assets, interest rates, foreign exchange rates, indexes or other interests. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) agreements. 6. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156, paragraph 8 of the Company Act. 7. Other major assets. 	<p>The amendment is in accordance with Article 3 and Article 4 of "Regulations Governing the Acquisition and Disposal of Assets by Public Companies".</p>
<p>Article 3 Appraisal Procedures 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>	<p>Article 3 Appraisal Procedures 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>	<p>The amendment is in accordance with Article 11 of "Regulations Governing the</p>

Amended Article	Current Article	Note
<p>1. 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.</p> <p>2. 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.</p> <p>3. 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 the international examples or market practice, useful life, and the impact to the technology and business of the Company. Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more 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.</p> <p>4. 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.</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</p>	<p>1. 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.</p> <p>2. In acquiring of real property or equipment 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 or equipment 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 or equipment shall be executed in compliance with Article 3-2 of this Procedures.</p> <p>3. 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 shall refer the international examples or market practice, useful life, and the impact to the technology and business of the Company. Where the Company acquires or disposes of memberships or intangible assets and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, unless transacting with a 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.</p> <p>4. 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.</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</p>	<p>Acquisition and Disposal of Assets by Public Companies”.</p>

Amended Article	Current Article	Note
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.	into consideration. It shall be executed in compliance with Chapter IV of this Procedures.	
<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 and suppliers' quotation.</p> <p>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"> 1. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained. 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"> (1) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount. (2) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount. 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. 	<p>Article 3-2 Appraisal for Real Property or Equipment</p> <p>In acquiring or disposing of real property or equipment, the Company shall refer publicly announced present value, assessed present value, actual deal price for the real estate in the neighborhood or book value and suppliers' quotation.</p> <p>Where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, unless transacting with a government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment 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"> 1. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained. 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"> (1) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount. (2) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount. 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. 	The amendment is in accordance with Article 9 of "Regulations Governing the Acquisition and Disposal of Assets by Public Companies".
Article 5 Operating Procedures 1.The degree of authority delegated and the levels to which authority is delegated	Article 5 Operating Procedures 1.The degree of authority delegated and the levels to which authority is delegated	The amendment is in accordance

Amended Article	Current Article	Note
<p>(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.</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</p>	<p>(1) In acquiring or disposing of real property or equipment 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 be followed for any future changes to the terms and conditions of the transaction.</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 its 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>with Article 9 and Article 15 of “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”.</p>

Amended Article	Current Article	Note
<p>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:</p> <p>(I) Acquisition or disposal of equipment or right-of-use assets thereof held for business use. (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. (the rest of this article is unchanged)</p>	<p>(7) With respect to the acquisition or disposal of business-use equipment between the Company and its parent or subsidiaries, 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.</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. (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 or more of paid-in capital, 10 percent or more 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</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 from or to a related party, or acquisition or disposal of assets other than real property from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of 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 the type of asset acquired or disposed is equipment for business use, the trading</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>furthermore the trading counterparty is not a related party, and the transaction amount reaches NT\$500 million 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 or more of paid-in capital or NT\$300 million; 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, respectively) 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, respectively) 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>counterparty is not a related party, and the transaction amount reaches NT\$500 million 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 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 or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>(I) Trading of 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 real property acquisitions and disposals (cumulative acquisitions and disposals, respectively) within the same development project within the preceding year.</p> <p>(IV) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) 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 7 Scope and Limitation of Investment</p> <p>Except that the acquisition of assets for business use, the limitation of acquisition applicable to real estate and right-of-use assets thereof not for business use, or securities by the Company and its subsidiaries respectively are as follows :</p> <p>1. Total amount of acquisition applicable to all real estate and right-of-use assets thereof not for business use shall not exceed 50% of the Company's net worth.</p>	<p>Article 7 Scope and Limitation of Investment</p> <p>Except that the acquisition of assets for business use, the limitation of acquisition applicable to real estate not for business use, or securities by the Company and its subsidiaries respectively are as follows :</p> <p>1. Total amount of acquisition applicable to all real estate not for business use shall not exceed 50% of the Company's net worth.</p> <p>2. Total amount of all investments in securities</p>	<p>The amendment is in accordance with Article 7 of "Regulations Governing the Acquisition and Disposal of Assets by Public Companies"</p>

Amended Article	Current Article	Note
<p>2. Total amount of all investments in securities shall not exceed 100% of the Company's net worth.</p> <p>3. The amount of investment in individual security shall not exceed 50% of the Company's net worth.</p>	<p>shall not exceed 100% of the Company's net worth.</p> <p>3. The amount of investment in individual security shall not exceed 50% of the Company's net worth.</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 or more of paid-in capital, 10 percent or more 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> <ol style="list-style-type: none"> 1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets. 2. The reason for choosing the related party as a trading counterparty. 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. 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. 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 of the funds utilization. 6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article. 7. Restrictive covenants and other important stipulations associated with the transaction. <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</p>	<p>Article 11 Resolution Procedures</p> <p>When the Company intends to acquire or dispose of real property with a related party, or when the Company intends to acquire or dispose of assets other than real property with to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, except in trading of 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> <ol style="list-style-type: none"> 1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets. 2. The reason for choosing the related party as a trading counterparty. 3. With respect to the acquisition of real property from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 12 and Article 13. 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. 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 of the funds utilization. 6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article. 7. Restrictive covenants and other important stipulations associated with the transaction. <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</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>reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p>	<p>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 12 Evaluation of Reasonableness of Transaction Costs</p> <p>The Company that acquires real estate or right-of-use assets thereof from a related party, shall evaluate the reasonableness of the transaction costs by the following means and engage a CPA to check the appraisal and render a specific opinion :</p> <p>1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the Company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.</p> <p>2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the trading counterparties.</p> <p>3. Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph. However, one of the following circumstances exists, the acquisition shall be conducted in accordance with preceding article and the preceding paragraphs do not apply:</p> <p>1. The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.</p> <p>2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.</p> <p>3. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the Company's own land or on rented land,.</p> <p>4. The real property right-of-use assets for business use are acquired by the Company with its parent or subsidiaries, or by its subsidiaries in which it</p>	<p>Article 12 Evaluation of Reasonableness of Transaction Costs</p> <p>The Company that acquires real estate from a related party, shall evaluate the reasonableness of the transaction costs by the following means and engage a CPA to check the appraisal and render a specific opinion :</p> <p>1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the Company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.</p> <p>2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the trading counterparties.</p> <p>3. Where land and structures thereupon are combined as a single property purchased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph. However, one of the following circumstances exists, the acquisition shall be conducted in accordance with preceding article and the preceding paragraphs do not apply:</p> <p>1. The related party acquired the real property through inheritance or as a gift.</p> <p>2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property to the signing date for the current transaction.</p> <p>3. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the Company's own land or on rented land,.</p>	<p>The amendment is in accordance with Article 16 of “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”</p>

Amended Article	Current Article	Note
<p>directly or indirectly holds 100 percent of the issued shares or authorized capital.</p>		
<p>Article 13 Steps for Appraisal Cost Lower than Transaction Price</p> <p>Where the Company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with the preceding article are uniformly lower than the transaction price, the following steps shall be taken:</p> <ol style="list-style-type: none"> 1. A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Act against the difference between the real property or right-of-use assets thereof transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. And that has set aside a special reserve may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent. 2. The independent director members of the audit committee shall comply with Article 218 of the Company Act. 3. Actions taken pursuant to the preceding two subparagraphs shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus. 4. It shall also comply with the preceding three subparagraphs if there is other evidence indicating that the acquisition was not an arms length transaction. <p>However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:</p> <ol style="list-style-type: none"> 1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions: <ol style="list-style-type: none"> (1) Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the 	<p>Article 13 Steps for Appraisal Cost Lower than Transaction Price</p> <p>Where the Company acquires real property from a related party and the results of appraisals conducted in accordance with the preceding article are uniformly lower than the transaction price, the following steps shall be taken:</p> <ol style="list-style-type: none"> 1. A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. And that has set aside a special reserve may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased at a premium, or they have been disposed of, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent. 2. The independent director members of the audit committee shall comply with Article 218 of the Company Act. 3. Actions taken pursuant to subparagraph 1 and subparagraph 2 shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus. 4. It shall also comply with the preceding three subparagraphs if there is other evidence indicating that the acquisition was not an arms length transaction. <p>However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:</p> <ol style="list-style-type: none"> 1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions: <ol style="list-style-type: none"> (1) Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the 	<p>The amendment is in accordance with Article 17 and Article 18 of "Regulations Governing the Acquisition and Disposal of Assets by Public Companies"</p>

Amended Article	Current Article	Note
<p>most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.</p> <p>(2) Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.</p> <p>2. Where it acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.</p> <p>Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtaining of the right-of-use assets thereof.</p>	<p>construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.</p> <p>(2) Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market practices.</p> <p>(3) Completed leasing transactions by unrelated parties for other floors of the same property from within the preceding year, where the transaction terms are similar after calculation of reasonable price discrepancies among floors in accordance with standard property leasing market practices.</p> <p>2. Where it acquiring real property from a related party provides evidence that the terms of the transaction are similar to the terms of transactions completed for the acquisition of neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.</p> <p>Completed transactions for neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transaction for similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property.</p>	
<p>Article 14 Principles and Guidelines of Transactions</p> <p>1.Transaction types : The type of derivatives that the Company shall engage in is mainly with futures contracts and options contracts, if the Company intends to engage in the trading of other derivatives provided in Article 2, it shall be executed after approval by the board of directors in advance. (the rest of this article is unchanged)</p>	<p>Article 14 Principles and Guidelines of Transactions</p> <p>1.Transaction types : The type of derivatives that the Company shall engage in including forward contracts, options, interest rates swap, currency swaps, futures, bonds margin trading, and compound contracts combining the above products. At present, the Company is mainly engaged in the scope of operation of derivatives with futures contracts and options, if the Company intends to engage in the trading of other derivatives, it shall be executed after approval by the board of directors in advance. (the rest of this article omit is unchanged)</p>	<p>The amendment is modified in accordance with Article 2 of this Procedures</p>
<p>Article 15 Risk Management Measures (paragraph 1 to paragraph 2 is unchanged)</p> <p>3. Positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. Evaluation reports shall be submitted to senior management personnel authorized by the board of directors.</p>	<p>Article 15 Risk Management Measures (paragraph 1 to paragraph 2 is unchanged)</p> <p>3. Positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. Evaluation reports shall be presented to senior management personnel authorized by the board of directors.</p>	<p>The amendment is in accordance with Article 20 of “Regulations Governing the Acquisition</p>

Amended Article	Current Article	Note
		and Disposal of Assets by Public Companies”
<p>Article 25 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"> 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. 2. May not be a related party or de facto related party of any party to the transaction. 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. <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"> 1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence. 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. 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. 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>Article 25 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 not be a related party of any party to the transaction.</p>	<p>The amendment is in accordance with Article 5 of “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”</p>

Attachment 8

CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD.

Comparison Table for the Operational Procedures for Endorsements/Guarantees

Amended Article	Current Article	Note
<p>Article 10 Announcement and reporting procedures</p> <p>1. The company shall announce and report the previous month's balance of endorsements/guarantees of the Company and its subsidiaries by the tenth day of each month.</p> <p>2. Other than the provision of the preceding paragraph, the Company whose balance of endorsements/guarantees reaches one of the following levels shall announce and report such event within two days commencing immediately from the date of occurrence:</p> <p>(1) The aggregate balance of endorsements/guarantees by the Company and its subsidiaries reaches 50 percent or more of the Company's net worth as stated in its latest financial statement.</p> <p>(2) The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches 20 percent or more of the Company's net worth as stated in its latest financial statement.</p> <p>(3) The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches NT\$10 millions or more and the aggregate amount of all endorsements/guarantees for the book value of investment adopted by the equity method and balance of loans to such enterprise reaches 30 percent or more of Company's net worth as stated in its latest financial statement.</p> <p>(4) The amount of new endorsements/guarantees made by the Company or its subsidiaries reaches NT\$30 million or more, and reaches 5 percent or more of the Company's net worth as stated in its latest financial statement.</p> <p>The term "Date of occurrence" as used in the preceding paragraph means the date of signing contract, date of payment, dates of boards of directors resolutions, or other date that can confirm the entities for which the company make endorsements/guarantees and monetary amount, whichever date is earlier.</p>	<p>Article 10 Announcement and reporting procedures</p> <p>1. The company shall announce and report the previous month's balance of endorsements/guarantees of the Company and its subsidiaries by the tenth day of each month.</p> <p>2. Other than the provision of the preceding paragraph, the Company whose balance of endorsements/guarantees reaches one of the following levels shall announce and report such event within two days commencing immediately from the date of occurrence:</p> <p>(1) The aggregate balance of endorsements/guarantees by the Company and its subsidiaries reaches 50 percent or more of the Company's net worth as stated in its latest financial statement.</p> <p>(2) The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches 20 percent or more of the Company's net worth as stated in its latest financial statement.</p> <p>(3) The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches NT\$10 millions or more and the aggregate amount of all endorsements/guarantees for a long-term investment and balance of loans to such enterprise reaches 30 percent or more of Company's net worth as stated in its latest financial statement.</p> <p>(4) The amount of new endorsements/guarantees made by the Company or its subsidiaries reaches NT\$30 million or more, and reaches 5 percent or more of the Company's net worth as stated in its latest financial statement.</p> <p>The term "Date of occurrence" as used in the preceding paragraph means the date of signing transaction contract, date of payment, dates of boards of directors resolutions, or other date that can confirm the counterparty and monetary amount of the transaction, whichever date is earlier.</p>	<p>The amendment is in accordance with Article 7 and Article 25 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.</p>

Amended Article	Current Article	Note
<p>Article 12 Other Matters</p> <p>1. Any matters that are not contained in this Operational Procedures shall be handled according to related regulations and laws, as well as regulations of the Company.</p> <p>2. The amendments of this Operational Procedures shall be according to the consent of audit committee, then be submitted to the board of directors for a resolution and proposed to the shareholders' meeting for approval.</p> <p>If a director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to the audit committee and proposed to the shareholders' meeting for discussion.</p> <p>The operation of the audit committee provided in this Operational Procedures shall be executed in compliance with Article 14-5 of the Securities and Exchange Act.</p>	<p>Article 12 Other Matters</p> <p>1. Any matters that are not contained in this Operational Procedures shall be handled according to related regulations and laws, as well as regulations of the Company.</p> <p>2. The amendments of this Operational Procedures shall be according to the consent of audit committee, then be passed by the board of directors and proposed to the shareholders' meeting for approval.</p> <p>If a director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to the audit committee and proposed to the shareholders' meeting for discussion.</p> <p>The operation of the audit committee provided in this Operational Procedures shall be executed in compliance with Article 14-5 of the Securities and Exchange Act.</p> <p>When this Operational Procedures is discussed by the board of directors, it shall take into full consideration each independent director's opinions; independent directors' opinions specifically expressing assent or dissent and their reasons for dissent shall be included in the minutes of the board of directors' meeting.</p>	<p>The amendment is in accordance with Article 11 of the Regulations Governing Loaning of Funds and Making of Endorsements/ Guarantees by Public Companies.</p>

Attachment 9

CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD.

Comparison Table for the Operational Procedures for Loaning Funds to Others

Amended Article	Current Article	Note
<p>Article 4 Aggregate Amount of Loans and the Maximum Amount Permitted to a Single Borrower</p> <p>1. The aggregate amount of loans to others shall not exceed 50 percent of the net worth of the Company.</p> <p>Where the short-term financing facility to companies or firms is necessary, such financing amount shall not exceed 40 percent of the Company's net worth.</p> <p>The responsible person of a company who has violated the provisions of the preceding sub-paragraph 2 and Article 2 shall be liable, jointly and severally with the borrower, for the repayment of the loan at issue and for the damages, if any, to company resulted there-from.</p> <p>2. The inter-company loans of funds between overseas companies in which the Company holds 100 percent of the voting shares directly or indirectly, or the aforesaid overseas companies loan to the Company, the financial amount shall be free from the restrictive requirement provided in the sub-paragraph 2 of the preceding paragraph, however, the aggregate amount of loans and the maximum amount loaned to a single borrower shall not exceed 50 percent of the net worth of the lending company.</p> <p>3. The maximum amount loaned to any single company or firm shall not exceed 30 percent of the net worth of the Company.</p> <p>Where funds are loaned for reasons of business dealings, in addition to the provision of preceding sub-paragraph, the amount loaned shall be commensurate the amount of the sales or purchase of the latest year or the current year up to the time of loan is made, whichever is higher.</p>	<p>Article 4 Aggregate Amount of Loans and the Maximum Amount Permitted to a Single Borrower</p> <p>1. The aggregate amount of loans to others shall not exceed 50 percent of the net worth of the Company.</p> <p>Where the short-term financing facility to companies or firms is necessary, such financing amount shall not exceed 40 percent of the Company's net worth. Provided that the inter-company loans of funds between overseas companies in which the Company holds 100 percent of the voting shares directly or indirectly, the total financing amount shall not exceed 50 percent of the net worth of the lending company.</p> <p>2. The maximum amount loaned to any single company or firm shall not exceed 30 percent of the net worth of the Company.</p> <p>Where funds are loaned for reasons of business dealings, in addition to the provision of preceding paragraph, the loaned amount shall be commensurate with the amount of the sales or purchase of the latest year or the current year up to the time of loan is made, whichever is higher.</p>	<p>The amendment is in accordance with Article 3 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.</p>
<p>Article 5 Duration of loans and calculation of interest</p> <p>The Company's loans of funds, except the loaning funds of short-term financing of paragraph 2 of Article 2, the duration of each loan shall not exceed the maximum of three years from the lending date. The calculation of interest rates is negotiated by both parties. In principle, the interest rates shall use deposit</p>	<p>Article 5 Duration of loans and calculation of interest</p> <p>The Company's loans of funds, except the loaning funds of short-term financing of paragraph 2 of Article 2, the duration of each loan shall not exceed the maximum of three years from the lending date. The calculation of interest rates is negotiated by both parties. In principle, the interest rates shall use deposit</p>	<p>The amendment is in accordance with Article 3 of the Regulations Governing Loaning of Funds and Making of</p>

Amended Article	Current Article	Note
<p>interest rate of the Central Bank as standard, and the interest rate shall not be less than half of the deposit interest rate.</p> <p>The inter-company loans of funds between overseas companies in which the Company holds 100 percent of the voting shares directly or indirectly, or the aforesaid overseas companies loan to the Company, the duration of each loan shall be conducted in compliance with preceding paragraph.</p>	<p>interest rate of the Central Bank as standard, and the interest rate shall not be less than half of the deposit interest rate.</p> <p>The inter-company loans of funds between overseas companies in which the Company holds 100 percent of the voting shares directly or indirectly, the duration of each loan shall be conducted in compliance with preceding paragraph.</p>	<p>Endorsement s/Guarantees by Public Companies.</p>
<p>Article 8 Announcement and reporting procedures</p> <p>1. The Company shall announce and report the previous month's loan balances of the Company and its subsidiaries by the tenth day of each month.</p> <p>2. Other than the provision of the preceding paragraph, the Company whose loans of funds reach one of the following levels shall announce and report such event within two days commencing immediately from the date of occurrence:</p> <p>(1) The aggregate balance of loans to others by the Company and its subsidiaries reaches 20 percent or more of the Company's net worth as stated in its latest financial statement.</p> <p>(2) The balance of loans by the Company and its subsidiaries to a single enterprise reaches 10 percent or more of the Company's net worth as stated in its latest financial statement.</p> <p>(3) The amount of new loans of funds by the Company or its subsidiaries reaches NT\$10 million or more, and reaches 2 percent or more of the Company's net worth as stated in its latest financial statement.</p> <p>The term "Date of occurrence" as used in the preceding paragraph means the date of signing contract, date of payment, dates of boards of directors resolutions, or other date that can confirm the entities to which the company may loan funds and monetary amount, whichever date is earlier.</p>	<p>Article 8 Announcement and reporting procedures</p> <p>1. The Company shall announce and report the previous month's loan balances of the Company and its subsidiaries by the tenth day of each month.</p> <p>2. Other than the provision of the preceding paragraph, the Company whose loans of funds reach one of the following levels shall announce and report such event within two days commencing immediately from the date of occurrence:</p> <p>(1) The aggregate balance of loans to others by the Company and its subsidiaries reaches 20 percent or more of the Company's net worth as stated in its latest financial statement.</p> <p>(2) The balance of loans by the Company and its subsidiaries to a single enterprise reaches 10 percent or more of the Company's net worth as stated in its latest financial statement.</p> <p>(3) The amount of new loans of funds by the Company or its subsidiaries reaches NT\$10 million or more, and reaches 2 percent or more of the Company's net worth as stated in its latest financial statement.</p> <p>The term "Date of occurrence" as used in the preceding paragraph means the date of signing transaction contract, date of payment, dates of boards of directors resolutions, or other date that can confirm the counterparty and monetary amount of the transaction, whichever date is earlier.</p>	<p>The amendment is in accordance with Article 7 of the Regulations Governing Loaning of Funds and Making of Endorsement s/Guarantees by Public Companies.</p>
<p>Article 13 In Effect and Revision</p> <p>The amendments of this Operational Procedures shall be subject to the consent of audit committee, then be submitted to the board of directors for a resolution and proposed to the shareholders' meeting for approval.</p> <p>If a director expresses dissent and it is contained</p>	<p>Article 13 In Effect and Revision</p> <p>The amendments of this Operational Procedures shall be subject to the consent of audit committee, then be passed by the board of directors and proposed to the shareholders' meeting for approval.</p> <p>If a director expresses dissent and it is</p>	<p>The amendment is in accordance with Article 8 of the Regulations Governing Loaning of Funds and</p>

Amended Article	Current Article	Note
<p>in the minutes or a written statement, the company shall submit the director's dissenting opinion to the audit committee and proposed to the shareholders' meeting for discussion.</p> <p>The operation of the audit committee provided in this Operational Procedures shall be executed in compliance with Article 14-5 of the Securities and Exchange Act.</p>	<p>contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to the audit committee and proposed to the shareholders' meeting for discussion.</p> <p>The operation of the audit committee provided in this Operational Procedures shall be executed in compliance with Article 14-5 of the Securities and Exchange Act.</p> <p>When this Operational Procedures is discussed by the board of directors, it shall take into full consideration each independent director's opinions; independent directors' opinions specifically expressing assent or dissent and their reasons for dissent shall be included in the minutes of the board of directors' meeting.</p>	<p>Making of Endorsement s/Guarantees by Public Companies.</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 15, 2017

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, and is named 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, and has its plants in Kaohsiung City, Taichung City and Nantou County, Taiwan, Republic of China. When it is necessary and with a resolution by the Board of Directors, the Company may set up branch offices and plants at other locations.

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 bear shareholders' name, be affixed with the signatures or personal seals of at least three or more directors, serially numbered, indicated the particulars in accordance with Article 162 of the Company Act and duly authenticated by the competent authority or an institution approved by the competent authority 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 shall be convened by the Chairman of the Board of Directors, except for the first meeting of each term of the Board of Directors, which shall be convened by the director who received a ballot representing the largest number of votes at the election 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, after the Company paid all taxes, dues and offset its accumulated losses, shall first set aside 10% of such profits as legal reserve, 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 in accordance with the resolution of shareholders' meeting. 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.

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

The whole or a part of the surplus profit distributable as dividends and bonuses pursuant to the preceding Article may be distributed in the form of new issued shares, by a resolution adopted at the shareholders' meeting in accordance with the Company Act. The distribution of dividends and bonuses shall be based on the shareholders as recorded in the shareholders' roster of the target date fixed by the Company.

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. 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.
Shareholding of All Directors

List of Directors

Record Date : April 28, 2019

Position	Name	Date Elected	Shareholding While Elected			Current Shareholding			Remarks	
			Type	Shares	Shareholding Ratio%	Type	Shares	Shareholding Ratio%		
Chairman	Wu Yeh, Cheng	June 13, 2018	Common Shares	26,802,733	10.00%	Common Shares	26,802,733	10.00%		
Director	Prasert Poongkumarn									Representatives of Charoen Pokphand (Taiwan) Investment Ltd.
Director	Chu Hsiung, Lin									
Director	Thong Chotirat									
Director	Monchai Leelaharat									
Independent Director	Yen Sung, Li	June 13, 2018	Common Shares	0	0.00%	Common Shares	0	0.00%		
Independent Director	Chia Nan, Fang	June 13, 2018	Common Shares	0	0.00%	Common Shares	0	0.00%		
Independent Director	Tsu M. Ongg	June 13, 2018	Common Shares	0	0.00%	Common Shares	0	0.00%		
Total				26,802,733			26,802,733			

Total issued shares on June 13, 2018: 267,990,998 Shares

Total issued shares on April 28, 2019: 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 28, 2019: 26,802,733 shares

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